



**Date:** February 14, 2025

**To,**  
**The Department of Corporate Services,**  
BSE Limited,  
25<sup>th</sup> Floor, P.J. Towers,  
Dalal Street, Mumbai- 400001

**Scrip Code:** 538734

**Subject:** Submission of Transcript of Q3 FY2025 Earnings Call held on February 12, 2025

**Dear Sir/Madam,**

Further to our letter dated February 7, 2025, we are forwarding herewith a copy of the Transcript of Q3 FY2025 Earnings Call hosted by Nirmal Bang Institutional Equities, on Wednesday, February 12, 2025 at 12:00 PM (IST) to discuss the Unaudited Financial Results of the Company for the quarter and nine months ended on December 31, 2024 with the Management of the Company.

This is for your information and records.

Thanking you,

Yours faithfully  
**For Ceinsys Tech Limited**

**Pooja Karande**  
**Company Secretary &**  
**Compliance Officer**  
**M. No. A54401**

**Enclosures: As above**



# “Ceinsys Tech Limited Q3 2025 Earnings Conference Call”

**February 12, 2025**



**MANAGEMENT:** **MR. KAUSHIK KHONA – MANAGING DIRECTOR OF INDIA OPERATIONS, CEINSYS TECH LIMITED**  
**MR. PRASHANT KAMAT – CEO, WHOLE-TIME DIRECTOR AND VICE CHAIRMAN, CEINSYS TECH LIMITED**

**MODERATOR:** **MR. VAIBHAV CHECHANI – NIRMAL BANG INSTITUTIONAL EQUITIES**

**Moderator:** Ladies and gentlemen, good day and welcome to Ceinsys Tech Limited Q3 and FY '25 Earnings Conference Call, hosted by Nirmal Bang Institutional Equities.

As a reminder, all participants' 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 '\*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vaibhav Chechani from Nirmal Bang Institutional Equities. Thank you, and over to you, sir.

**Vaibhav Chechani:** Thank you, Manav. Good morning, everyone, and warm welcome to all of you. On behalf of Nirmal Bang Institutional Equities, I would like to extend a warm welcome to the 3Q FY '25 post results conference call of Ceinsys Tech Limited. I would like to take this opportunity to welcome the senior Management Team joining us on the call.

Today, we are pleased to have with us Mr. Kaushik Khona – MD of India Operations; and Mr. Prashant Kamat – CEO, Whole-Time Director and Vice Chairman of Ceinsys Tech Limited.

I would like to remind all the participants to please refer to the safe harbor statement in the presentation. I now hand over the call to Mr. Kaushik sir for the opening remarks. Thank you, and over to you, sir.

**Kaushik Khona:** Thank you, Mr. Vaibhav. Thank you all for joining this conference. Good afternoon, everyone. It's a pleasure to welcome you to this earnings conference call for the 3rd Quarter and 9 months for the financial year 2025.

Let me first thank our host for today's con call, M/s Nirmal Bang Institutional Equity and Mr. Vaibhav in person. In the interest of some of the people who may be new to the Company, let me first start by giving you a brief overview of the Company, first, followed by the performance highlights and the quarter under review.

Ceinsys Tech has been recently rebranded to CS Tech AI, while the corporate name remains as Ceinsys Tech Limited. We are a leading technology solutions provider in the IT-enabled sector. We are acclaimed for our expertise in geospatial engineering as well as other engineering services and solutions. We offer a broad range of geospatial intelligence services, including data creation, data analytics, decision support system, enterprise web solutions and many more.

In FY '22, the Company strategically expanded into mobility sector by acquiring Allygrow Technologies, a specialized engineering service provider with a strong international presence. This acquisition allowed the Company to enhance its capabilities into manufacturing technology and mobility engineering solutions covering the entire product development process and

industrial automation for diverse sectors such as 2 and 3-wheelers, passenger cars, commercial vehicles and off-highway equipment.

We serve prestigious global clientele that include large corporates, OEMs, asset Management companies and government bodies, highlighting its robust reputation in both the geospatial and manufacture sectors.

With offices in India, the United States, the United Kingdom and Germany, the Company combines local expertise with a broad international reach. Additionally, the Company is venturing into software product development and emerging technologies through a new vertical focused on the artificial intelligence and machine learning and embedded electronics.

This vertical emphasizes advancement in metaverse, edtech, gaming and mobility, reflecting the Company's commitment to innovation and maintaining a high competitive edge in a dynamic technological landscape.

Now let me provide some key highlights of our financial and operational performance for the 3rd Quarter and 9 months ended 31st December 2024:

For the quarter under review, our operational revenues grew by 79% year-on-year to INR 112 crore. EBITDA grew by 102% year-on-year to INR 21 crores with EBITDA margins of 19.14%. The net profit was reported at around INR 1,118 crore, which represents a growth of 71% year-on-year and PAT margin stood at 15.92%.

For the 9 months of this financial year, our operational revenues amounted to INR 276 crore, demonstrating a strong year-on-year growth of around 58%. EBITDA also saw a notable increase, rising by 62% year-on-year to INR 51 crore with EBITDA margin standing at 18.61%. Additionally, our net profit surged by 77% year-on-year to INR 41 crore with PAT margins of 15.02%.

The growth in both revenue and EBITDA margins was driven by a successful execution of projects, which contributed to stronger margins. Additionally, our ongoing initiatives to improve operational efficiency have enabled us to handle higher volumes more effectively, further boosting our performance. With the stellar performance of 9 months, we have surpassed what we achieved in FY '23, '24 for the full year on top-line, EBITDA and profit within these 9 months.

As at the end of December, the total order book stands at around INR 1,390 crores. Of these projects in the water domain account for almost INR 1,189 crores and Geospatial & Enterprise Solutions services contribute to INR 199 crores.

A key highlight is the improvement in our working capital cycle. We have reduced the working capital cycle from 237 days in March '23 to 190 days in March '24 and in this period of 9 months to 124 days. This progress demonstrates our efforts to optimize our operations and manage resource more efficiently.

