



Dated: 29th May, 2026

Place: Hyderabad

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai-400 001	The National Stock Exchange of India Limited Bandra Kurla Complex Bandra East Mumbai - 400 051
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Dear Sir/Madam,

Sub: Transcript of the Q4 FY26 Results conference call hosted on 27th May, 2026 - Reg.
BSE Scrip code: 513228 / NSE Symbol: PENIND

Dear Sirs,

Pursuant to Regulation 30 & 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and with reference to our Results conference call intimation dated 22nd May, 2026, please be informed that the Results conference call for Q4 FY26 was hosted on 27th May, 2026 and the Transcript of the conference call is enclosed for information and record.

The same will be made available on the Company's website viz., www.pennarindia.com.

Thanking you

Yours faithfully,

for Pennar Industries Limited

Mirza Mohammed Ali Baig
Company Secretary & Compliance Officer
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“Pennar Industries Limited
Q4 and FY26 Earnings Conference Call”
May 27, 2026

**MANAGEMENT: MR. ADITYA RAO – VICE CHAIRMAN AND MANAGING
DIRECTOR – PENNAR INDUSTRIES LIMITED
MR. SHRIKANT BHAKKAD – CHIEF FINANCIAL
OFFICER – PENNAR INDUSTRIES LIMITED
MR. MANOJ – PRESIDENT, CORPORATE PLANNING –
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MR. K.M. SUNIL – VICE PRESIDENT, INVESTOR AND
MEDIA RELATIONS – PENNAR INDUSTRIES LIMITED**

**MODERATOR: MR. VIKRAM SURYAVANSHI – PHILLIPCAPITAL INDIA
PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Pennar Industries Limited Q4 and FY26 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. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call.

These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vikram Suryavanshi. Thank you, and over to you, sir.

Vikram Suryavanshi: Thank you, Avirath. Good morning, and very warm welcome to everyone. Thank you for being on the call of Pennar Industries Limited. We are happy to have with us the management of Pennar Industries here today for question-and-answer session with the investment community.

The management is represented by Mr. Aditya Rao, Vice Chairman and Managing Director; Mr. Shrikant Bhakkad, Chief Financial Officer; Mr. Manoj, President, Corporate Planning; and Mr. K.M. Sunil, Vice President, Investor and Media Relations. Before we start with the call, on question-and-answer session, we'll have opening comments from the management.

Now I hand over the call to Mr. Aditya for opening comments. Over to you, sir.

Aditya Rao: Thank you so much, Vikram. Good morning. Thank you to all of you for joining us for Pennar Industries Q4 FY26 investor conference call for the quarter and for the financial year ended March 31, 2026. We are pleased to have this opportunity to share our results for the closing quarter and for the financial year, and we'll also walk you through full year performance, outline the direction that carries us into FY27.

Let's begin with an overview of our Q4 and full year FY26 results. We'll highlight key metrics including revenue, PAT, working capital and our primary growth engines. Following this, Mr. Shrikant Bhakkad will present a detailed financial review. We'll then move to a Q&A session to engage with your questions.

So we're pleased to close the year on a strong footing. For the fourth quarter, our total revenue increased to INR933.7 crores and PAT grew by 14.89% to INR41.04 crores, reflecting continued margin discipline and operating leverage, even as our revenue growth in some segments moderated during the quarter.

For the full year FY26, we delivered our strongest financial performance to date with our highest ever revenue and our highest ever profitability. Our total revenue grew to INR3,666 crores and

our EBIT expanded to INR401.32 crores. And EPS for the year stood at INR10.29 as opposed to INR8.84. PAT grew 16.22% to INR138.83 crores.

Let me speak about our key revenue growth drivers. In our PEB division and our PEB India division, Q4 capacity utilization is now at 70% and our current order backlog also has increased to INR810 crores. The business had faced some headwinds in the financial year due to some labor concerns. Labor issues have now been resolved, and we do not believe we will have a recurrence in the medium term of this issue. Inventory levels were reduced compared to the previous quarter as well.

On the back of an expanded order backlog, we are confident of strong growth in this financial year in this business unit. PEB U.S. next delivered another quarter of very strong double-digit growth in revenue and profitability. It was anchored by sustained demand across data centers, warehouses and industrial end markets.

The current order backlog stands at about 63 million when you include Ascent Structural. PEB U.S. remains a strong growth contributor, and we expect continued momentum through FY27 as Ascent Structural continues to scale and continues to contribute to the overall revenue.

Engineering Services continued to outperform through Q4. PEMB and Structural Design growth are the major drivers. We have started AI-assisted design and detailing in our operations, and we're seeing a lot of value benefit.

For FY26 as a whole, we have delivered healthy double-digit revenue and PBT growth in this segment. And our U.S. sales investments, which is effectively building up our robust sales infrastructure in the U.S. during the year, I think, has positioned us well for accelerated growth in FY27.

For Hydraulics, the order backlog is about INR34 crores increased from INR22 crores, the last time we spoke. The U.S. tariff impact has now moderated and customers have started placing orders. We are exploring European markets for customer expansion and new business opportunities. This segment remains on a stable path with contribution to revenue growth, modest contribution.

Boilers and process equipment, building on our strong order backlog, we have now increased the order to INR145 crores, and we have secured our highest capacity 100 ton per hour AFBC and 80 ton per hour WHR boilers. Further, we secured new orders in the hot-water generators and reciprocating grate. With the order pipeline, we are entering FY27 with this will be a very major growth lever for the company.

Let me now move to profitability and margins. Our Q4 PAT margin stood at 4.44%, which is an improvement over 3.9%, reflection of ongoing mix shift towards high-margin businesses. This is something I guided to several times over the last few quarters, last few years, and it is well in line with our trend to have higher and higher PAT margins over the next few years.

For the full year, PAT margin came in at 3.83% compared to 3.7% in FY25. As the revenue mix continues to shift towards higher-margin businesses like PEB U.S. and Engineering Services, we expect this positive trajectory to strengthen further, even through 2027.

ROCE for financial year '26 stood at 20.23% and the ROE stands at around 12%. We remain focused on enhancing both return metrics, both ROCE and ROE are very important metrics for us. And as the performance scales, these two will improve further. Capital allocation discipline and tighter working capital management are the principal levers here.

