"Engineers India Limited

Q1 Results for FY26-'27"

August 14, 2026

MANAGEMENT: **MR. SANJAY JINDAL – DIRECTOR, FINANCE – ENGINEERS INDIA LIMITED**
MR. SUVENDU PADHI – COMPANY SECRETARY – ENGINEERS INDIA LIMITED
MR. R.P. BATRA –EXECUTIVE DIRECTOR – ENGINEERS INDIA LIMITED
MR. VIVEK MIDHA – CHIEF GENERAL MANAGER, MARKETING AND BUSINESS DEVELOPMENT – ENGINEERS INDIA LIMITED
MR. AMANPREET CHOPRA – SENIOR GENERAL MANAGER – ENGINEERS INDIA LIMITED
MS. NEHA NARULA – SENIOR MANAGER – ENGINEERS INDIA LIMITED

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

Moderator: Ladies and gentlemen, good day, and welcome to the [IEL 0:00:04] Q1 Results for FY26-'27. 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 Mundhra from DAM Capital. Thank you, and over to you, sir.

Kishan Mundhra: Thanks, Ananya, and very good afternoon to all of you. Thanks for joining in. So today, we have with us the entire management team of Engineers India to discuss the Q1 FY27 results. And post that, we'll follow up -- we follow that up with the Q&A.

So from the management, 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, the Chief General Manager, Marketing and Business Development; Mr. Amanpreet Chopra, who is the Senior General Manager; and Ms. Neha Narula, who is the Senior Manager.

With that, I would now like to hand over the conference to the management for their opening remarks. Over to you, sir.

Sanjay Jindal: Thank you, Mr. Kishan. Good afternoon, everybody, and a warm welcome to all the members from press fraternity to investors meet. We have declared our first quarter results for the financial year '26, '27 yesterday. That is on 13 August 2026.

Company order book position stands at INR14,424 crores as on 30th June 2026, which comprises consultancy segment of INR10,498 crores and Turnkey segment constitute of INR3,926 crores. Order inflow in year during first quarter of financial year '26-'27 stands at INR514 crores.

With respect to the financial performance for the quarter ended 30th June 2026, on a standalone basis, the company achieved profit before tax of INR145 crores in comparison to INR94 crores during the first quarter of financial year '25-'26, showing an increase of 55% approximately. Further, the company also achieved profit after tax of INR109 crores in Q1 of financial year '26-'27 vis-a-vis INR70 crores in the quarter 1 of financial year '25-'26, showing an increase of 55% approximately.

Operating margin during the first quarter of '26-'27 stood at around 14%, that is INR108 crores as compared to 7% that is INR59 crores during the quarter ended June '25. EBITDA of the company as on 30th June 2026 stood at INR155 crores with EBITDA margin of 18.55% in comparison to the INR104 crores EBITDA margin 11.72% as on 30th June 2025. Further company achieved a turnover of INR801 crores compared with INR857 crores achieved during the first quarter of financial year '25-'26.

The Consultancy and Engineering segment recorded a turnover of INR499 crores during the quarter compared with INR408 crores in June '25, representing a growth of approximately 22%. Notably, the Consultancy and Engineering segment has a higher profit margin as compared with Turnkey segment. In Turnkey segment recorded a turnover of INR302 crores in June '26 compared with INR449 crores in June '25. The decline is primarily attributable to tapering of certain major projects.

However, the company has achieved new orders in the Turnkey segment over the last few quarters. These projects are currently in the initial phase of execution and are expected to gain momentum in the coming quarters. As execution progresses, the Turnkey segment turnover is expected to increase during third quarter and fourth quarter of financial year '26-'27 once these projects reaches their planned execution.

On the consolidated basis, the company earned a profit of INR157.94 crores for the quarter ended 30th June 2026 in comparison to INR65.4 crores earned during the first quarter of financial year '25-'26. Therefore, there is increase of around 141% in the consolidated profit on year-on-year basis.

The profit of EIL subsidiary CEIL has increased to INR6.88 crores in the first quarter of financial year '26-'27 as against INR2.69 crores in the first quarter of financial year '25-'26 with the increase in margin around 155%. The profit from joint venture or associated contributes INR42.51 crores in the consolidated profit, while there was a loss of INR7.37 crores from the joint venture in the Q1 of last year '25-'26.

Now I hand over to Mr. Kishan for further activity. Thank you.

Kishan Mundhra: Operator, you can begin the question-and-answer session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Mohit Kumar from ICICI Securities.

Mohit Kumar: My first question, sir, can you just help us with the granular details of the domestic consultancy order prospect, international prospect order to the extent possible? And are you still confident of meeting the order inflow target of INR80 billion for the fiscal? And out of INR80 billion, how much do you expect to be consultancy orders?

