

**November 13, 2025**

**To**  
**The Compliance Manager**  
**BSE Limited**  
Corporate Relationship Dept.,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400001.

Scrip Code: 544419

**To**  
**The Manager, Listing Department**  
**National Stock Exchange of India Ltd**  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai 400 051.

Symbol: ARISINFRA

**Sub: Transcript of the earnings conference call for the quarter and half year ended September 30, 2025**

Dear Sir/ Madam,

We are enclosing herewith copy of the transcript of the Company's Q2 & H1FY26 earnings conference call dated Monday, November 10, 2025.

The transcript is also available on the Company's website under the Investors section at: <https://arisinfra.com/pages/investor-relations-financial-results>

Further, please note that no unpublished price sensitive information was shared/discussed by the Company during the said earnings call.

You are requested to take the above information on record.

Thanking you,

Yours sincerely,

**For Arisinfra Solutions Limited**

**Ronak Kishor Morbia**  
**Chairman and Managing Director**  
DIN: 09062500  
Place: Mumbai  
Encl.: As mentioned above



“ArisInfra Solutions Limited  
Q2 FY '26 Earnings Conference Call”  
November 10, 2025



**MANAGEMENT:** **MR. RONAK MORBIA – CHAIRMAN AND MANAGING  
DIRECTOR – ARISINFRA SOLUTIONS LIMITED  
MR. SRINIVASAN GOPALAN – CHIEF EXECUTIVE  
OFFICER – ARISINFRA SOLUTIONS LIMITED  
MR. BHAVIK KHARA – WHOLE-TIME DIRECTOR AND  
CHIEF FINANCIAL OFFICER – ARISINFRA SOLUTIONS  
LIMITED**

**MODERATOR:** **MS. MAMTA SAMAT – ADFACTORS IR TEAM**

**Moderator:** Ladies and gentlemen, good day and welcome to the ArisInfra Solutions Limited Q2 FY '26 Earnings Conference Call. As a reminder, all participant 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 the conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Mamta Samat. Thank you and over to you ma'am.

**Mamta Samat:** Thank you Bhumika. Good morning everyone, and welcome to the Q2 and H1 FY '26 Earnings Call of ArisInfra Solutions Limited. Today we have with us; Mr. Ronak Morbia, Chairman and Managing Director; Mr. Srinivasan Gopalan, Executive Officer; Mr. Bhavik Khara, Whole-Time Director and Chief Financial Officer; and AdFactors, IR team.

We will begin the call with the opening remarks from the management after which we will have the forum open for the interactive Q&A session. I must remind you that, this conference call may include forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. The statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Srinivasan Gopalan, Chief Executive Officer of ArisInfra Solutions Limited for opening remarks. Thank you and over to you, sir.

**Srinivasan Gopalan:** Good morning, ladies and gentlemen. I welcome you all to the ArisInfra Solutions Limited Q2 and H1 Financial Year 2025-'26 earnings call. India today is building at a pace that world hasn't seen in decades.

Infrastructure and real estate have become instruments of confidence. These sectors continue to maintain strong momentum supported by government expenditure, improved liquidity and institutional participation.

Developers and contractors today are operating with sharper timelines, professional project management and increased focus on cost efficiency and quality. Across the supply side, vendors from queries to ready-mix plants are scaling rapidly, adapting to a more formal, data-driven way of working. Connecting these worlds requires more than coordination. It demands structure, visibility and trust built into every transaction.

In this environment, ArisInfra continues to play an important role as a structured, technology-driven platform connecting developers, contractors and material suppliers. Our integrated model provides reliability, visibility and speed of execution across the infrastructure value chain.

During H1 2026, ArisInfra strengthened its leadership in integrated supply and services through multiple high-value mandates. Key projects among these were the INR250 crores Merusri Sunscape luxury villa project on Bangalore's fast-growing IVC road, the INR200 crores Arsh Greens Villa plot development within the city, both launched through ArisUnitem RE Solutions Private Limited, with full financial closures and construction in rapid progress.

The company also secured INR100 crores in integrated supply and services orders in North Bangalore and a INR40 crores mandate from AVS Housing, reinforcing its full-stack execution capabilities.

With these wins, ArisInfra's integrated order book stands at nearly INR850 crores. The company also partnered with Transcon Group, Wadhwa Group and Amogha Projects to unlock value of these large real estate companies, extending its technology-led end-to-end engagement model across strategy, financing, marketing and execution. On the strategic progress, our growth is driven by two complementary engines, contract manufacturing and development management and execution services.

On the supply side, our reserved manufacturing capabilities continue to expand across key regions. These are long-term partnerships created for control with flexibility and efficiency without capital intensity. With utilization just over 40%, we already have the capability to more than double throughput in the coming quarters.

