

Date: 19th August 2025

Listing Compliance Department

BSE Limited Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400001 Scrip Code: 544198	The National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 Symbol: DEEDEV
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Sub: Submission of Transcript of Earnings Conference Call for the Quarter ended 30th June, 2025

Dear Sir/ Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed the transcript of Earnings Conference Call with investors/analysts held on Tuesday, 12th August, 2025 to discuss the Unaudited Financial Results of the Company for the Quarter ended 30th June, 2025.

The above information is also available on the website of the Company at www.deepiping.com.

This is for your information and record please.

Yours faithfully,

For **DEE Development Engineers Limited**

Ranjan Kumar Sarangi
Company Secretary and Compliance Officer
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“DEE Development Engineers Limited Q1 FY-26 Earnings Conference Call”

August 12, 2025



MANAGEMENT: **MR. KRISHAN LALIT BANSAL – CHAIRMAN AND
MANAGING DIRECTOR, DEE DEVELOPMENT
ENGINEERS LIMITED
MR. PANKAJ AGARWAL – CHIEF OPERATING
OFFICER, DEE DEVELOPMENT ENGINEERS LIMITED
MR. SAMEER AGARWAL – CHIEF FINANCIAL OFFICER,
DEE DEVELOPMENT ENGINEERS LIMITED
MR. SANJEEV SANCHETI – UIRTUS ADVISORS (IR
ADVISOR)**

MODERATOR: **MR. VAIBHAV SHAH – EQUIRUS SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to DEE Development Engineers Limited Q1 FY '26 Earnings Conference Call hosted by Equirus Securities.

As a reminder, all participants' lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '*' then, '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vaibhav Shah from Equirus Securities. Thank you, and over to you, sir.

Vaibhav Shah: Hi. Good afternoon, everyone. Thank you very much for joining into the first quarter financial year '26 earnings call of DEE Development Engineers Limited.

From the Management Team, we have with us Mr. Krishn]an Lalit Bansal – Chairman and Managing Director, Mr. Pankaj Agarwal – Chief Operating Officer, Mr. Sameer Agarwal – Chief Financial Officer, and Mr. Sanjeev Sancheti – Uirtus Advisors, IR to the DEE Development Engineers.

Without taking much time, I will now hand over the call to Mr. Sanjeev Sancheti. Thereafter, Krishan, sir, will share his opening comments. Thank you, and over to you, sir.

Sanjeev Sancheti: Thank you, Vaibhav. Good afternoon, everyone. It is a pleasure to welcome you all on the Q1 FY '26 earnings call today. We are delighted to have the senior management team of DEE Development, which has already been introduced by Vaibhav. Before we begin, it is extremely imperative that I draw your attention to the safe harbor statement included in our earnings update presentation. This is also available both in the BSE and NSE Websites.

With this, I now invite Mr. Krishan Lalit Bansal to share his opening remarks. Mr. Bansal, over to you.

Krishan Bansal: Thank you so much, Sanjeev-ji. Good afternoon, everyone, and a warm welcome to all. We appreciate your presence today on the Q1 FY '26 Investor Call of DEE Development Engineers Limited.

I shall begin by sharing 'Key Business' and 'Operational Highlights' from the quarter, followed by our CFO – Mr. Sameer Agarwal, who will walk you through the 'Financial Metrics'.

Before diving into the specifics of our performance, I would like to express our heartfelt gratitude to all our shareholders, analysts, and stakeholders for your continued trust and engagement. We are pleased to report a strong start to FY '26, reflecting our continued focus on execution, operational efficiency and strategic growth.

In Q1, operating income stood at INR 2,238 million, up 21.0% year-on-year. Operating EBITDA grew 44.7% to INR 359 million, with margins expanding by 263 basis points to 16.0%. Profit after tax increased sharply by 314.3% to INR 132 million, taking the PAT margin to 5.8%.

Our order book remains robust at INR 12,267 million as of July 31, 2025, providing healthy visibility for the coming quarters.

