Date: February 18, 2026

To
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
Symbol/Security ID: POWERMECH

To
Dept. of Corp. Services
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001
Security Code: 539302

Dear Sir/Madam,

Sub: Transcript of the Conference call with Investors / Analysts pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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With reference to the subject cited above, please find enclosed the transcript of the Conference Call with Investors / Analysts held on February 12, 2026, on the Q3FY26 performance of the Company.

Kindly take the same on record and acknowledge the receipt.

Thanking you.
Yours faithfully,
For Power Mech Projects Limited

Power Mech Projects Limited Hyderabad

MOVVA RAGHAVENDRA PRASAD

Digitally signed by MOVVA RAGHAVENDRA PRASAD
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Company Secretary and Compliance Officer

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"Power Mech Projects Limited Q3 FY '26 Earnings Conference Call"

February 12, 2026

MANAGEMENT: **MR. S. KODANDARAMAIAH – DIRECTOR (NON-BOARD) BUSINESS DEVELOPMENT, POWER MECH PROJECTS LIMITED**

MR. N. NANI ARAVIND – CHIEF FINANCIAL OFFICER, POWER PROJECTS LIMITED

MODERATOR: **MR. RAHUL KUNDNANI – NIRMAL BANG INSTITUTIONAL EQUITIES**

Moderator: Ladies and gentlemen, good day, and welcome to Power Mech Projects Limited Q3 FY '26 Earnings Conference Call.

As a reminder, all participants' line 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. Rahul Kundnani from Nirmal Bang Equities. Thank you, and over to you, sir.

Rahul Kundnani: Thank you, Iqra. Good morning. On behalf of Nirmal Bang Institutional Equities, I welcome you all to the 3Q FY '26 Earnings Call of Power Mech.

The management is represented by Mr. S. Kodandaramaiah – Director, Non-Board and Mr. N. Nani Arvind – CFO.

Now, I will hand over to the management for their opening remarks, which will be followed by the Q&A.

N. Nani Aravind: Good morning, everyone. I am Aravind, CFO of the company. I have with me Mr. S. K. Ramaiah – Director of Business Development. I would like to extend a warm welcome to all of you joining us the Quarter 3 and 9 months Financial Year '26 Earnings Call today. I take this opportunity to welcome you all to our Q3 FY '26 Earnings Call.

As we reflect on our performance during the 3rd Quarter of FY '26, I am pleased to report that the company has continued to execute on its growth plans with strong results across all key segments. This quarter has demonstrated the consistency and scalability of our business model, with our core segments contributing to the positive momentum.

For Quarter 3 Financial Year '26, the Company recorded total revenue of INR 1,433 crore, reflecting 6% growth compared to the INR 1,347 crore in Q3 FY '25. This increase was driven by sustained execution across power, O&M, and emerging segments such as mining and civil works. The O&M business, in particular, performed well, supported by new order inflows and strong execution of ongoing contracts.

EBITDA for the quarter was INR 173 crore, up 8% year-on-year, with EBITDA margins at 12.08%. The margin remains stable compared to the previous quarter, with a slight dip due to provisions created for compliance with the new Labor Code. The underlying operational performance, however, remains strong.

Profit after tax for the quarter was INR 100 crore, marking a 15% increase from INR 87 crore in Quarter 3 FY '25, with PAT margins improving to 7.02% from 6.47% in Quarter 3 FY '25.

For the nine months ended December '25, the Company achieved a total revenue of INR 3,987 crore, reflecting 17% increase compared to INR 3,409 crore in the same period last year. The strong nine months performance was largely driven by the ramp-up in our key verticals, particularly in O&M and industrial power construction projects.

EBITDA for the nine-months period was INR 513 crore, a 23% increase over the previous year, with EBITDA margins improving to 12.88% from 12.2%.

PAT for nine months was INR 258 crore, a 19% increase over INR 218 crore in the same period last year.

The geographical mix for the quarter was 95% domestic and 5% international, while power sector contribution remained at 70%, with non-power sector accounting for the remaining 30%. And revenue mix for nine months, the geographical mix for nine months was 95% domestic and 5% international, while power sector contribution remained at 67%, with non-power sector accounting for the remaining 33%.

From an order inflow perspective, order wins during the year-to-date have reached about INR 6,761 crore. We are progressing towards achieving INR 10,000 crore order intake in FY '26. During the quarter, we secured several large and strategic orders across EPC, O&M, and new energy infrastructure.

A key award includes a large BOP EPC package for the 800 megawatt Singareni thermal project from BHEL, which expands our scope from execution packages to integrated EPC delivery and BOP systems.

We also received a grid-scale battery energy storage system project under build-own-operate model from State Utility, which marks our entry into the utility scale storage assets with a long-term contracted revenue structure.

The total order backlog, including MDO projects, is about INR 56,800 crore, INR 17,300 crore, excluding MDO orders. The executable order book provides multi-year revenue visibility across power, civil, EPC, and O&M segments. The order pipeline remains active across thermal, balance of plant, civil infrastructure, railways, and energy transition projects.

So, the company's operating cash flow has improved, reducing from INR (253) crore in nine months FY '25 to INR 113 crore in nine months FY '26, primarily due to realization of receivables during the period. This is further expected to improve operating cash flow and reduce reliance on working capital limits.

Gross and net debt levels remain well controlled despite delays in certification of order bills and realization of receivables. As on 31st December 2025, the gross debt was around INR 833 crore, and the net debt was INR 233 crore. The average debt-equity ratio, as on the same date, was 0.35x.

