

November 18, 2024

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	National Stock Exchange of India Limited Exchange Plaza, C-1, Block-G Bandra Kurla Complex, Bandra (E) Mumbai- 400 051
Scrip Code: 543983	NSE Symbol: EMSLIMITED

Sub: Transcript for Earnings conference call with investors and analysts- Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

Dear Sir/Madam,

This is with reference to our earlier intimation dated November 08, 2024, filed with the stock exchanges in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the earning conference call to discuss the financial results for the 2nd quarter and half year ended September 30, 2024, scheduled for November 13, 2024.

Pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 we are enclosing herewith the Transcript of Earnings conference call with various investors and analysts held on Wednesday i.e. November 13, 2024.

The Transcripts of Earnings conference call is also available on the Company’s Website i.e. www.ems.co.in

Kindly take the above information on your records.

Thanking you.

Yours faithfully,

For EMS Limited
(Formerly known as EMS Infracon Private Limited)

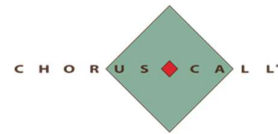
Ashish Tomar
Managing Director and CFO
DIN: 03170943

Encl.: As above

sustainable growth



“EMS Limited
Q2 FY25 Earnings Conference Call”
November 13, 2024



MANAGEMENT: **MR. RAMVEER SINGH– CHAIRMAN – EMS LIMITED**
MR. ASHISH TOMAR– MANAGING DIRECTOR AND
CHIEF FINANCIAL OFFICER– EMS LIMITED

MODERATOR: **MR. SUMANT KUMAR –MOTILAL OSWAL FINANCIAL**
SERVICES LIMITED

Moderator: Ladies and gentlemen, good day and welcome to EMS Limited Q2 FY25 Earnings Conference Call. 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 touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Sumant Kumar from Motilal Oswal. Thank you and over to you, sir.

Sumant Kumar: Thank you. Good evening, everyone, and very warm welcome to EMS Limited 2Q FY25 Post Results Earnings call hosted by Motilal Oswal Financial Services Limited. On the call today, we have management team being represented by Mr. Ramveer Singh, Chairman, and Mr. Ashish Tomar, Managing Director and CFO.

We will begin the call with key thoughts from the management team. Thereafter, we will open the floor for Q&A session. I would now like to request the management to share their perspective on the performance of the company. Thank you and over to you, sir.

Ashish Tomar: Good afternoon, everyone. This is Ashish Tomar. First of all, I would like to welcome everyone to this investor's call, and I would like to brief about the performance of the company and the financial as per the quarter second of financial year 25. We have seen an improved performance due to increased tender activity and increase in revenues. This is propelled by the increased push from the government in the water sector.

The water sector has been seeing increased activity and funding from the government sector due to increasing urbanization in the country. There has been a steady order flow due to the impetus from the government to increase the work in the water sector to meet the demands of the sanitation and drinking water supply. Going forward, there are some new opportunities for us, such as Hybrid Annuity Model projects that are coming up in the water sector.

The current un-executed order book for the company stands at around INR2,345 crores approximately, which includes approximately INR170 crores worth of operation and maintenance contracts. The current big pipeline stands at INR6,470 crores approximately, and we hope to convert a significant amount into orders going forward.

Now I would like to present the numbers. I'm sure you are aware about them, but let's go through them once more. On a half-yearly basis, the operating income stands at INR435.34 crores, which has seen a growth of around 41% as compared to the same period last year. The EBITDA at INR121.84 crores with a growth of 30.25%, and PAT at INR86.37 crores with a growth of 29.51%. I think these numbers speak for themselves, and we continue to be hopeful of delivering the same performance in the coming years. Now I think I can move the call to Q&A session.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. The first question is from the line of Garvit Goyal from Nvest Analytics Advisory LLP. Please go ahead.

Garvit Goyal: Good evening, sir. Can you firstly clarify what is the current order book we have and what is the bid order pipeline?

