

Date: 8<sup>th</sup> November, 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 5<sup>th</sup> November, 2025**

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 held on Wednesday, 5<sup>th</sup> November, 2025.

The same will also be hosted on the Company's website at [www.eiel.in](http://www.eiel.in).

You are requested to take the same on your records.

Yours faithfully,

**For Enviro Infra Engineers Limited**

**(Piyush Jain)**  
**Company Secretary & Compliance Officer**  
**A57000**



“Enviro Infra Engineers Limited  
Q2 & H1 FY '26 Earnings Conference Call”  
November 05, 2025



**MANAGEMENT: 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 Q2 and H1-FY '26 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on beliefs, opinion and expectations of the company as on the date of this call. These statements are not a guarantee of future performance and involve risk 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 this conference call, please signal an operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Manish Jain, who is the Managing Director. Thank you and over to you.

**Manish Jain:**

Good morning, everyone. I extend a very warm welcome to all to our Q2 and H1-FY '26 earnings conference call. On call with us today is AdFactors, our investor relations team. Our earnings presentation has been shared and I hope you have had the opportunity to go through it.

Building on the strong foundation laid in the first quarter, Q2 has been a period of resilient performance, consistent execution and continued strategic process across our key business segments. Despite a seasonally moderated pace of process billing, the company maintained healthy profitability and robust operational momentum, supported by strong order inflows and disciplined execution.

As of September 30, 2025, our total execution order book stands at over INR 1,800 crores, supported by a robust operation and maintenance portfolio of INR 932 crores. Last month, we have secured a new order worth INR 248 crores from Bhopal Municipal Corporation. It is for EPC of 60 MLD STP and 273-kilometer seaway network, along with five years of operational maintenance, which strengthens the present execution order book position to more than INR 2,000 crores.

Since January 2025, the invitation of bids in this segment has gained significant momentum. As on date, the estimated cost of projects for which bids have been submitted, for which results are awaited, are more than INR 8,000 crores. With new bids in place, we are confident that we shall be able to exceed our guidance of fresh order book of INR 2,500 crores in FY '26.

Our momentum has been broad-based across both municipal and industrial sectors, reinforcing our position as one of the most trusted players in India's water and wastewater management space. A major highlight of the quarter was continued expansion in the zero-liquid discharge in tertiary treatment segments, where advanced technologies such as

ultrafiltration, reverse osmosis, and MVR systems are helping industries and urban bodies achieve near total reuse of treated water.

We have further diversified our geographical footprint with new winds across Maharashtra and Odisha. Importantly, we made steady progress in our renewable energy integration strategy, adding additional solar assets during the previous quarters. This diversification aligns with our sustainability-led growth roadmap and enhances our recurring revenue visibility.

During Q2, the progress made is as follows. First, it is a 40 megawatt solar asset at Balangir, Odisha. The agreements for taking over control over the assets have been signed on 20th August 2025.

The term loans for the project has already been sanctioned. The project is already generating revenue since 24 megawatt out of 40 megawatt is already operational. The mobilization procurement orders for installing balance 16 megawatt has already been done.

The expected timeline for completing the installation is April 2026. The second solar asset is 29 megawatts at Maharashtra for MSSEDCL. The financial closure for this particular project is expected to be complete by 30th of November 2025. The mobilization activities are underway and project is expected to be completed by June 2026. Together, these provide a strong base for growth and predictable cash flows over the coming quarters.

Now, coming to financial highlights, I am pleased to share our financial performance during Q2 and the first half of FY26 that has been both consistent and encouraging. For Q2 FY26, revenue from operations stood at INR 227 crores, reflecting a year-on-year growth of 6.7%, driven by continued traction in our key water and wastewater treatment projects.

EBITDA for the quarter came in at INR 65 crores compared to INR 56 crores in Q2 FY25, making a 16.8% growth with healthy EBITDA margins at 28.56%. Profit after tax rose by 36% year-on-year to almost INR 50 crores with a PAT margin of 20.5%, underscoring our disciplined execution and cost efficiency. For the first half of FY26, we have achieved revenues of INR 468 crores, representing 12% growth over the same period last year. EBITDA for H1 stood at INR129 crores, having grown 20.8% Y-o-Y.

EBITDA margin for 6 months expanded by over 200 basis points to 27.6%. PAT came in at INR 92 crores, up 38.6% Y-o-Y, while PAT margin grew by 330 basis points to 18.7%. Overall, the first half of FY26 has set a strong tone for the remainder of the year with a healthy order book, expanding technology footprint and a clear path for profitable and sustainable growth. With that, we can now open the floor for questions.

**Moderator:**

Thank you very much. We will now begin the question and answer session. The first question is from the line of Prateek Kothari from C R Kothari Stock Broking. Please go ahead.

**Prateek Kothari:** Sir, thank you for the opportunity. Given the order book visibility that you just mentioned, firstly I would like to congratulate the team. Sir, now that H1-26 is over, are we still sticking to our guidance of year-on-year growth of 30%, 35% and what kind of margins do you think we can sustain over the next and following years? Thank you.

**Manish Jain:** Good morning and thank you for joining. Regarding the revenue visibility for the current financial year, as we started this financial year as on 1st of April 2025, we were sitting on an order book of somewhere around INR 1,200 crores. So basically the execution was happening on that particular order book.

