

To
The Manager- Listing Department,
BSE Limited
P.J. Towers, Dalal Street, Fort,
Mumbai- 400001, Maharashtra, India.

Scrip ID/Code: DESCO/544387

Sub: Transcript of Investors/Analysts Earnings Conference Call held on November 11, 2025

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the copy of transcript of the Investors' Earnings Call held on November 11, 2025, with respect to the Unaudited Financial Results for half year ended September 30, 2025.

The said transcript of the aforesaid earnings call with Investors/Analysts is also available on the Company's website www.descoinfra.co.in.

Kindly take the afore-mentioned submission on your records.

Thank You!

Yours faithfully,
For DESCO INFRATECH LIMITED
(Formerly known as Desco Infratech Private Limited)

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Company Secretary & Compliance Officer



“Desco Infratech Limited”
H1 & FY 2025-2026 Earnings Conference Call.
November 11, 2025



MANAGEMENT: **MR. MALHAR DESAI – WHOLE TIME DIRECTOR -- DESCO INFRATECH LIMITED**
MR. SAMARTH PANKAJ DESAI – EXECUTIVE DIRECTOR -- DESCO INFRATECH LIMITED

MODERATOR: **MS. RACHNA CHELAWAT – KYRO CAPITAL PRIVATE LIMITED**

Moderator:

Ladies and gentlemen, good day and welcome to Desco Infratech Limited. H1 FY 2025-2026 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. Rachna Chelawat from Kyro Capital Private Limited. Thank you and over to you Ms. Chelawat.

Rachna Chelawat:

Yes. Thank you. Good afternoon esteemed investors, partners and members of the Desco leadership team. It's my privilege to welcome you all to this pivotal gathering, where vision meets execution and ambition meets opportunity.

Desco Infratech Limited. stands as a beacon of excellence in infrastructure development with a sharp focus on EPC, that is Engineering, Planning and Construction across vital sectors like city gas distribution, renewable energy, water and power. With operating now spanning 55 sites and more than 13 states and having been laid over more than 4,000 kilometers of pipeline, our impact is both expansive and enduring.

Order book is exceeding INR345 crores is a reflection of the trust and confidence placed in us by the industry leaders such as Adani, Bharat Petroleum, Torrent Gas, Maharashtra Natural Gas, MP Public Health and Engineering Department, BPCL and other groups. These partnerships are testament to our commitment to quality, innovation and sustainable growth. Today, I am truly honored to bring our investors and the top management of Desco, a leadership team that continues to thrive transformation with clarity, courage and conviction.

This earning call is not just a meeting of minds but a celebration of shared purpose and forward momentum. Now I would like to handle this call to Samarth Desai. Over to you Samarth.

Samarth Desai:

Thank you Rachna. Good afternoon, everyone. I am pleased to share that your company has delivered yet another strong performance in H1 26, despite a challenging liquidity environment across the infrastructure EPC sector.

This robust growth reflects our continued strength in city gas distribution sector and have successfully diversified into power transmission and distribution segment supported by improved execution efficiency, better client coordination and a disciplined cost approach. We are happy to note that balance sheet remains very healthy with a debt-to-equity ratio of 0.1x, demonstrating our focus on sustainable growth. We continue to see strong visibility ahead with an order book exceeding INR345 crore across sectors, positioning us for a robust second half.

Operationally, H1 26 shows excellent progress, as our CGD vertical contributed heavily of total revenue and have regularly won remarkable new orders. As power transmission and distribution projects have expanded into new region with steady margins. We also begin groundwork for our

compressed biogas initiative under Desco Bio Green Private Limited. wholly owned subsidiary of Desco Infratech Limited. aligned with national green energy and self-reliant goals.

Our continued focus remains on timely execution and strengthening the vendor ecosystem to improve working capital efficiency. I now invite Mr. Malhar bhai, Whole-Time Director to share financial highlight and strategic outlook of the company. Over to you Malhar bhai.

Malhar Desai:

Thank you, Samarth. The first half of H1 Financial Year 26 reflects the transition of Desco Infratech into its mobilization intensive growth phase. The revenue has almost doubled compared to H1 Financial Year 25, driven by the ramp-up of ongoing City Gas Distribution projects along with new orders in power distribution and water pipeline segments.

