CS TECH Ai
Enhancing Possibilities

Date: August 18, 2026

To,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G-Block Bandra Kurla Complex, Bandra (E) Mumbai – 400 051

Trading Symbol: CEINSYS

To,
BSE Limited
Phiroze Jeejeebhoy Towers Dalal Street
Mumbai – 400001

Scrip Code: 538734

Subject: Submission of Transcript of Q1 FY2026-27 Earnings Call held on August 14, 2026

Dear Sir/Madam,

Further to our letter dated August 11, 2026, we are forwarding herewith a copy of the Transcript of Q1 FY2026-27 Earnings Call hosted by Arihant Capital Markets Limited, on Friday, August 14, 2026, at 11:30 AM (IST) to discuss the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter ended on June 30, 2026, with the Management of the Company.

The same is also available on website of the Company at www.cstech.ai.

This is for your information and records.

Thanking you,

Yours faithfully
For Ceinsys Tech Limited
Pooja Sunil Karande
Digitally signed by Pooja Sunil Karande
Date: 2026.08.18 16:30:48 +05'30'
Pooja Karande
Company Secretary &
Compliance Officer
M. No. A54401

Enclosure: As above

“Ceinsys Tech Limited

Q1 FY '27 Earnings Conference Call”

August 14, 2026

MANAGEMENT:	**MR. KAUSHIK KHONA – MANAGING DIRECTOR-INDIA OPERATION – CEINSYS TECH LIMITED** **DR ABHAY KIMMATKAR – MANAGING DIRECTOR -- CEINSYS TECH LIMITED** **MRS. AMITA SAXENA – CHIEF FINANCIAL OFFICER – CEINSYS TECH LIMITED**
MODERATOR:	**MR. RIDDHESH KADAM – ARIHANT CAPITAL MARKETS LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Ceinsys Tech Limited Q1 FY '27 Earnings Conference Call, hosted by Arihant Capital Markets. As a reminder, all participant lines will be in the listen only mode, and there will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during this conference call, please signal an operator by pressing start then zero on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Riddhesh Kadam from Arihant Capital Markets. Thank you, and over to you, sir.

Riddhesh Kadam: Hello, and good morning to everyone. On behalf of Arihant Capital Markets, I thank you all for joining me to the Q1 FY '27 Earnings Conference Call of Ceinsys Tech Limited. Today from the management, we have Mr. Kaushik Khona, Managing Director, India Operations; Dr. Abhay Kimmatkar, Managing Director; Ms. Amita Saxena, CFO. So without any further delay, I'll hand over the call to management for their opening remarks. Over to you, sir.

Kaushik Khona: Thank you, Riddhesh-ji. Thank you, and good morning, everyone. It is a pleasure to welcome you to this earnings conference call for the first quarter of financial year 2026-'27. Let me first thank our host for today's con call, M/s. Arihant Capital. In the interest of some of the people who may be new to the company, let me first start by giving you a brief overview of the company first, followed by the performance highlights for the quarter under review.

Ceinsys Tech, which is rebranded to CS TECH Ai while the corporate name remains as Ceinsys Tech Limited, we are a leading technology solution provider in the IT-enabled sector, providing engineering and technology solutions in the infrastructure domain. We have a claim for our expertise in geospatial engineering as well as other engineering services and solutions. We offer a broad range of geospatial intelligence services, including data creation, data analytics, decision support system and enterprise web solutions.

After the acquisition of Mobility business of Allegro in 2022, we acquired a geospatial business of VTS in U.S.A in 2024, which was majorly operating in telecom domain. Since then, we are identifying some more targets for inorganic growth to expand our horizon into the domain where the company is already operating. That is the geospatial engineering services and the technology solutions for which the company has already mobilized almost around USD28 million.

We serve prestigious global client that include large corporates, OEMs, asset management companies and government bodies, highlighting its robust reputation in both geospatial and manufacturing sectors, with offices in India, in U.S., U.K. and Germany, the company combines local expertise with a broad international reach.

Additionally, the company has initiated and invested into a development of product solutions focused on infrastructure vertical and emerging technologies through a vertical focus on the artificial intelligence and machine learning and embedded electronics. This vertical emphasize the development of the AI and ML-enabled applications and solutions to enhance our delivery for the existing domains at the outset and then reflecting the company's commitment to innovation and maintaining a competitive edge in the dynamic technological and scale.

Now let me come to the financial and operational highlights for the first quarter of the financial year 2026-'27. We are going to disclose the consolidated numbers. For the quarter under review, operational revenue stood at INR158 crores registering a marginal year-on-year growth of 1%. EBITDA increased substantially by 27% on a year-on-year basis to INR39 crores, with EBITDA margins improving to 24.4%, representing an expansion of 505 basis points over the corresponding period last year.

This improvement was supported by continued gains in the project delivery efficiency with EBITDA increasing sequentially for the eighth consecutive quarter. Profit after tax stood at INR31 crores, which was a marginal decline, while PAT margin stood at 19.6%, a contraction of around 59 basis points year-on-year.

