"Engineers India Limited Q2 FY '26 Earnings Conference Call"

November 14, 2025

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

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

Moderator: Ladies and gentlemen good day, and welcome to the EIL Engineers India Limited Q2 FY '26 Earnings Conference Call hosted by DAM Capital Advisors Limited.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Bhoomika Nair. Thank you, and over to you, ma'am.

Bhoomika Nair: Good evening, everyone. On behalf of DAM Capital, I welcome you to the Q2 FY '26 Earnings Call of Engineers India Limited.

We have the call today being represented by Mr. Sanjay Jindal – Director (Finance); Mr. Suvendu Padhi – Company Secretary and Investor Relations, Mr. R.P. Batra – Executive Director (Finance & Accounts) and IR; 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 Secretariat 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.

Sanjay Jindal: Thank you, Ms. Bhoomika. Good evening, everybody, and a warm welcome to all the investors who are attending the investors' call.

We have declared our financial results for the 2nd Quarter ended 30th September 2025 today. Our order book status has reached its all-time high and stands at INR 13,131 crore as on 30th September 2025, as compared to INR 12,145 crore as on 30th June 2025.

Order inflow in EIL up to 2nd Quarter of Financial Year '25-'26 stands at INR 3,765 crore. We have declared results of quarter and half-year ended September 2025 on 14th November 2025.

As regards to financial performance for three months ended September '25, the company has registered a turnover of INR 900 crore vis-à-vis INR 676 crore in the 2nd Quarter of the Financial Year '24-'25.

Turnover from consultancy and engineering segment stood at INR 411 crore, and from turnkey segment at INR 489 crore.

During the current quarter ended September '25, the company has recorded profit before tax of INR 150 crore and PAT of INR 115 crore in comparison to INR 100 crore and INR 79 crore, respectively, during the 2nd Quarter of Financial Year '24-'25, showing an increase of 50% in the profit before tax and around 45% in the PAT.

Notably, EPS for the quarter ended September '25 stood at INR 2.04, which is September '24 at INR 1.41.

Operating margin during the 2nd Quarter of Financial Year '25-'256 stood at around INR 102 crore, that is 11.3% vis-a-vis INR 47 crore, that is 7%, during the 2nd Quarter of '24-'25.

EBITDA, including other income of the company during 2nd Quarter '25, stood at around INR 160 crore. EBITDA margin is 17% in comparison to INR 110 crore EBITDA margin 15% during the 2nd Quarter '24.

In the first half year of '25-'26, the company achieved a turnover of INR 1,757 crore in comparison to INR 1,287 crore in the first half year of '24-'25, showing an increase of around 37% with turnover from Consultancy and Engineering segment amounting to INR 819 crore and INR 938 crore in Turnkey segment.

For the half-year ended 30th September 2025, the company recorded profit before tax of INR 243 crore and profit after tax of INR 185 crore in comparison to INR 174 crore and INR 134 crore, respectively, for the half-year ended 30th September 2024, showing an increase of 40% in PBT and around 38% in PAT.

Operating margin first half year of Financial Year '25-'26 stood at around 9.3%. EBITDA, including other income of the company for the first half year ended 30th September 2025 stood at around INR 265 crore. EBITDA margin is 14% in comparison to INR 194 crore for the first half year ended 30th September 2024.

The company is maintaining a healthy EPS of INR 3.29 for the first half year ended 30th September 2025.

On the consolidated front, the company earned a profit of INR 83 crore for the quarter ended 30th September 2025. For the Half-Year Ended September '25, the profit stood at INR 149 crore. Thank you.

Now, it is over to Ms. Bhoomika. To you.

Moderator: Sir, we will start with the Q&A.

Sanjay Jindal: Yes.

Moderator: Thank you very much. We will now begin the question-and-answer session. We take the first question from the line of Amit Anwani from BL Capital. Please proceed.

Amit Anwani: Congratulations for the very strong execution which you have done. Sir, now my first question again on execution. We have already done kind of 33% growth for first half to first half, and I recollect you guiding about 20% plus for full year growth. Now are we changing then that stance since the execution has been quite strong in H1? So, just first thing wanted to understand on the guidance.

