



“PNC Infratech Limited  
Q2 FY '25 Earnings Conference Call”  
November 14, 2024

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FINANCE – PNC INFRA TECH LIMITED**

**MODERATOR:** **MR. MANGESH BHADANG – CENTRUM BROKING  
LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Q2 FY '25 Earnings Conference Call of PNC Infratech Limited hosted by Centrum Broking Limited. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

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

I now hand the conference over to Mr. Mangesh Bhadang from Centrum Broking Limited. Thank you, and over to you, Mr. Bhadang.

**Mangesh Bhadang:** Thanks, Michelle. Good afternoon ladies and gentlemen, on behalf of Centrum Broking, I'm pleased to welcome you all on the PNC Infratech Limited 2nd Quarter FY '25 Earnings Conference Call. We have with us today the Managing Director of the company, Mr. Yogesh Jain, along with the senior management team of the company. We will begin the call with the opening remarks from the management, which will be followed by the interactive Q&A session. Thank you, and over to you, sir.

**Yogesh Jain:** Good afternoon everyone. On behalf of PNC Infratech Limited, I extend a very warm welcome to everyone for joining us today on this call.

Let me start by wishing Everyone on the call a Very Happy Diwali and a Prosperous New Year from PNC Infratech family.

Today, I have with me Mr. T. R. Rao, Director (Infra), Mr. D. K. Maheshwari, Senior Vice President (Finance) and Strategic Growth Advisors - our Investor Relations Advisors.

We have uploaded the financial results and Investor Presentation on the Stock Exchanges and Company's website for your reference.

Initially, I would like to mention key updates of the industry, followed by operational developments of the Company and highlights of financial performance during the second quarter and the first half year of Financial Year 25, post which we will be happy to answer your questions.

- ✓ Over the past six months, the infrastructure sector experienced unprecedented subdued execution activity, largely impacted by intensely widespread monsoon during the period from mid-May till mid-September, critically low new projects awarding activity by MoRTH including NHAI over the past one & half years and delay in declaration of appointed dates for the already awarded projects due to non-availability of enough vacantly possessed for commencement of construction, complete hold on the Bharatmala program and the General Elections 2024.

- ✓ MoRTH and NHAI awarded only around 700 km of new projects until August 31, 2024, while around 2,700 km of national highways constructed during this period.
- ✓ Both were significantly lower than 1,750 km awarded, and 3,200 km constructed during the corresponding period in FY 24.
- ✓ Though, as per the MORTH and NHAI, the bidding awarding activity would be expedited in the coming months starting from December 24 onwards, across all the modes of implementation, commencement of physical execution of awarded projects will always be subject to availability of sufficient vacant land in contiguous stretches for uninterrupted construction.
- ✓ It is also a fact to be recognized that even though large number of projects could be awarded before the end of current financial year, visibility of progress and translation into revenues could only be seen from the second half of FY 26, not before that.
- ✓ While national highway and expressway awarding activity remained muted over the past one and half of years at the central level, industry witnessed a significant headway in new projects bidding activity by the Indian Railways across its zones and by some of central PSUs.
- ✓ As new governments have recently been formed in the states of Telangana, Andhra Pradesh, Haryana and J&K and after the ongoing elections new governments will be formed in Maharashtra and Jharkhand, significant new business opportunities in the infrastructure space are expected to emerge in the near future in these states.
- ✓ New projects are also expected to be launched in airports development space in the coming months, as many of the domestic airports are poised for major upgradation and expansion activities.

**Now coming to the recent updates on the company:**

- ✓ On the project implementation front during the quarter, Company's subsidiaries PNC Challakere (Karnataka) Private Limited received Provisional Completion Certificate for 4 laning of Challakere to Hiriyur HAM Project on 11<sup>th</sup> September 2024 and PNC Bithur Highways Private Limited received Final Completion Certificate on 29<sup>th</sup> October 2024 for 4 laning of Aligarh - Kanpur Package 5 HAM project.
- ✓ During the third quarter of current financial year, the Company's subsidiaries Hathras Highways Private Limited and Hardoi Highways Private Limited expected to receive Provisional Completion Certificates for 4 laning of Mathura 1C and Hardoi Bypass HAM projects respectively.

