इंजीनियर्स इंडिया लिमिटेड
(भारत सरकार का उपक्रम)
एक नवरत्न कम्पनी

ENGINEERS INDIA LIMITED
(A Govt. of India Undertaking)
A Navratna Company

पंजीकृत कार्यालय : इंजीनियर्स इंडिया भवन, 1, भीकाएजी कामा प्लेस, नई दिल्ली-110 066 भारत
Regd. Office : Engineers India Bhawan, 1, Bhikaiji Cama Place, New Delhi-110 066 INDIA
ईमेल/e-mail: company.secretary@eil.co.in,दूरभाष /Phone: 011-26762855/2580
कंपनी सचिवालय/ **COMPANY SECRETARIAT**

सं.सचिव/No. Secy/906/9/10 01.06.2023

The BSE Limited **Phiroze Jeejeebhoy Towers** **Dalal Street, Fort** **Mumbai – 400 023**	**The National Stock Exchange of India Limited** **Exchange Plaza, 5th Floor** **Bandra Kurla Complex** **Bandra (East), Mumbai-400051**
Scrip Code-532178	**Symbol-ENGINERSIN**

विषय/Sub: **Disclosure pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Update on meeting with Analyst/Institutional Investors**

प्रिय महोदय/महोदया,
Dear Sir/Madam,

This is further to our letter dated 25th May, 2023 intimating the Exchanges regarding Schedule of Earning Call Post declaration of fourth quarter/year ended on 31.03.2023 Results for the Financial Year 2022-23 which was held on 29th May, 2023, in terms of Regulation 30 of SEBI (LODR) Regulations, 2015.

In this regard, please find enclosed herewith the transcript of Earning Conference Call held on 29th May, 2023 with several funds/individual investors.

The said information is also available on the website of the Company at https://engineersindia.com/Investor/Reports/Transcripts .

कृप्या उपरोक्त आपकी जानकारी एवं रिकोर्ड के लिए है।
The above is for your kind information & records please.

धन्यवाद/Thanking you,

भवदीय/Very truly yours,

NARENDRA KUMAR

Digitally signed by NARENDRA KUMAR
DN: c=IN, st=Delhi, 2.5.4.20=a20e15ab5c30908fab8b5fbf4b72869870b48b0e162b23df31d6a03977cb5a7d, postalCode=110093, street=Flat No 626 Janta Flat Near Nutan Vidya Mandir School Gtb Enclave Nand Nagri North East Delhi, pseudonym=13d6c0960dc217fae3c87f0be8d09b2c, serialNumber=da8430993904ece9ed629ad1a8f604b42e4cc642f2e97cd51d1000c7101d88f0, o=Personal, cn=NARENDRA KUMAR
Date: 2023.06.01 10:03:17 +05'30'

नरेंद्र कुमार/Narendra Kumar
अनुपालन अधिकारी/Compliance officer

Encl: As above /संलग्नक: यथोक्त

"Engineers India Limited

Q4 FY'23 Earnings Conference Call"

May 29, 2023

MANAGEMENT:	**MR. SANJAY JINDAL – DIRECTOR-FINANCE – ENGINEERS INDIA LIMITED** **MR. SUVENDU PADHI – COMPANY SECRETARY & INVESTOR RELATIONS – ENGINEERS INDIA LIMITED** **MR. R.P BATRA –EXECUTIVE DIRECTOR, FINANCE & ACCOUNTS & INVESTOR RELATIONS – ENGINEERS INDIA LIMITED** **MR. SUNIL SAXENA – EXECUTIVE DIRECTOR, TECHNICAL AND INVESTOR RELATIONS – ENGINEERS INDIA LIMITED** **MR. AMANPREET SINGH CHOPRA – GENERAL MANAGER, CMD OFFICE & INVESTOR RELATIONS – ENGINEERS INDIA LIMITED** **MR. VIVEK MIDHA – GENERAL MANAGER, MARKETING BUSINESS DEVELOPMENT AND INVESTOR RELATIONS – ENGINEERS INDIA LIMITED** **MS. NEHA NARULA – SENIOR MANAGER, COMPANY SECRETARY & INVESTOR RELATIONS – ENGINEERS INDIA LIMITED**
MODERATOR:	**MS. BHOOMIKA NAIR – DAM CAPITAL**

Moderator: Ladies and gentlemen, good day, and welcome to the Engineers India Limited Q4 FY '23 Earnings Conference Call hosted by DAM Capital. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on a touchstone phone. Please note that this conference is being recorded.

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

Bhoomika Nair: Yes. Good evening, everyone, and welcome to the Q4 FY '23 Earnings Call of Engineers India Limited. We have the management today being represented by Mr. Sanjay Jindal, Director of Finance; Mr. Suvendu Padhi, Company Secretary and Investor Relations; Mr. R.P. Batra, Executive Director, Finance and Accounts and Investor Relations; Mr. Sunil Saxena, Executive Director of Technical and Investor Relations; Mr. Amanpreet Singh Chopra, General Manager, CMD Office and IR; Mr. Vivek Midha, General Manager of Marketing Business Development IR; Ms. Neha Narula, Senior Manager, Company Secretary; and IR.

I'll now hand over the call to Mr. Jindal for his initial remarks, post which we'll open up the floor for Q&A. Over to you, sir.

Sanjay Jindal: And good evening, everybody, and a warm welcome to all. Recently, we have declared our annual results for the financial year '22-'23 and the informations are with respect to standalone and for stand-alone results. With respect to financial performance for the year ended 31 March 2023, on a standalone basis the company has registered a turnout of INR3,284 crores in comparison to INR2,870 crores in the last year ended 31 March 2022, which is the highest in the last 10 years.

With respect to last year, there is increase of around 14.5% in turnover of financial year '22-'23 in comparison to financial year '21-'22. The turnover from the Consultancy and Engineering segments stood at INR1,418 crores and from Turnkey segment was INR1,866 crores. Total turnover is INR3,284 crores.

