To,
The Manager,
The Department of Corporate Services
BSE Limited
Floor 25, P. J. Towers,
Dalal Street, Mumbai – 400 001

Scrip Code : 533271

To,
The Manager,
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Scrip Symbol : ASHOKA EQ.

November 17, 2022

Sub: Call Transcript

Please find enclosed herewith the copy of transcript of the Earnings Call held on November 14, 2022 in respect of Unaudited Standalone and Consolidated financial results for the quarter and half year ended September 30, 2022.

Kindly take the matter on your record.

Thanking you,

For **Ashoka Buildcon Limited**

MANOJ ACHYUT KULKARNI
Digitally signed by MANOJ ACHYUT KULKARNI
Date: 2022.11.17 14:59:22 +05'30'

Manoj A. Kulkarni
(Company Secretary)
ICSI Membership No. : FCS – 7377

“Ashoka Buildcon Limited Q2 FY23 Earnings Conference Call”

November 14, 2022

MANAGEMENT: **MR. SATISH PARAKH – MANAGING DIRECTOR, ASHOKA BUILDCON LIMITED**
MR. PARESH MEHTA – CHIEF FINANCIAL OFFICER, ASHOKA BUILDCON LIMITED
MR. SUYASH SAMANT, STELLAR INVESTOR RELATIONS ADVISORS PRIVATE LIMITED

MODERATOR: **MR. MANGESH BHADANG – NIRMAL BANG EQUITIES PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Ashoka Buildcon Limited 2Q FY23 results conference call hosted by Nirmal Bang Equities Private Limited. As a reminder, all the participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal for an operator by pressing "*" and then "0" on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr Mangesh Bhadang from Nirmal Bang Equities. Thank you, and over to you, sir.

Mangesh Bhadang: Good afternoon everyone. On behalf of Nirmal Bang Institutional Equity, we welcome everyone to the second quarter FY23 results conference call of Ashoka Buildcon Limited. From the management, we have with us today Mr Satish Parakh – Managing Director and Mr Paresh Mehta – Chief Financial Officer of the company. We also have Suyash Samant from Stellar Investor Relations team on the call with us today.

Without further ado, I now hand over the conference to Mr. Satish Parakh for his opening remarks on the results which we will follow it up with the question & answer session. Over to you, Mr. Parakh.

Satish Parakh: Good afternoon everyone. I'd like to extend my warm welcome to everyone on this earnings call for the second quarter and half year ended September 30, 2022. Along with me, I have Mr. Paresh Mehta, our CFO, on the call.

Let me now give an update on the equity sale of ACL projects. As mentioned earlier, we have successfully signed up for the asset sale transaction of Ashoka Concessions Limited of 5 SPVs by entering into a share subscription and share purchase agreement with Galaxy Investments II Private Limited, an affiliated entity of KKR. The deal is to be completed soon after receiving required approvals from lenders, NHAI, and other relevant stakeholders and completion of certain conditions precedent.

We have received approvals from a few lenders and other stakeholders. We are in the process of completing the balance CPs. Meanwhile, we have received an extension of the period for the fulfillment of CPs from an investor. The deal transfers the entire share capital of these 5 BOT SPVs, including repayment of shareholders' loan, for an aggregate consideration of Rs. 1,337 crores. The total proceeds received will be utilized to facilitate the exit of SBI Macquarie from Ashoka Concessions Limited, allowing SBI Macquarie to exit the company fully.

Further, transfer of these 5 SPVs will reduce the consolidated project debt of ABL by Rs. 2,930 crores. Also, we have executed a share purchase agreement with National Investment and Infrastructure Fund for sale of 100% equity of Chennai ORR project for an aggregate financial consideration of Rs. 686 crores. Out of Rs. 686 crores, ABL is expected to receive Rs. 450 crores – Rs. 250 crores towards loan repayment and around Rs. 200 crores towards its 50% equity stake in SPV. Post this transaction, the company will remain with the following major projects in highway portfolio: 74% equity in 1 toll project, which is Jaora-Nayagaon; 3 fully owned annuity projects which is Hungund-Talikot, Bagewadi-Saundatti and KSHIP; and the fully owned portfolio of 11 HAM projects. As mentioned earlier, we are in discussion of equity sell of Jaora-Nayagaon BOT toll project.

