



“Engineers India Limited
Q3 and FY '26 Earnings Conference Call”
February 13, 2026



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MODERATOR: **MR. KISHAN MUNDRA – DAM CAPITAL**

Moderator: Ladies and gentlemen, good day, and welcome to Engineers India Limited Q3 and FY '26 Earnings Call, hosted by DAM Capital. 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 star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Kishan Mundra from DAM Capital. Thank you, and over to you, sir.

Kishan Mundra: Yes. Hi. Very good afternoon to all of you. We have with us the entire management team of Engineers India today to discuss the Q3 results and then -- which will be followed by question and answers. We have with us Mr. Sanjay Jindal, who is the Director of Finance; Mr. Suvendu Padhi, who is the Company Secretary; Mr. R.P. Batra, who is the Executive Director; Mr. Vivek Midha, Chief General Manager, Marketing and BD; Mr. Amanpreet Chopra, who is the Senior General Manager; and Ms. Neha Narula, who is the Senior Manager.

Without further ado, I'll hand the call over to management for the opening remarks. We'll follow that up with question and answers. Over to you.

Management: Thank you. Good afternoon, everybody, and a warm welcome to all the investors who are attending the investor call. We have declared our financial results for the third quarter ending 31st December 2025 yesterday. As on 31st December '25, company has unexecuted order worth of INR12,538 crores, comprising under Consultancy segment of INR7,500 crores and under Turnkey segment of INR5,000 crores approximate.

Order inflow in EIL up to third quarter of financial year '25-'26 stands at INR4,267 crores. Further in January 2026, the company has bagged an order of around INR3,250 crores and the order inflow as on date stands around INR7,700 crores. Considering the above order inflow in January, the current order book stands at around INR15,670 crores. This is the highest order book position in the history of EIL. We have declared results of quarter and 9 months ended 31st December 2025 on 12th February 2026.

As regard to the financial performance for the 3 months ended December '25, the company has registered a turnover of INR1,194 crores vis-a-vis of INR900 crores in the second quarter of financial year '25-'26, while it was INR750 crores in the third quarter of financial year '24-'25.

During the quarter ended December '25, turnover from Engineering and Consultancy segment stood at INR474 crores and from Turnkey segment at INR720 crores. During the current quarter ended December '25, the company has recorded profit before tax of INR395 crores in comparison to INR150 crores in quarter 2 of financial year '25-'26 and profit after tax of INR302 crores vis-a-vis of INR115 crores in the second quarter of financial year 2025-'26, showing an increase of 163% in PBT and PAT.

While comparing with the third quarter of financial year '24-'25, during the quarter ended December '25, the company has recorded profit before tax of INR395 crores in comparison to INR118 crores in the quarter 3 of financial year '24-'25 and PAT, profit after tax, of INR302 crores vis-a-vis INR88 crores in the quarter 3 of financial year '24-'25, showing an increase of 235% in PBT and around 243% in profit after tax. Notably, EPS for the quarter ended December '25 stood at INR5.37 vis-a-vis September '25 at INR2.04.

Operating margin during the third quarter of financial year '25-'26 stood at around INR337 crores vis-a-vis INR102 crores during the second quarter of '25-'26. And operating margin is around 28% in the third quarter vis-a-vis 11% in the second quarter of '25-'26. EBITDA of the company during the third quarter of the current year stood at around INR406 crores, EBITDA margin is 32%, in comparison to INR160 crores, EBITDA margin was 17% during the second quarter of the current year.

During the 9 months ended December 31, 2025, the company achieved a turnover of INR2,951 crores in comparison to INR2,037 crores during the 9 months ended 31st December 2024, showing an increase of around 45%, with turnover from Consultancy and Engineering segment amounting to INR1,293 crores and INR1,638 crores in the Turnkey segment.

Up to 31st December '25, the company recorded profit before tax of INR639 crores in comparison to INR292 crores and profit after tax of INR487 crores vis-a-vis of INR222 crores in the 9 months of financial year '24-'25, showing an increase of 118% in the PBT and around 119% in PAT.

Operating margin for the 9 months ended December '25 stood at around 17%. EBITDA of the company for the 9 months ended 31st December 2025 stood at around INR670 crores, EBITDA margin is 22%, in comparison to INR322 crores, where EBITDA margin was 15% for the 9 months ended 31st December 2024. The company is maintaining a very healthy earnings per share of INR8.66 for the 9 months ended 31st December 2025.

On the consolidated basis, the company earned a profit of INR347 crores for the quarter ended 31st December 2025. For the 9 months ended December '25, the profit stood at INR496 crores. Thank you. Now it is over to you.

Moderator: Shall we begin with the question-and-answer session?

Management: Sure.

Moderator: Our first question comes from the line of Manish Ostwal from Nirmal Bang Securities.