In September '24, we raised fresh funds and issued equity, and share warrants worth INR 235 crores. This is part of our strategy to support organic and inorganic expansion, and we are currently evaluating several options for inorganic growth. As on 31 December 2024, our total cash surplus is around INR 125 crore, with a net operational cash surplus of around INR 20 crore. These figures reflect our solid financial position, which supports our ongoing and future projects.

On the human resources front, we have recruited 384 new employees during the financial year '24, '25 till date. Of these, 277 are technically qualified to execute new projects, while the others will help enhance our support functions. This is part of our plan to ensure that we have the right talent to handle the increasing scope of our work.

We added major contracts secured during this financial year, which include: 1, the river linking project in Maharashtra valued at INR 381 crores of our consulting services; an IoT-based project with Maharashtra State Water and Sanitation Mission worth INR 332 crore; a service provider contract for implementing an integrated GIS enterprise for CIDCO, which was valued at INR 29 crore; selection of a system integrator for integrated digital transformation of MHADA valued at INR 28 crore and many more. These contracts reflect the breadth of our capabilities and our continued success in securing significant projects across the various domains.

On the policy front, we are happy for the continued and enhanced focus by the government policies, which were announced at the recent budget, presented by the Honorable Finance Minister.

Some of the notable announcements include:

1. The extension of Jal Jeevan Mission till 2028, intended for 100% coverage on the various water schemes where CS Tech has a huge role to play.
2. Starting of National Geospatial Mission using PM Gati Shakti, which will facilitate modernization of land records, urban planning and design of infrastructure projects in which all the areas we have our expertise.
3. Building up on July 2024 budget proposals for incentivizing urban sector reforms related to governance, municipal services, urban land and planning.

In all these areas also, we have sufficient expertise and experience.

In closing, we are focused on driving growth and continue to deliver on our commitments. We remain optimistic about the future and look forward to sharing more updates as we progress.

With this, I thank all of you to join, and the floor is open for question and answer. Thank you.

**Moderator:** Thank you very much, sir. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press ‘\*’ and ‘1’ on their touch-tone telephone.

If you wish to withdraw yourself from the question queue, you may press ‘\*’ and ‘2’. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

We have our first question from the line of Vimox Shah from Goyamlabdhi Fintech. Please go ahead.

**Vimox Shah:** Thank you for the opportunity, and congrats on the great set of numbers. So, sir, I wanted to know like how much of the current order book is from the water domain?

**Kaushik Khona:** Sir, I mentioned out of INR 1,390 crore, water domain consists the order book of INR 1,189 crore.

**Vimox Shah:** Okay. And can you share on the new vertical like Meg-Nxt, which is focusing on metaverse, edtech and gaming and mobility, right? So, what are the initial goal and time line for this vertical?

**Kaushik Khona:** So, Meg-Nxt, I would request Prashant ji to revert, but we have developed this new vertical since more than 18 months now, and there have been substantial development, which have been made by them so far. Prashant ji?

**Prashant Kamat:** Yes. So, I just want fundamental get understood. Meg-Nxt is our play in the product development business. What we are understanding all these industries, whether it is gaming or edtech or anything, it is basically using geospatial data in a different form. And what Meg-Nxt is trying to do is capture that data and whichever source that data is captured, process it and make it available as a data for those industries. And as Kaushik said, we have done a tremendous development on that side, and we have already started using initial beta versions for our internal consumption. So, that work is going in full swing.

To answer your question, is there a time line we have committed to launch it as a product? Answer is no. But is it available for our internal use? The answer is yes, and we already started seeing the benefits of that and reaping benefits of that in the margin expansion.

**Vimox Shah:** Okay. Got it. And regarding the data center initiative, what is the current plan and the roadmap?

- Prashant Kamat:** On the data center, we are still at an exploratory stage. We have not committed resources to go on that. Whatever is required for exploration, that's the only amount we are committing. So, once we make the final decisions and plans and time lines, we will definitely communicate.
- Vimox Shah:** Okay. Yes. Thank you.
- Moderator:** Thank you. We have our next question from the line of Jaiveer from Finvestors. Please go ahead.
- Jaiveer:** Hi sir, good afternoon. Congratulations for the good set of numbers. Sir, I have very few questions, and 1 is regarding the revenue from geospatial engineering segment. So, as we are seeing that there is a decline from INR 543 million to INR 489 million Q-o-Q. So, could you elaborate on the key factors behind this decline? Is this decline a result of project delay or reduced order inflow or increased competition?
- Prashant Kamat:** Kaushik, let me take that question.
- Kaushik Khona:** Yes, sure.
- Prashant Kamat:** The segmental revenue distribution we started from the last quarter or a quarter before that. Our aim in building the Company is to go for more technology solutions and less on the pure-play geospatial data crunching side. That's how we believe we can build a company which is sustainably profitable, and we will be able to maintain and expand our margin.
- So, the conclusion which you are drawing that our geospatial engineering revenue is going down is actually a conscious call to increase more and more revenue on the solution side to improve the margins and to improve the profile of the Company. So, it's not a negative sense in that sense, it's a positive sense. It's a project mix, which is actually helping us improve the Company's profitability and the numbers.
- Jaiveer:** Okay, sir. And sir, 1 more question is regarding the current order book is around INR 13,900 million. So, how confident is the Management...
- Kaushik Khona:** Yes, yes, right. That's correct. Sorry, we missed your question.
- Jaiveer:** So, how confident is the Management in converting it into revenue over the next fiscal years?
- Prashant Kamat:** Whatever is the project duration, if your question is, are we going to deliver INR 1,300 crores next year? The answer is no, because this project has a duration given, and Management is 100% confidence of delivering to the order book as per the project schedule. There is no even iota of doubt in our mind.

