

Date: May 9, 2025

To,
The Department of Corporate Services,
BSE Limited,
25th Floor, P.J. Towers,
Dalal Street, Mumbai- 400001

Scrip Code: 538734

Subject: Submission of Transcript of Q4 FY2025 Earnings Call held on May 7, 2025

Dear Sir/Madam,

Further to our letter dated May 4, 2025 we are forwarding herewith a copy of the Transcript of Q4 FY2025 Earnings Call hosted by Ventura Securities, on Wednesday, May 7, 2025 at 11:00 AM (IST) to discuss the Audited Financial Results of the Company for the quarter and year ended on March 31, 2025 with the Management of the Company.

This is for your information and records.

Thanking you,

Yours faithfully
For Ceinsys Tech Limited

Pooja Karande
Company Secretary &
Compliance Officer
M. No. A54401

Enclosures: As above



Ceinsys Tech Limited
Q4-FY25/FY25 Earnings Conference call

Event Date / Time: 07/05/2025, 11:00 Hrs.
Event Duration: 01 hr. 03 mins 25 secs

CORPORATE PARTICIPANTS:

Mr. Prashant Kamat
Vice Chairman and Chief Executive Officer

Mr. Kaushik Khona
Managing Director (India Operations)

Mr. K P Surej
CEO (Designate) & Additional Director

Tushar Pendharkar
AVP - Equity Research

Q & A Participants list:

- | | | |
|----|----------------|--------------------------------|
| 1 | Rohit Singh | : Nvest Analytics Advisory LLP |
| 2 | Akshay Patel | : AK Investment |
| 3 | Pranay | : Burman Capital |
| 4 | Nikhil Poptani | : Kizuna Wealth |
| 5 | Ankur Kumar | : Alpha Capital |
| 6 | Deepak Poddar | : Sapphire capital |
| 7 | Vinay Bathija | : Chanakya Investment Advisors |
| 8 | Keshav Sureka | : Niveshaay |
| 9 | Arya Oswal | : Finterest Capital |
| 10 | Aman Soni | : Nvest Analytics Advisory LLP |
| 11 | Midhun James | : Eighth Wonder Capital |
| 12 | Ashish Soni | : Family Office |

Moderator

Ladies and gentlemen, good day and welcome to the Ceinsys Tech Limited Q4 FY '25 conference call hosted by Ventura Securities Limited. As a reminder, all participant lines will be in listen only mode. There will be an opportunity for you to ask for your questions after the presentation concludes. Should you need assistance during this conference, please signal a Moderator by pressing * and then 0 on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Tushar Pendharkar from Ventura Securities. Thank you, and over to you, sir.

Tushar Pendharkar

Thank you, and very warm welcome to everyone. On behalf of Ventura Securities Limited, I am pleased to welcome you all on the earnings conference call of Ceinsys Tech Q4, FY '25. We are happy to have the management of the company with us here today. Management is represented by Mr. Prashant Kamat, Vice Chairman and Chief Executive Officer; Mr. Kaushik Khona, Managing Director, India Operations and Mr. K.P. Surej, CEO Designate and Additional Director. We will begin with the opening remarks from the management followed by an interactive question and answer session. With this, I hand over the call to Mr. Prashant Kamat. Over to you, sir.

Kaushik Khona

Good morning. I'm Kaushik. Allow me to begin with.

Prashant Kamat

Go ahead.

Kaushik Khona

Yes. Good morning, everyone, and thanks for joining. Welcome to this earnings conference call. It is a pleasure to welcome you at this call for the fourth quarter and the financial year ended 2025. Let me first thank our host for today's con call, Ventura Securities Limited. In the interest of some of the people who may be new to the company, let me first start by giving you a brief overview of the company and then followed by performance highlights for the quarter under review and the year under review.

Ceinsys Tech, which has been recently rebranded as CS Tech Ai, while the corporate name remains as Ceinsys Limited, we are a leading technology solution provider in the IT enabled sector. We are acclaimed for our expertise in geospatial engineering as well as other engineering services and solutions. We offer a broad range of geospatial intelligence services, including data creation, analytics, decision support system and enterprise web solutions.

In the year financial year 2022, we strategically expanded into mobility sector by acquiring Allygrow Technologies, a specialized engineering service provider with a strong international presence. This acquisition allowed the company to enhance its capabilities into manufacturing technology and mobility engineering solutions, covering the entire product development process, and industrial automation for diverse sector such as 2 and 3 wheelers, passenger cars, commercial vehicles and of heavy equipment.

We serve prestigious global clientele that include large corporates, OEMs, asset management companies and government bodies, highlighting our robust reputation in both geospatial and manufacturing and mobility sectors. With offices in India, United States, United Kingdom and Germany, we combine local expertise with a broad international reach. Additionally, we have established our Innovation and Emerging Technologies Wing, which is engaged in development of new technology solutions through use of artificial intelligence and machine learning and have provided various solutions to enhance the efficiency of the delivery of the ongoing projects as well, as also for developing new process technology and the products.

This vertical emphasis the advancement in metaverse, ad-tech, gaming and mobility, reflecting the company's commitment to innovation and maintaining a competitive edge in a dynamic technological landscape. Besides the company continues to enhance its focus on the embedded technologies for the mobility solutions. The company has added resources for business development in U.S., which will enable to focus on the growth of offshore business in the coming years.

Now let me provide some key highlights of our financial and operational performance for the fourth quarter and the financial year ended 31 March 2025. For the quarter under review, our operational revenues grew by 81.9% year-on-year to INR 142 crore and EBITDA grew by 116% year-on-year to INR 27 crore, with EBITDA margins at 18.82%. Net profit was reported at INR 22 crores, which represents a growth of around 89% year-on-year, and PAT margin stood at 15.38%.

