



इरकॉन इंटरनेशनल लिमिटेड

(भारत सरकार का उपक्रम)



IRCON INTERNATIONAL LIMITED

(A Govt. of India Undertaking)

An integrated Engineering and Construction Company

IRCON/SECY/STEX/124

14th November, 2023

BSE Limited Listing Dept./ Dept. of Corporate Services Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400001 बीएसई लिमिटेड लिस्टिंग विभाग / कॉर्पोरेट सेवा विभाग पी. जे. टावर्स, दलाल स्ट्रीट, मुंबई- 400001 Scrip code / ID: 541956 / IRCON	National Stock Exchange of India Limited Listing Department Exchange Plaza, Plot no. C/I, G Block Bandra –Kurla Complex, Bandra (East) Mumbai – 400051 नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड लिस्टिंग विभाग एक्सचेंज प्लाजा, प्लॉट नं. सी./ आई. जी. ब्लॉक, बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व), मुंबई-400051 Scrip Code: IRCON
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Sub: - Transcript of the Q2FY2024 Earning Call held on Friday, 10th November, 2023/ शुक्रवार, 10 नवंबर, 2023 को आयोजित Q2FY2024 आय कॉल की प्रतिलेख

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and in continuation to our letter of even no. dated 2nd November, 2023, please find enclosed the transcript of the post result Earning Call held on Friday, 10th November, 2023 to discuss the financial results of the Company for the second quarter ended on 30th September, 2023.

In accordance with Regulation 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Transcript of the Analyst Conference Call is also available on the Company's website at the link https://www.ircon.org/index.php?option=com_content&view=article&id=226&Itemid=643&lang=en which can also be accessed through below mentioned path:

www.ircon.org>> Investor Relations>> Presentation and Earning Calls>> Transcript of the Earning Call held on 10th November, 2023 for financial results for the second quarter ended on 30th September, 2023.

कृपया उपरोक्त जानकारी को रिकॉर्ड पर लें।

धन्यवाद,
भवदीया,

(रितु अरोड़ा) / (Ritu Arora)

कम्पनी सचिव एवं अनुपालन अधिकारी/ Company Secretary & Compliance Officer

सदस्यता क्र./ Membership No.: FCS 5270



“Ircon International Limited
Q2 & H1 FY'24 Analyst Conference Call”
November 10, 2023



Management
Ircon international limited

Mrs. Ragini Advani	– Director Finance
Mr. B. Mugunthan	– Chief Financial Officer and ED Finance
Mr. Alin Roy Choudhury	– CGM Finance



Moderator: Good afternoon, ladies and gentlemen. I am Dorwin, the moderator for this conference call. I thank everyone for joining us today for the Irrcon International Limited Q2 & H1 FY24 Analyst Conference Call. At this moment, all participants are in a listen only mode. Later, we will conduct a question and answer session. At that time, if you have a question, please press * and 1 on your telephone keypad.

Today, we have with us the senior management represented by Smt. Ragini Advani - Director Finance; Shri B Mugunthan - Chief Financial Officer and Executive Director of Finance, and Shri Alin Roy Choudhury - CGM Finance.

I would like to remind you that some of the statements that will be made in today's discussion may be forward-looking in nature. It is subject to several risks and uncertainties and the actual results could materially differ. I would now like to hand the conference over to Smt. Ragini Advani – Director (Finance) for the opening remarks, after which we will have the forum open for the interactive Q&A session. Thank you and over to you, ma'am.

Ragini Advani: Thank you, Dorwin. Good afternoon, everyone. I am Ragini Advani - Director Finance, Irrcon. On behalf of my team, I extend a warm welcome to you and thank you for your presence today at the Irrcon's Earning Call for second quarter and six months ended 30th September 2023. I have with me Shri. B Mugunthan - CFO and ED Finance; Shri Alin Roy Choudhury – CGM Finance and Shri Sachin Garg - DGM Finance.

