

28th August, 2025

To,
BSE Limited
P. J. Towers, Dalal Street
Mumbai - 400 001.

Kind attention: **Department of Corporate Services**

Sub: Transcript of Post Earnings Conference call with Analyst / Investors held on 26th August, 2025

BSE Scrip code: 543364 , ISIN: INE0FW001016

Dear Sir / Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the Post Earnings Conference Call for unaudited financial results for quarter ended 30th June, 2025, held on 26th August, 2025 at 1:00 p.m. (IST).

The transcript will also be available on the Company's website at www.markolines.com

Kindly take the same on your record.

For **Markolines Pavement Technologies Limited**

Sanjay Patil
Chairman & Managing Director
DIN: 00229052

Markolines Pavement Technologies Limited
Q1 FY '26 Earnings Conference Call
August 26, 2025

Moderator:

Good evening, ladies and gentlemen Q1 FY '26 for Markolines Pavement Technologies Limited, MPTL. Markolines Pavement Technologies Limited, established in 2002, is one of the India's leading highway operations and maintenance, O&M, and specialized infrastructure solutions provider. The company offers a comprehensive range of services, including preventive maintenance, major maintenance, micro-surfacing, tunneling, and other modern pavement technologies.

We have with us Mr. Vijay Oswal - Founder and Chief Financial Officer, having over 3 decades of experience across infrastructure, finance, manufacturing, and international business. At this moment, all participants are in the listen-only mode. Later, we will conduct a question-and-answer session. At that time, you may click on the Q&A tab to ask a live question. Please note that this conference is being recorded.

I would now like to request Mr. Vijay Oswal - Founder and Chief Financial Officer, to run us through the presentation for the quarter ended 30th June 2025. Thank you, and over to you, sir.

Vijay Oswal:

Thank you for the quick introduction, and good afternoon, guys, and welcome to the Earning Call for Q1 of Markolines. I am thankful that you will have spent the time and be here to listen to what we do, how we do. So I will quickly take you through the presentation. Yes, Sagar, we can scroll down to the slides. So this is the table of content. Move next.

So as a management, I want to tell you that, we are really thankful to all the stakeholders for being with us and their contributions and being in us what we do. In 2026, particularly, we are doing good amount of orders, un-executed order book of today stands at about close to Rs. 400 crores, and we are also working at a pipeline of Rs. 600 crores. And this year, with the government's continued support, we are seeing that there is quite a bit of a thrust into the infrastructure segment, so we are confident on capitalizing our opportunities here, setting the new benchmarks, and we are looking at the future approach with 5 key pillars. One is, of course, the client satisfaction, then, driving revenue through the scaling of the ticket size, then leveraging our expertise across the other sectors of infrastructure, and of course, encasing our leadership position and be the leader in the infrastructure O&M space.

Next. So if I have to just quickly go through the Q1 slides, our PAT has increased about 109% to Rs. 3.79 crores, then earning per share is also increased to Rs. 1.72 from Rs. 0.90. Then, we have also migrated from the SME platform to the BSE main board. And as I already said, we have a strong order book of Rs. 400 crores unexecuted. Then, in this 1st quarter, we have also added about Rs. 30 plus crores of orders, and also we added another 40 plus. Yesterday, we have gotten Rs. 100 crores worth order, which will be spread over the next 5 years.

Next. So as far as corporate actions are considered, on to that side, after being on to the main board of BSE, now we have already applied for the NSE main boarding also. Then already merger, we are settling the queries, and whenever it will take sub due course of time, we will have the merger of Markolines Pavement and Markolines Infra done and as we have already said that we have migrated.

Next. So now, how does we view the future? As usual, our first primary importance to us is the client centric approach, prioritizing their satisfaction and delivering the value-driven solutions. Of course, we keep looking for the innovations and new technologies coming into the market. We will keep evolving the client needs to add more and more services to the portfolio. Then, we are also looking at increasing with the growth in the turnover, our eligibility for the higher size also increases. So now, we are targeting the larger size projects so that we could click the revenue growth. And now, we are also looking at the skill set that we have to expand to the other sectors of infrastructure. And of course, we always, we aspire to remain in the leadership position in the Infra O&M space.

Next. So as you know that it is Mr. Sanjay Patil, our Founder, Chairman, Managing Director, and myself who have been leading this since then and with us, we also have a capable team, go to next Sagar, team with Mr. Praveen Panchal, Mr. Nagarkar, and Mr. Patil Nikam, who has a wide and vast industry experience, who has recently joined us as a CEO.