In summary, we are pleased with the progress we have made during Q3 and the first nine months of FY '26. The company's diversified order book, strong execution across segments, and strategic focus on high-value projects continue to position us for sustained growth. With a solid pipeline of orders and ongoing project execution, we are confident in achieving our full year targets and driving long-term value for our stakeholders.

With this, I now request Mr. Ramaiah Garu to update on the key business development initiatives and future outlook.

S. Kodandaramaiah: Thanks, Aravind, for your initial numbers and all the key aspects of the activities in the company, and I also thank our investor community here. And to carry forward what Aravind has said, particularly on the business side, I think we continue to drive on the bullish investment profile in the country across various sectors.

As a company which is strongly embedded in the power sector business, we continue to drive the power sector business with lot of opportunities ,and then having diversified to infra and non-power sector, also there is a continuous opportunity available in various sectors, and that is how the order of booking has been consistent with our expectations.

Overall, increase in the order backlog has gone up by about 10%, from INR 14,387 crore to end of the quarter, to INR 15,764 crore. And the key aspect of driving this increase in the order backlog is due to the key order we have received for the first time, a comprehensive EPC order, that too in a native state, in Telangana, which drives the business better for us because of the customer interaction and the reach we can have. This has helped the company to grow in many sectors, with a INR 2,550 crore, and balance was of INR 300 crore orders are mainly in O&M in the domestic and international market.

The mechanical side of the business has grown with, the backlog has increased from INR 2,303 crore as on 01-04-2025, to INR 2,959 crore, increase of 28.5%. Civil has grown up from INR 8,472 crore to INR 9,103 crore, a growth of 7.4%. And then O&M, the order backlog at the beginning of the year was INR 2,749 crore, now it is INR 2,522 crore, a small dip of 8.2%. Electrical also has seen an upswing, mainly because of the electrical portion of the business we got in the EPC. That contributes to about INR 280 crore, which has increased the electrical backlog to 18.3%. from Rs 863 cr to 1026 cr.

The domestic business continues to drive the market because of the opportunities, and in international operations, we are focusing mainly on the O&M and short-term contracts with high margins. That is in line with the company's goal of improving our margins. These are the key numbers as per the business profile is concerned.

Now, for this year's overall target of INR 10,000 crore, what we discussed with the team, the investor team, and what we have got opportunities around the INR 5,162 crore, mainly driven by Adani, they are investing continuously, and they are taking the decisions in ordering. And then O&M, there is a strong profile of opportunities with Vedanta Group. These two groups should enable us to reach the targets reasonably.

What has been recently a great breakthrough has been in the business of energy storage. In fact, energy storage is going to drive the business substantially, with the first breakthrough of what we received for a 250-Megawatt Battery energy storage project in West Bengal. That gives a daily availability of 10,00 Megawatt-hour.

In fact, the energy storage, both in the form of Battery storage and Pumped storage, is going to be the future growth engines in terms of capacity addition planned by the Government as Part of Renewable drive and also to enable a stable grid management in the coming years. This also provides a new opportunity for a company like us. It brings synergy into the system based on our expertise in execution, O&M and also engineering expertise we are gaining.

The energy storage, both in the Battery storage and then the Pumped storage, is required to balance the power grid stability, and we will be contributing a little way, our contribution to this need. This project involves with a 1,000 Megawatt-hour output, and an expected revenue of nearly INR 103 crore per year, over 15 years, that will give an overall revenue of INR 1,563 crore. It involves a CAPEX of about INR 800 crore, and we have got a consortium of partners led by Power Mech, having 51% share.

This one, the short duration project, of18 months, and infrastructure is available near to a Substation, land is not a problem. There is a proper contract with West Bengal Power Development Corporation, and then the agreement is in place, and we have to now get going on this project. The Battery part is the main part of this investment, and the balance of systems is mainly the electrical systems and the balancing facilities and all, & that is a key breakthrough as part of diversification.

And then Singareni, as we said, INR 2,550 crore Balance of plant EPC contract, it has got three components of the business. Of course, engineering integration has to be done. There are a lot of outsourcing and integration with in-house expertise in construction and engineering coordination, project management, which we have to take it up. Out of INR 2,550 crore, the breakup is mechanical is INR 1,550 crore, civil is about INR 720 crore, electrical is INR 280 crore.

Therefore, that drives the business in all these segments, and the schedule is about 38 months, and there is fair payment terms available from BHEL. This has been taken from BHEL, and with a 10% advance, and then a retention of 5% only. Now we are aggressively driving this business, and we have taken up on the Board some of the experts in the Balance of Plant business in the country, and they are leading the team, and already a lot of engineering work has been taken up. October'2025is the zero date, and we, in fact, out of 38 month schedule, we would like to do it at a shorter cycle time, based on fast-track execution and the inputs, we can factor for the same.

Already a lot of initial actions have been taken in engineering, and also some ordering has been done in the key packages in coal handling, ash handling, and cranes. Most of the major balance ordering should be completed by April/May 2026, for key major orders. That should help us, and already site work has already taken up. Therefore, this is the main aspect of the two businesses we have recently taken.

Now, coming back to the major business segments, Power sector continues to drive the business, and as we have seen, almost 66% of the business is power sector driven. Now looking at the investments coming in the way, Adani Group is a major player in terms of the capacity addition and ordering and also NTPC.

If you look at the last two years and plus, where the continuous flow of investments are coming up, and then the key players like BHEL and L&T are getting the orders, the major customers in this segment are the, Adani, which has got a profile of 24,520 Megawatt of ordering, and substantial ordering they have done.

