

Dilip Buildcon

11 August 2026

Operator: Ladies and gentlemen, good day and welcome to Dilip Buildcon Ltd.'s Q1 FY27 earnings conference call. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Arshat Saluja from S-Ancial. Thank you, and over to you, sir.

Arshat Saluja – S-Ancial: Thank you. Good morning, everyone, and thank you for joining us today to discuss the audited financial performance for Q1 FY27. From management, we have Mr. Devendra Jain, MD and CEO; Mr. Rohan Suryavanshi, Head Strategy and Planning; and Mr. Sanjay Bansal, the CFO. Before we proceed, I would like to bring to your attention that certain statements made during the discussion may constitute forward-looking statements. These statements are based on our current expectations, assumptions, and beliefs regarding future developments and are inherently subject to various risks, uncertainties, and factors beyond our control. Such forward-looking statements involve both known and unknown risks, and we advise you to interpret them with caution. I will now hand over the call to Mr. Rohan Suryavanshi for his opening remarks. Thank you, and over to you, sir.

Rohan Suryavanshi – Head Strategy & Planning: Good morning, everyone. On behalf of the entire DBL family, I extend a warm welcome to all our investors and analysts to our Q1 FY27 earnings conference call. The financial results and investor presentation for the quarter have already been uploaded on the stock exchanges, and I trust you had the opportunity to go through them.

Let me begin by providing the broader sector environment. The infrastructure sector continues to enjoy strong policy support, with sustained government focus on roads, railways, water, transmission, and renewables, all sectors in which we are currently and actively engaged. The awarding cycle in the first quarter was on the softer side, as is usually the case, particularly in National Highways, on account of the ongoing recalibration of the Bharatmala pipeline and process-related delays. However, the medium-term signals from the government remain constructive.

During the quarter, NHAI articulated its FY27 project pipeline of 54 highway and expressway projects covering 2,442 kilometers, with a total capital cost of approximately {? rupees 1.80 lakh crores ?} spread across 13 states. Of these, 26 projects are proposed under the EPC route, 21 under the HAM route, and 7 under the BOT route. This gives the industry a clear line of sight on award activity for the remaining part of the year.

It is also heartening that, aligned with our own strategy, the government's monetization program is accelerating. NHAI has finalized 17 highway stretches spanning approximately 1,693 kilometers for monetization in FY27 through TOT and InVIT routes, which are expected to generate proceeds in the range of {? rupees 30 to 35,000 crores ?}. This is part of the second National Monetization Pipeline, under which the road sector alone is targeted to unlock {? rupees 4.42 lakh crores ?} between FY26 and FY30. This validates the InVIT-led capital recycling model we are building at DBL and reinforces the depth of the institutional market for the operating road assets we develop and transfer.

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Global uncertainties around crude prices definitely continue to weigh on fuel, bitumen, and related input costs. Working capital cycles across the industry remain elongated, and administrative delays on project approvals and payments have persisted through the quarter. In our assessment, these are cyclical rather than structural, and the medium-term thesis for Indian infrastructure remains firmly intact. Our approach, therefore, continues to be one of selective tendering, execution discipline, and preservation of balance sheet strength.

Now coming to DBL's performance, our order book stood at {? rupees 27,691 crores ?} as of June 30, 2026, with a well-diversified presence across 12 verticals. Key segments include mining, roads and highways, irrigation, and renewable energy, which together form the core of our order book. This spread is a deliberate outcome of the DBL 2.0 strategy and gives strong revenue visibility without dependence on any single segment. Out of this order book, the MDO-reported order book is about {? rupees 5,224 crores ?}, which represents only a 3-year rolling snapshot across the Siarmal, Pachwara, and Potiange SPVs. Beyond this, the balance contract value of the mining sector stands at approximately {? rupees 1.03 lakh crores ?} at current pricing. These assets provide a substantial pool of long-term contracted revenue beyond the reported order book.

In Q1 FY27, order inflow stood at approximately {? rupees 268 crores ?}. As I mentioned, this is the first quarter, and ordering activity usually picks up toward the end of the financial year. We are very hopeful of maintaining our guidance of {? 10-12,000 crores ?} of new orders in this financial year. Currently, our bid pipeline stands at approximately 1.5 lakh crores across sectors. We continue to maintain our selective bidding approach, prioritizing profitability, cash flow visibility, and a balanced risk-reward profile over pure top-line growth.

Additionally, I am pleased to share that DBL has been declared the L1 bidder for the construction of the Shikasar to Kodar reservoir link canal pipeline project in Chhattisgarh on a lump-sum basis. This is valued at about {? rupees 2,524 crores ?}. This win further reinforces our positioning in the water and irrigation vertical, which remains a strategic focus area within our diversified order book.

On the execution front, during the quarter we completed 3 HAM projects worth {? rupees 1,700 crores ?}, all forming part of the Bengaluru-Vijayawada Expressway in Andhra Pradesh. Each of these packages was completed ahead of the scheduled COD, consistent with our track record of nearly 90% early completion across our project portfolio.

