

Kilburn Engineering

17 August 2026

Operator: Good afternoon, ladies and gentlemen. I am pleased to welcome you all to this financial results conference call on behalf of Kilburn Engineering Ltd. and SKP Securities. We have with us Mr. Amritanshu Khaitan, Chairman; Mr. Ranjit Lala, Managing Director; Mr. Sachin Vijekar, Chief Financial Officer; Mr. Vijay Shankar Prasad, Managing Director, ME Energy Private Limited; and Mr. Rakesh Monga, Whole-time Director, Monga Strayfield Private Limited. We will have the opening remarks from Mr. Ranjit Lala, followed by a question-and-answer session. Thank you, and over to you, Mr. Lala.

Ranjit Lala – MD: Thank you, Anand. Good afternoon, everyone, and thank you for joining us. I would like to begin by acknowledging that Q1 FY27 was a quarter in which our performance was below the levels we would have ideally targeted. However, we want to put the company's performance into the right context. The primary issue in the quarter was not deterioration in the underlying demand environment, but the timing of certain customer deliveries and the deferment of certain project execution into subsequent quarters. At the same time, the geopolitical situations have resulted in longer decision-making cycles for some customers and projects. Importantly, we have continued to see healthy inquiry activity across our businesses, and we have already secured approximately 190 crores of order inflows in the current financial year to date at the group level. So, while Q1 revenue was impacted by timing, our trust in the underlying business opportunity remains intact.

Referring to Q1 performance, consolidated revenue from operations for the quarter was approximately 117 crores. EBITDA stood at 24.2 crores, translating into an EBITDA margin of 20.1%. For us, maintaining a 20% operating margin in a quarter with lower revenue is significant. It reflects the great discipline we have brought into project execution. Our objective is to have a sustainable business maintaining healthy and sustainable profitability.

Let me explain why we remain confident about H2. The most important point I would like to state is that we expect FY27 to be significantly second-half weighted. We have visibility from our existing order book, the expected order book arising from deferred order intake, scheduled customer deliveries, and projects that have moved into subsequent quarters. As these projects enter execution, we expect the revenue trajectory to improve meaningfully through H2. Accordingly, we continue to maintain our FY27 expectation of around 700 crores on a consolidated revenue basis with EBITDA of 20%. We will remain focused on increasing our order book and committed to efficient execution.

Order pipeline and market opportunity. The second area I would like to address is the opportunity pipeline. Today, we continue to have an inquiry pipeline in the range of 4,000 crores across sectors and geographies at the group level. Obviously, an inquiry pipeline should not be equated with an order book. Conversion depends on customer decisions, project economics, timing, and our own commercial discipline. However, the breadth of this pipeline gives us the confidence that the addressable market for the group has sustained continuity. We are particularly encouraged by the opportunities in the fertilizer and nuclear sectors, where we are noticing maximum traction, and by the rapidly developing data center infrastructure ecosystem, which will generate more business in the quarters to come. We are seeing increased engagement with our global customers and EPC companies, and our objective is to convert this opportunity into a large and more diversified order book over the coming quarters. We still continue to target group order inflows of 800 crores in the

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current financial year.

Next, I would like to address capacity expansion. The next phase of our strategy is not only about winning more orders; it is about ensuring that Kilburn has the capacity and capability to execute them efficiently. We are therefore investing across the group, as informed earlier. Kilburn Engineering and ME Energy are expanding their manufacturing and execution capabilities, which are at an advanced stage and are expected to be completed by the end of October this year. At Monga Strayfield, we are in the process of expanding metal sheet fabrication capacity, details of which will be disclosed over a period of time. The capacity investments being made today are designed with the medium-term objective of enabling the group's aspirations of 1,000 crores annually. Thus, we see this as a platform-building phase for the company for the next level of growth.

All in all, our approach to growth will be as follows. We will be focusing on three things. First, converting our strong opportunity pipeline into orders; second, executing these orders efficiently and on schedule; and third, maintaining our margin discipline. The transformation of Kilburn over the last few years has been driven by organic growth and strategic acquisitions, which will continue. We now have a broader platform, a diversified customer base, and access to larger growth markets. Our next objective is to scale this operation in a disciplined and sustainable manner. Going forward, our immediate priorities are very clear: deliver the revenue from the existing order book efficiently, accelerate H2 execution, convert the 4,000 crore pipeline into opportunities or orders selectively and rationally with a target of 800 crores, and maintain EBITDA margins of 20%. That is all from my side. With this, I hand over to Anand.

