"H.G. Infra Engineering Limited
Q1 FY27 Earnings Conference Call"
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GO INDIA ADVISORS

CHORUS CALL

MANAGEMENT: **MR. HARENDRA SINGH – CHAIRMAN AND MANAGING DIRECTOR – H.G. INFRA ENGINEERING LIMITED**
MR. VIKAS JAIN – CHIEF FINANCIAL OFFICER – H.G. INFRA ENGINEERING LIMITED

MODERATOR: **MS. SALONI – GO INDIA ADVISORS LLP**

Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY27 Earnings Conference Call of H.G. Infra Engineering Limited hosted by Go India Advisors LLP. 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 Ms. Saloni. Thank you, and over to you, ma'am.

Saloni: Good morning, everybody and welcome to H.G. Infra Engineering Limited Earnings call to discuss the Q1FY27 operational and financial performance hosted by Go India Advisors. We have on call today Mr. Harendra Singh, Chairman and Managing Director from 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 be therefore moved in conjunction with the risks that the company faces. I now request Mr. Harendra Singh sir to take us through the company's business outlook performance, subsequent to which we will open the floor for the Q&A. Thank you and over to you, sir.

Harendra Singh: 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 past two decades.

What started as a focused road on highway companies has now transformed into a diversified infrastructure platform with capabilities across EPC and Hybrid Annuity Model projects of highway, along with a growing presence across railways, metro, solar power, battery energy storage systems, transmission and distribution across more than 14 states now.

This growth has been demonstrated through and made possible by our strong in-house capabilities, including an extensive experienced equipment fleet, and 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 the Q1FY27 has been challenging from a revenue conversation 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 is driven by multiple factors. These industry headwinds has also impacted H.G., affecting new project awarding, execution momentum and overall business spectrum, including muted project awarding and bidding activity. Geopolitical uncertainties also has affected severally. Intensifying competition and lower margins, as always, has been there.

Against this backdrop, H.G. went through a phase of consolidation with focus on maintaining stability across all key metrics, that is leadership, automation, manpower system and process realignment with more focus on the balance sheet, improving cash flows, accelerating debt realizations and enhancing execution efficiencies to propel into the next phase of growth.

After testing quarters with our diversification in Phase 1 in the renewable space, we will now further scale and consolidate our next phase of growth aggressively into energy space like solar, BESS and transmission and distribution projects. This will remain an important part of this strategy for growth beyond our traditional roads and highway business.

The Q1FY27 results were disheartening from an overall business and financial performance perspective with a significant shortfall in both top line and bottom line. Along with the decline in the margins, the margin improvement were largely attributed to project-specific factors such as into road, execution was impacted by delays in the appointed dates and handover of working fronts.

Constraints in the availability of pondage in 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 delay in land clearances and the right-of-use permissions, certain statutory approvals and preconstruction activities delayed.

The constraint in the availability of critical metal commodities and the long lead items also impacted badly in these projects. Also similar challenges being faced in our few rail and metro projects, including pending block permissions, restricted working fronts due to operational constraints in a few of the stations.

Taking together, these project-specific and external factors materially affected our execution momentum and contributed to the deep decline in the top line of Q1FY27. Having said that, these were unprecedented and largely unexpected factors, which had impacted on overall performance during the quarter.

We have undertaken corrective measures across the affected projects to address the bottlenecks and bring the execution back on the 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 post monsoon.

Especially in later half of FY27 will be much more promising with improved execution and meaningful recovery in our performance. Let me begin with a glimpse of our operational highlights. As of Q1FY27, the company's order book stood at INR14,502 crores, comprising of INR9,386 crores from roads and highways.

INR3,054 crores from roads and rails and metro, INR461 crores from BESS and INR144 crores from solar projects, INR1,457 crores from transmission and distribution. Segment-wide roads, highways contribute 65% railways, 21% and remaining 14% for renewal projects. Update on our ongoing EPC as we have already completed Ganga Expressway and UER projects.