In terms of segmental performance, our Geospatial Engineering Services revenue for the quarter increased by 30% year-on-year to INR94 crores, while Technology Solutions side, revenue declined by around 25% year-on-year to INR63 crores. For the benefit of all, the mix between the Geospatial Engineering Services and the Technology Solutions side keeps on changing based on the execution phase of each project. As a team, the company aims to enhance its technology services segment revenue and aims to go beyond 51% of the total segment revenue.

Moving to our operational performance, the quarter saw continued momentum in our order inflows, with the company securing fresh contracts worth INR143 crores during the period. Our order book stood at INR990 crores at the end of quarter, providing a healthy base for the revenue visibility going forward. We continue to see encouraging traction across our key business verticals.

Our international geospatial mobility business showed a meaningful improvement during the quarter with new business development opportunities and contract awards gaining momentum. This progress is encouraging as we continue to expand our presence across international markets and leverage our capabilities across geospatial engineering and mobility solutions.

We are also taking deliberate steps to build capabilities in emerging technology areas. We have approved an investment up to INR25 crores in joint venture with AI Fabric USA to be incorporated to create a sovereign AI new cloud in India for Indian government, citizens and companies focused on cybersecurity, services and defense to offer GPU-as-a-service, model-as-a-service and AI service, to build or lease data center capacity. This initiative is aimed at creating capabilities in an emerging technology segment while complementing our existing technology strength.

On the domestic front, our engagement with government-led programs also continues to strengthen. We have received a Letter of Intent from the Director of Urban Administration and Development, Madhya Pradesh for the selection and appointment of a manpower agency for beneficiary led constant vertical under the Pradhan Mantri Awas Yojana with a total contract value of approximately INR67 crores, which is going to be gained over the next 3 years. This contract enables application of enterprise solutions-based gospatial technology and also application of AI.

We also strengthened our presence with water and smart city infrastructure segment. We recently issued a Letter of Intent from Bhandara Municipal Counsel for a supply, installation, commissioning of a consumer, domestic ultrasonic and electromagnetic AMR water meters under the Amrut 2.0 with an order value of INR17 crores.

This project is to be executed over a period of 12 months and further strengthens our capabilities in smart water management solutions. Our recent order wins also demonstrate the breadth of capabilities across our business. In the mobility segment, we have received an order of approximately INR4 crores from EKS InTec India for design planning and simulation of 4 production lines to be executed over 3 months.

We also secured international order for US subsidiary, Technology Association for the beta development of hybrid power transfer case for Emotiv Mobility USA valued at around INR4 crores. The routine contracts for mobility continue, which are not built in the order book.

In our geospatial business, we continue to deepen our engagement with international customers, our early engagement with T Second includes NVMe drive supply as well as AI-powered building and road extraction encroachment and asset monitoring through BRYCK AI platform, along with enterprise geospatial imagery repository and AI feature extraction capabilities. The aggregate value of these purchase orders was INR30 crores.

On working capital cycle stood at 164 days during the quarter broadly in line with the levels seen over the previous 2 quarters. We expect recent – we have received recent government institution issued by Maharashtra government towards allocation of funds for the dues related to IoT and other projects to support collection and meaningfully improve the working capital cycle over the next 2 to 3 quarters.

Overall, we remain focused on converting a strong order pipeline to execution, while continue to diversify across geographies, business verticals and emerging technology opportunities. With improving traction in our international businesses, a healthy order book and new initiatives in AI and digital technologies, we believe we are building a stronger and more diversified platform for sustainable growth.

With this, now I open the floor for question-and-answer session. Thank you.

Moderator: Thank you very much, sir. We have our first question from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: Am I audible, sir?

Kaushik Khona: Yes, sir.

Deepak Poddar: Yeah, Ma'am. Thank you very much sir for this opportunity. Sir just first, I wanted to understand this is around INR1,000 crores order that we had. What would be the execution time line? And then, what sort of order pipeline we have and order inflow target that we are looking at?

Kaushik Khona: So I will just give you the breakup of the order book. As I said, we have around INR990 crores order book. The execution time lines will be -- some orders have to be executive within 3 months, some 6 months, some 12 months and some of them have a plan up to 18 months. There are certain orders, which also have O&M, which goes beyond the capex position, which goes to 2 years to 5 years, the O&M position. So there are orders which have an execution time line, which are different. On an average, the execution time line weighted average will be between 12 to 18 months. I hope I answered your question. As regards to funnel, if Dr. Abhay would like to comment.

Abhay Kimmatkar: No, no. I continuing with what about Mr. Khona has said. We have the execution spread up next 2, 3 years, the first 12 to 18 months would be the capex and then later, we will have 3 or 4 years of the opex. So that order book is going to get spread and we will have that revenue coming through those, yes.

Deepak Poddar: So, on the funnel side, I mean, what sort of funnel we have in terms of order book?