In the fourth quarter, the company has achieved a turnover of INR866 crores in comparison to INR831 crores in the quarter ended December 2022, showing an increase of around 4% on a quarter-on-quarter basis, with turnover from Consultancy and Engineering segment amounting to INR371 crores and INR495 crores in the Turnkey segment. However, our margins are up by several folds that is 3.3x. There is increase of 230%.

During the fourth quarter ended 31 March 2023, the company earned a profit of INR159 crores in comparison to INR48 crores earned in the previous quarter ended 31 December 2022. During the year ended 31 March 2023, the company earned a profit after tax of INR342.15 crores in comparison to similar profit of INR344 crores in the last year.

The company is having a healthy earning per share of INR6.09. On a consolidated basis, the company earned a profit of INR346 crores for the year ended 31 March 2023 in comparison to INR140 crores earned during the last financial year '21-'22. Therefore, there is an increase of

147% in the consolidated profit on year-on-year basis. Overall, in the RFCL project, this unit is operating at the full capacity and excellent energy numbers, and we are expecting more and more profit in the coming time. and some of the other highlights are as follows. Our cash flows are very positive and leanness is visible on trade receivables.

ER trade receivables reduced considerably during the year '22-'23. Our debtor stood at INR353 crores during the year as compared to INR371 crores. The number of days of turnover has declined to 39 days during the financial year '22-'23 from 47 days during the financial year '21-'22, which is the lowest in the last 10 years.

During the year, the company earned a total dividend of INR62.39 crores as against INR41.78 crores during the financial '21-'22. And in the current financial year, we have earned a dividend of INR55 crores from the NRL investment.

And in the -- as on date, we have the order book status. In the current year, order inflow in increased significantly to INR4,708 crores in the financial year '22-'23 as compared to order inflow of INR1,687 crores in the last financial year.

Recently, the company has received the following major foreign jobs order: USD 22.14 million for supervision of Guyana integrated NGL plant in the Guyana, South Africa -- South America. EPCM job of USD 39.04 million for the greenfield 400 TPD urea and 2300 TPD ammonia complex in Nigeria.

Above order inflows, increases the international footprint as part of vision of the company for the geographical diversification. And this is the highlight of the annual financial period. Bhoomika, now I hand over to you.

Moderator: We take our first question from the line of Venkatesh Subramanian from LogicTree Investment Advisers.

Venkatesh Subramanian: Congratulations on a good performance. And I've been recently reading up quite a bit of media releases and is on part to further growth in the next few years. So 2 questions, sir. One is, I understand oil and gas continues to be a primary source of revenue for the company and you're also planning to increase your order book in the Middle East for that, but I'm more interested, while that goes on at a particular growth rate, if you can indicate some sort of a growth in top line over the next 5 years from the oil and gas segment?

And number two, from the new areas that you've been pointing out, which is in terms of renewables or nuclear power or anything else where Engineers India is now foraying into, what is the kind of vision that you have over a 5-year period that we can look forward to for the company?

Vivek Midha: Good morning -- good afternoon. This is Vivek from EIL. Regarding this growth, you are correct that our core area and core focus would be oil and gas because they are the business lies right now, and it's going to be there. Specifically, we see there's a lot of growth in the petrochemical sector. So all the refineries are going towards the petrochemicals.

Many crude chemical complexes are being planned, and we are involved in various studies. So we see a lot of perspectives out there. And definitely, these projects are going to be there in the next 4 to 5 years because they are right now in the book, like in the conceptual stage. So when these gets realized, it will be actually next 2 to 3 years, 4 years because you must have seen that we have a few opportunities that have been published in the information that's been given in the media also with regard to the refinery compared to chemical It's petrochemical complex, which is INR61,000 crores as well as the is also going for the refinery expansion and petrochemical complex.

So in similar ways, all the companies are moving towards it. So that's actually a very lucrative sector for all of us and it's a core for us. So we'll be targeting that. With regard to the other sectors, we have already moved into the other sectors like green hydrogen, bioethanol, biofuels, coal gasification, and then fertilizer is also growing. We are going into that. And then also growing. We are also entering into defense nowadays. So these are the sectors we have targeted now and we are working towards it.

Like -- sectors like green hydrogen or green ammonia or the green areas, these are the new sector -- coal gasification are the new areas. So most of the activity is happening right now is in the conceptual stage, means like studies are being conducted. And we see that it is going to increase -- it is when the project viability is established, the project will be established.

So we see that opportunity out there. So this is the perspective we are looking at it. And like going with the international. International is the another area now we are going to focus. You must have seen that this year, international has given a very good contribution in our business. So we have also changed our strategy, and we have started focusing on the international market.

So we are strengthening our Middle East office, which is located in Abu Dhabi. So that is going to take care of the Middle East market business as well as we said more manpower, more projects have been targeted. We have also gone into -- you must have seen that this time, we have gone into the South America and we secured one of the assignments. So we are also targeting nearby countries wherein we can have more business opportunities of similar types.

Then another area which is coming up very -- which is very productive for all of us and it's a new area is the Africa. Africa, we are already there, and we have the substantial experience of working in Nigeria, wherein we are -- that we are constructing a refinery.

So using that experience, we have been able to secure projects for the fertilizer and now you'll be -- we are very pleased to tell you that we have received another order from the same client for the in this year, which will be reflected in this year's business. We have already signed this order recently in last week.

So we are also thinking about having some petrochemical complex. We are talking to some clients with respect to the petrochemical complex in Nigeria as well as we are focusing towards the other African countries, wherein there are prospects of like LNG are there or fertilizer is there on oil and gas is there. So we are targeting those countries also.

So that's how we are focusing -- shifting our focus from purely being the domestic company to overseas companies. So that's one of the areas. And another focus has been given from the core sectors to infrastructure. You must see that at the recent results also. Our core infrastructure contribution in our business is increasing nowadays. We have been doing various projects. Earlier, we have been -- we have done various institutional building works, our data centre projects.