- Jaiveer:** Okay sir. Sir, you have raised equity and share warrants. So, how do you plan to allocate these funds between organic and inorganic growth opportunities?
- Prashant Kamat:** Kaushik ji, you want to answer that question in the exact numbers?
- Kaushik Khona:** Sure. Just to give you feedback on it, we have raised these funds. The first tranche of INR 105 crore is available. The total amount is towards the allocation, which is already proposed in the EGM resolution where 70%, 20% and 10% is the allocation. 70% is towards acquisition, 20% is towards expansion, and 10% is to our working capital. So, as of now, as we already clarified, we are on the evaluation of various opportunities which we are doing to take the inorganic growth. And therefore, once the opportunities are available, we will be utilizing the funds based on the allocation, which is already approved. So, presently, they are not utilized. They are available for the acquisition.
- Jaiveer:** Sir, is there any acquisitions in pipeline, sir?
- Kaushik Khona:** So, we have been inviting a few opportunities to evaluate. We have, as of now, almost 4 opportunities which are being evaluated and 2 of them are on the final stages. Hopefully, within next 2, 3 months, we should be able to give you some update on this.
- Jaiveer:** Yes. Sir, if you permit me, can I ask 1 or 2 questions more? Sir, 1 more question is related to how exposed is Ceinsys Tech to ongoing tariff wars between global markets, sir?
- Prashant Kamat:** Sorry, I missed the question.
- Kaushik Khona:** Yes, please. No, he is talking about tariff war.
- Prashant Kamat:** No, no, I missed the question. You can answer, Kaushik. I'm sorry, I missed that question. I didn't understand the question.
- Kaushik Khona:** So, I think what you are looking at is the issue which is pushed by Mr. Trump, the President of United States. That's what you are referring to?
- Jaiveer:** Yes, sir.
- Kaushik Khona:** So, as of now, I think we don't have any impact because of any of the implications it may have, which presently there is none because our presence is in the international market, we are based at U.S., we are based at UK and Germany. And we deliver projects from there itself. We don't kind of do a product export, so I don't think there is anything to do with tariffs on the export or import. And therefore, we don't see any impact on that.



In fact, what we also see that because of the technology expertise, which Indians have, lot of outsourcing is happening. As already in the initial notes we have mentioned that a lot of outsourcing opportunities are available to India. And therefore, we believe that it will be better in the due course of time, but we are awaiting for the final fine print of what does the U.S. do to the final tariff policy.

**Jaiveer:** Yes, sir. Last question is, can you elaborate on the Company's initiative in AI Meta and gaming? And what are the biggest technological challenges with DeepSeek that could threaten to the Company's growth in AI space, sir?

**Kaushik Khona:** Prashant ji, would you please take this?

**Prashant Kamat:** Question is what are we doing on the AI side?

**Jaiveer:** Yes, sir. And other thing is that what are the challenges with DeepSeek, sir, that could become a threat to our company, if any in AI space, sir?

**Prashant Kamat:** So, DeepSeek is a kind of agent, so we don't see any issue for DeepSeek trying to disrupt our business. That's the simplest answer on that.

On the AI front, what we are doing, sometime back, we spoke about Meg-Nxt, all of that data usage in the different formats and different verticals is based on artificial intelligence. We have a team already in that segment, and we are building those competencies. Over a period of time, in coming 18, 24 months, we will start expanding that into other segments of our business as well.

**Jaiveer:** Okay, sir. And sir, what about this Meta? And is this associated with the same thing Meg-Nxt, Meta and gaming? All these are related to this only

**Prashant Kamat:** Yes, yes. All of that is related, because all that data inferences, the basis is artificial intelligence.

**Jaiveer:** Sir, you have mentioned that it will help us in margin expansion. So, can you explain it how it will affect our margin expansion, this Meg-Nxt?

**Prashant Kamat:** So, if you actually see even currently over the last 2, 3, 4 quarters, the reason we are looking at stable and growing at business in terms of margins is because we are trying to use artificial intelligence layer to more and more automate our work. So, in terms of employee increase over last year versus the revenue increase over last year, if you look at the actual numbers, you will realize why I'm saying our margin expansion also depends on that automation through artificial intelligence.

**Jaiveer:** Yes, thank you sir. Thanks a lot, sir. Congratulations.

**Prashant Kamat:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, in order to ensure that the Management is able to take questions from all participants in the conference, please restrict yourself to 2 questions per participant. Should you have a follow-up question, we request you to rejoin the queue.

The next question is from the line of Punit Mittal from Fort Capital Limited.

**Punit Mittal:** Thank you. In terms of the order book, can you please give a split of the order book between domestic and exports, and also some sense of the order pipeline that you have, which is in pipeline for both domestic and overseas?

And the second question is, can you give more colour on this quarter's revenue from Allygrow and from VTS that you acquired recently? Thank you.

**Kaushik Khona:** Sure. If I can take, Prashant ji, the order book question...

**Prashant Kamat:** Yes, yes go ahead, Kaushik.

**Kaushik Khona:** So, we have clarified the total order book as at 31st December at INR 1,390 crore, of which a broad classification on the types of segments in which we have the order book. If you look at the CAPEX part, CAPEX is basically the CAPEX for the client. The order book is almost 90% or 92% and the balance is OPEX.

When you look at the classification into the segments which we work, although we also clarified the domain. But when you look at the segments, geospatial and the engineering services would contribute almost 35%, and the technology solution would contribute almost 65%. This is the broad breakup of the order book. And as we already clarified earlier, this will go as per the period of execution as per the client's order, and the CAPEX could be between 18 to 24 months.

What was the second question? Allygrow.

**Punit Mittal:** Sorry. Just on that order book, can you also split between what is offshore and what is domestic in there? And what is the order pipeline right now apart from what you have from order book?

**Kaushik Khona:** Sure. So, the offshore order book is in the range of around INR 35 crores, which is to be executed through various clients. And the pipeline, we keep on building, I think every opportunity. Just to give you numbers, last 9 months, we have built up the order book of almost around INR 893 crore. And we have similar efforts going on for every quarter-on-quarter basis, where we aim to bid for the orders, which are aligned to more value-added services, which we are now providing. And we find lot of options available.

On an average, we see good opportunities in the range of around INR 400 crore, INR 500 crore per quarter could be the aim, right? We have also been applying for the new orders. As regards Allygrow, I think Prashant ji.

