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Date: 3rd November, 2026 **Scrip Code: 505872**

To
BSE Limited
PJ Towers,
Dalal Street,
Mumbai- 400001

REF: REGULATION 30 OF SEBI (LODR) REGULATIONS, 2015

Dear Sir,

With reference to above, enclosed herewith is a Transcript of Q2/H1-FY27 Earnings Conference Call of the Company held on October 31, 2026.

Thanking you.

Yours Faithfully,

FOR WPIL LIMITED

KRISHNA KUMAR GANERIWALA
Digitally signed by KRISHNA KUMAR GANERIWALA
Date: 2026.11.03 17:36:58 +05'30'

[K.K. GANERIWALA]
EXECUTIVE DIRECTOR

"WPIL Limited

Q2 FY27 Earnings Conference Call"

October 31, 2026

MANAGEMENT: **MR. PRAKASH AGARWAL – MANAGING DIRECTOR – WPIL LIMITED**
MR. KRISHNA KUMAR GANERIWALA – EXECUTIVE DIRECTOR – WPIL LIMITED
VALOREM ADVISORS – WPIL LIMITED

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

Moderator: Ladies and gentlemen, good day, and welcome to WPIL Limited Q2 FY '27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Abhishek Taparia: from Emkay Global. Thank you, and over to you, sir.

Abhishek Taparia: Good evening, everyone. I would like to welcome the management and thank them for this opportunity. We have with us today Mr. Prakash Agarwal:, Managing Director; and Mr. K.K. Ganeriwala, Executive Director. I shall now hand over the call to the management for the opening remarks. Over to you, gentlemen.

Prakash Agarwal: Thank you. Good evening, everyone. It is a pleasure to welcome you all to our earnings conference call for the second quarter and first half of financial year 2027. Let me first take you through the financial performance of the company, followed by the operational highlights. On a consolidated basis, revenue from operations for the quarter under review stood at INR354 crores, a decline of 17% Y-o-Y. On a stand-alone basis, revenue for the quarter stood at INR118 crores, down by 33% Y-o-Y.

For the first half of financial year 2027, our consolidated revenue stood at INR855 crores, a modest 6% increase Y-o-Y. EBITDA was at INR123 crores, a decline of 5%. EBITDA margin stood at 14.33%, while PAT from continuing operation was at INR93 crores, a marked increase of 20% Y-o-Y. PAT margins for the first half stood at 10.83%.

The domestic business continued to face near-term execution challenges, particularly in the project division. However, our total domestic order book remains robust at INR2,423 crores, providing a foundation for an improvement in performance during the second half of FY '27. The product division recorded revenues of approximately INR62 crores in Q2 compared with INR86 crores in the corresponding quarter last year.

For H1, the revenues were INR133 crores compared with INR151 crores. The division's order backlog remains strong at approximately INR500 crores, providing healthy business visibility. While a large number of dispatches to customers were deferred during the quarter, the overall outlook remains positive.

We continue to focus on export growth alongside domestic opportunities, particularly in the power sector. The domestic project division remains subdued with revenues of approximately INR57 crores in Q2 compared with INR92 crores -- INR90 crores in Q2 last year. Revenue for the first half was INR100 crores versus INR206 crores in the corresponding period. Our focus remains on commissioning ongoing projects and commencing operation and maintenance

activities. As more projects are commissioned, O&M revenues are expected to improve during the second half of the year.

On our international business, it continued to demonstrate resilience and remains an important growth driver for the company with total international order book of INR2,686 crores. International revenue for the first half increased 38% to INR626 crores compared with INR458 crores in first half last year. The international business also continues to benefit from a healthy order pipeline across our product and project platforms.

On the international project side, the business continues to benefit -- product side, it continues to benefit from opportunities across the MENA region, Australia and Southeast Asia. Gruppo Aturia is expecting a significant order from Kuwait Water Supply, which would further strengthen its position in the international water market. In Australia, the consolidating of the business is contributing to an improvement in the margin profile. Meanwhile, WPIL Thailand continues to see growth opportunities following the introduction of new products in the Thai drainage sector.

Our product division order backlog stood at approximately INR1,000 crores at the end of first half, providing visibility for the coming quarters. International orders account for nearly 52% of this backlog. We remain focused on expanding our export presence and capitalizing on opportunities across key international markets.

The international project business execution momentum continues to improve across our subsidiaries. MISA Italy has successfully completed all legacy projects and booked important orders during the quarter, providing a stronger foundation for future growth. PCI Africa has commenced the execution of new projects, which are expected to gain further momentum towards the end of the financial year. We remain encouraged by the opportunities available in the South African water infrastructure market. Eigenbau has also strengthened its order book with repeat order from Riverton Water Works, reflecting continued customer engagement.

The project division's order backlog stood at approximately INR4,079 crores at the end of first half, providing substantial visibility for future execution. The international projects accounted for approximately 53% of this backlog, highlighting the growing contribution of overseas markets to our project business. Overall, we remain constructive on the international outlook, supported by a strong order book, improving project execution and opportunities across water infrastructure, drainage and industrial applications.

