DILIP BUILDCON LIMITED
INFRASTRUCTURE & BEYOND

Date: 15.05.2024

To
BSE Limited
Listing Department
P.J Tower, Dalal Street
Mumbai – 400001

Stock Symbol -540047

To
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G
Bandra Kurla Complex,
Bandra (E), Mumbai – 400051

Stock Symbol –DBL

Sub: - Transcript of the Analyst/Investors conference call

In continuation to our letter dated May 03, 2024, please find herewith the transcript of the Investor conference call for Investor and analyst held on Friday, May 10, 2024 at 06.00 PM. (IST) related to the financial results for the quarter and year ended March 31, 2024, conducted through digital means.

The aforesaid information is also being made available on the website of the Company i.e.

https://dilipbuildcon.com/investors/shareholders-centre/

With regards

For Dilip Buildcon Limited

Abhishek Shrivastava
Digitally signed by Abhishek Shrivastava
Date: 2024.05.15 14:32:36 +05'30'

Abhishek Shrivastava
Company Secretary

“Dilip Buildcon Limited

Q4 and FY '24 Conference Call”

May 10, 2024

MANAGEMENT: **MR. DEVENDRA JAIN – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – DILIP BUILDCON LIMITED**
MR. ROHAN SURYAVANSHI – HEAD STRATEGY AND PLANNING – DILIP BUILDCON LIMITED
MR. SANJAY BANSAL – CHIEF FINANCIAL OFFICER – DILIP BUILDCON LIMITED

MODERATOR: **MS. JILL CHANDRANI – S-ANCIAL TECHNOLOGIES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Dilip Buildcon Q4 and FY '24 Conference Call, hosted by S-Ancial Technologies Private Limited. 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 Miss. Jill Chandrani from S-Ancial Technologies. Thank you, and over to you, ma'am.

Jill Chandrani: Thank you, Sagar. Good evening, everyone. Welcome to Dilip Buildcon Q4 and FY '24 Earnings Con Call. From the management, we have with us today, Mr. Devendra Jain, Managing Director and CEO; Mr. Rohan Suryavanshi, Head Strategy and Planning; and Mr. Sanjay Kumar Bansal, CFO.

Before we give proceed with the call, let me mention the standard disclaimer. The presentation that we have uploaded on the stock exchange, including the interaction in this call contains or may contain certain forward-looking statements concerning our business prospects and profitability, which are subject to certain uncertainties, and the actual results could differ from those.

Now I request the management to take us to the key remarks. After which, we can open the floor for question-answer session. Now I hand over the call to Mr. Rohan Suryavanshi for his opening remarks. Thank you, and over to you, sir.

Rohan Suryavanshi: Thank you, Jill. On behalf of the whole DBL family, I'd like to welcome all our partners here, who have come here on this auspicious occasion of Akshaya Tritiya. The results and the presentation have been uploaded on the stock exchange, and I hope all of you had a chance to look at it.

So today, I'd like to start with some data on the industry, just getting straight into business. So, for FY23-24, as per the Government data, MORTH has constructed 12,349 kilometres of roads, registering growth of 20% year-on-year. This roughly translates into 34 kilometers per day of road construction. While the execution was decent, on the awarding front, there was a major fall this year, and it stood at a total of 8,581 kilometers. This slow awarding was primarily because of this being an election year and as we have seen in all the election years preceding this, if you look at the trend for the last five elections, it's been the same trend that the election year has a slow awarding. But we expect this scenario to now improve significantly in this financial year and expect the second half of FY24-25 will be quite heavy in terms of ordering from all sectors of the Government.

Now coming to the company, in FY23-24, the company won orders worth Rs.3,602 crores, which obviously was lower than expected for the reasons that I mentioned. Of this total orders, 42% of the projects are in irrigation, 35% in water supply, 15% in roads and 8% in urban development. Now over the years, as part of our risk mitigation strategy, we have reduced our exposure from the road sector to a great extent. In the pre-COVID year of FY '20, it was 65% and in the current year, it's at 37%.