And second, on the order prospects for next six months, we understand that you have won one international consulting order again in Africa, which you announced about INR 600+ crore odd. And H1 intake is roughly about INR 3,700 crore odd. What is the full year target now, and what are the prospective orders? On the execution, are we changing our guidance?

Sanjay Jindal: For the guidance purpose, in the turnover, we are giving guidance of 25% plus. And we will stand by our margins, segment profit of around 25% in the consultancy business. And in the LSTK, we will maintain 6% to 7% segment profit. For the rest of the portion, Mr. Vivek Midha will answer to you.

Vivek Midha: Hi, Amit. This is Vivek.

Amit Anwani: Hi, Vivek.

Vivek Midha: Just to update you on the business prospects of it, as of today, we have already crossed INR 4,000 crore. Okay? And we are moving towards our last year's target, INR 8,000 crore. They are going to definitely cross that INR 8,000 crore mark and hope to get more than that.

Internationally, when you are talking about this project this year, we have been able to secure around INR 1,600 crore from overseas. So, this year, in the consultancy segment, overseas has contributed more. We are targeting a few major projects more. In months to come, you will hear more information on that. At the same time, we are working in the domestic market. So, prospects are good. We will definitely cross the last year's mark, and it will go beyond that, definitely.

Amit Anwani: That is great to hear. So, one thing is that you highlighted 1,600 out of 4,000. That is 40%. So, are we eyeing for 40%+ consultancy contribution in the 8,000+ order inflow, which you are going to have this year?

Sanjay Jindal: It would definitely be as part of consultancy. Normally, it remains around 40% to 50% within the consultancy segment. Overall, it would be somewhere around 20% to 25% in the overall.

Amit Anwani: Second question, I was just observing the revenue from consultancy overseas, which was kind of INR 85 crore to INR 100 crore last year, quarterly run rate. And now this year, it is about INR 70 crore to INR 75 crore quarterly run rate despite the overseas consultancy order book has been massive. We won massive orders last year also. So, any particular reason of this not picking up? In fact, it has declined, the overseas consultancy revenue this year.

Sanjay Jindal: Actually, till now, our major client was Dangote Refinery in Nigeria, and we were getting turnover from our Mongolia business also. Now these projects are going to be tapered because the work has been completed. But since we have got good order in '24-'25 itself in the foreign territory, so that business has started execution, taking on. So, we are confident that in the next quarter, you will see the results of massive order book in the foreign territory.

Amit Anwani: And are we targeting the similar 50-50 mix, or since the turnkey was very strong this quarter, so what is the mix we are expecting for this year now?

Sanjay Jindal: On annual basis, it will be 50-50 or 50% to 48% at most.

Amit Anwani: Lastly, sir, on the losses from associates, I am assuming that this is because of the shutdown in Ramagundam. So, just an update on that, because I think H1 basis, the losses have been massive, and on the PAT level, the numbers are lower because of that, despite very strong performance. We just wanted to understand an update on Ramagundam.

Sanjay Jindal: In this quarter, Ramagundam project was under shutdown for 45 days out of 90 days. So, in this quarter also, we have loss of around INR 25 crore. But in the third quarter, that project plant is going well, and we are expecting profit in the third quarter. And we are definitely expecting the third quarter will give profits. There were some technical problems, so the plant was under shutdown for 45 days in the 2nd Quarter.

Amit Anwani: Thank you so much for answering the questions.

Moderator: We take the next question from the line of Mohit Kumar from ICICI Securities. Please proceed.

Mohit Kumar: Congratulations on a very good quarter. Sir, first question is on the EBIT margin for the consultancy. I think this quarter it was 28%. Is there any one-off which we should be aware of?

Sanjay Jindal: Sir, I could not understand, actually, your question.

Mohit Kumar: The EBIT margin on the consultancy is 28% during the quarter. Is there any one-off?

Sanjay Jindal: You are saying about the write back.