Now recently, we have got one -- this year, we have secured one assignment in EPC -- on EPC basis from -- in the infrastructure segment also. So we are also focusing on the infrastructure part of it.

Venkatesh Subramanian: Perfect. Okay. Great, sir. I think it's probably too early to talk about numbers, but is it fair to assume that we have enough opportunities to probably grow at 15%, 20% top line over the next 3 to 5 years?

Vivek Midha: Exactly. So now talking about the numbers is difficult because we have to target a lot of projects. Many of the projects are in the anvil, but saying that this number would be there, we cannot say that with surety. But definitely, we have a target in mind we'll be securing that much business at least in this financial year. So to maintain our business what we have secured this year. So we'll be at least trying to reach to that level and try to improve over the results and all the efforts are being on. So you must have seen in the progress in the business and the like visibility of you must have seen that, so that focus will continue to happen.

Moderator: We take our next question from the line of Ashwani Sharma from ICICI Securities.

Ashwani Sharma: Yes. Sir, my first question is on the clarification. The change order that you had received during March from HRRL, is it totally implemented or still it has got something included in the backlog, current backlog?

Sanjay Jindal: It is yet to be implemented. It is undergoing.

Ashwani Sharma: Yet to be implemented. Okay.

Sanjay Jindal: This work we're doing already, and this is change order by way of increase in scope of work and that is to be executed in the coming time.

Ashwani Sharma: All right. Sir, my second question is on the that we have received worth INR1,600 crores, what is the breakup of that in terms of consultancy and the turnkey projects?

Sanjay Jindal: Sorry, I could not get you. Your voice is not clear.

Ashwani Sharma: I'm sorry, sir. I'm saying that the INR1,600 crores of orders that we have received, which you have mentioned in the press release...

Sanjay Jindal: You are talking about the orders?

Ashwani Sharma: I'll just come back. I'll come back in the queue.

Sanjay Jindal: Okay.

Moderator: We'll take our next question from the line of Dikshit Doshi from Whitestone Financial Advisors.

Dikshit Doshi: First question is a clarification. So if I see the Q3 end, our order book was around INR7,865 crores. This quarter, we received in new fresh orders of INR3,900 crores. And if I remove the execution of INR865 crores, the order book should have been INR10,900 crores, but it is reported around INR7,695 crores. So there is a difference of INR3,200 crores. So is it related to this change order?

Management: Yes. This is basically related to the change order, which we have received and accepted during the current quarter. That is already reflected in our order book as of 31 December '22.

Dikshit Doshi: Okay. That was already there in 31 December...

Management: Order book.

Dikshit Doshi: So this INR3,200 difference, how -- I mean, where it has gone?

Management: This is basically from the 2 major projects we are executing for the Turnkey segment.

Dikshit Doshi: So that INR3,200 crores is yet to be executed, right?

Management: Some part of it is being executed and the other part will be executed over a period of time.

Dikshit Doshi: So how much is...

Management: Basically, these projects are spread over a period of 3 to 3.5 years. So revenue is recognized over a period of time. Some of it is being executed and balance will be executed over a period of time.

Dikshit Doshi: Okay. So this change order basically is not entirely reflected in this INR7,695 crores order book?

Management: No, that is totally reflected in INR7,695. I told you that as of 31 December '22, we have taken that into consideration while calculating the order book status, but that was not coming in the order inflow.

Dikshit Doshi: Okay. Okay. Okay. Now secondly, can you just help me to understand the INR78 crores write-back in the other expenses?

Management: Yes. Basically, you are aware that we are executing some major projects, and we are creating provisions for contractual obligation in our financial books when the job over in case no liability comes. So whatever provision we have created over a period of time that is being written back. So we have a settlement for one of the major orders in this quarter and the write-back on account of that particular order, majorly on account of that particular order.

Dikshit Doshi: Okay. Okay. And that is also part of both the segmental profit like consultancy and turnkey?

Management: So that is a part of the consultancy segment profit.

Dikshit Doshi: Consultancy segment profit. Okay. So assuming that every year, we have some change order, the annualized basis, we can expect consultancy to post 27% to 30% range of margin and EPC at around 4%?

Management: We target for that, but that depends on the basically completion of that particular project when the going to be write back. So that depends on the basically settlement of change order and completion of job. The margin may vary from quarter-to-quarter, but our aim is to maintain the range.

Dikshit Doshi: Okay. And you mentioned that the technical execution cycle is around 3, 3.5 years. So that is for the both the outstanding order book current consultancy in Turkey?

Management: Yes, both -- for the both basically. Major order in the Consultancy and Turkey segment are between 3 to 3.5 years, plus there are certain small orders also which are executed maybe between 1 year or 6 months also. But on an average, you can see that our order book is being executed in a period of 3 years, 3 to 3.5 years.

Dikshit Doshi: Okay.

Sanjay Jindal: Finally, all the mega projects and midsized projects range is from 3 to 4 years.

Dikshit Doshi: Okay. Okay. And lastly, on all the opportunities you have mentioned, the upcoming opportunities on the hydrocarbon side or even infra side or even ammonia side. So considering all this, do you expect that -- I mean the non-hydrocarbon business can be 30%, 40% over of the overall EIL business over the next 3 to 5 years or still you feel that hydrocarbon will remain dominant?

Management: Actually, hydrocarbon will always lead because we have mega projects and their values are high. So they are at least next 5 years, they are going to lead probably in times to come when all these green initiatives and all get more frequent and projects are implemented right now, most of the things are on the paper. When these projects are implemented -- right now, many of the projects have been implemented under the government pressure.

So they have to establish the commercialization of it and gradually when the project becomes more viable, then definitely, our segment will also increase. In fact, we are also changing -- we are moving towards it. This year, in the Energy Transition segment, we have almost secured business worth 10% of the overall business. So that percentage has increased drastically, which never used to be there in the earlier segment -- last year.