Abhay Kimmatkar: From now onwards?

Deepak Poddar: Yes, I mean going forward this.

Abhay Kimmatkar: Yes, going forward. So next 2 quarters looks very upbeat and -- as in last concall also, we said that we have a robust funnel. We were L1 still a few of them, we were still L1. We are about to receive our orders. Funnel is pretty strong and we'll see, we are surpassing our last year's numbers. That's for sure that I will maintain it and reiterate it, we have a very strong funnel across our order book.

Deepak Poddar: Yes. Will it be possible for you to quantify? I mean what is the range of funnel like you're looking at?

Abhay Kimmatkar: Exact number, I wouldn't be able to tell you. But I think Mr. Khona has indicated you the kind of funnel, a number, but not exactly the number. But definitely, we have surpassed, already said that -- you also said that already cost about INR1,000 crores. So, we will be achieving a similar kind of numbers. But I will pass this question to Kaushik ji.

Kaushik Khona: So, sir, just wanted to reiterate. We don't give the forward guidance because that's not within our policy. But we are -- as Abhay ji already indicated, we have a strong funnel. In fact, the order book within this quarter, which is around INR143 crores also shows a substantial improvement from the order book as compared to the previous 2 quarters.

And as Abhay ji mentioned, there are a few opportunities where we already bid, we expect the results shortly. So, let's -- and as you are aware, as and when we get the substantial orders getting awarded, we also publish it to the Stock Exchange by way of routine declaration. So, we keep you posted about that.

Deepak Poddar: Understood. And just 1 last thing from my side. Now in terms of growth, I think this first quarter, we didn't see much growth rate. So, what efforts we are doing to kind of improve our growth, and what the growth we might be looking. We have seen last 2 years, very good growth in the range of 50%, 60% now. So how should one look at this year and what effort we are doing to improve our growth?

Kaushik Khona: So, as I said, we are on the on the target to not only increase the growth of turnover, we are also on the target to increase the margins. And you would have seen that this quarter, the margins have shown substantial improvement. The growth, obviously, will continue as the fund is also getting built up. Some of the orders, which I already mentioned were INR143 crores, which was received, have the execution time within next 3 months, 6 months.

So, you will see the growth in next 2 to 3 quarters. As I again reiterate and for the benefit of all the listeners, we don't give forward-looking statements, and therefore, we will be restricting ourselves to mention about the numbers, but we are sure to have -- continue the trend of the growth, which we have seen in the last 2.5 years.

Deepak Poddar: Understood. That's very helpful, sir. I mean, and that would be from my side. I would like to wish you all the best. Thank you.

Moderator: We have our next question from the line of Madhur Rathi from Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Thank you for the opportunity, sir. So firstly, I wanted to understand regarding our order book. Sir, Last quarter, our order book was INR880 crores and that has moved to close to INR990 crores this quarter. But if I look at order that we have received of INR140 crores minus order that we executed of close to INR148 crores. So, this number is not matching. So, if you could help me understand on the same.

Kaushik Khona: Thank you for your time and this question. I would just again clarify in the previous conference call also, we have clarified that not all the businesses go into the order book, there are certain run rate businesses, which we don't build in the order book. For example, the Mobility business, we don't build in the order book. For example, the OEM products and services, we don't build into the order book. So therefore, there are certain business segments, which do not form into the order book.

And this quarter also almost say, around INR40 crores -- sorry, around INR50 crores of the turnover was without the order book because they are run rate business. And this run rate business will continue. So, there will be certain orders which flow into the order books and certain the execution happens without the order book also. I hope that reconciliation, if you want, I can make a reconciliation and then give it to the IR agency who can then forward it to you.

So opening balance of INR880 crores. The question, just what needs to be understood is during this quarter, even after execution of INR157 crores, we have increased the net order book by around INR110 crores, which I think is a phenomenal progress. Thank you for your question. And I will pass on the information to IR Agency.

Madhur Rathi: Got it, sir. So, the non-order business, at what rate -- what percentage of our revenue was the number in FY26? And where do we see it scaling in FY27. So can this become like, right now it's close to one third of our business. Can this become 40-45% of our business during this year? Can this become 40%-45% of our business during this year?

Kaushik Khona: So FY26, we had business, as I mentioned, are the 2 segments, which are without order book was INR130 crores, which includes Mobility and the Product Solutions business. There will be some orders, which is within other existing domain, which are small run rate business, which don't go into the order book. But out of INR660 crores which we recorded last year, I think more than 20%, 22% or 25% most without the order book and which traction will continue.

Madhur Rathi: Got it. Sir, just a final question from my side. This fabric AI partnership that you have created. What kind of -- so these INR25 crores investment, what is this towards, and what will be the solution -- will we set up the whole cloud infrastructure for the government and we will receive payment and for that? Or will we just become more of a EPC player for the sovereign cloud. If you could help us understand the direction in which you are planning to go?