Working capital currently stands at 82 days. There has been some increase in this, and we are focused on reducing working capital days to 75 in the next few quarters. Shrikant will have a more detailed narrative on the why of 82 on how we're going to get back to 75 and lower in the next -- in the short term?

So that concludes the performance overview for Q4 and the financial year. We are exiting FY26 with a stronger balance sheet, expanded order backlogs across our priority businesses and operating discipline has delivered consistent margin expansion.

Strategic direction is clear; focused capital deployment into businesses where we have the clearest right to play, right to win and we are supported by disciplined working capital and robust decision making at every level. We're confident of our trajectory of delivering a good high-growth FY27 to you as well.

I'll now hand over to our CFO, Mr. Shrikant Bhakkad, who will walk you through the detailed financials. Thank you to all of you again for your continued interest and support.

Shrikant Bhakkad:

Thank you, Aditya. A very warm welcome to all our shareholders and investors joining Q4 FY26 earnings call. Let me take you through the key financial highlights, and I'll go slowly on those numbers so that we are clearer on each of the numbers.

Key metrics in terms of Q4, total income increased to INR933.7 crores, an increase of INR20.65 crores, a 2.26% overall increase. EBITDA has increased from INR98.95 crores to INR114 crores, an increase of 15.27% and PAT has increased from INR35.72 crores to INR41.04 crores at 14.91%.

For the full year, the total income has increased to INR3,666 crores, an increase of INR403 crores and overall 12.33% increase. EBITDA for the full year is at now INR401.32 crores and at 15.51%. And in terms of PAT, we are at INR138.83 crores.

Coming -- taking you through the details of the financial results. Revenue from operations at a consolidated level has increased by INR19 crores, which was driven by subsidiaries close to INR68.61 crores, and there was a dip in terms of stand-alone businesses.

Custom Design Building Solutions revenue grew from INR460 crores to INR516 crores at a consolidated level, an increase of 12.35%. Growth predominantly comes from the U.S. business driven by our Telco acquisition that we have carried out in the last year.

This is offset partially at PEB due to the execution challenges, and we are confident that we will improve in the coming quarters. Diversified Engineering revenue stood at INR429.54 crores. And overall, there has been a decrease because of the steel order and the BIW.

The order book stands healthy for PEB India at INR810 crores, PEB U.S. at \$63 millions and Boiler at INR128 crores. That completes on the revenue. Now coming on to the other income. The other income has increased by INR1.65 crores. Predominantly, this is due to the Forex transactions and the translation gains that we had in the quarter.

Employee benefits, overall, there is an increase of INR6.72 crores. An incremental INR14 crores comes from subsidiaries, and there is a decrease of INR7.52 crores in terms of the stand-alone entities. Finance cost has increased by INR0.69 crores. This is in line with our revenue expectation.

The increase is attributable predominantly on account of the Telco acquisition that we had [inaudible 0:09:49] acquisition and the higher working capital utilization, which is in line with the revenue growth. While there is slight increase in terms of working capital, what we would have guided you, but our overall guidance, we will continue to remain that this will be under 4. Presently, the long-term loan is at 0.68 and the working capital is 3.03. We are slightly high on the working capital and we will be reducing in the coming quarters.

On the two aspects that we are working in order to reduce our working capital will be on inventory as well as our receivables. Inventory due to the ongoing prices and other things, there are certain inventory that we have consciously taken a call to procure it higher and that's the reason the inventory is a little higher at the quarter and the year-end. And we will improve and reduce the inventory turns.

There are certain debtors which are stuck for a certain period of time and we are confident that we will be able to collect in the coming quarters. With this trajectory, we will be reducing our working capital from 82 to 75 days. Depreciation and amortization has increased by INR6.87 crores, predominantly on account of -- in the U.S., which is on account of robotic welding machines installations.

And the Telco acquisitions close to INR4 crores and INR2.9 crores is on account of India capex at Raebareli and other repairs and maintenance capex that we have carried out. Overall, other expenses have increased by INR19.49 crores, comprising in terms of standalone at INR11 crores and in subsidiaries at INR8 crores.

In standalone, this is predominantly on account of job work and manpower cost, which has slightly gone up from the last period. And this is in line with our higher order execution and increase in manpower rates. Other costs broadly in line with the revenue growth. We expect manpower and subcontract costs to stay at this level, while we aim to moderate other expenses to maintain the overall fixed cost discipline in the coming quarters.

Moving to tax. Tax expenses increased due to the current quarter profit. Also, if we compare last year to current year, there was a provision which was there in last year INR1.36 crores,

which we have reversed in the last year. So that's the reason the tax percentage appears to be a little higher.

We continue to guide you to a consolidated tax rate of approximately 25.5%, which is 25% to 26% -- in the range of 25% to 26% overall. Overall summary, revenue growth has been strong across subsidiary, Custom Design Building Solutions and the overall operations in India and the U.S. are growing.

Taking you through the balance sheet. The change in assets comprised of increase in PPE by INR104 crores, increase in CP by INR82 crores, increase in properties by [inaudible 0:12:56] crores, inventories by INR75 crores, debtors by INR150 crores and investments by INR15 crores and cash and cash equivalents by INR80 crores.

PPE is increased predominantly on account of the acquisition of the Telco that we have carried out in the year. And out of that in buildings, it is INR60 crores and in plant and equipment, it is INR86 crores. The other receivable predominantly remains the ongoing projects which are done at PL and in U.S. for the robotic line.

Inventory standalone increased by INR50.71 crores, out of which predominantly comes from subsidiary, which is INR24.37 crores and in India, another INR26 crores. Debtors at the consolidated level increased by INR156 crores in standalone, INR91 crores and we are planning to get this down as I've explicitly stated earlier.

Overall, we have increased from 65 days to 66 days in terms of the revenue that we have. There is an increase of 1 day in terms of debtors. Cash and cash equivalents, we -- standalone, it has increased by INR55 crores and at subsidiaries, it has increased by INR8.48 crores. The total cash and cash equivalents, we are healthy with close to around INR205.57 crores.

And if you include the other bank balances, we are at INR269.93 crores. This is the highest ever cash and cash equivalents that we had. Taking the trajectory of liabilities, the liabilities have increased because of increase in borrowings by INR366 crores and increase in trade payables by INR21 crores and other liabilities, which has increased by INR22.81 crores.

