DILIP BUILDCON LIMITED
INFRASTRUCTURE & BEYOND

November 19, 2022

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

Scrip code of Listed NCD: 959525/959643/960018

Subject: Audio call recording link and transcript of the Analyst/Investors conference call

In continuation to our letter dated November 14, 2022, please find herewith the Audio recording link and transcript of the Investor conference call for Investor and analyst held on Monday, November 14, 2022 at 06.00PM (IST) related to the financial results for the quarter ended September 30,2022, conducted through digital means.

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

https://www.dilipbuildcon.com/wps/portal/dbl/investors/shareholders-centre.

This is for your information and record.

With Regards,
Sincerely yours,

For, Dilip Buildcon Limited

Abhishek Shrivastava
Digitally signed by Abhishek Shrivastava
Date: 2022.11.19 18:15:41 +05'30'

DILIP BUILDCON LIMITED
Company Secretary
BHOPAL

Abhishek Shrivastava
Company Secretary
Encl: Transcript of call

"Dilip Buildcon Limited Q2 FY2023 Results Conference Call"

November 14, 2022

ANALYST: **MR. JITEN RUSHI - AXIS CAPITAL LIMITED**

MANAGEMENT: **MR. DEVENDRA JAIN - EXECUTIVE DIRECTOR & CHIEF EXECUTIVE OFFICER - DILIP BUILDCON LIMITED**
MR. ROHAN SURYAVANSHI - HEAD, STRATEGY & PLANNING - DILIP BUILDCON LIMITED
MR. SANJAY KUMAR BANSAL – CHIEF FINANCIAL OFFICER - DILIP BUILDCON LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Dilip Buildcon Limited Q2 FY2023 Results Conference Call hosted by Axis Capital 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 this conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Jiten Rushi from Axis Capital Limited. Thank you and over to you, Sir!

Jiten Rushi: Thank you Faizan. Good evening. On behalf of Axis Capital, I would like to welcome everyone for the Q2 FY2023 Earnings Conference Call of Dilip Buildcon. From the management, we have with us today Mr. Devendra Jain, Executive Director and CEO, Mr. Rohan Suryavanshi, Head, Strategy & Planning and Mr. Sanjay Kumar Bansal, CFO. We also have Investor Relation Team from S-Ancial. We thank the management for giving us this opportunity. We shall begin the opening remarks from the management followed by Q&A session. I would like to now hand over the call to the management for opening remarks. Thank you and over to you, Sir!

Rohan Suryavanshi: Thank you, Jiten ji. Good evening, ladies and gentlemen. A very warm welcome to all of you for this Q2 FY2023 earnings call of Dilip Buildcon Limited. The earnings presentation was uploaded on the stock exchange. I hope all of you had a chance to have a quick glance at the same. I will take you through the key highlights for the quarter in the next 15, 20 minutes, post which we will take Q&A. Before I begin our standard disclaimer. The presentation which we uploaded on the stock exchange today including the introduction in this call contains or may contain certain forward-looking statements concerning our business prospects and profitability which are subject to several risks and uncertainties and the actual results could differ materially from these and those forward-looking statements.

Moving on, during Q2 FY2023, while we continue to see a robust economic growth in India versus global peers, overall macro indicator for our sector has been subdued. Inflation increased marginally. We saw rise in price input prices, fuel costs has obviously increased due to Russia-Ukraine war and interest rates rose to 119-bps because of the government's general inflation. We saw RBI cut its Indian GDP growth forecast by 20-bps for FY2023 to 7%, but despite all these headwinds, while we are still doing way better than our global peers. Along with that, government has managed strong PAT and overall both government and RBI have managed these uncertain times well.

We also had good monsoons and are broadly seeing strong trends on the general consumption. Daily average cost back toll collection volumes were up 58% year-on-year to about Rs.25500 Crores in first half FY2023. This is important as it will help in fast monetization of road assets for road ministry and it also helps the industry overall for commoditizing their own toll assets. NHAI has been able to monetize its road assets via InvIT. NHAI InvIT has raised a sum of Rs.1430 Crores in October 2022 for parts funding of its acquisition of three additional road projects stretching to 46 kilometers.