Coming to HAM projects, we have executed a concession agreement with NHAI worth Rs. 1,079 crores for the development of 6-lane access controlled greenfield highway project from kilometer 162.5 to 203.1, Baswantpur to Singnodi section of NH 150C on hybrid annuity mode under the Bharatmala Pariyojana. The construction period is 912 days and the operation period is 15 years, and also achieved financial closure for the same. We are expecting an appointed date very soon.

We also received pre-COD for our TS-1, which is Mallasandra-Karadi of NH 206. The total equity requirement of all 11 HAM projects is about Rs. 1,096 crores of which we have already invested Rs. 848 crores as of September 2022.

Coming to our order book, as mentioned, we have achieved a robust order inflow. Some of the key and large orders received from 1st August are as follows. We have received the LOA for East Central Railways, Rs. 208.89 crores project for provision of Train Collision Avoidance System to be completed in 24 months. LOI for a project for Department of IT & Communication, Government of Rajasthan, of Rs. 600 crores. It is a joint venture with Cube Construction Engineering Limited for construction and maintenance of Rajiv Gandhi Fintech Digital Institute at Jodhpur. LOI for Provident Housing Limited of Rs. 254.5 crores for a project of civil and structural for residential project at Kalyan. The construction is 42 months from the commencement date. We have received an LOA from South Western Railways for Rs. 258.12 crores for the construction of new BG line between chainage 192 to 171, including electrical and telecommunication works between Tolahunse and Bharmasagara stations on EPC mode. The completion period is 24 months from the date of appointed date.

The breakup of Rs. 14,901 crores order book as of September 30, 2022 is: Roads and Railways projects comprise around Rs. 9,760 crores which is 65% of the total order book. Among the road projects order book, HAM projects are worth Rs. 2,689 crores and EPC road projects are worth Rs. 5,573 crores. And Railways is around Rs. 1,498 crores. Power T&D and others account for around Rs. 2,233 crores which is approximately 15% of the total order book. The EPC building segment contributes to Rs. 2,867 crores which is 19% of the total order book. And EPC work of CGD business comprises of balance of Rs. 41 crores.

Let me reiterate that our focus remains to build strong EPC business in the segments of highways, railways, power T&D, and buildings. The current order book of Rs. 14,900 crores provides us with good visibility of EPC business growth.

On assets portfolio, we have already built 11 HAM projects' portfolio. In terms of new project bidding, our priority will remain on HAM projects and strengthen the HAM project portfolio.

That is all from my side. I would now request Mr. Paresh Mehta to present the financial performance of H1 and Q2 FY23.

Paresh Mehta: Good afternoon everyone. The result presentation and press release for the quarter have been uploaded on the stock exchanges and the company's website. I believe you all may have gone through the same. Now I would present the financial results for the second quarter ended September 30, 2022.

Starting with the consolidated results. The total income for Q2 FY23 grew by 41% year on year to Rs. 1,845 crores as compared to Rs. 1,305 crores in Q2 FY22. EBITDA stood at Rs. 467 crores in Q2 FY23, with a margin of 25%. Profit after tax is at Rs. 65.7 crores in Q2 FY23.

In H1 FY23, total revenue was Rs. 3,761 crores, up by 44% year on year. The EBITDA stood at Rs. 988 crores, with a margin of 26.3%. Profit after tax stood at Rs. 200 crores.

Coming to the stand-alone numbers, the total income for Q2 FY23 stands at Rs. 1,310 crores as compared to Rs. 976 crores in the corresponding quarter last fiscal, registering a growth of 34%. EBITDA for the quarter was at Rs. 142 crores, with an EBITDA margin of 10.8%. The company reported a net profit after tax of Rs. 65.5 crores in Q2 FY23. In H1 FY23, total revenue was Rs. 2,820.2 crores, up by 39% year on year. The EBITDA stood at Rs. 317 crores, with a margin of 11.3%. Profit after tax stood at Rs. 169.8 crores.

As you are all aware, due to equity sales transactions, we are not recognizing interest income from SPV in our books, and it has reduced the EBITDA. And also, EBITDA margins have gone down, impacted mainly due to the inflationary environment and higher competitive bidding in some of the projects.

During Q2 FY23, BOT division recorded a toll collection of Rs. 275 crores as against Rs. 243 crores in Q2 FY22 and Rs. 287 crores in Q1 FY23. Total consolidated debt as on September 30, 2022, is at Rs. 7,079.7 crores, of which project debt is Rs. 5,961 crores, of which Rs. 2,930 crores stand for project debt of 5 BOT projects. NCD stood at Rs. 250 crores at ACL level. The stand-alone debt is at Rs. 869 crores which comprises of Rs. 167 crores of equipment loans and Rs. 702 crores of working capital loans. The stand-alone debt has increased because of delays in collection in certain road projects, which will be collected in the coming 2 quarters.

