Ceigall
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CIN-L45201PB2002PLC025257

Date:11-11-2024

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

Subject: Transcript of the Earnings Call with the Analysts and Institutional Investors on the Unaudited Financial Results (Consolidated and Standalone) of the Company for the quarter /half-year ended September 30, 2024

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Dear Sir/Ma'am,

Pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015 and further to our letter dated November 05 2024, and November 08 2024, Regarding Investor call scheduled at November 08, 2024, at 03:00 PM IST.

The Transcript of the Earnings Call with the Analysts and Institutional Investors on the Financial Results (Consolidated and Standalone) of the Company for the quarter and half-year ended September 30, 2024, held on 08.11.2024 is attached.

The above-mentioned transcript is also available on the website of the Company at https://ceigall.com/regulation-46-of-sebi-lodr/

Kindly take the same on record.

Thanking You,
For Ceigall India Limited

MEGHA KAINTH
Digitally signed by MEGHA KAINTH
Date: 2024.11.11 15:47:20 +05'30'

Megha Kainth
(Company Secretary & Compliance officer)
Membership no: F7639

"Ceigall India Limited
Q2 and H1 FY25 Earnings Conference Call"
November 08, 2024

MANAGEMENT: **MR. RAMNEEK SEHGAL – MANAGING DIRECTOR – CEIGALL INDIA LIMITED**
MR. PUNEET SINGH NARULA – WHOLE-TIME DIRECTOR – CEIGALL INDIA LIMITED
MR. BHAGAT SINGH – GROUP CHIEF FINANCIAL OFFICER – CEIGALL INDIA LIMITED
MR. KAPIL AGARWAL – CHIEF FINANCIAL OFFICER – CEIGALL INDIA LIMITED

MODERATOR: **MR. ANKIT JAIN – ORIENT CAPITAL**

Moderator: Ladies and gentlemen, good day and welcome to the Q2 and H1 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 touchtone 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 Mr. Ankit.

Ankit Jain: Thank you, Rutuja. Good afternoon, ladies and gentlemen. I welcome you for the Q2 and H1 FY25 Earnings Conference call of Ceigall India Limited. To discuss this quarter's business performance, we have from the management, Mr. Ramneek Sehgal, Managing Director, Mr. Puneet Singh Narula, Whole-Time Director, Mr. Bhagat Singh, Group CFO, and Mr. Kapil Agarwal, 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 risk and uncertainties. For more details, kindly refer to the investor presentations 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: Hi, good afternoon. This is Ramneek Sehgal. I am MD, Ceigall India Limited. Good afternoon, ladies and gentlemen. I am pleased to welcome you all for Quarter 2 financial Year 25 Earnings Call of Ceigall India Limited. Our financial results and investor presentation has been uploaded on the exchange. I hope you would have had a chance to review them. Joining me today are Mr. Bhagat Singh, Group CFO, our Director, CEO, Mr. Puneet Singh Narula, our CFO, Mr. Kapil Agarwal. About the industry, India is the world's fastest-growing major economy, achieving a real GDP of INR160 trillion in 2023 and predicted to become the third-largest global economy by 2027.

Infrastructure development is key to this growth, contributing 3.5% of the GDP. Over financial year 2024-2028, the sector investments are expected to reach INR52,962 billion with road construction as a major drive of both growth and employment. The government has allocated over INR11 lakh crores for infrastructure development this year. Among the allocations INR. 2.78 lakh crores have been designated for road transport and highways, INR2.65 lakh crores for railways, INR2 lakh crores for logistics and supply chain sector INR24,900 crores for metro rail projects.

Additionally, NHAI has announced a pipeline of 53 projects worth approximately INR2 lakh crores through the BOT model over the next 3 years to 5 years. The revised model reconciliation agreement introduced by NHAI offers a substantial risk mitigation making it more investment-friendly. This investment are a strong commitment to rapid infrastructure growth and presents significant opportunities for the company. With our expertise in delivering large-scale projects on time, we are well-positioned to capitalise on these developments.

Our Union Minister for Road, Transport and Highways, Mr. Nitin Gadkari recently highlighted the major projects as being approved, with the Cabinet clearing INR51,000 crores another INR40,000 crores to INR50,000 crores under review. By December end, project totaling INR2 lakh crores are expected to receive approval. We are actively pursuing these opportunities and I am optimistic about successful bids. Company results, turning to our financial performance, I am pleased to share that Ceigall India Limited has achieved steady financial and operational results in the second quarter of financial year 2025.

