



**Ahluwalia Contracts
(India) Limited**
Engineering, Designing & Construction

Date: 04-06-2024

To,

Compliance Department
BSE Limited.
25th Floor, P.J. Towers
Dalal Street, Mumbai - 400001

Compliance Department
National Stock Exchange of India Ltd.
5th Floor, Exchange Plaza,
Bandra Kurla Complex,
Bandra (East) Mumbai- 400051

Compliance Department
Calcutta Stock Exchange Ltd
7, Lyons Range, Dalhousie,
Murgighata, B B D Bagh,
Kolkata, West Bengal – 700001

Sub: Transcript of Conference call under Regulation 46(2) of the SEBI (LODR) Regulations, 2015 held on 30-05-2024 at 4.00 p.m.

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find enclosed Transcript of Analyst /Institutional Investor Meetings held on 30.05.2024 at 4.00 p.m. and Audio Recording Link:

<https://ccreservations.com/recordings/data/AMB0920240530153458.mp3>

The above details are also being made available on the Company's website at www.acilnet.com

This is for your information and record please.

For Ahluwalia Contracts (India) Ltd

(Vipin Kumar Tiwari)
Company Secretary/Compliance Officer

Encl.: As under



**“Ahluwalia Contracts (India) Limited
4Q & FY24 Earnings Conference Call”
May 30, 2024**



**MANAGEMENT: MR. SHOBHIT UPPAL – DEPUTY MANAGING DIRECTOR
– AHLUWALIA CONTRACTS (INDIA) LIMITED
MR. SATBEER SINGH – CHIEF FINANCIAL OFFICER –
AHLUWALIA CONTRACTS (INDIA) LIMITED**

MODERATOR: MR. VIRAJ SANGHVI – AMBIT CAPITAL

Moderator: Ladies and gentlemen, good day, and welcome to Ahluwalia Contracts (India) Limited 4Q and FY24 Earnings Conference Call hosted by Ambit Capital. As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Viraj Sanghvi from Ambit Capital. Thank you and over to you, sir.

Viraj Sanghvi: Thank you. Good afternoon, everyone. Welcome to the 4Q and FY24 Earnings Conference Call of Ahluwalia Contracts (India) Limited. From the management today, we have with us Mr. Shobhit Uppal, Deputy Managing Director; and Mr. Satbeer Singh, CFO of the company. I will now hand over the conference to the management team for their opening remarks, after which, we shall open the floor for Q&A. Thank you and over to you, sir.

Shobhit Uppal: Ahluwalia Contracts (India) Limited, an EPC company has announced financial results for 4Q FY24 during 4QFY24, the company has achieved a turnover of INR11,63.66 crores. and PAT of INR199.85 crores in comparison to a turnover of INR63.05 crores. And a PAT of INR72.21 crores during 4QFY23.

The company has registered a growth of 34.83% and 176.76% in turnover impact, respectively, during 4QFY24 and in comparison to 4QFY23. EPS of the company for 4QFY24 is INR29.83 as compared to INR10.78 in 4QFY23.

During 4QFY24, the company's EBITDA margin is 8.96% as compared to 12.77% and a PAT margin of 17.17% as compared to 8.37% in the corresponding period. During FY24, the company has achieved a turnover of INR3,855.29 crores and a PAT of INR375.55 crores in comparison to a turnover of INR2,838.39 crores and a PAT of INR194.16 crores during FY23. EPS of the company for 9MFY24 is 56.06 as compared to 28.98 during FY24.

During FY24, the company's EBITDA margin is 10.48% as compared to 10.72% and a PAT margin of 9.74% as compared to 6.84% in the corresponding period. Net order book of the



Ahluwalia Contracts (India) Limited

Engineering, Designing & Construction

Company is INR11,179.93 crores to be executed in the next 2 to 2.5 years. Total order inflow during FY24 till date stands at INR65,36.81 crores. At present, we are L1 in four projects amounting to INR3914.28 crores. Sorry, there was an error in one of my earlier statements. EPS of the company for FY24 is 56.06 as compared to 28.98 during the last year.

Yes, that's all. So we are ready to take questions now, thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Shravan Shah from Dolat Capital.

Shravan Shah: Thank you, sir. Sir, first is on the margin front. So this quarter, we have seen a 9% EBITDA margin. In the last con-call, we were confident that we can do for more than what we reported in the third quarter that is 10.9%. So any specific reason? And now how do we see the margin for FY25 and possible for FY26?