COD for both the projects are being obtained. The Jamshedpur elevated project is running smoothly with the current progress of 61.12%. The Nelamangala-Tumakuru project at 70% completion is progressing towards completion and by March, it is likely to be completed. The

DLF project is struggling at, in the initial stage, because of the land constraint with the completion of only 3%. The momentum on this project will be built shortly.

During the quarter, the company secured the Pune-Shirur project from Welspun valued at INR3,931.11 crores and is currently in the initial phase of mobilization with execution expected to gain momentum in Q3FY27 onwards. Progress on HAM projects. Karnal Ring Road has reached 99% completion, and we have already have applied PCC, which we are likely to get in Q2FY27 and with COD expected in .

As shared in the previous quarter, provisional completion certificate for Raipur-Visakhapatnam corridor projects like OD-5, 6 and AP-1. Also Khammam-Devarapalli projects KD-1 and 2 already received the provisional completion and we'll obtain the COD for all these projects in Q3FY27 since now all the pending issues are being resolved.

The Chennai-Tirupati HAM project reached at 59.6% completion. Varanasi-Kolkata Package 13 has achieved 43.1% financial progress. Varanasi-Kolkata Package 10, which received appointed date with effect from 30th May '26 in Q1FY27 and the project has now achieved 15.5% completion.

For Kosi Parikrama Package 6 of Ayodhya, project execution has reached 35.7% completion. The Narol-Sarkhej project has achieved 44.2% progress and remains on track for timely completion. The company has signed a contract agreement -- construction agreement on 24th April 2026 for Gobindpur-Tangi-Capital Regional Ring Road Package 3 in Odisha.

The land acquisition is in process advanced stage and the appointed date is expected in quarter 3 of the year. Turning to the progress of railway projects. The DMRC Metro project has achieved 100% completion and is currently in the handover process. Bilaspur RVNL Project, which is at 99% completion and targeted for completion in Q2FY27.

The Kanpur Railway Station project is at 54%. The Dhule-Nardana Railway project has achieved 54% again and the Gaya-Son Nagar and Karanjgaon project are at 50% and 54.5% completion, respectively. The New Delhi railway stations though face initial delays in land clearances and utility shifting approvals.

However, gradual improvement is visible now with execution now gaining and the project completion is currently at 13.34%. The appointed date for the newly awarded Thane Metro project being declared as 11th January '26. However, the project is facing various challenges such as land availability and the local disruptions.

The company recently secured 2 railway projects from Adani Group in the 2 thermal projects, one is Anuppur in Madhya Pradesh with INR340 crores and the Mirzapur Thermal Uttar Pradesh is INR440 crores. So both these projects are currently under mobilization and both these projects are in the execution phase.

Regarding our solar projects, as of 30th June '26, the overall physical progress in solar projects stood at around 94%. The project execution has been impacted by heavy monsoon conditions last year, land acquisition challenges and the transmission lines and the certain local issues resulting in the delays.

These challenges have been progressively resolved now, and the company is deploying adequate resource to commission all balance plants within the revised contractual time line 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 31st March '27, 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% being disbursed. The remaining balance of about INR300-plus crores is expected to be largely released post commissioning of these plants during quarter 2 and quarter 3 of FY27.

On the operational front, the company has raised invoice of INR175 crores to state DISCOM for 137 commission plants till date. And upon commissioning of all plants, we are targeting to have annual revenue of INR250 crores plus. Regarding this project, the company has executed binding agreement with GUVNL and NVVN for a development of 3 battery energy storage system projects with an aggregate capacity of 735 megawatts, that is 1,470 megawatt hour.

The procurement activities for projects aggregating 435 megawatts are almost completed and purchase order for all critical long lead items, including batteries have been placed. And the purchase order for DC block container has been awarded to a reputed overseas supplier that is CATL.