Sanjay Jindal: And moreover, EIL is known for their technical capability. So we are targeting high-end engineering projects. And as on date, high-end engineering projects are oil and gas sector. And that's why we are having 27% segment profit in the consultancy job. And in the infrastructure of you cannot think of even double-digit figure. So in the interest of bottom line, definitely, we are targeting oil and gas sector at this time.

Moderator: We take our next question from the line of Charanjit Singh from DSP Mutual Fund.

Charanjit Singh: Congratulations on good set of numbers. Sir, my first question is in terms of the order inflow outlook, if you can give a guidance in terms of what is our expectation for this financial year. And which would be the large projects in the petrochemical side or the refinery side, which would be targeting? That's my first question, sir.

Vivek Midha: First is that we will try to match what we have secured this year. We will try to improve upon that. We won't be right to give the figure right now, but this is just a start up, right? And at least we are going to meet that, and we are going to improve on that. And with respect to the pet chem and other projects, you must be aware that we have talked about the BORL way which is going for the refinery expansion as well as the petchem. So that's definitely on the card.

Then we have a expansion project, which is going to come in future. Then many of the other refineries like in also, we are thinking of chemicals. We are working with them. We are preparing a feasibility report for them.

Then another private sector like we are already involved in the project, they are also thinking of specialty chemicals. So we are also working for them. IOCL is also thinking of a few petrochemical facilities in Gujarat. In times to come, they'll be floating a tender, so we'll be also participating there. This would come in this financial year, largely in this financial year. So these prospects are definitely there.

Charanjit Singh: And sir, from a mix perspective, between Turnkey and Consultancy, what would the mix we can expect in the order inflow?

Vivek Midha: It would be primarily the purses. You know that traditionally, we will be going for the only on the mode, wherein we are more secure. So consultancy, and EPCM would be leading. This year, LSTK has show -- it's already 57%. Naturally, we'll try to maintain the same ratio next year also because we are also focusing on the OB kind of projects from right now from the oil and gas sector as well as in the other different sectors also, we are trying to get into that kind of mode. So let's hope for the best.

If we keep our fingers crossed, we should be able to get more into OB. And selecting definitely, we will be targeting them. And we see that it could be approximately 50-50 in times to come. So 50% Consultancy and 50% Turnkey that is what we are expecting.

Management: It would be there.

Charanjit Singh: Okay. Sir, and...

Management: It is ideal choice...

Vivek Midha: Ideal choice, but...

Management: That depending on the business, definitely will not be refusing any business. So ideally, we want to look like this.

Sanjay Jindal: Basically, our consultancy business depends on the mega project in India because all the oil and gas -- all the projects in oil and gas sector are driven by the government schemes and government approvals. So there are so many factors for the consultancy job.

Charanjit Singh: Got it, sir. Sir, if I may, just add another 1 question. So in terms of the defense and some of the new segments while you have touched upon, but if you can just also give some more colour in terms of what is the area which we are targeting in the defense? And you also touched on coal gasification where we have already seen a coal gasification policy and Coal India looking to get into that opportunity. So that's a totally new area. So these 2 segments, if you can highlight more, sir?

Management: The defense we will be working with the -- we are trying to enter into the ordinance for modernization of their plants. We have some projects online, and we are discussing with them. And -- so it's not going to be appropriate to tell the name at this point of time. And with regard to the gasification, we are working with the Corporation. We have already done the Phase 1 of their preproject activities part. So we are likely to see the implementation of the second phase.

Apart from that, we are also engaged with a few of the other private constants who are right now in the feasibility stage itself, but we are working with them to see that whether that project fees and that's from the coal to chemical projects, we are working on that with few private sector clients. Those are mostly in the feasibility stages.

Moderator: We'll take our next question from the line of Jonas Bhutta from Birla Mutual Fund.

Jonas Bhutta: Just a question on the oil and gas sector. We were also targeting jobs in upstream. Any updates there, what seems to be happening there? There was a few jobs that we were expecting -- projects, sorry, we were expecting from the upstream sector?

Second one was a couple of years ago and for quite some time now, we've stopped discussing the mega refinery now off-rated the team in the news, but any update there in terms of the possibility that this project goes through?

Management: In the upstream sector in India, primarily we're engaged with ONGC, and we have agreement -- and mostly, we are focusing on the consultancy assignments. And these projects are not in the exact exploration types. They are mostly linked with the processing of the crude oil, okay?

Processing basically subsequent to when it is taken out and the processing facilities are they, pipelines facilities are there. So all those kind of projects we are involved in. So that is the focus on the oil and gas projects. We...

Jonas Bhutta: But is this something that is going to yield us significantly large projects in the next financial for the following years, sir?

Management: Not large project. They are going to be consultants. Some of them are going to the LSTK projects, which we have secured, the OB projects which are coming under that are from that segment only because we have those projects on OB basis. So in LSTK segment, those will be there.

Apart from that, in Consultancy also, we are getting a lot of assignments under same segment -- from the same segment and same kind of modernization of the facilities and all, so we are targeting those projects. Apart from that, we are also there in the international and international marketing, we are working with that now. We are carrying out a lot of feed and an engineering assignments with them in the Upstream segment.

Jonas Bhutta: Got it. And any update on the mega refinery?

Management: Mega refinery, which is the is still on the cards, but you know that its location has been changed 3 times. So nobody can say when it's going to come. But still the work is on, we are engaged in the environmental services -- consultancy services for that project. So we don't see that. Hope is dying, but it's still there on the cards. The split, it is possible. Yes.

Jonas Bhutta: Got it. And you laid out certain projects that you're looking at, say, BORL, etcetera, for this financial year, are these all projects now open for competitive bidding in the sense that these are competitively bid projects that these are on nation as of now?

Management: Basically, all these projects goes on competition basis only. These days, most of the projects we secure are on competition against -- we have to face the competition, and we have been facing it.

Jonas Bhutta: Unless it's a change order, right?

Management: Unless it is a change order. Yes.

Jonas Bhutta: Okay. And if Batraji can help explain this entire change order thing? Because it formed part of our backlog in FY -- in Q3. And then in Q4, it's not. So if -- I just missed that part if he can help me understand that.

