

Ceinsys Tech

14 August 2026

Operator: Ladies and gentlemen, good day and welcome to the Ceinsys Tech Ltd. Q1 FY27 earnings conference call, hosted by Arihant Capital Markets. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during this conference call, please signal an operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Ritesh Kadam from Arihant Capital Markets. Thank you, and over to you, sir.

Ritesh Kadam – Arihant Capital Markets: Hello and good morning to everyone. On behalf of Arihant Capital Markets, I thank you all for joining the Q1 FY27 earnings conference call of Ceinsys Tech Ltd. Today, from the management, we have Mr. Kaushik Khona, Managing Director India Operations; Dr. Abhay Kimatkar, Managing Director; and Ms. Amita Saxena, CFO. Without any further delay, I will hand over the call to management for their opening remarks. Over to you, sir.

Kaushik Khona – Managing Director India Operations: Thank you, Ritesh. Am I audible?

Operator: Yes, sir, we can hear you.

Kaushik Khona – Managing Director India Operations: Thank you, and good morning, everyone. It is a pleasure to welcome you to this earnings conference call for the first quarter of financial year 2026–27. Let me first thank our host for today's conference call, Arihant Capital. For the benefit of some people who may be new to the company, let me first start by giving you a brief overview of the company, followed by the performance highlights for the quarter under review.

Ceinsys Tech, which has been rebranded as CS Tech AI while the corporate name remains Ceinsys Tech Ltd., is a leading technology solution provider in the IT-enabled sector, providing engineering and technology solutions in the infrastructure domain. We are acclaimed for our expertise in geospatial engineering as well as other engineering services and solutions. We offer a broad range of geospatial intelligence services, including data creation, data analytics, decision support systems, and enterprise web solutions.

After the acquisition of the mobility business of Allegro in 2022, we acquired the geospatial business of VTS in the USA in 2024, which was primarily operating in the telecom domain. Since then, we have been identifying additional targets for inorganic growth to expand our horizons into the domains where the company is already operating. These include geospatial engineering services and technology solutions, for which the company has already mobilized almost US\$28 million.

We serve a prestigious global clientele that includes large corporates, OEMs, asset management companies, and government bodies, highlighting our robust reputation in both the geospatial and manufacturing sectors. With offices in India, the US, the UK, and Germany, the company combines local expertise with a broad international reach. Additionally, the company has initiated and invested in the development of product solutions focused on the infrastructure vertical and emerging technologies through a vertical focused on artificial intelligence, machine learning, and embedded electronics. This vertical emphasizes the development of AI- and ML-enabled applications and solutions to enhance our delivery in the existing domains at the outset, reflecting

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the company's commitment to innovation and maintaining a competitive edge in the dynamic technological landscape.

Now let me come to the financial and operational highlights for the first quarter of financial year 2026-27. We are going to discuss the consolidated numbers. For the quarter under review, operational revenue stood at Rs.158 crore, registering marginal year-on-year growth of 1%. EBITDA increased substantially by 27% year-on-year to Rs.39 crore, with EBITDA margins improving to 24.4%, representing an expansion of 505 basis points over the corresponding period last year. This improvement was supported by continued gains in project delivery efficiency, with EBITDA increasing sequentially for the eighth consecutive quarter. Profit after tax stood at Rs.31 crore, which was a marginal decline, while PAT margins stood at 19.6%, a contraction of around 59 basis points year-on-year.

In terms of segmental performance, our geospatial intelligence services revenue for the quarter increased by 30% year-on-year to Rs.94 crore, while revenue from the technology solutions side declined by around 25% year-on-year to Rs.63 crore. For the benefit of all, the mix between geospatial engineering services and technology solutions keeps changing based on the execution phase of each project. As a theme, the company aims to enhance its technology services segment revenue and aims to go beyond 51% of the total segment revenue.

Moving to our operational performance, the quarter saw continued momentum in our order inflows, with the company securing fresh contracts worth Rs.143 crore during the period. Our order book stood at Rs.990 crore at the end of the quarter, providing a healthy base for revenue visibility going forward. We continued to see encouraging traction across our key business verticals. Our international geospatial mobility business showed meaningful improvement during the quarter, with new business development opportunities and contract awards gaining momentum. This progress is encouraging as we continue to expand our presence across international markets and leverage our capabilities across geospatial engineering and mobility solutions.