Operator: Thank you. We will now begin the question-and-answer session. Each participant is requested to limit himself or herself to a maximum of two questions. Time permitting, we shall revert for any further questions that you may have which remain unanswered. Anyone who wishes to ask a question may press star and one on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use their handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Participants who wish to ask a question, please press star and one. We take the first question from the line of Sagar Shah of Spark Capital PWM. Please go ahead.

Sagar Shah – Spark Capital: Yes, sir. First of all, thank you for the opportunity. I had a couple of questions. The first question was that in this quarter we received around {? 98 crores ?} of subscription money. We had further diluted our share capital. If I am not mistaken, we have completely subscribed, with the promoters as well as the non-promoters subscribing to all the shares that were allotted at 425. What is the future plan for utilization of this money? Is this going to be used for another inorganic route, or are you utilizing this money for working capital requirements? What is your view on that?

The second question was related to your order book outlook. You just highlighted that we are targeting around 800 crores of order inflow in this particular year. In this quarter, it was heartening to see that even in these difficult times, we received around 135 crores worth of order inflow in this particular quarter. What gives us the confidence that we will reach that number in the remaining 9 months of FY27? Secondly, what is the exposure to the Middle East in terms of our opening as well

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as our order backlog, which stands at around 485 crores as of today?

Amritanshu Khaitan – Chairman: Ranjit, if I can address the first point. This is Amritanshu here. The completed fundraise has strengthened the company's balance sheet. Today, we are sitting on a net debt-free balance sheet. The idea is to fund part of the capex being planned to enable the company to cater to over 1,000 crores of revenue in the coming years. We will therefore be ready for the growth which we believe is the way forward for the company.

Regarding acquisitions, we continue to look out for opportunities, both organically and inorganically. On the inorganic side, if any opportunity suits us, we will suitably inform the investor community. A growing company like ours always has aspirations to add new verticals adjacent to our line of business, which can increase our overall business opportunity and growth. We will look at that.

However, we are also very excited about organic growth because in the areas where Kilburn is present and where its subsidiaries are present, we see a lot of opportunity for growth. As Mr. Lala mentioned, we are seeing fertilizer and nuclear as very strong sectors going forward over the coming 18 months. For our subsidiary, we are seeing a lot of inquiry and potential for a lot of equipment, basically storage equipment, which Monga Strayfield's sheet metal division makes for the data center infrastructure growth that is coming not only in India but globally.

Our entry into the ferroalloy segment is allowing us to bolster ME Energy's growth plans, as we are seeing multiple inquiries in the ferroalloy space where waste heat recovery systems were not previously present. Now, with the kind of plant sizes being put up by that sector, we are seeing a good opportunity for us. The funds will be used in those ways.

Ranjit Lala – MD: Mr. Khaitan has already answered the question partially. As I mentioned, we have a strong pipeline of 4,000 crores across the organization, and we are seeing a lot of traction in the fertilizer segment. We have already bagged a few orders, with some more in the offing. At the same time, we have many inquiries coming in from the ferroalloy business as well.

You mentioned the Middle East. Although we do not have many orders from the Middle East, we do not have any orders currently from the Middle East, but we have a couple of large inquiries based in that region. In fact, we were already at the final stage of commercial negotiations before the conflict began, and those discussions have continued. Hopefully, as the war subsides, we will have discussions going forward there.

However, it is not only the inquiries from the Middle East; the overall situation has deferred some of the decision-making processes with some of our customers. That is taking some time.

Sagar Shah – Spark Capital: So, you see things normalizing by H2 FY27, as you have highlighted in the presentation?

Ranjit Lala – MD: Hopefully. We see a spurt in inquiries and discussions, and suddenly some unexpected things happen in that region, after which we find that things are getting delayed. That has been the observation.

Sagar Shah – Spark Capital: Okay, fine, sir. Thank you very much.

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Operator: Thank you. Participants who wish to ask a question, please press star and one. We take the next question from the line of Bhavya Nahar from Tamohara Investment. Please go ahead.

Bhavya Nahar – Tamohara Investment: Hi, good afternoon. I understand that certain large-sized orders that you were expecting, such as waste heat recovery system orders in the O&G space, have been delayed. Can you give us an update on whether they are still in the pipeline and what the expected timeline is for receiving those orders?

Management: For Phase 1, some of the inquiries in the drying solutions business, I expect that some of them would be closed hopefully by the end of this quarter and early next quarter. For waste heat recovery, may I ask Mr. Vijay Kartak to give a view on the status of the inquiries?

