

Denta Water and Infra Solutions Limited
Q2 and H1 FY'26 Earnings Conference Call
November 17, 2025

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 and H1 FY 2026 Earnings Conference Call of Denta Water and Infra Solutions Limited.

We have with us today C Mruthyunjaya Swamy - Chairman and Executive Director, Mr. Manish Jayasheel Shetty - Managing Director, Dr. H M Hema - Executive Director and Mr. Sujith T R - Whole-time Director and CFO of the company.

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 this conference call, please signal an operator by pressing '*' then '0' on your touchtone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. C Mruthyunjaya Swamy - Chairman and Executive Director for his opening remarks to share with the audience of the company's performance in Q2 and H1 FY 2026. Thank you, and over to you, sir.

C Mruthyunjaya Swamy: I am C Mruthyunjaya Swamy, Chairman and Executive Director, Denta Water and Infra Solutions Limited. We from Denta Water and Infra Solutions Limited, a leading civil engineering contractor in the water infrastructure sector, announced a strong operational performance for the quarter ended September 30, 2025. The quarter reflected sustained growth in its core water infrastructure business, underpinned by disciplined execution and a robust project pipeline.

Key highlights of our results as of September 30, 2025 are

Revenue: We have clocked Rs. 742.69 million, up 53.8% year-on-year when compared to Q2, 2024, driven by accelerated project execution and milestone completion in key water management contracts.

Our EBITDA margin has remained healthy, i.e., 35.42%, in volume, Rs. 263.07 million, reflecting continued cost efficiency and execution excellence.

PAT margin has maintained a very high level of 24.61%, in volumetric quantity, Rs.

189.29 million, maintaining profitability despite inflationary pressures in material costs.

Balance sheet, we have maintained a depth-light position with healthy equity-based and robust liquidity reserves.

Denta Water's core focus is on sustainable and high-impact water management projects continued to drive revenue and profitability during the quarter under review. The company also made tangible progress in expanding its footprint across new geographies such as Maharashtra and Uttar Pradesh, in line with its diversification strategy into allied infrastructure domains including railways and highways. and we continue to back new orders, and we present a healthy order book, and we want to focus on water revitalization, groundwater recharge, sustainable infrastructure solutions. The company designs, develops, and maintains high-impact water infrastructure projects, enabling long-term water security and environmental security across all over India.

Thank you. I will hand over the mic to the moderator.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Divya Daga from Vijit Global Securities. Please go ahead.

Divya Daga: I have a couple of questions. My first question is, can you provide me the order book and its execution timeline?

C Mruthyunjaya Swamy: Good evening, lady. Our order book as on today is 7347.39 million, including the works which were already awarded and new projects which have been backed by us. Our timeline is usually up to 12 months for projects costing up to 100 crores. For works costing between 100 to 250 crores, it will be 24 months. For works more than 250 crores, it will be 36 months. Considering our overall order book, most of our projects do intend to complete either this year or in the year 2026-2027. In addition to that, we are going to back new orders which will have its own timeline.

Divya Daga: Thank you, sir. My next question is, as you have guided for Rs. 300 crores of revenue in the previous quarter, but as you have already said that Q4 is our highest booking quarter, so can we expect 350 crores plus of revenue this year?

C Mruthyunjaya Swamy: Madam, ours is an engineering product, engineering-based EPC contract, infrastructure company. Actually, our projects' finances do come based on efficient execution of the projects. Definitely, we aim to achieve a good, healthy revenue and as of September 25, our accumulated revenue is Rs. 141.54 crores. We will try to cross more than 300 crores.

Divya Daga: Okay. My last question is, as per the half-yearly balance sheet, other current assets have increased from Rs.38 to Rs. 102 crores. Can you provide the bank location or the reason for such an increase?

Divya Daga: Yes. Basically, our project involves execution of the works. Once we execute the works, it is basically lift irrigation projects for which we have to procure the MS Pipe, we have to bring cement, aggregates, and other raw materials. Once all these materials are brought into the site, we are enabled to have some revenue. Say, for 55% for supply of MS pipe. Once these pipes are supplied, we have to feed the pipes for generating inner-coat lining for which we are able to claim another 15 to 20%. So, we will claim the bill, we will send it to the department. Department will have its own procedure of scrutinizing the bill, verifying the quantities which we have supplied. So, in that scenario, we mentioned that whatever progress we have achieved, it will be either under work-in-progress or unbilled. This current asset of Rs.

102 crores includes such kinds of unbilled and work-in-progress amount.