On the services side, our development management arm and execution vertical has crossed INR1,800 crores in GDV under active management. These projects are backed by respected developers and institutional capital, generating consistent fee income and embedded material demand.

Historically, they have delivered fee yields of around 9% to 11% of GDV, but their greater contribution lies in building a steady base of business that enhances both revenue visibility and margin quality for the next 24 to 30 months. Together, these verticals create a diversified, scalable and asset-light business model aligned with India's infrastructure growth trajectory.

Coming on to the operational efficiency and working capital. Our working capital management remains a key focus. Developers and contractors face inherent cash flow cyclicity, therefore maintaining liquidity and supply continuity is essential.

We leverage technology-driven credit control mechanisms, ensuring predictable fund rotation and timely disbursements across our operating entities. We have significantly strengthened our balance sheet, consolidated borrowings reduced from INR336 crores as of March 31, 2025 to just INR52 crores as of September 30, 2025, while cash and cash equivalents increased to about INR200 crores. This improved liquidity position allows us to sustain growth without depending on short-term borrowings.

During the quarter, very, very important thing to note is our working capital cycle improved to 84 days from a whopping 114 days, supported by disciplined collection, structured credit control and utilization of supply chain financing limits and effective use of data insights to monitor receivables and vendor payments.

Coming on to our Q2 and H1 performance overview, let me now take you through our financial performance for Q2 and H1. On a consolidated basis, we recorded revenue from operations of INR241 crores in Q2, 2026, a 38% growth year-on-year compared to INR174 crores in Q2 2025. EBITDA stood at INR23 crores, representing an EBITDA margin of 9.34%. Profit after taxes was INR15 crores compared to a loss of INR2 crores in similar period last year.

Sequentially, revenue increased by 13% and PAT grew over three times as compared to Q1 2026, reflecting strong operating leverage and efficiency improvements. For H1 2026, revenue was INR453 crores, up 24% year-on-year. EBITDA stood at INR42 crores as compared to INR32 crores in similar period last year. The EBITDA margin expanded by 50 basis points, reaching to 9.25% plus, representing a robust profitability. Q2 FY26 PAT increased to INR20 crores against INR4 crores in H1 2025.

PAT margin was at 4.45% as compared to 1.25% in H1 last year. The improvement in profitability reflects better working capital discipline, a more efficient sourcing structure and increased contribution from fee-based services and contract manufacturing.

On the operational front, I am happy to share that our daily dispatcher stood at 792, reflecting a 30% year-on-year growth. The number of customers increased to 2,982, up 17% year-on-year, while our vendor base expanded to 2003, registering a 22% growth over the same period.

As we move ahead, our focus remains clear to deepen technology, strengthen capital efficiency and scale with discipline. The infrastructure and real estate ecosystem in India continue to formalize rapidly, creating opportunities for structured, reliable and digitally enabled platforms like ArisInfra. Capital is flowing into organized ecosystems and companies that combine execution with intelligence are shaping this transformation.

We believe our integrated model, capital efficiency and disciplined execution will enable us to deliver sustained, profitable growth in the coming quarters to create value for all our stakeholders.

I hereby request Ronak to pitch in and if there are any questions, we are happy to take those questions. We can open the question and answer session.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question comes from the line of Tej from Niveshaay. Please go ahead.

**Tej:** Hello. Yes. Thank you so much for the opportunity and first of all, congratulations on a wonderful set of numbers.

**Srinivasan Gopalan:** Thank you.

**Tej:** Yes. Sir, I have one particular question on the cash flows. So we are having about INR126 crores of cash flow being used part in the other financial assets or the other non-current assets. If you could just help us understand what exactly is this? And then also, we have INR146 crores cash being negative due to increase in the other financial assets. So if you could just help us understand what are these two line items for?

**Ronak Morbia:** Yes, yes. So overall, if you look at the balance sheet and if you compare with FY '25 numbers, we had short-term advances and deposits, which is basically extended to vendors and manufacturers to secure capacities, and that was to the tune of INR175 crores. As we now enter into our growth phase, what we have done is we've formalized these contracts into multiyear long-term commitments of reserve capacities.

So it is a reclassification and not real capital outflow. So if you compare INR175 crores to the number right now, it stands at about approximately INR190 crores. So it is a reclassification alignment with multiyear contracts and not real capital outflow.

**Tej:** So, earlier what was the classification? I am really sorry.

**Ronak Morbia:** So, it was short term in nature.

**Tej:** Okay.

**Srinivasan Gopalan:** Always shown under current assets as other current assets. And if you see last year's number, INR173 crores was the number, which currently stands at INR75 crores. So the INR126 crores has gone up, which is purely a reclassification primarily because these are long term in nature, and our auditors also wanted us to show these as not as current assets, but as long-term deposits.