Looking ahead, our priorities remain focused on strengthening execution, converting the existing order book into revenues and improving the performance of our domestic business. While domestic execution has remained subdued in the first half, we expect an improvement during the second half, supported by project commissioning, commencement of O&M activities and a recovery in the water infrastructure business.

Our international operations continue to provide growth opportunities across both products and projects. Again, with a substantial order backlog and diversified global presence, we remain

focused on improving execution and sustaining our growth momentum. With this, I'd like to take questions. Can we take questions now, please?

Moderator: Yes sir. Thank you very much. The first question is from the line of Jainam Doshi from Kriis PMS. Please proceed.

Jainam Doshi: Sir, like Q2 of India is usually Q3 of Africa and usually, Q3 has a stronger execution in Africa. But here, we have seen a substantial dip in the project execution from the African business. So like can you help us with the reasons for such decline, like whether it was attributable to any labor shortages or kind of sourcing payments from South African government or there has been any spillover or delay in the execution?

Prakash Agarwal: No. I think these projects, primarily the big growth and jump in the last quarter, came from the start of the projects -- large projects of PCI. PCI's project's tenure is 48 months, 4 years. So it is a bit lumpy initially. And we expect this first year to have, say, about 15% of traction. And the main traction will pick up from next year. So I think there is no -- it's just related to execution progress considering a project for 4 years. That's the difficult time line for.

Jainam Doshi: I understood. But like, sir, like...

Prakash Agarwal: Another clarification is the project business in South Africa is -- January to March is their largest quarter typically because the financial budgeting happens in post March.

Jainam Doshi: Okay. Fair enough. Fair enough. And sir, like 2 of the African projects, which we won initially had already entered the engineering phase. So like the peak revenues from such projects will come from next year is what you wish to say?

Prakash Agarwal: Yes. I think the second year is the biggest year in these projects.

Jainam Doshi: Okay. So what would be the annual like project execution target, which we are targeting in the international piece for the current year?

Prakash Agarwal: It's a bit fragmented. And I think we expect a pickup in the second half, as mentioned. But -- and I mentioned again that January to March is typically when the budget is to be exhausted. So I think you should see good growth in the second half and going into next year.

Jainam Doshi: Understood. And sir, for both the entities like PCI and Eigenbau, like are we bidding for newer contracts? How is the pipeline there considering the current scenario, if you would like to allude on that part?

Prakash Agarwal: I think we are balancing. Both are having strong order. As I mentioned, Eigenbau just got a new contract reasonably large. So it strengthens their order book. Both have very strong order books of good margin business. And we expect to see traction. We are bidding, but I think our bidding aggression will pick up once traction on the existing contracts is improved.

Jainam Doshi: Gross margins, like...

Prakash Agarwal: Yes, the pipeline remains very strong.

Jainam Doshi: Understood. Understood. Sir, the gross margins, which have been impacted this quarter, facing any procurement challenges due to the ongoing geopolitical uncertainties...

Prakash Agarwal: Sorry, the line is breaking. Can you repeat yourself?

Moderator: Mr. Doshi, we can't hear you properly.

Jainam Doshi: Yes. Am I audible now?

Moderator: Yes, please proceed.

Jainam Doshi: Like also the gross margins have been impacted this quarter. So are we facing any procurement challenges due to the ongoing geopolitical uncertainties, like increase in freight costs or the increase in RM?

Prakash Agarwal: I think if you see, our gross margins have actually improved. The revenue is the challenge. There has been a slight dip in the revenue, which is -- but it's not the gross margin. So the gross margins are strong.

Jainam Doshi: Understood. Understood, sir. And sir, like the margins in the product division have fallen, both Y-o-Y and Q-o-Q. So is it the mix change which has resulted in the dip or like the aftermarket? Or as you mentioned, there were certain dispatches which didn't happen in the domestic product. So was it due to that thing? Or how should we look at the -- like dispatches going ahead? Whether -- yes, yes.

Prakash Agarwal: Yes. I think the business should be understood that -- we have discussed in the past also, the gross margins -- we are happy that the gross margins of the business, and even at the EBITDA level remains strong. And the dip is -- the fluctuations are primarily due to revenue fluctuations through the year. End of the year, we are completely aligned and we are very confident of margins and revenue profile. So I think it's a bit of seasonality rather than anything else.

Jainam Doshi: Understood. And sir, how are we seeing at these opportunities, like both in the domestic and the international piece going ahead? Like how is our strategy pertaining to the international piece, like in regions of MENA as well as U.S. as the oil and gas and various other infra is picking up. So how are we positioning ourselves into that space?

Prakash Agarwal: Firstly, we are very strong. I think our international business across the board is very strong. Just now we mentioned regarding Kuwait, where we are expecting a large order. Our Thai business is performing exceedingly well. Our Australian business is performing well, so is the South African business.