With a well-balanced portfolio of EPC and HAM projects, we have not only strengthened our position in the road and highway sector, also successfully expanded into other areas like metros, railways, airport runways, tunnels, etcetera. The revenue from the operations excluding the bonus and royalty increased by 5.2% to INR7,721 million while EBITDA for the quarter stood at INR1,229 million with a margin of 15.9% as is compared to 15.6% in the previous quarter and 16.3% in the quarter 2 financial year 2024.

Over the past few years, we have consistently maintained an EBITDA margin in the double-digit range. With the current ecosystem of resources, material finances and technical expertise at hand, we are confident that the present order book and the project execution will enable us to deliver impressive performance and growth. Order book and revenue visibility as of September 30, 2024, our order book stands strong at INR1,21,532 million, indicating a healthy book-to-bill ratio.

Our order composition includes 85.7% from roads, highways, elevated flyovers, tunnels, 12.64% from railways and metros, 1.8% from bus terminals and 0.48% from airport runways. With a robust pipeline of projects, a proven ability to complete projects ahead of schedule, consistently high-quality construction, our company enjoys a strong competitive edge and a solid revenue visibility in the quarters to come. Now let me provide you an update on the ongoing EPC project. The Delhi–Saharanpur highway project is almost completed.

The Delhi-Amritsar-Katra project is complete to the land available to us. The pre COD for both the projects are under process and we are targeting or expecting to get it in the third quarter. Additionally, the other project which is Makhu we have again filed for the pre COD. And moving to our HAM project, the Mandi Dabwali project is now 96.81% completed, while the Jalbehra has reached 73.96%. We anticipate finishing these projects in the third and fourth quarters respectively. Both the projects are ahead of schedule. This position us for a potential early completion bonus.

This reflects the efficiency and dedication of our team. We remain optimistic about achieving these milestones in the month ahead. The company has received an annuity of INR906 million on a gross basis from NHAI for its first HAM project Malout Abohar Sadhuwali which was completed ahead of schedule. I would also like to highlight that the HAM project has been rated AAA by CRISIL. As of now, the overall credit rating of the company is A-plus long-term, A-1 short-term as per CRISIL. I am also pleased to announce that our company has emerged as L1 bidder for two new HAM projects. Southern Bypass Ayodhya worth INR1299.2 crores and Northern Ayodhya Bypass worth INR1199.3 crores. Closing remarks would be from my side.

In conclusion, Ceigall 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 our growth in the coming years. Thank you for all your support and trust in Ceigall India Limited. I will now hand over the call to Mr. Bhagat Singh, Group CFO, who will provide the overall review of the financial performance. Thank you, everyone.

Bhagat Singh: Thank you, Ramneek sir, and good afternoon, everyone. I will provide you an overview of the financial highlights for the quarter 2 FY25. I will start with my insights on standalone financials. The standalone financials for Q2 FY25. The revenue from operations excluding bonus and royalty stood at 8,096 million, a 16.3% increase from the previous corresponding quarter FY24. The EBITDA excluding bonus and royalty grew by 12.4% to INR1,018 million in Q2 FY25 as compared to INR906 million. The EBITDA corresponding increase during this quarter stood at 12.6%. The PAT for Q2 FY25 stood at INR633 million, as compared to 642 million in Q2 FY24. On a standalone basis, our gross debt stood at INR3,491 million. This includes equipment term loan INR193 million, term loan INR2,021 million and a working capital loan of INR1,277 million.

Now, I move on to the console financials for Q2 FY25. Our revenue from operations excluding bonus and royalty at console basis reached at INR7,721 million, a 5.2% increase from INR7,338 million on Q2 FY24. EBITDA excluding bonus and royalty grew by 2.7% during this current quarter and INR1,229 million in Q2 FY25. The PAT for Q2 FY25 stood at INR655 million with a margin of 8.5%. On a console basis, our gross debt stood at INR9,942 million. This includes equipment term loans, term loans and HAM term loans of INR5,808 million and a working capital loan of INR1,376 million.

In line with our commitment to the financial discipline, the company has repaid debt to the extent of INR413 crores using the IPO proceeds. As I move forward further, the net working capital days have stood at 61 as of September 30. The days have been calculated considering the inventory days, WIP position, debtor and the vendor. The company has in total 22 ongoing projects. With a strong order pipeline, the company is well positioned for a solid revenue growth and a future success.

