“Engineers India Limited

Q2 FY27 Earnings Conference Call”

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MANAGEMENT: **MR. SANJAY JINDAL – DIRECTOR, FINANCE – ENGINEERS INDIA LIMITED**
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MODERATOR: **MR. KISHAN GOPAL MUNDHRA – DAM CAPITAL**

Moderator: Ladies and gentlemen, good day, and welcome to Engineers India Limited Q2 FY27 Earnings Conference Call, hosted by DAM Capital Advisors Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is now being recorded.

I now hand the conference over to Mr. Kishan Gopal Mundhra from DAM Capital Advisors Limited. Thank you, and over to you, sir.

Kishan Gopal Mundhra: Thank you, operator, and a very good evening to all of you. Thank you for joining in, and welcome to Engineers India 2Q FY27 Earnings Conference Call. We have with us from the management team of Engineers India being represented by Mr. Sanjay Jindal, who is the Director of Finance; Mr. Suvendu Padhi, who is the Company Secretary; and Mr. Vivek Midha, the Chief General Manager.

With that, I would now like to hand over the conference to the management for their opening remarks, post which we will have a Q&A session. Thank you, and over to you, sir.

Sanjay Jindal: Thank you, Mr. Kishan Gopal ji. 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 second quarter ended 30th September 2026 today. Company's order book position has reached its all-time high and stands at INR20,421 crores as on 30th September 2026 as compared to INR14,424 crores as on 30th June 2026.

Order inflow in EIL up to second quarter of financial year '26-'27 stands at INR7,428 crores. And on the stand-alone results, we have declared results of quarter and half year ended September '26 on 30th October 2026. As regard to financial performance for the 3 months ended September '26, the company has registered a turnover of INR802 crores -- vis-a-vis to INR800 crores in the first quarter of financial year '26-'27.

Turnover from Consultancy and Engineering segment stood at INR594 crores and from the Turnkey segment at INR208 crores. During the quarter -- current quarter ended September '26, the company has recorded profit before tax of INR229 crores in comparison to INR145 crores during the first quarter of financial year '26-'27, showing an increase of around 58% in profit before tax and profit after tax of INR180 crores in comparison to INR109 crores during the first quarter of 2026-'27, showing an increase of 65% increase in PAT. Notably, EPS for the quarter ended September '26 stood at INR3.20 vis-a-vis June 26 at INR1.93 on the -- against the face value of INR5 per share.

Operating margin during the second quarter of financial year '26-'27 stood at INR152 crores, that is 19% vis-a-vis INR108 crores, that is 14% during the first quarter of '26-'27. It means our operating margin has increased from 14% to 19% in the second quarter of current year. EBITDA, including other income of company during second quarter 2026, stood at around INR240 crores, that is EBITDA margin 27% in comparison to INR155 crores EBITDA margin 19% during the

first quarter of '26-'27, which means in the -- from the first quarter to second quarter, our EBITDA margin has increased from 19% to 27%.

On the half yearly front up to 30th September 2026, the company recorded profit before tax of INR375 crores in comparison to INR243 crores and profit after tax of INR288 crores against the INR185 crores up to September '25, showing an increase of 54% in profit before tax and around 56% increase in PAT.

Operating margin for the first half year of '26-'27 stood at around 16% in comparison to 9% in the first half year of '25-'26. EBITDA of the company for the first half year ended September '26 stood at around INR395 crores, EBITDA margin 23% in comparison to INR265 crores, EBITDA margin 14%.

I will start again from the EBITDA. EBITDA including other income of the company for the first half year ended 30th September 2026 stood at around INR395 crores vis-a-vis INR265 crores for the first half year ended 30th September 2025. Our EBITDA margin has increased from 14% to 23% in the same period.

In the first half year of '26-'27, the company achieved a turnover of INR1,603 crores in comparison to INR1,758 crores in the first half year of '25-'26 with turnover from Consultancy and Engineering segment amounting to INR1,093 crores and INR510 crores in Turnkey segment.

Notably, in the first half of '26-'27, our revenue mix has been changed from 47% in Consultancy segment and 53% in Turnkey segment in the first half year of financial year '25-'26 to 68% in Consultancy segment and 32% in Turnkey segment. The Consultancy segment has higher margin as compared to Turnkey segment.

The company is maintaining a healthy earnings per share in the first year of '26-'27. The earnings per share stood at INR5.13 per share for the first half year ended September '26 in comparison to INR3.29 per share for the first half ended 30th September 2025. This is against the face value of INR5 per share.

On the consolidated front, the company earned a profit of INR197 crores for the quarter ended 30th September 2026 in comparison to profit of INR158 crores for the quarter ended 30th June 2026. for the half year ended September '26, the profit stood at INR355 crores in comparison to profit of INR149 crores for the first half year ended 30th September 2023.

