

Corporate Office
Unit No. 7, 5th Floor, Tower 2,
Capital Business Park, Sector 48,
Gurugram, Haryana 122001
Tel / Fax : +91 124 4896700



Date: June 2, 2026

To
The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400051.

NSE Symbol: **K2INFRA**
ISIN: **INE0DEZ01013**

Subject: Transcript of the Conference Call – Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

This is with reference to our earlier letter dated May 21, 2026 regarding Intimation of the Conference Call with the Institutional Investors/Analysts (Group Meet) held on Wednesday, 27th May, 2026 at 2:00 pm (IST) to discuss the financial performance of the Company for the second half and financial year ended 31st March, 2026.

In this regard, pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), please find enclosed herewith the Transcript of the said Conference Call for your reference.

The aforesaid Transcript is also being made available on the Company's website at www.k2infra.com.

This is for your information and records.

Thanking You,

Yours faithfully,
For K2 Infracore Limited

Jyoti Pulyani
Company Secretary and Compliance Officer
Membership No.: A55697

Encl: *As above*



K2 Infragen Limited

H2 FY'26 Earnings Conference Call May 27, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange will prevail.

MANAGEMENT: MR. PANKAJ SHARMA - FOUNDER & MANAGING DIRECTOR

MR. VINEET SHARMA - HEAD BUSINESS STRATEGY & CORPORATE AFFAIRS

MS. PRIYANKA PAREEK - CHIEF FINANCIAL OFFICER



K2 Infragen Limited
May 27, 2026

Moderator: Good day and welcome to the K2 Infragen Limited H2 FY 2026 Earnings Conference Call hosted by Valorem Advisors.

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 “*” then “0” on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you and over to you ma'am.

Purvangi Jain: Thank you. Good afternoon, everyone and a very warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the investor relations of K2 Infragen Limited.

On behalf of the company, I would like to thank you all for participating in the company's earnings conference call for the second half and the Financial Year 2026.

Before we begin, let me mention a short cautionary statement. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by and information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decision. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Now let me introduce you to the management participating with us in today's earnings call and hand it over to them for their opening remarks. We have with us Mr. Pankaj Sharma - Founder and Managing Director, Mr. Vineet Sharma - Head, Business Strategy and Corporate Affairs and Ms. Priyanka Pareek - Chief Financial Officer.

Without any delay, I request Mr. Pankaj Sharma to start with his opening remarks. Thank you and over to you, Sir.

Pankaj Sharma: Thank you, Purvangi. Good afternoon to everyone. A warm welcome to all of you for joining our First-Ever Earnings Call for the Second Half and the Financial Year 2026.

For some of you who may not be familiar with the company, let me begin by giving you a brief overview where our CFO takes you through the financial performance for the period under review.



K2 Infragen Limited
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K2 Infragen was incorporated in 2015 with a clear vision of building a diversified infrastructure EPC company with capabilities across multiple infrastructure domains rather than limiting ourselves to a single segment. For a very beginning, our strategy is to perform operational discipline and long-term scalability.

Over the years, we have steadily expanded our presence across roads and bridges, railways infrastructure, power transmission and distribution, water supply projects, civil infrastructure and renewable energy related projects.

Our capabilities span the entire project value chain, including design, survey, procurement, construction supervision, subcontractor management and post-construction support too. Support efficient project execution across multiple geographies. We also own and operate a fleet of more than 64 construction machines and equipments which significantly enhance our operational efficiency, execution readiness and scalability.

Today, we are executing projects across multiple states including Uttar Pradesh, Rajasthan, Gujarat, Madhya Pradesh, Haryana, Karnataka, Odisha, Bihar and Delhi NCR. We are privileged to work with reputed clients such as L&T, GR Infra, Tata Projects, VTL, Adani, KC International, Public Works and government customers like PWD, NWR, KPTCL, RRVPNL, all these things.

One of the key strengths of the company has been our strong focus on professionalism and system-led execution. We have consistently built an experienced management and project execution team comprising of professionals from leading infrastructure organizations across road, railways, power transmission and EP execution domains. We believe the infrastructure EPC industry in India is gradually evolving in a more organized and professionally managed ecosystem and companies with strong execution capabilities, governance standards, technical expertise and disciplined production will be better positioned to create sustainable long-term value.

Our approach has always been to work with strong counterparties and reputed infrastructure developers which has helped us build credibility, execution experience and long-term relationship with the sector.

I am pleased to share that company has maintained on-time projection delivery rate of approximately around 83% during FY'26 reflecting the operational discipline and commitment to our teams across the project sites. To the date, we have successfully executed more than 50 projects since inception and currently 11 ongoing projects across multiple states. Our total project value presently stands at approximately Rs. 662 crores out of which nearly Rs. 424 crores remain unexecuted providing us strong visibility or revenue visibility execution momentum for the coming years.



K2 Infragen Limited
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I am also happy to share that our order momentum has strengthened significantly in recent months. Since December 2025, K2 has secured new orders worth approximately Rs. 412 crores across energy, transmission and distribution, railway and renewable infrastructure projects directly from the government bodies. Most recently, on 25th March 2026, we have announced receipt of two strategically important letters of award from Rajasthan Rajya Vidyut Prasaran Nigam Limited, which we call it the RRVPNL aggregating approximately around Rs. 57 crore order book. These projects include the construction of 132/33 kV grid substations in Mukundgarh, Jhunjhunu district along with 220 kV grid substations at Seruna and Bikaner district.