For the financial year ended 31 March, our operational revenues mounted to INR 418 crores, demonstrating a strong year-on-year growth of 65%. EBITDA also saw a robust increase, rising by almost 77% year-on-year to around INR 78 crores, with EBITDA margins of around 18.63%. Additionally, our net profit surged by 81% year-on-year to INR 63 crores and a PAT margin of 15.12%.

The growth in both revenue and EBITDA margins was driven by successful execution of projects, which contributed to stronger margins. Additionally, our ongoing initiatives to improve operational efficiency have enabled us to handle higher volumes more effectively, further boosting our performance. The results reflect the amalgamation of 100% subsidiary, Allygrow Technologies Private Limited, which has been allowed to be amalgamated with effect from 1st, April 2024 as per the recent order of honorable NCLT. While ATPL was already previously consolidated, the merger streamlines the reporting.

The company reported strong growth in its geospatial business, driven by increased focus on water, IoT and enterprise solutions. As of year-end, it holds an investable surplus of around INR105 crore for inorganic opportunities along with our operational cash surplus of INR 45 crore. As at the March, the total order book confirmed order book stands at around INR 1,197 crores. Of this, projects in the water domain account for INR 1,019 crores and the geospatial enterprise solutions services contribute to around INR 178 crores.

On the operational front, the current ratio improved from INR 2.6 of the year 2023-2024 to INR 2.82 in this year, reflecting a stronger liquidity position and enhanced short term financial stability. A key highlight for the financial year 2024-2025 is a significant improvement in the turnover to net working capital ratio, which increased from 3.2x in the previous year to 4.4x in this year financial year 2024-2025, indicating again enhanced operational efficiency and a better capital utilization.

The execution of technology solutions projects witnessed a 3.5-fold increase during the year 2024-2025, rising from INR 60 crores of last year to INR 213 crores of the year 2024-2025, which reflects a strong demand and enhanced delivery capabilities. The share of Technology Solutions total turnover increased significantly from a 24% of the total turnover of last year to 51% of the turnover of this year, underscoring the company's strategic focus on the high value digital initiatives.

We have invested around INR 12 crores towards the business development for expansion into U.S. market, and this has been expensed out in the profit loss account for the year 2024-2025. Infused with the performance, the Board has recommended a higher dividend of 35% as compared to 25% last year. This will be paid once approved by the members at the ensuing annual meeting. On the human resource front, the company continues to invest into training and development of skilled and experienced technical resources.

Employee cost as a percentage of revenue declined to 30% in this year from 35% of the previous year, reflecting enhanced operational efficiency. This is further evidenced by the fact that there is a notable increase in turnover per employee, which rose to around 3.34 million per employee in this year as compared to 2.29 million per employee in the previous year.

One of the significant moves, the Board appointed industry veteran, Mr. Vanish Moorthy, as an Additional Director at his recent meeting on 3rd of May. Mr. Moorthy, with over 25 years of experience has led major outsourcing deals for Fortune 500 companies and currently serves as a strategic consultant through his firm, Prime Enter Incorporated. We look forward to his valuable insights to grow the international business. Besides as informed, the Board has also appointed Mr. K.P. Surej as the Additional Director at its meeting on 3 of May 2025 and is a CEO designate of the company. He was earlier appointed as CEO of the TA, which is a wholly owned subsidiary of the company at U.S.

The year 2024- 2025 was eventful and we added major contracts secured during the financial year which include a prestigious river linking project in Maharashtra valued at INR 381 crore of revenue, an IoT based project with Maharashtra State Water and Sanitation Mission with INR 332 crore of the order value a service provider contract for implementing integrated GIS enterprise for CIDCO, which is valued at INR 29 crore the selection of system integrator for the integrated digital transformation of MHADA, which is valued at around INR 29 crores. These contracts reflect the breadth of our capabilities and our continued success in securing significant projects across various domains.

On the policy front, we are happy for the continued and enhanced focus by the government policies, which were announced recently by the Honorable Finance Minister. And some of the notable announcements include the extension of Jal Jeevan mission till 2028, which intends to cover 100% for the various water schemes where CS Tech has also used role to play. Besides, it also announced the starting of the National Geospatial Mission using the PM Gati Shakti, which will facilitate modernization of land records, urban planning and design of infrastructure projects.

Building on 2024 budget proposal for incentivizing urban land reforms relating to governance, municipal services, urban land and planning reforms have also been announced.

In closing, we are focused on driving growth and continuing to deliver on our commitments. We remain optimistic about the future and look forward to sharing more updates as we progress.

With this, now I open the floor for the question-and-answer session. Thank you.

Question & Answers

Moderator

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press * and 1 on your telephone keypad and wait for your name to be announced. If you would like to withdraw your request, you may do so by pressing * and 1 again. Ladies and gentlemen, if you have any question please press * and 1 on your telephone keypad.

The first question is from the line of Rohit Singh from Nvest Analytics Advisory. Please Rohit.

Rohit Singh

Congrats for a decent set of numbers. I have three questions. One is on, our order book side. So, in this quarter, our order book declined by almost INR 190 crore, whereas the revenue book is only INR 140 crore. So, could you clarify the reasons behind this gap? And further fall in this order book in this quarter? You're suggesting a little bit lack of fresh orders received despite your guidance that we are having the annual quarterly and rate of INR 400 crore order pipeline. So, does that mean recent development like 45% proposed reduction in the center share under the JJM are affecting our inflow? And if so, do you see this leading to any near to medium term headwinds for the business? So that's my first question, sir.

Kaushik Khona

Prashant Ji, if I can take this.

Prashant Kamat

Yes, go ahead.