Thank you, and over to Kishan Gopal. Hello?

Moderator: Yes, sir. You are audible.

Sanjay Jindal: Okay. Now we can start question-and-answer.

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

Mohit Kumar: Congratulations on a very, very good set of numbers. My first question is, was there any one-off in the consultancy segment? The margins are pretty -- the margins are 30% compared to our usual run rate of 23%, 24%.

Sanjay Jindal: Yes, you are right, sir. For this second quarter, this is around 30%.

Mohit Kumar: INR30 crores. Just INR30 crores for...

Sanjay Jindal: 30%. 30%. 30%.

Mohit Kumar: My question is, sir, was there any one-off for anything we have booked for the past period in this quarter? Is that the reason why the consultancy income is very high? Or is it that everything is as usual?

Sanjay Jindal: No, sir. This time, we have changed the business mix in the last first half year, our consultancy segment was 47%. Execution was 47%. Now this time, turnover from the consultancy segment is 68%, and from the LSTK segment is 32%. And since margins in the consultancy segments are higher, therefore, profit is also higher. And as such, there is no onetime item.

Mohit Kumar: So is it fair to expect that this 30%, most of it is sustainable going forward? Is the number which one should look at for the -- maybe going forward, given that the mix has changed?

Sanjay Jindal: Definitely, we will maintain our 24%, 25% segment profit in the consultancy segment on overall basis, yearly basis.

Mohit Kumar: Understood. Sir, my second question is, sir, of course, the presentation has not been uploaded as of now. Is it possible to give us the breakup of order inflow for the quarter between the two segments?

Sanjay Jindal: It is uploaded, but I will tell you the figure. Our order inflow for the current first half is INR7,428 crores and out of which INR5,762 crores is from consultancy segment and balance INR1,666 crores is from LSTK segment.

Mohit Kumar: Understood, sir. Understood. Sir, my third question is, sir, given the fact that, of course, you have already, I think, around INR7,400 crores as we speak, right, for the order inflow. And if I remember correctly, I think we had guided for INR8,000 crores order inflow. So would you like to revise our target as...?

Sanjay Jindal: Definitely, sir, we will cross the figure of INR8,000 crores...

Mohit Kumar: And if you have to give us any new guidance?

Sanjay Jindal: No, no. We are putting all our efforts to cross the figure of INR8,000 crores. I hope next time, we will revise the guidance on the account of this.

Mohit Kumar: My last question, sir, how is the pipeline developing in the Middle East? Are you seeing some recovery, which I think things are stabilizing now? Are you hopeful that we'll be able to book some order inflow in this fiscal year?

Sanjay Jindal: Vivek will answer.

Vivek Midha: I'm just responding to this. Gentlemen, you know that the situation is not all right in the Middle East. Still that situation is on. So we'll have to be hopeful on this. Businesses, we are doing a little bit well, and we are progressing and bidding for the various jobs. In Saudi, we are still waiting because the situation is not good there, because the attacks are still there. So let's hope for this. But however, we have recovered this from the Africa side. So let's see how it goes because the situation is not normal in Middle East at this point of time. We'll have to wait for some more months.

Moderator: The next question comes from the line of Sanchita Sood from RoboCapital.

Sanchita Sood: Sir, my first question was that what kind of revenue growth can we see for this financial year and FY28 as well, as well as some guidance that you could give on what kind of EBITDA margins we'll be doing these two years?

Sanjay Jindal: We're taking into consideration the current order book. We have already given that we'll be achieving a revenue of around INR4,200 crores during the current financial year. And going forward, definitely, we are taking into consideration the order book, the further growth of around 10% in the revenue side.

Sanchita Sood: Okay. Got it. And sir, my second question is what kind of order inflows can we see in H2 of this year and next year?

Sanjay Jindal: Mr. Vivek...

Vivek Midha: Yes, I'm just responding to, sir. We have already secured -- you have seen that this is INR7,400 crores we have secured in this quarter. We have, in fact, certain more orders have been received. As of today, we stand at INR8,100 crores. As of today, we stand at INR8,100 crores. So let's hope that we'll achieve some of the more business out there. And we are working towards it next week, our goal. We still have six months to go.

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

Deep Sanghavi: Congratulations on a great set of numbers. So my first question would be that you had guided for INR4,200 crores of revenue for FY27, right, with a 55-45 split.

Sanjay Jindal: INR4,200 crores, INR4,300 crores.

Deep Sanghavi: Yes, correct. So that comes with a 55 to 45 split, right, turnkey -- consultancy and turnkey consultant on an average, on an approx basis. So that comes out to almost INR1,900 crores of revenue from turnkey in the first two quarters?