- ✓ On the project awarding front, the Company:
  - Received LOA on 10<sup>th</sup> October 2024 for an EPC project of contract value Rs. 2,040 crores from City & Industrial Development Corporation of Maharashtra Ltd. (CIDCO) for Integrated Infrastructure Development in the Town Planning Schemes 8, 9 and 12 of 'NAINA' Project.
  - Received LOAs for two EPC projects from Maharashtra State Road Development Corporation (MSRDC) for an aggregate contract value of Rs. 4,630 crores on 14<sup>th</sup> October 2024 including construction of access controlled Pune Ring Road Package E2 for Rs. 2268 Crore and Construction of access controlled expressway, from Jalna to Nanded Package JNE-04, which is the connector to Nagpur – Mumbai Samruddhi Mahamarg for Rs. 2362 Crore.
  - With the award above mandates, the total new business secured in the current financial year till date comes to RS. 6670 crore.
  - Company has received Rs. 62 crores in the month of August 24 and Rs.108.0 crores in the month of October 24, totalling to Rs. 170.00 crores out of the total outstanding of 222.0 crores from the Government of Andhra Pradesh towards work done in the Canal Upgradation Project in AP.
  - Company will be resuming execution of the remaining works of the Canal Project of value over Rs. 900 crores shortly.

#### **Moving on to the operational and financial performance of the company**

- ✓ Out of the company's 28 fund-based projects, 3 are BOT-Toll projects, 2 are BOT Annuity Projects and 23 are HAM projects.
- ✓ Aggregate Bid Project Cost of 23 HAM projects is over Rs. 30,000 Crore, which is one of the largest highway HAM project portfolios in the country.
- ✓ Out of a total 23 HAM projects,
  - Company achieved PCOD/COD for eleven projects
  - Eight projects are under construction, out of which 4 projects are expected to achieve PCOD before the end of current financial year.
  - Three projects achieved financial closure and appointed dates are expected to be declared shortly
  - For one project, concession agreement was executed with the Authority on 7<sup>th</sup> March 2024 and financial closure documents has been executed & submitted to MPRDC for the Financial Closure.

- ✓ Total equity investment requirement for the ongoing and awarded HAM projects is Rs. 3,092 crore.
- ✓ As of September 2024, Company already invested Rs. 2,220 crores and the remaining equity of Rs. 872 crores to be invested over the next 2 to 3 years.
- ✓ The internal accruals that would be generated over the next two to three years should be adequate to meet the above equity investment requirements.

**Now moving on to our order book**

- ✓ As of 30<sup>th</sup> September 2024, the company's unexecuted order book stands over Rs. 19,900 crores, which includes 3 EPC contracts secured by the Company for aggregate contract value of Rs. 6,670 Crore.
- ✓ Out of the unexecuted order book, highway/expressway contracts contribute around 65%, while water, canal, area development and railways projects contribute around 35%.
- ✓ In terms of the project proponents, out of the total unexecuted Order Book of over Rs. 19,900 crores, value of MoRTH including NHAI contracts comes to 33% and value of contracts awarded by other authorities/clients comes to 67%.
- ✓ During the first half of financial year 25, Company has booked a total revenue of Rs. 429 crores in the drinking water segment.

**Now I would present the results for the quarter and half year ended September 30, 2024.**

**Standalone Quarterly Results:**

Revenue for the 2<sup>nd</sup> quarter of FY25 is Rs. 1,149 crores.

The EBITDA for the 2<sup>nd</sup> quarter of FY25 is Rs. 134 crores. The EBITDA margin for the 2<sup>nd</sup> quarter of FY25 is 11.6%.

The profit for the 2<sup>nd</sup> quarter of FY25 is Rs. 81 crores. The PAT margin for the 2<sup>nd</sup> quarter of FY25 is 7.0%.

**Standalone Half Yearly Results:**

Revenue for H1 FY25 is Rs. 2,894 crores.

The EBITDA for H1 FY25 is Rs. 727 crores which is higher by 54% as compared to Rs. 473 crores in the H1 FY24. The EBITDA margin for H1 FY25 is 25.1%.

The profit for H1 FY25 is Rs. 502 crores as compared to Rs. 296 crores in H1 FY24, a growth of 69% on a YOY basis. The PAT margin for H1 FY25 is 17.3%.

**Consolidated Quarterly Results:**

Consolidated revenue for the 2<sup>nd</sup> Quarter of FY25 is Rs. 1,427 crores.

The consolidated EBITDA for the 2<sup>nd</sup> quarter of FY25 is Rs. 356 crores. The EBITDA margin for Q2 FY25 is 25.0%.

The consolidated PAT for the 2<sup>nd</sup> quarter of FY25 is Rs. 83 crores. The PAT margin for Q2 FY25 is 5.8%.

**Consolidated Half Yearly Results:**

Consolidated revenue for H1 FY25 is Rs. 3,595 crores.

The consolidated EBITDA for H1 FY25 is Rs. 1,325 crores as compared to Rs. 836 crores in the H1 FY24, a growth of 58%. The EBITDA margin for H1 FY25 is 36.9%.

The consolidated PAT for H1 FY25 is Rs. 659 crores as compared to Rs. 329 crores in H1 FY24, a growth of 100%. The PAT margin for the H1 FY25 is 18.3%.