Manish Ostwal: Very good set of numbers for the 9 months. Sir, I have a question on the -- actually the volatility in the -- most of our key KPIs last so many years -- although we have improved our order book position, revenue growth, but there's a significant volatility in terms of margin, in terms of revenue execution. So on a yearly basis, can we anticipate, given our order book position of

INR15,670 crores, we should be ending the year with INR4,500 crores of revenue because fourth quarter any which case is a strong quarter.

And second, with respect to margin expectation of both the division, Consultancy and Turnkey, what sort of margin we should work with? Because it's very difficult to model some kind of margin in both the businesses and it's quite volatile, even more volatile than the gold and silver nowadays. So can you make some qualitative detailed comment about the margin expectation for both the business as well as the growth expectation for the full year? As well as the next year, what kind of growth rate we should assume in terms of order inflow, revenue execution? That will be quite helpful to assess the company's performance in coming years.

Management:

First of all, let me clear, EIL is having revenue from the implementation of the project, where revenues are always fluctuating in nature because it depends on the execution of project and the status of the projects. However, as we have already told, we are the highest order book of the -- more than INR15,000 crores in the EIL history. And definitely, with this order book, we will cross the figure of INR4,000 crores at the end of financial year.

And as regard the margins, EIL is successful in maintaining the segment profit of 20% to 25% on the Consultancy business, and on a routine basis, around 7% in the OBE job, LSTK OBE job. And we are maintaining operating profit of more than 10% on a regular basis.

Manish Ostwal:

Okay. And secondly, sir, order inflow side, currently, we have INR7,700 crores of order inflow till January, right, that you made in initial comments. So can we anticipate, because quarter 4 generally tend to be a stronger quarter, both revenue as well as the order inflows. So we should end the year with INR10,000 crores order book given the run rate which we are seeing right now in our business?

Management:

No. We have received order of around INR4,200 crores till December. Now another order of INR3,200 crores is received in the fourth quarter. So based upon this, we are giving target of more than INR4,000 crores at the end of financial year. And definitely, we will try to get more, but this we are expecting as a minimum target of INR4,000 crores. Because...

Manish Ostwal:

INR4,000 crores for quarter 4?

Management:

No, for the overall financial year. Because right now, our financial figure is around INR3,000 crores, and we are targeting more than INR4,000 crores on the annual basis.

Manish Ostwal:

Okay. And any expectation you can guide us for the next year order inflow and the revenue estimate?

Management:

Order inflow in this year, you have seen that it is reaching around INR7,700 crores as of today. And we'll be touching more -- we'll be crossing this -- we already have 1 more month to go, and we are anticipating a few more orders to come. So at least we'll be crossing the last year's mark. That is definitely sure. And next year also, we maintain the same kind of order book because we have 2 years we have consistently maintained.

And we will be next year also be maintaining at least this much, and we'll try to add 10% to 15% more in that figure. So this market is dynamic. A lot of projects are there and a lot of projects keep on discussing. So it depends on the -- how fast projects get finalized and settled during the negotiation with the clients. So it all depends, yes.

Manish Ostwal: And the last, like in terms of execution period of the current order book, what is the time period? Generally, we tend to complete 40% opening order book in terms of revenue. So that run rate should sustain?

Management: No, it is -- generally it ranges from 3 to 4 years. And in the first year, in some of the projects, it comes to 10% to 15% progress only because it depends on the timing when the order is received. If it is received in the month of April or May, then we may get around 15% to 20% progress. But if it is on the latter part, then only 10% is there. So on an average 10% to 15% progress is there for the current year orders.

Manish Ostwal: And last, on this data -- a bookkeeping question. Like, sir, this JV profit, which last year 9 months it was INR70 crores, now it is INR8.7 crores. Last quarter, you guided there is some shutdown and now the performance will improve quarter 3, and we have delivered on that thing INR42 crores of profit in JV. But how we should think? It is sustained going forward, that line item?

Management: Yes. We can expect more profit in the fourth quarter because at this time, that plant is running on full capacity. And from the first day of fourth quarter, it is running well. And we are sure that this quarter will be -- will generate more profits to EIL.

Moderator: Our next question comes from the line of Mohit Kumar from ICICI Securities.

Mohit Kumar: My first question would be what would be Consultancy order book after including the order for Dangote refinery? Just correct me if I'm -- the number will be around INR10,000 crores?

Management: Order book position is INR15,670 crores total. From Consultancy, it is around INR10,700 crores, and from the LSTK OBE, it is around INR5,000 crores.

Mohit Kumar: Understood, sir. And do you expect this Dangote order, which you won in January, to move into execution in F '27? Or do you think, in your opinion, the execution will go in F '28?

Management: It will go up till 2029, because 3 to 4 years of cycle is there of execution.

Mohit Kumar: The question is, sir, when do you think we start? Do you think we start...

Management: No, no. The execution has already started. Execution means Consultancy services have already started. We have already started working on this project. Engineering is on, on this project. So the typical -- I think project cycle is around 36 to 42 months execution cycle.