This speaks of how we have prioritized on diversifications and expanded our business vertical from purely the road segment to other business verticals, such as irrigation, water supply, urban development, metro, special bridges, mining, tunnels, etc. All these diversification strategies that we have done, sectorally and geographically have provided DBL a strong footing in all these areas and as ordering has kept on increasing all these sectors, we are very optimistic of accomplishing targets that we're setting out for ourselves this year.

I'm very happy to report that when we spoke last year at the end of last financial year, I said that we are looking to reduce our debt by INR 800 crores to INR 1,000 crores. So I'm very happy to say that we have reduced our debt this year by INR 861 crores through our various initiatives. This I'm talking about the standalone level. What this translates into is now the net debt-to-equity ratio stands at 0.29x.

This, in the COVID year was at almost 0.8x and then COVID had hit. And if I talk to you in terms of net debt to EBITDA, now we are almost at 1.15x net debt to EBITDA. This obviously shows our company's commitment in fulfilling our promises. And our focus, as I mentioned, on debt reduction. I'm happy to report that in this financial year in FY '25, we are targeting to further reduce the net debt by at least INR 500 crores plus. As the year goes, we will keep on seeing in how we need to more look at our target or reaffirm, but we can safely say this is a target that we are putting.

Now moving on, let me also update you on some of the other deals in the company. Let me start with the Alpha deal. In this year, the company issued warrants worth INR 533 crores to Alpha Alternatives, out of which Alpha has taken 25% as the rules for the warrant and the company has received INR 133 crores. The rest of the money as per the guideline, and rules provided by SEBI, that will come into the company by June 2025. In the same deal, in terms of diversification and a divestment, the company has divested 26% in 3 HAM assets to Alpha in which we have received about INR 130 crores.

In this financial year, we will be divesting 26% in the balance five HAM assets through which we are expecting INR 508 crores as money to come. This money is expected in the first half of the financial year. Now let me focus on our coal business. In Siarmal coal mine, in the financial year, the company has overachieved its target by more than 40% by extracting over 7 million tons compared to our target of 5 million tons. For the next year, we are planning to achieve production of 15 million tons compared to the scheduled target of 10 million tons. So we are expecting almost 50% of over achievement in next year as based on the current run rate. In this mine, in the next four years, the total extraction will be about 80 million tons cumulatively and from the sixth year onwards of this mine, we will be expecting 50 million metric ton of coal per year.

On the other Coal MDO in the Pachhwara mine, we have delivered 4.6 million tons in this financial year as per the agreed terms as based on when we started this mine. The net sales target for full year is of 7 million tons, we are on target to deliver that too.

So friends, when I spoke to you at the end of last session, I had mentioned that earlier in this financial mentioned, we are now gearing up for DBL 2.0 and I explained DBL 2.0 is how we have in the post-COVID era aligned our company strategy, our focus, towards us building a more stronger DBL, which can withstand any kind of external unseen problems such as what we faced in COVID.

The two parts to that was, one we will have our short-term business, and then there is the long-term revenue business. The short-term business will be our EPC business that we continue to do. In the long-term strategy, there are two things that the company is focusing on- the asset business where one is the coal MDO assets; and the second is the InvIT assets. There'll be, in three years from now, there'll be three different power houses for DBL, one will be the EPC company, one will be the coal MDO power house, and then there'll be a InvIT power house. The InvIT and the Coal will assure long-term revenue visibility for DBL.

In two years, as our whole InvIT gets completed, we are expecting INR 400 crores to INR 500 crores of free cash flow coming from the InvIT as dividends and principal repayment back. Besides that, the coal business will also be providing a good cash flow and a visible cash flow, which gives us visibility from current to the next 25 to 55 years.

And the EPC business will be our short-term business, which will keep on giving revenue on a regular basis. Our aim is to become a net debt-free company on a standalone basis within the next two years. So FY25-FY '26, we will be net debt free company. Our focus is on generating free cash flow, which is what we are doing and reducing our debt through that. Our focus is on improving our return on equity and our return on capital employed. I'm very happy to report that if we look at our return on equity, on a core basis, where we minus our investments into our assets, it has jumped from 6.9% of last year's ROE to 13.8% ROE this year.