Also, all long lead items such as Emerson, Hitachi and Siemens for the procurement of all such systems has been done. The company, through its special purpose vehicle has acquired land for Banaskantha, Dholera, and Choraniya projects. Execution activities in all 3 projects are now progressing at a rapid pace, including civil works and associated infrastructure development. Initial 2 projects are targeted for commission as planned in February and March '27, respectively.

While Choraniya plant is targeted for commission in June '27. And upon commissioning of all these BESS projects, the company expects to generate annual revenues of approximately INR225 crores. In power transmission project of Odisha, where SPV has been incorporated and project design and engineering being completed, the procurement of all key long lead items being placed.

Also, the financial closure has been achieved and the procurement of all major components are currently underway and the project remains on track. Additionally, the company has secured 2 power transmission projects from RECPDCL comprising of projects in Mirzapur, Uttar Pradesh and EPC cost of INR320 crores and another in Jamshedpur, Jharkhand with EPC cost of INR843 crores.

All these 3 projects are expected to generate annual revenue of approximately INR215 crores once commissioned for 35-year concession period. This is the update regarding the 5 HAM projects. During Q1FY27, company successfully transferred 51% of its shareholding in KD1 and 49% in OD5 and 100% in OD6 receiving partial consideration of INR70 crores, INR140 crores and INR203 crores, respectively.

The remaining holdback amounts are expected to be received during quarter 2 and quarter 3 once we complete these projects and achieve the COD and AP-1 NOC is yet pending. Subsequently, in July 26, the company transferred the remaining 51% shareholding in Raipur-Visakhapatnam OD5 projects, receiving a partial consideration of INR103 crores.

The balance consideration is expected to be received in quarter 3 and quarter 4, subject to final COD and completion of relevant conditions. The company expects to complete the equity transfer of AP-1 project during the upcoming quarter with respect to the Karnal HAM project, discussions are ongoing with the prospective investors to finalize the MOU and the project is expected to be monetized by end of this current financial year.

Regarding the equity requirements into all projects, so in HAM projects, transmission and BESS around INR3,019 crores of total equity requirement as of June 26, INR1,665 crores has been infused in all these projects. The remaining equity will be infused in 9 months '27 and FY '28, '29.

Moving on to the financial highlights of Q1FY27. Stand-alone financials remained INR907 crores as a revenue with EBITDA of INR77 crores and an EBITDA margin of 8.49%. PAT for Q1FY27 stood at INR28 crores at a margin of 3.12% compared to INR125 crores and a margin of 7.34% in Q1FY26.

On a stand-alone basis, our gross debt stood at INR1,834 crores. This comprises of INR910 crores in working capital debt, INR400 crores from NCD and INR524 crores from term loans and current maturity trade limits etcetera. With our expected collections from receivables and the monetization proceeds, we are targeting to close our external debt at INR900 crores by end of this year.

Regarding the consolidated financials, revenue for Q1FY27 reached at INR1,101 crores with an EBITDA of INR304 crores and an EBITDA margin of 27.6%. PAT for quarter 1 stood at negative INR45 crores with a PAT margin of 4.04% compared to INR99 crores and a margin of 6.7% in Q1FY26.

Regarding way forward, we are confidently targeting for an order inflow of INR11,000 crores to INR12,000 crores FY27, of which projects worth approximately INR5,500 crores is already being received in Q1FY27. Going forward, we see a strong opportunities across roads, rails and metro with an increased focus on transmission power sector.

On roads, NHAI has identified 54 projects worth approximately INR1.85 lakh crores to be awarded in FY27. And while the expansion of high-speed rail and rapid rail Namo Bharat is creating significant long-term opportunity in the rail and metro segment. The transmission sector is also witnessing strong growth, supported by rising power demand and renewable capacity addition and the government's green energy corridor initiatives.

We remain focused on selective pursuing these opportunities while strengthening our execution capabilities to deliver sustainable growth. We are positioned for accelerated growth and superior returns and our diversified pipeline, financial discipline and bold sector bets position as a future-ready multi-sector infrastructure leader and 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 question-answer session.