Moderator: Thank you. Next question is from the line of Darshan Jhaveri from Crown Capital. Partners. Please go ahead.

Darshan Jhaveri: Congratulations on a great set of results, sir. Sir, we have given very clear guidance for this year, but I wanted to ask in terms of FY'27, sir, how do we see that? Because I think out of the order book, we will have around Rs. 500 crores to Rs.600 crores worth of order that we will still have to execute in FY'27. So how do we see that, sir and we were talking about a major order of, I think, Rs. 700 crores to Rs. 800 crores order. So what is the status on that, sir?

C Mruthyunjaya Swamy: Yes. Sir, actually, our projections for the year FY'26-27 is 30% when compared to the progress which we are going to achieve for FY'25-26, say around Rs. 375 to Rs. 400 crores. As far as new orders are concerned, it is not a single order. It will be in increments of Rs. 50 crores to Rs. 100 crores and Rs. 300 to Rs. 400 crores. Right now, we have firmed up an order of Rs.50 crores and we have emerged as lowest in another Rs. 200 crores worth of projects. Balanced projects are all online and we are moving ahead with our bidding process and evaluation process. Definitely, we will achieve whatever we have assured on May, on June of 2025 that we will bag an order to the tune of Rs. 800 to Rs. 1000 crores, which we will definitely achieve by the end of Q3 or Q4 of this year.

Darshan Jhaveri: Okay, okay. Fair enough, sir. And, sir, I think there was a big mineral corporation order that was the thing being spoken about last time, sir, from Karnataka. So, is there any status that we have for that, sir, right now?

C Mruthyunjaya Swamy: The project report has been approved and they are processing for draft tender schedule and they won't close us and we are following it up regularly. We will bag that order shortly. We will announce it as soon as we are right to the tending process. It is on course, sir.

Darshan Jhaveri: Okay. So, in general, how much time does it take? We can expect it in the next 5-6 months or 3 months. I just wanted to understand, sir.

C Mruthyunjaya Swamy: In Quarter 3 and Quarter 4, we will try to bag those orders, sir.

Darshan Jhaveri: Okay, okay. Fair enough, sir. And just my last question, sir, with regards to our margins, sir. We, I think, have the best in class, I think, their margins. So, will we be able to maintain those or because people see that we have such good margins, will other people try to come in will there be a situation of price war for us? That is what I am trying to expect, like other players come in and make it more competitive.

C Mruthyunjaya Swamy: Sir, our company has already gained very good technical experience and we have got very good atmosphere in the market. We will try to compete for only such projects where our projects can be maintained in a healthy style. No doubt, there will be a bit of rationalization, but it will not be very big one. It will be a marginal variation, which we will be able to observe in our books of accounts and we try to achieve or try to improve upon our PAT margins and competition, yes, it will be there, but considering our technical expertise and our progress as on today, we do not foresee any trouble in affecting the price margins.

Darshan Jhaveri: Okay, so we will be able to maintain around 33% EBITDA margin, right?

C Mruthyunjaya Swamy: Yes, we will try to achieve it, sir. We will update you based on project-to-project costing and funding. We are trying to achieve very good execution in projects. We are trying to economize on the cost. We are keeping our expenditure to the minimum so that our healthy margins are maintained.

Moderator: Thank you. Next question is from the line of Rishit Dave from Edelweiss Financial Service. Please go ahead.

Rishit Dave: Sir, I just wanted to know if I review your order book, it is highly concentrated on the south regions. So, is the company looking forward for the projects in north or east and west side in India?

C Mruthyunjaya Swamy: Yes, sir. Sir, actually, our Government of India has formulated one project by name, Atal Jal, where water sustainability, groundwater recharging and all-round economic development considering the water is the main focus. This Atal Jal program is being implemented in six states in India, apart from Karnataka, Maharashtra, Uttar Pradesh, Haryana, Gujarat and Madhya Pradesh where groundwater recharging is the prime focus and water sustainability is the core practice which Government of India is planning to implement and we are trying to contact all our associates in other states and we are trying to enter into technical joint venture where our strength is not there and we try to achieve footprint all over India, especially in these water-

deficient states, where our core focus will be of best advantage and we can back good orders considering our technical expertise, which we have done so far.

Moderator: Thank you. Next question is from the line of Vishal Bardade, individual investor. Please go ahead.

Vishal Bardade: So, sir, in last on-call, you had mentioned that we had bid for around a thousand crores in the projects. So, of that, I wanted to understand how much value of the tender is opened or out.