And go next. So now to just explain about Markolines, as you all are aware, we have been in this long 22 years of experience, we have a lot of gain and experience in terms of Microsurfacing where we have done 115 lakh square meters of Microsurfacing, then we have done about close to 5000 meters of major maintenance work, Rs. 400 crores of unexecuted order book and Rs. 600 crores of pipeline. And also we have done soil stabilization, FDR work of 1.37 lakh meter. And of course, CIPR, it is project specific and we have done 197 lane kilometers of the CIPR is highest in the country, nobody else other than Markolines has such an experience.

Next. So this is the order summary out of Rs. 400 crores, Rs. 111 crores. This is, of course, I am talking as of 1st of July 2025, 20 plus Rs. 120 crores of order stood this. As of the close of the 1st quarter, we had Rs. 111 crores of major maintenance and Rs. 285 crores of specialized construction segment orders, unexecuted order book. And we have another Rs. 600 crores of orders in pipeline we are expecting to convert in due course of time in this Financial Year itself.

Next. Now, about the Markolines, as I said, starting from 2002 with a single product of road marking, now we have transferred into India's leading largest O&M company. We are the only company, we have done many, the first time things in India. We are the only company with a backup technology center who does complete R&D testing facilities in-house. Then we are the first highway O&M company to be listed on BSE. And of course, we have Pan India presence. As of now, we are operating in 17 states and operating various sites. Now, what is it that in this sector that we are looking at? Obviously, India is growing in the road network. Basically, we have one of the largest road network, even if we consider the National Highway, and which is a must for our growing Indian economy, if you want to be a developed nation. Then, there is a focus from government on privatization by way of TOT, HAM, BOT or whatever ways. So the private sector is becoming increasingly evident. And then it requires really professional players to operate and maintain the highways. And highways being the wear and tear, are exposed to the wear and tear. So they are wearable in nature. So there is a recurring potential for highway maintenance. And that is what keeps us growing and a potential of this business is also growing, ultimately, boiling down to our business growth.

Next. As regards to journey, it has been a lot of time and as rightly shared on the presentation, it too has been a roller coaster, right. But it has always been a good journey with everybody who has been supportive on this journey. And as of today, as I said, I have already mentioned we are one of the largest and only listed company in this space, migrated to main board, now we are looking at the merger of Infra, then NSE listing, all of this is parallelly happening.

Next. Now, as regards to this, if you have to categorize our businesses, it is categorized into 3 verticals, highway maintenances, specialized maintenance and the specialized construction services.

Next. Under highway maintenance, there are services such as the preventive maintenance, major maintenance and rigid pavement. Rigid pavement means the concrete roads which are slowly increasing. We have started last year with the separate division for that, wherein we are doing a lot of working on the cement concrete roads. Major maintenance and rigid pavement is the basically service where being a variable and there is a guideline from the mark and IRC that we have to put in preventive or the 40 mm renewable layer every 5 years to 7 years, so that the road condition is maintained, which is a recurring potential, as I have already said, and under preventive maintenance, basically, this is a regular activity that keeps on going as for the damages and wear and tear, maybe for various reasons, it could be traffic load, it could be geographical transitions and any other reason. It includes a lot of things.

Next. Under specialized maintenance services, there are two things that we do. One is Microsurfacing and one is Cold-In-Place Recycling. Microsurfacing basically is an alternate treatment, which is a preventive maintenance treatment. It is green and eco-friendly. It is about 40%-60% cheaper than major maintenance and if done at an appropriate time, this could extend the life of the highway by 100%-300%, so extending the major maintenance and

achieving the better cash flow positions for our clients. Then, CIPR is basically, in a layman's language, if I have to explain, it is recycling of road, a train of equipments which passes through the back road at one single point of time, it adds the additives, excavates the back road, mixes with the strengthening material, relays, recompacts. As this train of equipment passes, a back road is excavated and almost finished road is laid. That is CIPR. That is under the specialized maintenance services.

Next. So under the specialized construction services, we do two types of activities. One is the soil stabilization or the FDR that is full depth reclamation. Basically, a lot of new alignments which are being proposed as expressways and direct connectivity to increase the speed of the logistics. So when passing through the Greenfield areas, where the farmlands do not have the requisite strength to hold the roads. Basically, rather than excavating deep and replacing the entire soil, now there is an alternate solution called a soil stabilization where approximately a little bit of partial portion is excavated and treated with chemicals and compacted, which gives a very hard foundation base. And this is FDR. And of course, tunneling is that we are seeing that India is a land of basically a lot of undulations and terrain, wherein to increase the speed, the tunneling is the activity which is going across the nation. We are one of the very few contractors having a good tunnel experience. As of today, we are doing two tunnels, one in Maharashtra and one in Jammu Kashmir, which is done in consortium.

