



# G R INFRAPROJECTS LIMITED

(Formerly known as G.R. Agarwal Builders and Developers Limited)

CIN : L45201GJ1995PLC098652

05<sup>th</sup> February 2025

**To**

**BSE Limited**

Phiroze Jeejeebhoy Towers

Dalal Street, Fort

Mumbai – 400001

**Scrip Code: 543317**

**National Stock Exchange of India Limited**

Exchange Plaza, Plot No. C-1

G Block, Bandra-Kurla Complex, Bandra(E)

Mumbai -400051

**Symbol: GRINFRA**

**Subject: Transcript of an earnings conference call for the quarter and nine months ended 31<sup>st</sup> December 2024.**

Dear Sir,

In terms of the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of an earnings conference call for the quarter and nine months ended 31<sup>st</sup> December 2024 held on Monday, 03<sup>rd</sup> February 2025.

You are requested to take this information on your record.

Thanking you,

Yours sincerely,

**For G R Infraprojects Limited**

**Sudhir Mutha**

**Company Secretary**

**ICSI Membership No. ACS18857**

Enclosed: As above.

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“G R Infraprojects Limited  
Q3 FY’25 Earnings Conference Call”  
February 03, 2025



**MANAGEMENT: MR. AJENDRA KUMAR AGARWAL**  
**MANAGING DIRECTOR**  
**G R INFRAPROJECTS LIMITED**

**MR. ANAND RATHI**  
**GROUP CFO**  
**G R INFRAPROJECTS LIMITED**

**MODERATOR: MR. PARIKSHIT KANDPAL – HDFC SECURITIES**



**Moderator:** Ladies and gentlemen, good day, and welcome to GR Infraprojects Limited Q3 FY '25 Earnings Conference Call, hosted by HDFC Securities Limited.

Today, we have with us from the management, Mr. Ajendra Kumar Agarwal, Managing Director; Mr. Anand Rathi, Group CFO. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing the star then zero on your touch-tone phone.

Please note that this conference is being recorded. This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions and expectation of the company as on date of this call. These statements are not the guarantees of future performance and involves risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Parikshit Kandpal from HDFC Securities. Thank you, and over to you, sir.

**Parikshit Kandpal:** Thanks, Steve. Without any further delay, I would now like to hand over the call to Ajendraji for his opening remarks on the company, on the results and the way forward. Thank you, sir, and over to you.

**Ajendra Agarwal:** Thank you, Parikshit. Ladies and gentlemen, a very good afternoon. Best wishes for the New Year. I welcome you to the third quarter earnings call of GR Infraprojects Limited for financial year '25. Joining me on this call today is Mr. Anand Rathi, the CFO of the company.

I would like to start by mentioning about the Union Budget of financial year 2025-'26. In her 8th budget, the Honorable Finance Minister presents a strategic vision to propel India's economic growth with a strong focus on infrastructure as a catalyst for the Viksit Bharat 2047.

Despite global economic headwinds, India mentioned its position as a fastest-growing major economy with the GDP growth forecast between 6.3% to 6.8%, in the line with IMF projections. The government demonstrates its commitment to infrastructure with an allocation of INR11.21 lakh crores expenditure in '25-'26, marking a 10% increase from the revised estimate of current financial year.

A new asset monetization plan is set to unlock value from public assets. While a 3-year pipeline for PPP projects will encourage private sector engagement, allocation of INR1,00,000 crores towards 50-year interest-free loans to state for capital expenditure and reform incentives is also encouraging. We are a socially responsible organization, focused on delivering all projects with quality and in a safe manner.

I will now take you through the key highlights of the quarter and recent development in the infrastructure sector, followed by question-and-answer session. Revenue from operation in third quarter of '25 stood at INR1,500.53 crores as against INR1,806.42 crores in corresponding



period in the previous financial year. The EBITDA margin improved by 0.2% in comparison. That is from 12.62% to 12.82%.

During the quarter, the company has repaid the debt of INR159.80 crores, which has resulted into improved debt-equity ratio to 0.07, which is one of the best in the sector. During the quarter, the company has received provisional COD for 1 HAM project and appointed dates for 6 projects, 3 roads and 1 each for metro, ropeway and MMLP. As of quarter ending 31st December '24, the company had a good mix of 30 projects, in which 2 projects are awaiting appointed dates.

Moving to the updates on order book. At the end of third quarter, the order book stood in INR19,971 crores. INR12,244 crores worth of the projects are under execution, INR4,642 crores awaiting appointed dates and the rest that is INR3,084 crores include one project each of roads and OFC that are having L1 status.