Long-term liabilities have increased on account of 2 counts last year that the capitalization that we have carried out and account of the Telco acquisition. Short-term borrowings are increased by INR145 crores and on account of cash credits that is close to around INR99 crores and bill accounting by INR81 crores and [inaudible 0:15:08] which we have taken for the revenue growth at INR11.67 crores.

So out of this both short-term borrowings, the increase that has happened in subsidiaries is close to INR70 crores and the rest of the thing is in India. Trade payables have decreased by 2 days in terms of the overall comparison from last time to this time. Change in lease liabilities INR16.73 crores. Other equity, there is no change. Overall, the increase is on account of the profit that we have added in the current year.

With this, I will hand over the call to the moderator for the questions to the investor community.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Nitin Jain from Fair Value Equity Advisory.

Nitin Jain: Thank you for the opportunity. Your PEB India order book has declined quarter-on-quarter, so can you provide some color here and how is the pipeline seeing in this business?

Aditya Rao: It's quite healthy. We anticipate reaching a higher level in the next 3 months itself. As of right now, it stands at around and -- I mean, this is a number that changes on a day-to-day basis as order flow comes in and revenue goes out. But we anticipate no PEB India order backlog issues. In fact, we expect it to grow quarter-on-quarter over the next 2 quarters as revenue capacity utilization picks up.

Nitin Jain: Right. So if you can provide some color on how is the pipeline looking here?

Aditya Rao: From a pipeline, I think the way if you're looking at quote activity, then that remains quite healthy. There are several large orders we are picking the orders that we want to take. In fact, I won't name the customer, but there was a INR150 crores order that we said no to the other day because we felt it wasn't exactly the right product mix that we wanted. So we have been a little tactical about it. But from a quote activity perspective and what we expect to close, I do not see an issue in maintaining the order backlog we need so that we can grow PEB India directly in double-digit rate in this financial year.

Nitin Jain: My next question is on your margin. So contrary to most of the listed peers, you have seen a sharp jump in gross margin. So if you could clarify what led to this jump? And how sustainable these margins are going forward given that we have inflation in raw material prices due to the conflict

Aditya Rao: Yes, I request Shrikant to specifically address what -- which aspects of you're talking about. But effectively, we do not have any listed peers. I think about 40% of our revenue is PEB, so that's, in some sense, comparable. But other than that, I think we have a blend of four different kinds of businesses, some of them being very high margins, some of them being lower.

And as this mix changes, the gross margin tends to move. So I wouldn't read too much into that per se, the quarter-on-quarter movement on gross margins. But let me refer to Shrikant in terms of the exact gross margin increase that you're referring to and the rationale for that.

Shrikant Bhakkad: Thanks, Aditya. Nitin, I think the gross margins are on account of multiple count where the value addition of the businesses that we are carrying out of our BIW, ICD and the boiler businesses, the margins have slightly increased in that. And the Engineering Services contributes to a higher margin and the bottom line as well.

So the Engineering Services revenue comes that, but the fixed costs and related things comes in the employee benefits cost. So at a certain point in time, this tends to change as because of the mix change. Otherwise, we are on a trajectory for the transforming. We use the margins to go up. The overall we are there where we are.

- Nitin Jain:** Right. And how sustainable do you think these margins will be going forward?
- Shrikant Bhakkad:** Margins are sustainable. Margins have not changed while we had some ups and downs in this quarter. But overall, the margins we guide you would remain at the similar 42%, 43% kind of a thing.
- Nitin Jain:** Right. Thank you. And my next question is, given the strong order booking in the U.S. business and also in the boiler business, what kind of revenue and margin outlook do you have for FY27?
- Aditya Rao:** We won't be providing a forecast, but I think what we typically say is that we definitely expect EPS growth of at least 20%. I think we said we would mentioned that as our stated target, and we are quite confident we'll be able to achieve that in this year.
- Nitin Jain:** Right. No, I'm asking because last year, I think there was a slight miss in the guidance as well as versus the achievement. So would you stick with the 20% this year as well?
- Aditya Rao:** Yes, sir. EPS growth 20%. Well, let me not say EPS because there is the question of supplementary warrants and equity coming in as well. So let me say, a PAT growth of 20% is what we are committed to it, we will ensure we achieve that.
- Nitin Jain:** Right. And my last question...
- Moderator:** Sorry to interrupt, Mr. Nitin. May we request you return to the question queue for a follow-up?
- Nitin Jain:** Sure. I'll fall back. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.
- Deepak Poddar:** Yes. Am I audible, sir?
- Nitin Jain:** Yes, you are.
- Deepak Poddar:** Okay, okay. Thank you very much sir for this opportunity. Sir, just wanted to understand first up on revenue. Now -- so if labor was the only reason because of which, I mean, we could not see revenue growth this quarter? And has that issue been resolved? And how should we look at revenue growth for FY27, yes?
- Aditya Rao:** No, I don't believe it was labor supply. I think there was a fair amount of revenue, which fell out of Q4 into Q1. I think that tends to happen from time to time. I wouldn't see the quarter in isolation. I think overall for the year, it's been one of growth, and we expect that growth to continue in this financial year as well.
- So I think the narrative that we are providing, and I think the takeaway for this should be is that a lot of our prioritized deals are now picking up revenue. We did have a labor issue in our PEB business unit, but that's in the past.

We don't take -- that has completely moderated right now, and we are well on our way to higher capacity utilization. So this year, you should see a substantially high percentage increases in our -- both our capacity utilization and ultimately our revenue in PEB India as well. So no, I wouldn't guide to our inability to grow revenue in these businesses or a labor issue being...

Deepak Poddar: So a 15%, 20% growth this year is what we are looking at?

Aditya Rao: I think revenue guidance, per se, we don't. I think -- but I can tell you that we are focused on revenue growth and I think as we discussed last time, sort of saying double-digit growth, which is a little weight. I think we are committing that as a management team, we are committed to 20% PAT growth. And we feel that our business model will provide that. That's what -- that's basically the narrative we are providing.

Deepak Poddar: And my second question is on your margin front. I mean you had mentioned in your opening remarks that we expect our fixed cost to largely be contained rate. And given some growth, we will see on top line. So some leverage we should see. So how should I look at your margins, EBITDA or PAT margins, whatever you're comfortable with?

Aditya Rao: I think both EBITDA and PAT, I mean, as I said, not a quarter look -- but if you were to look financially over the last 4 years is the same trend that we've been communicating. Both our PAT margins and our EBITDA margins year-on-year have been increasing for the past 4 years. And all we're doing is removing legacy revenue streams, adding newer high-margin revenue streams.