This quarter, we have made steady progress in our financial results and we are confident that we will continue to grow in the coming years. We believe the company will generate robust internal growth, ensuring it has the financial resources needed for a long-term success. With this, I conclude my remarks and thank all our team stakeholders, including our employees, business partners, vendors, auditors, bankers for their whole-hearted 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 Q&A. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Ketan Jain from Avendus Spark. Please go ahead.

Ketan Jain: Thank you. Good afternoon, sir. My first question is on order inflow. What was your order inflow for FY24 and how do you see it for FY25 and the order inflow till date for the first half?

Ramneek Sehgal: Bhagatji, are you answering or shall I answer?

Bhagat Singh: As you feel sir. I can continue for sure.

Ramneek Sehgal: Go ahead.

Bhagat Singh: So as of September 24, my total order book stood at INR1,21,532 million. It comprised of EPC, HAM, railways, bus terminal and airport.

Ketan Jain: Sorry to interrupt, sir, but I was asking for order inflow, like how much you won for the year?

Bhagat Singh: The order inflow during the current quarter?

Ketan Jain: First half?

Bhagat Singh: So, we have received two orders - three orders. Two orders from Ayodhya. One is Northern Ayodhya Bypass and another is Southern Ayodhya Bypass, both are HAM projects of the company and with the EPC, the company got a Northern Ayodhya Bypass project at a EPC value of approximately INR1,200 crores and a Southern Ayodhya Bypass project at a EPC value of INR1,300 crores.

Ketan Jain: So, around INR2,500 crores?

Bhagat Singh: Yes. So we have also been blessed with the...

Ramneek Sehgal: Sorry, I'll just add. We have one metro project that's close to about INR900 crores and we have won one bus terminal project, which is a smaller project close to INR143 crores. Am I right, Bhagat ji. I've concluded all projects are direct.

Ketan Jain: All of them are included in the order book, sir. Is it?

Ramneek Sehgal: Yes.

Ketan Jain: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Jainam Jain from ICICI Securities. Please go ahead.

Jainam Jain: Good afternoon, sir. Sir, my question is, do we have any of the projects in which we are L1 and which are yet to be awarded?

Ramneek Sehgal: Yes, there is one elevated project in Jharkhand which is about INR207 crores which is yet to be awarded. I think there are some elections in the state. So, once the elections are over, then I think they might allot us.

Jainam Jain: Okay. And sir we have seen a decrease in EBITDA margin by 200 bps on year-on-year basis. So, what would be the reason for that?

Bhagat Singh: Sir, I'll answer this question. So, sir, there is no decline on a gross basis. So, what you need to do is, there is a - when we talk about the revenue from operations excluding other income, so there are two types of things which are components of a revenue from operations. One is royalty and another is a bonus part. Royalty and a bonus part are inconsistent. They are not a regular feature. If you have gone through our press release, which has uploaded on exchanges, you will find we have given a separate disclosure of our revenue on quarter-to-quarter and half yearly along with the EBITDA margin.

For your convenience purpose, I am just waiting what we have uploaded on the website. For Q2 FY24, my revenue from operations, excluding bonus and royalty stood at INR7,721 crores as compared to the corresponding revenue of the previous quarter INR7,338. Now, this is a console number. If you ask me about standalone, standalone revenue for this quarter is INR809 crores, previous corresponding quarter previous year was INR696 crores. So, there is a jump in the revenue.

If you ask me about EBITDA margin, the EBITDA excluding bonus and royalty for the current quarter stood at 12.6%. The EBITDA for the corresponding quarter last year stood at 13%. So, the pure EBITDA margin from the pure construction activity of the company which the company carries out, it stood at between 12.5 to 13.5. It is a standard range. Over and above this, there is a gain of royalty.

Another is a bonus and other income. So, when you do a comparison analysis, you need to understand that the income of the company comprises of a revenue from multiple resources. The one is pure construction activity. Another is royalty, another is a bonus which the company receives when any project gets completed earlier. And the last one is other income, that is FDR income.

Jainam Jain: Okay, sir. And sir, why are we seeing the increase in receivables and payable compared to Q4?

Bhagat Singh: Sir, this is a simple reason I will tell you. We are talking about the second quarter. July and others remain being primarily a rainy season. So, the execution of the construction activity remains slow in the first month and the middle of the second month. And whatever construction activity took place in the balance part of the second month and the third month, it got billed in the last week of the September month. So, it is a momentary thing.

