



**WPIL Limited**

REGD. OFF. : "TRINITY PLAZA"  
84/1A, TOPSIA ROAD (SOUTH), KOLKATA - 700 046  
TEL. : (91 33) 4055 6800, FAX : (91 33) 4055 6835  
WEB : <https://www.wpil.co.in>  
CIN No. L36900WB1952PLC020274

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To  
BSE Limited  
PJ Towers,  
Dalal Street,  
Mumbai- 400001

**REF: REGULATION 30 OF SEBI (LODR) REGULATIONS, 2015**

Dear Sir,

With reference to above, enclosed herewith is a Transcript of Q2/H1-FY26 Earnings Conference Call of the Company held on November 07, 2025.

Thanking you.

Yours Faithfully,

**FOR WPIL LIMITED**

**[K.K. GANERIWALA]  
EXECUTIVE DIRECTOR**





## “WPIL Limited Q2 & H1 FY-26 Earnings Conference Call”

**November 07, 2025**



**MANAGEMENT:** **MR. PRAKASH AGARWAL – MANAGING DIRECTOR,  
WPIL LIMITED**  
**MR. KRISHNA KUMAR GANERIWALA – EXECUTIVE  
DIRECTOR, WPIL LIMITED**

**MODERATOR:** **MR. ABHISHEK TAPARIA – EMKAY GLOBAL  
FINANCIAL SERVICES LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to WPIL Limited Earnings Conference Call hosted by Emkay Global Financial Services Limited.

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

I would now like to hand the conference over to Mr. Abhishek Taparia from Emkay Global Financial Services Limited. Thank you and over to you, sir.

**Abhishek Taparia:** Good evening, everyone. I would like to welcome the WPIL Management and thank them for this opportunity.

We have with us today, Mr. Prakash Agarwal – Managing Director and Mr. Krishna Kumar Ganeriwala – Executive Director. I shall now hand over the call to the management for the opening remarks. Over to you, gentlemen.

**Prakash Agarwal:** Thank you. Good evening, everyone. It is a pleasure to welcome you all to the earnings conference call for the 2<sup>nd</sup> Quarter and first half of the Financial Year 2026.

Let me first take you through the financial performance of the company followed by operational highlights:

For the quarter under review, consolidated revenue from operations stood at INR 426 crores. EBITDA was INR 80 crores with EBITDA margins for the quarter at 18.87%. Profit after tax amounted to INR 52 crores and PAT margins were reported at 12.16%. On a standalone basis, revenue stood at INR 176 crores while EBITDA at INR 35 crores with EBITDA margins at 20.01%. Net profits stood at INR 25 crores. PAT margins were reported at 14.21%. For the first half under review, consolidated revenue from operations stood at INR 805 crores, EBITDA was INR 130 crores with EBITDA margins for the quarter for the half at 16.09%. Profit after tax was INR 78 crores and PAT margins were 9.64%. On a standalone basis, revenue stood at INR 357 crores while EBITDA stood at INR 64 crores and EBITDA margins at 17.78%. Net profit at INR 44 crores. PAT margins were 12.32%.

The product division reported strong revenues of INR 151 crores for the first half of FY26 compared to INR 138 crores in the same period last year. Order booking and backlog continued to improve, reaching the highest ever level of INR 422 crores. With revenue growth in the first half and record order book, the growth momentum is expected to be maintained for the full year. The enquiry pipeline remains robust and order book growth is expected to continue across all sectors.

The project business continued to face challenges with revenues falling to INR 89 crores compared to INR 247 crores in Q2 last year. Two additional projects were commissioned during the quarter and O&M activity is expected to pick up from the last quarter. The company's focus remains on project commissioning and moving into O&M. The domestic project business remains focused on project completion, which are progressing well. Improvement in the water sector is now anticipated next year only, following the resolution of current challenges.

Moving to international business:

International revenues grew sharply to INR 456 crores in the first half compared to INR 288 crores in the same period. Margins have started improving and are expected to normalize through the year, supported by a strong international order book. PCI Africa is awaiting some large contracts in Q3, which are expected to boost growth, while Gruppo Aturia secured strong orders in oil and gas during the quarter. Australian business delivered improved performance in the back of strong execution and with promising opportunities in water and oil and gas segments, looks set to grow. WPIL Thailand entity introduced new drainage products to capitalize on the expanding Thai drainage market. PCI Africa and Eigenbau in South Africa maintain healthy order books and strong project pipelines, positioning them well to benefit from the expected growth in the African water sector. MISA Italy continues to progress on completing legacy contracts and rebuilding brand credibility.