We are also taking deliberate steps to build capabilities in emerging technology areas. We have approved an investment of up to Rs.25 crore in a joint venture with AI Fabric USA, which is to be incorporated to create a sovereign AI Neo Cloud in India for the Indian government, citizens, and companies. It will focus on cybersecurity services and defense, offering GPU as a service, model as a service, and AI services, and will build or lease data center capacity. This initiative is aimed at creating capabilities in an emerging technology segment while complementing our existing technology strength.

On the domestic front, our engagement with government-led programs also continues to strengthen. We have received a letter of intent from the Director of Urban Administration and Development, Madhya Pradesh, for the selection and appointment of a manpower agency for the beneficiary-led construction vertical under the Pradhan Mantri Awas Yojana, with a total contract value of approximately Rs.67 crore, which is going to be generated over the next 3 years. This contract enables the application of enterprise solutions based on geospatial technologies and also the application of AI.

We also strengthened our presence in the water and smart city infrastructure segment. We recently received a letter of intent from Bhandara Municipal Council for the supply, installation, and

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commissioning of consumer, domestic, ultrasound, ultrasonic, and electromagnetic AMR water meters under Amrut 2.0, with an order value of approximately Rs.17 crore. This project is to be executed over a period of 12 months and further strengthens our capabilities in smart water management solutions.

Our recent order wins also demonstrate the breadth of capabilities across our business. In the mobility segment, we have received an order of approximately Rs.4 crore from ECS Intact India for the design, planning, and simulation of 4 production lines, to be executed over 3 months. We also secured an international order through our US subsidiary, Technology Associates Inc., for the beta development of a hybrid power transfer case for Remote Mobility USA, valued at around Rs.4 crore. Routine contracts for mobility continue, which are not included in the order book.

In our geospatial business, we continue to deepen our engagement with international customers. Our earlier engagement with P-Second includes NVMe drive supply, as well as AI-powered building and road extraction, encroachment and asset monitoring through the Brick AI platform, along with an enterprise geospatial imagery repository and AI feature extraction capabilities. The aggregate value of these purchase orders was Rs.30 crore.

On working capital, the cycle stood at 164 days during the quarter, broadly in line with the levels seen over the previous 2 quarters. We have received a recent government resolution issued by the Maharashtra Government towards the allocation of funds for dues related to IoT and other projects to support collections and meaningfully improve the working capital cycle over the next 2-3 quarters. Overall, we remain focused on converting a strong order pipeline into execution while continuing to diversify across geographies, business verticals, and emerging technology opportunities.

With improving traction in our international businesses, a healthy order book, and new initiatives in AI and digital technologies, we believe we are building a stronger and more diversified platform for sustainable growth. With this, I now open the floor for the question-and-answer session. Thank you.

Operator: Thank you very much, sir. 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.

We have our first question from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar – Sapphire Capital: Am I audible, sir?

Kaushik Khona – Managing Director India Operations: Yes, sir.

Deepak Poddar – Sapphire Capital: Thank you very much, sir, for this opportunity. First, I wanted to understand the execution timeline for this order book of around Rs.1,000 crore. What sort of order pipeline do we have, and what order inflow target are we looking at?

Kaushik Khona – Managing Director India Operations: I will give you the breakup of the order book. As I said, we have an order book of around Rs.990 crore. The execution timeline will vary: some

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orders have to be executed within 3 months, some within 6 months, some within 12 months, and some of them have a plan extending up to 18 months. There are certain orders that also have O&M, which goes beyond the capex position and extends to 2 years or 5 years in terms of the O&M period. Therefore, there are orders with different execution timelines. On average, the weighted average execution timeline will be between 12 and 18 months. I hope I have answered your question. As regards the funnel, Dr. Abhay may like to comment.

Abhay Kimatkar – Managing Director: I am continuing with what Mr. Khona has said. We have the execution spread across the next 2–3 years. The first 12–18 months would be the capex period, and later we will have 3 or 4 years of OpEx. Therefore, that order book is going to be spread across those years, and we will have that revenue coming in through those years.

Deepak Poddar – Sapphire Capital: On the funnel side, what sort of funnel do we have in terms of the order book?

Abhay Kimatkar – Managing Director: From now onwards?

Deepak Poddar – Sapphire Capital: Yes, going forward.

Abhay Kimatkar – Managing Director: Going forward, the next 2 quarters look quite positive. As we said in the last conference call, we have a robust funnel. We were L1 in a few of them, and we are still L1 in some others. We are about to receive those orders. The funnel is quite strong, and we will surpass last year's numbers. That is for sure. I will maintain and reiterate that. We have a very strong funnel across all our domains.

