Ref. No.: NCCL/Reg.30/Transcript/2026-27
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| **Symbol: NCC** | **Code: 500294** |

Dear Sir,

**Sub: Submission of Transcript of the audio conference call held on November 6, 2026**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the earnings audio conference call held on November 6, 2026, with analysts discussing the performance & financial results of Q2 of the FY 2026-27. The transcript is also available on the Company's website at https://www.ncclimited.com/analyst-column.html

Kindly take the above on record.

Thanking you,

Yours faithfully

**For NCC Limited**

ACHUTHAN KARTHIK
Digitally signed by ACHUTHAN KARTHIK
Date: 2026.11.10 11:57:23 +05'30'

**A Karthik**
**Company Secretary**

Encl: as above

# "NCC Limited

# Q2 FY27 Earnings Conference Call"

# November 06, 2026

**MANAGEMENT:** **MR. R.S. RAJU – DIRECTOR, PROJECTS – NCC LIMITED**
**MR. SANJAY PUSARLA – EXECUTIVE VICE PRESIDENT, FINANCE AND ACCOUNTS – NCC LIMITED**
**MR. NEERAD SHARMA – HEAD STRATEGY AND INVESTOR RELATIONS – NCC LIMITED**

**MODERATOR:** **MR. VAIBHAV SHAH – JM FINANCIAL**

**Moderator:** Ladies and gentlemen, good day, and welcome to the NCC Limited Q2 FY27 Earnings Conference Call, hosted by JM Financial Institutional Securities Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Vaibhav Shah from JM Financial Institutional Securities Limited. Thank you, and over to you, sir.

**Vaibhav Shah:** Thank you, Rayo. On behalf of JM Financial, I welcome everybody to Q2 FY27 earnings conference call of NCC Limited. We have from the management today Shri R.S. Raju, Director of Projects; Shri Sanjay Pusarla, Executive Vice President, Finance and Accounts; and Shri Neerad Sharma, Head Strategy and Investor Relations.

Now I hand over the call to the management for their opening remarks, post which we can begin Q&A session. Over to you, sir.

**Neerad Sharma:** Thank you very much, Vaibhav. Good morning, everyone. This is Neerad. It gives me great pleasure to welcome you all to NCC's earnings call for the second quarter and the first half of the current financial year. At the very outset, I would like to thank each of you for joining this interactive session and for your continued interest and trust in NCC. I have with me my colleagues, Mr. R.S. Raju, Director Projects; and our CFO, Mr. Sanjay Pusarla.

Yesterday, we have announced our unaudited financial results for the second quarter and the first half of the -- for the half year ended 30th September '26, which have been uploaded on our website and shared with the stock exchanges. We trust you have had the opportunity to review the financial statements and the investor presentation.

Before we begin, I would like to draw your attention to a brief disclaimer with a request to study a detailed version from our investor presentation. This presentation may contain forward-looking statements concerning NCC's future business prospects and profitability, which are subject to several risks and uncertainties. The actual results could materially differ from those indicated in such forward-looking statements. End of the disclaimer.

This interaction is broadly divided into three parts. In the first part, I will present a brief overview of the business environment, operational highlights, and our progress against our FY27 guidance. In the second part, our CFO will cover the detailed financial performance for the second quarter and the first half of the current financial year. In the third and last part, we will take up your questions.

As you are aware, we have been continuously exploring new areas to expand our offerings to remain relevant to the emerging infrastructure opportunities, particularly in technology-enabled infrastructure and allied sector. We have already entered in new areas such as smart meters and tunneling using TBMs in the recent past.

As part of our medium-term plan to pursue emerging business opportunities, our Board has approved a few modifications in the Memorandum of Association to enlarge the scope of activities to be undertaken by the company.

The second quarter is seasonally impacted by the monsoon, which generally slows down activity at project sites. Despite this, execution across our project portfolio remained steady, and we have recorded the highest ever second quarter revenue in NCC's history on a consol basis.

Project progress across the sector continues to be influenced by fund allocation, client approvals, land availability, utility shifting, and billing milestones. Our teams have remained focused on mitigating these through disciplined project execution and close engagement with our clients. Our underlying business fundamentals remain robust, supported by a diversified order book across seven business divisions and an established and proven project management framework.

As of 30th September 2026, our order book stands at INR80,167 crores, which is 11% higher than a year ago. During the quarter, we have booked new orders worth INR4,838 crores, mainly from our buildings and water and railway divisions.

Our order book is about 3.5 times trailing 12-month revenue, giving healthy multi-year revenue visibility. Including the orders of INR2,381 crores received in the month of October, our total inflow for the year so far stands at INR11,108 crores, which is about 50% of our lower band of the guidance that we have shared with the market.

In the second quarter of FY27, the company has reported a turnover of INR6,042 crores on a consol basis as against INR4,585 crores in the corresponding quarter of the previous year, registering a growth of 32%. On a standalone basis, the turnover stands at INR4,957 crores, a growth of 31% over the corresponding quarter of the previous year.