On the operational front:

The expansion at our Anjar facility is progressing ahead of schedule, with the addition of 15,000 metric tons per annum capacity set to be commissioned by end August 2025, 2 months earlier than planned. This will increase the facility's total capacity, excluding heavy fabrication to 30,000 metric tons per annum.

Our high-wall seamless pipe plant is also on track to commence commercial production by January 2026, making a significant step in our backward integration strategy to improve supply chain efficiency and cost competitiveness.

We are also seeing strong traction in the power sector with active participation in multiple tenders and have secured L1 position in one of the most important bids for the most critical scope of work, and we are also in the process of submitting many bids to leading thermal power players. Coupled with robust demand from the Oil and Gas segment, this positions us well for sustained growth.

During the quarter, we also made a strategic entry into the green hydrogen sector through a partnership with **International Clean-Tech Partner**, a global leader in sustainable energy technology.

Under this MoU, we will jointly develop, bid for and execute modular hydrogen production system projects in India and Thailand. This collaboration combines their proven hydrogen technologies, including electrolyzers, separators and purification systems.

With our manufacturing and execution expertise, including ultra-pure hydrogen purification systems of up to 99.9999% purity. Our recent majority acquisition of M/s. Molsieve Designs Limited further enhances our technical capabilities and capacity in this emerging sector.

We anticipate operational performance to strengthen further in the coming quarter as our new capacity at Anjar has started yielding dividend, as was envisaged and helping resolve financial inefficiencies related to inventory and profit margins.

Furthermore, our strategic entry into the green hydrogen sector presents a significant opportunity to diversify our growth drivers and deliver greater profitability.

Looking ahead, we remain committed to delivering operational excellence, expanding capacities and diversifying into high-growth, sustainable energy solutions. We thank our employees, customers, partners and shareholders for their continued trust and support, as we work together to create long-term value.

Thank you all. Now I would hand over the call to our CFO, Mr. Sameer Agarwal, to talk about financial metrics. Thank you so much.

Sameer Agarwal:

Thank you, Bansal ji. Good afternoon, ladies and gentlemen, and thank you for joining our Q1 FY '26 Earnings Call.

Before we open the floor for question-and-answer session, I would like to provide a brief overview of our financial performance for the quarter. I trust everyone has had the chance to review our earnings presentation and press release. While Bansal ji has already covered the business outlook, I will now focus on financial performance of the past quarter in greater detail.

Our revenue from operations grew by 21.0% year-on-year, reaching INR 2,238 million in Q1 financial year '26 compared to INR 1,850 million in Q1 FY '25. Revenue from Piping division saw a 30.4% year-over-year growth, contributing 86.9% to our total revenue.

Operating EBITDA in Q1 FY '26 saw a strong year-on-year increase of 44.7%, reaching to INR 359 million with an operating EBITDA margin expansion of 263 basis points to 16.0%. Profit after tax for the quarter stood at INR 132 million against INR 32 million in Q1 FY '25, with PAT margin expanding by 410 basis points year-on-year to 5.8%.

The cash conversion cycle increased from 210 days in March 2025 to 247 days in June 2025. This is primarily driven by rise in inventory days from 217 to 243 days. The higher inventory levels reflect procurement of raw materials in anticipation of execution of the expanded order book in the coming quarters.

As discussed in our previous call, we had initiated legal action against the downward revision of tariff for our 2 biomass projects. The matter remains in status quo since the last quarter. Hearing for both the power plants, under the review petition, have been completed and the Honorable Commission has reserved its order, which is expected to be pronounced within a month.

We deeply value your ongoing support and engagement as we advance our strategic initiatives. We are committed to achieving our goals and delivering strong returns, and we look forward to sharing our progress as we work towards creating long-term value for all our stakeholders.

Thank you all. Now I would like to open the floor for question-and-answer session.