- Ashish Tomar:** The current order book is at INR2,345 crores approximately. This is the unexecuted amount that will be executed in the coming 2 years-3 years. And the order pipeline stands at INR6,477 crores.
- Garvit Goyal:** And the current order book that we are having, is it in partnership with some other player or the entire amount belongs to us only?
- Ashish Tomar:** I think, some projects are in joint venture with other partners. But they are only for the qualification sake and we are going to execute the projects ourselves.
- Garvit Goyal:** That means entire revenue will go to the top line of EMS Limited, right?
- Ashish Tomar:** Yes, the entire revenue will go to EMS Limited.
- Garvit Goyal:** Got it, sir. Secondly, sir, with the government recent announcement on Mission Amrit to establish water and sewage treatment plants in the cities. So, what is the expected order inflow for the company from this initiative and how is it anticipated to impact the company's existing order book? Like, if you can put some number to it, in terms of amount of order inflows, do we expect say in next 6 months-12 months?
- Ashish Tomar:** Yes, a significant amount of the bid pipeline that I talked about, that is 6477 crores, that comprises of projects in Amrit scheme. And we hope to convert a significant portion of them to orders. And we are waiting for the results on these orders.
- Garvit Goyal:** So, by when do we expect something material to come to us from this bid pipeline that you mentioned?
- Ashish Tomar:** I think we should expect the results for the majority of this pipeline to be declared in the coming 2 months-3 months.
- Garvit Goyal:** Next 2 months-3 months only, right?
- Ashish Tomar:** Yes.
- Garvit Goyal:** And when you say a significant portion of it, like what percentage of this 6,400-bid pipeline do we expect to come to us?
- Ashish Tomar:** We hope to maintain the ratio that we have been delivering so far.
- Garvit Goyal:** Okay. Coming to the FY25 performance, like in H1 what we did, H2 is usually better than H1. So, can you comment upon like what kind of revenue are we targeting for FY25 and what kind of margin for full year do we have in consideration?
- Ashish Tomar:** I think we would, I can comment that we hope to maintain and improve upon our past performance of CAGR that we have been delivering year on year.
- Garvit Goyal:** Okay, sir. That's it from my side, sir. All the best for the future.

- Moderator:** Thank you very much. The next question is from the line of Prathamesh Dhiwar from Tiger Assets. Please go ahead.
- Prathamesh Dhiwar:** Yes, sir. Firstly, congrats for the good set of numbers. Just wanted to know, in the current quarter we have delivered in percentage term, highest ever EBITDA margins. So, usually, I think we have also added earlier like it would be around 25%. But, sir, in this quarter it was around 29%-30%. So, in coming quarters at what level we are looking at in terms of EBITDA margins?
- Ashish Tomar:** So, I think we are confident of maintaining this going forward.
- Prathamesh Dhiwar:** 29% EBITDA margins for H2 also?
- Ashish Tomar:** Yes. So, this is a tender based work. So, a slight fluctuation of 1% or 2% up and down is expected. But I think we are hopeful of maintaining the trajectory that we have been delivering.
- Prathamesh Dhiwar:** Okay. And, sir, in terms of the industry outlook, are we seeing any order inflow hinges or headwinds over, let's say, last couple of months?
- Ashish Tomar:** So, for the first half of 2025, there was a slowdown due to the election process that was going on. And, in this second half of the year, I think we are expecting to see much more orders being floated by the government bodies in this sector. Okay.
- Prathamesh Dhiwar:** And, sir, if I can ask you in a geographical order mix, so how much percentage of the order comes from UP or let's say Rajasthan?
- Ashish Tomar:** I think the percentage wise figures for UP would be very low at this point of time. And, the majority of the orders currently come from Uttarakhand.
- Prathamesh Dhiwar:** Okay. Got it, sir. And, sir, when are we expecting new order inflows from water segment, let's say, Jal Jeevan or Amrut or any project?
- Ashish Tomar:** The majority of the bids that are currently in process, that I talked about, of about INR6,400 crores. The majority of them are in water sector only.
- Prathamesh Dhiwar:** Any new tenders, sir, that are going to come for which we can bid in the coming time?
- Ashish Tomar:** Yes, sir. This is a routine process and every month there is a fresh influx of tenders that are floated by the government bodies. And, we go through them based on the tender conditions, the scope of work and the rates that are proposed in the tender. We shortlist them and go for bidding. So, it's a continuous process.
- Prathamesh Dhiwar:** Got it sir. Thank you so much.
- Moderator:** Thank you very much. The next question is from the line of Hrishit Jhaveri from Pi Square Investments. Please go ahead.