Mohit Kumar: No, no. The margin on the consultancy, EBIT margin.

Sanjay Jindal: Sir, actually, in this quarter, we have a profit segment of 28%. But if on the half-yearly basis, it is around 25%. We are sure that we will be able to secure our margin of around 25% on overall basis in the consultancy segment. And in the LSTK segment, we are maintaining the segment profit of 6% to 7%.

Mohit Kumar: Sir, any outlook on the domestic consultancy order inflow or pipeline? There was an IOCL Paradip Phase-2 project. Is the tender out?

Sanjay Jindal: Mr. Vivek Midha will answer.

Vivek Midha: With respect to the IOCL Paradip, there is no tender is going to come out. We are in the Phase-1 of execution. As soon as the Phase-1 is completed, they will have their management approval, and they will proceed with the Phase-2. Now, both the phases have been awarded to us. It is that we will get the work order for the Phase-2 subsequently when the Phase-1 is completed. So, Phase-1 is progressing at this point of time. It is not in our hand.

Mohit Kumar: Is it right to say that Phase-1 was merely INR 100 crore worth of project, and Phase-2 will be much, much larger? If I am not wrong, it should be around INR 900 crore. Will it be booked in this fiscal year, the balance Phase-2, or next year, next fiscal?

Vivek Midha: It should come towards the end of this fiscal year. Towards the end, it should come. Because the Phase-1 is in progress, and we are going to submit the reports, the study reports, and then they will take the Board approval and then Board decide on the proceeding on the job. So, we are hopeful that by the end of this financial year, it should be done. Phase-1 should be done, and they should get the clearance. Or otherwise, it would be early next financial year it should be awarded.

Mohit Kumar: Sir, any other large domestic pipeline order, domestic ordering pipeline which we are looking at in H2 or FY '27?

Vivek Midha: You have this Andhra refinery which is going on. We are working on this feasibility study. Hopefully, the second phase, if this study is accepted, then they will come with the implementation phase. Similarly, there is a petrochemical complex, AGCPL. They are thinking of expansion. Their tender could come. There could be some small specialty chemical projects. There are various studies that have been done by IOCL, and they are thinking of implementing the various specialty chemical projects. So, those are expected to come in times too in this financial year.

Moderator: We take the next question from the line of Prateek from IntelSense, please proceed.

Prateek: My question was on the write-back that we have done. I think about INR 35 crores of write-back. Can you, sir, give a light on as to which project this was and when was the provision actually made in the past for this INR 35 crore amount?

Sanjay Jindal: Actually, this provision relates to one of our projects, Dangote Refinery in Nigeria. That provision is kept for our defect liability period. Whenever this defect liability period is over, client releases our bank guarantee, and then provision is reversed. So, client is reversing our bank guarantee in the piecemeal basis. So, in this quarter, we have got the provision reverse of INR 35 crore based on the reduced liability on this project.

Prateek: And sir, like you said, it is on a piecemeal basis, so is there any other amount that you are expected to receive on this?

Sanjay Jindal: A small portion is balance. That will be released in the due course of time, maybe in this quarter or next quarter.

Prateek: Sir, one last question. Sir, in our last con call, you had mentioned that there were several projects which were in advance negotiation stage. So, in this quarter orders, have those materialized or still we are expecting those kind of orders?

Sanjay Jindal: You can see our order book of INR 13,000 crore. Definitely, some of the orders have been matured. And in this quarter, we have already got the order of INR 3,700 crore. So, definitely, our efforts are fruitful, and we have got some of the orders.

Moderator: We take the next question from the line of Saket Kapoor from Kapoor & Co. Please proceed.

Saket Kapoor: Firstly, sir, we were also looking for some diversification in terms of moving away from the oil refinery space and then looking for the hydrogen opportunity going ahead. So, sir, where are we? There is some work was also done earlier, which were informed in some forum by the MD. Correct me there, sir, if I am with the information.

Vivek Midha: With respect to the, see, diversification, definitely, we have done diversification in this segment. We have moved out of, basically, the hydrocarbon. Today, our infrastructure business is almost more than the hydrocarbon business. That is a major diversification.