Moderator: Thank you very much. We will now begin the question and answer session. We take the first question from the line of Vaibhav Shah from JM Financial. Please proceed.

Vaibhav Shah: Sir, firstly on margins, why were they impacted in Q1 and how do you see it moving forward in the remaining three quarters of the year?

Harendra Singh: Ultimately in quarter 1, solar projects, they have been impacted because of the local issues with the transmission lines and other RoW constraints were there. So because of that, we could -- we need to shift a few of the plants also to a new location. Also, the transmission line cost has been increased significantly over there. So that is the hit which we have taken in the quarter 1 margin.

Vaibhav Shah: And what will be the margins for the remaining quarters? How do you see it for FY27 as a whole?

Harendra Singh: So overall, this margin front that definitely the project which we've already have started in highways and rail projects, say 1 or 2 projects where the margins are not that encouraging. But overall margin would be in the range of about 13.5% to 14% EBITDA level.

Vaibhav Shah: Even after 18.5% in first quarter, the entire year would be around 13.5% to 14%?

Harendra Singh: Yes.

Vaibhav Shah: So it should revert back to normal levels from Q2 or we should see improvement in second half?

Harendra Singh: Because in Q2 also because of the rainy season and other impact of supply disruption, again, we are not having that control. But in later half of this year, second half of this year, we believe that there likely significantly, we will be bouncing back to the top line as well with good bottom line.

Vaibhav Shah: Sir, secondly, what would be our revenue guidance for this year and next year? And also, can you give the breakup of equity investments for the next 3 years for both HAM and BESS portfolio?

Harendra Singh: For this year revenue, we are quite hopeful, though we have lost significantly in first quarter, but we are quite hopeful to touch at least the number which we scored in FY25, let's say, INR6,100-plus crores. So we will be in the range of INR6,000 crores to INR6,500 crores by the year-end.

And next year, no doubt for FY28 with the orders in hand, we believe that we will be around INR7,000 crores for '28. For the equity requirement is concerned, till date, we have invested around INR1,664 crores of equity into all these transmission BESS and HAM projects. So the 9-month estimate is around INR583 crores yet to be invested for the balance part of this year. And FY '28 requires INR625 crores and just INR146 crores in FY29.

Vaibhav Shah: And breakup of this between HAM and BESS?

Harendra Singh: The HAM Projects do require INR309 crores for the balance of this year, and rest INR275 crores in transmission in BESS. And for year FY28, HAM requirement is INR235 crores and for FY 29, INR71 crores. And this BESS and transmission the requirement for FY28 is INR390 crores and around INR75 crores for FY29.

Vaibhav Shah: Okay. And sir, lastly, AD for the roads for Pune and Shirur and Capital Region is expected by when?

Harendra Singh: So we are expecting in October because the land positions and all related utility shifting things are in alignment. And within next 2, 3 months, it would be done and the financial closure is also in advanced stage of the Orissa project. So likely by October end, we will be getting appointed date for both these projects.

Vaibhav Shah: It's for Pune-Shirur?

Harendra Singh: Yes, both these projects. Yes, both of these.

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

Shravan Shah: Sir, a couple of questions, again, coming back to on the guidance front. So sir, we are still saying that for full year FY27, we are looking at INR6,100 crores to INR6,500-odd crores. Sir, it seems it is definitely much, much difficult to even reach INR6,000 crores kind of a number for this year?

So can you help us in terms of Q2 broadly, are we seeing much better? So this quarter, INR907 crores. So can Q2 would be a similar INR900 crores, INR2,000-odd crores then -- less than INR2,000 crores. So we need INR4,000 crores kind of a number in the second half that means INR2,000 crores in third and fourth quarter?

How that is doable. So if you can broadly break it down in terms of whatever the segments that we have HAM, EPC, BESS, transmission, how are we looking at the revenue for this year? That would be helpful. And maybe a particular the bigger project like a Shirur. How much we are looking at, then it would be helpful because it seems very, very difficult even if we reach INR5,000 crores, INR5,200 crores would be a great?

