17th February 2024

To

BSE Limited	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers	Exchange Plaza, Plot No. C-1
Dalal Street, Fort	G Block, Bandra-Kurla Complex, Bandra(E)
Mumbai – 400001	Mumbai -400051
Scrip Code: 543317	**Symbol: GRINFRA**

Subject: Transcript of an earnings conference call for the quarter ended 31st December 2023.

Dear Sir,

In terms of the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of an earnings conference call for the quarter ended 31st December 2023 held on Tuesday, 13th February 2024.

You are requested to take this information on your record.

Thanking you,

Yours sincerely,

For G R Infraprojects Limited

Sudhir Mutha

Sudhir Mutha
Company Secretary
ICSI Membership No. ACS18857

Enclosed: As above.

"G R Infraprojects Limited Q3 & 9M FY-24 Earnings Conference Call"

February 13, 2024

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

MR. ANAND RATHI – GROUP CFO, G R INFRAPROJECTS LIMITED

ICICI SECURITIES: MR. MOHIT KUMAR

Moderator: Ladies and gentlemen, good day and welcome to Q3 FY24 Results Conference Call of G R Infraprojects Limited hosted by ICICI Securities.

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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mohit Kumar from ICICI Securities. Thank you and over to you.

Mohit Kumar: Thank you, Yashashri. Good afternoon. On behalf of ICICI Securities, we welcome you all to the conference call of G R Infra Q3 FY24 and nine-month FY24 Earnings Call.

Without any further delay I would like to hand over the call to Mr. Ajendra Kumar Agarwal Ji for his opening remarks and industry overview, followed by "Overview and Financials" by Mr. Anand Rathi which will be followed by Q&A. Thank you and over to you sir.

Ajendra Agarwal: Thank you, Mohit. Good afternoon, ladies and gentlemen. I welcome you all to the 3rd Quarter Earning Call of G R Infraprojects Limited for Financial Year '24. We are accompanied by Mr. Anand Rathi – the CFO of the Company.

The "Presentation" for today's Call has been uploaded on the stock async website and on the website of the Company at www.grinfra.com.

I will now take you through the "Key Highlights" of the Quarter and "Recent Developments in the Infrastructure Sector" followed by question-and-answer session.

During Q3 FY24, the Company has executed one HAM concession agreement with the National Highway Authority of India. Moreover, two concession agreements for one road project, one ropeway project and one share purchase agreement for transmission projects are yet to be executed with National Highway Authority of India, SMVD Shrine Board and REC Power Development and Consultancy Limited respectively.

As on the date, the Company has decent mix of 36 BOT projects of which 10 are operational, 13 are under construction and 13 projects are awaiting appointed dates. We are constantly working towards diversifying our portfolio thus reducing vulnerability to functions in any single market or sector and enhance long term stability for the Company.

As of 31st December 2023, including order book value of Rs. 572 crores for two L1 projects the Company's order book value stood at Rs.19,253 crores which include the executable order book value of Rs. 9632 crores. Roads and highway development projects have the 83% share in the order book.

Moving on the quarterly financial highlights of the Company; on the standalone basis during Q3 FY24, the Company has recorded revenue from operations of Rs.1,806 crores as against Rs.1,898 crores during the same period in the previous financial year. The EBITDA margin stood at 12.62% as against 14.58% during quarter ended December 31st, 2023.

Moving on the sector highlights; the government of India has proposed to raise the CAPEX target by 11.1% to record Rs, 11.11 lake crores for the next fiscal year. The expansion of the capital expenditure outlay by 11.1% for FY25 will greatly bolster economic growth and boost job creation by further powering the infrastructure sector. The government has continued to maintain its focus on infrastructure development in the country which saw MoRTH getting record high budgetary CAPEX allocation of Rs.2.72 lakh crores, reflecting a 5.50% increase from the previous year budget of Rs. 2.58 lakh crores. It appears the government has been more cautious in awarding projects where the land acquisition and associated permits are not in place as a result of which till December MoRTH has awarded 3,111 km of highways compared to 7,123 km during the same period of FY23. Though the ministry is hopeful the award may still end up over 10,000 km this year whereas we are little apprehensive on such target as window available for bidding is too short. Given that model code of conduct may kick in any time we expect the pace to pick up under the new government that would start to implement Vision 2047 program where 40,000 to 50,000 km of access control highway are proposed. Government's vision is to double the average travel speed from existing 40 km per hour to an impressive 85 km per hour and the ambitious plan is likely to cost around Rs. 20 lakh crores for the year 2024-25, the government has allocated a CAPEX budget provision of Rs. 2.52 lakh crores for the Ministry of Railway indicating a 5% increase from the previous year's budget of Rs. 2.40 lakh crores in '23-24. Railway Ministry has also announced to develop three major Railway economic corridors and hence it also opened up the door for us from growth perspective including the ratio of CAPEX to GDP which rose to 3.3% for FY24 is estimated at 3.4% in the new financial year. The government has increased the plan for the infra spending in ensuring financial year and we are hopeful of adding decent share to our order book. We continue to tap on different opportunities emanating from the aggressive infra growth plan of the government.