The growth, I think, is a bit affected. Presently this quarter, as I mentioned, geopolitically, the Middle East remains an area of flux, and that is affecting new contract finalization, dispatches to that area to some extent. So I think we will know within the next few months how it plays out.

Jainam Doshi: Got it. Got it. And sir, one more thing is like the dispatches of the product business, which we mentioned that got deferred. Can you quantify such deferment?

Prakash Agarwal: The product business, I think I don't want to quantify. It will even out. What our basic idea is that a large number of them are now -- should be dispatched. I think seasonally, September was a very heavy monsoon month. And therefore, the project sites did not accept the goods. So I think it will even out in this quarter and surely in the second half.

Jainam Doshi: Understood. And sir, one last question from my end is like with respect to the JJM, so because of the deteriorating macroeconomic conditions, do we think the state has the funds currently to release for these JJM projects? Or like how are we seeing on that part?

Prakash Agarwal: I think we are personally -- we are seeing that there is a change in the mechanism in which they are focusing more on commissioning. So our company is fully aligned. We have been -- we slowed down order booking and then we focused on execution from the last 2 years. And now, our further, we are focusing on commissioning because they are relating fund release to commissioning of projects. And we are well positioned there.

And we are seeing a couple of large projects got commissioned recently. O&Ms have started in a number of projects. So it's -- we are focusing on commissioning. And once that happens, I think the fund release are along the line. In West Bengal, where we have a considerable exposure, the fund of -- some amount of funds for smaller vendors was disbursed last month. We expect funds starting next week itself.

Moderator: The next question is from the line of Deepak from Svan Investment.

Deepak: Sir, firstly, on the product division, like we mentioned about the Gruppo Aturia, we are expecting a large order from the Kuwait Water Supply project. Can you please share further details about it? What could be the size and how -- what are the project opportunities?

Prakash Agarwal: Yes. It's just to show that the traction is there. I think it is -- it just shows that the business is aligned and moving well. I don't want to share numbers here. It's a product order, so it's not that impactful on the overall picture.

Deepak: Okay. And sir, we also mentioned that we are looking opportunity in the power division. So if you can share the further detail. I think we also -- in one of the comments -- in the opening remarks, we also mentioned we are exploring opportunity in the power division.

Prakash Agarwal: Well, we see good opportunities. I think a large number of thermal power plants are -- orders are going to be placed. So that's a big segment for us, and we expect to get a good share out of this.

Deepak: Okay. Okay. That would be on the domestic side of the pipeline where we are...

Prakash Agarwal: Domestic side, yes, sorry. On the domestic thermal side.

Deepak: Okay. Okay. And then, sir, now moving to this project business. On the domestic market side, if I were to look into your order book, I mean, it's a INR1,900-odd crores. If I remove the O&M, it's INR1,400-odd crores kind of order book we have the project. Now this quarter, if I can see there is also a reduction, some kind of improvement in the receivable as well. So would it be fair

to say we have started receiving the JJM payment and collection and then now the execution should pick up in the H2? Is it a correct understanding?

Prakash Agarwal: Yes. Our major contracts to execute are in West Bengal. And we have been waiting for the West Bengal funds. And that should be, as I mentioned, to the smaller vendors was released about 15, 20 days ago and should be released to us starting next week. So I think we are anxiously waiting to get that funds and start accelerating supplies itself. So very quickly, you should see results.

Deepak: Okay. And sir, from the second half perspective, see, I mean, to be very honest, in the first half from the domestic project business, we have done INR100-odd crores. And now we have the sizable order book of INR1,400-odd crores. So from that perspective, how should we see the execution pacing up once we start receiving the payment?

Prakash Agarwal: I think we'll be able to give a clearer picture in the next call because by that time, we wanted to get the funds first before we comment on that. But we have plans to accelerate rapidly, and the client is also very keen that we rapidly accelerate. And also the weather is good. I think this is peak construction period. So all things aligned, things should pick up, as I said, from next week, and we'll be able to give a clearer picture next call.

Deepak: Okay. Okay. And on the international market, especially on the South African region, if you can share the perspective, I mean, you did mention about the execution to pick up. But just wanted to check it out, this drop is a seasonally weak drop because last time we had INR216 crores kind of execution in the African project, and now this has certainly dropped down. Is there any challenges or just a normal project...

Prakash Agarwal: The South African execution will be lumpy, and it will gain traction, as we have always mentioned from FY '27. It's lumpy. That means the big payments at one time. It's not civil construction steady run rate projects. So as you have mentioned, the major traction will pick up FY '27 starting from the first quarter itself. I forgot, sorry, calendar year '27.

Deepak: Okay. Okay. And also, I don't know...

Prakash Agarwal: I don't think it should be read quarter-on-quarter. The order book and the margin profile are the 2 keys for us. The execution will go through some seasonality or cyclicality.

Deepak: And secondly, sir, just wanted to check it out on the price mechanism there, especially in the context of a sudden sharp rises in the raw material prices. Is it a pass-through in major of these contracts? Or how does the margin shape up over a period of time on these, especially international project?