Harendra Singh: I think you are talking regarding the revenue guidance. Ultimately, as we have lost miserably in quarter 1 for various factors. But in quarter 2, we are quite hopeful that we will be roughly around INR1,000 crores. No doubt, there has been the monsoon impact in a few of the states which we are working. So that is one of the factors.

But in quarter 3 and 4, having received the appointed date of Pune-Shirur as well as this Odisha project, which is a big size project, we are already in the advanced stage of mobilization and already have secured everything like quarry and set up the plant and our entire establishment is in place.

And utility shifting is in an advanced stage of progress in Pune-Shirur also. So one is the sector which we are talking, then the highway, we are expecting to roughly do around INR3,000 crores in next 3 quarters. INR3,000 crores is from say, ultimately, it's around INR700 crores from Pune-Shirur only out of this INR3,000 crores and roughly around INR150 crores from Odisha, this railroad project.

So talking of that INR3,000 crores if we are going to add this number and rest BESS and transmission. So both the BESS projects to be completed in this financial year, and they are at the advanced stage where the order is being already released. And by December and January, we are likely to receive entire all battery and containers.

So it looks like that in battery, we would be roughly around 90% of the progress completion would be done all 3 battery projects. By this year-end. So with the transmission -- first transmission projects and the second transmission project, which is going to be completed in 18 months is already orders all items which are required.

So in that scenario also, we are looking at least INR600-plus crores of revenue to be done in this;So INR3600 crores and the rest is we are expecting no doubt around INR2,000-plus crores of revenue to be done in all rail projects, including Anuppur, Mirzapur as well as the recently awarded projects as well as all earlier projects, which we are discussing like Kanpur, RVNL. So these are all the projects which we are quite hopeful and we are there up running on track also.

Shravan Shah: Okay. And on the margin front, sir, when we are saying 13.5%, 14% so in Q2, let's say, the similar INR1,000 crores revenue. So what I look at is the entire margin hit is primarily because of the lower revenue because our employee cost as a percentage of revenue has gone up significantly from 5.4% to 10.3%?

So that's the entire 5%. So if we had 8.5% and 5% to 13% plus kind of number is there. So in Q2, most likely would be the kind of a similar number. Then in second half, are we kind of looking at 15% plus kind of a margin, and that's why we are saying that for full year, 13.5% to 14% is doable?

Harendra Singh: You are quite right because of the employee cost, it has been significant high and the employee cost at this particular top line is not -- in any case, is not matching. So, quarter 3 and 4 were INR2,000, crores, INR200-plus crores of revenue to be done at this employee cost or even lower the employee cost because we are dragging too few of the projects of highways, especially I'm talking about HAM projects.

As well as one Ganga project, which was dragged for almost 1 year plus the completion when we completed 96%. So this 3% to 5% of completion in these 7 projects that has impacted a lot in all employee cost into these projects where not a big amount was executed, but the entire cost of employee and establishment was huge, but then again, now we are into these all mid-stage and new, say, advanced stage of initial stage of those projects. So no doubt it would be in that range where 15%-odd margins, then overall margin could be 13.5% for the year.

Shravan Shah: And for next year also FY28, the similar 13.5%, 14%, then would be doable because then they would be?

Harendra Singh: We believe that as of this scenario is there. We are targeting those transmission projects, which do have this juice of about 13% to 15% EPC margin. So looking to that in rail also, some of the projects of high-value projects being announced, and we are looking at these are the projects, which is around INR3,000-plus crores of single project is there. Also in other than these rail and metro projects, urban projects and highways, there are significant big size projects, which are likely to be there. So looking to the scenario, we are expecting that at least this number is quite doable in future years.

Shravan Shah: Okay. And lastly, in terms of for the entire monetization, so till now how much we have received cash for the equity front, equity and sub debt that we have invested and what is pending and when we will be receiving the balance money?

