**Date: 19th August, 2025**

To
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East) Mumbai- 400051
**NSE Scrip Code: EIEL**

To
BSE Ltd
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001
**BSE Scrip Code: 544290**

**Sub: Transcript of the Conference Call for Analysts and Investors held on 12th August, 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 conducted on Tuesday, 12th August, 2025.

The same will also be hosted on the Company's website at www.eiel.in.

You are requested to take the same on your records.

Thanking You,

Yours faithfully,

**For Enviro Infra Engineers Limited**

PIYUSH JAIN Digitally signed by PIYUSH JAIN
Date: 2025.08.19 20:02:42 +05'30'

**Piyush Jain**
**Company Secretary and Compliance officer**
**A57000**

**Encl: A/a**

# "Enviro Infra Engineers Limited FY 2026 Earnings Conference Call"

## August 12, 2025

**MANAGEMENT:** **MR. SANJAY JAIN – CHAIRMAN & WHOLE-TIME DIRECTOR, ENVIRO INFRA ENGINEERS LIMITED**

**MR. MANISH JAIN – MANAGING DIRECTOR, ENVIRO INFRA ENGINEERS LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to Enviro Infra Engineers Limited Q1 FY '26 Earnings Conference Call.

As a reminder, all participants' lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing "*", then "0" on your touch-tone phone. Please note that this conference is being recorded.

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 a guarantee of future performance and involve risks and uncertainties that are difficult to predict.

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

**Sanjay Jain:** Thank you, Varsha. Good afternoon, everyone. A very warm welcome to Enviro Infra Engineers Limited Q1 FY '26 Earnings Conference Call. I sincerely thank you for joining us today.

We are joined on this call by Mr. Manish Jain – our Managing Director, along with the investor relations team from Adfactors PR. The Results Presentation has already been shared and I trust you have had the opportunity to review it.

As we begin the new financial year, I am proud to share that Enviro Infra Engineers has maintained its position as one of India's leading players in water and waste treatment, delivering high-quality, technologically advanced solutions across the country. Our focus remains firmly on treating, recycling, and reusing water, ensuring sustainable resource management for industries and cities alike.

In Q1 FY '26, we secured fresh orders worth approximately Rs. 1,178 crores, a strong endorsement of our technical expertise and ability to execute large, complex and sustainability-driven projects. Key among these was our foray into the ZLD (Zero Liquid Discharge) segment, with a Rs. 395 crores CETP project in Maharashtra, deploying advanced ultrafiltration, reverse osmosis, and MVR (Mechanical vapor recompression) technology, to achieve near-total reuse of treated wastewater.

We also expanded our geographical footprint, adding new projects in high-growth markets such as Maharashtra and Odisha. These include tertiary treatment plants, advanced ultrafiltration systems, and long-term O&M contracts, all designed to deliver lasting values and environmental benefits. While wastewater remains our primary focus, this quarter also saw a strategic step into the renewable energy sector by securing two solar assets, one in Maharashtra and the other in Odisha. This diversification complements our sustainability-led approach and opens an additional avenue for clean energy integration in our projects.

Our total execution order book stands at around Rs. 2,051 crores, spread across 21 active projects, backed by a healthy O&M portfolio of around Rs. 946 crores that provides steady long-term revenue visibility.

With that, I would now like to hand over to our Managing Director, Mr. Manish Jain, to take you through the financial and operational highlights of the quarter. Mr. Manish?

**Manish Jain:** Thank you, Sanjay sir, and good afternoon to everyone on the call. I shall now take you through our financial performance for the 1st Quarter of FY '26.

In Q1 FY '26, revenue from operations stood at Rs. 241 crores, reflecting a year-on-year growth of 17.4%, driven primarily by the execution of our key water and wastewater treatment projects. EBITDA for the quarter came in at Rs. 64 crores compared to Rs. 51 crores in Q1 FY '25, up 25.2% year-on-year, with stable margins of 26.7%. Profit after tax grew by 41.8% year-on-year to Rs. 42 crores, with a PAT margin of 17%.

Operationally, it has been a transformative quarter with the order wins which enforce our technical capabilities in delivering complex wastewater treatment, tertiary treatment infrastructure, and ZLD space, aligning with the company's goal for sustainable urban water management.

