



## “Engineers India Limited Q1 FY ’26 Earnings Conference Call”

**August 18, 2025**



**MANAGEMENT:** **MR. SANJAY JINDAL – DIRECTOR-FINANCE –  
ENGINEERS INDIA LIMITED**  
**MR. SUVENDU PADHI – COMPANY SECRETARY AND  
INVESTOR RELATIONS – ENGINEERS INDIA LIMITED**  
**MR. R.P BATRA –EXECUTIVE DIRECTOR, FINANCE  
AND ACCOUNTS AND INVESTOR RELATIONS –  
ENGINEERS INDIA LIMITED**  
**MR. AMANPREET SINGH CHOPRA – SENIOR GENERAL  
MANAGER, C&MD OFFICE AND INVESTOR  
RELATIONS – ENGINEERS INDIA LIMITED**  
**MR. VIVEK MIDHA – SENIOR GENERAL MANAGER  
MARKETING, BUSINESS DEVELOPMENT AND INVESTOR  
RELATIONS – ENGINEERS INDIA LIMITED**  
**MS. NEHA NARULA – SENIOR MANAGER, COMPANY  
SECRETARY AND INVESTOR RELATIONS – ENGINEERS  
INDIA LIMITED**

**MODERATOR:** **MS. BHOOMIKA NAIR – DAM CAPITAL**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Engineers India Limited Q1 FY '26 Earnings Conference Call, hosted by DAM Capital Advisors Limited.

As a reminder, all participants' lines will remain 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 the operator by pressing '\*', then '0' on your touchtone telephone. Please note that this conference is being recorded.

I will now hand the conference over to Ms. Bhoomika Nair from DAM Capital Advisors Limited for opening remarks. Thank you, and over to you.

**Bhoomika Nair:** Thanks. Good morning, everyone, and a warm welcome to the Q1 FY '26 Earnings Call of Engineers India Limited.

From the Management today, we have Mr. Sanjay Jindal – Director (Finance); Mr. Suvendu Padhi – Company Secretary and Investor Relations, Mr. R.P. Batra – Executive Director (Finance & Accounts) and Investor Relations; Mr. Amanpreet Singh Chopra – Senior General Manager (CMD Office and IR), Mr. Vivek Midha – Senior General Manager (Marketing BD and IR), and Ms. Neha Narula – Senior Manager, Company Secretary and IR.

At this point, I will hand over the floor to Mr. Jindal for his initial remarks, post which we will open up the floor for Q&A. Thank you, and over to you, sir.

**Management:** Thank you, Ms. Bhoomika. Good morning, everybody. We have declared our Financial Results for the 1st Quarter ended 30th June 2025, on 13 August 2025.

Company order book position has reached its all-time high and stands at Rs. 12,145 crores as on 30th June 2025 as compared to Rs. 11,717 crores as on 31st March 2025. Order inflow in EIL during the 1st Quarter of FINANCIAL YEAR '25-'26 stands at Rs. 1,430 crores, which comprises Rs. 609 crores in Consultancy segment and Rs. 821 crores in Turnkey segment.

In the 1st Quarter of Financial Year '25-'26, the company achieved a turnover of Rs. 857 crores in comparison to Rs. 611 crores in the 1st Quarter of Financial Year '24-'25, showing an increase of around 40% with turnover from Consultancy and Engineering segment amounting to Rs. 408 crores and 449 crores in Turnkey segment.

During the 1st Quarter ended 30th June 2025, the company recorded profit before tax of Rs. 94 crores and profit after tax of Rs. 70 crores in comparison to Rs. 74 crores and Rs. 55 crores respectively during the 1st Quarter of Financial Year '24-'25, showing an increase of 27%, approximately, in the PBT and PAT.

Operating margin during the 1st Quarter of Financial Year '25-'26 stood at around 7%, that is, Rs. 59 crores, as compared to 6%, that is, Rs. 36 crores during the quarter ended June 2024.

EBITDA of the company as on 30th June 2025 stood at Rs. 105 crores. EBITDA margin is 12% in comparison to Rs. 85 crores as on 30th June 2024.

The company is maintaining a healthy earning per share of Rs. 1.25 during the quarter ended June 2025 as compared to earnings per share of Rs. 0.97 during the June quarter 2024.

On a consolidated basis, the company earned a profit of Rs. 65 crores for the quarter ended 30th June 2025.

Now it is to Bhoomika Ji.

**Moderator:** Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. The first question comes from the line of Mohit Kumar from ICICI Securities. Please go ahead.

**Mohit Kumar:** Sir, first question is, in this particular quarter, we have reported losses on JV, joint venture. Can you please help us explain the losses and the likelihood of returning to profit from next quarter?