- Moderator:** Thank you very much. We will now begin with the question-and-answer session. (Operator Instructions) The first question comes from the line of Vaibhav Mishra from Finvestors. Please go ahead.
- Vaibhav Mishra:** Hello, sir. Good morning. Congratulations for the good set of numbers. Sir, I have a couple of questions. First is regarding the order book. In the first 4 months, I think we have had around INR 320 crores of order inflow. And my question is what order flow can we expect in the remaining 8 months? And what will be the number for whole FY '26 in terms of order inflow?
- Krishan Bansal:** Pankaj, if you can respond?
- Pankaj Agarwal:** Yes. Thanks, Vaibhav-ji. We are expecting very good numbers of order book by March '26. We are expecting almost around INR 1,200 crores orders.
- Vaibhav Mishra:** Additional orders on top of INR 320 crores?
- Pankaj Agarwal:** Yes.
- Vaibhav Mishra:** Okay. Thank you, sir. And sir, second question is regarding our U.S. exposure. In the current order book, I would like to know what percentage belongs to the U.S. And since in current circumstances, I think our cost advantage to the other countries is largely gone now. So, how is it going to affect us? And will it have any impact on our guidance of INR 1,300 crores of revenue or 19%, 20% of margins? And also, sir, do we have any impact of this on our multi-year business deal, I think we have had with ExxonMobil. Your thoughts on this?
- Krishan Bansal:** Sameer, if you can just first give them the order value, that is impacted, and then I will take over.
- Sameer Agarwal:** So, as far as the total orders to be shipped out of our current order book of INR 1,226 crores, INR 23 crores orders are in hand in India, which are to be shipped to USA. So, that is only 2% of our total order book. And as far as supply from our Thailand facility is concerned, the order value of INR 32 crores are to be shipped to USA.
- As far as the tariff levy on Thailand exports are concerned, that is 19%. So, that is as on date. This is the update. Going forward, we are expecting good numbers of orders from across the globe. So, Pankaj ji would like to, I think, Pankaj-ji, can you answer that?
- Pankaj Agarwal:** Going forward of your question about the ExxonMobil, see we are in discussions with them, but their projects are not exactly in the USA, but they are having many projects globally. So, we are expecting those orders first now. But it's very difficult to say anything from the Exxon what order they are going to place on us. The number which we have told you now around INR 1,200 crores, we are not considering any order of Exxon in these numbers.
- Vaibhav Mishra:** All right, sir. So, we have currently, we have minimal exposure, not much. And it's not going to impact, projections for FY '26 in any way, like INR 1,300 crores and the margins and all, correct?

Krishan Bansal: No, not at all. Not at all.

Pankaj Agarwal: Not at all.

Vaibhav Mishra: Okay. One sir, last question. This is regarding the biomass power plant. I think you have already mentioned that in 1 month or so, we are anticipating the resolution for this. So, how confident are we that it is going to be in our favor? And if it persists for longer duration, I think this has impacted our margins close to 2%, because I think we have had small loss in that segment from the biomass power plant segment. Otherwise, operating margins would have been 18% plus. So, are we confident that in a month or 2, it will get resolved?

Krishan Bansal: Sameer, please.

Sameer Agarwal: Yes. So, as far as tariff of biomass is concerned, since this is an environmental issue than that of the rate issue. And since Central government, Supreme Court of India, National Green Tribunal, every other entity and other enterprises, they are more focusing upon the environmental protection. Therefore, we are having high hopes to reinstate our price in terms of per unit of electricity.

And we are expecting to get this revision done somewhere in the August end or maybe first week of September. This is the position. And at the same time, we cannot say that we will get 100% in our favor. But we are keeping high hopes from this order. In case it doesn't happen, we have already declared in our press release what shall be the financial impact if the same rates prevail.

Vaibhav Mishra: All right, sir. So, the margins, I was concerned about the margins because the margins that we have guided is 19% to 20% operating margins. So, if it persists, so will there be a downward revision in the guidance of the margins? Or will there be a similar kind of 19% kind of margins?

Sameer Agarwal: If these rates do prevail, then definitely the EBITDA margin shall go downwards and our guidance, which we had given for 19% to 20% shall come down to 16% to 18% anywhere.

