

Dept. of Corporate Services – Corporate Relationship,
BSE Limited,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai 400 001.

National Stock Exchange of India
Limited,
Listing Department,
Exchange Plaza, C-1, Block ‘G’ Bandra-
Kurla Complex,
Bandra (East),
Mumbai 400 051.

Date	Our Reference No.	Our Contact	Direct Line
12 th November, 2024	SEC/11/2024	RAHUL NEOGI	91 22 67680814 rahul.neogi@itdcem.co.in

Dear Sirs,

Sub: Transcript of Analysts / Investors conference call on Unaudited Financial Results for the quarter and half year ended 30th September, 2024

Scrip Code No: 509496 (BSE) / ITDCEM (NSE)

In terms of Regulation 30 read with clause 15 of Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Transcript of Analysts / Investors conference call held on 08th November, 2024 relating to the Unaudited Financial Results for the quarter and half year ended 30th September, 2024.

We have uploaded the same on the website of the Company at

https://www.itdcem.co.in/wp-content/uploads/2016/06/Concall_Transcript_Q2_FY25_081124.pdf

Please acknowledge and take the same on record.

Thanking you,

Yours faithfully,
For ITD Cementation India Limited

(RAHUL NEOGI)
COMPANY SECRETARY
Encl: as above

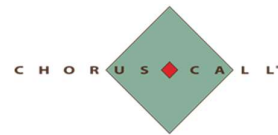
ITD Cementation India Limited

Registered & Corporate Office : 9th Floor, Prima Bay,
Tower - B, Gate No. 5, Saki Vihar Road, Powai, Mumbai - 400 072.
Tel.: 91-22-66931600 Fax : 91-22-66931628 www.itdcem.co.in
Corporate Identity Number : L61000MH1978PLC020435





“ITD Cementation India Limited
Q2 FY '25 Earnings Conference Call”
November 08, 2024



MANAGEMENT: **MR. JAYANTA BASU – MANAGING DIRECTOR – ITD
CEMENTATION INDIA LIMITED
MR. PRASAD PATWARDHAN – CHIEF FINANCIAL
OFFICER – ITD CEMENTATION INDIA LIMITED**

MODERATOR: **MS. NIDHI SHAH – ICICI SECURITIES**

Moderator: Ladies and gentlemen, good day, and welcome to ITD Cementation Limited Q2 FY '25 Earnings Conference Call hosted by ICICI Securities 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 this 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 Ms. Nidhi Shah from ICICI Securities. Thank you, and over to you, ma'am.

Nidhi Shah: Thank you, Nirav. Good afternoon. On behalf of ICICI Securities, I welcome you all to Q2 FY '25 Earnings Call of ITD Cementation India Limited. Today, we have with us from the management, Mr. Jayanta Basu, the Managing Director; Mr. Prasad Patwardhan, the CFO. We will begin with opening remarks from the management followed by a Q&A. Thank you, and over to you, sir.

Prasad Patwardhan: Good morning, everyone. This is Prasad Patwardhan, and thank you for joining us on this Q2 FY '25 earnings con-call. Before I begin, I would like to inform you that the discussion that we have during this call may contain certain forward statements about the company and its prospects, which are subject to several risks and uncertainties and the actual results may differ materially from the statements that we make during the course of this call.

Let me first start with the financial performance for the quarter and subsequently, our MD, Mr. Basu, will take you through the operational performance of the company. We have declared our results yesterday, and I'm sure all of you would have had a chance to go through the results. The brief highlights of our performance in this quarter are as under.

We have reported total income of INR1,991 crores, which represents a growth of 24% on a year-on-year basis. Our EBITDA at about INR204 crores, represents a growth of 18% on a year-on-year basis. And profit after tax of INR72 crores in the quarter has shown a growth of about 34% on a year-on-year basis.

Looking at our half yearly numbers, the total income at INR4,372 crores represents a growth of 27% on a year-on-year basis. The EBITDA at INR442 crores has grown by 27%. And profit after tax at INR172 crores represents a growth of 63% on a year-on-year basis. Our balance sheet continues to have very low leverage and the debt-to-equity ratio is about 0.4x.

During the 6-month period and thereafter in October as well, we have secured orders worth about INR3,850 crores so far. This is all I can say as part of the opening comment, this is all I will say as of now.

I'll now hand over to Mr. Basu for his comments, and then we'll take your questions.

Jayanta Basu: Yes, Prasad, thank you, and welcome to this con call for quarter 2 of 24-25. Our revenue this quarter is around INR2,000 crores, which is almost 25% more than last year for similar

quarter. So this shows that we are growing. This quarter, revenue is a little bit affected due to monsoon. And monsoon does not affect all kind of job, but the kind of job what we are doing in Ganga Expressway, the roadwork, we can't do anything because roadwork is totally dependent on the good weathers. So that has affected a little bit.