Globally, over 80% of the wastewater is discharged, and water scarcity is said to affect more than half of the world's population by 2030. This makes our expertise in recycling and reuse not just relevant but urgent. The wastewater reuse market, already valued at $22 billion, is growing rapidly, and Enviro Infra Engineers is at the forefront in India combining scale, advanced technology, and execution excellence.

Finally, I want to express the cyber fraud incident which happened in the company, amounting to Rs. 11.15 crores detected during the quarter until 1st July. Of this, Rs. 2.5 crores has been recovered. Approx Rs. 0.6 crores is lying freezed in different accounts in which the funds got transferred. Court has issued orders to banks to release the amount freezed in different accounts to EIEL account. FIR has already been filed, and NCCRP i.e. National Cyber Crime Reporting Portal. So, investigations are underway. Rs. 4.95 crores has been charged under exceptional item in Q1.

As a measure of accountability and to avoid any financial losses to the company, our Chairman, Sanjay sir, and I have voluntarily foregone our remuneration till the loss is fully recovered. We are working closely with the authorities and have further strengthened the internal controls to prevent reoccurrence.

This concludes my remarks. We can now open the floor for questions.

**Moderator:** Thank you, sir. We will now begin the question-and-answer session. The first question is from the line of Sandip Sabharwal from Asksandeepsabharwal.com. Please go ahead, sir.

**Sandip Sabharwal:** Yes. So, as I understand, most of your contracts seem to be coming from the state governments. So, let me know how much percentage of contracts are from the state government and what is typically your receivable cycle?

**Manish Jain:** Our all of the projects I will say are from the state governments only, because all the state governments and the state government bodies remain to be the owning agencies. It can be a centrally sponsored scheme or centrally funded scheme in totality. So, it will all be the state government who owns these assets.

Our receivable cycle, working capital cycle is generally in the range of around 90 days. So, in March FY '25, we have been able to maintain our working capital cycle at a typical level of around 90 days, which covers inventory, unbilled revenue receivables, trade receivables; and on the other side, the trade payables. So, the net impact of this, the net working capital cycle is 90 days.

**Sandip Sabharwal:** It is been observed lately by many of the companies which we are tracking, like some companies which are doing Jal Jeevan Mission projects and all the other projects where money had to come from the state governments, because of these various income distribution schemes, government finances are stressed. And I have historically seen last many like two, three decades, typically companies which rely largely on state government projects, get into a receivable issue at some stage or the other. So, what strategies are you taking to protect yourself against these?

**Manish Jain:** Basically, first of all, I will clarify on the JJM aspect. In the last financial year, and starting from March 2024, there was some issue with respect to the release of funds from the center. There was an intended timeline of completion of JJM scheme by March '24. Since the scheme was not completed, the general election timelines, so these were announced. So, because the Code of Conduct was in place, the timeline and validity of the scheme that was not enhanced, it kept pending so the funds could not be released even in July budget, the timelines were not increased.

This has been done in the full year budget in February 2025. So, there has been an issue with respect to the release of funds. Rather, I will say, the state governments were funding, but there was a slowdown or delay in release of funds from the center. So, this JJM scheme in itself is a centrally funded scheme in which a part of fund is from the center and a part of funds from the state.

Now, if we look into the entire water and wastewater treatment sector in India, basically, this sector is a government driven sector. There are various types of government funded or sponsored schemes like JJM, AMRUT 2.0, Namami Gange. So, there is a different set of central funding which is involved in all these projects. The funds used to move smoothly. There has been just one year, it was last financial year wherein there has been a delay.

Now, if we look into the order book of Enviro Infra Engineers as on 1st of April 2025. So, we had an outstanding order book position of Rs. 175 crores from JJM, and with execution of another Rs. 64 crores, Rs. 65 crores from JJM. So, our net order book from JJM remains at around Rs. 110 crores. We are not bidding for any of the projects further in JJM. We are fairly concentrating under AMRUT or Namami Gange multilateral agencies projects or common affluent treatment plants wherein the land bank is directly available with the government bodies or the industrial development corporation, and they are having their own funds available for executing the projects.

**Sandip Sabharwal:** Out of the Rs. 2,100 crores order book which I think you have, how much of it is centrally or multilaterally funded and how much is purely by the state government?

**Manish Jain:** There is not even a single project which is only the state government funded. All the projects are central driven projects wherein some central funding is involved. If it is Namami Gange, it is 100% central funding. If it is AMRUT, it is 25% center along with 75% share from state and ULB combined. For JJM, which is 50% from both. And if I am talking about CETP, so it is industrial development corporation, so they are having their own funds. So, we do have a clear visibility of funds across the entire order book which the company has.