As you all are aware, we have recently been granted Navratna status from Government of India. With the grant of Navratna status, the company should be able to undertake larger size PPP projects and it will definitely enhance the market credibility of the company. We extend our heartfelt gratitude to all the stakeholders for their continuous and unwavering support, without which this would not have been possible. We shall continue to perform with greater zeal, zest and aspire to reach greater heights. I am pleased to report that your company has recorded highest ever turnover in the second quarter despite of seasonally weak quarter. Our teams have showcased remarkable dedication, profound technical expertise and an untiring commitment to conquer all challenges in this

period and deliver exceptional results. I am sure you have all had the opportunity to review the company's financial results and the presentation that we have submitted to the stock exchanges.

Let me now take you through the financial performance of Q2 FY24. The company has reported total revenue of Rs.3,136 crores in Q2 FY24. This is up by 36% as compared to Rs.2,306 crores for the same period last year. PAT has increased by 44% to Rs.251 crore as compared to Rs.174 crore in Q2 FY23. Core EBITDA has also gone up by 16%. Earnings per share have gone up by Rs.2.67 per equity share in Q2 FY24 as against Rs.1.85 per equity share in the last fiscal Q2 FY23 on a face value of Rs. 2 per share. Order book of the company as at 30th September 2023 stood at Rs.32,152 crore, which comprises 53% orders on competitive basis and balance on nomination basis. 92% of our orders book pertains to domestic business and 8% international. Currently, Iircon has 11 subsidiaries comprising renewable power, roads and highways companies. Iircon also has 7 joint venture companies as you all are aware. Now, without taking much more time, I would like to open the floor for Q&A session. Thank you.

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

Rohit: My first question is to do with order inflow. What segments are you really looking for the new order inflows? What could be the targeted amount in this particular fiscal, what is the amount that we have won till date? If you could throw something more color on it will be really helpful?

Ragini Advani: As we stated as the 30th September, my order book stands at Rs.32,152 crore, which is pretty much where we were about 3 months back. So we have been able to get new order/change in scope in our order to continue maintaining the 30th June numbers. Going forward, we hope to continue this trend, but considering the fact that some of the business opportunities are at fairly advanced stage, but it is beyond us on when they may fructify. The order essentially will continue on railways and highways sector, but overall I see the company being in the range of about Rs.30,000 crore order book by FY24 31st March 2024. We will continue to focus on competitive jobs both in India as well as outside of India.

Rohit: Ma'am, if I have to look at the bigger picture that is if your order backlog remains static, this will technically impair your ability to grow your revenue as such, and on top of it, the core EBITDA margins are also in declining trend, so would it not bode well, if you are looking for figure of, say?

Ragini Advani: There are two things. One thing is that my EBITDA or core EBITDA is not on a declining trend. You have to understand that when I do HAM business, a lot of my income comes from interest. So, if you were to consider that interest, my core EBITDA margins are where we expected them to be. See, the point is that we had a very high order book of about Rs.44,000 crores at one point in time and therefore it has been a good number vis-a-vis the turnover, but if you see an industry average typically 2 to 2.5x is what the order book is for other companies. So, to that extent we are fairly stable now. We are not saying that we are not focusing on larger jobs or big ticket jobs, but at the end of it, there are a lot of extraneous factors including the political environment which determines when these jobs will come. So, we are fairly well positioned in many of these areas, but when these will come could be end of this fiscal year, could be beginning of next fiscal year and we see ourselves continuing to grow going forward as we have been maintaining in the past also and we shall be getting orders in due course.

Rohit: If you could help me explain the investment positions that you have in the SPVs both in terms of equity plus the loans and advances and how is the income that you are booking out from those investments?