Harendra Singh: So this is around INR660 crores being received and INR725 crores is balance and INR725 crores typically in quarter 2, roughly, we would be getting some INR250 crores and balance portion in quarter 3. And also, we are expecting to close this Karnal project where already the term sheet being shared with the potential buyers.

And likely that we will be closing this transaction at the year-end because there, the COD is not having that delay. Once the PCC is achieved within 3 to 6 months, we will be getting the COD also. So looking to that monetization, we are expecting roughly from now onwards, roughly around INR850-odd crores to be collected in the company by the year-end.

Shravan Shah: So that's why we are expecting that the INR1,800 crores debt will go down to the INR900 crores by year-end?

Harendra Singh: Yes, of course, there are a few other factors which we were earlier expecting that solar debt would be released to SPVs and as you would be getting this money of INR300 crores plus could not be done because of several issues related to the project. Also, there has been long drawn receivables where unbilled -- these current assets could not be billed because of the COD and certain variation items not being approved till date by client. So these are all majorly all factors would be there that is going to help us to see this front of cash flow inflow being a high target for the year. So considering that, we are expecting that it would be half the number which we are at this stage.

Shravan Shah: Got it. Lastly, sir, balance sheet numbers, retention money, HAM debtor, solar debtor, and Ganga and railway debtors?

Harendra Singh: So these details, I will tell my team to connect to you because now I'm not having immediately with me.

Shravan Shah: No issues, sir. Thank you and hope we will start seeing the recovery soon.

Moderator: We take the next question from the line of Aditya Sahu from HDFC Securities Limited.

Aditya Sahu: A lot of my questions were already answered. However, I did have a few more. On the -- we had some settlement of operational claims that we were expecting in H1. Where do we stand on that? We had highlighted about the delay that was witnessed in Q4. So where do we stand on that?

Harendra Singh: Ultimately, in last quarter, we could say sign off one of the settlement claim. Almost 3 projects were there around INR42 crores already received INR29 crores in July. And apart from this, say one of the settlement claim, which is in ministry, which is likely to be closed within this August only. And roughly in September, within, say, 30 days of the settlement agreement, they need to pay us. So likely in September, we will be getting this amount of around INR100 crores.

Aditya Sahu: INR100 crores?

Harendra Singh: We are at INR100 crores in September. So this is again, we are targeting in this particular quarter 2 only. Again, from other projects also, we are looking at this consolation to be completed within next 3 to 6 months. So by the year-end, we would be -- there are fair chances that we would be getting around INR200-odd crores on to the various consultations being done.

Aditya Sahu: Okay, sir. Understood. Understood. On the -- just confirming the numbers, I think, I may have dropped off in between. With respect to the equity requirement, the total equity requirement is at INR3,819 crores, INR3,819 crores, of which INR1,056 crores has been infused till June 26, if I'm not wrong?

Harendra Singh: Yes, I think it's the wrong information you are having, the total equity requirement into HAM is INR1,331 crores. Which we are not considering the project, which we are only considering the project already monetized. So we are considering Karnal we are considering Package 10 and 13 of Chennai-Tirupati, Ayodhya and Narol-Sarkhej recently awarded this Odisha Ring Road.

So this is around INR1,331 crores out of INR750 crores already invested till June in these projects, INR309 crores for 9 months for the year, balance part of this year, INR235 crores for FY '28 and INR72 crores is for FY '29, okay? And in solar and BESS and transmission projects, if you are talking, so this is a total equity requirement of INR1,689 crores out of which already INR959 crores invested balance INR275 crores for the year, balance part of the year, INR390 crores for next year and INR75 crores for FY '29.

Aditya Sahu: Understood, sir. And what would be the gross debt as on June 26, at standalone level?

Harendra Singh: Sorry, debt?

Aditya Sahu: The debt at standalone level?

Harendra Singh: INR1,834 crores.

Aditya Sahu: Understood sir. No more query. Thank you so much.

Moderator: Thank you. We take the next question from the line of Rengavarshini from Wealthified.

Rengavarshini: Am I audible?

Harendra Singh: Yes.