Kaushik Khona

So, thanks for your question and thanks for your analysis. I think the order book increase during the year was around INR 800 crores. You are talking of the quarter. You are right that the order book, which has been consumed for the execution was around INR 190 crores. And the new orders, which have been added during the quarter, was less than that. However, this is no indication that there is any dearth of opportunities or there is any dearth of new order book to be followed.

As regards to announcement of the center that allocation on JJM schemes is going to be reduced, first of all, the reduction is not even right now spelled out about what amount, but we understand that the earlier allocation was asked by almost five times than the earlier the previous allocation. So, the allocation itself asked by the state was higher and the center has moderated to the reasonable number. That itself is not anyway affecting the opportunities for CS Tech because on a yearly budget of spend of around 110,000 crores, our share of the revenue is not going to be more than let's say even if we talk about the high potential, it will not be more than 3% to 4% to 5%. And in the past conference calls also, we have mentioned

that the geospatial part of the Jal Jeevan mission will be no more than 7%, 8%. So I think the Jal Jeevan mission is not the only source. But in any case, Jal Jeevan mission is also still a lot of potential to be tapped.

Right now, we are only focused into Maharashtra, Uttar Pradesh, and we are tapping into some other states. So, there are a lot of potential still to be tapped. So we don't see any headwinds in the coming future. And we expect the order book to we expect new orders also to be which we already tapped for which we already applied, we will hear, some of the success stories soon. I hope it answers your question.

Rohit Singh

What about, this gap, like, order book declined by INR 190 crore and you are saying we consume INR 190 crore, but why the revenue is 140 crore? That's what I'm trying to understand.

Kaushik Khona

So, order book, see, did that when you say reduction of the order book, you are referring to the numbers as on 31st of March?

Rohit Singh

Yes. As on 31st of March as compared to December 31st.

Kaushik Khona

So in the order book, we have, earlier, when we talked about the order book, we are talking of only the geospatial order book. And we have order book around INR 140 crore for the mobility business, which we had not counted even at the time of which was mentioned during the call. So I think that order book has not reduced. That is the annual revenue potential, which continues to grow over there. So there is no reduction of order book in that sense.

Rohit Singh

Okay. And so secondly, on our trade receivable balances, our earnings have improved that good, but cash flow generation remains weak due to substantial buildup in the trade receivable. I agree Q4 is typically execution heavy and we understand some lag can be there. But there are some reports that are indicating Maharashtra government is delaying the payments to the contractors. So could you please share what percentages of our outstanding receivables are from the Maharashtra government or any other government entity for that matter? And by when do you realistically expect these deals to be collected?

Kaushik Khona

So one thing, let me clarify that the trade receivables also include unbilled revenues. And actually, I am happy to report that as on 31st of March 2025, our debtors have actually gone down. So when we talk about the total debtors, the trade receivables, which is we are talking of INR 253 crores, this includes the unbilled amount of INR 135 crores, while the debtors have already come down as compared to the previous year. And if you look at the percentage of

debtors and the trade receivable as compared to the turnover, it is in line or it is actually better than the previous year.

The unbilled revenue is basically the execution of the project, which we are not able to bill because of the certain milestones of billing not yet achieved. So therefore, the trade receivables are not a cause of worry. We have, in fact, in the month of March, we have received a substantial amount of receivables which were due and around INR 88 crores of the total receivable was received in the month of March. So there is no overdue on respect of the Maharashtra government, which is outstanding as on 31st of March. The majority of the trade receivables, as I said, is of unbilled revenue. And these will be billed as and when the milestone for that will be achieved.

During the quarter one of 2025-2026, the outstanding receivables, which are debtors, which are the build revenues, we expect that to be received. And even in fact, in the month of April and May, we also received whatever was receivable. So there is no cause of any concern as regards outstanding dues from any government or for that matter any other receivables.

Rohit Singh

Understood, sir. And just last question on the Vidarbha river linking project. So what's the update on that? Specifically, how much revenue was booked from this project in Q4? And whether the execution is progressing as per the contractual timeline or if any delays are anticipated? Because if we remember, I think we started late on this project, right?

Kaushik Khona

So the Vidarbha project, the actual letter of allotment was granted on January 13, although the award was provided in the month of November. So there was a delay of two months from the government to give us the actual letter of award. And after the letter of award only, the work begins. So since then, we have made a considerable progress. In fact, we have deployed more than 88 people on-site for this new which are the new recruits, which we have recruited since the month of November, December. And on-site, there is a substantial progress by deployment of all the infrastructure and all the equipment which are required to carry out the DPR survey.

We also have kind of greatly commenced and completed the first link of the aerial lidar survey. The entire project is divided into three links. The first link, majority of the aerial lidar survey has been completed. And every day, almost 150 to 175 square kilometers of the aerial lidar flying is happening. We expect that flying to be completed by the end of this month 31st May, and we expect that the entire aerial lidar data processing should be over by June 30. So we are progressing as per the project charter as of now, and there is no delay. There are no pending issues at our end. There are one or two departmental consents, which are also awaited, and they are progressing well. So we on an overall basis, we don't expect any delay in the execution of this project.

Rohit Singh

So just a follow-up on your reply, are we expecting the completion of this almost, I think INR 350 crore order, it is. So are we expecting it to be completed in Q1, like the renew booking will be in the Q1 only?

Kaushik Khona

No, no. The entire project, entire project is not expected to be completed by Q1. there will be majority portion, which I think we had forecasted of around INR 150 crores in the first quarter, which we hope that we will be able to do it within the first quarter. I mean, this is right now as per the execution which is going on. So we will keep you updated once the in the next investor conference call about the progress which has happened on the Q1.