**ON THE STANDALONE BALANCE SHEET SIDE,**

As on 30<sup>th</sup> September 2024, our net working capital cycle is 144 days.

Our net worth on standalone basis is Rs. 5,269 crores as on 30<sup>th</sup> September 2024, whereas total standalone debt is Rs. 410 crore.

The total cash and bank balance as on 30<sup>th</sup> September 2024 is Rs. 640 crores. We have a net surplus of Rs. 230 crore. This translates to net debt to equity of 0.08 times.

**On Consolidated Basis**, our net worth is Rs. 5,830 crores whereas total debt is Rs. 8,780 crores as on 30<sup>th</sup> September 2024. The total cash & bank balance including current investments is Rs. 1,535 crores. This translates to net debt to equity of 1.5 times.

With this, we now open the floor for question-answers. Thank you.

**.Moderator:**

Thank you very much, sir. We will now begin with the question-and-answer session. The first question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

**Shravan Shah:**

Sir, just to check on what we recently discussed sir regarding MoRTH one-year ban. So any update first, what kind of even I think our Writ Petition has also been rejected. So what's the course of action for us. And by when can we have some clarity on that part. and if there is no clarity than in terms of order inflow, how we are now looking at how much more and from which segments, sectors are we looking at to get the orders?

**T. R. Rao:**

That Writ Petition have been not been allowed by the single bench of honorable high court. We are evaluating options, including file of an appeal against the order of the MoRTH as well

as the order of the single bench. We are evaluating that one of these options. We are also taking measures to mitigate the impacts because of this order, how we can mitigate? To what extent we'll be able to mitigate?

And in case of any positive results, we'll certainly share after intimating to the exchanges. However, we are hopeful of getting certain relief from current challenging situation further later. Second thing, we'll keep all the case orders updated, any material development in this matter after due intimation to the exchangers. And we appreciate and we trust that you will understand the sensitivity of the matter and does not seek any further details. Or further elaboration on the matter as the matter being the sensitive.

. With regard to order book we still maintain, as I mentioned in the beginning of the year that our order book for the current financial year guidance will between INR13,000 crores to INR15,000 crores. Already we secured around INR6,700 crores of orders. So remaining we are expecting another INR6,000 crores to INR8000 crores orders from authorities and proponents other than MoRTH.

There are opportunities we identified. So we'll be pursuing those opportunities to secure further business before the end of current financial year.

**Shravan Shah:**

Sir, if you can help there, which sector, or which authority even at state level, any state authority road projects are we looking at? Is there any -- are there any bids we have already bid and the outcome is yet to come and how much more are we planning to bid maybe sector-wise possible that will be helpful because this is the most important thing for us to in terms of to get revenue visibility.

**T. R. Rao:**

See we had already submitted around 17 Bids, – we submitted eight bids for projects floated by authorities other than NHAI and MoRTH. Some of them are state and some of them are central, including railway bids, the value of over INR11,000 crores. The price bids are of these bids are yet to be opened. So maybe next one, 1.5 months of these bids will open. So we are hopeful of getting some projects from these bids.

And further, other than again MoRTH and bids, there are around 12 bids have been invited by other agencies and other authorities having an aggregate value of INR14,000 crores, which we have identified for bidding, and we will be bidding. These projects will be evaluating these opportunities and bidding these projects in the coming months.

So INR11.000 crores already bid and INR14,000 crores we identified. So total INR25,000 crores worth of projects we are pursuing.

**Shravan Shah:**

We need to get a very good success rate in this INR25,000 crore to get the this INR6,000 crores to this INR8,000 crores kind of orders that we are looking at now. So now, just to get back in terms of the guidance, what we previously said so, terms of revenue. So till now 19% de-growth is there in standalone. Last time we said flat to minus 10% growth. So now what's the standard for FY '26? We said 15%, 20% growth. So what's the revised guidance? And also on the EBITDA margin also.