Ragini Advani: If you see my investments, I have already invested about Rs.2,200 crores till now and these are spread into my road and highway projects as well as into coal connectivity and renewable projects. Now, the amount that I still need to invest is another Rs.1,100 crore which will be partially this year, partially next year and maybe a small amount a year after that. Out of all of my JVs and subsidiaries, you are aware that two of my road highway projects are toll projects in subsidiary and one in JV. So there what I get is the toll revenue, which gets directly added to my operating revenue. Then as far as my HAM projects are concerned, I get an annuity after every half yearly or every quarter and there again a part of that element goes into my core operating revenue and a part of it comes as a part of my other income, the interest that they give me as a part of my HAM and then the third are

assets which are under construction currently which obviously will continue to give me revenue after they are constructed and in the Coal JVs my revenue comes, obviously because they are JVs, so I basically add profit in my consolidated balance sheet, but per se their source of revenue is fair share.

Rohit: Just to reconcile, this equity of 22 billion and another 11 billion, this is inclusive of equity plus loans and advances or is there any?

Ragini Advani: So it is inclusive of equity and loans and advances, but mostly those loans are interest free loans. There are in the nature of quasi equity only.

Moderato: Thank you. The next question is from the line of CA Akash Dhanuka, an Individual Investor. Please go ahead.

CA Akash Dhanuka: Now the questions, ma'am, in the last concall, ma'am, you gave us guidance of 10% over FY23 with respect to the sales, the revenue, so do you maintain that or do you increase that?

Ragini Advani: I increase that slightly, because now that the half year is passed and we have surpassed that guidance. So, I would say it would be close to about 15%.

CA Akash Dhanuka: 15% over FY23 right?

Ragini Advani: Yes.

CA Akash Dhanuka: And you said, ma'am that your core EBITDA is not declining, but if you go to the presentation, ma'am, the core EBITDA that you had mentioned in your presentation that mentions around somewhere around 1.25% decline on the core EBITDA part, which doesn't include the HAM annuity?

Ragini Advani: Yes, that is right. So what happens is that, ultimately all our projects as I keep maintaining that these are long-term projects. So if we were to see quarter-on-quarter or half year to half year, few decimals here and there it can be, but if I was to look at an overall number, it is what we have been maintaining till now that my EBITDA will be in the range of 10% to 11% and my core EBITDA will be about 8%. So, to that extent, I think we have been

fairly higher than what we have been telling you all that we will be maintaining. Our PAT levels have always maintained which will be overall 7% to 7.5%.

CA Akash Dhanuka: PAT?

Ragini Advani: Yes, PAT, because when you are doing this, there are certain assets which are under construction. There are certain interests which can flow in later. So, for a company like ours, that is the overall number on which you will have to go, rather than assuming that there is a quarter decline over a period in certain things that could also be because of certain provisions that may have come up, but holistically speaking, that is going to be my trend.

CA Akash Dhanuka: Ma'am, in this quarter, the other income was Rs.149.50 crores and can you just help us with the HAM annuity interest in this, the breakup of 149?

Ragini Advani: HAM annuity in fact it is around Rs.45 crores

CA Akash Dhanuka: In the Q4 last year conference call, you had mentioned that the other income inclusive this HAM annuity would be somewhere around Rs.550 crores, we have achieved Rs.260 in the first half so can we achieve the 550 is tough?

Ragini Advani: Yes, because we are already at 260 overall other income, so total number, so we should be in the range of 520 to 550 including HAM, it is the also other income that we are talking about.

CA Akash Dhanuka: Two questions, ma'am, on the new order inflow ma'am, in the G20 that the railway project in the Middle East was declared by many countries, which includes India, do we expect anything out of that because that is fairly a large order?

Ragini Advani: Right now when it was declared in G20, it is after that the various countries at the top most levels are right now conceptually envisaging and closing it. So, it may take time, but definitely Ircon will have a good role to play there. The reality will only be known to us once it is properly worked out and taken out, so Indian Railways is aware of this and it is also aware of the credibility

and the credentials that Ircon carries. So yes, from a long term point of view it should be something we should be participating in.

CA Akash Dhanuka: Can you quantify that good role?

Ragini Advani: No, because right now it is not even quantified at the country level.

CA Akash Dhanuka: The percentage wise, not the value wise?

Ragini Advani: Again, unless you know what the product is all about, unless you know what exactly are they thinking, how do I qualify or quantify it?