With this, I take your questions.

**Moderator:** Thank you. We will now begin the question-and-answer session. The first question is from the line of Deepak from SVAN Investments. Please go ahead.

**Deepak Purswani:** Good evening, sir. Thank you for the opportunity. Firstly, on the domestic project front, if I am looking into H1 FY26 number, roughly we have done 200 odd crores. Also, if I am looking into the balance sheet, contractual assets, which is unbilled revenue, that has also risen this time. So, if you can update us, how has been things are shaping up, especially on the JJM front? And currently, how should we see progress on these projects? And how should the execution stand out for the H2 FY26 and going ahead and what would be the outlook of this segment?

**Prakash Agarwal:** I think there are two parts to the project business, which we address. Our primary focus on what we can control has been to push up execution. And we anticipated this situation, if you remember, 2 years ago, and we started cutting back on new order intake. I think both of those two have positioned as well. Our existing order books are well in control now. And most of our projects in the JJM have progressed beyond 60% achievement and they are all in the final stages of commissioning. So, I think we will be commissioning well in time. Actually, gaining some credibility because of our active commissioning program. That is one side. So, with that, we have been pushing up earlier and most of our supplies are also now complete. And we should see more commissioning in the second half of this year, which will be very positive. Second front is the JJM. Everybody is very well aware that we are waiting for the resolution of the fund

issue between the Centre and State and that is what we are hoping. And the only problem is the timeline is being shifted on a regular basis. We had expected in the budget last year, this year's budget in February. But it's November now and the resolution is still anticipated. However, I think things are moving and we should get some positive news shortly. So, this will have two effects. One, it will lead to cash flows, we have some amount of money still blocked up, which will be released. And secondly, we can activate the balance completion of projects and also, we expect the bid pipeline to improve.

**Deepak Purswani:** So, just again, from the understanding point of view, if you can also give some sense, how much is our overall exposure towards the JJM project, especially in the UP, in terms of the order book and also in terms of the receivable at the current juncture?

**Prakash Agarwal:** In UP, we don't have any project, so we have no exposure and JJM project mostly is in West Bengal and MP and our entire exposure is now down to about 1,100 crores, and which is all in the last 30% stages. So, we have reduced this exposure and financially also, if you see our balance sheet, we received funds and we have reduced our liability. So, I think the good thing from our perspective is that our conceptual liability to client is reduced drastically and our creditor liability is negligible. So, these are two good things we have achieved. Now, we just are waiting for funds released to activate all balance activities.

**Deepak Purswani:** So, just continuing on this part, from the H2 FY26 on the domestic execution front, how should we look into it? And secondly, on the international project division, we have the order book of 930 crores. How should we see the execution for this in H2?

**Prakash Agarwal:** Two things. One is that domestically, it is completely dependent on policy, both center state policy, how it moves, and we will be cautious. We are cautiously moving. However, if the fund flow improves, we will accelerate our invoicing and bidding. So, that is one area which we will, I think everybody is closely monitoring. You are also, I mean in the news, it is there. The good thing for us is internationally. Internationally, the third-4th Quarter is going to be much better because most of our business is in South Africa, the project business, and their execution picks up in this half. They are following a different time frame. So, we should get a big boost in the second half year. Internationally, we see the boost continuously increasing. And domestically, we are cautiously moving. We will be able to ramp up. I think we have, because we have executed most of our, we got our project execution well in control. So, that ramping up will not be a challenge.

**Deepak Purswani:** So, for the international order book, what is the average execution period and what is the margin profile for this type of the revenues in the international order book?

**Prakash Agarwal:** Margin profile, this quarter itself, our standalone was 20% EBITDA and consolidated was 18.87%. The first half was 17.78% and consolidated 16%. So, I think our margins have recovered in the 2nd Quarter, as we had mentioned, and this recovery will continue through the

second half. These were businesses we had newly acquired. So, there was some margin hit in the first quarter. For the 2nd, 3rd, 4th Quarter, it will improve and normalize for the year.