Another important milestone for the company has been the gradual transition from the predominantly sub-contractor execution to securing direct contracts from government entities. Over the last few quarters, we have received direct orders from organizations such as KPTCM, RRVPNL again and NWR, which marks an important step towards strengthening our direct institutional order book.

Going forward, increasing the share of direct government contracts in our order book will remain an important strategy-focused area for the company as it enhances margin, execution visibility and long-term business scalability.

In addition, the company currently has a live bid of approximately Rs. 500 crores across the roads and railway sector, reflecting the strong business pipeline we continue to build. From the industry perspective, we believe India is emerging as a multi-layer infrastructure growth cycle supported by strong government spending across transportation, railways, power transmission, renewable energy, urban infrastructure and water management. Particularly in sectors such as power transmission and railway, we continue to witness strong opportunity creation driven by the transmission network expansion, renewable energy, railway electrification, doubling projects and modernization initiatives.

With the direct transmission and distribution orders now being executed in both Rajasthan and Karnataka, we are actively expanding our geographical presence while further strengthening revenue visibility in the power infrastructure segment. Looking ahead, we also intend to explore opportunities under the tariff-based competitive bidding or TBCB model as well as the hybrid annuity model, which can gradually help us build a stable annuity-based revenue stream and further improve the quality and predictability of our order book over the long term. Financially, over the last few years, the company has delivered strong growth momentum supported by diversification across sectors, expansion of execution capabilities, improving scale of operation and strengthening our organizational depth.

Going ahead, our priorities remain focused on expanding execution capabilities, strengthening our presence in high-growth industrial sectors, improving operational efficiency, maintaining



healthy order book inflows, strengthening governance and systems and creating sustainable long-term values for all stakeholders.

We believe the company is still at the beginning of a much larger growth journey and we remain committed to build a scalable, professionally managed and future-ready infrastructure platform.

With this brief overview, I would now request our CFO – Ms. Priyanka Pareek, to share the financial highlights for the Second Half and the Financial Year 2026. Over to you, Priyanka.

Priyanka Pareek:

Thank you so much, Pankaj sir, and good afternoon, everyone.

Let me take you through the Financial Highlights for the Second Half and the Financial Year 2026.

For the Second Half of the Financial Year 2026, our revenue from operations stood at approximately Rs. 94 crores, which remained largely stable on a year-to-year basis. EBITDA for the period stood at around Rs. 9 crores, with an EBITDA margin of approximately 10%. Profit after tax stood at around Rs. 6 crores, translating into the PAT margin of approximately 6.4%.

For the full Financial Year 2026, the company reported the revenue from operations of approximately Rs. 185 crores, registering a growth of 26% year-on-year basis.

Now, if I talk about EBITDA, our EBITDA stood at somewhere around Rs. 26 crores, reflecting a growth of approximately 25% on a year-to-year basis. While this EBITDA margin remained healthy at around 12.5%, profit after tax for the year stood at around Rs. 13.33 crores, with a PAT margin of approximately 7.2%.

So, the overall financial performance during the year was supported by healthy execution across the projects, improving the business scale, and the continued diversification across the infrastructure segments.

With that, I now open the floor for a question-and-answer session. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Disha from Sapphire Capital. Please go ahead.

Disha:

Hello.

Moderator:

Yes, Disha. Please go ahead.

Disha:

Am I audible?



- Moderator:** Yes, you are. Please go ahead.
- Disha:** Yes. Thank you so much, sir, for the opportunity. So, I joined the call a bit late. So, firstly, on our second-half performance, I see the execution has suffered a lot, and I think the impact on the margins was based on the raw material pricing. So, if you could just elaborate a bit more on how do you see the overall geopolitical situation and how many of our contracts are passed through. So, in terms of our margins, how protected are we from these price hikes?
- Pankaj Sharma:** Okay. I think you have actually said that in the second-half, our overall operational efficiency has got impacted due to this war situation and everything. So, that was the main reason where it got impacted. But at the same time, I think the company has decided for the strategy, actually we started reaping the benefit of the direct orders and everything from the month of December onward. So, we were actually going a little slow also that time. The reason was that we did not want to get into, again, some contracting mode. So, we are more focusing on our, we are waiting for that result. And with god's grace, we got that result from January onwards. So, and if you see the overall ratio, because investor presentation is already uploaded, so the overall ratio on the road side, it was around 77%. And that is the basic reason where, because of which, you can see that operational efficiencies are down because all the rates of bitumen and the diesel prices have gone up from the February mid onward. And that has impacted overall the scenario. That was the main reason. Nothing else.
- Disha:** Sir, going ahead, how do you see the execution for FY'27 and what sort of margins can we expect?
- Pankaj Sharma:** Okay. So, good. I think, with respect to the margin, this will, I am not going to say a number, but I tell you, and you can probably, you can take out this thing. As company is getting, company has reported that more than Rs. 400 crore we got in order related to the power transmission and the railway, which has a higher margin than compared to roads. So, we are very bullish about it, that going forward, this will support the overall economics of the company. The reason why, it is not only that it is a power transmission or a railway project, but more projects are dependent on the supply-oriented businesses. So, in the supply-oriented businesses, margins are a little bit on a higher side. And also, if you see the geopolitics, which is going on the bitumen side or you can say more on the crude oil side, it will not impact the overall railway and the transmission projects. So, going forward, even our order book, you can say, portfolio sharing will be more towards on the railway and the power side, with respect to the road side.
- Disha:** Okay. So, how should we look at the overall growth of FY'27?
- Pankaj Sharma:** Sorry?



