



# PNC Infratech Limited

An ISO 9001 : 2015 Certified Company

Ref No: PNC/SE/117/23-24

Date: 12.02.2024

To,  
The Manager  
The Department of Corporate Services  
BSE Limited  
Floor 25, P.J. Towers,  
Dalal Street, Mumbai-400 001  
Scrip code:539150

To,  
The Manager  
The Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai-400 051  
NSE Symbol: PNCINFRA

**Sub- Transcript of Q3 & 9M FY24 Earnings Conference Call on Financial Results for the quarter & nine months ended December 31, 2023.**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith the transcript of an earnings conference call on Financial Results for the quarter & nine months ended December 31, 2023 held on Tuesday, 06th February, 2024.

You are requested to take this information on your record.

Thanking you,

**For PNC Infratech Limited**

**Tapan Jain**  
**Company Secretary & Compliance Officer**  
**ICSI M. No.: A22603**

Encl: a/a



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“PNC Infratech Limited  
Q3 FY’24 Results Conference Call”

February 06, 2024

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 6<sup>th</sup> February 2024 will prevail.



**MANAGEMENT:** **MR. YOGESH JAIN – MANAGING DIRECTOR – PNC  
INFRATECH LIMITED**  
**MR. T.R. RAO - DIRECTOR, INFRA – PNC INFRATECH  
LIMITED**  
**MR. D.K. AGARWAL - CHIEF FINANCIAL OFFICER –  
PNC INFRATECH LIMITED**  
**MR. D. K. MAHESHWARI – VICE PRESIDENT, FINANCE  
– PNC INFRATECH LIMITED**

**MODERATOR:** **MR. SHRAVAN SHAH – DOLAT CAPITAL**

**Moderator:** Ladies and gentlemen, good day, and welcome to the PNC Infratech Limited Q3 FY'24 Results Conference Call hosted by Dolat Capital.

This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Shravan Shah. Thank you, and over to you, sir.

**Shravan Shah:** Thank you, Sagar. Good afternoon, everyone. On behalf of Dolat Capital, I am pleased to welcome you all on the PNC Infratech Limited 3rd Quarter FY'24 Earnings Conference Call. We have with us Managing Director of the company, Mr. Yogesh Jain, along with senior management team. We will begin with the opening remarks from the management followed by interactive Q&A session.

Thank you, and over to you, sir.

**Yogesh Jain:** Good evening, everyone. On behalf of PNC Infratech Limited, I extend a very warm welcome to everyone for joining us today on this call.

I have with me Mr. T. R. Rao, Director (Infra), Mr. D. K. Agarwal, Chief Financial Officer, Mr. D. K. Maheshwari, Vice President (Finance) and Strategic Growth Advisors - our Investor Relations Advisors.

We have uploaded the financial results and Investor Presentation on the Stock Exchanges and Company's website for your reference.

Initially, I would like to mention key updates of the industry, followed by operational developments of the Company and highlights of financial performance during the 3rd quarter and 9 months of Financial Year 24, post which we will be happy to answer your questions.

- ✓ In the interim budget for the financial year 25, the Government continued its focus on the development of infrastructure across the sectors, with a total capital outlay of Rs. 11.0 lakh crores, which is 11.1% higher than the outlay for the Financial Year 24.
- ✓ Project awarding activity in the roads and highways sector continued to be sluggish in the third quarter of the current financial year also.
- ✓ During the current financial year, so far the overall length of new contracts awarded till November 2023 was 2,815 kms only, out of the target of 13,000 kms set forth for the financial year 24.
- ✓ Though, it is expected that MoRTH & NHAI will hasten the awarding process from the middle of this month onwards, it needs to be seen to what extent the awarding target set for the current financial year will be met before the year end or before the code of conduct for general elections comes in to force.

- ✓ However, the awarding activity during the next financial year, i.e., during FY 25 is expected to be swift with a large number of new projects.
- ✓ On the execution front, there is a 10% increase in national highway construction with 5,248 kms completed till November 2023, compared to 4,766 kms completed during the corresponding period of the last financial year.
- ✓ There has been significant growth in the toll revenues from national highways, increasing from Rs. 17,759 crore in financial year 16 to Rs. 48,028 crore in financial year 23.
- ✓ With fast increasing national highway and expressway network in the country and wide-spread up-gradation projects being undertaken, the government aims for Rs. 1,30,000 crore toll revenues by 2030, with an ambitious annual compounded growth rate of 15%.