Mohit Kumar: Understood. My second question, sir, as per media article, I think, there is a Guyana refinery where we are in discussion. Is it -- can you just help us with how advanced discussion is? And what is the size of this refinery? Is it a smaller refinery or big refinery?

Management:

What we understand from the published reports is this Guyana refinery is a very small refinery and that country is looking for the investment in this refinery from various investors. So that is the initial stages of discussion. We don't have much information on this as of this point of time. But this is one of the prospective refinery, but it's a smaller -- 30,000-odd, 25,000 BPSD refinery that is sufficient for their country's requirement. But this is the initial conceptual stage. The government of Guyana is yet to take decision on this, and we have yet to hear from the Guyana side.

Mohit Kumar:

My last question on the status of IOCL Phase 2 order, I think which is -- which you said that once the Phase 1 is complete, most of Phase 2, you'll book this order. And do we still expect it to book in this fiscal? Or do you think this will go in next fiscal?

Management:

I believe this would go in the next financial year because they are still to take the -- earlier project is almost complete. They have given the study. And I believe that is under their management decision to make the investment decision. That's the Phase 1. After they are done with the investment decision, then they will give the Phase 2 award.

Moderator:

Our next question comes from the line of Amit Anwani from PL Capital.

Amit Anwani:

Congratulations for very strong numbers. Sir, my first question pertains to clarification on order inflow. Did I understand correctly that we are saying that this year will be INR8,000-plus crores, and going forward also, it will be a growth on INR8,000-plus crores in terms of annual inflow?

Management:

Definitely, till time, we have received the order inflow of around INR7,700 crores, and time is available to add more business, so definitely, we will cross INR8,000 crores.

Amit Anwani:

Sir, would you like kind of sustaining this number for F '27, F '28? Or any range there on? And also in terms of pipeline, if you could highlight for next financial year in terms of the overseas consultancy? Especially,, we wanted to set up office in Middle East. How things are panning out there? And are we planning to sustain INR8,000 crores annual number for next year also?

Management:

So just to answer your question, you have seen that we have already sustained. It's already -- we have already reached till INR7,700 crores. There's one more month to go. And there are many projects under discussion. Sometimes these gets materialized. Even we -- many PSUs would like to certainly rush before the March.

So we're hopeful that something would get realized and we'll cross that INR8,000 crores mark. So that means for the last 2 years, we have maintained around the INR8,000 crores -- 8,200 last year which was there. And it's almost the similar range we'll be reaching. So it will be a sustainable figure. So we'll try to work on this to increase it in the future years -- in the further years.

At the same time, with respect to the -- you're talking about the overseas? Overseas, we are putting a lot of focus. We are seeing that we've got major projects from Nigeria on this Dangote refinery. We also got the fertilizer projects. We're also targeting many other projects in many

other zones, including the Middle East. And Abu Dhabi is there. We are also in the new stages of Saudi Arabia. Let's hope for the best. Kuwait, we are getting some assignments. Oman, we are getting. So all these areas we are working on. Overseas, you will get a good growth in future.

Amit Anwani: Right. Sir, second question, our current book of INR16,000 crores plus, you said more than INR10,000 crores is already Consultancy, which is 65% of total jobs you have in hand. Is it fair to assume that probably there would be a lot of operating leverage also and the mix would shift towards more Consultancy execution over next 24 months, and that would lead to good margin improvement?

Management: Like these projects have been awarded. The execution has just started. So next year would be the initial stages of the project. It will be a -- primarily the engineering phase would be there. So quite a good booking is expected, invoicing in that. It all depends on the progress of the project. So we anticipate a good execution and as per the schedule what we have proposed and what we have considered. We are anticipating good invoicing and execution in that stage, unless there is an issue.

Amit Anwani: Right. Sir, what's the portion of infra orders in the book currently?

Management: Currently, it is around -- in the order inflow, it's around 25% to 30%.

Amit Anwani: And you expect that to continue, in fact, for the upcoming...

Management: Definitely. That would remain, yes.

Amit Anwani: Sure. Sir, lastly, for the quarter, after adjusting for this INR236 crores revenue and INR213 crores profits, which you have given, I think the EBIT margin for Turnkey is coming around 12%, if I'm not wrong. So is it the correct number? And if it is, was there any one-off benefit for this quarter for this kind of EBIT number?

Management: Yes, you are correct. Basically, after excluding that, the margins in the Turnkey segment comes out around 11%. As Director of Finance has already indicated, that in the near term, we are expecting a margin of around 7% in the Turnkey segment for a longer period and for the Consultancy between 22% to 25%.

Amit Anwani: Right. But this 11%, 12% was normalized margin. There's no one-off, right?

Management: No, it will be -- on a longer period, it will be around 7%. In one quarter, there may be -- basically, there may be more or less margin. But overall, it will be in the range of 6% to 7%.

Moderator: Our next question comes from the line of Kaushal Sharma from Equinix Capital Private Limited.