For the first half of FY27, the consol turnover stands at INR11,884 crores as against INR9,793 crores in the first half of the previous year, which is a growth of 21%. The EBITDA margin for the quarter stands at 8.8% on a consol basis as against 8.7% in the corresponding quarter of the previous year. For the first half, the EBITDA margin stands at 9.1% as against 8.7% in the first half of the previous year.

On our last call, we have shared our guidance for FY27, which is order inflow in a band of INR22,000 crores-INR25,000 crores, revenue growth of 8%, 10%, and EBITDA margin in the range of 8.5%-9%. We have decided to retain our guidance for FY27. At the end of second quarter, the broad components of our order book are as follows.

The building division stands at INR22,367 crores, which is about 28% of our total order book. The transportation division has an order book of INR15,682 crores, which is about 20% of our order book. The electrical T&D division stands at INR12,370 crores, which is about 15% of the order book.

The mining division stands at INR12,400 crores, representing about 15% of the order book. The water and railway divisions hold INR12,126 crores, which is 15% of the order book. The irrigation and other divisions has INR5,220 crores, which is about 7% of the order book.

Now I hand over to my colleague, Mr. Sanjay Pusarla, with a request to share with you a detailed financial performance of the quarter and the first half of the year.

**Sanjay Pusarla:** Thank you, Neerad. Good morning, ladies and gentlemen. This is Sanjay Pusarla, CFO from NCC Limited. This time, we have given a detailed presentation, detailed information in the investor presentation. However, for the benefit of all the participant, I will be explaining it again. I am pleased to announce the unaudited financial results of Q2 of FY27 NCC Limited. My announcement will cover from order book, profitability, revenue, debt movement, and some other important balance sheet items. I will start with the revenue.

Turnover reported in Q2 FY27 is INR4,957 crores as against turnover of INR3,775 crores in the corresponding quarter of the previous year. This shows an increase of 31%. At consolidated level, the turnover reported in Q2 is INR6,042 crores as against INR4,585 crores in the corresponding quarter of the previous year, showing an increase of 32%.

Coming to the profitability, we achieved EBITDA of 8.48%, that is INR417.05 crores for Q2 FY27, as against 7.45%, which is INR277.45 crores for the corresponding quarter of the previous year. PBT, we achieved 4.4%, which is INR218.19 crores, and PAT of 3.29%, which is INR163.17 crores in the current quarter, as against PBT of 3.12%, that is INR117.94 crores, and PAT of 2.7%, which is INR101.88 crores reported in the corresponding quarter of the previous year.

At consolidated level, EBITDA we achieved 8.79%, which is INR528.46 crores, and PBT of 4.47%, which is INR269.85 crores, that is before exceptional items. PAT attributable to the shareholders is 3.05%, INR184.29 crores in the current quarter. As against this, EBITDA of 8.66%, that is INR393.31 crores, PBT of 4.55%, which is INR208.62 crores, and PAT of 3.37%, which is INR154.7 crores reported in the corresponding period of the last quarter.

I cover the order book also. Our order book stands at INR80,167 crores as at the end of September 30th, 2026. You are aware the order book at the beginning of the quarter stood at INR81,214 crores, and orders received during the quarter 2 is INR4,838 crores. The order book of INR80,167 crores is consisting of order book of INR71,293 crores at standalone level and INR8,874 crores of the subsidiaries.

Let us get into the debt movement. Debt at the standalone level. The debt at the beginning of the quarter is INR2,410 crores. Net debt after cash and cash equivalent is INR2,008 crores. At the end of Q2, it stood at INR2,471 crores and net debt of INR2,293 crores. At the end of Q2 FY26, the same is INR2,115 crores and net debt of INR1,890 crores. There is an increase of debt by INR61 crores in Q2 FY27.

The debt-equity ratio stands at 0.32 at the end of Q2 FY27, as against 0.31 at the end of June 30th, 2026, and 0.29 at the end of September 30th, 2025, that is the corresponding period of the last year. Debt movement at the consolidated. The debt at beginning of the quarter stood at INR4,020 crores, and net debt after cash and cash equivalent is INR3,513 crores.

At the end of Q2 FY27, it stood at INR4,110 crores and net debt of INR3,887 crores. At the end of Q2 FY26, that is the corresponding period of the last year, the same is INR2,923 crores and

net debt is INR2,643 crores. In respect of working capital, excluding cash and margin money deposits, at the end of Q2 FY27, it stands at INR5,532 crores, which is 28% of the turnover. In terms of days, it is 96 days.

Trade receivables. The outstanding at the end of Q2 has decreased from INR3,055 crores to INR2,697 crores, and the number of days also decreased from 68 days to 53 days in the current quarter. It is 78 days for the corresponding quarter of the previous year. In respect of retention money, it stands at INR2,547 crores in Q2 FY27, as against INR2,396 crores at the end of June 26th, and INR2,250 crores as at the end of March 26th.