Vivek Midha: This is Vivek from Marketing and Business Development. With respect to the current business inflow, as of today, we are sitting at INR2,750 crores worth of business and out of which INR1,000 -- around INR1,100 crores is from the overseas and rest is from the domestic segment. So that's the current situation. And definitely, when we have talked about the INR8,000 crores, we are going to touch upon that. We have not changed the -- our outlook for the financial year.

We are just 2 quarters -- almost 2 quarters down, but still we have 2 quarters to gain and many of the projects which we are discussing across the world are there in discussion as well as some of the projects in India are also concerned. We are very hopeful that we should be able to meet the target of INR8,000 crores. We'll in fact, try to cross that cap.

Mohit Kumar: And sir, out of INR2,750 crores, how much is the consultancy as of now?

Vivek Midha: The consultancy is in the range of just a sec -- out of INR1,500 crores, which is the domestic business, around INR523 crores is the consultancy. Sorry, out of INR2,750 crores, we have INR1,100 crores is approximately the consultancy, INR1,100 crores is the overseas as the left out is the domestic and domestic, we have approximately INR1,500 crores is from the LSTK and rest is from the consultancy.

Mohit Kumar: And sir, my second question is on the Middle East, of course, we had open -- I think we had qualified with Aramco for bidding for consultancy projects. Can you just let us know how the things are progressing? And are we -- and do we expect anything material to get finalized in this fiscal?

Vivek Midha: In the Middle East, the market situation is still very grim. Nothing is stabilized. Still there's not much is happening on the new project side. Some repair and modernization projects are still on. In that environment also, we have been able to secure moreover business for INR500 crores from the -- our Abu Dhabi office as well as from the other clients in the Middle East.

But with respect to the Saudi, Saudi, we are still waiting for some of the good opportunities from them and some of the business to come from them. We are still in the initial stages of discussion with them. The contract is already on. We are waiting for certain inquiries to come. As you know that there has been -- this situation, the new inquiries are a little bit slow from their side.

Moderator: The next question is from the line of Deep Sanghavi from Dalal & Broacha Stock Broking Private Limited.

Deep Sanghavi: Congratulations on a good set of numbers. So my first question was regarding the write-backs or change orders. So for this fiscal, are you expecting any write-backs or any change orders? So if you look at in June '26, there HPCL's Barmer project, which got commercialized. So for that also, will the write-back will come this fiscal or next fiscal?

Sanjay Jindal: In the current quarter, there is no exceptional change order, which is included in the term now. And we are not expecting any write-off as such.

Deep Sanghavi: Sir, any write-backs in this whole fiscal, are you expecting?

Sanjay Jindal: No, the voice is not clear.

Deep Sanghavi: Sir, so I was asking, are you expecting any write-backs, the provision write-backs for the...

Sanjay Jindal: No, we are not expecting any write-back of provisions. So all the provisions kept for guarantee and warranty are write-off as per accounting standard and as completion of projects only.

Deep Sanghavi: Okay. So sir, because in June '26, the HPCL Barmer project got commercialized. So that's what I was asking.

Sanjay Jindal: But we have defect liability period also. After completion of defect liability period, all the provisions are reversed.

Deep Sanghavi: Okay. Okay, sir. And sir, my next question was regarding the consultancy growth rate. So if you see in the Q1 FY27, the consultancy growth rate was just 2 percentage despite a very big order backlog. So should we -- like how should one assume the full year's growth rate taking into account the big order book for consultancy?

Sanjay Jindal: Order book?

Deep Sanghavi: No, sir.

Vivek Midha: You are talking about the order book execution you're talking about?

Deep Sanghavi: Yes. So I'm talking about basically the revenue growth rate for consultancy.

Vivek Midha: Revenue growth.

Sanjay Jindal: Revenue growth rate, definitely, we are targeting -- in the last year, we were having total turnover of INR3,850 crores. This time, we are targeting at least 10% growth -- and we are keeping close watch on the progress of the projects. So this guidance can be improved in the coming quarters also. And we are expecting around more than 50% from the consultancy.

Deep Sanghavi: Okay. More than 50%. And sir, because -- so my question was regarding -- so the execution rate, if you see in consultancy has been in the range of around 30 percentage, which was, again, 27 percentage last year. So how will the execution rate be? If you can just throw some light on that?

Sanjay Jindal: Last year, our consultancy portion was 48% in the total turnover.

Deep Sanghavi: Yes, correct.

Sanjay Jindal: Yes. It was not 23%.

Deep Sanghavi: No sir, I'm talking about the execution rate. So from the closing order book, how much part of...

Management: Understood. Understood. See, this is -- the execution rate which you are talking about is a cyclic in nature. It depends on what stage of the project is. So it varies slightly from year-to-year basis.

Deep Sanghavi: Okay. So sir, is -- so again, my question...