The total income stood at INR 42.03 crores for H1 FY 26 versus INR 22.63 crores for FY '25 H1. Our EBITDA stood at INR 8.98 crores versus INR 4.96 crores on YoY basis. Our PAT stood at INR 6.17 crores versus INR 3.24 crores YoY. EBITDA margin stood at 21.38% versus 21.94% YoY.

On the balance sheet front, the net worth stood at INR 61.36 crores. We did see a negative operating cash flow during our H1 Financial Year 2026 mainly on account of pre-mobilization advances and project site expansions ahead of client billing cycles and expansion of new sites into new geographies whose optimistic effects will be seen in the coming quarters and in H2.

Your company has successfully diversified into power and transmission segments as well as execution partners. So, this is a strategic deployment to position your company for faster execution in H2 Financial year 2026.

The company has already started collections and billing catch-up from October and onwards. And we expect a healthy operating cash flow improvement over the coming years and surely you will see the good improvement in H2 Financial year 2026.

Most importantly, we remain compliant with all our banking convenience. Our working capital facilities are fully operational and we are exploring surety bonds as mandated by Ministry of Finance and IRDAI.

As we look ahead, we are confident of delivering a strong H2 Financial year 2026 supported by a rising and a strong order book conversion in CGD segment scaling up in power and transmission distribution verticals and entry into CBG projects.

In the whole summary, H1 Financial year 2026 has laid a solid foundation for your company's next leg of growth. While we acknowledge the temporary working capital stretch, our fundamentals remain strong, our projects are very well funded, and our clientele are marquee names across the energy and infrastructure ecosystem.

In vision ahead, I would like to tell you all that your company's commitment stays intact with the same vision that was shared by our CMD sir Mr. Pankaj Desai during the AGM dated 30-09-2025. By 2030, your company remains focused and fully committed to achieving the revenue of INR 1,000 crores by 2030. I am thankful to all our shareholders, investors, bankers, employees, partners and vendors for their continued belief and continued trust in your company.

With this, we are open to the questions.

Moderator: Thank you. The first question comes from the line of Shashank Jha, an Individual Investor. Please go ahead.

Shashank Jha: Hello Sir, I have two or three questions. First, out of the INR 1000 crores (excluding the gas sector), how much relates to the wiring sector?

Malhar Desai: So, CGD sector, in our execution is currently place, we will be giving most of the revenues from the current segment and considering the power and transmission distribution segment, we will be delivering minimum revenue of 30%. And CBG will take time. CBG will take a little bit of time. And we are expecting the CBG revenue to continue under the wholly-owned subsidiary of Desco Bio Green Private Ltd. in the financial year 2027.

Shashank Jha: Okay. And sir, second question is like when update of you INR 23 crores. And when the final result came of H1, it was INR 42 crores. So why Q2 so slow?

Malhar Desai: Sir, this is a good question. Mainly due to the delayed monsoon season. While what is that when Q2 happens, there are lot of issues in Like weather changes. And as you know, your company has a lot work from South India recently. South India, monsoon activities go from September to December.

Shashank Jha: Okay. Yes. The KP Group regarding green hydrogen, right? Yes, sir. A MoU has a tripartite agreement

Malhar Desai: Yes, sir. A MoU has been signed a tripartite agreement.

Shashank Jha: Sir, what role we play in?

Malhar Desai: Sure, sir. I would like to throw some light on this also.

Shashank Jha: By when revenue will come?

Malhar Desai: Yes. That's what I am trying to tell you. That we being the technical partners and technological partners of the MoU, the Naveriya Gas Private Limited, being the city gas distribution entity, this gas industry will purchase the green hydrogen from KP Group, KPI Green Ammonia and Hydrogen Private Limited. And we, being the Desco Infratech will be executing this blending of green hydrogen into the city gas distribution pipeline.

We are expecting this hydrogen execution in over a period of next 12 to 15 months or 18 months maximum.

