H.G. Infra Engg.

14 August 2026

Operator: Good day and welcome to the earnings conference call of H.G. Infra Engineering Ltd., hosted by Go India Advisors LLP. As a reminder, all participant lines will be in 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 the operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Palloni. Thank you, and over to you, ma'am.

Palloni – Go India Advisors: Good morning, everybody, and welcome to the H.G. Infra Engineering Ltd. earnings call to discuss the Q1 FY27 operational and financial performance, hosted by Go India Advisors. We have on the call today Mr. Harendra Singh, Chairman and Managing Director of H.G. Infra, and Mr. Vikas Jain, the Chief Financial Officer. We must remind you that the discussion on today's call may include certain forward-looking statements and must therefore be viewed in conjunction with the risks that the company faces. I now request Mr. Harendra Singh to take us through the company's business outlook and performance, after which we will open the floor for the Q&A. Thank you, and over to you, sir.

Harendra Singh – Chairman & Managing Director: Good afternoon... good morning to all of you. India continues to remain focused on infrastructure development, creating a strong long-term opportunity for companies with proven execution capabilities. Against this backdrop, H.G. Infra has evolved significantly over the last 2 decades. What started as a focused roads and highways company has now transformed into a diversified infrastructure platform with capabilities across EPC and hybrid annuity backbone projects in highways, along with a growing presence across railways, metro, solar power, battery energy storage systems, transmission and distribution across more than 14 states.

This growth has been demonstrated through and made possible by our strong in-house capabilities, including an extensive and experienced equipment fleet, an experienced workforce, and established project management capabilities. We are today executing projects across multiple infrastructure segments and building capabilities that will support our next phase of growth.

Just to highlight here, last year was not as per our expectations. The last 1 year, and specifically Q1 FY27, has been challenging from a revenue-conversion perspective. Revenue during the last quarter was impacted by several external and internal factors, as the infrastructure industry experienced a period of slower growth and overall sluggishness. That was driven by multiple factors. These industry headwinds have also impacted H.G. Infra, affecting new project awards, execution momentum, and the overall business spectrum, including muted project-awarding and bidding activity. Geopolitical uncertainties have also affected us severely, intensifying competition and lowering margins, as has always been the case.

Against this backdrop, H.G. Infra went through a phase of consolidation, with a focus on maintaining stability across all key metrics, including leadership, automation, manpower systems, and process realignment. We also placed more focus on the balance sheet, improving cash flows, accelerating debtor realizations, and enhancing execution efficiencies to propel ourselves into the next phase of growth. After testing the waters with our diversification and phase one in the renewable space, we will now further scale and consolidate our next phase of growth aggressively into energy storage, including solar, BESS, and transmission and distribution projects. This will remain an important part of the strategy for growth beyond our traditional roads and highways business.

The Q1 FY27 results were disheartening from an overall business and financial-performance perspective, with a significant shortfall in both topline and bottomline, along with a decline in margins. The margin-related impact was largely attributable to project-specific factors. In roads, execution was impacted by delays in appointed dates and the handover of working fronts, constraints in the availability of on-base resources in a few projects, and disruption in the supply of key commodities such as bitumen and {? HSD ?}. In our BESS and transmission projects, execution was impacted by delays in land clearances and right-of-way permissions. Certain statutory approvals and pre-construction activities were also delayed. The constraint in the availability of critical metal commodities and long-lead items also impacted these projects badly. Similar challenges were also being faced in a few of our rail and metro projects, including pending block permissions and restricted working fronts due to operational constraints at a few stations.

Taken together, these project-specific and external factors materially affected our execution momentum and contributed to the deep decline in the topline in Q1 FY27. Having said that, these were unprecedented and largely unexpected factors that impacted our overall performance during the quarter. We have undertaken corrective measures across the affected projects to address the bottlenecks and bring execution back on track. I would like to convey that most of these issues are now under control, and we are working towards regaining the desired execution momentum. We remain confident that the upcoming quarters, particularly the period after the monsoon and especially the latter half of FY27, will be much more promising, with improved execution and a meaningful recovery in our performance.