Sanjay Jindal: Total, basically, whatever jobs are being shown in the order book, these projects are -- mega projects are typically completed in 4 to 5 years and midrange projects are completed in 2 to 3 years. And some of the studies like DFR studies and some FEED type projects, study type projects, that projects are completed in 1 year itself. So basically, it depends on the job, whether it is mega job or midsized job or small job.

Vivek Midha: Or at what point of time in the financial year, it is received. Like let me give you an example. So we got a mega project in the month of -- towards the end of January. So you will not have much of execution in that financial year. So execution will mostly find in the next financial year.

Sanjay Jindal: But if you calculate the percentage that will distort the figure.

Moderator: The next question is from the line of Jainam Jain from DAM Capital.

Jainam Jain: Sir, my first question is, given the strong consultancy order book and a book-to-bill ratio, how are we seeing the gross margins growing going forward?

Sanjay Jindal: You are talking about the segment profit. Already, if you see in the last year, our segment profit was 17% in the first quarter of '25-'26. But in this -- in the current quarter, it rose to 24%. So gross margin has been improved in the consultancy job. And in the LSTK margin is also improved, and it is currently 7.5% in the first quarter of current financial year. And we are sure to keep 24%, 25% segment profit in the consultancy segment.

Jainam Jain: Okay, sir. Sir, second question is how are we seeing the things moving in the nuclear segment?

Vivek Midha: What? Can you just repeat the question, please?

Jainam Jain: How are we seeing the things moving in the nuclear segment?

Vivek Midha: Nuclear, that this government has started pushing on the nuclear and a lot of impetus has come after this Hormuz crisis and all. So we have seen a lot of inquiries coming from the nuclear side. In fact, we are doing various environmental studies at this point of time. 3 projects we are doing from a private investor. And one is from the government side also, we are doing environmental studies.

So these are the projects on the anvil at this stage. And there are certain EOIs also there in the market. We are also engaged with NPCIL for some of the consultancy assignments at this point of time also, engineering consultancy assignment. You also know that we had last year secured the SMR projects from NPCIL and other clients. So nuclear is now -- is on the push. Let's hope for the best. It goes fine.

Jainam Jain: Okay, sir. Sir, my last question is, sir, in terms of the revenue contribution, the consultancy revenue mix has increased to about 60%, which used to be earlier stand around 48%, 45%. So what sort of revenue mix are we expecting from the consultancy side going forward in FY27 or FY28?

Sanjay Jindal: In the financial year -- current financial year, we are expecting more than 50%, but definitely, around 50% to 60%, we are still expecting from the consultancy segment and balance will come from the LSTK Turnkey segment.

Jainam Jain:	Okay, sir. Good answer…
Sanjay Jindal:	[Inaudible 0:18:30] 55% is at least figure.
Moderator:	The next question is from the line of Hardik from Lark.
Hardik:	Sir, because of the Middle East conflict, have any of the clients put their project on hold as of now?
Vivek Midha:	Sir, as such, by saying of it, they don't say anything has been holded. In fact, you won't even see that damage has happened anywhere. These days, you don't see any kind of news. But there is a problem there. The new projects are not coming very fast. The new tenders and new projects are not coming very fast. We have got a few of the assignments, PMC assignments under the existing -- our long-term agreement with them, more than INR500 crores -- INR400 crores worth of assignment, which we have got from the Middle East. But there is an impact definitely. But nobody is publishing that it has been on hold.
Sanjay Jindal:	On routine basis, we are getting jobs from the Middle East. Yes.
Hardik:	Okay. But any large project...
Sanjay Jindal:	New mega projects are under hold. Yes.
Hardik:	Yes, that's what I wanted to understand. Any existing mega project the client is not officially saying, but as of now, status let's not proceed now and we'll see kind of a scenario.
Vivek Midha:	Wherever we are working, those projects are on.
Sanjay Jindal:	All the existing project are on.
Vivek Midha:	Existing jobs are on. They have not stopped there.
Sanjay Jindal:	They have not stopped.
Vivek Midha:	But new mega projects, we have not seen much.
Hardik:	Okay. Okay. And what about the impact in India, sir, because of the current financial position of the oil marketing companies, has the Middle East war had any impact on the India business as such?
Sanjay Jindal:	Recently, we have received order of more than INR500 crores from the Middle East region itself. In this quarter itself.
Management:	In this quarter itself.
Sanjay Jindal:	This quarter only.

Hardik: Yes. Got it, sir. Now I'm asking about the India business. Overall, what do you see the impact of the war on the India business now?

Vivek Midha: All the mega projects which we are having are on progress path. There is no disturbance to the existing Indian projects.

Management: And also, sir, the capex investments of the -- all the OMCs are in place and going ahead.

Hardik: Yes, that's what I wanted to know.