Now, what is it that people or customers look into for us as in Markolines as competitive advantage? We have been operating across India, except North East where development has started. So we have a very good understanding of regional and cultural things, what is happening. We are the people who have always followed the ethical practices, added to the SOPs. Then, we have a very strong and experienced team who is taking care of all the activities that are happening. Then, of course, the risk mitigation and efficient contingency management is also one of the things. And we have always been following the 100% compliances on regulatory. Then, we have a focus on safety, security and environmental issues and customer-centric approach has always kept us ahead. And it is Markolines who have always been innovative in terms of launching, getting the newer technologies to India. Definitely, that has given us the leadership position.

Next. So now, what is it that keeps us driving is the basically at the leadership position is one is the market leadership, first mover advantage. As I said, we have been into this business for long and at the same time, the adoption of newer technologies. We have excellent track records. We have established our credibility and credentials, only performances and definitely now the movements or the market scenarios in terms of the highway infrastructure is changing. Lot of international funds are entering the business. Privatization is growing. We have an experienced team, strong order book, robust business model. Definitely, this is what is driving us to whatever, wherever we are. Of course, huge potential which is in the market is also the main thing for approval.

Next, Sagar. So if you have to look at our SWOT analysis, what are the things that we have established the expertise, strong portfolio of projects across the country, skilled workforce, in-house capability of doing every activity that we do other than outsourcing, at the most outsourcing, whatever is done is only at the labor or maybe the very regular activities. And pro-work track record, then adhering to the timelines, we have created our credentials and credibility and we are the only company who offers end-to-end solution, definitely gives us the leadership position. Now, if I have to really look at weakness, as such no weaknesses, I would say, but if I have to look at overall industry, the skilled workforce which is currently impacted due to high demand probably could be a weakness. Basically, the roads are owned by government and handed over to the private players on PPP basis, but they will also remain vulnerable to the policies and budget changes. Of course, the high capital expenditure and operational cost because of the huge machinery requirement and the short tenure of the projects. And probably a delay in the client payments could significantly impact the cash flows. Now, in opportunities, there is a lot to look at. As India, as I have already said, we have the second largest road network in the world, which we are continuously expanding. There is a focus from the government side on the infrastructure development with the increased budgets. Then, private sector is increasing leadership advantages also to our credit and then we can also look at, though today there is a huge potential, but going forward, we could also look at expanding beyond the boundaries. Now, what are the threats if I have to look at? Fluctuating prices of raw material. But for us, generally, this is always covered with the escalation clause. So the only fluctuating item is bitumen. So none of our order is without the escalation clause. So this is definitely well taken care of. And of course, the natural disasters and extreme weather conditions could be a threat and of competition, growing competition. But as I said, with credentials, credibility, the experience, what we do, we are being at the leadership position. Every new entrant in this space in the organized sector is our client today and that is what is our strength, I would say.

Next. As you can see that this is the spread of our work across India. We are practically working across the country.

Next. So as far as this industry is concerned, basically, today, as I said, that it is the lot of privatization is going on. A lot of the foreign funds who are acquiring the assets, because this is a good proposition for them. So every fund that has entered into the highway sector in India is our client, may it be Cube, or the Interise, Nxt, Roadies and every other for that matter. Every major player in this country is our client. We have been working with them, along with some government and semi-government also. The semi-government organizations like MMRDA, a few corporations, the PWD, NHAI also.

Next. As I said that, as Markolines, we always stand with our credentials and credibility. We have been awarded and acknowledged with appreciations umpteen times by our client. This is the display of a few of them.

Next. Now, let us look at the industry. So as I have already briefed, there is a lot of movement going on into the highway sector. National highway network is growing. We are close to 1.5 lakh kilometers of national grid, and we are also growing at a significant pace of about 34 kilometers per day. And then monetization, which government is looking at, they have already done about a huge monetization, also expecting their target is in near future to, as of today, they are about Rs. 18,000 crores which has been monetized, and target is in longer run to reach about Rs. 1 lakh crores by privatizing the existing grid.