Shobhit Uppal: Look, in the last month of the year the slowdown had started on account of the impending elections. So that has impacted. Plus in March, there was March and then subsequently in April and May, there was a huge scarcity of labor. So that is impacted our productivity. So that has led to reduce margins while our turnover has grown, but it could have been more if the labor scarcity was not there.

Going forward, what we had projected. What I said in the last call that FY25, the margins will grow up because our order book is healthy and with the new government also coming in now, I think the pace of projects even execution will pick up. And traditionally come May, the labor also starts coming back. At the moment, we are operating at about 60% to 70% on our project side over the last 3 months or so.

So all these things when we take into account these have impacted our margins. So going forward, whatever guidance I've given for FY '25 last time, we are confident it will be a double digit, more than 10%.

Shravan Shah: Yes, sir. Definitely Sir, I was saying last time, we have spoke about more than 11% EBITDA margin for '25, '26, but now we are saying more than 10%?

Shobhit Uppal: We are confident. As I said, it all depends on how quickly we are hearing various things about what's going to happen. So your guess is as good as mine as far as the new government is concerned. So on fourth of June, I think things will be clear how quickly the new government takes charge and how quickly the pace of work gets back to what it was 3 to 4 months ago. That is why I'm being little conservative but we are -- I think we are better placed because a lot of our contracts are central government contracts. I don't think 80% or 75% of the contracts are free from escalation worries they are not fixed contracts. So while I'm also qualifying that we will stick to the guidance that I had given in just being a little conservative.

Shravan Shah: Okay. And on the order inflow and revenue growth for FY '25 '26 how now we are looking at?

Shobhit Uppal: 15% to 20%. And these orders, we are L1 in approximately INR4,000 crores worth of project these are four projects. So I think this will also happen in June or July. We were only held up because of elections so this should also happen. And going forward, we feel the order pipeline is also healthy.

Shravan Shah: So additionally apart from this INR3,949 crores, L1 4 projects, how much more are we looking at to bag in FY '25?

Shobhit Uppal: Another INR2,500 crores to INR3,000 crores.



Ahluwalia Contracts (India) Limited

Engineering, Designing & Construction

- Shravan Shah:** And so considering the bid pipeline now stands at what?
- Shobhit Uppal:** It's at about INR4,000 crores.
- Shravan Shah:** Okay. It is just a INR4,000-odd crores bid pipeline, but -- and also when we are saying 15% to 20% revenue growth. Does that mean that in FY '26, then we can have even more than 20% kind of growth?
- Management:** I did say 15% to 20%. So FY '26, let's see.
- Shravan Shah:** Okay. And a couple of, sir, just the balance sheet data points, mobilization advance returns money, unbilled revenue?
- Management:** Hi Sharvan, mobilization advance is INR528 crores, retention money INR322 crores, unbilled revenue INR395 crores.
- Shravan Shah:** And working capital days has increased particularly debtor has increased and payable has decreased. So closer to 38 days working capital day from the last quarter it was around 25 days. So how do we see -- will it come back or will it sustain at these levels?
- Management:** Basically working capital days has increased due to debtors, we have to receive the funds from the Emaar MGF that is a major money of around INR125 crores. That's why working capital has increased. Otherwise you will see inventory days has been reduced and also WIP days has been reduced so all has been reduced.
- Shravan Shah:** Okay. And then the capex guidance will remain the same INR100 crores, INR120-odd crores for FY '25?
- Management:** This year we had basically INR110 crores.
- Shravan Shah:** For FY '25 INR110 crores, you are saying?
- Management:** Correct approximately.
- Shravan Shah:** Okay. And sir Gems & Jewellery anything in terms of the scope reduction as it were finalized?
- Shobhit Uppal:** As I said this will get finalized in June and July. It will end up on account of -- since the land is allotted by the government. There were certain formalities which were not completed on account of the election time. So it should happen now.
- Shravan Shah:** Okay got it sir. All the best.
- Moderator:** Thank you. The next question is from the line of Samrat Sarkar an Individual Investor. Please go ahead.
- Samrat Sarkar:** Sir I just want to know the reason behind the high subcontracting charges. I guess it's about 2% higher than the last quarter?
- Management:** So Basically this is subcontracting which just include manpower supply subcontracting and labour work subcontracting and is not specific to work back to back with material subcontracting. That's why basically I feel that is very high.
- Samrat Sarkar:** Okay. And going forward this will come down in line with our earlier guidance?



