May 28, 2022

BSE Limited	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers,	Exchange Plaza, C-1, Block-G,
Dalal Street,	Bandra Kurla Complex, Bandra (East),
Mumbai- 400 001	Mumbai- 400 051
Scrip Code- 541019/ 973671	Scrip Symbol- HGINFRA

Dear Sir/Madam,

Sub: Earnings Call Transcripts for Q4 & FY22

Pursuant to Regulation 30 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the Company's Earnings Call held on May 25, 2022, on the Audited Financial Results of the Company for the quarter and year ended March 31, 2022, is attached herewith.

The transcript of earnings call can also be accessed on the Company's website at following link:

http://hginfra.com/pdf/earnings_call_transcripts_for_q4_fy22.pdf

This is for your information and appropriate dissemination.

Thanking you,

Yours faithfully,
For H.G. Infra Engineering Limited

Ankita Mehra

Ankita Mehra
Company Secretary & Compliance Officer
ICSI M. No-A33288

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"H.G. Infra Engineering Limited's Q4 & FY22 Earnings Conference Call"

May 25, 2022

MANAGEMENT:	**MR. HARENDRA SINGH – CHAIRMAN & MANAGING DIRECTOR, H.G. INFRA ENGINEERING LIMITED** **MR. RAJEEV MISHRA – CHIEF FINANCIAL OFFICER, H.G. INFRA ENGINEERING LIMITED** **MR. VINOD GIRI – HEAD (OPERATIONS), H.G. INFRA ENGINEERING LIMITED** **MR. SANJAY BAFNA – HEAD (GROUP FINANCE & ACCOUNTS), H.G. INFRA ENGINEERING LIMITED**
MODERATOR:	**MR. RISHAV DAS – INVESTOR RELATIONS, PARETO CAPITAL**

Moderator: Ladies and gentlemen, good day, and welcome to H.G. Infra Engineering Limited Q4 & FY'22 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Rishav Das from Pareto Capital. Thank you and over to you sir.

Rishav Das: Good morning, everyone. This is Rishav Das from Pareto Capital. We represent investor relations for H.G. Infra Engineering Limited.

On behalf of H.G. Infra, I welcome you all to our Q4 FY'22 earnings conference call. I have with me from the management, Mr. Harendra Singh -- Chairman and Managing Director; Mr. Rajeev Mishra – CFO; Mr. Vinod Giri -- Operations Head and Mr. Sanjay Bafna -- Group Finance & Accounts Head.

We will have "Brief Opening Remarks from the Management" followed by the "Q&A Session."

Please note that certain statements made during this call may be forward-looking in nature. Such forward looking statements are subject to certain risks and uncertainties that could cause our actual results or projections to differ materially from these statements. H.G. Infra will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

I will now hand over the call to Harendra ji for his opening remarks. Over to you, sir.

Harendra Singh: Thank you, Rishav. Good morning, everyone. Thank you for joining us on this call and hope all of you and your families are keeping healthy.

I'm immensely proud of the performance of our company delivered for the year gone by. In FY'22, we reported standalone revenue growth of 43% to reach Rs.3,615 crores, surpassing our target of Rs.3,400 crores as guided during the year. This reinforces our belief in continuously delivering sustainable growth.

We surpassed our EBITDA target as well, reporting Rs.585 crores with 16.2% margins, which remain as guided despite inflationary pressures during the year.

We faced several headwinds during the year, especially in the last quarter, with rising prices of key raw materials and various input cost pressures on account of disruption due to COVID, higher crude prices and geopolitical tension, etc.,

However, our strategy on selective bidding and constant efforts on operational efficiencies, coupled with multiple digital initiatives helped us mitigate this pressure and continue maintaining our margin profile.

Our total order inflow in terms of EPC value stood at Rs.4,328 crores for the last financial year. The total order intake for the year is slightly lower given the intense bidding competition, we saw major bidding coming in from private players during the year. However, we continue to remain confident of the future inflow given the robust bid pipeline and the back of the strong tailwinds with the government's focus on infrastructure spending.

Let me now give you some color on the sector. The second wave of COVID-19 and prolonged monsoon in the country has impacted on the execution of certain projects. The execution was lower across industry due to the unseasonal rains and cyclones, combined with a steep rise in the input price is limiting the ability to ramp up significantly.

The total construction of national highways was 10,400 kilometers, a decline of nearly 24% as compared to the previous year. However, the NHAI and different agencies outbid last year's performance. The government's initiative to construct 25,000 kilometers of national highway in FY'23, give us a lot of visibility or tendering activity going ahead. Further, the government's overall plan to develop two lakh kilometres of national highways network by 2025 helps us remain confident in the opportunities the sector has to offer.