Next. Then, the cabinet, on every budget, there has been an increased allocation, more and more roads and expressways are being declared, and even at local level, the bypasses, tunnels, bridges are being declared, and government is backing the infrastructure sector fully.

Next. This is the list of various projects and corridors which are being developed across the country. As of today, if I have to say, about 25,000 kilometers of additional length of roads are being developed in India.

Next. And if we look at the EPC, as I said, now about only 500 kilometers of length under BOT, HAM. So we can say there is a lot of scope for the private players. Even the government is also increasing, promoting the InvITs along with the international funds, so that the projects are owned by the larger groups, easier for them for monetization.

Next. Go next, I have covered this. These are the various list of roads which are being expressways and access control roads. Next. Go next.

Next. Now, coming back to the Markolines, the financials of Q1, if we look at, now our revenue has grown by 44%, giving a growth of about 36% in EBITDA and 119% in PAT. And the earnings per, this thing also has, share is increased by 91%, from Rs. 0.90-Rs. 1.72 per share.

Go next. Then, this is the Q4 versus Q1, as a preceding comparison, but this technically in the infrastructure space doesn't become very relevant, because for us, the first semester of the year, will always know, because our business is affected by the environmental conditions, that is weather conditions, that is monsoon. But still, as a comparison, we have put in this.

Go next. On a comparative with 24 versus 25, which we have already covered in the last presentation, but quickly I can run you through. In the preceding year, though we have closed lesser than the earlier year, but that last year we had purely kept our focus on to the increasing profitability than to the revenue, and which was visible in our profitability, wherein we have given a good growth in terms of the profitability as well as the earnings per share.

Go next. This is the quick review of the financials, if you look at, as compared to the Rs. 50 crores of Q1 last year, we have done about Rs. 72 crores of revenue, and EBITDA has grown from Rs. 5.45 crores to Rs. 7.51, and the net profit has grown to Rs. 3.79 crores from Rs. 1.73

crores. Now, in spite of having the early monsoons, our business development as well as the execution team has worked well. And of course, our planning in terms of, with the experiences, we are also learning which areas to focus, since India is a large country and we got some projects in the rain areas, so we work also and put up this much of this revenue. And of course, the specialized constructions like tunneling, which also helps us, it is irrespective of the weather, though the work is hampered a little bit, but we could still do and achieve good growth in terms of 1st quarter.

Go next. So this is the annualized profit, which we have already revised, and a summary which you can go through.

Next. This is the balance sheet of the last year, which has already been on this thing, and we can answer if you have anything further.

Next. The shareholding pattern, which is almost not changed, except a little bit of dilution on one of the promoter's side for the personal need. Otherwise, it remains on the same.

Next. So that is all as a quarter work achievement. Just to summarize quickly that in this quarter, we have done a good growth over last year. Secondly, there is a substantial growth in terms of not only revenue, but also EBITDA as well as the profitability. Order book has also been increasing. And we are also looking at a huge growth in terms of orders, because generally monsoon is the period when the orders get finalized for us so that we could start post-monsoon. We are on the verge of finalizing a few more orders. And on terms of the corporate actions, also I have already said that lot of corporate actions of SE merger going on. So this is what the Markolines is in summary.

Now, Sagar, we can open the forum for the Q&A. You can start with the questions one by one.

Moderator: Thank you. We will now begin with the question-and-answer session. Our first question comes from the line of Madhur Rathie from Counter Cyclical. Please go ahead. Madhur sir, your line is unmuted. Please proceed with your question.

Madhur Rathie: Hello. Yes. Sir, thank you for the opportunity. Sir, I wanted to understand what is the receivables currently? And sir, I am trying to understand between FY '23 and FY '25, our revenues are flat, but our receivables increased by 2.3 times from Rs. 76 crores to I think Rs. 176 crores. So why is that?

Vijay Oswal: So typically, Madhur, what happens is generally for us, the Q4 are the high revenue quarter. So this is the typical scenario as the closing books, you will often see receivables grown. And particularly last year when because of we had worked a lot for the BMC and MMRD in Mumbai and because of the elections, we had some funds locked up, but which in my earlier

presentation of the annual presentation also we had said that by April, we had recovered all the monies from the outsourcing money for the government projects.

Madhur Rath: Got it. So what is the receivable pending currently?

Vijay Oswal: Currently, as of today, it is about Rs. 132 crores.

Madhur Rath: Rs. 132 crores.

Vijay Oswal: Yes.

Madhur Rath: Got it. Sir, like what percentage of our current order book is from local or state government and sir, are the working capital cycle for these lower than what it would be for a private player or NHAI or any central government entity?