Ahluwalia Contracts (India) Limited

Engineering, Designing & Construction

- Shobhit Uppal:** If you see -- yes it's one this along with the next listing employee benefit costs this have to be read in conjunction. It would be about a percentage point higher.
- Samrat Sarkar:** And sir hello am I audible now.
- Shobhit Uppal:** And this also did get impacted due to an extended NGT period in January, February this year.
- Samrat Sarkar:** Okay. And sir, I want to know also about the breakup of the government and the private orders in your entire order book. What is the ratio of government orders as well as private?
- Management:** This is private 34.85% rest are government.
- Samrat Sarkar:** That's it from my side. Thank you.
- Moderator:** Thank you. The next question is from the line of Mohit Kumar from ICICI Securities Limited. Please go ahead.
- Mohit Kumar:** My first question is on the can you please help us with the status of the Chhatrapati Shivaji Maharaj Terminus redevelopment project at Mumbai and what is the kind of execution you can expect in FY25 and FY26 from this particular project?
- Management:** So this project now is starting off now. There were certain issues with growing accruals because there has been -- there have been some changes from the initial tender drawing provided to us necessitated by the client requirements and local authorities. So all that is behind us now. So we have broken ground and construction has begun. So going forward we are looking at in the rest of the year we are looking at doing a turnover about INR800 crores in this financial year which is FY25. And in FY26 it will be to the tune of about INR1,200 crores.
- Mohit Kumar:** So are there any other slow-moving orders in the order book right now?
- Shobhit Uppal:** There are a couple of slowing orders in Bihar which we expect which are near in completion actually the last 30% into medical colleges is left which we feel that post-election the pace will pick up. They are held up on account of funding issues.
- Mohit Kumar:** And is it possible to share the L1 position I'm talking about the details of the L1 order position.
- Management:** Yes, we are L1 in INR3914.28 crores 4 projects.
- Mohit Kumar:** Is it in the -- from the government side or private side can you just...
- Shobhit Uppal:** These are all three are government sites and gem and jewellery park that can be classified as a private contract.
- Mohit Kumar:** Understood, sir and the last question sir as the order for FY '25 where do you see the new government for the new government formation, do you think that there will be more opportunity if you can throw some color on that?
- Shobhit Uppal:** I think it is -- it's all a matter of conjecture, but general consensus seems to be there that the NDA will come back to power and the infrastructure growth will continue. Having said that we are relatively secure because we have a healthy order book and with the INR4,000 crores worth of projects coming in which we expect to come between June and July. We would have achieved 70% of inflow what we achieved in FY24 which was as it is very healthy. So as far as the order book is concerned we are relatively secure.



Ahluwalia Contracts (India) Limited

Engineering, Designing & Construction

- Mohit Kumar:** Understood sir. Thank you and all the best.
- Moderator:** Thank you. The next question is from the line of Vaibhav Shah from JM Financial. Please go ahead.
- Vaibhav Shah:** Sir apart from Bihar in any other state you are taking some payment issues.
- Shobhit Uppal:** No Bengal all our projects are over except for one which also will be completed in the next 2 months. So other than that we don't have any major issues.
- Vaibhav Shah:** So we have slowed down the execution for Bihar and Bengal projects given the payment issues.
- Shobhit Uppal:** As I mentioned earlier two projects in Bihar. Actually it's a problem with one particular department. We are majorly executing projects for two departments there. One is they are building a construction division where this veterinary hospital is going on. That's going on time and there's a residential housing projects for senior officers which is also nearing completion. It's the hospital that we are doing for the Bihar Medical Services Cooperation where the projects are stalled virtually on account of funds and these are two projects where 70%, 75% work is already done.
- So we are hoping that once the political combined comes to power, NDA comes to power I think funds will start flowing in, but at the moment the project has fallen.
- Vaibhav Shah:** Okay. And sir what about the Mumbai Sewage Disposal Project and how do you see the execution because in Q4 we have seen a strong execution. So we expect the momentum to continue?
- Shobhit Uppal:** Yes it will.
- Vaibhav Shah:** Few odd crores per quarter.
- Shobhit Uppal:** It will the first quarter again of FY25 because of elections as I mentioned earlier. May is the results may be a little sluggish but and then this is the monsoon season also, but FY25 overall should be good.
- Vaibhav Shah:** Okay. And sir what about Bihar Animal Science University project. So what is your targeted revenue for '25 '26 ballpark?
- Shobhit Uppal:** So out of the total value of that is about INR890 crores and we have executed till day. We have executed about 100 – unexecuted is around INR680 crores is unexecuted. As I had mentioned in my last call that for some building or old buildings are being demolished to make space for the new one. So all those are handed over to us barring one. So the pace now is moving on at high speed.
- Vaibhav Shah:** So earlier we had guided we are targeted to complete it in '25? so will it...?
- Shobhit Uppal:** Over the next 15 months.
- Vaibhav Shah:** Okay. And sir, lastly, for the Gem & Jewellery Park, what is the amount that we have considered in the INR4,000 crores L1 position?
- Shobhit Uppal:** INR2,350 crores.