Unbilled revenue. Unbilled revenue decreased from INR7,414 crores, which is 38% of the revenue, to INR7,174 crores, which is 37% in Q2 FY27. Corresponding period of the previous year, it is INR6,663 crores, and it is 41%.

Coming to the mobilization advances. Mobilization advances stood at INR2,925 crores as on 30th September 2026, as against INR3,163 crores as on 30th June, and INR3,386 crores as on 31st March 2026. Out of these mobilized advances, 53% are interest-bearing, and the average interest rate works out to 9.07%. Interest-bearing advances decreased from 60% to 53% during quarter 2 financial year '27.

Cash and cash equivalents. It is INR178 crores as on 30th September 2026, INR404 crores at the end of June '26, and INR584 crores at the end of March '26. Margin money deposits and others. It is INR740 crores as on 30th September…

**Moderator:** I'm sorry to interrupt. This is the operator. Sir, there's some disturbance on the line.

**Sanjay Pusarla:** Okay.

**Moderator:** Give me a moment. Participants, please stay connected while we reconnect the management. Participants, thank you for patiently holding your lines. We have the management reconnected. Over to you, sir.

**Sanjay Pusarla:** Thank you. Thank you for your patience. I'll start again with the mobilized advances. I think at that point of time only there was some disturbance on the line. So mobilization advances stood at INR2,925 crores as on 30th September '26, as against INR3,163 crores as at the of June '26, and INR3,386 crores at the end of March '26.

Out of these mobilized advances, 53% are interest-bearing, and the average interest rate comes to 9.07%. In this quarter, the interest-bearing advances decreased from 60% to 53%. Cash and cash equivalents. It is INR178 crores as at the end of September '26 and INR404 crores as at the end of June, and INR584 crores as at the end of March '26.

Margin money deposits and others. It is INR740 crores as at the end of September '26, INR633 crores as at the end of June '26 and INR631 crores as at the end of March '26. Coming to the capex. We have incurred a capex of INR83 crores in Q2 and INR253 crores in the first six months. As in, it is a budgeted capex of INR512 crores…

**Moderator:** This is the operator. I am sorry, sir. The disturbance is back. Give me a moment. Participants, please hold your lines. We will just reconnect the management line.

**Sanjay Pusarla:** Yes, thank you. So, I will start from the capex. I think at that point of time, the disturbance came again. We have incurred a capex of INR83 crores in the Q2 FY27 and INR253 crores in the first six months, as against the budget of INR500 crores for the financial year '27. The EPS stands at INR2.60 at the end of Q2, as against INR1.62 of the relevant quarter of the previous year.

Inventory stands at INR1,742 crores as at the end of September, INR1,815 crores end of June, and INR1,787 crores at the end of March '26. Coming to the investments, there is no change in the investment. The number is INR867 crores end of September, and the same is the case end of March '26 also. Loans to group companies, INR306 crores at the end of September, and INR290 crores at the end of June, and INR295 crores at the end of March 2026.

Coming to the Vizag receivable status, at the end of September '26, it is INR270 crores; at the end of June, it is almost at INR270 crores; at the end of March, it was INR291 crores. With this, I will be ending my presentation on the financial statement.

Now it is open for the question-and-answer session. Thank you.

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

**Shravan Shah:** Hi, sir. Thank you for the opportunity. Congratulations on good set of numbers. Sir, just wanted to understand, despite the strong execution for first half, 21% plus growth, where we are saying 8%-10% of our guidance we are maintaining. If I translate into the numbers, that means that we are looking at 6%-9.5% kind of a de-growth for the second half.

Is there any specific project or a segment or the normal payment clearance-related delays are there, and that is why we are not confident to kind of increase the guidance? And same way, till now, October and 6th November, are we seeing the momentum in terms of the growth or whatever the number is there, and that is why we believe that 8%-10% is doable, and which translates to kind of a 6%-10% kind of a de-growth in the second half?

**Neerad Sharma:** Mr. Shah, very good morning.

**Shravan Shah:** Good morning, sir.

**Neerad Sharma:** Mr. Shah, the guidance that we had shared with you has been for the whole year, that is FY27. We are pleased to share with you the fact that things have worked very well for us in the H1. The mining division, several other projects have given us the revenues, the numbers that we really needed for the growth, and we have shared very good set of numbers that we have already called out.

But still we have two quarters to go, and whenever we share a number with investors, we do a thorough working for various projects, and then depending on that estimation only, we have

shared the guidance for you, that is 8%-10% growth for FY27, and we have decided to retain that guidance.

**Shravan Shah:** Yes, no, I understand, sir. But given, let's say, to put it a simple way, this quarter and standalone, we have done INR4,970 odd crores. Do we see a lower revenue in the third quarter given whatever we have done? Then only the 8%-10% is, one can say, justifiable. Otherwise, this number has to be on the upper side.