In November last year, NHAI has raised Rs.8000 Crores. NHAI InvIT is also planning to raise funds through NCDs, so overall, faster monetization will help the sector from order awarding perspective. We did see decline in steel aluminum prices on the highest that we have seen in the first quarter, but it is still elevated from what it used to be. Government has been supportive for our sector and most contractors will see positive impact of reduction in input prices from second half of FY2023 from a margin perspective.

Now in terms of ordering, it has been a slow first half year of the year. Only 810 kilometers of projects have been awarded till date. Now owing to the weak first half, NHAI would have to accelerate the project awarding in the second half of FY2023 in order to meet its target overall 6500 kilometers for the whole year and in terms of construction, NHAI is looking to construct 5000 kilometers of project in FY2023 and have completed only 1471 kilometers in the first half of FY2023, which is less than 30% of the full year target. So there is a long way for NHAI and building community to go.

Some recent company updates now. I am happy to inform that we have completed a couple of projects. One is Chandikhole-Bhadrak, HAM project and the second is Varanasi Dagamagpur EPC project this quarter and both of them were completed within scheduled completion date. Obviously, these dates were increased because of EOT. Now in the same quarter, we have also won projects. So taking through them, we won an EPC project worth Rs.7020 million for construction of Surat Metro Rail. We also won another EPC project worth Rs.14000 million for construction of Gandhisagar-2 Multi-Village Water Supply Scheme and we won another EPC project worth Rs.7235 million for construction of Ahmedabad Metro rail.

Beside this, I am also very happy to report that DBL has achieved the financial project closure for DBL-Siarmal Coal Mine Private Limited for the historic project financial closure and we have tied up on an amount of Rs.2000 Crores plus and the consortium is led by SBI along with Union Bank and PFC as partner. I am very happy to also report that this is the largest line in private and in India in terms of the total output of about 50 million metric tons per year. We are expecting to break ground in December of this year and we are confident that we will start revenue from this time in the last quarter of the financial year.

Along with this, the second NGO that DBL has, which is Pachwara, where we are already extracting coal, these two mines staying together from next year will be adding about

Rs.1000 Crores to our topline in terms of the mining revenues alone from these two. So we are very, very happy to report that both these mines after a while have finally started and will be started doing coal production. On that front, on the company totally, we would like to say our revenue guidance for the year, we would like to maintain at about Rs.10000 Crores that we said, we are very confident of doing that and our EBITDA guidance that we have done in the past of about 12%, 13%. We are very confident that we will be able to get to those numbers as well.

Most importantly, our debt reduction, we feel from where we were in terms of our total debt as of the end of last financial year. We should reduce that from that level to about Rs.400 Crores, Rs.500 Crores. Now at the end of this quarter, we are already at same level as we were at the end of last financial year, so from here, we are expecting another nice reduction. Overall, a lot of the problems that the company has faced in the last two years because of COVID and all, we are on our way to exit some of the projects that have got elongated the other one. As the new order book keep sustain, we are expecting the performance that the company has done in the past to continue. Now, let me hand over the mike to our CFO to comment on the financials. Thank you.

Sanjay Kumar Bansal: Thank you, Rohan Ji. Good evening, everyone. I welcome all our partners to our quarterly cfall for Q2 FY2023. Let me present you the results for the Q2 FY2023. The revenue increased by 5% in Q2 2023 and 14% in first half 2023 on Y-o-Y basis. But this is mainly due to better execution of projects. On EBITDA front, the EBITDA increased by 15% in Q2 FY2023. This is mainly due to decrease in fuel costs and fixed overheads. The finance cost during this quarter decreased by 24% and 20% in first half 2023 on account of reduction in outstanding debentures, standalone and lower utilization of working capital facilities and reduction in mobilization advances.

DBL registered profit of Rs.642 million in Q2FY2023 vis-à-vis loss of Rs.193 million in Q2 FY2022. This is on account of better EBITDA margin, lower finance costs and profit on account of divestment of 51% in two of our HAM projects Q2. On half yearly basis, DBL registered a profit of Rs.840 million in first half 2023, vis-à-vis profit of Rs.77 million in first half 2022. This is on account of higher revenue, lower finance costs and profit on account of the divestment.

Now let me take you through some important items of the balance sheet. The inventory as on September 30, 2022, decreased by 1014 million vis-a-vis June 30, 2022 and 641 million vis-à-vis March 31, 2022. This data as on September 30, increased by Rs.512 million vis-à-vis June 30, 2022 and Rs.2359 million on September 30, 2022. Let me tell you, this data which has increased by Rs.2359 million is recovered subsequently during October and

November. There is improvement in working capital days, the working capital days stood at 79 days as of September 30, 2022 against 89 days as of March 31, 2020.

