Ceigall

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CIN-L45201PB2002PLC025257

Date: February 7, 2025

To, The General Manager, Department of Corporate Services, BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001 **Scrip Code: 544223** **ISIN: INEOAG901020**	To, Manager-Listing Compliance, National Stock Exchange of India Limited, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai – 400051 **Symbol: CEIGALL** **ISIN: INEOAG901020**

Subject: Transcript of the Earnings Discussion/Conference call

Dear Sir/Ma'am,

Pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to our letter dated January 27, 2025 we are enclosing herewith the transcript of the earnings/conference call for the third quarter and nine months ended December 31, 2024, conducted after the meeting of Board of Directors held on February 04, 2025.

The above transcript is also available on the website of the Company at www.ceigall.com

This is for information of the Exchanges and the Members.

For Ceigall India Limited

MEGHA KAINTH Digitally signed by MEGHA KAINTH Date: 2025.02.07 15:57:56 +05'30'

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“Ceigall India Limited

Q3 & 9M FY25 Earnings Conference Call”

February 04, 2025

MANAGEMENT: MR. RAMNEEK SEHGAL – MANAGING DIRECTOR – CEIGALL INDIA LIMITED
MR. BHAGAT SINGH – GROUP CHIEF FINANCIAL OFFICER – CEIGALL INDIA LIMITED

MODERATOR: MR. ANKIT JAIN – ORIENT CAPITAL

Moderator: Ladies and gentlemen, good day, and welcome to the Q3 and 9 Months FY '25 Earnings Conference Call of Ceigall India Limited. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing Star then zero on your touchstone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ankit Jain from Orient Capital. Thank you, and over to you, sir.

Ankit Jain: Thank you, Alarick. Good afternoon, ladies and gentlemen. I welcome you all to the Q3 and 9 months FY '25 Earnings Conference Call of Ceigall India Limited. To discuss this quarter's business performance, we have from the management, Mr. Ramneek Sehgal, Managing Director; and Mr. Bhagat Singh, Group CFO.

Before we proceed with this call, I would like to mention that some of the statements made in today's call may be forward-looking in nature and may involve risks and uncertainties. For more details, kindly refer to the investor presentation and other filings that can be found on the company's website and stock exchanges.

Without further ado, I would like to hand over the call to the management for their opening comments, and then we will open the floor for Q&A. Thank you, and over to you, sir.

Ramneek Sehgal: Good afternoon, ladies and gentlemen. I'm pleased to welcome you all to the quarter 3 and the 9 months financial year '25 earnings call of Ceigall India Limited. Our financial results and investor presentation have been uploaded on the exchanges. I hope you had a chance to review them. Joining with me is Mr. Bhagat Singh our Group CFO.

I would like to begin by talking about the Union budget of '25-'26. The Finance Minister has laid out the strategic vision, aimed at accelerating India's economic growth with a strong emphasis on infrastructure as a key driver for Viksit Bharat 2047. Despite global economic challenges, India remains the fastest-growing major economy with GDP growth projected 6.3% and 6.8%. This resilience highlights the strength of our economic fundamentals.

The government's commitment to infrastructure development is evident in the INR11.2 lakh crores allocation, which marks a 10% increase over the revised estimated for the current financial year. A new asset monetization plan is expected to unlock value from public assets, while Infrastructure Ministry's will introduce a 3-year project pipeline enabling execution under PPP model.

Additionally, the budget includes an outlay of INR1.5 lakh crores for 50 years interest free loans to states and aimed at the capital expenditure and reform incentives. The second asset monetization plan for '25 to '30 is targeting INR10 lakh crores in capital remuneration for the new infrastructure project. The budget underscores the government's long-term vision for infrastructure-led growth and we at Ceigall India Limited are well positioned to capitalize on these opportunities.

Now turning on to our performance. The company has delivered a healthy operating performance in quarter 3 and the first 9 months of financial year '25. With a well-diversified portfolio of EPC and HAM projects, we have not only reinforced our leadership in the highway road sector, but also successfully expanded into new areas, specialized structures, including metros, railways, elevated roads, airport runways and tunnels.

Looking at the financials, our consolidated revenue from operations, excluding bonus and royalty rose to INR24,063 million in 9 months financial year '25, marking a solid 16.3% year-on-year growth from INR20,687 million in 9 months financial year '24. Our 9 months financial EBITDA stood at INR3,716 million with a healthy margin of 15.4%, while the PAT grew by 9.2% to INR2,142 million from INR1,962 million in 9 months financial year '24.

Our strong financial position is further validated by India Ratings & Research, which has assigned a long-term rating of AA-/Stable for fund-based working capital limits and IND A1+ short-term for non-fund based working capital limits. These ratings highlights our improving scale of operations, strong cash flow and overall funding services.

As of December 30, 2024, we had a robust order book of INR1,17,025 million reflecting our healthy bill-to-book ratio. Our order book composition 85.8% from highways, which includes elevated roads, specialized structures, flyovers, tunnels; 12.7% from railways and metros, 1.2% from bus terminals and 0.3% from airport runways.