As those revenue streams pick up a higher percentage of revenue, this includes our U.S. business, Engineering Services business, Hydraulics, BIW as that starts contributing then overall revenue and -- sorry, overall profitability goes up. So that's the effectively the guiding factor here. And we think that accordingly what you've seen is as PAT margins grew from 2%, 3%, now I believe at 4% is what we're at and we expect that to continue.

Deepak Poddar: Okay. So sometime in this year, I mean, we would want to target a 5% kind of a PAT margin. I mean not a yearly basis, but sometime maybe towards the end of the year? Would that our aspiration?

Aditya Rao: I think we -- again, we would -- we have a -- PAT value growth. Margin growth will be consistent being broaden and you'll see it coming quarter-on-quarter, year-on-year. I wouldn't commit to a big jump in this year itself. That I'm not committing.

Deepak Poddar: Okay, okay. Fair point. Fair point. I think that would be it from my side. I would like to wish you all the very best.

Aditya Rao: Thank you so much.

Moderator: Thank you. The next question is from the line of Rahul Kumar from Vaikarya Fund. Please go ahead. Mr. Rahul, your line has been unmuted. Please go ahead with the question. As there is no response, moving ahead to the next question. The next question is from the line of Vinod Krishna from Avendus Wealth. Please go ahead.

Vinod Krishna: Sir, am I audible?

Aditya Rao: Yes, you are.

Vinod Krishna: Sir, given that Iran war situation, because in your con call, you have been already -- always saying that we should not -- you should be mostly growing around 20%. What -- I understand not extreme circumstances, but market is not a reason that you would give. So what are the tailwinds and how confident are you of delivering next year growth and maintaining this 4% margin, sir?

Aditya Rao: I'm sorry, I understood your question is the Iran war situation impacting us?

Vinod Krishna: Yes, yes, because if you see in your earlier con calls, you have been mentioning that market should not be the reason for our growth because the opportunity size is so huge. So confident are you of 20% growth and 4% margins for the next year?

Aditya Rao: I would reiterate that. I would absolutely reiterate that I think the Iran war as such is a energy inflation thing. So our costs have gone up a little bit. We have passed on to our customers. Sometimes that's a little easy, sometimes it's hard, but it's an imperative.

We cannot swallow INR10,000 increase in our commodity pricing on a per ton basis nor can we swallow a 10% increase in our operating costs, right? So it's a practicality. Just seen in the context of energy inflation and what you had mentioned, which is that we never use market as a reason to not perform. I think we are quite confident that with our market shares growing moderately, we will continue to have our revenue and profit growth.

So we don't -- we are not seen an issue as far as Iran war is concerned. I don't anticipate any macro risk to our business model or on our revenue. In the short-term, let's forget the long-term. The one exception that was there last year was for our Hydraulics business unit for not Iran war, but the tariffs.

So that's a different kind of situation where effectively that the business model itself gets impacted for that one revenue stream because imports to U.S. gets taxed differently. But even that now has recovered to a great extent and order backlog in Hydraulics also are going up.

So my answer to the question is, we do not -- we have modeled this. It's to the extent we can model it. And other than an energy price inflation risk and the headache of passing through increased cost to customers. We don't anticipate this having any impact on revenue profitability. We will maintain our projections.

Vinod Krishna: Sir, my second question is regarding the revenue stream that you said legacy where you're winding down. And you -- I'm not asking what are the -- can you at least say what percentage are we like -- is there new revenue streams as a total percentage and at what percentage of new revenue streams are growing?

- Aditya Rao:** About 30% to 35% would be, and let me give to Shrikant on the exact numbers, would be the legacy businesses, about 70 -- Shrikant, would you agree with that or do you...
- Shrikant Bhakkad:** Yes. I think we are there depending upon the month and the quarter, it changes, but we are between 30% to 35% in terms of...
- Vinod Krishna:** So the 30 would become 0, sir? Can you guide, can you let us know what is the growth rate in your -- that 70% at what rate that revenue line is growing? And will this 30 will become 0 and in what time in your view? Or it will go to 5, 10 and be there?
- Aditya Rao:** Yes. So I think the right way to see this is we are not deploying capital or any other resources into those legacy businesses. And what is there, generates revenue and cash flow. So it going to 0 isn't perhaps the right way to look at it. It will become a lower and lower percentage of our revenue. It will become what the relevant is what is growing.
- So in any company, I'm sure there's the 5%, 10% revenue streams, which is older revenue rate. So over time, of course, the right thing is on the over time if we don't deploy capital and don't grow a business, then we all know what happens, right?
- But as far as our growth model is concerned, the prioritized BUs, large addressable markets, build up assets there. And revenue and profit growth will come. It's a simple equation. We've been on that journey for 4 years, and I have no doubt it will succeed.
- Vinod Krishna:** No, no, sir, I was asking that 70% is growing at what rate was like 20% or so because 30% is there, so it should be growing at more than 20%, 30%, right, that 70% revenue?
- Aditya Rao:** You are correct. The prioritized BUs are growing quicker and it's a simple equation, just divide our overall growth rate by 0.7 and you get the prioritized BU growth rate.
- Vinod Krishna:** So that would continue, that growth rate on that?
- Aditya Rao:** We expect that growth to continue, correct.
- Vinod Krishna:** All the best, sir, and thank you very much.
- Moderator:** Thank you. The next question is from the line of Shubhankar Gupta from Equitree Capital. Please go ahead.
- Shubhankar Gupta:** Hello. Yes, am I audible?
- Aditya Rao:** Yes, sir.
- Shubhankar Gupta:** Yes, so actually my first question is on the debt bit. Debt has become a bit high at 0.98x of equity with interest cost at around INR138 crores now, right? So just want to understand are there any debt reduction plans for FY27 or '28? And if yes, then what are the plans?

Shrikant Bhakkad: Yes, I think Shubhankar that you're looking at the debt as the gross debt kind of a thing. We are sitting with close to INR236 crores in terms of the cash and cash equivalent also. So if we take the cash and cash equivalent also, reduce INR200 crores from them, it is below 0.9. Our stated target and aim is that we should be below at 0.8.