**Tej:** Okay. So, if I remove that.

**Srinivasan Gopalan :** Sorry.

**Tej:** So I'm saying if you remove that, we will probably be cash positive, I mean, at CFO level this half, right?

**Srinivasan Gopalan :** So this is just a reclassification. This does not have any impact on the operational cash flows, honestly. It is a reclassification from earlier it was treated as a yearly asset. Now we have taken it as a multiyear asset. That's it.

**Tej:** Got it. And how much sorry...

**Ronak Morbia:** Operating cash flow, just to kind of address that as well, it is negative INR43 crores right now, but it is very typical of the growth phase that we are in because in our business, revenue runs ahead of collections and the operating cash flow negative is not because of margin or cost pressure. So in effect, if you see the increase, it is mainly due to the receivable increase, which is typically a result of the credit cycles that we exist in this industry.

**Tej:** Got it. Got it. And sir, how much deposit have we given up till now, you said INR190 crores, right?

**Ronak Morbia :** Deposits, INR126 crores, and there are short-term rotating advances close to about INR50 crores to INR55 crores.

**Tej:** Okay. And this -- in terms of revenue potential, how much -- I mean, what are these capacities can generate, how much revenue, let's say, if utilized at full?

**Ronak Morbia:** Yes. So we have now increased our reserve capacity across 15 plants to the tune of 9.5 million metric tons annually and utilization of just over 40%. So we have good headroom for growth in the coming 12 to 18 months and where we will look to reach a utilization of over 90%.

**Tej:** Over 90%, what time did you say? Sorry.

- Ronak Morbia:** Over the next few months, so let's say, in the next 6 to 12 months, 18 months, we will look to peak utilization. And we are -- every quarter, we will look to add more and more capacity to get -- to really focus on increasing our share from contract manufacturing.
- Tej:** Got it. And sir, from the -- I'm just trying to understand from the payback period. So the deposits would probably -- is my understanding correct, is the 3, 4 years will be the payback period for the deposit, right?
- Ronak Morbia:** So these deposits are refundable in nature. As the utilization increases over time, these deposits will start reducing and start coming back into the system. The plant generates higher EBITDA and the cash flow significantly increases and then the partner is in a position to kind of start reducing the deposits that are extended for reserving these capacities. So typically, these cycles will work in that way.
- Tej:** Got it. Got it. And sir, last question. So right now, we are at a run rate of about INR85 crores. I mean, what's up in the next 2 quarters? Are we expecting the run rate to increase or more or less remain at the same level? And also in terms of margins, are these margins sustainable going ahead? Is there a room for further improvement? As you said, the Contract Manufacturing plants would scale up from INR40 crores to INR90 crores contributing incremental EBITDA. So, just wanted to understand your opinion on this?
- Ronak Morbia:** Yes. So, as we have given the guidance before, we still are confident of achieving 35% to 40% year-on-year growth in terms of revenue. In terms of EBITDA margins, we definitely believe these margins are sustainable, primarily on the back of improving contribution from Contract Manufacturing and the Services business.
- Both have increased. Contract Manufacturing now contributes to about 42%, as against 36% year-on-year, and Services has increased to about 8%, as against 5% year-on-year. So, yes, these margins are definitely sustainable, and there is significant headroom for growth as well.
- Tej:** That's great to hear, Sir. Last question. So, I mean, congratulations on reducing the working capital to quite a good extent. But then, does this reduction as a moral thought coming from, let's say, higher payable days, we are probably kind of getting that advantage of paying late, because we are giving them scale. But do we anticipate the credit days, I mean the receivable days also to go down? Is there room or do you think this will probably remain around the same numbers?
- Ronak Morbia:** So, if you look at the net working capital days, we have reduced by 30 days. But that's not only because of an improvement in payable days. If you look at the debtor days, it has come down from 135 days -- over 135 days to about 122 days. That probably reflects faster collections. But it also actually tells you about the quality of receivables that we have now.
- In terms of payables, it is not about paying late. But we have now gotten access to supply chain financing facilities as guided before. And that kind of improves our efficiency in the overall working capital investment as well. So, it is not by chance that the business now is in a position where the working capital efficiency is improving with scale. And we feel that this is a sustainable mechanism and it is not just a one-off chance of having stronger collections.