At the same time, in general, Bangladesh, we are working for one transmission line. And because of the political scenario, we could not do much during last quarters. So that also has some affect on our revenue. Otherwise, it would have been a little bit more. So that is in terms of the work, which are affected, otherwise, progressing on all the projects are okay, quite steady. Ganga Expressway, we are actually achieved about 50% progress so far.

And balance work what is now mostly out of the local issue that is the earthwork is almost getting completed, which is the key component of the roadwork. So it will be less dependent on the local issue and balanced work portion we can do. We expect by June, July, next year, the work will be completed substantially. Chennai Metro, as usual, going okay, all the TBMs are running now.

We have completed substantial portion of tunnel in some portion, so 40%-41% progress we have achieved so far. Then another one, underground metro at Bangalore, which is on the verge of completion, entire tunnel has been completed, so the finishing work is in progress. Project Indian Navy, we are doing two jobs, one in the east and one in the west coast.

Project Varsha the new one is picking up quite well. Around 10% progress we have done so far. Another project in West Coast that is a Sea Bird in verge of completion. A few other marine jobs like JNPT also almost done and so small jobs are in under control.

We are doing an overseas job in Colombo, progressing better than the budget, better than the target. So the existing jobs, which we are doing, are all in good shape, and I hope that from this quarter, it will be better than this quarter, which is a normal trend we have seen that third quarter, fourth quarter is better than first and second quarter.

Coming to the prospect. It is a similar type of what I have said last time. We have got closely around INR30,000 crores of jobs under pipeline in various stages. Some of the tenders, some tenders is issued, some we have submitted the bid. So, we expect that some good jobs we will be securing during last few months of this year to fulfil our target of work to be secured.

That is all in long and short about the progress and performance what we have. I'll now keep it open for your discuss, any questions are welcome. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Sunil Kothari from Unique PMS. Please go ahead.

Sunil Kothari:

Congratulations for good set of numbers. And I just wanted to acknowledge one thing to Mr. Basu and your team, Mr. Patwardhan. During last almost 20, 25 years, after I think 2005, this is the moment where again, we are going to see our new owner. So the way you've handled last 3, 4 change in ownership and the way you navigated this company is a commendable job, sir. So congratulations for that.

My question, sir, is with now Adani being the owner, it's going to become a new owner, how do you see the competitor? How competition or other players will be looking at Adani? Because now they both are in a similar type of business segment, ports and so many other things. So how this change, can it affect our business getting from the JSW-like players, your thoughts will be really helpful.

And one more thing on this new ownership, how do you feel, how do you see? I think I've heard Mr. Patwardhan on TV interview. Today, Mr. Basu on TV interview. We feel positive about Adani's entry as an owner. So it will be just combining these things, if you will talk something more on.

Jayanta Basu

Well, your first question was that how our other clients will view this merger or acquisition. I don't see much on that because this is an independent listed company, and we'll be working in a similar pattern what we are doing. Maybe we will do a little bit of more job for Adani.

Otherwise, there should not be any problem because there are many instances like that. Larsen & Tourbo, they have got L&T's Design, L&T's Ramboll and many companies like that. So that does not mean that they don't do work for others. So this is purely professional business scenario. I don't think it will be affected. But let us see what happens.

In terms of Adani, I mean we have to do much more work than what we have been doing so far, including whatever work we are doing, apart from Adani, that will remain, that will grow. And maybe we'll be getting some more jobs from Adani. So that is a positive side. We have to enhance our capability. That much I can say at this moment.

Sunil Kothari

Sir, the second question is, looking at your last 2, 3-year track record, the way we are performing, it seems that because of, say, little bit order inflow. As you required by '23 end March, we were having an order book of INR22,000 crores. Now we are below INR18,000 crores.

And looking at the way you want to grow, maybe 15%, 20% for the next 2, 3 years, how challenging it will be for you to get as early as possible the orders? Or will it hamper a year of maybe lower growth? How do you see next 2, 3 years looking at order inflow pipeline and your ambition to grow?

Jayanta Basu:

Yes. I think that sometimes those statistics are misleading because if you consider last year this time, our order value work in hand was a little bit more than now. But what we used to do, we I mean, progress was less. Today, you can imagine a job of INR5,000 crores we are completing 2.5 years. In earlier days, a job of INR1,000 crores used to take 4 years' time.