- Deepak Purswani:** And so, what is the average execution period for the international order book?
- Prakash Agarwal:** I think they are a bit longer tenure, but as we have mentioned, we are expecting large contracts now. So, I think we will see a revenue boost.
- Deepak Purswani:** And on the margin profile front, international margin are on the similar to the domestic?
- Prakash Agarwal:** Yes.
- Deepak Purswani:** I have a few more questions. I will come in the queue.
- Moderator:** Thank you. The next question is from the line of Jainam Doshi from KRIIS Portfolio. Please go ahead.
- Jainam Doshi:** Good evening, sir. So, first question would be, since we have a good amount of cash balance available with us, even after the acquisitions we did. So, are we looking out for any further inorganic opportunities?
- Prakash Agarwal:** Yes, we are also looking at some larger acquisitions on the inorganic opportunities.
- Jainam Doshi:** Also, if you could elude on the CAPEX plans for this year, and also it will be helpful if you could share the split of international revenue country wise, because we don't report that. So, that would be helpful for us to get a sense on how the international market is.
- Prakash Agarwal:** It is reported here, you see the presentation, and we have reported percentage too and you can note it down from there.
- Jainam Doshi:** Will go through it. But if you could share the CAPEX plans, that would be helpful.
- Prakash Agarwal:** So, CAPEX is negligible because we are well kept. I mean, all our plants are having enough sufficient capacity to handle this. As I said, the product business is looking at the big upsurge. So, we are well geared for this. We don't need any substantial CAPEX.
- Jainam Doshi:** Got it. And also, if you could share some light on the river linking opportunities, like how would be our role and whether we are keen on this kind of projects and how it will pan.
- Prakash Agarwal:** River linking projects are ongoing and we are well positioned there for product supply. And I think the whole momentum is a bit slower. We expect '26 to pick up the river linking irrigation projects.
- Jainam Doshi:** Got it. Thank you. That's it from my end.

- Moderator:** Thank you. The next question is from the line of Vinay Nadkarni from Hathway Investment Private Limited. Please go ahead.
- Vinay Nadkarni:** Your total order book, you said total execution of Jal Jeevan mission, you are saying is around 1,100 crores orders, of which only last 30% is spending. Am I right or is 1,100 the last 30%?
- Prakash Agarwal:** Most of the jobs, approximately as an average yes, so most have moved into (+60%).
- Vinay Nadkarni:** And those which we have completed, the O&M revenue would have started flowing in?
- Prakash Agarwal:** Yes, they have started this year. So, first you have gone through deferred liability period and now they are moving into O&M. So, O&M, we expect to pick up in the second half and from next year onwards.
- Vinay Nadkarni:** And these projects, when they will be completed, you are looking at completion by end of this fiscal year or the balance?
- Prakash Agarwal:** So, there are some projects which, they are linked to customer supplies, like in West Bengal, some projects have supplies from the customer, which will be deferred till they can supply us the pipe. But in other projects, we expect to be commissioning them by March.
- Vinay Nadkarni:** Now on the products division in the local domestic supplies, suddenly they have started picking up. Is there any particular reason why for the past so many years they were comparatively slow and suddenly they have started picking up?
- Prakash Agarwal:** No, I think the company felt we have done well, we have introduced new products. So, we have a very good export market supporting this. Our international supplies have increased. Then also new product development and customer relations. So, we are getting a bigger market share in India. All positives on the product.
- Vinay Nadkarni:** No doubt about it.
- Prakash Agarwal:** And things like Navy, drainage, different segments have opened up.
- Vinay Nadkarni:** And you expect product division to continue growing at the same pace in the next year also besides of course projects?
- Prakash Agarwal:** Yes, the product business is, I think all our businesses are very well positioned now. I am very happy to share that. And the product business is looking at constant growth based on the order backlog we have, as I said, which is at record level. Also, the enquiry pipeline. And secondly, even the project business, I think we are very pleased with the fact that we have reached a high degree of completion and commissioning of these projects, which should place us very well to, once the outlook improves, to benefit to be a big beneficiary there.