Moving to the operational performance of the company. We have achieved major milestone in several of our projects which drive growth in the financial year. We were pleased to receive the PCOD of three of our HAM projects – Gurgaon-Sohna, Rewari Ateli Mandi and Narnaul Bypass. We also received PCOD for our EPC projects including Banar-Bopalgarh and Jodhpur-Marwar of the state of Rajasthan and Morshi-Chandur Bazar of MoRTH Maharashtra.

I'm pleased to announce that we are eligible for bonus in Rewari Ateli Mandi and Narnaul Bypass projects for 178 days to 255 days respectively.

I would like to give a small brief to the forum on the progress we have made in our major EPC projects. We have made significant progress on Delhi-Vadodara Pkg-4 project, which has almost completed now and further we have applied for COD of the same. In DV Pkg-8, we have made good progress and have completed around 75% till date. In Delhi-Vadodara Pkg-9, we have completed around 59% till 31st of March.

In Hapur-Morradabad EPC project, we have completed close to 78% of the project and we expect to complete the project in the first half of FY'23. However, we have applied for the PCOD of this particular project, likely to be achieved in June '22.

In the Mancherial project of Adani, we have completed around 56%. There have been some land disruption into that, but however, again we are applying for the PCOD of this particular project in June '22, likely to get by July.

In the EPC project which we received on 20th of October of Karala-Kanjhawala in Delhi, that is a UER-2, we have completed 4% of the work. The progress of this work has been very much disrupted because of the initial construction ban for the HGT reason and later on in the month of January, the reason behind has been the adverse weather of rains, fog and winter. However now this project is going well on track.

In our latest EPC addition, Neelmangala-Tumkur, we have received letter of acceptance in January '22 and we are yet to sign the concession agreement which is likely to be signed in June.

Coming to our HAM project under execution and newly added HAM project during the year, which are also progressing well as per the scheduled timelines. In Rewari Bypass HAM project, we have completed around 60%. In Raipur-Visakhapatnam AP-1 HAM, we have recently achieved the financial closure and received the appointed date as on 31st March 2022.

In Khammam-Devarapalle Pkg-1 and 2, we received a letter of acceptance in the month of September, for which we have signed the agreement for Pkg-2 on 25th of February 2022 and expect to sign the agreement for Pkg-1 in month of June.

Lastly, in two of the HAM projects of Raipur-Visakhapatnam corridor, that in Odisha Pkg-5 and 6, we have received the letter of acceptance in the month of October and signed concession agreement on December 14, 2021. Further, we have received a financial closure from the bank on March 25, 2022 and May 6, 2022. And we are likely to get the appointed date of these projects within a week or 10-days' time.

For all the nine HAM projects, we have a total liquidity requirement of Rs.1,137 crores, that is projected till FY'25 Of this, total amount which we have already invested is Rs.354 crores as of March 2022 and we project to invest Rs.459 crores during this financial year, that is FY'23.

Before I share the outlook and guidance with you, I would like to hand over the call to our CFO -- Rajeev Mishra to touch upon the financial highlights of the company. Over to you, Rajeev.

Rajeev Mishra: Thank you, sir. Good morning to all of you. Let me brief you on the financial performance for the quarter and full year ended March '22. For the quarter, standalone revenue stood at Rs.1,026 crores. We reported an EBITDA of Rs.157 crores and PAT stood at Rs.91 crores with a margin of 8.9%.

For the full year performance, revenue stood at Rs.3,615 crores, a growth of 43% as compared to last year. EBITDA stood at Rs.585 crores with a margin of 16.2% and PAT stood at Rs.330 crores with a margin of 9.3%. Our endeavor is to strengthen our balance sheet to continue to remain.

Total standalone gross debt as on 31st March '22 stood at Rs.315 crores. This includes working capital debt of Rs.44 crores, term loans plus current maturities of Rs.271 crores and NCD of Rs.97 crores. Cash and bank balance on standalone level stood at Rs.159 crores. Our consolidated debt stood at Rs.1,183 crores, which includes project loans of Rs.869 crores. Cash and bank balance on the consol level stood at Rs.165 crores.

We have seen further improvement in our working capital also. As on March '22, we had debtors of 49 days, inventory days were 36 and creditors days were 54. Overall net working capital of 31 days compared to 33 days at the start of the year. Our debt-to-equity position has also improved during the year with a further reduction to 0.23x as of March '22 in comparison to 0.28x at the end March '21.

We are also proud to announce and share with all of you that we have been awarded a rating upgrade by ICRA from A-plus to AA-minus on long term facilities, and from A1 to A1-plus on the short term facilities.

With this, I would now request Harendra sir to take the things ahead for the further remarks.