- Hrishit Jhaveri:** Hi, sir. Congratulations for the good set of numbers. Can you just guide on what were the new order wins during this quarter and how many new tenders did you bid in this particular quarter, sir?
- Ashish Tomar:** So, I think the new order that was received in this quarter, was an order for Kolkata Municipal Corporation of around INR700 crores approximately. It is a sewerage scheme financed by the Namami Gange scheme.
- Hrishit Jhaveri:** And, what was our bidding process in this quarter? How much did we bid for new tenders?
- Ashish Tomar:** At the end of this quarter, the bidding pipeline was at INR6,400 odd crores. Okay.
- Hrishit Jhaveri:** Sir, in the P&L, Profit and Loss Statement, we have a head called Changes in Inventory and we have shown INR47.36 crores of expense here. So, can you throw some light on what is this?
- Ashish Tomar:** This is the difference of opening and closing stock.
- Hrishit Jhaveri:** I get that, sir, but being an EPC player, such a high amount. Can you explain what was the difference here?
- Ashish Tomar:** So, as we are opening up new sites, I think this is the work in progress that has not yet been measured and bid by us, but the work has already been carried out at site. So, eventually, I think going forward, this work was certified by the department and bills have been prepared.
- Hrishit Jhaveri:** Okay. That led to a spike in this head.
- Ashish Tomar:** Yes.
- Hrishit Jhaveri:** And, sir, what is our plan to improve on the cash flow from operations side? Having a robust order book, unexecuted order book, we will need a hefty working capital. Cash flow from operations have been suffering since 2 to 3 years. Do we have any plan to maintain a positive cash flow from operations at a significant level going ahead?
- Ashish Tomar:** I think the cash flow situation has been drastically improved currently and from a negative cash flow to right now we are at a positive cash flow.
- Hrishit Jhaveri:** And do we plan to maintain it and improve it further?
- Ashish Tomar:** Yes, surely.
- Hrishit Jhaveri:** Okay. And, sir, my last question. Earlier you have guided for at least 25% to 30% top line growth with a 25% to 27% EBITDA margin. Do we stick to that number with H2 being stronger this financial year?
- Ashish Tomar:** Yes, we are going to maintain the past performance and hope to improve on that also.
- Hrishit Jhaveri:** So, earlier you had guided. So, do we aspire to hit the INR1,000 crores top line in FY25?

- Ashish Tomar:** Sir, I will not be able to comment on a specific number, but I think I can comfortably say that we are going to maintain the trajectory that we will be delivering.
- Hrishit Jhaveri:** Okay, sir. I will get back in the queue, sir. Thank you.
- Moderator:** Thank you very much. The next question is from the line of Dinesh from Finsight. Please go ahead.
- Dinesh:** Thank you, sir. And congratulations on a good set of numbers. Sir, for this quarter, on a consolidated basis, our revenues have gone up by just 10.9% or 11% or something. And EBITDA has gone up by like 9%, right? I was expecting at least on a standalone basis, it's great, we are closer to 20%. Why is there so much difference? Where have we missed it by another 10% on a consolidated basis?
- Ashish Tomar:** So, in the consolidated figures, the figures are only of the SPVs that have been floated by us for specific tenders. So, those figures, I think the majority of our business comes from EPC market only. And some of the projects, they require formation of specific SPVs. I think there are 4 or 5 of them at present. So, they affect the consolidated figures, but I think if you are to take the standalone figures, they are good.
- Dinesh:** Okay. And as you mentioned, we'll still be maintaining our 25% growth in the revenue growth and margins would remain fairly stable. Is what you're saying for this year?
- Ashish Tomar:** Yes, the revenue and the margins would remain stable.
- Dinesh:** Okay, great. So, can you just update what has happened with the new, any update on that paper business or division which we were planning to acquire for some INR50 odd crores or something? Any update on that?
- Ashish Tomar:** So, we are not acquiring the paper business. It is only the land part that we are interested in. I think that is in process.
- Dinesh:** So, any updates on that? Like, I mean, where are we there?
- Ashish Tomar:** Yes, the deal is under process and we hope to close it soon.
- Dinesh:** Okay, fair enough. And we've already identified what are we going to do with the land, right? I mean, like, what is the next step?
- Ashish Tomar:** It is going to be used as collateral for our banking facilities.
- Dinesh:** Right. And we have some certain operations going on, some paper operations on that, right? So, we will acquire only the land or are we acquiring the whole unit as such?
- Ashish Tomar:** So, we are acquiring the company. But we are only interested in the land part.
- Dinesh:** Fair enough. But see, we'll get some additional operations of the company, which I'm not mistaken, does around INR50 crores to INR60 crores of revenue every year. So, my question is,