With respect to the new areas, which we have talked about, like this hydrogen is done and coal gasification is done and bio refinery is done. So, bio refinery, you know that we have already done one bio refinery, bamboo-based bio refinery. Recently, we have been awarded one assignment for coal gasification from the coal to SNG by NTPC. That assignment we just got now which we are executing. We are anticipating this kind of assignments from other clients also. We are in the bidding process for various projects of this sort.

Saket Kapoor: Sir, when we look at our capital investment in the various JVs, Ramagundam Fertilizer is there. Then, sir, we have a small stake in the Numaligarh Refinery also. What has been the contribution, if any, in terms of any dividend and how is the performance there? I think so, our major investment is for this 4% stake to the tune of INR 830 crore.

R.P. Batra: Yes, it will be coming in the next quarter. NRL dividend will be coming in the next quarter. So, they are basically in the expansion phase. So, they are giving the limited dividend. In the last financial year, they have given the substantial dividend. But going forward, they are investing the money for their new project. So, whatever dividend they have declared for the last financial year, that will be coming in the next quarter.

Saket Kapoor: So, what was the amount, sir, last year? How much we have received?

R.P. Batra: In this year, around INR 20 crore will be coming.

Saket Kapoor: And, sir, any step, we will hold on to this minority stake of 4%. In the total realm of things, we are only holding 4% of the entity. Or we can also look forward for divesting this stake?

Sanjay Jindal: Actually, at this moment, we have percentage of 4.37%. And whenever opportunity comes, we will review it.

Saket Kapoor: And also, sir, we have two upstream assets investment also under NELP IX. So, already, you have mentioned that during the bidding stage, there was the project cost was envisaged at INR 300 crore, as mentioned in the presentation. So, we have not invested anything on these assets as of now.

Sanjay Jindal: No, we are not investing any further. Basically, whatever investment was done, is done. So, we are not anticipating any further investment in this block.

Saket Kapoor: And lastly, sir, with the reversal of this INR 35 crore because of the Nigerian no defect project, which you mentioned to the early participant, that means net of that has moved up the profit by that amount. So, we need to factor in that number in terms of the profit profitability. That is the...

Sanjay Jindal: Actually, reversal of provision is a continuous process. Because provisions are reversed whenever defect liability period of the projects is over. So, it is a routine business for EIL. Some of the provisions are created and some of the provisions are reversed. So, this is not a cause of worry for EIL.

Saket Kapoor: What is the net of impact? How much provision we have made, if any, for this quarter or for the first term? And how much have been reversed in totality?

Sanjay Jindal: For this quarter, it is reversed on overall basis, I think it is minus 12. But in the last quarter, it was on positive side. So, sometimes it is on positive side, sometimes it is on negative side.

Sanjay Jindal: As per contractual provision, we create the provision, and as per the contractual provision, we write back the provision. So, this is a continuous process over the tenure of the project. The provisions are created when the project is completed, and in case any liability does not come, we reverse that. So, it is basically a continuous process.

Sanjay Jindal: In the coming time, some more projects are going to be closed or defect liability period is going to be over. So, it is a continuous process.

Saket Kapoor: And sir, lastly, on the cash, on the books, and what steps are we taking? How can we create value through that cash, through sharing with investors? Or what is the best possible way? What is the closing balance, the cash balance we have? And how are you looking forward to deploy the same?

Sanjay Jindal: Currently, all the cash is being deployed as per DPE guidelines, and we are constantly looking for the investment opportunity where the CapEx are lower, and standalone facility. Whenever we get a good opportunity, definitely, EIL management will consider for the investment of the same, like NRL and RFCL. And we are constantly looking for that.

Saket Kapoor: Closing balance, sir, can you confirm? Cash on cash and books?

Sanjay Jindal: It is between INR 900 crore to INR 1,000 crore.

Moderator: We take the next question from the line of S Ramesh, an individual. Please proceed.