Let me begin with a glimpse of our operational highlights. As of Q1 FY27, the company's order book stood at 14,502 crores, comprising 9,386 crores from roads and highways, 3,054 crore rupees from roads, railways and metro, 461 crores from BESS, 144 crore rupees from sports solar projects, and 1,457 crore rupees from transmission and distribution. Segment-wise, roads and highways contributed 65%, railways contributed 21%, and the remaining 14% was from railways and other level projects.

Regarding our ongoing EPC projects, as we have already completed the Ganga Expressway and UP projects, COD for both projects is being obtained. The Jamshedpur elevated project is running smoothly, with current progress at 61.12%. The Nelamangala-Tumkur project is at 70% completion, is progressing towards completion, and is likely to be completed by March. The Dwarka project is struggling at the initial stage because of land constraints, with completion at only 3%. The momentum in this project will build shortly. During the quarter, the company secured the Pune-Shirur project from MSRDC, valued at 3,931.11 crore, and it is currently in the initial phase of mobilization, with execution expected to gain momentum from Q3 FY27 onwards.

Regarding progress on HAM projects, the Barnala Ring Road has reached 99% completion. We have already applied for PCOD, which we are likely to receive in Q2 FY27, with COD expected in Q3 FY27. As shared in the previous quarter, provisional completion certificates for the Raipur-Visakhapatnam corridor projects, including OD5, OD6 and AP1, as well as the Khammam-Devarapalle projects KD1 and KD2, have already been received, and we will obtain COD for all these projects in Q2 and Q3 FY27, since all the pending issues are now being resolved.

The Chennai-Tirupati HAM project has reached 59.6% completion. Varanasi-Kolkata Package 13 has achieved 43.1% financial progress. Varanasi-Kolkata Package 10, which received its appointed date with effect from May 30, 2026, in Q1 FY27, has now achieved 15.5% completion. For Kosi Parikrama Package 6 of Ayodhya, project execution has reached 35.7% completion. The Nari-Sarkhej project has achieved 44.2% progress and remains on track for timely completion. The company signed the contract agreement and concession agreement on April 24, 2026, for Bhubaneswar-Tangi-Capital Region Ring Road Package 3 in Odisha. The land-acquisition process is at an advanced stage, and the appointed date is expected in Q3 of the year.

Turning to the progress of railway projects, the DMRC metro projects have achieved 100% completion and are currently in the handover process. The Bilaspur RVNL project is at 99% completion and is targeted for completion in Q2 FY27. The Kanpur railway station project is at 54% completion. The Dhule-Nardana railway project has achieved 54% completion, and the Gaya-Son Nagar and Karandighi projects are at 50% and 54.5% completion, respectively.

The New Delhi railway station project faced initial delays in land clearances and utility-shifting approvals. However, gradual improvement is visible now, with execution gaining momentum, and project completion is currently at 13.34%. The appointed date for the newly awarded Thane Metro project was declared as January 11, 2026. However, the project is facing various challenges, such as land availability and local disruptions.

The company recently secured 2 railway projects from the Adani Group for 2 thermal projects. One is Anuppur in Madhya Pradesh, valued at 340 crore rupees, and the Mirzapur thermal project in Uttar Pradesh is valued at 440 crore rupees. Both these projects are currently under mobilization, and both are in the execution stage.

Regarding our solar projects, as of June 30, 2026, the overall physical progress in the solar projects stood at around 94%. Project execution has been impacted by heavy monsoon conditions last year, land-acquisition challenges, transmission lines, and certain local issues, resulting in delays. These challenges have now been progressively resolved, and the company is deploying adequate resources to complete and commission all the balance plants within the revised contractual timelines over the coming months.

Notably, the Ministry of New and Renewable Energy, MNRE, has extended the commissioning deadlines for Kusum projects in Rajasthan up to March 31, 2027, thereby providing additional flexibility to address localized project-execution challenges. From a financing perspective, approximately 85% of the total project debt requirement has been sanctioned, of which 95% has been disbursed. The remaining balance of about 300-plus crore rupees is expected to be largely released after the commissioning of these plants during Q2 and Q3 FY27.