Vijay Oswal: So Madhurji to answer, we do not work the state highways. I don't think there is any state highway project as of today. But in terms of the private and this thing, it keeps fluctuating from time to time since our projects are shorter. So as of now, if you have to tell, ask me or if I have to answer you, most of the projects which are running are on the national grid and there would be a 50-50 contribution in terms of private and government. But government also, when I say, it is not directly government, it could be around 70-30. As the major, what do you say, specialized construction, all privatized, one project is through the consortium name and one is through the infrastructure players, but with the tripartite agreement. So there is no state government project as such.

Madhur Rath: Got it. And sir, last quarter we mentioned that our margins for specialized maintenance is 12% and specialized construction is 18%-20%. So this highway maintenance and specialized maintenance is the same thing or highway maintenance is lesser than what it would be for a specialized maintenance?

Vijay Oswal: So when we say highway maintenance, technically everything would come under highway maintenance, but this is how we have been segregating the specialized constructions. Specialized constructions are the specific treatments which have been adopted recently apart from the conventional treatments and they definitely give us a better margin over the conventional treatments.

Madhur Rath: Got it. Sir, just a final question from me. Sir, for FY '26, what kind of revenue growth and margin on an overall basis do we expect? Sir, can we expect to achieve a 15% EBITDA just because of the order book that we have currently?

Vijay Oswal: So basically, since we keep working on, as far as growth, you have two questions. One is the growth. Definitely, we are expecting about 25%-30% growth in terms of revenue. And what was your second question?

Madhur Rath: Sir, on EBITDA margins, what kind of margin profile we should expect for the next 1 or 2 years?

Vijay Oswal: EBITDA margins would be more or less the same as last year. It is basically into the private sectors and the competitive market, our margins would remain same. The volume is there. I have always been saying that volume is the game. So we are increasing the size. That will only add to our revenue, the bottom-line.

Madhur Rath: Got it. Sir, and why did our margins reduce from 13% in FY '22 to 9% for FY '23 and FY '24? And, sir, I am relatively new to the company and, sir, what led it again to increase to 13% in FY '25?

Vijay Oswal: So till the time, we were on 23. So one second, let me just look at. So probably, it may be two reasons, that time we did not have these specialized constructions, this thing. As we said that we have added these specialized construction activities over the last 3-4 years only. And particularly, Microsurfacing, though we have been doing, but was for quite some years now, almost 9-10 years. But that was always in a small quantity. As we go in size, our ticket size increased, our project size increased, the specialized construction sector is also increasing and that is giving us the increase in the margin. And, of course, with this increase in the size, we are also looking at the cost optimization because of the consolidation.

Madhur Rath: So sir, was FY '22 13% margins of one-off or because our specialized and this has been only in the last 3-4 years and it was 13% 3-4 years back as well?

Vijay Oswal: Yes, it could be one of the things that has happened. I would not have the exact data, but you could write to me. I can also dig into the 22 data and can come back and give you details.

Madhur Rath: I will do that. Thank you so much and all the best.

Vijay Oswal: Please. Thank you, Madhur. Thank you a lot.

Moderator: Thank you. Our next question comes from the line of Arvind Deshpande. Please go ahead. Arvind sir, your line is unmuted from our end. Please unmute it from your end and proceed with your question.

Arvind Deshpande: Can you hear me now?

Moderator: Yes, sir. Please go ahead.

Arvind Deshpande: Yes. First of all, let me congratulate management for the good performance.

Vijay Oswal: Thank you, Arvindji.

Arvind Deshpande: Yes, but what is important is, like basic infra companies which build roads make 6%-7% PAT margins. We are a repair company and that too specialized. We should be at least making

double this margin in my view. The whole India story has started from, let us say, 14-25, nine years. So if we take the repairs are coming last 4 years that is where you may be seeing attraction in your business of repairs. So 5-7 years is where major repairs come up for all the toll roads. And this pace is going to go up. So effectively for a company, specialized company like Markolines, the TAM is going to be very big. And if you are just making 5% margins, then that is not going to become very interesting. You are like any other infra company then?

