

*Commitment, Reliability & Quality*

Dept. of Corporate Services – Corporate Relationship,  
BSE Limited,  
Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai 400 001.

National Stock Exchange of India  
Limited,  
Listing Department,  
Exchange Plaza, C-1, Block ‘G’ Bandra-  
Kurla Complex,  
Bandra (East),  
Mumbai 400 051.

Date  
10<sup>th</sup> August, 2023

Our Reference No.  
SEC/08/2023

Our Contact  
RAHUL NEOGI

Direct Line  
91 22 67680814  
[rahul.neogi@itdcem.co.in](mailto:rahul.neogi@itdcem.co.in)

Dear Sirs,

**Sub: Transcript of Analysts / Investors conference call on Unaudited Financial Results for the quarter ended 30<sup>th</sup> June, 2023**

**Scrip Code No: 509496 (BSE) / ITDCEM (NSE)**

In terms of Regulation 30 read with clause 15 of Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Transcript of Analysts / Investors conference call held on 8<sup>th</sup> August, 2023 relating to the Unaudited Financial Results for the quarter ended 30<sup>th</sup> June, 2023.

We have uploaded the same on the website of the Company at  
[https://www.itdcem.co.in/wp-content/uploads/2016/06/ConcallTranscript\\_ITDCementation\\_08082023.pdf](https://www.itdcem.co.in/wp-content/uploads/2016/06/ConcallTranscript_ITDCementation_08082023.pdf)

Please acknowledge and take the same on record.

Thanking you,

Yours faithfully,  
For ITD Cementation India Limited

(RAHUL NEOGI)  
COMPANY SECRETARY

Encl: as above

ITD Cementation India Limited

**Registered & Corporate Office** : 9th Floor, Prima Bay,  
Tower - B, Gate No. 5, Saki Vihar Road. Powai. Mumbai - 400 072  
Tel.: 91-22-66931600 fax : 91-22-66931628 [www.itdcem.co.in](http://www.itdcem.co.in)  
Corporate Identity Number : L61000MH1978PLC020435





*Commitment, Reliability & Quality*

**ITD Cementation  
Q1 FY24 Earnings Conference Call**

Event Date / Time : 08/08/2023, 11:00 Hrs.

**CORPORATE PARTICIPANTS:**

**Mr. Jayanta Basu**  
Managing Director

**Mr. Prasad Patwardhan**  
Chief Financial Officer

**Mr. Bharat Jain**  
ICICI Securities Limited

## **Moderator**

Good morning, ladies and gentlemen. I'm Pelsia, moderator for the conference call. Welcome to ITD Cementation Q1 FY24 Earnings Conference Call. As a reminder, all participants will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during the conference call, please signal an operator by pressing \* and then 0 on your touch-tone telephone. Please note this conference is recorded. I would now like to hand over the floor to Mr. Bharat Jain from ICICI Securities Limited. Thank you and over to you sir.

## **Bharat Jain**

Thank you. Good morning, everyone. On behalf of ICICI Securities, I welcome you all to the Q1 FY24 earnings call of ITD Cementation India Limited. Today, we are pleased to host the senior management of the company, which is represented by Mr. Jayanta Basu, Managing Director, and Mr. Prasad Patwardhan, CFO of the company. I will now hand over the call to Mr. Patwardhan for his comments. Thank you and over to you sir.

## **Prasad Patwardhan**

Thank you. Good morning, everyone, and thank you for joining us for this Q1 FY24 earnings call. Before I begin the discussion, I would like to mention that during this call, there could be some forward-looking statements, which will be subject to a number of risks and uncertainties and the actual results going forward could differ from these statements, so I would request you to bear that in mind. Let me touch upon our financial performance during this quarter ending June 23. We have seen a very robust healthy performance during the quarter on the back of a strong order backlog.

We have reported the highest ever quarterly income of over INR 1,800 crores as against INR 1,098 crores a year ago, which represents a growth of about 67% on the YoY basis. EBITDA for the quarter stood at INR 174 crores as against INR 101 crores a year back, a growth of about 73%, and PAT for the quarter was about INR 52 crores as against INR 30 crores a year back. Our balance sheet is in good shape with net debt equity of just around 0.5 times. These are my initial comments and I will take your question going forward, but before that will handed over to our MD, Mr. Basu for his initial comments from the operations of the company.

## **Jayanta Basu**

Thank you, Prasad, and good morning, all of you. Thank you for joining the con call. This is Jayanta Basu, I will explain you on our operational performance for the last quarter. As you have seen that our revenue has scaled up to INR 1,800 crores, which is to be around INR 1,000 crore a year back, so it's the big jump and we hope that we'll be able to maintain the similar tempo going forward. The operations mostly contributed by two big jobs, like Chennai Metro, both the contract has done well last quarter. Bangalore Metro has also contributed significantly. The most contribution has come from Ganga Expressway, we are executing at UP, most of the revenue has come from there.

Otherwise in Marine IOCL at Ennore Port has done well, JNPT contract, then Udangudi as usual has done well. This is a great quarter. So, these are the main contributors for the last quarter revenue at the bottom line. About the visibility and the prospects, we have got another INR 18,500 crores work in hand. I also must add here that there are two big contracts where we are L1 and expect that the LOI will be at least by this month end, put together will be around INR 5,500 crores, both the job together. There are a few more jobs under pipeline, under tender, in various stages of pre-qualification or tender. So, that's all from my side and we'll be happy to answer your questions. So, please go ahead. Thank you.