Sanjay Jindal: This time, Consultancy segment is more and LSTK segment is lower because most of the big ticket project of LSTK segment is already over and new projects have been started, and it will take some time to get full revenue from the LSTK segment. So in the current year, we expect that consultancy segment will be more. It will be around more than 60% on an overall basis in the.

Deep Sanghavi: More than 60%, is that right?

Sanjay Jindal: Around 60%.

Deep Sanghavi: Okay. And sir, so just a follow-up to that question. So why are the margins at 4.3% for turnkey? Is there any reason for that or…?

Sanjay Jindal: No, it is always flexible...

Deep Sanghavi: Because it generally is in the range of 6% to 7%, right? So that's why I'm asking.

Sanjay Jindal: 7% is okay. But generally, in the new projects, cost progress are not there. Therefore, profits are a little 4% to 5%, right? But as the project gets momentum, the profit will be a bit more.

Deep Sanghavi: Right. And sir, so as you had said that there are a lot of turnkey projects which will go -- which will have faster execution in H2. So is that still the case? Are you expecting the execution to ramp up in H2?

Sanjay Jindal: Definitely, our execution in LSTK segment should ramp up because it is in the first half, it is 32% from the LSTK segment, and we are expecting it should be around 40%, at least 40% from the LSTK segment.

Deep Sanghavi: Right. And sir, the second question would be -- so it is on the nuclear segment. So just hypothetically taking INR10,000 crores nuclear project. So a significant portion of capex would be towards nuclear reactor and the main -- the nuclear island, right? And currently, we have opportunities in BOP and environmental studies, if I'm not wrong. So could you give us a broad sense of how much of the kind of like the project cost is addressable to EIL and like BOP and environmental studies?

Sanjay Jindal: Mr. Vivek Midha will answer.

Vivek Midha: No, I'm just responding to it. On the nuclear side, we know that there are a lot of opportunities are coming, but all of them are in initial stages like they are in the study phases. Some of them are in the environmental impact assessment study. Some of them would be the initial stages of tendering. So this phase would take some time in times to come because many of the project location has still been finalized. So we are working towards it.

So it will be a good -- it will not -- it will be a significant amount, but it will not be in this financial year. It will take some time, probably a year or so. Next financial year, we can see some good orders from there in this segment because we are also establishing our own systems in-house also, we have created verticals to handle all these things and sprucing up our manpower with all the kind of trainings and experiences. So we are making them ready for all these jobs, and we are bidding for all the segments also.

Deep Sanghavi: But sir, how much would -- like for, let's say, our total budget...

Vivek Midha: No, no. It's very difficult to tell the figures at this point of time depending what kind of job is going to come and how much work we are going to. I mean it could be a detailed engineering assignment, could be a smaller assignment also if you get a bigger assignment, then the value would be major. So it's very difficult to tell.

Deep Sanghavi: No, I just wanted to understand if EIL will only do like BOP and environmental studies or will there be a larger scope for...?

Vivek Midha: EIL will be doing the engineering services, which will be balance of plant engineering consultancy and something related to construction supervision also kind of engineering and supervision, owner's engineers.

Deep Sanghavi: Right. Okay. Okay. And the last question would be, are there any change orders or any provision write-backs you are expecting for this fiscal or the next fiscal?

Sanjay Jindal: Definitely, we have lots of change orders, which we are negotiating with our clients, and it is expected that all these change orders will be settled in this financial.

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

Prateek Dugar: Congratulations to the management on a good set of numbers. Sir, actually, I wanted to ask about the consultancy division only. If you look at the specific margins for the consultancy division, what we are seeing that it has come at around 30%. There was this question by another participant also. So is this a normal course of margin that we can expect going forward? Or was there a one-off in this time?

Sanjay Jindal: First of all, in this quarter, there is no onetime payment or settlement. And on the half yearly basis, it is 27.7%. And on overall basis, we are expecting that it will be settled around 25%. We are sure that we will maintain the figure of 25% in the consultancy sector because in the projects, the revenues are always cycle. So on the conservative side, we are ensuring that we will maintain our traditional margin of 25%. But definitely, in this quarter, it is 30% without any one-time.

Prateek Dugar: Okay. And sir, regarding specifics of the depository orders that we had got. So I think last FY26, the depository order execution had begun along with the Dangote order execution. So FY27 is where Dangote should ramp up and depository orders should peak. So with that mix and obviously, our overseas consultancy order would also again sort of accelerate in FY27. So

wouldn't these specific orders like add up to the margin and the guidance of 25% you are giving, is it on the lower side? Or you are saying that 25% would be what one should expect and there's no upside to that?