Vaibhav Mishra: All right. That was very helpful. Thank you so much, sir, and all the best for the future

Moderator: Thank you. The next question comes from the line of Tanay from Kotak. Please go ahead.

Tanay: **Yes, Hi Sir,** So, my question is regarding the Power segment orders. Initially, we were expecting some large orders from the Power segment because we were L1. So, by when should those orders come in, maybe it is Q2 or Q3? And once we get those orders, how long does it take for us to ramp up and execute? So, what would be the execution time line of those orders?

Krishan Bansal: Pankaj?

- Pankaj Agarwal:** Sir, we are expecting these orders to come in next 2 to 3 weeks maximum. And the execution time prevail from 6 months to 9 months or 12 months considering the unit requirement because it's multiple units.
- Tanay:** So, large part of the contracts we can execute in this year.
- Krishan Bansal:** Some part will get executed in this year, but the remaining portion will get shifted to the next year. However, as we told you, we already have a reasonably high order book. And all our projections are based upon that, whether it is EBITDA margins or PAT margins or top line margin. So, you know, we are not much concerned on that. But we are trying that if something can be built in this year, that will be helpful.
- Tanay:** Okay. Thank you so much.
- Moderator:** Thank you. The next question comes from the line of Kamlesh Bagmar from Lotus Asset Managers. Please go ahead.
- Kamlesh Bagmar:** Sir what order levels we see like the closing order book in this year, because we are expecting huge orders from the Power sector, even Oil and Gas, we are seeing a lot of activity. So, what order book we are looking at, as our new capacities all are coming on stream at Anjaar?
- Pankaj Agarwal:** Sir, as I said that during the first question, we are expecting a very good order book by March. We already have order book of more than INR 1,200 crores. So, same we are expecting to book by March '26.
- Kamlesh Bagmar:** Okay. So, roughly around INR 2,000 crores to INR 2,500 crores?
- Pankaj Agarwal:** No, opening should be around...
- Krishan Bansal:** INR 1,500 plus. Opening should be INR 1,500 plus. Pankaj, I hope I am right.
- Pankaj Agarwal:** Yes, absolutely.
- Kamlesh Bagmar:** And lastly, sir, on the growth guidance, like this year, we were expecting around INR 1,300-odd crores. So, where do we stand on the revenue execution, because there are some delays in the finalization of some power orders. So, now where do we see year's revenue at?
- Krishan Bansal:** Sir, we are constrained only from the revenue, which may get hit due to this PSERC intervention only. Otherwise, we are well on track. That may have some impact and exact value for that, we shall be able to know it only after we get the orders. But it can be maximum INR 50 crores to INR 100 crores, not more than that, maximum INR 50 crores is enough. But exact guidance, we shall be able to provide you in Q3.

- Kamlesh Bagmar:** Okay. And lastly, sir, if we see your revenue growth in piping is roughly upwards of 25% odd. But if we see your capacity utilization over last year, so the volumes would have been barely flattish year-over-year, while we have seen strong revenue growth in value terms. So, what has driven this?
- Krishan Bansal:** Sir, again, we have been telling it time and again that our capacity just cannot be measured just in metric tons only. The drivers are how much value add we are doing it. As we have been telling right from previous year itself, the value addition or the metallurgy of the orders for this particular year is very helpful in doing all these things. And that's the main thing. Plus ultimately, what we are saying is that our capacity is mainly to be measured in terms of Dia inch of work which we do, which we are doing as per our almost full capacity, I will say, at Tatarpur. And whatever capacity we have at Anjar, that is, of course, we are lagging, but we still are not worried on that. The reason is that we are able to meet the top line.
- Kamlesh Bagmar:** Great sir. Thanks sir. Thanks a lot.
- Moderator:** Thank you. The next question comes from the line of Nishant Shah from Moneybee. Please go ahead.
- Nishant Shah:** I have a couple of questions, sir. So, firstly, sir, just a follow-up on a previous question. Regarding your orders, your L1 orders, wanted to understand your pipeline or any visibility, like how many orders are you expecting moving forward in the power sector?
- Pankaj Agarwal:** Sir, we are expecting a good number, good volume from power sector, considering various clients. So, there is no doubt of that. We are not concerned about absolutely, and we excel in the Power Sector business for sure.
- Nishant Shah:** All right, sir. And sir, regarding your Power division, when are you expecting a turnaround in the downward revision of that? Is any turnaround expected anytime soon?
- Sameer Agarwal:** So, sir, as we have already told you that the hearing on review petition has already been completed and the Commission has reserved for the orders to be pronounced maybe by month end or maybe first week or second week of the next month.
- Nishant Shah:** Okay, sir. And sir, also regarding our current order book, maximum of your order book comes from exports. So, can you give a geographical breakdown of your customers and your overall order book?
- Krishan Bansal:** Pankaj?
- Pankaj Agarwal:** Sir, let me just open that file.
- Krishan Bansal:** You can just give tentative figures if available.