CA Akash Dhanuka: The second one is, ma'am, just before G20, a couple of weeks ahead of G20, the Railway Minister had announced the expansion of railway lines in certain areas which was congested, so because that is specific to India, do we get a good chunk of orders from that?

Ragini Advani: See all orders that railways will come out are on competitive basis and as of now we are well placed to get them, but again after announcements by the time they fructify into tenders and then we quote and we get, it takes time, but definitely, we are one of the strong contenders for it.

CA Akash Dhanuka: Just one last thing, ma'am with respect to this order, please correct me if I am wrong, there are only two companies in India who are into the railway lines, not the infrastructure, just the lines, just the setting up of the lines which is RVNL and Ircon, right? No other third company is present?

Ragini Advani: That is not true. These two are the public sector companies that are essentially into it. There are many private players as well.

CA Akash Dhanuka: And lastly, ma'am, I don't know whether I should be asking this, but I still I will try my luck out, though it was a non-investable stuff, but 15 big investors had a meeting with you, you in the sense the company, so are they really interested in getting a long-term investor as an investor within the company or it was just as a normal update with them, because they were fairly big?

Ragini Advani: It is a normal update. Nowadays, what DIPAM is doing is they are trying to get all public sector companies to have regular interaction with some good

large investors both in India as well as outside India. So that if they have any questions on us or if they require any one to one discussion, those can be facilitated. The idea is for them to know us in more depth and more frequently. So, it was one of those meetings, nothing more than that.

CA Akash Dhanuka: Just finally the last one ma'am, I am stretching it a little too much, but just the last one confirmed the last one, in the last conference call, you had said 3-4 times that please keep trust on us, we will achieve that order book guidance, I just wanted to confirm once again, despite the low order inflow as of now, we keep that guidance that should I go by your words that please keep trust on us, we will achieve it?

Ragini Advani: See, what I have just mentioned in fact just at the beginning of the call, I have stated that while we maintained the 30 to 32,000 in this quarter, but going forward some of the opportunities which we were expecting to have it in this year, they may get, the eventual award could come to us early next year and these are because of certain circumstances which are beyond us, because we are working in an industry where lot of factors create an extraneous limitation for us and therefore, I have in fact myself told you that we would revise our order book position for the year end at a level close to Rs.50,000 crores.

Moderator: Thank you. The next question is from the line of Shreyans Mehta from Equirus. Please go ahead.

Shreyans Mehta: Ma'am, a couple of questions from my side, one, as we are coming back to order inflow, so we have done closer to Rs.2,800 odd crores and we were targeting say Rs.10,000 odd crores, so ma'am, is it fair to assume that you just mentioned that some orders which we are targeting would be coming to us next year, so is it fair to assume that is it primarily because of the delays which are happening in the system or it is also because a lot of our competitors or since the sector has been opened, there are other players who are taking these orders?

Ragini Advani: So, the ones that I am talking about and which we were very sure that we will be getting in this year previously, those are getting delayed and because they are getting delayed, therefore, I am saying that I am revising

my order book expectation, but in terms of competition, yes, the competition is there, but as we have been maintaining, there are certain areas or certain scales in which we are not even competing. So, it is a very small ticket job of limit of about Rs.50 crores, Rs.100, Rs.200 crores, we may not be competing there and we anyway don't expect ourselves getting a job there. So those are happening, but the ones that I am referring to, which we were fairly certain we will be getting this year that has been delayed.

Shreyans Mehta: Secondly, ma'am, in terms of revenue guidance, even if I do the higher end of what you indicated of 15%, we will be closer to Rs.11,000 odd crores, whereas in 1H already we are at half of it, so are we still under guiding or is it fair to assume that we can easily surpass this?

Ragini Advani: So, the point is that we are now coming into a period where a lot of execution pressure was also there because of the upcoming elections. We are an infra company so that is going to go down now. So, to that extent what we are maintaining right now is what we are comfortable with and we are certain about and that is the reason we have told a number of about close to 15%.

Shreyans Mehta: And ma'am, any number for FY25 in terms of ordering flows or revenue guidance?