- T. R. Rao:** The given the situation, the revised guidance for the FY '25 would be 15% to 20% decline, and accordingly FY '26 would be up to 30% plus growth.
- Shravan Shah:** Margin will be a 12%-12.5% as previously guided?
- T. R. Rao:** Yes. Okay, as per previous guidance.
- Shravan Shah:** If you can help us with a couple of balance sheet data points, that would be a grateful and even the project wise order book. So just to mobilization advance, retention money, HAM debtors, water debtors.
- T. R. Rao:** Can you again discuss because there are other participants are there. So request you go again, we'll come at this one going forward. .
- Shravan Shah:** Okay.
- Moderator:** Thank you. The next question is from the line of Sarvesh Gupta from Maximal Capital Private Limited. Please go ahead.
- Sarvesh Gupta:** Yes. Before I ask the question, I could not hear the revised guidance. So is it 15% to 20% decline or what was it?
- Yogesh Jain:** 15 to 20% decline.
- Sarvesh Gupta:** And next year, 30% growth?
- Yogesh Jain:** Yes
- Sarvesh Gupta:** And margins to remain 12.5%
- DK Maheshwari:** Yes. EBIDTA Margins will be around 12% to 12.5% in FY'25 and around 13% in FY'26.
- Sarvesh Gupta:** Now that you know this matter which has come up of the ban by MoRTH, so you must have had discussions with about this asset sale with the counterparty. So is there any problem in terms of doing that transaction or everything is going as per plan?
- DK Maheshwari:** We don't see any problem in the transaction. Everything is as per the plan.
- Sarvesh Gupta:** And sir, by when are we planning to close this thing, and when can we expect to receive the money?
- DK Maheshwari:** Out of total assets for which we had entered into a master security purchase agreement in the month of January, we expect to close 10 mandates, 10 assets before the end of the current financial year. And the remaining two assets will be in the next financial year
- Sarvesh Gupta:** Remaining in the next two financial years. Okay. And sir.



**DK Maheshwari:** Yes.

**Sarvesh Gupta:** And sir, now coming to your growth. The execution in this quarter that has been sort of very subdued like almost for H1, also it is almost down by 30 odd percentage. So how do we see the execution I mean, I can understand that now no new orders will flow through. But in any case, if they were to come that would have been probably impacting the revenue of FY '26 and not FY '25, which is coming from the current order book only. So why should we have such a decline in FY '25, 15%-20%? And why are we seeing such low execution on our existing order book in terms of revenue transition?

**T. R. Rao:** See, we appreciate your kind of concern about the decline in the revenues. Particularly, what has happened, if you see the background of last 1 – 1.5 years or nearly 2 years, awarding activity has been very slow by the MoRTH, which was one of your focus sectors and focused about this.

As you know, last 1.5 years to 2 years the order awarding – activity has been very slow. One way the ministry talks about 40 kilometers of road per day. But they are targeting 40 kilometers of road per day whereas they are awarding less than 10-kilometer of road per day awarding – awarding is less than 10 kilometer. In this current -- last five months, the awarding activities is less than 6 kilometers. If they are talking about 40 kilometers of every day constructions.

So awarding activity has been very slow. So we could not get the new orders last 1 year and 1.5 years, particularly from the MoRTH. And then strategically, we shifted our focus and we set our efforts to areas and other state governments. That is one aspect.

Second thing is as MD has mentioned, they put a brake on the Bharatmala project. There were the general elections this year. And also the monsoon was very active, very insistent rains and very widespread across our project areas. The time unprecedentedly, monsoon continuously it was raining.

And particularly in our water sector where we need to lay the pipelines below the existing and also construct water tanks below the – track on the underground. So these are – all of these projects have been severely affected progress. That has happened in the second quarter of this year.

This is one – and third thing, third important thing though we got more than INR6,000 crores worth of new projects before last year. These projects could not be taken up due to non-availability of sufficient land, particularly, in the contiguous stretches; that is Varanasi to Kolkata, three HAM projects and one MPRDC project and one project in Gwalior City. So nevertheless, so we have eight new projects.

Five already awarded projects and three recently awarded projects from MSRDC and CIDCO. These eight mandates will have a value of over INR11,000 crores for which we are expecting our appointed dates before end of this calendar year. And we are quite hopeful that we'll commence construction and preconstruction activity right now.

In case of Maharashtra project, immediately after the current election process and code of conduct gets over, we'll commence. And we'll see some sizable income from these new eight projects in the Q4 of FY 2025, and we'll get a significant income from FY '26 onwards from these projects.

**Sarvesh Gupta:** Understood, sir. In the Maharashtra, there are two projects now in case there is a change in the government, do you foresee any problems in terms of getting the final orders for these two projects, which are sizable part of unexecuted order book?.

**T. R. Rao:** No. We don't foresee -- a continuity of policies are there. Even last time also, there has been a change in government when we are executing Nagpur-Mumbai Expressway and we didn't get any issue over there. And now contract agreements have also been signed for all these projects. So we don't foresee any issue.

**Yogesh Jain:** Advances have taken.

**T. R. Rao:** Yes, mobilization advances have been received. So we don't foresee any issue in any of the Maharashtra projects because these are the very development projects and very crucial for this socio-economic development of the state. We don't see any issue.

**Moderator:** Thank you. We'll take the next question from the line of Niteen Dharmawat from Aurum Capital. Please go ahead.

**Niteen Dharmawat:** Okay. My question is after this order, which is come, have you won any new contracts or we are just yet to get that from authorities other than NHAI, of course?