The net debt to equity ratio marginally decreased to 61-basis points against 63-basis points as on March 31, 2022. The cash generated from operating activities stood at Rs.2855 million during Q2 FY2023 versus Rs.2458 million during the first half FY2023. Thank you once again. Now we can open the floor for the question and answer, but let me brief you another development. During the current quarter on divestment, we have basically completed the divestment of three HAM project entirely 100% Q2. Out of the total 10 HAM assets which were to be transferred to Shrem InvIT, out of that 3 HAM assets we have transferred 100% equity during the current quarter. Let me clarify it is first Q2 and 49% equity in one HAM project in this quarter. The balance 51% equity in one of these projects will be completed during November 2022. Out of the total 10 projects, balance six project divestment will be completed by March 2023 as informed in past calls. Thanks once again. Now we can open the floor for the questions and answers.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah: Thank you and congratulations on slightly better numbers versus expectations. Sir, the first question is on the execution front. So in the first half, we have done close to Rs.4900-odd Crores and we are saying that Rs.10000 Crores for this year. So two things wanted to understand currently having Rs.26300 Crores-plus order book. So out of that, how much we have already received the appointed date and it is under execution as on today and then why do we only see of Rs.5000 Crores revenue in the second half? Do not we see slightly even a higher number in the second half?

Devendra Jain: Shravan Ji, to answer your first question out of Rs.26300 Crores order book, in this an appointed date is and core LOI is pending that what we have guided to you. So in this order book is around Rs.4500 Crores orders included in this order book and you can get the details also from our team and out of this, so we have expected around Rs.5000 Crores remain in the second half. So we have told about around Rs.10000 Crores plus revenue in FY2023. So this is the reason out of Rs.26000 Crores, Rs.22000 is right now is stable. So that is why we have given this kind of guidance, but we can achieve better than this. But right now, what we have envisaged that is why we have given only Rs.10000 cores.

Shravan Shah: Okay. Secondly, on the margin front, so 12%, 13% we are saying, so in the first half, we already have done 9.6%. So to get the 12% for the full year, we need at least 14.4% in the second half. So is it doable or we can see even much higher number to achieve that 13% for the full year?

Devendra Jain: So Shravan Ji, 14% price is buy for the H2 only 14% because as you are aware that now the bonus is actually next to impossible, the kind of the timelines in the complex projects and in the previous years, it use to under 1%, 2% bonus in the margin, that is why we have told that the margin will be around 12% and for the remaining half, it will be 14%.

Shravan Shah: Okay. So that 14% plus in the second half is doable. We do not see even the older projects will have any kind of implications in the third and fourth quarter?

Devendra Jain: If you will see our slides, so now the older projects are only three projects remaining and that is also almost completed, 95% progress is already there. Okay, so we are soon expecting that completion COD for this project also. So now there is nothing, all the cases is already completed. That is why we have given this kind of guidance.

Sanjay Bansal: Let me clarify here and I can answer your query, whether we will be achieving 12%. To achieve 12%, during second half EBITDA should be more than 12%, 13%, 14%. So we are confident to achieve the overall basis 12% EBITDA in FY2023. Does that clarify your query?

Shravan Shah: Yes and the other is in terms of the inflow, this is Rs.6227 Crores in terms of the excluding GST till now. So probably we are looking at Rs.10000 Crores, Rs.12000 Crores, so the guidance remains the same or any further idea how many bids we have submitted where results have yet to come and if you can also specify in terms of the NHAI or any other sector that would be helpful.

Sanjay Bansal: The guidance in terms of order book, whatever is given, we are confident. We have received Rs.6800 Crores worth projects during the first half and the strike ratio of the company is around 11%, 12%. So we have ordered enough if we are getting the same strike rate, we will be basically achieving the guidance given in past calls about the order book which is Rs.12000 Crores.

Shravan Shah: Okay, any idea in terms of how many projects we would have bidded and still the results has not come?

Sanjay Bansal: Basically I said about the strike ratio. The strike ratio is around 12%, so if we are winning the project within that strike ratio, we will achieve the guidance given by us.