**Management:** Yes, actually in this 1st Quarter, RFCL project was under shutdown for the normal shutdown of the project. And it was shut down almost 45 days out of 90 days. And now this project is doing well, and it is already working at more than 90% capacity. And we are sure that in this quarter, we will have profit.

**Mohit Kumar:** My second question is, sir, on this particular quarter, we reported around 17% EBIT for the consultancy. Is it fair to assume that we will report, we should bake in our model 22% EBIT margin for F-to-F going forward? Is that a fair observation?

**Management:** I think this is a fair assumption on a year-to-year basis. We are having around 22% margin in the EPCM business, consultancy job.

**Mohit Kumar:** And given this very strong order book on the consultancy, is it fair to expect a 20% growth in the top line for consultancy for the next two, three years? Or do you think the growth will be slightly lower?

**Management:** He is asking about the growth.

**Mohit Kumar:** Yes, sir, given very strong order book on the consultancy, around 4x, is it fair to assume a 20% growth in the top line for the next few years?

**Management:** For the consultancy business, it will be in the range of 12% to 15%.

**Mohit Kumar:** Not higher than that, sir, given this very strong order book?

**Management:** Some portion will come from the turnkey business also. So, overall basis, it is 20%. And out of that 20%, around 12% to 15% from the consultancy business because consultancy business is more profitable to us.

- Moderator:** The next question comes from the line of Amit Anwani from PL Capital. Please go ahead.
- Amit Anwani:** Sir, first question again to the previous answer. You are saying 20% top-line growth, out of which 12% to 15% consultancy. Does it mean that we are expecting more than 50% contribution from turnkey for FY '26?
- Management:** So, yes, normally, it remains in the same range. Consultancy would be around 60%, 55%, 60%, and then 40%, 45%. It was around 52% in this quarter. LSTK was around 52% in this quarter. And consultancy was around 48%. So, normally, it remains somewhere around the same figure. I mean, it could be 55% consultancy and 40%-45% turnkey. So normally, it remains in the same.
- Management:** Yes, basically, overall growth, we are expecting around 15%. It will be coming from both the segments, turnkey as well as the consultancy segments. This is our right now estimate. Going forward, we can revise the estimate based on the execution.
- Amit Anwani:** And second question again on consultancy. We have been doing very good from past two quarters and even the overseas consultancy is seeing good conversions. So, wanted to understand are we expecting same run rate? And we were talking about some setups in Middle East. So, what is the guidance? Will be continuing this run rate of order inflow from consultancy, which we have done in the past two quarters for the remaining quarters?
- Management:** Yes, that's true, that international has been giving good business to us, primarily from the Middle East and Abu Dhabi. As of today, we have already reached Rs. 950 crores in the overseas segment. As of today, we have secured business with Rs. 960 crores. So, we see more opportunities in the international segment only. So, it is going to grow.
- Amit Anwani:** Sir, is it fair to assume since we saw consultancy margins kind of keeping low this quarter and last year, we saw it is scaling up by the end of 4Q. So, are we expecting kind of 25% what we did last year on margins for consultancy? That is my last question.
- Management:** Yes, in the last quarter, there were certain items, basically settlement of change orders and the write back of provision. So, going forward, the margins, basically segment margins, shall be in the range of around between 20% to 25%. And in case a particular project is being completed, in case there is some variation order, the quarter-to-quarter, there may be a variation. But on overall basis, basically, we are expecting the consultancy segment margin in the range of between 20% to 25%.
- Management:** Basically, in the last quarter, there was impact of Rs. 195 crores due to change order. That is why our quarter performance was extraordinary.
- Amit Anwani:** So, is there any change order expected?

- Management:** Definitely, we are having change orders with our clients and that are under-processing with the clients. And it depends on the time when it materializes. And definitely, it materializes in this year also. It is a continuous process.
- Moderator:** We take the next question from the line of Vivek Gautam from GS Investment. Please go ahead.
- Vivek Gautam:** Sorry, I was late in joining the call, sir. Just wanted to know what was the reason for the downturn in the profit? Was it due to the losses in our JV, Ramagundam and other sort of things? What value are we getting by going in for such JVs? And is it government pressure?
- Management:** No, no. Actually, our RFCL project is going well. And as you have seen in the last year, there was good profit from the RFCL project. But in this quarter, the RFCL project was under planned shutdown. And out of 90 days, it was under shutdown for 45 days. That is why there is some figure of losses. But it will get covered in this quarter because the plant is already running on good capacity at good capacity. So, we are definitely sure in this year we will have good profit from the RFCL project.
- Vivek Gautam:** What about other JVs, sir?
- Management:** I am talking about the RFCL JV.
- Vivek Gautam:** Some other JVs also we are having.
- Management:** No, we don't have other JVs.
- Vivek Gautam:** Second thing is, Madam CMD, is she retiring this year? And by when? Because her tenure was...
- Management:** She is retiring on Feb '25.
- Vivek Gautam:** February 25.
- Management:** in Feb. It is scheduled. It is superannuative.
- Vivek Gautam:** Superannuation. Yes, that is again another bane of PSU that you have to compulsively retire at the age of 60, unlike private sector. So, any chance of an extension or there has to be no precedent of that sort in the past for EIL CMD?
- Management:** We can't say anything on this aspect.
- Vivek Gautam:** Basically, how is the future looking like for us? You know, for the first time, in the March quarter, there was good uptake in the top line and bottom line also. So, we had moved away from oil and gas sector to the other sector also. Was that the reason? So, is that sustainable? And is it margin accretive?