This has happened on account of two reasons: one, on account of the acquisition that we have done for the Telco, which was close to around 14 million that we had in terms of the long-term and the working capital, as well as yes, there is a working capital increase in the India business at the quarter end. And that's where our plan is to get this reduced by six days. So presently the working capital is high in India business by close to around INR60-70 crores and we will get that down in the coming two quarters.

Shubhankar Gupta: So actually, Shrikant sir, just one -- like quick question here on the debt bit itself. If we are already sitting at INR200 crores in cash and cash equivalents, just want to understand why the increase our debt from 0.78x to 0.98x on a gross level for FY26?

Aditya Rao: In terms of requirements of the working capital banks and other things why they listen to us throughout the year, at certain point in time, most of these moneys are deployed on the last day of the balance sheet kind of a thing. So I don't have...

Management: So let me step in, sorry. So I think the guidance we'll give is that the way we look at debt is most of our majority of our debt is working capital debt. And as we grow revenue, that'll also increase. Our stated goal is to get to 0.8 debt-equity. I think we can say that by the end of the year we'll get there through a combination of a big gap between the cash we generate versus the capex we'll have as an outflow, and also there's some equity capital coming in as well.

So maintaining 0.8 is a stated aim and we will get there. I think that for us we believe to be a sustainable position to be at as we grow and scale this company. As long as we're growing, scaling, our profit's growing, scaling, and our debt-equity is at 0.8 or lower, then it's fine. And that we'll ensure we get there by the end of the year.

Shubhankar Gupta: Okay, by FY27. Got it. And also one more question here. So what are the capex plans for FY27 and given that we are looking to reduce debt, like how do we plan to fund those capex plans?

Aditya Rao: We don't have extremely heavy capex plans. It comes in sub-INR100 crores, I think. Most of it is Hyundai, the completion of our BIW Hyundai plant. That should happen in the next two to three months. Post that, I think there's a lot of automation capex we're bringing in because of the labor cost arbitrage disappearing. So Shrikant, would you agree with that number about our total...

Shrikant Bhakkad: Yes, close to INR100 crores.

Aditya Rao: Close to INR100 crores and our cash generation would be much higher than that. So thanks.

Shubhankar Gupta: Got it, got it, got it, Aditya. And just another question on the...

Moderator: Sorry to interrupt, Mr. Shubhankar. May we request you to return to the question queue for a follow-up question?

Shubhankar Gupta: Sure.

Moderator: Thank you. The next question is from the line of Rahul Kumar from Vaikarya Fund. Please go ahead.

Rahul Kumar: Hello. Am I audible?

Aditya Rao: Yes, go ahead.

Rahul Kumar: In your U.S. business, what is the order book between S&B and Telco out of \$62 million?

Aditya Rao: In the US, we have now moved to a combined order book for Ascent Buildings & Structurals and that the current as of now picture, it's about 62 million is the current order backlog.

Rahul Kumar: Okay. And which areas are you seeing strong demand trends for [inaudible 0:34:37] due to assets or anything else in India when you were diversifying?

Aditya Rao: South India, restaurant if you see, I think a lot of India is dominated by process industries. So, we have received -- and are continuing to book a lot of orders from them. Solar is doing very well as well. That's another big area. In the US, it's dominated by data centers and industrials. That's what's growing right now.

Moderator: Mr. Rahul.

Rahul Kumar: Am I audible?

Moderator: Yes. Please go ahead.

Rahul Kumar: No, I'm asking that this labor, we are seeing minimum wages going up in Northern part of India. Is that something you are also experiencing in your PEB plants?

Aditya Rao: Could you repeat the question? You said labor -- what was the labor in North India, what was the concern, sir?

Management: Rahulji?

Shrikant Bhakkad: Sir, your voice is not very audible.

Moderator: Sorry to interrupt, Mr. Rahul, may we request you to use the handset to ask the question.

Aditya Rao: Rahul, please go ahead.

Shrikant Bhakkad: Much better. Please go ahead.

Rahul Kumar: I was asking about the labor situation in situation in India [inaudible 0:36:07]. Have you seen this [inaudible 0:36:16]...

Moderator: Sorry to interrupt Mr. Rahul, your voice is not very audible. Please use your handset while asking a question.

Aditya Rao: Rahul, I think I understood the question. Let me try to answer it. I think you specifically asked for the labor situation in North India. Let me speak about our plan because we have plants in North, South and Central near Bombay as well. Across all of our plants right now, yes, labor is harder to come, harder to get, and then it used to be historically that's being met through an expansion of our resources in terms of how we procure labor. So, we moved to a lot of labor contractors.

We've also increased our onboard. We've also began a process by which a lot more automation is brought in. What can get automated specifically in painting, surface treatment and assembly, we have expanded our automation deployment as well. So frankly, it's not just in India, I think even in the US, labor has become harder because of some of the, I guess, immigration policies that have been put in place there.

So more and more the writings on the wall, we have to automate more and we are putting that in. What I can tell you is that the worst impact we had was last year. We probably dropped well, hundreds of crores really because of our labor issues. As of last quarter itself, last financial itself, we have resolved that.

I think this year, we don't anticipate labor being an issue. As it stands right now, I think we measure labor in terms of skids for fab and for surface treatment wing. Our skids are fully manned, and we have buffers as well. So, we need to pay a little bit more on that.

There's a little bit of a compromise on operating margin to make sure that happens. But once the automation comes in quite strongly, I have no doubt that our operating margins will exceed what we had prior to these labor concerns being brought in. So, we don't have a labor concern anymore.

Moderator: As there is no response, the next question is from the line of Nitin Jain from Fair Value Equity Advisory. Please go ahead.

Nitin Jain: My question is regarding the debt that you have highlighted. Although you have mentioned that you will try to pare it down by the next 2 quarters. But in the meantime, should we see any significant increase in finance costs in the next 2 quarters?

Aditya Rao: No, sir. I think our finance cost will be...

Shrikant Bhakkad: Yes. We have guided to Nitin, the overall below 4% in terms of the finance cost. We are at 3.71% slightly higher on the working capital at 3.03% and lower the overall long-term capital. So, we continue to guide you based on the revenue, we will be at below 4%.

Nitin Jain: Right. So -- but this 3.7%, will this be for the entire year? I mean, in the short term, should we see any spike?

Shrikant Bhakkad: Yes. Temporarily, when we acquire certain facility or when there is a working cap, when there is a revenue growth changes that happens. But overall, we guide you at this range for the full year.