## **Moderator**

Thank you, sir. Ladies and gentlemen, we will now begin the question-and-answer session. If you have a question, please press \* and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing \* and 1 again. I repeat ladies and gentlemen, if you have any question please press \* and 1 on your telephone keypad. First question comes from Bajrang Bafna from Sunidhi Securities. Please go ahead.

## **Bajrang Bafna**

Congratulations for a good set of numbers. Sir, my first question pertains, if we see the last couple of quarters as per your guidance, the execution has been pretty strong and that is expected to pick up even going forward. But in terms of margins, we are yet to see the 10% kind of margin that perhaps you are guiding us maybe should be possible in foreseeable future. So, considering

the execution pickup and the legacy orders are behind us, when do we expect that to be go towards double-digit margins?

And since, now our hands are full with a lot of orders and we are getting more and more selective in terms of choosing orders. So, can we expect that the new orders that you are envisaging where your L1, the margin profile, is far better than what we are having in our hands currently? So, some guidance on these margins for the existing orders and the forthcoming orders would be really great, sir, if you could guide us in that sense.

**Jayanta Basu**

Well. I'll tell you about the long-term issue. For sure that the new tender, new bid will definitely which is better margin than what used to be before, considering our work in hand and considering the opportunities we have. So, that effect will come, not now, maybe after one and one-and-half year. But immediately, as we have mentioned before that for the later part of this year, maybe from third and fourth quarter, you will definitely see improvement in the margins as we have discussed double-digit sort of things. In fact, in this quarter also margin is close to 9.4-9.5%. So, there is a little bit of improvement in that as well. That is what I can say at this point. So, we have to wait for another one quarter or two quarters to get the desired marginal numbers.

**Bajrang Bafna**

Okay. And, sir, my second question pertains to the visibility because earlier in the last calls you've guided that we'll be doing close to INR 6,000 crore kind of revenue. But considering the superb execution in this quarter, can we expect now the earlier guidance of INR 6,000 crore sort of revenue in FY24 can be revised a little bit upwards? I know that the second quarter is again monsoons are pretty havoc in different parts of the country. So, how our work got impacted in Q2, if in any sense that you are seeing right now? And any guidance on this revision of the INR 6,000 crore kind of execution that you guided us earlier in the last quarter? So that will be helpful. Thank you, sir.

**Jayanta Basu**

Well, INR 6,000 crores definitely is achievable and if not more than that close to INR 7,000 crore or even that will be possible because we don't have any job which is being an issue. I mean, we

should go ahead, except coming two-three months of monsoon. So, you can expect the number that we have taken before is more than that.

**Bajrang Bafna**

Okay, great. Thank you. I'll come back in the queue.

**Jayanta Basu**

Thank you.

**Moderator**

Thank you. Next question comes from Rajesh Kumar Rathi from Right Shopping Private Limited. Please go ahead.

**Rajesh Kumar Rathi**

Yes, thanks for the opportunity. My question again is on the margin front. What I noticed is that we are doing net profit margin of less than 3%, whereas the competitors are same people in the field though there is no direct linkage. Like, NCC has guided for 5% net profit margin. HG Infra, who is doing, they are doing the same Ganga Expressway, they have 9-percent-plus net profit margin. We have this quarter at least done substantially the Ganga Expressway, which is I think, I would presume should be around 30-35% of the turnover, but still the margin is 9.5%. Where are we going wrong? So, I'd like to understand more on this.

**Jayanta Basu**

Okay. So, you have referred about HG Infra and NCC, and I agree that their margin, HG Infra is way above than anybody else and NCC also 4-plus 5%. But I also like to mention that there are other companies of our nature like if you can mention their margin, I would have happy to know the margin what they are doing. 3% margin what you have seen today that is based on past legacy projects, some of our old jobs and some of the jobs which you are not able to recognize the margin. So, as I say, it'll improve gradually and definitely we are monitoring the margins of other companies as you have mentioned. We are not going wrong anywhere. Ganga Expressway has

contributed whatever contribution has to come from there. So, I don't see that much of issue on that. We have to wait a bit for another one or two quarters to get better margin.

**Prasad Patwardhan**

Just to add further to what Mr. Basu said, some of the companies that you mentioned just now, other than ITD Cementation, they are having projects which are slightly different nature like a BOT or a HAM Project. So, then accordingly the margin profile will also be different. We are in the pure EPC space. So, strictly our numbers, the EBITDA margins, etc may not be comparable with some of the other companies that you mentioned.

**Rajesh Kumar Rathi**

No, of course, it is not directly comparable. But especially given that HG Infra has done substantially the Ganga Expressway project, and we are doing the same, so that is why it's a bit of a concern. And I just hope management will look deeply into that, so that the profile improves, because we are almost at the kind of peak of the cycle, infra-cycle, around that at least. And at this time if we don't improve our margins, I'm worried about what happens after two, three years. So, well, one was that. Second was the tax percentage, again this time is high at 33.5% around. Last time we discussed that and I had a question on that, and I think the management guided that it should be around 25-26%. So, what is missing here?