- Tej:** Okay. Got it. Thank you so much and all the best.
- Ronak Morbia:** Thank you so much. Thank you.
- Moderator:** Thank you. The next question comes from the line of Deepak Poddar from Sapphire Capital. Please go ahead.
- Deepak Poddar:** Thank you very much for this opportunity, and many congratulations for a good set of numbers and improving your working capital, basically, which has been your focus area. So, just first on working capital itself, I mean, now this is a good improvement. But this is where we are looking at a steady state or any further improvement we are envisaging in coming times as we scale up working capital?
- Ronak Morbia:** Yes. So, we were looking to reach a sustainable number of, let's say, about 80 days to 90 days, and we were expecting to reach that number by March 2026. But we were able to kind of reach that number as of now, as of quarter two.
- And we expect to sustain at this level as we grow in the growth phase as well. So, we believe the guidance as of now is still between 80 days to 90 days. And we are confident that we will be able to sustain this number.
- Deepak Poddar:** Okay. So, this remains a steady state number?
- Ronak Morbia:** Yes.
- Deepak Poddar:** Okay. And secondly, on your EBITDA margin, I mean, you mentioned a few points on the Contract Manufacturing, I mean, these private labels, right? That mix has increased to 42% and even the Services revenue has increased to 8%. So, any more levers for EBITDA margin improvement we envisage going forward?
- Srinivasan Gopalan:** So, basically the mix, right? So, we are seeing that the Contract Manufacturing has a lot of potential to go up to 55% to 60%. So, that is one lever where we can increase, and also the Services business can go up to 10% to 11%. So, both of these will really help us in increasing this margin.
- However, these are potentials and we are working towards increasing the share of both of these. These are two clear levers that we have apart from the product mix, where you will see that around we have already at 40%, 42% as far as the aggregates are concerned.
- So, that was one more conscious effort to increase the high margin and less what you call, visible products to be increased in our share in which we have been able to achieve that. So, these are two to three levers, which we will constantly be working on to increase the profitability both on the GM as well as the EBITDA level.
- Deepak Poddar:** Understood. So, Contract Manufacturing going up to 55% to 60%, Service revenue going up to 10% to 11% and your aggregate RMC mix going up. So, these are the two, three levers that we are talking about?



- Srinivasan Gopalan:** Yes, yes. And, of course, on exploring new, new products, which are – mainly it has to be highly profitable. So, we are looking at those products also. It could be even on the finished goods category. So, you must have seen that we are tied up with a company called House of W where we are looking at bathroom fittings as one of the categories but we are exploring those. But as of now, the results shown are the products that we spoke about right now.
- Deepak Poddar:** Understood. So, any aspiration for EBITDA margin? I think currently we were at about 9.3% excluding other income. So, a double digit or a 10%, 10.5% aspiration we would have in coming years?
- Srinivasan Gopalan:** Aspiration is always there, sir. We will work towards it. I think even from our own estimates, we were to reach these nine plus over March 2026, which we have been able to achieve now. We will strive to keep moving this northwards.
- Ronak Morbia:** And just to add here, our business scales through tech and partner capacity and not on headcount, which is actually one of the biggest cost centers that we have and that's one of the reasons we believe that once operating leverage starts to kick in as we scale, there is scope for improvement in EBITDA margins as well.
- Deepak Poddar:** Great, great. And one last thing from my side. Now, this finance cost has reduced drastically this quarter, which was expected because of the repayment in your debt side. So, has the full impact of reduced finance cost has come in this quarter, or we expect further reduction in third quarter?
- Srinivasan Gopalan:** So, I think there is only, as far as the quantum of money is concerned, I think we have fully exhausted that. However, because now that we are listed and we will be going into private sector banks, the cost of debt is likely to reduce and we are targeting around 200 basis points to be reduced on that front. So, that remains as one of the key parameters where we can reduce the interest cost.
- Deepak Poddar:** Okay. So, I mean quarterly we are doing right now what, INR4.5 crores, right? I think we were targeting some INR2 crores quarterly in terms of finance cost, right?
- Srinivasan Gopalan:** I think we will be, I mean our target would be between INR3.75 crores to INR4 crores, and that too once we start getting the bank lines in place.
- Deepak Poddar:** Great. I think that's very helpful, sir. I would wish you all the very best. Thank you so much.
- Srinivasan Gopalan:** Thank you very much.
- Moderator:** Thank you. The next question comes from the line of Kaushik Jawar from AK Investments. Please go ahead.
- Kaushik Jawar:** Yes. Thanks for the opportunity. Great set of numbers, sir. My first question is I wanted to understand what is the, I know we – I mean it's a pretty new-age company. So, I wanted to understand what is the vision for the company going forward like three years, what is the goal?

And secondly, I wanted to understand that we also do a lot of work in tech. Can you also talk about the tech infrastructure, what we have built, and what is our team size, and how do you see the scale in the tech? I mean, can you talk about these two?

**Ronak Morbia:**

Yes. So, we operate on a model, which is a mix of contract manufacturing, which is the supply backbone that we have, which is the materials business, and services, which is into real estate, which requires minimal working capital. Material drives scale, services drive profitability, and it is a very healthy mix of a business that can compound itself over time.

And that's the vision that we have, where we will look to continuously increase reserve capacities across materials like stone aggregates and RMC, which are primarily unorganized in India today. And we will look to add more and more as we grow.