Out of the total consolidated debt of Rs. 7,079.7 crores, Rs. 2,930 crores will be transferred along with 5 SPVs of BOT projects. Post the sale transaction, the effective consolidated debt would be around Rs. 4,149 crores.

With this, we open the floor for questions & answers.

Moderator: We will now begin the question & answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Mohit Kumar from DAM Capital. Please go ahead.

Mohit Kumar: My first question is on this EBITDA margin. The margins have been tracking much lower than our historical margins. Can I expect the margins to go back to more than 10.5% in FY23? Or do you think there is a downside risk to that? And in the quarter, is it that we have executed the NTPC solar order, that's the reason the margin is slightly lower? Is that a fair assumption?

Paresh Mehta: EBITDA margins are typically lower because certain projects which have been bid competitively are getting into execution in this phase. In the previous quarters, the projects which were at better EBITDA margins were being executed. Now those projects have come to an end, and cost overheads have had an impact on the overall margins. We believe that this level of margins will continue for a couple of more quarters, after which, we will get back to our normal.

Mohit Kumar: Sir, your guidance for short-term to medium-term, let's say, in FY24, FY25, are we looking at this kind of number? Or you think that it will go back to 12% kind of number which we were doing earlier?

Paresh Mehta: For FY24, we would try to maintain a range of 9% to 10% of EBITDA margins.

Mohit Kumar: Sir, on the monetization, if the Jaora-Nayagaon to happen in this quarter? Secondly, is there any plan to monetize the HAM asset which you already have? I think 4 or 5 are operating, right?

Paresh Mehta: Yes. On the monetization, as already explained by our managing director, five of the BOT projects are already in the process. CPs are almost getting over. And we should expect within 1 to 2 months for the transactions to get a closure. On the Chennai ORR also, the CPs most of the lenders have already given permission, and we are just waiting for one banker and the authorities' permission to get the clearance. That should get done in the next 2 months' time. On the Jaora-Nayagaon project, we are in the last stages of finishing the documentation with the potential investors and we should get that done anytime. We are waiting for that. As far as HAM project is concerned, we are definitely looking out for potential buyers for the whole portfolio of 11 projects, and we definitely see a lot of interest by many strategic as well as the financial investors for the same.

Moderator: The next question is from the line of Ash Shah from Elara Capital. Please go ahead.

Ash Shah: Can you just give the revenue breakup for this quarter as well as Q2 FY23 and FY22 both, segment-wise?

Paresh Mehta: For EPC road, we were Rs. 665 crores previous year, which is Rs. 820 crores this quarter. In the power sector, we were Rs. 52 crores last year. We are now Rs. 140 crores. On the railway, we were Rs. 142 crores in last year, quarter 2. Now we are Rs. 184 crores. On miscellaneous projects, we were approximately Rs. 30 crores in the last Q2 FY22, which is now approximately Rs. 80 crores in Q2 FY23.

Ash Shah: Also one more thing. On the EBITDA margin front, you said that a lot of competitive projects are under execution. Could you just give us a rough idea that how much portion of the order book is fixed price right now and how much portion has a pass-through contract?

Satish Parakh: Typically, most of the road projects are in the range of 8% to 9%. The international projects are at a higher margin, but they will get into execution after Q4, where huge executions come in. They have just kicked off. It will take some time for them to move on. And on the power and other sectors, they are in the range of 8% to 9%. And certain projects which are getting over, there we are seeing an impact of escalation on handing over. That impact is coming in this quarter. Some projects are getting over like the Bundelkhand project got over. We will get a couple of projects get done in the coming 2 quarters.

Moderator: The next question is from the line of Ashish Shah from Centrum Broking. Please go ahead.

Ashish Shah: Sir, on the working capital side, we have seen the increase in the level of debtors as well as the unbilled and other current assets, etc. Is it possible for us to break down what is the amount of debtors, let's say, from highways and non-highways, and also on the unbilled side? Just to get a sense where this increase is happening majorly from.