Harendra Singh: Thank you, Rajeev. Let me just shortly touch upon the digital initiatives we have undertaken during the year. We rely strongly on having accurate and timely information, which helps us in executing and achieving operational excellence.

On this front, digital transformation continues to be a key focus area for us. We have undertaken several new technology initiatives in the company during the year and implemented various solutions to enhance our operational efficiency and cost reduction measures.

Some of the initiatives we have taken are sensor-based technology for fuel dispensing and fuel level management system. And that give us the real-time information on consumption and put effective control on fuel cost, which constitute in a material.

We already enabled this technology on 40% of our moving machines. There are also other active initiatives that improve equipment control, vehicle management and inspection and offer multifunctional application to automate manual processes and more.

Finally, let me brief you on our guidance and outlook for this financial year. We have time and again demonstrated our strong execution capabilities. Our experience and demonstration on the execution front, combined with the ability to operate and complete projects in a timely manner, gives us the confidence of maintaining growth going ahead.

We aim to achieve revenue of Rs.5,000 crores while maintaining 15.5% to 16% EBITDA margin range for the financial year FY'23. The key focus ahead will be on winning selective projects that complement our order book and ensure efficiencies. Our goal is to achieve Rs.9,000 crores to Rs.10,000 crores of order inflow in FY'23.

We already have numerous bids underway, yet to open for a total of Rs.14,000 crores in road projects, which are under both EPC and HAM. We are very confident of receiving good order inflow in FY'23. We are optimistic and believe that the infrastructure sector has a lot of runway yet to cover. The long term visibility of awarding activity and government spending rightly positions us to tap into various opportunities coming in our way.

Given our comfortable order book position, strong revenue visibility and healthy financial position, we strive to keep improving efficiencies and further enhance our position as a leading infrastructure developer going ahead.

Now, I'd like the moderator to open the floor for question-answer. Thank you.

Moderator: We will now begin with the question-and-answer session. First question is from the line of Mohit Kumar from DAM Capital. Please go ahead.

Mohit Kumar: My first question is what kind of guidance for revenue and EBITDA margin you expect in FY'23? And given that there is a muted order inflow, how do you see FY'24?

Harendra Singh: We already guided during our speech that we would be say maintaining EBITDA margin of 15.5% to 16% during FY'23 and our order inflow is about Rs.9,000-10,000 crores during the year. Whatever we are saying for FY'24, I think the likely order addition of Rs.9,000-10,000 during the year and with the stable commodity price hit, we can just imagine that we would be again maintaining that 16%-16.5% EBITDA during FY'24.

Mohit Kumar: Can you repeat revenue guidance? I didn't get it?

Harendra Singh: Order inflow is 9,000-10,000 crores during FY'23. The revenue already I have given that is Rs.5,000 crores to be done during the year of FY'23.

Mohit Kumar: Secondly, sir, where are we in terms of monetizing our portfolio given that we have three to four projects have commissioned? And the related question is that I understand that you are eligible for bonus for all these three HAM projects. Can you just let us know how much bonus we can expect in FY'23?

Harendra Singh: See, the bonus which you are saying is not for all three projects, for two projects only. And that is almost equivalent of about Rs.24 crores, which is we are likely to get within this first half of this financial year. And as far as monetization of these assets is concerned, we initially had a discussion last year, but later on, we decided just to hold for this for at least for six months or nine months gap. First, started getting the annuity and having the experience of O&M of this particular project or the annual O&M maintenance. So, this is where we are again reinitiating our talks with the potential investors. So most likely by the year end, we would be in a position to get the transaction done.

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

Shravan Shah: Congrats on full year very good set of performance and also good to hear that Rs.5,000 crores revenue guidance, that is 38% 39% growth, so, that boosts the confidence. Sir, just to touch base on the Rs.9,000 to Rs.10,000 crores order inflow that we are looking at, can you split in terms of the EPC, HAM, how much we are looking at? So, previously we were saying that Rs.6,000 crores order in HAM we can take without going for monetization. So is the stand remains the same?

Harendra Singh: Yes, of course, I think for HAM, we are keeping a guidance of about Rs.3,500 crores of addition during this FY'23 so that we would be getting at least EPC value of Rs.3,000 crores into that. Out of Rs.9,000 crores, Rs.10,000 crores is the one and where we are looking for a certain project of say in Ganga Expressway that we have already discussed, that is the EPC project. And apart from that we are looking into Rs.1,000-odd crores of addition into other sectors which we tried for this in FY'22 even, but we could not succeed, but this year, we are very much hopeful with our team is already equipped for the sector or railway we are looking at about at least 10% addition on this sector and remaining are the EPC of NHAI.