Now, let me provide an update on a few ongoing projects. A Delhi-Saharanpur Highway Border project is almost completed with 99% complete progress as per the schedule. The Makhu project has reached 85% completion, while the Gonde-Vadape structures are almost at completion stage. The Delhi-Amritsar-Katra is 84% done and Ludhiana-Rupnagar is almost 82% done.

On the HAM front, Mandi-Dabwali project is nearly completed at 97% and Jalbehra stands at 80%. We expect to complete these projects ahead of schedule which positions us for potential early completion bonus. Our testament to our team's efficiency and dedication, the remaining HAM projects are waiting their appointed date. We are expecting that in month of March we should have started our one of the HAM projects.

Additionally, we have received an annuity of 1,283 million gross from NHAI for our first HAM project in the Malout Abohar Sadhuwali which was completed ahead of schedule. Also the company has recently emerged the L1 bidder for development of six-lane GreenfieldSouthern Ludhiana Bypass under Hybrid Annuity Model. The project cost is INR923 crores.

Looking ahead, we have already bid for project worth INR16,000 crores spanning railways, metro, structured projects and national highways. We are also exploring new verticals to fuel the future growth. Over the years, we have consistently maintained the double digit EBITDA margin. With a strong resource base and execution capabilities, we are confident in delivering another year of solid performance.

In conclusion, Ceigall India remains dedicated to creating value for our stakeholders, customers and shareholders. We are confident that our focus on innovation, diversification and operational excellence will propel the growth and community. Thank you for your support and trust in Ceigall India Limited.

I will now hand over the call to Mr. Bhagat Singh, our Group CFO who will provide the overall review of the financial performance. Over to you Mr. Bhagat.

Bhagat Singh: Thank you Ramneek Sir. Good evening everyone. I'll now take you through the financial highlights for Q3 and first nine months of FY25 starting with the standalone financials of Q3FY25, our revenue from operations excluding bonus and royalty stood at INR8,101 million, reflecting a 10.3% year-on-year growth from INR7,342 million in Q3 FY '24. EBITDA, excluding bonus and royalty came in at INR1,049 million, up 3.4% from INR1,014 million last year with an EBITDA margin of 12.9% for the quarter. Our PAT for Q3 FY '25 stood at INR682 million compared to INR748 million in Q3 FY '24.

On the debt front, our gross stand-alone debt stood at INR4,285 million, which includes INR226 million in equipment term loan, INR3,206 million in term loans and INR852 million in working capital loans.

Now moving on to the consol numbers for Q3 FY '25. Revenue from operations, excluding bonus and royalty reached at INR8,304 million, marking a 20.2% year-on-year increase from INR6,910 million in Q3 FY '24. EBITDA for the quarter stood at INR1,232 million compared to INR1,357 million last year with an EBITDA margin of 14.8%. PAT for Q3 FY '25 came in at INR708 million with a net margin of 8.5%.

On a consol basis, our gross debt stood at INR11,420 million, which includes INR480 million in equipment term loan, INR3,921 million in term loans, INR6,069 million in HAM term loans and INR946 million in working capital loans. Our net debt equity ratio remains very competitive and comfortable at 0.4x for the period ended 9 months FY '25.

Coming to the working capital, our net working capital days stood at 66 days as on 31st December 2024. This is calculated considering the inventory days, WIP position, receivable and vendor payments. In terms of project execution, we currently have 22 ongoing projects with a total order book value of INR1,17,025 million. This includes 14 EPC projects, 7 HAM projects and 1 BOT projects, spanning roads, highways, tunnels, railways, metros, airports, runways and bus terminals. Notably, NHAI projects account for 79.6% of our total order book.

With a strong order pipeline, a stable credit rating and a government continued focus on infrastructure development, we are very well positioned to drive strong revenue growth and long-term success.

With this, I conclude my remarks and thanks all our esteemed stakeholders, including our employees, business partners, vendors, auditors, bankers for their wholehearted support in the long-term growth journey of the company. On behalf of Ceigall India Limited, I thank everyone for attending this call.

Now I request the moderator to open the floor for question-and-answer. Thank you.

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

Jainam Jain: Sir, my first question is, we saw a fall in EBITDA margins from 15.1% in Q3 FY '24 to 13% in Q3 FY '25. So what would be the reason for that?

Bhagat Singh: Our EBITDA margin, if you see, so we have already given the guidance that the pure EBITDA margin, that is from the construction of EPC, pure EBITDA margins would range from 12.5% to 13%. So our pure EBITDA margin is inline within our guidance. If you see the quarter-to-quarter EBITDA, pure EBITDA margin, then you will find that our EBITDA -- pure EBITDA margin varies within the range itself. Within the guidance, it was for Q3 FY '25, we have achieved EBITDA margin of 12.90%. And for 9 months ended FY '25, we have achieved the EBITDA margin of 12.80%, which is within the guided number.

Jainam Jain: Okay, sir. And sir, we are seeing an increase in working capital days from 45 days in FY '24 to 66 days in FY '25 till date. So why there is an increase in this working capital?