Paresh Mehta: On the working capital side, if you see vis-a-vis March, it has increased, but vis-a-vis June, we have almost maintained that. And as far as the breakup of debtors is concerned, the major change in the debt is in the road sector with the incremental approximately Rs. 300 crores of HAM and EPC contracts. Total debtors plus unbilled revenue is approximately Rs. 1,400 crores which is up by around Rs. 300 crores. Other sectors like power, approximately exposure is Rs. 330 crores. Railway is around Rs. 300 crores. And miscellaneous projects are around Rs. 300 crores. Overall, debtors and unbilled revenue is around Rs. 2,400 crores.

Ashish Shah: Sir, this plus Rs. 300 crores is on a year-on-year basis or sequential, in the HAM and EPC?

Paresh Mehta: Vis-à-vis March.

Ashish Shah: And the power and railways, corresponding numbers if you have handy?

Paresh Mehta: In power, I just said, we are Rs. 330 crores; previous of Rs. 341 crores, March 2022 numbers. In the railways, we at Rs. 308 crores against a number of around Rs. 195 crores.

Ashish Shah: Sir, in the HAM and EPC side, typically, the counterparty tends to be NHAI. We usually don't see a working capital buildup there. So, why would this increase would have happened, sir, on the road side?

Paresh Mehta: We are slowly shifting towards milestone billing also. That is also one of the reasons some billings are done on milestone because projects are coming to an end. The Karadi-Mallasandra and Karadi-Banwara, then Ankleshwar, these are all milestone based. Their billing will get over. In the other projects like Bundelkhand, final billing is pending. So, that will get over in a couple of months' time. Total by December, we should get most of these receivables cleared off. And the EPC contracts with the Adani project – the Panagarh project – and it has typically just taken off. So, their payment is a bit delayed. It is as per the contract, but initial investment is there on mobilization and execution.

Ashish Shah: Sir, sorry to just continue on this point, but it has been in the HAM side. The payments have been on milestone actually for quite some time, and even EPC has been milestone-based only. I am just trying to understand what seems to have sort of changed over the last 6 months for this to go so much higher?

Paresh Mehta: If you see the last 4-5 months, we have had almost 4 to 5 projects under PCOD. They have achieved PCOD. At the last stages, these final billing and milestone billing take time to get cleared. And also on an operational basis if you see, the turnover has increased vis-a-vis last year. That has a corresponding impact on the outsetting also.

Ashish Shah: By the end of the year, would you expect the overall working capital and debt situation to normalize? Or do you think it should broadly remain in the vicinity of Rs. 800 crores to Rs. 900 crores of debt?

Paresh Mehta: It will broadly remain almost in the same range, marginally improved but generally remain in the same range because certain contracts are also back-ended contracts with the other sectors. So, overall working capital will remain the very same for another 2 quarters.

Ashish Shah: And sir, on the solar NTPC project, if you can just update on where are we currently in the process of execution or any discussion with the clients, it would be helpful.

Satish Parakh: Yes. In solar, it is absolutely status quo as far as panels are concerned. Other works are getting completed, and they have been paying regularly.

Ashish Shah: But sir, my point in that if the project keeps getting delayed, then obviously, our economics keep getting inferior in the project. What is the end result of this? Would they agree for an increase in the quoted cost of the project or on what lines are we discussing with them?

Satish Parakh: We have been discussing to descope this panel part of it, which most of the players in the industry are either delaying it or trying to delay this because the prices have really gone haywire. So, this government is considering as a policy what they can really help the industry. Till that time, they are also not insisting and we are proceeding with all the balance works.

Ashish Shah: And sir, does this project have any guarantees, etc., from our side? Have we given any BGs from the construction point of view?

Satish Parakh: We have performance BG for the project.

Ashish Shah: Would that be around 5%?

Satish Parakh: Yes, 5%.

Moderator: The next question is from the line of Riya Mehta from Aequitas. Please go ahead.

Riya Mehta: My first question would be in respect of ordering activity by NHAI. Almost, in the first half, we have seen a 60% decline within this last year. How is the ordering happening and what kind of pipeline do we see for road projects for the H2? That would be my first question.

Satish Parakh: Yes, H1 has been slow, as you said. But H2, we are seeing there is a good pipeline, and the target – basically NHAI target – of 8,700 against 6,300 last year. It is likely to be achieved in H2.

Riya Mehta: And then our market share from there will be or what kind of order inflows for Ashoka?