On a separate note, I'm happy to share that we have been declared L1 for the road project in Maharashtra, amounting to INR1,947 crores and a Rail Project of Western Railways amounting INR222 crores for this month that is in January. As on date, the company has submitted 13 highway, railway and ropeway projects amounting to INR13,992 crores, which are expected to be opened soon.

Moving on the sector highlights and infrastructure development of India. This year, awarding activity is a little muted in the first 3 quarters, also the instance of underbidding up to 40% persist. Having said that, looking at the central government's budgetary allocation towards infrastructure, we expect a decent flow of awarding utilities, especially large projects coming in the last quarter.

The company is targeting an order pipeline of approximately INR1,35,000 crores in various sectors like highway, road tunnel, metro, power transmission and railways, ropeway, etcetera. We will continue our strategy of diversifying our portfolio and see this opportunity, where we aim to add a decent share to our order book in the last quarter and take the company back to double-digit growth in financial year '26.

I'm confident in our strategic decision, direction and our ability to succeed in new markets. Our strong team and focus on project delivery will continue to drive our success. That's all from my side. Over to you, Anand Ji, for updates on financial portion of the company. Thank you.

**Anand Rathi:**

Thank you. Good afternoon. Thank you, Ajendra sir, for giving me the opportunity to share the financial highlights of the company for the quarter ended December 31, 2024, which are as follows. Our stand-alone revenues from operation decreased by almost INR306 crores for the quarter from INR1,806 crores in the previous year quarter for the same -- previous year same quarter to INR1,500 crores in the current quarter. This decrease was primarily on account of less execution due to delay in receipt of the various appointed dates as most of the projects are in their initial phases.

Our consolidated revenue from operations decreased by INR439 crores, from INR2,134 crores in the quarter ended December '23 to INR1,695 crores in quarter ended December 2024. Our



stand-alone EBITDA margin has increased to 12.82% in quarter ended December '24 from 12.62% in quarter ended December '23.

I also wanted to highlight here that during the current quarter INR37.70 crores was received as bonus and claims. Our EBITDA margin at group level has decreased to 21.82% in the current quarter from 23.79% in the quarter ending December 2023. Profit after tax at a stand-alone level increased by almost 8.5% to INR168.6 crores in quarter ending December '24 as compared to INR155.40 crores in quarter ending December 2023. Profit after tax at consol level also increased by 8.12% to INR262.6 crores in quarter ending December 2024 as compared to INR243 crores approximately in quarter ended December 2023.

Our stand-alone net worth stood at INR7,636 crores at the end of December '24, which was INR7,196 crores at the end of fiscal 2024. Our net worth on consol level is INR8,220 crores at the end of December 2024, which was INR7,602 crores at the end of fiscal 2024.

Moving to the borrowing, as a stand-alone, total stand-alone borrowing outstanding at the end of December 2024 is INR529 crores with debt to equity of 0.07. Our consolidated borrowings outstanding at the end of December 2024 is INR4,937 crores with a debt to equity of 0.61x.

During the quarter, the company has made addition to the fixed asset amounting INR78 crores. Our net block of property, plant and equipment, which includes a capital work in progress, is INR1,246 crores at the end of current quarter.

Investment in our subsidiary companies in the form of loans and equity is INR1,873 crores at the end of December 2024. Balanced promoter contribution, which is required to be made for our ongoing debt is INR1,876 crores, of which we are expecting around INR200 crores in the quarter 4 of the current fiscal.

Our working capital in days at the end of current quarter is 124 days as compared to 112 days at the end of fiscal 2024. This increase is primarily on account of increase in our SPV debtors. Our credit receivable at the end of -- at the stand-alone basis are INR614 crores, which includes INR1,466 crores from our SPV debtors at the end of December 2024. Our trade receivable at the consolidated level are INR247 crores at the end of December 2024.

Our unbilled revenue at the stand-alone basis is INR738 crores at the end of December 2024, which was -- sorry, our unbilled revenue at the end of -- at the consolidated level is INR168 crores at the end of December 2024. Our inventory levels are at INR622 crores at the end of December 2024 as compared to INR768 crores at the end of fiscal 2024.

Essentially, thank all the stakeholders, including employees, business partners, vendors, bankers, auditors, who have been supporting the company in this transformational story. On behalf of GR Infraprojects Limited, I thank everybody for attending the earnings call.

May I request the moderator to please open the floor for question and answer. Thank you.

**Moderator:**

Thank you very much. The first question is from the line of Harish Biyani from Kotak Mutual Funds.



**Harish Biyani:** 2 questions from my side. First is the appointed date for the INR4,600 crores worth of projects. When do we expect that? And secondly, the INR3,000 crores L1, when should we receive this finally and the appointed date, likely appointed date for this particular INR3,000 crores worth of projects?