S Ramesh: So, if you look at the split between the turnkey and the consulting income, so if your turnkey revenue share is higher, it is a drag on your margins, right? You are talking about single-digit margin. So, as a strategy, how do you view the split between the two revenue streams from consulting and turnkey? And how do you see your overall strategic objective of maintaining ROCE for the business based on this blend?

Sanjay Jindal: Actually, it is definitely, we have more segment profit in consultancy segment and less in LSTK business segment. But in the Indian economy, there is limitations on the consultancy business, because at one times, mega projects are not more than two or three. So, whenever we are having opportunity in India, in the consultancy business, definitely, we are grabbing it, and we are expanding our footprints in international market also for the consultancy business. And with the balance manhour, we are doing the LSTK job, so that we can have a good turnover, as well as good bottom line also. And as a strategy, we are trying to maintain consultancy business around minimum 50%.

S Ramesh: So, basically, you are saying that overall, you will be able to sustain your ROCE based on the top line growth and the cash flows. Is that the right way to understand?

Sanjay Jindal: Basically, LSTK gives the top line, but consultancy gives the bottom line. So, we are striking a balance between the two.

S Ramesh: So, in terms of the accounting in turnkey projects, in terms of you book the income, is there any Ind AS impact? And what is the percentage booking you do in terms of the overall timeline for the turnkey revenue?

Sanjay Jindal: Actually, in the turnkey business, turnover is coming on cost progress basis. It is not based upon the timing or billing. Once we get the project, the whole turnover is booked within the three to four years, because a mega project takes minimum three to four years, and that is the timeline for the mega consultancy, as well as LSTK projects.

S Ramesh: So, in terms of your investment holding, you are getting about 12% return, if you look at the other income, the value of the investment in the standalone numbers. So, is there any strategic rationale for holding on to these investments in Ramagundam Fertilizers, for example, or the other companies? Even that the returns are not really what you would expect from equity investments. So, what is the management thought process on the equity investments? You expect the returns to go up in future? Or is there a thought process in terms of exiting some of the investments which may not be productive?

Sanjay Jindal: Actually, I think Ramagundam project, Ramagundam is a very good investment, because India is filling short of urea, and Ramagundam is able to generate minimum profits of INR 500 crore on annual basis. But we are facing some technical problems. That's why project is going for the shutdown on time to time basis. But we have sorted out the issue, and in the next quarter itself, in this quarter itself, the plant will generate the profit. So, this is not a question of worry for EIL, because our investment is safe in the Ramagundam project.

Moderator: We take the next question from the line of Mohit Kumar from ICICI Securities. Please proceed.

Mohit Kumar: Sir, the question is, Ramagundam, I think, was making profit for last couple of years, right? So, what has happened in last two quarters? The losses have been in the first quarter was INR 8 crore, I think, 2nd Quarter is only widened, right? So, is it fair to expect that from Q3 onwards, you could start seeing a normal profit? Or do you think this will continue for some more time?

Sanjay Jindal: Actually, we are facing some problem in stabilization, and definitely, you are right, in the first quarter, there was shutdown, and in the 2nd Quarter, there was shutdown also for the 45 days. But now, we have sorted out the problem, and now plant is running well. And definitely, we are going to get profit in this quarter.

Mohit Kumar: Second question is on the order intake guidance for the full year. I think we spoke, I think, we have guided for broadly INR 8,000 crore kind of order intake. Is it fair to assume that PMC will be close to INR 5,000 crore order inflow for the entire fiscal? Or will it be a lower number?

Sanjay Jindal: You are talking about the order inflow for…

Mohit Kumar: Order inflow for the entire Fiscal Year '26. Out of INR 8,000 crore, how much could be the consultancy order inflow?

Sanjay Jindal: Out of INR 8,000 crore, it could be definitely, consultancy will be somewhere around 50%.

Mohit Kumar: INR 4,000 crore.

Sanjay Jindal: It is typically, we maintain will be balance of 50-50. Sometimes, it is 40%, 55%, 46%. It depends, but remains in this range itself.

Mohit Kumar: Sir, last year, consultancy was very good, I think, we did INR 4,500 crore. So, asking whether we can cross that number, or do you think it will be lower than that number?