Moderator: The next question is from the line of Shubham Borade from ICICI Securities.

Shubham Borade: My question would be, can you please touch upon coal gasification opportunities in consultancy? And are you seeing improvement in order pipeline in that segment?

Vivek Midha: The government -- as soon as the government has revised this policy and they have said that they will be giving gap funding of INR34,000 crores, many inquiries are there with respect to putting up the feasibility study. So we are bidding for those ones at this point of time. In any case, coal gasification, we are doing one project for NTPC, which is for gas to SNG, which we are doing right now and many of the projects which we are in the bidding stage.

So these will be realized in a couple of months. We'll get to know the results of those because these are under negotiation and in advance stage. But there are definitely more inquiries on coal gasification at this point of time.

Moderator: The next question is from the line of Deep Sanghavi from Dalal & Broacha Stock Broking Private Limited. It is a follow-up question.

Deep Sanghavi: So my first question was regarding the RFCL. So if you see even this quarter, they have almost INR42 crores of revenue, which was, I think the last Q3 and Q4 also, they got the similar in the range. So is this -- can this be considered like sustainable this kind of profit?

Sanjay Jindal: Yes, RFCL project is running well. And now we are expecting this kind of profit on a regular basis. We are expecting some kind of dividend in the current financial year also.

Deep Sanghavi: Okay. Sir, in the last con call, you also said that there will be some smaller kind of like technical thing you have to do in December as well in that?

Sanjay Jindal: That will be done, but that will be done during the regular shutdown period, and there will not be impact on the profitability of the project. Generally, plants, such kind of fertilizer plants are run for 330 days in the financial year. So within that window of 35 days or 30 days, which is kept for the regular shutdown period, during that period, all the activities will be carried out so that regular profitability will not be hurt.

Deep Sanghavi: Okay, sir. And another question was that was regarding the major projects which are -- which will be coming this year. So one is BPCL Andhra, IOCL Paradip and another one is ONGC, there is some petrochemical plant, right? So where do all of these projects stand right now? And when could we realistically see them coming into the order inflows?

Vivek Midha: Look, Andhra feasibility was on. They are now maybe anticipating towards the site development activities and all. So probably the execution tender would come towards the end of this financial year. So if it is settled before the financial year, then depending on the competition, if we get it, it will come within this financial year. Otherwise, it's early next financial year, first quarter, it should be reflected. But on the ONGC part, we are still not listing anything. Feasibility study is on, and it's in the process, but it is going to take time.

Deep Sanghavi: Okay. And sir, what about IOCL's Paradip Phase 2?

Vivek Midha: IOCL Phase 2 is, again, it's under their approval. It is -- their management has to take a call. We have not anything heard from them also. The Phase 1 is completed and rest they have to decide because there were certain land issues and all. We understand that they are trying to settle. And then this project for the Phase 2 will start.

Deep Sanghavi: Right. And sir, even like without -- even if they don't contribute to the order inflow, still we will reach the INR8,000 crores mark? Like are you confident with that?

Vivek Midha: It's not only those projects which we target. We target number of projects. We don't focus on those 2 projects. Many of the projects which cannot be disclosed at this point of time. We keep on discussing. So you can see something coming there.

Deep Sanghavi: Right. So can you also talk about the pipeline, if you can please throw some light on that?

Vivek Midha: On the pipeline side?

Deep Sanghavi: Yes.

Vivek Midha: Are you talking about on the pipeline side or projects you're talking about or the order pipeline?

Deep Sanghavi: Yes, sir, the order pipeline, which -- like which kind of projects are you targeting?

Vivek Midha: No, it is both. It is -- I'll tell you that now we are targeting hydrocarbon is definitely there. Hydrocarbon primarily the petchem projects, which are going to come, those are there. We are also focusing on nuclear. I told you in the earlier call -- in the earlier question also that nuclear, there are a lot of inquiries which are coming in the market.

We're already doing EIAs, environmental impact assessment studies. We are moving towards coal gasification also a lot of coal gasification inquiries are there. Even though they are in the initial nascent stages, Infrastructure is a very good segment for us. We have just got a major assignment in the data center from PowerTel. So similar kind of projects which you are targeting apart from hydrocarbon also. So we have a lot of opportunities in this segment also.

Deep Sanghavi: Right, sir. And just -- sorry, just a last question regarding the infrastructure. So mostly the infrastructure projects are mainly in the kind of the LSTK job, right?

Vivek Midha: It is a mix actually. It is a mix. Somewhere it is project management services, somewhere we get those assignments as an OBE under the OBE or somewhere on the depository mode. So it's always mix. But last couple of years, more of them are coming on the -- the major ones are coming on the LSTK OBE basis or the depository. There are PMC assignments also. Those are smaller in size.

Deep Sanghavi: Smaller one. Okay.