Deepak Poddar – Sapphire Capital: Would it be possible for you to quantify it? What is the range of the funnel that we are looking at?

Abhay Kimatkar – Managing Director: I will not be able to tell you the exact number, but I think Mr. Khona has indicated the kind of funnel we have, though not the exact number. We will definitely surpass it. He has already said that we have crossed about Rs.1,000 crore, so we will achieve a similar kind of number. I will pass this question to Kaushik.

Deepak Poddar – Sapphire Capital: ...or deferred, sir, what are we doing to improve our growth, and what growth might we be looking at? We have seen very good growth over the last 2 years, in the range of 50–60%. How should one look at this year-end, and what efforts are we making to improve our growth?

Kaushik Khona – Managing Director India Operations: As I said, we are targeting not only an increase in turnover growth, but also an increase in margins, and you would have seen that the margins have shown substantial improvement this quarter. Growth will obviously continue as the funnel is also being built up. Some of the orders that I already mentioned, including the Rs.143 crore received, have an execution time within the next 3 months.

Management: ...six months, so you will see growth in the next 2–3 quarters. As I reiterate, and for the benefit of all the listeners, we do not give forward-looking statements. Therefore, we will restrict ourselves to mentioning the numbers, but we are sure to continue the growth trend that we have seen over the last 2.5 years.

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Deepak Poddar – Sapphire Capital: Understood. That is very helpful, sir. Thank you, and that would be it from my side. I would like to wish you all the best.

Management: Thank you.

Operator: Thank you. A reminder to all participants: if you wish to ask any question from the management, you may press star and one. We have our next question from the line of Madhur Rathii from Counter Cyclical Investments. Please go ahead.

Madhur Rathii – Counter Cyclical Investments: Sir, thank you for the opportunity. Firstly, I wanted to understand our order book. Last quarter, our order book was Rs.880 crore, and that has moved to close to Rs.990 crore this quarter. However, if I look at the orders we received, at Rs.140 crore, less the orders we executed, at close to Rs.148 crore, this number does not match. Could you help me understand this?

Management: Thank you for your time and for this question. I would again clarify that we have explained in previous conference calls that not all businesses go into the order book. There are certain run-rate businesses that we do not include in the order book. For example, we do not include the mobility business in the order book. We also do not include OEM products and services in the order book. Therefore, there are certain business segments that do not form part of the order book.

This quarter also, almost Rs.50 crore of the turnover was without an order book because it was run-rate business. This run-rate business will continue. Therefore, certain orders flow into the order book, while certain execution happens without an order book as well. I hope that clarifies the reconciliation. If you want, I can prepare a reconciliation and give it to the IR agency, which can then forward it to you.

The opening balance was Rs.880 crore. What needs to be understood is that during this quarter, even after execution of {? 157 crore ?}, we increased the net order book by around {? 110 crore ?}, which I think is phenomenal progress. Thank you for your question. I will pass on the information to the IR agency.

Madhur Rathii – Counter Cyclical Investments: Understood, sir. For this non-order-book business, what percentage of our revenue was this in FY26, and where do we see it scaling in FY27? Can this become, instead of being close to one-third of our business currently, 30-40-45% of our business during this year?

Management: In FY26, the business from the 2 segments that I mentioned, which are without an order book, was Rs.130 crore, including the mobility and product solutions businesses. In addition, there are some orders within the other existing domains that are small run-rate businesses and do not go into the order book. Out of the Rs.660 crore that we recorded last year, I think more than 20-22% or 25% was without an order book. That traction will continue.

Madhur Rathii – Counter Cyclical Investments: Understood. Just a final question from my end. Regarding the AI Fabric partnership that we have created, what is the Rs.25 crore investment towards, and what will the solution be? Will we set up the entire cloud infrastructure for the

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government and receive payment for that, or will we become more of an EPC player for this sovereign cloud? Could you help us understand the direction in which we are planning to go?

Management: Let me clarify. This is the initial phase of evaluating the business opportunity of setting up an AI cloud for the purpose of creating a sovereign cloud for the government. This is basically going to cater to the defense requirements of the government, which is our target.