**Neerad Sharma:** Mr. Shah, the third quarter is still on. We have not concluded the third quarter. Still, we have a lot of time to go for the third quarter. I mean, it is premature really to talk about the third quarter performance. But I mean, to cut a long story short, we have decided to retain the guidance that we have shared with you, that is 8% to 10% growth.

**Shravan Shah:** Yes. Sir, just in terms of one more aspect, I was just looking at in terms of the retention money for us. For last three quarters, this number has the INR2,500-odd crores currently, which is there, 13.3% of the revenue is there, which used to be a kind of 8.5% one and a half year before. If I have to translate in terms of the numbers, it is kind of INR950,000 crores of a revenue.

If we release this kind of a money and on a 9% interest, it translates to INR85, 90-odd crores, which is a 10% of the PAT. Just trying to understand, are we making any effort or attempt to kind of reduce this retention money as a percentage of revenue? Because it is significant, INR1,000-odd crores we can easily kind of release.

**Sanjay Pusarla:** Yes. This is Sanjay here. The retention money you are talking 1.5 year back, at that point of time, we have got contracts of about INR20,000 crores where there is no retention money at all. In the present context, what is happening, almost all the contracts have a retention money, 5% of retention money, and some of the contracts in electrical division where we have lost, the retention money is as high as 20%.

Some of the contracts which we received in Mumbai for the CC roads, the retention money is also very high. That is the reason the retention money, when you compare to the previous period, it appears to be high. But this is the retention money which we are having it. If you see on quarter-on-quarter, there is about INR150 crores, there is an increase in the retention money.

Going forward, maybe if you get a contract where you can replace retention money with the bank guarantees, definitely there will be reduction in that. Otherwise, whatever contract that will be completing the DLP period, you will be getting back your retention money.

Some of the contracts have a clause where the contract completion, you can replace the retention money with a bank guarantee for 50%. It depends on the contract, it depends on the composition mix of the contracts and the present situations. This retention money will be there. It will continue to be there.

**Shravan Shah:** Okay. Lastly, sir, on working capital and debt front, can we expect further kind of improvement in working capital and debt, which is, if you look at from the March level, kind of a INR200 crores plus kind of increase. So we will come back to the March level of FY26 at the end of FY27.

**Sanjay Pusarla:** Hopefully, we will be coming back to that level.

**Shravan Shah:** Okay. Thank you, sir. All the best and Happy Diwali.

**Sanjay Pusarla:** Thank you so much and Happy Diwali.

**Moderator:** Thank you. The next question is from Parvez Qazi from Nuvama Group. Please go ahead.

**Parvez Qazi:** Hi. Good afternoon and thanks for taking my question. Two questions from my side. First, we have seen a pretty decent improvement in our payment cycle, especially over the last six-odd months. Will this be largely due to the UP JJM projects or, I mean, in general, we have seen improvement in payment cycle across them?

**Sanjay Pusarla:** In general, we have seen the payment cycle is improving. As you said, even the payment from the Jal Jeevan Mission is also improving. They are coming in a regular manner.

**Parvez Qazi:** What would be the outstanding in UP JJM projects now?

**Sanjay Pusarla:** As on date, INR2,246 crores, including all the JJM projects handled by us across various states.

**Parvez Qazi:** I think, if I remember correctly, it was about INR2,700-INR800 last quarter. So there has been a substantial reduction in this quarter.

**Sanjay Pusarla:** If you ask me to give you only the trade receivables, it has come down to INR344 crores. In the case of unbilled revenue, it was INR2,009 crores.

**Parvez Qazi:** Sure. There has been a decent reduction there. The second question is on the capex. You mentioned, I think, H1 capex at about INR153-odd crores. Now, I am assuming this is only at the standalone level. Overall capex, including TBM, is INR388 crores. Is that number correct?

**Sanjay Pusarla:** Yes. It is not 153. It is INR253 crores in the first six months. TBM, whatever we have invested, it was invested in the last year itself. It was there as a capital work in progress in the last year. This year, it has been capitalized. It is excluding that.

**Parvez Qazi:** Okay. Sure, sir. Thanks. I will come back in the queue for further questions. Thank you, and Happy Diwali to the entire team.

**Sanjay Pusarla:** Thank you, and wish you the same.

**Moderator:** Thank you. The next question is from Vaibhav Shah from JM Financial. Please go ahead.

**Vaibhav Shah:** Sir, on the capex, we maintain our INR500 crores guidance for 2027?

**Sanjay Pusarla:** Yes, cash we will maintain.

**Vaibhav Shah:** For FY 2028, it should be a similar number, or we can see an uptick?

**Sanjay Pusarla:** Generally, it will be a similar number, because we are handling the mining project, the requirement may come up. You know that we have bagged the mining project in Jharkhand,

Amrapali project. So, it is a capital-intensive project. It may require some kind of capex in the next year also. But we will come back with the FY 2028 number.