Nitin Jain: Okay. Great. And last question is on the debtor days. Can you reiterate the reason for the increase. So, I joined the call a little late. I mean, what gives you the confidence that you will be able to collect these in the coming days?

Aditya Rao: There are certain projects where the amount has been stuck for handing over and the completion of the pending list. So, we are confident that in the next 6 to 8 weeks, we'll be able to hand over those sites and collect the amounts. And that's the reason the debtors will come down.

Moderator: The next question is from the line of Dilip Kumar Sahu, an Individual Investor. Please go ahead.

Dilip Kumar Sahu: Yes, regarding the US business, while our gross margins are higher outside India, but the cost, particularly employee costs are consistently growing in the last 3 to 4 years. You have maintained that our US business will be far more profitable than India business.

So, can you give some light on how the next 1 or 2 years now that we have got the structural steel also on board, how the growth and profitability will look like in the long term in the next 2, 3 years? When are we going to see this 18% to 16% to 18% kind of operating margin in this business?

Aditya Rao: So, a lot of that cost is the senior management team, the engineering team as we grow and scale and the capacity utilization are still -- there's still room for capacity utilization to grow in the US as well.

There's new capacity that has been commissioned. So once Telco, Ascent Structurals gets up to higher capacity utilization, one is in buildings also, there's a new AGT robotics line we have commissioned. We have to get a lot of engineers on board to do that. This is expensive talent in the US is expensive, and it's necessarily so.

But the flip side is, as you had mentioned, as you will see in this financial year, when you have the strong double-digit growth come in, the profitability also will increase, will jump accordingly. So operating leverage is a very real thing there as we grow and scale. Yes, I mean, even I wouldn't guide to the margins being poor or anything like that in the US, but further increase of our PAT margins is something that will come in as scale comes in.

Dilip Kumar Sahu: Sure. So, can we say like Q4 this year, we will reach the optimum profitability and reasonable growth in like say, INR400-odd crores per quarter by Q4 this year? We have done around INR250 crores. The reason I'm saying INR400 crores instead of INR250 crores this quarter because there is a Telco component as you have mentioned that it will be upward of INR150

crores per year. So that's how I was coming to around INR350 crores to INR400 crores by Q4 this year.

Aditya Rao: Yes, I'm understanding how you came up with that number. I will not be able to provide revenue guidance, profit we do it, but I'm not disagreeing with your numbers. If you were really far off, I would say so.

Dilip Kumar Sahu: Great. Last question is the services business, as you would imagine, has been there with us for a very long time. But I guess it is still not INR100 crores of size. So, any idea where we will really scale up this business to a reasonable level?

Aditya Rao: It's a very good observation. I think we -- one of the businesses that -- well, part of that business has underperformed a little bit, specifically our BIM and plant automation business. I think we have now dramatically expanded that team, both on the business development side on the delivery side as well.

I'm hopeful we'll have some -- the metric that you said, at least INR100 crores should be something that we should absolutely achieve. I think in this year, you will see all of our revenue verticals Engineering Services also scaling well. I think we've prepared a lot of ground in the last financial year. The biggest markets there are US and Europe, and there is no market problem. I do not see a market problem at all. We are able to...

Dilip Kumar Sahu: AI is not a problem here? AI is not a problem here? Is it a problem?

Aditya Rao: AI is a good thing here, sir. So, I mean, I think for our customers and sometimes, you know, I mean, sometimes people tend to, you know, get worked up about AI, but effectively for us, our contracts and everything stay the same. It's just that instead of having a large delivery team to do it, we have an AI-led design to it.

Because there's a lot of customization in design, it has to be fitted to inventory, even if you say take something like building design. So, there is a lot of platforms out there, AI platforms out there which we can use in order to optimize what we are providing, but you still need to have PE stamp, that's a statutory requirement. You still need to have designers look through and optimize further post that.

So, the initial detailing, the lower-end man-hours job is definitely getting automated. That's a very good thing for us. And even if you take four, five years down the line, those aspects will not go away. So, I see it as a huge positive frankly for our business model because SaaS platforms get automated, but our ability to actually field not just man-hours but also direct line of connectivity with the customer, project management.

Project managers in the U.S. who are able to handhold our customers and optimize their design through both the human and the AI element, that's where it is. In fact, for a lot of our structural building designs now, AI-assisted design is also already helping out and there's a lot of advantages that are coming in. So, we don't see it as a risk. It's just automation. Let's just replace the word AI with automation and things become a lot clearer.

- Dilip Kumar Sahu:** Sure. Thank you. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Rahul Kumar from Vaikarya Fund. Please go ahead.
- Rahul Kumar:** Hi. I hope this is better audible than earlier one. On this engineering design question, do you bill your clients on head count basis or on a project outcome basis, in which case AI actually makes you more productive and you can improve your margins?
- Aditya Rao:** It is entirely product outcome basis. We do not bill on -- in fact, our clients have no idea what our man-hours are in the vast majority of cases. Now there's some exceptions to this where Cornerstone and others, they have direct line of sight to our team because we kind of work partially on our systems and partially on their virtualized environments of their systems. In that case, they will know who is working on it, but even then, the billing is not man-hours. We -- I think it wouldn't be an exaggeration to say it's all project basis, it's not man-hours basis.
- Rahul Kumar:** Second question I have, you're talking about labor automation. Can you Aditya tell us some big like projects you have top two, three and what kind of automation gains you are looking at over next one, two, three years?
- Aditya Rao:** So, for this year itself, one of the initiatives we've been looking at is our what we call our AGT Robotics line. So not to get a little technical, but once you -- the material has come through the pull-through weld, something that swallows a lot of man-hours is what is called as end-plate fitment and stiffeners and other aspects being added to the beam.
- A lot of that is now being automated where instead of having 20, 30 people work on one product, you essentially have only two people doing it and the entire precision that you get out of it, the output that you're getting out of it is higher. Obviously, these are not cheap. I mean, each robot costs about \$200,000-\$300,000 and you need a fair number of them to automate these operations.
- But once the initial capex cost, which we've already taken last year and this year as well a little bit is going in, once that comes in, I think our value -- it will -- the increase in our margins will compensate for that and our profit will grow faster than our revenue grows. So, the AGT line is our major driver right now of automation in the building space.
- Rahul Kumar:** Great. In the debt side, do you have any other plan apart from what Shrikant described, which is your organic way of deleveraging, but are you guys thinking of any other either corporate action or in some other shape to make balance sheet stronger and be ready for some growth?
- Aditya Rao:** We will communicate. There are a lot of options being discussed at the board. We will communicate them to you as the board takes a decision. But you're right to flag the thing. 0.98 is not a number we are comfortable at. 0.8 we'll commit to as a management team. The way we get there through a combination of profitability, us -- The founders bringing in equity, and there are other things also which are under discussion. As and when we have those initiatives in place, we will communicate them to you.