Sanjay Jindal: Definitely, there is on the upside because we have lots of overseas orders, which are under execution. But basically, it depends on the first progress of the projects. And 25% is the minimum figure I have given on the conservative side because we are sitting on the half year results. And on the half year basis, it is around 28% in the first half figure. So I am saying it will -- we will definitely maintain our traditional figure of 25%. And definitely, this time, this figure will be higher than the 25%. But exactly, I cannot commit that it will be 30%.

Vivek Midha: It will be higher than the 25%.

Prateek Dugar: And sir, if I extend my view to, say, first half of FY28, where Dangote would sort of be peaking and we would be having a higher run rate on the revenue side as well. So by H1 of FY28, do we see a meaningful inflection in the bottom line for the company?

Sanjay Jindal: Definitely, our bottom line will be healthier, more and more healthier in the coming years because we are having order book of more than INR20,000 crores, and we will yielding more and more revenue and our bottom line will be healthier in the coming years.

Prateek Dugar: Okay, sir. Sir, depository orders that we have, what should be the margins on -- specifically on the depository orders? And if you can explain like why do we categorize this at a difference? I mean, why do we not take it as a consultancy order only? Why is it categorized differently?

Sanjay Jindal: In the depository segment, all the -- in the consultancy segment, only feed part is coming in the top line. But in the depository segment, all the plant and machinery cost and material cost is coming in the top line. It is just like LSTK business. So that's why in the depository segment, profit margin is 7% to around 7%.

Prateek Dugar: Okay. So once like the depository starts tapering off in H1 of FY28, then I think margins would again sort of be better for that period because like the lower-margin segment is coming off and Dangote would be peaking at that time?

Sanjay Jindal: We are keeping balance between the consultancy segment and the depository segment. In the consultancy segment, we are focusing about 60% to 65% and balance from the LSTK segment. So it is a balancing game. We are not leaving LSTK business totally.

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

Amit Anwani: First of all, congratulations for very good numbers. And the first question, sir, in terms of order pipeline again. So this year, we did a very commendable job. We are already there in terms of the guidance which we have given, and we will be easily surpassing. And there was a major contribution to this from the overseas consultancy, especially the Dangote orders, which we won.

So just wanted to understand the order pipeline outside India geography-wise. Are we looking for more large lumpy orders in the pipeline in the next 12 to 18 months? And second, what one should look for the order guidance for next year? Are we going to continue this run rate of 8,000 plus for next year or year after that?

Sanjay Jindal: Mr. Vivek will answer.

Vivek Midha: Amit, it's like this. We are bidding for a number of the projects, and you have seen that something comes up in between. So it's very difficult to tell you that which order is going to come, but we are bidding for a number of projects all across the world and in various territories also and including India also. So we are hopeful that we should be able to get more business out of it.

As already told you on the call that we have already reached INR100 crores. Next year, naturally, it would remain at least INR8,100 crores, we'll definitely achieve because we have been consistently maintaining almost in the same range. And if everything goes on, politically, everything remains same and the market remains the same, capex are invested and we'll continue to grow and continue to improve our business opportunity.

Amit Anwani: Right. Second, in Middle East, we were in some long-term agreement with Aramco and expecting some order. Any update on that? And what is the Middle East order book and...

Vivek Midha: Middle East situation, no at this point of time, it's always published. It's already published all across. The situation is not stable there. We've not a major order we have anticipated, but we are bidding for various contracts out there. So something comes up, we'll update you towards the end of this next financial year -- sorry, end of this financial year, probably next quarter or two. By the time, hopefully, the things should stabilize or the war should stop. But as of now, there's a lot of issues there in Saudi.

Amit Anwani: All right. And lastly, in terms of guidance for next year, we said 10-plus percent. But I think the order wins are very strong. And is it again a conservative guidance for next financial year also...

Vivek Midha: We improved that. We are going to -- maybe we'll improve it. It depends on the situation, a couple of months.

Amit Anwani: Right. And expectation is that the consultancy will still continue to be more than the turnkey. Okay...

Vivek Midha: It's always somewhere around 60%, 65% and 60-40 ratio remains. So it is always remain in that range. Somewhere -- sometimes you get a big ticket once then the consultancy portion becomes heavy and then sometimes you get less, but it has always been in this range. Sometimes it is 60, sometimes it is 50. So definitely, it will be in that range.

Amit Anwani: Lastly, on the other income, this other income number was higher this quarter at INR65 crores. What contributed to that?

Sanjay Jindal: In the other income, there is a dividend from the NRL to the tune of INR21 crores and another dividend of INR11 crores from the CEIL. Balance is regular income. Income on our surplus funds, rental income and some other miscellaneous income. But essentially, there is increase on account of dividend from the CEIL and NRL.

Amit Anwani: And will that continue? Or how is the dividend looking like for the full year?

Sanjay Jindal: We are receiving dividend on a continuous basis from the NRL and CEIL.