In the first four months, again we got order book of somewhere around INR 1,200 crores. Since it had been a very, very good monsoon, which was there from June to September this year. So these projects were in designing stage and predominantly the execution didn't take place for the new orders.

So if I say as of now, since this festival season is also over, now it is the main construction period during any of the financial years. So looking forward to that growth rate which we expected on the top line, which is somewhere in the range of 35 to 40 odd percentage, which we expect. So we maintain our guidance of the similar top line to achieve in the current financial year as well.

As far as the margin guidance is concerned, we have always confirmed our EBITDA margins to be in the range of 22% to 24%. Because of better product mix, we are more towards the wastewater treatment segment now, wherein we are drawing more than 70% of our top line from the wastewater treatment sector, which was our primary sector itself.

So with the product mix getting better and then definitely with the better order book, which is also in the wastewater treatment sector itself. So we do expect that we will be able to maintain our profit margins and our top line growth guidance that also remains intact.

**Prateek Kothari:** Understood, sir. Thank you so much, sir. All the best.

**Moderator:** Thank you. The next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

**Deepak Poddar:** Yes. So first up on the margin front, I mean, if you see the first half hour margin has averaged at about, what, 27.5% and you're still saying 22%, 24%. So are we being conservative here? Because already first half at a lower revenue scale, we are getting much better margins, right?

**Manish Jain:** As far as when we are committing any of the margins, the guidance, first of all, the guidance has to remain intact. So that guidance always remain in that segment. However, expecting better margin profile and improved margins, we definitely look forward to achieving better

margins, but as a guidance perspective, definitely we will restrict ourselves to that level of 22% to 24% EBITDA margins.

**Deepak Poddar:** Okay. I got it. And in terms of, I mean, growth, you mentioned you maintain 35% to 40% growth. So that effectively means, I mean, the second half, you have to grow at about 50%, 55% rate. I mean, is that something that we look forward to?

**Manish Jain:** If you will see to our past presentations as well, our H2, that is always high. Q3 and Q4 combined constitutes almost 60% of the top line in any of the financial years. So if we look forward to the similar type of guidance along with the robust order book, which we got in the first four months of this financial year, on which the execution is just commencing. So basically, by that guidance, definitely we look forward to achieving that type of top line, which seems to be achievable.

**Deepak Poddar:** Okay. And what was the order inflow in first half, entire six months? Do we have that figure?

**Manish Jain:** Our first six months, as we have mentioned in our media release as well, it was around INR 1,200 crores and an order which we won just last month for which LOS has been issued by Bhopal Municipal Corporation. So another INR 250 crores got added. So the total order book, which we have bagged in the current financial year is somewhere around INR 1,450 crores.

**Deepak Poddar:** So that Bhopal is additional over and above INR 1,200 crores.

**Manish Jain:** Yes.

**Deepak Poddar:** Okay. Understood. And you mentioned you have submitted bid for around INR 8,000 crores. So what's the success rate we generally look at?

**Manish Jain:** In the past, the success rate has been quite high in the range of around 40%. Now if we look forward to be very conservative in this and somewhere around 15% to 20% of the success rate is there, even then we will outdo the guidance of INR 2,500 crores, which we had set for the current financial year. So quite optimistic. I look forward to outdoing the guidance of INR 2,500 crores order book.

**Deepak Poddar:** Understood. And just one last thing from my side, in other income, we have seen a very high other income. So in any one off there, what's this other income constitute of?

**Manish Jain:** There are basically two parts in this. One is basically the IPO funds which are there, which are parked in various type of FDRs or the unencumbered cash flows in the company which are in form of FDRs. So it is basically first of all that interest component. And then there is a second component which has come because of the acquisition of one of the solar assets.

When we have purchased the solar asset Vento at Balangir, Odisha, so basically we have purchased it from PTC. So there is some hairline cuts. So some INR7.7 crores is an exceptional item which has got added to this other income.

**Deepak Poddar:** Okay. INR7 crores. So I missed that. So what was the solar asset, that acquisition we did?

**Manish Jain:** Yes. It was the acquisition that we have done for that 40-megawatt solar power plant. SL Infra was the owner of the project. SL Infra, SL Green, they had gone bankrupt. The asset was good. So PTC being the lender has gone for the substitution. They had called for the reverse auction. So basically it is the difference between their overall lending price and then the price that has been passed. So it is basically a difference of that which is coming in form of other income into the company.

**Deepak Poddar:** Yes. So this INR7 crores is coming in the second quarter.

**Manish Jain:** Yes. Yes. It is coming into the second quarter. Let me clarify there are two parts. First is a fraud, unfortunately, which happened in the company because of which there has been an outflow of INR11.15 crores. Somewhere around INR2.68 crores is what has been recovered from it. So there was an exceptional loss in the company to the tune of around INR8.5 crores, which got built up during these two quarters and this is an exceptional item. So basically, these things are getting knocked off now.

**Moderator:** The next question is from the line of Dhananjay Mishra from Sunidhi Securities.

**Dhananjay Mishra:** Good morning, Manishji. Congrats on decent operating performance. So can you talk more about how is the working capital situation as of now and how payment is happening from the government side? And we are entering into new states like Maharashtra and other states. So how do you assess the risk of payment when you are entering in these states?