Shravan Shah: Roughly, in terms of the Ganga Expressway, it would be Rs.3,000-4,000 crores kind of EPC value. So, it would be a one package or more than one package?

Harendra Singh: It is a single package which we would be getting as a group, that is not less than Rs.4,000 crores which letter of acceptance we are expecting very soon because notice to proceed has been issued to us.

Shravan Shah: Second is in terms of the appointed date. As you mentioned that in a week's or 10 days we will be getting the appointed date for the two packages for Raipur-Visakhapatnam, when we will be getting the appointed date and the recent Karnataka IBC project, so when the appointed date is expected?

Harendra Singh: See, with OD Pkgs-5 and 6 which we are likely to get within this month only. Only three packages would be left out where the appointed date is yet awaited, that is Khammam-Devarapalle, which in any case we'd be taking the appointed date in September and October of those packages. There's a significant improvement in the land availability is now visible. Neelmangala-Tumkur which is the EPC project of NHAI. August or September that is again by Q2 end we would be getting the appointed date for all these three projects.

Shravan Shah: Sir, the other question is in terms of the working capital. I understand in terms of the days it has improved, but if we look at in terms of the operating cash flows, Rs.363-odd crores kind of cash flow has gone into the working capital, particularly contract assets and contract liabilities. So, can you explain a little bit more, why it does happen and can we see that trend should be changing because that will be putting a pressure on the CSO, because overall CSO for this year has significantly reduced versus Rs.527 crores last year, now Rs.114 crores?

Harendra Singh: If you're looking at the March numbers, you can see that the total debtor which has been significantly gone up… see, the reason behind is last year there was a unique circular issued by NHAI by 22nd of March, they have insisted that the bill should be passed and paid during that year. So, for that reason, we got most of the receivables of NHAI EPC in those years in a timely way, means in the March itself. So, there is a substantial reduction in that resulting in the cash available to the company. But then again this year, if you can see say out of the total debtors of about Rs.277 crores in these projects of government, NHAI, ministry and NTPC, we received Rs.194 crores during the month of April only. So, it's not a long-term receivables or a stress receivables, they are all in track. So, that is a significant number which you can see at the year-end of FY'21 and this year. But most likely as we already guided in the Q3 concalls that this debtor is likely to reduce because I see debtors which has not gone very high, it is all in control there. So there has been some unbilled revenue in SPVs because we have recently completed all three, certain figures are likely to be received. So it is there but otherwise we are seeing that there is not much of an increase in the debtor even if we have increased 43% of our revenue. So the debtors have not increased and we would be in a range of about Rs.450-odd crores of debtor receivables on a yearly manner or quarterly basis.

Shravan Shah: Lastly, on the data point sir. So equity requirement you said Rs.459 crores to be invested in FY'23. So what about the balance to be invested in '24, '25, because last time you guided Rs.75 crores every year?

Harendra Singh: So, first, balance equity requirements, the balance equity required for FY'24 is coming to about Rs.208 crores and followed by FY'25, it is Rs.113 crores. And the second question is --?

Shravan Shah: So last time we said 175 crores kind of a CAPEX. So, the number remains the --?

Harendra Singh: Last year it has been the same, but this year we expect that there will be a likely increase, that CAPEX would be not in the Rs.175 crores bracket because with the orders which we are expecting and these are the substantially significantly good magnitude orders, so, we expect that the CAPEX addition would be in the range of Rs.110 to 120 crores, that is a net CAPEX addition, because we are in that range where with both in 2016, '17 we started our major CAPEX addition. And within five to seven years, our fleet need to be young as we have always believed for better operational efficiency. So, we would be just phasing out to sell out those CAPEX. So, net CAPEX requirement is coming at about Rs.110-120 crores.

Shravan Shah: Lastly, the data point on retention money, mobilization advance and unbilled revenue as on March?

Harendra Singh: So, mobilization advance has been decreased by almost Rs.65 crores if you compare with March '21 numbers. Unbilled revenue, I have given reason for it. In SPVs, say most of the contract assets are there, where all final bills, COS and everything is now on card. But again we have decreased the unbilled portions, but in NTPC we are doing some potash transportation works, merged with Adani project of Mancherial. There is a say slight Rs.61 crores is there. But altogether this unbilled is in Delhi-Vadodara packages or UER, that has been in the range of about Rs.77-odd crores into those projects. So, not a stressed unbilled, it is all say we are getting on a quarterly manner.

Shravan Shah: Is it possible to summarize everything in in terms of the absolute number? So, last time we said retention money was Rs.182-odd crores as on December, mobilization was Rs.271 crores and unbilled was Rs.340 crores. So, what would be the corresponding number as on March?