Rohit Singh

I think INR 150 crore was we were expecting earlier and now you're saying we are not on delay. So that means it should be more than that if we have to complete it because overall timeline was six months only, right?

Kaushik Khona

So, the award itself has been delayed, as I said, by two months. So after the award, the formality of giving the bank guarantee and further execution of the agreement, got completed. And then from February 1, we have been able to commence the project. So therefore, we are as per the project charter, as I said.

Rohit Singh

And out of other book -- other order book I have this contract; how much we are going to aggregate this quarter?

Prashant Kamat

Sorry, this is Prashant. Sorry for interruption. Just want to add one more topic to what Kaushik is saying. Because we have received order late, there are also and we have discussed this with government, there are also possibilities of compounding delays because with the rainy season coming up, the work will be affected in terms of survey and soil testing and all of that for API. Just a word of caution there. So right now, I don't think we want to give any futuristic numbers at this call. As we progress, we will definitely keep the people informed about it.

Moderator

Thank you, sir. I request the participants to restrict with two questions in the initial round and join back the queue for more questions.

The next question comes from Akshay Patel from AK Investment. Please go ahead.

Akshay Patel

Congratulations on the great set of numbers. My first question is about the Allygrow Technologies. So how much on the revenue contribution is there from the Allegro in FY 2025?

Prashant Kamat

FY 2025, was it? Kaushik, Sir, the Allegro Technologies The management numbers, they will need to....

Kaushik Khona

Yes, so in IN 413 crores, the Allegro Technologies and the share of the profit from the JV is around INR 90 crores, sorry, INR 93 crores. I'm talking of the INR 83 crores as a part of revenue and INR 10 crores as a part of the profit.

Akshay Patel

Okay. And how much do we expect in FY 2026 from that business?

Prashant Kamat

We generally don't give futuristic numbers, but we can tell you we expected substantial growth in the current year.

Akshay Patel

Okay. And sir, my second question is on the order pipeline. So how much order pipeline currently we do have and how much order inflow we are expecting in current financial year from all our segments?

Kaushik Khona

So Prashant, if I can just answer that.

Prashant Kamat

Go ahead.

Kaushik Khona

So as we already mentioned, the total order book as on 1st on April is INR 1,197 crores, which is being executed. And this is excluding the Allygrow. So I'm talking of only the geospatial and the enterprise solution order book. We keep on adding the new orders based on the new opportunities which we highlight. And we are not I mean, as in the past, we are not able to forecast what is the new order book which will be added. But we keep on tapping the new opportunities which is aligned with our focus on the emerging technologies and the more of the technology solutions as well as the geospatial.

So typically, our target is to achieve INR 300 crores, INR 400 crores worth of order book every quarter, and it depends on which opportunities are available. So we cannot directly exactly

kind of speculate what will be the order book for each quarter, but our emphasis will be to bid for eligible projects where we have better headwinds as against others so that we can be more competitive than the others. So that's a team in which we work with for the building of the order book.

Akshay Patel

Okay, sir. And sir, my last question is on the competition front. So in both of our segments, geospatial and technology solutions, how much other Indian companies are involved in the same segment? And what competitive edge do we have versus the other companies in winning the projects and all the things?

Prashant Kamat

In terms of competition, I think there are many people. So the list will be very long if we want to go through that. But in terms of competitive advantage, you can see it from the numbers. We are definitely doing much better than any other in our competition. We believe the reason for that is our competencies, not just technical, but also project execution and the years of experience we are in the business for 26 years and the breadth of the services. That's the major reason for us.

Moderator

The next question comes from Pranay from Burman Capital. Please go ahead.

Pranay

My first question is again on the order book. The Delta, I think the first participant was asking this. So I wanted to understand this a bit better, but it's not clear. In the last quarter, December results, the order book was mentioned as INR 1,400 crores, not INR 1,390 but roughly INR 1,400. And 31st March, 3 months later, it is close to INR 1,200. So now we as investors interpret it as like-for-like comparable. So we see that the order book has gone down by INR 200 crores, but only INR 140 crores. So if you can just explain what is this gap and if there is a change in how you are defining the order book, what is that change?

Kaushik Khona

So Prashant Jee, can I take it?

Prashant Kamat

Yes. Go ahead, please.

Kaushik Khona

Yes. So I think if you were there in the last conference call also and in the today's meeting also, I clarified that there is a what order book which we have announced right now, INR 1,197 crores, is in respect of geospatial and engineering services. We keep on there is an annual contract for the Allygrow business, which is not added. So therefore, the gap which you see is because of that. If we add that Allegro business, the order book will be the same. So there is no difference between the order book. The INR 1,390 crores included around INR 130 crores

as regard to the Allegro business, which continues to be the part of additional order book. So if you revise the order book today, it will be INR 1,197 crores plus INR 130 crores. So it will be INR 1,327 crores. So I think the numbers will be aligned to that.

Pranay

That's perfectly clear, sir. And I know this question has been asked to you about the order pipeline and because I think the concern is common that now we are starting a downward trend in the order book. But and while you are also justified in mentioning that you can't predict it. But what can be shared, if you wish to, is how much of orders have you paid for already, right? So what is the bid pipeline like? Is it significant? Do you expect conversions in the next six months? If you can share anything on the bid pipeline.

Kaushik Khona

So if I can take it.

Prashant Kamat

Can I answer?

Kaushik Khona

Yes, you can.

Prashant Kamat

Kaushik Jee, you answered with the numbers, but let me just try to give a little bit of flavor in terms of principles, how we are looking at this order book. Gentlemen, what we are trying to do is, if you see our growth rate this year, we want to make sure at every beginning of next year, we have a possibility to execute orders higher than this current growth rate. So Q-on-Q and Y-o-Y, our growth rates will not come down in the medium-term future. And whatever is order book required for that is what we will keep generating.