**Manish Jain:** Basically, working capital for the first half or rather I will say Q2. Since it was main monsoon months, so the conversion from unbilled to that billed part and then conversion into cash flows. There was a slight slowdown on this. However, the debtor cycle has got improved substantially. The debtor days which was at 70 days as on 31st March 2025. It has now got reduced to 49 days. So that says as far as the realization process is concerned, the realization is happening and there is no challenge at least with the realization.

Now the second part which comes which is more of a cyclical nature of the business because of the monsoon, the conversion, the conversion into revenues or rather I will say into bills and which can get replicated into the cash inflows. There was a slight slowdown in this because of which there is some built up in the unbilled revenues and this cycle has got a bit skewed.

Further if I say in terms of the trade payables, the total trade payables now stands at around INR40 odd crores. So there is a reduction in the trade payables to the tune of INR127 crores.



The total cash flow is somewhere around INR100 crores negative as it looks in H1. So it has got improved in comparison to same period last financial year H1 '24 that is.

So still we look forward to a positive cycle which will get generated because of this better construction phase which is coming up. The conversion from unbilled to billed that will increase. There are number of projects which have now entered into final erections and commissioning phase, the projects which were ongoing for the past one and a half years. So almost 12 projects are there which have entered into advance. Am I audible?

**Moderator:** Yes, sir, you are audible. I am just saying that can Mr. Dhananjay rejoin the queue for further question. The next question is from the line of Prateek Bhandari from Aart Ventures.

**Prateek Bhandari:** Yes. Hi sir. I just wanted to understand what is the position for the JJM order book and what is the outstanding receivable over there. You mentioned when we last met that we have an outstanding order book of somewhere around about INR 110 crores and we are not bidding further for the JJM. So if you can throw some light on the same as to what is happening there.

**Manish Jain:** We are doing five number JJM projects in MP for MP Jal Nigam. In all these five projects we are almost on the verge of its final commissioning phase. So basically as we approach that commissioning phase it is an S type of curve.

When the construction process is almost complete and we are then completing the trials and commissioning phase, we are in the water supply to each and every household in different villages. That is to be ensured the pipelines need to be flushed, treatment plants getting operational. So this all activity is going on. Basically we are working on it.

There is a component of unbilled revenue which is there in the books because of these JJM projects as an -- as we are moving towards the final commissioning. So this unbilled will keep on means turning out into -- from unbilled revenue to revenues. So there will be a phase of another five months to six months that is what I can say till March. So this unbilled component will get converted to final bills and then the realization will happen.

In the debtors portion I will not say there is any significant build up from the JJM as well. We have been quite fortunate the funds were available in MP as far as the JJM projects were also concerned, and the funds are being released as and when the bills are being raised. So the debtor cycle is not at all getting skewed with respect to the JJM project as well for Enviro.

**Prateek Bhandari:** Okay. And are we L1 in any of the projects at the moment?

**Manish Jain:** Yes. Definitely, we are L1 in some of the projects and we are quite hopeful that in another...

**Prateek Bhandari:** Out of that INR8000 crores that we have bided for?

**Manish Jain:** Yes. Yes. Yes.



- Prateek Bhandari:** Okay. And just one last question what has been the O&M revenue for this particular quarter?
- Manish Jain:** I think the O&M revenue is somewhere around INR 12 crores to INR 15 crores. I do not have the exact number right now with me somewhere around INR15 crores is the O&M revenue.
- Prateek Bhandari:** Okay.
- Manish Jain:** It is there in the investment presentation. I will just see to the final number and I will confirm. Sure.
- Moderator:** The next question is from the line of Sanmat Jain from PinpointX Capital.
- Sanmat Jain:** Hello, sir. Good morning. Sir, I just wanted to ask about our renewable vertical. Where do we see our renewable vertical going forward as in like what is our plan in that corner and what kind of projects are we bidding for? And if you can show light on the revenue visibility from this vertical?
- Manish Jain:** Yes. Definitely from the renewable sector we do have two projects with us which I have already explained just now. It is 140-megawatt solar asset which we have purchased from PTC and the second one is a 29 megawatts solar power project which we are executing for MSDDL.
- Apart from this our interest in the renewable sector will be to go forward for the hybrid systems which will include BESS, which shall include wind, which shall include a mix of maybe solar, wind, BESS. So this is what we are intending. We are not moving blindly. We are looking forward to some good opportunities where there can be a value creation.
- For the current financial year, we have confirmed a guidance of around INR 200 crores in revenues which will get generated from the renewable sector. In the coming years we expect to grow maybe in FY '27 we can expect that we should be somewhere around INR 500 crores and then look forward to a growth rate of 40% to 50% maybe for the next four years, five years further.
- Management:** Just one information, O&M income is INR21 crores.
- Sanmat Jain:** Understood. And the last question, there seems to be a slow order intake...
- Moderator:** Can you rejoin the queue for further questions?
- Sanmat Jain:** Sure. Okay.
- Moderator:** The next question is from the line of Manish Jain from Wealth Grow Security.
- Manish Jain:** Thank you for the opportunity and congratulations for a very good set of number in a challenging environment. Sir, my question was regarding the receivables. Sir, how much

confident you are about the receivables and you don't think there would be any accident in the next two quarters?

**Manish Jain:**

If you see to the growth of the company during the last five years, we have grown from INR100 crores to INR1,000 crores. That growth was primarily due to the liquidity which was there in this particular sector, because of which with the support from our bankers in form of various working capital limits, we were able to maintain that level of growth.