are we going to keep those INR50 crores to INR60 crores intact and continue with the operations? Are we going to just sell the, or give it on a lease of the operations of the company to some other organization? What is the plan there? I'm asking the plan there for the future plan for the next 3 years or 5 years of that unit.

Ashish Tomar: So, I think if we acquire it by end of March, then those numbers would be incorporated. But I think going forward, right now, we are not interested in running the plant.

Dinesh: So, what will you do with it? Like, I mean, we will have the land, we will mortgage the land with the bank. But what will we do with the INR50 crores of operations? Are we going to close the operations? Are we seeing that?

Ashish Tomar: Yes. Currently, we have not yet decided. We might scrap the plant.

Dinesh: I think some more clarity is required, because I have been hearing for the last 3, 4 months. So, some news around this every now and then.

Ashish Tomar: We have been maintaining that we are only going after the land part and we are not interested in running any industry.

Dinesh: Right. I'm just saying that we need some more clarity on that. Like, what will happen with eventually the operations of the business? Maybe we can take it up offline, you know. Okay.

Dinesh: Okay, sir. Thank you very much and all the best.

Moderator: Thank you very much. The next question is from the line of Darshan Jhaveri from Crown Capital. Please go ahead.

Darshan Jhaveri: Hello. Good afternoon, sir. Thank you so much for taking my question. I just wanted to know, in terms of our seasonality. Due to monsoons, Q2 would be a lower revenue quarter, right? So, could you just help us, how much would H1 be, how much would H2 be in general, like a rough percentage, 40%-60%, or how would it go, sir?

Ashish Tomar: So, I think broadly it would be somewhere around year-on-year with a slight variation of 2%-3%. I think 37%-40% could be the H1 and 60%-63% would be H2.

Darshan Jhaveri: Okay, fair enough, fair enough, sir. And I just wanted to know, previous participant asked that question, like, on a consolidated basis, our Q2 growth has been around 11% of revenue. So, just like wanted to know, is that an impact of a higher base that we had in last year Q2? So, what kind of quarterly run rate can we see going forward? Like, just wanted to pick your brain a bit on that. So, I think we were saying we'll grow as much as we've grown in the past, so that's like around 25%-30%, and then we see a 11% figure. So, is there a slowdown happening? Could you just, you know, elaborate a bit on that, sir?

Ashish Tomar: I think it could be a combination of higher base. Also, the monsoons this year were significantly higher than last year. So that led to disruption at sites, and the execution could only be resumed after the monsoon subsided. So, we lost a lot of working days in current Q2, that's like a...

