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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 7th August, 2024 intimating the Exchanges regarding Schedule of Earning Call Post declaration of first quarter ended on 30.06.2024 Results for the Financial Year 2024-25 which was held on 12th August, 2024, 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 12th August, 2024 with several funds/individual investors.

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

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

धन्यवाद/Thanking you,

भवदीय/Very truly yours,

कर्त इंजीनियर्स इंडिया लिमिटेड
For Engineers India Limited

नरेंद्र कुमार/Narendra Kumar
अनुपालन अधिकारी/Compliance officer

Encl: As above /संलग्नक: यथोक्त



Engineers India Limited

Q1 FY'25 Earnings Conference Call

August 12, 2024



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

MODERATOR: **MS. BHOOMIKA NAIR – DAM CAPITAL**

Moderator: Ladies and gentlemen, good day, and welcome to the EIL Q1 FY '25 Earnings Conference Call hosted by DAM Capital Advisors Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

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

Bhoomika Nair: Good afternoon, everyone, and welcome to the Q1 FY '25 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; Mr. Sunil Saxena, Executive Director, Technical; Mr. Amanpreet Singh Chopra, Senior General Manager, CMD Office; Mr. Vivek Midha, Senior General Manager of Marketing, Business Development and IR; and Ms. Neha Narula, Senior Manager, Company Secretariat and IR.

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

Sanjay Jindal: Thank you, Ms. Bhoomika. Good afternoon, everybody. A warm welcome to EIL's earning call of quarter 1 for financial year '24, '25. We have declared results of quarter 1 of financial year '24/'25 on 9th August '24. As regard to financial performance for the 3 months ended June '24, the company has registered turnover of INR611 crores, we generate INR808 crores during first quarter of the preceding financial year.

Turnover from Consultancy and Engineering segment stood at INR347 crores and some Turnkey segment at INR264 crores. A decline in turnover is due to Turnkey segment, whose major ongoing contracts are on the verge of progress. However, in the current financial year or late in the preceding financial year, we have received a number of Turnkey jobs, whose turnover will be reflected in the coming quarters.

Other income during the current quarter ended June '24 is INR38 crores as compared to INR93 crores during first quarter of the preceding financial year. Other income for the quarter ended 30th June '23 includes interest income to the tune of INR56 crores, pursuant to settlement with one of the clients in Consultancy and Engineering Project segment.

During the current quarter of the company, has reported PBT of INR74 crores and sight of INR55 crores in comparison to INR153 crores and INR114 crores respectively during the first quarter of the preceding financial year.

The company has an executed order north of INR9,658 crores comprising under Consultancy segment of INR5,522 crores and under LSTK segment of INR4,136 crores as on 30/6/'24. However, if we consider the order inflow for the month of July and above, as on date 10 companies are having the order book opportunities around INR11,000 crores.

So now, this is to Ms. Bhoomika.

Bhoomika Nair: Sagar, can you please open for Q&A.

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

Mohit Kumar: Congratulations on an excellent order inflow for the quarter. My first question is on the, sir, you mentioned that the order book has increased to INR11,000 crores by the end of July. Can you just help us with the kind of order you received in July? Is it a Turnkey or Consultancy? Can you give some color?

Vivek Midha: Good afternoon. This is Vivek Midha from Marketing and Business Development. So primarily in this 2 months gap after the tune, we probably order from the Consultancy has been to the tune of around INR1,400 crores, and as that the Consultancy has been approximately INR1,000 crores is in LSTK segment and OBE basically -- segment. So that's the new addition which has taken place in the last 2 months after this quarter was ended.

Mohit Kumar: Is it possible to name those Consultancy projects, sir?

Vivek Midha: The Consultancy is primarily from the BPCL for the Bina refinery. And the OBEs and LSTK is from ONGC.

Mohit Kumar: Understood, sir. And sir, given the fact, of course, you received the BPCL refinery, you received the Petronet LNG order. But how is the auto prospect for the balance of this fiscal?

Vivek Midha: There is nothing balance from the BPCL, because it's already been awarded.

Mohit Kumar: My question is, yes, are there any large packages available for BPCL or IOCL or some other agencies, which you would tender in the next 8 months?