Rengavarshini: 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 the asset monetization and equity infusion, sir?

Harendra Singh: So the equity infusion, which we are looking at for the last -- so the 9 months is around INR585 crores. So this equity infusion, if you see and the monetization is around INR800 crores, which is likely to be there. So this is taking out these 2, the current assets, there are the certain claims, certain closure projects.

These are all final bills and the other point of operational -- these are not claims rather, these are all operational cash flows. So which we are expecting that by the year-end, we are likely to get INR300 crores plus for reduction in the debt out of these other things. And INR800 crores of monetization is going to fund INR583 crores of commitment with a surplus of INR200 crores. So if you see in totality, we would be roughly expecting that around INR900 crores is the total cash receivables, including INR300 crores plus receivables into solar from the debt, which is we are going to receive from banks in solar SPVs.

Rengavarshini: Understood, sir. And the consolidated EBITDA margin has increased substantially despite fall in revenue. Can you please give us some color on this? Is it because of the business mix change or any other accounting factors?

Harendra Singh: No, it's a normal thing. I think the EBITDA in console is because of the solar receipt, which we are continuously now would be getting on a quarterly basis. So it would be roughly around INR50 crores, which we have billed to DISCOM. So that has helped us. That is a pure EBITDA only because hardly there is any cost which is incurred in operations in all these solar projects. So if you see the solar and BESS and transmission, which put together roughly is around INR650 crores to INR700 crores of total EBITDA that is likely to be there on annual EBITDA, which will be there in consolidated numbers once we commission all these projects.

Moderator: We take the next question from the line of Parth Thakkar from JM Financial.

Parth Thakkar: Sir, what would be our revenue expected from the 2 VRK package, Pune-Shirur, Thane Metro and Capital Region for this year?

Harendra Singh: For Pune-Shirur, we are expecting around INR750 crores. Capital Ringroad, we are expecting INR150 crores. And we are not very hopeful in Thane project, hardly INR50-odd crores likely to be there. So put together is around INR900 crores in these 3 projects, new projects.

Parth Thakkar: And sir, both VRK packages?

Harendra Singh: Sorry?

Parth Thakkar: The 2 VRK packages?

Harendra Singh: Which packages?

Parth Thakkar: VRK, VRK.

Harendra Singh: VRK, definitely, they are advancing well, and we are expecting a significant amount would be done within this year only. We are expecting around INR200 crores to be executed within this year only.

Parth Thakkar: Sir, how has the working capital moved compared to quarter-on-quarter?

Harendra Singh: Already we have discussed the working capital is going to be eased out once the collection is in the fast pace and looks like that the collection, including monetization, including solar debt is likely to be realized from quarter 2, 3, 4 and progressively incrementally good, though it was expected last 6 months, but definitely, there are a few reasons which there have been delays, significant delays has happened. But the working capital would be roughly in control, and we would be at around 50 days, if you see by year-end.

Parth Thakkar: Sir, last question, have we submitted any bids, where results are awaited, and what would be our total bid pipeline?

Harendra Singh: Almost we have submitted around INR22,000 crores of bid in HAM and highway projects and around INR4,000 crores in rail projects till date. And 1 or 2 transmission projects also has been bided.

Moderator: We take the next question from the line of Vivekananda Reddy from YVR Securities?

Vivekananda Reddy: Any word on the CBI matter?

Harendra Singh: There are no update as of now till the time when the bail and everything was granted there upon only. A few queries and few details required and we furnish those details. And that's it. I think we have not yet updated any further details and any further updates are not available.

Vivekananda Reddy: Sir, is the execution speed picking up from the quarter 2, sir?

Harendra Singh: Quarter 2, definitely, there has been some initiatives which we have taken into 3 of the projects which were fairly affected because of pondage and there is appointed date being declared in Varanasi, Kolkata. So the execution has been picked up in these projects. Also, this recently awarded projects of Anuppur and that project, these progress has been there. Also, there is one variation of around INR200 crores, which we have received in Delhi-Vadodara package, where the progress is there. So looks like the in quarter 2, it is a plus side, but in quarter 3 and 4 it would be very aggressive.

