

Date: 3<sup>rd</sup> June, 2025

To  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex  
Bandra (E), Mumbai – 400 051

To  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400001

**Scrip Symbol: EIEL**

**Scrip Code: 544290**

**Sub: Transcript of the Conference Call for Analysts and Investors held on 29<sup>th</sup> May, 2025**

**Ref: Disclosure under Part A of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

In compliance to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we have attached herewith transcript of the Earnings Conference Call for Analysts and Investors conducted on Thursday, 29<sup>th</sup> May, 2025.

The same is also disseminated on the Company's website at:

[https://www.eiel.in/files/ugd/2514a1\\_0c88bcdadbc24121ac02fe8b3ada9150.pdf](https://www.eiel.in/files/ugd/2514a1_0c88bcdadbc24121ac02fe8b3ada9150.pdf)

This is for the information and record.

Thanking you,

**For Enviro Infra Engineers Limited**

**(Piyush Jain)**

**Company Secretary & Compliance Officer**

**A57000**

**Encl: a/a**



“Enviro Infra Engineers Limited  
Q4 & FY25 Earnings Conference Call”  
May 29, 2025



**MANAGEMENT:** **MR. SANJAY JAIN – CHAIRMAN AND WHOLE-TIME  
DIRECTOR – ENVIRO INFRA ENGINEERS LIMITED  
MR. MANISH JAIN – MANAGING DIRECTOR – ENVIRO  
INFRA ENGINEERS LIMITED  
ADFACTORS PR – ENVIRO INFRA ENGINEERS LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to Enviro Infra Engineers Limited Q4 and FY25 Earnings Conference Call hosted by Adfactors PR. This conference call may contain forward-looking statements about the Company which are based on the beliefs, opinions and expectations of the Company as on date of this call. These statements are not the guarantees of future performance and involves risks and uncertainties that are difficult to predict.

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 the star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sanjay Jain, Chairman and Whole-Time Director, Enviro Infra Engineers Limited. Thank you and over to you sir. Thank you.

**Sanjay Jain:** Thank you. Good morning everyone. I would like to extend a very warm welcome to all of you for Enviro Infra Engineers Limited Earnings Conference call for the fourth quarter and year-ended 31st March 2025. I would like to begin by expressing my gratitude to all of you for taking the time to join us today. We have on call with us Mr. Manish Jain, Managing Director and Adfactors PR, our Investor Relation team. We have shared our result presentation.

I hope you all must have gone through it. Since this is our third earnings conference call, I would like to take you through our recent development before we get into the business and financial performance for this period. Enviro Infra Engineers Limited is one of the India's leading infrastructure and environmental

engineering companies specializing in water and wastewater solutions.

With a strong focus on sustainable infrastructure, we bring decades of expertise in designing, building and operating complex environmental projects across the country. Our work supports some of India's most ambitious national missions, including the Jal Jeevan Mission, the Atal Mission for Rejuvenation and Urban Transformation, AMRUT, and the National Mission for Clean Ganga, NMCG.

These are not just infrastructure programs, they represent our collective responsibility to build cleaner, healthier and more sustainable communities for future generations. During the year, we have continued to build momentum with bids submitted for projects in excess of INR 5,000 crores. This robust pipeline is a testament to the trust that stakeholders and government agencies place in us.

As of 31st March 2025, our order book remains strong and healthy, standing at around INR 1,185 crores, comprising 22 diverse projects across multiple states. Our operation and maintenance order book adds another INR 806 crores, providing clear visibility into our future revenues and growth pipelines.

Further, in financial year 2026, we have secured additional new orders worth INR 200 crores, indicating a strong start to the year and continued confidence from our clients. In recognition of our commitment to excellence, Enviro Infra Engineers Limited has also been awarded ISO certifications for Environmental Management System, Occupational Health and Safety Management and Quality Management System, further underlining our focus on safety, sustainability and performance excellence.

At Enviro, we play an active role in driving India's water sustainability and urban transformation. One of the defining features of our approach is our commitment to timely and high-quality project execution. Now, I would like to hand over the floor to our Managing Director, Mr. Manish Jain, who will provide deeper insight into the Company's financial and operational performance. Over to you, Manish.

**Manish Jain:**

Thank you, Sanjay sir. Good morning, everyone. I shall take you through our quarterly and full-year financial performance. Starting with Q4, our revenue from operations grew 31% year-on-year to INR 393 crores, driven by the robust execution of a strong order book. EBITDA for the quarter was nearly INR 100 crores, as against INR 86 crores in Q4 FY24, registering a 16% growth on year-on-year basis.