Kaushik Khona: So, let me clarify. This is the initial phase of evaluating the business opportunity of setting up the AI cloud for the purpose of sovereign cloud for the government. And this is basically going to cater to the defense requirement of the government is our target. The proposed JV is between AI fabric of U.S. Inc. and with the contribution of 50% each. Present situation is where we are contemplating to incorporate the JV, which should be done in the next 1 or 1.5 months. And after the JV is formed, the complete due diligence and the technical due diligence as well as the market due diligence will be carried out.

And then the phase of -- second phase of another investment of INR20 crores from our side will be done. So that's a kind of present traction. We don't intend to be an EPC company. We intend to be the AI solutions company. That's the objective. We won't be catering to the EPC cost -- the EPC part. But obviously, when we build up our infrastructure, some of the infrastructure will be kind of constructed through contractors also. But our business will be AI solutions, not the EPC.

Madhur Rathi: Got it. Sir, so will we be providing something on the geospatial lines only to the defense sector through this cloud that you are setting up for the government or will it be more of data analytics or something on that front?

Kaushik Khona: No, it will -- as of now, it will be a kind of technology platform, which will integrate the geospatial as well as the satellite data as well as the enterprise solution, which will the user-defined custom oriented based on the requirement of the customer. So right now, we don't -- we are not expecting ourselves to be the only data analytics company. It will be a complete solutions company. But as we progress, we will then keep on kind of updating the investors.

Madhur Rathi: Got it. Sir, just a final question from me, how is the margin for our -- because our margin has improved. So, what has led to this margin improvement. Actually, what is the margin for the order book business versus the run rate business from the Mobility and Product Solutions. So how does the margin defer for these two segments?

Kaushik Khona: So, margins are improving as you see. That is because we are scaling up on the kind of the kind of maturity scale of the businesses. So, we are earlier before 3, 2 years, we were into more of data acquisition. Now we are into more of enterprise solutions. So, we are -- I mean, in a scale of growth, if typically, a business is measured on the platforms like it's a scale 1, scale 2, scale 3, scale 4, scale 4 is the highest.

We don't say we are between scale 2 to scale 3 and going up. So earlier, the margins were, let's say, when we began before 2 years, margins were around 15% to 17%, and we are now going up to 24%. Second issue is, before 2 years, we also enabled our technology solutions as a part of new domain where the margins are slightly better. And therefore, the overall mix of margin will be improving.

As regards the margin in the order book, obviously, they will be either the same or better because as we keep on executing because of the improvement in the way we execute and the economies of scale, the margins are expected to improve. But we would -- as I said in the earlier question also, we don't give guidance about what will be the margin improvement. What was the next question?

Madhur Rathi: No, sir, I think that answers my question. Thank you so much and all the best.

Kaushik Khona: Okay, thank you.

Moderator: **Thankyou. A reminder to all participants, if you wish to ask any question, you may press star and one.**

Next question is from the line of Pujan Shah from Molecule Ventures. Please go ahead.

Pujan Shah: Thanks for the opportunity, sir. My first question pertains to the previous participant. So, I just want to understand if you can explain in a very layman term. So, let's suppose it's a 50-50 JV. We are investing INR25 crores and additionally, we will invest INR20 crores. So that will be the infrastructure which we will be setting up.

Now, I want to understand the second part is after the setting up the infrastructure, all the data we have collected will be stored over there and then we get in. So, at one type of SAAS model, we have been planning to do or we have been thinking of in terms of annuity stream, which could help into increasing yield. What is our expectation in that?

Kaushik Khona: Let me again clarify. Right now, the Board has decided and resolved to invest total INR25 crores in 2 phases, first INR5 crores towards incorporation of the company; and second INR20 crores once the due diligence of the business is done. The due diligence will include the technical as well as the market due diligence. What we have envisaged is to provide the solutions in the form of either the GPU as a service, model as a service or AI services.

And this will be based on the building up of the data center for the purpose of serving the sovereign defense purpose of the country. This is the right now objective. As we progress, I think it's still a little far off to right now comment on what will be the business model and how we will structure the business model because the phase of due diligence, etcetera, will take another 3 to 4 months. And by that time, we will be able to freeze the business model. I hope I answered.

Pujan Shah: Got it, sir. So basically, we are eyeing it in FY28.

Kaushik Khona: You understood right.

Pujan Shah: Yes, right. Yes. Got it. Sir, second question would be on the trade receivables. So, I just want to understand, we have seen a notification from the government that they have released some payment from JJM perspective. So, what are the trade receivables we have been stuck in and how much receivables we are expecting going in a few months? And how is the traction going forward from JJM now?

Kaushik Khona: I would, first of all, answer the question on the overall parameter. If you see our working capital cycle this quarter is also 164 days. And the same previous quarter, previous 2 quarters was also in the range of around 162 to 164 days. So, we have maintained the working capital cycle, which means that whatever billing is happening is being recovered. That is first thing.