Amit Anwani: Okay. Okay. And lastly, sir, Ramagundam, how is the situation there? Is it -- I can see the numbers there also has been better. So outlook there would help.

Sanjay Jindal: Definitely, Ramagundam is doing better. And in this quarter, we have got the profit of INR20 crores. And in the first quarter, it was INR42 crores and total profit up to this period half year, INR63 crores. So we are expecting good -- more and more good news from the RFC.

Moderator: The next question comes from the line of P. Jha, an Individual Investor.

P. Jha: First of all, some extraordinary numbers. And I would like to understand the domestic possibilities in -- especially in coal gasification and in even hydrogen and in your 2G refinery besides any other storage of crude. If you can throw light, respectively on them for this current year?

Sanjay Jindal: Yes, Vivek ji has the answer to this side.

Vivek Midha: Yes. Sir, with respect to the coal gasification, after this Government of India's initiative of additional INR34,000 crores, this funding for the VGF Gap Funding, there are studies which are on this. And we are bidding for a couple of projects, the major projects also. Let's see how it realized and various studies we are bidding and some of the studies we are also carrying out like one work we are carrying out for NTPC. So that's the current situation of it. So let's see towards the end of this year, the studies are completed and studies are awarded and then they go for the financial closure and go for the implementation of the project. So that's the current situation of the gasification.

Regarding hydrogen in this space, nothing much we have at this point of time. So we are still looking for the good opportunity and biorefinery also at this point of no major significant work is there. However, we are implementing one CBG plant for our own. We are implementing it with our own investment. We're also thinking of having another CBG plant wherein we are investing on our own in line with the government guidance. So that's one of the opportunities there.

P. Jha: And how about crude storage, this thing that...?

Vivek Midha: You know that after this, ISPRL is going to invest in -- is thinking of having more strategic storages all across like MP Bina and there are other two, three more locations are there. So those

will be opportunities available for us to make storage because ISPRL, most of the projects have been done by strategic storages, and we are very good in strategic storage. So those will be there.

Otherwise, other storages are part of the projects, major projects. So these are there. Whenever any major project comes, the crude storage and terminals always comes as a part of it. But as far as the strategic storages, this is ISPRL projects around, which are published, so we'll be bidding for those.

P. Jha: Outstanding. And a very broad this thing that for the domestic order book for the remaining part of the year or let's take the -- during the next financial year also, what is the expected turnout order book that you expect domestically speaking? From all these segments, if you have any -- the management could have some idea.

Vivek Midha: I can talk about the business intake at this point of time. It is around INR8,100 crores we are there. So we are going to add something more. The next year, we are going to maintain it like this. And overall order book is around INR20,000 crores, wherein almost INR50,000 crores is -- almost 60% is from the overseas and balance will be from the domestic around 40%. So let us see, typically remains around 40%, 50% we can be added from domestic market if we maintain the same.

Sanjay Jindal: As on date, on the order book portion, we have 75% from the consultancy segment. This is good on the part of EIL because we are higher margin in the consultancy segment.

P. Jha: Naturally. Yes, absolutely. Extraordinary, sir. Great feat achieved. All the best.

Moderator: The next question comes from the line of Akshay Kolekar from DBPMS.

Akshay Kolekar: My first question is on the INR4,200 crores Dangote order, given the ongoing court case in Kenya around the proposed refinery project, is there any impact on the project time line or EIL scope of work? And also has the work commenced on EIL mandate? And there any risk on execution of the order at this stage?

Vivek Midha: Just don't know by the name. The work is already on. Work is already on. We are working on the engineering side of it. And that is contractors -- that is owner's perspective as he is managing it, and he will handle the -- all the legal issues and all. So as of now, there is no -- we don't -- we have not been biased on this, but we have -- we are working on this and engineering is on this.

Akshay Kolekar: Okay. And the next question on order book basically on a broad basis, what could be the approximately split between consultancy and turnkey in FY28 order inflow? Should we expect the turnkey order inflow to stay range around INR3,000 crores in the next year?

Vivek Midha: So typically, it remains -- this year, it is around 25% to 30% is from the LSTK and rest is from the consultancy. Somewhere it generally remains consultancy heavy. This order book is -- order inflow is consultancy. But typically, it remains 60-40 is the normal 60% consultancy and 40% LSTK. Generally, it remains like this.

Akshay Kolekar: Sir, what about the order inflow for turnkey, it will stay around INR3,000 crores.

Vivek Midha: See, if you have around INR8,000 crores -- it's around INR8,000 crores, then you can assume that around 30%, 40% from that.

Akshay Kolekar: Okay. Okay. And the next question is on operating margin that you have previously guided around 15% to 16% EBITDA margin. So are you confident on reaching this at the same level?

Sanjay Jindal: Yes, we are sure to maintain our EBITDA margin because we are executing more and more consultancy segment and margins are protected there.