- Pankaj Agarwal:** No, I don't have that number readily available with me. But we are supplying to Belgium, Canada, Czech, all those countries we are supplying it, London, Japan, Italy. Yes.
- Nishant Shah:** Okay, sir. And sir, just one last question. Your partnership with Clean-Tech, when are you expecting the sizable revenue to pour in?
- Sameer Agarwal:** Sir, on this, I would like to state that we have recently entered with the joint ventures and we are doing the marketing and getting basically bids to be filled in. And we are hoping any business coming in this domain, maybe 6 months to 9 months' time. But at the same time, we are bidding at a very, very good pace in terms of our hydrogen purification systems, which is our proprietary through our subsidiary, Molsieve Designs Limited.
- Nishant Shah:** But sir, do you have any tentative revenue number to give as to how much you are expecting out of this? Any top line number that you have?
- Sameer Agarwal:** It is very initial phase, and we cannot commit any number at least for next 3 months. We would be having some visibility 3 months down the line from now what we are doing and probably in the next earnings call or next to next earning call, we would be in a position to give you the detailed projections on hydrogen business.
- Nishant Shah:** All right, sir. Thank you so much for answering these questions. Thanks a lot. All the best.
- Moderator:** Thank you. The next question comes from the line of Ankit Kumar from Alpha Capital. Please go ahead.
- Ankit Kumar:** Sir, my first question is, can you talk about our bid pipeline, in terms of revenue you are saying, we expect very good orders in terms of INR 1,200 crores type to win in this current year. So, can you talk about bid pipeline? And how are we looking on that front?
- Pankaj Agarwal:** This is the expectation what we are expecting till March. It's a firm one. I can tell you that because we are in the final negotiation with many customers. And for the next pipeline, you can say for next financial year, again, we have a strong pipeline for that, because since a lot of projects are coming in the Oil and Gas and Power both with various customers now opening up. So, we are expecting very good numbers of orders. The pipeline is really, really very, very good, I would say.
- Krishan Bansal:** It's a very healthy order book pipeline. Very healthy pipeline.
- Pankaj Agarwal:** Very healthy.
- Ankit Kumar:** But you are not saying any numbers, sir? No magnitude.
- Krishan Bansal:** No, we have already told that we are likely to book around INR 1,200 crores, out of that the total pipeline may be INR 1,000 crores. But we are saying that we are likely to encash almost around

INR 1,200 crores worth of orders in this financial year only, apart from what we have already got.

Ankit Kumar: Got it. And sir, in terms of peak capacity utilization, given Anjar is also coming in, so what will be our total revenue potential after that?

Sameer Agarwal: So, on a maximum utilization of our capacity, our Anjar unit can produce a revenue of INR 800 crores to INR 1,000 crores, whereas our Palwal facility can produce a revenue of INR 1,300 crores to INR 1,500 crores. So, overall, I can say with our total capacities till date, we can produce overall revenue somewhere from INR 2,500 crores to INR 3,000.

Ankit Kumar: Sure, sir. Last question would be, as in margin side, sir, you are saying 18% to 20%. But given last year was also low and Q1 was low. So, I assume we are expecting operating leverage to play out on this front. So, can you say as in how much is our RM cost and how much is our total fixed cost in the business annually?