Satish Parakh: We are now bidding for around Rs. 55,000 crores of orders, which we have selected for bidding. Out of Rs. 75,000 crores which are in pipeline, Rs. 55,000 is what we are going to attempt. And there are bids we have already bid for around Rs. 10,000 crores, which are still unopened. So, this Rs. 65,000 crores is what is our visibility going ahead.

Riya Mehta: NHAI has been reducing the upfront payment by 20% and they would rather give it on a milestone basis. Are we seeing any such kind of impact, and hence, our working capital is bloated for the future orders?

Satish Parakh: This would actually come from January. Till then, they are paying monthly.

Riya Mehta: From January, we would see more bloating in the working capital. Is my understanding right?

Satish Parakh: If they do not continue the benefit given, then definitely, the payment cycles will get delayed.

Riya Mehta: In terms of margins for the future orders, which we are bidding, the Rs. 55,000 crores worth of pipeline which you have bid, what kind of margins are we bidding at for the future orders?

Satish Parakh: These are a little aggressive than what we used to do earlier. Because the aggression in the industry still remains. The qualification norms are the same and there are many players in the system. So, our focus is though our margins may go a little bit down, but if our order book is good, we still, on a gross basis, would be able to make up our EBITDA and profits.

Riya Mehta: So, we are on track for the order book levels of Rs. 15,000 crores to Rs. 16,000 crores as guided for FY23?

Satish Parakh: Yes, Rs. 15,000 crores is our current balance order book approximately. And definitely going ahead, we look at another Rs. 5,000 crores.

Riya Mehta: So, almost Rs. 20,000 crores is what we look for order book for the year?

Satish Parakh: Rs. 3,000 crores to Rs. 3,500 crores may get executed also in H2. So, we should be opening the year with around Rs. 17,000 crores to Rs. 18,000 crores of balance order.

Riya Mehta: But the margin levels would be similar to 9% to 10%?

Satish Parakh: Our target is to be in the range between 9% to 11%.

Riya Mehta: And for the asset sale, in terms of quantitative terms, how many lenders are still pending for approval for ACL?

Paresh Mehta: In ACL, we have 5 projects. At 3 projects, the final NOCs are ready and we should receive them any time. For one of the projects, typically, there are 6 lenders. Only lead lender has just released their NOC, so the balance will fall in line. There are five more lenders there. They will take their due course to release their NOCs in, say, 3 to 4 weeks' time. NHAI already is in the process of processing those NOCs, and they are just waiting for the final NOCs from the lenders.

Riya Mehta: So, almost in 1 month, we should see completion of…. I think by December year-end, we target this to get completed?

Paresh Mehta: We should be able to get the NOCs from both NHAI as well as lenders in 45 to 60 days.

Riya Mehta: So, this would happen in Q4 FY23?

Paresh Mehta: Yes, transactions get over and cash probably will move somewhere in the month of January-February.

Riya Mehta: So, maybe in Q4, we would see Rs. 3,000 crores reduction in our debt levels and just pursuing downwards?

Paresh Mehta: Right, consol debt would change.

Riya Mehta: Currently, what is the cost of borrowing?

Paresh Mehta: Cost of borrowing for the BOT projects is in the range of 8.5% to 9% and in the HAM projects in the range of 7% to 8.5%.

Moderator: The next question is from the line of Rohit from Antique. Please go ahead.

Rohit: Sir, my question has more to do with your margin spurt. Currently, as I see, we have Rs. 15,000 crores of order backlog, and out of that, 55% is occupied by roads, and the remaining 45% is roughly, say, Power T&D, Railways, and EPC buildings. If you could give us some color on what the current order backlogs' margin profile would be segregated into? How much is roads making and how much is non-roads making?

Paresh Mehta: The current portfolio growth project should be at a profit margins would be in the range of 8% to 9%, 9.5%. That would be the range based on today's cost escalation and other variables. On the Railways, also, it would be almost similar. On the international projects of roads, it would be better. It would be more than 12% to 13%. And in the other miscellaneous sectors, it would be approximately in the range of 8% to 10%.

Rohit: The competitive intensity in your future order inflows that you see, how much can it translate into margins? Will we be back to that 11% to 12% plus kind of number anytime soon?

Paresh Mehta: It will remain at the same levels which are there today.

Rohit: Sir, finally, on the fund-based limits and nonfund-based limits if you could give us some color on it how much is it utilized and how much is it currently right now?

Paresh Mehta: On the nonfund-based, we are almost 75% utilized out of our Rs. 5,000 crores of limit. And on the fund-based, we are approximately 80% to 85% utilized along with our short-term borrowings inclusive.