That's all from my side today. Over to you Anand Ji for updates on "Financial Position" of the Company. Thank you.

Anand Rathi: Thank you sir. Thank you for giving me this opportunity to all the investors and audience attending the call to take through the "Financial Highlights" for the current quarter of the Company.

Our standalone revenue from operation for the quarter ended December 2023 decreased by almost 92 crores, approximately 5% year-on-year to 1,806 crores. This decrease was primarily on account of the delay in declaration of the appointed dates in the new HAM projects which we won last year and the year before.

Our consolidated revenue from operation has also decreased by almost 58 crores, approximately 2.6% year-on-year to 2,034 crores for the quarter. Reason for such decrease has already been highlighted by (Inaudible) 8.14.

Our standalone EBITDA margin has decreased to 12.62% as mentioned by Shri. Ajendra sir, the quarter ended December 2023 from 14.58% in the quarter ended December 2022. This decrease is primarily because of the increase in staff cost because of delay in appointed date and reduction in the realization of the operating revenue.

Our EBITDA margin at group level has also decreased to 23.79% into quarter ended December 2023 from 27.15% to quarter ended December 2022. Our PAT margin at standalone level has decreased by 10.77% to 155 crores in the quarter ended December 23 as compared to 174 crores in the quarter ended December 2022. PAT margin at consol level has also decreased by 25% almost to 243 crores in the quarter ended December 2023 as compared to 323 crores in quarter ended December 2022. Our standalone net worth is almost at 5,706 crores at the end of December 2023 which was 5,215 crores at the end of fiscal 2023. Our net worth on console level is around 7,050 crores at the end of December 2023 which was 6,265 crores at the end of fiscal 2023.

Our total standalone borrowing outstanding at the end of December 2023 is around 900 crores, 898 crores more specifically, which includes short-term borrowing of 200 crores with debt to equity of 0.16X. Our total consolidated borrowing outstanding at the end of December 2023 is 6,988 crores with debt to equity of 1.1X.

During the quarter Company has made addition to the fixed asset amounting to Rs. 38.6 crores. A net block of property plant and equipment intangible asset which includes CWIP is Rs. 1090 crores at the end of current quarter. Investment in our subsidiary companies in form of loans as well as an equity is Rs. 2,399 crores at the end of December 2023. This was Rs. 1949.8 crores at the end of fiscal 2023. Balance equity contribution to be made for our operational or under construction HAM projects or other power transmission projects is Rs. 2,020 crores which is to be infused next 2.5 year of time, of which we are expecting around 150 to 200 crores to be infused during the remaining part of the fiscal 2024.

Our working capital days at the end of current quarter is 97 days as compared to 104 days at the end of fiscal 2023. Our trade receivable at the standalone basis around 1,357 crores at the end of December 2023 as compared to 1,880 crores at the end of fiscal 2023. Our trade receivable at the consol levels are Rs. 290 crores at the end of December 2023 as compared to 462 crores at the end of fiscal 2023. Our unbilled revenue at the standalone basis is Rs. 915 crores for the current quarter as compared to Rs. 894 crores at the end of December 2022. Our unbilled revenue at the consol level is around 325 crores at the end of December 2023 as compared to 425 crores at the end of December ,2022.

Our inventory levels are at 838 crores at the end of current quarter as compared to 884 crores at the end of fiscal 2023. Our cash and cash equivalents at the standalone basis is around 401 crores at the end of current quarter as compared to 242 crores at the end of fiscal 2023. Our cash and cash equivalents at consol level is around Rs. 815 crores at the end of current quarter as compared to 779 crores at the end of fiscal 2023. Mobilization advance outstanding at the standalone level at the end of December 2023 is around 248 crores as compared to 272 crores at the end of fiscal 2023. Our order book at the end of the quarter is around 18,680 crores which excludes two L1 project for Rs. 573 crores. That's all for the financial highlights for the current quarter of the Company. Essentially thanks all our stakeholders including employees, business partners, vendors, bankers, auditors who have supported the Company throughout in its journey.