**Now coming to the updates on the company:**

- ✓ I am delighted to announce a significant milestone for our company.
- ✓ In line with our multifaceted strategic vision, which prioritizes value creation and the efficient utilization of operating assets for both reinvestment and shareholder value enhancement, we have successfully executed definite agreement with Highways Infrastructure Trust, which is an Infrastructure Investment Trust predominantly sponsored by KKR & Co. Inc. USA.
- ✓ This deal solidifies our commitment to unlocking our investment and maximizing value for our esteemed shareholders.
- ✓ This strategic move aligns with our ongoing efforts to fortify our position and contribute to sustainable growth.
- ✓ Under the proposed transaction, the company agreed to divest 12 of its road assets, comprising 11 National Highway HAM assets and 1 State Highway BOT Toll asset of approximately 3,800 total lane kms, located in the states of Uttar Pradesh, Madhya Pradesh, Karnataka and Rajasthan..
- ✓ The Enterprise Value of the transaction is Rs. 9,006 crore together with the earn outs translating to an equity value of Rs. 2,902 crores including cash on the invested equity of Rs. 1,740 crores.
- ✓ The transaction is subject to meeting certain regulatory and contractual conditions including obtaining necessary approvals from the respective concession authorities and lenders.
- ✓ This transaction would help the company to further strengthen its balance sheet and would give a large headroom to continue pursuing the company's growth plans.
- ✓ During the quarter ending 31<sup>st</sup> December 2023, the company received provisional completion certificate for 2 HAM projects of NHAI located in the state of Uttar Pradesh
- ✓ The company has achieved the financial closures for all 4 HAM projects that were awarded during the financial year 23 which is
  - Prayagraj Kaushambi Highway Package 3 and
  - Packages 2, 3 and 4 of Varanasi - Ranchi - Kolkata Greenfield Highway
- ✓ Company received LOA for construction of Western Bhopal Bypass HAM Project from MPRDC during the 3<sup>rd</sup> quarter for Bid Project Cost of Rs. 1174 crores.
- ✓ Company's strong balance sheet and financial prudence resulting credit rating upgrades which enables us to secure debt at competitive rates.

**Moving on to the operational and financial performance of the company.**

- ✓ Out of the company's 28 fund-based projects, 3 are BOT-Toll projects, 2 are BOT Annuity Projects and 23 are HAM projects.
- ✓ Aggregate Bid Project Cost of the 23 HAM projects is around Rs. 30,000 crores, which is one of the largest highway HAM project portfolios in the country.
- ✓ Out of a total 23 HAM projects,
  - The company has achieved PCOD/COD for nine projects,
  - Nine projects are under construction,
  - Four projects achieved financial closure
  - For one project, the company has received the letter of award in January 2024.
- ✓ Regarding equity investment, the cumulative requirement for the HAM projects which are under construction amounts to approximately Rs. 3,000 crore.
- ✓ As of December 2023, the company already infused Rs. 1,881 crores and the remaining equity of Rs.1,062 crores is to be invested over the next 2 to 3 years.
- ✓ The internal accruals that would be generated over the next two to three years should be adequate to meet the above equity investment requirements.

**Now moving on to our order book**

- ✓ As of 31<sup>st</sup> December 2023, the company's unexecuted order book stands over Rs. 17,380 crores which include EPC value of about Rs. 5,580 crores of the five new HAM projects secured towards the end of last financial year and recently in current financial year.
- ✓ Out of the unexecuted order book, highway and expressway contracts contribute around 75%, while water projects contribute around 25%.
- ✓ The company has achieved notable progress in Rural Drinking Water Projects under the Jal Jeevan Mission (JJM) during the first three quarters of the current financial year.
- ✓ Till 31<sup>st</sup> December 2023, the company has booked a total revenue of Rs. 2383 crores in the drinking water segment, while during the 3<sup>rd</sup> quarter booked a revenue of Rs. 533 crores.

**Now I would present the results for the quarter ended December 31, 2023 and 9 months of FY24.**

Before discussing financial performance, I would like to share that during 1<sup>st</sup> Quarter of FY23, the company received an early completion bonus of Rs. 37.02 crore, which was included in the revenue for the 9 months of FY 23.

We have moderated the same in key financials for the 9 months of FY23 to make the financial performance of 9 months of FY24 objectively comparable with the corresponding periods.

I would also like to highlight that 9 months of FY23 includes Revenue of Rs. 251 crores from Eastern Peripheral Expressway project which is not adjusted from 9 months FY23 financials.

**Standalone Quarterly Results:**

Revenue for the 3<sup>rd</sup> quarter of FY24 is Rs. 1,803 crore which is higher by 11% as compared to Rs. 1,627 crores in the 3<sup>rd</sup> quarter of FY23.

The EBITDA for the 3<sup>rd</sup> quarter is Rs. 239 crores which is higher by 15% as compared to Rs. 208 crores in the 3<sup>rd</sup> quarter of FY23. The EBITDA margin for the 3<sup>rd</sup> quarter of FY24 is 13.28%.

The profit for the 3rd quarter of FY24 is Rs. 151 crores as compared to Rs. 129 crores in the 3rd quarter of FY23, a growth of 17% on a YOY basis. The PAT margin for the 3rd quarter of FY24 is 8.4%.

**Standalone 9 months' Results:**

The standalone revenue for 9 months of FY24 is Rs. 5,357 crores which is higher by 9% as compared to Rs. 4,909 crores in 9 months of FY23.

The standalone EBITDA of 9 months of FY24 is Rs. 712 crores which is higher by 12% as compared to Rs. 636 crores in 9 months of FY24.

The standalone profit for the 9 months of FY24 is Rs. 447 crores as compared to Rs. 390 crores in the 9 months of FY23, with a growth of 15%. The PAT margin for the 9 months of FY24 is 8.4%

**Consolidated Quarterly Results:**

Consolidated revenue of 3rd quarter of FY24 is Rs. 2,047 crores as compared to Rs. 1,803 crores in 3rd quarter of FY23, a growth of 13%.

The consolidated EBITDA for the 3rd quarter of FY24 is Rs. 432 crores as compared to Rs. 345 crores in the 3<sup>rd</sup> quarter of FY23, a growth of 25%. The EBITDA margin for 3<sup>rd</sup> quarter of FY24 is 21.1%.