Our mining vertical is progressively becoming the most important driver of our long-term earnings visibility and predictable cash generation. Total coal production for Q1 FY27 stood at {? 4.79 million tonnes ?}. At the Potiange bauxite project, production is yet to commence, and we will update the market as we approach the operational startup. However, we remain firmly on course to reach our previously guided coal production of approximately {? 57 million tonnes ?} by FY29. At that scale, DBL will be one of the top 3 participants in India's energy security architecture and a significant contributor to the country's coal supply mix.

On our multi-asset platform, Anantam Highway Trust continues to progress in line with the roadmap we had shared at the time of listing. As of June 30, 2026, DBL, along with its associates and economic interests, held units of approximately {? rupees 1,314 crores ?} at face value in Anantam Highway Trust and approximately {? rupees 207 crores ?} face value of units in Shrem InVIT, taking the total value of units held by the group to approximately {? rupees 1,521 crores ?}. On

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the pipeline of asset transfers to the Anantam Highways InVIT, we remain on track to transfer the balance HAM assets in phases through March 2027. The next tranche of 11 assets that will be transferred is expected to require less than {? rupees 81 crores ?} of incremental equity investment while generating InVIT units valued at approximately {? 1,750 plus crores ?}.

Beyond the HAM portfolio, I am very happy to report that our multi-asset platform is being built further through the 1,977-megawatt solar plant mandate that was awarded to us in FY26 and the Meghalaya interstate transmission project in Karnataka. As these assets are commissioned, they will feed into the recurring distribution income over the medium term. Beyond these assets, we also have a water HAM and an oil and gas portfolio, which we will also look to put into an InVIT structure so that they are held off DBL's balance sheet in the most tax-efficient manner, while providing long-term cash flow visibility to the group.

Now coming to our debt position. This is a question that is usually asked, and I will take some time to explain where we are. Standalone net debt as of June 30, 2026, stood at {? rupees 2,106 crores ?}, compared with {? rupees 1,880 crores ?} as of March 31, 2026. This movement reflects the normal seasonal build-up in working capital that is typical in the first 2 quarters of the fiscal year and has been the same in the last few years if you look at our past record. The normal working capital cycle has moved marginally from 131 to 133 days. However, we expect working capital to normalize in the second half of the year. Standalone net debt to equity stood at a comfortable 0.31 times as of June 30, 2026. Consolidated net debt as of June 30, 2026, stood at {? rupees 7,801 crores ?}, and Mr. Bansal will provide additional color shortly.

While these are the numbers, as I have said before, our debt must be viewed in the context of what has happened in the last couple of years and in the context of the asset base that sits on our balance sheet. When we first gave the vision of DBL 2.0, we expected our debt levels to reduce significantly more than what we have been able to achieve. However, part of the reason is that the last 2 to 2.5 years have been years of a low order book, which eventually led to lower revenue, lower profitability, and lower capital generation. Because of this, we were not able to do as much as we had intended. At the same time, we were also investing in our assets. In the last 2.5 years, DBL has invested 1,200 crores plus from its own books.

Rohan Suryavanshi – Head Strategy & Planning: These investments will further convert into InVIT units. Had we not made the decision to hold and make these investments, we would have been able to reduce our debt significantly. However, all these factors led to the current position. Today, we hold InVIT units worth 1,521 crores on our books, and we are expecting another 1,700–1,800 crores of InVIT units to come as the balance 11 assets are transferred to Shrem InVIT.

Besides this, our gross block of about 3,600 crores, which is roughly about 800 crores of net block and is also almost entirely debt-free, is on our books. That is another positive. Our goal to reach a net debt-positive position on a standalone balance sheet by FY28 remains firmly on track, let me assure you. It will be supported by the combined cash generation from EPC, MDO, and the rising InVIT distributions.

I reiterate that our debt reduction guidance of 600–800 crores, which we mentioned at the start of the year, is on track, and we will achieve that. At the same time, let me reiterate that our guidance for 30–40% revenue growth also remains on track. None of the guidance we gave in the last quarter

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has changed, and we are very positive about it.

The key thing that we need to understand is that revenue from our large projects—whether transmission, road projects, solar, or water—has not meaningfully started yet. However, as this year progresses, we will see a significant buildup in our revenue because of all these new projects in our order book.

Now, let me come to one of the most important and final points that I have to share with you. I am very happy and glad to share that the Board has considered and approved a stake sale in our under-construction power transmission and solar projects, which represent a combined project cost of approximately 8,400 crores, to Alpha Alternatives. This deal is similar to the past deals that we have done with Alpha Alternatives, where the consideration under this transaction will be received in 2 parts: partly in cash and partly in units. Once the final terms are firmed up and the definitive agreements are signed, which should happen in the very near future, we will be able to disclose how it is structured in detail.

More importantly, as part of this arrangement, Alpha will also co-invest alongside DBL throughout the construction phase to the extent of 49%. This will meaningfully reduce our equity commitment to these projects. This freed-up equity commitment can be used for redeployment across our businesses and will also help us reduce our debt.