- Rahul Kumar:** And lastly on this, you had this land parcels. Is there something which you can take action? Is that option on table for you or that's a harder one to do in a short time frame?
- Aditya Rao:** We will communicate developments in that once they take place. It would be a little premature to speak right now, but yes, the regulatory standards also are changing and this -- we reserve the right to look at those unlocking those land assets that we have.
- Rahul Kumar:** Okay, great. Thank you, Aditya.
- Moderator:** Thank you. The next question is from the line of Aniket Nikumb from ABN Capital. Please go ahead.
- Aniket Nikumb:** Hi, thank you for the opportunity and congratulations on a good set of numbers. Sir, my first question is if you can share what the order book is like in the U.S. and India and share some commentary on how you're seeing the market in terms of order bidding.
- Aditya Rao:** So, as I mentioned, our order backlog entirety covers our pre-engineered building, our boilers, our Hydraulics. A combined order backlog number right now, I think what we've quoted is in the last quarter about close to INR1,000 crores being booked. We expect that trend to continue and to persist. Forgive me, INR900 crores, my apologies. So, we expect that trend to continue.
- I think everywhere we're looking to scale up. So, our PEB order backlog in India, our order backlog in the U.S. is healthy enough, but I think there may be some improvements further coming in as well. We have what we need in order to generate growth because we've grown by about close to about 20% just in the last three months in the U.S. from an order backlog perspective.
- And others as well, boilers is growing quite well. From March now itself, I think there's been a double-digit growth in our order backlog. So, we're quite eager to execute that and increase our revenue. Overall numbers right now we do not have, I think, so we will -- we don't right now have the overall order backlog number.
- Aniket Nikumb:** Sure, no problem. Our second question I had, sir, if you had -- if you can give some comment on, you know, what drove the margin expansion specifically in the diversified engineering business? I think if I do some calculation based on your segmental reporting, I think we've almost reached 14% margin from 11.5% last year. So, if you can help us understand what drove this and which specific sub-sectors are happening.
- Aditya Rao:** I'll request Shrikant to comment. 11.5% to 14%, I'm not --I mean, I think our overall gross margin -- 14, okay, thank you. Yes, okay. Shrikant, if you can.
- Shrikant Bhakkad:** Yes, I as I've expressed earlier, there are two changes that has carried out in the things. And when you look at this diversified business, there are certain engineering services component do reflect there. The revenue for the engineering services component gets included as revenue from sales while the cost comes as employee benefit cost.

So, the gross margins will definitely increase in during those period. But overall, we guide you to -- we continue to guide you at the similar margins in each of the business. The margins have over a period of time are growing as we do more and more new business and reduce our old business legacy business. But otherwise, we are at the sustained margins where we are.

- Aniket Nikumb:** Okay, sir. Thanks so much.
- Moderator:** Thank you. The next question is from the line of Hari Kumar, an individual investor. Please go ahead.
- Hari Kumar:** Good morning, sir. Am I audible?
- Aditya Rao:** Yes, sir.
- Hari Kumar:** Am I audible, sir?
- Aditya Rao:** Yes, sir, you are.
- Hari Kumar:** Okay. First question, sir, is regarding this investment property. It has been revalued and the difference in revaluation has it been shown in reserves or it has been shown into the profit and loss account, sir?
- Aditya Rao:** I'm sorry, could you say that again?
- Hari Kumar:** About the investment property, it has been increased from INR25 crores to INR85 crores. Has this been shown -- difference has been shown in the reserves or it has been carried to the P&L account?
- Shrikant Bhakkad:** No, it is directly the addition that we carry out in investment property gets shown separately. There are a separate rental income and other things which will come. So hence the classification has undergone from property, plant, and equipment to investment property.
- Hari Kumar:** Okay, there has been a new investment, sir?
- Shrikant Bhakkad:** Yes, sir.
- Hari Kumar:** Okay, okay. And secondly, sir, this capital work-in-progress, like where is this going, sir, into which segment?
- Shrikant Bhakkad:** As I've expressed during my opening call, yes, the total CWIP comprises of the investments that we are putting in our new growth capex, which is BIW, as well as every year we have automation, repairs, and maintenance capex which is close to around INR45 crores. So predominantly will go for BIW and repairs and maintenance.
- Hari Kumar:** Okay, sir. And lastly, sir, what is the reason for this muted growth in the fourth quarter in diversified business, sir?

Shrikant Bhakkad: Diversified businesses, all our businesses in diverse -- diversified businesses, as I expressed, there are some solar orders -- solar revenue that we have had some hit during the quarter and that's the reason diversified business has reduced. And this is not part of our prioritized business growth. So, we are okay with that decline as well.

Hari Kumar: Okay. Thank you very much. Thank you, sir.

Moderator: Thank you. The next question is from the line of Pratyush, an Individual Investor. Please go ahead.

Pratyush: Thank you for the opportunity, sir. My question is in continuation to a previous participant regarding the U.S. markets. So, a few quarters ago, you had mentioned that the U.S. market is much larger as compared to India?

So, could you please help us contextualize this opportunity by sharing what is the estimated size of the addressable U.S. PEB market? And what percentage of that is our current market share within that opportunity? And what is your long-term percentage ambition over the next few years?

Aditya Rao: Thank you. I'll try to be as succinct as I can. So, the U.S. in the metal buildings and metal building component space, which is our addressable value proposition is actually quite massive. The overall U.S. market size is in excess of \$10 billion if you combine both of those.

If you were to obviously measure our revenue of \$100 million versus that, then obviously, it looks like a very, very low market share. The reason for that is basically the total addressable market versus the what we would call what marketing people call the specific obtainable market.

So, we are present in the South, Midwest center of the U.S. That's the market we play in. We don't do the East. We don't do the deep south like Texas and others, and we don't do the West at all. So, we don't do California. We don't do those states. The reason for that is because of the plant location.