Akshay Kolekar: Okay. Just last question. Any update on like IOCL Paradip Phase 2 and also on BPCL Andhra?

Vivek Midha: IOCL Paradip Phase 2 is still to be decided by the government, by the client, because I think they are looking for the land. So soon as they sort out the land, then the second phase will come. So we'll have to wait dependent on AP refinery, it is still in the license collection and study phase. So let's see towards the end of this year, some tender or something they should come up with the final implementation plan for this.

Moderator: The next question comes from the line of Shubham Borade from ICICI Securities Private Limited.

Shubham Borade: Congratulations on a very good set of numbers. So my question is how is the progress on execution for Dangote order is going on, the first one which we report in January '26.

Vivek Midha: It is progressing well and a lot of ordering is being done by the client and all. Our teams are also working on the exhaustive engineering is on at this point of time. Teams are deployed there on the engineering activities. So work is going in full blast.

Shubham Borade: Can we expect some number in percentage terms, if possible?

Vivek Midha: I don't have the percentage of progress at this point of time. We'll have to see because in this financial, it was awarded somewhere in January and probably in this financial year, we'll have to see. I don't have the percentage progress of exactly at this point of time.

Moderator: The next question comes from the line of Anubhav Mukherjee from Prescient Capital.

Anubhav Mukherjee: Congrats on very strong results. I joined a bit later, so this might have been covered. But if I look at the consultancy segment EBIT margin, it was 30% plus this quarter. So is there any one-off or any like benefit from project closure?

Sanjay Jindal: Our segment profit from consultancy segment is 30%, and it does not include any onetime item. It is from the regular business.

Anubhav Mukherjee: Get that. And sir, typically, when we work on larger projects like the Dangote project, is the margin better for that do our like consultancy segment margin move up.

Sanjay Jindal: Definitely, with the Dangote project, our margins will move upside only. But the Dangote project is still picking momentum. So definitely, in the coming second half and in the next year, full reflection will be there on the profit side.

Anubhav Mukherjee: That. And sir, will it be possible to share like how much of the order book -- consultancy order book of INR20,000 crores that we have will be like get executed over the next two or three years?

Sanjay Jindal: Out of INR20,000 crores or 75% is from the consultancy segment and around 55% is from the overseas business. And these projects will be delivered between three to four years.

Moderator: The next question comes from the line of Saania Jain from Care PMS.

Saania Jain: Congratulations on the good set of numbers. Just want to give clarity that the recent Dangote project that we got for INR4,000 crores, given it is a greenfield project, this project still have the execution rate of three to four years?

Vivek Midha: Yes, ma'am.

Sanjay Jindal: Dangote projects remain for four to five years.

Saania Jain: Okay. Got it. And wanted to know a bit more on the competitive analysis. What would -- in both the domestic and export market, what would be -- can we assume is our strike rate in different sectors and in both domestic and export market?

Sanjay Jindal: Midha ji?

Vivek Midha: Can you repeat this question? I missed out on that question, please. Can you please do that?

Saania Jain: Yes. Just wanted to understand a bit more on the competitive intensity in the industry. So what would be our strike rate in both the domestic and export market?

Vivek Midha: It's very difficult to say what is the strike rate because yes, we are the leaders. We've beaten many companies in competition. On the mega jobs, we beat them in competition. And internationally also, there are a number of brands available. So it all depends. It's very difficult to tell you in terms of percentage how much to get the business. Our target is to get each and every job which we bid, market is broad.

Saania Jain: Got it. And just wanted to understand if there is a bit any update on the CPSE pay revision. Do we expect any increase for the labor cost in FY27 or '28?

Vivek Midha: Yes. Right now, there is no commission for the pay revision. So whenever it will come, definitely, we'll take care of that.

Saania Jain: Do we expect it to come by FY28 or later?

Vivek Midha: Yes, we cannot say right now. Basically, right now, there is no commission for that. So we cannot say that when it will come. It's up to the government.

Moderator: The next question comes from the line of Mayur Parkeria from Scripbox Wealth Managers Private Limited.

Mayur Parkeria: Actually, I joined the call a little late because I was still believing -- I still thought it was 4:30. I had late intimation about the revised timing. But I mean, sorry, if there is a duplication and I'm trying to understand more in detail the company.

Sir, I just wanted to understand that assuming that if the global geopolitical situation settles down, let's say, assuming, so assuming theoretically it settles down tomorrow, would you say that from our core capabilities perspective on refineries and gas value chains and terminals, do you believe that the opportunities post this has -- would increase for us? Or has it -- or will it remain the same? Or has it gone down relative to what it was in the last four, five months?

Sanjay Jindal: Midha ji.