On behalf of G R Infraprojects, I thank everybody for attending the earning call. May I request the floor to be open for question and answer please.

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

Shravan Shah: In nine months, our revenue has declined at standalone level by 10%-odd and we were looking at 5% to 10% kind of or 0% to 5% kind of a growth for this year. So, how we can look at the fourth quarter and given the AD spending for 13 odd projects, so when the AD will come and how one can look at the FY25 revenue and at the same time the order inflow? So, how much on the EPC terms we have received till date and how much more we can expect by March and for FY25 whatever the less inflow how much more we can expect in FY25?

Ajendra Agarwal: That is true that our turnover or operating role has declined as already mentioned that it's because of that what we were expecting is a declaration of appointed rate for the new projects which we got, so far there was a delay and this time only the ministry or government is quite certain in terms of giving the appointed date without getting the land properly acquired or without having all permission or approval in place they are not giving, so they are not taking any chance basically. And hence it's a delay into getting that appointed date for the projects which we already won. Yes, we'll try to catch up but yes, of course it depends on how and when that appointed date is being declared. What we expect that for next 2 months of time we'll be having the appointed date for at least five or six projects we'll be having those appointed date in place. And yes, our guidance was that we may be having kind of 5% of growth in terms of our operating revenue but yes, we may end flatties or maybe 4%-5% lesser than what we have achieved last year because of the not declaration of the appointed date. As far as this order book is concerned, what we were thinking is that the government would be and that the way the government was also positioning is that they would be coming up various projects in the month of or at least before that model code of conduct kick in. However, we haven't seen actually that converted on the ground in that manner. What we believe is that though government is claiming that they would be awarding around 10,000 km of the road projects in the current financial year. We are little apprehensive in this regard. Maybe when this new government come into power, they formed the new government, probably they would be picking up in terms of the awarding activity would be picking up in next financial year only. So, for FY25 again depending on how and when we'll be getting that appointed declared for the existing project, our turnover would be in the range of same what we achieved in the current year, maybe 5% even lesser than what we have achieved in current year. That's the case.

Shravan Shah: Just to clarify. So, we are looking at 0% to 5% kind of a decline in FY25 revenue also.

Ajendra Agarwal: Yes.

Shravan Shah: And second in terms of inflow how much are we looking at? So, by March obviously whatever, if the government delays the awarding. So, even if how much we are still hoping to get, how many projects value we have bidded and for FY25 how much value of projects are we looking at to win?

Ajendra Agarwal: Pipeline is strong enough, so what we are targeting is, going forward in terms of pipeline there is almost 1,85,000 crores of kind of road projects is already there in the pipeline which includes both EPC, all the projects EPC, HAM projects and BOT, then ropeway projects are also there. So, there's a strong pipeline in terms of visibility of future upcoming bids, it's almost 2 lakh crores of bid which we are targeting. And maybe for the current year depending on how fast that government pick up that awarding activity in the current financial year, we are targeting for at least, in current financial we'll be able to get at least 4,000-5,000 crores of the projects in the current financial year. Of course, subject to that awarding activity being pick up by government MoRTH or any other agencies. But for next financial areas of course our target would be in the range of 15,000 crores of the order which will be getting by bidding almost 2 lakh crores of pipeline which is visible.

Shravan Shah: What's the value of these 13 projects where ADS pending and 5-6 projects where we are expecting the AD by March, so what would be the value? I'm asking the EPC value.

Ajendra Agarwal: So, pending is almost 9,300 crores of the order, I would say 9,200 crores of order where appointed has to be declared. For the current year the appointed which we are expecting would be again in the range of 4,000 crores of the project we are expecting will be having that appointed declared for the current year.

Shravan Shah: In terms of just 2-3 points, so trade payable on standalone as on December is how much?

Ajendra Agarwal: Trade payable on a standalone basis?

Shravan Shah: Right.

Ajendra Agarwal: 926 crores.

Shravan Shah: In terms of out of the total data 1,367 how much is the SPV-HAM data?

Ajendra Agarwal: Its 1,100 odd crores.

Moderator: We have a next question from the line of Alok Deora from Motilal Oswal.