- Vinay Nadkarni:** Lastly, on the total outstanding from Jal Jeevan Mission, can you quantify the figure?
- Prakash Agarwal:** The outstandings have come down. We got a good amount of payments from MP but still there is a holdup and it's now in small spurts. About 200-250 crores.
- Vinay Nadkarni:** Thank you very much sir.
- Moderator:** Thank you. The next question is from the line of Deepak Purswani from SVAN Investment. Please go ahead.
- Deepak Purswani:** Thank you for the follow-up question. In the previous con-call, we have also mentioned that we are seeing strong inquiries from the Power Division as well as we are seeing some kind of inquiry from the Naval Division. So, if you can give some sense of how should we see the order inflow opportunity and how should we see the order of diversification over a period of time, that would be really helpful.
- Prakash Agarwal:** I think it's so important that all the parts of the product business are all moving well. The order shifts from time to time, sometimes like earlier water was a very big area, but now there is no balance across all segments.
- Deepak Purswani:** And similarly, on some of the opportunities. So, on the Gruppo Aturia front also, we were also exploring some opportunity in the international market.
- Prakash Agarwal:** Gruppo Aturia is now looking at good, they have a good order book and the entire oil and gas was a sector which is also now started performing from them. They had very good water orders from MENA region. So, that plus the oil and gas should give them good boost. So, second half should be good there.
- Deepak Purswani:** And on the product division front, actually sequentially there has been a sharp improvement in the business. On the year-on-year, it's relatively flat. Is it more to do with the last year? Is there any base effect or should we expect that there should be...?
- Prakash Agarwal:** I think it's very difficult to look at it. The good thing is that the highlight would be that Q2 half year, our international business has brought about stability to the business. We were a bit concerned and we had pointed out that we were getting too much domestic oriented. So, with this 56%, maybe going up to 60% international business, that gives us a good balance. Secondly, as you can see the product is also at about 56%-60% versus projected 40%-45%, which is another good balance we have got. And the margin profile, as we have always mentioned, are between 15% to 20% and our margin profile in Q2 has reached there. And these are the important parameters and all parts of our business are performing well. The project business in India, I think we have recovered very well. We have played out as per our objective, which was to bring the order book into control. And we have done that very well. And now we have to wait to be focused on the opportunities. As the opportunities come, we will be a very big beneficiary in the



project business. So, I think the parameter of balance is very important. As you can see, this ensures our consistent performance.

**Deepak Purswani:** And in the annual report, we also mentioned that we are looking into some expansion plan at the Nagpur facility for the product division. So, if you can give a broader sense, what kind of CAPEX and what is the product profile where we are looking out to expand?

**Prakash Agarwal:** It's not worth mentioning. We are doing that so that just to show you that we have enough capability within us to cater to the growing demand. So, we will be putting up a test facility there and we will be adding more manufacturing. But the CAPEX will be quite insignificant, mostly brownfield. That's why it will be less.

**Deepak Purswani:** And this time also, if I were to look into the P&L, I mean, minority interest has increased significantly at 10 crores. So, if you can give some broader sense, is it because of the new consolidation and this will increase incremental sustainable minority interest kind of level?

**Prakash Agarwal:** There will be no change in the shareholding structure at all. This is just the fact that we have money abroad and international business investments are being done from there. And as we have discussed in the past, unravelling this minority interest is a cash flow issue, which we will do at a reasonable time, appropriate time. But today, the concern is basically stabilizing the business which we have done and the growth which we see going forward.

**Deepak Purswani:** But from the overall perspective, last year minority interest was at 22 crores. This year, in the first half, we have reached at 14 crores. So, how should we see it?

**Moderator:** Should you have any follow-up question please join the queue. Thank you. The next question is from the line of Balu Shankar Lamkhade from Parami Financial Services Private Limited. Please go ahead.

**Balu Shankar:** Good evening, Mr. Agarwal. I have two questions rather. You said there is a big opportunity in the project business. So, when you say big opportunity in the project business, you are referring to Jal Jeevan Mission here?

**Prakash Agarwal:** We have had a hiccup in the Jal Jeevan, for whatever reasons there are. But there is a huge amount of work to be completed. And there is a huge amount of work to be done in the urban water and irrigation. So, the prospects of projects are very high in India. And we as a company have now got tremendous amount of qualifications and by commissioning all the large projects and capabilities now. So, we are well positioned to benefit from this. Our focus has been for the last 1.5-2 years, to bring down our order book and improve execution. So, I think the improved execution is now going to be helping us benefit from the future potential.

**Balu Shankar:** So, you expect the tendering of these orders getting to pick up in the second half? And there is a long amount of outstanding from the Jal Jeevan Mission. So, and I have been following your

company for quite some time. You are very particular in terms of the cashflows and before you bid for the new projects. So, are you confident that this money will come in the second half?