Rohit: How much is that limit, sir, the amount?

Paresh Mehta: As we have said, around Rs. 800 crores in total. We are borrowing Rs. 800 crores to Rs. 900 crores.

Moderator: The next question is from the line of Nikhil Abhyankar from DAM Capital. Please go ahead.

Nikhil Abhyankar: Sir, I am not sure if you answered this question earlier, but you have grown at around 35% of the revenue in the H1, and we had earlier given a guidance of 15% to 20%. Would we like to revise our guidance for the remainder of the year?

Paresh Mehta: Based on our H1 orders to be executed on H2, we should be in the range of 25% to 30%.

Nikhil Abhyankar: 25% to 30% with a margin guidance of 10%?

Paresh Mehta: EBITDA around 9% to 9.5%.

Nikhil Abhyankar: Any targets on order inflow?

Paresh Mehta: Around Rs. 5,000 crores, of which around 70% to 80% would be in the Roads and Railways sector and balance in the other sectors.

Nikhil Abhyankar: Sir, my second question is regarding Shivamogga-Tumkur package 2 and 3, Banur-Kharar, and Kwaram Taro. These projects are relatively moving slow. Any specific reason for that?

Satish Parakh: Tumkur-Shivamogga package 1, as I said, we have got PCOD TS 1. And Tumkur-Shivamogga 2 also we will be getting in Q3. In Q3, package 2 also we will get the PCOD. In Q4, we should target our package 3. So, 2 we are getting in Q3; in Q4, we will get 3; and 4, we got it late, so this will go to next year.

Nikhil Abhyankar: The total interest cost has gone up around 40% to 50% YoY. Can you just give a comparison as to cost of borrowing for this quarter and the last quarter – September 2022 as to September 2021?

Paresh Mehta: Definitely, the interest scenario has changed from the quarter 2 of last year to quarter 2 of this year. We have seen almost 50% to 55% jump in our short-term borrowing for WCTL, and CCs are up by almost 35% and 40% interest rate. And borrowings also comparatively are more than what it was there. And there was a certain increase in the mobilization advance which was taken for the projects, which has contributed to the increase in the interest cost.

Nikhil Abhyankar: And just a bookkeeping question. Can you just give us the numbers for retention money and mobilization advance?

Paresh Mehta: Mobilization advance is to the tune of approximately Rs. 590 crores. Retention money on all sectors included is approximately about Rs. 185 crores.

Nikhil Abhyankar: And the unbilled revenue?

Paresh Mehta: Unbilled revenue Rs. 1,152 crores.

Moderator: The next question is from the line of Subruto Sarkar from Mount Infra Finance. Please go ahead.

Subruto Sarkar: Sir, partly my question has been answered. My question is, again, on the KKR deal. When the deal will actually get over and we will be able to start reflecting in our financials? Is it from Q4 of this year?

Paresh Mehta: As I explained, CPs would get over in this Q3 definitely. And Q4, we should get the transfer of shares and cash in Q4 first part. So, March 2023 numbers would definitely reflect the deal.

Subruto Sarkar: March 2024 will reflect X of the deal, basically. The numbers will get reflected there?

Paresh Mehta: Yes, by that time….

Moderator: The next question is from the line of Vasudev from Nuvama. Please go ahead.

Vasudev: Most of my questions are answered. Just a few data-related questions. If you can help me with what is the CapEx that we did in Q2 and how much are we planning for H2 now?

Paresh Mehta: CapEx for H2 was approximately Rs. 24 crores to Rs. 25 crores, and going forward, we would typically end up with another Rs. 20 crores to Rs. 25 crores.

Vasudev: Next thing, the equity that we infused in Q2 and for the balance equity infusion, if you can give the breakup in H2 FY23, FY24, and FY25?

Paresh Mehta: On the HAM projects was Rs. 32 crores invested in Q2. And for the balance 2023 half year, equity to be invested in HAM is Rs. 136 crores; for 2024, Rs. 84 crores; and 2025, Rs. 30 crores. All put in, equity to be invested as of date is Rs. 251 crores in the HAM projects.

Vasudev: And lastly, out of the order book currently that we have, how much is under execution and how much of that part is a fixed price contract?

Satish Parakh: Our international projects are on fixed price. Then our Panagarh Palsit is on fixed price. Our NTPC solar is on fixed price.