Alok Deora: If you could just repeat the number FY25 on the FY24 revenue which is expected to be 0% to 5% lower on that we are looking at 0% to 5% growth in FY25?

Ajendra Agarwal: No, that would be flatties. FY25 would be kind of flatties or (-5%) probably I would say.

Alok Deora: So, ‘24 is again (-5%) and ‘25 again will be (-5%).

Ajendra Agarwal: Yes.

Alok Deora: This project awarding has been pretty muted now. Again, I think we had revised our guidance previous quarter as well on the order inflow. Again, we are looking at very limited number of order flows. So, how confident are we on these numbers which we just spoke about in terms of ordering flow? Because it's hardly any time left now 2-3 weeks now for the ordering to happen. Any project you have bid for where it's to be open any quantum you can provide?

Ajendra Agarwal: There are projects where results are yet to be declared. But pipeline is strong and so far, we have almost eight projects where bids are yet to be opened. Out of that eight, seven projects are under road sector, almost 5,500 crores. But for FY25 order inflow we are confident, we'll be getting more projects because pipeline visibility in terms of future projects where we'll be participating is high. It's all because of that election year and the government not yet started awarding activity. However, they have been claiming again and again that they will be achieving their target for the current financial year as well. But because now as you rightly mentioned that the timeline remains very slow. So, we are also little apprehensive in terms of the current year awarding activity. That's why we are not expecting. We are not betting much onto current year awarding, yes. But for next financial year we are confident we'll be getting more projects sure.

Alok Deora: Your standalone margins are now at near 12.5%-12.6% which you mentioned because of the slower pickup in execution. But next year again we are looking at almost flattest execution. So, is it fair to assume that your margins will be at current levels only next year as well?

Ajendra Agarwal: Right. We can assume because we have got almost 8-10 projects which were expecting that appointed that would be declared by December or January somewhere. In terms of mobilization of manpower, machinery we are already there, and we are just waiting for that appointed date to be declared. Hence this increase in cost is reflected into our margin while my margin has been decreased because of that reason solely which I believe. So, going forward again because what I believe is that once this government again come into power, they would be focusing with I would say some strength for infrastructure execution and all that and we'll be able to catch up even but because we are not having open order book with us which is left right now. So, what we believe is that maybe we are not growing in terms of our turnover and hence may not be able to get that kind of margin.

Moderator: We have a next question from the line of Deepak Krishnan from Kotak Institutional Equities.

Deepak Krishnan: I just wanted to check if we were keen on participating on BOT projects and what is our view? Would we do it with a JV partner or how are we thinking? Because we are not seeing any awarding happening on the EPC or the HAM side.

Ajendra Agarwal: So, we are keen of course on BOT but not maybe that aggressive, if it suits our profitability metrics probably, certainly or higher metrics will certainly be keen on the BOT projects and which we believe that government is focusing more on BOT. Going forward they also want higher participation of the private player and where we find that we have ample opportunities to participate. As far as this JV partner is concerned, as of now we are exploring but yes, we are evaluating those mode also, though yet not finalized but we are actively evaluating these BOT opportunities.

Deepak Krishnan: So, out of the 2 lakh crores pipeline that you mentioned how much is EPC, HAM and BOT roughly?

Ajendra Agarwal: 35,000 crores is the BOT which we are targeting.

Moderator: We have our next question from the line of Parikshit Kandpal from HDFC Securities.

Parikshit Kandpal: My first question is that in the last call you had said that you will look at a strategy of diversification. So, any update on that, beyond roads are you looking to diversify any decision taking there?

Ajendra Agarwal: We are continuously evaluating the other opportunities in the infra sector only. And because of that strategy only we got more projects. So, we have completed one transmission project or about to complete that transmission project, we got almost 2 years back. Now we have taken one more transmission. So, we are active in diversifying another sector also and result of that is that we are into MLP, Multimodal Logistic Park or we are into transmission, or we have got one ropeway project. But what has happened is that awarding has not been that quick or I would say the pace of awarding is not up to the mark and hence we couldn't get much of the projects in those sectors. But yes, we are actively looking at those other sectors which is apart from road.