**Prasad Patwardhan**

No, nothing is missing. Firstly, your point regarding the margins is noted. And we have taken action to see an improvement in the margins. And as Mr. Basu mentioned, we hope to see an improvement in the margins in the later part of this year. Coming to your question on the tax provisioning, we're doing one elevated metro project in Bangalore, where we have taken a provision of about INR 29 crores in this quarter. So, that doesn't impact our tax provision. So, the tax provision is on the PBT plus the loss that we have taken on Bangalore Metro, so that works out to about 25%. Optically the tax provisioning seems to be higher, but that is because of this one-time loss that we have taken on the Bangalore Metro project.

**Rajesh Kumar Rathi**

So, again, in this quarter, you have taken that provision, right? That Bangalore Metro loss provision, you have done in this quarter again? Last quarter, similar thing, I think.

**Prasad Patwardhan**

That's correct.

**Rajesh Kumar Rathi**

Okay. So, have we done away with that Bangalore loss thing or will it recur again in next quarter onwards?

**Jayanta Basu**

No. I mean, as per as I can say that most of the provisions has been done. And in fact, this provision of INR 29-odd-crore also we have a very prudent approach. So, we have more or less here that this will come, but we have kept a provision for that and we don't expect any further provision or loss to make in this contract.

**Rajesh Kumar Rathi**

Yes, that could be important because for the last two quarters we have been listening to this. So, of course, yes, everything is not in your hand, but okay. So, now my third question, the last question is about the orders because the last five-six months we hardly have any orders that we have received. That Bangladesh order L1 position for three-four months, we have not received the order yet. So, what is the position on the ground? Are we seeing less ordering or it is to do with our higher quotation or higher bids?

**Jayanta Basu**

Both of them. As I have mentioned that Bangladesh order, the Prime Minister has already signed the MOU last week, and we are expecting orders, even it can come today. Other one, big Marine job in east coast of India close to INR 4,000 crore order also we expect at any time. To add in last quarter, you can imagine that our order book by this time would have been INR 5,000-crore-plus.



**Rajesh Kumar Rathi**

What is the status of this Chennai Metro, the bids that we had submitted?

**Jayanta Basu**

Chennai Metro, I think, altogether five bids we have submitted and two bids we are very close to L1. There is hardly any difference, but see we're not the L1. Obviously, these we are not seen, so our price is a little high. So, as far as we are concerned, we have lost all the five bids in Chennai Metro.

**Rajesh Kumar Rathi**

Oh, that's a bad news. Okay. Thank you.

**Jayanta Basu**

Not that bad news, let me clarify that, demand is already we are executing INR 4,000 crores of jobs, and two jobs what were we expected was close to our existing jobs, but other jobs become regret because it is better not to put our legs in one basket.

**Rajesh Kumar Rathi**

Yes, that is true. Okay. Thank you. Thank you for the opportunity once again.

**Moderator**

Thank you. I request the participants to restrict with two questions in the initial round and join back the queue for more questions. Next question comes from Pratik Kothari from Unique PMS. Please go ahead.

**Pratik Kothari**

Hi. Good morning, sir, and thank you. Sir, one question on the competition. We did speak about, one, given a pretext full we've raised through in terms of acquiring new projects, and we do hear

this commentary across multiple infra here. So, are you seeing a change in terms of the discipline or in terms of pricing when it comes to bidding for a new project?

**Jayanta Basu**

I couldn't get your question. Can you repeat it, please?

**Pratik Kothari**

Sir, my question is on the competition part. Are we seeing a change in terms of the pricing discipline amongst our peers, and when it comes to bidding for a project, the number of players who participate in each tender?

**Jayanta Basu**

Well, it is very dynamic, because once upon a time, you have only 5 to 10 bidders for road project, now you find 25 bidders. In elevated Metro, it was only three-four, now it is 15, underground also now it has. So, it will continue like that, but today, one thing, which is I must mention that the jobs are quite big in terms of the value INR 2,000, 3,000, 4,000 crore in that range. So, there lies the opportunity for the players like us who get qualified, so that gives us some advantage. And as because the opportunities are more, definitely the contractor must be quoting at a better margin than what is before.

**Pratik Kothari**

Correct. So, if it's, I mean, just to tie that up, I mean if the number of bidders for each tender is significantly higher. We did mention that now we are bidding at something which gives us higher margins and see those changes one-two years out. So, how does that work out then?

**Jayanta Basu**

Well, see today, I mean, for last few years, we have not participated in any outside tender. Last one or two years, we have hardly participated in elevated Metro. But at the same time our revenue is going up, our work in hand is going up. That means every time we have to find the ways and means how to know strategize our bidding, go abroad, getting big ticket jobs, which is

to be not our cup of tea because we're not qualified. So, it's that dynamic situations as I say, I mean, that will remain and we have to think about that. But I don't see any issue because there are opportunities elsewhere where the competition is less. So, we are confident that there shouldn't be much problem with the competition.

**Pratik Kothari**

Where would that be the, where the competition is less and where we will bring in some technical capability of our own?

**Jayanta Basu**

There are a few areas like first of all Marine. Those jobs like breakwater, dredging and reclamation, you don't get many of the competitor to get qualify. I think we're there very much placed. Second is, project export by the Government of India like many countries like Maldives, Mauritius, Bangladesh, Shillong, South African country funded by Government of India, where only Indian tenders are allowed. So, there lies a big opportunity for us and some big-ticket metro jobs underground where many people cannot get qualified. So, these are the opportunity we have now.

**Pratik Kothari**

Correct. And, sir, what was their bid pipeline currently?