As of right now, we have 3 plants in the U.S. catering and 2 of them cater to metro building components. One of them is in Tennessee, the other one is in Alabama. So that gives us the south. Further expansions, I think, in addressable market -- sorry, in SOM will happen once we move to the west and to the north a little bit.

If we do that, then we continue to stay in states with good labor policies with a lot of infrastructure growth that is coming in. And that is the sweet spot we are looking for. So based on that, I think we have not started tapping into the massive part of the U.S.

I don't even think we're catering to even half of the U.S. market. As we expand and grow organically and maybe even inorganically, we'll be able to grow that further. So right now, our market share in the U.S. would be very small. We would be sub 3%.

- Pratyush:** Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Ameya Deosphali from Value Equity. Please go ahead.
- Ameya Deosphali:** Hi. Thanks for the opportunity. Sir, I wanted to know -- I mean, you stated that the PEB India capacity utilization is at 70%. So, what's our target supposed in the next 1 year to take this to any level higher?
- Aditya Rao:** So PEB India capacity will climb by itself. I think we're quite confident in the next quarter itself, we will see substantial improvements in this. As to how high can it go, well, we're adding some capacity as well, specifically in our fab lines and also in our painting capacity. So overall capacity also will scale a little bit. I think around 80% is certainly achievable for this financial year, and that will be goal.
- Ameya Deosphali:** Right. And my second question is, so I mean, if we see the PEB India competitive landscape, the other players are also getting constrained by capacity after a certain point. So, are you seeing any pricing challenges? Or I wanted to know what are the trends in your average order size for a PEB order win?
- Aditya Rao:** So, the average order size, I mean the larger orders go around INR100 crores and about INR5 crores to INR10 crores is the sand. So, there's rocks and the sand, right? So, and we need both really. So, our average order value is quite healthy.
- I think I can't speculate as to what that is right now, but I'll get back to you on that number. Pricing, I think it's been more of an issue where our existing order backlog -- I mean most of it is now bound by price variation clauses. So raw metal is shooting up doesn't change much.
- But I think the recent issues have been with passing on the large price increase in steel. So, but that's okay. That's a temporary issue, and we pass it on. I don't -- I think the industry will always maintain the same operating margins that it always had because I don't think there's anything else that can be, any other interpretation is not possible.
- So, I think margins will hold steady, slight hystericism in the last few months maybe, and that I'm sure other listed PEB companies also would have spoken to that. But over the medium term, that will for us all. I don't see an issue there.
- Ameya Deosphali:** All right. Thank you and all the best.
- Moderator:** Thank you. The next question is from the line of from Siddhant Modi from Asymmetric Asset Managers. Please go ahead. Mr. Siddhant, your line has been unmuted. Please go ahead with your question.
- Siddhant Modi:** Yes. Am I audible?
- Aditya Rao:** Yes Sir.

Siddhant Modi: Hello, yes. So, I have a small query correct me if I'm wrong. Like you have mentioned there will be a growth in the top line by 9% approximate in a single digit. And you have also mentioned that the PAT will grow by 20%. Can you throw some light on that, like if the PAT margin will be around 4% and the revenue growth will be around single digit how we are expecting the PAT growth by 20%?

Aditya Rao: So, this is what we've committed to and what our commentary on PAT margin and is. So, you apply PAT margin growth and what we want to achieve and we combine that with the baseline commitment that we are making, that won't fully line up, you will get, as you said, a number for revenue growth and output.

And I do get what you're trying to drive. My suggestion would be to take these independently and not combine them into a larger picture because that will just lead to errors. We're confident of revenue and profit growth. What we're communicating is PAT growth of 20% as a management, we are committing.

And over quarter-on-quarter, year-on-year, the PAT margin percentage also will increase as it has over the past 4 years. So, continuation of what's been happening for the last 4 years is what we're committing. It's better to be seen in that venue rather than us saying that if it's 20% growth in PAT, but PAT margin increases, then revenue growth will become something that would be an erroneous way to look at it.

Siddhant Modi: Okay. Thank you.

Aditya Rao: Thanks.

Moderator: Thank you. The next question is from the line of Dilip Kumar Sahu, an Individual Investor. Please go ahead.

Dilip Kumar Sahu: Yes. Aditya, this is a question regarding this INR5 crores of investment in the solar joint venture. If I remember, when we did that deal, we very categorically stated that this business we are done and we have basically divested the assets to the joint venture, and there won't be any more capital infusion from Pennar side. Is there a change of stand on this proposition?

Aditya Rao: No, there's no change of stance. As you would appreciate, I mean, that is -- it's a minor increase in equity. And the reason for that is simple. There's 2 things. One, I think the U.S. dollar has -- I mean the total capex for the plant and the plant is about to be commissioned was made at a time when the U.S. dollar was significantly different from Indian rupee.

So, as the equipment comes in the conversion, you can take forward cover in some cases, but effectively, some amount of it is left uncovered. And so, this price increase is primarily because of that. And there's also been a slight change in terms of the technology which we are using.

I'm not the expert on this, but there's been a change from the previous model to G12R. The base narrative that I'm trying to provide is this is still a business unit which we hold minority

investment in. There's going to be no further capex. There's just the last bit of capex that came in because of dollar price depreciation and others.

And the plant is about to be completed. So, what I will happily guide to is we're not going to come back to you and ask you for a larger -- another equity investment in a few quarters down the line or something like that. So, this is just something we needed to do to complete the project and the reasons for that is what I mentioned.

The move to G12R is a slight change in terms of the equipment profile and the U.S. dollar India rate depreciating a little bit and having the business unit having -- not business, the company Zap91, I think, is the other company, having a little bit of exposure from a U.S. dollar point of view.

Dilip Kumar Sahu: That's quite comforting, Aditya. This business is a capital-hungry business. So, if you need capital in the future in the JV, there is a clear-cut way of funding that capital, right, without Pennar investing capital into it. That clarity is there with the joint venture?

Aditya Rao: That is correct.

Dilip Kumar Sahu: Okay. Thank you.

Moderator: Thank you. Ladies and gentlemen, we'll take that as the last question of today. And I now hand the conference over to the management for closing comments.

Aditya Rao: Thanks to all of you for your support. As we have communicated, we'll go ahead and execute our plan, and we look forward to this next year being our best ever as well like last year was. Thank you so much for your support.

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