Harendra Singh: Retention money is about Rs.180 crores. Rs.361 crores is the unbilled revenue. Mobilization advance is Rs.195 crores.

Moderator: The next question is from the line of Ashish Shah from Centrum Broking. Please go ahead.

Ashish Shah: The first question is that there seems to be a little bit change in the accounting where a part of the other income has gone and been reported in revenue. So, if you can just explain the change which has happened in terms of accounting?

Harendra Singh: Other income which was coming from other part like rental revenue, so, those have been now taken into main revenue. So, it's not a big number, it's almost a Rs.7 crores which is there.

Ashish Shah: So, the rental income which we have taken is a part of the reported revenue?

Harendra Singh: You can see the number change from '21 to '22. So, this is the only number which has changed.

Ashish Shah: Secondly, in terms of the revenue, if we try to reconcile it from the individual orders, it seems there is some change of scope, etc., because the difference of the order backlogs is not really adding up to the total revenue that we have reported. So, if you can just highlight if there has been any significant change of scope or order addition in any of the projects?

Harendra Singh: No-no, change of scope in that over Rs.95 crores which has been recognized for Q4, but otherwise, if you can see, Rs.7,972 crores of order balance is there.

Ashish Shah: Was there any utility shifting revenue, which was sizable for the quarter?

Harendra Singh: Yes, of course, I think it is ongoing process in any of the COA for utility shifting. So the significant revenue, it's not that a big number, but definitely, if you see the order balance, it is about Rs.120 crores from utility and recently almost it's 95 crores from COA which has recently been recognized.

Ashish Shah: It would have been how much for fourth quarter?

Harendra Singh: Sorry, for the fourth quarter, what is the revenue portion?

Ashish Shah: Revenue on the utility shifting part?

Harendra Singh: It's not that a big number; it is only Rs.14-odd is the utility. The order balance which I'm talking for.

Ashish Shah: Lastly, on the financial closure side, are we seeing any tightening in the market in terms of some of the smaller players or some of the unlisted players who had got big amount of projects last year, are we seeing any difficulties in financial closure for those projects? And as a result of that, is it possible that we could see a significant amount of slowdown in bidding from such players in this financial year?

Harendra Singh: You cannot rule it out, say, it's not a significant trend is visible as far as financial closure, but definitely, banks have taken a caution to fund those company where they have taken a significant portion where the equity is not enough, but you cannot just say as a trend which we would be expecting within six months or say Q2 to Q3. We would be in a position to just witness those improvements as competitive intensity is concerned.

Ashish Shah: The Rs.5,000 crores guidance that we have given for '23, that seems to be a little steep. If you can just probably break it up into how much of this Rs.5,000 crores you expect will come from the projects where you are still expecting the appointed dates because intuitively sir this Rs.5,000 crores number seems to be a bit too steep given the order backlog position?

Harendra Singh: What we have considered out of Rs.7,900 crores which is the order balance, say, out of this the project which are under execution where the appointed date has already been declared. So, execution from those projects would be in the tune of Rs.3,200 crores. So, that gives the visibility. For balance Rs.1,800 crores, we are expecting some Rs.800-odd crores to be executed in Ganga Expressway and Rs.1,000 crores would be executed in these appointed date which in Q2 we are expecting. Because significantly mobilization has already been done into these projects, these are about Rs.2,200 crores projects where the appointed data we are expecting in Q2 and this Raipur-Visakhapatnam is already considered in Rs.3,200 crores.

Moderator: The next question is from the line of Vibhor Singhal from PhillipCapital. Please go ahead.

Vibhor Singhal: So, just to harp a bit more on Ashish's last question of Rs.5,000 crores guidance, you mentioned Rs.3,200 crores is what you're expecting from the other execution projects. This includes the Vizag?

Harendra Singh: Yes, this is all inclusive, which I am talking of Raipur-Visakhapatnam corridor, all three projects where appointed date on 31st March received by AP-1, and only five, six inclusive of that.

Vibhor Singhal: If I look at our order book let's say total order book of around Rs.8,000 crores and out of that almost Rs.4,000 crores is already under execution and around Rs.2,000 crores will be right back to packages, so almost Rs.6,000 crores of order book. So you're expecting Rs.3,200 crores of execution from almost Rs.6,000 crores of orders. So almost 50% of the projects of this other execution order will be completed?