**Ajendra Agarwal:** See for INR4,000 crores of -- we are expecting appointed date for road projects, which are valuing around INR2,100 crores in the current quarter itself. So maybe for one project in the current month or by -- yes, by end of current month and the balance second road project we'll be expecting in the month of March.

And the L1 project, what we believe is that probably for BSNL, we are expecting in the current month itself. We are expecting that LOA will be given to us. And for Maharashtra State Road projects, this may take time given that past experience of ours with the client. We are expecting in another 3 to 6 months we'll be expecting that LOA for Maharashtra State Road projects.

**Harish Biyani:** So is it safe to assume that about INR5,000 crores worth of projects will be cleared for project execution in the coming, say, 3 to 4 months of the INR7,500 crores?

**Ajendra Agarwal:** Yes, of course. Yes, yes, before June -- yes, yes, we can expect.

**Harish Biyani:** Okay. And second question is that you have bidded for projects worth INR14,000 crores. This is still which period? And secondly, INR1,35,000 crores worth, what's the project timeline for this in terms of forwarding?

**Ajendra Agarwal:** See, INR14,000 crores of projects, which are actually -- we are waiting for the results to be declared, right? It's already bidded. So it is not for the whole year. It is so far the projects, which we have bidded and not yet opened, right? There are 13 projects, right, which are valuing INR14,000 crores.

**Harish Biyani:** And ballpark timeline for the opening of these projects, awarding -- opening and awarding of these projects?

**Ajendra Agarwal:** They should have been opened by this time, but maybe another 1 month, I would say, because it's -- on a daily basis, they are opening, and so it's not that they are pending for last so many long period. It's not like that. It's a continuous process.

**Harish Biyani:** By March, it should happen, highly likely happen.

**Ajendra Agarwal:** Yes. Yes, yes. And with respect to INR1,35,000 crores of the project, see, pipeline is there, almost INR1,00,000 crore for highway projects. And there are -- for transmission also, there are INR20,000 -- almost INR20,000 crores of the transmission. The pipelines are there. What we believe that probably, if not -- because, see, given for last 2 years and what we have faced is that the government has not been so much aggressive.

What we believe that 50% can be bidded during the current financial year. That means up to March 2025, maybe around INR60,000 crore, 65,000 crores of the project certainly would be



bidded. And we are even equipped to bid basically for entire -- this pipeline. But, yes -- I mean, given the past experience for the last 2 years, government is not that much aggressive -- going aggressive in the month of March itself.

Though the ministry is claiming that they would be adhering to their target. But what we are expecting reasonably that INR60,000 crores to INR70,000 crores of project would be bidded in the current financial year. And we are preparing ourselves for INR1,35,000 crores of projects. If they are coming, we certainly will be bidding.

**Moderator:** The next question is from the line of Shravan Shah from Dolat Capital.

**Shravan Shah:** Sir, a couple of just things in terms of us to get back to the guidance. So 9 months, we are already down close to 18% plus. So in the fourth quarter, how much are we looking at, and in the FY '26, when we say a double digit, so if you can specify how much are we looking at in terms of 15%, 20% kind of a growth we're looking at?

**Ajendra Agarwal:** So the first question, which -- I mean because -- yes, I mean, our earlier guidance was 5% to 10%, but what we believe is because most of the projects we have received the appointed date in the last quarter. What we believe is that for the whole -- current whole year, we are expecting that we will be certainly having negative growth of 10%, that's for sure, I believe, maybe in the 10%, 12% at max, I would say.

And for the next year, because what we believe is that government is even quite focusing on the state -- I mean, they are incentivizing the state for their capital expenditure program and all that. And we believe that more and more states would be coming with their EPC projects, and we'll be participating over there as most of the projects will be -- are funded by the central government by way of that INR1,50,000 crores of interest-free loan for the 50 years.

So what we believe is that going forward, we'll be having more EPC projects in our portfolio, and we'll be able to deliver it fast -- I mean execution would be starting early. So we'll be certainly having double digit or, I would say, 9% to 12% kind of growth for the next financial year.

**Shravan Shah:** Okay. Just to still further dwell. So when we say 10%, 12%, so even if -- just for trying because this number or if I look at for last 2 years also, what we have guided, actually, we have missed significantly on that front. So still trying to understand more on that part. When we say 10% to 12% degrowth for this year, then also, that means that in the fourth quarter, we are looking at -- last time we have done INR2,255-odd crores revenue.

So kind of a similar revenue. So that means kind of on a Q-on-Q front, we are looking at a 50% kind of a growth from INR1,500 crores to INR2,200-odd crores. Is it -- correct me if I'm wrong?