C Mruthyunjaya Swamy: As I answered earlier, yes, our total expected order book will be around Rs. 1000 crores for this year. It will be in multiples of either 50 crores, 100 crores or 400 crores. Right now, we have backed orders worth around 50 crores, for both village projects. One is in Kunigal town, where we have bagged orders worth 32 crores. The other is a water supply project in Basavan Bhagyavadi for 20 crores village projects, one in Kunigal town, where we have backed orders of 32 crores, and one of water supply projects in Basavan Bhagyavadi for 20 crores. Apart from that, we have become lowest bidder in 4 sewage improvement systems in state of Karnataka, valued at 100 crores. And we have become lowest in groundwater recharging project in Belgaum district for another 106 crores. For all these projects, we have emerged either lowest or we have backed the orders. It translates to around 256 crores. Apart from that, what I am aiming to back the order, as I have already mentioned earlier, that Karnataka Mineral Exploitation Rehabilitation Fund, that work has gone into draft tender stage and we are regularly following it up. We have done our preliminary surveys and we are ready for bidding. Probably we expect that order, around 400 crores, to come up shortly. We will announce as soon as we back that order. And in the end, another 400 crores worth of estimates are under approach stage, that we will try to announce as soon as we are true to that one. It translates all in all to 1050 crores, and in and around 1000 crores.

Vishal Bardade: Okay. Perfect, sir. Sir, also, in state of Maharashtra and UP, we have won some orders. What would be the value of that orders?

C Mruthyunjaya Swamy: No, sir. We are just exploring the projects which are available. There, the prime focus of Government of India is on groundwater recharging and water sustainability. We have got very good technical knowledge and expertise and we have identified some projects. We are ready to bid for those projects. We will announce as soon as we bag those orders, sir.

Moderator: Thank you. Next question from the line of Safat Hussain, an individual investor. Please go ahead.

Safat Hussain: Congratulations, sir, on a good set of numbers. As a shareholder of your company, sir. As a shareholder of your company, let me first ask you with regard to cash flow. Talk to us what is happening on that front. Is that just part of the business that you do or can we see some bit of

unwind happening there? What are the major steps you are taking with regard to getting that to improve? Sir, I am asking about with regard to cash flow. What is happening on that front? Is that just part of the business that you do or can we see some bit of unwind happening there? And what are the major steps that you are taking with regard to getting that to improve? If at all you can.

C Mruthyunjaya Swamy: Generally, our company is a debt-free model company. We have not borrowed huge sums except for non-fund-based bank guarantees for which I have to keep some cash reserves as collateral security. And if at all there is any need for any project-based funding, we go for short-term borrowings if we try to close it before the end of the year. As on today, our cash reserve position is very comfortable. We are able to include the projects with our own internal generation funds and also IPO funds and we are not seeing any stress as far as arranging the finance or arranging the cash flow is concerned. Our position is comfortable, sir.

Safat Hussain: Okay, sir. My last question. Sir, give us the perspective one to three years. Where do you see your top line go from here?

C Mruthyunjaya Swamy: Yes. Another 30% increase for the year 2026-2027 which may translate to 375 to 400 crores and again another 25 to 30% increase and we foresee a revenue of around 500 to 525 crores by the end of 2027-2028, sir.

Moderator: Thank you. Next question is from Anshul Khare, Individual Investor. Please go ahead.

Anshul Khare: Yes, my first question is what is the maximum value or project type we can undertake in our sole capacity?

C Mruthyunjaya Swamy: Around 250 crores, sir. Around 250 crores.

Anshul Khare: My second question is have we deployed the fund raised via IPO and what is our current working capital cycle?

C Mruthyunjaya Swamy: Sir, we have utilized almost 90% of the funds. We have raised 220.50 crores and our working capital what we have earmarked in our prospectus was 150 crores. We have spent 135 crores as on today, sir and our working cycle is 45 days, sir.

Anshul Khare: Okay. Just one last question. How is our payment arrangement with the government?

C Mruthyunjaya Swamy: Yes, sir. Many of our projects are either under Jal Jeevan mission or under AMRUT mission where the contribution of central government is between 40% to 60% and once the projects are approved and funds are earmarked that fund will be allocated to that particular project. So right now we are not foreseeing any crisis in receiving the payments. Our position is comfortable, sir.

Anshul Khare: Okay, just one more. What is our order book as on date?

C Mruthyunjaya Swamy: Sir, it is 7.34 crores, sir.

Anshul Khare: 7.34.

C Mruthyunjaya Swamy: Yes, sir.

Moderator: Thank you. Next question is from the line of Parshva Shah from Mehta Equities. Please go ahead. Thank you, sir, for the opportunity. I want to ask three questions.