**T. R. Rao:** Yes. As I mentioned, we submitted eight bids to Indian Railways, different zones and one bid to Haryana Rail Infrastructure Development Corporation and also four bids to MSRDC. These are all other than the MO bids. The opening of price bids are awaited because the Code of Conduct is in place in Maharashtra, so this INR11,000 crores, we expect some projects we will secure. We are hopeful of that.

**Niteen Dharmawat:** Got it. And what is the growth you mentioned, I missed that in the top line this year and next year? What is the guidance that you have given?

**T. R. Rao:** We had already mentioned this year there will be a decline between 15% to 20% in the top line, and whereas next year, we see a growth on the plus side up to 30% over FY'25.

**Niteen Dharmawat:** Got it. And what is the EBITDA guidance that you have given for this year, sir?

**T. R. Rao:** Current year, we have given 12% to 12.5%, and next year will be around 13%.

**Niteen Dharmawat:** Okay, got it. Thank you so much.

**Moderator:** We'll take the next question from the line of Jyoti Gupta from Nirmal Bang. Please go ahead.

- Jyoti Gupta:** Thank you so much, sir, for taking my question. This is related to your – am I audible? Just wanted to know, how does this affect your credit rating in terms after this order? Do you think will that impact in any way your balance sheet items because of this order?
- D. K. Maheshwari:** The rating agency duly scrutinized / update the things post-declaration of this order, and they reconfirmed the same as a double A plus for long term. They reconfirmed the same rating. There is no change in the rating
- Jyoti Gupta:** Okay. That's my question.
- Moderator:** We'll take the next question from the line of Vaibhav Shah from JM Financial Limited. Please go ahead.
- Vaibhav Shah:** Yes, thanks for the opportunity. Sir, can you just provide the data on the detail of 10 assets which we are going to monetize now in FY25? So, what would be the equity value and what was the investment in those 10? Earlier, we had broken up in 7 and 5 assets. So, can you provide similar data for 10 and 2 assets?
- D. K. Maheshwari:** The 10 assets equity value is INR1,490 crores as against the INR1,739 crores of 12 assets, and enterprise value will be around INR7,690 crores.
- Vaibhav Shah:** Okay. And secondly, sir, we saw that muted execution in JJM for the second quarter. So, was it only due to the heavy monsoon or also due to delayed payments? So, how have been the payments so far on the JJM side? And last time, I guided for revenue of INR1500 crores from JJM. So, what would be the revised guidance given the weaker execution in first half?
- T. R. Rao:** The revised guidance is INR1,200 crores. And this is basically essentially due to the active monsoon, many of the works affected at the site. Because even post monsoon also, post rain also, this after effects will be there, because most of the works are to be executed below the ground.
- Essentially, we have that. And since we have sufficient working person, any delay in the payment affects our work. And with regard to the payment, we are getting the payments. Certain payments are due, exact figures we share separately. But we do not foresee, because the 50% grant has to come from central government and 50% has to be given by state. And being a priority sector, we do not foresee any long term issues in payments, but maybe there may be slight interruptions in the payments.
- Vaibhav Shah:** Then lastly, can you provide a breakup of equity investment over FY'25 to FY'27 of the INR872 crores pending equity?
- D. K. Maheshwari:** Yes. In case we receive the appointed of all the BOT HAM projects by end of calendar year this year (Oct-March'25) we have to infuse around INR486 crores and FY2026 INR256 crores and FY2027 INR132 crores.
- Vaibhav Shah:** And so, we expect appointments for all the projects by December 24?

- D. K. Maheshwari:** Yes, we are expecting it.
- Vaibhav Shah:** Okay. Thank you, sir. Those were my questions.
- Moderator:** Thank you. We will take the next question from the line of Deepesh Agarwal from UTI AMC. Please go ahead.
- Deepesh Agarwal:** Good afternoon, sir. My first question is to understand the pipeline on the JJM projects. I think it has been quite long since we have last run the projects in JJM. How is the pipeline looking at and are we active in bidding for those projects?
- T. R. Rao:** We are certainly looking very actively in case of any further projects come up in the JJM space. As of now, there are no major projects in the JJM because of the state elections and followed by general elections for Lok Sabha. So, if any projects are coming up in JJM, certainly we look into those opportunities for pursuing.
- Deepesh Agarwal:** Sure. And, sir, I want to understand on the diversification side now with the restriction on the major customer on the road, how are you thinking about diversification beyond road and water? I understand you are bidding for some railway projects, but beyond this, what is your preparedness in bidding for projects, team building, etc.?
- T. R. Rao:** Apart from railway projects, as you know, we got the area development project, major area development project from CIDCO. It is certainly a diversification because it is not a highway project, it is not a railway project, it is a development project. Around the Navi Mumbai airport, this NAINA project is Navi Mumbai Airport Influential Notified Area.
- They are constructing a new city over there under different town planning schemes. It is a comprehensive development of a new city. So, we got that project for more than INR2,000 crores. Certainly, it is a big thing and it will also open the start for us for entering into the area development projects across the country. So, this is one diversification area and also we are pursuing similar projects. Some of the projects are coming up in UP also by UPSIDA, area development and industrial area development.
- And we are also bidding in railways and we have senior railway officers. We superannuated from railway. So, they are also pursuing and railways also. And water segment, apart from the Jal Jeevan Mission, we are also looking at the other water projects including treatment plants and all, some collaboration with others. So, we are looking at all the options. So, foray in to diversification, foray in to new sectors and new spaces.
- Deepesh Agarwal:** Okay, okay. Thank you and all the best.
- Moderator:** Thank you. We will take the next question from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.
- Parikshit Kandpal:** Hello. Sir, my first question is these two projects which you said will move into FY26. So, these are the Khajuraho and the Bundelkhand projects?