**Prakash Agarwal:** First of all, our outstanding has reduced quite considerably, I would say, in the first half of the year from March. That is one. Secondly, the balance outstanding, we are confident they will come. It might be deferred. I expect it surely in the second half of this year by March. But it is not a matter of concern. It is getting deferred because of a policy issue, not because of any other challenge.

**Balu Shankar:** One last question on the balance sheet front. In this result, you have announced the conversion of those preference shares into equity shares.

**Balu Shankar:** These were redeemable preference shares. So, how have we converted those into equities?

**Krishna K. Ganeriwala:** There is a provision in the Companies Act that any type of share which remains unissued, that can be reclassified into any other type of share. So, we are going to reclassify it as equity share.

**Balu Shankar:** And these were issued to the promoter group initially?

**Prakash Agarwal:** We are increasing our authorized capital, giving us the flexibility to raise capital. We have no immediate plan.

**Balu Shankar:** That I understand, the conversion of these 14,000 equity shares of Rs. 100 face value into equity shares, which is like 14 lakh equity shares. ,

**Krishna K. Ganeriwala:** It is not conversion. It is reclassification from redeemable preference shares to equity shares. It is not issued.

**Balu Shankar:** This is just the reclassification. And these are held by the promoter group only?

**Krishna K. Ganeriwala:** No, never ever. This is the authorized capital we are talking about, never ever issued. So, we are not talking about issued capital. We are talking about only authorized capital.

**Balu Shankar:** So, this was not issued anywhere basically.

**Prakash Agarwal:** Yes, never issued, right.

**Balu Shankar:** Thank you so much.

**Moderator:** Thank you. The next question is from the line of Ashwani Sharma from Emkay Global Financial Services Limited. Please go ahead.

- Ashwani Sharma:** Good evening and thank you very much for the opportunity. So, my first question is on the O&M business, which you mentioned that it is one of the growth areas. What kind of revenue we are estimating from O&M in FY26 and FY27?
- Prakash Agarwal:** We have an order backlog of roughly about 600 crores in this sector. And most of these projects will go into O&M starting in next year. Next year, some will go into O&M and they will be continuously going into O&M. So, I think by the end of '26-27, we are looking at about 70 to 100 crores of O&M revenue.
- Ashwani Sharma:** Got it, sir. Secondly, again, wanted to check on the margin side, we have seen significant improvement on the EBITDA margin and also on the gross margin side. What led to this margins improvement and what kind of sustainable margins we are looking at?
- Prakash Agarwal:** Our margin profile is between 16 to 20 and that is something we have maintained. The last quarter was a blip because of certain acquisitions which happened and certain one-time expenses which were captured. So, this is a normalized level and we expect to maintain this going forward.
- Ashwani Sharma:** Thank you very much. And thirdly, from an opportunity perspective, do you see any opportunity from this PSP projects and then the new initiative of the government from Brahmaputra River, the hydro opportunities? Do these opportunities increase our TAM?
- Prakash Agarwal:** So, our TAM is basically, the river linking is one area. Irrigation and river linking is a major area, such area for the government and we see good opportunities there. Similarly, we see good opportunities, there is a lot of work to be completed in rural water and urban water. And all these were completed in considerable time and considering the fact that this 1 year, if you see last couple of years, the investment has slowed down because of whatever reason and we expect there to be a catch-up on this. So, I think '26-27, we should see a catch-up and make-up for these 2 years.
- Ashwani Sharma:** Is there any guidance you would like to give not for FY26 or maybe for FY27 in terms of revenue?
- Prakash Agarwal:** I think projects, I don't want to take a call because this issue has been there for quite some time. As soon as this is resolved, which I expect very shortly, we will be coming out with our projections.
- Ashwani Sharma:** Sure, sir. Thank you very much and all the best.
- Prakash Agarwal:** Thank you.
- Moderator:** Thank you. The next question is from the line of Nirav from Emkay Global. Please go ahead.
- Nirav:** Congratulations Mr. Agarwal and Mr. Ganeriwala. First of all, I think this is a very sharp sequential improvement. I am no expert, but I just wanted some clarifications on a few industry

structures. The total pump revenues is, pumps and accessories, as you call it, is about 1,000 crores split between India and overseas. Given that we target specific customized pumping solutions, in your opinion, given the geography that you target, how big is the market in your opinion? I am sure that the organized data may not be around, but just curious, what do you think, what is the size of the opportunity in the market that you operate?