We will share more on this when we eventually hold a separate call after announcing the deal to explain it in detail. As I said, as per regulations, I can only share this broad information right now. This is a transaction in line with our past transactions, and it furthers both our debt reduction goals and our second goal of building long-term cash flow for the company.

To summarize, Q1 FY27 has been a quarter of steady execution against a sectoral backdrop that was on the softer side in terms of awarding activity, but constructive in terms of medium-term policy signals. Every one of our 3 engines—EPC, MDO, and the multi-asset platform—is progressing in line with the roadmap we shared with you last quarter, and the strategic direction of the company remains unchanged. We are confident that the compounding effect of these 3 engines will translate into strong and sustainable value creation for all our stakeholders over the coming years. I can say very confidently that our capital efficiency will be among the best in the sector, and ROE and ROCE will be much better, as not only has our investment reduced significantly, but the returns that will accrue to DBL will also be meaningful.

With that, I would like to hand over the call to our CFO, Mr. Sanjay Bansal, who will take you through the financial performance in greater detail. Thank you.

Sanjay Bansal – CFO: Thank you, Rohan. Good morning to everyone. I will now briefly take you through the key financial highlights for the quarter ended June 30, 2026. On a standalone basis, revenue from operations for Q1 FY27 stood at 1,930 crores, and EBITDA stood at rupees 199 crores. The EBITDA margin was 10.32%, marginally expanded from 10.11% in Q1 FY26, reflecting steady cost management even in a quarter of moderate execution.

Profit before exceptional items and tax grew to rupees 72 crores in Q1 FY27 from rupees 57 crores in Q1 FY26, an increase of approximately 26% year-on-year. Profit after tax stood at 39 crores in Q1

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FY27 as against rupees 123 crores in Q1 FY26. The base-quarter profit after tax included an exceptional gain of approximately rupees 98 crores relating to a divestment transaction. Once we adjust for this, the underlying profitability steadily improved during the last quarter.

Now coming to the consolidated performance, consolidated revenue from operations for Q1 FY27 stood at rupees 2,378 crores against rupees 2,620 crores in Q1 FY26. EBITDA, excluding other income, was 429 crores, with an EBITDA margin of 18.05%. Profit before exceptional items and tax at the consolidated level was rupees 127 crores during the last quarter. Profit after tax on a consolidated basis was rupees 128 crores in Q1 FY27 against rupees 271 crores in Q1 FY26.

With this, I would like to hand the call back to the operator for the question-and-answer session. Thank you very much.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Participants, you may press star and one to ask a question. The first question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah – Dolat Capital: Hi. Thank you, sir, for the opportunity. I have a couple of questions. Rohan has already mentioned most of the guidance-related points. I have just 2–3 questions on that front. On the EBITDA margin guidance for this year of 11–12%, does that remain the same?

Rohan Suryavanshi – Head Strategy & Planning: The guidance is as we indicated earlier, Shravan. The 10–12% guidance is still there. Our goal is to go higher, but that guidance remains unchanged.

Shravan Shah – Dolat Capital: Okay. In terms of execution, when we are saying 30–40% growth, will we primarily see significant growth in the fourth quarter? Is that the way one can look at it?

Rohan Suryavanshi – Head Strategy & Planning: Yes, you will start seeing the ramp-up from Q3, and it will increase further in Q4. It will continue through Q1 until the rains arrive, meaning the next year, the next financial year.

Shravan Shah – Dolat Capital: Okay. Till now, what is the value of projects that we have bid for where the bids are yet to be opened?

Rohan Suryavanshi – Head Strategy & Planning: Approximately 15,000–20,000 crores worth of projects may have gone into our bids that are yet to be opened. Around 15,000–something crores, sir.

Shravan Shah – Dolat Capital: Okay. The working capital increase that we are seeing is obviously a normal cyclical increase in Q1 and Q2. How should one look at the year-end? Will there be a reduction of around 10–15 days compared with last year? How should we look at the working capital days?

Rohan Suryavanshi – Head Strategy & Planning: We expect the working capital days to reduce to about 120 days. Overall debt will also reduce by 600–800 crores, as we had provided in our

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guidance.

Shravan Shah – Dolat Capital: Understood. On the MDO business, I wanted to understand a couple of things. Last time, we discussed that in FY27, FY28, and FY29, we were looking at revenue of 2,500 crores, 3,000 crores plus, and 4,000 crores, respectively. In terms of coal production, you mentioned 57 million tonnes by FY29. However, looking at the first-quarter number, it seems that to achieve 2,500 crores in FY27, we have done 362 crores this quarter. Therefore, we need significant growth of around 82–83%, and similarly, we need decent growth in coal production. I wanted to understand whether we will be able to achieve that.

Rohan Suryavanshi – Head Strategy & Planning: Shravan, coal production is completely on track as per the plan. This year, we have planned around 27 million metric tonnes of coal production. It is lower in the first quarter because evacuation was lower there, and in the second and third quarters it will equalize, and we will close the year at 27 million tonnes. In addition, 7 million tonnes will be from the Pachhwara project.