And penetrate more and more into the small and mid-sized real estate developers to look for better opportunities in terms of providing services and end-to-end execution. That's basically our model. So, this is something that we will look to do for the next, maybe, two to three years.

Role of technology, this business is execution heavy. Materials business depends on two very critical components. One is on-ground execution, which is sourcing, quality, delivery. That is something that we give to our customers. It's an end-to-end service.

But it is also back-office operations that comes into play, where starting from vendor management to generating documents, closing deals, negotiations, seamless communication, recording deliveries, managing delivery documents, and raising invoices.

What we have done is developed in-house technology that can handle this entire back-office work and absorb the back-office pressure and reduce our dependency on headcount as we scale further. It not only saves us man-hours, but it actually helps us close deals, helps in credit management, real-time access to data and helps us reduce our cost as we scale.

And that's something that technology can help us benefit once we start to scale. So, that's really been the reason why we've been investing in technology since day one.

**Kaushik Jawar:**

How much do we invest in Technology? And what is our team size?

**Ronak Morbia:**

Our team size is about 250 to 260 people, as on date or overall people. The tech team is about six to eight people at the moment.

**Kaushik Jawar:**

Okay. And how much do we invest yearly on total?

**Ronak Morbia:**

Yearly, at the moment, I think we are investing anywhere between INR9 crores to INR10 crores annually.

**Kaushik Jawar:**

Okay. Great. When I asked about the vision of the company, I was expecting, do we have something in mind that these are the numbers we want to reach, or revenue is just a matter of time?

- Ronak Morbia:** No, we've given a guidance of, we'll be looking to grow at 40% year-on-year, and even more so in terms of PAT. That's something that we can help you right now with the kind of growth that we're looking for.
- Kaushik Jawar:** Okay, excellent. Lastly, I had a question on the shareholding pattern. I did not understand there are three sets of groups. Can you also just briefly make us understand since you have listed and we don't have exact understanding of what are the roles and operations of two to three families? Can you help on that also? That was my last question. Thank you.
- Bhavik Khara:** Sorry, I didn't quite understand the question, but in terms of the shareholding pattern today...
- Kaushik Jawar:** No, no, mainly promoter group I'm asking. I mean, there are two to three, right? I mean...
- Bhavik Khara:** Yes. Yes, so promoter group, one family group that is the Ronak Morbia family group, who is the Managing Director and the head of the company. Then there is Bhavik Khara, then who is the CFO and the WTD.
- And then there is just by the nature of shareholding at the time of DRHP, Siddharth Shah, family, because they own more than 10%, they were classified as promoters. But they're not part of the day-to-day operations. It's Ronak and myself Bhavik, who run the day-to-day operations, are classified as promoters as well.
- Kaushik Jawar:** Okay. Okay. Got it, got it. Thank you so much, sir. All the best.
- Bhavik Khara:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Jayshree Bajaj from Trinetra Asset Managers. Please go ahead. Ms. Jayshree, you're not audible.
- Jayshree Bajaj:** Hello. Good morning, sir, first of all, congratulations on a great set of numbers. My question is what is the EBITDA margin differential between the DM business and the supply business? And as you mentioned that we have nearly INR850CR order book. So what proportion comes from the supply business purely and the DM business?
- Ronak Morbia:** So just to kind of help you with our EBITDA margins, if we look at our B2B supply, which is material business but not contract manufacturing, that gives us about 2.75% to 3% of EBITDA margins. Contract manufacturing gives us about 9%, 9.5% of EBITDA margins. And the DM business, which is services business, contributes about 50% EBITDA margin business at the moment.
- Jayshree Bajaj:** Okay and what about the proportion of order book?
- Ronak Morbia:** Yes. On the order book, that is, this order book is only of the integrated Supply and Services business, which effectively means that whatever mandate that we have gotten for services, that has embedded materials supply as well, which is exclusivity for us.
- This is in addition to the monthly material business that we have, which is the rolling demand that we have in terms of the infra projects and real estate that we do with the materials. So it is

not the overall demand. It is just in addition to the monthly rolling demand that we have currently about INR80 crores, INR85 crores, which is the INR850 crores order book, which is the visibility for the next 24 to 30 months.

**Jayshree Bajaj:** Okay. And what is the timeline we can expect to complete this order book, average timeline?

**Ronak Morbia:** It's next 24 to 30 months.

**Jayshree Bajaj:** Okay. Got it. And I guess ArisUniterm, ArisSolution has been scaling rapidly. So, are there any plans to spin off all this ArisUniterm as a separate entity in the future?

**Ronak Morbia:** Not at the moment.

**Jayshree Bajaj:** Oh, got it. That's all from my side.

**Ronak Morbia:** Thank you.

**Moderator:** Thank you. A reminder to all the participants that you may press star and one to ask a question. The next question comes from the line of Tej from Niveshaay. Please go ahead.