Vivek Midha: We can.

Sanjay Jindal: We definitely can.

Mohit Kumar: And on the international side, I think the size of orders are, I think, start getting slightly bigger. What is the size of orders, the large orders in the pipeline, in the inquiry pipeline, or in the tendering stage? Is the pipeline growing, or is the pipeline only small, small orders, orders will come in bits and pieces?

Vivek Midha: No, it is a mix of pipeline. We are working in Abu Dhabi. We are working as an engineering consultant with a number of companies. We have running long-term agreements with them. We get various smaller assignment jobs under that. We also get the bigger assignment job, bigger size jobs under that, means INR 300 crore, INR 400 crore.

It depends, but we cater to all kind of jobs. We want to grab maximum, so that our order is maintained. So, we maintain the mix of that, because the smaller assignments have a smaller period, but it gives you good revenue. The bigger assignments have more execution. It is a longer execution period. So, that is one of the opportunity, but it is a mix of both.

Moderator: We take the next question from the line of Anupam Goswami from SUD Life. Please proceed.

Anupam Goswami: Sir, on the consultancy order that we won, the large order, what is our timeline of execution for that? On the whole overall order book, how do you take it on the margin front, and the execution timeline for the whole order book as well?

Vivek Midha: Typically, any bigger project will have a time schedule of 36 to 48 months. So, specifically, this project, which we have won, it is around 36 months. So, this turnover would be divided into, basically, the recovery would be in three years' time.

Sanjay Jindal: In the first year, any new project gives only 10% to 15% turnover. And in the second and third year, it gives 25% to 30% turnover. And in the fourth year, it gives 15% to 20% turnover. This is the general trend.

Anupam Goswami: I will join back in the queue.

Moderator: We take the next question from the line of Rajesh Agarwal, an individual investor. Please proceed.

Rajesh Agarwal: Sir, how much we have invested in Ramagundam project, and what can be the annualized normal profits, if everything is okay?

Sanjay Jindal: We have invested around INR 491 crore in Ramagundam project. And when everything is okay, it will generate minimum INR 500 crore profit, and our share will be 26%.

Rajesh Agarwal: 26%. Okay. And now, things are normalized, sir, there?

Sanjay Jindal: Yes, things are normalized. Plant is running well.

Rajesh Agarwal: Sir, one question. I want to understand on the write-back. Suppose, this quarter, we have written back INR 35 crores. So, net-net, how do we understand that how much we have written back? Some provisions must have been made for the other orders also.

Sanjay Jindal: Actually, we have written back a figure of INR 35 crores. Actually, as per contract, provisions are being made, and whenever our defect liability period is over, we reverse the provision for that particular project. So, in this quarter, we have reversed the one of the major project amount, INR 35 crore, and we have made some provisions also. But overall impact is negative.

Rajesh Agarwal: Negative mean negative of how much? INR 12 crores.

Sanjay Jindal: 12 crores.

Rajesh Agarwal: INR 12 crore less we have provided.

Sanjay Jindal: 12 crore we have reversed, because provision is made there.

Rajesh Agarwal: Okay, INR 12 crore.

Sanjay Jindal: Provision is reversed more. And sometimes, it is created, it is positive. Sometimes, it is negative. It depends upon the...

Rajesh Agarwal: So, without reversal, what is the EBITDA in the consultancy business margin?

Sanjay Jindal: So, part of EBITDA, part of operating profit.

Rajesh Agarwal: Consultancy EBITDA will be how much, separately? 25%?

R.P Batra: Basically, it's a segment result, we are publishing.

Sanjay Jindal: The segment profit is 28% in this quarter on the consultancy business.

Rajesh Agarwal: And how is the order outlook, sir? Future order outlook?

Vivek Midha: Order outlook is good. We will be touching more than 8,000. We are working towards it. We will meet the last year target, and order book has already exceeded with respect to the last month. So, it is further going to increase. Let's hope for the best.

Rajesh Agarwal: What can we annualized run rate in the turnover, including both turnkey and consultancy? INR 6,000 crore?