Whatever billing has been done in the month of September, it is showing as outstanding at a debtor level, but now as against that, the company has already received INR280 crores within the month of October. We are expecting that the remaining debtor would be covered up within the short period of time. And as whatever guidance we have given earlier also, our working capital days including this present level stood at 61 days only, which is far better than the industry standard. So, it is a momentary thing.

Ramneek Sehgal: I'll just add one more thing. The Atmanirbhar scheme was there during COVID, which was a relaxation for milestone payments. Earlier, if we were supposed to get a milestone payment at 10%, 30%, 70%, 50%, because of Atmanirbhar we could get payments in between also. So, the Atmanirbhar sector has been removed now. So, now, back again we have the milestone payments. And in EPC milestone payments, it is a total time of the year in which we do an EPC. Each layer we do it, we achieve the milestone and then we get the milestone payment. Thank you.

Jainam Jain: Okay, sir. Got it. And, sir, what are the mobilization advances on books currently on books?

Bhagat Singh: As on 30th September, the total mobilization advance which we have taken, is INR252 crores, which is outstanding as on 30th September.

Jainam Jain: Okay. And, sir, are we looking to monetize any of our HAM road assets?

Bhagat Singh: The company has one fully operational HAM asset, that is Malout Sadhuwali Another Bathinda Dabwali as Ramneek sir has mentioned 93% we have already completed. So, the company has the open plans for monetization of its HAM asset. That can be done in the form of either individual HAM asset sales to any strategic investor or in the form of InvIT. The company would be exercising the due option, considering its cash flow position and the fund requirements for its long-term resources.

Jainam Jain: Okay, sir. Got it. So, is there any specific timeline by which we have to - in terms of monetization of assets?

Bhagat Singh: As of now, there is no timeline. Whatever HAM projects, the company has already been allotted. The company has a requisite liquidity available at its disposal which includes INR140 crores of gross general corporate surplus proceeds which the company has placed in the IPO. And with this existing liquidity, the company is fully equipped to fund its HAM projects, which are likely to start in the next two quarters. But, yes, as I repeat whenever the company feels that the company is getting a good opportunity for the monetization of its HAM assets, the company would be exercising the best option in the largest interest of the stakeholders.

Jainam Jain: Okay, sir. That answers my question. Thank you so much and all the best.

Moderator: Thank you. The next question is from the line of Varun Arora from Care Health Insurance. Please go ahead.

Varun Arora: Hi, sir. And thank you for the opportunity. So, if you can give me the outlook for the second half of FY25. Since, right now on a standalone basis, we are standing at a revenue of INR1,500 or something. So, can we expect the same revenue trajectory for the H2 or is there we can do any betterment than this? Are we expecting something better than this, some sort of number actually if you can give?

Ramneek Sehgal: No problem. So, if you see previous records also, not only us, other EPC companies also, normally the quarter 3 and the quarter 4 is the best ones. And we always try to achieve our best and we have delivered also before, as it's a future statement. I can just say one thing that we have a great and robust order book value with us. We are expecting and targeting to start at least two to three new projects in coming next 1.5 quarter. So, yes, we are looking forward to good revenue coming from next 1.5 quarter.

Varun Arora: And any - if you can give any idea for FY26 altogether?

Ramneek Sehgal: So, normally we always look for organic growth. And we always keep up on conservative figures. But yes, if you see the previous records we have always delivered better than what we have spoken. And this 1.5 quarter which is balanced now, we are of course expecting better than what we have done before. And as compared to what has been delivered in quarter 1 and quarter 2. And quarter 2, we always have a rainy season. Due to which more money gets stuck and the revenue receivables is less.

Whereas in quarter 3 and quarter 4 are always the favorite quarters for the EPC companies in the country. And as I said before, if you see not only us other EPC players also, the best quarter is the quarter 4 and quarter 3 is second best. And quarter 1 and quarter 2 always support, but yes, the numbers will be better. Yes, we are targeting to achieve better numbers.

Varun Arora: Okay. And the margin will be the same? Are we trying to maintain the same level going forward for H2, it's 12.5 and 12.6 for the standalone business. So, are we going to replicate the same or are we going to see some betterment in this 14% to 15% in the range?

Ramneek Sehgal: So, we always work for the betterment. We are targeting the bonus. As we spoke earlier, we have already seen one bonus in the first quarter for Malout Abohar Sadhuwali. We are targeting one more bonus which could be for Bathinda Dabwali. I mean, it will be the completed super ahead of schedule. So, with that bonus coming, yes, it will improve. It always depends upon the bonus, subcontracting payment, the quarter improves. And yes, we will definitely try to achieve better than what we have done so far.