R.P. Batra: Yes. I told you basically in the order book, that was reflected as of 31 December '22. In the inflow, we have shown that during the current quarter because that particular thing is accepted by EIL in the current quarter.

Jonas Bhutta: Okay. But this is something that will add to our revenue or this has already been executed and we had just put up pending bills?

R.P. Batra: Some part of it has already been executed and balance is to be executed.

Jonas Bhutta: How much of it is unexecuted, sir?

R.P. Batra: Right now, I don't have any figure regarding how much it is executed, but maybe 50% is executed and 50% has to be executed. So basically given the I don't have exact figure right now.

Jonas Bhutta: Sure. And what is the provisions pending? So as of 31 March, the provision schedule that you have in the balance sheet, so to account of how much -- what is -- at 1 point in time, it is to be about INR400 crores, what is it currently?

R.P. Batra: Cumulative provision may be more than INR500 crores.

Moderator: We take our next question from the line of Himanshu Upadhyay from O3 PMS.

Himanshu Upadhyay: I had a question on, we said about for growth, we want to diversify into various segments, okay? And some of them are urban infrastructure, ports and harbours and defense and biofuels and -- see, what are the areas where we don't want to focus on? Means, because we are seeing infrastructure growth happening across the board. What would be the metrics which you will be using to select which businesses you think can be really sizable, sustainable business and profitable business over a longer period of time? And hence, those would be the areas where primarily you will be focusing on?

Vivek Midha: Let's talk about the infrastructure part. Infrastructure part if you see that we are primarily focused on the institutional buildings. We're not into general construction project. We work as a project management consultant. We go into the institutional buildings, we go for the data centres or kind of airports, we work for. Then other -- we have also been involved in the -- this bullet train project.

In some of the case, we have been -- we were working as a construction supervision consultant for one of that. So these kind of projects, niche products are targeted. We don't compete with the consultants wherein -- in those segments where -- which are low value segments and where the competition is very high and we are not likely to get the business.

Similarly, in the other segments like the biofuel, biofuels is going to be a new area. We are already executing one of the first refinery in India, which is the bamboo-based refinery. So this is a highly technology sensitive -- technology intensive. We have entered into an agreement with 1 of the licenses to get the technology and we are implementing.

So this is adding niche to us. Similarly, in the hydrogen. Hydrogen is going to be a new area. So hydrogen we are getting into electrolyzers, we are setting up hydrogen plants in the refineries from the brown hydrogen to green hydrogen, we are converting. We are working into the green ammonia segment wherein the green hydrogen is also going to work and this -- so now if you see that renewable, we are not going into renewable because renewable in the basically solar in all these segments, there are a lot of players that are already available who are very low-cost players.

So we do not find any value for us to be in that segment and we cannot compete with those people. So that is the kind of area we pick up, wherein some technology intensity is there and we are capable of this. We can get certain assignments on a negotiation basis.

Like in infrastructure, we mostly get the projects on a negotiation basis from various clients. So this way we segregate the and where their substantial engineering work is involved and we get the value and good -- I can book more engineering manhours, that will be our focus for selecting any of the area.

Himanshu Upadhyay: Okay. And in terms of profitability, any views you want to have that below this type of margins is not conducive for us because even in some of these fields, -- we see some of the global players having very low margins, okay? So what will be the threshold...

Vivek Midha: [inaudible 0:34:31] wherein we want to enter. If it's a niche area. It's a very specific area, which is going to add value to us then one can think about it. Otherwise, we will be very cautious by taking decisions. So every due diligence is done before bidding for any kind of project to -- we take a call on what basis we have to choose. So there's no generic written policy that what should we do and what should not do. It depends on the case to get business.

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

Mohit Kumar: Sir, my question is what is the order left from the PCM service for Kaveri basin at Panipat? And what kind of revenues have put in these projects in last fiscal? And you think the ordering for Kaveri basin and Panipat -- so expect it to pick up in FY '24?

Management: I think you have to check whether -- you talking about Kaveri basin or P25...

Mohit Kumar: Both, both, both. Yes.

R.P. Batra: Yes, we are recognizing the revenue of the progress. So right now, we don't have the figures. For P25, the work is being executed at a fast pace and the revenue is being recognized. In the Kaveri basin also few things are being done and accordingly, the revenue is being recognized. Right now, we don't have the exactly the figure how much revenue we have recognized...

Mohit Kumar: No, sir, my question is the progress slow in this to because I don't see a lot of tender activities are very slow.

R.P. Batra: In the Kaveri basin...

Management: In the Kaveri basin, there were certain political issues. Those will be resolved. I believe that we have seen certain articles and also things are being realized, and it hopes to come back on track in the course of time.

Mohit Kumar: Okay. And so on the crude to chemicals business, which you talked about both the OICL BPCL, do you think that we did these 2 contracts, the contract can be finalized in H1 FY '24 or do you think it will take a longer time?

Management: No, it is going to take -- it'll not in the financial -- in the Q1. It will be coming towards the end of the financial year or midway somewhere in the financial year. They might do for certain early services like services going for the licenses selection, those kinds of activities may start.

Mohit Kumar: My last question on the coal gasification, I think I missed out. Are you expecting anything other from coal gasification apart from the projects, which you have? Do you think Coal India will award some of the orders and where we can have some large role to play?

Management: Coal -- with coal gasification, we are working with one of their subsidiaries for western coal field for a DTR for setting up coal to methanol project. And we have done the feasibility study and it is in the process, then it will be realized.

Similar way, another study is also being carried out. So still in the cards, but the faster pace is wherein the project activities have been done and tendering has been done.

Moderator: We take the next question from the line of Saket Kapoor from Kapoor & Company.

Saket Kapoor: Sir, firstly, just correct me here, it is the INR70 crores -- hello? Sir, I'm audible, sir?

Management: Yes.

Saket Kapoor: Yes. Sir, firstly, in the for the consultancy and the engineering project business, there is a write-back of INR70 crores in this quarter?