- Management:** Yes, the future is still bright and we are working towards it. If you see that we have already reached to the order book of Rs. 12,000 crores as of now in this quarter itself. So, we have added more orders to the tune of right now we have around Rs. 2,700 crores already as of today. So, we are hopeful that we get more orders, and we beat the last year's record and let's hope for the best.
- Vivek Gautam:** And in Guyana has been a major oil discovery and there is an Indian Diaspora, Indian politician, Mr. Ashraf Ali is the President. And have we been able to get any breakthrough in Guyana? And also any update on the Andaman prospects which can be good for us or the country also on the long term?
- Management:** With respect to Guyana, we are already in the power plant project as a project management consultant. Primarily, it is an exploration thing. When the oil will come out and they want to process it, then our role will initially come. So, let us hope for the best because what process they follow because ExxonMobil is the major contributor there and who is into the exploration. So, let us hope for the best. And with respect to the Andaman, this is still in the initial nascent stage. Let us hope when the actual reserves are there and explored and then processed. So, a future is bright for India if we get this reserve from Andaman and some work from Guyana. Let us hope for the best.
- Vivek Gautam:** Indian sedimentary, this is as far as the oil discovery goes, not much of a success has been so far, sir. Anything changing which you are finding and as you being from the same sector, sir?
- Management:** I would not be able to comment because that is more of an exploration part. So, I think ONGC or OIL would be the best to respond on that.
- Moderator:** We take the next question from the line of Bhoomika Nair from DAM Capital Advisors Limited. Please go ahead.
- Bhoomika Nair:** Sir, you know, how you talked about the international pipeline. Can you please discuss and give some outlook in the domestic market? What is the outlook in terms of the ordering activity that you are seeing? You know, if you can just highlight that for larger projects on both Pet Chem and refinery?
- Management:** Ma'am, you are aware that this Andhra project is going to come. So, we are working on that. We have been given a work for selecting the licensor and finalization the configuration. So, that is one of the prospective projects which is going to come towards the end of this financial. That is one of the opportunities. As well as there are certain more projects under consideration which we are discussing.
- A lot of opportunities are there in the infrastructure segment also, like we have got various assignments from the data center of institutional buildings, as well as various religious places modifications. So, those opportunities have also come to us in the domestic segment. Some work

has also come in the metallurgical segment, and we are anticipating some of the expansion projects which could come with respect to the state smelters.

**Bhoomika Nair:** On the IOCL side, any pet chem projects, anything which is anticipated?

**Management:** On the IOCL side, pet chem is already on. Paradeep Petrochemical is on. Its Phase-1 is already on. When the Phase-1 completes, they will go for the Phase-2. So, that is the major opportunity which will be coming to us because that is already awarded to us. But formally, Phase-2 would be awarded when the Phase-1 is complete. So, that is there. That is the major pet chem. project from the IOCL side as of now.

**Bhoomika Nair:** But when is the Phase-1 expected to be completed, sir?

**Management:** It will take a couple of more months. It is almost it was a 10-month schedule. So, four, five, three, four months have expired. So, let us see.

**Bhoomika Nair:** And anything on the HPCL side? You spoke about BPCL, Andhra. Anything else on any other projects of BP or HP?

**Management:** With respect to HPCL, their LOBs was there. And some modification, the LOB project is there. And some of the projects are there on the anvil from their side. HPCL, I do not have much details immediately in my hand right now. So, I will get back to you on that.

**Bhoomika Nair:** Secondly, on this, in the presentation, you have spoken about the various orders that you got. Just wanted to clarify, what is the difference between depository and LSTK OBE that we typically used to give earlier? If you can just explain, sir. How is the order profile different in the working or in terms of cost pass through, etc.?

**Management:** No, it is exactly different. This is considered as part of LSTK. LSTK, we are completely responsible for execution of the project, and all the risks are taken under our purview because we work as an EPC contractor, and we are responsible for execution of the project and delivering the project. Whereas in the depository mode, it is a mode of execution where we take the cost part, ordering cost in our scope as a principal executor. So, that is the basically difference. Primarily, it is considered as part of consultancy only while LSTK depository is considered as a part of consultancy while LSTK is purely an execution work. So, that is considered under the different purview altogether.