The consolidated PAT for 3<sup>rd</sup> quarter of FY24 is Rs. 185 crores as compared to Rs. 140 crores in 3rd quarter of FY23, a growth of 32%. The PAT margin for the 3rd quarter of FY24 is 9.0%.

**Consolidated 9 months Results:**

The consolidated revenue for 9 months of FY24 is Rs. 6,050 crores which is higher by 8% as compared to Rs. 5,614 crores in 9 months of FY23.

The consolidated EBITDA for the 9 months of FY24 is Rs. 1,268 crores as compared to Rs. 1,152 crores in 9 months of FY23, a growth of 10%. The EBITDA margin for 9 months of FY24 is 21.0%.

The consolidated profit for 9 months of FY24 is Rs. 514 crores as compared to Rs. 475 crores in 9 months of FY23. The PAT margin for the 9 months of FY24 is 8.5%.

**ON THE STANDALONE BALANCE SHEET SIDE,**

As on 31st December 2023, our net working capital cycle is 73 days as compared to 87 days as on 31st March 2023.

Our net worth on standalone basis is Rs. 4,378 crores as on 31st December 2023, whereas total standalone debt is Rs. 280 crore.

The total cash and bank balance as on 31st December 2023 is Rs. 315 crores. We have a net surplus of Rs. 35 crore. This translates to net debt to equity of 0.09 times.

**On Consolidated Basis**, our net worth is Rs. 4,798 crores whereas total debt is Rs. 7,652 crores as on 31st December 2023. The total cash & bank balance including current investments is Rs. 1,118 crores. This translates to net debt to equity of 1.57 times.

With this, we now open the floor for question-answers. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Mohit Kumar from ICICI Securities. Please go ahead.

**Mohit Kumar:** Congratulations for signing the definitive agreement with the KKR. Sir, first question is, how are you going to utilize the cash flow from the proceeds? And what is the timeline in which you think you can complete the deal?

**D.K. Maheshwari:** Actually, we have informed that we have signed a share purchase agreement for 12 assets. There are 2 phase: Phase 1 and Phase 2. In Phase 1, there are 7 assets: 6 HAM and 1 BOT toll. And the second phase, there are 5 assets. In Phase 1, timeline is August '24, where the enterprise value Rs.5,015 crores, and remaining phase 2 is by December '24, where the enterprise value, Rs.3,990 crores.

Equity value of breakup is -- phase 1, it's Rs.1,790 crores as against our infusion of Rs.1,000 crores. And phase 2 is Rs.1,113 crores as against the our infusion Rs.740 crores.

**Mohit Kumar:** What is the utilization of this cash flow, sir?

**D.K. Maheshwari:** Majorly in the HAM projects for future...

**Mohit Kumar:** Understood, sir. My second question is, how do you think about the order inflow outlook given that we are already in February? And it seems -- of course, the pipeline seems to be decent at NHAI. But do you think that the -- in your opinion, that we can have a decent -- a substantial order flow in the remaining months?

And the next question is that, do you intend to bid for the toll roads?

**T.R. Rao:** See, as you all know, the awarding activity, as our MD just now said, has been very sluggish during the 9 months of the current financial year. Even in the month of January also, awarding activity was very, very low. Though the government set a target of 13,000 kilometers, they could not even award even 3,000 kilometers, which is just less than 25%. So the whole industry has the same issue, challenge in getting the new projects.

Nevertheless, as of now, there are 200 project opportunities have been floated by both the NHAI as well as MoRTH and the state government. Here, around 100 EPC opportunities are there for --Rs.70,000 crores and then another 100 HAM opportunities for Rs.90,000 crores and 11 DBFOT toll opportunities for Rs.30,000 crores.

We are evaluating all these opportunities. We expect from the 15th of this month till the end of current financial year or otherwise before Model Code of Conduct kicks in, so the awarding activity would be there. So we are hoping to get some decent order book this year also to the extent of cumulatively around Rs.8,000 crores. That's what we are expecting.

With regard to toll projects, and the final model concession agreement or draft concession agreement, we are very carefully evaluating these toll assets because there is a traffic risk is involved, and also, there is a huge investment is involved. We are not so aggressive. We will not

be so aggressive in the toll assets. However, we will be carefully evaluating, and based on our detailed traffic studies and financial viability studies and the bankability studies, we will take a call whether to bid or not. If at all if we want to bid, we'll see which is the best project. Accordingly, we'll take a call.

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

**Parikshit Kandpal:** Yogeshji, congratulations on the deal, sir. My question was that with Rs.1,740 crores of equity investments, so how much is the pending equity investment in this?

**D.K. Maheshwari:** Out of this Rs.1,700 crores, sir?

**Parikshit Kandpal:** Yes, out of the 12 assets, 11 HAM and 1 toll, can you tell, so out of this Rs.1,740 crores investments which you have to make, how much is still pending to be invested?

**D.K. Maheshwari:** It's around Rs.238 crores, sir.

**Parikshit Kandpal:** About Rs.238 crores is yet to be invested on lock box date.

**D.K. Maheshwari:** Yes.

**Parikshit Kandpal:** But Rs.2,902 crores, will it increase or will it be the same only, even after this investment of Rs.238 crores? So this Rs.2,902 crores of equity valuation, will it increase because we have yet to invest Rs.238 crores in this on lock box date.