One of the concerns we have in terms of keep building that order book beyond the capacity of execution is we don't want to be faltering on the timelines of the government orders which we take. This is not an excuse not to grow, but this is the planning stage at which appropriately working for the growth as well as business government as well as execution of the growth.

I'm sorry, Kaushik, go ahead with your numbers.

Kaushik Khona

Yes, yes. No, so again, I would like to reiterate before I give the numbers. And normally, we don't discuss about the pipeline, but as we have already indicated in the past also, our pipeline normally is in the range of INR 300 crores to INR 400 crores every quarter and at any point of time. So even as we speak, we have a pipeline for which we have bid in the range of around INR 355 crores. So and that is what we expect something to happen within next one month or so. About these out of INR 355 crores, we expect the disposal of at least two of the large projects, which could be aggregating to more than INR 280 crores in the next one month or

so. That given, the point is the order book is also dependent on the opportunities which are aligned to us.

So if you look at the order book buildup, last quarter 3, quarter 4 -- sorry, quarter 2, quarter 3 of last year, we build up more than INR 760 crores in two quarters. That was because of opportunities which we got at that time. And we keep on tracking those opportunities. We are seeing more opportunities happening now and for which we still believe that we are capable to deliver in this range because we also added more capabilities. So we will keep on tapping, as I said, INR 300 crores, INR 400 crores worth of opportunities every point of time, every quarter.

Pranay

Got it. Thank you, sir. My second question is on some of the things I've -- some of the releases about management changes and ESOP cancellations, especially in the note in the recent results. So there seems to be a new zero change. Few of the ESOPs that were granted to Mr. Kamat, about 2 lakhs were canceled. Then a large amount of ESOPs, which were allocated to Mr. John and Ms. Rashi from the U.S. team, about 10 lakhs ESOPs, I think, are canceled because of Ms. Rashi's resignation and generally targets not expected to be met. So can you give us a sense what's happening in the senior leadership team and both in India and overseas? And how should we look at this? And just a number, I think INR 13 crores was the ESOP cost in FY 2025. Should we then expect ESOP cost next year to be zero?

Prashant Kamat

Okay. This is Prashant Kamat. The reason what you are seeing on ESOPs is, I think you understood correctly in terms of overseas employees. Rashi basically resigned from the services; therefore, she is obviously not eligible for ESOPs. She was a VP finance in U.S., we wanted her for M&A, because we also got a CEO in U.S., we decided we don't need her services. Therefore, she had to surrender those and that's one name. The other one, as you said correctly, we were expecting that was linked to the performance and if the performance is not going to get delivered, so these are not going to get granted.

The third portion which we referred was the ESOPs, which I was supposed to get and these were supposed to be over a period of time. However, as you would see, we have a new CEO coming up by the end of this year and it will be unfair on company and investors that exiting CEO takes all the ESOPs and walks out. Therefore, voluntarily, I said, I will surrender this ESOPs. Rightfully, they should go to the new CEO, not the CEO which is exiting. That's why you saw those all the notes and the ESOP numbers.

To your second question, whether it is going to be zero cost next year, I don't think so, because one, the new CEO will be coming. We will need to give those ESOPs to him. Plus, company will have to bring up the new ESOP scheme for the new hires and the growth plans we are targeting, domestically as well as internationally. I hope I'm able to -- I was able to give you the answer correctly.

Pranay

Yes, sir. And on the ESOP cost number for next year, what we should expect that, sir, what would your new role be? Would you be exiting the entire Ceinsys setup, Mr. Kamat?

Prashant Kamat

As of now, we haven't formally defined what my role will be, but my discussion with the Board is I'm not going into obligation. I will be around as an advisor and I will stay probably with the Board to support the team going forward as well. But that decision has to be taken by Suraj as a CEO. I can't decide my role when I have a new CEO. That will be unfair to him. That's right.

Pranay

Add the number please next year, ESOP.

Prashant Kamat

We haven't finalized that. So it will be premature to answer. It's a matter on the discussion at the board level.

Moderator

I request the participants to restrict with two questions in the initial round and join back the queue for more questions.

The next question comes from Nikhil Poptani from Kizuna Wealth. Please go ahead.

Nikhil Poptani

Congratulations on a great set of numbers. So my first question is around the M&A. In the last call, we said that we are looking at four M&A targets. Out of which two were almost confirmed. So is there any update on that?

Prashant Kamat

So yes, we have the two targets which are -- which have been discussed in the past. And I had also mentioned that we expect that to the due diligence and all the procedure to be completed in next by April, May. So we are on the process. Hopefully, in next one or two months, we will be able to get some headway on those two targets, which we are actually working on.

Nikhil Poptani

So just a follow-up on that. So what like the two targets that we have mentioned, are we acquiring them for just for the purpose of gaining the capabilities or for organic growth? Can you highlight certain point on that?

Prashant Kamat

I think we answered these questions last time also. We are looking for acquisition strategy for both customer acquisition as well as the competence acquisition. And we will continue to be on that track in the medium-term future.

Nikhil Poptani

That's great to hear. And sir, like our river-linking project, we have had a delay in that, two months delay. So are there any other projects that we are looking that are getting delayed?

Kaushik Khona

Prashant, if I can take it.

Prashant Kamat

Yes, go ahead.

Kaushik Khona

So there are no projects which are getting delayed. Even on the river-linking project, the meter starts from the day when we start the agreement. So delay was between the date of granting of the announcement of the award and actual award. But otherwise, there is no delay which we are expecting.

Nikhil Poptani

Okay, sir. That's great to hear. And then my last question is our bid pipeline. So which states are we bidding in? Can you just mention which states are we targeting to bid?