Vasudev: And out of the current order book, how much is under execution?

Satish Parakh: Except in Buildings segment, in Roads segment, almost everything is under execution now because appointed date of Punjab's Ambala-Kharar has also come and appointed date for Kwaram Taro Assam one also has come. This Rs. 1,000 crores which was stuck up, these appointed dates have already come in July and October. As far as building Maldives, still we are hoping to start by Q4, which is Rs. 1,000 crores. And the rest are already in progress.

Moderator: The next question is from the line of Ash Shah from Elara Capital. Please go ahead.

Ash Shah: Could you just give us the breakup of the Buildings segment order book? I mean the Maldives project, the hospital at Navi Mumbai, then the sewage treatment plant. If you could just give the detailed order book breakup?

Satish Parakh: Maldives is Rs. 1,000 crores, Rs. 600 crores is around D Y Patil Hospital, Rs. 600 crores is the buildings project for Fintech University at Rajasthan. Then, we have two builder-ship projects taken from builder Rs. 250 crores and Rs. 100 crores.

Ash Shah: Also, one more thing. The Banur-Kharar project, have we received the appointed date for that project because it is almost 2 years since we have received this project?

Satish Parakh: Yes, we have received, I said. That is Ambala-Kharar. That appointed date we got on 10th of October.

Moderator: The next question is from the line of Riya Mehta from Aequitas. Please go ahead.

Riya Mehta: This is a followup question. Basically, I wanted to know since the cash inflows will happen in Q4, what kind of interest cost do we see for the full year?

Paresh Mehta: On the short term, definitely, interest cost, we believe another 50 bps would be increased. Otherwise, we believe that other costs will remain the same.

Riya Mehta: And in terms of international side, what kind of demand and what kind of pipeline orders are we seeing?

Satish Parakh: Internationally, presently, we are working in Guyana, Maldives, and Benin is one power distribution project which we have picked up, and one in Bangladesh. This is all we are focusing on international. Maybe a few orders we may see in Africa going ahead.

Riya Mehta: But are we seeing any major orders like the one in Maldives?

Satish Parakh: Nothing major immediately in the pipeline.

Riya Mehta: What kind of margin will the Maldives order have?

Satish Parakh: Looking at today's dollar rate, we are still hopeful of making 11% to 12% margin.

Moderator: We have the next question from the line of Mangesh Bhadang from Nirmal Bang. Please go ahead.

Mangesh Bhadang: Sir, a couple of questions from my side. One is on the industry. I just wanted to understand what could be the reason for this slowdown in order and awarding activity in the NHAI. According to you, what is the reason? You mentioned that second half you expect it to improve, but at least for the time being, we have seen some slowdown. And in the past also, we have seen NHAI probably not meeting its targets that have been given earlier. Do we expect this year could turn out to be the same again? That's the first question. The second question is on the HAM portfolio that we have. Now that we have more than 6 PCOD and COD achieved, how do we look to monetize the same? Is there any timeline that you have internally given yourself?

Satish Parakh: Industry-wise H1, we have seen slowdown only because NHAI has already awarded a good number of projects, and for further projects, the land acquisition, particularly for NHAI, was becoming more and more challenging. And they are disciplined in giving the appointed date only after 80% of physical possession is achieved. There, we saw a lot of challenges, and therefore, bidding activity was slowed down. A lot of work has been done on most of the projects. So H2, we feel we should see NHAI meeting the target or nearing the target. That was the main reason according to us.

About HAM projects you said, definitely, we have 11 HAM projects, out of which we have achieved PCOD of 6 projects. And balance, as I explained; Q3, one will happen; Q4, one will happen; and then balance in next year as TS-4 we will be completing next year and the other two will be starting. This is all on the HAM projects. We are in the process of looking at divesting HAM projects also.

Mangesh Bhadang: Any timelines on it, sir? And it has to be on a piecemeal basis.

Satish Parakh: It should be another 2 quarters.

Moderator: Ladies and gentlemen, as there are no further questions from the participants, I would now like to hand the conference over to the management for their closing remarks.

Satish Parakh: Thank you Nirmal Bang and the team. Thank you Mangesh. Thank you all the participants. If any other queries are remaining, then definitely, most welcome. Our Stellar Investor Advisors are also available, and our CFO, Paresh Mehta, is always available to clarify any queries. Thank you everyone.

Moderator: Ladies and gentlemen, on behalf of Nirmal Bang Institutional Equities, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.