**Jayanta Basu**

Bid pipeline, L1 I've mentioned that was INR 5,500 crores, which is we are waiting for the order. In addition to that, maybe we are pursuing around INR 15,000-17,000 crores of job altogether, there some are in tender stage, some are in the pre-qualification, so around that.

**Pratik Kothari**

Correct. And of this INR 5,500 crore L1 you said, INR 4,000 crore is on port project in east of India?

**Jayanta Basu**

Yes, you are right.

**Pratik Kothari**

Okay. Sure. Thank you, sir and all the best.

**Jayanta Basu**

Thank you.

**Moderator**

Thank you. Next question comes from Siddharth Shah from M K Ventures. Please go ahead.

**Siddharth Shah**

Yes, sir. Congratulations on great set of numbers, and especially very impressed with the execution ramped up last few quarters. Sir, most of my questions have been answered. Just to check again on this Bangalore Metro. Sir, the number which you provided is INR 28 crores, right?

**Jayanta Basu**

Yes, that's correct.

**Siddharth Shah**

Okay. And sir, can you just explain a bit in terms of, I think last time you would see it and most of the packages have been handed over. So, what is the situation right now? And any possibility of any further provisioning at the last moment when you close the accounts with them for this project?

**Jayanta Basu**

I mean, as far as provision is concerned, we can expect there is nothing pending, all are done. So, we don't expect any further provisioning in this contract, that is number one. Number two, as I mentioned last time, now, all the four contracts work has been completed and handed over. So, what we are waiting for now, two things, one is our pre-final and final bill to get certified, which is a little bit lengthy process because these jobs are there for last five years, six years, a lot many reconciliations and things like that. And then winding up of the site and selling off some of the excess resource's assets. So, those things are going on. On provisioning part, I can confirm there is no further.

**Siddharth Shah**

Okay, sir, that's very encouraging to hear. And the second question is on overall revenue and margin guidance. If you just reiterate that again because I think last quarter itself you had seen something like INR 7,000 crores possible. And post that, this L1 position if they translate, are you in a position to give a revised guidance for this year, next year, or something like that?

**Jayanta Basu**

I mean, yes, based on that, it will be of course, INR 6,000-crore-plus, it may cross INR 7,000 crore as well, in terms of top line.

**Siddharth Shah**

Okay. And in terms of margin, sir, because if we adjust for this one-time provisioning, which is the last provision, we are already at double-digit margin. So, can we expect going forward double-digit margins?

**Jayanta Basu**

Margin, first two quarters Q1 and Q2 will remain between below double-digit because next quarter also monsoon little effect there. But last two quarters, we hope to improve close to double-digit or even double-digit. So, it's like that, touch and go finally.

**Siddharth Shah**

Okay. Understood. I think most of my questions have been answered. Thank you and all the best, sir.

**Jayanta Basu**

Thank you.

**Moderator**

Thank you. Next question comes from Dhananjay Mishra from Sunidhi Securities. Please go ahead.

**Dhananjay Mishra**

Hello. Sir, you said the Bangalore elevated had a negative impact of INR 29 crore on EBITDA. So, what was the revenue contribution in this quarter? And this pre-final bill and pre-final bill certification evaluating what will be that amount in terms of revenue?

**Prasad Patwardhan**

In terms of revenue contribution, there was hardly any contribution this quarter because as Mr. Basu mentioned earlier, three projects have been handed over and the fourth project also has been recently handed over. So, there was no contribution or negligible contribution to the top line. The other question. What was the other question you asked?

**Dhananjay Mishra**

The pre-final and final bill that what is that amount?

**Jayanta Basu**

Yes, that is on the certification. We have to jot down all the four projects together. But I think in terms of certification part will be around INR 50-60 crores put together, around that number, will not be much.

**Dhananjay Mishra**

And there will be no negative impact on EBITDA?

**Jayanta Basu**

No.

**Dhananjay Mishra**

Okay. And if you could also give what is the overall CapEx plan for this year and how much we already invested till first quarter?

**Prasad Patwardhan**

In Q1, we've invested about INR 90 crores in acquiring construction plant and equipment. For the whole year, we expect it to be somewhere in between INR 150 crores and 200 crores.

**Dhananjay Mishra**

INR 150-200 crores?

**Prasad Patwardhan**

That's correct.

**Dhananjay Mishra**

Okay. And what is gross debt level as of now?

**Prasad Patwardhan**

Gross debt is about INR 790 crores.

**Dhananjay Mishra**

Okay. And secondly, in terms of pipeline even after losing this Chennai job, we are saying that we are having 150-170 billion prospects, right, in bid pipeline?

**Prasad Patwardhan**

Yes.

**Dhananjay Mishra**

Okay. Yes, that's it from my side. Thank you.

**Prasad Patwardhan**

Thank you.

**Moderator**

Thank you. Next question comes from AM Lodha from Sanmati Consultants. Please go ahead.

**AM Lodha**

Sir, congratulation for very good set of numbers and very good execution by the company even in the first quarter and my best wishes to the company and his team for the bright future ahead. Sir, I'm sorry I joined the result now, a bit late in con call. So, my question may be repetitive. So, I have got only two questions. One is, the order intake. So, this quarter we got some INR 250 crore order, and this is a very negligible order. Therefore, our carry forward order book come down to INR 18,000-crore-plus. So, can you repeat please, sir, bids and company likely to get the order by the end of the FY24?