Vivek Midha: So the BPCL was the recent bidding and we started it in the last financial year, but it was concluded. But there are some biddings that are going on with the other state-owned companies, which are in the competitive mode. So they would be realized towards the end of this year. Those are in the bidding stage. So it's not appropriate to name them. There are many queries which are in the bidding stage still.

Mohit Kumar: Understood, sir. So my third question on the EBIT margin. EBIT margin for the quarter for Consultancy as very low. How should we think about this margin? Do you think that is the -- are there any one-off in this quarter? Should we expect a normalized margin of 24% to 28% going forward?

Vivek Midha: As you know, in this project kind of industry, margins are always cyclic in nature. And definitely, since we have a strong order book, and that order book will be reflected in turnover in the coming quarters. And we are sure that margin will -- all margins in the Consultancy segment will be intact.

- Moderator:** Our next question is from the line of Manish Ostwal from Nirmal Bang Securities Private Limited.
- Manish Ostwal:** Sir, my question on the pipeline prospects for the order bookings in the coming quarters, and so can you take -- talk you about that thing? And secondly, in terms of margin of the Consultancy and the Turnkey, what is the sustainable margin on a yearly basis for both the businesses, sir?
- Vivek Midha:** With respect to the upcoming orders, so we had anticipated last year that we will be at least matching the last year's order, but last year we could not -- we could not reach that 4,500 -- for ourselves. But now, till date -- today, itself, -- as of today, we have already reached 4,800 orders. So we are going to add a good amount of orders in time to come. At least --
- Moderator:** Sorry to interrupt, sir, we are losing your audio in between.
- Sanjay Jindal:** With respect to your margin in the LSTK segment, it is around 5% on sustainable basis.
- Manish Ostwal:** Okay and Consultancy?
- Sanjay Jindal:** Consultancy segment profit is around 20%.
- Manish Ostwal:** And secondly, sir, we are trying quite a long time to connect the Director of Finance for making -- taking appointment. So can you share the details the right person for the appointment? That would be great.
- Sanjay Jindal:** May I know which firm you are?
- Manish Ostwal:** My name is Manish Ostwal and I'm representing Nirmal Bang Securities, Mumbai.
- Sanjay Jindal:** Okay. You can write a mail to me, I will respond.
- Moderator:** We'll take the next question from the line of Ms. Bhoomika Nair. Sorry to interrupt Ms. Nair. The line for the management is dropped. Please stay connected while we reconnect the management back. Ladies and gentlemen, the line for the management has been reconnected. Sir, please go ahead. And we have the next question coming from the line of Ms. Bhoomika Nair from DAM Capital.
- Bhoomika Nair:** Yes. Sir, if you can talk about the order prospects as the one moves ahead. What are the kind of, while we've gotten the BPCL order, but for the balance part of the year, what are the kinds of orders that are there? We were looking at some international orders from Nigeria, et cetera. So if you can just talk about both the domestic pipeline in terms of ordering activity and where you're seeing orders?
- Moderator:** Sorry to interrupt, ma'am. The line for the management again is disconnected. Please stay connected while I reconnect them back. Thank you for patiently holding. Your line for the management has been reconnected. Bhoomika ma'am, if you can please repeat your question once again?
- Bhoomika Nair:** Yes, sir. Sir, I don't know how much you've heard, but I was basically trying to...

Sanjay Jindal: I'm sorry, Bhoomika, please repeat your question because a lot of disturbance was there and we could not listen your question properly.

Bhoomika Nair: No worries, sir. Sir, the question was revolving around the order pipeline after a very healthy first half or kind of orders that we've seen right now till date, what is the outlook in terms of ordering activity, what more PETCHEM orders can possibly come through because there are a lot of petrochemical orders in pipeline? And also, I understand we were looking at some international orders from Nigeria, et cetera, what is the status out there? What is the activity out there? If you can just brief us about the pipeline.

Vivek Midha: Bhoomika, this is Vivek. I just want to respond to on that question. Regarding the remaining orders, the initial stages of the first three months have gone -- I think, 4 months, 5 months have gone. But still various orders are in the bidding process. We are bidding for it. The results are expected to come towards the end of this financial year and towards the end of this calendar year.

So we anticipate something coming around towards the third quarter of this year. But the bidding process itself takes time and with orders in the system they would definitely be coming towards the end of this financial year because the first phase of the process is on. So, when it moves to the next phase...

Bhoomika Nair: Vivek, sorry, but just your voice is cracking. Can I please request you to come closer in...