If I look forward to the numbers till H1, so the total debtor days are not more than 50 days. That in itself says that the debtor cycle is at a comfortable level. We are not having any challenges with respect to the receivables from the government side. The projects that we are bidding, these are some of the centrally sponsored or centrally funding schemes or the funding is from multilateral agencies or the projects in the industrial segment are some industrial development corporations.

So, if we say about all these mechanisms, the funds are predominantly available for the execution of the project. So, what I can confirm is based on the past precedence of five years, not even these two quarters, we are quite hopeful that with the entire order book in hand and the projects for which we have submitted our bidding for which the funds are tied up. So, the liquidity shall not be an issue in this particular sector.

**Manish Jain:**

And sir, this minus INR100 crores cash flow for the first half, do you expect it to reverse in the second half?

**Manish Jain:**

Definitely. Definitely. There has been some increase in the unbilled revenue. So, basically that unbilled revenue getting recognized in terms of the final number into revenues and the realization. So, that will happen and basically in this Q3 itself, we look forward to this number going down significantly.

**Manish Jain:**

Okay. And sir, regarding the orders which you have submitted, majority of that will be the results will be out in the fourth quarter or in the third quarter itself there is a lot of results awaited?

**Manish Jain:**

It takes almost 120 days to 180 days for the evaluation and the issuance of the work orders. So, what I can say is by end of fourth quarter, the projects for which bids have been submitted by us. So, the visibility for this entire book will be available by end of fourth quarter. We will continue to get the orders in Q3, Q4, but the entire visibility for which the bids have been submitted will be available by end of fourth quarter.

**Manish Jain:**

And sir, my last question is regarding the renewables, you have given a very aggressive target for '26, '27 as INR 500 crores and we knew from renewables and after that 40%, 50% growth. So, from INR 200 crores in this current year, you target INR 500 crores for '26, '27 from renewables. Right?

- Manish Jain:** I think the level at which the renewable sector is growing, definitely we are trying to have our strong foothold in this particular sector. We don't want to be very bullish, but first of all to have a significant presence, this is what we understand from INR 200 crores to INR 500 crores is what is achievable. And then maintaining a level of around 40% to 50% in the renewable sector in the initial year is quite possible.
- Manish Jain:** But this itself is very aggressive, INR 200 crores to INR 500 crores, right?
- Manish Jain:** Look forward to doing it, boss. As we are doing in our water and wastewater segment, so that maintaining that growth level somewhere in the range of 35 to 40-odd percentage. We look forward to maintaining that growth rate of around 40% to 50% in the renewable sector.
- Manish Jain:** And the margins are more than the water segment in the renewables, right sir?
- Manish Jain:** No, no, no. That is not true. The margin profile in the renewable sector will be a bit lower in comparison to those in our water and wastewater sectors. There we have our technological prudence which is available based on which we do have the better margin profiles.
- Renewable is a sector which wherein we have entered based on our sustainability approach, and then we look forward to waste to energy segments as well. So, definitely we are growing ourselves in that renewable segment as well, and look forward to maintaining a healthy growth margin along with better than on the industry average profitability. This is what we will try to achieve.
- Manish Jain:** Thank you for answering all the questions, sir. Best of luck.
- Manish Jain:** Thank you.
- Moderator:** Thank you. The next question is from the line of Vidhi Shah from CRK. Please go ahead. Ms. Vidhi, please unmute your line and go ahead.
- Vidhi Shah:** Yes, sir. Could you please elaborate on the revenue visibility from the renewable segment project-wise? How are you targeting INR 200 crores? Can you just give me a brief project-wise?
- Manish Jain:** In the renewable segment, I just confirmed that revenue visibility for the current financial year is expected to be somewhere around INR 200 crores. And for the next financial year, definitely we don't have the order book visibility right now, but we look forward to expanding our foothold in the renewable segment. And we will look forward to achieving a revenue of somewhere around INR 500 crores by FY27, and then an organic growth which will continue in that particular segment as well.
- Vidhi Shah:** All right, sir. Can you just give me a split between how much will come from PPA projects and how much will come from EPC from this INR 200 crores? Can you give a bifurcation?

- Manish Jain:** Basically, these two are solar assets which are in form of IPP itself. So presently, we are executing these two projects. So basically, the revenue guidance for the current financial year definitely comes from these two projects, along with one small project which we have recently got from ONGC.
- It is a 2-megawatt rooftop solar projects and for which the total order book is INR 10 crores. So, basically, this is the order book for the current financial year. We'll move through these projects, and our top line is based on the completion or movement in this project itself. Then the fresh bidding which is ongoing in the renewable segment and the order book that we will generate in this segment.
- Based on this, we will be in a position to give an exact guidance for FY27. However, this is our thought process that we at least grow to an extent of somewhere around INR 500 crores in the renewable segment, along with our revenue visibility and profitability in the wastewater treatment segment which is separate from the growth which is there in the renewables.
- Vidhi Shah:** Okay, sir. And can I know what is the current EPC order book and margin profile that you're expecting for this renewable segment?
- Manish Jain:** Ma'am, I just confirm the same. There is no other EPC project with me now. It is just this 2-megawatt rooftop solar from ONGC. These two are IPP. No other EPC project is there in the renewable segment, at least as of now.
- Vidhi Shah:** Okay. And margin profiles that you're expecting from renewables?
- Manish Jain:** Margin profiles presently from these two projects are in the range of 18% to 20% EBITDA margin. For the future projects, definitely we are understanding this segment. And then the profitability or the maintenance of further profitability, we will be in a position to confirm once we do have the projects available with us. And then the estimated profits which we can earn from the projects. Wherein I'll be in a better position to give any guidance further on this.
- Vidhi Shah:** Okay. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Manish Choraghe from Keynote Capital. Please go ahead.
- Manish Choraghe:** Hello. Good afternoon, sir. I just wanted to know, as you said, your order book in H1 was around INR 1,400 crores and new bids would be INR 2,500 crores in H2. So, can I assume that FY26 order book should be around more than INR 4,000 crores?
- Manish Jain:** No. The total order book guidance which we could understand and which we confirmed was INR 2,500 crores for the entire financial year. INR 1,450 crores is the order book which is