- D. K. Maheshwari:** They are Challakere and Meerut projects.
- Parikshit Kandpal:** So, these two where the issue has been, the bidding has been suspended. So, they continue to be part of that 10 projects which will get exercised in FY25.
- T. R. Rao:** Yes, yes, yes. As you know, these two are the SPV projects. Any suspension of bidding and all doesn't have any consequence to these projects because these projects are meant exclusively for implementation of a particular project.
- So, the bidding and all is totally inconsequential to these two projects. So, these two projects will be a part of first tranche which we expect to close before the end of the current financial year. Only Meerut Nizamabad and Challakere Hiriyur where we got the PCOD delay lately. So, those two projects will be in the next financial year. That also will be able to close during the first half of next financial year.
- Parikshit Kandpal:** Okay. Second question is when someone is debarred, like now, I mean, if the bids are not opened and the contractor gets disqualified. But in case where the LO has been signed and FC has been achieved, like in case of three projects which are pending AD. So, how does the authority assess those projects? So, will those projects be progressed or is it like legally binding now on the authority to proceed and award those projects or there's still some room that they may still re-evaluate and look at how it gets awarded?
- T. R. Rao:** No, no, no. This awarding project and this thing is irreversible and this debarment order affecting from 18th of October, this has nothing to do with those projects. So, these projects will go and whatever projects we secure, those projects will go ahead with the execution and we'll complete those projects. So, there is no point of any kind of a review of these projects in view of the ordering process.
- Parikshit Kandpal:** So, the LOA is the main document which basically is the cut-off kind of a document where if it has been issued before that date, so then this has to be honored by the authority.
- T. R. Rao:** Even we have executed the contract agreements for these projects and we have received the mobilization advance also.
- Parikshit Kandpal:** Okay. So, for all these three projects, Varanasi, Ranchi and these three packages, so you have received mobilization advance also?
- T. R. Rao:** We have not taken advance in 3 packages of Varanasi Kolkata as appointed dates are yet to be declared. Those concession agreements have been signed and financial closure achieved. So appointed dates will be declared of these projects. So nothing to do with the MoRTH order.
- Parikshit Kandpal:** So I just want to understand legally, how it is binding in terms of like what the cutoff date. So is it the LOA which decides that or the signing of concession agreement, it decides that the authority will not take any punitive actions against these three projects, what confidence do you have on that? So what determines that I want to understand?

- T. R. Rao:** Even opening up the bid itself with the cutoff date before LOA, if the bids -- financial bids are open because it's only for bidding process, so that is the thing. If LOA is given, it's totally irreversible.
- Parikshit Kandpal:** Okay. So now just on the AP side, one thing you touched upon was that the project, the canal project is now restarting and you have received the payments. Just wanted to understand any of the opportunities you look at now the building out of the AP city, AP state. So any further opportunities you're looking to kind of replace the shortfall which may happen due to NHAI from the AP state?
- T. R. Rao:** Yes, we are. We are certainly looking at the opportunities because even for the Amravati new capital for the AP, World Bank is granting INR15,000 crores for the infrastructure development there. And also state government is coming with some other projects. Also, the state government is contemplating connecting both Godavari and Krishna and Penna rivers. So many irrigation projects that may come up in the state government. So certainly, we'll look at those opportunities. We'll pursue it because this government has got more than 4.5 years -- more than 4 years of tenure. Certainly, we'll pursue opportunities there.
- Parikshit Kandpal:** I mean, because your guidance of around INR14,000 crores, INR15,000 crores for this year despite not factoring anything from NHAI itself. So you have that confidence that you will be able to deliver that, right?
- T. R. Rao:** Yes.
- Moderator:** The next question is from the line of Jinay Mehta from LKP Securities. Please go ahead.
- Jinay Mehta:** Sir, in the investor presentation, I see the EBITDA margins for the H1 FY '25 25%. So are we maintaining the same, or did you mention 13%...
- D. K. Maheshwari:** EBITDA margin FY '25 as told by T.R. Rao, it will be around 12% to 12.5% in FY '25. But however, in FY '26, it will be around 13%.
- Jinay Mehta:** Okay. Because the first half, I see it is mentioned 25% the H1 as of now.
- DK Maheshwari:** No. Actually, H1, it includes the arbitration award. So it is 25%. Otherwise, the EBITDA margin without considering the arbitration award, what we have received, it would be around 12% without external income.
- Moderator:** We'll take the next question from the line of Vishal Periwal from Antique Stock Broking. Please go ahead.
- Vishal Periwal:** Yes, sir. A couple of clarifications. I think you mentioned that the pipeline of projects that you will be bidding or you have bid is INR25,000-odd crores. So INR11,000 crores is railway. So this INR14,000 crores is from whichever authority? Can you give some breakup on that front?