Ahluwalia Contracts (India) Limited

Engineering, Designing & Construction

- Moderator:** The next question is from the line of Hetan Jain from Avendus Spark. Please go ahead.
- Hetan Jain:** My first question is on, sir, if you can share us the adjusted PAT number for FY'24 and quarter?
- Management:** Please repeat your question, what you're saying?
- Hetan Jain:** Adjusted PAT without the exceptional item.
- Management:** Exceptional item, that is basically the settlement with the Emaar MGF. This is INR197 crores. This is -- as we have shown in this. Total 218 crores, including GST. And out of this, we have received INR90 crores.
- Shobhit Uppal:** Adjusted PAT without the exceptional item. He is asking that. That's INR140 crores.
- Management:** INR140 crores.
- Management:** INR144 crores.
- Management:** Basically, the tax amount 25.1% tax.
- Hetan Jain:** Okay. 25.1%. My next question is, sir, as per your strategy where you want to increase the composition of private orders, what type of developers -- which developers are you looking to work with? Or do we have any agreements with developers?
- Shobhit Uppal:** There are no agreements per se. But as you can see from the order book, we are working with DLF now. We are working with -- on the private side, we are working with Puri. We have bids for Godrej. We have bid for Birla, Century Real Estate. Bharti, we are already working with. So certain clients of certain pedigree, right, and with deep pockets, we want to work with them.
- And then there are a few clients who are longstanding clients, or we are their longstanding contractors, like Amity, Bennett Coleman, you know, who we have been working with for a number of years. Then some hotel chains, we are doing a JW Marriott. So we are not working with, and Brookfield is a client. So such private sector clients we want to work with. And our order book, as we mentioned earlier, is at 65-35 approximately. So, in the long run, we want to make it 50-50.
- Hetan Jain:** Understood. And also, sir, how are these contracts awarded? Are these privately negotiated or...
- Shobhit Uppal:** We are also working with Foxconn on their plant and we are working with Adani. So, you know, pedigree clients, private sector clients.
- Hetan Jain:** Understood. These are privately negotiated contracts, right?
- Shobhit Uppal:** These are privately negotiated, yes.
- Hetan Jain:** Okay. Just one last question on depreciation. Sir, why has depreciation increased, high depreciation in the quarter?
- Management:** Basically, this quarter we have impaired Kota mall with INR14.91 crores, that's why...
- Hetan Jain:** Around INR15 crores. INR15 crores, right? Am I right?



**Ahluwalia Contracts
(India) Limited**
Engineering, Designing & Construction

Management: Yes, INR15 crores.

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

Uttam Srimal: Sir, how do you see the opportunity in data center creation?

Management: I think I did -- I was asked this question during the last call also. It is not something that excites us.

Uttam Srimal: So one question in regard to what is our cash and cash position, including FDR currently?

Management: Cash and cash equivalent is INR334 crores. And basically bank position is INR445 crores.

Uttam Srimal: That is cash and bank?

Management: That appears on the face of balance sheet.

Moderator: The next question is from the line of Parikshi from HDFC Securities. Please go ahead.

Parikshi: So my first question is on the margins again. So you said that March, there was a problem of labor and it still continues -- you think that it will continue even in May and June. So we are also -- so same way, are we looking at Q1 being again a soft quarter in terms of margins?

Management: I did mention that, yes.

Parikshi: So could it be worse than Q4?

Management: Not only -- labor is one and then elections, of course.

Parikshi: But can we go below 9% because in this quarter, there was only one-month impact and now on Q1, we'll have more impact of two months or maybe three months. So can it go below 9% as well?