Varun Arora: Okay, sir. Sir your order book stood at around 12,000 crores?

Ramneek Sehgal: Yes.

Varun Arora: What will be the executionable time for this order book or in H2 and in FY26? What's your target to execute this order book? Not entirely, of course, but in a phased manner. What will be your target?

Ramneek Sehgal: So, we always execute this order book. Bhagat ji, please answer this question?

Bhagat Singh: Yes, sir. Sure. So, total order book. So, I give you the reply in multiple parts. So, first part is the total order book as it stands at INR1,21,532 million. So, the total time period of execution on average basis is 2 years to 2.5 years. Particularly, the HAM takes 2 years to 2.5 years. If you ask me about the EPC, so we have already answered that we are expecting the execution in a phased manner. Last year, we achieved a turnover of INR2,952 crores. We are expecting this year turnover in line with our guidance that is 15% growth rate, 15% to 20% growth rate this year. And accordingly, we feel that the execution, the order book to execution ratio of the company would be in line with the previous track record of the company.

Varun Arora: Okay sir. Thank you so much.

Moderator: Thank you. The next question is from the line of Parth Thakkar from JM Financial. Please go ahead.

Parth Thakkar: Hello. Hi. Thank you for the opportunity. I just wanted to ask when do we expect the appointed date for VRK-11, 12, Northern and Southern Ayodhya and Moga- Barnala?

Ramneek Sehgal: So, Ayodhya, we are targeting in next quarter and same as in the case of Jharkhand. Jharkhand, the state has elections that should get over by next quarter. We have already plotted the work of utility shifting to a contractor. They have already started working on the site. And we are really targeting to start at least Package 12 in the next quarter. Though we have pushed our teams to start both the packages, but I think the three packages will be started in maximum in last quarter.

Parth Thakkar: By next quarter, you mean like fourth quarter not 3Q, right?

Ramneek Sehgal: Yes. So, we are targeting three, but it's hardly one and a half month left now. And fourth quarter, we are sure that Ayodhya will be started, both the projects. That will really help us in pushing our revenue and everything and Jharkhand, again, I said before, one package is very clear. We should start and the second one, we are trying our level best because once you mobilize, we are very lucky that we have two projects together.

So, in totality, if you see, Jharkhand, about INR2,900 crores together and in Ayodhya, we have INR2,500 crores together. So, this will really help us to boost our revenue for next 2.5 years in a row.

Parth Thakkar: And what will be the equity requirement for those Ayodhya projects?

Ramneek Sehgal: Bhagat I just want to add one more thing. You know we have allotted Bhubaneswar Metro that work has started that's for INR900 crores that work has started already. And we are trying to start the fourth project also which is the bus terminal in Kanpur. Our all three metro projects are in good swing.

Parth Thakkar: So, equity requirement for those Ayodhya projects?

Bhagat Singh: Yes, sir. So, sir, total requirement of equity for Varanasi, Ranchi and Jharkhand project is INR494 crores and as far as these two Ayodhya projects are concerned, so total equity requirement for these projects would be close to INR350 crores.

Parth Thakkar: Including both or each?

Bhagat Singh: Yes both.

Parth Thakkar: And also, if I could squeeze in one more question. What could be our bid pipeline target if you can just quantify and break it up also for us?

Bhagat Singh: Come again, please. Can I request you to repeat the question, please?

Ramneek Sehgal: Yes. So, Bhagatji, I'll answer. So, bid pipeline, we have already quoted projects more than INR10,000 crores and we can see a lot of bids coming in the next 3 months, 4 months. Normally, if these bids get received, we would have another INR8,000 to INR10,000 crores. Sometimes what happens, department extends the timeline and we don't see any dearth of work. And our order book value is great. You can see that. The visibility is very clear for next 3 years, 4 years.

Parth Thakkar: Okay. Thank you, sir. I'll get back in the queue.

Moderator: Thank you. The next question is from the line of Dhaval Jain from Sequent Investments. Please go ahead.

Dhaval Jain: Hello, sir. Sir I just wanted to know how do we have the revenue recognition for the projects that we do?

Bhagat Singh: So, the revenue recognition for the projects of a company, just like it is in accordance with the IndAS. So, we follow the POCM, percentage of completion method across all the projects. And on the basis of the percentage of the completions of each and every project, the revenue is being recognized. This statement is for revenue recognition on a normal basis. As far as bonus and claims are concerned, that we recognize on receipt basis.