On the operational front, the company has raised an invoice of 175 crore rupees to the state DISCOM for 137 commissioned plants to date. Upon commissioning all the plants, we are targeting annual revenue of 250 crore rupees plus.

Regarding the BESS projects, the company has executed binding agreements with GUVNL and NVVN for the development of 3 battery energy storage system projects with an aggregate capacity of 735 megawatts, or 1,470 megawatt-hours. Procurement activities for projects aggregating 435 megawatts are almost complete, and purchase orders for all critical long-lead items, including batteries, have been placed. The purchase order for the DC block container has been awarded to a reputed overseas supplier, CATL. All long-lead items, including those from Nidec, Hitachi and Siemens, for the procurement of these systems have also been ordered.

The company, through its special-purpose vehicle, has acquired land for the Banas Kantha, Becharaji and Chaurania projects. Execution activities in all 3 projects are now progressing at a rapid pace, including civil works and associated infrastructure development. The initial 2 projects are targeted for commissioning as planned in February and March 2027, respectively, while the Chaurania plant is targeted for commissioning in June 2027. Upon commissioning all these BESS projects, the company expects to generate annual revenues of approximately 225 crore rupees.

In the power transmission projects of Odisha, the SPV has been incorporated and project design and engineering are being completed. Procurement of all key long-lead items has been placed. Financial closure has also been achieved, and procurement of all major components is currently underway. The project remains on track.

Additionally, the company has secured 2 power transmission projects from RECPDCL, comprising a project in Mirzapur, Uttar Pradesh, with an EPC cost of 320 crore rupees, and another in Jamshedpur, Jharkhand, with an EPC cost of 843 crore rupees. All 3 projects are expected to generate annual revenue of approximately 215 crore rupees once commissioned, for a 35-year concession period.

This is the update regarding the 5 HAM projects. During Q1 FY27, the company successfully transferred 51% of its shareholding in KD1, 49% in OD5, and 100% in OD6, receiving partial consideration of 70 crore rupees, 140 crore rupees and 203 crore rupees, respectively. The remaining holdback amounts are expected to be received during Q2 and Q3 once we complete these projects and achieve COD, while the AP1 NOC is still pending.

Subsequently, in July 2026, the company transferred the remaining 51% shareholding in the Raipur-Visakhapatnam OD5 project, receiving partial consideration of 103 crore rupees. The balance consideration is expected to be received in Q3 and Q4, subject to final COD and completion of the relevant conditions. The company expects to complete the equity transfer of the AP1 project during the upcoming quarter.

With respect to the Karnal HAM project, discussions are ongoing with the prospective investor to finalize the NBO, and the project is expected to be monetized by the end of the current financial year. Regarding the equity requirement across all HAM, transmission and BESS projects, it is around 3,019 crores.

Management: The total equity into BESS as of June 26. The remaining equity in all these projects will be infused over the 9 months of FY27 and in FY28 and FY29.

Moving on to the financial highlights of Q1 FY27, standalone revenue was 907 crores, with EBITDA of 77 crore rupees and an EBITDA margin of 8.49%. PAT for Q1 FY27 stood at 28 crores, at a margin of 3.12%, compared to 125 crores and a margin of 7.34% in Q1 FY26.

On a standalone basis, our gross debt stood at 1,834 crore rupees. This comprises 910 crores in working-capital debt, 400 crores from NCDs, and 524 crores from term loans and current-maturity trade limits, respectively. With our expected collections from receivables and monetization proceeds, we aspire to close our standalone debt at 900 crores by the end of this year.

Regarding the consolidated financials, revenue for Q1 FY27 reached 1,101 crores, with EBITDA of 304 crores and an EBITDA margin of 27.6%. PAT for Q1 stood at negative 45 crores, with a PAT margin of 4.04%, compared to 99 crores and a margin of 6.7% in Q1 FY26.