Bhagat Singh: I would like to comment that the working capital is a very churning number and it moves -- rotates to a number-to-number basis. And moreover, this number is as on 31st December, like whatever billing has been done. Our average working capital cycle is from 40 to 50 days only. It includes debtors and inventories and vendors also. So it is a number as we speak. But on an average, we are maintaining the working capital cycle of 40 to 50 days.

Jainam Jain: Okay, sir. And sir, what would be the order pipeline for the remaining year in Q4 FY '25?

Bhagat Singh: We have already informed that in the call itself that we have order pipeline of INR16,000 crores as we...

Jainam Jain: Order pipeline?

Ramneek Sehgal: Order pipeline is close to INR13,000 crores. And we just quoted for new tenders was INR16,000 crores.

Jainam Jain: Okay, sir. And sir, why there is a delay in execution of the Greenfield Amritsar connectivity EPC project? I mean the status I could see on the presentation, it's 0%?

Ramneek Sehgal: Which project -- can you repeat, please?

Jainam Jain: Hello?

Ramneek Sehgal: Which project are you talking about? Which project?

Jainam Jain: Yes, I'm talking about Greenfield Amritsar connectivity EPC project.

Ramneek Sehgal: Okay. The Amritsar-Katra project, all the milestones were achieved well before the time period. We've already executed the project which was handed over as a land. The project which is not yet completed, the land has not handed over to us by the government. We are ahead of schedule. We have completed all our milestones ahead of schedule. And the land which is not available is only the balance work. We have already done 84%.

Moderator: The next question is from the line of Sahil Vora from M&S Associates.

Sahil Vora: Sir, I have some questions. Firstly, can you please throw some light on our executed versus unexecuted order book?

Ramneek Sehgal: So there are a lot of projects as a number. If you start counting, there will be more than 50 numbers. So specifically, if you want to ask we are almost in 10 states now. So particularly, if you want to ask some questions on ongoing work or you want me to talk on everything because the -- and it's there in the investor presentation. We have already uploaded in the investor presentation. 15 EPC projects, 7 HAM projects. Total 22 projects.

Sahil Vora: Okay. I'll go through that. Sir, my next question is, we see the Q3 FY '25 numbers in comparison to FY '24 Q3 numbers, they have kind of dropped. So is it because of execution problem or the projects are delayed?

Bhagat Singh: You can continue with the question, please.

Sahil Vohra: Yes. Sir, my next question was compared to the Q3 FY '24 numbers. The Q3 FY '25 numbers have dropped. So is that because of the project execution problems or the projects are delayed in general that I wanted to know...

Bhagat Singh: Number one thing, there is no drop. We have already given a guidance in our earlier calls also. We need to look at the total EBITDA margin of the company in 2 ways. One is the pure EBITDA margin from EPC execution. We have given a guidance of 12.5% to 13%, which ranges from -- which will remain consistent on every quarter-to-quarter.

Now when you talk about the total EBITDA, total EBITDA includes pure EPC EBITDA plus other income, that is FDR income, royalty income or bonus income, which is irregular and which depend upon quarter-to-quarter on nature of the work. So now if you see the quarter 3 FY '25 and quarter 3 FY '24, quarter 3 FY '24, we derived EBITDA, excluding royalty and bonus 13.80%.

Quarter 3 FY '25, we derived the margin of 12.90%. So this is within the line the guidance we have given. So there is no drop. It is within the EBITDA because on an annualized basis, we are targeting to achieve the pure EBITDA margin of 12.5% to 13%. Over and above that, including other income, bonus and royalty, we are targeting to achieve the aggregate margin of 14.5% to 15.5%.

So on a quarter-to-quarter basis, whatever margin we derive, it depends upon the project which was executed within that quarter and the quantum of the work which has been done for that respective project. So the EBITDA may vary from quarter-to-quarter, but 2 things need to be noticed. Number one, the pure EBITDA -- pure EPC EBITDA will be remaining consistent in line with the guided number.

Number two, whatever annual projections we have given, the company is fully in line with it, and we would be able to achieve the annual guided number in terms of turnover and EBITDA margins.

Sahil Vohra: Okay. Okay. Sir, my last question is the NHAI orders have been muted for a long time. How do you see the NHAI bidding picking up in the last quarter and, say, next 1 or 2 years, if you can shed some light on that?

Ramneek Sehgal: So we have got 2 Ayodhya projects worth INR2,700 crores. We have just got -- we are L1 in Southern Bypass, which is INR923 crores. So besides being muted, also, we got a contract worth INR3,400 crores. And NHAI website would have contracts more than INR50,000 crores live on their site. I think the way they are growing, it will be around INR80,000 crores to INR1 lakh crores before 31st March.

And I don't see any dearth of business in NHAI. Yes, due to some certain policy change, we now have to take the cabinet approval and things are getting approved. If you see, in the last 2 quarters also, they have approved close to INR55,000 crores, INR60,000 crores of projects. And a lot of work is coming. A lot of good changes are coming, which will be healthier for companies like us.

And the way we have guided our investors that we will be getting projects worth INR5,000 crores this year. We've already -- close to our targets, and we still have about 2 months balance.

Moderator: The next question is from the line of Vaibhav Shah from JM Financial Limited.