- Disha:** The growth that we are expecting for FY'27?
- Pankaj Sharma:** We will be maintaining more than 25% anyhow. That is what the standard we are maintaining since last three years, and it will be maintained for that.
- Disha:** And what is the order pipeline that you are currently looking at? And what sort of inflows are we expecting?
- Pankaj Sharma:** We have an order pipeline. As I mentioned to you, that Rs. 500 crore has already been bid. We are waiting for the result. So, and the chances are high. I will say that Rs. 400 crore has already been unexecuted with us today. And actually, there are things, I think, because we communicate to the public only once we get the LOA. So, I think out of Rs. 500 crores, Rs. 160 crore results have been out, but we are waiting for the LOA. So, once that LOA will be there, then I think the order book can shoot up to a good amount.
- Disha:** Okay. And sir, the other players in the industry also, in the labor shortage issue, and due to elections, that got exaggerated. So, how do you feel, what is the current scenario? How has the Q1 been so far for us, sir?
- Pankaj Sharma:** I think you have actually pointed out the right thing. I think that is the basic reason why we are getting into the railway works. Exactly in the railway, there are two domains are there, which is, one is PSI and another is OHE, which is overhead electrification. So, if we take the projects related to PSI, there the, actually there the manpower requirement is little bit compared to, so you can say OHE is less, or even in the road side also. So, we are trying to, actually we are trying to take the works, which are less, you can say less manpower intensive, more on the, you can say, again I will say, more on the product side, like if I say PSI, then it means that we have around Rs. 222 crore of order book, I think around Rs. 90 crore or Rs. 200 crore only transformer is there. So, establishment of transformers and everything requires, means, first of all manufacturing requires some time and another thing is that establishment of transformers and everything not requires a very huge manpower, they require a skilled man, skill available in the market.
- Disha:** Okay. Fair enough. That is it from my side. Thank you.
- Pankaj Sharma:** Thank you.
- Moderator:** Thank you. The next question is from the line of Saket Kapoor from Kapoor and Company. Please go ahead.
- Saket Kapoor:** Hello. Namaskar, sir. Hope I am audible.



- Pankaj Sharma:** Namaskar. You are audible. Go ahead.
- Saket Kapoor:** Sir, firstly on the differentiation point, if you could just give us, your investors and understanding of, this is a very, EPC has turned out to be a very crowded space with all deep pocket people are also bidding and outbidding each other and that has become also an area of pain for smaller players like us, if I may mention so. So, how are we, firstly, differentiating the aspect and then when we look at our receivable part of the story, the cash flow, that those are showing a bit of strain. So, how are we going to mitigate both exercise and the ambitious number which we have mentioned in terms of the execution pace and scale? What kind of capital infusion would be required going ahead? And how are we going to meet those targets, sir?
- Pankaj Sharma:** Okay. Thank you. I think this is something very close
- Saket Kapoor:** Hello.
- Moderator:** Sir, we are unable to hear you.
- Saket Kapoor:** Sir, can you repeat once again? Hello. Madam, am I audible?
- Moderator:** Sir, you are audible. We are unable to management.
- Saket Kapoor:** Okay, fine.
- Moderator:** Just give me a moment. Ladies and gentlemen, thank you for patiently holding line. We have management reconnected. Over to you, sir.
- Pankaj Sharma:** Yes. Sorry, I think there was some disturbance. We were on the last question, it was that how we are differentiating from our peer group and I was answering that question only. So, again, continuing with that, what I was mentioning that apart from the management and the system process, what we are building, that is the biggest differentiation in the market compared to our peer group. I would like to answer the second half of the question which was like on the, basically on the cash flow, debtors and our ambition numbers and how we are going to do the implementation. So, there on the cash flow side, if you actually go through the balance sheet properly, you will find that our cash flow has improved much from the last financial year. So, we are on a year-on-year increase, improving our cash flow like anything. Even our debtors has increased compared to last year, this year has been increased and being in the EPC player, I will say you can say that retention amount and everything. Our, actually debtors, whichever we have been mentioning in the balance sheet, that includes the retention amount also. So, it will be always be-- because when you will get the complete balance sheet on that notes, it will be mentioned that how much retention amount is there. But we are very close to what the