Vijay Kartak – ME Energy: Good morning, everybody. Vijay Kartak here from ME Energy. We have already started based on the present prospect of...

Bhavya Nahar – Tamohara Investment: Vijay, sir, I am sorry to interrupt you, but your audio is not clear.

Vijay Kartak – ME Energy: Is it okay now? Can you hear me? Hello?

Management: Yes, Vijay.

Vijay Kartak – ME Energy: We have a strong inquiry lineup in ferroalloys in the... We have to, for Bhutan, we are of this [unclear] task, with our base for Bhutan on ferroalloys...

Bhavya Nahar – Tamohara Investment: Vijay, sir, I am sorry to interrupt you again. Your audio is still not clear.

Management: Vijay, Vijay, I will take that question. I think you have a lot of background noise. If you can move away and then address it, I will address this on ferroalloy.

At ME Energy, we have a strong inquiry pipeline. With our entry through our Bhutan project for ferroalloy, we are in discussions regarding a couple more potential inquiries in the space. We also have inquiries in the cement space and the steel sector. The steel sector is seeing a lot of expansion. Due to that, there is also a potential large pipeline of inquiries, with multiple inquiries in the {? 10-15 crore ?} segment for ME Energy addressing the steel sector. Thank you.

Operator: Thank you. We take the next question from the line of Samir Chera from Prince Poly Plast Private Limited. Please go ahead.

Samir Chera – Prince Poly Plast Private Limited: Hello. I wanted to know about what you said regarding the decision-making lag under war conditions and the resulting delay in order inflow. For the orders we are executing, are customers delaying delivery and asking for the products to be delivered later, or how else is this being affected?

Management: Yes, that is correct.

Samir Chera – Prince Poly Plast Private Limited: Okay.

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Management: Ranjit, you can take it.

Ranjit Lala – MD: When you look at the execution cycle, there are various milestones, and some of these milestones involve obtaining approvals from customers on drawings, quality inspections, and so on. In some places, we are seeing that customers are actually delaying this entire process, including approval of our engineering drawings. Overall, the execution cycle increases and obviously it slips by a quarter or more. That is what we observed in three or four projects.

Samir Chera – Prince Poly Plast Private Limited: We were targeting 700 crores by year-end, and approximately 100 days have passed. In spite of this delay, do you think you will still be able to achieve it? I think the war has now become the new normal, and there is no quick resolution to those conditions.

Ranjit Lala – MD: As far as Kilburn is concerned, we are very clear that we do not have any hold-ups at our end. As soon as the orders come in, we start the execution. The issue is more at the customers' end. When you look at the current situation, as of the middle of Q2, I expect a lot of activity to take place in terms of execution in the second half. That is why, when you look at the weighted average, the second half appears heavier.

Samir Chera – Prince Poly Plast Private Limited: Understood. Regarding the order pipeline, I think it was approximately 4,000 crores during the last quarter.

Ranjit Lala – MD: That was the inquiry pipeline, sir. It still stands at 4,000 crores. However, if you look at the closing order book, that is around 485 crore. Correct, correct. We have received some more orders after that.

Samir Chera – Prince Poly Plast Private Limited: Are these repeat orders from existing customers, or are they new orders for which we have submitted bids?

Ranjit Lala – MD: It is a combination. It is a combination. The orders coming from fertilizer are new orders. The different kinds of dryers are similar in nature to what you would find in any other chemical drying process. They are similar in nature, but the sectors could be new.

Samir Chera – Prince Poly Plast Private Limited: Are cost escalations affecting the margins for the new orders?

Ranjit Lala – MD: When we take up an order, we have a certain fixed cost. As you know, we always book 80% of our raw material within the first 48 to 72 hours. If there is a delay from the customers' end, we endeavor to keep the customer informed that there is a certain escalation occurring on account of delays at their end.

The normal position that you would have from customers is that this is a fixed-cost contract or a fixed-price contract. However, we do our due diligence to ensure that we can obtain compensation for delays attributable to them.

Samir Chera – Prince Poly Plast Private Limited: That is all from my side. Thank you.

Ranjit Lala – MD: Thank you.

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Operator: Thank you. Participants who wish to ask a question, please press star and one. We take the next question from the line of Daksh Malhotra from Aadhaar Global. Please go ahead.

Daksh Malhotra – Aadhaar Global: Hello, and thank you for this opportunity. I wanted to first check the presentation. We had given our order book for this quarter as 190, so order inflow is 190 crores. Our previous quarter's order book was 467, and we had executed 117. So, the pending order book in hand is 540, is that correct?