**Jayanta Basu**



This order what we have secured in first quarter is very less. But at the same time there are two jobs, were L1 and we are expecting orders anytime, when I say anytime means even today also, put together will be around INR 5,500 crores.

**AM Lodha**

Okay. Thank you.

**Jayanta Basu**

Full year, as I mentioned around INR 17,000-18,000 crore jobs are in pipeline. If you go by simple statistics, if your success rate is 20%, another INR 3,000-4,000 crore job you may secured, just by going with the statistics. So, end of the year altogether it should be around INR 8,000-9,000-crore-plus, this year.

**AM Lodha**

Okay. My second and last question, regarding dividend payout. We have paid this year 75% dividend and it is very rare because earlier we were not having that much of the working. Sir, we have not asked anything about the good dividend. Now, this year company again has given very conservatively dividend, 75% dividend. You see these are paying the royalty to the promoter on the turnover of the company. Suppose if the company is getting INR 8,000 crore turnover in current year, then INR 40 crore you will be paying royalty to the promoter. Then besides in addition to that promoter holding, promoter will be getting the dividend. Why company is not giving a good dividend to the minority shareholder also?

**Prasad Patwardhan**

Yes, your question is will noted and we will definitely be taking to the board.

**AM Lodha**

Yes, sir, convey our grievances to the board. Company should revolve a shareholder when the company was not earning, company was in the writing of the bad debt in earlier years, company was not on the good order book position, not having a good order execution. Now, company,

where do you think, good order, good execution, quality of order, margins order. Still company is making deal with the minority shareholder, it's not good, sir. You convey our grievances to the board, sir. Thank you very much, sir.

**Jayanta Basu**

Definitely.

**Moderator**

Thank you. Next question comes from Venkat Subramaniam from Organic Capital. Please go ahead.

**Venkat Subramaniam**

Hi, thanks for taking my question. Congratulations on excellent execution. I had a couple of observations. Now, in spite of substantially improved execution, why isn't there a flow through below the line. We still have a 3% kind of PAT margins at about INR 1,800 crore kind of execution, while we had something similar even at something like about 10-50 to 1,100 kind of execution which is a little surprising. Are there some limiting factors here, are they one-offs?

**Jayant Basu**

Well, PAT margin 3% in Indian scenario, I'll say it's not so bad because if you see historically also, the company those who are working in our type of business. I can name them like to Tata Projects or Afcons.

**Venkat Subramaniam**

Mr. Basu, for every name you give at lower margins, there are at least a couple of names where margins are more than about 5-6%, but my question is a little different.

**Jayanta Basu**

Let me finish. So, there are a few other companies, those who are being better margin as well, we know that. At this point, we have addressed in few minutes back. So, we have to get a little bit of patience, because we are just coming out of two legacy jobs. So, things are improving, and we can promise that it will improve further going forward.

**Venkat Subramaniam**

Certainly. Mr. Basu, my question was a little more, you know, it's just actually mathematical in terms of a question. You can't possibly have a same 3% PAT margin, when you have INR 1,800 crore execution as you have at INR 1,100 crore execution. There has to be a much better absorption of your fixed costs, right? It's quite surprising.

**Jayanta Basu**

Yes, I agree with you. I agree with you, but this time, we have get some provision for Bangalore Metro as well, which is now around INR 28 crore, so that has dented the margin a little bit.

**Venkat Subramaniam**

Right. The second question is actually on that. We have heard quite a few times that a lot of provisions that we're making for Bangalore Metro are conservative in nature, which probably then means that you're expecting to recover. If you kind of recall a few past calls, I think one can think of almost about INR 75-100 crores. So, is that recoverable, do you have realistic chances of recovering?

**Jayanta Basu**

Well, let me be very clear on this. Today, whatever provision we should do, we have already done that, we have done more than that, because we are more or less confident whatever provision we have done in this month also was not required. Now, that is one part. That means there'll be no further negative in this job going forward. There are huge amount of extra items we're pursuing with the client. And some of them are really genuine, some of them are a little bit here and there. But those things take time, so we have to wait till the arbitration process is over. But definitely something will come out from there.

**Venkat Subramaniam**

Wonderful. All the best. Thanks.

**Moderator**

Thank you. Next question comes from Nirvana Laha from Nirvana Capital. Please go ahead.

**Nirvana Laha**

Hi, sir. Thanks for the opportunity. So, these provisions that you do in every quarter, is it included in other expenses in the financial report?

**Prasad Patwardhan**

Yes, that's correct. It included your other expenses in the standalone financials.

**Nirvana Laha**

Right. Sir, can we request you to call this out separately if that is possible, because it gives us a lot of clarity. Because a lot of infra companies don't do this kind of provisioning. So, we appreciate the fact that you are actually taking these calls, but we would also like to have some clarity on this, so if you can add a line item just to show it separately.

**Prasad Patwardhan**

No, I'm sorry. We won't be able to do that. Because this is a format which has been communicated to all the listed companies and we need to strictly go by that format for reporting our quarterly results. But you would appreciate that we have been transparent in our communication with all investors. And we have been sharing the facts with the investors on our con calls regularly.

**Nirvana Laha**

Right. If possible, sir, please add it in the presentation, I leave it to you. So, my next question is, from the annual report, I saw that there was a INR 38 crore increase in credit impaired receivable. So, this has to do with which project and are we provisioned against this?