Moderator: The next question is from the line of Jayesh Gandhi from Harshad Gandhi Securities.

Jayesh Gandhi: Congratulations on good set of numbers. A couple of questions from my side. I want to understand the progress on the Dangote order in Nigeria. If I'm not wrong, revenue recognition there is going to be on percentage of completion method, right?

Vivek Midha: It's a progress percentage. Cost progress basis.

Jayesh Gandhi: Okay. And since the project is like 3 to 4 years, I mean revenue recognition -- I mean, revenue will be recognized -- I mean it will be like front-loaded or backloaded. I mean, if you can give any picture on that?

Vivek Midha: It is never on the front-loaded or backloaded depending on the progress...

Sanjay Jindal: Basically, turnover will be recognized based on the cost progress achieved during the quarter. If it is 10%, then turnover will be 10% of the contract value. If cost progress is 20%, turnover will be on a cumulative basis, 20% of the contract value. So this is the method. So all turnover will be booked within, I think, 4 years span of time.

Jayesh Gandhi: Got it. And sir, do we see any opportunity in this deep water drilling in the project which government has recently announced?

Vivek Midha: Sir, we are not into the drilling part of it. We get involved in the offshore segment. We are involved when the oil is out in the processing of the oil. So we are not into deep drilling -- deep water drilling and all in that segment.

Jayesh Gandhi: Got it. And one last question is, since currently, the order mix is more tilted towards consultancy. Do you think this is going to be -- I mean, will it be the strategy of the management to keep consultancy in the mix higher or it's going to be as the orders we will -- I mean, there's no strategy as such whatever order comes, we'll take it.

Sanjay Jindal: Definitely, it is the strategy of the company to keep consultancy business on higher side since we are having margin -- strong margin in the consultancy segment. So management efforts are always there to grab the consultancy business first.

Moderator: The next question is from the line of Kunal Bhatia from Dalal Broacha.

Kunal Bhatia: Congrats on a good set of numbers. Sir, I just had one or two clarifications. Sir, in case of consultancy, you did mention that the growth targeted for the year is approximately 10-odd percentage. But however, looking at our, say, first quarter sort of a run rate, we could do approximately around INR200-odd crores on a full year basis. That, in fact, is a higher growth rate vis-a-vis what you have been talking about.

So sir, just wanted to get a sense, like even if we consider a INR10,000 crores order book, which we have in case of consultancy and we take a 20% kind of an execution in the current year out of that, we would be almost at around INR2,000-odd crores of total top line in consultancy. So is that the right number or a directional right number to work with? Just wanted to get your thoughts on that, sir?

Sanjay Jindal: Yes, we have already given a target of more than 10% in the increase in the turnover, which is in the total turnover, which sits around INR4,200 crores. And we are expecting more than 50% turnover from the consultancy segment. As I have already said it may be around 55% also. So definitely, our consultancy segment turnover will be more than INR2,000 crores. It will be around INR2,300 crores and INR2,400 crores. So you are on the right path, sir.

Kunal Bhatia: Okay. Okay. So meaning consultancy could have a higher growth rate?

Sanjay Jindal: Definitely, consultancy will be higher than LSTK.

Kunal Bhatia: Okay. Okay. And sir, secondly, you did talk about coal gasification as a new segment opening up. And from our previous conference call, what we understand is normally a coal gasification kind of an order could be anywhere close to around INR10,000 crores to INR30,000 crores in terms of the overall order size. So out of that, EIL could get what percentage for, say, a consultancy/Turnkey or any other order?

Vivek Midha: It is like this. It depends on the kind of service we are going to offer. Many of these coal gasification projects are at the feasibility stage at this point of time. They are committing the study to get the VGF funding from the government and then probably towards the end of it, they will realize and they will go for the implementation. The typical consultancy for us remains in the same zone only, which we get it from any hydrocarbon.

It doesn't matter to us, whether it's hydrocarbon and all. So we target the same kind of business from them, whether it is on the PMC mode, EPCM mode. Mode of execution of these projects remains the same.

Kunal Bhatia: Okay. So probably our average has been around 3% to 5%, so one could work approximately with that?

Vivek Midha: So you can guess estimate from the past progress the past in the consultancy, it almost remains.

Kunal Bhatia: Okay. Okay. And sir, the INR5,000 crores revenue target FY28, we maintain that or we would be escalating on that?

Sanjay Jindal: We are still maintaining that. And definitely, we will try to improve it.

Kunal Bhatia: Okay. Okay. And sir, final question from my side. Sir, you did give some glimpse on the areas of business such as hydrocarbon nuclear, environmental coal gasification. Sir, but if ballpark one wants to understand, what would be your pipeline in terms of the bidding you have currently in terms of an approximate ballpark number, how much would that be, sir?