Shravan Shah: Okay and other clarification in terms of the debt reduction, you said from here on in the second half, how much we can further reduce the debt, gross debt?

Sanjay Bansal: If you have heard Devendra ji in the first while explaining, he said around Rs.400 Crores to Rs.500 Crores debt reduction is planned during the second half of FY2023.

Shravan Shah: Okay, got it and the capex guidance will remain the same. So last time this one that we have done Rs.29-odd Crores and we were looking at Rs.25 Crores, Rs.30 Crores. So it will remain the same?

Sanjay Bansal: Yes, it will remain in the same range.

Shravan Shah: Anything on the guidance front for FY2024 you want to highlight for revenue margin inflow, capex or debt number, anything or is it still early to comment?

Sanjay Bansal: Basically, Shravan ji, we do not want to give any guidance on FY2024 now. In subsequent investor call, we will see if we can guide on that. FY2024 is still six months away.

Shravan Shah: Okay and on working capital from here until March or even six months, we can see some further reduction that may be the major reason in terms of the debt reduction that we are looking at?

Sanjay Bansal: You have seen the progress in first half, we have reduced 10 days from 89 days to 79 days and we are continuously working on working capital front and we cannot assure you, but yes, we are working on the reduction of working capital cycle. So yes, we are continuously working.

Shravan Shah: Okay. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Jiten Rushi from Axis Capital. Please go ahead.

Jiten Rushi: Thank you for taking my question and Sir, congratulations on the good set of numbers. Sir, my first question would be on the NHAI big pipeline. So what is the big pipeline we can foresee next four to five months by the end of the year, because you have seen a slowdown in the awarding activity, but big pipeline NHAI is targeting 6500 kilometers. So what kind of big pipeline you can see and where are we going to participate in terms of number of positions in terms of value?

Devendra Jain: Basically, the EPC total projects, total order pipeline is Rs.80000 Crores in the road and out of this Rs.80000 Crores, 25% is the EPC and 75% is the HAM.

Sanjay Bansal: In the previous answer, I said the strike ratio is around 12%.

Jiten Rushi: That I got, reduced a 25% EPC, and 75%, right?

Sanjay Bansal: Out of total Rs.80000 Crores order book, the pipeline, 25%-75% between.

Jiten Rushi: Got it and Sir, on the competitive intensity can you throw some light on the competitive intensity numbers? Because we have been listening from others also that in the HAM, the intensity has come down, so are we facing any challenges or we see this intensity lower now?

Devendra Jain: Competitive intensity is different for different kinds of projects and EPC, while the competitive intensity has remained high and it is higher and lower total cost of projects Rs.1000 Crores, Rs.500 Crores, so it is higher in there. But obviously, it has gotten elevated since what it used to be from the early two, three years ago. In terms of HAM competitive intensity, with HAM competitive intensity has gone and it had increased when the government had reduced the criteria for bidding. But as of now, ever since the government tightened on those, the HAM competitive intensity has come down. So while we are seeing above six, eight bidders on HAM that is typically we have seen. But in between it has gone high and now there is definitely some EPC.

Jiten Rushi: With this intensity coming down in HAM project, can you expect to bid at a better margin in these projects going forward?

Devendra Jain: We always bid with our certain margins in place, what already is been consistent on that. Obviously, competitive intensity makes you take certain calls at certain times, but overall our thought process remains the same.

Jiten Rushi: In terms of inflows for next half H2, so what is the breakup? Can you safely assume from roads and other segments like water and irrigation and metro or we are only looking for roads in H2 now?

Devendra Jain: As a company, our policy is to keep diversified order book. If you see where we were from five years ago where we were predominantly 80% to 90% roads, our road has come down to 45% of our order book. So even going forward, the ideology is same but we want to have this kind of order book mix where we have different, different sectors which are giving us revenue and our utilization of recruitment in different year even the requirement of equipment for each sector is very different. So depending on which projects are getting over for us, how do you want to deploy, so we will plan our bidding strategy for it.

Jiten Rushi: I am asking a very specific question like if you are saying 80000 pipeline is from road. So what is the pipeline from metros which you are targeting or from water and irrigation which you are targeting because that way, we will tie the number?