**Prasad Patwardhan**

This is not against any particular project. This is largely, you know, it is an expected credit loss provision that we need to do based on our past historical track record, which is not specific to any particular project.

**Nirvana Laha**

Okay. And I think they have written off some receivables in FY23, can you tell us the quantum?

**Prasad Patwardhan**

I don't have that with me right now, maybe we can share that number with you offline.

**Nirvana Laha**

Should I write to your Investor Relations?

**Jayanta Basu**

Yes, you can do that.

**Nirvana Laha**

Okay. And on contingent liabilities, so our contingent liabilities have gone up from INR 150 crore last year to around INR 300 crore this year, which is around 25% of net worth, and all of these are to do with taxes. And while the Annual Report has state that you don't expect cash outflows, the number is so big that it forces me to ask this question. What is your view here? Are we expecting nothing to go out from here and how is it?

**Jayanta Basu**

We are tackling this matter with our tax consultants and opinion is we don't expect any liability to arise from these tax regulations. It is a matter of process, there we will be filing an appeal and taking it to the process of adjudication. So, once the matter is not, we expect the outcome to be in our favor.

**Nirvana Laha**

Right, because I think you have not provisioned anything against it and going by your conservatism that you usually show, so the expectation is that you don't need to provide for anything, right?

**Prasad Patwardhan**

That we have not provided based on our view that we don't expect any liability to arise out of these tax litigations.

**Nirvana Laha**

Okay. And one final question on the ITD Cem India JV losses, so there was a INR 65 crores loss last year booked under this JV. So, can you please tell us which projects are causing these major losses in these JV?

**Prasad Patwardhan**

This is the same project, elevated Bangalore Metro project.

**Nirvana Laha**

Bangalore Metro, okay. Would it be possible, sir, in your presentation, you have several JV's. It would be really nice for investors to understand which JV is undertaking which project. So, if you can call that out in the presentation that would help us much more in correlating the subsidiary numbers with what your comment on project? Because otherwise it's a platform for us.

**Prasad Patwardhan**

I think it's already there in our presentation. But let me check. If I'm not mistaken, it is already there in one of the slides just on presentation.

**Nirvana Laha**

JV-wise which project are being executed, you mean?

**Prasad Patwardhan**

Yes. That's right. It's maybe you've missed in the presentation again.

**Nirvana Laha**

Okay, sir. I will check. I couldn't find it. But maybe I'm mistaken. Okay, sir. Thank you. I return to the queue. And congrats on a great quarter. I hope the operating leverage starts playing out from quarter three. Thank you.

**Jayanta Basu**

Thank you.

**Moderator**

Thank you. Next question comes from Vishal Periwal from IDBI Capital. Please go ahead.

**Vishal Periwal**

Yes, sir. Thanks a lot, sir, for the opportunity. One clarification. In our order book, the international exposure there's only about Sri Lanka which is roughly 4-odd-percent in the order book. Is that fair understanding?

**Jayanta Basu**

That's right. Presently it is only for Sri Lanka. We are a L1 on one project which is in Bangladesh, so whenever we get that order, maybe this month, it will increase our international exposure to two countries, Bangladesh and Sri Lanka.

**Vishal Periwal**

Okay. So, that is, Bangladesh order is currently in the part of L1, which you mentioned INR 5,000-odd-crore?

**Jayanta Basu**

That's correct.

**Vishal Periwal**

Okay. I think a fair descent pipeline and again, L1 that we are in couple of quarters. So, in terms of client-wise, can you give a perspective like the new bids that is coming and there we L1, if you can just share. Is it coming from government, PSU or private, just to get a sense on which side that Capex is happening?

**Jayanta Basu**

Are you asking about the L1 projects?

**Vishal Periwal**

Maybe for bid pipeline. Where exactly the bid pipeline is coming from, basically is it coming from Government or PSU or private in the bid pipeline?

**Jayanta Basu**

This L1 two project both are government. One is for the Indian Navy and the another one is Bangladesh Government. And the bid pipeline is a mix of that, marine, it is mostly from the



multinational like Port of Singapore or DP World, of course is government. So, you can say around 50% of government, 30% from the PSU and 20% for the multinationals.

**Vishal Periwal**

Okay. And, sir, I think probably in the last, I'd say six months or 12 months, are you getting a sense like after this government Capex pickup which has been there for quite some time. Any positivity that you're seeing even on the private side anything that isn't shared?

**Jayanta Basu**

This is what we are in i.e. underground metro, airport and marine, these are the three areas. Marine, of course, is a mix of private sector and there are, as I mentioned, the Port of Singapore and DP world, they are there, but otherwise metro and airport this is mostly from the government, even some port also from the government. So, this investment from the Adani Group is coming down a little bit which is to be very high once upon a time. So, we have to really see that how it is going. But international investment what is happening that is from the Government of India that is surging, that is a good part of our story.

**Vishal Periwal**

Okay. And even in terms of sector-wise, we are in multiple sectors. So, is it fair to say probably in the bid pipeline that has been similar to what our order book is or any particular tilt is happening and sector-wise you're getting more, you're seeing more opportunity? Yes, the actual bid can be a bit different whether he did or not, but it is tilt is happening towards one particular sector vis-à-vis other. Can you highlight anything on that front, sir?

**Jayanta Basu**

Yes, three particular sectors where we are focusing or we have got the bids pipeline. One is your, of course, Marine. There are three or four jobs we are pursuing now, even more than that, and underground metro, and few mining jobs and mining means where they got some tunneling and the rock excavation, but big jobs, that also. These are the three we're pursuing now. It's under pipeline.