already in our hands in the current financial year. And then there is a bid pipeline of somewhere around INR 8,000 crores for which we have submitted the bids.

So, as a guidance perspective, I can say another INR 1,050 crores is what we should get in the current financial year. We look forward to outdoing these numbers. But as a guidance measure, I will say, INR 1,050 crores is what is balance left out of the INR 2,500 crores. And definitely, there can be an increase. This is what we can expect.

**Manish Choraghe:** Okay. So, and just wanted to ask, we are not bidding for new tenders of Jal Jeevan Mission, right?

**Manish Jain:** Yes, we are not bidding for JJM.

**Manish Choraghe:** And what is the amount of receivables from your current receivable of around INR 127 crores pending from Jal Jeevan Mission?

**Manish Jain:** The total receivable is, I say combined, is 49 days and it is INR 127 crores. So, I think somewhere around that number is right now not with me, but it is not more than INR 50 crores to INR 60-odd crores from the JJM itself.

And the funds even in the JJM in MP, we are getting the funds in a timely manner. So, the payments which were getting delayed in the past financial year, this is not the norm, at least in the current financial.

**Manish Choraghe:** Understood. And one last question that 35% to 40% guidance you have given for FY26, that also includes INR 200 crores revenue from renewable energy sector. Is that correct?

**Manish Jain:** No, no. Basically, the revenue guidance from renewable sector will always be different from what we will achieve from the water and wastewater segment. So, we will always be very clear. The revenue guidance is that 35 to 40-odd percentage revenue guidance is from the water and wastewater segment itself.

This INR200 crore revenue guidance which we are giving from the renewable sector, it is entirely different from that top line guidance which we are giving for water and wastewater sector.

**Manish Choraghe:** Understood. Thanks a lot, sir, and all the best.

**Manish Jain:** Thank you.

**Moderator:** Thank you. The next question is from the line of Dinesh Kulkarni from Finsight. Please go ahead.

- Dinesh Kulkarni:** Hello, sir. Am I audible? Yes, thank you for giving me the opportunity. Good set of numbers in a challenging environment. So, my question is, like, I know we are just started focusing on Maharashtra, but if you could look, you know, Maharashtra as a state and the kind of development going on here, how big this opportunity could be for our company for the next three years? If you could just elaborate on that.
- Manish Jain:** On Maharashtra itself?
- Dinesh Kulkarni:** Yes.
- Manish Jain:** The opportunity is definitely getting bigger. The AMRUT 2 schemes are just on the verge of rollout in Maharashtra. Apart from this, this ZLD project which we have got in Maharashtra from MIDC, a number of projects are further coming up in the state.
- There are some renewable projects which we have got from Maharashtra. So, basically, if I talk about the total order visibility just from one state, definitely look forward to be very encouraging. Further, I would say we are not just focusing on one state at all. We are available pan-India. We are bidding pan-India.
- So, if I see the order book or the bidding for which our bids are submitted, these are predominantly Delhi, then UP, Bihar, Odisha, Gujarat. So, basically, we are trying to diversify ourselves across all states in India. So, the revenue visibility, as we can say, and the order visibility will be very healthy from Maharashtra and the similar will be the situation pan-India as well.
- Dinesh Kulkarni:** Okay. So, basically, I wanted to know, like, how -- what kind of ZLD projects you mentioned. You have already got one here. I know it is maybe in Ichalkaranji, if I am not wrong. So, my understanding...
- Manish Jain:** Yes, it is in Ichalkaranji.
- Dinesh Kulkarni:** Ichalkaranji, right. So, how many such projects you can visualize, say, in the next 3 years, maybe in -- not just Maharashtra, then across India? How many such projects are coming up based on your understanding of the market and projects? And where do you see this thing going? Because these are pretty large in size, right, compared to the normal projects? Yes, that is my question.
- Manish Jain:** We, at Enviro are one of the key players as far as the Common Effluent Treatment Plant segment is concerned. So, basically, this sector with the guidelines to be ZLD compliant and go for all the plants which have to become ZLD compliant. So, a very big segment that is coming up.

So, this segment is going to grow very rapidly. Reuse of water, both from a common effluent treatment plant or from a sewage treatment plant. So, these reuse schemes are gaining a lot of momentum in India now. Since the industrialization level which is growing and which will continue to grow in India, the demand for water for industry is increasing.