- Ashish Tomar:** I think Q2 is the weakest due to the monsoon in our line of business.
- Darshan Jhaveri:** Fair enough. So now, like, from Q3, our execution has picked up steam, right?
- Ashish Tomar:** Yes.
- Darshan Jhaveri:** And in general, just wanted to know, now we are around INR230 crores-INR240 crores quarterly run rate. So, in terms of scaling, it further maybe not this year, next year we might be even higher. So, is there any capacity constraint, how do we manage our manpower or machinery or is there some capacity constraint that we could have or is this funding the only constraint that we have? So, for higher growth, will we need any capex, or what would be required?
- Ashish Tomar:** I think there is no constraint of manpower or machinery. I think the increase is due to the increase in size of the projects. So, the number of projects remain somewhat constant. And as the quantum of the size of the projects and all the orders increase, that is reflected in the revenue.
- Darshan Jhaveri:** Okay, fair enough. And just one last question from my side, sir. We bid for around INR6,400 crores order. So, in general, like, now, what size of orders are we bidding for? We got, like, INR700 crores. So, what size of orders are we bidding for? And what is the general execution period timeline for that, sir?
- Ashish Tomar:** The type of projects that we go after, the typical size is anywhere between INR200 crores to INR500 crores. So that would cover about 90% of the projects that we are interested in.
- Darshan Jhaveri:** Okay, fair enough, sir. And, sir, do you want to know any guidance that we would have for, FY26 in terms of revenue and EBITDA, sir?
- Ashish Tomar:** I can only say that we will maintain the trajectory.
- Darshan Jhaveri:** Okay, fair enough, sir. Thank you so much, sir. All the best.
- Moderator:** Thank you very much. The next question is from the line of Meet Jain from Motilal Oswal. Please go ahead.
- Meet Jain:** Hi, sir. My question is regarding our bid pipeline of INR6,470 crores. So, I want to understand, what is the quantum of the HAM project in this? Are there any HAM projects in this?
- Ashish Tomar:** I think there was a project of around 12, a road HAM project was in there.
- Meet Jain:** Can you repeat the quantum?
- Ashish Tomar:** I think it was about INR2,200 odd crores, was the quantum.
- Meet Jain:** Okay, that is a HAM project.
- Ashish Tomar:** Yes.
- Meet Jain:** On the other hand, I want to understand further on the HAM project, how is the margins of the retention money in this kind of project? The executable period.

- Ashish Tomar:** The completion time for the majority of the projects is somewhere between 2 to 3 years. That depends project to project. So, the average you can take about 2.5 years is the execution time. And as far as the margins are considered, we bid for the project with a specific margin in mind. And be it EPC or HAM, the margins while bidding are same for us.
- Meet Jain:** Okay. And this order book, order book as on bid and the pipeline is for majorly for water projects or it has some other infra projects as well. The bid pipeline.
- Ashish Tomar:** So, I think the majority would be of water sector only.
- Meet Jain:** Okay, that is it from my end. Thank you.
- Moderator:** Thank you very much. The next question is from the line of Abhishek Bhudolia from Narnolia Financial Service Limited. Please go ahead.
- Abhishek Bhudolia:** Sir, I wanted to know what will be the quantum of the road projects going forward because you said the majority of the order book is for the water projects. So, are we still on the guidance that 25% of our future revenues will be road projects?
- Ashish Tomar:** So, the majority of the business, about 70% to 80% will continue to come from the water side and the rest 20% to 30% may be from other infrastructure sectors, be it power, building or road.
- Abhishek Bhudolia:** Have we seen any traction in power sector?
- Ashish Tomar:** We were able to secure one project in power distribution sector in Uttarakhand of about INR140 crores this year.
- Abhishek Bhudolia:** And what will be the future fundraising plan you have? I mean, earlier you said you didn't have and then you went on with the QIP. So, is there any plan, do you have now that any working capital requirement you would have, for that you would be raising funds to equity division?
- Ashish Tomar:** I think we secured that as an enabling document and currently we do not have a timeline fixed for that fundraising.
- Abhishek Bhudolia:** So whatever projects we have, for that we have the necessary cash with us or we will be taking up debt?
- Ashish Tomar:** Yes, for whatever projects that we currently have in hand, I think we can comfortably meet the cash flow requirement from our internal accruals.
- Abhishek Bhudolia:** Even for the projects we have bid?
- Ashish Tomar:** Yes, if we are to maintain the growth rate that we have been delivering, for that I think we are comfortable with the internal accruals. But if we are able to secure some hand projects, then we might need some funding.
- Abhishek Bhudolia:** Thank you.