Management: No, 190 is what we have received to date. What we received during the quarter was 134. Post-June also, we have received some orders. That is how the figure is 190.

Daksh Malhotra – Aadhaar Global: Right, sir. In the previous year, we discussed in Q4 that we were planning to grow at about 25% for the coming 2–3 years, and we also mentioned that by FY28 we should reach 1,000 crores in terms of revenue. Now, while 1,000 crores remains the target, FY28 is not here, and the projected growth for FY27 has been reduced from 25% to approximately 10–12%. Is that understanding correct, and would you like to provide more detail on what we are doing to improve it? I understand that various factors are playing a role in our not being able to grow at the pace we wanted. Are we doing things differently to improve from here?

Management: If I can address that, in the kind of line of business Kilburn is in, we are dependent on many factors at the customer end and at the overall project end. We are part of most projects. We are not like a single product that is simply delivered and installed in a plant.

Currently, considering the kind of order mix we have, especially the nuclear jobs and the jobs related to the Heavy Water Board and NPCIL, there are a lot of commissioning activities and approvals required, which take time. They are taking longer than private-sector jobs typically entail. While the jobs of Casale and other fertilizer companies are moving fast, it is a mix of reasons.

What we are trying to highlight is that the underlying business remains strong. We do not want to predict a minute-to-minute revenue model because many of our jobs require certain milestones to be achieved before revenue can be recognized. Based on the current mix of orders we have, we believe the company will still achieve revenue of 700 crore-plus. However, in the next 2 months, depending on what orders we receive and depending on how short-cycle or long-cycle they are, these numbers can definitely change.

The reason we have not given any guidance for FY28 is that we are highlighting that we are creating capacity across our different divisions to cater to revenue of 1,000 crores or more. Depending on the order bookings that come through by March this year, our outlook for the next year will become fairly clear.

However, we remain confident because we have a strong inquiry pipeline. The management is working very hard to build order wins in profitable sectors, focusing on exports and on sectors that are expected to grow significantly in the coming years. That is why we are working on tying up with various EPC companies in the fertilizer space, and we are tying up with EPC companies for the nuclear space. We believe these initiatives will generate substantial orders in the coming months.

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Our subsidiary, which is {? Moist-Tech Field ?}, is focusing on entering new products for the drying sector. It is also in the process of substantially expanding its sheet metal fabrication capacity because we are seeing a lot of growth opportunity as it services the data center infrastructure sector. That could be a very large opportunity. We will highlight the details in the coming quarters.

Along with that, we have ME Energy, where the focus is on growing the company beyond traditional waste heat recovery sectors such as cement. Our entry into ferroalloy gives us a lot of confidence that we will be able to expand our order book to a substantial level in the coming quarters, thereby setting a growth trend for that company going forward.

On a consolidated basis, we believe that there are 5-6 sectors that will drive strong growth in the coming quarters. Steel is another sector where we are seeing a lot of expansion for ME Energy, while petrochemicals and oil and gas are other sectors for Kilburn Engineering. As a management, we are focusing on all these different verticals and adding more marketing strength to convert many of these inquiries.

However, once we win an order, not everything is under our control. As we mentioned, the type of jobs we undertake is very complicated. They take time to execute, and many approvals are required. There are times when jobs can shift by a quarter or 2 quarters for that reason.

Secondly, many of our greenfield projects for which we are supplying equipment require land approvals and clearances. We have certain jobs in the carbon black sector where we received the order, but the project is on hold because of certain environmental clearances, land acquisition, and so on. These types of issues can shift the execution cycle by a couple of months or 2-3 quarters. However, at least the order is with us.

Daksh Malhotra – Aadhaar Global: Typically, our margins in Kilburn are the highest. This time, our margins have been affected because Kilburn standalone has performed relatively poorly. Is that the case?

Ranjit Lala – MD: We have always maintained a margin of 20% or more, which I think we have been able to maintain even with this modest turnover because of cost discipline as well as execution discipline. That is what I believe. We discuss performance only on a consolidated basis because there is also a lot of cross-selling between the companies.

Daksh Malhotra – Aadhaar Global: In Q4, we discussed our cash flow situation and that operating cash flow was running slightly behind. How is it at this juncture? Could you provide some insight on that as well?

Management: In spite of the collections we have received after March, our debtors and overall net working capital position have not substantially changed, but the position is better than it was in the March quarter.

Daksh Malhotra – Aadhaar Global: All right. Thank you.

Ranjit Lala – MD: Thank you.

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Operator: Participants who wish to ask a question, please press star and one. We take the next question from the line of Sagar Saha from Spark Capital PWM. Please go ahead.