**Tej:** Yes, thank you so much for the opportunity again. If you could just talk us about, you know, we recently, I mean, of course, more than I guess five, six months, we entered in the South area, right, in the Chennai area. You know, how has been, South has a whole performance for us. You know, how is the demand scenario there?

And, you know, could it be a, like a sizable base or a growing base like Maharashtra is right now for us? And then what, what area are we, you know, targeting next in terms of, you know, expanding because aggregates is a very local business, right? So, I just wanted to get your views on that as well?

**Ronak Morbia:** Yes. So, South -- Chennai has been, you know, the second strongest region for us and we've been steadily growing over there. In fact, most of the reserve capacity actually sits in Chennai. That's where we've been, you know, steadily growing. As mentioned earlier, we've grown from about 3.5 million to 4 million metric tons annually to about 9.5 million.

So, you know, that's been, that's actually a significant increase in the reserve capacity that we have and most of that is coming from Chennai. And as far as the other regions are concerned, we are exploring opportunities in the northern region where it is again an opportunity with respect to aggregates where we will -- we are already doing business with the manufacturer and we are exploring an exclusive tie-up if that works out in the next maybe quarter or so.

**Tej:** Okay, great. Got it. Thank you so much sir.

**Ronak Morbia:** Thank you.

**Moderator:** Thank you. The next question comes from the line of Neha Jain, an Investor. Please go ahead. Miss Neha, you are not audible.

- Neha Jain:** Yes, hi, good morning. I have a couple of questions. Actually, I turned in a little late, so, you know -- they are repetitive. I wanted to understand what product categories contribute most in the quarter?
- Ronak Morbia:** Yes. So, as of now, aggregates has increased to about 44% of the overall revenue contribution. RMC, ready-mix concrete, contributes to about 19% to 20%. So, majority revenue comes from these two categories. Steel and cement are down to about 9% to 11%, and then there is, you know, other wide range of other materials.
- Neha Jain:** Sure, sure, sir. And we have seen like four times increase in pin codes that we are servicing and about a double growth in the services. So, what geographies are these and what has led to this expansion?
- Ronak Morbia:** These are in the same regions. It is just a testament to, you know, the number of areas that we can service. In fact, the diversification in the projects that we are involved in, even with the same customers.
- In terms of services, we are heavily concentrated in the south as of now and a bit of presence in the west as well in Mumbai. So, yes, you know, as mentioned earlier, it is about strengthening our position where we are already present and the increase in pin codes only kind of, you know, gives an idea of the operational scale that we have in the ability to service different regions.
- Neha Jain:** So, are we planning to add on more regions apart from the south and west?
- Ronak Morbia:** Right now, as we scale, you know, there is significant headroom for growth in these two regions as well as I mentioned about, you know, the capacities that we already onboarded. So, we will look to kind of grow here and reach a better utilization in the coming quarters. And, you know, as and when we do that, we will look at exploring in different regions as well.
- But that has never been our conscious effort. We feel we want to be involved in areas where there are, you know, exciting opportunities in terms of the construction projects that are happening and the real opportunities that actually present in terms of real estate as well.
- Neha Jain:** Right. Sure, sir. And for the two projects, Vaishnavi Residences and Merusri Sunscape, how is it going? What is the execution that we are right now at and how much revenue are they getting from those?
- Srinivasan Gopalan:** So as far as these projects are concerned, these Vaishnavi Residences, the timeline is between 24 to 30 months and Merusri is around 15 to 18 months. So, we are progressing well. Both the projects, all approvals are in place and the sales have started. Both of them had a good launch during Diwali. And these are the timelines by which these projects will get over.
- Neha Jain:** Sure, sure. Okay, thank you so much. But, sir, what are the revenues that we are targeting from both of these approximately in the coming years?
- Srinivasan Gopalan:** So, Merusri is a GDV of around INR250 crores. So both of them put together, the GDV is around INR450 crores and generally between 9% to 11% is the revenue that we get from these projects.

**Neha Jain:** Sure, sir. Got it.

**Srinivasan Gopalan:** And as far as the materials are concerned, we will have close to INR80 crores to INR100 crores of materials – INR70 crores to INR80 crores of materials being supplied cubics.

**Neha Jain:** Okay. Got it. Sure. Thank you and good luck.

**Srinivasan Gopalan:** Thank you.

**Moderator:** Thank you. The next question comes from the line of Saket Kapoor from Kapoor & Co. Please go ahead.

**Saket Kapoor:** Yes. Thank you for the opportunity.

**Moderator:** Mr. Saket, I am sorry to interrupt you, but your voice is breaking. Can you please go to a better network coverage area?