Sameer Agarwal: Sir, first of all, you would appreciate that 16% of our operating EBITDA margin is the reflection of our operational efficiency due to the introduction of new capacity at Anjar, and we had already told you, in last to last year, we were struggling in terms of spending so much of an amount on our material handling cost. So, that has become reduced drastically by introduction of Anjar facility and the decrease of load in our Palwal facility.

As far as this quarter number, 16% EBITDA margin you are seeing, this is not reflecting the positive EBITDA on account of price reduction in our Power business. Had that EBITDA been there, I think we would have touched around 18% plus operating EBITDA, I am saying. So, at present, I can say that we are absolutely on track in terms of our overall revenue figures, top line and bottom line, both.

Ankit Kumar: Sure, sir. Last question, wanted to ask on this Anjar side, given it is coming in, so can we talk about what should be our annual depreciation and interest cost?

Sameer Agarwal: So, at present, the quarter depreciation is around INR 11.5 crores. So, if the overall capitalization, post this facility to be 100% functional, the overall depreciation per annum would be around INR 60 crores to INR 65 crores.

Ankit Kumar: Sure, sir. Thank you and all the best.

Moderator: Thank you. The next question comes from the line of Mahes Bendre from LIC Mutual Fund. Please go ahead.

Mahes Bendre: Hi, sir. Thank you so much for the opportunity. Sir, just wanted to understand your view on tariffs. We export also to USA. So, what impact that will have on our business with USA?

- Pankaj Agarwal:** Sir, overall, we have already told as far as our current order book is concerned that hardly have got the orders to be shipped to USA. Going forward, since Oil and Gas sector and/or Power sector, we can expect good amount of business from USA. Since our presence is at best cost countries, and the overall process piping solution content in an overall project cost is very little. That is to an extent of 3% to 4% or 5%. So, the overall impact on the basis of procurement from India shall not impact any project at large as USA. Therefore, I hardly see any impact due to the enhanced tariff by U.S. government.
- Krishan Bansal:** Sir, one more thing I would like to add. One more thing. I would like to add that the HSN codes in which our material go generally doesn't come into this new tariff business, because a few days back, I was hearing talk that almost even now more than 90% of the items which are going to USA are not subject to these tariffs. Only around 10% or such odd items are there, which are going to be subject to this particular enhanced tariff. So, we still are quite confident that it is really not going to impact us, which can disturb our balance sheet.
- Mahes Bendre:** Okay. So, you mean to say that tariff is not applicable to our products that probably will go to...
- Krishan Bansal:** What I am saying is exactly I have asked for this HSN code notification where this additional tariff will be applicable. What I was saying to you is that even now as per I think day before yesterday's talk, 90% of the items which are getting exported to USA are still out of that ambit of additional 25% or additional 50% tariffs.
- Mahes Bendre:** Right. And sir, given such a situation, do you see the business we were expecting from USA, there is some kind of holdup, because everyone is confused about the situation.
- Krishan Bansal:** Sir, most of the business from USA comes for the other countries. We get comparatively much lesser business for USA. But let us say, if it is there, it's likely to get impacted. But again, I am saying since there is quite a healthy order book, and we are not just dependent upon export. We just want to do only 50% of our earnings as export earnings, I think. So, again, I will say that we do not foresee any such reason that we should be worried.
- Mahes Bendre:** Because this 50%, I mean this is too high. I mean no business will be able to...
- Krishan Bansal:** 50%, again, I am saying we will be able to clarify you maybe in the coming days that whether our product is there or not. I am just giving you an example. Please do not take it in any other sense. Earlier also, there were many discussion on tariffs on piping items, raw material for the piping, which was coming from China or India. It was subjected to some additional amount of tariffs in USA. But since we are not exporting that as pipe or as fitting or we are doing lot of value addition and if HSN code changes, so even at that time, there was no tariff implication on the product which we are manufacturing. And we tried it physically by exporting something from our unit to USA on that HSN code.
- Mahes Bendre:** Thank you so much, sir.