industry standard is there because we are not working as a subcontractor. We are not working as an RA bill on a monthly basis. We have our billings and everything on the milestone basis. These types of debtors are there. So, that is there. And as you mentioned that we are now moving forward back to back to directly government order, directly going to bid for the government and we are directly going to bill for the government. Our debtors will be improving like anything again. So, as you can see from the last quarter, sorry last half year and then again, we are improving again and again. I think this year probably we will even will be in much better position compared to what we are today. About the ambition number, I think these numbers are not very ambition because today whatever we are mentioning that is on the order book we are having right now. Even in the first quarter of the financial year, we are having that number which is good enough for achieving our aspiration of 25%, 26% of year-on-year growth which is very much easily possible. So, even expectations are much high. I think within one, two months as I mentioned you that there are few more results needed to be received from the bidding what we have did in the bidding. So, we are waiting for that bidding results also. So, might be our numbers will be much more on a better position and we will be on a much better position to make you convince that we are going to implement it very easily. So, this is there. On the capital infusion, if you say yes, we are planning. In the last year also we did around, taken a 120 metric tonne bitumen plant in the Gazipur project and this year also we have some plan to add on the machines. We already have more than 64 machines but we are trying to add more machines and we are generating the capital. Even in the very recent for our 2 megawatt plant we have acquired 8 acres of land also. So, that is also one of the asset which we built in the company. So, now the company is getting into that asset building of you can say land also which is required for our solar projects and apart from machines which are required for our delivery on the power transmission side or the road side or you can say the railway side. So, this is what the overall answer for that question which was asked last time.

Saket Kapoor:

Right sir. We have mentioned that now we are bidding directly for the contract but we have mentioned about also some marquee clients name which includes the likes of KEC, Vindhya Telelinks and also currently in the closing order book what portion of our work is jointly or are we doing work for these players and overall basis how will the margins likely to improve going ahead once we start bidding. We have done the bidding right now but when the execution starts on our standalone basis not as the job over for the ones which we have done earlier and pertaining to again in your remark you have mentioned about this TBCB part of bidding. You are looking for the annuity revenue through the government assets. So, what is our plan and although the setup of our country the major CAPEX is done by the Indian government or the state government. But in the last two, three years the experience has been that the work is being done but the payment is not being received whether it is the Jal Jeevan scheme or other projects where there is huge repayable pending. The companies whose names you have mentioned like KEC and Vindhya all have reported huge outstanding from the government entity itself. So, now we are moving in the same bracket going ahead. So, from the government



side what are the trends or the concession you are observing because of which you are taking the risk intentions, you are going in the same space where already the big existing players are facing problems.

Pankaj Sharma:

I think what you have said is right but first of all we are going in the same space. Again, I will divide your questions into three parts and I will answer the first part. First of all, the new order book that we are talking about of Rs. 424 crores is a direct order book. We hardly have any order book of Rs. 10 crores, Rs. 12 crores which is left with VTL, KEC and others. Otherwise, that is also not left. We have won everything by bidding directly. The order of Rs. 222 crores of railway which was given in January, which is Rs. 262 crores inclusive of GST and Rs. 222 crores without GST, it has been bid with JV and we are the lead partner of it. We have 74% of it. So, these are direct orders. Similarly, when we talked about Rajasthan a while ago, the order of Rs. 56 crores of RRVPNL is also a direct order in the form of JV. Now, we have come out of that trend where we used to work after taking from these companies. I think I have answered the first part. Now, all the order books that are there in the future are all our direct order books. So, I will tell you how there is a difference in margins because of this. I will tell you what difference is there in margins or in cash flow. The difference in margins is there when these companies do direct bidding to the government, then there is 2% GST and TDS and 2% TDS and 1% CESS. So, this 5% part, after this 5% part the royalty comes because of the way the industry moves. So, our first thing is that in this 5%, we had a combination. Some were ready to give 2%, some were not ready to give 2%, some were not ready to give 1%. So, when we go in a direct approach there, then our benefit is that, 2% of GST and TDS also supports the cash flow a lot when you are at a high volume project. And TDS at the same time. I am telling you for both the things. So, this is another part. Secondly, when we are telling you that we are moving forward on the side of TBCB and HAM, then I will say, whatever you are saying that the company, like state government or central government is not giving money on time and its impact is coming, I will say that we will mitigate that as soon as we enter in annuity based businesses. Because in annuity based businesses, it is a combination of 40%:60%. And because of this, our dependency on the government, means when the project is executed, it is immediately on the government and then in the long run. Which is a, you can say, which is a, sure short payment has to come. And if not, then the interest rates and everything is defined on late payment and everything. So, I will not say that Jal Jeevan Mission did not give money, then your loss happened. Loss and did not give money are two different things. Loss can probably be due to efficient working and operational working. So, without naming it, because my customers are also old, the biggest benefit I got and this company K2 got, when we thought on day one that we will not work for any XYZ, we will be working only for the contractors which are directly dealing with the government. So, the biggest benefit we got was that we got to know about their working style. And on that working style, we were able to define exactly where we have to make corrections, where we have to be alert and what analysis we have to do, so that the direction of our future is very clear that where we want to go. And that is how