**Bhoomika Nair:** Fair point. Lastly, sir, you mentioned that the international order intake is around Rs. 950 crores till day. And I see in 1Q, we have got Rs. 475 crores. So, where has the balance close to Rs. 475 crores kind of come from? If you can just highlight that?

**Management:** It has come from Abu Dhabi. And few of the projects have come from Kuwait. It is Kuwait, Al-Khafji Joint Operations. So, we have got one assignment from there. And rest of them have come from the Abu Dhabi, UAE.

- Bhoomika Nair:** Fair point. This helps. Thanks so much. I will get back in the queue.
- Moderator:** The next question comes from the line of Nidhi Shah from ICICI Securities. Please go ahead.
- Nidhi Shah:** So, sir, you mentioned on the IOCL Paradip that the Phase-2 will be awarded after Phase-1. Is there anything remaining in Phase-1 to be awarded still?
- Moderator:** Nidhi, if you can please re-ask your question.
- Nidhi Shah:** So, my question is basically on the IOCL Paradip Phase-1. Is there anything that is pending to be awarded still?
- Management:** Ma'am, for the Phase-1, the Phase-1 part is already awarded. It is already under the execution. It is part of the Phase-1. We have to prepare a study report as well as a feed document for that so that they can proceed with the subsequent phases. So, that work is already on. The complete work for the Phase-1 is already awarded to us. Now, when this report is submitted, their management will take a decision to go ahead on the project and then Phase-2 will start.
- Nidhi Shah:** And so, is that fair to assume that Phase-2 will have a larger portion of EPC than the consultancy?
- Management:** No, it is like some portion is on EPCM and some of the portion is on the EPC basis. But for us, it is completely EPCM. It has already been awarded to us. Okay.
- Nidhi Shah:** Also, could you please help us with your L1 positions, you know, where it is still not in the order book, we are waiting for LOAs and some details on those tenders?
- Management:** There are many of the projects which we keep on bidding and those remain in the process of finalization with the client. So, as soon as they are realized, these are considered as part of the order book, and they are cleared in the subsequent quarterly results. So, it will be declared. Many things remain in the pipeline. Till the time they are finalized, they cannot be declared because their competitive scenario is working there, no?
- Nidhi Shah:** But are there any L1s that are just pending to be only LOA is remaining in that sense, like the decision has been made, finalized, but only the official LOA is not yet to come out? Or is it that the...
- Management:** Yes, there could be certain smaller orders which are under negotiation and finalization of the contract, but till the time the contract is not signed. It is not necessarily that it is all the competitive tenders. There could be certain negotiated tenders are also there, which are in the process of negotiation and finalization of the concept. So, as soon as they are signed, this will be declared. There are few jobs are there, definitely.
- Nidhi Shah:** And on the pet chem side in the Middle East, are there some projects that you would like to call out that could possibly be tendered in the next nine months?



- Management:** No, there are a number of projects which are coming in Middle East, specifically in Saudi Arabia or in UAE or in Kuwait. So, we are bidding for those projects. But they have a lead time of five to six months as soon as the tender is placed. So, there is an evaluation time. It all depends how it goes. We have bid few of the ones. So, let us hope for the best.
- Moderator:** We take the next question from the line of Saket Kapoor from Kapoor & Company. Please go ahead.
- Saket Kapoor:** Sir, firstly, this on 14th August we had given an announcement for Bharat Small Modular Reactor. If you could just elaborate, what kind of opportunity are we eyeing in this space? And if you could give us some more color on this?
- Management:** So, it is like we are working with the NPCIL to work on this conceptual design and engineering services for that project. This work is already awarded to us. So, this is going to be the first assignment. So, finally after execution of the same, this will open opportunity for the other kind of assignments because Government of India is planning for a lot of this kind of SMRs all across the India for generation of the electricity and increasing the nuclear reach. So, that is the good opportunity. But this assignment is awarded to us. It is somewhere around Rs. 30 crores. Rs. 29 crores, Rs. 30 crores.
- Saket Kapoor:** So, it is a one which will be a testimony for going ahead. Once we execute the same...
- Management:** Yes, you can say that is the starting point. It could be the starting point. And then based on the success of this or with this we can start for the other projects also, wherever NPCIL works.
- Saket Kapoor:** And when are we going to execute the same? How long will it take?
- Management:** We are working on this. We have already started the study on this.
- Saket Kapoor:** Sir, in the presentation, there is a mention of business secured and order booking on Slide #10, 11, and 12. So, what should investors read into this difference between business secured and order booking? How should one interpret these things?
- Management:** Business secured is the current business which is secured in this financial year. An order book will include the orders which have already been executed in the past and they are under execution. Normally, a big order will have a cycle of three to four years. A big project will have a cycle of three to four years.
- So, every financial year, some of the unexecuted value will be there in that financial year. So, this shows that this much of work is already there in our hand. Like suppose today, you see that Rs. 12,000 crores. So, Rs. 12,000 crores worth of work is under execution with us, while the business secured tells the new business which we have secured in this financial year.