Management: I don't think so, no.

Parikshi: So is the bottom -- so 9% would be the bottom margin revenue which you recorded in Q4?

Management: Yes. I said yes.

Parikshi: Okay. My second question is on the settlement with Emaar MGF. So how much is the total cash inflow expected from this transaction -- from the settlement and how much have you realised in Q4?

Management: That amount has been settled INR218 crores and including GST. And out of this, we have shown with INR194 cores basically basic amount. And this would attract 25.17% tax and INR90 crores received so far. Balance INR125 million within 2 tranches, basically August and January.

Parikshi: August and January, okay. And your total INR140 crores per share overall, right?

Management: Rest is basically INR128 crores.

Parikshi: No. I'm saying out of INR194 million, excluding the taxation, you will have realization of about INR140 crores total cash inflow for the company, right?



**Ahluwalia Contracts
(India) Limited**
Engineering, Designing & Construction

- Management:** Yes.
- Parikshi:** Okay. Got it. And just last thing, sir. You said the L1 is -- can you please again tell me what is the total L1 amount?
- Management:** INR3,914.28.
- Parikshi:** INR3,914?
- Management:** INR3,914.
- Moderator:** The next question is from the line of Nidhi Shah from ICICI Securities Limited. Please go ahead.
- Nidhi Shah:** The only question I had was on the exceptional item that was listed in this quarter, the arbitration between a customer and you. So could you give more details about the arbitration and whether the settlement amount has been received? If not, then when can you expect that?
- Shobhit Uppal:** So this was the long timing dispute on the Commonwealth Games Village project with Emaar MGF. So the settlement amount is INR218 crores, the award, which has come to us, out of which INR90 crores has been received. The balance will be received over two tranches, one in August this year and the other one in January.
- Moderator:** The next question is from the line of Ruchi Jain from Asit C Mehta Investment Limited. Please go ahead.
- Ruchi Jain:** My first question is how much you have an outstanding order book as on 31st March 2024 on the executed order book?
- Management:** INR11,179 crores.
- Ruchi Jain:** INR11,179 crores, okay. And we may expect that this to be executed around next 18 to 24 months?
- Management:** 24 to 30 months.
- Ruchi Jain:** 24 to 30 months. And my second question that, as you have mentioned, as far as expected order inflow is concerned, in FY'25, though there is an election around the corner, but can you give some numbers that can be possibility or your target for FY'25 as a new order inflow because the way the infra push is still there and the way we are seeing that in a new budget, our government may further increase their capex target maybe around possibility of further more some chances are there. So can you give some bit of an idea, these are the numbers that can possible as expected order inflow in FY'25?
- Shobhit Uppal:** So as I said, INR4,000 crores is something which -- in which we are lower, 4 projects, aggregating INR4,000 crores. That should happen in the next 30-60 days. The award was held up on account of elections. So that should happen in the next 1-2 months. Other than that, there is an order pipeline in the short term of INR5000 crores. But for the entire year, in addition to this INR4,000 crores, we have given a guidance of about another INR2,500 or INR3,000 crores.
- Ruchi Jain:** So we may expect somewhere close to INR7,000 crores, there can be a possibility order guideline an inflow for the FY '25 nutshell? right? My understanding is correct?