The EBITDA margin for Q4 FY25 was 25%. While the PAT grew by 30% to INR 74 crores with the margin at 18%. Now, coming to full-year numbers, the consolidated revenue from operations was INR 1,066 crores, up from INR 729 crores in FY24, making a robust growth of 46%. Our EBITDA grew by an impressive 61% year-on-year to INR 268 crores, compared to INR 166 crores in the previous year.

The EBITDA margin improved to 25%, underscoring our focus on operational efficiency. The profit after tax rose sharply to INR 177 crores from INR 106 crores in FY24, an increase of 66%. The PAT margin for the year stood at 16%, reflecting improved profitability and financial discipline.

Now, coming to our balance sheet highlights, our debt-to-equity ratio remains conservative at 0.24, highlighting our strong balance sheet. Return on equity stood at 18% and return on capital employed at nearly 23%. Both are healthy indicators in

terms of value creation. In terms of cash flow, I am happy to share that we have achieved a significant turnaround.

Cash flow from operations before tax improved from a negative INR 78 crores in FY24 to a positive INR 26 crores in FY25, demonstrating the strong cash generating ability of our business and soundness of our financial strategy. Looking ahead, we aim to sustain our growth trajectory with an expected annual growth rate of 35% to 40%, while maintaining healthy EBITDA margins in the range of 22% to 24%.

At the same time, sustainability is central to our strategy. We are in the process of setting up a new subsidiary focused on clean energy that is solar, hydro-power, green hydrogen and 24x7 renewable solutions, while also exploring opportunities in solar assets and EPC projects. At the same time, we are also expanding in our water infra through reuse, ultrafiltration, RO and ZLD plants.

We are expanding our presence across India, strengthening our national footprint. We also plan to bid for more HAM projects as well as strengthen our presence in the WWTP and WSSP space. Notably, we aim to increase the scale of our projects from 50 to 200 MLD for sewage treatment plants and from 20 to 50 MLD for common effluent treatment plants. This step reaffirms Enviro's commitment to building a greener and more resilient India. That is all from our side. We can now open the floor for questions.

**Moderator:** Thank you very much, sir. We will now begin the question and answer session. The first question is from the line of Dheeraj Ram from Ashika Institutional Equities. Please go ahead.

**Dheeraj Ram:** Hi, sir. Thank you for taking my question and congratulations for the good set of results. I have a couple of questions. So the first question is on the order book. So the order book has seen a slight degrowth from last quarter to this quarter, from close to INR 1,700

crores to INR 1,185 crores and in the last quarter, you have told that you have bid for INR 2,200 crores projects and you are expected to bid for INR 2,000 crores more projects. So how do you see the order inflow for FY26 and what is the status of L1?

**Manish Jain:**

Thank you Dheeraj. Basically, in the last financial year at the start of 1st of January 2025, our order book was at INR 1,687 crores. So, the amount of execution, the revenues for the last quarter has been to the tune of INR 393 crores. So, our order book presently stands at around INR 1,185 crores.

So, in the last financial year, not much projects were available for bidding. Bidding started in the month of January. So, three projects from the execution side have come up. Our order book is around INR 200 crores. Further, we have submitted our bids for somewhere around INR 5,000 crores projects and we are expecting the results to be out very soon. We are L1 in certain of the projects, but we are not interested in announcing the L1.

Rather, we will be more interested as and when we get the LOIs from the respective clients, definitely we will announce that result and then that can get added to the order book. However, having said so, since we have submitted our bids for around INR 5,000 crores projects, our success ratio in the past has been quite good. It was in the range of around 40% to 60%.

Even if we go by a conservative number of somewhere around 20% to 25%, even at that level, we can expect that an order inflow of INR 1,000 to INR 1,250 crores that should accrue to the Company from the bids that we have already submitted.

**Dheeraj Ram:**

Okay, sir. Got it. And just two more questions. What is the amount of unbilled revenue that we have as on closing FY25?

**Manish Jain:**

The total amount of unbilled revenue is to the tune of around INR 265 crores in our books.

**Dheeraj Ram:** Okay. And last question, sir. Sir, we have acquired two companies. One is EIE Renewables and the other is Sunaxis for 10 lakhs and 1 lakh each. And these are related party transactions. So, I know that we are trying to enter into solar, hydro and green hydrogen, but what is the need of creating a separate entity and then acquiring it? What is the thought process behind this?