Vivek Midha: Naturally, opportunity would increase for us. When the market is unstable, the project capex investment is not coming and capex investment stabilized, then the opportunity will be stagnant. So as soon as the market opens, more projects come, we'll get an option of bidding more and more market tenders would be out. So naturally, it is going to increase for me with this kind of experience because we have -- because of international -- yes, tell me?

Mayur Parkeria: Okay. Sorry, sir. Sorry to interrupt. You can please finish.

Vivek Midha: I have concluded my answer. You can go ahead, please.

Mayur Parkeria: So is it only primarily because of the fact that because of the disruption, the order, the tenders are not happening? Or also -- is it also because of the fact that the current war situation has actually disrupted a lot of refining capacities. And to that extent, there can be a meaningful jump in the opportunity over the next one year once the war situation settles down. And for a player like us with global capabilities and relationships, the potential can be much more. Is that also a parameter? It is just the fact that the current tenders are not coming?

Vivek Midha: No, it is like this. Opportunities somewhere would be going down and somewhere will be increasing. So the impact of the market is -- the impact of the business in the Africa has increased just because of this because there's an alternative market created and alternative opportunities available to some other manufacturers to producers. So we're setting up projects all around the world. So that's an opportunity created somewhere else. At somewhere else, capacity has gone down because in the Middle East, no major capex is coming or probably it will take stabilization.

So it is reduced. But it is a temporary phase. If everything goes fine, then the opportunity will come out, and we'll see because we will also be participating everywhere. Everybody is right now focused on the -- getting the crude and getting the crude and managing their internal

resources. But later on, when everything is fine and projects and capex investments would come, India, we have not seen any major impact there. If any project has to come, it is coming. There is no visual project impact on this.

Mayur Parkeria: Okay. So sir, have you -- did you -- in the earlier call answer, have you mentioned that we were looking at around INR8,000 crores of annual order, was that -- because in one of the answers, you mentioned about INR8,000 crores, I was just trying to understand. Is that the number?

Vivek Midha: We had always told that we will be in the range of INR7,800 crores, INR7,400 crores last year, we'll try to match. So we are meeting this year also, and we have already crossed that, almost reached that order inflow projection. So we are hopeful it will be.

Mayur Parkeria: So sir, will it be fair to say -- will it be also fair to say that despite so much of disruption going on, we are in a position to get this outlook or we are -- our turnovers are much lower current revenue flow to the -- from the order book. We have already reached INR20,000 crores, and we are talking of annual inflows of INR8,000 crores.

In a normal situation, once this settles down, will it be fair to say that this number can theoretically or in your best guess estimate, this can actually materially go up as is a fair way to look at? Or we believe that our target would be only in the range INR8,000 crores to INR10,000 crores, or INR8,000 crores, that's how one should look at it.

Vivek Midha: We will always be optimistic of having the higher number. We will always be optimistic. But to stabilize ourselves at this point of time to what the way we look at it, it is the projection we have given. But we are always trying to improve on that and 10%, 15%, 20%, we are definitely going to increase from the existing target if everything was fine. But our objective would be to get more as more as we can.

Mayur Parkeria: Great. Sir, last question from my side. Sir, in the last couple of years, while currently, we have again started a new cycle over the last two, three years, and we have seen a good accretion in the order books, which have started, but there was a very big lull period of a decade before that. Over these couple of years, medium term, can you layer some qualitative around the -- our capabilities which have increased in other segments, which helps us to diversify and open up newer opportunities which can come in over the next two years, three years, not over the next 10 years, but over two, three years, based on what capability enhancements which we have done anything, any specific things you can put to highlight because I have missed that in the previous readings of mine? So can you just highlight that, which can be a potential in the next two, three years for us?

Vivek Midha: Definitely. It's like this. It is like this, one has to continuously grow. So earlier period you were talking about, it was because of some market assignments were also on there. The market was also stagnant and not many projects were there. And every company has that kind of phase from time to time. So that was the earlier phase. So we have also started strengthening also. You have seen the kind of diversification we have done.

We have not been only dependent on the hydrocarbon. We are all across the sectors. We are into infrastructure. We are into ferrous, nonferrous. We are into now strategic storages. We are into going into fertilizer. So you have seen all these new segments we have added.

Today, infrastructure contributes to my order inflow around 20%, 25%. In between, it was around 40%. So the hydrocarbon, it is definitely is the core market for me, but I've also diversified into these segments. I've also gone into the fertilizer. You have seen that a lot of fertilizer projects we have gotten in the Middle East as well as in India also, we are doing various projects.

So we are also upgrading ourselves. At the same time, we are training, we are improving the training of our people. Right now, we are focusing on the new segments like new players. There is opportunities shown in the market, opportunities there in the market with respect to the new player. So we are training our people and making them ready.