Vijay Oswal:

I understand that. So slowly, if you have looked at our results, we have been increasing in terms of our margins also growing steadily over a few years. Now, FY '25 is close to 7.5%. But at the same time, as I said, in fact, I have been saying also earlier, if you had attended my earlier calls. So basically, till a particular time, we were only catering to the private players and major maintenance and to establish ourselves into the business has always been looking at the satisfaction, the transferred worksheets. And we have always operated on a costless basis. Now, what is changing for us is one, the larger ticket size, then the specialized construction. And as we are growing, we could also look at the projects from the government, which we are focusing slowly. And this is our plan for the growth in terms of margin. And particularly, we cannot compare ourselves with the infrastructure construction companies. They are way too big in terms of size, in terms of the capital requirement. But in this space, we are the only very few players in the organized sector. Otherwise, till particular point of time, there was a lot of unethical competition also we had to cater to and be into the market with the competitiveness. But with funds coming in, but of course, with the funds, the privatization going on, we can only be assured of the payments at a competitive rates. So the size, that is why I said, we always keep focusing on the size to maintain the growth.

Arvind Deshpande:

Now, I fully appreciate, but the scope, I am just trying to talk about the scope, this industry is getting mature just now. And the scope for an excellent high-tech repair company such as yours, the scope is immense. You have to be a premier player and a partner of choice for all the InvIT owners. And that is where, if your company focuses, I believe, more than 5% margin will come about and you have a repeat business all the time, unlike an infra one-time market. So if there is a vision towards that, then I see a lot of PE expansion for your company. Anyways, every shareholder buys cash flows. He is not buying anything more than that, your vision and cash flow matching to that vision. So we need to see that vision matching and the expectation of a higher margin and a cash flow.

Vijay Oswal:

Definitely. Arvindji, thank you very much. You have already said what we have on our minds. We are also looking; we are talking to various friends for the long-term and the consolidated partnerships. And we are definitely working in all the things, whatever you have said. You have definitely a good understanding of this market, I can say. Believe me that we are working on it.

Arvind Deshpande:

Thank you. Thank you so much.

Vijay Oswal:

Thank you, sir. Thank you very much.

Moderator: Thank you. Our next follow-up question comes from Madhur Rath from Counter Cyclical. Please go ahead.

Madhur Rath: Sir, thank you for the opportunity once again. Sir, would most of our order be tender-based and that is why there is this competition for margin or like for the private players, it is more of a service-based and we can maintain our margins going forward?

Vijay Oswal: Yes. Government tenders are tender-based only and so is private. Only thing is, unlike government, the private players do not work only on the lowest price, cost. They will also look at the credibility, quality and other aspects also and the SLA-based orders are finalized. And as Markolines, I must tell you that there are at least 2-3 instances where because of our earlier association and performance, we have got few orders wherein without even floating the RFPs to the market. And that too, we have done it twice with Tata and once with L&T also.

Mathur Rath: Got it. Sir, on the specialized construction?

Vijay Oswal: As a technical requirement, yes. It is because of the regulations, all the orders come through the tender way.

Madhur Rath: Got it. Sir, on the specialized construction, I am trying to understand, sir, what is exactly that we do and sir, are we getting some kind of subcontracting work by these larger players or if you could just help us understand that?

Vijay Oswal: So under specialized construction activities, we do two kinds of activities as of now. One is the FDR that is the full depth reclamation, which I explained about the Greenfield road development. And second is tunneling. And in both the cases, we definitely take the work from the construction companies who are working on the road building. Like as tunneling, we are working on two projects, one is directly with NHAI now and the second project in Jammu Kashmir it is awarded to us by Tata.

Madhur Rath: Got it. And sir, why do we get this 18%-20% margin, sir? What is the competitive advantage that we have versus these EPC players who are making like 10%-15% margin on their road products? So sir, why do they give their work to Markolines?

Vijay Oswal: So what happens is these specialized activities, particularly like tunnels, it is not economical for the large players to mobilize, though for us as a maintenance company, it is a large contract, but for the larger players to mobilize such a manpower and everything will not be that cost effective, wherein having experience and the local basis available everywhere, it becomes economical, wherein we could do better.

Madur Rath: Got it. And sir, we had mentioned that we were expected to achieve Rs. 400 crores revenue for FY '25. So sir, what was the reason why we couldn't achieve it? And, sir, what gives us the confidence that we will keep on growing at 20%-25% going forward?

Vijay Oswal: So initially we said, but then as a management decided that, now, Mr. Aravindji asked me a question on increasing the profitability. So we had clearly decided last year that rather than the revenue, let us focus on building the bottomline. And that is how we majorly focused on the bottomline, worked with the specialized constructions. And of course, there was one more reason, particularly in the first semester of the pronged monsoon. So we could not perform in spite of having the work order at hand. The last year's monsoons were really widespread almost more than close to 6 months. We had the weightest monsoon in, I suppose, 30 years.