**D.K. Maheshwari:** No, we have compared entire equity to be infused or to reinfuse, so this including the Rs.2,903 crores, sir.

**Parikshit Kandpal:** Okay. So you have to still infuse cash of Rs.238 crores, so you will receive Rs.2,902 crores, so your net proceeds will be Rs.2,902 crores minus Rs.238 crores, right?

**D.K. Maheshwari:** Right, right, right.

**Parikshit Kandpal:** Okay. And just one thing -- one more thing, sir. In this Rs.2,902 crores, what will be the total cash? When -- the cut-off date which you have taken for this Rs.2,902 crores, sir, what is already the cash which is lying on these assets, 12 assets?

**D.K. Maheshwari:** In Rs.2,903 crores, cash and bank is Rs.375 crores, sir.

**Parikshit Kandpal:** Rs.375 crores, right?

**D.K. Maheshwari:** Yes.

**Parikshit Kandpal:** Sir, do use this cash for -- I mean is it unencumbered cash or again DSRA and MMR? Or can it be used for funding this Rs.238 crores of equity?

**D.K. Maheshwari:** This includes everything. This includes the DSRA, MMR and free cash.



- Parikshit Kandpal:** So you cannot use it for investing Rs.238 crores of equity? So Rs.238 crores, you have to bring in separately, right?
- D.K. Maheshwari:** Yes, since it is to be infused from Sponsor not from SPV cash flow.
- Parikshit Kandpal:** Okay. Got it, sir. Just on the last question, sir, any update on -- beyond the NHAI pipeline, which you are evaluating, I mean, whatever NHAI awards this year for us for the financial year, what are the other segments where you see -- if you can give us some color on the bid pipeline in water, railways, other segments which we are targeting metro and all beyond the existing NHAI awards?
- T.R. Rao:** See, beyond the NHAI and beyond the highway sector, the water sector, we are already doing projects, drinking water sector. If the similar kind of project opportunities are coming in the other states are drinking water, that we are looking at those opportunities also. And apart from the highway projects that are being floated by NHAI, MSRDC, state government is also coming out with certain highway projects. So we are looking at that opportunity also, evaluating the opportunity.
- And water sector, what has happened, the 3 states, which were also floating tenders like Chhattisgarh, Madhya Pradesh and Rajasthan because there was a pause because of the elections held there. Now since new governments are formed in all three states, we are looking forward to having some kind of bidding opportunities in water sector in these three states. So once the bids are floated, we'll evaluate the opportunities.
- Parikshit Kandpal:** Okay. And just, sir, so yesterday, the UP budget was announced. Sir, any major projects you're expecting out of that budget on the infrastructure side?
- D.K. Maheshwari:** Come again, which state?
- Parikshit Kandpal:** Yesterday, the UP government announced the financial budget for the year, I think, yesterday or day before yesterday. So any major projects do you expect from the state side beyond the Ganga Expressway, any more projects to come in the next financial year?
- T.R. Rao:** See, UPEIDA is what we heard that UPEIDA has commissioned certain studies for the DPR that the full details are not available. But we will see that if some projects are coming up from within the UP, including any opportunities of the state highways, we'll look into it.
- Parikshit Kandpal:** And anything on the metro projects in UP? Any metro projects you are targeting in, obviously, Kanpur or any other city, anything coming up?
- Yogesh Jain:** Yes, some metro projects are coming.
- T.R. Rao:** Yes, yes, coming. Expansion of Kanpur network and...
- Yogesh Jain:** Gorakhpur, Varanasi.

**T.R. Rao:** Varanasi and also in Agra also in further expansion of the -- extension of the metro lines which are already there, alignment. So we look at those opportunities also.

**Moderator:** The next question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

**Shravan Shah:** Congratulations on the monetization deal. Sir, a couple of questions. So first, in terms of the -- coming to the guidance front. So 9 months, we have done an 8.3% revenue growth. So what's the guidance for the full year? And for FY'25, what kind of a revenue growth we are looking at?

**T.R. Rao:** This year, see, we are looking at 10% for the full year because there was some active and prolonged monsoon during the second quarter and also some other thing. So we have achieved 8.33% as of 9 months. So we are expecting around 10% revenue growth for the current financial year or the previous financial year. And also next year also, we are expecting the similar kind of a growth, 10% over the current financial year.

**Shravan Shah:** Okay. And the EBITDA margin will remain the same, 13% to 13.5%?

**T.R. Rao:** Yes, yes. EBITDA margin will sustain the same thing.

**Shravan Shah:** Yes. And in terms of the order inflow, sir, when we say that we are looking at another Rs.8,000-odd crores to be received, so -- by March. So in this, how much are we looking at NHAI, HAM and any other segment that we are looking at?

**T.R. Rao:** Primarily, this will be HAM projects of NHAI and also the EPC projects of highway sector only as of now. We are looking at cumulative of Rs.8,000 crores. Out of that, we already got Rs.1,174 crores. So another Rs.7,000 crores new order book we are expecting before 31st. It will be roughly, say, 50% HAM and 50% EPC.

**Shravan Shah:** So sir, let's say, this is relatively less versus what we initially have thought. So let's say, in the next year, even if, let's say, we don't get these Rs.7,000 crores also, maybe Rs.2,000 crores, Rs.3,000 crores less, from next year, how much we can -- so if we get the Rs.8,000 crores, how much number are we looking at in terms of the order inflow for next year?