Kaushik Khona

So Prashant, if I can take this.

Prashant Kamat

Yes, go ahead. Go ahead.

Kaushik Khona

So the states right now, I will not be able to give you the exact states in which I have bid, but our target states are mainly Maharashtra, Uttar Pradesh, Madhya Pradesh and some of the states which have capability to and vision to grow onto the geospatial platform, more particularly onto the water as well as onto the 3D city and urban development plans. And it also includes Gujarat and Rajasthan. But we will keep on tapping opportunities.

Moderator

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

Ankur Kumar

Congrats for a good set of numbers and thank you for taking my question. Sir, I joined the call a bit late, so my question may be repetitive. But any color on the receivable side? There seems to be some increase on that trend.

Kaushik Khona

I'll just take this. So on receivable side, actually, the things have improved because the debtor's receivable first of all, let me clarify. Receivable has two elements. One is the debtors and second is unbilled amount. Unbilled amount are those which are not due for raising the invoice because of the milestones which are not achieved till 31st of March, and that has increased to around INR 133 crores. That unbilled amount is what is making up the majority of the receivable.

Otherwise, if you look at the receivable versus the turnover, the receivable ratio has improved as compared to the previous year. And even in the debtor's part, we have further received some amount in the month of April and May. So receivables, I would say, are part of the normal trend and not to be alarmed about the increase, which is mainly because of unbilled revenue.

Ankur Kumar

Got it. So next question is in terms of last quarter, we had said that we expect INR 550 crores in FY 2026. So do we see any changes increase or decrease on that front, sir?

Kaushik Khona

I don't think we would have given any indication of future because we don't give the forecast. But there is and we have achieved INR 418 crores this year as compared to INR 252 crores in the previous year. So we have seen a growth. And I think what we indicated that we will continue to -- continue the growth path. Now we don't give the forecast, so I would refrain from giving the targets for 2026.

Ankur Kumar

Got it. So last question would be in terms of Jal Jeevan mission, there seems to be some reduction on government plans allocation side. So any color on that front, sir? How are you seeing things?

Kaushik Khona

We are not seeing any effect on us and also the opportunities which we are having further. We have the Jal Jeevan mission, the reduction, what we are reading is in respect of reduction over the proposed allocation, which was supposed to be 4x than the earlier year's allocation. So I don't think it's a cause of concern. Our opportunities are not getting diminished. In fact, we still have a lot of opportunities on that. And if we are able to secure everything, then also it will be hardly 7% to 8% of the Jal Jeevan mission budget. So I don't think we should be worried about it.

Moderator

Thank you. The next question comes from Deepak Poddar from Sapphire capital. Please go ahead.

Deepak Poddar

Sir. I have two questions I have. Just first up, the current order book of around INR 1,200 crores, what's the execution timeline? I mean, by when we need to execute this INR 1,200 crores of order?

Kaushik Khona

These orders include some of the orders which are to be executed over a period of 3 years, 4 years. But on an average, the average execution would be between 18 to 24 months.

Deepak Poddar

Between 18 to 24 months?

Kaushik Khona

Between 18 to 20 months, yes.

Deepak Poddar

And how much orders would be 3 to 4 years orders out of it?

Kaushik Khona

That will be not significant. It would be hardly INR 65 to INR 70 crores.

Deepak Poddar

Oh, very small. I mean, so majority of orders would fall under this category of 18 to 20 months.

Kaushik Khona

You're right.

Deepak Poddar

Okay. Fair enough. And my second question is on your margins. I mean, if I have to see horizon of next three to five years, I mean, given I mean, in the medium term, we'll keep growing, right, on a quarter-on-quarter end, YoY basis, which you mentioned. So how do you see margins? I mean, what traction or what aspiration we can have on the margin front? Because ideally, your cost will not increase at the same rate at which your revenue can increase, right? So some margin aspiration would be helpful, I mean, some kind of range would also be helpful.

Prashant Kamat

We have basically said we don't want to give any future projections. What we said consistently over the last year is we do not see any headwinds and we should be able to maintain and improve our margin profile as the quarters and quarters starts unfolding. And so far, we have been able to continue on that track. So you can take the clue from the past, but we don't want to view the future growth in settlement or look at the future growth in.

Deepak Poddar

But we would like to maintain and improve our margins. That's what people want to say, right?

Prashant Kamat

100%, yes.

Moderator

Thank you. The next question comes from Vinay Bathija from Chanakya Investment Advisors. Please go ahead.

Vinay Bathija

Thank you for the opportunity and congratulations on a very good set of numbers. So my first question is regarding the UK FTA and I know our company has good exposure to UK. So can the management show some light on it? How will it impact?

Prashant Kamat

Sorry, sorry. Can you repeat the question?

Vinay Bathija

Okay. So my first question is on the UK FTA that has just been signed yesterday between India and UK, a free trade agreement. And there is our company has some exposure to the so may I know how will it impact the organization?

Prashant Kamat

Our exposure to UK today is very small, and this FDA, if at all, it will help us positively. I don't think there is any negative.

Moderator

Thank you. The next question comes from Keshav Sureka from Niveshaay. Please go ahead.

Keshav Sureka

So could you please provide some insight in the nature of unbilled revenue like in big like what is the expected time line of that revenue to be realized?

Prashant Kamat

About which revenue you're seeing? Unbilled. You mean?

Keshav Sureka

Unbilled.

Prashant Kamat

Unbilled revenue, yes. So see, unbilled revenue is made up of at least seven to eight major projects. Majority of them will be rectified before quarter 2, quarter 3, quarter 2, quarter 3. So it will not be like not all at once, so there will be process....

Keshav Sureka

Can I interrupt again?

Prashant Kamat

Yes, sure.