Harendra Singh: So let me correct, you cannot just compare based upon that 50% of the total execution is going to be done within the year. So you can say Delhi-Vadodara Package-8 and 9 say about Rs.600

something crores is balance which we expect that 100% by October we are completing those projects. So those projects like Adani or IRB, already I indicated that in June, we are likely to get the COD. So not much of a balance is there. If you're talking about Adani the projects of Mancherial that we are likely to get the PCOD in July or August and a balanced execution, there is a significant portion where the land portion was hindered. So by this December '22, we are likely to complete. So those are all the projects where we will be completing these projects. Only the project which could say spill over in the next year FY'23-24, so that is I'm talking of UER, there is a Delhi project, and if you're talking of Orissa Package-5 and 6 and the AP-1. So those are the projects which would be spilled over The balance all would be completed during the financial year.

Vibhor Singhal: In terms of the Ganga Expressway, as you mentioned that we have already received the notice to proceed. When do you think we would be able to start execution of this because I think we're already at the end of Q1, Q2 will probably be impacted by monsoon, so, do we expect that to start somewhere in Q3 or maybe before that as well?

Harendra Singh: No, in Q2, we can see not much, but at least Rs.50 crores to Rs.100 crores of execution, because the appointed date is likely to be soon because the North monsoon is not that prolonged. So by August and we would be likely to get the appointed date.

Vibhor Singhal: Sir, we will be able to start work only once the Adani group gets the financial closure, right, and they get the financial closure approval from the IRDA.

Harendra Singh: There are two ways. One is the client aspect of the condition precedence, the EC and all, and their financial closure. I think three months' time is a reasonably good time for them to complete each and every condition required.

Vibhor Singhal: On the margins front, I know in this quarter also we reported very strong margins despite inflationary pressures on the commodity prices. How do you see it playing out over the next year? I know you have given a guidance of 15.5% to 16%. But do you think that in the next two quarters especially Q1 and Q2, the cost pressure could actually be much higher and we could probably see some more correction in the margins and then probably recover in the second half or do you think we have enough buffer and enough stable provisions in the system to be able to maintain a steady kind of margin through the year?

Harendra Singh: We have seen the margin pressure in Q4, that was visible, wherein Q1 again we cannot rule it out, because the project is in main stream of execution, all projects are being awarded to us in two, two and a half years earlier. So there I think you can just see completely hit where this margin pressure is there. But later on, I think significant execution would be coming from those projects, which we got during March '21 or so. Almost the prices which we have considered in our rate. There is not a big gap into a recent price of commodity to that. So we will not see much of a hit in Q2 onwards and Q3 and Q4. So Q3 and Q4, again, we will be in a range of about 16% to 16.5%. So that is I'm giving average of about 15.5% to 16%.

Vibhor Singhal: Any non-road orders that you're looking for in this year, in terms of either water or irrigation or just even machines, any of those orders that you're planning to bid for, and probably included in our Rs.9,000 to 10,000 crores of order inflow guidance?

Harendra Singh: Yes, sure, we are looking at about say almost 10% or 1,000 to 1,500 crores of order to be added especially for water sector like JJM. We already had prepared but because of UP election, we could not bid that chargings and all. But now we are targeting, the three states are there with JJM projects, which we would be looking for. And other than that, railways always we are continuing for bids of those projects. We believe that the Rs.1,000 crores to Rs.1,500 crores is expected during the year, that is our gut feeling we would be getting it.

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

Jiten Rushi: Sir, my first question is on the Adani UP project. Can you just highlight in details about the project like what would be mobilization advances, completion bonus, execution timeline and sourcing of aggregates for the project, whether it will be provided by Adani or we should be doing through mining our own, so, a bit broader view on the project, that will help us to understand?

Harendra Singh: This project is almost a group of 51 kilometers, and for that, one is the lump sum turnkey EPC project to us, so as similar terms and conditions with NHAI except for the price variation condition, say, where we have also experienced a big hit in our EPC projects rather than the HAM projects in our last few quarters. So, we have just gone into arrangement where the clauses having the star rate price variation rather than any of the moving average or WPI or CPI has been referred to. So, there has been a significant change in the condition as far as PV is concerned. All conditions are the same. We need to design, construct each and everything. 27 months is the duration. So, if we complete in 24 months, we will be getting Rs.50 crores of bonus into that, that is a maximum limit of three months and the aggregate which we are looking at we are deploying few of our crushers to source the aggregate, it's getting about say 30%, 35% of the total aggregate requirement. Balance, because this is in UP, we are going to get all aggregate from about say 200 to 250-odd kilometers lead.

Jiten Rushi: You said that on the price variation, it is based on the actual billing, you will get repaid what I understand, right sir?

Harendra Singh: Basically, it is a star rate base price variation clause.

Jiten Rushi: This aggregate you said 30%, 35% you will source from your own mines and balance you will purchase from outside for 200-250 kilometres, right?

Harendra Singh: Correct.

Jiten Rushi: Margin from this project could be in the range of what, 15%, 16% or even higher?