**T.R. Rao:** Yes. As our Managing Director has mentioned, definitely next year, the awarding activity will be very active because the projects which NHAI could not be bid out during this year and also the NHAI's allocation and overall capital outlay is very high, Rs.11 lakh crores. So we are looking at a very major bidding opportunities in highway sector and also other sectors where this thing. So next year, we are expecting an order inflow of not less than Rs.12,000 crores.

**Shravan Shah:** Okay. Got it. So broadly speaking, so in terms of the -- till March, how much value -- you mentioned the opportunity definitely, but how much value of projects have been already bid and where the outcome is yet to come? And second, how much more are we planning to bid by March?

**T.R. Rao:** See, already, we had submitted 17 bids, comprising 6 HAM projects as well as 11 EPC projects for a total aggregate value of Rs.14,000 crores. These bids we have submitted, and we are waiting for the opening of the price bids. So we expect some orders from this Rs.14,000 crores.

Apart from that, NHAI, MoRTH and also MSRDC floated bids for nearly 200 projects and with a total estimated cost of Rs.1.9 lakh crores. So we are evaluating these opportunities. So definitely, going forward, right from maybe around the second week of February till the end of March, so we'll be bidding this thing. So we expect the order book from these thing also -- these projects also. So as I said, at least Rs.7,000 crores of new orders we are expecting before 31st March.

**Shravan Shah:** Okay. Okay. And for this, the 3 HAM projects, so 1 we have got the appointed date of FY '23. So remaining 3, when we expect the appointed date? And the recent MPRDC, when the appointed date are expected?

**T.R. Rao:** For the one project, we got the appointed date with effect from 1st of February. That Prayagraj Kaushambi MoRTH project. Other 3 projects also, the land acquisition process is in progress, and also, disbursements are being made to the landowners. So we are expecting at least 2 projects before the end of the current financial year.

And in case of MPRDC project, it's a state government acquisition, it's a greenfield. It is not under NHAI, but still land control, everything is under the control of state administration and district administration. There, the progress is good. So that also, we expect second quarter of the -- and before the second quarter, we expect the appointed date for that also. So we don't expect any delay in the declaration of appointed date for MPRDC project because being a state project.

**Shravan Shah:** And the remaining 1 or so 2 NHAI, I think, said by March, and the 1 will be in Q1 FY '25?

**T.R. Rao:** Yes, yes, yes. Early Q1 FY '25.

**Shravan Shah:** And sir, in terms of the equity, what you mentioned that Rs.1,062 crores to be invested. So in Q4, how much in FY '25, '26 and '27? And does this include the MPRDC project equity also?

**D.K. Maheshwari:** This MPRDC's equity, we have not considered in Rs.1,062 crores. The total requirement in January, February, March is Rs.118 crores and FY '25 around Rs.450 crores and FY '26, Rs.360 crores and remaining in the FY '27.

**Shravan Shah:** Okay. Got it. Sir, a couple of project-wise order book, if you can help us. I will name the project, and if you can help me the outstanding order book as on December. So, Chakeri-Allahabad?

**D.K. Maheshwari:** It is only Rs.22 crores, sir.

**Shravan Shah:** Okay. Challakere-Hariyur?

**D.K. Maheshwari:** Rs.110 crores.

**Shravan Shah:** Rs.110 crores, okay. And Jagdishpur-Faizabad?

**D.K. Maheshwari:** Only Rs.10 crores. So negligible, Rs.10 crores only. Almost complete..

**Shravan Shah:** Aligarh-Kanpur Package 5?

**D.K. Maheshwari:** Rs.350 crores, sir.

**Shravan Shah:** Rs.350 crores? Sir, it was...

**D.K. Maheshwari:** Only Rs.50 crores.

**Shravan Shah:** Okay, Rs.50 crores. Unnao-Lalganj?

**D.K. Maheshwari:** Unnao-Lalganj is only Rs.80 crores, sir.

**Shravan Shah:** Rs.80 crores. Meerut-Nazibabad?

**D.K. Maheshwari:** Meerut-Nazibabad is Rs.42 crores, sir.

**Shravan Shah:** Rs.42 crores. Okay. And Delhi-Vadodara Package 31, sir?

**D.K. Maheshwari:** Almost completed, hardly Rs.20 crores, Rs.25 crores.

**Shravan Shah:** Okay. And the irrigation project is how much?

**D.K. Maheshwari:** It is still Rs.950 crores.

**Shravan Shah:** And Gaju Village-Devinagar Bypass Package 1C?

**D.K. Maheshwari:** 1C, Rs.330 crores.

**Shravan Shah:** Rs.330 crores. And Haryana Orbit rail project?

**D.K. Maheshwari:** It is Rs.770 crores.

**Shravan Shah:** Rs.770 crores

**Shravan Shah:** Okay. And on the balance sheet front, sir, if you can help us with the inventory debtor and payable absolute value as on December?