Parshva Shah: First is about revenue, revenue growth and beta margin. What is the factor behind this fast growth of number? Second question is about order succession ratio. What is current order succession ratio? And third question is about Jal Jeevan Mission. Is there any slow fund deployment from government?

C Mruthyunjaya Swamy: Thank you, sir. Sir, our revenue for the quarter to 2025 is 742.69 crores. When compared to Quarter 2, 2024, there is a growth of 53.80%. When compared quarter-wise, our quarter 1 revenue of 2025 was 672.78 million and it is 742.69 million in Quarter 2, 2025, indicating 10.39% growth. Since our asset-light model, we have got a healthy EBITDA and PAT margin. As on today, for the 2nd Quarter, our PAT is 24.61% and as far as Jal Jeevan Mission is concerned, as I have already explained earlier, once the projects are approved, the funds earmarked for the projects are put in place and with that fund flow, our projects do get adequate funds based upon the timely execution of the projects and we have got healthy raw materials which we have procured out of our IPO funds and also our own internal research and we have deployed on the project successfully and we are getting very good revenue projections for the Quarter 3 and Quarter 4, sir.

Parshva Shah: What are the main factors that we are gathering good numbers in the revenue growth and EBITDA margin? What are the factors that we are taking on the revenue growth in a revenue side, sir?

C Mruthyunjaya Swamy: Yes, sir. Sir, considering the projects which are on hand, we plan to procure materials in advance. We have got very valued customers like Tata Steel, Jindal and wealth funds for different kinds of raw materials like MS pipe and ductile iron pipe and we have got very good cement manufacturers on our vendor list, JK Cement, JSW-1. These companies do supply material as and when we require. Once we get the material, we have to feed the MS mild steel pipe or DA pipe for its own treatment as mentioned in the project line and we deploy those materials on site. Once these projects, once these materials are put into place, we can raise the invoices and we can submit it to the department who after due verification and following their own procedures do release the funds. So in this way, we are able to have a healthy revenue growth and we can translate it into our own order book and our order book goes on

increasing as and when we bag the tender. So in this way, our company is growing well and having a light-weight model. It is having a very good profit also in its books.

Moderator: Thank you. Next question is from the line of Utkarsh Somaiya from Eiko Quantum Solutions. Please go ahead.

Utkarsh Somaiya: Which government scheme applies to your business? Like from which government scheme do you get orders?

C Mruthyunjaya Swamy: It is basically Jal Jeevan Mission partly funded by Government of India that is providing water supply to rural habitation. Second one is AMRUT scheme wherein we are providing water supply to urban center. It is also funded partly by Government of India. Third major component of progress is under upgradation of sewage system where we are getting entire funds from Government of India under Swachh Bharat and other clean-up program of Government of India. These three are the major sources from which we are getting the orders sir.

Utkarsh Somaiya: Sir, we have been hearing that government CAPEX has not been up to the mark and this financial year and the payments are also not coming in time and that is clogging up the entire supply chain. Can you share your thoughts on this?

C Mruthyunjaya Swamy: Sir, actually as I have mentioned earlier since almost all our projects are tied up in one way or other with Government of India scheme where percentage of contribution will be between 40% to 60%. Suppose if there were 100 crore order books 60 crore or 40 crore comes from Government of India and Government of India is very meticulous in its planning and also financing and they do release funds and they expect state government to honor its commitment of balance amount. So Government of Karnataka is also honoring the commitment which Government of India has deployed and almost all our projects we are getting timely releases from Government sources and we are not forcing any such problem or distress due to delayed payments either from Government of India or from Government of Karnataka.

Utkarsh Somaiya: Ok, and sir my other question is regarding your order book just to confirm currently the order book stands at 734 crores and the same was 594 in the previous quarter.

C Mruthyunjaya Swamy: Yes sir we have completed two projects we have completed 2 projects sir and we have bagged new orders so our outstanding order book we are updating every month and every quarter so our outstanding order book is 734 crores.

Utkarsh Somaiya: And you expect this to reach 1000 crores by March 2026, am I right?

C Mruthyunjaya Swamy: Yes sir, yes sir On conservative scale yes, and this should be much more than that one sir.

Utkarsh Somaiya: And sir, regarding, you spoke about a few orders which you expect to get in the next 3 months or 5 months. There was one 400 crore order and also some L1 200 crores. Can you please repeat that please?