Ragini Advani: We definitely are on a growth path, but in terms of saying that what could be our growth number, it will really depend on the order inflow and some of the big ticket orders that we are focusing on currently and which we are seeing, it may get delayed, a lot will depend also in which part of the year, they come next year because till May there would be certain slowdown in terms of giving orders as well. So, I think I will be in a better position to give 2025 number closer to the next investor call that we do.

Shreyans Mehta: Ma'am, in terms of our cash and bank balance, if you can share that number, our own cash and bank balance?

Ragini Advani: Our own cash and bank balance is close to Rs.750 crores and otherwise, of course, the overall number is Rs.5,000 crore plus.

- Shreyans Mehta:** So last quarter it was closer to 900, so the balance has gone towards the equity investments?
- Ragini Advani:** Yes, so from last quarter to this quarter, it has essentially been equity investments and also dividend.
- Shreyans Mehta:** And ma'am, just to understand that we have got this status, so how does it help, one as you rightly pointed out, probably in terms of taking larger orders, it might help you, but in terms of monetization of assets, does it give us any leeway?
- Ragini Advani:** So, monetization of assets, we have to take the government permissions at different levels and they are irrespective of whether we are a Miniratna or Navratna, that is true for any public sector company and Navratna basically helps us in bidding for higher big ticket PPP projects and also it gives us a little bit more flexibility in terms of our financial and HR related matters, so for internal working it should ease out with Navratna status.
- Shreyans Mehta:** So, it is more pertaining to administrative rather than financial perspective?
- Ragini Advani:** Financial, it is from the perspective that I mentioned that we will have higher equity that we can invest into PPP projects. The kind of bids that we get, there are times when there are weightages for being a Navratna company also and all, so in QCB (**inaudible**)___ so obviously it will play a positive role overall and it would be more in terms of these getting certain better technical qualifications, getting better rates from maybe lenders, getting more PPP driven jobs, so those are the aspects where financially we should benefit out of it.
- Shreyans Mehta:** And ma'am, one last question from my side, in terms of bid pipeline, what would be the current bid pipeline probably where we are targeting or where we have already placed the bids and probably the results are yet to come out?
- Ragini Advani:** So, we are targeting the bid in the range of 30,000 crore right and we are in the pipeline of having certain of these bids open close to about I think Rs. 5,000 crores, so that we should get to know in another month or two months.

Shreyans Mehta: So just to clarify, Rs.50,000 odd crores is where we have bid it, Rs. 5000 odd crores is where we have L1.

Ragini Advani: Rs. 30,000 crores is where we have bid it and Rs. 5,000 crores we should get to know our fate in another month or two months.

Shreyans Mehta: But we are not in L1 in any of these?

Ragini Advani: So these are yet to be opened.

Shreyans Mehta: Are we L1 in any of these projects where it is yet to put it in an order book?

Ragini Advani: We are already L1, have already been incorporated, we have had the new order win of about close to Rs. 500 crores. Out of that Rs. 500 crores, about Rs. 200 crores is where we are L1 and where the LOA is awaited. Those are the ones which we obviously right now we haven't reported to Stock Exchange because we are waiting for a formal letter from them.

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

Vishal Periwal: Quarter 2 is maintained, so can you clarify like what is the new order win in quarter 2 and what is the scope change in this?

Ragini Advani: We are doing one project in Sikkim, Sivok-Rangpo project. So, we have had an ordering freeze there of close to Rs.4,000 crores. Sivok, the increase is about Rs.3000 crores and there are certain other increases as well. So overall the increase in my order book because of change in scope is close to Rs.4,000 crores and the new order that has got, we have recently announced MSME job that we have got that is Rs.85 crores, but that is a consultancy job of Rs.85 crores. So, if I was to keep it at par with my EPC job, that Rs.85 crores would be equivalent to about Rs.1,500 to Rs. 1,800 crores on an EPC basis.