**Prashant Kamat:** Sorry, Kaushik.

**Kaushik Khona:** Yes. Allygrow, the total contribution out of the 9 months turnover, which we talked about, about the Allygrow and the Ceinsys individual. So, individually, just to give you a breakup, out of INR 118 crore, which is this quarter revenue, INR 100 crore was Ceinsys standalone and Allygrow is INR 18 crore standalone. This is the broad breakup.

Prashant ji, would you like to elaborate anything further?

**Prashant Kamat:** No, no, you have given the correct numbers, which is correct. Allygrow and VTS, we expect tide to turn and see the substantial growth start..

**Moderator:** Ladies and gentlemen, please stay connected. We have lost the connection with the Management.

Ladies and gentlemen, thank you for patiently waiting. We have the Management back with us. Over to you, sir.

**Prashant Kamat:** Yes, sorry, I was saying on the VTS and Allygrow side, we should start seeing the growth potential from coming March, April. As probably all of you know, auto industry during the last year, especially in the U.S. segment has been going down. However, there are good signs of recovery, and we intend to make the best out of it. Just that's an additional piece of information I wanted to add.

**Punit Mittal:** Thank you. And would that be the case for the joint venture Grammer as well?

**Prashant Kamat:** Joint venture has been stable. We don't see any issues in joint venture. And we don't see anything negative impact on joint venture. We didn't see even in this year. But because we don't consolidate joint venture numbers, you probably won't see them in these results.

**Punit Mittal:** Yes. But going forward, like last year, I think it was INR 12 crore of our profit in the joint venture. Do we see that growing this year or next year?

**Prashant Kamat:** No, no, hold on, hold on. I think last year we had explained that. Last year growth was because the first cycle of joint venture duration was coming to an end, and we renewed it for the next cycle. So, last year number was aberration increase. No, we do not see it going down.

Will it increase? My answer right now is a little bit cautious. I would say it would remain more like flattish than growth, but we don't see any risk of business losing or anything on the joint venture.

- Punit Mittal:** Understood. Thank you so much.
- Moderator:** Thank you. A reminder to all participants, please restrict yourself to two questions per participant. We have our next question from the line of Pranay Chatterjee from Burman Capital Management. Please go ahead.
- Pranay Chatterjee:** I'm trying to understand the delta in order book versus last year, INR 1,210 crores to INR 1,390 crores, and given the revenue execution that has been done. With respect to this, is the river linking project included in the INR 1,390 crores number?
- Kaushik Khona:** Yes, it is.
- Pranay Chatterjee:** But that doesn't make sense, right, because that order was won in 10th Jan, and you have mentioned that INR 1,390 crores as of 31st December.
- Kaushik Khona:** Yes. So, if you are reconciling between what period to what period?
- Pranay Chatterjee:** 30th September to 31st December.
- Kaushik Khona:** So, during this period, 1 is the value of execution, which has already been done, which is also going to be reduced, which is around INR 110 crore for the orders which have already been executed. And what has been added is around INR 380 crore. And I think we can do a reconciliation on an offline basis because that will be too much of number crunching, but numbers will tell you.
- Pranay Chatterjee:** So, just 1 thing I wanted to ask, the INR 1,210 crores that you disclosed last time, then it probably wasn't quarter end, but it was somewhere in the middle of this quarter, right, the time stamp that you are putting?
- Kaushik Khona:** Yes. I think perhaps it was also explained last time. It was on the 30th of June, if I remember. And that's why the numbers were getting reconciled. But as of now, the numbers which we have on 31st December is post the execution done till 31st December, including the orders which have already been awarded. And this order book does not include, obviously, the orders in pipeline. It's only confirmed order books, which have the CAPEX and OPEX part.
- Pranay Chatterjee:** Got it. Okay. My final question is on the order pipeline, I think it has been asked already. So, after Q1 call, you had mentioned that the pipeline was about INR 200 crores. But obviously, the order book was around INR 750 crores then. That pipeline would have been converted and

probably executed as well. What would be that INR 200 crores right now, will you be willing to disclose that? Or right now, you are focusing on execution?

**Kaushik Khona:** So, we are already got the orders in respect of those pipeline. I don't think we missed out anything. And as I already mentioned, the total orders which we received during the last 9.5 months or till January was INR 893 crores. The pipeline right now, we normally have every quarter pipeline of around INR 400 crore to INR 450 crore. As of now also, we are running on similar numbers of pipeline.

**Pranay Chatterjee:** And any delay you foresee, sir, in any of the projects current order book?

**Kaushik Khona:** No, not at all. Because we have already, as I also mentioned about the people which we already onboarded. So, when we actually see the opportunity, we also onboard some of the people to start with the evaluation and preparation for that. So, presently, we don't have any challenge on the delay of the projects.

**Prashant Kamat:** Kaushik ji, just 1 small point to be added. I don't know the question which is coming from which angle. So, I just want to add 2 separate topics on this. Whatever orders we have won, we don't see any concern in executing as per time-line, which we repeating. So, from that point of view, we don't see any delay. However, converting pipeline to actual order, we are dealing with too many unknowns. We are optimistic about getting this as we plan, but there could be delays from closing those orders. Just to be very clear on that topic?

**Pranay Chatterjee:** Understood, sir, anyway my question was on existing order book. Pipeline, obviously, is not in anyone's control.

**Prashant Kamat:** Yes. So, exiting we are pretty confident we will be able to deliver.

**Pranay Chatterjee:** Sure. Thanks a lot. Okay.

**Moderator:** Thank you. We have our next question from the line of CA Garvit Goyal from Nvest Analytics. Please go ahead.

**CA Garvit Goyal:** Good afternoon, sir. Congrats for a decent set of numbers. Sir, apart from this INR 1,400 crore order book, we got an additional order of around INR 381 crore, which is for this Vidarbha Irrigation, right? And the anticipated time line for execution is around 6 months. So, can you tell us like how much of this particular order is going to be executed in this financial year? And what is the amount of spillover into the next year, sir? So, that is my first question.