Production at the Pachhwara project is currently lower because there was a strike between PSPCL and the employees there. That issue has been resolved, and it will ramp up over the next 2–3 quarters. The same plan remains in place, and we will achieve 57 million tonnes in FY29 as per the contract plan. There is no change to that.

Shravan Shah – Dolat Capital: Understood. If we broadly look at this from a realization perspective, based on the numbers we have, the revenue for this quarter is 362 crores and production is 4.79 million tonnes. On that basis, the realization comes to 756 rupees per tonne. I understand that overburden and coal have separate calculations. However, if we compare this quarter with the last quarter, Q4 FY26, there has been a jump of close to 58%. I wanted to understand whether this current realization run rate will continue or whether it was a one-off in this quarter. Also, when will our coal handling plant be commissioned? How should we look at the MDO business from a revenue perspective at this stage?

Rohan Suryavanshi – Head Strategy & Planning: In the context of the coal handling plant, coal production will run without the coal handling plant in this financial year and the next financial year, as per the contract. It is proceeding routinely. The coal handling plant will take approximately 1.5 years to complete, and accordingly, coal production will ramp up: 27 million tonnes this year, 35 million tonnes next year, and 50 million tonnes thereafter with the coal handling plant.

In the case of Pachhwara, 7 million tonnes is the contracted capacity, which we have achieved in the last 2 years and will achieve again this year. Our team will separately update you on the numbers and explain how your calculations work. However, the major jump in revenue will be seen once the coal handling plant is completed. Then our coal fee of 78% will become 100%. The major jump will come in FY29.

Shravan Shah – Dolat Capital: Understood. Broadly, if I have to break this down, this quarter's revenue is 362 crores. How should we look at the full year at a broader level? As you highlighted, if we have 27 million tonnes plus 7 million tonnes, that would be around 34 million tonnes of coal production.

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Rohan Suryavanshi – Head Strategy & Planning: Let me explain this simply. Do the simple mathematics: 27 million tonnes in Siarmal at a rate of around 600 rupees per metric tonne, and 7 million tonnes in Pachhwara at a rate of 1,200 rupees per metric tonne for the full year.

Shravan Shah – Dolat Capital: Understood. One more thing: the 11 assets that we have to transfer, how many of them will be transferred this year, and how will the balance be transferred? The 1,700–1,800 crores of InVIT units that we are expected to receive—when and how will they come to us?

Rohan Suryavanshi – Head Strategy & Planning: Of the 11 projects, 4 projects will be transferred to the InVIT this month. Of the remaining 7 projects, 4 have already achieved COD, and 3 will achieve COD by September. Once we cross the 6-month mark after the first annuity, and as soon as NHA's NOC arrives, most likely from the end of this financial year through Q1 of the next financial year, all 18 projects will be fully transferred.

Shravan Shah – Dolat Capital: Understood. For the additional cash generated in the MDO business, where we are doing much better in terms of margins at the MDO level, we have standalone debt of 2,100 crores and a debt reduction target of 600–800 crores this year. Can we divert that cash or perhaps pay a dividend to the standalone entity to help with the debt reduction? Are we looking only at the income from the InVIT and the improvement at the standalone level for debt reduction?

Management: The bank has permitted that, based on the internal-accrual funds already in the bank, there will be zero further equity investment in the Siarmal coal project. Going forward, no equity will be required from internal accruals for that project.

Further, if you look at the projects that were added in the last financial year, more than 15,000 crores were added in Q4, and revenue contribution from none of them has started yet. The major project is our 3,500-crore Bihar project. In solar, we have a project of approximately 5,500 crores, a 1,700-crore transmission project, and the ARCP Rajasthan Canal project of approximately 2,000 crores. Revenue contribution from all these projects will start gradually from Q2 and will reach a peak in Q3 and Q4. Once the revenue comes in, all the other elements will ramp up.

If you look at the entire last quarter, despite the disruption caused by the war, when we bought diesel at 140 rupees and bitumen prices were double, all the revenue guidance was achieved. Only some plans were shifted forward or backward, but ultimately, as we also said last quarter, we will achieve debt reduction of approximately 700–800 crores this year. We will achieve 100% of the 30–40% revenue growth guidance that we provided, and you will start seeing all these things in our results from Q2 and Q3 onward. Thank you, Aman.

Operator: Thank you. Participants, you may press star and one to ask a question. The next question is from the line of Deepak Purswani from Swan Investment. Please go ahead.

Deepak Purswani – Swan Investment: Thank you for the opportunity, and congratulations on the deal. I wanted to check on the deal. In the presentation, we have shown that the balance equity requirement for these 2 projects will be around 1,250 crores and 420 crores. Once this deal is completed, will we have to put in the equity incrementally, or will this come entirely from Alpha Infra?

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Management: Thank you for your question. Yes, you are right. Together, these 2 projects require more than 1,600 crores of equity. Alpha will put in 49% during construction, which means that more than 800 crores, somewhere around that range, will come from Alpha, and only the remaining 800 crores will need to be put in by DBL.