**Vaibhav Shah:** Okay, got it. Secondly, what would be our JJM order backlog overall, including O&M as of September?

**Neerad Sharma:** Excluding O&M.

**Sanjay Pusarla:** This is excluding O&M. Generally, O&M we consider when we started, but excluding O&M, the order backlog is, one minute. INR5,412 crores.

**Vaibhav Shah:** And we plan to execute this by next year end?

**Sanjay Pusarla:** It is like this. In this INR5,142 crores, there are some new projects which have come from Jal Jeevan, in other states. The major Jal Jeevan order backlog, which is there in U.P., will get substantially completed by March 2027 itself.

**Vaibhav Shah:** And sir, we are open to take new projects in JJM?

**Sanjay Pusarla:** Yes, definitely. If we get an opportunity, then we will take it.

**Vaibhav Shah:** Despite the payments being an issue for quite some time in last couple of years, we are still open?

**Sanjay Pusarla:** Yes, we do not expect the same kind of problems or same kind of tightness will be there in release of payments by the government. Because now the governments are coming up, like in AP, they are coming up, and some other places also they are coming up with the JJM scheme.

**Vaibhav Shah:** Okay, got it. Secondly, on the Vizag land sale, you mentioned that INR270 crores is outstanding. So by when do we expect to recover it?

**Sanjay Pusarla:** We expect by end of the quarter four, we will be able to complete this.

**Vaibhav Shah:** The entire amount?

**Sanjay Pusarla:** Entire amount.

**Vaibhav Shah:** Okay. Lastly on the smart meter thing, what is the outstanding order backlog right now for smart meter?

**Sanjay Pusarla:** Yes, it is almost like 51% we have completed installation, and 49% is outstanding.

**Vaibhav Shah:** Okay. Thank you, sir. Those are my questions.

**Sanjay Pusarla:** Thank you.

**Moderator:** Thank you. The next question is from Vishal Periwal from PL Capital. Please go ahead.

**Vishal Periwal:** Yes, sir. Thanks, sir, for the opportunity. Sorry, sir, I am audible, right?

**Sanjay Pusarla:** Yes, you are audible. You are audible. Good morning.

**Vishal Periwal:** Yes, sure. Yes, morning, sir. Sir, sorry, harping on that guidance part again. I mean, like, you know, historically, we have been saying to the market that either the clearances are not coming, then probably we delay execution. Or second, if clearances have come and then payment release is not happening, then we delay the execution.

But if you look at last two quarters, the execution has been there, which means clearances are coming and as well as your balance sheet what you have reported, the cash flows are also coming. So, I mean, given both the part are going in line with what our thought process has been, what could be the reason of probably saying things will be little on the weaker side in the second half based on the guidance?

**Neerad Sharma:** Yes, two questions. Firstly, Mr. Periwal, our commentary is contingent on what is prevailing at our sites. You talked about our commentary in the past. So, in the calls, we try to communicate what we get to see at the sites. As the numbers in the last two quarters speak for themselves, the things have been improving. And some of the sites, I think my CFO has already called out, for the Jal Jeevan Mission, we have received payment.

We are making progress on the sites. The commentary that we had shared with you in the past was a reflection on what we got to see at this point of time. Things seem to be improving, but we never share any guidance for six months. The guidance that we have shared for the street is for the whole year, that is FY27, and we have decided to retain that guidance. And hopefully, surpass that number.

**Vishal Periwal:** That's good to hear, sir. And then maybe one bookkeeping. I think unbilled revenue, it has come down on a quarter basis this quarter, but last two, three years we have seen an increase. So I think broadly you mentioned 2,000 is coming from JJM. Is it possible to get what exactly is this stickiness or probably anything color that can be provided regarding unbilled revenue, sir?

**Sanjay Pusarla:** No, I think we need to little explain on this. The unbilled revenue is coming down, and the type of contracts now we are executing are on the EPC basis, not like in earlier days where you will be billing on the execution and the quantities. Now, on the EPC basis, when you do that, the billing will happen on the milestone achievement.

So when you see the unbilled revenue, the health of the unbilled revenue is very much improving, and it is all related to the BharatNet project, where we are executing, and also the projects where we are executing in AP Capital City. The huge amount of work is going on there, and also at the BharatNet, we are also doing the huge amounts of work.

So these are the things contributing for the unbilled revenue. But no doubt, the unbilled revenue is improving in its health. There is no sticky unbilled revenue. The unbilled revenue is progressively realizing. But we expect that we maintain maybe a similar type of unbilled revenue in the days to come.

**Vishal Periwal:** Okay. And maybe if I can just ask one last question. What is the outstanding in BharatNet for us in terms of order book, and probably what kind of execution we have done quarterly this quarter for BharatNet?

**Sanjay Pusarla:** We have done almost like 11% of the total contract we have executed in both MP and Uttarakhand. We have almost spent about INR1,000 crores on its work, and we have started billing now. The unbilled revenue, as I said, that is also there. Especially in the BharatNet projects, the lead time for conversion from billing, from execution to billing and realization is little longer.