**Saket Kapoor:** Yes, ma'am. Give me a second. I hope I am audible now?

**Moderator:** Yes.

**Srinivasan Gopalan:** Yes.

**Saket Kapoor:** Yes, yes. Thank you, sir. Namaskar, sir. Thank you for the opportunity. Sir, as earlier mentioned in your call, you have alluded to the fact of the lowering of interest costs, the finance cost is now down significantly. So we can continue to look down at these numbers on a sustainable basis going ahead, quarterly finance cost there?

**Srinivasan Gopalan:** So, I just answered this question earlier. So, as far as the quantum of debt is concerned, we are almost a zero-debt company as of today. And the efficiency that we will bring in is by shifting to PSU banks and lowering the interest rates. We should see some results coming in the coming quarters.

**Saket Kapoor:** Correct, sir. In terms of capacity, capability building and investment in machinery and other infrastructure related activities, how much have we set aside for H2 and how much have we spent I think so in the property plant and equipment, there hardly any investment done. Correct me there. And how should we look at H2 in terms of the execution scale?

**Ronak Morbia:** So, we are an asset-light company. That is our business model. We don't invest in capex. We extend trade deposits. And as of now, these deposits are close to about 170 to 180 in terms of advances and deposits. These are all multi-year contracts.

This is spread across 15 partner plants and across categories like aggregates and RMC. If you compare this to a capex-heavy model, we would have required in excess of INR600 crores to 700 crores to even get access to this kind of capacity with a gestation period of more than maybe six to eight months and building an entire operations and manufacturing team and take the entire operational bandwidth to even produce and sell this capacity.

So, that is basically the strength of our model where we get access to these capacities on day one. Our incremental EBITDA as compared to the B2B supply that we do, which is sourced from external vendors, is – the comparison is a 3% EBITDA versus a 9.5% EBITDA. So these are the reasons why you would not see investment in capex because we primarily run asset-light and we extend deposits to reserve capacities and that's how we are growing as a company.

**Saket Kapoor:**

And lastly sir, as we are a B2B concern, thereby I think from my understanding, correct me there that we are supplying to a lot of EPC players and over a period of time, EPC players are having elongated disabled cycles and they are not being able to continue with the payment. So, how are you seeing the business environment with respect to the EPC segment?

**Ronak Morbia:**

Yes. So, there are instances of delayed payments. It's a working capital intensive business. As per industry standards also, sometimes there are delays in payments. The idea is not to depend on timely payments but to kind of mitigate the impact of delayed payments. What we have done is through use of technology and tighter credit discipline and real-time access to data, we have been able to improve our collections, our cash flows and the quality of receivables has also improved with time.

If you look at our debtor days, it has come down from over 135 days to about 122 and the networking capital has come down to 84 from 114. That's about 30 days of improvement. So, as we scale, what we will look to focus on is the quality of customers, diversification and the business right now is in a position where no few customers can have a significant impact on cash flows. So, credit discipline is going to be the key focus area as we move forward.

**Srinivasan Gopalan:**

And to add to what Ronak said, even with one contractor, we do multiple projects so that if there is a problem in one project, it does not impact the other ones as far as the cash flows are concerned. So, the diversification even within a contractor and diversification along customers really helps us and does not make us dependable on a few.

**Saket Kapoor:**

Right. And last point sir, can you give some color on how H2O will shape up in terms of our turnover, any trajectory?

**Srinivasan Gopalan:**

We have given a guidance of around 1000-1050 as the total year. Out of that, we have done around 450-460 as of now. So, that is where we will be as far as the top line is concerned.

**Saket Kapoor:**

Okay. And how should the bottom line behave?

**Srinivasan Gopalan:**

Bottom line, I think we will retain the margins that we have shown in the last two quarters and the rest is arithmetic.

**Saket Kapoor:**

Yes. Thank you, sir. All the best.

**Ronak Morbia:**

Thank you so much.

**Moderator:**

Thank you. The next question comes from the line of Vikrant Sahu from RK Advisory. Please go ahead.