Deepak Purswani – Swan Investment: Secondly, I wanted to check on some recent developments, especially relating to the Kerala project. How should we view that development from the overall project execution point of view? How much of that order is included in the order book, and is there any implication for us going forward?

Management: A committee visited the Kerala project and submitted a report stating that it was a natural calamity. A tunnel always has 2 portals for construction, and one portal is on the other side. Construction of the tunnel from one portal will mostly start by the end of this month. Until then, some due diligence will continue at the portal where the accident occurred. The rest of the project is completely on track, and the accident was purely due to a natural calamity. A Supreme Court-guided committee has also submitted a report to that effect.

Deepak Purswani – Swan Investment: I also wanted to understand 2 things. From the working capital point of view, how should we look at the overall reduction going forward as the business ramps up, especially in the case of inventory, which is currently at a relatively higher level? Secondly, on the margin front, given the commodity price hike, will the increase be passed through, or are we still facing problems from commodity prices?

Management: The government has provided some relaxation on commodity prices, particularly for fuel and bitumen, and approximately 60–65% of the amount will be reimbursed. However, overall, there has been some impact on margins because of the disruption, as other items such as cement, steel, and transportation have also become more expensive. I do not expect this kind of prolonged disruption in the future. I believe these levels will normalize by Q2 and Q3.

Working capital, basically, as Rohan said, may reach 120 days by the end of this year and probably around 90 days next year.

Deepak Purswani – Swan Investment: From the finance cost point of view, how should we look at the finance cost for this year?

Management: The finance cost for the full year would be a total of 350 crores because we are expecting lower utilization of working capital during Q3 and Q4. Our targeted cost is around 350 crores.

Deepak Purswani – Swan Investment: Thank you. Thanks a lot, and I wish you all the best.

Management: Thank you.

Operator: Thank you very much. Participants, you may press star and one to ask a question. The next question is from the line of Vishal Periwal from PL Capital. Please go ahead.

Vishal Periwal – PL Capital: Thank you for the opportunity. I have a few questions on the slide deck relating to the equity investment tracker. I wanted a few clarifications. One is that you mentioned

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the total equity requirement for transmission and solar is almost 1,600 crores, with half of it coming from Alpha. However, in that slide, if we combine serial numbers H and I, the number is lower than approximately 1,600 crores. How do you reconcile that?

Management: As Rohan said, the total requirement for transmission and solar is 1,650 crores, and around 49% will be infused by Alpha. We have also arranged structured equity of about 900 crores. If you refer to lines H and I, almost 85% of the equity will be sourced through the investor and structured equity.

Vishal Periwal – PL Capital: When you say structured equity, it is not internal accruals; it is coming from—

Management: It is not from internal accruals. We have already raised 900 crores.

Management {? Rohan ?}: Let me add this very clearly. As you mentioned, in the last 2 to 2.5 years, DBL has invested more than 1,200 crores of equity from its own books. Had we not done that, we could have reduced our debt by the same amount.

Our goals are twofold. We want to reduce debt on a standalone basis, and we also want to build a long-term cash flow business through the InVIT units in which we want to hold assets. To achieve this, we will not use a large amount of capital from our own books to build these assets. First, we have a partner who is going to co-invest with us. Second, we will put structured equity in place.

Once we convert the assets into a higher valuation at COD, we will let go of the structured equity that we have raised, along with the interest, and sell that portion, while retaining the remaining assets on our books. In this way, the DBL balance sheet has free cash to reduce debt, while we also have equity for our assets, allowing us to build those assets and receive the upside from the higher valuation once COD has occurred.

Vishal Periwal – PL Capital: I think you are linking this with debt as well. Have we raised debt at the holdco or standalone level and put that same amount into equity, so that once Alpha puts in the money, we can reduce the debt? Is that what you are saying?

Management {? Rohan ?}: No, these are 2 separate parts. One is the equity that Alpha is putting in, which is not related to that. Alpha is putting it in as a partner. Besides the 49% that Alpha is putting in, we have also made arrangements for structured equity to come in for our 51% portion.

The idea and goal of the amount we are putting in is that our standalone debt does not increase. We will use our standalone cash flows to reduce our debt. Very simply, whatever cash flows we have today and whatever free cash the company generates can either reduce debt or be put into equity.

Vishal Periwal – PL Capital: Yes.

Management {? Rohan ?}: I am saving all the free cash that the company creates for debt reduction, while keeping a line open for structured equity. As soon as we build the project during construction and the project is completed and we receive our units, I will convert the structured equity into those units, pay off whatever structured equity remains, and retain the remaining units for DBL.

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Vishal Periwal – PL Capital: In the same slide, for serial numbers F and G, is it fair to say that the 20 crores and 161 crores will come into our P&L as other income?

Management: This distribution from Alpha, the 161 crores, will be received partly at the DBL level because the total 1,314-crore equity is held in 2 places: DBL and one subsidiary. Therefore, this 161 crores will be received from Alpha partly by DBL and partly by one of the subsidiaries.