- Saket Kapoor:** Sir, in your opening remark and also to answer to some of the participants, you mentioned about 15% revenue growth on what we did for the last financial year should be what we are looking for this year. That should be the top-line growth that we can expect.
- Management:** Yes, we have told that it should be around, for consultancy, it will be 12% to 15%. It should be, yes. It is already told.
- Saket Kapoor:** 15% is what we should look at in overall?
- Management:** Yes.
- Saket Kapoor:** And sir, for the margin profile, you mentioned that this 17% and 6% will hold going ahead, or can we look for further improvement of the same? Last year, sir, because of this changeover order, the margins for our consultancy was at 30%. So, that is historical only that to be taken into account or what should we? Because the basis will be very high when we look at our consultancy profitability for the last fiscal.
- Management:** The consultancy margin shall be in the range of 22%, which we are maintaining for the last long period. So, for the LSTK business, it is 5% to 6%, 6% to 7%. In the range of 6 to 7%.
- Saket Kapoor:** So, going ahead, we will be experiencing with improved business turnover improvement in margin. Since we have clocked 17% for the consultancy this quarter, so there is a very likelihood of this moving up. And on average, we can look for 22%. That is what our trajectory should be.
- Management:** Definitely all the margins will be retained and there will be a positive growth in the turnover top line.
- Saket Kapoor:** Sir, you mentioned about this Ramagundam unit being under, I think, some maintenance shutdown. So, can you quantify to us, sir, what was its impact in terms of the losses because of it? I think, so, under the JV part, we have both losses to the tune of around Rs. 7.5 crores. So, in the likelihood of that one-off item, what should have been the normal profitability or for the year, what should we look at this segment, sir, in terms of the joint venture part? I think there is some different component also that goes into. So, if you catch last year's base of Rs. 108 crores, for this year, this exposure of JV and us on Numaligarh refinery, what can we estimate from that for the current year?
- Management:** JV you could keep the same, around Rs. 100 crores will be accretion to the EIL's consolidated financial statements. And your Numaligarh refinery, basically, is not an associate. Whatever dividend comes in that, that is being recognized as an income.
- Saket Kapoor:** So, it will be added to other income.
- Management:** Yes, sir.

- Saket Kapoor:** Last year, what was the number, sir?
- Management:** Last year, around Rs. 20 crores in the last year.
- Saket Kapoor:** And JV aspect, sir, we have this only the Ramagundam part that goes into JV or there is going to be some contribution from upstream asset which is under the NELP?
- Management:** Basically, majorly, it is of JV only.
- Saket Kapoor:** Because then last year's performance for Ramagundam was at its peak, I think. So, Rs. 100 crores was the highest if you take into account.
- Management:** Rs. 107 crores, yes, to be very precise.
- Saket Kapoor:** So, this year also we can look forward for this number going ahead. I think it is only the urea base they are doing. And there I think so energy efficiency and lot of aspects also goes into. So, we can look forward for this kind of contribution to continue.
- Management:** We are sure we are going to get this kind of contribution from the RFCL in this year also.
- Saket Kapoor:** And sir, for our MD's term to conclude, I missed your comment on Vartika ma'am term. It gets concluded when?
- Management:** She is superannuating in the month of Feb '26.
- Saket Kapoor:** And lastly, sir, in the order booking part, I think so, domestically, major EPC companies are seeing a slackening in the order release, especially from the PSU segment, whether it is ONGC, Oil India and other state PSUs also. So, what is our understanding? And what portion of our order booking or bid pipeline is inclined or related to the CapEx from either the center or the state PSUs?
- Management:** With respect to the major LSTK, you know that we bid only for the OBE LSTK projects, which are very specific. So, very straight oil clients like the ONGC is there. We have been associated with them. We have been doing a lot of modifications for their projects because a lot of their assets are old, and we are involved in the modification of that and those have been executed on OBE basis. So, exactly saying that they are awarding the EPCs. In the normal EPC, we don't bid. It's only specific, but they have discussed and earmarked the OBE projects which we bid in the LSTK segment.
- Saket Kapoor:** And lastly, sir, I think so for this...
- Moderator:** Saket, I would request you to please rejoin the queue.
- Saket Kapoor:** I will join.