Vaibhav Shah: Firstly, on the interest cost side. So we have seen a sharp reduction in the interest cost from INR20 crores in Q2 to INR10 crores in Q3 at stand-alone level. So our debt has increased on a quarter-on-quarter basis. So what has led to this sharp reduction in interest cost?

Bhagat Singh: So primarily, Vaibhav, the point is 2 things. Post IPO, the company has aggressively taken up with all its bankers for the reduction of the margin. So the company is successfully able to reduce the margin for the development of the working capital limit, the company is providing a margin of 20% against the total sanction to the various member banks. So post-IPO in the month of August itself, we have requested the banks to reduce the margin from 20% to 10%.

The resultant would be, the amount passing the FDR, which is yielding FDR return of 6% or 6.5%, we are successfully able to release it from the bank and utilize the resultant inflow to support the NWC and the long-term equity. So the amount that we garnered from release of FDR that has been utilized to reduce the utilization, which resulted in the saving of the financial cost. This is the first part.

Another factor which contributed to the reduction was we have been successfully able to get a sanction of approximately INR700- crores plus from insurance company. So we have got a line from insurance company in the form of surety bond and bid bond for which we need not to pay any margin to the insurance company.

As we speak, against INR700 crores, 20% margin release equivalent to INR140 crores. So this is again an amount which we got released from the banks and utilizing to reduce the working capital utilization. So all these factors put together, they have contributed towards reduction in the interest cost.

Third factor, which was primarily important to be noted on account of listing of the company, the various member banks of the company, they have revised their charges, right, funded interest rates as well as the BD charges. So that funded interest reduction that has also helped us to reduce the interest cost. And as you mentioned, you have seen the debt amount to increase.

I would like to inform you that on a quarter-to-quarter basis, whenever a new project was started or whenever we reach at a particular level, the company avails either a small amount of working capital to utilize to mobilize the resources or we avail more term loans from the bank at a rate of 9% or 9.10% to mobilize the resources, which further reduced from the collections of the project.

So this is a journey of a company. Slowly in a particular quarter, whenever there is a requirement to mobilize the resources, you may find a debt, but that drastically got reduced from the collection. You may -- if you have gone through my press release, we have mentioned that the total debt equity ratio still stand at 0.4%, which is within the comfortable range of the company.

Vaibhav Shah: Okay. Sir, so what would be our average cost of debt right now?

Bhagat Singh: Average cost of debt somewhere would be close to 8.75%.

Vaibhav Shah: And what is our -- what debt are you targeting by the year-end?

Bhagat Singh: In terms of -- you are targeting the targeted ROI or....

Vaibhav Shah: In value. In gross debt?

Bhagat Singh: In value terms, our debt -- stand-alone debt as we speak is INR4,285 million. So we are expecting that by 31st March, there would be a decline further by INR300 crores to INR400 crores in the same number.

Vaibhav Shah: INR300 crores to INR400 crores?

Bhagat Singh: Yes, yes. So it would be close to...

Vaibhav Shah: It includes INR430 crores will go down to INR100 crores by year-end?

Bhagat Singh: Yes. Because, sir, see, my approvals are consistent. So by the March quarter, we would be -- we are expecting that we would be able to release further FDR from the bank, which will support us to reduce the existing utilization.

Vaibhav Shah: Okay. Okay. Sir, secondly, what is our -- what capex have we done in 9 months and what is our '25 and '26 target for capex?

Bhagat Singh: Capex Vaibhav, we have already raised INR99 crores for the capex purpose which we have successfully utilized in line with the IPO requirement we have shared. So this is what we intend to do for this year. Remaining, there is no major capex planned. But yes, on an average for maintenance purpose if there is hardly any requirement, it would be within the range of INR20 crores to INR25 crores per year. But as we have already mentioned in our IPO and our past earning call, Ceigall is an asset-light company. So we don't invest much in fixed assets. We prefer to take the assets on lease on a higher basis.

Vaibhav Shah: For '25, the capex is INR100 crores.

Bhagat Singh: '25, it is in line with the IPO. This is not a fresh capex. I repeat, this is not a fresh capex. We are doing -- we are just deploying the fund which we raised in the IPO.

Vaibhav Shah: Okay. Sir, lastly on the appointed date side, so when do we expect to receive the appointed dates for VRK 11 and VRK 12?

Ramneek Sehgal: So VRK 12, we are expecting we should get VRK 12 in the month of March; mobilization already happening. Stage 1 position is there of the forest. We are really expecting -- things are going very positive in gold. And in terms of Ayodhya, we should expect -- maximum 2 months' time, we should have the appointed date.

Vaibhav Shah: So for both Ayodhya projects and for VRK 12 this March.

Ramneek Sehgal: Yeah.

Vaibhav Shah: And for VRK 11?

Ramneek Sehgal: VRK 11 might take another two, three months.

Vaibhav Shah: So it will be in first quarter of next year?

Ramneek Sehgal: Yeah, but with new three projects starting only are at least a new order book of 30,000 will be added.

Vaibhav Shah: Correct. And sir, on the guidance front, what revenue growth are we targeting for FY '25 and '26?

Ramneek Sehgal: Sorry.

Vaibhav Shah: What revenue growth are we targeting for '25 and '26?