Looking ahead, we are confidently targeting overall order inflows of 11,000-12,000 crores in FY27, of which projects worth approximately 5,500 crores were already received in Q1 FY27. Going forward, we see a strong opportunity across roads, railways and metro, with an increased focus on the power-transmission sector. In roads, NHAI has identified 54 projects worth approximately 1.85 lakh crore to be awarded in FY27, while the expansion of high-speed rail and rapid rail Namo Bharat is creating a significant long-term opportunity in the rail and metro segment.

The transmission sector is also witnessing strong growth, supported by rising power demand, renewable-capacity additions, and the government's Green Energy Corridor initiatives. We remain focused on selectively pursuing these opportunities while strengthening our execution capabilities to deliver sustainable growth. We are positioned for accelerated growth and superior returns. Our diversified pipeline, financial discipline and broad sector presence position us as a future-ready, multi-sector infrastructure leader committed to delivering outsized value to our investors year after year. I will now hand over the call to our IR advisor and request them to open the floor for the question-and-answer session. Thank you.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. We take the first question from the line of Vaibhav Shah from JM Financial. Please proceed.

Vaibhav Shah - JM Financial: Sir, firstly, regarding margins, why were they impacted in Q1, and how do you see them moving forward in the remaining 3 quarters of the year?

Management: Ultimately, in Q1, the solar projects were impacted because of local issues, transmission lines and other ROW constraints. Because of that, we also need to shift a few of the plants to a new location. The transmission-line cost has also increased significantly there. That is the hit we have taken on the margins in Q1.

Vaibhav Shah - JM Financial: How do you see the margins for the remaining quarters, and how do you see them for FY27 as a whole?

Management: Overall, on the margin front, the projects that we have already started in highways and railways include 1 or 2 projects where the margins are not very encouraging. However, overall margins would be in the range of about 13.5%-14% at the EBITDA level.

Vaibhav Shah – JM Financial: So even after 8.5% in the first quarter, for the entire year you are saying 13.5%-14%?

Management: Yes.

Vaibhav Shah – JM Financial: Should it revert to normal levels from Q2, or should we see improvement in the second half?

Management: In Q2 also, because of the rainy season and other impacts of supply disruptions, we will again not have complete control. However, in the latter half of this year, particularly the second half, we believe that we will significantly bounce back in terms of both topline and bottomline.

Vaibhav Shah – JM Financial: Secondly, what would be our revenue guidance for this year and next year? Also, can you give us the breakup of equity investments for the next 3 years for both the HAM and BESS portfolios?

Management: Regarding revenue for this year, although we have lost significantly in Q1, we are quite hopeful of touching at least the number we reached in FY25, which was 6,100 crores plus. We will therefore be in the range of 6,000-6,500 crores by the year-end. Next year, for FY28, with the orders in hand, we believe that we would be around 7,000 crores.

Regarding the equity requirement, till date we have invested around 1,664 crore rupees of equity into all these transmission, BESS and HAM projects. The estimate for the remaining 9 months is around 583 crore rupees yet to be invested for the rest of this year. The requirement is 625 crore rupees for FY28 and only 146 crore rupees in FY29.

Vaibhav Shah – JM Financial: What is the breakup between HAM and BESS?

Management: The HAM projects require 309 crore rupees for the balance of this year, and the remaining 275 crore rupees is for transmission and BESS. For FY28, the HAM requirement is 235 crore rupees, and for FY29 it is only 71 crore rupees. The requirement for BESS and transmission is 390 crore rupees for FY28 and around 75 crore rupees for FY29.

Vaibhav Shah – JM Financial: Lastly, when is the appointed date for Pune-Shirur and the Capital Region expected?

Management: We are expecting it in October because the land position and all the related utility-shifting activities are in alignment, and they would be completed within the next 2-3 months. The financial closure is also at an advanced stage for the Odisha projects. We are therefore likely to receive the appointed dates for both these projects by the end of October.

Vaibhav Shah – JM Financial: And for Pune-Shirur?

Management: Yes, for both these projects, for both of them.

Vaibhav Shah – JM Financial: Okay, thank you. Those were my questions.

Operator: Thank you. We take the next question from the line of Shravan Shah from Dolat Capital. Please proceed.