And then NTPC is about 12,300 Megawatt. Other key players are Damodar Valley Corporation, and then Mahagenco (Koradi), then Singareni where recently we have taken the BOP job, and then various state electricity companies. Altogether, the capacity ordering which has been done in the last two years plus, it has gone up to 54,740 Megawatt.

These two players from BHEL and L&T are the main beneficiaries in terms of the EPC and the Main plant ordering, and both these companies are of interest to us. Only the BHEL, with a total ordering of about 37,140 Megawatt, they have got nearly INR 2 lakh crores of orders over the last two plus years.

L&T has come back into the play, as we have brought out earlier also. Apart from the Nabinagar and Gadarwara, where they have taken main plant works, from NTPC two key main plant orders. Adani has diversified the ordering, apart from BHEL to L&T also in four projects in Assam, Korba, and then new projects which are to be identified. That is helping the L&T profile for about 12,800 Megawatt, with a order booking of INR 42,523 crore.

Therefore, these two players apart from Adani are going to play a major role in providing sub-contracting opportunities, and BHEL is a key customer for us, and our excellent relationship from the point of view of performance, consistent ordering on us, we continue to expect orders from BHEL. And then Adani has been an important part of our business growth, and substantial ordering has to be done.

The current status is that, as on today, out of this 49,940 MW of the work orders, nearly about 12,900 Megawatt ordering has been completed by BHEL for major subcontracting packages, and balance tendering is of 24,000 Megawatt. And then tendering subcontracting packages balance by Adani is about 18,400 Megawatt, and that transfers to opportunities of plus 60,000 crore in various sectors. That is on the contracts in terms of civil, structural, mechanical, and then associate auxiliaries, and that should help us to continue the growth profile in the power sector for the next two to three years.

Now, one more aspect in this capacity addition of what has been ordered is that these opportunities will also drive the O&M, which can be based on 8,000 Megawatt to 10,000 Megawatt of commissioning every year. Of course, last one or two years, there has not been much progress. This year, about plus 4,000 Megawatt have been added to the grid as on Dec'25.

Even though the Central Electricity Authority has kept a target of 16,000 Megawatt, there can be some shortfall, but our expectation is about 8,000 Megawatt to 10,000 Megawatt on average should be added. That should help us to get an O&M profile of roughly INR 8000 to 10,000 crore in the next 5 to 7 years. That means, apart from the existing O&M profile, these are the new orders which will happen, and that will increase our O&M presence in the market. Now, the key sectors of the business, as I told you, apart from this one, there are opportunities in the infrastructure, railways, roads, and then another aspect we are trying to look at is the mining and mineral side. NMDC is coming with an investment for a 50 million ton extra additional iron ore capacity. Then Steel Authority is having investment profile of more than INR 1 lakh crore. We have already started participating in these tenders, NMDC, for their three mining projects. They have called tenders for about 30 million tons of capacity addition in the iron ore. In that 20 million tons BOT tenders we are participating.

And then IISCO Burnpur, part of the Steel Authority of India, has got an investment of about INR 45,000 crore, and there are two jobs at present we have quoted for about INR 2,200 crores, and there are other opportunities also expected. Therefore, mining side, steel side, and then O&M side, we continue to expect the opportunities. As I said, on the power sector itself, there will be 1,200 cr of additional O&M opportunities across every year, apart from the renewal of the existing operating plants which will take place. That should substantially increase the O&M profile.

Then the organization is also quite geared up in terms of resource management, in terms of capacity building, and then training of the people, and then handling the higher market size of the O&M business. And we have the manpower strength has gone up based on the business requirements from 40,000 in the beginning of January '25 , and December '25, it has reached almost 48,000 and O&M continues to play a key role in terms of about 18,000 skilled engineers, supervisors, technicians, and operators with very high skill-based control room operation, field operation, field management.

The important aspects of the O&M is that we are a leading player. We have reached a profile of about 75,000 Megawatt. And recently, about 4,000 plus Megawatt of new units have been added, the additional jobs we have taken from Vedanta Group, SJVN and GMDC and that will add to the O&M profile. And the key aspects in this is our consistent performance with reference to the availability guarantees, 90% to 95%, auxiliary power consumption, meeting the plant parameters, and then specific fuel consumption.

These are the most important aspects for driving the higher margins for the Owner/Developer. Better these parameters are maintained, better is the availability and also generation, and that is how the renewal of the O&M orders also come regularly in the O&M sector as part of Customer satisfaction.

Therefore, as the balance of immediate opportunities, we are targeting about INR 4,500 crore to see that how much of the same ,we can meet our target of INR 10,000 crore in the current year, mainly from Adani, and possibly a few other major O&M orders.

Then, the continued investment, I think recently we have seen, Government of India is planning a capital investment of INR 12.5 lakh crore in the infrastructure and other sectors, up from more than INR 10 lakh crore, and that should open up a lot more opportunities in the coming year also.

And we continue to depend on these types of new investments from EPC players like BHEL, and then customers like Adani, and then all our valued customers in the power sector and also infrastructure in railways also, investment is there, but the competition seems to be pretty high, and same in the road sector.

Therefore, that is based on what we would like to take it, based on our capacity to handle it, and also our interest in how much margin we should keep it up. And then there is Metro urban Transportation works which are also growing up with more investments.

Therefore, company has diversified long back from the power sector to non-power sector, with about 35% in the non-power sector, that growth remains consistent, and we continue to drive on these new capacities and also opportunities.
Thank you very much.

Moderator: Thank you. We will now begin the question-and-answer session. The first question is from the line of Pritesh from Lucky Investments. Please go ahead. Pritesh, you can go ahead.