And with very limited resources, definitely this reuse segment, it is going to grow bigger and bigger. So, it will open up a lot of opportunities for all the companies in this particular segment. And we also look forward to be one of the key players in this particular segment.

**Dinesh Kulkarni:** Okay, sir. I think that's it from my end. Thank you very much and all the best.

**Manish Jain:** Thank you.

**Moderator:** Thank you. The next question is from the line of Sanmat Jain from Pinpoint Capital. Please go ahead.

**Sanmat Jain:** Yes. So, sir, this is a follow-up question. I wanted to ask, there seems to be a slow order intake lately. What can be the reason for that and like how much, any change we are expecting in that?

**Manish Jain:** In terms of the order inflow, if I see in the current financial year, the order, fresh order book has been to the tune of INR 1,450 crores. If I see at least for Enviro, this is the biggest order book in any single financial year.

So, this is the government process of evaluation and then the process of processing it for award issuing the LOA. So, basically, it is a time-taking process and 120-180 days is the timeline during which this evaluation is done and the order is processed. So, basically, it is a normal cycle. I cannot say there is any slowdown on this.

**Sanmat Jain:** Understood, sir. Thank you, sir.

**Moderator:** Thank you. The next question is from the line of Prateek Bhandari from Aart Ventures. Please go ahead.

**Prateek Bhandari:** Yes. Hi, sir. Thanks for the opportunity. I'm just continuing from where the previous participant left. When we last met, you mentioned in the month of August that you have submitted bids for around about INR 4,000 to INR 5,000 crores?

**Manish Jain:** Right.

**Prateek Bhandari:** And if I look at that numbers for which the projects were bidded, out of that only, we have received order inflows to the tune of INR 248 crores to INR 250 crores. That was the fresh order inflow for this particular quarter. So, if I look at the success rates and the bid success rates that we usually code around about 30%-40%, I mean that not even translates to 5%.



So, what has the case been there? I mean, just wanted to understand. Out of those INR 5,000 crores of projects we bid, we only got awarded with INR 250-odd crores?

**Manish Jain:**

Right, Pratik ji. Presently, the order inflow has been this INR 248 in this current quarter. So, I will say definitely this has flown only in the month of October. There are some projects wherein we are L1, but we definitely give any confirmation to the market only when we receive the LOA. There are some of the projects wherein we are L1 and we look forward to confirming the same to the market as and when the orders are received.

So, basically, this will always remain to be a cycle. Once the details are available, then we will give a guidance on the success rate. So, I have neither confirmed to continue with a success rate in the range of 40%. However, we were looking forward to a conservative success rate in the range of around 20% to 25%, which gave us a revenue order book guidance of further INR 1,000 to INR 1,250 odd crores.

So, one of this project is what for which we have received the LOA. We are just on the verge of getting orders for one more project, which may be awarded very soon, maybe in next week or 10 days' time. And definitely the process will go on and then this incremental order book is expected to be in next to what I can say next four to five months' time.

Based on that, definitely, we can give a guidance for what has been the success rate of the company for which how we submitted our -- for how many projects we submitted our bids and then how much we won. So, I think by end of the financial year, if we give that guidance, that will be more prudent on this.

**Prateek Bhandari:**

Okay, got it. So, what you mean to say is out of those orders that you have bid for in the month of August, there is still some orders that can be converted into LOA. And you are L1 in some of those.

**Manish Jain:**

Yes.

**Prateek Bhandari:**

And just one last question. You mentioned that the outstanding receivables for the JJM is to the tune of INR 50 crores-INR 60 odd crores. Are these the five projects for which you mentioned we are at the commissioning stage and the unbilled revenue would translate to build and then get realized by the month of March '26? Are these the five projects?

**Manish Jain:**

Yes, these are from the five projects itself, which are under JJM. These are in final stages. And then there are total 1,000 villages across all these five projects. Out of these 1,000 villages, almost 100 villages are there for which the commissioning has happened. So, the teams are aligned. They are doing the needful for taking up the trial testing and then commissioning of all the tests.

So, this is a process which will go on. And maybe by March, there will be a significant turnaround from unbilled to build portion and then its realization, it getting converted into cash flows. So, this is what we expect by March, there will be a significant reduction in the unbilled revenues as well. And these projects will achieve its final shape.

**Prateek Bhandari:** All right. Thanks a lot.

**Moderator:** Thank you. The next question is from the line of Meet Shah from Finance 360. Please go ahead.

**Meet Shah:** Good morning. Thanks for the opportunity. Firstly, could you walk me through the entire ordering to execution to revenue recognition process? For example, if we receive an order today, by when will it be executed? And how do we recognize the revenue?

**Manish Jain:** First of all, I will explain an EPC project. The total timeline for execution in an EPC project in general is 24 months. Once we receive any of the LOA, we are required to submit the performance bank guarantees. The moment the performance bank guarantee is submitted, an agreement is signed, and then a notice to proceed is issued. Basically, that date of proceeding for the project, that is the date of commencement of the project. And it is almost within one month from the date of issuing of LOA.

After this, it is, first of all, the design components wherein we are required to design different components of the project. The design can be in the form of the process design, structural design, mechanical, electrical instrumentation, and automation design. There is a payment breakup which is assigned for the designing and approval of designs. In general, this component or this payment breakup is to the tune of 2% to 5%.