Vivek Midha: Sir, all these projects are multimillion dollar, multi-crores projects. It's very difficult to tell which segment, how much we are going to bid. We want to bid for everything whatever we can because when you bid for 10 projects, you can get 1. It all depends on the competition and segment. So it's very difficult to tell what is the total business for which we'll be bidding for.

Kunal Bhatia: Okay. Okay. And sir, finally, sir, in terms of competition, like for us, the competitive intensity would be quite low vis-a-vis any other industry. So with that in mind, what would be, say, a success ratio we could work with?

Vivek Midha: But who says the competitive intensity is less. competitive and competition intensity is very high in all the segments, wherever we are working. All the assignments which we are getting is mostly on the competitive business, including the public sector. There are there -- the consultants are there in those segments, and we have been able to get the assignments from them in competition.

Moderator: The next question is from the line of Amit Anwani from PL Capital.

Amit Anwani: Sir, first question on the Aramco agreement, which you spoke about last time. Any development on that front? And second, because of the Middle East, probably we have some 12%, 15% exposure there, you were kind of cautious in last quarter in terms of guidance. And this time, you have suggested that probably the guidance can upgrade.

So just wanted to understand, since the war is still continuing, what is your thoughts on that as a company? Are we on track or still there are some concerns on the execution? And second -- first was on the Aramco agreement, yes.

Vivek Midha: On the Aramco side, we are still to get something from them. We are still in the initial stages. We have not got any major inquiry from them because I told you many of the projects have been slow. They have been -- there is a slowdown on the new projects, which they are not issuing. So if something starts, then it will come under those inquiries.

And this with respect to the general guidance about the Middle East. Middle East, you have a situation which is a little bit grim, but our teams are already stationed there. Our full-fledged team, which was there earlier, it's still there in Abu Dhabi. And we have already indicated that we have got the business for INR500 crores in first quarter itself from the Middle East side. So at the same time, there is a cautiousness businesses -- new projects are less, but still we are continuing to target the projects and have been successful in doing so.

Amit Anwani: Right. So you have highlighted the consultancy revenue contribution can be more than 50% and probably 55% and that's the segment where we really earn very good margins. So can we assume -- last time you highlighted operating margin with other income, probably you can hit 18%, 19%. Can that number now since consulting is -- will be more be revised to probably 20%, 21%, including other income? What is your thought on that?

Sanjay Jindal: Last year, our operating margin was 16%. And definitely, we will try to hit that target in the current financial year also.

Amit Anwani: Can it be better because consultancy now you're guiding that could be contributing...

Sanjay Jindal: We are finalizing some change orders with our clients also. If it is materialized, our operating margin may be more -- even more with the previous year figure.

Amit Anwani: Right. So I think you said somewhere probably 18% to 19%. So that's the guidance for this year.

Sanjay Jindal: No, sir.

Amit Anwani: Including other income, I'm saying, yes.

Sanjay Jindal: No, sir. This year, we are targeting the operating margin of 16%, which we have achieved the last year also. There may be a possibility if we settle the order with our clients, we may achieve more. But definitely, right now, we are saying since it is the first quarter of the financial year, we are maintaining the figure of 16% operating profit.

Amit Anwani: Okay. And lastly, sir, on the intake, you did explain that you're still maintaining INR8,000 crores. So does that mean that the lumpy orders and you saw the execution delays of what is the YTD order, if I might have missed in order inflow? And for the remaining of the year, what are the orders we are looking for conversion? Is it more exports or consultancy or Turnkey, if you could highlight that?

Vivek Midha: Primarily could be in the consultancy or could be in the overseas, it could be more towards consultancy and overseas. So let's see how it goes.

Amit Anwani: So probably the lumpy order?

Vivek Midha: I will see how it goes. The number of things which are in...

Amit Anwani: Right. So what is the YTD order inflow?

Vivek Midha: During the current year also, we told you that we have already at the INR2,750 crores at this point of time.

Moderator: The next question is from the line of Viraj from SiMPL.

Viraj: A couple of questions. See, when we talk about the new non-oil and gas initiatives, can you give some color in terms of what is our right to win here? Because see, in oil and gas, we have a quite sizable quantum of credentials and built over the years. But when it comes to the non-oil and gas, especially, say, nuclear or coal gasification or other segments, what is our right to win and what is the communication to the customers? So that is one. And what kind of -- sorry, just what kind of -- what initiatives or what steps we have been taking capabilities or skill sets in these new segments?

Vivek Midha: Yes. With respect to the hydrocarbon, we are not saying that we are leaving hydrocarbon. We are going beyond hydrocarbon. Hydrocarbon is going to be -- it's always a core, but there is always a time lag when the project is not there, we have not seen in this financial year as of now, the mega project, which is there, we are still in the initial stages and all.