**Ajendra Agarwal:** Yes, yes. So it doesn't matter -- I mean, Q-on-Q, it doesn't matter, the reason being we have done in past, right? We've executed in the past INR2,000-plus crores kind of turnover in the quarter, right? So we are equipped. We are prepared. We are having enough resources to execute that amount of work. The only thing is if we are having that executive order book with us and which we believe is that we'll be able to be depending on -- because see the project -- most of the



projects, 6 projects, as sir mentioned, that we have received the appointed date in last 3 months of time, I would say.

So we'll be able to deliver those projects. So that's why we are saying that we are expecting on -- and for next quarter -- I mean, for the current quarter, I would say, Q4, we'll be -- we'll not be having any degrowth. I mean, we'll be more or less at par with what we have achieved in last year's report, right? And in terms of value, it is not that significant in terms of -- given the resources we are having with us.

**Shravan Shah:** Got it. Second, sir, just to -- if you can clarify in terms of the -- excluding GST till now order inflow including the L1 is how much because the transmission will -- order also we have got. So just wanted the total order inflow, including L1, excluding the GST in FY '25.

**Ajendra Agarwal:** It's almost INR9,000 crores.

**Shravan Shah:** INR9,000 crores. And now how much more are we looking to bag by March?

**Ajendra Agarwal:** By March, we are targeting in the range of INR8,000 crores to INR9,000 crores of incoming -- I mean new order book.

**Shravan Shah:** Okay. And will this be kind of 50% would be in the road or maybe 70%, 80% from the road?

**Ajendra Agarwal:** No. Road, we are not targeting 50%. I would say road would be not more than 30% or 40% because given the competition so far, it has not yet come to that level, right? So what we believe is that we'll be bidding into different, different sectors, maybe transmission, ropeway, then road also. And then, Tunneling is also there, right? So yes, I mean, road is not more than 40%, I guess.

**Shravan Shah:** Okay. Got it. And sir, a couple of data points on the balance sheet front. Sir, you have mentioned the data. So if you can repeat the stand-alone debtors and the HAM debtors?

**Ajendra Agarwal:** So it's -- stand-alone debtors, I would say, is total INR614 crores. And out of that, INR1,466 crores are from SPVs.

**Shravan Shah:** Okay. And trade payable is how much, sir?

**Ajendra Agarwal:** Trade payable are INR757 crores.

**Shravan Shah:** INR757 crores. Okay. And our consol debtor is also how much?

**Ajendra Agarwal:** Consol debtors are INR781 crores -- INR246 crores to INR247 crores. Consol debtors are INR247 crores.

**Shravan Shah:** Okay. And the equity, you said, INR200 crores in the fourth quarter to be invested. In FY '26-'27, how much?

**Ajendra Agarwal:** Almost INR700 crores to INR800 crores.

**Shravan Shah:** INR700 crores to INR800 crores, both in '26, '27 or kind of equal number.





- Ajendra Agarwal:** Yes.
- Shravan Shah:** Okay. And our capex for how much is left in the fourth quarter? And for '26-'27, how one can look at?
- Anand Rathi:** The capex, we are not expecting more than -- for the full year not more than INR125 crores. So maybe another INR30 crores, INR40 crores for the current year or for next year, again, because capex, we are, I would say, fairly -- capex is already having we are in our balance sheet, so we don't expect much -- I mean, there is not significant difference from what we have been doing for last 2 years, so maybe INR150 crores is the maximum capex.
- Shravan Shah:** Got it. Lastly, sir, other income, how much is from the InvIT or dividend and for full year or maybe the fourth quarter, how much one can look at? And for -- on a run rate basis, FY '26-'27, how much one can look at the InvIT dividend income?
- Ajendra Agarwal:** See, for last quarter -- I mean, the quarter ended December 2024, we have received that in -- around INR39 crores or INR40 crores from InvIT, right, for the -- so far -- I mean, for the year, it is INR178 crores, the income which we have received from the InvIT, right? For last quarter, it was INR39 crores or INR40-odd crores. On -- in current quarter -- I mean, in Q4 for the current fiscal, we are expecting another INR60 crores of InvIT income, right?
- Shravan Shah:** Okay. So broadly, kind of an INR250-odd crores is the run rate from next year onwards one can look at?
- Ajendra Agarwal:** Yes, INR200 crores to INR250 crores.
- Moderator:** The next question is from the line of Alok Deora from Motilal Oswal.
- Alok Deora:** Sir, I just wanted to understand, so you mentioned about 10%, 12% degrowth in FY '25. So we ended up at close to INR6,700 crores. But then, sir, next year, you're talking about 9% to 12% sort of a growth -- I mean, we'll be getting INR5,000 crores worth of more projects started by end of this financial year. So don't you think that '26 estimate is pretty conservative because a lot of projects will be under execution at the start of FY '26?
- Ajendra Agarwal:** See, INR5,000 crores, we are targeting that INR5,000 crores would be starting by June, right? And after soon, there is a rainy season. So -- I mean, we'll certainly try to deliver more than what we have been guiding, but -- and so that's how, I mean, what we believe is that we'll be able to, quite confident in terms of achieving double digits and that means because the number is already degrowth for last year, right, given currently it's already degrowth. So even if we achieve 10% growth, we'll be again on the same number what we achieved in last year, right? So -- yes, I mean we'll be able to.
- Alok Deora:** Got it. And also, sir, you mentioned about a lot of projects which you are considering to bid for will be from the non-road side. So I just wanted to understand on the margin side, margins -- I mean, this quarter also, if you adjust for the bonus figure, it is close to 10% or so on a stand-