The proposed JV is between AI Fabric of US Inc. and us, with a contribution of 50% each. At present, we are contemplating incorporating the JV, which should be done in the next 1 or 1.5 months. After the JV is formed, complete due diligence, including technical due diligence and market due diligence, will be carried out. After that, the second phase of another Rs.20 crore investment from our side will be undertaken.

That is the current progress. We do not intend to be an EPC company; we intend to be an AI solutions company. That is the objective. We will not be catering to the EPC cost or the EPC part. However, when we build the infrastructure, some of the infrastructure may be constructed through EPC contractors. Our business will be AI solutions, not EPC.

Madhur Rathi – Counter Cyclical Investments: Understood, sir. Will we be providing something only along geospatial lines to the defense sector through this cloud that we are setting up for the government, or will it be more like data analytics or something in that area?

Management: As of now, it will be a technology platform that integrates geospatial data, satellite data, and enterprise solutions. It will be user-defined and customized based on the requirements of the customers. Right now, we do not expect to be only a data analytics company; it will be a complete solutions company. As we progress, we will continue updating the investors.

Madhur Rathi – Counter Cyclical Investments: Understood. Just a final question from my end. How are the margins for us? Our margins have improved, so what has led to this margin improvement, and what is the margin for the order-book business versus the run-rate business from mobility and product solutions? How do the margins differ for these 2 segments?

Management: Margins are improving because we are scaling up on the maturity scale of the businesses. Earlier, before 2 or 3 years, we were focused more on data acquisition; now we are focused more on enterprise solutions. In a scale of growth, if a business is typically measured on a platform scale, with scale 1, scale 2, scale 3, and scale 4, where scale 4 is the highest, we would say that we are between scale 2 and scale 3 and moving upward.

Earlier, when we began more than 2 years ago, margins were around 15–17%, and we are now moving up to 24%. The second factor is that, before 2 years, we also enabled our technology solutions as part of a new domain where margins are slightly better. Therefore, the overall margin mix will improve.

As regards the margins in the order book, they will obviously be the same or better because, as we continue executing, margins are expected to improve due to improvements in the way we execute and economies of scale. However, as I said in the earlier question, we do not give guidance about the extent of margin improvement. What was the next question? I forgot.

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

Management: Okay, thank you.

Operator: Thank you. A reminder to all participants: if you wish to ask any questions, you may press star and one. The next question is from the line of Poojan Shah from Molecule Ventures. Please go ahead.

Poojan Shah – Molecule Ventures: Thank you for the opportunity, sir. My first question relates to the previous participant. I want to understand, in simple terms, the structure of the 50:50 JV. We are investing Rs.25 crore, and then we will invest an additional Rs.20 crore. Will that be the EPC investment or the infrastructure that will be set up? I also want to understand whether, after setting up the infrastructure, all the data we have collected will be stored there and whether we are planning or considering a type of SaaS model with an annuity stream that could help increase yield. What is our expectation in that regard?

Management: Let me clarify again. Right now, the board has decided and resolved to invest a total of Rs.25 crore in 2 phases: the first Rs.5 crore towards incorporation of the company, and the second Rs.20 crore once the due diligence of the business is completed. The due diligence will include both technical and market due diligence.

What we have envisaged is providing solutions in the form of GPU as a service, model as a service, or AI services. This will be based on building the data center for the purpose of serving the sovereign defense requirements of the country. This is the current objective.

As we progress, I think it is still too early to comment on what the business model will be and how we will structure it, because the due diligence process will take another 3–4 months. By that time, we will be able to finalize the business model. I hope I have answered your question.

Poojan Shah – Molecule Ventures: Understood, sir. So, basically, we are looking at this happening in FY28–29?

Management: Correct.

Poojan Shah – Molecule Ventures: Understood. Sir, the second question is on trade receivables. We have seen a notification from the government that some payment has been released from the JJM perspective. What trade receivables have been stuck, how much receivables are we expecting over the next few months, and how is the traction going forward for JJM?

Management: I will first answer the question on the overall parameters. Our working capital cycle this quarter was 164 days, and the same figure in the previous quarter and the previous 2 quarters was also in the range of 162–164 days. We have maintained the working capital cycle, which means that whatever billing is taking place is being recovered. That is the first point.

I also mentioned in our presentation, which has been posted on the stock exchange, that recently, approximately 2 weeks ago, the Government of Maharashtra issued a government resolution stating that the majority of the funds that had earlier been stuck for IoT-related projects under the Jal

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Jeevan Mission had been addressed. The majority of the funds will be disbursed. Therefore, based on the process and the time it takes, we expect that in the next 2–3 quarters, and obviously before March 31, all the overdues of IoT projects and other projects under the Jal Jeevan Mission will be cleared. This will substantially bring down the working capital cycle.