**Manish Jain:** Both these companies were formed just recently with both Sanjay ji and myself being the directors in the company. We have stated quite clearly that these companies will remain to be 100% subsidiaries of Enviro Infra only. So, basically the purpose of acquisition was the shareholding. We were having that 10 lakh shares of EIE Renewables. So, basically that shares were transferred to Enviro Infra.

So, we remain as directors in the company and it becomes 100% subsidiary of Enviro Infra. Basically, we want to have a clear demarcation in the business lines. The water and wastewater business that will directly be in the parent company only and the renewable business that we are trying to develop, that entire business that will be taken up in EIE Renewables.

Sunaxis Renewable that has again been on the directorship was with Sanjay ji and myself. So, it will be acting as a step down subsidiary of EIE Renewables. So, if there is any solar asset or renewable asset which is taken up in the EIE Renewables, so, that particular company was required. So, that will act as a subsidiary of EIE Renewables.

**Dheeraj Ram:** Got it sir. Thank you. Thank you for answering the questions.

**Moderator:** Thank you. The next question is from the line of Peter from LIC Mutual Funds. Please go ahead.



**Peter:** Hello sir. Thank you for the opportunity. I just wanted some color on the follow up on the previous participant's question on the subsidiary front. So, you are saying that you have kept a separate subsidiary for renewable. So, what is the difference between this subsidiary and the step down subsidiary?

**Manish Jain:** Let me explain it first of all from Enviro. Basically Enviro, when it is a parent company, it is doing all the EPC business. So, whenever we are taking any of the HAM projects, we are required to form an SPV. So, that the financials of that particular SPV that can be separated and that can be clearly visible. So, now I will take it to the renewables.

Basically, we have formed EIE Renewables for taking the entire renewable business which we intend to do. If we are having any of the assets or if there is any PPA line for this, we require that further step down subsidiary company of EIE Renewables for which that Sunaxis Renewable has been created.

**Peter:** So, because of the first question, you had said that the renewable energy will be in solar renewable power generation itself or is it supporting the EPC projects that you are doing? Are they two separate line of businesses or that is just to support your EPC business?

**Manish Jain:** There is one EPC business wherein we were installing some of the solar power plants. So, that earlier we were doing in our parent EPC company only. So, in future if there is any such requirement or that installation of any of the renewable plant will be required, that definitely will be transferred to the renewable side.

This renewable company has been formed specifically to take direct projects in the renewable sector for which the company will be bidding in taking the EPC or some of the assets for executions.

**Peter:** Okay, just to be clear. So, because we have seen in the presentation that some of the -- you have shown the images also where you have done some EPC based wastewater treatment plant that you do in that you have also provided solar installations in few of your projects. So, this particular subsidiary will support this kind of activities wherein you are saying that EPC may project what you are doing for wastewater treatment.

If a client also says I want a solar installation along with this project, the subsidiary will take care of the solar installation part?

**Manish Jain:** That's true. That's what I am saying. It is both ways. It is the installation of renewables in our existing water projects or wastewater projects wherein we are required to install or we are planning to install, as well as the individual installations as well for which we will directly bid for these type of projects, renewable project I will say.

**Peter:** Okay. Thank you for the color. Sir that is helpful. Sir since we follow the last call also we are little bit aware of how the EPC part of yours works with water treatment because that has a separate set of drivers and there are government schemes associated with it and you support municipal.

So, when you say you are going to do separate solar installation projects as well, can you please give us some color in terms of what is the market size? Who are the – what kind of clients do you target and, like what size of projects you do, what is the ticket size and what will the order book and what can be the revenue visibility on that front?

**Manish Jain:** Let me clarify that we are quite new to this sector. Right now, giving the revenue visibility, as far as the size of the sector is concerned, we understand there is huge potential and huge opportunity which is available. Now, for us, how we can grow and how we can bring more color to our Company in this particular

renewable sector. Basically, we are moving forward. We are going slow. We are studying.

We are taking those projects wherein we can draw some strengths. Based on that, we will go ahead. We will not forecast any earnings right now for this renewable, but definitely we will look forward to very good margins which will be available when we are bidding for any of such projects.

So, we will be quite careful while bidding. We don't want to go very big on this right now. We will have our footprints first available. Then we will look into the sector and how we will grow. So, maybe for a year or two, we will have our foothold in the sector. And then we can go for a revenue visibility, particularly in the sector.

**Peter:** So, in that sense, you had done 22% margins last year, 25% this year. So, you expect the margin profile to be higher, same or lower for this particular business you are entering?