**Kaushik Khona:** Okay. So, first thing, just to clarify, INR 1,390 crore includes INR 381 crore. It's not over and above, because the order was awarded already before this meeting. This order book, which we mentioned is including the orders which have been granted so far.

Now as regards to execution, we already started the execution of the VIDC project, which is the river linking project. And as per the project time lines, we expect within these 3 months, which is January, February, March, an execution in the range of around INR 150 crore odd and which will be subject to some regulatory approvals which we require, based on the project execution, which we have to do.

So, as of now, we don't see any challenge of execution of that. But during this quarter, the execution could be in the range of around INR 150 crore for that project, subject to the regulatory approvals which are required from the government.

**CA Garvit Goyal:** And sir, execution period is generally low than the average execution period that you already mentioned for other projects. So, is it like this project is going to be affected in terms of margins that we are currently doing?

**Kaushik Khona:** No, no. There is no challenge in the margins. This is a prestigious project. We have already garnered all our support functions. What is more important also is on the technology front, we also tied up with Nippon Koei, who are having better expertise on some of the capabilities of designing and engineering capabilities for the dams and canals and all. So, they are our JV partner in this project and they will be also enabling this, so we have already started working together. And all the processes which are required have already been started.

**CA Garvit Goyal:** You mentioned JV partner. So, is it not like entire revenue will appear in our top-line or what is it...

**Kaushik Khona:** No, it is not a JV in this stick sense. It is basically a consortium, where we are the clients and they are our kind of, what do you say, the work order we will be granting to them.

**Prashant Kamat:** Technically, let me just clarify. It is basically our execution partner. And that's it for this project. It's neither a JV nor anything else.

**Kaushik Khona:** Yes. Sorry for that JV. It's actually as Prashant ji said, is execution partner. But revenue will be part of Ceinsys number.

**CA Garvit Goyal:** Got it, sir. Second question is on the similar kind of project. Like recently, Rajasthan government have announced INR 40,000 crore river linking project, right? So, my question is like are you seeing any opportunity to leverage its expertise like you are having in water infrastructure projects like given the recent Vidarbha Irrigation order. So, is Ceinsys evaluating the potential participation in this project? And if so, so what is the role the Company considering? And additionally, what is the size of order value could this opportunity present to us?

**Kaushik Khona:** So, I think we are very keen to participate. We are evaluating. We have been discussing, and we have been coordinating for such opportunities. The opportunities are available in not only

Rajasthan, they are available in the other states also. So, our business development team is already evaluating those opportunities. And obviously, with the kind of experience which we already have gathered, and we will be doing. So, that opportunities will be obviously taken up.

When we look at our part of the share, it typically depends on what kind of services we render. And in these projects, presently, it will be in the form of survey, DPR, engineering solutions and plans to be prepared for the purpose of BOQ for the state governments, and then they will float the RFP for further EPC project.

And typically, if you look at the Maharashtra government project, the EPC cost of this project is expected to be in the range of around INR 80,000 crore plus, and our number is around INR 400 crore plus. So, this is something while I don't think that's easy permutation to be calculated, but it could be in the similar range.

**CA Garvit Goyal:** Got it. And just a clarification on the earlier part, like you mentioned INR 400 crore to INR 450 crore quarterly pipeline basically. So, what is our win ratio in this?

**Kaushik Khona:** So, I think Prashant ji already clarified. We are putting our bet on where we feel we have our advantage and experience. The credentials in the projects where we have higher credentials is something which we try to bid for. And so far in the last 2 conference calls also, we have been mentioning about the winning percentage has been in the range of around 85% to 90% on the bids which we pursue. So, right now, we cannot cite any percentage of what winning percentage we will have for the pipeline, but we will try what we can do.

**CA Garvit Goyal:** Got it. That is it from my side, sir. All the best. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, please restrict yourself to two questions per participant. We have our next question from the line of Nikhil from Kizuna Wealth.

**Nikhil:** Thank you for giving me the opportunity. Congratulations on a very great set of numbers. Just a follow-up on the other participant's question. Like we have an 80% to 90% win-rate, and we have INR 400 crores of pipeline every quarter. So, we are looking at order win for the year to be around INR 1,200 crores to INR 1,600 crores, approximately. So, the run-rate should be quite high from our past performance. So, are we confident of achieving that? And even in the last con call also, Prashant sir said that we are aspiring to achieve INR 1,000 crores of revenue in next 2 to 3 years. So, isn't the ask rate too high?

**Kaushik Khona:** So, I think we are talking about some hypothetical questions, but we are building up the capacities. And if you see the growth, quarter-on-quarter, in the last 8 quarters or if you just track the last 4 quarters, we have been growing at a CAGR of more than 70%. So, I think there is proof in the statement which we say that we are adding our capabilities. This quarter is the highest performance so far. And obviously, next quarter, we target to improve upon. You have

already seen that the 9-month result of this year are better than the last 12 months results. And still the best quarter is yet to come, because quarter 4 is normally the better quarter, as you all know.

So, I think there are some things which we are building up the capacity. We already talked about number of people which we've added. This also takes care about some of the projects which we are evaluating. So, we are building up the capacity as we go. And I think when we bid for a project, not all projects are to be completed in 1 year. There are projects which go on to 18 months, 24 months, and large projects also go into higher period.

So, I think we are building up the capacities to ensure that we are delivering a higher end of the project, because now with the kind of capabilities which we have already acquired, we are looking at a project which gives us a higher value addition, based on the higher capabilities required. That's how the kind of credentials which we have gathered is going to be utilized in future.

**Nikhil:**

Sir, that's great to hear and reassuring. Like we have all our base engine set and now we are just ready to explore for growth. That's great to hear.

Sir, my second question is on VTS. Like on the VTS is engaged in geospatial services in telecom sector in the U.S. So, sir, how are we looking at that telecom sector in the U.S., like how the revenues are going to come in? How is the order there, order pipeline there?

And going forward in the future, how are we looking at our domestic mix and our export mix? Are we looking at some kind of 60:70 or 60:40 ratio or 70:30 ratio? Like how to keep that mix?