This is what we are expecting. However, as I already mentioned, whatever we bill, we collect, so there is no additional buildup in the working capital cycle. Amita, if you would like to clarify further.

Amita: We have IoT debtors and receivables from IoT of approximately UPR, with a total amount of around Rs.100 crore. We are expecting to receive these funds by the end of the third quarter, most probably. We have this expectation in mind, and we also have clarity from the government that these funds will be released very soon.

Poojan Shah – Molecule Ventures: In terms of traction, could you tell us something?

Management: If you look at our execution, we have mentioned in the past 2 conference calls that while the Jal Jeevan Mission projects continue to be executed, our focus is also shifting towards various other domains. For example, transport, energy, and other geospatial areas. Recently, if you look at the wins we have had under the Madhya Pradesh Urban and Administrative Development Department, those are also more geospatial in nature.

We are consciously choosing to bid for opportunities where there is greater clarity of funds, where budget allocation is already available, and where funds have already been arranged by the government for the projects. We had a setback for some time until {? November 2025 ?} because of the issues relating to the Jal Jeevan Mission. However, since {? November 2025 ?}, we have not seen any buildup on that front, and things are more manageable. I hope these points are clarified.

Poojan Shah – Molecule Ventures: Understood, sir. I also want to understand the visibility of Allegro. How is it progressing, what are your expectations in terms of growth, and what current challenges are we facing there?

Management: Since at least {? December 2023 ?} onwards, we have been seeing positivity in the mobility business. As you may recall, Allegro was acquired and has since been merged with the company, so mobility is now a division. The only thing that remains outside this company is the JV called Aligram, which is a JV with Grammer AG of Germany, where we are a 70% stakeholder and Grammer holds 30%.

The results of Grammer and the results of {? Allegra ?} are not consolidated because it is a JV. As regards mobility, things are looking better. In fact, Grammer has also seen an improvement in its order book for calendar year 2026, and that represents a general improvement in the mobility business overall. Therefore, we are expecting further traction in mobility.

On the international side, the wholly owned subsidiary that has both mobility and geospatial operations is showing substantial improvement this quarter compared with the same quarter of the previous year. The top line has also increased for our overseas business this quarter, and margins have improved in that business as well. Therefore, we foresee a positive trend in that segment. I think that is all.

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Poojan Shah – Molecule Ventures: ...good traction in the US subsidiary also in this coming year.

Poojan Shah – Molecule Ventures: Understood, sir. Last time, during our previous conference call, you mentioned the RFQ for transport, for which we had been planning to ramp up. Has the tendering started, or is it still under approval from the government and expected to start soon?

Management: Regarding the ITMS and ATMS business in transport, which refers to the Intelligent Traffic Management System, we have already gathered the capabilities. In some cases where we did not have the capabilities, we have already tied up with partners. We are also already in discussions with the government regarding additional opportunities. Therefore, we expect some positive developments in the next 1 or 2 quarters in the transport domain.

Poojan Shah – Molecule Ventures: Understood. My last question is this: recently, our order book pipeline has also increased by Rs.1,000 crore, while, without the order-book reflection, it more or less stays around 20–25%. Are we expecting significant revenue in FY27? The reason is that our order-book conversion period is 12–18 months, and, in addition, our order book does not include 20% of the new order inflow. Do you expect a significant {? 900 to 1,000 crore ?} in FY27?

Management: I would refrain from giving any guidance for the future. However, as you rightly observed, there has been an improvement in the order book. There is also an execution timeline of 12–18 months for the majority of the projects. We are trying to push execution and increase the level of execution to achieve continuous growth, as we have seen over the last 2.5 years. We will not be able to give you guidance on the turnover for FY26–27.

Poojan Shah – Molecule Ventures: Understood, sir. Thank you so much. I will join the queue. Thank you.

Operator: Thank you. A reminder to all participants: if you wish to ask any questions, you may press star and one. The next question is from the line of Rohit from MAPL. Please go ahead.

Rohit – MAPL: Hi, sir. Thank you for the opportunity. My question is about growth in FY27. You mentioned that we have an order book of Rs.990 crore yet to be executed, correct?

Management: Yes, sir.