**Manish Jain:** First of all, I will separate out the two businesses. One is our water and wastewater business. The visibility that growth in terms of revenue that 35%, 40% growth what we are expecting, that will continue to be there from the water and wastewater sector itself. So, there is no slackness in that and that robust growth that will continue in that particular sector.

And we foresee the margins will always be there, that EBITDA margin of 22%, 24%. We expect we will continue to drive those types of margins from our water and wastewater treatment sector. I will again emphasize that in this renewable sector, because it is one of the main very interesting sectors and it is a huge opportunity which is available in India.

Right now, we are definitely studying into it and how we can build up a good company and we can go for some good projects. We

are visualizing some of the projects, we have definitely submitted some bids, wherein we have in those stands, 22%, 24% of EBITDA margins in the renewable sector, to my understanding, might not be possible, but yes, to an extent of around 18-20% is the margin what we are looking for. We will not go down beyond that.

**Peter:** Okay. Got it. So, in the next two years, as you said, you are going to study the market, right? So, can we say that we can expect you to generate revenues from FY27 or FY28 onwards for this particular new business you are entering?

**Manish Jain:** We do expect to generate revenues from this company in FY26 as well, but comparatively we expect it to be a bit smaller right now.

**Peter:** Okay. So, what are the independent renewable projects? So, when you are doing an EPC project for water, there is solar involved that you are doing, but standalone solar projects also from this year onwards also you will start executing here, just a color on that?

**Manish Jain:** Yes, definitely. This is what we are intending to do along with solar. The start very definitely with solar and we will definitely try to enter into that hybrid sector or means 24x7, which is available in this particular renewal because there is a lot of gap or the grid imbalance which is there. So, that draws a lot of interest.

**Peter:** Okay. And in terms of, additionally, because you are going to enter into this business and it may need some additional capex, any color on the capex requirement overall and specifically because of this how much you can expect to increase and also will you incur additional debt in order to fund this growth? Any color on that you can provide, sir?

**Manish Jain:**

Right now, from our GCP, from the IPO funds, we have proposed an investment of INR 50 crores in EIE Renewables. Through our discussions, we have kept that overall investment from Enviro Infra to EIE Renewables at a maximum of INR 75 crores. So, basically, it will depend upon the type of project that we will get and if there is any PPA project which is of significant value and which can add strength to the Company and can give good returns.

Then definitely, like HAM projects, we will be adding that debt. But we are quite careful if we go for a debt-to-equity ratio. So, we are quite comfortable right now. We are sitting at a level of around 0.24. We understand we will never go heavy and we will never try to cross that line of around 1, not more than that.

So, if we are having the HAM projects or any PPA projects and that debt level is going high, then definitely we have that bouquet available and we can look forward to selling those projects.

**Peter:**

Okay. Apparently you have said that almost INR 1185 crores order book...

**Moderator:**

I am sorry to interrupt, Mr. Peter. I would request you to please come back in the queue.

**Peter:**

Yes, sir. Okay.

**Moderator:**

Thank you. The next question is from the line of Nikhil Rungta from LIC Mutual Fund. Please go ahead.

**Nikhil Rungta:**

Hi, sir. Thank you for the opportunity and congratulations on a great set of numbers. Sir, most of my questions were asked by Peter already. Just two clarifications from my side. First is, right now, the water projects that we are doing and along with that, we are also doing solar EPC projects. So, those solar EPC projects will go under the subsidiary, correct?

- Manish Jain:** Right, sir.
- Nikhil Rungta:** Okay. And if we make this a subsidiary, then we can bid for standalone solar EPC projects as well?
- Manish Jain:** That's true. This is our inclination and this is what we intend to do.
- Nikhil Rungta:** Perfect. Sir, last question. Sir, the release which has come when we have set up this subsidiary in that objects you have written that target company is incorporate for the purpose of undertaking the business of power generation through renewable sources. So there is a confusion that are we also entering into renewable on power generation or it is primarily EPC what we are doing?
- Manish Jain:** It can be both ways. It can be either IPP projects or PPA projects means or EPC. We always intend to go asset light. We will always have a right mix of EPC and PPA projects. The same way we are having that mix of HAM and EPC in our parent Company. So, on the debt side, we will never like to go heavy on this.
- So, we will be quite careful while choosing any of the assets which we can build up in that particular sector. So, our debt-to-equity, we will always maintain the debt-to-equity ratio to be in a very, very comfortable range.
- Nikhil Rungta:** Perfect. So, basically, this is made with our solar EPC project group plus to make it independent. And if we anytime go into generation, we will be very careful. And probably, that will start after a couple of years, as you said?
- Manish Jain:** True, sir. We never want to go heavy or we want to study the sector so that if there are great opportunities available, then we can go big on this. But for that, we definitely need to understand and need to understand the intricacies of the sector.
- Nikhil Rungta:** Okay. Got it, sir. This is quite helpful and thanks for the clarification.