Once a portion of this design is approved, and any of the structural drawing for any unit is available, the physical execution starts at site. The entire payment breakup is divided into civil components, mechanical, electrical, then instrumentation and automation.

If I take up the civil works, so the civil work is again divided into a number of liquid retaining structures and buildings, which is then further divided into different stages of execution, which is like excavations, laying of the PCC, laying of the concrete draft, then walls, different stages, final finishing. So, these are basically sub-divisions of various forms of civil works execution.

For mechanical, electrical, instrumentation, automation, basically the payment breakup is divided into supply, which is almost a major component, which constitutes 70%, 75% to 80%, then its erection, then the trials of the equipment, and then the commissioning. So, these are basically the different stages in which the entire project, it is a turnkey project, which is broken up.

So, every month, we are required to submit a running account bill for the stage, which has been completed in that particular project. So, based on that running account bill on a per month basis, the measurements are entered in the measurement book by the government authority.

And then based on that measurement in the asset drawn, for which the payments are to be released, then they release the pass orders, then we get to know the exact revenue recognition. And then we issue the GST invoice. This is basically the point wherein the unbilled is getting converted to billed. And now it is a debtor cycle.

So, if I talk about the cycles, it is basically the inventory cycle, when we purchase the raw material and it remains as an inventory, then the unbilled revenue cycle when the raw material is getting converted into the work in progress, which is accounted for as unbilled revenue, unbilled revenue, and then from unbilled to billed. So, basically, this is the cycle.

So, this is the entire cycle, it is an extra type of formation during the execution of a project. At the initial part, since we are just into the designing, so it is a slow process, maybe three to four months are assigned for the design and its approval. So, this is a relatively slower process. And the physical execution starts when we start the civil works at site and the machinery mobilization or the mechanical or electrical equipment, these are purchased. So, it is an exponential growth in the project.

Once we are there for almost a final completion, then again, the process goes a bit slow since we are hitting the executions. Then the trials and commissioning, the commissioning itself is a 90 days cycle, wherein there will not be any major expense to be incurred, but a performance guarantee test needs to be carried out after which the final bill will be processed and the revenues for that will be recognized. So, basically, this is the entire process, how an EPC project that is carried out.

**Meet Shah:** So, just to confirm what I understood. When we receive the payment, when the payments are released, then it reflects in the income statement as revenue, right?

**Manish Jain:** When the bill submitted by us, which is in form of a proforma invoice is accepted by the government department, and a pass order is issued, basically, it is the time when we issue the GST invoice. So, basically, this is what we say from now, that is the time when unbilled has got converted to billed.

**Meet Shah:** Okay, but payments are not being made, right? At that point of time?

**Manish Jain:** No, no, no. Payment is not released. It is basically the debtor cycle which has started. Now, during this debtor days, what we say then, what is the trade receivable? So, it enters the trade receivable cycle at that point of time.

**Meet Shah:**

Okay, okay. So, got it. So, my second question is on that only, like if we combine the last three years EBITDA, it is around INR 500 crore plus, but our operating cash flow for last three years is minus INR 48 crores. So, there has been material gap between EBITDA and operating cash flow. So, if you can help me understand it.

**Manish Jain:**

Well, to my understanding, the entire balance sheet is there, wherein there are some elements of gross blocks. When we are having various working capital limits with our bankers. So, there is a component of that collaterals and margins, which we are required to place with the bankers for disbursement of these working capital limits, which can be in form of bank guarantee, LCs or CC. The total CC limit is hardly 10% at any point of time.

If you can just look into the balance sheet of FY23, the total collateral plus margin that had swelled to a level of somewhere around INR 180 crores, the collateral was also issued in form of the FDRs itself. So, basically, as the business was growing, so definitely the cash flow was getting blocked in terms of the various type of working capital limits. It can be working capital limits on the level of growth, which is there. So, there can be a component of unbilled.

The trade receivable absolute, if you see, so it is going to increase as we are growing. The level of margins, which have got accrued and the level of margins at which we are sitting. From that 35 odd percentage of collateral plus margin, we have now come down to somewhere around 15% presently.

So, there are a lot of positives wherein we look forward to our cash not getting blocked. It will be converted into cash rather than being a balance sheet item. So, this is what we expect and the cash, the realizables, receivables, retentions, the cash margins with the banks, all this will go for a reduction, which will ultimately get reflected in terms of positive cash flows in the company.

**Meet Shah:**

Sure, sir. And small question, sir, any guidance on OCF for this year?

**Manish Jain:**

First of all, I want to be OCF positive. For the current financial year, there are basically four major areas wherein we have been concentrating at any point of time. First of all, it was the order book wherein we understand to an extent we have been in a position to give a clarity and the order guidance is not a challenge at all. Bottom line for the first half has been robust and gets aligned with our growth projection of 35% to 40% since our PAT margin has been more than 40%.

There is an increase of more than 39.6%. Third point is top line. The top line has grown at 12%, but it is related to the order on which the work was going on. So, this was the third part, bottom line, top line. Now, the fourth and the most critical one which we can understand is we should turn OCF positive.

The only point what I can say at this juncture is since we are executing some of the HEM projects as well, in renewables, these two solar assets are there. So, we will be going for the debt of our execution since these are IPP projects. So, the long-term debt will increase slightly in the current financial year.