**Sandip Sabharwal:** All right. Thank you.

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

**Aniket Jain:** Good afternoon, sir. I have two questions. Number one would be, do you plan to get into desalination or do you have the technology or key qualifications to even bid for the desalination projects? That would be number one. I will ask number two after this.

**Manish Jain:** Okay. Basically, if I talk about desalination, desalination in itself is RO process. So the ZLD project in Maharashtra which we have bet. So, definitely we are entering into this particular segment. We will be entering into some joint ventures right now for bidding and entering into desalination projects as well. And we do have the technical capabilities available for the execution. So, once we do have the experiences with us in the desalination sector and the RO sector, then we will be in a position to bid on our own.

**Aniket Jain:** Understood, sir. And the second one would be, since you have won your first ZLD project, so I just wanted to understand what is the margin differential between ZLD and the usual STP or WTP projects? So, are ZLD much more margin accretive than the usual projects?

**Manish Jain:** Aniket, basically if you see the way the complexity of any of the projects will increase, so definitely the margin profile is expected to improve. So, a ZLD project in itself is highly technically competitive project, so the margins in it will be equivalent to the margin that we project for any of the common affluent treatment plant projects. So, it will be in the range of somewhere around 30%.

**Aniket Jain:** That is pretty good. So, are there more ZLD orders or tenders in the market? And can we expect more ZLD orders this year or probably next year?

**Manish Jain:** There are clear-cut guidelines from NGT to go for ZLD plants only across all the industrial areas. So, one day or the other, all the industrial areas will have to switch over to ZLD technologies itself. So, this opens up a very, very big market in India for this particular sector so that the treated water which is permeated, so that is reused in the industries again. So, this is going to gain momentum in future.

**Aniket Jain:** Understood, sir. Sorry, I just have one more. So, your order book of Rs. 2,051 crores, so what is the tentative time frame to execute these orders, this backlog? And how much of this will be executed this year?

**Manish Jain:** Let me break into two parts. First of all, there was an order book of Rs. 1,185 crores which we carried from the last financial year as on 1st of April which was available to us. So, basically that order book, there was a timeline of 24 months for its execution. So, when we are carrying it from the past, so I will say for this particular order book the timeline is almost this financial year. So, around 80-85% of this order book will convert into revenues. The fresh order which we have bid, Rs. 1,178 crores in the current quarter or in four months, so the timeline for execution is 24 months.

**Aniket Jain:** So, probably we will reach for Rs. 1,400 crores or Rs. 1,500 crores of revenues through this year.

**Manish Jain:** Yes, definitely. If you see in the 1st Quarter, our revenues have been Rs. 240 crores. So, this revenue has got transpired from that order book of Rs. 1,185 crores. Q2 will also be almost similar one. Q3 and Q4 when the execution for the new projects will also start, so there will be a sharp increase in the top line that we expect from Q3 and onwards.

**Aniket Jain:** Understood, sir. Thank you so much for answering my questions and all the best.

**Manish Jain:** Thank you.

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

**Dinesh Kulkarni:** Sir, thank you for giving me the opportunity. Good set of numbers as well. So, I just wanted to understand, how do you think the outlook is for the next two, three years because we have been witnessing some slowdown across some certain sections in space and which is getting reflected in the stock price of various companies, including us. So, what's your outlook here for the next two, three years? Do you think there are enough projects that we can bid for and win? Yep, if you could elaborate something on that.

**Manish Jain:** First of all, let me give you an update on the financial numbers. If you could just recall my speech wherein I confirmed the numbers for the 1st Quarter. So, we have had a splendid quarter wherein the top line has increased by 17%, EBITDA by 25% and then PAT by 42%. So, this in itself says that the performance of the company is good enough. Going forward, there are a number of opportunities which are getting opened up. We are increasing our geographical presence. We are entering into reused ZLD space.

There are a number of projects which are coming up in this sector. So, the slowdown in at least this water and wastewater treatment market in India, that is not happening. Rather, there is a sudden jump in the number of projects. Rs. 1,178 crores is the order book which we have won. There are a number of projects for which we have submitted our bids where again we are L1, we will be getting orders. We are bidding for the projects on a continuous basis and the projects are coming up. So, definitely it shows a lot of traction is there in this particular segment and it will continue since reuse of water and this ZLD in the industrial segment, this is also gaining momentum.