Kaushal Sharma: Just want to ask on our EBITDA margin in Turkey segment that I can see. In the 9 months financial year '26, margin shoot up from 6% to 19%. So what kind of the key growth drivers of the margin exploded in this level?

Management:

Sir, can you repeat the question? And be a bit loud please and slow.

Kaushal Sharma:

So my question is on what kind of key growth drivers in the margin that we achieved so that the margin exploded from 6% to 19% in 9 months financial '25-'26 in Turkey segment?

Management:

In this 9 months, we have got a change order from our client. In one of the major project, we were keeping provision for the penalty for the delay or you can say liquidity damage, but we have completed the project within the extended time period given by the client. So client have issued the mechanical completion -- mechanical completion certificate without levy of any sort of penalty to EIL. So we have reversed the provision. That's why there is an impact of around INR226 crores on the turnover and INR213 crores on profit side. But it is a routine business. It is a part of a routine business to EIL. We continue to get change order in the projects.

Kaushal Sharma:

So are we expecting this kind of one-off in this project because we are having a historically high order book as of now...

Management:

We are doing a lot of projects, and every time we are getting change order from the clients, and we are getting additional price for the work done also. So it's a part of routine business to EIL.

Moderator:

Our next question comes from the line of Nilesh Doshi from Prospero Tree.

Nilesh Doshi:

Sir, my question is in connection to the earlier participant question. Sir, you mentioned that INR226 crores were recognized in the quarter 3 because of some non-penalty from the order. But sir, this is a routine practice you said. It has happened every quarter or sometime? Or if we -- have we executed the order and recognition happened in this quarter? So what happened? Kindly explain this thing, sir.

Management:

Sir, EIL is doing so many projects, and every projects have their deadlines. So whenever project starts to get delayed, we made a provision for the delay portion. In case -- as per terms of contract, in case any PRS or liquidity damage is there, we keep provisions. But we try to complete the time within the extended period also, and then we apply for the time extension to the client.

And in most of the cases, we get the time extension from the client. And whenever time extension is got, we reverse the provision for the penalty. So this is the routine business and as per acceptable accounting standard practice.

Nilesh Doshi:

Sir, in which quarter the provision was made? And was it mentioned -- was it informed to the shareholder and was it -- because the -- I don't know whether it was informed that INR226 crores provision was made because of the late execution of the order.

Management:

Sir, it is a part of our routine business, and it is shown to the statutory auditor and other auditors also. So it is not a question that that we show in the balance sheet which project is going delayed. It is part of our...

Nilesh Doshi:

Sir, sir, sir -- sorry, sorry. I'm not asking for the name of the project, but whether the execution was done and the provision was made. So in that quarter, the particular quarter...

Management: Sir, I have told you it is not only for one quarter.

Nilesh Doshi: Though it's a positive surprise for the investor, but it's a shock for us because we can't predict the result...

Management: Sir, it is not a surprise for the investor. It is the routine practice of the company like EIL, where revenues are run from the implementation of the projects. Whenever contractual obligations are completed, any kind of provision which is made against the contractual obligation is always reversed. And it is a routine practice and it is done on quarter-to-quarter basis. Sometimes amount may be more, sometimes amount may be less. If amount is more, it is -- it gets noticed. Otherwise, it is done on a routine basis.

Nilesh Doshi: So is there any provision made in the current quarter? Any project...

Management: Sir, how many times...

Nilesh Doshi: No, because there was a reversal -- when there was a material amount of the reverse, there the profit is inflated or -- it looks very high in comparison to the earlier quarter.

Management: Sir, that project was itself more than INR6,000 crores. So that's why amount is high. If the project was high, provision will be high.

Nilesh Doshi: Sir, with due respect, we are saying that whenever the provision is such a high amount, the provision is bad, please inform to the investor. And that's why the profit of that quarter was down. And this year, this quarter, the profit is higher than the earlier quarter.

Management: Sir, if you try to listen, then you will get the answer. Sir, we have informed to the investor. You kindly see the notes to the accounts. In the notes to the accounts, it is clarified. I think you have not seen the notes to the accounts.

Nilesh Doshi: I'm not talking about the current quarter, but earlier quarter when the provision was made.

Management: Yes, provisions are made during the duration of the contract. Contract duration is from 36 to 42 months. During that period, every quarter, the provisions are made. When the project is completed, no liquid damages are levied, that is being written back in the current quarter. So provisions are created over a period of time, not in one quarter. It is created over a period of time. The contract duration is 36 to 42 months.

Management: And provisions are always shown in the financial results.

Nilesh Doshi: Thank you. But I'm not happy, sir.

Management: Sir, you should be happy with the -- this kind of results, sir.

Moderator: Participant has left the queue. Our next question comes from the line of Krushi Parekh from BugleRock PMS.

Krushi Parekh:

Good set of numbers. So congratulations on that. And given the nature of the business, the execution is fairly decent this time. My question is that when we are just looking at it from a pretty longer-term perspective, we have a very healthy order book to be executed over next 3 to 4 years. But in terms of incremental order book, you also mentioned that we are looking at quite a healthy scene from the Middle East, especially now that we have office in the UAE, right?