So you have to target other businesses outside the hydrocarbon. So that's how we are focusing on the other segments, which we have explained in the earlier segment. You already know that infrastructure is one of the major part of our business today. Today, in this financial year itself, it is around 45%, which is contributing to infrastructure. Infrastructure is contributing to our business income.

With respect to the nuclear and the other area like coal gasification, we have the strengths available within the company to handle those kind of projects. We have people who have worked in the nuclear segment.

We have people who have worked in the hydrocarbon and hydrocarbon and coal gasification is not much of a difference because you need the same skill set and same -- technology is little bit is different, but the skill sets are available to handle all this kind of.

And we have been involved in coal gasification for quite some time, many years in this segment because however, there was not much of a project. The smaller projects were there. We have been doing some R&D work in-house also in this. So there's no problem of scale. we keep on upgrading the skills of our people, right?

We keep on sending them on the training for the relevant areas wherein they have to strengthen their skills in that new area, which we are doing. We are also open and we are recruiting people from the -- at the mid-level also wherever it is required, the specialization is required. So that all kind of strategies we adopt to develop the skill set within the company.

Viraj: So, that's very elaborate answer. But see, one has to understand outside of hydrocarbons, what kind of guardrails you have in place because these are relatively new segments for you and even from the customer, they would have a steady state of vendors, companies who have a good execution track record, right -- which for us, we are just starting out.

So in that sense, when it comes to communication or putting that value proposition to the customer, what is that based on? And internally, what kind of guardrails you have in place to make sure that you hit the internal profitability or the return targets?

Vivek Midha: Look, whenever you go into the new segment, you always use your existing capabilities to emphasize on the clients. You know that we are a 60-year-old company and handled all kind of complex projects. So if you talk about the infrastructure, it's not a very complex project. We have the skill set available for project management everywhere. And we have done a lot of projects in infrastructure.

So we -- nobody questions the capability of EIL in those segments. In fact, we are very choosy in the infrastructure. We go into the specific segments only. We don't go into the regular building construction and any kind of road construction and all. We go into the specific like data centers. We go into the work like research and development facilities of the client.

We go into the projects, which are related to the IIMs, IITs constructing their buildings and all are going into the -- it's some kind of convention centers wherein you have skill sets available. And many of these projects are from the oil and gas companies also, like we have been associated with ONGC in development of the convention center.

We are also engaged with NTPC for development of their townships. So we are targeting the clients which are in the hydrocarbon segment only and outside segment also, who need the infrastructure support. And they know our capabilities, so there is no dearth of that issue.

Going into the new segment like coal gasification all we have people, we have people trained with us. And they know there is nobody like EIL in the hydrocarbon segment available because you know hydrocarbon segment is much more complex than any other segment like coal gasification or maybe other segments.

Nuclear it's a new area, where we are developing our skills, and we're gradually entering into the area, wherein primarily we focus on the balance of plant, which is -- balance of plant is -- it's a noncore nuclear, which is almost similar to what we do in the hydrocarbon. So those skills are available. And the client understands all the relevant client understands that they can do it. And that's how we get the assignment.

Viraj: Just one follow-up on this. See, if you look at our own journey in the fertilizer space, especially in India, just to make a very strong point in terms of building that credential, we also co-invested in the project, right? So when it comes to these new centers, especially, say, coal gasification or clean energy, be it green hydrogen or green ammonia or nuclear projects, would we be also co-investing in those projects to build those credentials or the approach would still largely be more on the execution side and not participate financially?

Vivek Midha: Not like that. It is depending on the kind of opportunity and the profitability in that segment, which is established. Fertilizer, we have seen fertilizer, we had the experience, we have implemented it. In noncore, you can see that we are setting up a CBG plant. We're investing our own money to set up that plant.

So those non-hydrocarbon investments we are also taking. But you know that's a public sector company, we have to take guidance and work under the guidance and kind of money available with us, those decisions and number of proposals are always under consideration. So we'll see what fits best and where the project is of our interest and where we can have the -- like the way we utilize our capability in the fertilizer, and we became the partner in that project if this kind of opportunity comes, we are open to thinking about it.

Viraj: Okay. I just have 2, 3 more questions. Can I ask?

Vivek Midha: Yes, please go ahead.

Viraj: See, in domestic market also, you have this new urea policy being rolled out by the government recently. And so in that sense, you have multiple sectors outside of core hydrocarbons for you to clean. Where will the larger focus of the management lie? Would it be more on consultancy? Would it be more on LSTK projects?

Or I mean, since there's so much of -- correct me, but there's so much of inquiry or opportunities available for you, what is typically your approach? Because you have a steady -- only a limited base of skilled manpower for you to deploy. So how are you going about with that project selection or end sector selection?