**Dinesh Kulkarni:** Okay, that sounds great. So, do you think is it still possible for us to maintain at least 30%, 40% percent revenue growth for the next two, three years with the kind of outlook we just shared?

**Manish Jain:** Yes, definitely. We look forward to having this 35%, 40% CAGR growth for at least next five years. So, we understand till 2030, definitely we have that vision and we can look forward to this type of growth.

**Dinesh Kulkarni:** And what about EBITDA margins and CAPEX, what do you want to say about that, can we have similar levels of margins or higher margins? And whether CAPEX, will it cool off or do you think it will sustain at current levels?

**Manish Jain:** First of all, I will say, when I was asked repeatedly if the EBITDA margins to the level of around 22% to 24% which we used to project time and again, these are sustainable. So, basically even after the IPO and three-quarter results are already there, similar type of margins are coming repeatedly. We want to ensure that these margins are quite possible and we will continue to sustain these type of margins. Our guidance on the EBITDA margins will always remain to be in the range of 22% to 24%. However, we have been in a position to have still better margins against this guidance what we are giving.

**Dinesh Kulkarni:** Okay. And about CAPEX, what kind of CAPEX you expect for this year and next year, in absolute number?

**Manish Jain:** Basically, for the execution side, if I say so, these are not bloated at all. So, we are moving on asset lit model. We do have that appetite of going ahead for some of the HAM projects, so we will limit our HAM projects to an extent that our debt-to-equity ratio does not get bloated. There should not be an extreme. We will keep it at a level of somewhere around 1.

**Dinesh Kulkarni:** Okay, that really sounds great. Thank you very much and all the best. Thank you.

**Moderator:** Thank you. The next question is from the line of Mr. Manish Gupta from Equinox Investment Advisors. Please go ahead.

**Manish Gupta:** Sir, thank you for taking my question. Sir, in the 1st Quarter, we have received Rs. 1,100 crores of orders. So, for the rest of the year, how much order inflow would you reasonably expect?

**Manish Jain:** For this financial year, we have given an order guidance in the range of Rs. 2,500 crores. So, around Rs. 1,200 crores is the order book which we have got. So, there is a balance of around Rs. 1,300 crores which we are expecting. We do expect that we will be in a position to outdo this number as well. So, at least for the time being, I will say, another Rs. 1,300 crores is the order book what we are looking for as soon as possible.

**Manish Gupta:** All right. Sir, while government remains our largest or let us say even the only customer that we have, is there any relevance of our products in the private sector? Any chance that the company can de-risk or diversify into private sector, sir?

**Manish Jain:** Basically, the sector in itself, because it is more of a social sector so it will drive maximum traction from the government itself. But there are some opportunities which are definitely available in the B2B segment, like there can be some water treatment opportunities coming up from the thermal power plants which are being set up or the refineries through maybe IOCL or BPCL. So, wherein the company can find its interest, so we will always be open to entering into that segment as well as and when the opportunity permits us.

**Manish Gupta:** All right, sir. And sir, my last question would be that, what do you feel are the main challenges in front of the company in the next few years? Is it high competitive intensity when you are bidding for tenders or is it the slow payment from government organizations or any other factor that you would want to highlight?

**Manish Jain:** I will say last Financial Year FY '25, as such if I see from the cash flow point of view, was a bit challenging. And those who were mainly in the JJM, they were having some tough times. But we were having a product mix in there from JJM, Namami Gange, AMRUT, multilateral, CETPs. So, that way we were fairly comfortable, our cash flow cycles were also very smooth. And we could move on and we could achieve a decent growth in the company.

So, as such, if I see forward, so if I say the worst is over and that our order book in JJM is also now is too small, and all other sectors, all other machines, the funds are sufficiently available and funds are being released on time. So, as such, we do not foresee such type of challenges. Now, if we see to the level of work which is coming up, so I can say competition is always there, but the demand supply gap in itself says that the decent profitability that can be easily ensured in the good projects are always available for us to continue bidding and bagging the new projects. So, that way I do not foresee that there are any challenges which we foresee at all.

**Manish Gupta:** Okay. And so finally, could you throw some color on the cybercrime fraud that has happened? I mean, what was the nature of the fraud and other details if you could share?