Dhaval Jain: So, if there is a percentage of completion. Sir, just one more thing.

Bhagat Singh: It is a IndAS requirement.

Dhaval Jain: Right. And, sir, at the present stage like you said that there is a INR10,000 crores that we have already quoted for. And there is another INR8,000 crores to INR9,000 crores that we might be bidding for. What is the percentage win rate that historically our company has had?

Ramneek Sehgal: So, we bid on our EBITDA margins which is a two-digit EBITDA margins. That is more important than any strike rate. So, we need to get our bids on our EBITDA margins. A company like us we are a growing company and for us order book value has never been a pressure. So, for us we can bid more, number of bids and we have available lines in terms of bid security, surety bonds, TVGs and we are blessed with like we can bid up to say about 10 billion also because we have spare about INR800 crores of the spare lines.

So, what I'm saying is, for us, there is no challenge, no pressure of getting contracts aggressively. We want to maintain our EBITDA levels. So, we can bid for more projects and we have about 11 verticals. If we are not getting in road, we'll get in elevated. If we are not getting elevated, we'll get in metro, not metro, we'll get in railway, not railway, airports. So, we will be bidding consistently on our EBITDA margins and we look forward to maintain that and get contracts on our accepted EBITDA margins.

Dhaval Jain: And one last question like we have an order book of around INR12,000 plus crores right now. Is there any way that we can be maintaining this order book going forward with the execution that we are doing or our order book will increase as well?

Ramneek Sehgal: So, I think our order book will increase. If you see before IPO, our order book value was INR9,200 crores. So, we have gone up to INR14,000 crores. We've already done INR1500 crores. So we have already quoted more than INR10,000 crores. And we have another pipeline ahead in the next 3 months, 4 months. So, I think the order book value, as I said before, we don't have a pressure and we are bidding. And there are a few verticals where there is lesser competition and we are expecting better order book value.

And as I said, whatever our target is, we are ahead of schedule of that target in getting order book value. And as we have more verticals, geography-wise we are spread in more than like 13 states. So, getting order book is not a problem and that's a healthier part of our company.

Dhaval Jain: Right, sir. So, that's all from my side. Thank you so much.

Moderator: Thank you. The next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Hello. Good afternoon, sir. Thank you so much for taking my question. So, firstly, congratulations on a great set of results. Hello. Hope I'm audible.

Ramneek Sehgal: Yes, you're audible. Thank you so much.

Darshil Jhaveri: So sir some of my questions have already been answered. So, just wanted to just ask like a broad-based question like, what is like currently I think 86% of our order book is into roads, highways. So, what's the plan like, what is the optimum we want in different sections like railways, metros and other places as well as like will we be able to maintain our margins? That's my first question, sir. If we are diversifying into other things, will we have to because are they lying in our core competencies or how will it move ahead, sir?

Ramneek Sehgal: So, good question. Thank you. So, if you see our order book value coming for road, it's not typically road roads. We are more into specialized structures, elevated. We are doing one of the country's longest four-lane elevated in Bihar, Patna, which is about 20 kilometers. We have just completed one of the longest six-lane elevated which is Delhi- Saharanpu about 11.24 kilometers. We are doing one bridge on Kosi.

We'll be doing about two bridges in Ayodhya, about 6 kilometers. And we are going into more specialized jobs where there is no rat race and we have to compete with the top five, seven companies in the country. And metros are the same kind of work, what we're doing in elevated. Metros, we are really looking forward. If you see, we started getting metro contracts around February, March. And till now, we have about three contracts, Kanpur, Agra, and Bhubaneswar. So, in totality, it's close to about USD200 million.

And our structure work order book value is about 60% of our total order book value. And we are bidding for some other specialized projects also, which I can't tell you right now. But once we bag those contracts definitely, it'll be announced to SEBI, but we are avoiding the rat race, going into highway bidding and we are going into specialized bidding. And as I said before, we have 11 verticals and we've been doing all this work for decades. So, if we are doing road, elevated, specialized structures, railway lines which is, again elevated mix of elevated and blanketing work and road work. We've already quoted for a INR2,000 crores project near Haryana.

And besides this, we are looking forward to more metro projects, more elevated structures and complex structures. As there are hardly any, I mean, good players in this field of specialized structures. And we've been competing with LNTs or NCC or SCOMs and there are hardly seven, eight players in the country. Because as with Ceigall is we are spread in a great geography. We've already crossed 13 states. So, if you're not getting projects in Punjab, it doesn't matter.