Harendra Singh: Yes, 15% is not ruled out because the PV is not going to impact in any case there.

Jiten Rushi: So, we are targeting to complete this project well before time because as you said you're targeting around Rs.800 crores from this project, so what would be your target for FY'24 for this project in terms of revenue?

Harendra Singh: The tentative appointed date we are likely to receive in August with that 27 months comes in '24 December tentatively. So we are looking at 24 months completion timeline for this

Jiten Rushi: In FY'24, we can see Rs.2,000, 2,500 crores plus of revenue almost?

Harendra Singh: For sure.

Jiten Rushi: Coming to this only, so what could be our revenue guidance for FY'24 then?

Harendra Singh: See, with the likely order inflow during the year about Rs.9,000 crores to Rs.10,000 crores and with the current order in hand, we believe that we will be executing some Rs.5,000 crores during the year and with that we are looking at about Rs.6,000 crores, that is about 20% year-on-year for the next year say '24.

Jiten Rushi: In this mammoth growth which you are guiding, any impact you will see on the working capital because now you share from subcontracting will go up significantly in revenue and the payment terms obviously I understand should be good only. But we have seen in the past where private players have a payment issue, there is a delay, where we have seen in IRB or Tata projects or even Adani. So, how are you going to manage your working capital in such case?

Harendra Singh: So the conditions with Adani is very specific that they are going to give us the mobilization advance as well as each and every terms which NHAI usually is having in their EPC. We did DBU BOT project for them. So in any case for any reason, prolonging the execution for payments is not likely to happen for any of concessionaire or a developer. Rs.50 crores bonus is there for three months. So they are going to reduce the interest during construction and just to start the toll even. So, we do expect that I think whatever stress we experienced but for Adani Mancherial project, we have never experienced. Today, even in the monthly payment cycle which we are getting every month, payment is received.

Jiten Rushi: So you will get mobilization advance here also so that should not be any issue in terms of execution?

Harendra Singh: And then again, you can see we are balancing out our total orders into the HAM as well as EPC and EPC private even. So there the balancing is visible that on the payments though bit of a stress in IRB and then Rajasthan project, but then again, we are able to manage and having a decent working capital cycle.

Jiten Rushi: Sir, any more subcontracting project are we looking for now or we are okay with Adani project?

Harendra Singh: No-no, see, by this June, we would be completing this IRB project and it was significantly about say 22% or 23% of the total orders last year which were from the private players. So, though definitely say for a shorter period of time of about six to eight months, it would be visible that the private players contribution into the total orders is at 40%. But later on, it will be even 35%, but later on, it will be all decrease. We are not talking ahead for any further addition of this subcon scope.

Jiten Rushi: This NCD which we have raised, what is the interest rate and what is the door-to-door payment terms?

Harendra Singh: It is 8% flat and the payment terms is 18-months of the moratorium which repayment would be started in the June '23 and to be paid in subsequent 18-months in quarterly as well.

Jiten Rushi: Sorry sir, I cannot –

Harendra Singh: In six installments, every quarter that would be repaid.

Jiten Rushi: Starting from June '23, basically, Q1 '24 and then six installments, quarterly?

Harendra Singh: Yes.

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

Prem Khurana: Just more on sector. So one, essentially, ministry of road transport and highways recently came out with a notification wherein they seem to have changed the bidding criteria for hybrid annuity, I mean, they are moving from bid price to bid project cost and O&M would be fixed as a percentage of the bid project cost. So how do you see this kind of come to impact competitive intensity that you see for hybrid, annuity, I mean, do you have the feeling that because of this limit for you to be able to kind of upfront O&M, you would see bids to turn and therefore competition would go down and we would tend to benefit?

Harendra Singh: Also, streamlining the disparity into O&M where I think upfront loading or forward loading was there. We don't see any big challenge as far as there is increase in the competitive intensity or the people would be taking, because it's a very nominal number. If you see any of the projects which we have bidded and we are doing, reasonable O&M has been there. So, we are doing those O&M with the same cost. They have indicated that initially 0.4% year-on-year. Coming for Rs.1,000 crores of TPC, the new project cost, is coming at Rs.4-5 crores in the initial year, later on increased to Rs.6 crores, then I think first all has been done with that overlay, I think again been reduced to Rs.4 crores. So, it is almost the same, but they are now regularizing or standardizing that one cannot interpret and just indicate the front loading is possible.

Prem Khurana: No, sir, I was asking whether you see any change in competitive intensity because of this, because some of these small contractors were kind of quoting little low in terms of O&M and we're going to make it a success now, essentially, because I think even the NHAI was kind of hesitant to get these orders because they felt there could be a situation where if you're not to quote the right number in terms of O&M, you could have a situation wherein the contractor doesn't honor the O&M commitment, leave the asset in between, so, do you do see any change in competition or no?