Vivek Midha: Yes, ma'am. So what I'm saying is, it's like this, with respect to the orders in the Consultancy segment or OBE segment, we have already completed, I think, 3, 4, 5 months, wherein we have seen that this order book, which is around 4,000 -- the business security is around INR4,800 crores. We are anticipating some more orders, which are in the bidding process. So these are likely to be added towards the next quarter -- at least next quarter or the quarter -- the next quarter means quarter 3 -- towards the quarter 3, those things should get, which is the Consultancy orders, which we are in the bidding process.

Bidding process takes at least 2 to 3 months, and then results from an valuation comes, this takes time. So towards the end of this calendar year, we should be getting some orders. And with respect to the international orders which have been discussing on the Nigerian part, this would be somewhere in the first financial -- first quarter of the next calendar year, means, that would be end of the -- this financial year.

So it should be concluded by them, because they are -- the project is under the execution on the initial stage and when the second stage comes then they will award ours. So we are likely to see positivity towards the end of this financial year.

Bhoomika Nair: Okay. Is there any other international orders apart from the Nigeria one where we're seeing some...

Vivek Midha: No. There were good orders, which is the regular one. Middle East is a regular one. We have right now secured quite a good order from the Middle East. Middle East, but specifically from

the UAE. So we are likely to get more orders in the Consultancy segment from the UAE. It would be Engineering orders, Engineering and Consultancy assignments.

Bhoomika Nair: Okay. So given that this year already, we've got something like a INR4,800 crores kind of an order intake, what is the outlook? And what is the target for the full year? And if you can please split it between Consultancy, what kind of order intake there can be and LSTK?

Vivek Midha: The ratio between the Consultancy and LSTK would almost remain -- did remain the same as it has been done earlier. Little bit -- it could be a little bit more on the LSTK side, OBE side, because this year our OBE business has been more. But OBE also has a Consultancy company, but that does not -- it works with me also.

So that is going to be there. And then the next question was the -- okay. The target, what is the target? So this -- initially, our target was around INR4,000 crores to INR5,000 crores. So that we have almost reached. So we are likely to add some more in this because at least INR2,000 crores to INR3,000 crores we will be, on the conservative side, we'd like to try and get it. But hopefully, it should be more.

Moderator: The next question is from the line of Nidhi Shah from ICICI Securities.

Nidhi Shah: I actually have a couple of questions. The first one being that what is our revenue and PAT guidance for the U.S.?

Sanjay Jindal: And as far as revenue is concerned, we will be around in the range of INR3,500 crores. Now, so already we have -- we are having handsome order book. And it will be translated into the norm in the coming next quarter. And I think our profit -- net profit also will be intact on yearly basis.

Nidhi Shah: Okay. So given that this quarter revenues have been extremely muted, we've not seen this kind of quarter in the last 2 or 3 financial years. So I understand that the business is cyclical, but one being that if you have to attribute one or two key reasons to this, then what would that be? And second, given how low the revenues have been this quarter, how comfortable are we in achieving our -- the target of INR3,500 crores that you mentioned.

Sanjay Jindal: Sorry, I could not understand the question. Will you repeat your first part and second part?

Nidhi Shah: Yes. So as I said, you've given a revenue target of INR3,500 crores. And as we can see this quarter has been significantly lower. We've never -- we've not seen this kind of numbers, revenue numbers in a couple of years now, I think. So given that, is it -- I also understand the nature of business is cyclical, but what are the one or two key reasons that you could attribute to this quarter's lower revenue? That is number one. And two, is that given how low this quarter has been, how confident are we of achieving our full year guidance for revenues?

Sanjay Jindal: Let me answer your first part. In this quarter, our turnout from the Consultancy business segment is intact. It is in line with the previous quarter. But as I told in my this thing, in this quarter, there is a low turnover from -- Turnkey segment is on the lower side, because some of the projects are on the verge of closure. But some of the new Turnkey projects have already started in the last

quarter and some of the projects have been started in the first quarter, and some of these projects are going to be started in the second or third quarter.

So on the yearly basis, there will be increase in turnover from the Turnkey segment in the coming quarters, because it is a continuous job for EIL, some projects gets closed and some projects gets started. And based on the order book, we are sure that we will meet our target figure of turnover, and our profit will be intact in the coming time, because we are full order book in Consultancy segment also.