- T. R. Rao:** See, INR14,000 crores, what we are thinking, there is 8 railway bids are there. And there is one UP state industrial development area and one UP expressway industrial development authority. There is one bid by Airports Authority of India and one bid by Maharashtra State Industrial Development Corporation. So these are 12 bids other than MoRTH and NHA of a total value of INR14,000 crores.
- Vishal Periwal:** Okay. Got it, sir. And then is that the right way to understand the next year's growth rate of 30% will dependent upon the timely received of AD which we are expecting by December '24. That's a right way to understand, right sir?
- T. R. Rao:** See whatever spillover things are there on the ongoing projects, because eight HAM projects are ongoing and also water project and canal projects, these are the projects which are ongoing. Definitely, there will be a spillover of these projects with the balance work. Apart from that, the eight projects where we are going to receive appointed dates before end of the calendar year. So these projects are valued more than INR11,000 crores. So coupling both will be 30% growth. 30% growth is also because of the low rate effect of FY '25.
- Vishal Periwal:** Right sir, Got it, sir. And maybe one last thing, how are you seeing the capex for this year and anything on next year that you have planned as of now?
- D. K. Maheshwari:** This year, capex, we want to revise from INR80-100 crores to INR30-40 crores sir. And next year it will be around INR100-120 crores.
- Moderator:** We'll take the next question from the line of Vasudev from Nuvama. Please go ahead.
- Vasudev:** Yes. Sir, you said capex you're planning is INR30 crores to INR40 crores in FY '25. So out of this, how much have we done in H1?
- D. K. Maheshwari:** In H1 around INR7 crores only.
- Vasudev:** Okay. And can you help me with the toll collection numbers?
- D. K. Maheshwari:** Yes. Toll collection in MP highway, it's INR9.8 crores; in Kanpur highway, it's INR18.1 crores and Bhanoli, Almora is INR15.1 crores.
- Vasudev:** Okay. And Narela one sir?
- D. K. Maheshwari:** Narela INR11.2 crores and Raebareli Annuity INR32.2 crores.
- Vasudev:** Okay. And sir, just some clarification. What is the amount that we have received from Andhra Pradesh you said?
- T. R. Rao:** INR170 crores in two tranches.
- Moderator:** We'll take the next question from the line of Shravan Shah from Dolat Capital. Please go ahead.
- Shravan Shah:** Sir, will you now be able to share balance sheet data points?

**Shravan Shah:** Yes. Sir, mobilization advance, retention money, HAM letters, water letters?

**D. K. Maheshwari:** The mobilization advance is to INR 290 crores, retention is INR140 crores and HAM Debtors is INR500 crores.

**Shravan Shah:** INR500 crores. And water Debtors

**D. K. Maheshwari:** Water is INR710 crores.

**Shravan Shah:** Okay got it. Sir, is it possible to share a couple of outstanding project-wise order book value?

**D. K. Maheshwari:** Yes, please.

**Shravan Shah:** Yes. Sir, Haryana Orbital Rail Corporation?

**D. K. Maheshwari:** INR670 crores.

**Shravan Shah:** And this irrigation project AP?

**D. K. Maheshwari:** INR 950 crores.

**Shravan Shah:** So it seem some increase has happened there...

**T. R. Rao:** The revised estimate, this increase happened from INR 1,000 crores to INR1,150 crores.

**Shravan Shah:** Okay. And Kanpur, Lucknow express package one and package two?

**D. K. Maheshwari:** One is INR400 crores and package two is INR430 crores.

**Shravan Shah:** Okay. And what it Mathura Bypass to Gaju Village?

**D. K. Maheshwari:** This is almost complete. For Yamuna 1B is INR275 crores

**Shravan Shah:** Sorry. Mathura Bypass to Gaju Village last time, it was INR340 crores, you said it is completed.

**D. K. Maheshwari:** No. I think there will be some confusion because there are two projects, 1B and 1C of Mathura. So, 1B is INR275 crores outstanding and 1C is only INR20 crores.