Moderator: We take the next question from the line of Dheeraj Mali from Wealthifield.

Dheeraj Mali: I have a question like we have a fairly reasonable order book at INR14,500 crores, yet revenue has declined. What percentage of the current order book is currently executable? How much is still backed by hurdles like land acquisition, appointed dates and approvals?

Harendra Singh: Approximately INR6,000-plus crores of project out of INR14,500 crores is not executable as of now because of the -- so you see Pune-Shirur INR1,500 crores out of Odisha this Capital

Ringroad project. So these are the 2 big size and one more project from Mirzapur has not yet started because of the land and one of the transmission projects. So put together, it is around INR6,000 crores plus. So if you take out this only INR8,000 crores of order execution is there. So -- but these 3 projects also which we are expecting in quarter 3 -- initial month of quarter 3 only October, we will be getting the appointed date.

Moderator: We take the next question from the line of Manish, an Individual Investor. Please proceed.

Manish: Sir, am I audible?

Harendra Singh: Yes.

Manish: Sir I have a query with you our share price is 70% down from all time high because your retail investor was very good and your guidance was very good in last 2 years, many such retail investors are trapped, so what do you think when we will kept escape from that, what is our future sir?

Harendra Singh: The future is how we can govern the stock price, but it is that what we have told you in last 1 year there are specific reasons even the company were not much, other companies are also there, but taking those factors we are not able to see much growth or much margins we were not able to see and in debt reduction was not much expected, but definitely we are quite hopeful for the year it is not like that. But naturally if numbers are good the share price you all will decide.

Manish: We were about to recover some of the prices after that CBI case has come means cherry on the top if we say so. So that also affected the sentiment of the market, right?

Harendra Singh: We are quite hopeful for the year. By the end of the year, we would be again coming back to that normal.

Manish: Okay, sir. And sir, second query that we are so much hopeful why not we buy the share if it's at mount throttling valuation means it is 70% down and promoter holding 71.5% you can still buy?

Harendra Singh: Thank you.

Harendra Singh: We can conduct from some of the period. We will be doing that. Okay. Thank you.

Manish: Yes, sir. Got it.

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

Renuka: Yes. Hello. Thank you for the opportunity. Am I audible?

Harendra Singh: Yes, please continue.

Renuka: Yes. So in your consolidated financials and the exceptional item, there is a loss and impairment charge, which is recorded for the Raipur OD5 and 6 SPVs. So I just wanted to know the nature of this, if you can just throw some light on it?

Harendra Singh: So basically, the own consolidation in stand-alone and the consolidation into this project. So these are the projects where the net worth, which was built because of the significant delays, we were for 2 years and then delayed by another 2.5 years plus. So there is the financial income, which is the accrued financial income where this particular net worth was built, which now with the realization of this monetization proceeds is being discounted. And that is the factor which you are looking at this exceptional item is giving this negative number.

Renuka: And with regards to the impairment charge?

Harendra Singh: With regard to?

Renuka: There is an impairment well for the AP1 project?

Harendra Singh: AP1 project, which is already auditors and we discussed that way that in AP1 also the monetization is being concluded at a number. So once we have agreed at the number, so we are discounted by INR20-odd crores into INR24 crores, INR25 crores that AP1 monetization, this exceptional item already has been taken into consideration.

Renuka: Okay. Okay. And I just missed out on the debt numbers, the gross debt and net debt to equity as on June 26. If you can just share it again?

Harendra Singh: I will tell my IR team to get back to you. Thank you.

Renuka: Hello.

Harendra Singh: I will tell my IR team to get back to you. They will touch base.

Moderator: 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.

Harendra Singh: So thank you for joining us all today, and we remain confident in our continued success and are here to address any further questions. Please feel free to reach out to us or our IR adviser, Go India Advisors. Thank you, and good day.

Moderator: 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.