Second thing, I also mentioned in our presentation, which is posted on the Stock Exchange that recently, I would say, before 2 weeks, the Government of Maharashtra has issued a GR where they have said that the majority of the funds which was stuck earlier for the IoT-related projects under the Jal Jeevan mission, they have already resolved that the major funds will be disbursed.

And therefore, we expect as per the process which it takes, the time which it takes, we expect that in next 2 to 3 quarters and obviously, before 31st March, all the overdues of IoT projects and other projects which are under the Jal Jeevan Mission will be cleared, which will substantially bring down the working capital cycle. So, this is what we are expecting. However, as I already mentioned, whatever we are billing, we are collecting, so there is no additional buildup of working capital cycle. Amita ji, if you would like to clarify?

Amita Saxena: We have IoT debtors and received from IP approximately UBR of around total amount of INR100 crores, and we are expecting to get these funds by end of third quarter, most probably. So, these -- we have that thing in mind, and we have the clarity from the government also that these funds will get released very soon.

Pujan Shah: And in terms of action, if you can tell something?

Kaushik Khona: So, if you look at our execution in the past 2 quarters of conference also, we have mentioned that while Jal Jeevan Mission projects continue to be executed, our -- the focus now is also going into various other domains. So, for example, transport or energy or other geospatial and recently, if you see the wins which we have had, which is under the Madhya Pradesh Urban and Administration Development Department, there also, it is more of a geospatial.

So, we are taking conscious call to see that we bid for those opportunities where there is more clarity of the funds, budget allocation is already there and funds are already arranged by the government projects. So, earlier, we had a setback for some time till November 2025 for the issues of Jal Jeevan Mission. But now since November '25, we are not seeing any buildup on that and things are more manageable. I hope these things are clarified.

Pujan Shah: Got it, sir. And I want to understand the Allygrow visibility. So how it has been panning out? What are your expectations in terms of growth? And what is the current challenges which we have been facing over there?

Kaushik Khona: So, I think it's been -- at least from 2025 December onwards, we are seeing positivity in the Mobility business. As you may recollect, Allygrow was acquired and then it's already since merged with the company. So right now, Mobility is a division. The only thing which remains out of this company is a JV, which is Allygram, which is JV with Grammer AG of Germany, where we are 70% stakeholder and 30% is Grammer. These results of Grammer are -- these results of Allygram are not consolidated because they are a JV.

Now as regards Mobility, the things are looking better. In fact, Grammer also has seen that there is an improvement in the order book for the calendar year 2026, and that is a general improvement overall in the Mobility business. So, we are expecting some more traction in the Mobility.

On the international side, I think the subsidiary -- wholly owned subsidiary, which has Mobility as well as Geospatial, we are seeing that there is a substantial improvement in this quarter as compared to the previous year same quarter. And even...

Amita Saxena: Top line has also increased for our overseas business in this quarter, even the margins have improved in that business. So, we foresee a good traction in the U.S. subsidiary also in this coming year.

Pujan Shah: Got it, sir. And last time in our conferences, we have mentioned about the RFID of the transport, which we have been planning to scale up. Is that tendering started or it's still under the approval from the government and it will start sooner?

Kaushik Khona: No. So as regards the ITMS and the ATMS business on the transport, which is the intelligent traffic management system, we have already gathered the capabilities. In some of the cases where we did not have, we already tied up with the partners, and we are already in discussion with the government for some more opportunities. So, we expect some positive developments in the next 1 or 2 quarters on the transport domain.

Pujan Shah: Got it. And my last question would be so recently, we have seen order book pipeline has also increased by INR1,000 crores. And while we are without our order reflection, it more or less stays around 20-25%. So, are we expecting a significant revenue in FY27 with the reason being, first of all, our order book is conversion is 12 months to 18 months. And other than that our order book is doesn't include 20% of the new orders inflow. So do we expect a significant INR900 crores to INR1,000 crores mark in FY27?

Kaushik Khona: I would just refrain from giving any guidance on the -- for the future. But our -- as you rightly observed, there is a improvement in the order book. There is a execution time line of 12 months to 18 months in majority of the project. So we are trying to push the execution to increase the kind of level of execution to have the continuous growth as we have seen in the last 2.5 years. We won't be able to give you guidance on what will be the turnover for '26-'27.

Pujan Shah: Got it sir. Thank you, thank you so much. I'll rejoin the queue.

Kaushik Khona: Thank you. The next question is from the line of Rohit from MAPL. Please go ahead.

Rohit: Hi sir, thanks for the opportunity. Sir, my question will be on this growth side for FY27. Sir you mentioned INR990 crores of order book we are yet to execute, right?

Kaushik Khona: Yes, sir.

Rohit: Sir, should we assume like 30%, 40% of this order book will get executed because you have given a weighted average of maybe 12 months, 18 months, how should we think of execution of order book in this financial year?