Vishal Periwal: So just to clarify, because we have done a top line of roughly Rs.2,900 odd crores, so when we are saying that new order win in terms of scope changes Rs.4,000, so is there any some sort of deduction in order book the previous order?

- Ragini Advani:** Yes, so we have just indicated also that MCRL phase 2 which is one of my joint ventures, Mahanadi Coalfields Railway Limited, there the phase 2 is being taken over by railways, so I have reduced that order book. Earlier we were supposed to do it.
- Vishal Periwal:** And in your presentation, if I can just, flip on the page #21, which has an annual financial statement, particularly P&L, so it has annual standalone numbers and the core EBITDA margin is roughly like 5.88% in this, so if one has to look at probably FY24, can you guide like where exactly could the number?
- Ragini Advani:** This is standalone core EBITDA.
- Vishal Periwal:** Yes.
- Ragini Advani:** So, standalone core EBITDA would be in the range of 5% to 6%, but on a consolidated level because we continue to get HAM, infra, etc. that is where we have been maintaining our numbers.
- Vishal Periwal:** So, in terms of numbers, this 5.88, it will be broadly in this range, though, there is a topline?
- Ragini Advani:** On a standalone, yes, because all my PPP products are beyond standalone.
- Vishal Periwal:** Since like when we are doing EPC work, topline is getting increased, so any benefit of like your fixed cost getting absorbed at a higher rate, higher revenue?
- Ragini Advani:** Our fixed cost is very low Vishal. So it will probably affect probably in my new test of decimals. That is where our leeway is. If you see, if I were to exclude project expenses, my employee cost and other fixed costs are nominal. There is a range of 1 to 2%.
- Moderator:** Thank you. The next question is from the line of Atharva Bhutada from Purnartha. Please go ahead.

Atharva Bhutada: I just had two questions. One was regarding IRSDC and the Ministry of Railways have asked for a slump sale by December 2024, so I wanted to understand what was the main role of this company and how are proceeding with the sale of the company?

Ragini Advani: So IRSDC, it was developing certain stations and then it was running and operating the station. Now, the Ministry of Railways is now consolidating all of that exercise and housing it with RLDA. So as a part of that consolidation, Railways decided that IRSDC needs to be shut and all its operations as well as assets need to get transferred to RLDA and stations which are already developed, they have gone to the respective zonal railways. That is where it is. Now in regarding the slump sale, of course because their assets have to get transferred and then subsequently this company has to shut down, therefore it is going to happen on a slump sale and at a value which is being finalized as of now.

Atharva Bhutada: And actually I was going through the annual report and I didn't understand like why we were doing this, so we are having a lease agreement with RLDA and we are using IRSDC to pay this lease and then I think you are getting the money back from RLDA?

Ragini Advani: That was the Bandra plot land and in fact, now that entire transaction is squared off completely.

Atharva Bhutada: So, we won't have this transaction?

Ragini Advani: From April 23. So, from now onwards you don't have any of such things in our balance sheet, that was the Bandra plot which was supposed to be developed by us and for which there was a loan from IRSDC and the land lease was through RLDA, but eventually there were some technical land political issues because of which there was a stalemate situation on that Bandra plot for some time and therefore railways decided to end this transaction and take it back into the books of RLDA.

Atharva Bhutada: So, have you lost any business opportunity due to that?

Ragini Advani: No, because even RLDA is sitting with that piece of land right now.

Moderator: Thank you. The next question is from the line of Abhishek Maheshwari from Skybridge Wealth Management. Please go ahead.

Abhishek Maheshwari: First question is, so the bids that we have in advanced stages, are there more towards tunneling or high-speed rail or just track laying for normal trains, can you throw some light on that?

Ragini Advani: Some of them are on tunneling and some of them are the doubling and the expansion projects and some of them are international opportunities that we are targeting and some of them are road and hydro project.

Abhishek Maheshwari: So, it is not skewed towards anything, it is more or less something of everything, I guess?

Ragini Advani: Yes, spread out in all directions.

Abhishek Maheshwari: And secondly, ma'am, in layman terms, how is a high-speed rail track different from a normal train track? Is there some niche that you have or is it pretty much the same?