We'll get it in Jharkhand or Bihar or UP. So, that's about us. Thank you. I hope I answered your question.

Darshil Jhaveri: Yes. Sir that helps a lot, sir. And the one like a bit more broad-based question like we said that we are looking to grow forward to like 15%, 20% growth rate right now, but so in, like for the next 2 years, 3 year, where do we see, like, what's, like, our vision for the next three years? Where do we want to see the company in terms of revenue? What kind of growth are welooking at, sir?

Ramneek Sehgal: So, we are a growing company. The journey has just begun. So, if you see, EPC companies in India, they started getting into better geography or adding more verticals when they have reached a level of 6,000, 8,000 where in Ceigall we started doing when we were INR2,000 crores. So, I feel proud and happy to say, all thanks to my management and team that we are already present in more than 13 states. We already have about 11 verticals.

For us, we always say a conservative figure that we are growing in an organic way which is about 15%, but we've already delivered. We've delivered also before also. We've been one of the fastest-growing companies reported by CARE. It was there in our DRHP also. And we always maintain that we want to grow organically, but, of course, the way we are growing, you have seen us before also. And we tend to grow like this. I always say, it's a young company. A journey has just begun. And Ceigall 2.0 has begun. And we want to deliver and we want to grow with our investors.

Darshil Jhaveri: Okay. Fair enough, sir. Yes, that's it from my side, sir. All the best.

Moderator: Thank you. The next question is from the line of Parth Thakkar from JM Financial. Please go ahead.

Parth Thakkar: Thank you for the opportunity again. I would like to ask, how do we see the debt moving in the second half of the year? And will the interest cost be similar as what it was in the second quarter?

Bhagat Singh: Sir, can you please repeat the question?

Parth Thakkar: Sir, I just wanted to ask, how will the debt move in the second half and will the interest cost be in the same level as what it is currently?

Bhagat Singh: Okay. So, sir, two things. One is as on date September we have reported a standalone debt of INR349 crores and a gross debt of INR994 crores. So, the company, in line with the execution of the order book, the company is raising the working capital or a long-term loan from the market and accordingly utilizing the same for the support of the EPC project. We feel that, as on September 2024 our debt equity ratio stood at 0.21. So, on an average basis on December and March, we are expecting to be in the range of 0.21 to 0.25. Because the company's cash accruals are consistent, the liquidity position is strong and considering the same we are not expecting the debt level to go further beyond this debt equity ratio. This is the first part.

Second is, as far as the interest costs are concerned, so since now the company is listed, we are renegotiating with the bankers for the betterment of the pricing, be it a BG charges, be it a margin against the funded debt and also against the rate of interest on the fund-based limit. And the company is also negotiating for the reduction of the margins for the working capital limit from 20% to 10%. So, multiple things are underway. The company finance and accounts department and other departments are focusing on multiple value engineering processes to improvise the margins and to support it and trying to maintain and grow it at a future level.

Parth Thakkar: Okay, thank you. That was very helpful. And also, one last question. What would be our equity requirement for the entire portfolio? And for what period would we be investing it?

Bhagat Singh: Sir, total equity requirement, as I mentioned, net for Varanasi the total equity requirement is close to INR494 crores. For Ayodhya, both the projects put together, the equity requirement is INR350 crores. As Ramneek sir has just informed that we are targeting to commence three projects in the last quarter of this financial year. And we have the requisite equity requirement for the commencement of these projects as and when they will start.

As per the financing agreements which have been done with the respective bankers, the total equity requirement which I just mentioned, 50% need to be infused at the time of appointed date, and remaining 50% in line with the cash flow requirement. And this is what I just stated that the company has a requisite liquidity. This liquidity is on the basis of present unencumbered FDR, internal accruals and general corporate funds lying with the company. There is no consideration of any monetization as of now. If any monetization takes place in future, whenever the company or management feels so, it could be additional liquidity support to the company's liquidity position.

Parth Thakkar: Okay, thank you sir.

Moderator: Thank you. The next question is from the line of Himesh Shah from Cruise Investments. Please go ahead.

Himesh Shah: Hi, sir. I just mainly had one question. When are we expected to get the dates for the Varanasi-Ranchi-Kolkata highway project?

Ramneek Sehgal: Hi, thank you for the question. I said it before also, we are targeting in the next quarter. I think, but Ayodhya will start for sure in the next quarter, both the projects.