- Vikrant Sahu:** Good morning. Thanks for the opportunity. I have a question. The company has mentioned an integrated order book value of INR850 crores. So, can you please break down the composition between the development, management, contract, manufacturing and supply verticals?
- Srinivasan Gopalan:** So, INR850 crores out of that, the supply of material will be close to -- so, INR160 crores, you can keep it as the top line for the contract manufacturing and the balance INR700 crores will be towards the material. The fee income on the services will be around INR150 crores- INR160 crores out of this INR850 crores and INR700 crores will be towards material supply.
- Okay. So, just, as Ronak said, is in addition to our monthly routine sales that we do. So, what this does is this gives complete predictability. So, we know in the next 24 to 30 months who needs how much material, which material. So, we are able to plan these extremely well.
- Vikrant Sahu:** One more question I have. Like the INR40 crores development mandate from the AVS group. So, what are the timelines and expected contribution to profitability for that?
- Srinivasan Gopalan:** So, as far as AVS is concerned, the work that we have to do is already done and the profits are already in the P&L.
- Vikrant Sahu:** Okay. Got it. Thanks.
- Moderator:** Thank you. The next question comes from the line of Rohan Mehta, an Investor. Please go ahead.
- Rohan Mehta:** Hello. Good morning, sir. Sir, you mentioned title credit control and its effect is evident in the working capital cycle also, which has improved. So, can we consider the current cycle to be sustainable in the coming quarters and the year?
- Ronak Morbia:** Yes. As mentioned earlier, we definitely believe that we can sustain these levels as we grow because, it is not one quarter -- having one good quarter, but it is about the business now maturing itself and being in a position where these networking capabilities can be sustained.
- Rohan Mehta:** Right. Fair enough. So, that's encouraging. And so, you also mentioned the use of technology in this, the working capital improvement as well as in general scaling up. So, would we have any budget or something like a percentage of revenue that we invest in technology in terms of scaling up or improving operational efficiencies?
- Ronak Morbia:** Yes. Typically, at the moment, we are -- I would say, investing about, close to about a percent, 1% of our overall revenue as guided this year in technology. What it does is, at scale, we reduce our dependency on human headcount.
- Typically, at the moment, our back office team strength is just about 35 to 40 people and we believe that operationally handling more than about 750 to 800 deliveries on a daily basis with about 2,000 plus documents on a daily basis, we would need 5x or 6x of the team that we have just to operationally handle this kind of business.
- So, we feel the benefit in terms of cost is definitely there in one of the biggest cost centers that we have. But additionally, what it does is, it helps us in handling our business efficiently. It also



gives us access to all of the data real time, which effectively helps us in managing our credit in a much more efficient manner.

We have complete visibility on the receivables real-time. That is why we can actually manage them, our customers, and that is much more structured and tighter credit discipline. It is one of the key focus areas. So, that is why the investment in technology is extremely critical.

**Rohan Mehta:** Right, right. Fair enough, sir. That's great to know, sir. And, sir, in terms of our business scaling up in terms of the deliveries, the number of customers or vendors and the number of pin codes that we have served, would this also, how do you see this growth trajectory panning out for the rest of the year and the year next, whether the rate of growth would be similar or you would see it plateau at certain point? Any color on that would be great, sir.

**Ronak Morbia:** I think the growth rate will sustain. It will steadily grow. One of the reasons for that is because we have now good headroom for growth in terms of the reserve capacity that we have, which effectively means that we will be penetrating more into the existing customers as well as onboarding new customers.

In terms of vendors, we are constantly on the lookout to strengthen our relationship with existing vendors and to add more and more vendors. So, we feel the growth rate will be sustained over the coming quarters.

**Rohan Mehta:** Okay, okay. Got it. So, just one last thing, since you touched upon getting into more customers also, diversification, do you see customer concentration as a potential risk as of now or it's not much to worry about?

**Ronak Morbia:** Customer concentration is actually a benefit in our line of business because that ensures stickiness that creates interdependency between the platform and the customers. With respect to concentration also, a customer may have multiple projects across regions. So, our risk is also spread across regions and projects.

It is not just one customer. So, we feel that is a good sign of a healthy clientele that we have, the healthy relationships that we are building in the longer term. And most of these projects are long-term in nature, anywhere between, let's say, two to five years of projects. So, that actually ensures that we have revenue visibility also for the next few quarters.

**Rohan Mehta:** Right. So, we would say that our average relationship with a client would last two to five years on average.

**Ronak Morbia:** With the large EPC players, we can confidently say that these are all long-term in nature. What really happens is whenever they have new projects, we get direct access to those projects as well. So, it really differs with respect to real estate, the time, the duration may differ. With small-term manufacturers like RMC manufacturers, it may not be two to five years. But it really depends across the customer profile.

- Rohan Mehta:** Understood. So that's helpful. If you could give your take on the infrastructure and overall real estate industry for the rest of this year, how do you see being in the industry? Any kind of color of that?
- Srinivasan Gopalan:** A lot of tailwinds and I think real estate will always do well. Roti, kapda, makaan mein, we fall under that. And as far as the number of projects are concerned, we are seeing on the television every day the kind of infrastructure thrust that this government is putting, whether at the state level or at the national level. So, we are in an industry which is probably one of the oldest industries and it will continue to be one of the most continuing industries.
- Rohan Mehta:** Alright, sir. Thank you so much for taking my questions and all the best.
- Srinivasan Gopalan:** Thank you very much.
- Moderator:** Thank you. Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to the management for closing comments.
- Srinivasan Gopalan:** Thank you, ladies and gentlemen, for spending your time on a Monday morning. We request all your blessings and we are here to keep performing. Thank you for your time and we are a long-term bet. Thank you.
- Moderator:** On behalf of ArisInfra Solutions Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.