Nidhi Shah: So given what you said, can we expect the ramp-up in revenues to be from quarter 2 or from quarter 3? What is your expectation on that?

Sanjay Jindal: I cannot commit right now, because, as you know, turnover depends on the cost progress. So it will be based on the time and the year.

Nidhi Shah: All right. All right. I also wanted to know what is the status of the IOCL Paradip project?

Vivek Midha: IOCL Paradip project?

Nidhi Shah: Yes.

Vivek Midha: About the Paradip project, that is in still in the bidding process. Hence, it's going to take some time.

Moderator: The next question is from the line of Shirom Kapur from Prabhudas Lilladher Capital. Please go ahead.

Shirom Kapur: My question is on your energy initiatives and on that side of things. What is -- how is the order pipeline shaping up? And how much contribution do you expect from your green businesses this year and next year?

Vivek Midha: Green business has been typically in the range of 8% to 10%. So we still expect the same thing. It's around 10% to 12%, could be less. But we are still in the initial stages, and not many business, many major products are there, because, mostly the studies are there. So that does not add to business value much. But they are a good prospects for the future. So it's going to be around 8% to 10%, 12%. It is still going to be in this range itself.

Shirom Kapur: Could you give maybe -- throw some more color on what kind of opportunities are in the pipeline? And what is EIL's addressable opportunity within that?

Vivek Midha: Yes, the opportunities are there. With respect to the green hydrogen projects within the having green ammonia facilities, and then green urea project is also there on the annual. There is a feed expected from the, again, green hydrogen project. So there are a number of projects which are in the bidding process. Some of them are for the private consultants, some of them are for the public sectors. So these are there in the concentration, so that we are working in the initial stages of those studies.

Moderator: Our next question is from the line of Naitik Mohata from Sequent Investments.

We'll move on to the next question as there is no response from the line of current participant. The next question is from the line of Anuj Sharma from M3 Investment.

Anuj Sharma:

My question pertains to the international pipeline, not specifically for us, but the general investment outlook in Africa and Middle East. How is that shaping up last year versus this year? And how is our investment win rate in the export market, in the national market shaping up? How are we building competencies to possibly have a better win rate there? That's question number one.

Vivek Midha:

So with respect to the international market, specifically the Africa. Africa, definitely, there is a development taking place, a lot of investments are planning. But most of the projects which we see or which we did the inquiries are looking for the investment also. So we get to choose the projects specifically, because being an African market and we need to check the clients credentials. And definitely, we are not an investor, so we cannot invest in the project.

So we have to target the clients which are well established, like the Dangote and the any other clients who -- wherein we are sure that we will get the payment, because that is a big problem in Africa, the reliability of the client and the reputation of the person, that when you work there, you should be able to get the payment.

So that kind of portion, so we have to always choose when we are bidding for any of the projects in Africa. Outlook is very good, because you know that Africa has literally more in the carbon industry. But at the same time, it's marked with a lot of corruption, all those things. So any project takes, it takes time -- it takes time and development.

And a good part to identify a good project, wherein we can bid. So we were able to identify some of the [Inaudible 25:08] Gungte on. Similarly, another client is there, where we are working for PETCHEM and fertilizer as well as LNG. So we work on that very specific basis, wherein we are sure that we get the business and get the payment. So that kind of consideration we always take. Whereas outlook for the Africa is always very bright, because they have a lot of potential. But we have to be very careful in choosing in those markets.

And then Middle East, definitely is very good for us. We are focusing it -- very much focused on our UAE operations. We have been very successful in getting a lot of things getting in. It's a mid -- good amount of engineering assignments we are getting. And likely to, in times to come, like the focus we have shifted on the Middle East, we're going to get a good amount of business, and our UAE will become a hub of the engineering activities in the Middle East market. So that's the strategy we have followed and that's we are following.

Anuj Sharma:

And in terms of investments along with Consultancy, is this becoming a norm, our competitors are also doing the same? Or is it a few projects are demanding this? This type of...

Vivek Midha:

It's -- a few of the projects which are demanding. If it's an established client, they would look for the consultants. But if it's not an established client, they would look for the investment first. So we always choose those projects which are either funded by a government institution. We are sure that they are good and they are reliable. So accordingly, we work.