So what kind of traction are we seeing over there? And what kind of order booking are we looking at on an incremental basis? Is it something which is healthy and staying at a higher rate than what we have normally seen in the past? Or it's just pretty much normal what we see?

Management:

Gentleman, it is like this. We're not saying that it is only from the Middle East. It is from the overseas we would be targeting more. We have shifted our focus from the domestic to the international market also as a strategic outreach of the international markets. So we are putting a lot of efforts on the international market to get more business. At the same time, we are working in the Indian market also. Wherever the projects are coming, we are just focusing on those projects and getting those projects.

So the approach is -- the aggressive approach has been adopted in both the segments. So we are working towards it. It's not only the Middle East. It would be Nigeria also, Africa specifically. In Nigeria, we have been very successful in this business. We'll be targeting more projects in that zone and in that continent as well as -- in the Middle East region, it is -- Saudi, Oman, Kuwait, in all those regions we are working, as well as in the South America also we are working. So it is the continuous effort to increase our business and presence in these segments and try to get more business.

Krushi Parekh:

Okay. And how are the project announcements or interest over there, I mean, considering the oil has been...

Management:

Projects are always there. Like what happened is in the Middle East countries, there is a process of getting yourself empaneled with the organizations, with the oil refining companies or oil producing companies. So we have empaneled with majors like -- a simple example is ADNOC. ADNOC is a group of companies in Middle East and basically -- specifically, in UAE, which handles refining, petrochemicals, onshore oil and gas and all those segments.

So we are empaneled with them for providing engineering services. Then you get the competitive -- you get into the competitive bidding of their all kind of projects because all these companies are expanding their oil assets. And there will be a lot of projects. Some could be the grassroots facilities, some could be the revamp and some could be the modernization. It also includes the studies. These kind of assignments are the continuous activities which are going on. So we are very much focused on those, and we are invested with these countries and getting a lot of inquiries and working on this.

Krushi Parekh:

Okay. And specifically, towards the international market, what kind of -- I mean, we have shifted some of our strategy to focus also on the international side. What have we seen in those markets that we have now started to focus a bit more over there as well?

I know that -- I understand that we have always had presence outside of India, but it is just over the last couple of years that I am seeing more traction over there. So what are we seeing on the ground that is -- because of which we are focusing additionally into those markets as well?

Management:

First is, if you talk about the Indian market, Indian market is mostly the public sector companies, which are mostly on the competitive basis and L1 basis. There's no focus on the quality. I mean, if you go into competitive environment, it is -- L1 always matters. But in the international market, quality also matters. So they will always give a preference to the quality, experience and capability of the company.

So wherein in these markets, this gives us an advantage. You know that we have the experience of working in India, almost 6 decades of experience, and we have worked on a lot of complex projects. Maybe -- if you can see the Indian refining and hydrocarbon sector, we are involved since its inception and done a lot of projects and a lot of modernization, a lot of troubleshooting. So nobody has this kind of experience anywhere else.

So this experience always gives us an advantage in the international market, because there also, they have a lot of new projects as well as a lot of development projects. Specifically, in Indian conditions, the projects have been expanded in various phases. It's not in one go all the plants have come. So one refinery will be set up at 5 MTPA and it will be graduated from 5 to 15, 15 to 25. That's how they expand. So that kind of experience in the international market is very limited.

So this kind of experience and the nuances of working in these kind of plants and revamp projects gives us an advantage in international market. And the database we already have because of working on these projects and the experience of the people and the manpower which we have. We retain our own permanent manpower. That's the core of our business. So that's how we get the advantage in the international market, wherein your experience and capabilities are more preferred with respect to the price.

Krushi Parekh:

Wonderful, wonderful. Great. My second question is, have we provided whatever is related to the pay commission for FY '26 and FY '27 wherever it is applicable? Or the impact that will be there in the FY '27?

Management:

Yes, we are keeping the provision for the pay commission. Whenever it will come, we have sufficient provision in our...

Krushi Parekh:

So it's already provided. And any major salary jump or something? What kind of margin on the -- I mean, impact on the margins it can have over, say, next 1 or 2 years at least?

Management:

I think impact will be tell only when the exact details of pay commission is known. But based on past experience, we are keeping provision for the same.

Krushi Parekh:

Okay. So we have already started to provide for it.

Management: We have already started.

Moderator: Our next question comes from the line of Darshika Khemka from AV Fincorp.

Darshika Khemka: I had a question regarding the Dangote order. I believe we had 2 press releases on this. One was in November regarding the Dangote fertilizer complex, and another was the Dangote expansion project in Nigeria in January. I just wanted to clarify that an amount was not written for the fertilizer complex. Is it included in this INR3,150 crores? Or is there a separate value for it?