**Manish Jain:** Maximum I have covered in my speech. Basically a person impersonated as being Manish Jain and put my DP on his mobile and instructed team for some funds to be transferred. So, it has been an unfortunate incident which has happened in the company. So, the main part to mitigate, we have taken up the basic mitigation measures, around Rs. 2.5 crores has come back into the company, another Rs. 0.6 crores is what we look for, maybe another one month time or so it should come back. And investigations are already underway. And just to mitigate any financial losses to the company, myself and Sanjay ji, we have taken a hit on our own and we are forgoing our salaries. There was a next part of the requirement to strengthen the process of the SOPs, so that we have done so that this process of cyber fraud, that does not impact the company in future at all.

**Manish Gupta:** All right, sir. Thank you very much and all the best for the recovery as well as the future growth of the company. Thank you.

**Manish Jain:** Thank you.

**Moderator:** Thank you. The next question is from the line of Mr. Dhananjay from Sunidhi Securities. Please go ahead, sir.

**Dhananjay Mishra:** Yes, thanks for the opportunity. Just wanted to know this solar project we have acquired, so have we done the financial project? And how long it will take to complete this project? And are we bringing some equity partner as well for this project?

**Manish Jain:** First of all, we have secured two solar assets. One of the assets is a 40-megawatt solar asset in Odisha, Bolangir area. It is an asset of SL Infra wherein PTC was lender. So, PTC has gone for the substitution, and we have purchased this in reverse auction from PTC. The agreements are underway right now. It is expected to be executed within this month. So, term loan financial closure is also underway, and we expect that by the time this agreement is complete, so the term loan sanction will also be there from the bank. So, another one-month time or so we can expect this closure and then we can move on with the completion of project.

A 24 megawatt is already installed for which PCOD is already there on the said project, and there is a revenue generation in terms of the power which is getting generated from the project. The second one is a 29-megawatt solar power project in Maharashtra. So, this particular project is from MSEDCL in which there is an SFA, state financial assistance of Rs. 3.2 crores per megawatt. We are just on the verge of finalizing and the process is ongoing for tying up the term loan from the banks. So, we do expect that another one month to one and a half months' time all this will be in place and we will be moving forward for the execution of the project just after the monsoon is over.

**Dhananjay Mishra:** Okay. So, what will be the EPC remaining value for both the projects? And have we included these orders in our order book?

**Manish Jain:** These orders are directly pertaining to our subsidiary, EIE Renewables. So, these orders are not basically part of Enviro directly. So, that Rs. 1,178 crores does not include these projects.

**Dhananjay Mishra:** Okay. And we are not going to execute on our own, we will hire some third party, because we are in water sector, how we are going to execute this project?

**Manish Jain:** We are building up our capacities. Basically, we have formed a subsidiary in the name of EIE Renewables. So, these two projects are subsidiaries of EIE Renewables itself. So, basically EIE Renewables will act as the parent company for these projects. We are building up the execution capacities for executing renewable projects in that particular company. So, EIE Renewables will take up the EPC of this one.

**Dhananjay Mishra:** Okay. And we also have this annuity revenue coming this quarter about Rs. 6.5 crores and last year it was about Rs. 12 odd crores, so what is this annuity revenue?

**Manish Jain:** Basically, we have one of the projects at Bareilly for which the COD was achieved last year. So, the annuity, it is almost one year now so the annuities are coming every quarter. So, it is that portion of the annuity which is coming on a quarterly basis.

**Dhananjay Mishra:** Okay. And how long it will come, this annuity income?

**Manish Jain:** It will continue to come for another 15 years.

**Dhananjay Mishra:** Okay. And lastly on O&M order book which is about Rs. 950 crores. So, I mean, most of the project you must have 10 years or 15 years kind of O&M. So, how do you see O&M revenue going ahead in terms of overall, like last year you did Rs. 30 crores, so is it going to go up let's say Rs. 50 crores, Rs. 100 crores in next two, three years?

**Manish Jain:** Yes, definitely. These order this O&M order books, so for any project it is ranging between five to 15 years. So, at an average we can take it to be somewhere around 10 years. So, the O&M revenue is going to shoot up with some of the projects which we are under the execution phase right now which will go into commissioning. And once the commissioning is done, so it will go into operation and maintenance phase. So, we foresee that from FY '27 the O&M revenue should increase to somewhere around Rs. 70 crores, Rs. 75 odd crores.

**Dhananjay Mishra:** Okay. And what is the EBITDA margin you are getting in this O&M? I mean, it will be as much higher compared to our existing margin, right?

