Management Discussion

Karan Thakur - Investor Relations, Kirin Advisors
Yeah. Thank you. Good afternoon, everyone. On behalf of Mr. Pradhan Constructions Limited, I welcome you all to the H1 FY '27 earnings conference call. We have with us the senior management of the company, led by Mr. Ramakanta Pradhan, Chairman and Whole-Time Director and Promoter, along with Mr. Durga Dutta Tripathy, CFO. We will begin with the opening remarks from the management, followed by an interactive Q&A session.

I would now like to hand over the call to Mr. Ramakanta Pradhan, Chairman and Whole-Time Director. Over to you, sir.

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
Thank you, Karanji. Thank you, everyone. Good afternoon, everyone, and thank you for joining us on the H1 FY '27's earnings call of Srinibas Pradhan Constructions Limited. I hope you have had an opportunity to review our financial results and investor presentation, which are available on the stock exchange and on our website. Joining me on today's call is Mr. Durga Dutta Tripathy, our Chief Financial Officer who will share his perspective on the company's business and financial performance and address your questions during the discussion. I will begin with the industry environment followed by our business performance during H1 FY '27, the financial highlights for the period and conclude with our priorities and outlook.

Let me begin with the operating environment. India's infrastructure sector continued to witness strong investment across road and highways, waste industrial infrastructure, irrigation and public building. Government initiatives such as Bharatmala projects, PMJSY and PM Gati Shakti are supporting infrastructure development and creating opportunity for construct and EPC companies. Odisha remain an important market for infrastructure development, supported by capital outlay of INR72,100 crores under the FY '27 state budget. Investment in state highways, major district road, bridges and rural connectivity are expected to generate further project opportunity across the state. With our established presence in Odisha, longstanding relationship with government department and PSUs and complementary PWD Class-A and special class registration, we believe we are well-positioned to participate in this infrastructure development opportunities.

During H1 FY '27, our business operations faced challenges due to the availability and rising cost of bitumen, a key raw material for road construction amidst the ongoing geopolitical situation in West Asia. This led to inconsistent and higher-cost supplies in capping executions timeline across certain road projects. Road and bridges continue to be our core business segment, contributing approximately 63% of revenue during the first half. Amidst the challenges, our focus on diversifying into transportation's work helps support profitability and maintain healthy margins.

On the order front, we continue to strengthen our project pipeline as of September 30, 2026, our consolidated order book stood at INR161 crores, compromising 58 ongoing projects across road, industrials and civil works. During the period, we secured several important projects, including a INR32.74 crores order for widening and strengthening the Bandhabahal-Barhabali Road in Jharsuguda district and INR8.22 crores order for connecting road development work for a major super thermal power plant in Odisha and a INR9.13 crores school development project under the Godabarisha Mishara Adarsha Prathamika Vidyalaya Scheme. Work on the school development project has commenced, marking our entry into another important infrastructure segment. Our execution capabilities continues to be supported by an integrated asset-base, including owned and

higher constructions equipment 120 TPS ABC ECOTEC Asphalt-Mixing Plant and in-house quality testing facilities. These capabilities, along with our backward integration, initiated support execution facility, quality-control and cost management.

Now let me take you through our financial performance during H1 FY '27. Our total income stood at INR3,929.66 lakhs. Our profitability remains strong with EBITDA increasing by 17.18% compared to INR895.13 lakhs compared to INR763.89 lakhs in H1 FY '26. EBITDA margin improved significantly to 22.81% compared to 16.76% in the corresponding period last year, representing an expansion of 606 basis points. New profit grew by 33.87% to INR550.04 lakhs compared to INR410.87 lakhs in H1 FY '26. Net profit margin improved to 14.02% compared to 9.01% last year, reflecting an expansion of 501 basis points. EPS stood at INR7.00 compared to INR6.89 in the corresponding period last year, registering a Y-o-Y growth of 1.60%. The improvement in profitability reflect our continued focus on project mix operational, efficiencies and disciplined cost management.

Looking ahead, our priorities remain focused on strengthening our order pipeline, ensuring timeline execution of ongoing projects and improving operational efficiency. We will continue to leverage our PWD Class-A and special class credential to participate in larger infrastructure opportunity across road, bridges and other civil structure segment. We also remain focused on deepening our relationship with existing government and PSU clients, converting new project opportunities into executable order and strengthening backward integrations to improve cost efficiencies. While Odisha will continue to remain our core market, we will also evaluate opportunity to gradually expand our presence into neighboring state with our established execution, capabilities, infrastructure asset and a healthy order book. We remain focused on sustainable growth and long-term value-creation for our stakeholders.

With this, I would like to conclude my opening remarks and open the floor for questions. Thank you.

Questions & Answers

Operator
Thank you very much, sir. We will now begin with the question-and-answer session. [Operator Instructions] The first question is from the line of Pratik, an individual Investor. Please go-ahead.

Pratik Chakraborty - Analyst, Individual Investor
Hello. Good afternoon, sir. Sir, how is our competitive landscape evolving in Odisha, particularly with the larger infrastructure players entering the state-level projects?