Himesh Shah: Okay. And also you mentioned that revenue would grow in the same way as it has in the previous years, but this quarter it has remained flat. So, do you still maintain the same guidance?

Ramneek Sehgal: But Bhagat your revenue has grown from last year.

Bhagat Singh: Yes sir. So, the guidance, our top line, as I just mentioned in the call, our top line the stand - the revenue from operations, if you exclude this bonus and royalty on a standalone basis, it has increased by 16.3% as compared to the corresponding quarter of the previous year.

Himesh Shah: Okay, understood. Thank you.

Moderator: Thank you. The next question is from the line of Sunidhi Joshi from Prime Investments. Please go ahead. Sunidhi Joshi please go ahead with your question. Your line is unmuted. As there is no response, we will move to the next question, which is from the line of Sahil Vora from M&S Associates. Please go ahead.

Sahil Vora: Hi, good afternoon. Thank you for the opportunity. I just had a couple of questions. My first question is regarding the Ludhiana Bathinda Package 2 Greenfield project. As I understand, we won that project in 2021 and we have still not been able to manage appointed dates. So, I just wanted to understand the thought process there and is the company planning to retain it or something else is planned? So, if you can shed some light on that.

Ramneek Sehgal: So, good question. Thank you. If you see, Bathinda Dabwali we quoted in 2020 October, I think. So, this work got started last year 23 after 3 years around 3 years. August 11th was the appointed date, if I'm not wrong. Appointed dates are always issued by government when they give us the land. 3G of this project is done, but we are waiting for the final land. Once the land of more than 80% is given, then only appointed date is given. We have got some possession of the land, but we are looking forward that government will help us getting us more land and once we get it, the appointed date will be issued.

It's always beneficial if the project is getting delayed for the company because we are getting a lot of escalation. And we don't have any pressure to start that work only because we have a good amount of work already in our hand and still whenever it gets started, we are looking forward to start the project also because we are very much present in that area. We have our camps there, we are already completing one project, which is Delhi-Katra Expressway, which is almost near to that project.

Sahil Vora: Thank you, sir, for the clarity. My next question is how many project bids have we submitted so far where the bid opening has not yet occurred? And how many of these are primarily in the road sector specifically, I wanted to understand under the hybrid annuity model?

Ramneek Sehgal: So, hybrid annuity, the majority was Ayodhya we have already won. And I don't think many projects are left out of the INR10,000 crores. I don't have the actual percentage, but normally we bid as per our allocated numbers. And our amount of bids are more than INR10,000 crores, which we have already quoted. We have a robust order line to be bid during the next one and a half quarter also. And we look forward to more complex structures, specialized structures and it's not important that we have to go in for a highway project. And HAM is always helpful because with HAM the total IRR on a project is better. We make money on an equity also, and we can make an EPC business also. So, that's about us. Thank you.

Moderator: Thank you. Ladies and gentlemen, that will be the last question for today which is from the line of Sunidhi Joshi from Prime Investments. Please go ahead.

Sunidhi Joshi: Thank you for the opportunity. So, there was an article, Neo AIF is going to pick up equity in Punjab Road project for around INR450 crores. Do we have any update with regards to this?

Bhagat Singh: Ma'am, this is a futuristic statement. So, I think with the management, whenever the information we have from the management reliable sources would be there, the company officials would itself inform the media. Till that time, we don't want to comment on any public publications, which is not certified by the management resources.

Sunidhi Joshi: Okay. No issues.

Ramneek Sehgal: I'll just add here something. Company always negotiate and look forward for the better turnout of the HAM projects and whenever we get the best, as I said, in doing our road shows also, we get our asset-light model. And whenever there's a requirement of the equity, we'll definitely go ahead with selling of the existing HAM projects. Thank you. And as Bhagat said very clearly, whenever it will be done, we'll announce it in a nicer way. I mean, through SEBI, of course. Thank you.

Sunidhi Joshi: Thank you. Thank you so much.

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 closing comments.

Ankit Jain: Thank you, Rutuja. I would like to thank the management for taking this time out for the conference call today. And thanks to all the participants. If you have any queries, please feel free to contact us. We are Orient Capital Investor Relations Advisors to Ceigall India Limited. Thank you so much.

Moderator: Thank you. On behalf of Ceigall India Limited that concludes this conference. Thank you for joining us and you may now disconnect your line.

Ramneek Sehgal: Thank you, everyone. Have a great day ahead. Thank you so much.