Ramneek Sehgal: So we have always guided our investors that we should always have organic growth of around 15%, 20%. If you see from last year in nine months also the growth is there. And this quarter also the same kind of growth will be there. And we want to be a little conservative. It's better to have a better growth rather than getting on existing numbers.

Vaibhav Shah: So you maintain our 15% to 20% growth guidance.

Ramneek Sehgal: Yeah.

Vaibhav Shah: Sir, lastly on the core EBITDA margins, so we mentioned that it should be in the range of 12.5% to 13%. So going ahead in '26 and '27, can there be a further expansion or 13% is capped at the EPC level?

Bhagat Singh: So, Vaibhav, what we can -- we have already informed that our guided number is 12.5% to 13% pure EPC margin that we are targeting. Yes, we are entering into the new domains which may provide an additional alpha to the company. But being a conservative company, so we are always -- we believe that the margin would be playing within 12.5% to 13%. But yes, whenever the actualization crosses the targeted or benchmark number, we would be informing the investors and reporting the actual aligned profits.

Moderator: The next question is from the line of Dheeraj Kripalani from Avendus Spark. Please go ahead.

Dheeraj Kripalani: Yeah. I think I missed the number which you told like from the NHAI pipeline, what was that number? What is the NHAI pipeline right now?

Ramneek Sehgal: So our order book value is only around 80% from NHAI pipeline and we have already got two projects of Ayodhya which is worth INR2,500 crores and we are L1 in Southern Bypass which is INR923 crores. So if you see, close to INR3,400 crores we have got from NHAI. These are HAM projects, all three.

Dheeraj Kripalani: And what is the like, if you are expecting more projects coming from NHAI, like if you can highlight something on bid pipeline?

Ramneek Sehgal: So if you see, NHAI pipeline we have already quoted projects worth INR15,000 crores and NHAI would be more than 50%. And a lot of good projects are already in the pipeline which we have to build in next two months. And you know NHAI always have a target to issue LOIs on 31st of March or before 31st of March, because they also have certain targets. So I'm really positive about a lot of things. But you can't guide about for future. But whatever we guided our investors that we will be achieving INR5,000 crores target, we've already near to INR4,500 crores.

We've already got two Ayodhya bypass for INR2,500 crores, INR900 crores we've got this Bhubaneswar Metro INR3,400 crores. Then INR923 crores, we have got a new Southern bypass which is close to INR44 crores and about INR150 crores is a bus terminal. So we've already crossed INR4,000 crores and our INR16,000 crores is another quoted tender. So we are expecting good results by end of this financial year. We still have two months now.

Moderator: The next question is from the line of Siddharth Gupta from ICICI Bank. Please go ahead.

Siddharth Gupta: Congratulations on the results. My query is you have shared some segmental wise data in which you have EPC and then annuity projects. So again the annuity projects for the December quarter, the segment results that is the EBITDA it's showing at INR3 crores. And for the nine months, it's showing at INR16 crores. In the presentation, it is mentioned that there was a profit of INR20 crores. So I'm unable to reconcile the numbers if you can help me.

Bhagat Singh: So the point is this, that this INR20 crores refers to the profit. So if you see how the consol numbers are derived. So one is a stand-alone number which is duly mentioned. After stand-alone numbers, there are subsidiaries and SPV. SPVs are a HAM project. So whenever we have one SPV, that is Malout Abohar Sadhuwali, which is completed last year, 6 June, which is already completed. And the company has already received the annuity.

So once you prepare the consol result, so profit of the SPV also added up to the consol number. So this INR20 crores of profit which we have given a note in the press release, this pertains to this profit of the Malout Abohar Sadhuwali SPV which was consolidated into the consol balance sheet, and this 19.6% profitability include this profit.

Siddharth Gupta: Okay. Just one further question. Now you have already mentioned regarding the appointment dates expected first few of the HAM projects. This Mandi Dabwali and Jalbehra Shahbad, when is the PCOD expected for these projects?

Ramneek Sehgal: So the Mandi Dabwali we're expecting to complete it by next month. So we should get the PCOD before May.

Siddharth Gupta: Before May.

Ramneek Sehgal: It will be ahead of schedule. Our appointed date was approximately 11th of August. It will be ahead of schedule.

Siddharth Gupta: Okay. And Jalbehra Shahbad?

Ramneek Sehgal: Also the same lines, maximum would be May end.

Siddharth Gupta: Okay. And Ludhiana Bathinda, I think this project has been awarded some time back. Any update on appointment date for this project?

Ramneek Sehgal: So the agreement has been done I think last month. We have five months for the financial closure. So the five months would end close to May. And I am targeting around that time we should be getting it. Maximum would be in the second quarter.

Siddharth Gupta: Okay. Thank you sir and congratulations again.

Moderator: Thank you. The next question is from the line of Anupam Gupta from IIFL Capital. Please go ahead.

Anupam Gupta: Sir, I just want to reconfirm one number. So including the 5 HAM and Amritsar-Katra project which we have, which are currently not functional in terms of construction, what is the order book under construction at this point of time?

Ramneek Sehgal: If we just remove first two which is INR1,071 crores and the other one is INR900 crores-- should be around close to INR5,000 crores.