Pritesh: Sir, just a couple of questions. One, on this INR 17,000 crore of backlog, you always have a fairly strong backlog and additional orders. How much of this INR 17,000 crore is where the execution is slow? And what are the challenges there? And if you look at your execution for the first 9 months vis-à-vis the accretion in backlog, the execution is slightly weaker. So, maybe you want to call out some comments on these two areas, please.

N. Nani Aravind: Yes, out of the INR 17,000 crore of order, we are not facing execution challenges. However, some of the new orders we received during the last year, experienced delays in commencement of the project because of the extended monsoons during Q2 and Q3. And some of the projects like Kaiga and Yadadri, where extended monsoons, and Mirzapur is one project where environmental clearance issues are there. So, there are delays in starting the projects.

Apart from the above there are no long pending or stalled challenges, all the order book, of existing INR 17,000 crore is executable order book. There is no long-pending order book in this.

Pritesh: Does this still include the FGD order, or this excludes now the FGD order in the INR 17,000 crore?

N. Nani Aravind: Sir, we have removed nonmoving FGD order during last financial year itself for INR 4,260 crore. INR 17,000 order backlog is without FGD order. Only INR 936 crore of Udupi project only running in the FGD.

Pritesh: And on the new areas that you have taken, that is Balance of Plant order or a BESS order, or all the new areas now, here, what is the margin profile? And have you compromised any margins?

N. Nani Aravind: Sir, the BOP EPC is new line where we were planning to enter into to scale up our operations to expand our scope of execution from under construction activity to the EPC delivery in BOP system.

In BESS, actually, we, Power Mech has been in the forefront for India's energy growth story, and we do not want to miss the energy transition phase as well. So, we have incorporated a 100% subsidiary as a PM Green for this, and this is a small attempt we to see where the renewable segment fits into the Power Mech's vision of sustained growth and margins. We are cautiously optimistic about this segment. So, investment of around 16% to 18% IRR we are anticipating on these projects on equity investments.

S. Kodandaramaiah: Ramaiah here. Regarding Singareni, I think what we have to also look into is the synergy the company brings about in the execution on a backward integration basis. As I said, we have strengthened with a very strong engineering team, and project management team with focused supply chain management.

And more than that, the in-house value addition is substantial, compared to other BOP players, where they have to outsource everything. Because of our capacity in different segments and site execution, civil component is almost 25% of the total segment, and then installation work, services job. And then some of the other, local sourcing, all this, supply chain management, we will be able to do better.

More importantly, there is a provision of advance which helps a working capital management, and the retention is only 5%, which can translate into better cash flows, and then escalation provision also, which compensates for any variation in the prices, and then the nearness of the site for better access, customer interaction, and execution.

Therefore, the basic strength, as I said, is on in-house capability, substantially in execution and outsourcing. And that should help us to see this project is done properly and also with reasonable margins.

Pritesh: Sir, my last question is on the revenue side. So, what growth do you expect now on the full-year number? And the MDO business, what is the profit now expected next year? Don't give us for this year, but next year, what is the profit expected out of MDO? And what is the revenue growth on the contracting side expected?

N. Nani Aravind: Revenue growth this year may be at 17% to 18%. we will touch 20%, growth sir. We are targeting 20%, And the margins of MDO is concerned, the second mine, KBP Mines, just started the revenue generation, and we touched INR 41 crore for 1.5 months operations in Q3. And Q4, we are projecting around INR 100 crore from this KBP alone. And, overall, we may touch around 15%-16% during the current year. And next year, the production ramp-up will happen in KBP mining. And our washery in Tasra will be ready by December, so only one quarter only we will operate with full capacity.

So, the ramp-up will happen from '28 onwards, the major ramp-up in the margins, but next year we may touch around 16% to 17% range of EBITDA margins we can expect from the MDOs.

Moderator: The next question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.

Mohit Kumar: My first question, the revenue guidance, sir, I think we had given revenue guidance of INR 6,500 crore, if I am not wrong. Are we on track to achieve that? Or are you guiding a lower number now?

N. Nani Aravind: Yes, out of INR 6,500 crore, we projected INR 700 crore from the UP Water Division revenue, but we revised this guidance to INR 6,100 to 6,200. And now, based on the till nine months of growth trajectory, 17% growth, we may touch around INR 6,000 crore now Singareni BOP EPC billing will start from February 2026. Now we are hoping that now top line may surge by another INR 100 crore from Singareni. And again, the mining also ramp up happened. So, we are targeting around INR 6,000 crore for this year.

Mohit Kumar: What was the mining revenue for the last nine months? And how do you think it will shape up in FY27 and FY28?

N. Nani Aravind: This quarter, we touched almost INR 41 crore we recognized from KBP, and INR 29 crores from Tasra. And expecting maybe by next quarter, INR 100 crore from KBP and 30 crore from KTMPL. So, INR 130 crore, we may touch around INR 250 crore to INR 260 crore this year overall.

Mohit Kumar: How do you think about FY27, FY28, given the progress?

N. Nani Aravind: FY27, we will touch around INR 600 to 700 crore between, depends on the scale up of operation, KBP, and the likely uptake of client. And FY28, we may touch around INR 1,800 to 1,900 crore with escalation value.

Mohit Kumar: And if I remember correctly, I think there was some washery or something was, I think, pending for Tasra, right?

N. Nani Aravind: Yes. As per the timeline, we have to complete this by this December 2026. So, we are on the track now. All the activities at the washeries are undergoing as planned and under process, and so we are hoping that by September, we are targeted to complete the washery, and by December, we will be ready with our washery.