alone basis. So how do we see the margins shaping up? Because more and more of the other sector projects would also mean your margins might not be what you were making in the road HAM segment?

**Ajendra Agarwal:** No. So in our experience, what we are seeing is in road, there's huge competition. And what I believe is probably if I will be able to diversify into good sector, different sector, we'll be -- comfortably, we'll be making more than what margin, otherwise, we are making through road sector because -- I mean competition has not come down so far in road sector. Unless until it is coming down, we'll not be able to.

So what we believe is that we'll -- I mean we are expecting -- I mean, 10% to 12% kind of EBITDA margin for next year as well. And once we are established into different sectors, then only we'll be more confident in terms of what margin we'll be getting from those sectors because still we are having a big chunk in our execution from road, right?

**Alok Deora:** Right. So 10% to 12% could be there for the existing order backlog you're saying?

**Ajendra Agarwal:** Yes.

**Moderator:** The next question is from the line of Jainam Jain from ICICI Securities.

**Jainam Jain:** Sir, my first question is, what is the order inflow guidance for FY '26?

**Ajendra Agarwal:** FY '26, what I believe is that certainly -- I mean, see, current year, we are targeting almost INR17,000 crores of the orders in flow, right? Yes. So next year -- I mean, this year, our target -- original target was INR20,000 crores, so we'll try to stick with that for next year as well.

**Jainam Jain:** And, sir, given the muted increase in budget toward the road segment, how are we looking for that to bid out in the next year to achieve the growth in order inflow? Like will we be bidding more aggressively within the road segment itself or look out to bid more -- bid out more frequently in the other segments?

**Ajendra Agarwal:** See, we'll be bidding -- certainly, we will not be going more aggressive into road sector. But what we believe is that government is also changing there -- I mean, they are shifting their modus operandi of execution of roads. They are coming up with more BOT projects. Maybe BOT toll or may BOT annuity.

And in fact, during this budget also, current -- in current year budget also, Honorable Finance Minister has clearly mentioned that all the infrastructure ministries should come up with their 3-year pipeline of infra projects which can be executed -- which can be executed under PPP mode.

So what we believe is that going forward, more and more projects would be awarded under PPP mode. And there, we need not to go aggressive. We'll be able to -- so we may not be -- because as of now, we are not confident we'll be able to, again, back on the same track of 15% to 20% kind of EBITDA margin, but yes, of course.

What we believe is we need not to go aggressive. As landscape is changing, more BOT projects would be coming. And in addition to, because still the competition into road sector is quite high,



what we believe is that we will be certainly looking towards other sector, other avenues, ropeway, transmission, tunnel, metros, where we'll be able to maintain our margin, maybe, in 10% to 12%, 13% kind of margin.

**Jainam Jain:** Okay, sir. And, sir, will you be bidding for the BOT annuity and BOT toll projects?

**Ajendra Agarwal:** Yes, certainly.

**Jainam Jain:** And, sir, given the change in Model Concession Agreement for BOT about a year back, why haven't we seen any traction in BOT yet?

**Ajendra Agarwal:** BOT, maybe that the ecosystem -- I mean, that probably that information I've not released that. But what I believe is that acceptability to the BOT in the industry so far is not to that level, which was actually there for the HAM. And stakeholder management is being done by the government or the authorities, right, and they are just educating what they have all amendments carried out in the previous version of the BOT to make it more acceptable amongst the industry player.

So going forward, what I believe is that which has -- I mean they have demonstrated in their budget speech also, what I believe is that more and more projects would be coming in the BOT going forward.

**Jainam Jain:** Okay, sir. And, sir, other than road segments, which would be the sectors or segments in which we would be focusing more on in the next year?