Parikshit Kandpal: These sectors will not give you that kind of a scale. But if you see the Union Budget, large part of awarding sectors are railways, water, Defence, buildings, some of these segments. So, what are your thoughts of basically getting yourself eligible to bid for larger total addressable opportunity in the bidding in the EPC segment beyond road? So, more I would say mid to longer term how do you see the opportunity arising in these segments? Those T&D can give you some opportunity but it's very capital intensive. We have to invest equity and then look at monetization but more on the EPC side to balance growth. Your guidance is decline of next 2 years but if you have to go back, come back on path to growth. So, diversification is very important at the current scale. So, how do you see opportunity arising for yourself? Will you ever evaluate these segments in your overall strategy of diversification?

Ajendra Agarwal: So, basically it takes time actually to evaluate and in last two years we diversify into different sectors and too many sectors we have entered into and though we tried to diversify we tried to get more projects into railways sector also. But not much awarding has been happening into railway sector though the budget has been increased for railway and we are actively pursuing that railway sector as well. As far as this building sector is concerned that is also under evaluation and it may take time probably another three months where we have to finalize our strategy how to enter and when to enter on those sectors. But yes, we'll be targeting more sectors going forward. You rightly mentioned that in terms of ropeway we may not be getting that kind of big EPC opportunity, yes of course. But transmission where we believe that we'll be having enough opportunities. Again water and building which we continue to evaluate, maybe taking another three months of time where we'll be concluding our strategy in terms of how to and when to enter into the sector.

Parikshit Kandpal: What was the pending equity requirement of the portfolio? I missed that number.

Ajendra Agarwal: 2,100 crores.

Parikshit Kandpal: And just on the last thing on the margin, we have been for the similar scale in the past doing better margins. So, just wanted to understand in this quarter what was the mix of HAM and EPC in the revenues and the residual order book do you think as the share of as the ADS come in and more ham projects move into execution there is a scope of margin reverting back to 14%-15% which we have been guiding earlier?

Ajendra Agarwal: So, my revenue mix would be around 75% is coming from hem only and balance is EPC because as of now, in my order book you'll find that most of the projects are under BOT or HAM mode only. That is one aspect. Second because ultimately, I was supposed to because I am working at the same level where I was working almost 2 years back. So, to that extent my operating leverage is actually working against me. Though we have been trying to get more and more projects. We have been trying to get to diversify into different sectors, yes. And in the current quarter itself, I already mentioned that because of extra salary cost I would say staff cost, extra deployment of manpower where we were anticipating that the project would be having appointed date. We'll be getting that revenue realized from those projects. We couldn't get that revenue realized and hence it is hitting my margin. So, yes of course when we'll be back to our normal speed, I would say where we'll be clocking almost more than 2,000 crores of the revenue for the quarter. Certainly, our margin would be in the range of 14% to 15%.

Parikshit Kandpal: And in the next few quarters will we reach 2,000 crores, is the line of sight?

Ajendra Agarwal: Yes of course. So, there may be disruption in one or two quarter, for the next financial year probably one or two quarter we may see, or we may witness less than 2,000 but we expect that it should be again back in the range of 2,000 crores of the quarter.

Parikshit Kandpal: This is the last question on the BOT toll projects which are coming up for bidding next year. Everyone is talking about it. We have a strong balance sheet which is very under leveraged and we are also monetizing our HAM portfolio through the InvIT. So, do you think given the scale of capital which we may get or the leverage which we can get on our standalone balance sheet, there's a huge scope of building a bit of large order book in a less competitive environment where the bidders may be maybe 6-6 bidders and with good IRRs, do you think that scenario playing out next year where you can have large part of a 15,000 crores order book coming in from BOT toll projects?

Ajendra Agarwal: As of now, probably what I believe is that of course we don't see that much competition into BOT sector at least because the limited number of players, there will be participating into that BOT projects. But again, we may not be having I would say maybe 60% of 15,000 crores. 50% to 60% kind of order book I may expect from that BOT, again subject to our due diligence of those projects and subject to satisfaction of profitability or higher level of that project. But yes, I believe that will be in advantageous position to bid for more BOT projects.

Parikshit Kandpal: How will you exit the BOT projects because this is quite sizable 15,000 crores inflows at 60% is 9,000 crores of inflows from BOT. So, does it include HAM projects also and only BOT toll and what will be the exit strategy here?

Ajendra Agarwal: With whatever interaction we are right now having with the investors, there are so many investors who are willing to take BOT projects who are only eyeing those BOT toll projects only who are not even interested for HAM projects. So, there is a set of investors who are willing to invest into BOT toll projects only because they want to play the growth story of country. So, I don't find any challenge in terms of exiting basically from the BOT projects whatever you take. But yes, of course that 50% at least I would expect from BOT toll projects only for the order book which I have given you the guidance, almost 7,500 crores out of that 15,000 crores, we expect that project would be coming from BOT toll only and maybe another 20%-25% through HAM only. So, yes, we are aggressive. When I say aggressive that means it suits it set into this metrics of profitability and IRR sort of thing.