Mohit Kumar: My last question is on the prospect list, especially for the coal EPC. Of course, there are a number of coal projects which, I think, construction has started. Do you think that, of course, compared to the fiscal when it started in April '25, are you seeing the prospect list getting bigger? And are you getting more confident for FY27 order inflow from this coal EPC/BOP?

S. Kodandaramaiah: Yes, I think, BOP is going to be an opportunity. Three more projects are expected, because practically BHEL has got lot of in-house capacities filled up. And they are also trying to see that outsourcing is a better option, and with the capable parties like Power Mech and being strong on execution.

We are expecting two to three more opportunities, maybe another nearly INR 7,500 crore to INR 10,000 crore of opportunities, but it is a question of call, we have to take it on these BOPs. But what is expected is that in other sectors also, similar opportunities are expected to come in EPC, in mining and mineral sector also.

As I said, about NMDC on a broad basis, and then, the steel business also it is there, and then, infrastructure. Therefore, this company has a broad-based approach and augmenting its organization strength and also capacity building, and, we are quite confident couple of projects we can handle it because of the in-house synergy available.

Mohit Kumar: Sir, the private thermal EPC, do you think, do we have a chance to take those opportunity?

S. Kodandaramaiah: Yes, again, it is a competition. That depends on how do we position ourselves based on our interest and also the margins we have to keep it. And more than that, the number of players can also be less in this segment apart from BHEL, with only Adani being a major player. Our interest can be in BOP wherever the opportunity can be there at present and not complete EPC including main plant.

Of course, recently, Thyssenkrupp has entered in a big way. They have taken a couple of jobs in Koradi, Raghunathpur, etc. Because of every organization, they approach BOP, based on their inbuilt strength like Thyssenkrupp on the coal handling. That is how they have entered, and that is a qualification for them also. And for us, our execution capabilities, that is how it can be. But it can be maybe three or four players maximum.

Mohit Kumar: So, my questions are more on the likes of Adani, Torrent Power, JSW. Adani, of course, the pipeline has only ballooned, and I think we are working with Adani in number of projects. So, does that part of piece, do you think that is a very large prospect, and you can get some meaningful order inflow in the next 12 to 18 months?

S. Kodandaramaiah: Yes, Adani's basic philosophy of outsourcing the supply chain management is that they try to in-house manage their engineering and supply chain orders. Now, unless, like BHEL, which has come to the stage of ordering more on the Balance of Plant and on a turnkey basis, Adani still keeps those engineering in-house, and they have got a strong support system from consultants.

And then key supply orders, they have got a very strong supply chain in major equipment like in the coal handling, ash handling, water systems, electrical and sanitary systems. And they would like to outsource it to the extent possible on the execution side only and that is where we are the preferred vendor for them. And we have got a strong relationship with them, mainly based on our performance only.

In fact, our presence in Adani is substantial. As I said, coming to Adani, it is more than INR 2,500 crores, about 7,500 Megawatt we are working. And in the case of BHEL also, it is a similar wherein we are working in about 6500mw of Rs 4400 cr. Therefore, as I explained earlier, Adani's ordering balance backlog is there. We continue to work with them. And recently also, we have made some more quotes for some of the jobs in Mahan Stage 3, and then Amarkantak, etc.. We are also in touch with JSW for their new projects.

Moderator: The next question is from the line of Rishab from Nexa Securities. Please go ahead.

Rishab: Actually, I just wanted to ask about the revenue guidance for FY27, and why you revised the guidance for FY26 from INR 6,500 crores to INR 6,000 crores?

N. Nani Aravind: So, FY27 guidance, revenues and we will come with the guidance after the full year. But based on the order book, so far, we are on the course to achieve at least 20% to 25% growth. And also improvement in the margin profile depends on the mix of O&M and increase in the MDO order. So, we are confident of achieving the FY 26 revenue of INR 6000, on that 20%-25% growth we can project for FY27.

And FY26 guidance, we projected INR 6,500 crore. Earlier I explained to Mohit also. INR 700 crore of revenue we projected from the UP Water division, under Jal Jeevan Mission, where the central government funds were not allocated and bills were uncertified during the year because of that, we have not recognized any turnover during the current year. That impacted the guidance of FY26, which we are mitigating with the increase in the revenues from new orders and other alternatives. So, even though there is INR 700 crore shortfall, but we are managing INR 200 crore, INR 300 crore extra by accelerated execution from the new orders.

S. Kodandaramaiah: Now, coming back to what Aravind said, with the present backlog of INR 17,326 crore, if we take the normal conversion margin of about 40%, it should reach reasonably INR 6,000 crores to INR 7,000 crores. That is a fair game, plus what we expect to get in the first two quarters of the next year. That is how the revenue gets fixed up. That is why there can be growth also, like, this year we had a growth expectation is from 5,200 to nearly 6,000 plus. The same growth is also expected in the coming year also.

Moderator: The next question is from the line of Amar Ahir from Raedan Capital. Please go ahead.

Amar Ahir: Can you help me with the geographical mix of the order book?

S. Kodandaramaiah: Yes, coming to domestic and international, it is 95% domestic and 5% international. Let us look at the investments where they are taking place. They are taking place in North and East, and to some extent, South and West also. Therefore, I don't have the exact figures for the breakup, but our substantial power plant works are mostly going in the eastern side and northern side, and to some extent, on the western side also, whereas the infrastructure is spread all over the country.