the management team has been built also. When I say rich experience manpower and the combination of different KECs, GR Infra, Power Grid, financial side, this combination is very important. I can say that there is a trend in the Infra domain in India that promoter oriented companies are working. Companies are professionally managed, they are doing very good. Either you can take Tata project, either you can take L&T. And any professionally managed company which is running is doing very well. There is a backup with promoter driven companies. If you pick up the numbers, L&T has also announced a PAT of more than Rs. 1,000 crores. So, this is just a point of view that which side we want to see. So, I will say that we are very much confident and touch wood with a professional team and it is more of a you can say professionally oriented company, board driven company. So, we are taking every step very seriously. We are not entering into any such projects whose financial closing has not been done yet. Fund has not been announced yet. In central government, if we are working in JJM, we have not gone anywhere. Without naming it, I am mentioning it A and B state name. We have not gone to such B states where there were chances of issues. We went to A states. So, there are, I think, we feel that whenever, and it is not about EPC. I have other businesses also. And I will say that it is more about that when you are doing businesses, how alert you are. What are the risk mitigation strategies you are following. If they are not being followed, then there is no such thing that a goldsmith does not have a loss. They can also have a loss. And goldsmiths are also crying a lot these days. So, it is not like that. I think it is more important that we should have a very clear cut path. Because we are a professional team, our way path is planned for five years. Where do we have to go, why do we have to go. If you have seen the company in the last three, four years. So, with respect to, in line with the budget we are moving. If we entered the water, then at that time, Rs. 70,000 crores, the government had brought a project forward. When we moved to the side of power transmission or we moved to the side of the road. So, there are, I will say that the perks which the government wants to invest. So, I think it is more important that we stay in line. If we try to go out of the line, then there can be a problem. And apart from that, again, being a professionally managed company. We are also planning to get into the international market very soon. So, our risk mitigation plans are very well defined. And with god's grace, we are doing it very well. So, I think I have answered all your questions. Still, if you want, I can explain again.

Saket Kapoor:

Yes, sir, you have given a lot of information. Sir, two more questions will be made. First, sir, as you said, our execution capability. You are working on that. In building the team, team building exercise that will lead to the revenue increase in the band of 20%, 25% going ahead. But the margin profile will remain, if you could just give us some more color on how the margin should shape up. And in terms of our receivables, sir. I think the closing balance for that is above 130. The number was there. Just give me a second. So, how are the receivables currently moving? In tandem, in how many days is our cash conversion cycle?



Pankaj Sharma:

I was reverting to you a while ago. If you compare last year to this year our DSO was 323 has come to 270. And it is being reduced. The reason behind that is that as we are improving. As we are going to direct work and we are going to direct order. Our cycle will be reduced there. The second thing is that there is one more thing. I am not saying that the cycle will be very low. There is a reason behind it. In power transmission businesses, the manufacturing lead time is very high. Whereas to get it done, you have to invest first. So, there are things out there which I think matter. And it is true that it is improving day by day. The first part of your question was that we are investing in manpower. We are doing everything. We are doing our operational efficiency well. And we are talking about 25% growth. So that we can do the revenue well. So, this is the reason that if we are investing in manpower and we are doing it on a good professional team. So, delivery time matters. And actually, if you go to the core of EPC business. So, margins are more dependent on the delivery. I mean, I mentioned this in my speech a while ago. That 83% of the delivery time is planned versus the actual 83%. So, we are targeting that in this year, let us take 83 to 90 plus. And as soon as we go to delivery on a timely basis. I will say that the margin increases automatically. Because the overhead cost or you can say the part which is from the employee side or the benefit or the financial charges that is reduced automatically. If you look at the balance sheet very well our margin is actually status quo. Our margin is very good. It is still going on. The margin where it has fluctuated a little it is because of our financial cost. Our financial charges have increased comparatively. But there is a reason behind it. Our financial charges have increased because if we are going to a transmission oriented business. If we are going to a power oriented business. There the cash flow requirement is more as compared to road. So, whenever you have to look at K2 or if you have to understand K2 then you have to take a holistic view. Because this is a company working in all the domain of Infra. It is not like that we are working only in the single domain. So, we are also getting the benefit of risk mitigation of all the domain of infra. We are slowly moving towards the synergy benefit. Today we are able to reduce our overhead because we are entering in every domain. Because of which the margins are good. Delivery time is good. It is more on the product side. So, the dependency on the manpower is reducing. The more dependent we are on the manpower oriented work the more chances are there of delay and ideal charges. So, I will say because as I mentioned in the first sentence also. We do not say this on the call. We are not allowed to do this. The only thing I can assure you that we will be on the progressive path as we are doing it. Even this year also if you compare with our last year numbers and everything we are on the progressive path. The only difference is that there has to be some impact in the war situation. And its impact also, if we look at it actually, when we will be doing the final billing then we will get to know how much support we will get from the government. And then we can mention the numbers also.

Saket Kapoor:

Thank you very much for all the information.

Pankaj Sharma:

Thank you.



Saket Kapoor: One point will be that. We are on the SME board. So, you have the provision to only give half yearly results. But after the quarter ending whatever information you can decimate through exchange by which your investors or the analyst community should know what we have achieved in the quarter in terms of whatever is permissible. So, you should definitely pay little attention to that. Whatever you are able to do through the provision you should definitely do it. The gap that will there of six to three months till the next conversation. If you can bridge the gap.

Pankaj Sharma: Sure. Can I know your good name?

Saket Kapoor: Yes sir. My name is Saket Kapoor.