Parikshit Kandpal: And we may have a tie up something like IndiGrid which we have for transmission asset. We may have a similar kind of platform or back-to-back forward purchase agreements for BOT toll, are we looking and evaluating those kind of opportunities also?

Ajendra Agarwal: We are exploring all options. And let's say if we end up doing that kind of tie up, probably we may go even bigger in BOT toll.

Moderator: The next question is from the line of Vikram Damani from Damani Securities.

Vikram Damani: I just wanted to know where we are with the proposed InvIT listing? Has the SEBI permission come through, where are we along that way? Are there any updates please.

Ajendra Agarwal: I think our asset monetization plan through InvIT is very much on track. Last week updated draft offer document has been filed with SEBI and reward from SEBI is expected soon sometime this week itself, maybe early next week. So, with this timeline I think we are good to go with launch of InvIT somewhere towards the end of this month or maybe first week of March and conclude this InvIT within this fiscal itself as stated in the last quarter's call.

Moderator: We have a next question from the line of Jiten Rushi from Axis Capital.

Jiten Rushi: My first question is on the revenue guidance which you highlighted is 0% to 5% de-growth in FY24. So, if you look at the run rate the Q4, can we have a 10% revenue growth if at all I take 5% decline in FY24, is my understanding correct? We can see this 10% growth even with 9,000 odd crores of executable order backlog and we can see 2,200 crores of revenue in Q4, or we can see a lower number because according to your guidance we can see a 10% revenue growth in Q4? If you take 5% overall decline in the revenue….

Ajendra Agarwal: 10% you are saying year-on-year basis or what?

Jiten Rushi: Yes.

Ajendra Agarwal: I am not having a clear-cut number in mind, but 10% year-on-year growth is very much achievable. It's not a big issue for us.

Jiten Rushi: So, if you say that if you can achieve 10% growth in Q4 which is like more than 2,200 crores probably then you can get a margin of 14% because with this in Q4.

Ajendra Agarwal: Right.

Jiten Rushi: Obviously, I understand that for the full year we will see suppressed margin because of the Q2 and Q3 numbers. But in FY25 what could be a safe run rate of margin? Even if you achieve a flat number of say 7,700 odd crores, so is it safe to assume that you can easily achieve a margin of 13%-13.5% in FY25?

Ajendra Agarwal: At 13% we should target and again as I mentioned that let's say if we are able to cross 2,000 crores of revenue on quarterly basis, certainly it will be higher than 13%.

Jiten Rushi: So, basically, in Q4 as I said we can achieve more than 2,000 crores with a margin of 14% and while in FY25 we can assume about 13% margin?

Ajendra Agarwal: Yes.

Jiten Rushi: In the tightness of the topline. On the ‘26 number, if at all I can just go one year forward from ‘25. So, if at all you have all the existing order backlogs in execution phase. So, what kind of growth you can assume, or one can expect in FY26 on a base of FY25? Because if you assume a base of FY25 at 7,700 to 8,000 crores in FY25, what can be the run rate for FY26 in terms of growth?

Ajendra Agarwal: I think we can achieve easily up to 20%-25% growth.

Jiten Rushi: One more question from my side. So, you said that I assume that we have received an inflow of more than 2,000 odd crores so far in FY24 and another 4,000 to 5,000 crores of inflows we are expecting in next 1.5 months, right?

Ajendra Agarwal: Yes.

Jiten Rushi: What is the corresponding bid pipeline for this 4,000 to 5,000? Because what I understand is you said 2 lakh crores which is for the next year. But what would be the corresponding bid pipeline in which you are expecting 4,000-5,000 which is only roads, or which can be mixed of roads and other sectors?

Ajendra Agarwal: It's a mix of road. it's transmission, it's even ropeway also. But then when I'm saying it is 2 lakh crores for the next year, I'm saying because the government has claimed again and again that they would be achieving target of their awarding target or their execution target. And in fact, in the month of January itself our Secretary MoRTH has again claimed that he'll be awarding. They are very much Company awarding 10,000 km of the roads in the current financial year. But so far, we haven't seen that anything happening on the ground. But I am hopeful that if this happened probably, I'll be getting more at least 4,000-5,000 crores projects.