Our focus is to keep on enhancing this and same goes for return on capital employed. Our target is also to mitigate concentration risk across sectors, across lines and across geographies. So we are also building our order book accordingly. All these different actions that we are doing and also facilitated in the enhancement of the company's credit rating. We're happy to report that CRISIL has reaffirmed its rating for the company and also improved its outlook to positive. So we are also hoping for an increase in rating for the company in this financial year. And that trend should continue in the next year as our debt keeps on getting paid down. And as our cash flow keeps getting stronger.

Friends, now I'd like to hand over the call to our CFO for the financial overview.

Sanjay Kumar Bansal: Thank you, Rohan ji. Good evening, everyone. I welcome all our stakeholders to our earnings call. Let me present the results for Dilip Buildcon Limited for quarter ended 31st March 2024 and FY23-24. During Q4, the company has completed four projects and on yearly basis, the company has completed nine projects worth INR7,400 crores.

During FY '24, the company has won total six projects worth INR 3,602 crores and during last quarter, company won two projects worth INR 961 crores. Now moving from business through financial performance. Quarterly performance Q4FY '24 versus Q4FY '23 Y-o-Y basis, the company's revenue increased by 2.5% in Q4 FY'24 versus Q4 FY '23. This is due to better execution of the projects.

The EBITDA increased by 29.56% in Q4 FY '24 on Y-o-Y basis from INR 272 crores in Q4 '23 to INR 352 crores in Q4FY'24. The EBITDA margin witnessed a significant increase by 250 basis points. The EBITDA margin increased on account of higher revenue and reduction in construction material costs. In terms of profit after tax, the profit after tax increased by 112% in Q4FY '24 on Y-o-Y basis from INR 58 crores to INR 124 crores in Q4FY'24. The PAT margin also witnessed a significant increase by 218 basis points. This is mainly on account of better EBITDA margin and reduction in expenses.

On yearly performance, FY '24 versus FY '23, the revenue increased by 4% in FY '24 on YoY basis from INR 10,119 crores in FY '23 versus INR 10,537 crores in FY '24. This is due to the better execution of the projects. And EBITDA margin increased by 31.44% in FY '24 on Y-o-Y basis from INR 988 crores in FY '23 versus INR 1,299 crores in FY '24. The EBITDA margin witnessed a significant increase by 256 basis points. The EBITDA margin increased on account of better execution of the projects and reduction in cost of construction material. Profit after tax also increased 90% in FY '24 on Y-o-Y basis from INR 222 crores to INR 422 crores in FY '24. The PAT margin witnessed a significant increase by 181 bps. This is mainly on account of EBITDA margin and the reduction in expenses.

Let me take you through the some important items of the balance sheet. During FY '24, the company surpassed INR 5,000 crores net worth, and it reduced INR 861 crores of the debt. Due to the reduction in net debt and increase in net worth, the company's net debt-equity ratio improved to 29 basis points as of 31st March '24 versus 52 basis points at the end of March '23. In terms of debtors has also, on 31st March '24, the debtors has reduced to INR 1,392 crores versus INR 1,606 crores at the end of March '23. Working capital days also improved by five days from 70 days to 65 days from FY '23 to FY '24. And now we can open the floor for the questions and answers. Thank you, all.

Moderator: The first question is from the line of Shravan Shah from Dolat Capital.

Shravan Shah: Congratulations on the INR 800 crores plus debt reduction. Sir, a couple of broader questions on the guidance front, First on the revenue. So, what kind of growth are we looking at in FY '25 and if possible, if you can guide for FY '26 as well?

Rohan Suryavanshi: Shravanji, thank you very much. So, Shravan ji, as we mentioned earlier, the order book this year, as we had expected, they have not come because of the ordering. But as the elections get over, we're expecting a flurry of orders. So in terms of full year guidance for revenue, I think it'd be a little early to give you what kind of growth because we're all seeing what kind of orders.

But even if you want to see at take a bet is like this revenue that we are doing this year, easily, we should be able to do that kind of revenue next year as well. Now how much growth will come will all depend on how the ordering opens up and how much we win and at what time. So allow us time and as we move on through the quarters, it would be much better to do it. Right now, you can like I mentioned, you can take a similar number as we have done in terms of revenue for this year. But as it opens up, we'll give you more clarity on that.