Shashank Jha: Sir, as I understand, the gas pipeline where we have gas, that, green hydrogen will you are saying.

Malhar Desai: No sir, it won't be replaced. It will be blended with green hydrogen. So that the LNG that imported from India, that reliance on import to reduce. And this is the reason your company has decided to go for CBG.

Shashank Jha: Okay. How much top line is expected and when it will start from this green hydrogen, any idea?

Malhar Desai: Like I said, minimum time over a period of next 12 to 18 months.

Shashank Jha: Okay, got it. Thank you. Good work, sir. Thank you, sir.

Moderator: Thank you. Next question comes on the line of Akhileshwar Maurya with Individual Investor. Please go ahead.

Akhileshwar Maurya: Hello. Actually, first of all, I would like to thank that you have performed well in H2. Actually, my question is simple. That how much you are expecting your business will go into the power distribution where you have ventured recently?

Malhar Desai: You are particularly asking about this financial year, sir?

Akhileshwar Maurya: This financial year and ahead of that. Like in future, whether you are going to increase your share in the power distribution network or you will be mainly focusing on CGD?

Malhar Desai: Sure, sir. Sir, as we know that Desco Infratech Limited is a very competent company in CGD EPC and as power and transmission distribution is in EPC. So in this year, we are expecting the minimum revenue of 18% to 20% in this current year. And going forward, I believe that over a period of next two to three years, your company will easily grab the revenue of 30% to 35% over a period of next three years. As we know that in the power and distribution sector, we have been ventured with Viviana Power Tech as their execution partners in Punjab.

So in the execution partnership, we are not supposed to compromise with our margin heavily, because I believe that when we opt for this supply of material, where margin gets contracted a bit. So considering no compromisation on margin, we being the execution partner and we are looking forward to go with the execution partner of the other clienteles as well.

Akhileshwar Maurya: Okay. So, one more question, simple question. What is your expected revenue in H2? A little bit over and above, like it can be expected because the billing cycle will be in March 2026. And normally for EPC contractors, it happens that heavy billing is done in March. So I have seen that cash flow is a

little poor actually due to, I think, this billing issue. So what will be the revenue? Because asking about profit, I think it will be not appropriate.

Malhar Desai: Right, right. Like I mentioned in the company's first ever earning call dated 21 May, 2025, I still being intact with the guidance that we have given during our first earning calls, there is not going to be any sort of revision in the guidance. So I still tell you, we will be achieving the minimum of 90% to 95% of revenue growth run rate considering the scale and the profitability of the state projects, state business.

Akhileshwar Maurya: So what will be the number for that?

Malhar Desai: So, I believe INR 108 crores to INR 115 crores, minimum we are doing. It is a conservative side.

Akhileshwar Maurya: It will be for only H2?

Malhar Desai: No, no. It will be for the full year.

Akhileshwar Maurya: Full year, okay. So, INR 42 crores minus INR 108 crores, INR 60 crores something.

Malhar Desai: It is around INR 70 crores, I think INR 65 crores, INR 70 crores minimum. We will be able to do it.

Akhileshwar Maurya: Okay.

Malhar Desai: This is the conservative figure that I have just guided you.

Akhileshwar Maurya: Okay, sir. Thank you.

Malhar Desai: Yes, sir.

Moderator: Thank you. Next question comes from the line of Anuj Rathi with Sunrise India Growth Funds. Please go ahead.

Anuj Rathi: Yes. Hi, sir. Congratulations on the great set of numbers first.

Malhar Desai: Thank you, sir.

Anuj Rathi: Regarding the margin profile. I am audible, right?

Malhar Desai: Sorry, sir. A little bit not audible. Can you please pardon?

Anuj Rathi: Yes. Am I audible now?

Malhar Desai: Yes, you are audible, sir.

Anuj Rathi: So first of all, congratulations on a great set of numbers, sir.

Malhar Desai: Thank you, sir.

Anuj Rathi: My question was regarding the margin profile. Could you like elaborate more on these new projects that we have gotten? Like what could be the margin profile in these projects? And can we anticipate a similar level of margin with the new projects also?