Management: No, madam, that is a separate value, and that has been declared in the earlier -- I think in the earlier reporting also. So it's around \$70 million, something around INR600 crores. And this is not included in INR3,200 crores, which is -- which we have just received. Because these are 2 separate projects. One is a fertilizer project and another one is a refining project.

Darshika Khemka: The expansion project, correct. So where is this INR600 crores included, sir? This is the part in Q2 FY '26 for the INR615 crores order, correct?

Management: Just let me check. Let me check.

Darshika Khemka: Which was received in September, if I'm not wrong.

Management: Just a sec. Just a sec. Just a sec. Ma'am, this has been indicated in Q2 '25-'26.

Darshika Khemka: Yes, this is the INR600 crores project...

Management: No. Sorry, sorry, sorry. Just a sec. Just a sec. So sorry. It is -- yes, it's Q2 '25-'26. In the overseas, you can see. It's INR615 crores.

Darshika Khemka: Yes, got it. Yes, correct, correct. Got it. Another question that I had was around the guidance for the revenue that you're giving for FY '27. I believe and I expect that the execution will be much stronger by '27?

Management: Definitely, ma'am, execution will be much stronger and our...

Darshika Khemka: If you could a gross number, it will be really helpful.

Management: Madam, that totally depends upon the progress of the projects achieved during the year. And definitely, based on the progress in the last month of this financial year, we will make -- we will give some guidance for the next year. But till now, we are giving guidance for this current year only.

We will be reaching more than INR4,000 crores in terms of revenue. And definitely, INR4,000 crores will be the minimum target for the next year also. And we are sure that we will add some more figure to this. But we will be in a position to tell only after completion of this financial year.

Moderator: Our next question comes from the line of Amit Anwani from PL Capital.

Amit Anwani: Sir, one clarification on the higher other income. What was included here? And what -- was there any dividend from NRL? Just...

Management: So yes, we have received the dividend from the Numaligarh Refinery to the tune of INR24 crores. And that has been included in the third quarter.

Amit Anwani: And what's the steady state run rate for dividend income we should expect for next year for NRL?

Management: NRL is giving on the same pace because NRL is going into expansion and expansion is being carried out. So dividend income he's giving on a routine basis because he needs money to complete the project.

Amit Anwani: Right. Sir, second update on Ramagundam. I hope that plant is stabilized now. So what is the expectation for next year and 4Q in terms of performance in Ramagundam Fertilizer plant?

Management: At present, Ramagundam plant is running on full capacity. And till now, it is 13th Feb. Plant is running well, around 100% capacity. So we are sure that the profit will be realized. Profit will be continued to be realized in the fourth quarter also and next year so. Plant is almost stabilized.

Amit Anwani: All right. Sir, lastly, would like to understand more on the infra order inflow pipeline. I think in the past, you have highlighted taking some orders for IIT Jammu Kashmir and some training complex order from ONGC and I think there was some data center order also. Just wanted to understand the infra pipeline in terms of are we going to get more data center orders?

Or how we select that where we want to be in terms of getting the infra orders? So some more color on this infra pie since this is becoming bigger in your order book, will give us much better understanding in terms of your addressable market and what's the potential here.

Management: So going on this year, in the last -- till this quarter, we have got various orders from the infrastructure segment on OB basis as well as depository basis. Some of them are from the IIM Jodhpur. One is from the IIT Jodhpur and one is from the IIM. Another is from - you know that was ONGC Convention Center which we are -- we have done, where in this India Energy Week has been done. Similarly, we are talking to -- recently, we got an order from NTPC for their township.

These kind of niche segments we are targeting. We don't go into the regular residential building construction. We go into the niche areas wherein the client wants to create a township, wants to create a research and development facility or wants to create a convention center. These kind of niche negotiated contracts we get into. Similarly, at the same time, the airport, like the airport - - Leh airport we are doing, which is a green airport, which we have designed. At the same time, the airport which is coming in the UP in Noida, we were involved in that.

So these are very niche areas wherein we work. Some of the data centers we have done in the past, like SBI, UIDAI -- SBI and RBI. So all these are the data centers wherein we have got

involved as a consultant, as a project management consultant. So these are the areas we have been working.

Apart from that, we are working into the -- like projects wherein green intelligent buildings are there, water and wastewater management projects are there. The agricultural facility, which has been created in Haryana, we were the consultant for that, designing that facility. So these kind of niche projects we have been involved in infrastructure segment.

Amit Anwani: Right. Sir, lastly, on the recently announced CCUS allocation in the budget for next 5 years, roughly about INR20,000 crores. And I understand that we had an MOU with NTPC to do some collaboration for carbon capture and storage systems. I wanted to understand your thought. After this policy, are you seeing any pipeline for you? And do we have the...

Management: Listen, NTPC, we have various -- NTPC, we have various agreements. One is for the engineering services, wherein we have to work for various development projects, like they have been working on the green urea, green ammonia projects. They have been working on the projects of their power plants, wherein they need some sort of engineering services like structural audit of their facility. These kind of projects we do.