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
Sir, can you question on Hindi. [Foreign Speech]

Pratik Chakraborty - Analyst, Individual Investor
[Foreign Speech]

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
[Foreign Speech] but in comparison to others, [Foreign Speech] establishment, we are well-established. Well establishments means, equipment-based qualities, competence, manpower. [Foreign Speech].

Pratik Chakraborty - Analyst, Individual Investor
[Foreign Speech]

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
[Foreign Speech].

Pratik Chakraborty - Analyst, Individual Investor
Okay. Great. [Foreign Speech

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
[Foreign Speech]

Pratik Chakraborty - Analyst, Individual Investor
[Foreign Speech]

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
[Foreign Speech] 10 kilometres village connectivity road. NH to village connectivity. [Foreign Speech].

Pratik Chakraborty - Analyst, Individual Investor
[Foreign Speech]

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
[Foreign Speech]

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
Hi, sir, good afternoon.

Pratik Chakraborty - Analyst, Individual Investor
Good afternoon, sir.

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
[Foreign Speech]

Pratik Chakraborty - Analyst, Individual Investor
[Foreign Speech]

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
[Foreign Speech]

Pratik Chakraborty - Analyst, Individual Investor
[Foreign Speech]

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
Okay.

Operator
[Foreign Speech] Thank you. The next question is from the line of Tushar, an Individual Investor. Please go-ahead.

Tushar - Analyst, Individual Investor
Hi, good afternoon, sir.

Operator
Please proceed.

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
Good afternoon, sir.

Tushar - Analyst, Individual Investor
So my question is that your total income declined around 13% year-on-year, while the EBITDA grew 17% and PAT has also increased 33%. So like what are the reasons that for the divergence particularly like improvement in the profitability despite of the lower revenue.

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
[Foreign Speech] 31% to 33% EBITDA we got.

Tushar - Analyst, Individual Investor
Okay, great.

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
[Foreign Speech]

Tushar - Analyst, Individual Investor
Got it, got it, sir. [Foreign Speech] Question, if I'm not wrong, September 30, our order books is around INR160 crores, right? [Foreign Speech] Can you tell me the split, like state government, central government, PSU and private clients?

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
[Foreign Speech]

Tushar - Analyst, Individual Investor
[Foreign Speech] Okay we can connect. Okay. I'll get back in the queue.

Operator
Thank you. [Operator Instructions] The next question is from the line of Mehak Jain from Orient Capital. Please go-ahead.

Mehak Jain - Analyst, Orient Capital
Hello. Am I audible?

Operator
Yes. Please.

Mehak Jain - Analyst, Orient Capital
Hi, good afternoon, sir.

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
Good afternoon, sir.

Mehak Jain - Analyst, Orient Capital
Sir, I have a few questions. [Foreign Speech] trade receivables.

Operator
I'm sorry to interrupt you. Ms. Jain, can you be a little bit louder because your...

Mehak Jain - Analyst, Orient Capital
Am I audible now?

Operator
Yes, yes.

Mehak Jain - Analyst, Orient Capital
Okay. So till 30th September, how much was trade receivables versus March 2026 comparison? [Foreign Speech] Also outstanding payments, significant concentration in particular government department, PSU clients [Foreign Speech].

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
[Foreign Speech]

Mehak Jain - Analyst, Orient Capital
[Foreign Speech] NTPC, multiple assignments make or additional opportunities [Foreign Speech]. [Foreign Speech] regarding industrial clients business expanions plan.

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
[Foreign Speech] Continuously we are in touch. We have Vedanta, JSW. [Foreign Speech]

Mehak Jain - Analyst, Orient Capital
Okay. Versus H2 FY '26 comparison, revenue declined approximately 12%. Was this decline by seasonal factors or project execution delay [Foreign Speech] and in H2 FY '27 what is the recovery you are expecting.

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
[Foreign Speech]

Mehak Jain - Analyst, Orient Capital
[Foreign Speech] Also, our EBITDA margin of 16.76% grew to 22.81%, what is key reason for this improvement? And is the margin sustainable?

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
[Foreign Speech]

Mehak Jain - Analyst, Orient Capital
Okay, roads and bridges are contributing 63% revenue. [Foreign Speech].

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
Sorry. [Foreign Speech]

Mehak Jain - Analyst, Orient Capital
[Foreign Speech] Roads or bridges revenue contribution was 63%. So in the next two years, diversification [Foreign Speech]?

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
[Foreign Speech]

Mehak Jain - Analyst, Orient Capital
Okay. [Foreign Speech] current execution status. [Foreign Speech]

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
[Foreign Speech]

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
[Foreign Speech]

Mehak Jain - Analyst, Orient Capital
[Foreign Speech]

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
[Foreign Speech] This financial year work will get closed.

Mehak Jain - Analyst, Orient Capital
[Foreign Speech].

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
[Foreign Speech] Timeline one year before should be closed to complete. But department [Foreign Speech].

Mehak Jain - Analyst, Orient Capital
[Foreign Speech]

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
[Foreign Speech]

Mehak Jain - Analyst, Orient Capital
Got it. Okay. Thank you. Thank you for answering all my questions. Thank you.

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
Thank you.