**Manish Jain:** Thanks a lot.

**Moderator:** The next question is from the line of Rahul Agarwal from Aventus Capital. Please go ahead.

**Rahul Agarwal:** So, thank you for the opportunity, sir. And congratulations on a good set of numbers. So, sir, I wanted to actually start with a question on the CBG gas products that you have mentioned. And that seems to be something that is a bit unique to Enviro. I don't see a lot of players working in that space. So, could you just tell me a bit about that and how it could translate into revenues?

**Manish Jain:** You are talking about the renewable sector itself?

**Rahul Agarwal:** No, sir. Just typically the CBG gas product that was mentioned, I think recently I wanted some visibility on that, if that's possible?

**Manish Jain:** This sustainability and waste-to-energy, this has remained our key focus. Presently, in three of our existing wastewater treatment projects, which are predominantly sewage treatment plants, we are putting up this gas generation and CBG plants. So, one of my plants is going at Jaipur. It is an 80 MLD plant, 80 MLD STP. Then there are two plants at Jodhpur, for which we are doing the upgradation and modification.

These two are 50 MLD plants and one of the upcoming plants will be 135 MLD at Saharanpur. So, basically, when we are doing this, we are putting these CBG plants in our projects. We tend to see the performance of these plants and then based on the revenue generation model and the success ratio, definitely, we will try and we intend to enter into CBG, maybe for the agricultural waste or for MSW projects as well.

So, we are again on the lookout. Basically, first of all, we are installing the plants in our existing projects. We will see to the

performances and then definitely we'll look forward to these opportunities, which are immensely available in India.

**Rahul Agarwal:** Okay sir. Sure. So, sir, the other thing I wanted to ask was, in recent times our success ratio has been around 35% to 40% or so, I think, which seems to be much higher than the peers we have in the industry. So, can you comment on why that would be the case? Is there anything specific that we do much better that allows us to get such good ratios?

**Manish Jain:** Rahul, that gets transpired from the design and execution capabilities, which are in-house. So, we have control on the costings. So, that control on the costings as well as giving the economical and viable solutions. So, we always remain a bit competitive in comparison to our competitors and that translates into better success ratio in comparison to our peers.

**Rahul Agarwal:** Okay, sure. And the guidance that you gave for a conservative number of 25% of success ratio, should we consider that to be the case or can we be a bit more optimistic?

**Manish Jain:** Well, there are certain guidelines when we say 20% to 25% is the success ratio, which we can definitely foresee. But there can always be a chance for better ones, but at least if we go by that number as well and projects are further coming up. So, every quarter, if we can have that number of somewhere around maybe 750-1000 odd crores of order book available to us and if we can build up that order book of around INR 2,500 crores to 3,000 crores in this current financial year.

So, maybe that depends. If our success ratio is higher comparatively, we will slow down our bidding in future. If our success ratio is in the range of 25% to that 20% 25% might be our bidding may be a bit higher at that point of time.



- Rahul Agarwal:** Okay, sir. Sure. Thank you so much, sir. That's all from my end. Thank you.
- Moderator:** The next question is from the line of Reet Ranawat from Aventus Capital. Please go ahead.
- Reet Ranawat:** So, most of my questions are answered. So, I just wanted to ask, what is the average, like project execution cycle of the current orders and the future orders also?
- Manish Jain:** The time period in general is in the range of 18 months to 24 months, apart from some water supply schemes, which we are having wherein the order, this timeline is around 28 months. So, in general, a timeline of around 24 months can be taken to be an average timeline for the execution of the projects.
- Reet Ranawat:** Okay. Got it. And, so do you plan to scale up your O&M portfolio like you have on this O&M portfolio on your site? So, is there a way that you will increase your scale-up of your O&M portfolio or you will continue to do EPC?
- Manish Jain:** Can you please repeat your question? I could not hear you clearly.
- Reet Ranawat:** So, will you continue to do EPC or you are more looking forward to do more O&M projects, like we can get future visibility?
- Manish Jain:** HAM project drives better margins in comparison to EPC projects, but we cannot be, go very heavy on HAM. So, we will always be having a right mix between EPC and HAM. So, we understand that a mix of around 75 to 25 for EPC to HAM, I think that will be the right mix and right ratio going forward as well. So, we will try to maintain that level.
- Reet Ranawat:** Okay. Thank you so much.