Management: Hello?

Saket Kapoor: Yes, sir.

Management: Can you repeat your question, your voice is...

Saket Kapoor: Yes, sir. Sir, I was just mentioning about that INR70 crores figure. That INR70 crores is added back to the profits to the consultancy and engineering project segment?

Management: Yes, yes.

Saket Kapoor: Okay. And sir, what is the total provision cumulative provision you have mentioned is about INR500 crores, that is...

Management: Yes, yes.

Saket Kapoor: So going ahead, keeping the contingency aside, we can see write-back of INR500 crores...

Management: That will be written back over a period of time in case -- that will be written back over a period of time and the project is being completed and no liability arises, at that point of time, that particular thing will be written back. In case some liability will come, that will be from that particular project. So that will be spread over a period of time, not in the next financial year or that will be spread over a period of time and that particular project will be completed.

Saket Kapoor: Sir, what was this write-back figure for 31 March '22?

Management: 31 March '22, right now, I don't have figure.

Saket Kapoor: Okay. Sir, if we look at our numbers in terms of about our yearly numbers, the PBT numbers have remained flat...

Management: Yes. PBT are almost flat.

Saket Kapoor: And it is, I think, so the fertilizer RSFL contribution that was negative last year, and we have been able to lower the losses that has contributed to the profitability in the consolidation. That is what should be the -- so what is the likelihood from this Ramagundam Fertilizer going ahead? Sir, if you could give us some understanding on how the operations have been. And other than the Ramagundam, the other investment which we have made, I think so for the refinery project, what have been the dividend amount that we have received? And what is the growth plan for these 2 investments? How are they likely to accrue to the company going ahead, sir?

Sanjay Jindal: First of all, we have investment in Limited. And we have investment of around INR700 crores in the refinery. And as on date, we have fair value of INR766 crores itself. And in the current year, we have received a dividend of INR55 crores on the investment of INR700 crores in the refinery. Then we have subsidiary -- 100% subsidiary certification in India Limited.

And we have received dividend of INR7.7 crores from the EIL. And in addition to that, we have investment in Ramagundam Fertilizer and Chemicals. We have 26% stake. And as I have already told this, in this year, at this moment, RSL is operating at 100% capacity. And even sometimes it is running even more than 100% capacity. And this is the first year where RSL has made a profit of INR8 crores on the annual basis since it was having losses in the -- up to third quarter.

And in the fourth quarter, plant was stabilized and it was running at 100%. So it could make profit on an overall basis. And we -- in the coming year, we are expecting good profit from the RL investment also.

Saket Kapoor: Sir, in the Ramagundam Fertilizer, what is our investment for 26% stake?

Management: INR491 crores.

Saket Kapoor: And what is the fair value today, sir?

Management: It is not listed.

Saket Kapoor: Sir, for unlisted also, we are not evaluating it as the numbers the book value?

R.P. Batra: No, no. It's not required as per...

Management: Fair value is not required.

R.P. Batra: It's basically investment at cost basically in the JV. So no fare is required to be for that particular...

Saket Kapoor: Correct, sir. And sir, for the other income component, other income includes the dividend part also. Out of the INR164 crores that we have booked for FY '23?

Management: In the other income, we have received more dividend from the NRL as well as we have received more interest on the fixed deposits also. So therefore, there is increase in the other income also.

Saket Kapoor: Okay, sir. And lastly, sir, what is the cash on the books as on 31 March?

Management: Total cash and bank balance?

Saket Kapoor: Yes, sir.

Management: It is around INR1,100 crores.

Saket Kapoor: Okay. And this is also the advances that we have received from -- for the content...

Management: INR10 crores advances also -- INR10 crores cash advances also. Yes.

Saket Kapoor: So if you could segregate that amount, sir, what is our own fund and cash fund here and the advances?

R.P. Batra: Yes. Its advances around INR100 crores, So it's around INR950 crores, INR1,000 crores of cash.

Saket Kapoor: We hope that this year should be better in terms of top line and also the contribution from the subsidies would be positive. So that should be the substance going ahead.

Management: Definitely. Definitely.

Moderator: We take the next question from the line of Ashwani Sharma from ICICI Securities.

Ashwani Sharma: Pardon me if it is -- if I'm repeating the question. So the first question is, is that go ahead letter orders at INR1,600, I just wondered the breakup of that number in terms of consultancy in the Turnkey?

R.P. Batra: That all belong to the Turney segment.

Management: Primarily belongs Turnkey.

Ashwani Sharma: It's all gone into Turnkey. Okay. Sir, second question is on the -- if I look at the order book of Consultancy segment, it has been flat at around INR4,800 crores in the last 2 years, '23 and '22. How do you see this number improving going ahead, sir?

Management: With respect to the order book in the Consultancy segment, now you see that order book is going to -- we are targeting that more and more consultancy assignments. We have gone into international markets. So we see that more and more projects are coming towards it. And definitely, LSTK is going to be there.

And LSCK, we are having -- this year, we had a 50% of -- almost 50% of the stake and consultancy was also 50%. So this consultancy business, we are going to increase as soon as -- because we are targeting that around same kind of margin can be achieved from this. And with the addition of some of the old projects that going on in the projects, so that's how the OB is going to be flat.

Now with the addition of the new projects which we have secured in the current year, you will see the implication of that on the order book in the mix times to come. And we are working towards it and let's hope for the best.

Ashwani Sharma: Okay. Sir, on guidance, if I -- in the last few quarters, you had mentioned that there will be around INR4,000 crores to INR5,000 crores of order inflow in '23 and going ahead as well. Do you still hold that guidance?

Management: Yes. We will try to maintain that.

Ashwani Sharma: Okay. And lastly, sir, just a bookkeeping question on the Ramagundam. What was the sales and EBITDA number, sales, EBITDA, PBD number for Ramagundam in FY '23?

R.P. Batra: It will be around INR4,500 crores.

Management: Total turnover...