Malhar Desai: See, when it comes to City Gas distribution, this margin remains intact. There is not going to be any sort of compromisation on our margin. When we talk about this power and transmission distribution, we all understand that in Power and Distribution, the margin levels are almost 8% to 10%. And while we are the executing partners for the power and transmission distribution networks, I believe in power and transmission distribution, 12%, 12.5% will be achieving. So margin may get a little bit of contracted, not much, very minor.

Anuj Rathi: Okay. Okay. Got it, sir. The other thing, like what could be the revenue mix in like upcoming two, three years? What do you see as your vision? Like what could be the distribution from City Gas distribution thing? What could be the revenue contribution from power and transmission?

Malhar Desai: Okay. So maximum revenue contribution will be from the current business, that is City Gas Distribution. We can consider 65% to 70% out of the same business. And over a period of time, like your company has decided to move into compressed biogas with a period of over two to three years. After three years, I believe compressed biogas business will play a good role after three to four years.

Anuj Rathi: Okay. Thank you, sir. That's all from my side. Thank you, sir.

Malhar Desai: Thanks, sir.

Moderator: Thank you. Next question comes on the line of Raghav with EY GTS. Please go ahead.

Raghav: Yes. So, sir, my question is that you have projected that you will do 90% to 100% revenue this year and again, the same for the next year as well. So I'm assuming next year, you will be doing around INR 220 crores or INR 220 crores to INR 240 crores by just going as conservatively, I'm saying this. So sir, my point is if you are growing at this rate, which is very good.

But just want to know as an investor, what are the key risks that might come like in the future, if I'm -- because I am personally looking for a like view of two to five years, like on a long-term view. So, what are the risks, sir, in business that might not be as much in revenue as you are expecting? I mean, what are the risks you are looking at in the future so that we are also aware?

Malhar Desai: I would like to throw some light on the risk factor that can be the obstacle. See, basically, the scale for CGD is humongous. I mean, there is a very good scale in the CGD sector right now. Because out of 100% we as per the data presented on our regulatory board, that is Petroleum and Natural Gas

Regulatory Board, India has only done 6.3% to 6.4% out of 100% pan-India. So I believe only force majeure situation can stop this growth rate.

Raghav: Okay.

Malhar Desai: Yes, sir. The situation that is beyond human control.

Raghav: Okay. So, I mean, you have thought of your plan in such a long-term that apart from weather or some uncontrolled situation, you don't see any major risk that might hit your revenue, correct?

Malhar Desai: Right. Right, sir.

Raghav: Okay, sir. Thank you very much.

Malhar Desai: Thank you, sir.

Moderator: Thank you. A reminder to all the participants that you may press star and 1 to ask a question. Next question comes on the line of Gursidak Singh with Prudent Equity. Please go ahead.

Gursidak Singh: Hi. So, I want to know about the wholly-owned subsidiary that we recently came across for CBG project, Desco BioGreen. What is the capex plan for the next one to two years in this subsidiary?

Malhar Desai: Correct, sir. Like, your company has successfully signed some MoUs in South Gujarat with the farmers for the land. To get this facility done, we are waiting for the approvals from the regulatory bodies and we expect the approvals to -- like, we are expecting the approvals very soon. We are going to get them over a period of another two to three months maximum.

And in the capex plan, your company is planning to start revenue from financial year 2027. Minimum output will be 3 to 5 tons per day capacity in over a period of next one year. And after that, from the revenue, your company will be again establishing the CBG plants from the said revenue in the different states like UP, MP.

Gursidak Singh: Okay. So, over the next one to two years, you will start slowly putting in more money as the facilities start coming in?

Malhar Desai: Correct, sir.

Gursidak Singh: And the order book that is given as of now is INR 345 crores. Can I get a breakdown of how much is it CGD, how much is it water, and how much of it is renewable?

Malhar Desai: Sure, sir. Sure. Our CGD order book stands at INR 333 crores plus, -- sorry INR 6.6 crores stand with power and transmission distribution, and remaining stands with water distribution.

Gursidak Singh: Okay.

Malhar Desai: And there are another INR 431 crore tenders already bid. We are waiting for the tenders to get open. And since we have already intimated through Exchange, your company has a healthy conversion ratio of winning the bids of 30% to 40% on conservative basis.