C Mruthyunjaya Swamy: Yes, sir. Right now we have bagged orders worth around 52 crores, sir. That is both are upgradation of sewage systems, which we have already started the work and we have become lowest in two projects, one of 100 crores, where we are going to upgrade again sewage systems in different towns and cities under Swachh Bharat Program of Government of India and we have bagged one order of 106 crores in Belgaum district, where groundwater recharge is the primary focus.

Utkarsh Somaiya: It is already part of your order book of 734 crores?

C Mruthyunjaya Swamy: No, no, sir. This we are going to get shortly, sir. 52 crores, which I have told earlier, is part of our order book and that 400 crores worth of order, it is under draft tender schedule stage. We have done our own analysis and we have prepared our price bid and we are expecting tenders to be floated, which we are expecting either in quarter 3 or early quarter 4.

Utkarsh Somaiya: So you expect the entire 400 to win in Q3 or Q4?

C Mruthyunjaya Swamy: Yes, sir. Definitely.

Utkarsh Somaiya: So this 400 plus the 50, so total that is how you reach 1050 crores?

C Mruthyunjaya Swamy: No, sir. 52 crores, we have already won. Another 206, we have become lowest, L1. So altogether it will be 256. Another 400 crores, we are bidding right now. Once draft tender schedules are approved, it gets loaded in the e-procurement portal and we have to bid for those. We have found out our own cost, which is quite economical and altogether it will be around 650 crores, sir and further orders we are expecting, sir.

Utkarsh Somaiya: And this 206 crores is also not part of our order book.

C Mruthyunjaya Swamy: No, not part of order book.

Utkarsh Somaiya: So 206 plus 400 we are expecting in the next 6 months? You said just to confirm your guidance for FY'26 is 300 crores, FY'27 is 375 to 400 crores, and FY'28 is 500 to 525 crores. Is that correct?

C Mruthyunjaya Swamy: Yes, sir.

Utkarsh Somaiya: And you expect to maintain this 30% EBITDA margin and 25% PAT margin?

C Mruthyunjaya Swamy: We will try to achieve that kind of margin, sir. Considering our depth light model and our efficient execution of the project and our economical rate finding for raw materials, all put

together, we aim to achieve a little bit this way or that way. We try to achieve same kind of EBITDA and PAT margin, sir.

Utkarsh Somaiya: Okay and, sir, one more question on your operating cash flow. Do you see this improving or it will remain in similar range only?

C Mruthyunjaya Swamy: Sir, it will improve in Q4, sir. Now we have almost deployed all our financial resources into project and we are executing the work on fast mode and we expect revenue to realize and definitely we will achieve good progress by end of Quarter 3 and early Quarter 4. Our cash reserves will improve by the end of the year, sir.

Moderator: Thank you. Next question is from Bhavin Khenia, individual investor. Please go ahead.

Bhavin Khenia: Sir, I just wanted to understand the company's strategy about order from UP and Maharashtra, firstly and my second question would be the 400 crore order which you talked about. All this contract will be from Karnataka or how is the state-wise composition of this 400 crore company?

C Mruthyunjaya Swamy: Sir, in UP and Maharashtra, they are recognized as water deficient states by Government of India where groundwater recharging is prime focus. Since we have got very good expertise in groundwater recharging, we back to enter into those states. As far as 400 crore order which I am talking, which I am going to bid shortly, is from state of Karnataka, sir.

Bhavin Khenia: Okay. So, as of now, company has not put any bidding in UP and Maharashtra?

C Mruthyunjaya Swamy: We are looking into the project, sir, under their e-procurement portals. Some of your projects have been identified. Based on timeline, we will try to compete for those works, sir.

Moderator: Thank you, sir. As there are no further questions, I would now like to hand the conference over to Mr. C Mruthyunjaya Swamy- Chairman and Executive Director, for closing comments.

C Mruthyunjaya Swamy: Sir, it was a very good interactive session. We are happy to announce that our company is doing well. Thanks to the interest shown by all the investors and thanks to PR team, we were able to have a very good question and answer session. I thank from Denta all the investors and also our PR team for having handled a very good interactive session. We hope to achieve better results in coming quarter and we hope to bag further orders. I do request all my investors to have faith in the company so that we can also grow. Put your money into the company shares. Let shares also grow. Let it bring wealth to the mankind and we are doing very good socio-economic cost of providing water sustainability and groundwater recharging, which will improve the health of the people. Hence, I do request all the concerned for having showed so much of faith and belief in the company. I thank once and everyone for once and all. Thank you, sir. Thank you very much.

Moderator:

On behalf of Denta Water and Infra Solutions, that concludes this conference. Thank you for joining us and you may now disconnect your lines.