Prakash Agarwal: All our projects are margin -- cost pass-through. So there are cost variation clauses in every contract.

Deepak: Okay. So from that context, margin profile would be the same in a similar state?

Prakash Agarwal: Yes, we are not worried about the margin.

Deepak: Okay. And thirdly, sir, just wanted to check it out on the Thailand project. See, in the annual report, we have mentioned we did a THB 1 billion revenues. And if I were to look into your profitability there, last year, we -- on the 30% share, we did INR8.9 crores. This time in the first half itself, we have done INR11 crores, INR12 crores kind of bottom line, which implies execution of INR400-plus crores in the INRterms for the H1 itself.

So if you can share in terms of the overall perspective for the Thailand business, how -- what are the kind of opportunity we are seeing? What is current order book? And how that should shape up over the next 2, 3-year perspective, that would be really helpful.

Prakash Agarwal: Actually, it's really accelerating very well. It's one of our strongest performing businesses. As you correctly pointed out, the first half has been very good there. Unfortunately, we don't consolidate it. Otherwise, it would directly impact our numbers. And however, the traction is very good. And opportunity, you saw that there was a huge flooding this year in Bangkok. So I think this is going to be another bigger year for us going forward. Their financial year starts in September, so it will gain traction now.

Deepak: Okay. Okay. And sir, if you can also share your thought -- see, I mean, even in this JV, we have 30% share. And also in the lot of subsidiary, we have 50% to 70% kind of share. So if you can share your thoughts on the consolidation of stake on various subsidiaries. How should we look from the medium-term perspective on that part?

Prakash Agarwal: In Thailand, we have a 49% share in the JV because it's mandatorily required by Thai law for the local partner can only participate in government tenders. So that now -- we are restricted there. So 49% is the stake we own through our international subsidiary.

Deepak: Okay. And sir, what about the other subsidiaries, especially African?

Prakash Agarwal: So I think we are improving. We just improved. I think we will be giving more details later. But we're improving our holding in the African subsidiaries. We are trying to restructure and improve there. And in the -- we have another JV in Clyde, which is a 60-40 JV. So these are the 3 prominent JVs here. And in Africa, in PCI Africa, we have a 3-year period after which we will be moving from 55% to 100%. I think 1 year is going to be over. So...

Moderator: The next question is from the line of Balu Lamkhade from Parami Financial Services.

Balu Lamkhade: My question is regarding we had sold Rutschi business and some tax provision was done. And we were -- the tax advisers had advised us that we will get the majority of the money back. So what is the status on that, if you can update, please?

Prakash Agarwal: Yes. So the process is that we paid the tax and then have gone for a claim, and that is legally proceeding. We will get the -- but it's a 2-year process minimum for that. It will go through different levels like in India, similar to India. First is the department level and then at the appeal level and then the courts. So I think presently, we have moving -- we will have our first feedback sometime this quarter.

Balu Lamkhade: And what is the tentative amount, Mr. Agarwal, on this?

Prakash Agarwal: About EUR 6.8 million, I think, EUR 6.87 million.

Balu Lamkhade: Okay. Also on the -- in this quarter, the margins have -- as I heard you, you said that margins are not a problem this quarter. The sales have been a problem. But the margins have dipped a little. What can you attribute that to?

Prakash Agarwal: The gross -- the revenue itself, so if you take the cost structure on the revenue, so the revenues will have been lowered. We should be at a typically INR450 crores, INR500 crores, so INR350 crores. So -- but the gross profit levels are good. And the revenue pickup will -- so you will see a margin jump in the future quarters on EBITDA level.

Balu Lamkhade: And also, my last question was from the tracking, which we do, the JJM, West Bengal, especially, they have released quite some money, about around INR4,000 crores approximately.

Prakash Agarwal: So that money is lying with the department. The money is lying with the department. They have not disbursed it yet.

Balu Lamkhade: And we are expecting that to start receiving from coming week only, you are saying?

Prakash Agarwal: Correct, correct.

Balu Lamkhade: And I think we have large money stuck with the West Bengal government, approximately INR300 crores plus.

Prakash Agarwal: Yes.

Moderator: The next question is from the line of Nikunj from Carnelian Capital.

Nikunj: So if we see the segment-wise margins, so we see a very high volatility in the margins. So in the product business, we saw margins of around 31% in Q1 and a dip to around 16% in Q2. And if you also compare it Y-o-Y, it was 27% in Q2 FY '26. So is there any particular reason for this dip in percent this quarter?

Prakash Agarwal: No, no reason. Some dispatches got postponed if you add a significant -- so we'll a -- had a revenue loss. We are monitoring at the gross. One is at the gross profit and then on the structure expenses. So we are not worried. You will see the jump. We are consistently in our 15% to 20%. If you see the first half itself, we are at 14% on a consolidated basis. We should be up to between 15% to 20%. I think 17%, 18% is our target.

Nikunj: Okay. And what do you do to the margin -- sorry?