**Vishal Periwal**

Okay. So, I mean, from complexity of the work is it like the bid that we're getting it is towards that. It's not a plain vanilla, I mean, road, construction or standalone building. So, the complexity is there in terms of new bid. Can we fairly say that?

**Jayanta Basu**

Yes, all these jobs having technical challenges requires expertise. It's marine, it's underground metro, and other projects. But otherwise, there are plenty of road job opportunity which we don't pursue, even elevated we don't pursue where there are many players nowadays.

**Vishal Periwal**

Okay, sure. Maybe last thing from my side, I think our execution are a pretty healthy and that getting reflected number. But, sir, on a cash flow front also, can you just touch upon that, I mean, like maybe a working capital or will it be fair to say that a similar trajectory or anything, any color that you can provide will be helpful?

**Prasad Patwardhan**

The working capital has been pretty stable in terms of number of days as well we have not seen any significant rise in the working capital in number of days. It continues to be that, it's under 100 days, the net working capital today is under 100 days. So, I think that is how it has been for quite some time now, so in spite of the growth in our order books, we have not seen significant increase in the working capital days.

**Vishal Periwal**

Okay, that's all from my side and thank you very much sir. Thank you.

**Moderator**

Thank you. Next question comes from Pujan Shah from Congruence Advisers. Please go ahead.

**Pujan Shah**

Hi, sir. My first question would be, if we look at the Marine specific, so we were at a trajectory of INR 4,000-4,500 crore and now currently if we are looking at the trajectory mix. So are the order book, we are specifically looking for the profitable, like highly profitable order to bid or like we are looking like the Marine has been going slow in comparison to another project.

**Jayanta Basu**

Marine, actually what happened, Marine jobs, I mean the completion times are quite fast and in moment to get job within two-years' time you are able to complete the job there are various factors behind that, because you get the front immediately, you can start the work. So, the work in hand what we see in Marine that gets repeated really fast.

**Pujan Shah**

Okay, got it. And the Sri Lanka port which we got the order, have we started executing the project and if they started flowing revenue, like is it contributing to revenue into it?

**Jayanta Basu**

Yes, very much started. If you know that the pile foundation, almost we have started in two, out of four fronts. So, work is on schedule and we have started the job very much.

**Pujan Shah**

Okay. And my last question would be on the specific to as we have stated. So, are we on the order book size of around 25,000, right? With the order prospect and order pipeline, including all the things, winning order and visibility what we have currently. So, the order book would be around 25,000? Not talking about the executing phase, so it is like the including of all these things.

**Jayanta Basu**

Sorry, can you please repeat the question?

**Pujan Shah**

Yes. So, as we have stated that we have that INR 5,500 crores of order book. INR 5,500 crore is the prospect order book, which we have been planning to get and plus INR 16,000-17,000 crore which is in the order pipeline. So, we add that front and considering that 20% of the winning order. So, that would be around 3000-odd-stuff. So, if we consider that, it would be around INR 8,000 crore and currently we have visibility like we have the order book pipeline of INR 18,000 crore. So, would it be consumed fair to say that he could be around 25,000 order books at the year end?

**Jayanta Basu**

Well, it will depend on the execution of the orders and the timing maybe get the new orders in. So, we expect new order, means, in this year to be in the range of INR 8000-9000 crores. I mean you can work out the order book. It should be in the range of 20,000-23,000, yes, somewhere in that range.

**Pujan Shah**

Okay, got it. Okay. Thank you so much, sir.

**Moderator**

Thank you. Next question comes from Vignesh Iyer from Sequent Investments. Please go ahead.

**Vignesh Iyer**

Congratulations on amazing execution that you have done in quarter one. My question is on the Ganga Expressway project. Just want to understand what percentage of the total project has been already executed and what is the total value of the project that still is part of the order book?

**Jayanta Basu**

Total value of the job is INR 4,850 crores, out of that till last quarter that is July, they are around INR 700 crores order work has been already done till now.

**Vignesh Iyer**

What is the timeline for executing this project, specific project, Ganga Expressway?

**Jayanta Basu**

Two years from now to 2025 April-May we have to complete.

**Vignesh Iyer**

Okay. Another two years. Right. Sir, also this, the L1 project that we have, we are sitting in L1 for the project in Bangladesh. What is the margin profile for this international orders? I mean, compared to say your Indian domestic orders, I mean, is it any different?

**Jayanta Basu**

Actually, it's a bit of mix of margin under this. So, normally, when you go international, we analyze the risk factor of the country. The margin may remain same, but we have provided more provision in the risk. And if those risk doesn't happen, if it is less than that will add to the margin. It is like that.

**Vignesh Iyer**

Sorry, I didn't get it.

**Jayanta Basu**

There are two components on top of the cost, one is the margin, another is the provision for the risk. So, when you go international there are certain unknown factors. So, normally, it provides more cost towards the risk and if it happens then the risk is less when that converted to the margin you know. So, that needs to be seen.

**Vignesh Iyer**

Okay. But for a project like this in Bangladesh, I mean, say, if the commodity price goes up, is it a pass on completely or it is more like we have to take it on our books?

**Jayanta Basu**

So, this is in our account. Mostly it is only one item that is steel. So, we have already spoken to the vendor internationally. We have fixed our contract with them. But yes, if the prices go up that is in to our account.