Vishal Periwal – PL Capital: The reason I am asking is that if we compare what was shown in the FY26 presentation with this number, the reduction is approximately 60–65 crores. I wanted to check whether everything is coming through other income, or whether some amount relates to another subsidiary or a standalone business in another state.

Management: The change in the number is because of the timing of the transfer of the asset to the InVIT and the receipt of the units. The transfer of the units was delayed by 1 quarter because of the InVIT IPO. This transfer will now happen in this quarter, and we will receive approximately 700 crores of units against the transfer of 4 assets, as Rohan said. That is the reason for the change. Otherwise, all the long-term amounts from F to I will be received in cash.

Vishal Periwal – PL Capital: Understood.

Operator: Thank you very much. Participants, you may press star and one to ask a question. The next question is from the line of Vinay Chaudhary from Enexa Capital. Please go ahead.

Vinay Chaudhary – Enexa Capital: Hello, thank you for the opportunity. My question is also about consolidated debt and the investment tracker slide. Where we have mentioned the coal MDO, the equity requirement is to come from SPV internal accruals. What is the current cash flow generated from this MDO, given that we also need to spend capex on the coal handling plant and other items? Can you share some numbers on the cash flow currently being generated and how this will address the requirement over the next 2 years through internal accruals?

Management: Basically, the total capex at {? Siarmal ?}—

Management: CRML was originally envisaged at {? 2,730 ?} crores. Around 40–45% of the capex is already complete. More than 50% of the equity has already been invested. Approximately 300 crores of cash is already sitting at the CRML level.

Slide number 24 states that, as per the total original asset equity, 235 crores is still the balance, which we are saying will be managed through SPV internal accruals and the cash sitting at the SPV. To answer your question, we already have cash generated and sitting on the balance sheet that is higher than 235 crores. Therefore, the equity will be met out of internal accruals, and the balance will be raised as debt, which has already been sanctioned and will be disbursed.

Vinay Chaudhary – Enexa Capital: One part is our equity commitment of 235 crores, and the other part is the capex requirement, of which, as you mentioned, approximately 50% is pending. I want to understand the current debt at the MDO level and the cash flow it can generate to fund the balance capex.

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Management: Total outstanding debt as of June 30 at the CRML level is 60 crores, comprising partly equipment debt and partly mining facility debt. The total sanctioned debt at the CRML level is 2,000 crores. We are still to draw approximately 300 crores. As we have already said, the equity will be managed through internal accruals, and the balance will come through disbursement from the sanctioned facilities.

Vinay Chaudhary – Enexa Capital: Understood. Lastly, where you have clearly mentioned the solar and transmission equity requirement of 1,660 crores in total, with our attributable share being approximately 51%, the 1,400 crores in H1 is at the total level. Therefore, the attributable cash flow we are assuming should also be approximately 51%. Is that the right way to look at it?

Management: Could you repeat the question? There is some—

Vinay Chaudhary – Enexa Capital: While the equity requirement in columns C, D, and E is at the total level, and approximately 51% of that is to be infused by us, the cash inflow as well, the {? 1,450 ?} crores, should also be attributable to us at 51%. Is that what we have assumed?

Management: Let me clarify again. The total equity requirement in columns C, D, and E is 1,660 crores. Out of that, 50%, meaning 830 crores, will be invested by Alpha. The balance 830 crores will be met through the DBL contribution and some structured equity that we have already raised. Therefore, the total equity requirement will be met from 3 sources: Alpha, DBL, and structured equity.

Vinay Chaudhary – Enexa Capital: Understood. Lastly, regarding consolidated debt, which is approximately 7,800 crores at the net level, where do we see it at the end of FY27 and FY28? What is our aspiration for that figure?

Management: I am sorry, what was the question? Could you repeat where you expect it to go at the end of the year?

Vinay Chaudhary – Enexa Capital: Consolidated net debt is currently 7,800 crores. We understand that at the standalone level we aspire to achieve net debt of zero by FY28. At the consolidated level, with the transfer of assets and the cash flow at the company level, where do we see this 7,800-crore figure going this year and next year?

Management: Consolidated net debt will always be part of a continuing business cycle. We will complete assets, and as soon as an asset is completed, that debt will move out. If we sell the asset to our own InVIT, the debt goes there, and if we sell it to someone else, it goes out of our balance sheet.

At the same time, DBL will continue investing because, as a growing company, we will continuously invest in assets under the PPP mode. For every asset that we take up, we will continue raising debt and putting in equity because that is how we will grow our business and our assets business. Therefore, it will be a constant methodology: we will build assets, sell them, build assets again, and continue selling them.

There is no consolidated-level goal that we have put in place. We have a standalone goal. All the assets we develop are primarily annuity-type assets where a fixed return is already envisaged.

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Therefore, we are very comfortable taking that kind of risk. Banks are very comfortable funding that kind of project portfolio for us, and we also have a very good track record.