- Moderator:** Thank you. Thank you very much. The next question is from the line of Hrishit Jhaveri from Pi Square Investments. Please go ahead.
- Hrishit Jhaveri:** Yes, sir. So, we had informed that you are planning to onboard a new CFO. Any update on that, sir? Or are we hiring a new CFO on the board?
- Ashish Tomar:** We are scouting for a suitable candidate and we hope to hire an independent CFO as soon as possible. And we will update you as soon as that happens.
- Hrishit Jhaveri:** And sir, we have also forwarded into the building and construction space. Any project wins or work we have started there or we have not currently started that segment?
- Ashish Tomar:** No, we are already executing a project in the building sector. It is a project of about INR320 crores. RBI housing colony in Navi Mumbai. The client is CPWD.
- Hrishit Jhaveri:** Okay, sir. Thank you. All the best.
- Moderator:** Thank you very much. The next question is from the line of Prathamesh Dhiwar from Tiger Assets. Please go ahead.
- Prathamesh Dhiwar:** Yes, sir. Just wanted to know on the industry front. So, for this financial year, how much did government spend on water till now, in FY25?
- Ashish Tomar:** Sir, I won't have those numbers right now present with me. But I can say the budget planned for the expenditure in water sector for the period of 2021-2026 was somewhere in the range of INR5 lakh crores. So, I think that would come out to be somewhere around INR1 lakh crores per year if spent by the government as planned. Right.
- Prathamesh Dhiwar:** So, can we expect around INR50,000 crores has been spent or much less has been spent till now?
- Ashish Tomar:** Sir, I would not be able to comment on that number. But I think for the kind of work that we do, there is enough work in the market and we have been able to secure the amount of work that we want to do year on year and we hope to maintain that going forward also.
- Prathamesh Dhiwar:** Ok Sir, Thank you.
- Moderator:** Thank you very much. The next question is from the line of Nitesh Gupta, who is an individual investor. Please go ahead.
- Nitesh Gupta:** Thank you for the opportunity and congratulations on this great set of number that you have. My question was in regards to what is the L1 status you have on any particular tenders that you have bid for? And the second question was on the line of geographical expansion, if you had any. Because in the previous concalls you mentioned that you'd be able to secure more orders in the north-eastern front of the country. So, if you can advise on that.
- Ashish Tomar:** So as compared to the last quarter, we currently have been awarded an L1 status in a project worth around INR700 crores in Kolkata, for Kolkata Municipal Corporation. So, this is our first order in the state of West Bengal.

- Nitesh Gupta:** Thank you, sir. So, do you have any expansion planning in other cities or other areas as well?
- Ashish Tomar:** Yes, we have been continuously bidding for projects in Jharkhand, Chhattisgarh and other states as well in Karnataka. So, by some luck or bad luck, we have not been able to secure any projects in those regions. But going forward, we hope to correct that soon.
- Nitesh Gupta:** Thank you so much. Just one last question before I close this. Do you have any projects in the desalination front as well? Because that is one of the areas closely related to water issues.
- Ashish Tomar:** So currently, sir, we do not have any desalination projects. A few years back, we were declared L1 for a desalination plant in Gujarat. But that project was scrapped due to, I think, some permission issues. So, I think we will be able to bid for desalination projects. But currently, we do not have any desalination projects in our order book.
- Nitesh Gupta:** Thank you so much, sir.
- Moderator:** The next question is from the line of Hasan Muchhale, who is an individual investor. Please proceed with your question.
- Hasan Muchhale:** Hello, good evening to everyone and congratulations to management for a good set of numbers. I am a first-time investor in this company, sir. My question is that, as on 31st March 2024, there is debtor of INR34 crores, which is disputed, edging in 2 years to 3 years. Can you please throw some light on that disputed debtor of INR34 crores?
- Ashish Tomar:** I think that would be with respect to an arbitration that we currently have ongoing with the UP Jal Nigam for a project that we executed in Narora, near Bulandshahr. So, we have won the arbitration. The arbitration has been awarded in our favour. So currently, we have gone to Allahabad High Court for executing this order.
- Hasan Muchhale:** So, no provision has been provided on this INR34 crores number?
- Ashish Tomar:** I think there is no need for provision. The award has already been awarded in our favour. So as per the contract, that award was binding on both the parties.
- Hasan Muchhale:** Okay. Any expected timeline to realize this INR34 crores order number?
- Ashish Tomar:** So, we are hopeful that this matter is resolved soon.
- Hasan Muchhale:** Okay. Fine. And sir, another question is that we have INR141 crores as a retention from customers as on March 24. Sir, this is my suggestion. If we can go for some banking product like bills discounting or factoring, so that we can realize this money early and the factoring company will receive money from the customers. If that option is suitable, you can explore it. It is available in the market.
- Ashish Tomar:** Thank you for the suggestion and we will look into it.