Shravan Shah – Dolat Capital: Hi, sir. A couple of questions, again coming back to the guidance front. We are still saying that for the full year FY27 we are looking at 6,100–6,500 crore rupees. It seems much more difficult even to reach a 6,000 crore number for this year. Can you help us broadly regarding Q2? Are we seeing a much better quarter? This quarter was 907 crores, so can Q2 be a similar 900–1,000 crore rupees? Then less than 2,000 crores, so we need a 4,000 crore number in the second half. That means 2,000 crores in each of Q3 and Q4. How is that doable? If you can broadly break it down in terms of the segments we have—HAM, EPC, BESS and transmission—that would be helpful. Also, regarding a particularly large project like Pune-Shirur, how much are we looking at? It seems very difficult, and even if we reach 5,000–5,200 crores, that would be a great outcome for this year.

Management: I think you are asking about the revenue guidance. Ultimately, as we have lost revenue in Q1 due to various factors, we are nevertheless quite hopeful that in Q2 we will be roughly around 1,000 crore rupees. There will, no doubt, be a monsoon impact in a few of the states where we are working. That is one of the factors.

In Q3 and Q4, we expect the appointed dates for Pune-Shirur as well as the Odisha project, which are large projects. We are already at an advanced stage of mobilization and have secured everything, including the quarry. We have set up the plants, the entire establishment is in place, and utility shifting is also at an advanced stage of progress in Pune-Shirur.

Regarding the highways, we are expecting to do roughly 3,000 crore rupees in the next 3 quarters. Of this 3,000 crore rupees, around 700 crores will come from Pune-Shirur alone, and roughly 150 crore rupees will come from the Odisha Ring Road project.

Adding this 3,000 crore rupees to the remaining BESS and transmission revenue, both BESS projects are to be completed in this financial year, and they are at an advanced stage, with the orders already released. By December and January, we are likely to receive all the batteries and containers. It therefore appears that around 90% of completion progress will be achieved in all 3 battery projects by the year-end.

Regarding transmission, the first transmission project and the second transmission project, which is to be completed in 18 months, have already had orders placed for all the required items. In that scenario, we are looking at at least 600 crore rupees of revenue from the battery projects.

Therefore, 3,000 crores and 600 crores make 3,600 crores. For the remaining amount, we are expecting around 2,000-plus to 2,500 crores of revenue from all the rail projects, including Anuppur, Mirzapur, the recently awarded project, and all the earlier projects we have discussed, such as Kanpur and RVNL. These are all the projects in which we are quite hopeful, and they are also progressing on track.

Shravan Shah – Dolat Capital: On the margin front, when we are saying 13.5%-14%, if we assume similar revenue of 1,000 crores in Q2, what I understand is that the entire margin hit is primarily because of the lower revenue, because employee cost as a percentage of revenue has gone up significantly from 5.4% to 10.3%. That is the reason for the entire 5% impact. If we add 8.5% and 5%, there is a 13%-plus kind of number. In Q2 also, are we likely to see a similar number? In the second half, are we looking at a margin of 15%-plus, which is why we are saying that 13.5%-14% for the full year is doable?

Management: I think you are quite right. Employee cost has been significantly high, and employee cost at this level of topline is not matching in any case. In Q3 and Q4, when we are to execute 2,000-plus crores of revenue in each quarter with this employee cost, or even a lower employee cost, the situation will improve.

We are now bringing in a few highway projects, specifically HAM 6 and HAM 7, as well as one Ganga project that was delayed for more than 1 year. We have already completed 96% of that project. The remaining 3%-5% of completion in these 7 projects has impacted the employee costs significantly, because a large amount was not being executed while the entire employee and establishment cost was substantial.

Now we are in the mid-stage of some projects and the advanced or initial stage of other projects. Therefore, there is no doubt that margins would be in that range, with margins of around 15%, while the overall margin could be 13.5% for the year.

Shravan Shah – Dolat Capital: For next year as well, in FY28, would a similar 13.5%-14% be doable?

Management: Definitely. In the current scenario, we are targeting transmission projects that have the potential for an EPC margin of around 13%-15%. In railways also, some high-value projects are being announced, and we are specifically looking at projects where a single project is around 3,000 crores plus.