- Moderator:** Thank you. The next question comes from the line of Ankit Soni from Mirae Asset Sharekhan. Please go ahead.
- Ankit Soni:** Congratulations on a good set of numbers. Sir, we have seen our margins almost at an 18% range right now. And considering the MS impact. So, still we have some sort of logistics benefit which you have alluded for. What could be the peak margins? So, you have guided for around 19% to 20% this year, but what could be the peak margins which would be driving around in 2027 or '28? Any sort of view on that?
- Sanjeev Sancheti:** Can I come here? I think because of this multiple new orders coming in and there are certain other areas, we are working on a firm guidance for the medium term. So, I think in the next call, we will come up with a guidance. Correct, Sameer-ji?
- Sameer Agarwal:** Yes, yes. Agree with you 100%.
- Ankit Soni:** Okay. And second thing is on the hydrogen business, do we need to look out for some sort of CAPEX out there? And what's your broader strategy out there? What would be your target addressable market out there? What margins it would carry basically? And basically, so that's sort of more on strategy front, what will be on your hydrogen?
- Sameer Agarwal:** So, sir, on this front, I would like to state that there are multiple type of options are there in the market in terms of setting up of new hydrogen plant. For example, there are companies who are wishing to set up a hydrogen plant on build, own and operate basis.
- At the same time, there are the pure supply basis, they would also like to have the hydrogen plant. So, in the initial phase, what we are trying to do, we are trying to set up a very small hydrogen plant in our own setup, just to demonstrate how efficiently we are producing the pure ultra-pure hydrogen.
- So, that can cost somewhere to an extent of INR 10 crores to INR 15 crores. That is what we are contemplating as a capital cost towards hydrogen business. But beyond that, we don't foresee any such kind of capital expenditure. And in case there is a project which requires build, own and operate, then probably we would like our venture partner to make the capital expenditure on its own part. And at the same time, by exhibiting our own hydrogen plant, the customer shall have enough faith in us in our product as well as the technology.
- Ankit Soni:** Okay. Understood, sir. And what would be the CAPEX for financial year '26 and what was incurred in Quarter 1 financial year '26?
- Sameer Agarwal:** Around INR 25 crores to INR 30 crores of CAPEX we have already done in Q1. And going forward, within this financial year, our expected capital cost would be around INR 100 crores to reach out to the planned capacities of process piping solution as well as our high-wall thickness seamless piping solution.

Ankit Soni: Okay. And sir, one last question. Your guidance would remain the same, right? INR 1,300 crores of revenue and then 19% to 20% of EBITDA margin.

Sameer Agarwal: Yes, subject to the financial impact of Power Generation business, which we have already disclosed during this call as well as through our press release.

Ankit Soni: Sure. Thank you sir, that was my questions. All the best.

Moderator: Thank you. The next question comes from the line of Shivani Parekh, an individual investor. Please go ahead.

Shivani Parekh: Thank you for the opportunity. Firstly, I would like to thank and congratulate the management for upholding integrity and ethics, and buying the stock when sentiment was at its lowest. Now my question is, does the company maintain its long-term guidance of threefold increase in revenue in next 3 to 5 years?

Sameer Agarwal: Yes Mam.

Shivani Parekh: Okay. Thank you so much, sir. That was my only question.

Moderator: Thank you. The next question comes from the line of Prabal Jain from SM Holdings. Please go ahead.

Prabal Jain: Yes, hi. Just to make sure that I heard that right regarding the Power Generation business. Sir, did you mention that the order is most likely in our favor, and has been kept aside but has not been announced. Is it like that? Or has the decision at the judiciary or whatever cabinet level and it is still adjudicated like...

Sameer Agarwal: I told you, sir, that the hearing or the arguments on the review petition has been completed and the commission, who is the judicial authority to decide the issue has reserved its order, which shall be pronounced in a month's time.

Prabal Jain: Okay. So, argumentation part is complete, and now we are closer to the ...

Sameer Agarwal: Yes.