It is a question of where we are going to take the call. Railways and then roads, we are working in, for example, in Chhattisgarh, we are working. In Andhra Pradesh, we are working. In Tamil Nadu, we are working. Then Maharashtra also, we are working. And then, UP, for example, Jal Jeevan Mission, we are working in the UP. That is an opportunity wherever it is available, based on the selection of the projects and our interest in that, we are taking it.

As far as geography is concerned, Power Mech has got one unique strength. We are capable of executing the job even in the eastern sector also. That is how we have seen a strong presence in eastern sector recently. Now we are trying to look at the opportunity in Assam also. We have got an experience working in Assam also. It is not a challenge for us to say West Bengal is there, or Orissa is there, or Bihar is there, and all these places, we have got a substantial experience in working.

Amar Ahir: And could you help with the power breakup for the INR 17,000-odd crores across erection works, O&M field works, electrical?

N. Nani Aravind: Roughly around INR 3,000 crore for the mechanical power, ETC business. Civil is around INR 9,100 crore. That includes all water, sand mines and mining. O&M business of around INR 2,500 crore, electrical, INR 1,000 crore, and solar, INR 159 crore, and BESS, INR 1,560 crore.

Amar Ahir: That's all from my side, sir.

Moderator: The next question is from the line of Devang Shah from Allvest Investment Managers. Please go ahead.

Devang Shah: You know, I just want to know the way you are anticipating next year, what kind of your order inflow we can expect, in general, and also on, MDO business also, if there is anything, for the FY27.

S. Kodandaramaiah: No, looking at the opportunity side, as on today, we have mapped opportunities of about INR 1,30,000 cr to INR 1,40,000 crores. Of course, the balance opportunities strongly looking about INR 3,500 to INR 4,500 crore in these two months, and we are vigorously following that. That is spread across different sectors.

And therefore, power sector will continue to play a major role, and then railways and roads. And then O&M also, there should be more opportunities coming up with more plants getting commissioned. And then also in the ETC business, we have seen, as I told you, the total opportunity size in the contracts on power sector itself is plus INR 60,000 crore.

We hope substantial portion will be ordered, based on how much is the push comes from the BHEL side. BHEL has to do a lot of ordering, and then Adani is doing timely ordering. And then, we are waiting for the actions of L&T also, with about INR 42,000 crore orders with them. Of course, our interest is in the site construction, execution, BOP EPC and O&M. That we have identified INR 60,000 crore in item rate contracts, and around, INR 9,000 crores to INR 10,000 crores in various BOP contracts.

N. Nani Aravind: So, maybe around 10,000+ only we will look at for the next year as a guidance on the order inflow is concerned. Regarding MDO is concerned, this year we will touch around INR 250 crore turnover. Further, Tasra mine and also washery will be ready by Q4 of FY27. So, we are projecting around INR 600 crore to INR 700 crore of combined revenue from the MDO.

Devang Shah: So, it is fair to assume INR 10,000 crore in normal in your business, we may expect this kind of opportunity as an order inflow for the FY27. That is bare minimum level. Am I right, sir? Am I understood correctly?

N. Nani Aravind: Right.

Devang Shah: Second, sir, as far as the CAPEX is concerned, what would be your current month, current year, FY26, the CAPEX, that is, trajectory is going on? And looking forward in FY27, what kind of CAPEX you are looking for?

N. Nani Aravind: Right now, the regular CAPEX in the Power Mech is only INR 100 - INR 120, depends on the order inflow, regular CAPEX. And washery for TASRA constructed by PMPL, so around INR 280 crore this year will come. Approximately INR 280 crore we will incur this year, and the next year, maybe around INR 400 crore. Total INR 680 to INR 690 crore of CAPEX we will incur on the washery itself. So, together capex of INR 380 crore, we will incur for the current year and INR 520 crore next year.

Devang Shah: Next year, you are saying INR 480 crore, right?

N. Nani Aravind: This FY26 by March, you can take roughly INR 300 crore out, cash outflow will be INR 380 crore in advance form, but that will be booked as a CAPEX post receipt of the material. So, overall, this year and next year together, around INR 690 crore to INR 700 crore as a washery cost in our books, and, INR 100 crore to INR 120 crore, on an average on the regular CAPEX, the cranes and the vehicles.

Devang Shah: And sir, the way you are saying, now the MDO business has also started to contributed in the revenue, and FY28 onwards, it is going to have a significant contribution. So, currently we are having some kind of operating margin, somewhere close to 12%, and you are saying there is some kind of improvisation we are going to see in FY27. So, what kind of number we can expect as far as range is concerned about 12%?

N. Nani Aravind: So, we are starting with 0.25% marginal EBITDA jump, and after that, year-on-year will be 0.5% jump till we reach the peak rate capacity. By FY29 onwards, you will get peak of 13.5%-14% EBITDA margins.

Devang Shah: So somewhere close to 12.5% we can expect from initial level?

N. Nani Aravind: Yes. So, last year it was around 12.3% level, and we will maintain maybe 0.25% extra. Maybe this year we will maintain at 12.5%. Hoping that this will increase of 0.25% year-on-year, and once we are ready with our washery by FY28 onwards, maybe 0.5% jump will be there in the EBITDA margin.

Moderator: The next question is from the line of Rajesh Kumar Rathi from Right Shopping Private Limited. Please go ahead.

Rajesh Kumar Rathi: I am not sure if somebody has asked question before. I was late to join. I have questions regarding the new labor laws. Industry sources are telling me that post-implementation of the law, especially for the contract labors, the cost can go up by 8% to 12% because of the PF and ESI matters, etc. Do you concur with that view?