Sanjay Jindal: 8,000, annualized turnover? Our analyzed turnover for the last year is INR 3,000 crore, and we are expecting more than 25% growth in this year. So, it may be around INR 3,800 crore, INR 3,900 crore.

Moderator: The next question is from the line of Samarth Khandelwal from ICICI Securities. Please proceed.

Samarth Khandelwal: Sir, could you share some color on how our order inflow trajectory is from domestic markets and international market?

Sanjay Jindal: Domestic, we have told you that this year, as of now, we have booked the order worth of INR 4,000 crore, out of which approximately around INR 1,500 crore or INR 1,800 crore is from the LSTK segment. Rest is from the consultancy. And consultancy, we have overseas, has contributed more than INR 1,680 crore.

Samarth Khandelwal: And going forward, how do you see it to be?

Sanjay Jindal: We will be going towards the last year's figure of INR 8,000 crore. We should cross that. We are already on INR 4,000 crore as of now.

Samarth Khandelwal: Sir, I meant, do we see more opportunities in the international versus domestic, or how is it? Is it balanced from both the…

Vivek Midha: International has lot of opportunities. We are focusing on the international market aggressively. At the same time, domestic market also has opportunities. We are working on them. It is like that, sometimes, the activities, some of the contracts, major contracts, we were negotiating, has been concluded. Some more, we are discussing. It could get realized by the end of this financial year.

Samarth Khandelwal: That is very helpful.

Moderator: We take the next question from the line of Saket Kapoor from Kapoor & Co. Please proceed.

Saket Kapoor: Only a small clarification. Since we are having this equity investment in Ramagundam Fertilizers, so, these are only book entries that we have to pass through with respect to the equity holding we have. So, even if the company reports the estimated profits, which you have been explaining, we will be again booking only book profits. It is only when they declare dividend. Yes, please correct me, sir.

Sanjay Jindal: On the consolidated front, we are consolidating only bottom line figure. Turnover is not being included in the EIL turnover, and RFCL has not started the dividend yet. Whenever dividend will be declared, that will be taken into other income.

Saket Kapoor: Sir, my question was whatever losses of profit, which we are booking because of our equity investment, are only the book entries. There is no actual cash impact on that.

Sanjay Jindal: That is a part of our consolidated results. Whenever they will declare the dividend, that will come into the company and will be shown as other income in the standalone financial.

Saket Kapoor: As of now, there is, I mean, one can understand that whatever INR 491 crore we have invested, that is the equity as we hold in our stock market. There is no return as of now, till they start releasing out any cash. That is what the understanding is.

Sanjay Jindal: Whatever loss in RFCL, that is being offset with our profit on the consolidated basis. Equity is intact.

Saket Kapoor: Sir, we are not getting any advantage from the losses. Are the tax liability on our consolidated number get reduced because of those, or they are only the book entry?

Sanjay Jindal: Nothing.

Saket Kapoor: Nothing. So, that is what my question is. Other than that, this is only a book entry. It has no other reference as such.

Sanjay Jindal: Yes, book entry for the consolidated financial. In the standalone, there is no entry, because it is a temporary loss. In case, if it was a permanent loss, then entry has to be provided.

Saket Kapoor: Sir, we have also participated in the rights issue for NRL also in the first quarter. So, we have retained our stake only, and is our stake diluted to what extent?

Sanjay Jindal: We are maintaining our percentage, and based upon that, whatever right issue is there, we have subscribed that.

Moderator: We take the next question from the line of Anupam Goswami from SUD Life. Please proceed.

Anupam Goswami: Sir, if you can give us a little color on the whole oil and gas CapEx in the near term, and how is it in the domestic, as well as in international, and where are we targeting in our outlook?

Vivek Midha: if you see that BPCL is investing in the refining and petrochemical complex. Investment is around INR 95,000 crore. Similarly, the Barmer Refinery, which was there, it is around INR 72,000 crore. IOCL in all has invested around INR 1.66 lakh crore in various projects, various refinery projects. MENA is investing INR 50,000 crore.