Gursidak Singh: Okay. Thank you.

Moderator: Thank you. Next question comes from the line of Vaibhav Lohia with CFM. Please go ahead.

Vaibhav Lohia: Thanks for the opportunity. Sir, I wanted to understand the negative operating cash flow for this H1 was around 50% of the revenue, which I can see mainly because of other current assets. So, can you please specify what are the other current assets?

Malhar Desai: Sure, sir. Sure. So, sir, what exactly happened in H1, we have made a strategic move to bid for the orders of last-mile connectivity, where we don't see the monsoon activities and so hampering our jobs because it is a typical job. While we opt for this last-mile connectivity, our job is to connect all the above ground buildings and tenements through galvanized iron pipeline. And for that, the company is required to purchase heavy materials like raw materials like GI pipes and their fittings from suppliers.

So, strategically, your company has given some good advances to premobilization advances to laborers, plumbers, and fitters, and also given advances to the supplier to get the raw materials. So, this is a strategic move and if we consider like some festivals like Diwali just went away, Desco Infratech Limited team -- execution team remained at the site and they did not go to their natives, you know, because once they go to their natives, their recurring effect takes a minimum of 45 to 60 days.

Because from south, if all the people go to Bihar or UP in their native, it takes a minimum of 45 to 60 days to go to their natives. So, considering that, your company has given some good advances to make them stay there at the site and we are well in position to fund our H2 amazingly. So, yes, there is a strategic cash flow mismatch, but yes, in H2, Mr. Vaibhav, you will be able to see the strong improvement in the half year of financial year 2026.

Vaibhav Lohia: Okay. So how much of the percentage of revenue can I expect in the negative cash flow, like, around 20% can I expect that it will be in the next cash flow?

Malhar Desai: Sir, I believe between 20% to 30% maximum.

Vaibhav Lohia: Okay.

Malhar Desai: It won't go beyond that because there is a clarification, because when an EPC company grows on the run rate of 90% to 100%, it becomes a little bit heavy to get this cash flow into the positive. So, I

won't be promising you all that we will be able to make this cash flow positive over a period of next six months or next one year. But surely our team is trying really hard to get this improvisation on a very good and a strong scale.

Vaibhav Lohia: Okay, okay. Understood. That is very obvious, because if you are growing at such a fast pace, it is not feasible to get a positive cash flow. It is very difficult, next to impossible sir. Okay, so I have one more question. Where do you see the PAT margins for FY 2026 and FY 2027?

Malhar Desai: Okay, like I said to someone earlier, I see there is a sustainable PAT margin. And just because we are going to execute the power and distribution segment, I believe a little bit drop, a little bit, not more than I say 0.75% or 1%.

Vaibhav Lohia: So, I can assume around 13% on the conservative side, PAT margin.

Malhar Desai: Yes, sir. You may. Minimum it will be there.

Vaibhav Lohia: Okay, okay. I understood. And the current order book, is it including the L1 orders, or is it excluding the L1 orders? Because 20 Crores of L1, I think it is yet to be – LOA is yet to be received according to the exchange amount?

Malhar Desai: No, sir. It is apart from the L1 orders. L1 orders are yet to – we are yet to receive the LOAs of the L1 orders.

Vaibhav Lohia: Okay, so it is including L1 orders?

Malhar Desai: It is excluding, sir.

Vaibhav Lohia: Okay, excluding. Okay, sir. Thank you so much. All the best for the future.

Malhar Desai: Thank you so much, sir.

Moderator: Thank you. Next question comes from the line of Pranay Kumar, an Individual Investor. Please go ahead.

Pranay Kumar: Hi, sir. Congratulations on a good set of numbers and the confidence for future endeavors. So, I just have one question regarding the cash flows as you were saying to the earlier participant. The H1, because of the festive season and all that, you have to pay some advances and all that. So, is this going to be, how it will be for all the H1s going forward as well, the cash flow contraction during the H1?