Rohit – MAPL: Should we assume that 30–40% of this order book will be executed? You have given a weighted average of 12–18 months. How should we think about the execution of the order book in this financial year?

Management: I have already mentioned that the majority of the orders have an execution timeline of 12–18 months. As we progress, some of the orders will obviously be executed. I also mentioned earlier that some orders have execution timelines of 3 months or 6 months from the date on which they were received. Therefore, there will obviously be execution within this year itself.

As to the percentage—whether it will be 30%, 40%, or 50% of the order book in this financial year—I will not be able to give guidance. However, we are on track with all the milestones associated with the order book. We are not behind on any of the milestones, so we should be able to progress according to the timelines mentioned in the order book.

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Rohit – MAPL: What will be the drivers of this growth? Which segment do you think will lead for us?

Management: There are 2 or 3 major initiatives that we are seeing. One is geospatial enterprise solutions, where we are seeing good traction. In fact, in the buildup of the Rs.143 crore order book, the majority of the orders have come from geospatial enterprise solutions.

Besides this, we are also expecting traction in the transport domain because we see significant opportunity there, and we have also gathered the capabilities to execute or bid for those opportunities. Therefore, these are the 2 major domains.

We also see opportunities in energy, for which we are tracking some opportunities. We are also tracking satellite and defense-related data collection and analytics, as well as enterprise platforms for those services. These are some of the areas that we continue to monitor. As you already know, we operate across all infrastructure domains, so opportunities in each domain continue to be tracked. I hope I have answered your question.

Rohit – MAPL: Understood, sir. On the margin front, will we be able to maintain a 22-23% margin?

Management: We recorded 24.4% this quarter, so I believe we should be able to maintain that.

Rohit – MAPL: Understood. Thank you so much.

Management: Thank you.

Operator: Thank you. A reminder to all participants: if you wish to ask any questions, you may press star and one. The next question is from the line of Puneet Singh from Countercyclical PMS. Please go ahead.

Puneet Singh – Countercyclical PMS: Hi, sir. Thank you for the opportunity. I have a question regarding the order book itself. In the last conference call, you mentioned that we were L1 in 3 large orders valued at around {? 350-400 crores ?}. Please correct me if I am wrong. This is more than the total order intake last year. I want to understand whether we are on track for those orders. You mentioned that by the end of Q2, or during Q2, we should receive them. Can you comment on that?

Management: Yes, we are on track. In fact, one of the orders that we have already received was the Rs.67 crore order where we were L1, which we mentioned at that time, although we did not disclose the name. We continue to have other opportunities apart from the 2 that are already in the pipeline out of the 3 mentioned in the previous call.

We continue to bid for new opportunities, and the funnel keeps increasing. As and when the final orders are awarded, you will appreciate that once bids are called and invited, and even after the bids are submitted, the evaluation, technical evaluation, and award of the contract typically take 2-3 months. Sometimes it exceeds 2-3 months as well. Therefore, we are on track and should be able to expect something more. Dr. Abhay, if you would like to add something.

Abhay Kimatkar – Managing Director: As you rightly mentioned, last time we said that we were L1 in 3 or 4 of those orders. The other orders were quite small, so they did not require any mention.

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However, one of the Rs.67 crore orders has already come, and 2 more are in the offing.

One of the orders may come this quarter. It goes through a significant process, including going to the board and then issuing the final order. There are a few more tenders that we have just opened, while the commercial bids are yet to be opened. Therefore, another 2 orders may be lined up, probably in this quarter, if things go well.

We have a very strong pipeline and anticipate strong closures in this and the next quarter. We will definitely surpass those figures. We have already created a strong buildup for the next 2 quarters. Some of the tenders are going to be published, and one tender has already been published. This is a strong pipeline, as I can confirm.

Puneet Singh – Countercyclical PMS: Understood. Based on this, can we assume that we can cross an order book intake of around Rs.350–400 crore by Q2?

Management: As I said, we do not provide any guidance, although the funnel remains substantially large. The final award of an order involves a lengthy process. Therefore, it would be wrong for us to provide any forward-looking guidance because that is not in line with our policy.

However, as I said, you can observe the improvement from the last quarter, when our order book closing was Rs.880 crore, to this quarter, when it is Rs.990 crore after execution of Rs.157 crore. There is obviously an improvement, and we expect that to improve further as we continue registering orders when we receive them.