Pankaj Sharma: Mr. Saket. Instead of the rest of the provisions I will tell you that we are on the SME board for a few more months or for a few years. We are going to enter the main board. So, our entire preparation is like that. The rest is whatever you told and the suggestions you gave. That suggestion will be implemented gradually. Now in our communication. Even from Valorem and our prior communication, they will be actively there. And on a time-to-time basis you will keep getting things. Whether it is through the investor presentation or through the media. You will get information from time to time about our company's new system process, new development, new orders and everything. So, cross your fingers for a few more months. In a year and a half we are expecting, in mid of 2027 or January'28 we will be on the main board.

Saket Kapoor: Okay, sir. Thank you.

Pankaj Sharma: Thank you.

Moderator: Thank you. The next question is from the line of Sanjay Mallik from Chompi(inaudible: 43:24) Enterprise. Please go ahead.

Sanjay Mallik: So, couple of questions. One is to continue the conversation on the cash flow because the cash flow is negative. All the communications have been on the receivables. I understand that. But it has to be looked at in a holistic sense because whilst your debtors are going up, or are the receivables going up or creditors are going down. So, on one side trade are unfavorable and on the other side also it is unfavorable. It cannot happen on both side. And the results of short term and long term borrowings have shot up year-on-year. So, this is just an observation. I am not saying anything is right or wrong. But I have seen exactly this scenario, it does not really hurt you in good times. When there is a bad time like in the ILFS 2018 crisis, all the companies that went bad happened because they had large short term debt, they had extensive receivables, they were paying their creditors in advance faster than they were receiving their money. And from EPC they became asset owners just like the vehicles that you are buying. So,



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I will only caution that as you are building your business look at all aspects of your operating cycle and balance your cash flows from long term and short term so that you do not have any black swan event or a sudden collapse in the market that can affect the good business model. So, that is one observation. I think you will not only get rewarded by stock investors, you will also be rewarded by the rating which will bring down the cost of capital also. So, that is just an observation, and you can respond if you wish to. The other thing I wanted to talk about is if you can give a clear account of what happened with the income tax investigation because from any stakeholder perspective if there is a governance issue or something which is not finding right that causes alarm. So, I am just raising these two points and I sort of needed you to respond anyway.

Pankaj Sharma:

Sanjay ji, thanks a lot. I think your first observation, probably I will say we are also looking that way. But I will just try to answer you that how we are prepared to take care of what happened in the ILFS or you can say anything earlier. And why it is happening. Probably once you know the reason that why is it happening and how we are going to mitigate this thing, I think you will understand that we still are in a very better phase. On the income tax part, I will give only one liner that all the, you can say reports and appraisal reports and everything will be, we are ready for the answers but there is nothing there. There are few accidents which you cannot avoid it being in business. My liner is that, that was an accident and now everything has been insured and passed on. So, we do not want to mention more things on that point but let us get into the first point which you mentioned. I think, the cash flow negative, first of all, actually if you have gone through the, deep dive the cash flow, you will that overall cash flow has improved form last financial year. So, if you see that it was negative 42, it reaches to negative 16, negative 17. See the improvement in comparison to last financial year. So, I will not say it is positive today. But you can say this is better on the positive side. From minus 43 it becomes minus 17. Also another thing which you added, because since you deep dived in a very better way so you can deep dive on the FD part also. What is the capability of FD today company is having. So, we have a FD in house of more than Rs. 50 crore today. So, overall if you see the cash flow what you are saying, I am again saying it, I am not mentioning that we are cash flow positive but we are secured enough. It will be improving and I think in the next half yearly results you will find that we will try to be on a positive side and very soon we will be reaching there because producing from 43 to you can say, in a year if we have reduced more than what you call it Rs. 25 crores so I think remaining Rs. 17 crores will be taken care of. Now, the another question was that our receivables cycle is increasing and creditors cycle is decreasing so I want to correct in a better way that our receivables cycle has improved compared to last financial year. Last year GSO was 323 days, today it is 274 days. That to both the time it was included of retention amount. So, that is there. Now, your observation of creditors going down. I accept that creditors are going down. But if you are entering into a transmission business where cash flow requirement is of 30% and where we are moving our road to transmission, power side. So, there the creditors which comes into, I was mentioning to, I was talking to him now, I forgot



his name. I was talking to him and I said that we are moving from road to power side where we have to give the advances to our transformers. So, making a transformer needs time of six months but we have to give the advances and everything. So, that is the reason creditors cycle you are finding it. But this can be very much proved in the September results that these things will reap the benefits ASAP because as soon you do the supply part, your realization of 70%, 80% is within a 15 days span. So, since the last year was more towards on the, tilted towards on the road side it was not showing the exact green picture of that. But this financial year we will show you that green picture also. And we really wish to have a, you can say, we are aspiring to have a admirable company which we will be admirable by all the people. So, I think my partners, my vendors, my creditor side they should be also working with us because now we are moving to the HAM or you can say annuity business and everything, we required a big deep pocket partners. And then deep pocket partner, to fascinate that deep pocket partners and everybody, we should be known as a good player, good paymaster. Otherwise, it will be a bounce back. So, I will say overall, out of your three observations, two observations I request you to correct it, that our cash flow is getting positive side. Our credit, you can say debtor days is reducing whereas creditors I mentioned you that these are the results. So, I think, Sanjay ji, I have given you the answer to line with your satisfaction. If not, I can repeat it again.