**Ajendra Agarwal:** So, as I mentioned earlier, I mean, ropeway, power sector, Tunneling and metros. We have been -- in telecom sector also, we have taken one project where we have been declared L1. We're taking more such projects given the opportunity or more projects recently, more projects are coming.

So yes, I mean, we are diversifying -- we are trying to diversify into different, different sectors. And depending on that is the financial metrics, I would say we'll be going more aggressive in particular 2 or 3 sectors.

**Moderator:** The next question is from the line of Yash Dedhia from Maximal Capital.

**Yash Dedhia:** Yes. Sir, I wanted to know what would be our share of variable cost in other expenses and employee expenses?

**Ajendra Agarwal:** Which costs, come again? Share of.

**Yash Dedhia:** Variable and fixed, the -- a portion between variable and fixed cost?

**Ajendra Agarwal:** Variable and fixed other costs, you are saying. I mean what you are saying is rent and all that, right? That number isn't with me right now. Probably, we can take this question after the call. You can mail me, I will get it done -- work for you, right?

**Moderator:** The next question is from the line of Vaibhav shah from JM Financial.



- Vaibhav shah:** So, on the margins trend, our initial margins around 10.6% for a fourth quarter. So should it be a similar number in fourth quarter as well or it can improve given the higher execution that we are targeting in Q4?
- Ajendra Agarwal:** Yes, I believe it should improve. It will be able to execute, I mean, the number -- execution number would be higher, then certainly, we'll be able to.
- Vaibhav shah:** So could it be somewhere around 12%, 12.5%?
- Ajendra Agarwal:** At least 1%, 1.5%, you can -- I mean, we can safely assume.
- Vaibhav shah:** Okay. Sir, earlier, we indicated that for FY '26 the margins could be around 14%, 15% if the execution improves. So now what kind of guidance are the -- what margins are we targeting for '26 now?
- Ajendra Agarwal:** '26, we just mentioned that it would be in the range of 10% to 12%, given that competitive intensity, right? So we are expecting that it -- I mean, depending on mix also -- I mean, which sector we are having more order coming from. So that would be certainly for '26. I would believe that -- I would say that it would be in the range of 10% to 12%.
- Vaibhav shah:** And for '27, we can say somewhere around 13%, 14%, as we had mentioned earlier?
- Ajendra Agarwal:** Yes, '27, of course, because see, unless until that things improve in terms of competitive intensity, right? We'll be -- because what we believe is that the trend -- the EBITDA margins should be in the range of 13% to 15% for this kind of industry. But -- and if more and more BOT projects will be coming, certainly, we are quite confident for FY '27, we'll be able to improve on that EBITDA margin.
- Vaibhav shah:** Lastly, while the competition is very high, but the execution that's happening in the -- of the current backlog, that was similar in the previous quarter as well. So what drove this sharp decline in terms of guidance for FY '26 over the last quarter?
- Ajendra Agarwal:** FY '26?
- Vaibhav shah:** So earlier also, the order book that you're going to execute it was similar as of September as well?
- Ajendra Agarwal:** So FY -- I mean, so far, we haven't received. I mean, our target order book was around -- for incoming order was the INR20,000 crores for the current year, right? And we haven't received. So far, we have received only INR8,000 crores or INR9,000 crores of orders, right? And which is actually not giving us the confidence that intensity -- competitive intensity doesn't, goes down.



We have to be -- I mean, to take -- I mean, that's why we have revised our incoming order book also and the order book inflow from INR20,000 crores to INR17,000 crores, right? But then I have to again compromise to a certain extent on that EBITDA margin, right?

So that's why probably -- I mean, what we have seen in the past that order -- though it is L1, and we have been given L1 status, but LOA is not being given on time or the appointed date is taking more time what, otherwise, in earlier, maybe 2 years back, that appointed date was -- generally used to be given in 6 months of time. That's how I mean, we are targeting that for next financial year, FY '26, we'll be having a 10% kind of growth, right?

**Vaibhav shah:** Okay. And sir, lastly, for appointed dates of MSRDC projects, sir, have we started the work in Pune Ring Road package W5?

**Ajendra Agarwal:** No, the appointed date is yet to come. [inaudible 39:13] So we started mobilization. Appointed date has not come yet. The appointed date has not come yet, but this agreement is already signed and maybe in the current financial year itself, we will be able to start that project.

**Vaibhav shah:** Okay. But for Nagpur, Chandrapur and a recent one, PRR E6, that will take around 3 to 6 months.

**Ajendra Agarwal:** Right.

**Moderator:** The next question is from the line of Uttam Kumar from Axis Securities.

**Uttam Srimal:** [inaudible 39:52] so any reason for that?

**Ajendra Agarwal:** No. I -- we haven't -- I mean, we couldn't hear your question. If you can -- if you have to repeat...