So, I will not give a guidance how much we can be OCF positive, but definitely OCF post-tax will be surely positive and this is what we are working on. So, this is our first major concern area and we are looking into it very seriously.

**Meet Shah:** Okay, sir. Got it. Thank you, sir.

**Moderator:** Thank you. The next question is from the line of Aditya Iyer from Morde Foods Private Limited. Please go ahead, sir.

**Aditya Iyer:** Thank you for giving me the opportunity, sir. Firstly, I would like to congratulate you on a good set of numbers. Just wanted some understanding on the borrowing side. I can see that there has been an increase in the borrowings taken by the company in this quarter, like the non-current borrowing has increased by roughly INR 34 crores and the current borrowing also has increased by roughly INR 27 crores. So, could you please throw some light on what the new INR 60 crores borrowing is and what will it be used for?

**Management:** Basically, first of all, if I clarify on the long-term borrowings, we are executing two HEM projects. One is at Mathura and second one is at Saharanpur. So, as the projects at Mathura, it is progressing. So, that part of loan which has been drawn from the lender as the execution is progressing, so there has been an increase of some INR 35 crores in the long-term loan.

Short term, I will say we do have the treads limit from where we are making payment to our MSME vendors. So, there has been an increase of somewhere around INR 25 odd crores or something. So, basically, so it is a cycle wherein we are making payment to our MSME vendors within 45 days and we are required to pay to the banker in another 90 day's time and the total interest rate is somewhere in the range of 7 to 7.5 percentage, not more than that.

So, basically, that short-term borrowing has got increased because of that only. And if you see the trade receivable, basically, it has gone down drastically by INR 120 crores. So, basically, the trade table has gone down by INR 120 crores and there is an increase of INR 30 crores in the payments to MSMEs. Basically, it is just that number.

**Aditya Iyer:** All right, sir. Thank you so much and all the best for the further projects. Thank you.

**Moderator:** Thank you. The next question is from the line of Manish Jain from Wealth Grow Security. Please go ahead.

**Manish Jain:** Thank you for the opportunity, sir. Sir, my question was regarding our EBITDA margin are one of the best in the industry and your reasoning was that all our activities are in-house and we don't have any subcontracting. Sir, can you please elaborate on this matter a little bit? Can you explain it further a little bit?

**Manish Jain:** Manish, basically when we are executing the project on our own, there are three, four components wherein we save. First of all, it is the margins which we could have forgone by giving any other component on a subcontract basis. So, this is the margin which is getting accrued into the company if we are doing it on our own.

The second point is the control over the execution progress. Since we are doing it in-house, we are working on the capabilities of our company. So, we are not dependent on the execution capabilities of the subcontractor who might have some other capabilities or maybe lower capabilities in terms of the financial prudence which is available with the company.

So, that translates that we can deploy the right machinery as and when required, we can enhance the progress. So, that again translates into operational efficiencies and we have elaborated it in the past that execution capabilities, if these are strong, will result in better margins of the company. Third point is the quality.

Let me just complete. The quality gets ensured. When we are executing the project ahead of time. So, basically, we are reducing on our fixed costs or rather what I will say if a project is continuing. So, our recurring cost, this will have to incur costs on a month-on-month basis. So, these are all basically translating to having higher operational efficiencies. And one of the major components which I will say is the design prudence with the company, wherein we are able to give a viable solution to our end to end and we generate better margins and profits for our company.

**Manish Jain:** Sir, are we bidding in the private sector in the top 100 or top 500 companies and this is the first question. The last question is regarding the Telangana arbitration. Can you just clarify that one?

**Manish Jain:** Telangana arbitration, we do not have any arbitration at Telangana at all.

**Manish Jain:** Sir, some Telangana operation is there?

**Manish Jain:** No, there is no operational footprint of the company at least at present in Telangana.

**Manish Jain:** Okay, sir. I think you may please relook into it. And I will also check because presently company is not available in Telangana. As far as the private segment is concerned, we are not looking into the private segment at least at present. Rather, we are focusing on the industrial segment in form of common effluent treatment plants, which are ultimately being invited by the industrial development corporations and which is a government body in its own.

So, looking forward for bigger ticket size projects, so that way we are not bidding for this. Definitely look forward to some PSUs like IOC, DTCL, IOCL. So, wherein the projects for ETPs are coming up or various thermal power plants wherein this water treatment plants that shall come up on the projects. If these are invited, we definitely have our interest in that segment and we will bid for it as and when the project comes.

**Manish Jain:** Sir, are we into solar pump projects?

**Manish Jain:** No, we are not.

**Manish Jain:** Okay, sir. Thank you for the opportunity and thank you for answering all the questions and best of luck, sir.

**Manish Jain:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, in the interest of time, we will take that as a last question. I would now like to hand the conference over to Mr. Manish Jain for the closing comments. Sir, kindly unmute your line and go ahead.

**Manish Jain:** I am thankful to all of you for joining this conference call and the progress the company has made in the past 5 years, 6 years and with the level of opportunities which are available and the order book which is in hand, we expect that the company will continue to grow organically and the profitability and the growth that will be maintained as the company is progressing further in the current financial year and in the future years as well. Thanks a lot to all of you for joining this earnings conference call Q2 of Enviro Infra Engineers. Thanks a lot.

**Moderator:** 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.