Puneet Singh – Countercyclical PMS: Correct. In FY25, when our order book increased significantly, there was one large order worth Rs.350 crore. I want to understand the current direction of the bid pipeline. Are there tenders currently floated with similarly large sizes? As an investor, we want to understand—not an exact figure, but directionally—whether the tenders currently floated are comparable with the demand environment in FY25 or somewhat slower. Could you help us understand the situation?

Abhay Kimatkar – Managing Director: I will provide some perspective on that. That was one case, but we are building up similar cases. Such cases take more than 1 or 2 years to develop and to get through the tendering and approval processes. You also need a national-level program, and those were JJM projects, which is how we were able to secure that order.

However, since then, we have built up capabilities in some projects, and we may see similar projects coming in the next 1 or 2 years. We anticipate receiving one such project this year, subject to approval. I cannot provide the number, but if not in the fourth quarter, then in the first quarter of next year, we will definitely have one such project.

We are definitely building one project that could be a real game changer for us. Probably every other year, you may find such a project coming in. We have specialized skills to carry out such mission projects, through which we can generate good revenue. Such projects will definitely be available. It is not only the project we received in 2025; we will have such projects coming in every other year. I hope I have answered your question.

Puneet Singh – Countercyclical PMS: Great to hear that. Secondly, in terms of acquisitions, we had raised funds around 2 years ago for an acquisition, but the process has been delayed for 2 years. What proactive measures are we taking to expedite this process, and are we currently evaluating any companies for acquisition? Should we expect something in FY27 in this regard, since it has already been 2 years?

Management: When we talk about raising Rs.238 crore for acquisition, it was not only for acquisition. It was also for expansion, new opportunities, acquisitions, and other purposes. One of the major initiatives we recently undertook, which I also discussed and for which the board meeting discussions were posted on the stock exchange, is the evaluation of setting up a JV for building a sovereign AI cloud. The primary purpose will be to pursue defense contracts with the government.

If that materializes, it will also represent a significant business investment opportunity that can be evaluated after due diligence is completed, which may take 3-5 months. As of now, while that is one opportunity, we are also simultaneously evaluating a few opportunities where we may generate a higher return than what we are already generating.

Therefore, it is taking time. We do not want to invest merely for the sake of investing. We want to ensure that the investments are in line with what we are doing, whether through backward or forward vertical integration within our line of business, so that they enable margin expansion. We understand your question, and we hope to provide some visibility shortly regarding the new investments we are making.

Puneet Singh – Countercyclical PMS: Understood. Around Rs.300 crore of funds have been lying idle with us for 2 years. Given our current share price, which is trading at reasonable valuations, why do we not consider some form of capital allocation, such as a share buyback? This would show our confidence in our own company and also send a signal to the market. For long-standing shareholders, it would be beneficial because EPS would increase permanently as shares are extinguished from the market. Why do we not consider a share buyback?

Management: The solution you are suggesting is temporary. Share buybacks generally happen when you have surplus cash from operations. Whatever funds we have are funds that the promoters have invested in the company because they are confident about its growth and future prospects. Therefore, the funds we have arranged are for the growth and development of the organization rather than for buying back shares.

Puneet Singh – Countercyclical PMS: The funds have been idle for 2 years, and we have not been able to allocate them successfully.

Management: We have been evaluating a few opportunities, but you will appreciate that we do not want to invest simply because we have funds. We do not want to invest in an opportunity that will not provide us with margins or profit margins similar to what we have currently.

If the business we were exploring was going to reduce the overall margin of the company, we decided not to pursue those acquisitions. We are looking for a good opportunity where we can sustain our margins along with the investment.

To clarify, out of Rs.230 crore, Rs.130 crore was received in March 26. This is for your clarification. The Rs.130 crore was received only in the last quarter, while the first Rs.100 crore was received in September 24.

Management: I think the majority of the funds have now been received, and we are on track to ensure that they are properly used and properly invested so that we can generate revenue over the long term from those funds.

Puneet Singh – Countercyclical PMS: Understood, sir. I hope you make the best decision, and I trust the management to do that as well. All the best, and thank you very much.

Management: Thank you.

Operator: Thank you. I remind all participants that if you wish to ask any question, you may press star and one. We have our next question from the line of Keshav Garg from Counter-Cyclical PMS. Please go ahead.

Keshav Garg – Counter-Cyclical PMS: Sir, I wanted to understand our March 31 balance sheet. We have a large unbilled revenue of around Rs.320 crore, which is approximately 50% of our standalone revenue for last year. If we look at the first-quarter numbers as well, the standalone revenue is broadly flat. When exactly will this unbilled revenue be billed?