**Uttam Srimal:** Sir, your other expenses have declined quite sharply this quarter, so any reason for that?

**Ajendra Agarwal:** Other expenses?

**Uttam Srimal:** Yes.

**Ajendra Agarwal:** Other expenses declined, I mean...

**Uttam Srimal:** It is around INR12 crores and something -- INR12 crores something?

**Ajendra Agarwal:** Okay. So other expenses are including the debtors provisioning. We are long outstanding debtors, right? We are -- we have been -- as per our policy, we have been providing on those debtors. For the current quarter, it has not been -- I mean, so it's a provision which has got declined, right?

**Uttam Srimal:** Okay. And sir, yesterday -- in yesterday's budget, government has focused more on developing airports. So do you see any opportunity for your company in developing airports?

**Ajendra Agarwal:** Airports is generally in the development model is generally present, the value of EPC is not very high. We have already worked on three airports. We will participate in the project bid for EPC. But now we have to see in which model they come.



- Uttam Srimal:** Okay. Sir, we are doing a lot of work in transmission. So here the government is also very focused on transmission. So what opportunities do we see in transmission?
- Ajendra Agarwal:** In transmission, our business is already in its growth stage. And we are fully focused. The government's focus has also growth stage and we are focused on transmission. We are strengthening our team and our system to be robust so that we can deliver on time.
- Uttam Srimal:** So, normally, what is your margin in transmission, sir, EBITDA margin?
- Ajendra Agarwal:** We are still in the early stage of transmission. So, we are still at 8% target. But going forward, as we are improving and as we are getting deeper and deeper into this particular I can will be able to get double digit kind of margin.
- Moderator:** The next question is from the line of Shravan Shah: from Dolat Capital.
- Shravan Shah:** Sir, the last time we talked about power transmission and HAM, our commitment was that we can deploy INR10,000 crores kind of equity in HAM, beauty tool, transmission, everything. So, that stance still remains the same?
- Ajendra Agarwal:** Same, same. No change.
- Shravan Shah:** Okay. Sir, maybe the focus is to get more BOT kind of projects, whether it is of road toll or transmission and keep on investing equity there. But for transmission, how will the equity come back to us?
- Ajendra Agarwal:** See, in transmission, we are exploring 2, 3 ideas. One is, of course, to have investors along with us during construction itself. And second is if we can -- it will -- after completing the projects, if we will be able to sell those transmission assets to the existing investors or the InvIT or -- so there are players who are willing to buy, right, operational assets.
- And we have passed through that kind of view, that kind of process in past also, while -- where probably we have sold our road asset, we have come up with our own. I mean, it's -- we have sold our HAM asset to InvIT, right? So what I believe is that once the project's assets are operational and when they are becoming AAA, they are buyer -- they take us to buy those assets. So we don't find any issue to sell those projects and to recover our equity back.
- Shravan Shah:** Okay. Got it. And, sir, the way the MSRDC, the two projects, in one, the LOA that we got, 5%, 6% of our original value was reduced. So, now the second project, Nagpur, Chandrapur, is there also more negotiation going on than that? Because the original value of INR2000 crores which we had beat, is it being negotiated below that?
- Ajendra Agarwal:** See, the negotiation has not happened yet, how the government will proceed, but it will be competitive, there should not be much difference. The price is competitive, but if the authority is in discussion, then there can be some marginally difference, but there is a measure.