Anupam Gupta: Okay. Understand. And of that, you said both the Ayodhya projects plus the Varanasi-12 will come up in March and April?

Ramneek Sehgal: Exactly.

Anupam Gupta: Okay. So let's say if we take that, are we still on track for that 15% growth for this year? Because earlier assumption was that Ayodhya will come up in January and we'll be able to execute some bit in this quarter?

Ramneek Sehgal: No, we still are trying to do something in March. We still are trying because we have already started mobilizing and we are targeting to close the financial closure very soon. And good thing is we are really positive about Ayodhya. Because Ayodhya is a very important project for government, both the government, Central and State government and it is like a kind of an iconic project for them, Ayodhya. So I'm really positive about Ayodhya. And achieving a 15% is not a challenge at all.

Anupam Gupta: Understand. And given that all of this will come through and then Ludhiana is also expected by, let's say, the second quarter, next year should be way higher than 15%, 20% that's the right assumption?

Ramneek Sehgal: I still would say that per our guidance 15%, 20% would be there. We would like to do -- work hard and deliver more, but let it happen because we don't want to guide anything. We want to guide less and deliver more.

Anupam Gupta: Sure, sir. And sir one question on margins. So 12.5% to 13% EPC is absolutely fine, but in terms of existing projects which are completing, what sort of visibility we have for bonuses for the coming, let's say, a few quarters?

Ramneek Sehgal: So I am expecting HAM projects, we should have bonus. If you see company has been achieving all the milestones ahead of schedule. It's just when the government is unable to give us a project or land for the project. There sometimes you were working with the client. So you -- since you have to work with them, you have to understand the site condition also. It's not government never wanted to or they don't try to give us the land.

Sometimes circumstances are there, the local problems or something where you have to understand the client and you have to work with them. Otherwise, all our HAM projects, the first HAM project was completed 8 months ahead of schedule and we have got bonus. Second HAM project, again, completed before time. Third also before time.

Anupam Gupta: Understand. That’s helpful. And just one last question on your bidding strategy. So, let's say, if there are BOT projects, what is our strategy for BOT project in terms of bidding?

Ramneek Sehgal: So we are very conservative in terms of the BOT. We have a lot of opportunities from the market where they want us to either give us certain small amount of stake for 26% or they want to take us on role as an EPC contractor. We are open to that kind of work, but we already have a good order pipeline and order book right now with us.

And besides that, we'll be bidding for four iconic projects. One of our iconic projects is going to open on 6, where only four bidders have qualified. It's a Delhi railway station. That's worth INR2,400 crores. So we have already bid in the joint venture and it's one of the largest railway station in the country.

So -- as I said before and guided before, that we always like to add verticals in Ceigall’s forte and we've been doing that. We have just quoted for INR1,200 crores, INR1,300 crores project in Kolkata, which is a tunnel project which is in cover and cut-cover method because we are just about to complete our tunnel project, which is in Jammu Kashmir in the last 20 years, so many companies have gone burst executing projects in Ramban-Banihal.

We are one of the companies who have almost about to complete this tunnel project of 6,200 meters. And I mean, after that, May and June we should have our completion certificate. And we are bidding more towards tunnel projects. So if you see we have about more than nine verticals with Ceigall. So it is not like that it is very important for us to go into BOT. If we bid in BOT we'll be very conservative.

We will be taking care of everything, all aspects before bidding because we already have about 10 HAM projects with us and three projects going to be completed. And we don't have any pressure of bidding anywhere like that and we are very comfortable with our bidding. And I said before that INR5,000 crores, we guided all our investors and we have already touched INR4,500 crores.

And we have already called for INR16,000 crores more projects. So I mean, I don't think the order book value has always been a challenge for Ceigall.

Anupam Gupta: Understood. That's helpful. Thanks for this and best of luck for the coming quarters.

Bhagat Singh I would like to revisit my reverse on the term loan repayment query of Vaibhav. So apologies, there was a mistake in the revert. So the query was the debt reduction that we are projecting for the next till March 2025. So as far as the total debt of standalone is concerned is INR4,28.5 crores. The working capital utilization as we speak is INR85 crores, we're expecting to remain it within the limit.

As far as the term loans are concerned, so the debt payment would be in the line with the repayment schedule sanction by the banks. But I would like to reconfirm that the overall debt to equity ratio of the company would remain on a standalone basis within the range of 0.35x to 0.45x.

Moderator: Thank you. The next question is from the line of Balasubramanian from Arihant Capital. Please go ahead.

Balasubramanian: Sir, on the Ayodhya projects and Varanasi projects, how much incremental working capital is required and how much advance regulations for these projects?

Bhagat Singh: Sir, as far as the Varanasi project -- you're talking about the additional working capital requirement for Ayodhya and Varanasi?

Balasubramanian: Yes, sir.

Bhagat Singh: So it depends upon the time of we got the AD. So if you talk about Ayodhya, so we are expecting that both the projects will start -- we will be able to get the appointed date in the month of March this quarter -- February, sorry. So we feel that total requirement of against both the HAM projects would be close to INR250 crores, which the company would be able to meet partially through the internal accruals plus the release of FDs from the banks.