- Moderator:** We take the next question from the line of Amit Anwani from PL Capital. Please go ahead.
- Amit Anwani:** Thanks for the opportunity again. One question on the non-oil and gas business, which is now 35% of order book, and we have been talking about that the non-oil and gas portion would be 30%, 35% of order intake this year as well. Wanted to understand the nature of contracts, margin difference between oil and gas, non-oil and gas for us, whether it is turnkey or consultancy. And what is the conversion rate? Is it government contracts? Are we going to take private contracts also? So, some more color on the non-oil and gas business since it is becoming more prominent part of our order book and also the duration of these orders.
- Management:** Primarily, the major part of the non-oil and gas business is coming from the infrastructure segments. This includes mostly the government clients as well as some of the private clients are also there. These are negotiated contracts. And these are very specialized kind of contracts.
- We are working for the institutions like IIT, IIMs, or for the Government of Jaipur. They have certain technology institutes. We are working for the data centers. We have worked with RBI data center. Similarly, Bhamashah data center. So, all these kind of work are there.
- In fact, we also recently worked for Ram Janmabhoomi. We have been awarded project management assignment for them for monitoring their campus modification, means their wall, campus wall modification. So, all these kind of very specific assignments we are discussing and getting it from them.
- So, normally these kind of projects have a period of execution of 24 to mostly two years' time is there in these kind of projects. They are shorter duration contracts.
- Amit Anwani:** Sir, margins?
- Management:** Margins are good. These are mostly, some of them are on the LSTK basis. So, LSTK margins are available, which are there in 5% to 6%. And some of them are in the consultancy. The consultancy remains in the range of 20% to 22%. That margin is maintained.
- Amit Anwani:** And is it like nominated? Are we competing? Who are the competitors in this space which you are working on?
- Management:** There are a number of competitors available in the market. Infrastructure companies are there. So, we compete against them. Some of them are negotiated and won. And some of them are on a competitive basis. So, all the companies are there in the market.
- Amit Anwani:** And this will be like 30%, 35% or this can increase over the next two years, this portion?
- Management:** Right now it is around 40%, 45%. So, it depends. It changes. It is tentative all in nature because by the time we reach last quarter, we can have other orders. So, percentage keeps on changing.

- Amit Anwani:** But this is more sustainable since you are winning quarter-on-quarter some portion.
- Management:** It is sustainable. You can see it. That is increasing for last, I think, two financial years.
- Moderator:** The next question comes from the line of Rohit from Tata AIG. Please go ahead.
- Rohit:** Thank you for giving the opportunity to ask a question. So, one thing is, if I see historically, last 4-5 years, your top line for the next year is 35% to 38% of the opening order book. So, if I go by that number of your Rs. 11,700 crores order book, which was in the beginning of the year, and if I do the maths, then I am not able to understand why you are seeing a 15% growth projection as compared to your historically last 4-5 years is showing a growth of 25% to 28% odd.
- Management:** Actually, this is the order book position. And you know, these are the long period projects. And generally, these projects are completed within the period of three to four years. And in the initial Phase-of project, there is lesser progress, which contributes less to the top line. So, after expiry of one year, after getting the job, it stimulates. And we get the good top line also. Therefore, we have said, for this year, we are in the range of 15% growth. And definitely, we will try to get 20% growth, no doubt. But on the conservative side, it is 15%. And definitely, we are going to get the benefit of all-time high order books in the coming years. In this year also and coming years also.
- Amit Anwani:** But sir, Vartika ma'am coming on an interview and she is saying that this year the projected growth will be between 30% to 35% in the top line. And you are saying a 15% growth. So, I don't know within the management team why such a misconnect is there. The MD is projecting a growth of 30% to 35%. And you are seeing a 15% growth on the conservative side. So, I don't understand.
- Management:** On the conservative side, we are 15% to 20%. But definitely some of the change orders are under process with our clients. And we are expecting that these change orders will also finalize in the current year. But this is the routine process because change orders are a continuous process. So, in case our change orders are approved by the client, then definitely our growth will be 30% to 35%. But on the conservative side, we are 15% to 20% on the normal growth path.
- Amit Anwani:** That I understood, sir, what you are trying to say, that your projects are long gestation period. So, the same had applied in the past also, yes. This year is nothing new as compared to the past. In the past, in the last five years, you take the data, you can check it. Your average execution as a percentage of opening order book has been between 33% to 35% odd. And this year, if I go with your 15% match, it will be historically low, whereas in the last year, you have gained order book of Rs. 8,000 crores.
- This year, I guess you guys are on track to get Rs. 7,000 crores, Rs. 8,000 crores order book again, which you have already gained Rs. 2,700 crores, which you said in the call. So, it is not conservative. I think it is too conservative numbers. And why not, let's say, to give us proper

clarity to investor, I think that will be great. So, if you can work out your numbers in the next coming quarter, if you can give a proper clarity. And vis-a-vis, also, if you see, historically, Quarter 1 has been a weaker quarter for you. This year, you have posted your all-time high quarterly numbers. And then also, you are saying a 15% growth.