**Prakash Agarwal:** See, India is approximately about 3% to 4% of the global pump market. The global pump market is estimated at about 60 to 70 billion. And out of that, we do mostly engineer and industrial pumps. So, that market would be close to 50% to 60% of that. So, about 40 billion would be the market size. And in that 40 billion, what we have done is positioned ourselves in every product category. And we are trying to increase our geographic reach. So, I think a considerable time is there and upside. So, for us we suddenly started seeing in the domestic product business, we should see all our international subsidiaries also see this pickup.

**Nirav:** So, this is a very big market. In that case, so how is the market structured? You got a lot many smaller players doing customized work or I am just wondering that why can't we grow at 30%-35% if the market is very big and we got very healthy ROIs and stuff like that. What is the nature, what stops us?

**Prakash Agarwal:** So, for example, the US market itself is about 30%. Now, that US market and the EU would be another 20%-25%. And the rest is the MENA region. So, the APAC region is quite small. We don't have a presence in the US, which we are trying to penetrate into. So, we are missing out on 30% of the market. We got into Europe, so we have some access to the 25%. We are trying in the MENA region but the biggest market is the US.

**Nirav:** Got it. And I am assuming so, let's say, even if we got access to oil pumping technology, which is an Australian business and we are anyway good in water and...

**Prakash Agarwal:** All of it, they are centrifugal pump markets.

**Nirav:** So, is it difficult to take the technology out of Australia and tap organically into a US market or do you think we need to try and get some inorganic presence over there?

**Prakash Agarwal:** I think in our sector, we find that inorganic approach is more feasible because front-end is needed in each market for a client because there is a lot of application engineering and the front-end is therefore needed. It's not so much an export, it's more, you have to be local.

**Nirav:** Got it. So, a question that is allied to that. Do you think that...So, we have done a very significant job, if I look at your last 10-12 years' performance, that we are very conscious about our acquisitions and we have significant value out of acquisitions. But I am also wondering, does this thought cross your mind that we are overly conservative in terms of our multiples that we try to acquire the companies and we are sort of missing out on growth because of that? Can we be slightly more—what is the right word, more—tolerant about valuations?

- Prakash Agarwal:** No, I think that would not be appropriate because I think our model is partially successful because we buy and consolidate and it's like a buy and build model. So, today we are very strong in all the geographies we operate. So, in Europe, we are very strong, in Africa, we are strong, Thailand, we are strong, Australia, we are strong and India, we are strong. It's no use to just have a footprint and not build on it. We must be cautious of that to maximize gains.
- Nirav:** Which I understand. Maybe I was not very clear with my question. My question was that I am sure there are opportunities in the US. Maybe you are not getting at the right value. Does it make sense to be slightly more tolerant about paying up a higher price?
- Prakash Agarwal:** So, I think we are gearing up for it. We are in good conversations right now. And that's why we are taking, we are looking at capital. So, that's why we have increased our authorized capital. And we have a good amount of cash lying with us. So, maybe this is the appropriate time to get that big target.
- Nirav:** Perfect. Last question. I am just wondering, you have got these big investments happening in data centers and solar and stuff. Are there any of these areas which demand any pumping solutions, water solutions or any new areas that are coming up which can sort of impact the growth rates for the products, pumping products?
- Prakash Agarwal:** The biggest area is which people are seeming to miss is that water and drainage are becoming very serious concern. Urbanization, as you have seen, you are having good drainage problems. So, you can considerably infrastructure investment in both water and drainage primarily. Secondly, oil investment is again set to pick up because I think the demand for oil is not going down anytime soon. So, these are all our trusted areas are looking very strong.
- Nirav:** Excellent. Perfect. Thank you so much, sir. Appreciate this. Mr. Ganeriwala, big hi to you, sir.
- Krishna K. Ganeriwala:** Thank you.
- Prakash Agarwal:** Thank you.
- Moderator:** Thank you. The next question is from the line of Saket Kapoor from Kapoor and Company. Please go ahead.
- Saket Kapoor:** Thank you firstly for this opportunity. Just to put forward the questions in the P&L part. Although we have seen incremental revenue from the product division, but the employee cost has gone up. So, what explains this increase in employee cost from sequentially on a consol basis from 63 crores to 74 crores when the project work has been on the down track?
- Prakash Agarwal:** Well, we have a fixed cost there. Sites have to be manned. So, that cost structure is still there. We have had to mobilize to expedite the work and the revenues have gone down. But the type of work which is needed is there. So, I think there is a lag period to revenue and site costs. So, you will see it evening out. I think it's too early; a quarter is too early to make a comment.