Malhar Desai: See, sir, like I mentioned in my opening speech, see what happens, this 50% cash flow operating negative, it won't be there. Our team is working quite hard to get this improvisation, a healthy

improvisation on this operating cash flow, which is running negative. And I beg your last question again, Mr. Pranay.

Pranay Kumar: Yes. So for every H1 going forward as well, will it be in the negative side?

Malhar Desai: It may be, yes.

Pranay Kumar: Right, because of the festive concerns and all that.

Malhar Desai: Right, right. But surely – yes, but over a period of time, you all will be seeing the very healthy improvisation on the operating cash flow.

Pranay Kumar: Okay, okay, understood. Now, coming to the current order book, as you were saying, majority has been with CGD. So how do you see this mix changing with the new order pipeline, as you said, around 400 orders are in the bidding stage, right? So what is the mix in that? Is it also, majority 90% CGD?

Malhar Desai: No, sir, it is 100% of CGD. It's INR413 crores or INR431 crore, which is under the pipeline, it is 100% of CGD. The tenders which are already bid and we are waiting for the bids to open.

Pranay Kumar: Okay, understood. All right, then what is our plan, going forward into this CBG and also this power and transmission -- power sector? So how do you, you know, see the traction in the power segment going forward? Is it as healthy as the CGD? Do you see that or which sector do you see has high growth potential?

Malhar Desai: Like, when I see both of the utilities are essential utilities throughout India. So considering our core competency in city gas distribution, our team remains fully focused on executing the power and transmission distribution network as well. Currently, your company is planning to be the execution partner with the good clientele to not compromise with the margin because of supply of the big material.

Pranay Kumar: Okay, so when you say, partnership with the clientele, so we are basically L2 or L3 bidders, is it, in the power transmission?

Malhar Desai: Sorry, I beg your pardon, sir.

Pranay Kumar: So we basically partner with L1 bidders, is it, in power transmission?

Malhar Desai: Yes, we basically partner with a good, with a good integrity company, company partnership to, like, for the better governance and code of conduct.

Pranay Kumar: And as you were saying, the margins are a little low in the power transmission sector.

Malhar Desai: Sir, when it comes to -- when it comes to EPC, like, when you are having the full scope of material in your scope, it may drop down, it may drop down from the margin that we are currently sustaining. And this is the reason to not compromise with the sustainable margin. Your company has only done, is only going forward with the execution partner.

Pranay Kumar: Okay, understood. Now, coming to, the compressed biogas plant, so what was the capex on that? Like, what's the plan on that? Can you, what is our role there? Is it like we generate the biogas or are we just EPC player for the construction of these plants or how do we play that?

Malhar Desai: No, sir, in compressed biogas, your company is not at all planning to move further with the EPC thing. Your company is planning to build the whole facility. So, in a direct language, I would like to say that the EPC that we are currently working on, currently in Desco Infratech Limited, in the compressed biogas, your company is planning to produce its own gas and sell it to the PSUs.

Pranay Kumar: Okay, okay.

Malhar Desai: Yes, and your company, we are basically exploring the ready CBG units as well from the entities who are not able to manage the existing units.

Pranay Kumar: Okay. So, in that case, what would be the margins like in that sector, sir? Is it like, what would be a payback period for our investment?

Malhar Desai: Sir, minimum payback period will be three to four years. Between three to four years, the payback will be coming up.

Moderator: Thank you. A reminder to all the participants that you may press star and 1 to ask a question. Next question comes on the line of Gursidak Singh from Prudent Equity. Please go ahead.

Gursidak Singh: So, regarding the receivables that have gone up quite a lot in the past six months, what is the status of those receivables and are you worried at all about any issues coming in those receivables and the timeline of getting the money?

Malhar Desai: Yes, sir. I beg your pardon, sir.

Gursidak Singh: So, I just want to know about the receivables. They've gone up quite a lot from INR 13 crores to INR 20 crores in six months from March to now. So, what is the status of those receivables and are you at all worried about any issues there?

Malhar Desai: Sir, not at all worried about the receivables because your Company is working with all the public sector entities which are Fortune 500, Maharatna, Maharatna companies that is IOCL, BPCL, HPCL, GAIL India, GAIL Gas. And in private clients, our blue-chip clients are Adani Group and Torrent Group. So, we are not at all worried about the receivables.