Prakash Agarwal: Sorry, I'm saying that the margin is that -- revenue is our -- order book and our margin profile is what we monitor very closely. The revenue is -- moves up and down a bit depending on certain periods. So as I mentioned, September this year, this one was a bit worse because of the strong monsoons. So I think some clients postponed that.

Nikunj: Yes. And also on the project execution which we are seeing in the future, so what would be the guidance for FY '27 and '28 revenue?

Prakash Agarwal: I think it's strong on all the factors we've mentioned. We need to -- we see a good strong second half building traction. And going forward, we will further see the South African revenues improve as the execution improves in calendar year '27. Product business is very strong. The order book is INR450 crores, now it's INR500 crores. So a lot of traction in various areas.

Moderator: The next question is from the line of Saket Kapoor from Kapoor & Co.

Saket Kapoor: Sir, firstly, in terms of the restoration of the EBITDA margin, if I could understand from you, that -- and year as a whole, we should be looking our EBITDA margin trajectory back to that 17%, 18% band. That is what our target has been earlier. And just to take into account even the blips that we have seen for the first half, are we confident to reach and post those numbers with H2 in execution?

Prakash Agarwal: Yes, yes.

Saket Kapoor: Okay. So overall, there should be margin improvement to those numbers?

Prakash Agarwal: Yes.

Saket Kapoor: Secondly, sir, when you mentioned in your presentation that there was some deferment of product -- from deferment of product schedule from the clients. When we look at our stand-alone numbers, those numbers on Q-on-Q basis are looking better. So if you could just explain what exactly has happened?

And then you mentioned that our order booking has improved. So I did not get your point. When our orders were not dispatched, so the order book remains the same for the domestic operations, I think so. So if you could just explain what exactly went wrong in terms of dispatches?

Prakash Agarwal: Nothing has gone wrong. It just got deferred. What I'm trying to say is the backlog has moved up from INR450 crores to INR500 crores. That means the backlog remains strong. And these dispatches should happen in the second half. So the second half should have improving dispatches. Nothing much to be read into it. It just shows that the product division performance should improve in the second half, and we hope to improve over last year because of the strong order book.

Saket Kapoor: So sir, just to dwell last point on the product part, INR1,030 crores is the number for us in the product division. That is the order backlog split given to us. So on a conservative basis also, what percentage should get executed for the H2, sir?

Prakash Agarwal: See, I have mentioned the domestic product dispatches were affected. So on that side, our domestic product dispatches should pick up in the second half, which should help us to exceed our last year's domestic product business numbers, and that should be there. And the other businesses are looking strong, especially as we have mentioned regarding Gruppo Aturia and Australia. So that should play out.

Saket Kapoor: So just to get some understanding there, that last year top line number of INR1,036 crores on the product part, we are in a good strong wicket to supersede that number. That should be a better understanding because there will be variations up and down?

Prakash Agarwal: Yes. I think we hope to improve on that. That is our target.

Saket Kapoor: Okay. Now coming to the O&M part, sir. You mentioned that with the execution and now our focus more on the execution. Firstly, sir, what is the current, I think, O&M book we have? And what was the contribution for quarter 2 and H1, if you could give some color on the operation and maintenance part?

Prakash Agarwal: So projects are -- one of the areas first is that the JJM fund release and the project monitoring is shifting to commissioning of projects. So commissioning of projects has been our major focus, and that is gaining traction. More projects are getting commissioned. As the projects are getting commissioned, they go through a defect liability, trial operation period and then move into O&M. So projects are moving into O&M. I think we'll be able to give a very clear picture on O&M end of this year.

So some -- as we got and received an order for O&M because one project moved into O&M for about INR25 crores, INR27 crores recently. So I think this a sector we'll be able to give more clearer visibility once more projects are commissioned, finishing the trial operation, defect liability period and moving into O&M.

Saket Kapoor: Okay. So as of now, for the first half, what is the contribution, sir, for the O&M? Can you specify that number?

Prakash Agarwal: It's not significant.

Saket Kapoor: Okay. And...

Prakash Agarwal: It will pick up in the second half. In the second half, it will pick up. And from next year, we'll be able to give a fair picture.

Saket Kapoor: Okay. And out of the total order book position, what is the O&M component, sir, that you can clarify?

Prakash Agarwal: It's about INR550 crores now. INR525 crores, we got an order of INR550 crores. Some amount is executed, so INR545, INR540 something.

Saket Kapoor: Correct, sir. Right. And lastly, sir, when we look at our -- the number disclosure under the JV has this line item, share of profit from associates and joint ventures, this number has also slipped from INR11 crores to INR3.5 crores Q-on-Q basis. So if you could just explain to us. And even when we disclose our numbers, if some more color would be given in our presentation of what has contributed to this number, giving us an understanding of the joint ventures and various associate disclosure, that would also suffice other than with only an annual report document, this number decoding is also needed, sir?

Prakash Agarwal: Yes, we will share more detail. You're right. It's becoming a significant number because of the performance, but it's primarily due to the performance of Thailand and how those numbers move.

Saket Kapoor: Okay. So first quarter was also INR11 crores contribution was from Thailand and now it's INR3.62 crores figure, a much lower number. So...