Similarly, you have this ONGC Gujarat Jamnagar. They are also investing. They are thinking of the Petchem project there. It is around INR 80,000 crore to INR 1,000 crore. Smaller various independent refineries could be there, somewhere around INR 1.25 lakh crores and also.

So, there are a lot of opportunities are there. Many studies have been done in past, and those are still under consideration with the clients. So, if they get materialized, let's hope for the best. It should be implemented.

Also, there has been some issues with respect to this, the tariff issue, which is going on. So, some of the private ventures were to set up the Petchem plants, based on the imported ethane, they have got stalled. Until the time this tariff issue is resolved, it will take some time to settle. When this tariff issue is resolved, hopefully, it should get resolved. And then we should see those investment getting realized in times to come.

Moderator: We take the next question from the line of Mohit Kumar from ICICI Securities. Please proceed.

Mohit Kumar: My first question is on the, do you think there will be a dilution on the consultancy margin due to rising international mix? Or is it fair to expect that we will maintain that band of 22% to 25% margin in the consultancy?

Sanjay Jindal: On overall basis, in the domestic as well as international projects, we are maintaining our margin of 22%-25%, and we are expected to maintain it.

Mohit Kumar: Sir, will there be any impact of pay commission on next year consultancy margins?

Sanjay Jindal: That provision we are already taken in the account. So, as on the date, there will not be any impact on the financials of the company, but definitely, whenever it will be higher, then that will be looked into.

Mohit Kumar: Last question, Andhra BPCL project, has the location been zeroed in, and can we expect the next stage of tendering in the next fiscal?

Vivek Midha: It should be towards the end of this financial year, or early next year. The study is on, study we are doing it, so that at the point of time, they are deciding the configuration and some environmental impact assessment studies are being on. So, by the end of that study, they will take a decision and take the management approval. This decision they will take to implement that project. So, it should happen towards the end of this financial year or early next financial year.

Moderator: We take the next question from the line of Prateek Dugar from Intelsense. Please proceed.

Prateek Dugar: Sir, you mentioned about the oil and gas CapEx. And among this, sir, large figures that we hear, what would be the opportunity side that would be for EIL actually?

Vivek Midha: Everything, all the figures which we see are the opportunity for us. But it is a competitive world. We will be bidding for them, and we get some. But these are the started opportunity. They are not coming in one way, because it is a large investment. Many of the projects will come in the phases. So, we are anticipating that we should be getting good business out of it.

Prateek Dugar: So, sir, my understanding is that, for these projects, whatever is like the construction, we are handling mostly the consultancy part, or when we take up the turnkey, how are we bidding for that, sir?

Vivek Midha: No, any of the projects, these, the figures, which we have told, is the total CapEx part, which includes the cost of the land and various other costs, including the cost of the plant. Consultancy is a very smaller part of it. So, we primarily focus on the consultancy services. We don't get into the construction. We are the consultant. We get into the concept to commissioning of that project, starting from the studies to implementation of the same. We get the work done through the contractors.

So, we work as basically owner's engineers or a project management consultant, whichever way you say. We are basically the extended arm of the client in implementing that project. But construction is done by somebody else, the specialized consultant or the EPC contractors. We are not into the business of construction.

Prateek Dugar: So, just like as a thumb rule, I mean, what would be the percentage of consultancy for a given, say, project cost? Can we get a guidance on like what would be the thumb rule for some percentage figure of the total cost of the project?

Sanjay Jindal: It all depends in which mode it is being executed, because it could be, if you see the larger project, it could be 2%-3%. Our service could be 1% or 2%, 3%, depending on the size of the project. These are the just overall cost, which are available in the market. If you talk about 1 lakh crore of the project, it is not actually the complete, the cost on which we will be getting the consultancy. We will be getting the consultancy services on the base, on the plant and machinery cost of it. So, if you see, the overall project cost will be 1% or 2% or 3%. Depends.

Moderator: Thank you. As there are no further questions from the participants, I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Sanjay Jindal: 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 just disconnect your lines.