**D.K. Maheshwari:** The debtor is Rs.1,810 crores.

**Shravan Shah:** Okay. Inventories?

**D.K. Maheshwari:** Rs.830 crores, sir.

**Shravan Shah:** And the payable is, sir?

**D.K. Maheshwari:** Payable is around Rs.750 crores.

- Shravan Shah:** Rs.750 crores?
- D.K. Maheshwari:** Yes.
- Shravan Shah:** Okay. And mobilization advance, retention money and HAM debtors, water debtors, if it is available?
- D.K. Maheshwari:** Mobilization advance is Rs.630 crores. Retention is Rs.130 crores.
- Shravan Shah:** Okay. HAM debtor and water debtors?
- D.K. Maheshwari:** Water debtor was Rs.730 crores. Out of that, around Rs.220 crores, we realized in the month of January. And the HAM debtor is Rs.750 crores.
- Moderator:** The next question is from the line of Vishal Periwal from IDBI Capital.
- Vishal Periwal:** Sir, just wanted to check like a couple of data points that we provide every quarter, you are also open to sharing. So is it possible to keep this in PPT?
- T.R. Rao::** Okay. We will look into. So we'll try to include these things in the PPT from next quarter onwards so that it is available to all the interested parties.
- Vishal Periwal:** Yes, sure, sir. And then on our -- the deal that we have signed, what do you see a tax implication on this particular thing, the amount of Rs.2,900-odd crores. Eventually, how much we will get after the taxes?
- D.K. Maheshwari:** Actually, we'll have to recalculate, sir. As on date, we can't say because no net current asset valuation will done at the time of the closing.
- Vishal Periwal:** Got it. Got it. And sir, in terms of phasing that you mentioned, the early phase, May Phase 1 and a couple of assets and then secondly, a couple of assets are there. So is it like the deal is like independent to the phases or probably like both the deals will happen? How exactly it is structured?
- D.K. Maheshwari:** Actually, at the time of the initial talking with them and by signing of the nonbinding offer, the projects which were -- we have received the PCOD and COD, we have considered in Phase 1, and projects which were under construction, we have completed in the Phase 2. That was only reason.
- In case Phase 2 project if we complete the project early then it can continue in the Phase 1 also. There is no restriction on that also.
- Vishal Periwal:** Okay. Okay. Okay. So basically, they are independent, but...
- D.K. Maheshwari:** Yes. Independent completely, we have -- especially we have done because at that point of time, they were under construction. Then the Phase 2 out of 5 projects, we have already received the PCOD as on date. So we can consider out of 5, 3 projects in the Phase 1 also. So all the

opportunity are with us. There are no restriction if we have to do 7, 9, if there is 12 even then we complete 12.

**T.R. Rao:** We have built in the flexibility in the security purchase agreement. There is an interchangeability is possible, either it can be in 2 tranches or 1 tranche. And the 7 plus 5 also could change, like 8 plus 4 or 9 plus 3 kind of a thing. So that is there.

**Vishal Periwal:** Okay. And then when this agreement is signed, in this signing fee is also involved or what, initially whether the other party provides you?

**T.R. Rao:** No, there is no signing fee as such. We signed it on 15th of January. There is no signing fee.

**Vishal Periwal:** Okay. Okay. No, I think -- the reason I'm asking everything is like can a party sign just a Phase 1 and can they like not get into Phase 2 with you later on?

**D.K. Maheshwari:** We have signed simultaneously all the 12 assets. SPA, we have signed single.

**Vishal Periwal:** Okay. Okay. Got it. And last thing -- yes, sorry, sir.

**T.R. Rao:** Both parties are interested to sell and purchase all the 12 assets.

**Vishal Periwal:** Okay. Okay. And then last thing from me is on the awards. I think there were comments from secretary of MoRTH that there will be a new MCA, model concession agreement, will be there and then like they are doing some changes. So I think though, and like as an industry participant, everyone is quite hopeful like next 2 months, there will be awards -- but is it like in terms of steps, if one has to see there will be a new MCA and then the awarding will happen? Or how exactly you are seeing things, sir?

**T.R. Rao:** Yes. See, now they have floated about 11 tenders. Out of 11 tenders, they issued a draft concession agreement for the 3 tenders and based on the old format. So they have not revised. We expect revised MCA will be issued maybe in a couple of weeks. The award will be based on the new concession agreement -- revised concession agreement only. So the revised concession agreement, they have not issued so far.

**Vishal Periwal:** Okay. Sir. And sir, the tender announced, the 11 that you have mentioned, when this came out?

**T.R. Rao:** This came out during the month of January and some towards the end of December. But though they have issued the RFP and NIT, the schedules they issued only in the month of January. And very recently, they issued the schedule as well as draft concession agreement for Guwahati, that is in the -- towards the end of January.

**Vishal Periwal:** Okay. So -- I mean, basically, everything is recent. So they are still going ahead with the old agreement, and then MCA will further come, and then further, you need to reevaluate everything and then the bidding will happen or how exactly it will happen?