So the execution rate has increased, obviously because of the nature of the job and the pressure from the requirement of the client. So whatever job we get now we do it fast. So we cannot compare with the last year or second last year what was the order book and what was the revenue. Yes, we need some job and as I have just mentioned that there are plenty of jobs in pipeline. We are not at all worried about that. We still maintain that 20%-25% growth is possible.

Moderator:

Next question is from the line of Dhananjay Mishra from Sunidhi Securities & Finance.

- Dhananjay Mishra:** Congratulations on good set of numbers. So you talked about INR30,000 crores of prospect. So out of this, how much with bid already submitted and when do you see this bid will be finalized?
- Jayanta Basu:** I think already around INR12,000 – 13,000 crores bid already submitted. And remaining are on the stage of evaluation and being submitted. So we are quite hopeful that whatever bid we have submitted, few of them we will get. I don't want to comment on the project and the number now. But as I said that end of the year, total job I think INR10,000 crores will be secured in this year. That we are confident about that.
- Dhananjay Mishra:** Okay. So these all bid will finalize in this year itself or it will go in next year also?
- Jayanta Basu:** Some may spill over next year out of INR30,000 crores, but most of them will be very early we hope by February-March, it will be finalized.
- Dhananjay Mishra:** And most of the bids are in domestic market or these posters are in overseas market also?
- Jayanta Basu:** Yes, the ratio of around 25% out of this is from overseas market.
- Dhananjay Mishra:** 25%. And going forward, what will be our strategy in terms of sector and in terms of bidding strategies going forward? I mean, in terms of metro, marine job and all that?
- Jayanta Basu:** As we have maintained, we'll do the same thing. We will focus more on what we do best, particularly marine. And if we are able to do marine a little better that will spill into other segments as well. That is the strategy. And internally, also we have tenors or capability to do some more jobs, infrastructure developments like airports or buildings or industrial structures. So that is the second priority now what has been priority in India. What is the infrastructure in India?
- Dhananjay Mishra:** Okay. And lastly, on margin funds, sir, this quarter margin is a little bit down. So what will be the margin guidance for next year?
- Jayanta Basu:** Yes. I mean that for convenience purpose if we could reduce this and that, otherwise 10% plus.
- Dhananjay Mishra:** So 10% plus is doable going forward also?
- Jayanta Basu:** Yes, yes. Possible.
- Moderator:** Next question is from the line of Noel Vaz from Union Asset Management.
- Noel Vaz:** Yes. Sorry about that. So in the first half of this current financial year, we've seen working capital increase very dramatically compared to first half of the previous year. Is there some particular reason, I know receivables have increased a lot, but is there anything else that there is a mix of something which as a response...
- Moderator:** Noel, again we are not able to hear you. Can you please speak a little louder?
- Jayanta Basu:** Yes, I think you said our working capital compared to last year and this year, isn't it?

- Noel Vaz:** Yes, yes, Correct.
- Jayanta Basu:** Yes. What happened, it is not very uniform distribution. Sometimes, you will find that at a time we have a lot of working capital invested, the rest of the year, almost nothing. It depends upon the new jobs of what is secured, and we have secured some new building jobs plus some more industries have been done. Prasad, am I correct?
- Prasad Patwardhan:** Yes, that is absolutely correct. And the other reason is if you look at our March numbers, typically, we see a lot of government clients releasing payments to us in the month of March. And that is why the working capital in terms of number of days in March may be a little lower. So this is nothing out of the ordinary, this is the normal course that we are seeing the buildup of working that will add even the revenue and the execution also ramps up. There has been some increase in the working capital. As Mr. Basu said, it all been controlled and it is in line with what is our plan.
- Noel Vaz:** Okay. Understood. Does this also explain why the margins were a little bit lower, or this is just because of a seasonal factor?
- Jayanta Basu:** Marine as I told you that, see, one of the marine job in Bangladesh, which was supposed to be done. We could not do much because of the political issue. So revenue has affected and accordingly margin also. Marine job normally margins are better better. So that is one factor. Similarly, because of the monsoon, generally the progress on margin, that gets affected. So that is what is the situation now.
- Moderator:** Next question is from the line of Aditi from CD Equisearch.
- Aditi:** Sir, my question is like, I was just curious to know, do you have any plans of getting into T&D, EPC or power sector related EPCs?
- Jayanta Basu:** No, no, we don't have any plans for that. Sometimes we do the civil portion, as I said that, which involve the structure, concrete structure for the purpose of transmission business. There we are, in fact, Bangladesh, we are doing that. But as a whole system transmission, we are not, we don't have any plans.
- Aditi:** Okay. No plans in the near future or no plans at all?
- Jayanta Basu:** So far, there is no plan. Future, I can't say.
- Aditi:** Okay. And sir, my next question is like how do you think that onboarding of Adani Group is going to impact ITD?
- Jayanta Basu:** Definitely, it will impact positively. That's what I can say now.
- Aditi:** Sir, can you please elaborate on this? Like what positive impact will ITD witnessed?
- Jayanta Basu:** See, we haven't had any discussion with Adani so far because it is still in the stage of work in progress. But generally, the perception is that they have got plenty of work, and they have got their presence all over the world. So those things will help us to do more jobs abroad, more

overseas job and maybe diversification of our portfolio to a new segments. So those were the positive things we are perceiving now.