Ahluwalia Contracts (India) Limited

Engineering, Designing & Construction

- Management:** Your understanding is correct yes.
- Moderator:** The next question is from the line of Laxmi Narayanan from Tunga Investments. Please go ahead.
- Laxmi Narayanan:** I just want to understand, you look at the entire year, what has seen our win loss ratio? And is that something which you track that so much of projects you have bid and takes you yourself with you and why you lost some kind of a number? I just want to understand what -- how that is planned in the last 1 or 2 years.
- Management:** So it's -- we are at about 17% in our analysis as to be submitted and the project 1 last year. So this is a total number. Other than that, what we are seeing is that there is increased competition on the government sector side.
- Laxmi Narayanan:** 17%?
- Management:** Yes, 17%.
- Shobhit Uppal** Moving on, we are reducing our bids if I may say so in the public sector side, we are becoming more selective only bidding on large jobs where competition is relatively better and increasing our exposure to private sector because that is picking up speed continues to pick up speed. And on the larger projects with market developers, they are only looking at pedigree contractors. So we feel margins there would be higher or higher.
- And there, it's very difficult to calculate for the number because it's not L1. You can calculate the number of consultants, success percentage in an L1 bid, right? .
- Laxmi Narayanan:** Got it. So the 83% where it did not get to is it all because of cost related issue?
- Management:** Yes, it's all. Cost because on jobs where we don't qualify, we don't even bid then, no?
- Laxmi Narayanan:** And then second, in terms of the total number of proposals you are working on the private side. How that has actually increased in the last -- when you ended last year, let say, you're working on x volume of projects worth in private sector. What is that volume now right now as we speak, how many -- what the total time price you are actually working on the private side in terms of cost?
- Shobhit Uppal** As Satbeer mentioned earlier in response to an earlier question, our order book, just to give you an idea, out of a total order book of, say, about INR11,000 crores, 35% is the private sector side. So that would amount of about INR4,000 crores. If we were to go back, I don't have those numbers with me. But if memory serves me right, last year, the private sector was about 17% our order book also like order book was also competitively lesser in amount. I think it was about INR8000 crores , right?. So say from about INR1,000 crores, this number has gone up INR4,000 crores in absolute numbers.
- Laxmi Narayanan:** Got it. Sir, the question is slightly different. It's not the order book about the total let's say, you are actually working actively on ex crores sort of proposal in the private sector. I just wanted to put a how large is the opportunity we are currently working on and submitting proposals. It's not the 1 which has converted into order book?
- Management:** Okay. So out of, say, the order pipeline that I mentioned about INR5,000 crores. The pipeline on the private sector side should be about 50% of that, about INR2500 crores.
- Laxmi Narayanan:** And this number would have been much lesser last year?



Ahluwalia Contracts (India) Limited

Engineering, Designing & Construction

- Management:** Much lesser. So just to give you an idea, even the scale like the project that we're doing for DLF, that project is about INR744 crores, right?
- So the project that we bid for Godrej, two project we bid they were about INR500 crores each. The project that we have recently bid Birla, that's also about INR500 crores. The project that we bagged with EMAAR I forgot to mention that earlier, that's in excess of INR400 crores. Welspun, we are doing a project with Welspun that's in excess of INR500 crores.
- And mind you, these are all core and shell packages. So at the moment, on all these projects that I named, these are not including the other verticals, MEP or facade.
- Moderator:** The next question is from the line of Abhishek an Individual Investor. Please go ahead.
- Abhishek:** I wanted to know about the cost of material consumed that has gone up in quarter 4 by about 1.59% year-on-year. So can you throw some light on that? Is it a year-end phenomenon?
- Management:** Year-on-year, it seems to have the figures that I have in front of me it's reduced 0.2%
- Abhishek:** Yes, for the whole year, it has reduced. But for -- specifically for the quarter 4, it has gone up by 1.5%. So especially in quarter 2. So what's -- just wanted to know the reason for the same
- Management:** So if we see successive quarter, it is the same. If we see Q4, 48.75% if we see Q3, it is 48.15%.
- Abhishek:** I'm not saying quarter-on-quarter, but year-on-year, that is correspondingly of the previous year. on the previous financial year. For comparing for financial year '22, '23 comparing it?
- Management:** You are comparing quarters of successive years. Is that what you're saying? But you can't really -- these are things which tend to average out -- if you see year-on-year, it's almost same. If you see quarter to the last quarter, it's almost same. But yes, there is a difference in in the quarter of the 2 years, same quarter of 2 years, there is a difference of about 1.5%. Yes, we'll need to take a look at that. But as I said, overall, you see tend to average out.
- Abhishek:** Okay. And sir, I wanted to know about the margin in private sector and the government sector. Where we are having the EBITDA margin is the highest whether it is in the private sector or the government sector, can you throw some color on the
- Management:** -- and one other thing I was just thinking about your question. One other reason why I said it can average out or does average out is it depends where are -- in the life cycle of a project, -- the structural package, say, the labor cost is lesser and material costs are higher in the finishing packages, it's the other way around. Finishing items is the other way around it.
- So it totally depends on in the last quarter of the last financial year, what were the items or what were the kind of items that were being executed in the projects which were under execution time.
- So it's not a very substantial difference. So repeat your last question again, please? .
- Abhishek:** Yes. And sir, what about the margin in the private sector and the government sector. What kind of margin we are having operating margin?
- Management:** As a generalized statement, I've always said private sector is the going is all right, the margins are always better. But it is all a factor of its change from time to time. But generally, because government tenders are L1 tender. Right? -- there is intense competition. Private tenders are awarded more on -- there is a bit. They try and equate various bids, but it's a relationship



Ahluwalia Contracts (India) Limited

Engineering, Designing & Construction

driven largely -- so -- and obviously, in the private sector, what we are seeing today, because of the high demand in terms of timely delivery and delivering a quality project, all the large developers are looking at only for 4 or 5 pedigreed contractors.