**Manish Jain:** Yes, O&M margins are in the range of 30% to 35%.

**Dhananjay Mishra:** Okay, that is all from my side. Thank you.

**Manish Jain:** Thank you.

**Moderator:** Thank you. The next question is from the line of Mr. Ashish from InvesQ PMS. Please go ahead, sir.

**Aashish Upganlawar:** Yes, thank you for this. So, I am attending your call for the first time. Just wanted to check, I mean, our return ratios and our margin, both are excellent. Given the kind of business that we are into, what is the kind of niche that we operate in? Because in project business, typically we have not seen such kind of numbers on the margins and returns, basically. So, could you explain, I mean, how does this, I mean, is there less competition or we do something which is different where we make such margins?

**Manish Jain:** Basically, it depends the way any of the project is carried forward. So, basically, we are doing entire project in-house. We have our own execution teams in-house along with our in-house design teams wherein we find our prudence in providing the most viable solutions, as well as we are having the in-house capabilities which prevent any subletting of our margins, strengthens our capacity to execute the projects well ahead of time and keeping the quality of execution in control. So, these all combined are making us to earn the margins of what we are attaining right now.

**Aashish Upganlawar:** Okay. And sir, if you could give a broader picture of how the ordering activity is likely to be, I mean, what is the feeler that you are getting? Because I think you have been guiding, I missed the initial commentary, but I think you have been guiding for a very high growth in terms of revenue growth. And that is a function of good ordering that would be happening, that you are expecting basically. So, how are you looking at the overall broader picture for the next three, four years in terms of ordering activity under the various schemes of the government?

**Manish Jain:** If we talk about one of the key schemes of the government which is AMRUT 2.0 mission, so the total budgetary outlay of AMRUT 2.0 mission is approximately Rs. 3 lakh crores. Out of which around Rs. 30,000 crores has been spent till FY '25. So, balance left is around Rs. 2.7 lakh crores and the estimated timeline right now is 2029. So, if we just look into this one scheme itself, so it leaves a lot of room for everybody and a lot of work is available for all the players in this particular segment to work on.

So, our revenue guidance of 35%, 40%, that shows clear visibility at least for next four to five years on a continuous basis. Since the number of projects are humongous and we are entering into reuse segment, ZLD, advanced treatment technologies, so we do expect that the margin profile that we have continued till now, so we can continue with the same margin profile and we can have that revenue visibility of 35%, 40% similar type of margins which we are having right now and with good cash flows.

**Aashish Upganlawar:** Lastly sir, is the receivable cycle which is pretty good, is it likely to remain the same? You do not see any challenges regarding the kind of payment terms that you get right now from your customers' right here, the state utility basically. There is no doubt that this will be maintained, right, the receivables?

**Manish Jain:** Even in the challenging year like FY '25, we have been able to maintain our cash flows fluently and we had been OCF pre-tax positive. So, even if in a tough year wherein there were some issues with the release of funds in JJM, so that says that we are on the right path and our cash flow that will remain and will continue to be prudent enough. And the government, central government or state government, they are releasing their part of the funds. The funds are basically paid, some loans are being arranged for the projects. So, these are all depository works, these are not moving through budgetary allocations. So, that way the funds are clearly available and the projects have to move and to be completed well on time.

**Aashish Upganlawar:** Thank you so much, sir.

**Moderator:** Thank you. The next question is from the line of Mr. Manish Gupta from Equinox Investment Advisors. Please go ahead.

**Manish Gupta:** Sir, what would be the current debt as on the 31st of June?

**Manish Jain:** The current debt is somewhere in the range of 0.2. It is debt to equity. And if I say total debt is Rs. 222 crores. So, as of this 31st March, 2025, it was Rs. 234 crores, so it has gone slightly down.

**Manish Gupta:** Perfect sir. And to a previous participant's query, you were mentioning about HAM projects, aspiring to do HAM projects. So, in this regard, what is the internal guideline of the company regarding the IRR expectations from HAM project? And how do you see in coming years HAM project contributing? What percentage of the total revenue mix? If you could share something on that.

**Sanjay Jain:** So, since HAM projects involve financial closures and a part of funds that is to be deployed by the company as a sponsor, so we always want to have a right mix between EPC and HAM projects. So, we always try to maintain that at a level of 75% to 25% for EPC to HAM. So, our basic thought process is that our debt-to-equity ratio that should remain comfortable. Right now, it is at 0.2. Maybe if we add on some HAM projects, means it can get somewhat increased, but not to a level that we will look forward to not crossing it more than 1 at any point of time. Or we will take the right decision if it happens so in future.