Kaushik Khona: I have already mentioned that the majority of the orders have the execution time line of 12 months to 18 months. So I think as we progress, some of the orders obviously will get executed. Besides I also mentioned earlier that some of the orders have the execution time line of 3 months, 6 months from the date they have been received.

So obviously, there will be execution within this year itself. What percentage, whether it will be 30%, 40% or 50% of the order book in this financial year, I won't be able to give you guidance. But yes, we are on track with all the milestones, which are as per the order book. We are not behind any of the milestones. So we should be able to progress as per the time lines in the mentioned in the order book.

Rohit: Okay. And sir, and this drivers of this growth, which segment do you think will lead for us?

Kaushik Khona: There are 2 or 3 major initiatives which we are seeing. One is the geospatial enterprise solutions, we are seeing good traction. In fact, in the build-up of order book of INR143 crores, majority of the orders have come from the geospatial enterprise solutions. Besides, we are also expecting a traction in the transport domain because there we see a lot of opportunity, and we have also kind of gathered capabilities to execute our bid for them. And therefore, these are 2 major domains.

Besides, we also see the opportunities in the energy for which some of the opportunities we are also tracking and the satellite defense-related data collection, analytics as well as the enterprise platform for those kind of services. So these are some of the traction which we continue to monitor. And as you already know, we are into all the infrastructure domain so the opportunities in each of the domain continue to be tracked. I hope I answered your question

Rohit: Yes, yes sir understood. And sir, on the margin front, we'll be able to maintain this 22%, 23% margin?

Kaushik Khona: This quarter, we have clocked 24.4%. So I guess we should be able to do that.

Rohit: Understood, understood. Okay. Thank you so much.

Kaushik Khona: Thank you.

Moderator: Thank you. Next question is from the line of Gunit Singh from Counter Cyclical PMS. Please go ahead.

Gunit Singh: Hi sir, thank you for the opportunity. I have a question regarding the order book itself. So in the last con call also you mentioned that we are L1 in 3 large orders whose values were around INR350 crores, INR400 crores, correct me if I'm wrong, which is more than the total order intake last year. So I just want to understand, are we on track for that? Would you mentioned by the end of Q2 or in Q2, we should receive these orders. So can you...

Kaushik Khona: Yes, we are on track. In fact, one of the orders which we already got was that INR67 crores worth of order where we were L1, which we mentioned at that time, although we didn't give the name. And we continue to have other opportunities apart from the 2 which are already in pipeline out of the 3 mentioned in the previous call.

So we continue to bid for the new opportunities and the funnel keeps on increasing as and when the final orders are awarded because once if you can understand and appreciate the bid process itself, typically, once the bids are called for invited, and finally, even if the bids are kind of registered, the evaluation, technical evaluation and the award of the contract typically takes 2 months to 3 months. Sometimes it exceeds 2 months to 3 months also. So therefore, we are on track. We should be able to expect something more. Dr. Abhay, if you would like to add something?

Abhay Kimmatkar: Yes, yes. You rightly mentioned last time also, we had mentioned that we are L1 in 3 or 4 of those orders. Other ones were very small. So we didn't need any mention. But yes, one of that INR67 crores had already come and 2 more are in offering. One of the order may come this quarter will come this quarter. There is a huge process going to board and then giving the final order. So there are a few more tenders just we got those.

One the commercials are yet to be opened. So another 2 orders would be lined up probably in this quarter if those goes well. So we have a very strong pipeline and strong closure anticipating in this and next quarter. So we will be definitely surpassing those. And it's a pretty strong build-up for next 2 quarters, they've already created. So some of the tenders are going to get published. one tender has already got published. So there is a strong pipeline that's what I can reiterate.

Gunit Singh: Got it. So I mean, based on this, we can assume that, I mean, we can close about INR350 crores, INR400 crores order book intake by Q2. Is that a fair understanding?

Kaushik Khona: Sir, as I said, we don't give any guidelines, although the funnel remains to be substantially big. The finality of awarding of an order has a lot of process. So it will be wrong for us to give you any futuristic guidance because that's not as per our policy. But as I said, you can observe that from the last quarter where we had an order book closure of INR880 crores. This quarter, we have INR990 crores after execution of INR157 crores. So obviously, there is improvement, right? And we expect that to further improve. And we will keep on registering as and when we get the orders.

Gunit Singh: Correct. So sir, in FY25, when our order book increased significantly, there was one large order worth INR350 crores itself. So I want to understand how is the, I mean, bid pipeline currently directionally? Are there such orders, are there such, I mean, tenders floated currently, which have such large sizes? Or I mean, directionally, as an investor, we would like to just understand, I mean, not an exact figure, but is the, I mean, tenders currently which are floated right now, are they comparable to the, I mean, demand environment in FY25 or a bit, I mean, slower than that, if you can help us understand how the situation goes.

Abhay Kimmatkar: Yes, yes. So I will put some light on that, that one of the case, but we are building up such cases wherein we can see, such cases take more than 1 or 2 years to build up and get the funding and everything approved and you need a national kind of program and those were JJM projects. So we could get that. But however, after that, we have built up some of the projects, we have built capability and we may see such projects coming in next 1 or 2 years.