We also signed another agreement with them for offering them inspection services. We are also in talks with one of their subsidiary for offering the inspection services to their client. Because there are a lot of projects they have and they needed our support, and that's how we have entered into this agreement, and we are supporting each other. We've also got one of the assignment for a coal gasification project for them. They're setting up a coal gasification plant. So we are working on that as a consultant for them. So this kind of arrangement has been done under this MoU.

Amit Anwani: Right. So any carbon capture you're looking since this policy is in place? Will it be like viability gap funding? Or what exactly -- any other funding or...

Management: So on the carbon capture, internal studies are going on and we are in talks with some of the technology providers to see how we can synergize our offerings with their technology. So it's at a -- right now, at a steady note, but definitely something will come up from that also.

Amit Anwani: Right. Sir, lastly, on the inflow, is it fair to assume that consultancy still will be the dominant share in the order inflow for next year?

Management: I think it's always in the same range. Sometimes consultancy crosses the 50% limit and sometimes remains -- it almost remains in the same range. This year, it is expected to be a little bit more. That will get concluded only on 31st of March, because if some order -- another order is realized from somewhere -- we'll see. It depends.

Amit Anwani: And sir, the current book, what is the duration for execution for Consultancy orders and same for the Turnkey orders for the INR16,000 crores book?

Management: Generally, these projects are ranging from 3 to 4 years.

Amit Anwani: Both sides, Turnkey and Consultancy?

Management: For both the projects. So these are the long gestation projects and generally runs from 3 to 4 years.

Moderator: Our next question comes from the line of Prateek Dugar from Intelsense.

Prateek Dugar: Congratulations on a good set of numbers. Sir, this is not much of a question, but rather some suggestion that if you could provide some sort of a bidding pipeline. I'm not saying that we share the name of the projects, but something of the sort that some number of projects in the, say, INR100 crores to INR150 crores range or INR150 crores to INR300 crores that we are bidding for. That would actually help the analyst community. So could something of this sort be possible, sir?

Management: This kind of number is very difficult because we depend on the investment by the oil companies. Recently, the oil companies have indicated -- like IOCL has indicated their INR32,700 crores investment. ONGC has indicated INR30,000 crores. BPCL has INR25,000 crores. These are the upper investments which may come in the future from their side. This could be multiple projects. This could be multiple smaller projects. So it all depends. Whenever they come out with the -- any tender, any mega project, we'll be bidding for it. So it's very difficult to tell the exact number what we are bidding for.

Prateek Dugar: Okay, sir. And the other thing, sir, about -- I think last quarter also, we had seen some -- an exceptional income on account of some BG refund. And this time, we are seeing a very big impact on the profit of -- it's a good impact only, a positive surprise for the investors. But this is on account of some LD reversal you are seeing. So was this for some particular project? Or multiple projects we have recognized this time?

Management: This figure is for one project only.

Prateek Dugar: Okay. And so, sir, I was thinking that if you could -- like given -- any other projects where we have this sort of a major reversal that we may see coming? So that was my question, I think.

Management: It depends on client because we are doing a lot of projects for the client. And whenever schedule time is gone, we start keeping provision for the LD. And whenever project is completed, we apply for the time extension to our client. And most of the time, we get the time extension from the client and we reverse the provision. This is the routine practice of EIL as per accepted accounting principles. So it is done for each and every project.

Prateek Dugar: Sir, on the bookkeeping side, I mean, where would this figure -- say, if you have made a provision, where would this figure be appearing on the bookkeeping side?

Management: In the provision guarantee and warranty. Provision for guarantee and warranty, it is for the contractual provisions.

Moderator: Our next question comes from the line of Palash Jain from ICICI Securities.

Palash Jain: So my first question is, has there been any initial discussion in the carbon capture opportunity post the budget? Or in your opinion, this will go in FY '27?

Management: Even before the budget announcement, we are working on carbon capture initiatives, and we are regularly in touch with some of the technology providers to see our service offerings in this domain.

Palash Jain: Okay. And my second question is, do you think that we have exhausted the Indian pipeline in petchem for refinery and consultancy in the near term?

Management: We have exhausted? No. Hello?

Palash Jain: Hello?

Management: What is your question?

Palash Jain: So do you think that we have currently exhausted the Indian pipeline in the petchem for refinery projects in the near term?

Management: No, no, no. Not at all, not at all. Not at all. You see the figures. Government has still -- there are a lot of capacity expansions, and petchem expansions has been lined up by government. Government has already indicated that they are going to increase the refining capacity as well as the petchem capacity by 2030. So you have a lot of projects in pipeline. But these are the cyclical projects. When they get revised, it will be taken. Many projects are there on the anvil.

Palash Jain: So is it near-term visibility? Or this will come in future?

Management: No, no, it is maybe in the next year. You must have heard about Andhra refinery. There is a talk about Andhra refinery. So Andhra refinery from petchem, it could come in next year. These are the bigger projects. Paradip, we are already doing.