Yes, it is a part and parcel of this business. Since the retention monies are withheld, when you grow 100%, 90% YoY, your retention also increases likewise. And this is the reason you are seeing the receivables.

Gursidak Singh: But sir, it's a major jump from INR 13 crores to INR 20 crores. Are you sure there will be no cash flow issues going forward with execution and everything?

Malhar Desai: No sir, I don't see any cash flow issues right now to fund our projects, our company in this current year because our company has managed to fund heavily to all the projects in H1 itself. So, H2 is going to accelerate quite heavily.

Gursidak Singh: And as far as you mentioned that in H1 you have to give major advances and that's why cash flows are negative. Do you think that is the right way because it's very high? The advances given are still massive and cash flows are 19 Cr in cash outflow.

Malhar Desai: I understand sir, but these are some strategic moves that keep Desco totally different from all the peers of Desco Infratech. Because this is the basic reason that your Company is able to sustain the given margins, because when you – because see, your company is a vintage company in this industry, like it's already been 34 years, 35th year is running.

And this is the reason that lots of labourers, plumbers come to us and they even go to other geographical areas as well, from Gujarat, from Uttar Pradesh to southern part of India. So, yes, these are some strategic moves that your company has made giving them advances.

Like I said earlier, during Diwali we had only two days off; on the third day, everyone was already back to work, because if they had gone to their hometowns, the recurring effect of that would have lasted for at least 45 days. So, out of 100%, we would have been able to execute only about 30–35%. So, yes, these are some strategic moves and the same moves we will be doing it for the coming times as well.

Moderator: Thank you. Next question comes from the line of Prabal, an Individual Investor. Please go ahead.

Prabal: Hello, good afternoon, sir. First of all, many, many congratulations for the solid H1 FY 2026 results, my question is basically like you projected INR 1,000 crore revenue for FY '2030, like you mentioned today also. So, that's a very bullish statement.

So, my question was, how do you like plan to reach that? Like what potential changes or improvements in revenue streams or maybe capex increase or other like some factors you are looking forward to it that will help you achieve the targets? Thanks.

Malhar Desai: Yes, sure. So, currently, you know that our order book is very healthy and there are some good orders already under the pipeline only for City Gas Distribution.

Prabal: Yes.

Malhar Desai: And likewise, I mentioned that we are planning to explore to take over the ready CBG units. Okay. So and understanding the CBG Company is fully owned subsidiary of Desco Infratech Limited. So, yes, maximum revenue will be from City Gas Distribution and thereafter CBG unit and power and transmission. This will be the sequence for INR 1000 crore revenue by 2030.

Moderator: Thank you. Next question comes from the line of Kumar, an Individual Investor. Please go ahead.

Kumar: Yes. Sir, good afternoon. Sir, it's great that company has done a great job. Sir, definitely that when a company grows year-on-year by double the time definitely that cash flow must be negative. So why not you can go for some working capital loan of around INR 20 crores to 30 crores, sir? Whether you can manage without that? Yes.

Malhar Desai: Very well said, sir. We are already in the final discussion with our existing bank. And our banks are like on the final stage of the discussion. And the reason you will see this negative cash flow like since debt to equity ratio has dropped down from 0.19 to 0.1. So, yes, under your company, basically we are on the view to like to be on the syndication of debt below 0.22x. So, yes, I believe this under discussion project of financing from existing bank will very soon, I believe in this month, I think we will be able to make it.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of question-and-answer session. I would now like to hand the conference over to Mr. Malhar Desai, whole time director for closing comments.

Malhar Desai: I am hereby thanking you to each one of our shareholders that you have taken your valuable time to listen to us and discussing with us in this earning calls. Like I gave you the vision of being the INR 1000 crore revenue company by 2030, we remain steady and focused on achieving the same.

And with all your continued trust and support, your company will turn all the tables around and we will make it together. Once again, thanking you to each one of our shareholders. Thank you so much.

Moderator: Thank you. On behalf of Desco Infratech Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.