Prakash Agarwal: This is primarily Thailand, and it is also our Indian JV, which we have in Delhi. So these are the 2 numbers which come here. And we will give more details in the next presentation.

Moderator: The next question is from the line of Balu Lamkhade from Parami Financial Services.

Balu Lamkhade: In last con call, Mr. Agarwal, you had mentioned that you are looking for some acquisitions in U.S.A. So any progress on that front?

Prakash Agarwal: No, we have not -- no success. We are working hard in good discussions, but nothing to report as of now.

Moderator: The next question is from the line of Abhishek Taparia from Emkay Global.

Abhishek Taparia: Sir, out of the total order backlog in the domestic project of INR1,900 crores, INR550 crores pertains to O&M. This O&M is going to be for how many years, it is to be executed over how many years?

Prakash Agarwal: It's a mix. Some projects are 2 years, some are 5, some are 10 in different projects. So it's tough to quantify as such.

Abhishek Taparia: Okay. And the INR1,400 crores, which is left on the JJM project side, that is to be executed by when you will be having an execution time line, right?

Prakash Agarwal: Which ones?

Abhishek Taparia: The JJM domestic INR1,400 crores backlog, which the domestic JJM has, that is to be executed by what time?

Prakash Agarwal: Actually, the -- like one of the main areas in that has been like in West Bengal, we have not received payments for the last 2 years. So that has shifted the time line. So it's a shifting time line. But we are -- as we mentioned that critically in all other projects, all except West Bengal, we are moving quite well into commissioning and into O&M of the projects.

So we are meeting the time lines, which is our major target. And West Bengal, once we have more clarity post receiving payments. And as I said, the money is lying with the client, the client should be disbursing it and the client wants more work done. So we will be able to give a better light on this execution phase next quarter.

Abhishek Taparia: Okay. Understood. So as soon as the payment is released from the West Bengal government, we are in a position to execute projects in the West Bengal state. So we can expect a huge ramp-up once the payment is released on the domestic project side, right?

Prakash Agarwal: Yes.

Abhishek Taparia: Okay. And so moving forward, if we are expecting the funds to be released in the coming week or in the coming months, so the -- out of that INR1,400 crores backlog, how much JJM is from the West Bengal government?

Prakash Agarwal: I think you should look at it as fact that we will improve the performance in execution in the projects. One, the West Bengal fund should be released. Second, the weather is good. Third, we are gaining traction in the commissioning projects in MP and other states. And all this should lead to a strong performance in the second half.

Abhishek Taparia: Okay. Okay. Okay, sir. Understood. And coming to the international project division. So international project in Q1, we had done a revenue of INR220 crores, somewhere around INR220 crores. And that was majorly because the projects got started and we booked revenue on the engineering front and the designing front. But going forward, you had mentioned it is going to be at a similar rate of INR150 crores to INR200 crores. So we can assume and put INR700 crores to INR800 crores revenue on the international project side?

Prakash Agarwal: No, I want to say that we have been very clear that these are a bit lumpy projects. They are over 4 years. It's not a steady state quarter-on-quarter, month-on-month project. So the revenues will come in batches. Like as I said, typically, the second to third year are the major years. The first year, as you correctly said, is engineering, planning, et cetera. So I don't think it should be taken as a month-on-month area.

But the good thing is the margin profile is good. The order backlog is strong and gives us good revenue visibility. So our results as such should be taken on an annualized basis in both revenues and margins. And our target is always, and we have been able to successfully do it, stay within 15% to 20% EBITDA range.

Abhishek Taparia: Okay. Okay. Understood. And sir, do we have any capacity constraint or anything like that? Because since last, I guess, 8 quarters, I have seen the international product division revenue at around INR160 crores to INR180 crores. So do we have any capacity constraint? Or is this how we need to evaluate the international product business, somewhere around INR160 crores to INR180 crores every quarter?

Prakash Agarwal: The international product, you see that's why internationally, our product businesses are stable. And unfortunately, one of the areas has been that our businesses are quite dependent on the MENA region. So we are hoping for traction in the MENA region to pick up. Large -- as I mentioned, Kuwait is a project which was first started 3 years ago, which is now crystallizing.

So there has been a lot of postponement of projects in MENA region. As we see some amount of normalcy returning there, then we will see growth in MENA region. But besides that, we made an acquisition, as you said, in Europe on MISA. MISA needs pumps. So that will give us a boost. And similarly, Thailand, which unfortunately not recorded in the consolidated basis, is moving strong. And I think we're looking at more acquisitions, but mostly, these businesses are stable and incrementally growing rather than aggressive growth.

Abhishek Taparia: Okay. Okay. Understood. And sir, on the power industry side, which you have mentioned that there is -- we are going to see demand on the thermal side in the domestic product business. So apart from the power side, do you see any opportunity in the lift irrigation and the river linking projects? Are there any -- how can we evaluate the market for domestic product?