R.P. Batra: Total turnover.

Ashwani Sharma: And EBITDA, sir?

R.P. Batra: EBITDA, add depreciation on INR8 crores. If the PAT is INR8 crores…

Management: Right now, exact figure is...

R.P. Batra: Exact figure is not available with us. So...

Moderator: We take the next question from the line of Viraj Mithani from Jupiter Financial.

Viraj Mithani: I have 2 questions. One, the new areas which we are talking of going into, would it be on the [inaudible 0:048:04] or the consultancy side more? Like what would be the mix in those area days to come?

Vivek Midha: Can you repeat the question, please? Just again.

Management: [inaudible 0:48:15]

Vivek Midha: See, we put all the new areas will be going into consultancy only because this is being a new area, so we can't take much of a risk in that. So we have to be very -- first very sure about those segments. And thereafter, in the course time -- in the course of time, we might go into the EPC in the -- later in the stages, not in the recent year, but in -- later in the year.

Viraj Mithani: So the fruits of this would take around, I guess, is it fair to say it will take around 3 to 4 years to materialize, like the numbers from these new areas to start coming in a meaningful way, it should be at least 3 to 4 years away?

Management: Should be. Should be.

Viraj Mithani: Okay. And sir, my last question is looking at the last numbers, is it fair to think that we can grow at double-digit top line and double-digit net profit margin? Will this margin could be maintained at least for next 2 years?

Management: That is our risk. We are working towards it. But the competition at the same time is increasing. You should also appreciate that market conditions are changing. Earlier, we were the only ones, but there are a lot of people around. We have to work hard and read them and then get the jobs. Now nothing is coming on the platter.

Moderator: We take the next question from the line of Dikshit Doshi from Whitestone Financial Advisors.

Dikshit Doshi: Sir, my question was regarding the growth. As you rightly mentioned that we will be targeting a double-digit growth -- but contacting the order book of INR7,600 crores with 3-year execution and we are also targeting INR4,000 crores, INR5,000 crores order win. So I mean even if we'll achieve double digit, it will be low double digit. Is it fair to assume?

Management: What we have said is we will try to maintain this. We will not say it will go below this. We'll try to improve upon this. At least this much, we will try to secure because it's a future, and we cannot predict when -- but we are working towards the -- towards it, that we have to increase our top scale, and we have to reach to doublet-digit growth. That is our aim. But for the time being, at least we will maintain this kind of tempo that we have created.

Moderator: We take our next question from the line of Saket Kapoor from Kapoor & Company.

Saket Kapoor: Yes, sir. Just a continuation to the question, sir. So for this year, we are looking at a revenue growth of 20% of what we closed for FY '23. And if we look at the bifurcation between Consultancy and Turnkey, how the growth would be distributed among the 2 verticals, sir?

R.P. Batra: We are not giving any number, but definitely, we will try to improve whatever we have achieved during the current financial year. And definitely, there will be -- we are basically anticipating growth in both the segments. But exact figure, right now, we cannot...

Saket Kapoor: Only the part number, the business plan must are done. Now we have the execution. So we know what the visibility is. So any ballpark number would help us understand because we were flat year-on-year last year. So taking into account -- yes, sir.

Management: We can only say that we'll try to improve whatever we have achieved during the current financial year.

Saket Kapoor: Correct, sir. Okay. And on the margin profile, sir, how will those numbers look like? Because on the Turnkey project, the margins are lower, so if you could give us the bandwidth -- the band for both the segments that would be very helpful.

Management: So far, we are maintaining our segment profit in the Engineering Consultancy segment in the range of 27%. And definitely, in the LSTK jobs, we are able to achieve the rate of around 3%. So we are targeting these margins in the current year also.

Saket Kapoor: Sir, earlier due to some -- because of some in the value for, I think, for the pension part, there were some extra provisions 2 years down earlier on employee cost. So are we done and dusted with all those factors? Or how is that that line item looked into the employee benefit expenses?

R.P. Batra: Yes, maximum provision is being made basically...

Management: No further provisioning is required on that account. We have already made sufficient provision in the financial year 2021, and no further provision is required on that account.

Saket Kapoor: Okay. But we are working on the same line in the same way has been earlier we will take the hit -- the company is going to take the rate in case of any shortfall?

Management: No, no that is a legal provision that we have to provide abide, everybody has to abide in case there is a shortfall that has to be compensated by the employer. That is the legal provision, you cannot avoid that possibility.

Saket Kapoor: But in some PSU, sir, that have been -- that has been taken off. I think so, some Gujarat state PSUs have already gone up -- changed the policy. So that was the reason why I was...

Management: No, no. It is -- it does not depend upon this state. It is the effect which state that in case there is any loss of thefts, the employer has to make good loss. So that's why we have made a provision. And this does not depend upon the central or state. It is applicable for all.

Saket Kapoor: Correct, sir. And what is our tax rate currently, sir? Have we moved to the new regime or...

R.P. Batra: Yes, yes. 25.168%.

Saket Kapoor: Okay. And for the dividend distribution, sir, what is the policy we are adhering to, sir, 30% of the profit...

Management: We are paying more than that right now. We have around 49% during the current financial year.

Moderator: We take the next question from the line of Raj Rishi, an investor.

Raj Rishi: How do you place yourself with respect to competition, both domestic and international? What's the edge, which EIL has?

Management: With respect to international, we are quite comfortable because technically, we are strong. Our experience and core experience and that helps us out in qualifying there. And in the international market, it's primarily focused -- most of the international companies give focus on the quality of the services, quality of the service, less on the price as well as the price-wise, we are competitive in that market because we are from India and quality is also there. So we are comfortable there.

In India, competition is increasing because a lot of people do rate. A lot of companies are hiring locals only and we face competition from the companies who hire people for short duration and fire them but the quality of the people is not insured, but it's their competition is there in India. But still, we are surviving, and we are able to get the assignments and get the business what you have seen.

Raj Rishi: So international business is presently how much around 14%, right, of the order book?