**Moderator:** Thank you. The next question is from the line of Balasubramanian from Arihant Capital. Please go ahead.

**Balasubramanian:** Sir, my question is regarding 48% of revenues comes from Madhya Pradesh side and what are the steps we have taken for mitigate regional risk?

**Manish Jain:** Pardon couldn't get you, sir. Can you repeat, please?

**Balasubramanian:** Around 50% of revenue comes from MP side only. So, what are the steps are we taking mitigating regional risk?

**Manish Jain:** If you will see our investor presentation, our total WSSP book now remains at around INR 170 crores. So, those MP projects, there were 5 MP projects. The total order book size was INR 1,250 crores. So, now the balance portion is around INR 170 odd crores. So, the component of wastewater treatment projects and that too EPC and HAM, that will be much higher in current financial year.

So, this entire WTP order book, that is spread across the states. So, that concentration which we were having in MP, so I think that will slightly go down this year and we will have some better revenues from other states as well.

**Balasubramanian:** Okay, sir. So, most of the like Infra and EPC players talked about delays in payments for water related projects. Are we facing the same and is there any potential delays in fund allocation for like AMRUT 2.0? Is there any impact on our growth side?

**Manish Jain:** We didn't face any problem in any of the AMRUT or Namami Gange projects which we were executing during the last financial year. However, there was a delay in release of payments from JJM projects. For the entire last financial year, the payment cycle that got elongated in JJM, there was a delay or I will say almost nil payments which were released from the centre.

It is just because of the timelines of the project which it was intended to complete in FY24. The timelines could be increased by the central government only during this budget and this timeline has been increased till 2028. So, the last year was definitely crucial for all the players who were in the JJM segment.

We also faced some challenges, but after December the cash flows have significantly improved even from the JJM and if you see our cash flow cycle, we have definitely improved a lot. So, if you see our cash flow pre-tax, these have gone positive from a negative number. So, that says that the cash flow and operational efficiency in the system, so that way we could manage the cash flows.

**Balasubramanian:** Got it. Sir, on the margin front, basically our competitors are below 15% kind of margins. I think we are above 20%. I just want to understand how we are maintaining those margins, whether it's because of input cost, competitive pricing or project mix shift or how we are selecting these kinds of projects?

**Manish Jain:** Basically, if you see, it depends upon company-to-company how they take up the projects. So, the way the project is taken up, so that way the margins get derived. Some of the companies are having even better EBITDA margins than us, then some are having lower EBITDA margins or maintaining somewhere around 15%.

So, that is transpired from the way the project is taken up. If there is a subcontracting or there is no control on the execution front, then definitely the project may go for a delay or there can be cost overruns. We are basically trying to have our 100% control on the execution front and that is driving the growth as well as the margin in the company.

**Balasubramanian:** Okay, sir. Thanks.

**Moderator:** Thank you. The next question is from the line of Aniket Jain from Yes Securities. Please go ahead.

**Aniket Jain:** Good morning, sir. Hope you can hear me. Actually, I wanted to ask one question on trade receivable days. So, I see that those have increased from 57 days in FY24 to almost 74 days currently. So, is there any reason for that and what should be the normalized receivable days and do you expect to reduce these receivable days in the near future? That is question one?

**Manish Jain:** Yes.

**Aniket Jain:** And question two would be if you are planning to probably go into international markets, say Middle East or Southeast Asia, because those markets also have some significant opportunities. So, that is question two?

**Manish Jain:** Basically, the trade receivable days, you are 100% right. These have increased to somewhere around 70 days. The challenge this time was basically the receivables from the JJM projects itself. During the entire financial year, there was a slowdown in the receivables from JJM projects. Situation has got improved a lot. The number of days seems to be 70.

However, if you just work out the payments which we received on 3rd or 4th of April. So, it was somewhere around INR 70 crores which we received from the JJM project itself. So, if we just take it into the account, then the receivable days goes back to around 45 days. And 45 days is what exactly means the right timeline for receivables.

The total receivable cycle if I divide the inventory days should be. This is what actually and optimally should be. It is inventory days should be 15. Unbilled revenue days should be somewhere around 90. Then the receivable days should be 45. So, if we add

these all, it should be 150 days and trade payable days should be around 60.

So, if we say the networking capital cycle comes out to be 90 days. In our case, this networking capital cycle comes out to be 105 days. Now, that slight means the fund which we received on 4th and 5th of April. Definitely, that cannot be taken as the fund that debtor cycle for FY26 because it was just the fund which was to be released.