Sagar Saha – Spark Capital PWM: Yes, sir. Thank you for the opportunity. My first question was related to the designation of 2 senior management personnel, Mr. Nitin Varadkar, as Purchase Head, and Mr. Dinesh Nikam. You have now designated them as senior management personnel. Is there anything more to read into this? Are we planning to include them on the Board? What is their importance, and what is their role in the day-to-day decision-making and order-booking process of the company?

Ranjit Lala – MD: I will take that. They have been designated as senior personnel in the organization. Nitin has been handling procurement for around 4 years, and Dinesh has been handling project management for more than 14 years. They have grown within the company and were recently elevated.

As part of our requirements, we have to declare who the key people in the organization are. As per the SEBI LODR rules, any person reporting one level below the CEO has to be included in the management list. That is the reason they have been added as SMPs and included in the report, because they were promoted this year and started reporting directly to the CEO.

There is no discussion about them being on the Board. However, since they have a key role to play in the organization, it is mandatory to disclose them.

Sagar Saha – Spark Capital PWM: My second question is whether you can confirm that we are done with the equity fundraise, with all these warrants being converted into shares. Is there any scope for further fundraising going forward, or are we done, at least with the funding requirements for the next 2 years to achieve the 1,000 crore turnover?

Ranjit Lala – MD: We are done with all the equity raising we needed to do. Our balance sheet has been completely strengthened. To achieve 1,000 crore revenue and complete all the capex, we are very comfortable. We do not need to undertake any fundraising for that.

Sagar Saha – Spark Capital PWM: Okay. Thank you, sir, and all the best for the future.

Operator: Thank you. Participants who wish to ask a question, please press star and one. We take the next question from the line of Andre Purushottam from Computo Advisors LLP. Please go ahead.

Andre Purushottam – Computo Advisors LLP: I would like to apologize because I missed your opening comments and came in about 10 minutes late. I had one question and a suggestion. If the question has already been answered, I can be briefed by others, so just let me know.

My question is very simple: what really led to the poor results last quarter? If you have already answered that, I will take it from someone else.

My suggestion is also very simple. Maybe you should stop talking about your inquiry pipeline because that can be misleading, as many things can go wrong between an inquiry and an order. If you confined yourselves to sharing data on the order book, it might be better both for you and for

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us as investors.

Ranjit Lala – MD: Your suggestion is noted. We normally inform the market about both the order intake, the current position, and the closing orders.

Andre Purushottam – Computo Advisors LLP: Yes, I know, I know. Sometimes, more information is actually less useful. In this case, I am simply making the point that perhaps you should not share this information. It is just a suggestion for you to consider.

Ranjit Lala – MD: Certainly. We will take your suggestion back for consideration and see how we can address it better.

As far as the first question is concerned, it was definitely addressed in the opening remarks, but for your benefit I will address it again. There has been a deferment of order intake in the last quarter for reasons including delayed decisions by customers due to geopolitical issues, as well as delays in some project executions. All of this led to relatively lower revenue in the last quarter.

Andre Purushottam – Computo Advisors LLP: Do we feel that these are temporary? The geopolitical situation has, as someone said, now become the new normal.

Ranjit Lala – MD: It is a combination. It is related to geopolitical issues as well as some local issues.

Andre Purushottam – Computo Advisors LLP: As far as the other issues are concerned, those caused by delays usually resolve themselves over a period of quarters, correct?

Ranjit Lala – MD: Correct. That is why we expect all of this to be overcome in the coming quarter, and we expect H2 to be higher on the revenue front. We expect that.

Andre Purushottam – Computo Advisors LLP: Good. Thank you very much.

Operator: Thank you. Participants who wish to ask a question, please press star and one. A reminder, participants who wish to ask a question, please press star and one. Participants, if you wish to ask a question, please press star and one. As there are no further questions, I would now like to hand the conference over to Mr. Ranjit Lala for the closing remarks.

Ranjit Lala – MD: Thank you, Anand. I would like to mention that, in these difficult times, we have increased our engagement with customers to determine how we can push order intake. While that is happening, we are focusing on 2 things. First, we are executing the current projects in a very disciplined manner so that our margins are not impacted. Second, we are focusing on building the infrastructure that we will need to achieve the aspirational number of 1,000 crores. That is all from my end. Thank you to everybody for joining this call.

Operator: Thank you, sir. On behalf of SKP Securities Limited, that concludes the conference. Thank you for joining us, ladies and gentlemen. You may now disconnect your lines.

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