**Kaushik Khona:**

Prashant ji?

**Prashant Kamat:**

Okay. On the telecom side and VTS side, yes, your reading is right. We are trying to explore telecom market of U.S. in geospatial. And we believe it's a big growth vector for us in coming quarters. We are also looking other opportunities for growth in that segment. And we think we are in the right space, and we are trying to maximize that.

Your second question was, is the mix going to change over a period of time? The answer is yes. How much will that be? I think it's a little premature to answer, whether it's 60:40, 70:30, but our target is to get more consistent annuity revenue. Therefore, the percentage of international revenue will continue to increase. That's much I can tell you right now.

**Nikhil:**

Okay, sir. That's great to hear. And that would also give us a push to the margins, right, sir?

**Prashant Kamat:**

Yes, yes. We expect that to happen. Yes.



- Nikhil:** Okay, sir. That's great to hear, sir. Congratulations on the great set of numbers. And that's it from my side. Thank you.
- Moderator:** We have our next question from the line of Vineet Khatri from Toro Wealth Managers.
- Vineet Khatri:** Sir, I wanted to know the guidance which you have given for FY '25 and FY '26.
- Kaushik Khona:** Couldn't hear you. Sorry. Can you please repeat? Vineet ji?
- Vineet Khatri:** Sir, I would like to know if you have given any guidance in terms of top line and profitability for FY '25 and FY '26.
- Kaushik Khona:** No, policy, we are right now not giving any guidance. But what we do is we have a quarterly investor call after the results. So, presently, there is no guidance which we are offering. We will evaluate if we need to change this policy after the year-end results.
- Vineet Khatri:** Okay, sir. Thank you.
- Moderator:** Thank you. We have our next question from the line of Ashish Soni from Family Office. Please go ahead.
- Ashish Soni:** Sir, regarding data center business, how is it coming up? And do we see our target addressable market increasing with DeepSeek?
- Prashant Kamat:** I think beginning of the call, I mentioned that. Data center is 1 area we are still exploring. We have not made up our mind to be a serious player in that. We have not spent money either in that area. We are just at a stage of exploration. At the end of the exploration, if we believe there is a potential and we need to be there, we will take the necessary actions and steps.
- Ashish Soni:** And by when do you think you can come up with this exploration, like another 1 or 2 quarters or more time?
- Prashant Kamat:** Yes, another quarter or two quarters. That's max.
- Ashish Soni:** And regarding acquisitions, sir, any particular revenue you are targeting from I think 2 acquisitions which you plan to close maybe another 3 to 4 months or maybe 6 months. Any particular revenue you are targeting from those customers in any particular space?
- Prashant Kamat:** The space will be geospatial, that I can right now tell you. Revenue, little premature to talk about acquisition revenue when we don't even have completed the acquisition. So, I will be a little bit hesitant to answer the revenue questions here.

- Ashish Soni:** Okay. And the other thing you mentioned, I think in the current order book, you are executing INR 150-odd crore subject to regulatory approval in like Q4. So, do you think in Q4 revenue might be like INR 250 crore plus, if I do the math, whatever I've understood from the call?
- Prashant Kamat:** You can do whatever math. We will not comment on the future revenue. And I'm not sure when Kaushik said INR 150 crore or anything, he was mentioning that it will happen in that quarter only. Maybe there is a misunderstanding. Koushik, you can correct if I have misunderstood.
- Kaushik Khona:** No, it's a quarter till March. But it is, as I said, there are still things to be approved by the government, the customer. So, therefore, there are large issues which the government has to approve. So, I think INR 150 crore is we are prepared for, but let's see how it works.
- Ashish Soni:** Thank you.
- Moderator:** Thank you. Participants who wish to ask a question may press “\*” and 1 on the touchtone telephone. We have our next question from the line of Nilabja Dey, an individual investor. Please go ahead.
- Nilabja Dey:** Good afternoon, sir. Congratulations on your great performance. Sir, actually, I just have 2 questions. First of all, I am considering you a pure play IT service provider, obviously, specializing in a niche area. So, in this particular segment, currently, your order book is heavily dependent on government orders. And we all know how fickle these government orders comes, a lot of uncertainties and delays. So, what you are currently doing to diversify your order books, specifically from the private sector involvement from USA side or something or beyond India. Please can you share some thoughts on this?
- Prashant Kamat:** Yes. I think during the call, sometime back, we mentioned that 1 of the actions we have done already is we have acquired VTS, which is purely U.S. revenue, and we are also exploring further possible acquisitions. That is 1 definitive action, the Company has already taken. What we are also doing is we are also expanding business development team in U.S., so that we see more U.S. revenue. As a strategic direction, I mentioned that over coming quarters, percentage mix of international revenue will continue to increase.
- Nilabja Dey:** Okay. Surely. But another thing in the same context, I just want to share that how you are bolstering currently your leadership profiles? I know you have mentioned you have hired a lot of people, all those stuff. But in case you want to get new business from specifically the private sector beyond India, beyond government, whether it is India or specifically in USA, you really need to deploy lot of senior people, both hire a lot of senior people, not only from the BD side, but also India who can give enough confidence to the client. Yes, they can execute beyond the government orders. So, what you are doing in that directions?