Ragini Advani: So, the bullet train project, this is based on the technology from Japan and their system of link tracks, as well as all associated paraphernalia right from the slab, the molds as well as the kind of train that you will have running on it, everything is entirely different.

Abhishek Maheshwari: So, having a niche shall help you, it gives you a competitive advantage?

Ragini Advani: Yes, because we will be the first one, we will be learning this in collaboration with the Japanese party and once we are able to develop it, we will have the experience to take on further opportunities in this area.

Abhishek Maheshwari: Ma'am, any projects apart from what is already, the work which is already going on, apart from that, is there any other big project in pipeline and high speed also or it is only after election that will come to know?

Ragini Advani: Not as of now, so some things are at the DPR stage so it will depend on that how and when do we get an opportunity to participate in it.

Abhishek Maheshwari: What level of return on investment, ROI do we operate at for a JV company?

Ragini Advani: Yes, so typically the IRR that we look at is about 12% to 14%, project IRR and equity IRR is in the range of 14% to 16%.

Abhishek Maheshwari: That is something we are looking to maintain it in the future also?

Ragini Advani: See, right now things are under construction and in case of coal JVs, what is important is that once the traffic flows through it, that is what is going to be your source of revenue, the freight sharing. So, while all of these JVs where we have a very coal intensive areas, be it Chhattisgarh, Jharkhand or Orissa for that matter, but once we have completed the construction, we will be in a better position, but having said that, because it is a coal rich belt, there could be a short-term issue where we may have some initial pitches, but on an overall perspective, we should be getting good returns.

Moderator: Thank you. The next question is from the line of Atharva Bhutada from Purnartha. Please go ahead.

Atharva Bhutada: I came on my last two questions, so what is the bid success ratio for us?

Ragini Advani: Actually, in our kind of company it is very difficult to say what is the bid success ratio because there are a lot of jobs that you are trying to yourself seed while you are trying to bid for them, especially outside of India and even within India for example when it comes to roads and highways, it is not about bid to success, but it is also about how much equity I want to invest and how much can I afford to go ahead in terms of PPP projects. Within railways also, it depends on the scale and the kind of job that it is. So, if it is station development or if it is a small time job, probably I will not even participate on those bids and for mid and standard track laying facilities my success rate may be lower, but if it wants to be something which has complex bridges, tunnels or it is something which has to do something with niche technology like we are doing the bullet train or the dedicated corridor, then my success rate goes up. Similarly, if it's a big ticket project, my success rate goes up. So, it would be difficult to put an overall number to it.

Atharva Bhutada: Actually, I wanted to understand what is the revenue contribution somewhat top 5 products for half year and what was the escalation percentage that we get? Is it like based on the inflation rate going on or the WPI is included?

Ragini Advani: So, we have a fixed formula for the escalation which are built into the projects which are more to do with how much would be the labor cost increase and how much would be the material increase and typically there is a formula where you will have a CPI wholesale. All of these there when if it is an imported, then there would be some linkages to international indices also. That is how it is determined and I didn't get your question, you wanted to know the top five projects in terms of our turnover?

Atharva Bhutada: Yes, so like last year, it was 60%?

Ragini Advani: So what is the cumulative turnover of top five projects is what you are asking?

Atharva Bhutada: Yes, ma'am.

Ragini Advani: So the turnover from top five projects for the half year I am talking is close to about Rs.2,600.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing comments. Over to you, ma'am.

Ragini Advani: Thank you, Mr. Dorwin, moderating the call. I would also like to thank all our shareholders, business partners, analysts and investor friends who have continued to have faith in us and supported us throughout the journey. Happy festivities to all of you. Happy Diwali. We would be happy to connect with any and every one of you on a one-to-one basis if required for any further queries and take it forward. I conclude today's concall and thank you once again for all the active participation. Thank you.

Moderator: Thank you. On behalf of Ircon International Limited, that concludes the conference. Thank you for joining us. You may now disconnect your lines.