So, it got released two to three days later after this 31st March. So, if we just look into it or we account for this particular one, then that days that will go down to somewhere around 25 further. So, around 80 days. So, we are fairly comfortable in that case. And regarding this question on the international, same ways we are having some inquiries now from the international market as well.

So, it would be that student exercise that we study that market carefully and then we enter. We will take our own time with the study, but one thing that is for sure is we will definitely be inclined to enter into the international market even when the opportunity is available.

**Aniket Jain:** So, sir, just a follow-up on this. If you plan to go into international markets, would you be doing end-to-end work there that is the EP as well as C portion or would you try to get some local contractors to do the construction portion and you just take up the EP portion?

**Manish Jain:** Basically, this is what we have to study and we have to infer whether it will be prudent for us to go there and do the civil construction work from our side itself or should we hire the local contractor and give that civil construction work to the local contractor and then we look on for the equipment supplies and then performance guarantees. So, this is what we have to study only after our comfort zone and we will enter into that market.

**Aniket Jain:** Sure, sir. Thank you for the opportunity.

**Moderator:** The next question is from the line of Sarabjyot Chawla from Niveza India. Please go ahead.

**Sarabjyot Chawla:** So, my question to you is on the lines of again the trade receivables and the cash flow mainly. Last conference call, I believe you had mentioned that there would be complete release of funds from JJM side, but I just want to know the status and update on that and also if this cash flow issue will be consistent.

Like will this be an issue for every quarter because there will be a backlog from the previous quarter or is there a resolve to the issue? And also the aging of the trade receivables, that's also just a point of concern. I just want to understand this from you once?

**Manish Jain:** If you see, our cash flow have turned positive and our cash flows pre-tax are now INR 25 crores positive in comparison to around INR 75 crores which were negative in the last financial year pre-tax. So, that means our cash flows have improved significantly despite the problems that all the players have faced by not release of the timely payments in JJM projects.

This problem, this is one of the one problem which anybody has faced in the last 10 years and to our understanding the worst is over and the funds are there on the verge of being released in JJM. Apart from JJM, I have not faced any of the challenges in either AMRUT 2 projects or Namami Ganga projects.

The flow of funds there have been quite smooth, which definitely have helped us in our execution of the JJM projects as well. So, we could maintain a mix of our cash flows from various projects which were coming to us. So, this problem was once in a lifetime kind of thing and though the central government were having the budgetary allocations, that timeline issue that created a problem.

Other way round from AMRUT to Namami Ganga, the funds were being released. So, we don't foresee that such cash flow problems that will exist in future. We are quite hopeful that funds will be available in the project. Regarding aging, if I will say my entire this receivable, well it's INR 205 crores. If you see my entire quarter, so my entire quarter is INR 393 crores. So, if you see the aging wise also, so that does not look to be more than that 45 days itself if you just compare the last quarter only. So, that way things are quite comfortable.

We are closely monitoring all the cash flows and we are having a stringent watch on it and we are definitely following up. So, everything is quite comfortable. Our cash flows have improved significantly. This is what I can say in one of the troubled years itself, our cash flows have improved significantly.

**Sarabjyot Chawla:** Sir, can we expect a positive cash flow after tax next year?

**Manish Jain:** We definitely look forward to positive cash flows after tax also. We definitely look for it. One more thing which I would like to highlight, basically that transpires from the order book, present order book. The present order book says the WSSP lines are only to the tune of INR 175 crores. So, rest all are our WWTP projects, EPC or HAM. So, that way the cash flows are quite comfortable in all those projects.

It has remained to be comfortable in the last financial year as well. So, we can expect a positive cash flow.

**Sarabjyot Chawla:** Thank you, sir. Just one last question on the unbilled revenue side. Sir, would the INR 256 crores, I believe is the amount, would that be included in the top line for this financial year, the unbilled revenue is included in INR 1066?

**Manish Jain:** Unbilled revenue is the sales valuation in INR 1,066 crores. So, in the current financial year, it will not be the part of the revenue.

It has already been the part of revenue of FY25. The figure is INR 265 crores, not 256. It is 265. And if we see it in number of days, it comes out to 91 days. So, in 90 days, this unbilled revenue cycle seems to be okay.

**Sarabjot Chawla:** Okay. So, just to confirm, it is included in the INR 1,066 figure for FY25?

**Manish Jain:** Yes.

**Sarabjot Chawla:** Thank you, sir. Good luck.

**Moderator:** The next question is on the line of Aditya from Synergy. Please go ahead.

**Aditya:** Yes, sir. I just wanted to have some future guidance on the revenue and the margins. Will we see any improvement for the next year?