And in case the need arises, the company would be able to update the mobilization advance from the banks. And as far as the Varanasi is concerned, the total requirement would be close to INR220 crores, but I just would like to say that this is a total requirement of working capital on the entire project. The actual cash flow requirement would depend upon the schedule G and schedule H, whatever we need to create and what is the source of the fund. So this is a total quantum I'm just informing which we'll be requiring over a period of 2 years.

Balasubramanian: Got it, sir. Sir, how much unused limits we have?

Bhagat Singh: How much?

Balasubramanian: Unused limits.

Bhagat Singh: Unused limit. So if you talk about the fund-based limit, so we have a quantum of INR125 crores unutilized as we speak. You're talking about unutilized fund-based limit or unutilized non-fund-based limits?

Balasubramanian: Sir, fund-based limit. You can share both the limits. It would be really helpful?.

Bhagat Singh: So basically, we have -- fund-based we have already informed. As far as the non-fund base are concerned, so we already have approximately INR700 crores to INR800 crores of the limits from existing banks plus we have INR1,300 crores of the line sanctioned by the insurance companies for bidding, surety bond or bid bond. So as far as the total working capital limit is concerned, the company doesn't have any challenge.

We have adequate amount of support from banks as well as from the insurance companies. And also we have this IPO proceeds of INR140 crores that is -- which we have raised in the month of August, the amount of INR140 crores which we have raised for general corporate purpose that FDR is also align with the company which can be utilized either for NWC or a long-term equity inclusion. So that is additional liquidity support.

Balasubramanian: Okay, sir. Thank you.

Moderator: Thank you very much. The next question is from the line of Vaibhav Shah from JM Financial Limited. Please go ahead.

Vaibhav Shah: Thanks for the follow up. Sir, what is the equity that you have invested total till December in all the projects?

Bhagat Singh: As far as talking about all the three projects, so totally, we have invested INR247 crores in all the three HAM projects.

Vaibhav Shah: Sir, last quarter number was INR260-odd crores as of September, including Malout?

Bhagat Singh: Malout, I can give you a bifurcation of HAM wise. The Ceigall Malout we have invested INR99.23 crores. Ceigall Bathinda-Dabwali, we have invested INR84.09 crores. Ceigall Jalbera we have invested INR64.61 crores. Total is INR247.93 crores.

Vaibhav Shah: And sir Moga-Barnala VRK 11 and 12 we have invested some part?

Bhagat Singh: Not yet. The investment would be in line with the whenever we quote an appointed date.

Vaibhav Shah: Okay. And sir, secondly, what is the pending equity that we have to infuse as of December? And what is the time line for that annually.

Bhagat Singh: Come again, please? Can you please repeat?.

Vaibhav Shah: So as of December, how much equity do we have to infuse which is remaining?

Bhagat Singh: As far as these Ayodhya, both the HAM projects are concerned so we like we have to infuse INR350 crores. As well as Varanasi is concerned, we are supposed to invest INR290 crores. Over a period of next 2.5 years.

Vaibhav Shah: INR290 crores for Varanasi?

Bhagat Singh: Yes.

Vaibhav Shah: And lastly, sir, what is the trade receivables numbers?

Bhagat Singh: Vaibhav, another important point is we already have INR84 crores of FDR which is starting Malout Abohar-Sadhuwali SPV that is an amount which is lying there in the form of FDR. So company is also discussing with the banks to release the same so that we can upstream it and utilize it for the future cash flow purposes.

Vaibhav Shah: Okay. And sir, lastly, what is our trade receivable number. It was around INR900 crores as of September?

Bhagat Singh: Just a second. Can you allow me a minute.

Vaibhav Shah: Whether I wanted a trade receivables number? And of that, what is the HAM SPV debtor number? So we are targeting the reduction of around INR300 crores, INR400 crores in Q3, I want to know status of that?

Ramneek Sehgal: No, Vaibhav allow -- we have to e-mail I think. So I'll e-mail you the total debtor number of Ceigall India Limited on a standalone basis as well as the debtor number for SPVs as on 31 December.

Vaibhav Shah: Okay, thank you sir.

Moderator: Thank you. The next question is from the line of Prince Choudhary from PINC Wealth. Please go ahead.

Prince Choudhary: Sir, I want to understand from the competition intensity point of view. like due to increase in competition, do you see decline in project margins?

Ramneek Sehgal: So, hi, thank you for the question. So we are present in almost 10 states. Geography-wise, we have grown ourselves so well. And secondly, we have almost say 10 verticals. So if we are not getting projects in road, we're getting in elevated. Not getting work in elevated, we're getting in railway, not railway then airports, not airports and we have tunneling.

We have so many verticals and so many states and geographies that we -- what we have done is we've increased our bidding process. Like, for example, if you're bidding for INR16,000 crores, it's not necessary that we have to get all INR16,000 crores. We can get to INR3,000 crores or INR4,000 crores.

But, we have to bid as per our guided 2-digit EBITDA margins. And the market is so huge. I have already spoken that INR10 lakh crores is spending INR11 lakh crores is spending across the country. We -- if we wish and we want to bid also, then we can INR70,000 crores, INR80,000 crores or INR1 lakh crores a year.