There are also significant large-size projects likely to be available in other roads, railways and metro projects, urban infrastructure projects, and highways. Considering this scenario, we expect that at least this number is quite doable in future years.

Shravan Shah – Dolat Capital: Lastly, regarding the entire monetization, how much cash have we received to date from the equity and subordinated debt that we have invested, what is pending, and when will we receive the balance money?

Management: We have received around 660 crore rupees, and 725 crore rupees is the balance. Of the 725 crore rupees, typically we would receive around 250 crore rupees in Q2 and the balance portion in Q3.

We are also expecting to close the Karnal project. The term sheet has already been shared with the potential buyer, and we are likely to close this transaction at the year-end because there is no delay in COD. Once PCC is achieved, we would receive COD within 3-6 months. Considering this monetization, we expect to collect approximately 850 crore rupees in the company from now until the year-end.

Shravan Shah – Dolat Capital: That is why we are expecting the 1,800 crore debt to go down to 900 crores by the year-end.

Management: Yes, of course. There are a few other factors. We were earlier expecting that solar debt would be realized because the monetization would fetch 800 crore rupees plus. However, that could not be done because of several issues relating to the project.

There have also been long-drawn receivables where unbilled contract current assets could not be billed because of COD-related issues and certain variation items that have not been approved by the client to date. These are all the major factors that will help us exceed our cash-flow inflow target for the year. Considering this, we expect that it would be half the number we are at at this stage.

Shravan Shah – Dolat Capital: Got it. Lastly, regarding some balance-sheet numbers, retention money, HAM debtors, solar debtors, and Ganga and railway debtors?

Management: I will ask my team to connect with you regarding these details because I do not have the details immediately.

Shravan Shah – Dolat Capital: No issue, sir. I hope we will start seeing the recovery soon. Thank you.

Management: Thank you.

Operator: Thank you. We take the next question from the line of Aditya Sahu from HDFC Securities Limited. Please proceed.

Aditya Sahu – HDFC Securities: Hi, sir. Thanks for the opportunity. Most of my questions were already answered; however, I had a few more. Regarding the settlement of operational claims that we were expecting in H1, where do we stand on that? You had highlighted the delay witnessed in Q4. Where do we stand on that?

Management: Ultimately, in the last quarter, we signed off one of the settlement claims. There were almost 3 projects amounting to around 42 crore rupees, and we signed them off in July.

Apart from this, one of the settlement claims is with the ministry and is likely to be closed within this quarter, in August. They are likely to pay us in September, within 30 days of the settlement agreement. Therefore, by September, we would be receiving this amount of around 100 crore rupees. This settlement of 100 crore rupees in September is something we are targeting in Q2.

Again, from other projects also, we are looking at this consolidation being completed within the next 3-6 months. By the year-end, we would be in a fairly safe position, as we would be receiving around 200 crore rupees from the various consolidations being undertaken.

Aditya Sahu – HDFC Securities: Understood. Just confirming the numbers, I think I may have dropped off in between. Regarding the equity requirement, the total equity requirement is 3,819 crores, of which 1,056 crores has been infused till June 24, if I am not wrong?

Management: No, I think you have incorrect information. The total equity requirement into HAM is 1,331 crore rupees. We are not considering the projects that you are considering, which have already been monetized.

We are considering Kandla, Packages 12 and 13, Agra-Etawah, Nellore-Tirupati, Ayodhya, Nari-Sarkhej, and the recently awarded Odisha Ring Road. This amounts to around 1,331 crore rupees, of which 715 crores has already been invested till June 24. There is a requirement of 309 crores for the remaining 9 months of this year, 235 crores for FY28 and 72 crores for FY29.

Regarding the solar, BESS and transmission projects, the total equity requirement is 1,689 crore rupees. Of this, 959 crores has already been invested. The balance requirement is 275 crores for the remaining part of this year, 390 crore rupees for next year, and 75 crore rupees in FY29.

Aditya Sahu – HDFC Securities: Understood. Regarding overall debt, what was the standalone gross debt as of June 24?

Management: It stands at 3,800 crore rupees. We had already informed you of this.