Shravan Shah: Okay. So in terms of order inflow, obviously, we have received a much smaller number in terms of the inflow in FY '24. So in FY '25, now, how much order inflow are we looking at? And if you can help us broadly how much are we looking at from the road and in HAM? So based on that, let's say, whatever the number you will say. So out of that, how much revenue can be expected from that in FY '25?

Rohan Suryavanshi: Shravanji this year, the total order inflow that we're looking at is to INR 10,000 crores to 12,000 crores at least that is the kind of range that we're looking for. And this is across all sectors that we work in. So on the conservative business, it's easy to take that kind of number. Those are the kind of orders that we are kind of looking at.

It would be very difficult to give you a split on the different, sectors and it would not be prudent on our part to be disclosing how much we are targeting. But we can assure it will be in all the different sectors we work in, and it will also be a mix of both EPC and HAM. So let's see how the orders come, and what we end up winning. But broadly, that's the strategy that has been in the past as well. We will be following a similar kind of strategy.

Shravan Shah: Okay. But let's say, if you get a INR10,000 crores and broadly, let's say, HAM the revenue will come in FY '26 as the appointed date will take time. So let's say, if you get a INR4,000 crores, INR5,000 crores EPC, can we expect some revenue from that? Just trying to understand what extra growth can come from the revenue in FY '25.

Rohan Suryavanshi: Shravanji as we win more EPC contracts, you will see revenue coming from there. Also, we've very recently won another INR 1,000 crores contract in the rail segment railways. So that is also not visible here. There are different sectors and orders that we are targeting. And based on which one open up at what time, it will definitely have an impact on the revenue.

Shravan Shah: Okay. And in terms of the EBITDA margin and capex, how much are we looking at for this year?

Rohan Suryavanshi: So for EBITDA, like we have given you a target for last time . We are looking at that same 12% to 14% kind of EBITDA targets, that I mentioned earlier as well. In terms of capex, the same INR50 crores to INR70-odd crores of capex is what we will be looking at. I'm also very happy to report at the same time that, currently, our equipment debt stands at about INR170-odd crores, like I said, somewhere in that range is where we are standing, almost 80% of which we will be paying down in this financial year anyways. That is a scheduled repayment. So our equipment debt is almost completely off and we are on target to as I said already give you the kind of target we're looking. So by the end of this financial year, our net debt will be less than INR 1,000 crores.

Shravan Shah: Okay. And our net debt you are saying will be less than INR1,000 crores -- so at the gross level, we are looking at a INR 500 crores debt reduction?

Rohan Suryavanshi: Yes, INR 500 crores plus.

Shravan Shah: And so next year would be a significant reduction, of INR1,000 crores of the number will be there in the next year.

Rohan Suryavanshi: The INR 1,000 crores number for debt, you said?

Shravan Shah: Yes net debt reduction.

Rohan Suryavanshi: It will be less than 1,000 from where we are targeting.

Shravan Shah: Okay. Got it. And on the working capital front, any further improvement from current 66 days. So particularly on the inventory front we are not seeing such improvement so.

Sanjay Kumar Bansal: So Shravan ji, basically, we are working towards a reduction in overall working capital days. What I briefed in the beginning was 5 days improvement from 70 days to 65 days. Yes, on the inventory side more or less it is looking like the same. So the inventory levels are the same, but the overall basis 5 days increment.

But individual items wise we're working, there will be improvement quarter-on-quarter every time. So yes we are doing that. But it is basically coming in the results also.

Shravan Shah: Okay. And sir, now on other income and finance costs. So how do we now look at the finance cost for this year FY '25 and if possible for FY '26 and other income? Why I'm asking other income is the Shrem InvIT, we have received I think close to INR106 crores as a distribution. So also help me out of that how much will be coming at the standalone level and now with the Alpha whatever distribution we will be receiving the entire will be coming at standalone or how it will be?

Sanjay Kumar Bansal: In terms of finance cost, the finance cost this year reduced marginally because the debt reduction significantly happened in Q4. But for FY '24-25 the targeted finance cost is INR 350 crores against the INR 500-plus crores finance costs. In terms of the other income total from the existing set of Shrem InvIT units we have already detailed out in the investor presentation, we will be receiving around INR 94 crores total distribution. And generally, the distribution is a principal is around 30% of the total distribution. So yes, you can say around INR 65-70 crores from the dividend and interest and balance 30% from the principal returns.