So it's always continuous upgradation depending on the what kind of opportunities are available in the market. So that -- every company has to improve upon itself, improving the productivity of its employees. So all those factors we are working on, and that has given us the results. So hopefully, it should be better now.

Moderator: The next question comes from the line of Anubhav Mukherjee from Prescient Capital.

Anubhav Mukherjee: Sorry, sir, again, like I also joined at 04:30 because somehow the meeting was like showing up at 04:30 on the calendar. Sir, if you could share like what are some of the large domestic consultancy orders that you are expecting in the next one year or so? If you haven't already covered that, if you can take us through that, that will be very helpful.

Vivek Midha: Yes, you are already aware that there is an AP refinery, which is coming. So we'll be targeting that one. Paradip is on the anvil. If the Phase 2 comes, that would be there. There are various minor revamp project for BPCL and other refineries is there. Then there is an opportunity for the strategic storages we are targeting there. We are working in the nonferrous segment. We are targeting some opportunities out there because some companies are thinking of putting up a smelter and all.

So all these segments we are working infrastructure, there is a lot of investment out there. So we are working towards it. We have recently got a data center project on basis, data center for one of the clients' power grid. So these opportunities are there, and we are trying and we are getting the assignments also. So that we are working towards it. Similar kind of...

Anubhav Mukherjee: And also for like overseas consulting projects, how do like margin for those projects compared to like domestic, like are those typically higher-margin projects or in line with the domestic consulting projects?

Vivek Midha: Our consultancy margins remains the same, generally remains the same. We don't overcharge any always remains the same segment almost in the same range, somewhere we make it good.

Moderator: The next question comes from the line of Darshan Shah from Multi-Act PMS.

Darshan Shah: So just one question. So based on this INR8,100 crores order inflow that we have till date, so around incremental INR670 crores of order inflow, what would be the split between consultancy and turnkey? Would it be largely consultancy segment?

Vivek Midha: Yes, it is typically more of consultancy.

Darshan Shah: Okay. Okay. And one more question on the credit terms, right? So for the international consultancy segment, what are our credit terms, specifically, let's say, for Africa?

Vivek Midha: Credit terms, means? What are you trying to understand in credit terms? Payment terms?

Darshan Shah: In terms.

Vivek Midha: Payment terms?

Darshan Shah: Yes, yes, yes.

Vivek Midha: Payment terms are fine. They are always progress linked with respect to the engineering progress as well as the project progress. They are mixed.

Darshan Shah: Yes. No. In terms of -- is there a letter of credit or just wanted to understand.

Vivek Midha: No, it's like this. Not necessarily you need a letter of credit for that. Most of the clients are known in the Middle East and also they have a default on the payments and all.

Darshan Shah: No. Specifically, I'm checking on Africa.

Vivek Midha: Africa, we have been working with this client for a long time. So we know the stability. And before entering into any of the agreement, we also do our due diligence that is paying capability we always check. We don't work with the unknown clients or verify their credentials first.

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

Deep Sanghavi: So my question was regarding this. Out of the INR8,100 crores order which was till date, how much would be from the Middle East from this?

Vivek Midha: INR8,100 crores, Middle East would be a little bit limited, something around INR500 crores or so, INR500 crores or INR600 crores.

Deep Sanghavi: So we haven't received any orders in Q2, right? Because I think in Q1 also, it was the same kind of range.

Vivek Midha: We have got smaller orders. We have got smaller orders.

Deep Sanghavi: And just a follow-up to that. So MD sir in the AGM said that there's in the kind of two to three years of like range, there's almost around $1 billion of opportunity in the Middle East regarding the strategic storage projects and all pipeline projects as well. So are we bidding -- like are we bidding for these projects there? And if there will be any projects, we will definitely bid, right?

Vivek Midha: No, definitely, there's a lot of opportunities out there provided all that market stabilizes. A number of tenders we are bidding for EPC contractors. Hopefully, let's see the results because these are long decision bidding cycles. So they come in time to come, we'll let you know. But the opportunities are there, provided everything stabilizes.

Deep Sanghavi: Sure. And sir, just a last question from my side. I know one or two people have asked this before, but if you can please guide any -- in a broad range as well, that will be fine because we generally aim for INR8,000 crores per year of order inflows, right? So if you can guide something for the next fiscal -- fiscal '28, that will be very great.

Vivek Midha: Next financial year, it will be at least minimum INR8,100 crores, INR8,000 crores or more.

Moderator: Ladies and gentlemen, we will take this as the last question for today. I now hand over to the management for closing comments. Over to you, sir.

Sanjay Jindal: Thank you very much.

Vivek Midha: Thank you so much.

Sanjay Jindal: We hope we could meet the expectation of our investors.

Vivek Midha: Thank you, everyone. Bye, bye.

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