**Vishal Periwal:** Okay. And segment-wise, sir, where is BharatNet housed? I mean-

**Sanjay Pusarla:** Electricals and T&D.

**Vishal Periwal:** Okay. Fine, sir. Sure, sir. I will come back in the queue. Thank you very much, sir.

**Sanjay Pusarla:** Thank you.

**Moderator:** Thank you. The next question is from Hrishali Shah from Old Bridge Mutual Fund. Please go ahead. Hrishali Shah from Old Bridge, please go ahead with the question.

**Sanjay Pusarla:** He is not audible.

**Hrishali Shah:** Hello. Am I audible now?

**Sanjay Pusarla:** Yes, it is clear now.

**Hrishali Shah:** Yes. Thank you for the opportunity. I wanted to ask more on smart meter end. I would want to understand what kind of payment cycle are we seeing there? Is there any working capital challenges we are facing on that side?

**Sanjay Pusarla:** No, we do not see any working capital challenges in the smart meters execution. Smart meters, when we are executing, the payment will be in two phases. One is earlier, first on installation of the smart meters, we get some amount of payment, and the balance amount we will get over 83 months after the installation.

**Management:** 93.

**Sanjay Pusarla:** Sorry, 93 months. After 93 months of the installation on a monthly basis. And we have not seen any challenges, and the payments are coming on a regular basis.

**Hrishali Shah:** Okay. Second question is on AP Capital City. What kind of receivables is outstanding right now, and what order book are we looking at on that front?

**Sanjay Pusarla:** But as far as the receivables are concerned, we are not facing any challenge. Whatever work we are executing, we are getting realization. Between 30- 40 days, we are getting realization. So that is not a problem. When it comes to the order book, I just give you what is the amount of order book. INR14,500 crores is the order book for the AP.

**Hrishali Shah:** Okay. Thank you. Thanks, sir. Thank you so much, and a very happy Diwali.

**Moderator:** Thank you. The next question is from Parth Thakkar from JM Financial. Please go ahead.

**Parth Thakkar:** Thank you for the opportunity. My first question would be regarding the bid pipeline. Can you provide us with the segmental breakup as well?

**Neerad Sharma:** Bid pipeline. I think in the last call in May, I have already shared the prospective pipeline of projects that we get to see, which at this point of time, at that point of time was about INR2.5 lakh crores. Our business is primarily construction, so we do not really give segment-wise breakup.

**Parth Thakkar:** It would be intact at INR2.5 lakh crores?

**Neerad Sharma:** Yes. Do you have any other question?

**Parth Thakkar:** Yes, sir. What would be our JJM payment in the first half?

**Sanjay Pusarla:** In the first half, we received about INR1,720 crores.

**Parth Thakkar:** Okay. My last question, do we see any impact of higher raw material prices on our margins?

**Sanjay Pusarla:** 81% of our contracts have got the escalation clauses. Any increase in the prices will majorly offset from the price variation clauses that are available.

**Parth Thakkar:** Okay, sir. Those were my questions. Thank you.

**Sanjay Pusarla:** Thank you.

**Moderator:** Thank you. The next question is from Shravan Jain from Dolat Capital. Please go ahead.

**Shravan Jain:** Thanks for the opportunity. My question is that since 60% of your clients are PSUs, could you explain your billing process, the average collection period, and whether any retention amount is withheld from the payments?

**Sanjay Pusarla:** As per the contract, retention monies are from 5%-10%, and each of the running bill, when they are processed, they will hold the retention money, and that money will be released only after completion of the contract partially, and balance they will release it after completion of the DLP period. Generally, in the government clients, the payment cycles ranges between 50-60 days from the date of certification.

**Shravan Jain:** Okay, thank you. That was my question.

**Moderator:** Thank you. The next question is from Pankaj Kumar from Kotak Securities. Please go ahead.

**Pankaj Kumar:** Yes, thanks for taking my question, and congrats on good set of numbers. Sir, on the JJM project, what is the total outstanding order book as of now?

**Sanjay Pusarla:** INR5,413 crores.

**Pankaj Kumar:** Earlier, we indicated that we will try to complete large part of this order backlog in the current financial year. Are we on track, or is there any change?

**Sanjay Pusarla:** We are on track.

**Pankaj Kumar:** Okay. Since we have already received around INR11,000 crores of orders, and we have guided for INR22,000 crores-INR25,000 crores of inflows, can we assume, because normally H2 we get the larger part of the orders, are we on track to exceed our guidance or may achieve upper end of the guidance? If you can comment on the new order inflows guidance.

**Neerad Sharma:** See, you are absolutely right that we have shared the order inflow guidance, a band, INR22,000 crores-INR25,000 crores. If we take into account the projects that we have bagged in the month of October, the total inflow is about INR11,108 crores, which is about 50% of the lower band. This itself gives us the confidence that we are on our way to achieve the band of the order inflow guidance that we have shared with the street. We retain that guidance, and hopefully, we will achieve that number.