We can anticipate to get one of those in this year, fingers crossed. I cannot put a number over there. But if not fourth quarter, first quarter of next year, we will definitely have one of such kind of projects. And we are definitely building up one of the project, which can be really a game changer for us every other year, probably you may find such project coming in.

And we're having specialized team to carry out such kind of mission projects wherein we can get good kind of revenue. So those are there definitely. It's not only one of the projects in 2025 we got. We will have such projects coming in every other year. I hope I answered you.

Gunit Singh: Yes. Great to hear that. So secondly, in terms of our acquisition, we had raised funds, I think, 2 years ago for the acquisition, but it has been delayed since 2 years. So I just want to understand, I mean, what proactive measures are we taking to expedite this process? And I mean, are we currently evaluating any companies for acquisition or should we expect something in FY27 in this regard because it has already been 2 years since we have been trying to do this?

Kaushik Khona: Yes. So I will just take this. When we talk about the raising of INR238 crores for, it was not just acquisition, it was expansion, new opportunities, acquisition and all. And one of the major kind of initiative which we recently took, which I also talked about and where even the Board meeting discussions were also posted on the stock exchange, we are evaluating to kind of set up a JV, which will be into the building of a sovereign AI cloud, where the primary purpose will be to go for defense contract with the government.

Now that, if that fructifies, that also will have a large business investment opportunity, which can be evaluated after the due diligence is already completed, which may take 3 to 4 to 5 months. So as of now while, that was one opportunity we are also simultaneously evaluating few opportunities where we can get maybe a higher return that what we're already getting and therefore it's taking time.

We don't want to invest just for the sake of investing we want to see that investments are in line with what we are doing either it is vertical integration backward or vertical integration forward within our line of business so that it enables the margin expansion. So, we understand your question. We hope that we should be able to give you some kind of visibility about what new investments we are making shortly.

Gunit Singh: Got it. So sir, I mean, around INR300 crores of funds have been lying idle with us since 2 years. And if we look at our current share price, I mean, it has, it is trading at very reasonable valuations. So I mean, why don't we just consider some capital allocation like share buyback, which also, I mean, shows our confidence in our own company and gives a signal to the market as well. And also for the long-standing shareholders, it will be, I mean, beneficial because EPS will be increased permanently because of shares being extinguished from the market. So why don't you consider a share buyback [inaudible 0:42:28]

Amita Saxena: Sir the solution which you are giving is a temporary thing. Share buyback generally happens when you have cash surplus from operations. Whatever funds we have is the promoters who are invested in the company because they are confident about the growth and the future prospects of the company. So the funds which we have arranged is for the growth and development of the organization rather than for this buying back of shares.

Gunit Singh: Sir, but the funds have been idle since 2 years, and we have not been able to get...

Amita Saxena: We have been evaluating few opportunities, but you will appreciate we don't want to invest just because we have funds. So we don't want to invest into an opportunity which is not going to give us a margin or profit margins or something like that, which we are right now in. The business which we are going to, we were exploring, if that is going to reduce the overall margin of the company, we decided not to go for those acquisitions. And we are looking for some good opportunity wherein we can sustain with our margins also along with the investment.

Kaushik Khona: And just to clarify, out of INR230 crores, INR130 crores has been received in March '26. So I mean, it’s just for your clarification.

Amita Saxena: This is last quarter only.

Kaushik Khona: First INR100 crores was received in September '24, but I think the majority fund has been received now. But I think we are on track to see that they are properly used.

Amita Saxena: They are properly invested and we can generate the revenue in long term.

Kaushik Khona: Absolutely.

Amita Saxena: Over those funds.

Gunit Singh: Alright sir, I hope that I mean you make the best decision and I trust the management to do that as well. All the best and thank you very much.

Amita Saxena: Thank you.

Kaushik Khona: Thank you.

Moderator: Thank you. We have our next question from the line of Keshav Garg from Counter Cyclical PMS. Please go ahead.

Keshav Garg: Sir, I wanted to understand that if we look at our 31st March balance sheet, we have a huge unbilled revenue of around INR320 crores, which is like 50% of our stand-alone revenue of last year. Sir, and if we see in the first quarter numbers also the stand-alone numbers, the revenues are by and large, flat. So when exactly will this unbilled revenue will it be billed?

Amita Saxena: Sir this unbilled revenue, major portion is of JJM things and which we have clarified in our, just a few, in one of the calls that we have got the clarity from the department and this amount will be billed in this next 2 quarters and this unbilled revenue will automatically go down in next 2 quarters once we have this funds from the JJM projects.

And all other unbilled revenue is already getting converted into billing and other things, and we are, that cycle is moving. It is just because of JJM, which last 2 or 3 quarters, it is getting piled up. But then once as Kaushik-ji has already shared that we have a clarity from the government, now we can expect to have these funds very soon.