- Anuj Sharma:** Okay. And in terms of your assessment, let's suppose 3 or 5 years down the line, what could be the share of international book versus India book, considering that you have good visibility as to how things are evolving for domestically and export.
- Vivek Midha:** The ultimate target is at least to bring it to the 50% of our revenue should come from the international, and that's a long-term target. Right now we are working, we are moving towards this around 20%, 30%, we should be able to get it. But long term, it's different. Consultancy segments.
- Anuj Sharma:** Sure, sure. And my last question is on Ramagundam. Can you just give some update as to how that project is shaping up in terms of utilization and expected profitability? And is it now fully matured or some more developments for it to become a completely project as we envisaged?
- Sanjay Jindal:** Actually, it's already running at 90% capacity. And for the current year it's -- our share is INR32 crores. Our percentage share is 26%. So our percentage is very good. On an overall basis, I think it is something -- around INR130 crores PAT was there and our 26% was around INR32 crores.
- Anuj Sharma:** Okay. No, but is it achieving the -- so there were some delays. There were some IRR shortfall.
- Sanjay Jindal:** No. Now it is history. The project is running very good, and it is running at 90% capacity. And in the coming year, it will be 100% capacity and you will see the profit on that side also.
- Anuj Sharma:** All right. Within this project, specifically, Ramagundam, there is no further investments to be made from EIL? Is that correct guess?
- Sanjay Jindal:** That plant is already running and having good profit. And in the coming days, it will generate surplus also -- they will generate surplus also. In case there is any expansion, then management will take it all accordingly.
- Moderator:** Our next question is from the line of Poojan Modi from who's an Individual Investor. Please go ahead.
- Poojan Modi:** Congratulations, sir, for the numbers. My question is regarding Numaligarh Refinery. Sir, what is the status of Numaligarh Refinery at present? Sir, what is its expansion amount and what income can we drive from it in future?
- Amanpreet Chopra:** This is Amanpreet. See, the Numaligarh refinery -- their estimates are have started -- under execution and close to commissioning. So probably by the end of this financial year, [inaudible 30:00]. And once the commissioning is there, then that revenue that we'll be generating from that extended capacity, that will be reflected in our book sales as well.
- Moderator:** The next question is from the line of Bhoomika Nair from DAM Capital.
- Bhoomika Nair:** Yes, sir. Sir, just wanted to understand the green initiatives in terms of, say, hydrogen, CBG, et cetera, how is that progressing? If you can please give some update on those, that part of the business?

Sanjay Jindal: Green hydrogen business, with respect to the updates, like we have formed a special group for handling this green hydrogen business. One team is staying and meeting various clients. And wherever the opportunities are available, they are meeting them. We are getting in -- we have involved -- we are right now involved in various kind of studies being done.

So because these projects are in the nascent stage, so studies are being done. So studies -- When the implementation comes, we will get involved in the implementation. So the work is going on. So with respect to the target, Vivek has already explained in the earlier communication around 10% to 12% should be coming from the green hydrogen business. So that's going to be there.

Bhoomika Nair: So sir, your exactly what are the pilot projects that we are working on in terms of the hydrogen, if you can elaborate a little better?

Vivek Midha: The pilot projects like we are working, you are aware that, we are working for Neyveli Lignite Corporation. It's basically lignite to methanol project. They have another project which is next-mile methanol to which is a diesel project. They have it's another client, which is talking about the -- I guess, hydrogen one. There is another project where we are carrying the feasibility studies for the upcoming green hydrogen project. So these are few of the studies which we are working on.

And one of the projects, for which we had done the feasibility studies for the private investor, they are in the initial stages of taking both approvals for the implementation of that project. So if that gets successful, then it's going to be a major green ammonia project and it's going to be a substantial project for us. So we are hoping for the best, because in fact, all these clients are also a little bit conscious, when you make the decisions. So, they have to shift very complicated past.

Bhoomika Nair: Sorry, sir, your voice is cracking.

Vivek Midha: What I was saying, we are also interacting with one of the clients for which we have prepared the feasibility study report in past. They are right now in the process of taking the Board approvals for implementation of the project. If successful, that's going to be one of the major projects in the hydrocarbon segment -- in the green hydrogen segment. So that's a good opportunity available with us. So they are going to deal with it, and we'll be dealing with them directly. So these are some of the opportunities which is there on able, and we are working on.