Sanjay Mallik: No, no, thank you very much. I mean, basically, end of the day, objective of any company is to have more cash generation this year than last year. So, I think cash flow is positive and hopefully it will continue in that direction.

Pankaj Sharma: Yes. Thank you. This is what, and for us, it is very much important that we not only value our system process, but our stakeholders and whosoever has invested on us and taken, you can say, have a faith on us. We can prove you that the way we are improving our cash flow, I think it was, anybody can judge it, because coming from 43 to 17 it required lots of new strategies and new, you can say, protocols. We have followed that. And I will not say that everything turn good overnight but I think within a few months, you will find it much positive.

Sanjay Mallik: Thank you very much, sir.

Pankaj Sharma: Thank you, Sanjay ji. Thank you.

Moderator: Thank you. The next question is from the line of Sanjeev Pandya from Lancer's Impex Private Limited. Please go ahead.

Sanjeev Pandya: Sir, could you, what exactly is your interest cover running at right now?

Pankaj Sharma: Just a minute, sir.

Sanjeev Pandya: Hello.



Priyanka Pareek: Sanjeev ji, are you able to, can you hear us?

Sanjeev Pandya: Now I can hear you, but I lost you in the middle.

Priyanka Pareek: So, can you, you mean to say, you need to know the interest cover, right?

Sanjeev Pandya: Yes.

Priyanka Pareek: If I talk about the exact, like today we are sitting somewhere, the interest cost is somewhere around Rs. 6 crores. And if I talk about the EBITDA amount, it is somewhere around 24. So, you make, it is somewhere around

Sanjeev Pandya: It is 20 or 26?

Priyanka Pareek: 26. It is around 26, yes.

Sanjeev Pandya: So, so interest cover would be therefore 0.25, right?

Priyanka Pareek: Yes, yes.

Sanjeev Pandya: So then, if there is any, I mean, to classify you as having a cash flow problem, I would have to look at your OCF to cash conversion. So which parts of your OCF are not converting to cash?

Priyanka Pareek: I would say that there is nothing like

Sanjeev Pandya: From Rs. 26 crores we remove Rs. 6 crores. I mean, that is straightforward interest. But what else is not converted into direct cash?

Pankaj Sharma: I think, Sanjeev ji, can you repeat it once again? I am unable to understand exactly what you want to ask.

Sanjeev Pandya: No. Basically, I mean, in a different industry, this would have been, let us say, a typical manufacturing industry, this would have been FCF to OCF conversion. So, I would be just concerned what all from your operating cash flow is going off into other places, which includes interest. Interest will be there, taxes will be there, etcetera. And what are you getting to service, you know, for the firm and then further for the equity shareholders. Equity shareholders are not relevant right now because it is a growing company. So basically, I am looking for what cash is available to service your most important stakeholder, which right now would be the bank. I mean, if you have a good reputation with the bank, then all your, while you are sort of handling all your cash flow problems and reducing your cash conversion ratio, you will get a supportive bank. So, I am trying to estimate, you know, how much your banks, I



mean, your equity holders will come later. How much are your banks willing to support you for incremental business? And as you restructure your business and move from, let us say, roads to better cash conversion businesses, will you get a supportive banking partner?

Pankaj Sharma: I think, Sanjeev ji, in one liner I can answer this way, that we have recently bided one HAM, okay, and we got the comfort letter from Kotak of Rs. 273 crores.

Sanjeev Pandya: From Kotak?

Pankaj Sharma: Yes. So, I think probably you will get the answer. That means our banks are very much supportive. Even in the financial also you will find that we have shifted, means there are TLs and fund-based are there. So, we are actually improving day by day.

Sanjeev Pandya: And how many banks are you dealing with?

Pankaj Sharma: We are dealing with four banks actually. Kotak is there, ICICI is there, HDFC is there and Union Bank is there.

Sanjeev Pandya: That gives me quite, some optimism. Have you considered structured finance, SPV financing? You have these kinds of quality banking.

Pankaj Sharma: Yes, SPV financing, we have not, again, when I am mentioning you the HAM and that comfort letter, that is again the SPV model only because that type of, still we are not in that type of credential that we can bid up to Rs. 400 crores. So that was an SPV and the financial capability is ours and that is supported by Kotak and actually not only Kotak but the comfort letter was, even Union Bank has confirmed that, okay, we are ready with that.

Sanjeev Pandya: Okay. And just going a little deeper, although this is giving me great comfort.

Pankaj Sharma: Sure, sure sir, anytime.

Sanjeev Pandya: What kind of bank ratings are you getting from these banks?

Pankaj Sharma: Interest rate you are asking?

Sanjeev Pandya: No, ratings, bank ratings, internal bank ratings.

Pankaj Sharma: Rating actually we are, we will, I think, let you know in the month of June and the reason why

Sanjeev Pandya: I am not asking credit rating, I am saying internal bank rating, operational rating.