- Prashant Kamat:** We have recruited some senior resources already in U.S. and we are on continuous lookout to get more people. Over the period of the next few quarters, you would probably see this more and more people joining and a very senior people from the industry.
- Kaushik Khona:** And just to supplement, Prashant ji, that we also tied up with some agency for Europe. And what your question was also correct that we also have India BD enhanced to support that function. So, I think all across the BD is being enhanced.
- Nilabja Dey:** Thank you. All the best.
- Kaushik Khona:** Thank you.
- Moderator:** Thank you. We have our next question from the line of Souresh Pal from KRSP Capital. Please go ahead.
- Souresh Pal:** Thanks for the opportunity, sir. My question is, sir, what is the order pipeline that we are taking right now?
- Kaushik Khona:** So, sir, we have a confirmed order book of almost INR 1,390 crores as on 31st December. And this is what is under execution. And we keep on evaluating more opportunities, and that is the order pipeline, which we will be able to confirm. As and when the orders are granted, we keep on intimating to the BSE about such orders being granted. So, as of now, we are sitting on an order book of INR 1,390 crore, which is being executed.
- Souresh Pal:** Sir, what is the execution time period of this order book? And what is the order book that is to be executed in this financial year, if you can answer?
- Kaushik Khona:** So, the order book which we have has various different customers and different execution time lines. Out of the total INR 1,390 crores, there are some projects which go up to 24 months. There are some projects which even the OPEX period goes up to 5 years thereafter. During the year, 1 year, which is financial year '25-'26, the order book which we already have, the order execution will be in the range of around INR 550 crore out of the total present order book.
- Souresh Pal:** Thank you. That's all from my side.
- Moderator:** Thank you. We have our next question from the line of Utkarsh Somaiya, an individual investor. Please go ahead.
- Utkarsh Somaiya:** So, your standalone profit is higher than your consolidated profit. And I guess the major difference between the 2 is the employee cost. So, can you please speak a little bit about this and why the difference?

**Kaushik Khona:** So, before Prashant ji would comment, I would just like to give you the actual numbers. So, on the standalone, the profitability is higher than the consolidated, your observation is correct.

On the Allygrow side, which is the engineering solutions, which we incorporate as a part of consolidation, there has been a slight EBITDA negative, which is same as last quarter, and we expect that to improve further, once the things improve in U.S. where we are catering.

So, Prashant ji, I would like you to further supplement.

**Prashant Kamat:** Yes. So, first and the most important topic, I think we addressed this question last quarter also. One of the major reasons why we see this drop in Allygrow, but growth in CS Tech is because what you see is the numbers when they consolidated financially doesn't actually give you the correct picture for the business. What we have done is the investment for the international market growth is being accounted in Allygrow, because we have a subsidiary of Allygrow in U.S. and not subsidiary of the parent company. So, actually, seeing them disconnected is probably not the right picture it is projecting.

**Kaushik Khona:** And just to supplement what Prashant ji said, if I were to adjust that expenditure, we will be EBITDA positive in Allygrow as well. And to that extent, the CS Tech results will be slightly kind of adjusted. But otherwise, I don't think there is any major challenge in the Allygrow results as such.

**Utkarsh Somaiya:** So, the reason is Allygrow hasn't scaled much yet. As it scales, your operating leverage will kick in and hence, profitability will also kick in. Is that the right understanding?

**Kaushik Khona:** That's correct.

**Utkarsh Somaiya:** Okay. And in this quarter, your gross margins fell, but your EBITDA margins were higher quarter-on-quarter and year-on-year. So, can you explain why that is? At the same time, your tech solution vertical also did better revenue. So, are the two related?

**Kaushik Khona:** Yes, you are right. They will be related because when we look at gross margins, we normally look at the EBITDA level, because gross margins are to be adjusted to various other line items of the project execution cost. So, we rather look at the EBITDA margins.

In the gross margin, some projects don't have the deliverables like some of the softwares or products, and therefore, they will be slightly higher. And in the other cases, they will be more of manpower cost or technology cost. And therefore, the percentages per every contract will be different. So, I would suggest that we look at the EBITDA margins, which will give you a better picture.

And when you mention about tech solutions, you are right. And I think Prashant ji also mentioned in the meeting that the margins are higher in the tech solutions, and therefore, our focus also is enhancing on the top line towards that, so that the margins also improve further.

**Utkarsh Somaiya:** So, going forward, the share of tech solutions will go up or at least remain the same in your order book and revenue?

**Kaushik Khona:** So, as of the present order book, the tech solutions percentage will keep on increasing as we go into the next quarters.

**Utkarsh Somaiya:** Where does that stand today, the tech solutions percentage in your order book?

**Kaushik Khona:** Tech solutions, if you look at out of INR 118 crore, we have INR 63 crore of the revenue from tech solutions, and INR 49 crore from geospatial engineering services. And if you see quarter-on-quarter also, the tech solutions turnover has been improving from last quarter of INR 36 crores to INR 63 crores.

**Utkarsh Somaiya:** I mean in your order book the INR 1,300 crore order book; I wanted to know the share of tech solutions in that.

**Kaushik Khona:** Tech Solutions, I think I had clarified, it is in the range of around 60% to 65% on the tech solutions.

**Utkarsh Somaiya:** So, rather your intention is to increase and maintain tech solutions, we can assume this 19% as base margin. And then, if at all we scale up, it can improve, but we can maintain this?

**Kaushik Khona:** That's correct. That's correct. If you see the quarter-on-quarter margins of last 6 quarters also, you can see the margins have been slowly improving each quarter because of that gradual shift.

**Utkarsh Somaiya:** And sir, I have 1 last question on the order book question you answered to the previous participant. So, out of the INR 1,300 crore order book, you said the support function will continue for the 5 years after the order is done. So, is that part of the INR 1,300 crore, the support revenue or?

**Kaushik Khona:** Yes, it is. There are some projects where there are O&M and support to be provided, not all. And in some projects where there is an O&M support, there are 2 years OPEX or 5 years OPEX depending upon each project. So, they will continue, and they are part of the order book also.