Prakash Agarwal: The market for domestic product remains very strong. You have to understand that over the last 6 months since this war has started and crude oil prices have gone up, there are fiscal constraints, and these are all public infrastructure expenditure made by either state or central governments. So considering the environment, there is a huge demand for pumps. Huge demand. But the funding resources are a bit of a challenge presently. So therefore, what happens is the demand gets postponed. So these will come back with a bang as soon as the global scenario is improved. There is no concern at all from our side. It's a timing issue.

Abhishek Taparia: Okay. So the demand stays resilient, and we do have an order book of INR1,000 crores in the product division. And typically, what I've seen is we need a year to execute the total backlog in the product side. So over the next 4 quarters, we expect -- we can expect an execution of INR1,000 crores, right, on the domestic and as well as international product side?

Prakash Agarwal: We are expecting a strong second half based on some of the factors which we have done. The product division in India remains very strong. There are different factors for the Indian product division and international business. International business, as I mentioned, with good orders expected in Aturia, and should be strong.

Now the good things for us, if I have to sum it up, is the domestic product business, which should have a strong second half. The domestic project business where we should see a marked improvement as soon as the West Bengal funds are received. And third, South Africa will gradually progressively increase its execution.

Moderator: The next question is from the line of Saket Kapoor from Kapoor & Co.

Saket Kapoor: Just in continuation to what you were just referring to that we see the strong ramp-up for the project business, especially for the domestic market. Sir, out of the closing order book of INR1,400 crores unexecutable, of what percentage is skewed towards the -- especially for the West Bengal government? If you could give the split, just a ballpark number in percentage terms?

Prakash Agarwal: I think about 50%, plus 50%, 60%.

Saket Kapoor: That's a huge number. So the dependence is much higher on the state. And sir, we have the capability of executing the bulk of it if the payment terms are aligned as you are expecting to complete it over the H2 itself or that will -- that may roll over...

Prakash Agarwal: Don't jump these things. We have yet to receive funds. We will receive funds. We will give an outlook. Please do not speculate.

Saket Kapoor: Very rightly said. But factoring into the other portion of the order book that is from the international operations. And last year, sir, we closed at INR820 crores number. This year

already, we have done INR400 crores. So on the revenue growth part, sir, you mentioned restoration of margins going ahead. On the revenue growth front, what should be the ballpark growth that we should expect for H2 revenue on what H1 we have done, sir? In the vicinity, if you could give us some sense?

Prakash Agarwal: So we expect a strong second half, which should be driven by primarily the pickup in the domestic business from both product and project and some ramp-up from South Africa, which should give us a strong second half. And that will -- the growth in revenues should improve margins itself and the margins remain strong.

Saket Kapoor: Okay. And lastly, sir, about the increase in stake in our subsidiary and the JV part. If you could just give us some more time line if -- what is the thought process currently with them? What kind of funds are we anticipating to allocate in raising up the stake? African part of the story is clear that there is a path to reach the 100% number. Barring others and with the type of mandate from the government for participation, what are we looking at in terms of this noncontrolling interest part moving up -- sorry, going down from these levels?

Prakash Agarwal: You said correctly that there is a requirement by the South African government for Black empowerment, which means ownership. So we are exploring various options, and it will -- to try to improve our percentage to the optimum level.

Saket Kapoor: Other than that also, sir, I think so we have one wherein the promoters hold stake as noncontrolling, I think so in one of the JVs, if I'm not wrong. And through a Singapore holding company...

Prakash Agarwal: The promoter is a partner in the international subsidiary in Singapore, which is approximately 60-40, 60% WPIL and 40% promoter. There is no -- it is a usage of cash. Now is that the best usage of cash or not? We have to see. It is considerably highly valued right now. So I don't think it's something we are going to be doing right now. Because we need cash if we do, the biggest plans for us is to grow by M&A. We are looking at acquisition targets. So that would be the deployment for our cash.

Saket Kapoor: I hope that for the -- whatever suggestions participants have given that, that will be deliberated on, especially for the JV part and associates also, going ahead. Hope to speak to you in quarter 3 con call.

Moderator: The next question is from the line of Amit from Emkay Global.

Amit: Sir, possible to share the order inflow number for this particular quarter?

Prakash Agarwal: No, it's not readily available with us. It's been stable in line with...

Amit: Okay. And sir, out of this international order backlog of INR2,100-odd crores, possible to break it down region-wise? How much is from the South Africa, how much from Italy and the rest of the region?

Prakash Agarwal: Just a minute. We do it from product and project. Yes, approximately -- these are approximate figures, just [inaudible 0:52:06] region. South Africa is because of the projects there is the largest, approximately INR2,400 crores, I think. And because that's the project long-term orders. And Italy is approximately INR350 crores because those are shorter duration orders. Australia is approximately INR80, INR90 crores. These are the 3 entities we report.

Amit: Okay. Sir, you mentioned INR2,400 crores for South Africa, is it?

Prakash Agarwal: Yes. Yes.

Amit: Okay. Okay. And this will be both product as well as project put together?