Keshav Sureka

Your answer is correct, but you need to add a flavor to that. The fact that our company is growing, unbilled revenue of the current whatever is in the book will get build, but there will be new projects and their milestones, therefore there will be new UBR and it's a cycle which is going to continue.

Prashant Kamat

Yes, that's correct. That I just want to highlight that portion because the misleading could be next quarter you will come back and say, hey, UBR is going to get build wise, UBR is still same or little increase or little down. It's because the overall revenue will continue to grow. Just for clarification. That's correct. Sorry about that.

Keshav Sureka

Got it. And also like I noticed that there is a margin expansion in the geospatial, while the technology margins have been compressed this quarter. So this is a reversal from the previous quarter. So could you please walk through us the factors which are driving the shift?

Kaushik Khona

If I can take it?

Prashant Kamat

Yes, Go ahead.

Kaushik Khona

Yes. So your observation is correct. It is only in respect of one of the or two of the projects where there was one milestone which we achieved during this quarter where the percentage of the EBITDA margins was lesser. Otherwise, our focus is on the technology solutions, which has a higher margin. So if you look at annual numbers, I think you will get a better sense of it. On the overall project, the margins for the technology services are better than the geospatial. And this is a quarter-on-quarter project-on-project milestone basis revenue recognition.

Keshav Sureka

So going forward, can we expect the same margin from the geospatial sector?

Kaushik Khona

So margins, what we have achieved during this year, I think, is what Prashant ji also mentioned. Our focus will remain to protect those margins and improve ongoing basis. And we also have consciously, as we also mentioned in the previous investor call, our focus will be to address more of technology solutions, which has slightly better margins than the geospatial services.

Keshav Sureka

Going forward, like the split from geospatial and technology, so like where can we expect the majority of revenue coming like the technology will be more or the geospatial will be more?

Kaushik Khona

I think, again, I answered. And if you see the year this year, the Technology Solutions have contributed 51% of the total turnover as compared to 24% of the total turnover last year. So focus is surely towards the technology solutions. However, it will be difficult to project percentage of revenue under each of the segment.

Moderator

Thank you. The next question comes from Arya Oswal from Finterest Capital. Please go ahead.

Arya Oswal

Congratulations on the good set of numbers, sir. Sir, you mentioned, in the previous question, you answered that, you are focusing more on technology solutions. But if I'm not wrong, technology solutions have the whole of the revenue coming from domestic. Right?

Kaushik Khona

Yes. You are right.

Arya Oswal

But, sir, in the previous call, you also mentioned that, you are focusing and focusing to improve the international revenue also. So is there any increase in the percentage of international revenue? And if you're focusing more on the technology solutions, then, are we expecting to not to stay on that or have we shifted our focus?

Prashant Kamat

No. We have not shifted the focus. Sorry, this is Prashant here. We have not shifted the focus. What you said is correct. Today, technology solutions is largely India, but what we said also in the earlier calls that these other solutions will also take into the international market. So the

focus on international market remains and still we will increase the revenue portion of the technology solutions. That's what we had explained last time also.

Arya Oswal

Okay. Got it, sir. And sir, so we have the -- in our PPT, we have the revenue of geospatial and technology also. But is it possible for you to bifurcate the revenue into of the geospatial part into water, energy, mobility, and AEC? Like, what percentage of revenue each, one is contributing?

Prashant Kamat

We used to do that earlier in terms of segmentation. But because the way we looked at it as a company going forward and building together, we thought this classification is better than going on individual utility, because on individual utility, as we explained, the fluctuations will always remain there depending on what are the government priorities. And that always gives a misleading picture. Therefore, we said we will stay with this division.

Arya Oswal

Okay. Thank you, sir. And sir, one last question. So out of the November total order book, as you mentioned that both geospatial and technology, including, are included in this number. So can you give the bifurcation of how much is geospatial order book and how much is technology solutions order book?

Prashant Kamat

Yes. So out of INR 1,197 crore, the technology solutions order book is in the range of around INR 400 crores on water and around so around INR 500 crores on the technology solutions and balances geospatial engineering services.

Moderator

Thank you. The next question comes from Aman Soni from Nvest Analytics Advisory LLP. Please go ahead.

Aman Soni

Sir, just a bookkeeping question. There has been a notable increase in our intangible asset line item in FY '25. So could you please clarify the nature of these assets and whether we currently have the visibility on the tangible economic benefits expected to arrive from them?

Kaushik Khona

So if I can just take this.

Prashant Kamat

Go ahead.

Kaushik Khona

Intangibles are in respect of there's hardly I mean, from I would say, if you're looking at, it's 83 million, so it's INR 8.3 crores. But this is in respect of our technology process, which we have invented. We have applied for that for the IPR, and we are already taking the benefit of that technology innovation in our existing projects. So I think it's as per the guideline of the accounting standard, which we have capitalized, which is hardly the amount of expenditure which is eligible for the capitalization.

Aman Soni

Understood. And secondly, I remember in the past con-calls, we were having a target to hit around INR 1,000 cr that's a we have been work heavy. So can you put some color? I'm not asking for the precise thing, but I'm asking for your internal vision or internal target. How do you see this? By when are we looking to be around that number? So kindly give a color on that, sir.

Kaushik Khona

Prashant Jee?

Prashant Kamat

You were right. Sorry, I didn't get the question correctly.

Aman Soni

No. What is the target I mean, the 1,000-growth target, when do we expect to achieve?

Prashant Kamat

Look, we said we will not give future projections. If you'll extrapolate what is our past performance, I think you would agree that we should hit that number in couple of years. But we said we will not give any future, futuristic forward-looking statements. So therefore, that's a question which I don't want to answer.