**Shravan Shah:** And Hardoi? How much is value left now?

**D. K. Maheshwari:** INR 80 crores, sir. Hardoi is also almost completed. We are expecting PCOD soon.

**Shravan Shah:** Yes. And this Unnao Lalganj and Meerut-Najibabad, that is also completed?

**D. K. Maheshwari:** Almost completed. Around INR20 crores, INR15 crores is outstanding.

**T. R. Rao:** Both projects we received PCODs.

**Shravan Shah:** Okay. And last, Challakere –Hiriyur?



**D. K. Maheshwari:** INR70 crores, sir.

**Shravan Shah:** Yes. Sir, got it. Thank you very much, sir.

**Moderator:** Thank you. We'll take the next question from the line of Sarvesh Gupta from Maximal Capital Private Limited. Please go ahead. Mr. Gupta, yes, please proceed.

**Sarvesh Gupta:** Yes, sir. See, this year when these 10 road assets will be sold to the counterparty, I missed the earlier communication. So, how much of the debt reduction will happen from the console entity and how much of your profit will be booked?

**D. K. Maheshwari:** Profit will be booked at the time of the closing date after adjustment. And as regards the debt, as we have already informed that total debt was INR6480 crores of all 12 assets.

**Sarvesh Gupta:** So, from your console, INR6480 crores will go away of 12 assets ?

**DK Maheshwari:** Yes.

**Sarvesh Gupta:** And against this INR1,400 crores invested equity, how much is the equity sale value for this?

**D. K. Maheshwari:** We have invested INR1,739 crores in all the 12 assets.

**Sarvesh Gupta:** No, for these 10 assets.

**D. K. Maheshwari:** 10 assets, only INR1,490 crores we have invested.

**Sarvesh Gupta:** INR 1,490 and how much are you getting in return?

**D. K. Maheshwari:** It will depend on the closing of the deal when we will receive the payment, sir. Because there are certain adjustments...

**T. R. Rao:** See, this is a material and a financially significant information. So, we'll not be able to share now without intervening to the exchanges.

**Sarvesh Gupta:** Okay. Understood. Thank you, sir.

**Moderator:** Thank you. We'll take the next question from the line of Vaibhav Shah from JM Financial Limited. Please go ahead.

**Vaibhav Shah:** Yes. So, thanks for the follow-up. Then for the CIDCO project, what would be our EPC share?

**T. R. Rao:** Which project?

**Vaibhav Shah:** NAINA project.

**T. R. Rao:** 95%.

**Vaibhav Shah:** Okay. And for AP Canal, now what is the outstanding receivable after the receipt of INR172 crores?

- T. R. Rao:** Excuse me. Please stand corrected. For NAINA project, our share is 90% of the APC value. And AP Canal, it had an outstanding of INR225 crores. Out of that, we released INR170 crores. The balance outstanding would be around INR55 crores.
- Vaibhav Shah:** Okay. And sir, now how do we see the execution panning out for this AP project in the next '25, '26 and '27?
- T. R. Rao:** See, we are expecting to commence the works in the month of December because in the both Canals, main Canal and the branch Canal, still water is flowing for the irrigation purpose. Once the water supply is stopped in these Canals, we start from either mid of December or from January.
- We expect a work done of INR200 crores, INR300 crores before the end of current financial year. And again, next year, it will be around INR400 crores. We are able to share the tangible figures only once we commence the work and how it will progress. Maybe in the next quarter, we will be able to tell you.
- Vaibhav Shah:** And what is the revenue in first half from the project?
- T. R. Rao:** See, what happens every year, no revenue in the current for Q2 because we are not able to do any work over there because both the Canals are full.
- Vaibhav Shah:** Okay. And sir, lastly, when do we expect the money to come from the asset monetization deal for both the phases?
- T. R. Rao:** First tranche of 10 assets, what my colleague had mentioned, before the end of the current financial year, we should be able to realize the money and remaining two before end of the H1 FY '26.
- Vaibhav Shah:** Okay. Thank you, sir. Those were my questions.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for closing comments. Over to you, sir.
- Yogesh Jain:** Thank you, everyone, for your participation in our earning call. In case of further queries, you may get in touch with the Strategic Growth Advisors, our Investor Relations Advisors, or feel free to contact us. Thank you.
- Moderator:** Thank you so much, sir. Thank you, members of the management. On behalf of Centrum Broking Limited, that concludes this conference. We thank you for joining us and you may now disconnect your lines. Thank you.