Management: The major portion of this unbilled revenue relates to JJM, and we clarified in one of our recent calls that we have received clarity from the department. This amount will be billed in the next 2 quarters, and the unbilled revenue will automatically decline in the next 2 quarters once we receive clarity regarding funds from the JJM project.

Management: All that unbilled revenue is already being converted into billing, and the cycle is moving. It had accumulated over the last 2 or 3 quarters because of JJM. However, as Kaushik has already shared, we now have clarity from the government, and we can expect to receive these funds very soon.

Management: Moreover, some milestones usually cause UBR to be nullified in the last quarter because the government provides funds and major milestones are closed during that period. Therefore, you will find UBR being substantially reduced in the last quarter. It is a historical pattern, which you can review. Of course, the government is going to release these JJM funds in this quarter itself.

Keshav Garg – Counter-Cyclical PMS: My second concern is that standalone EBITDA last year was upwards of Rs.170 crore, whereas standalone operating cash flow was one-tenth of that, at around Rs.19 crore. Looking at the past 3 years as well, cash conversion from EBITDA to cash flow has been very low. I understand that the nature of the business is working-capital intensive and that the top line has also grown. After adjusting for that, what is your view? Can we see a significant jump in operating cash flow in this year's balance sheet?

Management: Your observation is perfectly correct. My general submission is that when a company is growing at a 50% CAGR, working capital keeps getting invested, as you rightly observed. Secondly, you mentioned UBR. Obviously, when UBR also accumulates for the specific reasons that

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are being addressed, operating cash from operations remains small.

However, as our CFO, Amita, has already clarified, we expect this financial year to have better operating cash flow. We cannot specify how much better, but we should certainly have better operating cash flow in this financial year.

Keshav Garg – Counter-Cyclical PMS: I appreciate the answer you gave to the previous participant. Even if we do not find a good acquisition opportunity, it is best not to make an acquisition even though we may have raised capital for that purpose.

My concern is that our stock price has fallen from an April high of over Rs.1,200 to below Rs.800, whereas the general market trend is the opposite. There is no smoke without fire, so I am trying to understand this. At the current market capitalization, the stock is trading at 7 times EV/EBITDA. When we look to acquire a company, what EV/EBITDA multiple are we looking to pay for an acquisition target?

Our own stock is trading at 7 times EV/EBITDA. If we acquire an outside company at 15–20 times EBITDA, that would be value destructive. We should either find an acquisition target trading below 7 times EV/EBITDA, in which case it would be a value-accretive acquisition.

Management: It is a good observation. I would only submit that, first of all, there is no smoke and there is no fire, so I do not think that analogy fits here. It may be a good opportunity for somebody to buy more. I am not recommending that because I am not in an official position to do so.

The question is at what EV/EBITDA multiple we will evaluate an acquisition. Obviously, we will evaluate it based on the additional EBITDA percentage we are able to acquire. Most of these deals in this segment of the industry are driven by an EBITDA multiple or a turnover multiple.

Typically, acquisitions, whether domestic or foreign, have EBITDA multiples ranging anywhere from 5 to 7 to 10, depending on the phase the company is in. We will evaluate how much the acquisition adds to our top line and bottom line, and that addition should be incremental. We appreciate your suggestion, and we will ensure that shareholder wealth improves through any decision we take.

Keshav Garg – Counter-Cyclical PMS: Lastly, Mr. Phanish Murthy resigned in mid-November, and since then the stock price has been in a tailspin. Is it a coincidence, or is there something more to it? Why exactly did he resign within a year of being appointed?

Management: Mr. Phanish Murthy resigned in April 2026 and not in November 2025. Therefore, there is a correction in the date, and there is no relevance between the share price and the exit of Mr. Phanish Murthy. He resigned for personal reasons. There is no correlation between November 2025 and the share price going down. He resigned in April 2026, as you can verify.

Keshav Garg – Counter-Cyclical PMS: No, madam, I am referring to April 2026. If you look at our stock price on April 17, 2026, the stock was Rs.1,230. I believe Mr. Murthy resigned on April 16 or around that date, basically in mid-April. It may be a coincidence, and perhaps the dots do not need to be connected here. I appreciate all your answers. Best of luck to you. Thank you.

Management: Thank you.

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

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

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

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