Prakash Agarwal: Yes. But the project is the largest share. The product share would be approximately, I think, INR300 crores -- INR250 crores, INR300 crores. Because again, the products are 6-month cycles.

Amit: Correct. And sir, this almost like INR1,800 crores, INR1,900 crores kind of a project level order backlog at South Africa, what is the execution time line? And as you mentioned that CY '27 should be a bumper year for South African entity. So what is the kind of revenue booking that we anticipate in this particular region? So if you can just highlight that, that would be helpful, sir.

Prakash Agarwal: Most of these orders have been received this year from the first 9 months. So typically, the projects are 4 years' time frame, 48 months. And in a typical 4-year project, you expect the peak revenue to be in the second year. So because first year is engineering, then supply, then erection commissioning.

So in that light, we anticipate next year, as we move into the second year to be the strongest year. But there are projects -- it's a continuous cycle also with the business ramping up now with the credentials they have. So I think the idea is to see an outlook. The strong order book gives you visibility. So I think rather than trying to time it, it's more important to see the visibility of order book and the margin profile.

Amit: And sir, when you execute it, say, over a period of 4 years, you mentioned that second year is typically the maximum revenue booking happen. So in a 4-year time frame, the first year might contribute, say, somewhere around about 10%, 15-odd percent. Second year, can we expect somewhere around about 25%, 30% of the overall order backlog to get executed?

Prakash Agarwal: It's difficult because it's not one project. It's a multiple of projects. So different projects at different speeds because there are approvals. There are sometimes some projects get held up for some reason. So I don't think it's very good to try to quantify it. It's better...

Amit: Sir, I'm not trying to quantify the revenue. I'm just trying to understand how the project execution work. So in a typical project...

Prakash Agarwal: You are assuming it will be smooth. It is not smooth. It means, say, some of the projects are fast tracked. The client wants to fast track. Sometimes there are some clearance issues. So that's why.

Suppose a large project has a clearance or suppose a large project is fast tracked, it changes the time line.

Amit: Okay. But in an ideal scenario, sir, first year might be 10%, 15%? And second year 25%, 30% and...

Prakash Agarwal: I think it's -- the second year is the strongest. So typically, the second year is 30% as you're saying 35% [inaudible 0:55:59].

Amit: Okay. And sir, do we have any retention in a project or there is no retention money out there in the project execution?

Prakash Agarwal: I think most of them are contract recognition. So retention is a part of billing. The invoicing itself is when you finish all the liabilities, you bill it. So I don't think the parts are retained. So a debtor issue.

Amit: Okay. And sir, just wanted to understand in this particular quarter, although your project revenue has witnessed a sharp decline, but your margins are pretty strong in this particular quarter. So be it on a sequential basis, on a year-on-year basis, when I look at your project margins, they are very healthy. So any particular reason has any particular project crossed the margin threshold limit and that's the reason your margins are far superior? If you can throw some light on that.

Prakash Agarwal: No, I think we are -- as I already mentioned, we are not seeing -- we are at 75% completion on most projects, except some West Bengal projects. So therefore, we have a clear visibility. We don't see much margin pressure and more importantly, cash flow issue by closing the -- commissioning the projects and recovering our dues.

Amit: And sir, when I look at your first half cash flow, right, you have generated a very healthy cash flow from operation as against a negative number in first half FY '26. This year, you have posted very strong cash flow generation. So is the working capital cycle or receivable cycle improving for you? What is the reason for your working capital cycle to come down in first half, if you can just highlight that?

Prakash Agarwal: The international business working capital cycles are very good. We have mentioned this. That's why we -- personally, we focused on South Africa and international project businesses because they have a different profile, margin profile and cash flow profile, and we are lucky to have very strong businesses there.

So it completely differs from India. And I think it offsets the Indian cash flow challenge as well as the margin challenge. So I think it's a very good, strong profile that we have in the project business. We are very happy that it's moving in the way it is, the South African business and Italian business offsetting the Indian cash flows.

Amit: Got it. And sir, in the product business, right, we have seen a very sharp increase in the material cost over the last 1 year. So in the product business, do we take price hikes to -- because of the raw material price increase, the cost would have increased drastically, right, for us. So in the

product business, do we take a regular price hike? And if yes, what is the kind of price increase that we have taken on the product side?

Prakash Agarwal: I don't think -- I think -- I'm not sure where you are getting this data, but I think the product business is very strong domestically. And I think we have had a little dip in the revenue in the second quarter, which should improve in the second half. So there's nothing more to read into that. I don't think there is any price concern as such to us.

Amit: No, I was just asking because margin pressure has been witnessed in second quarter. So I was just trying to understand whether it is because of the material cost increase and we have not been able to take commensurate price hike.

Prakash Agarwal: It's not that significant for us because of the type of products we make. So we are not concerned about it. We see it going strong.

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

Prakash Agarwal: Thank you very much. I hope we have been able to answer most of your questions. For any more information, you can contact Valorem Advisors, our investment guide. Thank you. Good evening. Happy Diwali to everyone.

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