**Pankaj Kumar:** Okay. And sir, lastly, what is the update on Ken-Betwa project? How is that progressing?

**Neerad Sharma:** Which project, sir?

**Pankaj Kumar:** Ken-Betwa project. I mean, there were some issues earlier regarding land acquisition from there. Any update on river linking project?

**Neerad Sharma:** No, we are making reasonable progress on the Ken-Betwa sites. The land acquisition issue or demonstration that you are alluding to was at a place that was at a distance of 30, 40 km away from our project site. We are happy to share with you that we are making reasonable progress on this project.

**Pankaj Kumar:** Okay, sir. Okay, sir. Thank you. Thanks for answering the question, and Happy Diwali.

**Neerad Sharma:** Thank you very much. Happy Diwali. Thank you.

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

**Shravan Shah:** Hi, sir. Thanks for the opportunity again. Sir, can you break it down the difference of the standalone and consol order, which is INR8,874 crores in terms segment-wise? I understand it is transport, electrical, and mining. These are the three segments. If you can break it down, this would be helpful.

**Sanjay Pusarla:** All are standalone. Standalone, it is 80,000. Sorry, total it is 80,167. Of that, 71,293 is the standalone. 8,874 is the subsidiary companies. Of 8,874, mining we have 5,923. Transportation we have 2,431. Smart meters we have INR520 crores.

**Shravan Shah:** Okay, got it. Sir, in terms of the finance cost and the depreciation, finance cost is roughly INR166-odd crores quarterly for last two quarters. This run rate will continue for second half also.

**Neerad Sharma:** Yes.

**Shravan Shah:** In terms of the depreciation, how it will inch up from this quarter INR73-odd crores, as it inched up by INR3 crores-INR4 crores on Q-o-Q business. So, will it keep on inching up, or will it be a sizable increase in third and fourth quarter?

**Sanjay Pusarla:** It is like this. The TBM machine was capitalized and put to use in the month of September. From September, that means second quarter of this year. Definitely, the depreciation is going to go up in the third quarter and fourth quarter. Besides the TBM, we also have got the mining project where we are executing, where it is a capital intensive. There also the depreciation will come into play. Hence, the depreciation is going to inch up in the subsequent quarters.

**RS Raju:** Hello. The point here to be noted is, in absolute terms, the depreciation cost increases quarter-to-quarter, basing on the new orders, basing on the new capex already taken place, and also the capex take place in the rest of the quarters. However, in terms of percentage, the same reading is maintainable. 1.48% is given. That is maintainable.

**Shravan Shah:** Okay. But this TBM and mining one, will that depreciation be a part of standalone or will it be a part of the consol?

**RS Raju:** No, here mining is inclusive of this 1.48. The mining project is in a standalone project.

**Sanjay Pusarla:** Even TBM also is a standalone. Both will come under the standalone only.

**Shravan Shah:** Okay. Got it, sir. Thank you.

**Sanjay Pusarla:** Thank you.

**Moderator:** Thank you. The next question is from Saket Kapoor from Kapoor & Company. Please go ahead.

**Saket Kapoor:** Yes. Namaskar, sir. Hope I am audible to the team.

**Sanjay Pusarla:** You are audible.

**Neerad Sharma:** Saket Kapoor, good morning.

**Saket Kapoor:** Yes, good. Yes, sir. Good afternoon, sir. Thank you firstly, sir, for updating the investor presentation, especially the smart meter part of the story. We have been given more information, just to add to it, sir, if going ahead, even for the Jal Jeevan part, which has been a sticky issue, I think so now resolution on the way, if you could further give us the understanding pertaining to the questions that are being asked.

That will also suffice lot of questions in terms of the legacy part, the execution, receivables, the new addition, then the execution of the same. That would give us some more understanding how we are moving ahead, firstly. So sir, firstly, do you have the breakup, sir, currently for the Jal Jeevan? What is the legacy portion that is left to be executed and the new orders intake that we have done?

**Sanjay Pusarla:** Yes. I think it's very good to hear from you that we have improved our presentation on smart meters. Jal Jeevan is like a standalone project. Once the projects are getting executed, it will be over. The legacy issue is what the Jal Jeevan we were facing, I think they are coming to an end.

If you ask me, the legacy part of the Jal Jeevan, if you see that, it is INR3,200 crores is the balance which is there available in the legacy Jal Jeevan projects, which we are expecting to substantially complete by March 2027. The current projects is about INR2,128 crores, where we are making good progress and the payments are also progressively coming now.

**Saket Kapoor:** Okay. For the Ken-Betwa part, sir, what is our pie of the order?

**Sanjay Pusarla:** Can you just repeat the question, please?

**Saket Kapoor:** Yes, sir. It is pertaining to the Ken-Betwa River Linking Project. What is our pie in the total share of the project?