Devendra Jain: We do not give out guidance in terms of those because those are independent state projects that we have and while we give out for the national ones, again, as strategy, we do not want to give out all the projects and on all the states that we are looking at as a company in terms of, so that is why we only give out the national government and we have never given for state wise because it opens up also our bidding strategy and our interest in certain states. So we do not give out that, but those are the other details as well.

Jiten Rushi: No, I was just asking a total number not like which state are bidding. Anyways, we will take it offline, Sir. And sir, on the last thing on the margin, as you said, we see margin improving, but now, as you said, 95% of the old order backlog, this has been executed only 5% left with some hiccups in Q3 initially, but in FY2024, can we safely assume a normal margin excluding bonus of above 15%? Just a broader view, I know you have talked about this in the opening remarks, but just a broad view.

Devendra Jain: Sir obviously it is little early to sort of jump to those margin questions right now but obviously why the reasons of why the margins got contracted because of increase in commodity prices. The three cost items for the company are manpower, material and machine. Now manpower and machine when a two year project gets to a three year time so that is a 50% increase in manpower and machine and similarly there was a material cost increase about average of 50% so all our cost had increased and because of which this has happened. Now historically speaking Dilip Buildcon was known for completing projects before it is time which helped us stable all this cost. Now as things normalize we can expect better margin profile going forward obviously all these things are also function of competition at any point of time so while it is very early for me to give you a very kind of idea on how the margin profile will look in FY2024 or how the total revenue we are targeting but all we can say is we have a good robust order book. It is a very diversified order book and as time comes closer we will definitely give you all those indications that we have given you for this year and the performance that is going till now. I think that we would like to look at wining and getting those margins. When we get to that we will give you more.

Jiten Rushi: Okay Sir that is all from my side. Thank you and all the best Sir.

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

Parikshit Kandpal: Hi Rohan and team for good performance during this quarter. I joined the call little late so what was the revenue guidance we have given for FY2023 and 2024.

Devendra Jain: Sir we have only given for FY2023 Sir. We have given about 10,000 Crores plus which was the guidance that we had indicated to earlier result so we have continued on that and we said our EBITDA will be in the range of 12 to 13% and along with that we said that we are looking to reduce our debt from last years level to 500 Crores is our target is what we are trying to do.

Parikshit Kandpal: Okay great Sir and second question is on the monetization so with the Shrem InvIT started transferring assets just wanted to know Sir what you will do with the unit, any plans for monetization of unit or securitization of units because this is a big capital which is lying on the books and cash flows may come more in a deferred way with the current arrangements so any plan of up fronting this cash flow any room for that.

Devendra Jain: From the divestment to Shrem, yes we are receiving good amounts of unit but the same is also giving more cash up front and lesser units but at the same time we have regulatory looking of 12 months and we are working towards the divestment of the units if required but we have done this deal with the view that we will hold on units as well so it is permanent combination we will work on wherever we need liquidity we will plan for monetization of the units as well but since there is one regulatory booking till one year we cannot do anything.

Parikshit Kandpal: Okay and Sir my last question is in the debt reduction target of 400 to 500 Crores how much is the monetization proceeds we were factoring for this debt reduction in this financial year.

Devendra Jain: Let me be very frank. The case is always principle so whether it is coming from my internal accrual or coming from the divestment proceed does not matter. The overall idea is basically we will be reducing the debt between 400 to 500 Crores.

Parikshit Kandpal: Let me put it in another way how much is the monetization in flows you are expecting in this financial year FY2023.

Devendra Jain: Cash flow wise we can safely between 300 to 500 cash we will be receiving in second half from the monetization.

Parikshit Kandpal: Okay 300 to 500 Crores we expect further to be received in the second half from the monetization and this 200 Crores has come in this quarter which you have received as cash that is already coming in second quarter.

Devendra Jain: In Q3 not Q2 because the monetization has happened in this quarter.

Parikshit Kandpal: This is the factor in this 300 to 500 Crores.

Devendra Jain: So I am saying from now till March 31st we will receive between 300 to 500 Crores additional cash from the divestment.

Parikshit Kandpal: Excluding the 200 you have received in the third quarter right.

Devendra Jain: Yes we confirm.

Parikshit Kandpal: I think we are coming back. All the best to your team. I hope you guys come back to the fast track and execution and completing projects ahead of time so thank you and all the best to you.

Moderator: Thank you. The next question is from the line of Rohit Natarajan from Antique Stock Broking. Please go ahead.