**Manish Gupta:** Perfect, sir. And finally, sir, any plans on --

**Moderator:** I am sorry to interrupt could you please rejoin the queue; we do have other participants. Thank you so much. The next question is from the line of Mr. Rohan from Elevers Capital. Please go ahead.

**Rohan:** Good afternoon and thanks for the opportunity. Sir, I just wanted to know, we have acquired one asset under substitution from PTC. So, what is the technology in this asset being used? Because this must be older project, is the generation happening? Are we doing IPP here or only EPC? If you can throw some light on both the solar projects.

**Manish Jain:** Basically, these are solar power projects. These are IPP projects. And first of all, the Odisha project, it is a 40 megawatt solar power project in which 24 megawatt is already installed. We have to install balance solar power plant of 16 megawatts. The generation is already happening and the revenues are already there. So, there is a threshold level of minimum units that we have to generate and then definitely we can go to a peak level as well.

40 million units is what is getting generated per year right now. We have to reach a threshold of 58 million units immediately, and then we have to move up to a level of 75 MU. This project is through SEKI, so we are getting our revenues from SEKI. And the power purchase agreement is signed at Rs 4.1. This is project number one. In project number two, this project is basically from MSEDCL, so in this it is state financial assistance of Rs. 3.2 crores per megawatt after the execution of the project. So, it is more of an EPC wherein almost funds are getting released on the execution of the project. Then for 25 years, the power is being sold at a rate of Rs. 0.88 per unit for 25 years.

**Rohan:** Sir, you mentioned about Rs. 3.2 crores per megawatt of state financial assistance. Then that should suffice the entire project funding requirement.

Then is there a need of separate term loan for this or to raise separate debt? And if suffice to say you will be repaying it to the state government, how is that going to work?

**Manish Jain:** Basically, there can be two ways of looking into the project. One is if there is an EPC, we do not require any funds and then the generation or the IRR can happen only during the O&M phase. The second part can be, yes, we can go ahead with some project finance wherein we do have some margins during the execution of the project wherein we look forward to an EBITDA margin maintenance of that level. And then an IRR while this O&M phase is on. So, I think the second part is prudent enough and that is why we are entering into a small term loan or project finance on the bankers.

**Rohan:** Okay. But then the assistance which you are getting from the state, in what form it is being given? It is a debt or is debt coming as an equity partner, how it is?

**Manish Jain:** No, no, no, it is directly means just like an execution, a milestone is getting achieved and that fund is going to be released. Ultimately, the project will be kept just like an asset, and it will be parked in one of the companies where this asset will be parked, and then definitely that IRR. So, it will move just like an IPV, but there is that financial modeling that has been done like that the state is giving Rs. 3.2 crores during the execution and then there is an operation maintenance of Rs. 0.88. So, that financial modeling was required to be done according to that, that is all.

**Rohan:** Okay. Thank you.

**Moderator:** Thank you. The next question is from the line of Mr. Swaminathan, an individual investor. Please go ahead.

**Mr. Swaminathan:** Very good afternoon, sir.

**Manish Jain:** Good afternoon.

**Mr. Swaminathan:** Sir, my question is, as an investor we are very happy with your Q1 performance in terms of revenue as well as the EBITDA margin. But, as an investor, I somehow feel that earnings per share has little bit dropped down compared to Q1 of Financial Year '25, sir. So, can you little bit explain on that part, sir?

**Manish Jain:** Mr. Swaminathan, if I am not wrong, the earnings per share has not dropped, it has marginally increased. And we are here in this segment from a long time and will be there for a long, long time and with a very good growth rate in the sector. So, I will request that you continue. The performance of company will be good and definitely that will get derived in form of the good pricing and valuation of the company in future.

**Mr. Swaminathan:** Sure, sir. And sir, final one more question, sir. It is not a question; it is a worrisome point from my side. On the one hand, the company is doing the operational performance excellent in terms of acquisition and in terms of the project that we are taking, including ZLD. But on the other side, some administrative issues are happening like fraud and the litigation against, the recent litigation against Karnataka drainage, that makes little bit worrisome as an investor. So, how we are going to handle such because we are going to have more and more opportunities in future in terms of our order growth. So, how we are going to handle this part effectively in future, sir?