**Neerad Sharma:** Share of the project pie.

**Sanjay Pusarla:** No, I don't know what is the pie of our project, the whole value of the Ken-Betwa project.

**Saket Kapoor:** Yes, it's a big project, I think, some few billion dollars. How much are we?

**Sanjay Pusarla:** It is not readily available. We will come back to you.

**Neerad Sharma:** Mr. Kapoor, I think Ken-Betwa, we are the first ones to bag the first ever project that was awarded for the Ken-Betwa part.

**Saket Kapoor:** Okay.

**Neerad Sharma:** You know?

**Saket Kapoor:** What is the value? Anyway, we can take it offline also. Now, sir, for the financial question, firstly, sir, investment property under construction, this value of INR108 crores, what does it signify? Going ahead, how will this number shape up?

Secondly, sir, if you could explain to us, what is the nature of unbilled revenue and how it impacts our finances? The numbers which we report, I think so in the presentation also about March, then June, and then September. Its significance and how is this going to trend? These two questions, sir.

**Sanjay Pusarla:** This INR107 crores investment relates to a project in Hyderabad. We have invested in that project, and the project is in midway. It was stopped, and the developer is in a little problem. There was an issue with the RERA also. RERA has canceled the project or kept the project on hold. We are also taking up with RERA along with other people who are there in the project.

We expect that this problem will get resolved over a period of time. We are not very sure that how much time it will take, because it is a judicial matter before the NCLT. That is the reason

we are not sure that how much time it will take. Definitely, the amount of investment is completely secured. There is no problem in recoverability of this investment.

Second one is on the Ken-Betwa. You were asking what is the value of the contract. It was INR3,389 crores, which is the value per the NCC to be executed. You are asking unbilled revenue. Unbilled revenue as per the standard Ind AS 115, what we need to do is that whatever money we have spent and we have completed our obligation and not billed because of the certification, that amount whatever is there need to be recognized in unbilled revenue. That is the reason unbilled revenue will come into the place and it will be added as a contract revenue for us.

**Saket Kapoor:** Okay. Lastly, sir, what is this other financial liability of INR8,163 crores, which goes into the consolidated accounts under the current liability?

**Sanjay Pusarla:** That is the financial asset of the smart meters. Because smart meters is a HAM project, it has to be accounted under the financial liability. Whatever that money is there, that is accounted under the other financial liabilities. Financial liability. Yes.

**Saket Kapoor:** Entire part of 8,000 is attributable to the same?

**Sanjay Pusarla:** No.

**Saket Kapoor:** Can you give a number to it?

**Sanjay Pusarla:** Yes.

**Saket Kapoor:** Lastly to the CWIP also, sir. I joined the queue after this that our current work in progress closing balance is INR92 crores. What do we attribute this amount to? For the second half, what is the capex that we have outlined?

**Sanjay Pusarla:** Second half capex is overall capex is INR500 crores and INR253 crores we have already spent in the first half. Probably the balance INR 250 crores we will be spending in the second half.

**Saket Kapoor:** Right, sir. On this 8,000 breakup, sir, can you provide how much is attributable to the smart meter?

**Sanjay Pusarla:** One second. We are just getting back. Can we give you offline?

**Saket Kapoor:** I will take it offline. Sir, for this quarter, our subcontractor work bills have gone up, if we take the number on June. How are these numbers comparable? Also on the finance cost, that is also moving inching up on an every quarter basis. So what should we look at this number as a run rate or a percentage of sales, sir, going ahead?

**Sanjay Pusarla:** The percentage will be around 9.21 finance cost.

**Moderator:** Thank you. Mr. Kapoor, we request you to rejoin the queue.

**Sanjay Pusarla:** Yes, we will keep this in ready and when you come back, we will come tell you.

**Moderator:** The next question is from Parvez Qazi from Nuvama Group. Please go ahead.

**Parvez Qazi:** Hi, sir. Thanks for taking my follow-up question. You mentioned we received INR1,720 crores payment. Was that only for JJM projects or does that relate to the overall payment that you received?

**Sanjay Pusarla:** That is JJM. That is JJM projects only.

**Parvez Qazi:** This was the amount for Q2 or H1?

**Sanjay Pusarla:** H1.

**Parvez Qazi:** H1. Sure, sir. Thanks and all the best.

**Sanjay Pusarla:** Thank you.

**Moderator:** Thank you very much. We will have to take that as the last question. I would now like to hand the conference over to the management team for closing comments.

**Neerad Sharma:** Thank you very much for a very enthusiastic participation and your continued interest in the company. Thank you very much and Happy Diwali. Thank you.

**Sanjay Pusarla:** Thank you so much and wish you Happy Diwali. Thank you.

**Moderator:** Thank you very much. With that, we conclude today's conference. Thank you for joining us, ladies and gentlemen. You may now disconnect the lines.