Jiten Rushi: This 2 lakh crores is only from roads pipeline?

Ajendra Agarwal: 2 lakh crores is not only from road. So, road I already mentioned 1,80,000 crores is road and 10,00-15,000 crores is basically transmission. As we move forward probably will be diversified into other projects also, maybe multimodal logistic or ropeway or as the government plan is very much in terms of more projects, more ropeway projects. They have already in fact 200 number of ropeway projects amounting Rs. 1.25 lakh crores.

Jiten Rushi: Last question would be on the equity breakup. So, you said 2,100 crores required, 150 crores likely to be invested, 150 crores in Q4. So, what would be the balance breakup in '25-26-27, equity investment?

Ajendra Agarwal: Equity investment would be in the range of 700750 crores an on a yearly basis.

Jiten Rushi: On the last thing, just to harp on the BOT toll segment. So, looking at our balance sheet size, we can go and bid independently. We need not have a joint venture platform, but we can look for a flip model as you said, with IndiGrid you have a flip model for power T&D projects. You can look for a flip model for the BOT toll projects, either through your own InvIT or through other large concessional, is my understanding correct?

Ajendra Agarwal: So, basically idea is certainly will not be, idea would be once that project would be constructed certainly, we'll try to flip. We don't want to hold that project for 20-25-30 years because some BOT projects are even having concession of 30 years. So, certainly, we'll be flipping it to some investor maybe through our InvIT or some other vehicle or to directly some other investor depending on. Because InvIT would be again a listed platform where that InvIT team has to, in fact that IM has to take that approval of the existing investor over there. So, I can't comment right now on what has to be flipped through our InvIT or some other InvIT. But yes, of course idea is to monetize those assets.

Jiten Rushi: My point was, that when you're bidding right now. So, you'll be having some kind of understanding like how for IndiGrid you have understanding that if you're bidding for any power T&D and winning you will transfer the IndiGrid, X number of projects of 5,000 crores. So, anything like that you're working out right now before bidding?

Ajendra Agarwal: Yes, we'll be exploring that option as well because it gives us extra room for bidding more projects. So, certainly, we'll be looking for those opportunities.

Moderator: We have a next question from the line of Vaibhav Shah from JM Financial.

Vaibhav Shah: Can you throw some light on the status of execution for hydro project and tunnel project? Have we started the work in third quarter?

Ajendra Agarwal: So, we have started on those two projects and for tunnel we are fully mobilized, and we are getting good revenue also. We expect to complete that project before time. That is one aspect for tunnel. For hydro projects of course, this is a long duration project and we have already mobilized as per the requirement of the client or as per the requirement of the work to be executed over the period. But yes of course in hydro projects there are one or two more entities which are working over there. And my work would be dependent on the existing companies handing over me that right of way or after completing their project. So, to that extent we are already mobilized over there.

Vaibhav Shah: Can we expect a run rate of around 20% per annum in the project for '25 and '26 in the tunnel, in the hydro project?

Ajendra Agarwal: Hydro, it is too early to say 25% on yearly basis because once I have that entire ROW with me because it is to be handed over to me by previous contractor. So, then only I'll be able to communicate. As of now I don't see unless until probably next six months of time I'll be getting that all, I would say ROW with me. Then only I'll be able to comment on this particular piece.

Vaibhav Shah: So, secondly have you started the work on MMLP or AD is yet to come?

Ajendra Agarwal: So, we have got that financial closure done for the MMLP. And we are in very advanced stage in finding that our operating partner for that MMLP because we are new in terms of operation of those MMLP. And we are looking for an operating partner who is having more than enough expertise in terms of operating those MMLP. And we have already identified, we'll be able to close that partnership in another maybe one month of time. As far as that declaration appointed for the project is concerned, probably what we believe is that land aggregation or land acquisition issue is already going on over there and we'll be able to get that land maybe another one month of time. So, maybe in the last week of March or first week of April, we'll be having that appointed date declared for the project.

Vaibhav Shah: Lastly the equity commitment, you said around 2,100 crores. So, it is for HAM and all other projects, MMLP, T&D everything included?

Ajendra Agarwal: Yes, all BOT projects where we have to put equity.

Vaibhav Shah: And what is the amount of equity that we have put in the first nine months this year?

Ajendra Agarwal: Around 450 crores.

Vaibhav Shah: So, the start of the year the equity required was around 2,550 crores at March '23?