Aditi: Okay. So with the help of Adani Group, you are planning to secure more of international business, right?

Jayanta Basu: Yes. That will help us to go internationally more because of their presence.

Aditi: And not much impact will be seen in domestic market?

Jayanta Basu: Yes, domestic also because they are also growing, so they require people. So we will be there with them. We also will grow with them.

Moderator: Next question is from the line of Aditya Sahu from HDFC Securities.

Aditya Sahu: Sure. Sure. I just had a small question. I'm aware, I understand you've provided the EBITDA margin guidance of about 10%. Could you please help us on the revenue guidance part, too? What sort of revenue are you looking at for '26 and '25, '26 in the near term?

Jayanta Basu: '25, '26 you can find, as I have mentioned before also, around 20% plus-minus we should be.

Aditya Sahu: So over the next 2, 3 years, we can expect 20% of the revenue growth happening?

Jayanta Basu: Yes, it will slightly taper down. Once it becomes big, so 20% next year, maybe 15% in that range.

Aditya Sahu: Understood, sir. Understood. And also on the INR30,000 crores order pipeline that you are planning, what is the annual orders you're expecting in the current financial year of this INR30,000 crores to be received?

Jayanta Basu: Maybe of INR5,000 to INR6,000 crores order we should book out of the INR30,000 crores.

Aditya Sahu: Okay. So more INR5,000 crores, INR6,000 crores of order we can expect in the second half of FY '25?

Jayanta Basu: Yes. Yes.

Moderator: Next question is from the line of Abhishek Shah from Ambit Capital.

Abhishek Shah: Just a couple of questions. So firstly, you touched upon briefly the Bangladesh marine order. Can you give some more color on what is pending in terms of revenue from Bangladesh? And going forward, how you're thinking about it and whether the situation has improved? And the second question was on capex. Can you just update on the guidance for the current FY '25 and FY '26?

Jayanta Basu: Okay Bangladesh. Two months, within 2 months because of the situation we all know. But we have been in close talks with embassy, Indian embassy and our similar fraternity people like Afcom, IRCON and other companies, those are working from India in Bangladesh. So now that

things have been resolved, we have discussed with the embassy, have discussed internally with other companies.

And all have moved and as well, we have also moved there. So work has started. Mobilization already, some of the mobilization is just not there, we have already mobilized that. So hopefully, from December onwards we'll be able to start the work. And as a local competition, so far, we are okay. I mean, we don't see much of problem. So let us keep finger crossed. I think things would be okay going forward.

And regarding your other capex issue, so far, our capex is around INR67 crores this quarter. Going forward, next year, we had said that the capex will be under control because whatever we have invested, just we have done the last 2 years, we don't see that much investment coming.

- Moderator:** Next question is from the line of Nidhi Shah from ICICI Securities.
- Nidhi Shah:** So my first question will be on mobilization advance. How much do you have currently on book as mobilization advance?
- Prasad Patwardhan:** As of September, we have about INR1,300 crores.
- Nidhi Shah:** Okay. After post the order book that you have mentioned for September ended, have we received any more advance or orders in this quarter in Q3?
- Management:** We have received an order in October. It's about INR1,600 crores plus GST.
- Nidhi Shah:** And are there any L1s that are pending to be awarded?
- Management:** Sorry can you come again?
- Nidhi Shah:** Are there any L1s that are tending to be awarded?
- Prasad Patwardhan:** No. No.
- Nidhi Shah:** Okay. And the INR5,000 crores that you mentioned previously that we expect to book in H2, that is INR1,600 crores form a part of it or it's just over and above, the INR1,600 crores?
- Jayanta Basu:** INR1,600 is not part of that. That is beyond INR1,600 crores.
- Nidhi Singh:** Okay. So over and above this, you expect another, say, INR5,000 crores.
- Jayanta Basu:** Yes.
- Nidhi Shah:** Now some macro questions I wanted to ask in terms like Bangladesh, this order we saw issue with mobilization in the beginning. But now as you have said, the issues have been resolved. So we think that there is appetite now in Bangladesh for more orders. Is that something that we can aspire to get international work from?