Shravan Shah: And this entire will be shown in the standalone other income?

Sanjay Kumar Bansal: No. Basically the units are held in DBL and DIAPL. So I gave the number on the console basis.

Shravan Shah: So at standalone level anything will flow as other income or whatever the dividend we will be getting from the InvIT?

Sanjay Kumar Bansal: Sharvan ji, the numbers DBL level and DIAPL level is not ready with me. You can connect with us separately we will give you the breakups.

Shravan Shah: Okay. And on the DBL Infra debt it is the same INR675 crores or has the number changed?

Sanjay Kumar Bansal: So INR 675 crores as on today is, yes, we have already started prepayment of around INR30 crores. So by next month this will be reduced by INR30 crores.

Shravan Shah: Got it. And just a clarification on the presentation the 16 HAM projects that we are showing. So currently, right now we have 18 HAM projects and I think the one new that we have received. So Alpha Alternatives we will be transferring the 18 HAM projects, 26% equity stakes. So in the presentation why we are mentioning the 16 HAM projects and not the 18. So we will be owning 74% stake in 18 HAM projects.

Sanjay Kumar Bansal: So you can basically see the breakup is mentioned in the HAM portfolio. You can see that – there are basically total of 18 projects that were targeted to be given to Alpha 26% stakes and just a second.

Shravan Shah: So I was referring to Slide 24 where we have mentioned the equity and divestment tracker.

Sanjay Bansal: So basically total of 19 projects that we have today. 19 breakup is 18 of Alpha and 1 project we won last quarter. So out of the total 19 projects, 3 projects, 26% were already given to Alpha after completion. So as of 31st March, 16 projects were under construction. Out of 16 projects also 5 projects out of the first bucket 8 assets buckets are remaining.

So out of 5 HAM projects, 2 projects the COD is received, 2 projects COD will be received in June, one in May and one in June. So out of 16 also, 11 projects will remain after you can say June under construction. So, this quarter, only 11 projects will continue and of 5 projects, 26% will be divested between Q1 and Q2 of FY '25.

Shravan Shah: Yes. I got it. I got the point. What I was trying to understand is actual invested equity as on March '24 is INR 1,265-odd crores. So this is only for 16 projects or it is for 18 projects?

Sanjay Kumar Bansal: It is 16 projects only. And out of 16 projects, I said 5 projects, 2 projects we already received. So basically you saying the actual invested equity. So it is all 16 projects.

Shravan Shah: So it should be 18 projects because we also own the 74% in the 2 projects that we are not mentioning here.

Sanjay Kumar Bansal: Sharvan ji, this INR 1,265 crores is 11 to 16 projects only. So whatever projects we already completed is removed from this sheet.

Shravan Shah: Okay. Got it. I understood. Just a clarification, sir, whatever the remaining 10 projects Alpha Alternatives will be taking a 26% stake. So once we complete the entire project and we will put in 100% and then they will invest 26% and we will get back that 26% cash. That's the way it will work or we will invest 74% and then 26% is invested by them.

Rohan Suryavanshi: We putting our capital only. And while we have the option, but once the PCOD is done then we will get Alpha’s Capital into those assets.

Shravan Shah: So initially, we will put the entire 100%. And once we get the PCOD then we will get back the 26% from Alpha.

Rohan Suryavanshi: Then we'll flip and do that. But like I said here again I'll repeat, that while we have the optionality to pull that money earlier, but we'll take a call on it as our strategy goes.

Shravn Shah: Thank you and all the best sir.

Moderator: Thank you. The next question is from the line of Narendra from Robo Capital. Please go ahead.

Narendra: Thanks for the opportunity. So my first question is regarding the money that we have to receive from Alpha. So what is the timeline for this money? I believe that the INR 133 crores have already come in and about INR 400-odd crores is left from the warrants, right?

Sanjay Kumar Bansal: Yes.

Narendra: So when is that expected to come in?