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

Shravan Shah: Thank you. Sir what was the DBL which was I think 700 odd Crores and we can raise 200 to 300 Crores so as on September what is the debt at DBL Infra.

Devendra Jain: The debt as of September 30th, 2022 remains same 702 Crores. There is no change.

Shravan Shah: We will going for the extra 200 to 300 Crores which was the original plan.

Devendra Jain: Sir depends on whether we want to avail that facility or not. We have that comfort and confidence with our far investors. While it will all depend on how the companies cash flows and what are the execution plans that we can look in the short run we will not envisage on using that facility. I do not think so in this financial year we are anticipating using any of that but that continues to be there as a push in for us.

Shravan Shah: Sir clarification this one year locking for the units when we say so that one year starts from when.

Devendra Jain: From the time when you get the units that is the time when it starts, while we have lock in on the sale there is no limitation if in case we want to raise funds against the units putting that as collateral given that there is very strong cash flow that comes from the units every quarter so we can evaluate all sorts of opportunities again those units if at all we feel that we want to do some monetization.

Shravan Shah: Out of this 2349 odd Crores in terms of the cash we will be getting 670 odd Crores.

Devendra Jain: So originally our of 2349 Crores we were to receive 616 Crores but now same as increased the cash portion so that is why we have guided and we will be receiving another 300 to 500 Crores between now and March 31st so yes the cash consideration is higher when we envisage earlier and units will be lesser.

Shravan Shah: At max the cash currently we can get is 674, so broadly 670 odd Crores so 200 Crores we had received and another 300 to 500 Crores so let us say if we get the 500 so broadly the entire cash we will be getting by March 2023.

Devendra Jain: Yes you rightly said.

Shravan Shah: Thanks.

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

Parikshit Kandpal: Thanks for the followup. Sir I just wanted clarity on now this Rs.2349 Crores is how amount is the amount saying and if you can break it up into cash and units revised cash and revised units?

Devendra Jain: So Rs.2349 Crores so the cash fortune will be between you can say around Rs.700 Crores to Rs.750 Crores and the balance will be units.

Parikshit Kandpal: Sir is there any revision in the EBITDA this transaction that is still happening so subjective to commission so is there any because interest rates have gone up so is there any revision in the evaluation from Rs.2349 Crores which was the DW?

Devendra Jain: There will be an increase in valuation EBIT but on the fixed assets. As of now we are working on the final valuation.

Parikshit Kandpal: So this may go up this Rs.2349 Crores will go up basically?

Devendra Jain: So not significantly but yes there will be increase in valuations.

Parikshit Kandpal: But this Rs.700 Crores to Rs.750 Crores cash is of now pegged at Rs.2349 Crores valuation right?

Devendra Jain: Yes.

Parikshit Kandpal: Okay some will come by March 2023?

Devendra Jain: Yes.

Parikshit Kandpal: Okay thank you.

Moderator: Thank you. The next question is from the line of Prem Khurana from Anand Rathi. Please go ahead.

Prem Khurana: Thank you for taking my questions. So I was asking since Siarmal is now financial closed and we are expecting it to start contributing in a big way next year on some Pachwara also would be there and could contribute so would you need to kind of incur any capex to the kind of commercialize Siarmal or the guidance stays? The guidance which was given to us last quarter on capex side?

Devendra Jain: Capex guidance that we've given for DBL remains the same. There is no change in that. Now coming to Siarmal, Siarmal the financial closure will be done, so the capex that will be incurred for Siarmal will be done in that project only, so it is very secretive, both projects -- so Siarmal project is a 25-year long project mining rights, the aim that we're doing. The equipment will be tacked to the project. And because there will be tacked there will be revenue year on year. We can see a very good cash flow from that, so from that sense which is why we were able to get input financial closure from our investors and that's a very good healthy project for us. So we are very confident with that. There is no capex required from mining project from DBL parent.

Prem Khurana: Sure and also will you share the way you see ramp up? I am assuming it will start just low and then gradually it will go up right? The mining that you will be able to kind if you could share the next five year ramp plan?

Devendra Jain: Sir I would not understand what you said.

Prem Khurana: So in terms of Siarmal revenue obviously you will not be able to have the peak revenue from the very first day? It will come gradually only so you will you start the number which would be lower right in terms of the mining that you will be able to take care of and then gradually you will be able to mine more on a progressive basis so if you could give us either in terms of let say million tonnes or revenues the ramp up schedule for the next five years?