Madhur Rath: Got it, sir. Sir, thank you so much and all the best.

Vijay Oswal: Thank you, Madhur.

Moderator: Thank you. Sir, we will move on to the text questions. Our first question is from D. A. Thakkar from Thakkar & Associates. And the question is, what is the market potential for the company's products, services in India and globally?

Vijay Oswal: So if I just say a look at the major maintenances by thumb rule, though we do not have being this industry, there are no statistics very easily available. But by little experience, whatever I have gathered, if I have to really talk on the potential, approximately for a major maintenances, which is generally done once in 5 years, the approximate cost is about Rs. 1 crore per kilometer, let us say. So that would approximately, how much? Rs. 150,000 crores divided by 5. That is the actual size, Rs. 1,50,000 crores, but divided. And then apart from that, there is operational maintenances, the regular maintenances, the specialized sections, but since we operate in the privatized space, we have to look at. As of now, if I look at only the privatized space, the market will go close to Rs. 10,000 crores per annum, per year on the major maintenances and Rs. 10,000 crores on the O&M.

Moderator: Thank you. Our next question is from Vipul Chandra, an Investor. And the question is, is our business reasonable and which quarter is good for our business?

Vijay Oswal: So reasonability is how we define the reasonability. But we are working hard to put up our best, to give the best of the performances. And in terms of quarters, as I have already said, first 2 quarters, which are affected by monsoon, are not so good in terms of revenues. And the second half is better. And out of the 2 quarters in the second half also, Q4 gives us the highest business. At least 40% of the business, at least I am saying, comes in the Q4, probably more also at times.

Moderator: Thank you. Our next question comes from Ashish Karkera from HDFC Securities. And the question is, can you explain what is Cold-In-Place Recycling and the opportunities regarding the same to our company?

Vijay Oswal: Yes. So now, CIPR has basically just said that it is recycling of roads. We have started the development of road by, let us say, 2005. And wherever there is subways is not stable and the road gets damaged very often, there the Cold-In-Place Recycling is used. It is primarily recycling, as I have explained earlier, but train of equipment that passes over the road, a bad road is estimated beforehand, laid with the rippling material. It is excavated by a recycler and basically additives and the strengthening material relayed and compacted. So practically, it is a recycling of road. Now, as regards to CIPR, it is the activity similar to the FDR. It is the same equipment that is needed. Only thing is, in the CIPR, it is also the bituminous layer is also laid over the top at the same time of the excavation and relaying. Now, as far as potential is concerned, it depends on to the, because now the potential between CIPR and FDR is getting mixed. So only because of the two different activities, we identify it separately. But the recycler is the choice of the asset owner. They can also, at times, look at the business from the conventional methodology also.

Moderator: Thank you. Our next question comes from D. A. Thakkar from Thakkar and Associates. And the question is, what is the MPTL's long-term vision in expanding beyond highway and O&M into specialized construction like tunneling and soil stabilization?

Vijay Oswal: So that is a good question. And definitely, like anybody or every entrepreneur do have a very long-term vision and growing to the best of our capacities. So as far as highway and O&M is concerned, there is a huge potential that is there because of the leadership position. We are also at a position where we could capitalize our leadership. And as I said, with the increasing size, the credibilities, experiences, we are also growing in terms of size. And as you can see that slowly we are moving towards the specialized constructions where we could fetch more, the higher size of the contracts as well as better margins for the company. And also, see, technically, if we look at, we are also working as a contractor in the sector. So as a long-term policy, we are also looking at exploring our skill set to other sectors of infra, which we are working on. This is our long-term vision. As a long-term vision, definitely, we want to be the leader and be a completely absolute leadership in O&M. Though a few years back, we used to say that we would like to be an Indian MNC, but with the growing Indian potential, we really have a lot to do in India first before we explore the outside.

Moderator: Thank you. Our next question comes from Adarsh Shetty, an Investor. And the question is, MPTL is the only company in India offering a complete array of highway and O&M services. How does the management plan to defend this leadership as competition intensifies?

Vijay Oswal: Good question. So as I said, it has only come to us because we are the people who have introduced a lot of new technologies or a few technologies for the first time in India, like

whether it could be CIPR, it was Microsurfacing with fiber, then we are working with a few other things also, like in the field of reactive asphalts, where the quick pothole filling can be done. Now, as far as competition is concerned, though we cannot bar anybody from being into the competition, but the credentials and credibility that we have built over the last 22 years, the long experience definitely keeps us ahead. And this industry, a very played a smaller industry in terms of the clients as well as the suppliers in the organization space. Definitely, by bringing more and more technology, giving a look, focusing on the customer satisfaction, that keeps us ahead in our competitive market.