S. Kodandaramaiah: Yes. , it is an important point what you have raised. You see, minimum wages is a government prerogative and a policy review, but most of our contracts are also tied up with the minimum wages as part of the price variation. And that should reasonably offset the, in terms of covering up any increase of cost and all. And any such type of statutory variation, the government notification, if the provision is not there, it becomes a matter of variation issue.

Previously, it happened in 2018-19 also. Similar problem came up. Finally, government settled it, and most of the contractors, public sector companies, and the private companies also started implementing it. That means the variation was allowed, and finally, we got compensation.

Therefore, we don't expect any impact on that because it is fairly covered in the contract provision itself, because we put a very specific thing. Our prices are quoted based on the existing minimum wages and any variation, that means, except for the normal variation in terms of the PVC or the price indices, the ad hoc revisions made by the government, it is subject to a variation clause. For that matter, we are confident it can be covered.

N. Nani Aravind: So, change in law clauses will kick in, sir. We can claim with the client on the difference of cost on all the existing contracts, we can claim, but for the new contracts, we can load the additional cost, and we can submit our tenders.

Rajesh Kumar Rathi: Yes, of course, for the new contracts, you can do that. But what about the MDO and non-government contracts? I don't think they generally accept that labor cost increase clause, etc.

N. Nani Aravind: Both MDO contracts are EPC contracts and PVC clauses are protecting the increase in costs. So the Steel Authority and Central Coal Fields will compensate as per the PVC clauses in the agreement.

S. Kodandaramaiah: They will still be covered in the MDO contracts or BOP contracts. Because the prices at which it was quoted and taken based on the conditions existing or whatever the levels of pricing were available for the minimum wages, if there is a substantial variation as a government directive, that is subject to contract variation.

N. Nani Aravind: Part of this pricing, sir, in the MDO contract, labor indices are also part of that escalation clause, so they accordingly they will be covering the increased costs.

Rajesh Kumar Rathi: Oh, I see. So, you don't expect any dent on the EBITDA margin?

N. Nani Aravind: So, majority of our projects are construction projects, So, majority covers all the escalation clauses.

S. Kodandaramaiah: Almost 75% to 80% of our contracts, except the private is covered by this. And then there is a statutory variation or an ad hoc revision is also a matter of contract variation at the time of offer.

Rajesh Kumar Rathi: So, you don't expect any dent on the EBITDA margin?

N. Nani Aravind: It will not have any dent, sir, but for the company employees, where you will have marginally, we have to shift.

Rajesh Kumar Rathi: Yes. That's one time.

N. Nani Aravind: That's a one-time, we have created INR 4.4 Cr provision during the Quarter.

Rajesh Kumar Rathi: What about production slowdown or some disruption? Because I am told that this contract labor thing, a lot of paperwork has to be done, etc. So, will it slow down the process a little bit for a couple of months or so?

N. Nani Aravind: No, I think some of the labor contractors are demanding some other additional benefits and all in, so for that purpose, they are fighting, and if any changes are there, it will have no impact on our financials. It will impact the employer's financials.

S. Kodandaramaiah: Every three to four years, it is always a case for the contractors and labor particularly to demand for a rise in the minimum wage.

Rajesh Kumar Rathi: Yes, because I am told there is a bandh today, due to all this, by this contract labor group, etc.

S. Kodandaramaiah: That is by the farmers against Indo-U.S. trade agreement.

Rajesh Kumar Rathi: That's all from my side.

Moderator: The next question is from the line of Hetali Shah from Shriram Mutual Fund. Please go ahead.

Hetali Shah: I wanted to know the breakup of the order inflow, the INR 6,700 crores in the various segments of mechanical, civil, O&M and all?

N. Nani Aravind: Mechanical is around INR 1,600 crore, ma'am. INR 2,063 crore from civil, O&M INR 1,097 crore, electrical INR 280 crore, solar INR 159 crore, and BESS INR 1,560 crore. This comes around INR 6,761 crore.

Moderator: The next question is from the line of Mudit Bhandari from IIFL Capital. Please go ahead.

Mudit Bhandari: Out of total order book of around INR 17,000 crore, what is our pending order book for JJM, UP? And have you done any execution within this 3Q or 9-month FY26?

N. Nani Aravind: The pending order book is approximately INR 1,000 crore, sir. We are not executing because of the fund issue, certification issue. Execution of these projects has been slowed due to funding constraints and certificate. We are executing only the O&M projects where 100% completed projects we are bringing these projects into the O&M phase. So, 250 schemes, which we have converted so far, and we were going to start building this from Q4 onwards. The existing pending works, we will continue execution at moderate pace untill the clarity from the government on the allocation of fund, and bill certification.

At present we are deploying funds only to bring the projects into the O&M phase only. And during the year, we have received INR 140 crore from the state government. Another INR 100 crore currently under approval for release by before March.

Mudit Bhandari: And regarding our EPC of BHEL, Singareni, so you said around 1 to 2 months you will do procuring, so it will start execution in start FY27, right?

N. Nani Aravind: Singareni, we have already commenced execution of this project. We expect INR 100 crore revenue in Q4 .

Mudit Bhandari: And regarding BESS, so when do we expect to achieve financial closure?

N. Nani Aravind: This actually as per the agreement, we have time of 9 months' from the date of signing of the agreement. So, we are in the process of signing the agreement during this month.

Moderator: The next question is from the line of Bhagwat from Prosperity Wealth Management. Please go ahead.