**Manish Jain:** Let me explain these two parts separately. First of all, arbitration in any of the contracts may happen. It happens because of the understanding which both we as a contractor and then the government department, wherein they have their own thought process, and we do have our own thought process. So, if there is any point where there is a disconnect, then we have to go for a process which is clearly outlined in the agreement itself. We are continuing to execute the project for the same state government on a continuous basis. These arbitrations mean it is a type of dispute which cannot directly handle. So, these are basically points wherein one has to enter into it. And if we are right, so we will get our part of the dues. Or if they are right, so that will get subsided. So, basically, entering into an arbitration does not say that we are in a red zone at all. This is one what we can understand.

The second part is that the fraud which has happened in the company, the company is existing for the past 33 years, this is the single incident I can say which has happened. And for this cyber fraud not to happen or any such type of event which should not happen in the company at all, we are taking utmost care in future so that the systems are well in place and any such type of threat, if ever, that can be avoided.

**Mr. Swaminathan:** Thank you, Manish sir. All the best for the coming quarter, sir. Thank you.

**Moderator:** Thank you. The next question is from the line of Mr. Nikhil, an individual investor. Please go ahead.

**Nikhil Chaudhary:** Sir, if I understand correctly, the Jal Jeevan issue was with respect to government upgrading their system, because in the system probably there was a completion to be done by 2024 and it got extended for some reason, and that is why there is a delay in funds. And it is not due to some fund issue with the central government, because I just want to understand from your end, is it more structural slowdown or it will get improved in the coming or you have already seen signs of bottoming out in release of the funds and the things will be much better from here on?

**Manish Jain:** Basically, what I know from my side and as my understanding is, there is no issue at least with respect to the availability of funds with the center. If same would have been the case, other schemes would not have moved. We are executing the project under Namami Gange and AMRUT 2.0 as well. So, there the position is eased out and the projects are moving smoothly and funds are also being released on time.

As far as this JJM is concerned, basically we are not inclined to enter further for these projects. These are more of the pipeline schemes. We are more towards implementation of the plants and entering for the advanced wastewater and wastewater treatment technologies. So, this is what we can say. At one point of time we had these projects in JJM, we are executing these projects. Now, we are more aligned towards that AMRUT or multilateral agencies, Namami Gange projects. And we are moving more towards the reuse or ZLD schemes and with advanced wastewater treatment technologies.

So, what we can say is, yes, the worst is over. The JJM wherein the funds could not get aligned on time, right now the position is quite eased out. We are working in the state of MP and we are not facing at least any challenges. From the month of March, the payment cycle has eased out to a considerable extent.

**Nikhil Chaudhary:** Got it, got it. Okay. Because why I was asking is center is in your other projects also, right, because in all the projects, it is central driven. So, even though we are not in the Jal Jeevan, but it should not impact the receivers with respect to our other projects, which I is not the case like you explained.

**Manish Jain:** Nikhil ji, basically what happened in past was that if any of the project is centrally funded or centrally sponsored scheme, so that gave the confidence that the project will move smoothly, and the liquidity can be ensured. So, JJM last year what has happened is a one-off time in last 10 years. So, we can just say that the worst is over and we do not foresee any such type of incidents happening in future.

**Nikhil Chaudhary:** Got it. Great, sir. All the best and thank you for giving me the opportunity.

**Manish Jain:** Thank you.

**Moderator:** Thank you. The next question is from the line of Mr. Vineet Rajawat, an individual investor. Please go ahead, sir.

**Vineet Rajawat:** Hello. Good afternoon, sir.

**Manish Jain:** Good afternoon.

**Vineet Rajawat:** Sir, I wanted to know that when you have told that you are expecting a 35% to 40% CAGR, with the diversification of the business like into solar and HAM projects which you are expecting, your EPS will also be like in the growth range of 30% to 40%, sir?

**Manish Jain:** First of all, let me clarify that the growth what we are expecting, which is this 35% to 40% CAGR growth, it is basically we are projecting from the water and wastewater treatment sector alone. So, the growth from the renewable sector that will further get added to the growth that which we announce is from the water and wastewater treatment sector.

**Vineet Rajawat:** Okay, sir. Thank you and best of luck for the coming quarters.

**Manish Jain:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question from this session. I would now like to hand the conference over to Sanjay sir for closing comments.

**Sanjay Jain:** I thank the entire team of Enviro Infra Engineers Limited for their untiring effort, 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, everyone.

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