Devendra Jain: There is a schedule to it. So the total -- the final sort of competitive that we have to reach at the end of 5-years and 6-years is 1,500 metric tons total gap of starting from 5 million metric ton to the next 15 and 25 and 35, so that's how it grow. And I am giving you broad stroke here. It is broadly this is how it will ramp up every year, and it will continue going from there so even the investment in the project will go accordingly so every year, as we keep ramping production capacity. That's how the investment will keep increasing. Then in the start of fourth year we start building 4 HAM plans there. So that will also get build in the next 4 to 6 years and that's under a large investment cum deal. So while project is totally financially close. The investment for this project will flow at a specific part and in the past we have explained that detail. So I am sure you might be able to find the detailed explanation on one of our presentations from the past on our website, and in case if you're interested we're more than happy to explain to you quickly, me and my team will be more than happy to take it from offline.

Prem Khurana: Sure I will take it offline. Thank you and all the very best for future.

Moderator: Thank you. The next question is from the line of Mohit Kumar from Dam Capital. Please go ahead.

Mohit Kumar: Good evening Sir. Sir I joined the call late so I may be repeating but Sir how do you see the order inflow for H2 and how does the opportunity pipeline looking like? We have seen the H1 from NHAI pretty lukewarm? Are you expecting some ramp up on the bidding side for NHAI?

Devendra Jain: So in the first half we won about Rs.6800 Crores of orders. We had guided for a total order inflow of about Rs.12000 Crores for the full year so which means we have about Rs.5000 Crores to Rs.6000 Crores more projects to win and for that we see a very healthy pipeline for NHAI which is about Rs.80,000 Crores of pipeline projects that the NHAI is going to be which has already been floated that we see so the first half of NHAI bidding was weak as has generally been the trend for the last few years. The second half is going to be nice so we are confident that amongst roads and other sectors that we are working in we will be able to do minimum of what we have already said we are targeting for and there is a chance expectation that we might even exceed from what we are targeting.

Mohit Kumar: Are you looking only at HAM? Or are you also open to EPC? When you say INR 800 billion, this is primarily HAM?

Devendra Jain: So Rs.80,000 Crores of projects that are there. Out of this Rs.80,000 Crores 25% is EPC and 75% is HAM projects. We are targeting all sorts of projects.

Mohit Kumar: Anything on the water side or metro side if you can?

Devendra Jain: Yes Sir we are bidding them continuously and we have already won and we will see and look at our quarterly presentation. You will see a list of all the ones that we have already one and in the future also we are looking at targeting that as we keep winning, we will keep updating the same.

Mohit Kumar: Lastly, sir, can you please reconcile the unbilled revenue of mobilization advances at the end of September FY '22?

Devendra Jain: Just allow me to hand over to my colleague.

Sanjay Bansal: Around Rs.1200 Crores.

Mohit Kumar: Unbilled revenue mobilization advances?

Devendra Jain: Mobilization advances is Rs.720 Crores.

Mohit Kumar: Sir one more question on my side, has the NHAI moved on this 20% requirement of equity on HAM or do you think it will not happen in this fiscal year for HAM project?

Devendra Jain: So NHAI is thinking about debt. So it is not serious whether they will go at 20% or it will remain the 60-40, too early to say because they are thinking about that.

Mohit Kumar: The awarding is not pending for this particular reason? Am I right?

Devendra Jain: No. No, awarding is definitely on the 80-20.

Mohit Kumar: Understood Sir. Thank you.

Moderator: Thank you. Ladies and gentlemen that was the last question for today. I now hand the conference over to the management for closing comments.

Devendra Jain: Thank you very much, everyone, for being on the call. I hope all of you had a great Diwali and thank you for asking all your questions. In case we have not been able to address someone's questions or is there a question someone want to ask, you know how to reach us. Please feel free to reach out to me or any of my team members. We would be very happy to assist you. On behalf of everyone here at DBL, I thank all of you for attending and asking questions. I look forward to seeing all of you at our next conference call. Thank you.

Moderator: Thank you. Ladies and gentlemen, on behalf of Axis Capital Limited that concludes this conference call. Thank you for joining us and you may now disconnect your lines.