**Manish Jain:** If you see to the order book, that order book primarily constitutes WWTP projects. These are EPC and HAM projects. So, if you see this profitability guidance, definitely these projects have higher margins in comparison to water supply schemes. So, we definitely expect that the margins can improve, but as a guidance, we will never go for or give any guidance for EBITDA margins going above 22% to 24%.

We will have that operational efficiency in the system and we will definitely look forward to having the better margins while we are executing.

**Aditya:** Okay. All right. That's it, sir. That was my only question. Thank you.

**Moderator:** Thank you. The next question is on the line of Ankur Kumar from Alpha Capital. Please go ahead.



**Ankur Kumar:** Hello, sir. Thank you for taking my question. Sir, I wanted to understand regarding our 30% to 35% to 40% growth guidance for this year. So, we will need more orders and you said that INR5,000 crores bid book is there. So, when can we expect some wins from there and if we get it, how early if we get it, we will start executing it, sir?

**Manish Jain:** First of all, the moment we bid any of the projects, there is a timeline of around 4 months to 6 months within which the bids are evaluated and the orders are released. So, if we have started bidding for these projects in the month of January, then definitely we can have a good amount of visibility to my understanding by June and or maybe in the month of July.

The moment we get any of the projects, first 3 months to 4 months, these are mainly used in the designing of that particular project. So, that says that the entire monsoon season will be available for the designs. So, this year Diwali is also in the month of October. So, 5 clear months will be available for construction.

So, we can understand that the new order book which will be coming into the company. So, November onwards, it will add on substantially to the revenues of the company and till that time, the order book which the company already has in hand. So, we have a good amount of order book available to execute at least for the next 6 to 7 months. So, that way we can foresee that 35% to 40% revenue visibility. That is quite possible.

**Ankur Kumar:** Got it. And sir, on JJM side, there were reductions. Can you comment how are the things now and how are we expected things in FY26?

**Manish Jain:** Right now under JJM the projects which we were having and which we were executing, we are in the final stages of the execution of those projects. Since we were not having our comfort zone going further for the JJM projects, so we backed out and we

didn't bid any of our bids which have been submitted out of this INR 5,000 odd crores. So, none of the project is from JJM.

Right now, we are more interested in completing our projects and then taking out all the funds which are blocked or which are withheld in the JJM. The guidance will be clear. The funds are being made available by central government as well as the state governments. The funds are definitely going to flow maybe in the next 15 days, 20 days time. There is a normal timeline. After the completion of any financial year, the funds generally get available either by May end or in the month of June.

So, that is a normal position. So, we do expect that the funds should be there. I cannot guarantee because the funds have to come from the government only, but we foresee that the funds are going to be made available in the month of June and there will be quite comfort zone in the cash flow side further.

**Ankur Kumar:** Got it, sir. So, last question would be on the O&M side. The order book is INR 806 crores and roughly we are doing around INR 30 crores of execution per year. So, what kind of improvement or how should we look at this O&M part of the business and is it like how much margin we make in this O&M business?

**Manish Jain:** O&M revenues and the profitability from O&M. Profitability is definitely higher and it is significantly higher. However, we foresee the O&M revenues to be always in the range of 3% to 5%. In the last financial year because all the projects were in the execution stages. So, there were not much of the projects which had entered into O&M. In the past projects were continuing in the O&M phase.

So, if the O&M revenues have almost got stagnated for FY 24 and 25, we expect that in the current financial year there should be an increase in that O&M revenue to the tune of maybe another INR 10 crores to INR 15 crores. So, year-on-year basis as the projects

get completed the O&M revenues will go on increasing. If I talk 2 years down the line, we foresee that O&M revenue can shoot up to an extent of somewhere around INR 70 crores to INR 75 crores.

**Ankur Kumar:** Sure, sir. Thank you and all the best.

**Moderator:** Thank you. Ladies and gentlemen, this was the last question for today's conference call. I now hand the conference over to Mr. Sanjay Jain for closing comments.

**Sanjay Jain:** Thank you. I thank the entire team of Enviro Infra Engineers Limited for their untiring efforts, hard work and dedication which drives the company forward to various market conditions. Also, I appreciate all of you for participating in our conference call. Please do get in touch with our investor relationship team for any further questions. Thank you. Thank you, everyone.

**Moderator:** Thank you. On behalf of Enviro Infra Engineers Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.

**Manish Jain:** Thank you all.