Management: Narendra ji, yes, from warrants, Rs 133 crores you rightly said received already in December 2023, Rs 400 crores as per SEBI guidelines under warrants they can put within 18 months from the first tranche. So 18 months will be completed in June 2025, around 20th June 2025. So this money Alpha can put by June 2025. So that is why we kept it in 2026. This money may be received before the bid is optional. They can put it earlier also. So the end line is June 2025.

Narendra: Okay. Understood. And what about the InvIT money when will that be coming in?

Sanjay Bansal: So investment out of this total 8 projects, the first set of 8 projects, 3 projects we already received INR130 crores. And from the next 5 projects 26% will receive total INR 508 crores and out of INR 508 crores majority of money will be received in this quarter and around INR 60 crores, INR65 crores will be received in quarter 2.

Narendra: So H1, we are expected to receive around INR500 crores?

Sanjay Bansal: Right.

Rohan Suryavanshi: Can I also direct your attention to Page 24 of our presentation where we have highlighted how the money will come. So that it will be very simple for you to refer to it and understand how this money inflow will be coming in.

Narendra: Okay. Understood. So just a clarity on the deal. So we are expected to receive around INR 4,000-odd crores in units and INR 2,000-odd crores in cash, would that be fair?

Rohan Suryavanshi: No, no. In total, we're also receiving for our 18 assets, our units will be worth about INR 4,500 crores that is the rough. I'm giving a very rough estimate right now. Our 74% would be around that kind of value. Besides that, we are receiving the other cash that you mentioned, the cash has two components.

One is the warrant money that is coming and the second is the InvIT 26% money that they're doing. If you want to refer to the exact all those calculations I would highly recommend look at our earlier presentation as well where we first spoke about the Alpha deal. There we have detailed out how the different cash from Alpha would be coming. And here also in this area it's mentioned here in this presentation as well. If you want to look at so it will be very clear to you.

So once this transaction is completed DBL will be holding about INR 4,500 odd crores of InvIT units. That will roughly translate into INR450 crores to INR 500 crores of cash flow per year. And this is I'm talking about the 18 assets that we have sold to Shrem. So that's what it is. So we are getting that cash flow coming from there.

Narendra: Okay. Understood. And the deal multiple would be around 2.5x of the equity invested, would that be right?.

Rohan Suryavanshi: We have given you the idea of how much equity we had invested in it that we put in our slide. But yes, there is a good multiple. But if you want to do the exact calculation look at the cash component that is coming to the company along with the value of the inventories that you are doing and then you can subtract the investments to get an exact number.

Narendra: Okay. Understood. My second question is regarding the coal projects? So what are the handling charges per ton and what kind of margins would be making on that?

Rohan Suryavanshi: Where what in the typical MDO project what happens is we quote a price for extraction per ton. So, in both the different contract there is a different price that we have quoted. In terms of margins, it's kind of similar margins what we are doing in other EPC projects. So those kind of margins is what we should be looking at.

Narendra: Okay. So 12% to 14%?

Rohan Suryavanshi: Yes, mid-teens is what we have guided for that.

Narendra: Okay. Understood. So for a Siarmal coal unit would you be able to give the handling charges per ton or extraction charges per ton whatever it is?

Rohan Suryavanshi: So the thing is for all the contracts there is an inflation component built in . Currently, if you want to understand Siarmal we are getting about INR 550 or somewhere in that range of price. It's INR 500 something range. And obviously this keeps on moving based on certain parameters of the government that's set for the contract.

Narendra: Okay understood. That’s it from my side. Thank you so much.

Moderator: Thank you. The next question is from the line of Ketan Jain Jane from Avendus Spark. Please go ahead.

Ketan Jain: Sir, what is the interest rate you're seeing at a project level for financing HAM projects?

Sanjay Bansal: Now the HAM projects financing because the MCLR of all the banks are close to 9%. So the various banks basically financing new project between 9% to 9.5% in the construction phase. And post-construction, it is on MCLR around 9.1% types.

Ketan Jain: Okay, thank you sir. That was my question. Thank you.

Moderator: Thank you. The next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead.

Darshil Jhaveri: Most of my questions have been answered. Just two questions, sir. One is what is the current cost of debt that we have on for the debt on books. And second, with the elections coming in, do you see any risk of more orders slow down or maybe if the Government doesn't form. So what kind of broad-based risk that you see in order inflow?