Management: In the -- with respect to the consultancy, it is almost 50%. In the if you talk about the business is the secure terms, it's almost 50% this time.

Raj Rishi: Okay. And how do you see the trend over the last -- over the next 2 to 3 years? In consultancy, what percentage can be international?

Management: We will try to maintain the same kind of percentage because we have increased the focus on the international market, and we have done a lot of changes within the organization itself, like more so that has been put in on the -- our Middle East office to take care of the business around that area and more strengthening of the people in that office. Similarly, we are focusing on the South America. We have started focusing on Africa market, apart from Nigeria, which we were working earlier. So those activities have started, and we are doing it.

And the results have -- we have got the results of that in this year. So we hope that more of this sort business can be secured from there.

Raj Rishi: And do you think majorly it will be consultancy only, not the...

Management: It would be -- international market will -- right now, we will not be going for LSTK, it's going to be purely consultancy.

Raj Rishi: Purely consultancy. And in the government sector, are you facing competition more than earlier even in the government sector in domestic?

Management: Government sector, yes, we are competing in the companies like IOCL, we are beating and beating the private consultants and able to secure the jobs. Competition is there because everywhere they are now tendering there, it's been awarded -- works are being awarded on tending basis.

Raj Rishi: Okay. And what's your capital allocation strategy, if you can elaborate?

Management: What is that?

Raj Rishi: What is your capital...

Management: Yes. Basically, we have to abide the DP guideline. So dividend is 30% of PAT or 5% of networth, which are very high, plus, they are basically provisioned for the buyback and bonus and splitting of shares that we are up basically. As per guideline we are following the capital allocation policy.

Raj Rishi: That's the minimum criteria, right? You can...

Management: Yes, we are more than that basically. As per guideline 30% of PAT has to be distributed, we have distributed around 49%.

Raj Rishi: Yes. But sir, in EIL's case, you don't need cash to -- capital to grow, right? Because it's...

Management: See, we need cash also, basically. We are having certain investments also. So for that, we need the cash also.

Raj Rishi: You think you'll be going in for more investments like refinery and fertilizers, which you have done earlier?

R.P. Batra: Material investment envisage right now. But we are having a...

Raj Rishi: I didn't get you. Can you just repeat it?

R.P. Batra: No material investment is envisaged as of now.

Moderator: We'll take your next question from the line of Milind Karmarkar from Dalal & Broacha.

Milind Karmarkar: Just wanted to sort of reaffirm that Turkey and Consistency, roughly you have 50%, 50%, right? Am I right on that, in terms of the projects in hand or the order book?

Management: Yes. You're audible, and it's almost -- yes, 50%, 50% as of now.

Milind Karmarkar: Okay. And if I say that there is a looking at the current -- we have 27% margin in Consultancy and 3% margin in Turkey, then effectively, on a steady state, our margin should be segment profit should be around 15%, right? If both are 50%, 50% then it should translate into a 15% combined margin, am I right on that?

Management: Yes, it's about 15%.

R.P. Batra: During the current financial year?

Milind Karmarkar: No, overall, if I consider the order book at...

R.P. Batra: That depends on revenue recognition basically...

Milind Karmarkar: No, no. Fair enough. But assuming that in next -- so if we have 3-year period or a 4-year period overall, if I add back on the profits and add back all the -- add the top line, then the results should be at around 15%. Am I right on that?

Management: You are right, in case the -- basically, the segment remains at 50-50. You're right, very right. But the segment will not remain in 50-50. It will change, basically, revenue recognition change depending on the progress of that particular project...

Sanjay Jindal: Basically, boss, you are saying our segment profit is 27%. And in case our LSTK segment profit is 3% and you are averaging at 15%, but does not follow as because segment profit is different from the PBT or PAT. Segment -- after segment profit, we have certain unallocated expenses also, which are to be deducted to come at profit after tax. cannot be 15%.

Milind Karmarkar: I'm not talking of the PAT. I'm talking of the segmented results.

Sanjay Jindal: Boss, it is 27% is right. 27% is on the consultancy figure and 3% or 2.5% on the LSTK figure. It is right. And in the current year, we have 57% turnover from the LSTK and 43% from the consultancy job.

Milind Karmarkar: Correct. So my second question was that if I look at turnkey projects, -- most of the private companies typically have margins which are slightly higher than this. So what are we doing to improve our efficiency in the turnkey projects?

R.P. Batra: Yes. In our case, these are basically not the LSTK projects. These are the [inaudible 1:02:10] projects. So basically evenly distributed between the client and consultant and the contractor. So as such, there is no risk for the increase in the plant and machinery So that's why the margins are low. In case of the LSTK, it can be reverse case also. In case machinery pass on to you, the margin can be negative also. In this case, we are getting the positive contribution always because our risk is basically limited. So that's why we are doing these type of jobs.

Milind Karmarkar: Okay. Got it. And my last question was on -- besides the cash and bank balance, are there any investments which are not investments for business, which we have like investments in mutual funds or -- these type of investments do we have in addition to cash...

R.P. Batra: Yes, yes. We are having a temporary investment for 15 days or 1 month basically to meet our immediate working capital requirement. They have to vary between INR50 crores to INR100 crores.

Management: Liquid mutual funds.

Moderator: Ladies and gentlemen, we have reached the end of the question-and-answer session. I'd now like to hand the conference back over to Ms. Bhoomika Nair from DAM Capital for closing comments. Over to you, ma'am.

Bhoomika Nair: Yes. Thank you, everyone, for being on the call, and thanks to the management for giving us an opportunity to host the call, sir, and answering all the queries quite well. Really appreciate it. And wishing you all the very best, sir.

Sanjay Jindal: Thank you, Bhoomika. Thank you very much.

Management: Thank you, Bhoomikaji.

R.P. Batra: Thank you all.

Moderator: Members of the management, thank you. Ladies and gentlemen, on behalf of DAM Capital Advisors Limited, that concludes this conference call. Thank you for joining with us. You may now disconnect your lines.