- Pankaj Sharma:** But I do not know whether the bank has shared with us anytime, the internal rating. We never get it from banks because I think that is their confidential thing, they will not share with us.
- Sanjeev Pandya:** Yes, okay. Okay, fair enough. I mean, this, I mean, 0.25 is a pretty good interest cover, however I must say, provided your cash conversion ratio, your FTF to OTF conversion ratio. So, it is really the quality of where the flows are going that will tell you how much, what the banks feel about you.
- Pankaj Sharma:** Okay, thank you, Sanjeev ji.
- Sanjeev Pandya:** A, you have very good banks and B, if they are incrementally with you, then I can expect that you will be able to pull through your, the restructuring of your business profile. Because cash and interest cover would be, I mean, all the troubled, what should I say, construction companies that I have seen have gone into trouble, this is the first indicator. When the interest cover goes out of control and most important, the cash conversion ratio, the money that is available to talk to the banks, that ratio changes.
- Pankaj Sharma:** So, I think, Sanjeev ji, thanks for highlighting. I think we are taking care of this and thanks for the appreciation, I think we will maintain it, do not worry, we will be on a better phase.
- Sanjeev Pandya:** Okay, thank you.
- Pankaj Sharma:** Thank you, Sanjeev ji.
- Moderator:** Thank you. The next question is from the line of Darshan Chandra, an individual investor, please go ahead.
- Darshan Chandra:** I am audible, yes. In the last conference call after the H1 result, the company mentioned, I have two questions, the company mentioned that the margin will be in this 14% to 16% range, EBITDA margin for the whole year. The sudden drop in H2, it was way below the management said in the conference call. One question is on that side and another, I just have joined the queue a little bit late, guidance of 25% year-on-year growth, sir how much will be the margin for this year and on the conservative side, if you tell us on the conservative side, it will be minimum 13% to 15% range or it will be 14% to 16% range, so that as an investor, we can calculate to invest in company or not. Please.
- Pankaj Sharma:** Chandra ji, I think foremost, I think, again, I repeat that we are not allowed to give specific numbers and being a public limited company, we are not trying to influence anybody on that



specific number. But again, I will answer your first question, where you said that last time we told you on this percentage, I do not know, I do not think that actually, if you see, but this year also

Darshan Chandra: Sir, in the H1, EBITDA margin of 15%, sir as you said, in the H2, it will be good than H1, it will be maintained at this range or it will be better than this one, if it is better, then it will be 16% or in the range, same it will be 15%, how it has gone below, it has gone below too much, sir.

Pankaj Sharma: Yes, Chandra ji, I think you are right that you have joined after the call, in February and March, the impact due to the war because of which it has gone down and it has gone down everywhere.

Darshan Chandra: Yes, okay.

Pankaj Sharma: And second, apart from that, if you are still calculating, so we are in the range of 13%, 14%, so we are not far from that, we are within 13%, 14%, I do not remember the number in exact point.

Darshan Chandra: Sir, it is below 13%, 12 point something, it will be maintained in the 13%, 14% range or it will be, if you are bidding, so you should be

Pankaj Sharma: Sir, this, if you are taking out 12%, how you are taking it out, I think it also depends on that. Rest, 13%, 14%, as you said, again I am saying that, what you are saying, it can be maintained very easily. If this scenario of war would not have come in the last two months, which you know that in any EPC domain business, these last two months are the most critical at the time of billing and at the same time, there is a definitely a difference because of the impact of the war and especially when the company was more towards road oriented, so for that, the impact of bitumen and diesel, crude oil, was very big and its realization, its realization impact or the support of the government is left, which will be on the, when we are closing the project. We cannot say few things now. Maybe it will become much better or maybe it could stay there only. But we prefer to take it conservative. In conservative also we are near to that number.

Darshan Chandra: If you say 13 then conservative will be very good. If you deliver 15% then investors, means it will be happy for the investors. Sir, one more thing, the IPO price was Rs. 119, you are buying from the market slowly and steadily, but, your shareholding is below also 50% and you told in the last two conference calls that you are going to increase above 50%. So, anything on that or something like, can you throw light on that?



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Pankaj Sharma: Mr. Chandra, I always talk progressively and I do not know, like you are saying numbers again and again, I avoid saying numbers, but if you are saying, then I agree, but still I will talk progressively that we keep on increasing our shareholding and the biggest thing is that the talk about 40%, that is promoter oriented, means in the beginning of the company, the shareholder was 15, five have become promoter out of that, so you can understand this, so promoter holding will increase more. That is all there is to it. Which has increased from the last call, it will increase more, that is then again, because our belief is quite good, the rest is market driven thing. I think beyond our limit our comment or our judgement will also be wrong and as I will say, the first intention always remains, whenever we are getting into any public call is that, we are not here to influence you, we are here to answer you, so we are just answering. Rest, sometimes my marketing article also comes, you get a lot of answers in that.

Darshan Chandra: Okay. Right sir. Thank you.

Pankaj Sharma: Thank you Chandra ji.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. With that I now hand the conference over to management for closing comments.

Pankaj Sharma: Thank you Purvangi. I think, thank you everybody, who has participated in this earning conference call and I really say that, I believe that me along with my team members have answered all the queries and whatever we are doing today and what we are going to do in the future, we have given you indications on that. I can just close with a statement that company is in right hands and we all are professional people, our image, our working style, our patience, everybody, everything will reap the benefits to this company and all the stakeholders who are invested in this company. Thank you, thanks a lot, thank you everybody.

Moderator: Thank you. Ladies and gentlemen, on behalf of K2 Infragen Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.