In the road segment alone, we have completed projects worth more than 45,000 crores, which is the largest portfolio for any road EPC company. This is a model that we are comfortable with and will continue to pursue. For the company, our objective is at the standalone level, where we are saying that we will be a near-net-debt-zero company in 2 financial years.

Operator: Thank you. The next question is from the line of Bhavin Modi from Anand Rathi. Please go ahead.

Bhavin Modi – Anand Rathi: Thank you for the opportunity. I wanted to understand how revenue recognition works for the MDO business. There are 2 parts, correct? One is overburden removal, and the second is coal extraction. Do we receive the reimbursement or billing only when the actual coal is removed, or do we also receive payment for overburden removal? How does it work?

Management: Let me first explain the revenue recognition for our CRML. There is a mining plan for the full year, and according to that plan, there is a stripping ratio for the site. You have to match that stripping ratio at the end of the year.

During the month, there is a payment for overburden at a certain rate and a payment for coal. There are payments for mining to the stockyard and from the stockyard to the siding. If the coal is dispatched, there is a separate payment. Ultimately, at year-end, whatever payment has been made for overburden is adjusted against the stripping ratio.

The mathematics is slightly complicated, so my team will explain it to you separately. Pachhwara is a little simpler. Once we dispatch the rake from our siding and the Punjab Government receives it, there is no payment for overburden. Instead, the coal receiving rate is directly around 1,150–1,200 per tonne. This is how revenue is recognized in both mines.

Bhavin Modi – Anand Rathi: To keep it simple for my financial modeling, can I directly take the coal extracted and multiply it by the rate under the coal mining agreement? Would that be the right way to look at it?

Management: Let me explain. For your modeling, for the coal produced during the year, the current CRML rate is around 55–60 rupees per tonne. You can take approximately 70% of that rate to calculate revenue because 100% of the coal is not dispatched; some coal is produced and kept in stock. Except for Pachhwara, where the mathematics is simple, you can calculate it at 1,200.

Bhavin Modi – Anand Rathi: Understood. Secondly, I wanted to understand the Wayanad tunnel collapse. Could this have an impact on our technical score? I wanted to understand this particularly in the context of the tunneling business. Would it affect our future bids in the tunneling business?

Management: There is no such thing as a technical score in that matter. As I already told you, a committee submitted a report stating that it was purely a natural calamity. There was no defect in our construction or our procedures.

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On the night when the accident occurred, there was 300 millimeters of rainfall in a single night. You may have all seen that this is the same place where, in 2024, an entire village of 400 people collapsed and there were many casualties. This is that same location. Therefore, this was purely a natural calamity. It does not affect our technical score or our tunneling bids.

Bhavin Modi – Anand Rathi: Understood. Is there anything from the construction industry perspective, considering these events and the fact that we are now facing more torrential rain? We also saw a similar collapse or accident at the Missing Link. As a construction industry, are we trying to increase our standards, or how are we looking at these matters?

Management: There are many discussions on this among technical professionals. Large committees are formed for this purpose. The IITs and all the other institutes in our country work on this continuously.

However, structures for natural calamities are designed based on the precedents available. If there is a precedent and you have a design for 300 millimeters of rainfall or a particular high flood level, and the actual event is 2 or 3 times higher, no infrastructure is designed for that level.

Such events do not occur only today. Natural calamities have also occurred occasionally over the past 30–40 years. Sometimes bridges collapse, and sometimes water overtops them. These things continue to happen. However, engineers are working on this 100%—examining what happened previously and what the soil characteristics were. The Missing Link also collapsed because of heavy rainfall.

Bhavin Modi – Anand Rathi: Understood. Thank you.

Operator: Thank you. The next follow-up question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah – Dolat Capital: The other income for the quarter on a standalone basis is 41 crores. How much of that relates to the InVIT? Could you provide a broad breakup between Shrem and Alpha?

Management: Total other income is 40 crores. Out of 40 crores, 26 crores pertains to dividends and 5 crores to InVIT interest. Therefore, around 31 crores pertains to distributions. Out of the total 40 crores, you can take 31 crores from the InVIT and 9 crores from FDR interest and other income.

Shravan Shah – Dolat Capital: Of this 31 crores, broadly how much will come from Shrem and how much from Alpha, meaning Anantam?

Management: Just a second. The 26 crores of dividend is from Anantam, and the Alpha interest—actually, the total 26 crores of dividend is entirely from Alpha. The interest is from Alpha and Shrem InVIT.

Shravan Shah – Dolat Capital: The reason I am asking is that, in the capital equity investment tracker, for FY28 we are broadly looking at 27 crores from Shrem InVIT and 339 crores from Alpha. How much of that would come to the standalone entity? One of the participants also asked this. How much will go to standalone because we do not hold all the units at the DBL standalone level;

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they may be held across 2–3 companies? I wanted to understand approximately what proportion of Shrem we hold at the standalone level and what percentage of Alpha we own at the standalone level.