So we are hardly bidding 10% of the entire country. And from getting INR15,000 crores or INR10,000 crores of the project is very, very easy. And the only thing is we have availability of credit lines in terms of BG limits. We have availability of insurance bonds. So what we have done is we've been just bidding in all verticals, all geographies, and we've been successful also.

Moderator: The next question is from the line of Sunidhi Joshi from AG Financial Services.

Sunidhi Joshi: So Bihar with a share of around 18% of Ceigall's total order book as of December 31 has received significant infrastructure allocations in this Union Budget 2025, including INR26,000 crores for Expressway projects. So how does Ceigall plan to leverage this opportunity to expand its presence in this region?

Ramneek Sehgal: Ma'am, we are very excited for Bihar. We've already present in Bihar. We are already doing three projects in Bihar. We are doing the country's longest elevated in Bihar with Danapur-Bihta. And I'm happy to share our first milestone we have achieved 78 days ahead of schedule. We are doing an EPC project.

Again, that's a structure work. We are building a bridge over Kosi. Then there's another work which is we are building a doubled decker flyover in heart of the Bihar city. So we are very well equipped. In fact, one of the contracts we were L2 with a difference of INR5 crores. So Bihar is a favorite state, and we are really looking forward to Bihar.

We have already established ourselves so well. And we are one of the favorite contractors also these days because we've been delivering our projects before time and Bihar always -- there's been a condition people take projects and they don't complete for years. So we have an edge there, and we are really looking forward to Bihar, UP, Jharkhand, but Bihar is on a top list. Thank you.

Sunidhi Joshi: Okay. Sir, that sounds promising. And also, you mentioned that the company has bid for projects worth INR16,000 crores. So could you please provide a breakdown of the segment in which we have placed our bid? Additionally, could you give an estimate of the total order value we expect to secure by end of 2025?

Ramneek Sehgal: So first question, can I get your e-mail? Our team can send you the e-mail reply for the percentage because it will be very difficult to tell you what the project was INR16,000 crores. I can tell you about a few projects like we have quoted for INR2,700 crores New Delhi railway station.

Then we have quoted for a INR1,300 crores project, which is called Kolkata Underground Metro, which is like cut and cover tunneling. So these are kind of -- these are the prominent projects which we have bid. And the entire detail in terms of which area we have quoted or which state we can send an e-mail to you. Second question is -- can you repeat the second question?

Sunidhi Joshi: So additionally, if you can provide an estimate of the total order value we expect to secure by 2025?

Ramneek Sehgal: Yes, that is a good question. So we have guided our investors that we will be getting INR5,000 crores in this financial year. We've already crossed INR4,700 crores. And we've already quoted for INR16,000 crores. So, I mean, whatever we have said, we will cross that. So we still have 2 months with us. So we have already achieved 90% of what we've guided our investors.

Sunidhi Joshi: Okay, sir. And what IRR do we expect in HAM before selling the project?

Ramneek Sehgal: So I can just tell you one thing. The first HAM project is AAA rated, which is Malout Abohar Sadhuwali. And our equity IRR after the completion is almost 20%.

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

Jainam Jain: Sir, if I'm not wrong, you said that we are already LoI INR930 crores worth of project…

Ramneek Sehgal: INR923 crores, yes.

Jainam Jain: Yes. So can you just give me a detail about that project?

Ramneek Sehgal: So this project originally also with us, we got it 2, 3 years back for INR702 crores. And now this project because of the land availability was not there. So the government has canceled the project and now they have come out with this project again, and we've got this project INR923 crores.

We're expecting the LoI very soon. And this is in contribution to our Ludhiana-Bathinda Package 2, which is for another INR981 crores. And both the projects are very, very good for us, and we already have a camp in INR5 crores of this project.

Moderator: Ladies and gentlemen -- the last question is from the line of Vaibhav Shah from JM Financial Limited.

Vaibhav Shah: Only one question. Sir, you mentioned that you have bidded for Delhi railway station redevelopment order, right?

Ramneek Sehgal: Yes. We have four qualified bidders. We've received an e-mail today that it is opening on 6 now.

Vaibhav Shah: So what is the value of the project and what is our scope in that of the JV our share?

Ramneek Sehgal: Our JV share is 51%, and this project is worth INR2,500 crores. There are five bidders. I'll correct myself, there are five bidders.

Vaibhav Shah: And what is the value you said?

Ramneek Sehgal: It's close to INR2,500 crores.

Vaibhav Shah: INR2,500 crores.

Ramneek Sehgal: Yes.

Vaibhav Shah: So of that our EPC share would be around 51%?

Ramneek Sehgal: 51%. We're the lead bidder.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Ankit Jain for the closing comments.

Ankit Jain: Thank you for the conference call today and thanks to all the participants for joining the call. If you have any queries, please feel free to contact us We are Orient Capital, Investor Relations Advisor to Ceigall India Limited. Thank you so much.

Moderator: Thank you, ladies and gentlemen. On behalf of Ceigall India Limited, that concludes this conference. You may now disconnect your lines.