Aditya Sahu – HDFC Securities: Understood, sir. No more queries. Thank you very much.

Management: Thank you.

Operator: Thank you. Before we proceed, a reminder to participants who wish to ask a question: you may press star and one on your touchtone telephone. We take the next question from the line of Renga Varshini from Wealthify. Please proceed.

Renga Varshini – Wealthify: Good morning, sir. Am I audible?

Management: Yes.

Renga Varshini – Wealthify: My first question is: how much of the current debt is expected to come down in the next 12 months purely based on project cash inflows, excluding asset monetization and equity infusion?

Management: The equity infusion we are looking at for the remaining 9 months is around 585 crore rupees. This equity infusion and the monetization of around 800 crore rupees are expected to be available.

Excluding these 2 items, there are certain claims, certain project closures, final bills, and other operational cash flows. These are not claims; rather, they are operational cash flows. We expect that by the year-end, we are likely to receive 300 crore rupees plus for debt reduction from these other items.

The 800 crores of monetization will fund the 583 crore rupees of commitments, with a surplus of around 200 crore rupees. In totality, we expect around 900 crore rupees of total cash receivables, including 300 crore rupees plus of receivables from solar, representing the debt that we are going to receive from banks in the solar SPVs.

Renga Varshini – Wealthify: Understood. The consolidated EBITDA margin has increased substantially despite a slight fall in revenue. Can you please provide some color on this? Is it because of a change in the business mix or another accounting factor?

Management: No, it is normal. The consolidated EBITDA is because of the solar receipts that we will now continuously receive on a quarterly basis. It would be roughly around 50 crore rupees, which we have billed to DISCOMs. That has helped us. It is pure EBITDA because there is hardly any cost incurred in the operations of these solar projects.

If you consider solar, BESS and transmission together, the total EBITDA is roughly 750-800 crores annually. That annual EBITDA is likely to be reflected in the consolidated numbers once all these projects are commissioned.

Renga Varshini – Wealthify: Understood, sir. Thank you very much.

Operator: Thank you. We take the next question from the line of Parth Thakkar from JM Financial. Please proceed.

Parth Thakkar – JM Financial: Thank you for the opportunity. What revenue do we expect from the 2 VRK packages, Pune-Shirur, Thane Metro and Capital Region this year?

Management: For Pune-Shirur, we are expecting around 750 crore rupees. For the Capital Region Ring Road, we are expecting 150 crore rupees. We are not very hopeful regarding the Thane project; hardly 50 crore rupees is likely to be generated. Taken together, the revenue from these 3 new projects would be around 900 crore rupees.

Parth Thakkar – JM Financial: And both VRK packages?

Management: Sorry?

Parth Thakkar – JM Financial: The 2 VRK packages?

Management: Which packages?

Parth Thakkar – JM Financial: VRK, VRK.

Management: VRK, definitely. They are progressing well, and we expect a significant amount to be executed within this year. We expect around 1,200 crores to be executed within this year.

Parth Thakkar – JM Financial: How has working capital moved compared to quarter-on-quarter?

Management: We have already discussed that working capital will ease once collections accelerate. Collections, including monetization and solar debt, are likely to be realized from Q2, Q3 and Q4, progressively and incrementally. Although this was expected over the last 6 months, there have definitely been a few reasons for significant delays. However, on a consolidated basis, working capital would be roughly around 50 days by the year-end.

Parth Thakkar – JM Financial: Last question: have we submitted any bids where results are awaited, and what would be our total bid pipeline?

Management: We have submitted bids worth around 22,000 crores in HAM and highway projects, around 4,000 crores in railway projects, and 1 or 2 transmission projects have also been submitted.

Parth Thakkar – JM Financial: Thank you, sir. Those were my questions.

Operator: Thank you. We take the next question from the line of Vivekanand Reddy from YVR Securities. Please proceed.

Vivekanand Reddy – YVR Securities: Good morning, sir.

Management: Good morning.

Vivekanand Reddy – YVR Securities: Any update on the CBI matter?

Management: There is no update as of now. Until the bail and everything was granted, there were only a few queries and some details that were required, and we furnished those details. That is all. We have not yet received any further details, and no further updates are available.