Aman Soni

That's what I'm trying to get like earlier also we were having a vision, so that vision is intact, right? That's what I'm trying to understand.

Prashant Kamat

Vision, yes. Forward looking segment, no.

Aman Soni

Understood, sir. And lastly, on the international order side, like you mentioned, we are going to take these technology solutions to the international market. So can you just give us the insight on like what kind of developments are happening over there in the terms of the

negotiations or any order that we are looking to get in that particular area or any kind of progress that can lead to at least trigger point to start operating us to start taking our technology solutions to the international market?

Prashant Kamat

Yes. A lot of things are happening. It will be premature to discuss all of them today. We have a team in progress. We signed one large contract and we started small execution of that already. And we expect that pipeline as well as those contracts in terms of longer term to expand during the current year, which is FY 2026. So as you see the year unfolds, you will see all those numbers coming through. The multiple initiatives have been started.

Moderator

Thank you. The next question comes from Midhun James from Eighth Wonder Capital. Please go ahead.

Midhun James

So my first question is, we have heard the announcement of Mr. Suraj being appointed as the CEO. So is he going to be the CEO for the entire group? And if so, is he posted in is he going to be posted in U.S, considering that almost 90% of our business is coming from India? So how does this pan out? Or is it a futuristic move, assuming that the future trajectory would be more outside? So can you give a little bit of color on that, please?

Prashant Kamat

Sorry, I was on here. I said you already answered your question. This is a futuristic move. The fact that we want to grow international revenue, we need a presence in those markets and we need to show those leadership moments in those markets. So that's why we hired Suraj. He will be the CEO of the entire company, also the India business, even though Kaushik is going to be continuing there as a Managing Director for India Operations.

Midhun James

Okay, okay, sir. Got it. And my second question would be regarding the so I think last con-call also we alluded to the name change of CSTech.ai. So the question is more regarding a flavor of what we have done on the futuristic businesses. We had aspirations for data center. We also had some metaverse plans. So can you just give some color on what are we doing currently on the futuristic businesses, which can kind of justify the name change?

Prashant Kamat

So as the name suggests, AI, we also said in the earlier calls, we have a team built for using artificial intelligence and machine learning for the geospatial. And I think Kaushik just eluded a little bit while answering earlier one of the questions. The development which we have done in house, we are already using it for reducing efforts and improving the margins. So the work is already at a stage where it is internally usable. And as we start developing that more and more, at some point of time, we will probably also start counting separate segmentation of revenue coming out of AI. But right now, that's a little bit pretty much. The work is already happening there. That much we can confirm.

Midhun James

Okay, okay, sir. And my last question would be that this is actually a part of the continuation of previous participant question. So I am still a little bit confused on the bifurcation of technology and geospatial. So for example, we said that the water river linking project comes under technology, if I'm assuming it right, whereas the MH Maharashtra Water Sanitation IoT project comes under geospatial. So how do we do this bifurcation? And it would be kind of -- it would give better clarity for us investors if we can sort of bifurcate it at the project level or even at a vertical level?

Prashant Kamat

Okay. So I think we tried to explain this in our last calls also. We know it's a little bit confusing until we, as a whole community and all the stakeholders get used to it. We started it last year. So at the cost of repetition, let me just reiterate what we said.

The technology and geospatial is not divided at a project level, it cannot be. Each project will have a portion of a technology element and a portion of a geospatial element. Our intent is to reduce geospatial content because it's a low margin business and increase technology portion because it's a high margin business. But when we pick up a project, there is always going to be a mix of this. And that's how that's where it becomes difficult to say these are the two projects which will be in geospatial or these are the two projects in technology.

Now for example, one of the projects which we did during the last third quarter, fourth quarter is the DPMS, Digital Project Management System. If there are projects like that, we can say it's 100% in the technology segment. But those will be few, most of the projects, most of the large projects will be a mix of geospatial and technology combination.

Midhun James

Okay, got it. So but then how do we kind of bifurcate geospatial and technology within that project? As in what are the rules that you follow? Or I'm sorry if I'm being repetitive, but

Prashant Kamat

No, no, no. Your question is absolutely correct. So let me take an example and explain it. So right now, we are doing the river linking project. There are multiple elements in this. So out of that survey, which we are doing right now, area LiDAR survey will be a geospatial part. But the processing of that using artificial intelligence and then using technology to define the parameters for all of those, detailing of those projects will be a part of technology side of the project. So take the same project, two different working limits, one will fall in geospatial, another will fall in technology. And that's why I said it's difficult to link a project name to segmentation.

Moderator

Thank you. The last question for the day comes from Ashish Soni from Family Office. Please go ahead.

Ashish Soni

Can you throw some light on the data center opportunity? I think you said you will come back in a quarter or two, so again what is the progress there?

Prashant Kamat

No, I think last meeting we said in terms of data center, we are at least right now putting those plants on the back burner. If we decide to move forward, we will definitely come back and improve. But right now, we are trying planning to put them on back burner because there are more orders and more business being pursued with the existing segments. So we don't believe that management needs to defocus right now in the direction of data focus.

Moderator

Thank you. I would now like to hand the conference over to the management for closing comments.

Kaushik Khona

Thank you. Thank you all for participating in this earnings conference call and I think taking a lot of interest in our company. I hope we have been able to answer your questions satisfactorily. If you still have any further questions or would like to know more about the company, please reach out to our IR manager, which is a Valorem Advisor, and we'll be happy to answer them.

Thank you. And thanks even to Ventura Securities who have helped us to host this session. Thank you all.

Moderator

Thank you, sir. On behalf of Ventura Securities, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.

Note:

1. This document has been edited to improve readability
2. Blanks in this transcript represent inaudible or incomprehensible words.