**Management:**

Let me tell you, whenever we get the job, generally in the first year, progress turnover comes only 10% to 15%. And from the second year, it comes to 20% to 25%. And then in the third year also, it is 25%. So, all the order which we have received recently, we are expecting only 10% to 15% turnover from these projects.

That is why we are saying we are keeping a conservative approach of 20%. Otherwise, in case there is a good progress in that project, we can get more. But we are not making any promise on account of that because project progress depends on the many factors. But in the first year, project progress is only 10% to 15%. That is why we are keeping a conservative approach. Otherwise, we will be happy to record more growth.

**Amit Anwani:**

No, no, no. But, sir, if you are, I can take this in offline also. Because when you say 10% to 15%, you got Rs. 8,200 crores order book the last year. If I take a 15% of it, that is itself what come at Rs. 1,200 crores type of order inflow which should flow in this year from your last year order book. Last year order inflow. And in FY '24, you closed the order book at Rs. 7,800 crores. So, sir, Rs. 3,000 crores is of from the order book of FY'24. And if I catch 15% of the order book which you have of FY'25 it comes to Rs. 1200. Last year's Rs. 1200 and is in this year, you will get some Rs. 7,000 crores, Rs. 7,500 crores order. Whatever you get, there will be some order which needs to get executed in a shorter period of time. I mean, either I am not able to understand or I am taking the numbers wrong. But I don't think so that 15% numbers which you are saying is the correct number.

**Management:**

No, no. Basically, we have arrived at a number on the basis of the order book. New order definitely will add further to it. So, that is why we are saying that as of date, we are expecting around 15% to 20% growth in the turnover. And going forward, we can definitely revise our numbers.

**Amit Anwani:**

And so my second question is, in the current quarter, you had a lower your LTSK margin. So, on an annual basis, you will be achieving what you have achieved in the last years. So, it is not correct to see margins on a quarter-to-quarter basis. So, it is better to see on an annual basis, correct?

**Management:**

Definitely. Because, you know, EIL is earning revenue from the implementation of project. And income from the implementation of project is always cyclic in nature. So, it is better to see on the annual basis rather than on quarter-to-quarter basis because it fluctuates from quarter-to-quarter.

**Moderator:**

Rohit, I do apologize to interrupt you. Could you please rejoin the queue? We take the next question from the line of Kunal Sheth from B&K361. Please go ahead.

**Kunal Sheth:** So, just wanted to check, what is the order inflow run rate that you guys are building and we should work with for the next two, three years?

**Management:** Can you just repeat the question again, please?

**Kunal Sheth:** What is the order inflow run rate you guys are building in or what is the number that we should work it annually for the next two, three years? What is the plan that we are targeting given that now the spectrum of opportunities that EIL can participate in has gone up meaningfully?

**Management:** Yes, yes, exactly. The last year it was order inflow was in the range of Rs. 8,000 crores. So, we are expecting that there would be some rise in that. At least we will be able to match the Rs. 8,000 crores, which was this time for the first time we had achieved that kind of order book. The endeavor would be to meet the same kind of order book, but with increase that we are perceiving that it should be 10% to 15%, 20%. We should be able to get more. That is an internal target for us.

**Kunal Sheth:** But sir, do you think that this kind of run rate can be sustained for next two, three years or?

**Management:** It should be. It should be. If you see that the kind of CapEx investment and the focus by the government is there on the indigenization and Atmanirbhar Bharat, so a lot of these projects will be coming there. Infrastructure has a lot of boost. So, you see that our contribution of infrastructure in our business is increasing.

Similarly, when you are going towards the development of the internal product, suppose, yesterday, the new policy has been on deep sea exploration. More than the oil comes to the market, actually, there would be processing facilities. So, refining capacity and pet chem capacity will also increase. So, there is a lot of investment and boost from the government side also. So, we see that there is a good opportunity for us. As soon as the projects are on, CapEx investments are there in the market, so it is an opportunity for EIL to be there, as a consultant.

**Kunal Sheth:** And lastly, we also spoke about the Rs. 5,000 crores turnover target. So, is that the target that we have kept for ourselves for FY '28, or should we be able to achieve it earlier as well?

**Management:** We should, I think by 2028, we should be able to achieve it because as soon as the order book increases, we are moving towards the same aim. So, let us hope for the best.

**Moderator:** We take the next question from the line of Ajinkya Jadhav from Chris Portfolio PMS. Please go ahead.

**Ajinkya Jadhav:** My question again is on the BSMR. So, sir, if you can tell this Rs. 30 CR assignment that we have got, so, I expect this is for one project. So, how many such projects are expected to come from the government and in next, maybe say, two, three years?