So that's why the margins are more. There is a difference of about percentage point between a percentage or percentage of 1.5% between the public sector and private sector. If I was to generalize but it also depends on the pedigree of the developer and the type of projects that is being executed. The more complex project, obviously, the competition is lesser.

- Abhishek:** And sir, my next question is that how much fixed price contract and variable contract, what is the mix in the total order book?
- Management:** It is yes, 70%, 30% -- 29% is fixed price.
- Abhishek:** That is from my side. Thank you, sir.
- Moderator:** Thank you. The next question is from Raj Shah from Marcellus Investment Managers. Please go ahead.
- Raj Shah:** My question is regarding. Sir, you can update us with the progress that has been made on SAP Implementation.
- Management:** Can repeat it, you were not clear.
- Raj Shah:** Sir, my question was regarding the update on SAP implementation. If you can update us?
- Management:** Yes. We have engaged PwC to we are implementing SAP. We engaged with them a month ago. They have started and targeted in the next 9 months to 12 months, the entire operation for all our projects and our head office and regional offices will be on SAP.
- Raj Shah:** Okay. And will this affect our financials in any way in the next few quarters?
- Management:** No, not really. In fact, after 9 months or so, we have kind of why we -- I mentioned in my last investor call also, we are embarking on a digital transformation exercise. So maybe a year from now, efficiency should increase.
- Raj Shah:** And last question is on this Kota bus terminal project where you have taken an impairment of INR15 crores, what is this impairment regarding and what we can expect in future?
- Management:** Again, you repeat your question.
- Raj Shah:** What is this impairment cost explain the impairment?
- Management:** This is according to accounting standard and according to discounted cash flow method. So basically, last year, whatever we have projected that couldn't metallize. That's why -- and whatever the both cash inflow and outflow would be there according to that has been discounted and impaired around INR14.91crores.
- Raj Shah:** Thank you. That answers my question.
- Moderator:** Thank you. The next question is from the line of from Samrat Sarkar, an Individual Investor.
- Samrat Sarkar:** I just want to know, in the segment result the heading investment properties for this Q4, there is a loss of INR15.25 crores -- can you just elaborate on that same?



Ahluwalia Contracts (India) Limited

Engineering, Designing & Construction

- Management:** Already answered this question. And as we have replied that, this is basically impairment for Kota Mall, that's INR14.91 crores. That's why investment properties have been depreciated with higher rates.
- Samrat Sarkar:** Okay. And sir, again, congratulations for great execution, whatever with the margins, I understand due to the labour issues and all but congratulate for great execution of sales this year.
- Management:** Thank you so much.
- Samrat Sarkar:** Thank you, sir. All the best.
- Moderator:** Thank you. The next question is from the line of Vasudev Ganatra from Nuvama Wealth. Please go ahead.
- Vasudev Ganatra:** So sir, my question is on the bid pipeline of INR5,000 crores. So which are the segments that you are currently focusing on here?
- Management:** On the private sector side, it is residential and in commercial and retail. On the government sector side, it is institutional and education and health care.
- Vasudev Ganatra:** Okay. And sir, in the last call, you said that we have bid for 2 airport projects also where to open. So are they open? And are we L1 in those? Or it's still pending?
- Management:** Yes. We are L1 in 2 projects. One is the Varanasi Airport, which is about 900 crores, and one is the Darbhanga Airport, which is about INR572 crores. these are, as I mentioned earlier, these are part of the INR4,000 crores worth of L1 projects, which should be awarded in the next month or so.
- Vasudev Ganatra:** Okay. And lastly, sir, are there any other projects where we have bid but the bids are yet to open?
- Management:** There is a university project, state university, large project in Odisha, where the top 4 companies in the country have bid. So where the bids are yet to be open. And there are a few kind of type where negotiations happen.
- Vasudev Ganatra:** That's it from my side. Thank you.
- Moderator:** Thank you. As there are no further questions, I would like to say on behalf of AMBIT Capital, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.