Operator
Thank you. [Operator Instructions] The next question is from the line of Himanshu Kapoor, an Individual Investor. Please go-ahead.

Himanshu Kapoor - Analyst, Individual Investor
[Foreign Speech] Okay, sir. So first question, most of your projects are from government. Government generally delay payment. So how do you manage project execution, working capital?

Operator
Mr. Pradhan, you are not audible.

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
Hello?

Operator
Yes.

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
Durga?

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
Yes, sir.

Himanshu Kapoor - Analyst, Individual Investor
Should I repeat the question?

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
Yeah, yeah, please repeat.

Himanshu Kapoor - Analyst, Individual Investor
[Foreign Speech] your projects are government projects or government generally delay the payment. So how do you manage project execution, working capital?

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
[Foreign Speech] No, we are working mainly on government. Government delays mostly in its final billing. [Foreign Speech]

Himanshu Kapoor - Analyst, Individual Investor
[Foreign Speech]

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
[Foreign Speech] There is no tension in working capital. [Foreign Speech]

Himanshu Kapoor - Analyst, Individual Investor
[Foreign Speech] What is the future plan? [Foreign Speech]

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
[Foreign Speech] We will work on big projects.

Himanshu Kapoor - Analyst, Individual Investor
[Foreign Speech]

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
[Foreign Speech] First we think of Odisha and Chhattisgarh. Chhattisgarh is border area. We already participated in tender. [Foreign Speech]

Himanshu Kapoor - Analyst, Individual Investor
[Foreign Speech]

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
[Foreign Speech]

Himanshu Kapoor - Analyst, Individual Investor
[Foreign Speech]

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
[Foreign Speech]

Himanshu Kapoor - Analyst, Individual Investor
[Foreign Speech]

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
[Foreign Speech] IPO, 100% utilized.

Himanshu Kapoor - Analyst, Individual Investor
[Foreign Speech] After receiving PW Class-A or special class registration, [Foreign Speech]?

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
[Foreign Speech]

Himanshu Kapoor - Analyst, Individual Investor
Thank you.

Operator
Thank you. The next question is from the line of Priyanka, an Individual Investor. Please go-ahead.

Priyanka - Analyst, Individual Investor
Good afternoon, sir.

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
Good afternoon.

Priyanka - Analyst, Individual Investor
Sir, my question is in FY '25 or FY '26 company's operating cash flow was negative. So in H1 FY '27, what is the cash flow position?

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
[Foreign Speech] Comparison to last year, we are in that position.

Priyanka - Analyst, Individual Investor
[Foreign Speech] Okay, sir. The Bandhbahal-Barihapali project is significant portion of company's total order book. So in H2 FY '27, what is the execution completion expectation for this project?

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
Target is INR15 crores. Second half of financial year, INR15 crores target.

Priyanka - Analyst, Individual Investor
Okay. Thank you.

Operator
Thank you. [Operator Instructions] The next question is from the line of Mayur Parik from BY Capital. Please go-ahead.

Mayur Parikh - Analyst, BY Capital
Yeah, hi, good afternoon. Can you hear me?

Operator
Yes.

Mayur Parikh - Analyst, BY Capital
Yeah. I have two or three questions. [Foreign Speech] So, first PW Class-A or special class contractor registration, like how much company maximum size contract can it bid? The value of the order.

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
In special class, INR50 crores single work can participate. There is limit. But value of the work should be INR50 crores.

Mayur Parikh - Analyst, BY Capital
Okay, okay. And after registration, how many tenders did we submit till now?

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
[Foreign Speech] More than 10 to 15 works...

Durga Dutta Tripathy - Chief Financial Officer (CFO), Srinibas Pradhan Constructions Limited
[Foreign Speech] INR50 crores to INR200 crores turnover we participated in this.

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
[Foreign Speech]. A class, there is INR20 crores limitation.

Mayur Parikh - Analyst, BY Capital
Okay. Fine. [Foreign Speech] We are executing through Infra. Like what is the rational here, like any specific rational that you have?

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
Actually Srinibas Pradhan Infra, before it was Srinibas Pradhan proprietorship. [Foreign Speech] C,B, A special cluster license. This Infra, Srinibas Pradhan proprietorship in 2024 was acquired. So existing A class license in that time was converted to Srinibas Pradhan Infra. And Srinibas Pradhan Infra did not any long-term credential. [Foreign Speech]

Mayur Parikh - Analyst, BY Capital
[Foreign Speech] I understand. Got it.

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
[Foreign Speech]

Mayur Parikh - Analyst, BY Capital
Okay. That's it from my side. Thank you for answering.

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
Okay.

Operator
Thank you. [Operator Instructions] Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to Karan Thakur for closing comments. Thank you, and over to you, sir.

Karan Thakur - Investor Relations, Kirin Advisors
Thank you for joining the call of Srinibas Pradhan Constructions Limited. If you have any queries, you can drop an email at research@kirinadvisors.com. Thank you all for joining the call. Thank you.

Ramakanta Pradhan - Chairman & Whole-time Director, Srinibas Pradhan Constructions Limited
Thanks, everybody. Thanks.

Operator
[Operator Closing Remarks]