Hasan Muchhale: And my next question is with respect to the order book. Sir, in past, any of the agency or any of the government have levied penalty for delay in execution or non-fulfilment of our performance? Any of the case?

Ashish Tomar: No, sir. No LD has been imposed on us for delay. Okay.

Hasan Muchhale: Perfectly fine. Sir, I am very much happy to listen that you are entering into a new service line that is, construction contract and a project rather than the water management. So, just wanted to understand this is because we wanted to diversify our offerings or is this because you are foreseeing water business is going to mature in some couple of years?

Ashish Tomar: No, sir. I think there is a huge scope for water business going forward in the country and we have already been maintaining this mix of executing works in other infrastructure sectors of 20% to 30% year on year since the start. Yes. So, this is not something new.

Hasan Muchhale: Sir, in this quarter 2 result, you have mentioned that from ARM project you will start the NUT, right? So, what would be the amount of NUT per quarter?

Ashish Tomar: Let me just check those figures.

Moderator: Thank you very much. The next question is from the line of Srinadh Reddy from Bandhan Bank. Please go ahead.

Srinadh Reddy: Hi, very good evening and congratulations on good set of numbers. I just wanted to confirm like, is there any guidance being given for the 2 years or 3 years from the group level? And also, I just wanted to know the second question. At the group level, what are the debts we are sitting on? And the third question is that, you said you are acquiring the INR50 crores of the land parcel. Eventually, you are going to dismantle the unit.

But is that just to give a collateral security? Are we blocking the INR50 crores as a capital? I am sure that as a management, you would have done the better due diligence. I wanted to hear thoughts on it. And the last question is that are we continuing to maintain the growth of 25%

Ashish Tomar: As far as the guidance is concerned, I would not be able to give a specific number. But we have been maintaining that we are going to continue delivering the growth trajectory that we have been delivering since the last couple of years. And as far as the debt on a group level is concerned, I think the only debt that we currently have is for the Forbund-HAM project. And apart from that, no other debt is on our books.

And as far as the question regarding the collateral is concerned, so this is the nature of the business. The banks do prefer collateral to be in shape of property. So that is why we have to go in for such arrangements.

Srinadh Reddy: So, I am hoping that you are getting this particular land parcel from the bidding, right? So, it is a discretionary, you are acquiring this property.

Ashish Tomar: Yes, we are acquiring. This property was acquired from NCLT.

- Srinadh Reddy:** Sir, just one last question. So, since your earnings are improving and market for steady state made since maintained at the industry level, so any discussions which are happening with the rating agency further, any upgrade?
- Ashish Tomar:** I think that is in process and we will update.
- Srinadh Reddy:** Okay. One last question, sir, if others would have asked. So, what is our current outstanding order book now as on today?
- Ashish Tomar:** So as on today, it is at somewhere around INR2,350 odd crores approximately. So that is the unexecuted amount.
- Srinadh Reddy:** Okay. And how much would have been we have bid for so far in the last, as on September 30th, how much would have been the quantum you would have bid for the new project?
- Ashish Tomar:** Sir, it is approximately INR6,470 crores in the pipeline.
- Srinadh Reddy:** Anyway, what would be the duration of your project, sir? Like assume the INR2,350 crores you have. So normally what is the tenure of this project?
- Ashish Tomar:** The majority of the work would be completed in the coming 2 years, with some work going past that.
- Srinadh Reddy:** So good, sir. I guess I am sure that you are taking your company into the right path. I am sure that you are going to achieve because very few companies we get to see with such a good margin to maintain. I hope you take this company to the next level. All the best.
- Moderator:** Thank you very much. I would now like to hand the conference over to the management for closing comments.
- Ashish Tomar:** I would just like to say, thank you everyone for your valuable time and we hope to deliver value for the company, country and our investors. Thank you.
- Moderator:** Thank you very much, sir. On behalf of Motilal Oswal Financial Services Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.