**Utkarsh Somaiya:** So, of this INR 1,300 crores, how much will be support and how much will be the core order?

**Kaushik Khona:** So, out of INR 1,300 crores, support is INR 64 crores and balance is the core.

**Utkarsh Somaiya:** So, approximately INR 1,200 crore is the core order.

- Kaushik Khona:** Yes. OPEX is normally less and because not all projects have OPEX.
- Utkarsh Somaiya:** And the maximum tenure is 2 years of any other projects within this INR 1,200 crore, right?
- Kaushik Khona:** No. There are some projects which go up to 2 years and more because there are certain open-ended projects also, which depend upon the project completion of the EPC contractor. So, for example, I'm doing a TPI for some projects, which has a project life of almost 5 years, but they get on extended every year-on-year. So, that project life is more than 2 years, 3 years.
- Utkarsh Somaiya:** Okay. And sir, as you say that you intend to bid for INR 400 crore, INR 450 crore of orders per quarter and your success rate is 80%, 90%, does that imply that we expect INR 300-odd crore order every quarter or at least INR 200 crore every quarter? How should we understand that statement?
- Kaushik Khona:** First of all, no forecast should be interpreted.
- Utkarsh Somaiya:** No, I just wanted to understand the scale of the Company from now to 2 years later or 3 years later.
- Prashant Kamat:** So, that's why I stepped in. Apologies for stepping in between abruptly. I think what Kaushik ji was mentioning or what our intent to communicate is this is the way we are building the Company, and this is what our track record is. If you want to take that as a forecasting tool, it's up to you, but we don't want to give any forecasting on that either closing order or what we expect business to grow to. But if you go by track record, your numbers are correct. That's how it should be.
- Utkarsh Somaiya:** Okay. Understood. Okay. Sir, 1 last book keeping question if you allow.
- Kaushik Khona:** Yes, please continue.
- Utkarsh Somaiya:** Is this interest cost and depreciation for the current quarter a sustainable number we can go with, because both have increased quarter-on-quarter.
- Kaushik Khona:** Yes. So, this is only because this was a period when the working capital was utilized. Otherwise, we don't have any term loans. And this working capital limits are not so great. So, I think these numbers are not going to fluctuate much.
- Utkarsh Somaiya:** And what is the operating cash flow for the 3rd Quarter?
- Kaushik Khona:** You are talking about the...
- Utkarsh Somaiya:** Operating cash flow. Yes, operating cash flow generation for the 3rd Quarter.

- Kaushik Khona:** Just give me 1 minute. It's around INR 124 crore.
- Utkarsh Somaiya:** Okay. Thank you so much. And best of luck.
- Kaushik Khona:** Thank you.
- Moderator:** Thank you. We have our next question from the line of Siddharta Mathew, an individual investor. Please go ahead.
- Siddharta Mathew:** Congratulations on a great set of numbers. I just wanted to get a sense of, in the rebranding, when you added the word CS Tech, when you added AI, what is the sort of rationale behind that? Is it in some way connected to potential acquisitions? Because from my understanding, our company's capabilities are not there currently. So, that's my first question.
- And my second one is relating to the current pledge. Just wanted to know what the pledge was and if could potentially increase or be released? Those are my 2 questions.
- Prashant Kamat:** Okay. Kaushik, let me take the first one. Second one, you can address. So, on the adding of AI, that is the intent of the Company that we will start building AI layers in different parts of the Company, different functions of the Company. Our journey has already started, as I explained on Meg-Nxt, and we will continue to do that. We expect more and more artificial intelligence-based decision-making inside the Company. That's why we added that AI.
- And your interpretation, is it because of acquisition? The answer is yes. When we are looking at acquisitions, we will also look at from that perspective.
- Kaushik, over to you for the second question.
- Kaushik Khona:** What was the question? Can you just repeat? Sorry.
- Siddharta Mathew:** I just needed to know the current shares that were pledged percentage.
- Kaushik Khona:** The shares pledged was an old arrangement, which is long back before 5, 6 years when we were banking with State Bank of India. And we have been able to make fresh arrangements where the new banker is expected to kind of not ask for any more shares in spite of the fact that the limits may increase. And gradually, we expect that numbers of pledged shares to reduce. But as of now, they are the same.
- Siddharta Mathew:** Okay. So, around 15% or so, is that correct?
- Kaushik Khona:** Yes. Less than 10%.
- Siddharta Mathew:** Less than 10%. Okay. Thank you.

**Moderator:** Thank you. We have a follow-up question from the line of Pranay Chatterjee from Burman Capital.

**Pranay Chatterjee:** Sir, I just wanted to confirm 1 number you mentioned, INR 550 crores would be the execution of the current order book in FY '26. In that respect, of this INR 550 crores that you are saying, how much would be from the river linking project?

**Kaushik Khona:** You are talking of '25-'26, right?

**Pranay Chatterjee:** Yes, FY '26.

**Kaushik Khona:** Yes, it should be in the range of around INR 220 crores or so.

**Pranay Chatterjee:** Sir, the current order book is around INR 1,400 crores, which is INR 1,000 crores of other orders and INR 400 crores of the river-linking one, high level. So, this INR 220 crores is that, so only INR 300 crores to INR 330 crores of the remaining INR 1,000 crores will be executed next year. Is that understanding correct?

**Kaushik Khona:** No. Out of that, there are some projects which are going to be executed in the fourth quarter also. So, quarter-wise reconciliation, I will be able to provide you separately. But out of INR 1,000 crores, which you just bifurcated, I guess, around INR 100-odd crores will be executed this quarter also, more than INR 100 crores.

**Pranay Chatterjee:** Sir, so you had initially mentioned INR 150 crores of river linking if the regulatory approval comes, right? When you say this quarter, it's already half has gone, right? So, I'm just trying to understand that if I do simple math, INR 150 crores of the river linking, INR 100 crores of others. So, then the top-line would be INR 250 crores for the quarter, Q4.

**Kaushik Khona:** So, that's something as I said, we don't forecast, but that's a plan as per the order book. That's correct.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question for today, and I now hand the conference over to the Management for closing comments. Over to you, sir.

**Kaushik Khona:** Thank you. I would thank each and every participant who have shown interest in our company's performance. And I once again thank, on behalf of Management, that you have been quite participative into our progress. We wish that you continue to take interest into our project, and we will be doing such investor conference call every quarter at least.

We would be happy to answer any questions which you may have further, for which we would like you to also reach out to Valorem Advisors. Anuj is the key person over there. And we thank





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once again all of you for being here. We also thank the team of Nirmal Bang to have managed this call for us. Thanks a lot.

**Prashant Kamat:** Thank you. Thank you all. Thank you very much.

**Kaushik Khona:** Thank you.

**Moderator:** Thank you. On behalf of Nirmal Bang Institutional Equities, that concludes the conference. Thank you for joining us, and you may now disconnect your lines.