Bhoomika Nair: Okay. And the other part was the CBG part of it, sir.

Vivek Midha: CBG. The CBG, we are still pursuing -- we haven't done much in the CBG. Because CBG does require so much of technology-intensive or engineering-intensive work. So they are -- so we are not focusing on CBG, rather than we are focusing on the other segments of green hydrogen as well as the core segments.

Bhoomika Nair: Okay. Okay. So the other thing was also on solar. Anything out there that we are doing within the green aspect of it?

Vivek Midha: In the renewable segment, we are doing one project for one of this company. It's in October, one old client, HMEL, they are doing the solar project. And we are doing other project for Neyveli

Lignite Corporation for their 5-megawatt green renewable projects from -- green hydrogen projects. This includes the renewable as well as that.

And there are certain other projects or certain other opportunities available, where we are still pursuing, whether it is possible. But as such solar is a very competitive market, and it's a very low-cost players available in the market. So we always go for the niche kind of work, wherein we have substantial work and engineering effort is involved. So that is what we are targeting.

So solar CSB is one of the markets which we have been marketing and we have been -- as the Consultancy, we are finding the opportunities wherein we can put in solar CSB projects, wherein there's a lot of engineering and technical skills is required and we -- that would create a niche for us.

Bhoomika Nair: Okay. And sir, from a, any dividend that you are expecting from NRL this year? And anything that is booked in the first quarter?

Management: We are testing on the similar lines for dividend form we are having. Because keeping in view of expansion, we are expecting similar difference.

Moderator: The next question is from the line of Shirom Kapur from Prabhudas Lilladher Capital.

Shirom Kapur: To follow-up, I just had a question on your Turnkey business. This quarter, we had quite low execution. But of course, the total business revenue guidance for FY '25 is about INR3,500 crores. So could you give us a mix of what you expect between Turnkey and Consultancy? Will it largely come -- the growth largely come from Consultancy? Or do we expect Turnkey to also eventually end higher in FY '25 versus FY '24 given the low execution this quarter?

Sanjay Jindal: I think specifically, our revenue from the Consultancy segment remains in the range of 50% to 60%. And sometimes, this figure become reverse and our LSTK revenue goes up to 50% to 60%. So it's a business level. And this time, we have good order book actually in the Consultancy segment also. So we are expecting around 50% to 60% turnover from the Consultancy segment and balance from the Turnkey segment. And we have a good order book on the LSTK segment also. So I think LSTK segment will be 40% to 45% this time.

Shirom Kapur: Okay. And given that you're expecting a long-term margin of, sort of, 5%. But in Q1, we had a margin of almost 8% in the LSTK segment. So does that mean the balance 9 months, we expect, fairly, lower margin to get to that average 5% for the rest of the year?

Sanjay Jindal: If you see, I have told you, 5% return is on sustainable basis. It is an average data. Sometimes I get change order from the client, then in that particular quarter, it goes beyond 10% also. So it depends upon the change order also.

Shirom Kapur: Okay. And so, was there any change order that was there this quarter which is why we got an 8% margin?

- Sanjay Jindal:** Yes. On a regular basis, we are pursuing with our clients about our change orders. That change order may be in terms of ex-item and in terms of time extension, because when our LTE becomes non-valuable by clients. So it's a continuous process for the year.
- Shirom Kapur:** Okay. So given that the change orders tend to happen sort of on a continuous basis, would it be possible -- and given that you might have some ongoing discussions with clients, is it possible to give a kind of a margin guidance for the next, at least for FY '25 factored in, what potential change orders could be coming in? Is that possible to give that kind of value?
- Sanjay Jindal:** Change order also depends on the approval cycle and the decline. Some of the change orders goes to their board, and some of the change orders are approved by the directors. So as such, I cannot give any time line for the approval of change orders by client time. See, the client take up all our change order at the end of project, while during the closure of contract. But post we can order for here. If you see that history, we are getting change order from the clients also.
- Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to Ms. Bhoomika Nair for closing comments.
- Bhoomika Nair:** Yes, I would like to thank all the participants and particularly the management for giving us an opportunity to host the call. Thank you very for your detailed responses and giving us an opportunity to host the call. Thank you very much, sir, and wish you all the best, sir.
- Sanjay Jindal:** Thank you, Bhoomika.
- Moderator:** On behalf of DAM Capital Advisors Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines now.