- Jayanta Basu:** No specifically for Bangladesh, we still want to see, watch and see how it goes coming months in reality. So through there are plenty of opportunities, we have to be sort of cautious movement on that.
- Nidhi Shah:** And in terms of other markets, are you seeing a slowdown -- an unexpected slowdown or unexpected pickup in speed in any of the international market? Do you think that there are some key geographies that we would be able to secure orders in the next 1 to 2 years?
- Jayanta Basu:** Yes. I think the Middle East market has shown very good promises. A lot of things are happening there. You maybe knowing that infrastructure and the township building, etc. So I don't want to comment on everything, but at least Middle East, market is going up.
- Nidhi Shah:** Right. And my absolute last question would be on the different segments that we operate in, is there any segment that we are focusing on heavily or we would like to focus on in terms of what the market is giving us indications in orders?
- Jayanta Basu:** Well, as a principle, we'd like to stick to the segments what are working and do more jobs going abroad, increase the footprint, etc. But we also can keep at it from the new segments like data center, green energy, renewable energy. There are many new types of structures that are going to come. Even for the high speed, there's also going to be track laying. So those things we are already talking to our various experts. Maybe someday we have to be there. So this is a segment.
- Nidhi Shah:** So these segments, as you mentioned, is under renewable and we segment. We currently do not have any orders on these segments, as I recall, right?
- Jayanta Basu:** No. I don't think that we have much presence on that. Maybe a little bit we are doing, but in a big way, no.
- Nidhi Shah:** All right. Thank you so much for taking my questions and all the best for the rest of the year.
- Jayanta Basu:** Thank you.
- Moderator:** Thank you. Next question is from the line of Hitesh Gandhi from Purnartha Investment. Please go ahead.
- Hitesh Gandhi:** So my question is relating to the manpower shortage we had witnessed in the industry. So what was the progress during the quarter and moving forward, the next half, what do we expect, any shortage?
- Jayanta Basu:** Yes. Manpower again depends upon which segment they are working. If you see the way we are working in underground metro, and the marine, and somewhat specialized job. We do basically require good machines, high-tech machine and we become good operators, which is possible, which is under control. But there are some kind of job like building where it is as manpower, there is a bit of challenge to everybody in India. So that is the regulator that we are trying to manage that.
- Hitesh Gandhi:** So do we expect any shortage moving forward?

- Jayanta Basu:** Yes. I will say that typically, labor-oriented jobs will always have some challenge because there is totally zero-knowledge sector, but we don't expect any effect from that because we are already working in a continuous process.
- Hitesh Gandhi:** Okay. Sure. That's all from my side.
- Moderator:** Thank you. Next follow-up question is from Pratik Kothari from Unique PMS. Please go ahead.
- Pratik Kothari:** Sir, one question on the other income and also other expense. Just compared to Q1, both of them are higher even though revenue is not. So anything to highlight there?
- Prasad Patwardhan:** No, nothing really to highlight. In terms of other income, there was some equipment that we had purchased for some of our project, for Chennai Metro and one or two others, which we have been able to sell off during this period. So that gain on sale is appearing in other income. In terms of other expenses, there is nothing unusual. All the expenses are in the ordinary course of business. So there is nothing unusual that we would like to highlight or point out over there.
- Pratik Kothari:** And sir, with now ITD Thailand not being a parent anymore or selling off this business. Does any market or any segment kind of open up for us? I mean, were there any restrictions earlier put in place at this geography or this segment we can't do?
- Jayanta Basu:** Not really. A long time back, we were not encouraged to go overseas market because ITD was already there, and ITD thought that India has got a good market with to go outside. But that has been for the last 2 years that also been we are going overseas. And for this case, I don't think there will be any effect on us. We are working in India as we grow here.
- Pratik Kothari:** And sir, last question on this. New segments that we are thinking to enter or kind of scale up there, so do we have this technical capability in-house? Or are we developing that? Will we have to partner with someone?
- Jayanta Basu:** See, for a company like us, engineering company, always developed, research and development is a part of our journey. So we always think about that. We have a team, but in which segment will work, what will be the skills required, that needs to be assessed. And so yes, we have the capability. We have to enhance it as and when it is required.
- Pratik Kothari:** Thank you and all the best sir.
- Moderator:** Thank you very much. As there are no further questions, I will now hand the conference over to the management for closing comments.
- Prasad Patwardhan:** Thank you very much for taking time out and being with us on this Q2 FY '25 Earnings con call. We look forward to interacting with you again next quarter. Thank you very much.
- Moderator:** Thank you very much. On behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.