Management: The total units of Alpha are worth 1,314 crores. A total of 850 crores is held at the DBL level, while the balance Alpha units and the Shrem units are held at the subsidiary level. Therefore, out of the total distribution of 1,500 crores, 850 crores of distribution will be received at the DBL level and the balance at the SPV level.

However, if you are reconciling the amount shown in the equity tracker with other income, one component is missing, which is the return of capital. The return of capital is included primarily in all the distributions. It varies; sometimes it is one-third and sometimes it is more.

Devendra Jain – MD and CEO: As a broad rule of thumb, you can take two-thirds as dividend and interest and one-third as principal return.

Shravan Shah – Dolat Capital: Understood. That is very clear. On the MDO business, you explained the margins very well. Will the current margins remain at the same level for the next 2–3 years, and is slight improvement possible occasionally at the margin level?

Devendra Jain – MD and CEO: At present, if we are talking about CRML margins, they will remain almost the same until the coal handling plant is completed. There may be some movement up or down because of inflation and other factors. Once the coal handling plant starts operating and 78% becomes 100%, there will be a tremendous positive change in the margin profile. In Pachhwara, the margin profile for 7 million tonnes will remain almost the same.

Shravan Shah – Dolat Capital: Understood. Broadly, once the coal handling plant is commissioned and the entire capex is completed, the cash remaining in the MDO business, particularly CRML, could be transferred to the standalone entity or one of our subsidiaries for debt repayment or perhaps further equity investment in another project.

Devendra Jain – MD and CEO: It will remain in the standalone entity. Whatever we can retain will be retained in DBL standalone.

Shravan Shah – Dolat Capital: So, the money currently at the MDO level cannot be shifted to the standalone entity until the coal handling plant is built and the entire capex is completed? We can do that only after it is completed. Is that the correct understanding?

Devendra Jain – MD and CEO: Yes, that is the correct understanding. Let me clarify that in the coal business, the terminology is "Peak Rated Capacity," which is 42.5 million metric tonnes in a year. That represents the COD of the project. The definition of COD is the achievement of 42.5 million tonnes, and completion of the coal handling plant is also part of COD.

Once both these things are completed, we will achieve 42.5 million tonnes, in place of which we are planning for 50 million tonnes. Then COD will occur, and all the calculations you mentioned will be completed.

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Shravan Shah – Dolat Capital: I was trying to understand value unlocking for investors going forward. Is that the point at which one should look for value unlocking in the MDO business when we plan for it?

Devendra Jain – MD and CEO: Yes, FY29.

Shravan Shah – Dolat Capital: Lastly, how much capex was there in this quarter? Standalone capex for the full year is obviously expected to be very low, but I wanted the number. Will the full-year expectation of less than 100 crores remain the same?

Devendra Jain – MD and CEO: Yes, it will be broadly the same. There was no significant capex in Q1. We can take 100 crores for the year. There will be some replacement capex for certain important equipment.

Shravan Shah – Dolat Capital: Understood. Thank you, sir, and all the best.

Devendra Jain – MD and CEO: Thank you very much.

Operator: Thank you. The next question is from the line of Deepak Purswani from Swan Investment. Please go ahead.

Deepak Purswani – Swan Investment: Thank you for the follow-up opportunity. I wanted to confirm the bid pipeline that we mentioned. Which are the key verticals forming part of this pipeline? Secondly, how are we viewing the river-linking segment as a whole? How is the bid pipeline growing there, and what incremental opportunities are we seeing in this segment currently?

Devendra Jain – MD and CEO: Most of the bid pipeline comes from NHAI. More than approximately 1.25 lakh crores of projects are already in the pipeline from the road segment. In addition, there are irrigation projects across different states. The river-linking component forms part of those irrigation projects. You will not find a separately identified river-linking project in many cases.

We are executing one project in Rajasthan that connects one dam to another through a canal by gravity flow. That is also river linking. Overall, the pipeline comes from the various verticals, including roads, highways, tunneling, metro, and all our other 11-12 sectors. Combined, we currently see a bid pipeline of approximately 2.5 lakh crores.

Deepak Purswani – Swan Investment: How should we view river linking specifically over the next 2-3 years? Are some large projects coming up, or is it primarily the existing irrigation opportunity?

Devendra Jain – MD and CEO: There is a substantial pipeline, but it is difficult to distinguish a project separately as river linking. River linking is already taking place. You cannot separately extract a bid pipeline and identify it as river linking because irrigation projects are already connecting areas where there is excess water with areas where there is water scarcity. All state governments are working on this type of river-linking project.

Operator: Thank you. The participant's line has dropped. That was the last question. I would now like to hand the conference over to Mr. Rohan Suryavanshi for closing comments.

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Rohan Suryavanshi – Head Strategy & Planning: On behalf of the whole DBL family, I would like to thank all our investors, analysts, and friends who joined the call and asked their questions. In case we missed any questions, please feel free to reach out to our team internally or to the S-Ancial team to address any doubts you may have. I look forward to seeing all of you on our next quarterly call. Thank you for joining us.

Operator: Thank you very much. On behalf of Dilip Buildcon Ltd., that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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