Sanjay Kumar Bansal: So in terms of cost of debt, so cost of debt fund-based facilities we are around 9.5% to 10% in long-term and short-term both including all costs. But at the same time one non-fund because the EPC business runs on non-fund base. So there are LC and BGs issued. So basically they are also around 1% to 1.25% cost. So we had given guidance of INR350 crores overall finance cost for FY '25.

Darshil Jhaveri: Okay. Perfect. And sir, with regards to the risk?

Rohan Suryavanshi: As in terms of election risk you asked sir. So like I mentioned in my opening remarks election year is always a slow ordering year. And if you look at this detailing from back from a Vajpayeeji's era to now every election year is a slow year. But the year after it is usually or ordering increases significantly.

I can also tell you right now that all the different ministries are working on a very aggressive 100-day plan. So the Government is also very focused on wanting to start immediately off the blocks. So once the election gets over and results are out and the new Government comes into place, we should see a flurry of orders happening.

Even at the NHAI level there is more than INR 1,00,000 crores of orders that have already been floated. So, INR 1,20,000 crores of orders purely on NHAI and MORTH levels that have been floated. So there is a huge order line in the road ministry, in railways, in every ministry. So code of conduct because of that it's currently stalled, but as soon as this happens we should see a lot of ordering.

Darshil Jhaveri: Perfect sir. That helps a lot. All the best. Thank you.

Moderator: Thank you. The next question is from the line of Shubham Shelar from IDBI Capital. Please go ahead.

Shubham Shelar: Yes, sir, sir, based on the current order book that we have and the delivery schedule that is pegged to that. So what kind of revenue that you are expecting assuming like no inflow or any inflow is delayed just based on the current order book?

Rohan Suryavanshi: Sir, even if we had zero inflow coming in this financial year, the new financial year. Even if there is zero inflow of orders we would still be doing a revenue of almost what we have done in this year the same range we should be getting in FY '25 as well of the same '24 revenues. So the revenue for '25 is pretty much visible for us.

Year going forward after that is where we will be looking at all new orders. The only caveat that I made is depending on how much orders we win immediately after what this does and how the execution picks up there. We can have slight changes to the given the revenue guidance for this financial year.

Hence, I mentioned earlier that allow us some time and allow the year to move forward and how direction it does, we will be able to give a more exact idea about the ordering till then about the revenue till then I think taking this as a base case that this kind of numbers the company should be able to do next year as well is a good starting point.

Shubham Shelar: Sure, sir. And then recently CRISIL has revised the outlook to positive. So does this also have a bearing in lowering our finance costs or only the actual rating upgrade that has a bearing on the finance cost?

Sanjay Kumar Bansal: So Shubham basically the rating impacts the borrowing cost when it goes to the next category. So we are in A category with positive outlook. So now we are expecting credit rating increase also based on the plans of reduction in debt and all. So we expect when the credit rating will go to next level, then there will be a deduction in borrowing costs as well.

Shubham Shelar: Okay. And typically when just like in the month of April, so this outlook is revised. So after a gap of how many months or quarters, but a ratings change, they review it how exactly it works?

Sanjay Kumar Bansal: Basically, the review they are doing closely. So, sir basically, this time the upgrade is done after a year, but the review is done every quarter.

Shubham Shelar: Okay. So sorry, I think I just missed that. When are you expecting probably upgrade sort of review, I mean, if I have to put it that way?

Sanjay Kumar Bansal: So between 12 to 15 months I believe.

Shubham Shelar: From now?

Sanjay Kumar Bansal: Yes, from now.

Shubham Shelar: Okay that’s all from my side. Thank you.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Rohan Suryavanshi for closing comments.

Rohan Suryavanshi: Thank you again, guys for coming and asking all your questions. In case we have missed out on answering anything and in case if you have more follow-up questions, please feel free to reach out to our team. We'd be happy to answer. I look forward to seeing all of you guys in the next quarter.

And hopefully, we'll have a more clarity on the order book going forward by then with the Government firmly in place. So wishing all of you a great financial year ahead.

Moderator: Thank you. On behalf of Dilip Buildcon Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.