Vivek Midha: We have extensive manpower available with us. Plus we take people from outside. We have been recruiting people from outside. We take the support of the specialized agencies for the noncritical work. So those manpower is not a dearth for us. And with respect to going for the EPC or LSTK, we choose depending on what kind of project, which -- where the risk is minimized, we try to choose that kind of segment first.

But you know that most of the EPC projects, we do it on OBE basis, an open book estimate basis. Our preferred choice is that. And most of the contracts which have been entering into EPC segment are OBE ones. So we choose -- if we get an opportunity on this basis, OBE basis or in such an area where we have the scale and we know that we don't need any -- we have minimum dependence on the other agencies, other execution agencies.

Then we also bid for the EPC. It's all choice depending on the type of the project, depending on the skill set available within the company itself, we choose.

Viraj: But do you think it's a problem where -- I mean, it's a good problem to have, but is it a scenario where you're seeing many inquiries or pipeline being very strong across existing core and noncore segments based on what are you seeing right now?

Vivek Midha: There are inquiries in the core and noncore segments, definitely. That's how we are getting the business.

Viraj: Okay. So this annual flow of INR8,000 crores kind of order book, this can -- this should be able to sustain for next few years?

Vivek Midha: Yes. We will. That's what we are working towards.

Viraj: Okay. Last 2 questions. One is on the investment book. See, we invested in the fertilizer project, and there's another investment as well. Any thoughts in terms of monetization because it has served as utility in terms of the credential building. Incrementally, how do you look at it?

Vivek Midha: No, it is not the purpose of credentials building. It is an investment also. We are getting money out of it. It's an investment -- a safe investment for us. We're getting dividends from the NRL. In times to come, we'll be getting good dividend from RFCL as soon as the plant has started working and crosses the capacity limits.

So this is an investment. It is not only for the PTR. We didn't need the PTR for getting into the fertilizer. Fertilizer, we already had the PTR earlier. And NRL, we have the extensive experience. It's all strategic investments. So we will not -- I don't think we are at this point of thinking about encashing them.

Viraj: But sir, the cash position would just keep on building up. I mean outside of these investments, we have a sizable surplus cash. And given the nature of the business, this will only further increase. So is there any concrete thinking around sharing this cash with shareholders?

Sanjay Jindal: No. Definitely, we are having cash reserves, but certain other investment plans are also under consideration with management. Whenever these plans will be concreted, definitely, we will let you know. But as of now, there is no such plans to distribute the entire reserves to the shareholders.

Viraj: Okay. Last question was on the overseas book...

Sanjay Jindal: We are already giving good dividend to our shareholders. It is in the range of 100% in the current financial year.

Viraj: No, that is really appreciative. But as I said, given the nature of the business, this will only further keep building up. So -- and as minority shareholders, we would also prefer instead of, say, investments and some other.

Vivek Midha: We're looking for the opportunity for investment.

Sanjay Jindal: Definitely, we are fulfilling the expectation of our minor shareholders also by way of dividend.

Viraj: Okay. Sir, last question was on the overseas book. See, traditionally, Middle East as a region, we have had a very little penetration, right? We have been making efforts to further penetrate and get approved with most of the global players. Can you give some color, more elaborate color in terms of what exactly -- so what initiatives we have been taking? Where are we in that whole journey right now? And how do we see this scaling up over the next 3, 5 years?

Vivek Midha: You must have seen that in last 3 years, where we have grown in the international market and specifically in the Middle East. We have already declared how much business we have received from Middle East, specifically from the Abu Dhabi in the last 3 years. We have grown in from INR30 crores to INR1,000 crores in 3, 4 years itself.

So you can understand from the kind of business initiatives and a lot of frame agreements which we have entered with all the clients and all we're not struggling for it, but we have already signed all those agreements and mega projects, mega contracts we have signed. So we are on a good path, and we are on a progressive path. This Hormuz thing would not have happened, the business scenario would have been different. You know all -- everybody knows about what is happening there.

Viraj: Are we now empanelled approved with all the major players?

Vivek Midha: We empanelled with all the consultants, all the major national oil companies, we are empanelled.

Viraj: Okay. And then the discussion on projects, is it more based on pricing or there's a lot of hard sell you have to do in terms of capability showcase...

Vivek Midha: No, no, no, wait a minute. We don't have to hard sell when you are empanelled, and you don't have to hard sell. It's a competition. Again, when you get empanelled, it's a competition. They have good empanelled parties. There will be competition. That's true everywhere, whether it's in India or outside India. It's a competitive world.

Moderator: That was the last question for today. I now hand the conference over to the management for closing remarks.

Vivek Midha: Thank you, everyone. Thank you so much for your participation. And let's hope the current financial year would be much more profitable and better than the last financial year. So we -- all our company's efforts are in that direction. Jindal, sir, you would like to?

Sanjay Jindal: No, done. Thank you.

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