- Yogesh Jain:** All the bid will be with the new MCA.
- Vishal Periwal:** Okay. Okay. And this new MCA is for both, is it, sir, HAM and BOT? Or it's only for one?
- Yogesh Jain:** No, no. it's for BOT only.
- T.R. Rao:** It's for only BOT.
- Moderator:** The next question is from the line of Jiten Rushi from Axis Capital.
- Jiten Rushi:** Congratulations on the deal with Highways Infrastructure Trust. Sir, my first question is on the Vivad se Vishwas scheme. So we had received approvals from a NHAI of more than Rs.750 crores. So when do we expect the claims to be -- the proceeds from the claims?
- T.R. Rao:** Yes. This NHAI's offers we received in the month of December, and then we accepted those offers. And post that, there will be a procedure to be followed. The applications what we filed to execute these awards, execution applications as well as the applications filed by NHAI challenging the award under Section 34, these petitions have to be withdrawn.
- So we have already withdrawn in 2 matters, execution petition. NHAI withdrawn the Section 34 application in 1 matter. Post withdrawal of the applications, the settlement agreement has to be signed. Within 30 days from the date of settlement agreement, NHAI has to pay the amount to the parties. This is the procedure.
- We expect out of 3 -- so far, we accept for 3 projects, 3 awards. So we expect at least 1 or 2 cases should be settled before the end of this financial year. We receive the proceeds.
- Jiten Rushi:** Sir, this would be, in value terms, how much?
- T.R. Rao:** See, total Rs.766 crores, the offers what we had accepted. So at least if you combine 2 -- maybe 2 out of 3, maybe something around Rs.300 crores could be this year, and the remaining would be next year.
- Jiten Rushi:** Q1 -- in Q1 FY '25, you can expect the balance.
- T.R. Rao:** Maybe. Yes, you can say it's something like 50-50 kind of a thing.
- Jiten Rushi:** Sir, because we have received one more claim recently of Rs.42 crores, that is a different claim?
- T.R. Rao:** Yes, yes, that's because it's not under Vivad se Vishwas. It's a regular kind of a thing. Section 34 application was dismissed and, accordingly, the amount be deposited by the respondent with the court. Court has released them Rs.42 crores. That is a state government project, Haryana State Roads and Bridges Development Corporation. We receive the amount.
- Jiten Rushi:** Okay. And sir, coming back to the deal with Highways Infrastructure Trust. So as you said there is a balance equity requirement, so sir, you'll invest on the balance equity requirement before the

long shot date of August -- December '24 for the remaining HAM projects. Is my understanding correct, sir?

**D.K. Maheshwari:** Actually, at the same time of the lock box date, total equity were required, but as on date on 31 December, only Rs.90 crores is outstanding for all these projects. But as on 31st March 2023, where it's by the lock box date, it was outstanding Rs.238 crores. We already invested during this year.

**Jiten Rushi:** So now do you just invest Rs.90 crores balance?

**D.K. Maheshwari:** Rs.90 crores as on 31 December in all these projects before closure of the deal.

**Jiten Rushi:** Closure of the deal, okay. Sir, this is included in this equity requirement of Rs.1,062 crores, right, sir?

**D.K. Maheshwari:** Yes, yes.

**Jiten Rushi:** And sir, so by August '24 and December '24, respectively, if you take 2 -- separately, the 2 phase, we have to just finally conclude the deal and the proceeds will follow after the long shot date that is after August '24 and December '24. Is my understanding correct?

**D.K. Maheshwari:** Right, right.

**Jiten Rushi:** So we can expect the first proceed or first Phase 1 by Q3 and the second one by Q4, if at all, we follow the same structure?

**D.K. Maheshwari:** Yes, yes, yes.

**Jiten Rushi:** Okay. And sir, one more thing, so -- sorry, another thing that, sir, the deal which we have entered. So what will be the outstanding debt as on date?

**D.K. Maheshwari:** Actually, we have calculated in the other manner, what was outstanding, what we have to take because there are certain projects which are under construction, where we have to include the work and we have to take the disbursement. So comply all these things, it was Rs.6,479 crores, sir.

**Jiten Rushi:** But by the time of the day, that can come down because we must have repaid for...

**D.K. Maheshwari:** Yes, yes, it can come down because certain repayment has already been started on all the projects which are under operation.

**Jiten Rushi:** So then there could be some change in the valuation, right, sir? Okay. Okay. Sir, final thing from my side. Can you give me the toll collection data for the operational toll projects?

**D.K. Maheshwari:** Yes. In the Kanpur Highway, it is Rs.24 crores in third quarter. Bareilly-Almora is Rs.17 crores. And Raebareli-Jaunpur is Rs.32 crores. That is annuity amount.



- Jiten Rushi:** Yes. Annuity project, sir. And what was the other one, the Narela?
- D.K. Maheshwari:** Narela, it is Rs.13.6 crores.
- Jiten Rushi:** Rs.13.6 crores, yes. Okay. And sir, on the irrigation project, canal project, so the revenue is not moving, but you said that there could be some movement in Q4. So are we going to -- because now the government -- are we going to hand over -- are we looking to hand over the project or we are going to still persist to complete the project? So what is the thought behind it? Because it's been lagging for quite some time now.
- T.R. Rao:** Which one, sir?
- Jiten Rushi:** Sir, the irrigation project of Rs.950 crores, which has been in the order backlog.
- T.R. Rao:** See, as of now, we are not executing. Of course, there is a water in the canal system also. We are vigorously pursuing with the government for realization of whatever the billed amount. And also then we see because now next 2 months, there will be elections because state government - - state assembly elections are coupled with the general elections. So we'll take a strategic decision with advisory assembly.
- Jiten Rushi:** So we are taking -- okay. And sir, the final question from my side on the JJM projects. So the outstanding also, what is the targeted revenue for FY '24, '25, '26?
- T.R. Rao:** Jal Jeevan, we have already achieved Rs.1,350 crores of revenue in the current financial year till 31st December. And subsequently, also we executed more than Rs.400 crores as of date.
- So we are expecting Rs.2,000 crores plus revenue in the current financial year and Rs.3,000-plus crores at a cumulative rate at the end of the current financial year. And next financial year, we are expecting a revenue of Rs.3,000 crores. And the remaining anything will be there, that will be for a commissioning, and other things, they hold 10%, that will be realized during the FY '26.
- Jiten Rushi:** So basically, you have done Rs.1,351 crores in 9 months, and you're targeting almost Rs.2,000 crores plus in FY '24, right, sir. That's it from my side. Congratulations and all the best.
- Moderator:** The next question is from the line of Vasudev from Nuvama.
- Vasudev:** Congratulations for the monetization. So most of my questions are answered. I just needed one data point on CapEx. So what is the CapEx that we did in Q3? And how much are we planning for Q4 then?
- D.K. Maheshwari:** Actually, we have -- earlier, we have estimated around Rs.100 crores to Rs.120 crores in the FY '24. But till December, capex was Rs.35 crores. Now we are changing. It should be not more than Rs.50 crores to Rs.60 crores in FY '24, sir.
- Moderator:** The next question is from the line of Vaibhav Shah from JM Financial Limited.