Management: By 2040, our energy demand is going to be doubled. And fossil fuel will be part of this energy mix in the 2040 also. So government is planning to increase the crude refining capacity and increasing the share of gas -- natural gas in the energy mix from 6% to 15%. So a lot of projects are there. And petrochemicals -- petrochem consumption is also increasing in India day by day. And it is very low in comparison to the developed countries. So a lot of scope is there.

Moderator: Our next question comes from the line of Manoj Sah from LaxGov Investments.

Manoj Sah: Just wanted to check with you, how do you see the revenue mix between Consultancy and Turnkey over the next 2, 3 years? If I remember a few years, you wanted to change the mix from when Turnkey was higher to Consultancy. And now what I'm seeing the trend is, it's again Turnkey share is going up. So can you please guide a little bit how you want to -- where you want to focus over next 2, 3 years?

Management: Actually, we always try to keep our Consultancy business list in the range of 55% to 60%. But this is hovering 45% to 55%. So sometimes Consultancy business is 55% and sometimes LSTK business is 55%. This is the general range for the last 3 years. But we always keep to [inaudible 0:54:57] more segment profit is there.

Manoj Sah: See, if I remember a few years, you were saying that you normally use the EPC as a -- or Turnkey as a filler to utilize the resources if we don't have the Consultancy project. Is that the way you still work on?

Management: You see in the India, more and more consultancy business is also coming, more and more refinery projects are there, Petchem projects are there, a lot of pipelines are there. So as on date, we cannot say we are sitting idle and we should focus -- we are focusing on the LSTK business. So first of all, definitely, we are focusing on the Consultancy business, and we are getting it also, not only in India, but outside India also.

Manoj Sah: Fine. Fine. Because I know that it takes a lot of time to change the order book mix from Turnkey to Consultancy or Consultancy to Turnkey. It will take 3, 4-year cycle normally, which is what I have observed...

Management: You can see our order book as on date is INR15,600 crores. And out of that, INR10,000 crores is from the Consultancy business only. So around 67% order book is from Consultancy business as on date.

Management: I would like to add that in the LSTK business, we don't go into the regular LSTK business. We only take the open book estimate, OB kind of projects, which are more secured, less risk and the returns are confirmed.

Manoj Sah: And have you worked on anything -- like in case of cost escalations, your margins are protected in these LSTK projects? Or because -- previously, we have suffered because of these cost escalations. So how it has changed over the years in the contract?

Management: Now we have changed the business model. As my colleague said, we are already targeting open book estimate, which is cost plus contracts only. So whatever cost is incurred, client is reimbursing that. And upon the cost reimbursed, we are charging our fixed margin -- fixed markup. So our markup is intact, and there is no escalation from our -- in the cost because escalation in the cost is borne by the client. So we are on the safer side.

Manoj Sah: And with respect to one of the participant's query, you said that whenever there is a -- if my understanding is correct, you can just confirm it, that whenever there is -- a project is going behind the schedule, okay, you provide for the provision for a delay or penalty for that project, okay? And if by the time of completion of the deadline, if the project is within the time line, you reverse that provision. Is that correct?

Management: Yes.

Management: Gentleman, please try and appreciate that this is a provision of the contract, okay? Whenever a contract is awarded, this is a risk provision you always make in any of the pricing you quote. So you make a provision, you keep that money aside. And when the project is executed, you don't face any consequences, then it is released as part of the revenue and it is added to your profit. It's a risk provision which is always made in any of the contracts.

Management: That kind of provision is always made in the Consultancy as well as OBE projects. From a project point of view, there is no differentiation in the practice followed.

Manoj Sah: Okay. No, no, I'm saying that because the previous participant was -- one of the participants was saying -- you replied that you reverse the provision what you have made because the project is now getting completed on time. You have earlier made the provision because project was running behind the schedule.

Management: No, no. Whenever project starts get delayed, then we create the provision. And on the completion of project, we apply for the time extension to our client. And in most of the cases, we get the time extension from the client. And upon the receipt of same, the provision is reversed.

Manoj Sah: Okay, okay. Fine. Yes, in project business, I understand that because some of the projects may have a penalty clause, so you provide for that. I understand.

Management: Sir, all the projects are having penalty clause, but it is not implemented by the client. Because when...

Manoj Sah: Yes, it depends on client. All right.

Management: Because EIL is not solely responsible for the delay of the project, sir. That's why client gives the...

Manoj Sah: [Inaudible 0:59:51] client also, yes.

Moderator: As there are no participants in the queue, I now hand the conference over to the management for the closing comments. Thank you, and over to you, sir.

Management: Thank you.

Management: Thank you so much.

Kishan Mundra: Thank you, team.

Management: Can we close now?

Moderator: Yes. Ladies and gentlemen, thank you so much for joining the conference call. On behalf of DAM Capital Advisors, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.