Vivekanand Reddy – YVR Securities: Is the execution speed picking up from Q2?

Management: In Q2, definitely, execution has accelerated in the initiatives we have undertaken in 3 projects that were badly affected because of coal fly ash and the appointed date being declared on NH-2 Kolkata. Execution has been accelerated in these projects. The recently awarded Odisha Ring Road project is also progressing.

Operator: Thank you. We take the next question from the line of {? [unclear] ?}. Sir, please proceed.

{? [unclear] ?}: Hi, sir. Am I audible?

Management: Yes.

{? [unclear] ?}: Sir, I had a query for you. Our share price is down 70% from its all-time high. Many retail investors are trapped because your guidance has been very good over the last 2 years. What do you think, sir? By when will we be able to recover, or what is the future of our company?

Management: Look, how can we govern the future stock price? However, it is certain that, as I told you, there were some specific reasons within the last year. They were not largely within the company; there were also factors outside the company. Because of those factors, our growth and margins were not as aggressive, and the expected reduction in debt did not happen.

But yes, we are definitely quite hopeful for the year. It is not otherwise. Naturally, if the numbers are good, you investors will decide the share price anyway.

{? [unclear] ?}: Yes, sir. What happened is that we were about to recover some of the price, and after that the CBI matter came up, which was a heavy blow on top of everything. That also affected market sentiment, right? The second thing is, if we have such strong guidance...

Management: That is fine, but we are quite hopeful for the year. By the end of the year, we will again be back to normal.

{? [unclear] ?}: Okay, sir. The second query is that if we are so hopeful, why not buy the shares if they are available at such an attractive valuation? The share price is down 70%, and promoter holding is 71.5%.

Management: Still buying. Still buying.

{? [unclear] ?}: Okay, thank you. One more thing, sir: can you allocate some time, perhaps for retail investors? Hello? Hello? Could you conduct some sessions, conference calls or something?

Management: Yes, yes. We will do that. Okay, thank you.

{? [unclear] ?}: Now? Thank you, thank you.

Operator: Thank you. We take the next question from the line of Renuka from First Water Capital. Please proceed.

Renuka – First Water Capital: Hello. Thank you for the opportunity. Am I audible?

Management: Yes, yes. Please continue.

Renuka – First Water Capital: In your consolidated financials, under the exceptional item, there is a loss and impairment charge recorded for the {? Raipur–Odie 5 and 6 ?} SPVs. I wanted to understand the nature of this. Can you provide some explanation?

Management: Basically, on consolidation, in the standalone and consolidated accounts for this project, these are projects where the net worth was built because of significant delays. We were delayed for 2 years and then delayed by another 2.5 years plus.

There is accrued financial income through which this particular net worth was built. With the realization of this monetization, that accrued financial income is now being discounted. That is the factor reflected in the negative number under the exceptional item.

Renuka – First Water Capital: Regarding the impairment charge?

Management: Regarding what?

Renuka – First Water Capital: There is also an impairment charge for the AP1 project?

Management: Regarding the AP1 project, the auditors and we discussed that monetization is being concluded at a particular number. Once we agreed on that number, we discounted the AP1 monetization by around 20 crore rupees to 24–25 crore rupees. The exceptional item has already taken this into consideration.

Renuka – First Water Capital: Okay. I also missed the debt numbers, the gross debt and net debt-to-equity as of June 24. Could you share them again?

Management: I will ask my team to connect with you.

Renuka – First Water Capital: Hello?

Management: Yes, I will ask my IR team to get back to you. They will connect with you.

Renuka – First Water Capital: Okay, sure. Thank you very much.

Operator: Thank you. Participants who wish to ask a question may press star and one on their touchtone telephone. As there are no further questions from the participants, I would now like to hand the conference over to the management for their closing comments.

Management: Thank you for joining us today. We remain confident in our continued success and are available to address any further questions. Please feel free to reach out to us or our IR advisor, Go India Advisors. Thank you, and good day.

Operator: Thank you. On behalf of Go India Advisors LLP, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.