Moderator: Thank you. Yes. Our next question comes from Prashant Kamdar from Chairworld. The question is, in foreign countries, we are seeing quality roads and highways. In our countries, will it be possible and our company is planning to bring foreign technology in India or collaborate any foreign countries' contractors?

Vijay Oswal: So yes, Prashantji, thank you for being invested with Markolines, first of all. And I must tell you, if we look at the last about 15 years over the timeframe, we have been increasing our road network and the quality of the road also. If you have gone through any of the expressways, the Pune-Mumbai, just near the Mumbai, and for that matter, if you have gone from Baroda to Ahmedabad on an expressway, you can see the difference. And like that, there are at least 10 expressways that are under construction in India. I think in our presentation, we also have the list of lot of access-controlled and expressways, which are coming across India, just from your hometown to Chennai. Then we are coming up with from Mumbai to Delhi and lot of them like that. We have recently completed Mumbai-Nagpur highway, which used to take at least more than 24 hours to travel. Now, I have personally driven in less than 8 hours from Mumbai to Nagpur. And we have been definitely improving in terms of quality. And as of now, with the government's vision, we want to be the developed nation by 2047. And by then, now only we have, but only partially, but we too will have the international quality roads across India. And Gadkariji, if you have heard him, any of the things he often says, the developed nations, they are having better roads, not because they are developed, but they are having better roads that is how they have become developed.

Moderator: Thank you. Our next question comes from D. A. Thakkar from Thakkar & Associates. And the question is, how is the company mitigating risks related to raw material price fluctuations and delays in government payments, which are industry-wide challenges?

Vijay Oswal: So material price, which I have already answered in my presentation that every contract that we signed has escalation clause. Generally, a bitumen is the major component, which is directly related to the crude oil. So the prices are subject to fluctuations. But because of the escalation clause is mandatory, we have in every, so escalations are taken care of. Then delays, particularly, we always keep a balance on government and private sector, rather our first focus is always on the private sector, where the less, probably the margins could be a little lesser, but the payments for sure. And this is how we keep the balance in terms of mitigating the risk.

Industry-wide challenges, as I said in my SWOT analysis, I already said that the skilled manpower, weather conditions, government policies, those are the things that could be always mean in terms of challenges as an industry.

Moderator: Thank you. Our next question comes from Vipul Chandra, an Investor. And the question is, is there any other new segment we are looking for? Also, what is the rationale behind the decrease in revenue?

Vijay Oswal: So in terms of rationale behind the decrease in the revenue, I think I have already answered on to another question. And now, as far as segments are concerned, yes, we keep always looking for the newer sector, so that everything that my clients need, we should be in a position to be able to offer. Now, looking forward, we are always looking at the sectors like, now we are also looking at structural maintenances, then we would also look at anything that would be required by our clients. But as of now, yes, we are looking at strengthening PQC that is concrete road maintenance, and structural maintenances.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I would now like to hand the conference over to Mr. Vijay Oswal, Founder and Chief Financial Officer for closing comments.

Vijay Oswal: Yes, Sagar. First of all, thank you everybody who is present on this call for being here to listen to us. I am always excited to be the face of my company to represent us as management and the entire company to everybody who would want to know more. As far as the questions and answers or any queries are concerned, we have tried our best to answer them. If anything is left out or you have any query, any time, could definitely contact us through our IRs. Also write to us on the email IDs which have already been published on our websites and we would be always happy to answer every other query. As Markolines, I can only commit that we will always work. See, we are the basically technocrats. We love our business. And we will try our best in doing best of the things possible to give the better value to our investors or every other stakeholder, associate and everybody in this company and around this company. I hope that is the answer to your satisfaction. Thank you very much and hope to see you soon on another call sometime. Thank you very much. Thank you, Sagar for conducting the call and coordinating for everything. Thank you, everybody. Namaskar.

Vijay Oswal: Thank you. Thanks a lot. Thank you, everybody.

Moderator: Thank you, Mr. Oswal. Ladies and gentlemen, on behalf of Markolines Pavement Technologies Limited, that concludes today's session. Thank you for your participation and you may now click on the exit meeting to disconnect. Thank you.