Bhagwat: Most of my questions have been answered. Just two more points I wanted to understand. Number one, what is the expected peak borrowing and the corresponding interest rate, considering the MDO segment also peaks by FY28 or FY29?

N. Nani Aravind: Our major borrowing is only the working capital limit so far, and we have equipment loan of INR 98 crore, and INR 700 crore is working capital limits Weighted average cost of the working capital is 8.5%, and our equipment loans, we are borrowing at 7.8%. So, blending cost of around 8.2% - 8.3%. With reference to MDO segment, the KBP Mine, we are raising term loan of INR 256 crore. We have not drawn down the loan. , we are raising at 9.5% interest rate n. And washery also we are raising loan of INR 350 Cr at 9.5%.

Bhagwat: On total basis, what we can expect the total number of borrowings?

N. Nani Aravind: It is INR 833 crore gross debt as of December. This will go up another INR 400 crore by next year.

Bhagwat: The corporate tax rate on consolidated book?

N. Nani Aravind: the effective income tax rate is 25% for the main company, and the increase in the consolidated corporate tax is mainly due to sand mines are executing under LLP entities, where the income tax rate is 35%, when we are consolidate the financials, average cost is increasing.

Bhagwat: Can you please comment, like, can we expect around 28% or 29%? That is what we can expect on consolidated number?

N. Nani Aravind: yes, average cost is 28% to 29% at consol level.

Moderator: The next question is from the line of Amar Ahir from Raedan Capital. Please go ahead.

Amar Ahir: Just one last question, I was asking that, from which vertical of yours do you see a strong demand going ahead?

N. Nani Aravind: Power sector is the major vertical where we are going to get new orders in next 4 to 5 years. O&M also. O&M, power. And now we are venturing into the O&M of non-power also. Recently, we won the monorail project of Bombay. We are yet to receive the order. So, we are majorly expecting orders from the power side.

Amar Ahir: That's it.

Moderator: We will take the next question from the line of Vedant Kabra from AVN Capital. Please go ahead.

Vedant Kabra: I just have a follow-up question on the labor laws. Just to estimate for the worst-case scenario, assuming the labor laws go into full implementation, do we have a quantifiable EBITDA margin impact?

S. Kodandaramaiah: Our labor component of the total cost can be about, say, in the service jobs, it is 50% to 60%. for , service installation, O&M, etc. Whereas in the material-based contracts, it will be less. But absolute figures cannot be there, because we pay to the contractors based on the item rates or the fixed rate, and the actual values on which the labor payments are made, we don't have the figures on it, but on a broad basis, we know the labour costs incurred.

N. Nani Aravind: So, we have a limited impact on these rate variations because of the PVC clauses and minimum wages already have implemented. So, there is no much impact to us.

Vedant Kabra: So, just to assume, let's say, the cost goes up by somewhere between 8% to 10%, in that case, what will be our EBITDA impact?

N. Nani Aravind: There will not have any impact, already INR of 4.5Cr one time impact we provided in the books. We can claim PVC from the client. So, our revenue also will go up. The compensation will come from the client. So, we will pass that compensation to the subcontractor.

Vedant Kabra: This is true for even the locked-in contracts?

N. Nani Aravind: Yes.

Vedant Kabra: And sir, just last question: What is your current understanding on this implementation timeline of the labor law codes, especially across the states in which you are operating?

N. Nani Aravind: There are differing interpretations regarding the applicability timelines of theAct. Some believe it is applicable from 1st April onwards. But the labour code is already announced by

Central Government in the month of November. We are creating provisions in the Q3 itself for the existing liabilities in the books, and actual implementation will be from 1st April. Given the varying interpretations, we are seeking formal clarification on that.

Vedant Kabra: That's all from my side.

N. Nani Aravind: There are rules to be framed from the government side, so there is a delay in implementation.

Vedant Kabra: Noted.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I would now like to hand the conference over to the management for closing remarks.

S. Kodandaramaiah: Thanks for the participation, and thanks to Aravind and his team, what we can say is that a reiteration of the profile of investments, Government is bullish on investments, so private sector is coming in a big way, mostly in the power sector also. Power sector capacity expansion will go up from, say, it will go up to 300 to 320 Gigawatt.

Maybe earlier, they were planning 80 Gigawatt addition. From 220 Gigawatt, they may go to 320 Gigawatt. That will add, as on today, I told you about 55,000 Gigawatt to 60,000 Gigawatt ordering have been added. And then some more ordering will come up because the projects which are in the pipeline development is almost 35,000 Megawatt to 40,000 Megawatt. Therefore, this will happen in the next two years.

And then, of course, nuclear power, we have to see the catch there, present capacity of 9 Gigawatt, it will go up to 20 Gigawatt. And battery storage, where we entered recently, Government is very bullish on that. Battery storage, pumped storage, they want to increase the capacity to battery storage to 47 Gigawatts by FY31-FY32, and pumped storage from 4.75 Gigawatts to 18.8 Gigawatts.

In fact, we are looking at some of these opportunities of pumped storage and Battery storage. It brings on the synergy in our working system on the civil and the electromechanical packages. And we are discussing with some of the players also on that.

Therefore, then O&M, as I said, the increased capacity addition of 8,000 Megawatt to 10,000 Megawatt. The add-on opportunity of about INR 1,200 crores to INR 1,500 crores, & that will be, every year it will be added. It depends on how much we can capture that and who are the customers who will be taking to take that O&M in-house or outsourcing completely. But that is how we are there looking at it, and we hope that next year also we will have a growth of 20%-25%.

Moderator: Thank you very much. On behalf of Nirmal Bang Equities Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.