- Shravan Shah:** And Rathi sir, once again, the appointed date of the projects that we have got, including the January projects, that value you are saying is INR7500 crores, and out of that INR2100 crores, by March, we will be getting the appointed date, out of INR4000 crores?
- Anand Rathi:** Out of -- we are expecting INR4,000 crores -- sorry, okay, we are expecting the appointed date, we are expecting that there are INR4,600 crores of projects. Maybe by March or April, we'll be having the appointed date. And balance, we are expecting another 6 months, maybe by June or July, INR3,000 crores.
- Shravan Shah:** Okay. Got it. And sir, next year you said that in FY '26, we will be looking at INR20,000 crores order inflow. So, in that, what is our measure, INR8,000 crores, INR10,000 crores would be our transmission?
- Ajendra Agarwal:** INR8,000 crores, INR10,000 crores, maybe, when we are targeting INR20,000 crores, so certainly it will be more than 25%, it should be more than INR5000 crores, depending on the number of projects which are coming for. So, it can be INR5000 crores to INR8000 crores. Rest, road, tunnel, metro, roadways, yes.
- Shravan Shah:** Okay, but EPC road will be very less, in that also, in INR20,000 crores, next year also?
- Ajendra Agarwal:** See, it can be some state's EPC, maybe INR4000 crores, INR5000 crores, it can be state EPC, it can be BOT, right, it can be BOT HAM, so now, for next year, we have to do some analysis work on this, but.
- Moderator:** As there are no further questions from the participants, I now hand the conference over to the management for their closing comments.
- Ajendra Agarwal:** Thanks to all, to all the investors, participants...
- Moderator:** Sorry to interrupt, sir, there's a question. It is from the line of Parikshit from HDFC Securities.
- Parikshit Kandpal:** My question is on the transmission side, now we have almost INR1,500 crores plus of order book. So just wanted to check who is executing these orders for us. I mean, have we developed enough capability to execute transmission projects? And does it make us eligible? Or are we looking to bid independently for third-party orders directly beyond like existing projects, that development orders? Are you looking at any EPC orders in this segment?
- Ajendra Agarwal:** No, we are doing the EPC work on our own, the whole team has developed here, and the same team is executing.
- Anand Rathi:** No, in transmission, Parikshit Ji, we will look at EPC, I mean, so far what we believe is that, whatever experience we had in the industry, we do not see any margin in EPC, if the margin improves, then certainly we will be doing EPC projects also in transmission, but we should get a reasonable margin.

**Parikshit Kandpal:** Okay. And just on some other segments like clean energy, solar, battery storage. So, any thoughts there, sir? I mean, we are seeing some of our 50 years taking up these projects. So how do you visualize this opportunity for us as a diversification beyond roads?

**Ajendra Agarwal:** Solar, we have seen till now, but somehow we are not able to break through, because we are exploring, I mean, it is a continuous process, we are seeing, if we will be able to do some value addition, certainly we will be entering into this space, and in clean energy, I mean, so the government has come up with their own plan, in nuclear power also, I mean, so then we have to also go through all those plans, and if we find that there are opportunities for us, certainly we will be diversifying.

Because see, in energy sector, I mean, we are already into transmission, so in some energy, we will be trying to basically more, we will try to do more point penetration to energy as well, right, we are exploring, and if we find some opportunity, certainly we will be entering into.

**Parikshit Kandpal:** And anything -- or any thoughts on building as a segment, which we have been exploring for quite some time in addition to our segment? And also, if you can comment on overseas export market, anything -- I mean, are you looking at re-entering that market?

**Ajendra Agarwal:** See, overseas, I mean, we tried to into African market, but the issue which we found is that, again, unless until we have some sort of confidence in terms of even getting our currency or amount back, like rupees back into country, because what we have realized that with the repatriation of money is a major issue over there.

So to that extent, we are not much aggressive unless until we found some solutions that okay we will be able to secure our money back, into country we'll be doing overseas project. Building factories, I mean, I would say, still under evaluation only because we started in different areas.

We started Tunneling, that is under construction right and we also started Roadway. So it's taking time. Once we want to establish ourselves in 1 or 2 sectors, which we started power transition, where we believe that -- I mean, power transmission we have done fast, because we have taken 4 projects.

So far, we have built our team also. But Tunneling is a sector where we need to stabilize ourselves. And in Roadway we have do something. So point is it's taking time, yes, of course. I mean, so we'll certainly be -- we are looking at it. It is taking time, but yes.

**Parikshit Kandpal:** And just the last question before we close the call, sir, just any comment on also for FY '26, '27, what kind of recycling of equity through the InvIT route are you looking at? What kind of proceeds can you realize?

**Ajendra Agarwal:** So what -- I believe that we'll be able to, all the operational HAM assets, which right now we are having in our portfolio in the next 1 year of time. And next financial, we'll be able to transfer it to InvIT either or to some other guys, right, depending on that negotiation with -- so maybe that equity would be in the range of -- which we will be transferring would be in INR1,000





crores, INR1,200 crores. And we are expecting that more than that, we'll be able to monetize. Yes.

**Parikshit Kandpal:** So annually around INR1,000 crores worth of book value of equity of assets you will transfer and get some premium on that. So ballpark -- that much of -- upwards of that, you will be able to recover on an annual basis for next 2 years.

**Ajendra Agarwal:** Yes.

**Parikshit Kandpal:** Okay, sir. I think now we have come to the close of the call. So I'd like to thank you again for giving us this opportunity to host the call. Any final comments if you want to make before we close it?

**Ajendra Agarwal:** Thank you, Parikshit Ji. Thanks to all.

**Parikshit Kandpal:** Thank you for coming, and thanks to all the participants.

**Moderator:** On behalf of HDFC Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.