Ajendra Agarwal: This can't because when we are adding more projects during the year, to that extent my equity requirement would be changing for the current year.

Vaibhav Shah: So, incrementally for the current set of projects we have to put around 2,100?

Ajendra Agarwal: Yes.

Moderator: We have a next question from the line of Shravan Shah from Dolat Capital.

Shravan Shah: First is CAPEX in the nine month is how much you said and for full year and for next year given that we are looking at a 5% decline in FY25 how much CAPEX are we looking at?

Ajendra Agarwal: For first nine months, it is around 80 crores. For the current year we are expecting not more than 100 crores for the current year. For next financial year again because we have already started our office building program. We are constructing our office building in Gurgaon only and majority of CAPEX is going into that project only. So, if we are talking about plant and machinery, we may be not adding more than 50 crores of 75 crores on yearly basis. And yes, our office building program which is going on may be completed in next one year time. So, overall CAPEX commitment would be in the range of 125 crores even next year as well.

Shravan Shah: So, on a building we are roughly spending closer to 50 odd crores?

Ajendra Agarwal: Yes.

Shravan Shah: Just coming back to the again on the execution front; I'm just trying to get the number. I know the previous participant has asked the same thing. So, this quarter we have done close to 1,806 crores revenue. Last year fourth quarter we have done 1,995, so 2,000 odd crores. So, on that we are looking at 10% growth. So, close to 2,200 crores revenue in the fourth quarter with closer to a 14% EBITDA margin.

Ajendra Agarwal: Yes.

Shravan Shah: Lastly what's the consol data?

Ajendra Agarwal: Consol debtors?

Shravan Shah: Yes, console debtors.

Ajendra Agarwal: You are asking about December 2023?

Shravan Shah: Yes.

Ajendra Agarwal: 290 crores.

Moderator: We have a next question from the line of Yash Dantewadia from Dante Equity.

Yash Dantewadia: You said something about getting into waterways and basically building EPC, could you elaborate on that?

Ajendra Agarwal: So, we are evaluating other EPC opportunities, maybe in building and construction building, maybe residential, official or industrial building and even waterways also where we find that opportunities exist. And we are evaluating those sectors as well.

Yash Dantewadia: So, what would be the scalability of these projects?

Ajendra Agarwal: Size of these sectors is good. Sorry come again.

Yash Dantewadia: The opportunity size on these two particular sectors, what would be the opportunity size?

Ajendra Agarwal: Probably, what I would say is that maybe in next 3 years of time, if we enter into those space we'll be surpassing our revenue from what we are right now clocking from these highways. So, maybe equivalent opportunities we see in those sectors.

Yash Dantewadia: You said you take 3 months to come out with a plan and finish.

Ajendra Agarwal: So, idea is to evaluate what kind of profitability exists over there and what kind of opportunity. Unless until this business we found that it is sustainable on our own and that's how we are taking time to evaluate those opportunities.

Yash Dantewadia: Also, did you give any guidance for FY26? I'm sorry the line was a little choppy at my end, so I missed it. Did you give any guidance for FY26?

Ajendra Agarwal: FY26 yes depending on…

Yash Dantewadia: You said FY25 is going to be flattish to (-5%) revenue. So, FY26 did you say anything? If not, can you please comment on that?

Ajendra Agarwal: So, FY26, our target revenue for the current next financial year would be 15,000 crores and expecting another 5,000 crores in the current financial year itself, that order book. So, assuming this kind of order book we get into our fold we'll be having 15% to 20%-25% kind of growth for the FY26.

Yash Dantewadia: Top line growth, right?

Ajendra Agarwal: Right.

Yash Dantewadia: And also, by when can we expect any sort of a conclusion on your evaluation on the EPC of waterways and building construction? Because we both know that real estate and that part of the EPC business is doing extremely well. So, I'm sure the markets would love to know, by when can we expect some sort of conclusion to your evaluation on this front? When can we hear from you regarding this?

Ajendra Agarwal: I already mentioned next 3 to 4 months of time.

Yash Dantewadia: So, next con-call would be a great time to get back to you with this?

Ajendra Agarwal: Right.

Moderator: Thank you. Ladies and gentlemen, we'll take that as the last question for today. I would now like to hand the conference over to the management for closing comments. Over to you sir.

Ajendra Agarwal: Thank you all the participants who has been in support of us and has been supporting to us in our growth journey and thanks for your patience for hearing us. Thank you.

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