**Vignesh Iyer**

Okay. Just one final question. Just to understand to quarter two, is there any major impact due to heavy rains in certain part of the country to our project in any way? I mean, would we see a similar run rate or a bit less than what we saw in quarter one?

**Jayanta Basu**

Quarter two normally it will be little slow because even in Mumbai also we are executing at least three jobs, but the progress will be less, Kerala and some of the North of India in West Bengal and Sikkim. So, it is normal in every monsoon times. So, you'll find little bit of less of progress in this quarter.

**Vignesh Iyer**

Okay, sir. That's all from my side. All the best. Thank you.

**Moderator**

Thank you. Next question comes from Deepak Poddar from Sapphire Capital. Please go ahead.

**Deepak Poddar**

Thank you very much for the opportunity. First of all, I just wanted to understand, now this Bangalore Metro provision was around INR 29 crores, right, which you did this quarter?

**Jayanta Basu**

Yes.

**Deepak Poddar**

So ideally, I mean, you said that most of it has been done and it will not reoccur, right? So, that effectively means that 1.5% to 2%, right, on EBITDA margin, that can have a positive impact?

**Jayanta Basu**

That's correct.

**Deepak Poddar**

And when you're saying that we are looking for margins of double-digit, so that includes your associates and other income, right?

**Jayanta Basu**

Yes.

**Deepak Poddar**

Okay. So, but I believe in this a 1.5-2% come, so ideally, we are already at 9.5%, right, including other income and associates. So, ideally, when this provision is not there, your EBITDA margin can be much higher than double-digit, right, maybe what 11%, 11.5%?

**Prasad Patwardhan**

That is not we have said, that we would hope to see an improvement in our margins from Q3 or Q4 onwards because this Q2 would also be impacted to some extent by the monsoon. So, we expect to see an improvement in the margins from Q3 or Q4.

**Deepak Poddar**

Understood. And in terms of execution, I mean, any comments that you can make on FY25, I mean, next year, what sort of execution we might be looking at?

**Prasad Patwardhan**

I don't think we would like to comment on FY25 at this stage, maybe when we are closer to ending FY24 then we'll have more clarity and be able to comment on the performance in FY25.

**Deepak Poddar**

Okay. Understood. And in general, INR 18,500 crores of order book that we had as of now, what would be the execution timeline of that, that particular order?

**Jayanta Basu**

Would be ideally around close to three years.

**Deepak Poddar**

Three years. Okay. Understood. Yes, that's it for my side, sir. All the very best. Thank you so much.

**Moderator**

Thank you. Next question comes from Mehul Mehta from Nuvama Wealth, please go ahead.

**Mehul Mehta**



This is with reference to INR 29 crores of loss provision for Bangalore Metro project, which you have mentioned. Like-to-like during quarter one FY23, there were any provisioning in case of any other project, so like-to-like?

**Jayanta Basu**

No, I don't think there was any provision in Q1 FY22.

**Mehul Mehta**

So, if I look at, like, operating profit without including JV profits and other income it's amounting to INR 162 crores and that is flat profit margin like and if we take out this INR 29 crores loss, 8.8%, is that correct?

**Jayanta Basu**

Yes.

**Prasad Patwardhan**

Well, I don't have the exact in front of me. We'll go by what you're saying.

**Mehul Mehta**

No. Yes, I worked on that, yes. Thanks for your reply. Thank you. I'm done.

**Moderator**

Thank you. The last question for today comes from Nikhil Abhyankar from ICICI Securities. Please go ahead.

**Nikhil Abhyankar**

Thanks for the opportunity and congrats on a very good set of numbers. So, my question is, you've mentioned earlier that we will be looking at NHA1 orders going forward as well after a bit

of it. So, what is the pipeline does NHAI have for say next year and how much order are we retargeting from NHAI?

**Prasad Patwardhan**

I don't think we have mentioned that even targeting NHAI. And it is not in our radar at all. We don't have any idea. We can, of course, we can go through the detail. But at this moment, we don't have any idea about NHAI prospect next year.

**Nikhil Abhyankar**

So, we are not even looking at NHAI tenders?

**Prasad Patwardhan**

No. At this moment no.

**Nikhil Abhyankar**

And sir, if I may understand the rationale, because we are taking up EPC projects for Ganga Expressway then why not NHAI, EPC, or say HAM, whatever?

**Prasad Patwardhan**

Yes, but the nature of work, technically is same, both are road construction. But the conditions are totally different. Ganga Expressway, we have got 150 km of free site, where we can just hit the ground and run. But in NHAI based on our past experience, very difficult to get site on time and there are a lot of other issues, so we want to go slow on that part.

**Nikhil Abhyankar**

Okay. Understood. Thank you. That's all from my side and all the best.

**Prasad Patwardhan**

Thank you.

**Jayanta Basu**

Thank you.

**Moderator**

Thank you. Now, I hand over the floor to management for closing comments.

**Prasad Patwardhan**

Thank you very much, everybody, for joining us on this Q1 FY24 earning call. We really appreciate your questions and the opportunity to explain our position to everyone. We look forward to interacting with you again next quarter. Thank you.

**Moderator**

Thank you. Ladies and gentlemen, this concludes your conference for today. Thank you for your participation and for using Door Sabha conference call service. You may disconnect your lines now. Thank you and have a good day.

---