- Saket Kapoor:** When you spoke about our South African acquisition and then in the presentation also you have alluded to the fact that Quarter 3 and Quarter 4 are generally big quarters. But those quarters will be for the acquisition of orders only. So, the execution will be with a lag effect. So, when you are mentioning in your presentation that...
- Prakash Agarwal:** I mean both. I have mentioned two parts. One is we have seen the seasonality of South Africa is different from India. So, compared to India, the 3rd Quarter because their financial year ends and the public expenditure ends in December. So, therefore, we expect 3rd Quarter to be a good quarter from execution. Simultaneously, the companies are expecting some large contracts. That is what we have mentioned. So, two separate aspects.
- Saket Kapoor:** So, when we look at the international order book for the project part, it is at 920 crores. The domestic being the slow-moving inclusive of the O&M is 2,100 crores. So, in terms of execution, how should we look at this 920 crores international pie to behave for H2 since the execution will pick up going ahead?
- Prakash Agarwal:** As I said, we have acquired this business in May. The main business, PCI, Eigenbau was smaller. PCI, we have acquired in May. So, it has just been 4 months since then. And we should see that picking up in the second half. So, I think towards March we will have a better understanding of the revenue pickup. But we see the second half as better than the first half. And the new orders which will come, they will also contribute to that.
- Saket Kapoor:** So, there will be a short time period also for the execution of the new orders. That is what you are alluding to.
- Prakash Agarwal:** We understand it will start contributing.
- Saket Kapoor:** When we look at the cash flow, we have seen our tax payment to the tune of closer to 100 crores. So, what translates into this 100 crores outgo of taxes paid in the cash flow?
- Prakash Agarwal:** That was last year. As we had mentioned earlier, last year we had made that extra payment on a conservative basis. We paid for capital gain last year and then we have claimed that back. So, that is the capital gain on the transaction.
- Saket Kapoor:** No, sir. I am trying to say there is a net outgo of 100 crores in the tax rates.
- Krishna K. Ganeriwala:** No, we have paid?
- Saket Kapoor:** Yes, we have paid 100 crores. No, I am talking about the cash flow for the period ending 30<sup>th</sup> September. Taxes paid net of is 99.66 crores.
- Prakash Agarwal:** The tax has been paid this year.
- Saket Kapoor:** That is the acquisition part of that story?

- Prakash Agarwal:** Yes. That acquisition part was paid this year pertaining to prior period which we had confirmed in our March. It was paid after March, so it was mentioned in the last week.
- Saket Kapoor:** You have always walked the talk in terms of what you speak, you deliver in terms of, especially for the product segment, wherein you were very clear that that is going to pick up and that will be the major support going ahead. So, taking that into account, if we take H2 as the next remaining part, how will the product division performance would be? Will this run rate or will it improve also from here in terms of the product division execution? I think so. There also, it is 655 and 422, the mixed closing order book. So, this will be, how will this second half play out?
- Prakash Agarwal:** Yes, product business is, as you said, the order book is rising and the execution should further pick up. It is hardly picked up. I think it should look at a bigger pickup in the second half.
- Saket Kapoor:** So, as last year as a whole, what should be the growth? We should be sensing it on a ballpark number. Last year we did 944 and first half already we have crossed 452 number. So, a good growth of closer to 500 can be expected or what should we be sensing in for the next H2?
- Prakash Agarwal:** We do not map it like that because what we can say is that domestic product business, which is the domestic product business is showing that first half we did about 151. So, this one from 138 last year. So, the second half will be much stronger than this. So, you can see the domestic business growing drastically.
- Saket Kapoor:** And for the international part, that was also significant.
- Prakash Agarwal:** Internationally, that Gruppo Aturia will do well. So, I think international also will do well, but I have not clubbed with it, we represented like this, but as you said, we have a strong order book in Gruppo Aturia which will boost that. I think yes, you are right, the international business, the entire product business should do well going forward.
- Saket Kapoor:** Just to conclude with two points. Firstly, I suggest, a small suggestion that firstly, you have looked into our request for the NSE listing. Thank you to the board for looking into the request and definitely we will have the NSE listing going ahead. Only small point is, if we can provide some business update along with the reserve submission to the exchanges and then we can come up with this presentation, even after an hour's time, the order booking and all the two slides, which are important for us to analyze the number, if that can continue with the results, that will suffice and save a lot of our time.
- Prakash Agarwal:** We will try to expedite this process. We apologize for the short time. So, we will try to improve this time.
- Saket Kapoor:** Thank you once again. Only point was, just to conclude was that the gap which we have for H1 because of the project division execution being lower, are we confident that we will meet last

year profitability numbers, taking into account the acquisition of African business and the strength which you are seeing? Is that a good understanding, sir?