**Management:** No, it is there in the articles also. The government is pushing for this. Many private companies like many other public sectors like NTPC, is also putting up the SMRs in future. They have also started studying. So, all power companies are also anticipating to go for it. So, there are a lot of opportunities all around India.

And you know that the government is thinking of nuclear mission. They are thinking of achieving under the Viksit Bharat opportunity, they are thinking of 100 Gigawatts from the nuclear. So, that can only be achieved from these smaller reactors, which are faster and easy to do it. So, let us hope for the best. A lot of projects are going to come for that. And all other companies will also be investing in this segment.

**Ajinkya Jadhav:** So, our scope will be around this Rs. 30 CR number or will we be adding more offerings?

**Management:** It is just starting. Actually, this is first of its own kind. We are just starting working on the conceptual design because even SMR is very new in the market now, in the segment. So, as soon as it is developed, our scope will always increase. Because we are a consultant, we can do all kinds of complete engineering, procurement, and construction management. Till the implementation, we can get involved. So, this is just the starting point. This is going to increase. It is time to come up.

**Ajinkya Jadhav:** And we have a fair chance of getting orders from the private VSMR players as well, right?

**Management:** Let us see. Yes. We are now getting a lot of business from the private segment in competition also. So, we are very much hopeful that private segment will be our potential clients in future too for the SMR also.

**Moderator:** The next question comes from the line of Saket Kapoor from Kapoor & Company. Please go ahead.

**Saket Kapoor:** Sir, what is the cash balance currently on books? And any dividend distribution or cash distribution policy for the investors?

**Management:** Our cash condition is around Rs. 1,100 crores. Rs. 1,000 crores or Rs. 1,100 crores in the range of and what is the other question?

**Saket Kapoor:** What is our dividend distribution policy or sharing the cash with your investors?

**Management:** In this year, we have declared a dividend of Rs. 4 on the face value of Rs. 5. So, we are paying 80% dividend. And I think this is more than 50% payout. But our dividend policy is minimum 30% payout.

**Saket Kapoor:** And sir, just for a humble understanding and permission, one of the participants did mention about the variation in what things look like in terms of the execution and the growth trajectory for the current year, especially between 15 and 35, the range looks a bit broader. So, just a request



and a humble suggestion from investors like us is that if Madam could also join the call and just allude to the premise on which her vision of achieving 30%, 35%, and the team who is addressing us, giving us conservatively 15% to 20%. So, that dilemma would have been cleared has she been also joined and have addressed her. So, I request to give the feedback so that on the remaining tenure or the remaining calls which happen, if ma'am could join and she would have clarified there itself where the gap is building up because that would have answered many questions.

**Management:** Basically, this is not the gap. This is the 1st Quarter for the '25-'26. And in case our top line moves further towards 30% to 35%, then definitely we will change our forecast. Based on the coming quarters, it is not that we are giving any wrong information to our investors.

**Saket Kapoor:** No, no, sir.

**Management:** In case I am giving more figures, then it may be I am giving a wrong figure to the investor. Already I am giving a conservative figure, then how can be I wrong?

**Saket Kapoor:** No, sir, this is not the question of going either right or wrong. It is only the gap which the participant...

**Management:** Sir, it is a question of forecasting. And I should not give any additional figure to my investor. And on the basis of first year, I am saying that the top line growth will be 20%. And in case it further improves, then definitely I will change my guidance in the coming quarters.

**Saket Kapoor:** You are right on it.

**Management:** It is 1st Quarter only.

**Saket Kapoor:** Sir, you are absolutely correct on your perception. But only when the MD speaks, there should be merit on what she is also alluding to. So, there should not be a difference.

**Management:** Sir, you can talk to her offline.

**Saket Kapoor:** If she would have joined the call, yes, sir. If she would have joined the call for this hour, it would have worked much better. That is only the suggestion, sir. Whether it is there or not, yes.

**Management:** We don't have any issues.

**Saket Kapoor:** Thank you, sir. And all the best to the team.

**Management:** Sir, you are already talking to Director Finance of the company.

**Saket Kapoor:** Yes, sir.

**Management:** And be assured we are on the right path.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to Bhoomika Nair from DAM Capital Advisors for closing comments. Bhoomika?

**Bhoomika Nair:** Yes, thank you to all the participants for participating and being on the call and the management for giving us an opportunity. Thank you very much and wish you all the very best. Any closing remarks from your end?

**Management:** No, Bhoomika. It is already done. Thank you.

**Bhoomika Nair:** Thank you.

**Moderator:** Thank you. On behalf of DAM Capital Advisors Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.