- Vaibhav Shah:** Sir, what would be the tax implication on the arbitration award that you will receive from the Vivad se Vishwas scheme on the Rs.750 crores?
- T.R. Rao:** It's a regular tax will be there. Tax implication would be regular.
- Vaibhav Shah:** So 20% or 25%?
- T.R. Rao:** 25%.
- Vaibhav Shah:** 25%, okay. And sir, in the AP project, what is the outstanding debtors that we have as of now? Irrigation project?
- T.R. Rao:** Which one?
- Yogesh Jain:** AP.
- T.R. Rao:** Irrigation project is Rs.179 crores.
- Vaibhav Shah:** That is a receivable from the government?
- T.R. Rao:** Yes.
- Vaibhav Shah:** Okay. And what is the cumulative execution debt we have done in the project till date, around Rs.250 crores?
- T.R. Rao:** Yes, it will be around that.
- Vaibhav Shah:** Okay. So any time line and when would we be able to recover this amount?
- T.R. Rao:** See, we are expecting some part payment before the end of the February and some more payment before the end of the current financial year. But we are crossing our fingers as state government is already in the election mode. And also, there is paucity of funds with the state government. But we are expecting some amount before the end of the current month.
- Vaibhav Shah:** Okay. And sir, lastly, when do we expect to receive PCOD for the remaining 2 HAMS, which are in the deal?
- T.R. Rao:** One HAM project, we are expecting before end of this month. And another also, we are trying to get before end of this month. Both the projects, Meerut-Nazibabad as well as Challakere-Hariyur between 15th of February and the 29th of February, we're expecting PCOD for these 2 projects.
- Moderator:** As there are no further questions from the participants, I would like to hand the conference over to Mr. Shravan Shah for closing comments.
- Shravan Shah:** Sir, before the concluding, just one question in terms of the early completion bonus. So I think we -- in the 2 projects, Mitrasen-Kanpur, where we are expecting a bonus and Unnao-Lalganj,

Rs.5.21 crores, so when are we going to receive? And what's the value of the early completion bonus?

**T.R. Rao:** Sir, see, as you said, Unnao-Lalganj is around Rs.5 crores odd and in case of the Aligarh-Kanpur package so, around Rs.6 crores. As per the terms of the concession agreement, the bonus, the NHAI will release along with the first annuity.

**Shravan Shah:** Okay. So apart from this, there is no project where we are expecting any bonus?

**T.R. Rao:** As of now, we are not expecting any bonus for any other projects.

**Shravan Shah:** Okay. Got it. And sir, these 3 states where we mentioned, MP, Rajasthan and Chhattisgarh water projects, so any ballpark idea in terms of the size, how much it could be the -- or broader idea?

**T.R. Rao:** No. Because see, these states have not floated the tenders. Until and unless they float the -- we know there are certain projects to be executed across these 3 states. But since they have not floated the tenders, owing to elections and the formation of government and all, would not be shared any ballpark figure as of now. Certainly, going forward, once the tenders are floated, that would be helpful to share. So some clarity will emerge maybe during the next quarter.

**Shravan Shah:** Okay. And sir, these 4 HAM projects that we received in FY '23, so in the presentation, I can see the EPC value is higher than the BPC value. So what would be the reason?

**T.R. Rao:** See, BPC values, exclusive of GST, whereas the EPC value, we are including the GST.

**Shravan Shah:** But then also, sir, for the GST, even if we take a 18%, so normally, if I add the BPC plus 18% GST, so the EPC should be closer to 90% of BPC, but it seems the EPC value is much higher.

**T.R. Rao:** We'll just relook into. We have not gone through the thing in detail. So we'll share it to you separately, off-line.

**Shravan Shah:** Okay. Thank you. Thank you, everyone, and thank you, management, for giving us the opportunity to host the call.

Sir, do you have any closing comments?

**Yogesh Jain:** Thank you, everyone, for your participation in our earnings call. In case of further queries, you may get in touch with the Strategic Growth Advisors, our Investor Relations advisers, or feel free to get in touch with us. Thank you.

**Moderator:** Thank you. On behalf of Dolat Capital, that concludes this conference. Thank you for joining us. You may now disconnect your lines.