**Prakash Agarwal:** Yes. That's what the first half shows and that's the way we are trying to progress and hopefully the domestic project business will also pick up.

**Saket Kapoor:** So, we can match our last year numbers at least on the profitability.

**Prakash Agarwal:** That is what we did. We wanted to de-risk our business and which we have achieved as seen in the first half. Now, the focus is build on this and hope that the domestic project business also picks up.

**Saket Kapoor:** Thank you for all the elaborate answers, sir. All the best to the teams and thank you. Thank you Ganeriwala ji for answering.

**Krishna K. Ganeriwala:** Thank you.

**Moderator:** The next question is from the line of Siddharth Jain from HSS Asset Management. Please go ahead.

**Siddhant Jain:** Good evening, sir. Thank you for giving us this opportunity. I just need to know that if the company is looking to any of the sectors like Defence or naval or ship building, any pump or pumping system we are able to provide in that sector?

**Prakash Agarwal:** Yes, we are well established in the naval sector and we have received large orders and this is an area we see constantly growing traction going forward.

**Siddhant Jain:** So, the kind of move the government is having towards the ship building sector for next 4-5 years or maybe 10 years. So, we can expect a good order book from this sector in future as well.

**Prakash Agarwal:** Yes, of course.

**Siddhant Jain:** And one last question. Any of the areas where we are actually providing pumps in the nuclear sector also?

**Prakash Agarwal:** No, we had a nuclear business which we sold a 1.5 year ago.

**Siddhant Jain:** Yes. I read somewhere in the presentation regarding the same. So, I am just confirming about it.

**Prakash Agarwal:** We do supply some pumps to the nuclear sector still.

**Siddhant Jain:** But in future, we are not looking for any of the same?

**Prakash Agarwal:** Maybe if the opportunity presents itself



- Siddhant Jain:** Since we are having a good cash balance, we can acquire a good company regarding the same. So, just thinking on those lines.
- Prakash Agarwal:** Yes, we are in lots of conversations and we are hoping to, as we have mentioned, that we are looking at some transactions.
- Siddhant Jain:** Great. Thank you so much, sir. All the best.
- Prakash Agarwal:** Thank you.
- Moderator:** Thank you. The next question is from the line of Tej from Niveshaay. Please go ahead.
- Tej:** Thank you so much, sir. Just a quick question. I know you alluded to this point in two of the questions. Just I wanted to know. So, you say the Jal Jeevan payments are improving probably in a couple of months, the payment would release. I wanted to know what gives us this confidence? And second is, of course, I know the ministries are different. The payments under Amrut are coming in very well is what we understand from other players. Jal Jeevan is a pain point for every player. So, is it state-specific or as an outsider we don't know, is it an issue which led to a particular delay in payments in Jal Jeevan? And then what makes you say that, I mean, these payments would improve? And current receivables from Jal Jeevan, how would, I mean, is it 6-7 months old billing or if you could help us understand around this point?
- Prakash Agarwal:** So, the Jal Jeevan scheme, if you go through the media reports and you understand from the Jal Jeevan pocket, it's a scheme between the center and state. And we understand that the fund disbursement, there are some issues there, some points which they are trying to clarify and then release the funds. So, hopefully, we see this is making good progress and we should see some results soon.
- Tej:** No problem. So, still it's broader sense only that it will improve, but there's no specific reason on to why it got delayed, right?
- Prakash Agarwal:** The specific reason is that this issue has been resolved to a great extent and we expect now the funds to start flowing.
- Tej:** Thank you so much.
- Prakash Agarwal:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. We have reached to the end of the question-and-answer session. I now would like to hand over the conference to the management for closing comments.
- Prakash Agarwal:** Thank you all for participating in this early conference call. I hope we were able to answer your questions satisfactorily and at the same time offer insights into our business. If you have any

further questions or would like to know more about the company, please reach out to our investor relations managers at Valorem. Thank you.

**Moderator:**

Thank you. On behalf of Emkay Global Financial Services Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.