Prabal Jain: Okay. Thank you, yes.

Moderator: Thank you. The next question comes from the line of Yash from Mavira AMC. Please go ahead.

Yash: Congratulations on the good set of numbers, sir. And thank you for the timely updates to the investors. Sir, my question is with respect to the Hydrogen segment that we are entering. So, without maybe putting numbers, just wanted to understand the thought process of the company behind venturing into this segment. So, do we see this segment as a substantial revenue-

generating segment over the next, say, 2 to 3 years? And what would be the margin profile of this segment? How different it would be from the existing margin profile?

Sameer Agarwal: Sir, since we belong to process piping solution domain and our business very much have a synergy to work for hydrogen sector as well. As far as our strategy to have the joint venture, it is in relation with the technology of the electrolyzers. So, our venture partner in this, an international tech company, that will provide the electrolyzers and the separator.

And we have got our proprietary for ultra-pure hydrogen purification system, which can produce hydrogen to an extent of 99.9999%. So, that creates a good syndication, and that is why we have entered into this field.

As far as the business prospects in this domain is concerned, not only India, worldwide, everywhere they are promoting hydrogen as a future fuel. So, having our step into this domain, I foresee a good amount of turnaround in revenue going forward in next 2 to 3 years' time.

Yash: Understood, sir. And sir, with respect to competition, so anything you would like to say on the competition part in the hydrogen segment?

Sameer Agarwal: So, on the competition front, I would say that there are 2 types of competition in this segment. One is the higher capacity hydrogen plant in which L&T or Thermax, or bigger players are there. We are not targeting to enter into that domain. We are restricting our stress right now for any hydrogen plant ranging between 700 mm cube to 1,500 mm cube.

And in that segment, the competition is very, very less and the possibility of converting the firm order is very high. So, this is the strategy right now. But going forward, we do not know where we will reach out. So, at present, we stand here.

Yash: Understood, sir. And sir, just the last bit. So, what I understood is for the hydrogen business, whatever existing spooling and assemblies that we make, those are the similar products that will be used in the hydrogen EPC projects. Is the understanding correct, sir?

Krishan Bansal: The capabilities which we have will be quite helpful in producing that.

Yash: Understood. Understood. Great sir. All the best for the future.

Krishan Bansal: Thank you.

Moderator: Thank you. The last question for the day comes from the line of Kamlesh Bagmar from Lotus Asset Managers.

Kamlesh Bagmar: So, it's a very good situation that both of your sectors are booming with the order inflow. Sir, one question on the part of Oil and Gas. So, we are seeing a lot of orders coming in, like say,

BORL, Bina Refinery and various orders from the Reliance as well. So, how are we seeing our order pipeline in Oil and Gas?

Pankaj Agarwal: So, considering we are expecting to book around INR 1,200 crores orders by March. So, in that around 45% order will come from Oil and Gas.

Kamlesh Bagmar: Lastly sir, since our revenue would be almost upwards of INR 1,400 crores and in FY '27, we are seeing further phenomenal growth. So, how are we going to fund this increased or elevated working capital requirement? Would we be looking to the equity market or we would be able to sustain that funding through borrowing?

Pankaj Agarwal: Sameer ji.

Sameer Agarwal: So, sir, as far as the current cash conversion cycle is concerned, we are presently looking to have the needs fulfilled from our borrowings only. But going forward, depending upon the order inflow and depending upon the revenue prospects, we may see some other options as well by having our Board meeting and going forward with the support of the consultants and other people.

Kamlesh Bagmar: Great. Thanks, and best of luck, sir. And again, I want to congratulate your disclosures are one of the best in the industry.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to management for closing comments. Thank you, and over to you, sir.

Krishan Bansal: Thank you so much. Thank you, everyone, for being there, listening to us. Thank you so much.

Sanjeev Sancheti: Thanks a lot, everybody.

Sameer Agarwal: Thank you all, our investors with your support, we can grow to any extent. And thank you for having the trust in us.

Pankaj Agarwal: Thank you, everyone.

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