Abhay Kimmatkar: Yes. And more of the milestones, usually the UBR gets nullified in the last quarter because government gets funds and major milestone gets closed in those. So you will find that UBR getting majorly reduced in the last quarter. It's a historical figure, you can go and see that. And of course, government is going to release this JJM funds in this quarter itself.

Keshav Garg: Sir, now the second concern is that, sir, if you look at our stand-alone EBITDA last year, it was upwards of INR170 crores. But if we look at stand-alone operating cash flow, it was a tenth of that, like INR19 crores. And if we look at the past 3 years also, the cash conversion from EBITDA to cash flow, it is very miniscule. Sir, so though I understand the nature of the business is working capital intensive and the top line has also grown. So but after adjusting, sir, what is your view? Can we see some significant jump in operating cash flow in this year's balance sheet?

Kaushik Khona: Sir, I think your observation is perfectly correct. The only as a part of suggest, I would say, my general submission is that when a company is growing at the rate of 50% CAGR, because the working, and you rightly observed because the working capital keeps on getting invested.

Secondly, you just mentioned that UBR. So obviously, when the UBR also gets piled up because of the specific reasons, which are also getting addressed, therefore, the cash from operation was small. However, as our CFO, Amita-ji already clarified, we expect this financial year to have a better, maybe how much better? Obviously, we will not be able to pin down a number, but we should certainly have a better operating cash flow in this financial year.

Keshav Garg: Now sir, if we look sir, I appreciate the answer you gave to the previous participant. And sir, even if we don't find a good acquisition opportunity, it is best not to do an acquisition, even though we might have raised capital for that purpose. Sir, now but the concern is that if we look at our stock price from April high of over INR1,200, now it is below INR800, whereas the general market trend is the opposite.

So there is no smoke without fire. So I'm trying to understand that at this market cap, the stock is trading at 7x EV EBITDA. So now when we are looking to acquire any company, so are we looking to, what is the EV EBITDA that we are looking to pay for acquisition target? Because our own stock is trading at 7x EV EBITDA. So now if we go and acquire some outside company for 15x, 20x EBITDA, then I mean that is value disruptive. Either we find an acquisition target, which is trading below 7x EV EBITDA, then it will be basically value accretive acquisition.

Kaushik Khona: No, I think it's a good observation. I would only submit that, first of all, there is no smoke and there is no fire. So I don't think that analogy fits here. Maybe it's a good opportunity for somebody to buy in more. I'm not recommending that because I don't, it's not, I'm not in that official position to do that. Question is at what rate of EV EBITDA we will evaluate. Obviously, we will evaluate based on what additional EBITDA percentage we are able to acquire.

And most of these deals in this kind of segment of industry are driven EBITDA multiple or turnover multiple. Typically, the acquisitions, whether it is domestic or foreign, they have the EBITDA multiple ranging between anywhere between 5% to 7% to 10%, depending upon what kind of phase of that company is in. And we will obviously evaluate what, how much that will add to our top line and bottom line, which should be incremental. So we appreciate your suggestion, and we are perfectly going to ensure that the shareholder wealth improves as for any decision which we take.

Keshav Garg: Sir, lastly, if we see then in mid-November, Mr. Phaneesh Murthy resigned. And since then, only the stock price has been into a tailwind. So is it a coincidence or there is something more to it? And why exactly did he resign within a year of getting appointed?

Amita Saxena: Sir, Phaneesh Murthy-ji has resigned in the month of April 2026 and not November 2025. So there is a correction in the date. And there is no relevance of share price and exit of Mr. Phaneesh Murthy. He has resigned because of his personal reasons. So there is no correlation between November '25 or share price going down. He has resigned in April '26. If you can just go and check the...

Keshav Garg: No, madam. So I'm talking about April '26 only. If you look at our stock price on 17th April '26, the stock was INR1,230. And I believe Mr. Murthy resigned in 16th April or thereabouts, basically mid-April. So from, maybe it's a coincidence, I'm just maybe...

Kaushik Khona: The dots don't need to be joined over here.

Keshav Garg: Sir, I appreciate all your answers and sir best of luck to you. Thank you.

Kaushik Khona: Thank you.

Amita Saxena: Bye.

Moderator: Thank you. Ladies and gentlemen, that was the last question of the day, and I now hand the conference over to the management for closing comments.

Kaushik Khona: Thank you all for participating in this earnings conference call. I hope we have been able to answer your questions satisfactorily. If you have any further questions we would like to or you would like to know more about the company, please reach out to our IR managers, Valorem Advisors. We would again once again thank Arihant Capital for hosting this conference call. Thank you.

Abhay Kimmatkar: Thank you so much.

Moderator: Thank you sir. On behalf of Arihant Capital Markets Limited, that concludes the conference. Thank you for joining us, and you may now disconnect your lines.

Kaushik Khona: Thank you.

Abhay Kimmatkar: Thank you. Thanks a lot.