Harendra Singh: No-no, nothing would be changed. It is basically standardizing the O&M. One cannot just get Rs.1 crore if it is required for say, Rs.5 or Rs.7 crores a year.

Prem Khurana: Sir, I think this excise cut, which is where there is a fear in the market that because it is coming from road and infrastructure assets, which is where people are slightly worried whether NHAI would get to have money in time from the government when they meet their obligations or the commitments. So, any conversation that you would have had with either the NHAI or ministry?

Rajeev Mishra: I think it's all industry representation coming to the government, which is not only highways, it is all builders, etc., So this caught our any of the relief given in prices of a diesel even. So all because they are seeing that, the commodity price going very high, inflation is at an all-time high, it's not that result that we would be getting that, the budget would be impacted for that reason and then further for '23 or '25 range in that few cuts, in subsequent year it would be reflected. We don't see. That is indicated in that.

Prem Khurana: So for the orders when we were still waiting for appointed date, is it possible to share how much is the mobilization advances that you would be able to kind of draw, how much more is possible from these orders that you already have available with you?

Harendra Singh: The mobilization advance which was at about Rs.323 crores at the year end of March '21. Now, reduced to Rs.210-odd crores. So with that, I think the appointed date of Raipur-Visakhapatnam, all corridors and say in this Q2, we would be again coming back to about say Rs.350 crores to Rs.400 crores of mob advance being received from SPVs or from these clients.

Prem Khurana: Given the fact that we've attained PCOD for three of our assets now, any efforts on refinancing, anything that you could share with us please?

Harendra Singh: We have already done already our agreement and whatever interest rate which we are getting from NHAI on annuity payments, the cost incurred by us is much less than what we are getting right now.

Prem Khurana: Possible to share the revised number in terms of finance cost now?

Harendra Singh: About 7.1% to 7.3%.

Moderator: The next question is from the line of Dhruv Bhimrajka from Monarch AIF. Please go ahead.

Dhruv Bhimrajka: For the equity requirement of Rs.490 crores as you stated for FY'23, are we confident of doing it from internal approvals or how are we planning the source of funding for this amount?

Harendra Singh: No, no, it has to be done from the internal approvals only. We don't require any debt or any equity to be raised.

Dhruv Bhimrajka: Sir, one thing which I notice in the presentation versus the 3Q '22 PBT, is that for OD-5 and OD-6, the land acquisition numbers, in the previous presentation were approximately 90% and in this PPT it is 80% and 81%. So is there a mistake or has something --?

Harendra Singh: I think there have been some mistake into that. I think some notification was yet to be issued. Stage-I clearance was done, but stage-II was not concluded at that time. So it is because of that. Now, right number is 88% where joint memorandum have already been signed with NHAI. That's why we are getting the appointed date within a week time.

Dhruv Bhimrajka: For the Rewari Bypass Phase-IV, in the previous PPT, we had mentioned 37% physical progress completion and it is the same number in 4Q'22. So any reason for not much execution on this one quarter-on-quarter?

Harendra Singh: No, I think we've already told that 60% execution that has been done by March 2022.

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

Vishal Periwal: From a reputation point of view, you mentioned Rs.5,000 crores breakup revenue, one is like Rs.3,200 crores from the current projects, which are under execution, you mentioned something for Ganga Expressway and for AD with appointed, can you just explain that?

Harendra Singh: So, if you consider this Raipur-Visakhapatnam all three packages, within this month, appointed date for one we received and two more we would be receiving. The Rs.3,200 crores would be executed from these, six projects are there, which are nearing completion and would be completed by Q3. So, they all will be contributing majorly into those execution. And apart from that Rs.800 crores from Ganga Expressway which we are going to start say by August end and remaining Khammam-Devarapalle Package-I and II and Tumkur, that's on a Karnataka package of EPC NHAI, so, there we are expecting some Rs.1,000-odd crores would be executed in those projects.

Vishal Periwal: Just to repeat, so, you mentioned Rs.3,200 crores from the project which are under execution where AD and everything is received, Rs.1,800 crores of Ganga Expressway –

Harendra Singh: It's not Rs.1,800 crores, Rs.800 crores.

Vishal Periwal: Will that be fair to say since Ganga Expressway and the project AD which are yet to receive probably they will happen sometime in September, so second half, we'll see a pretty strong set of growth vis-à-vis the first half on YoY growth?

Harendra Singh: Of course, I think we can very well assume that, in the second half really robust growth would be visible there.

Vishal Periwal: You did mention like, for Ganga Expressway, notice to proceed is received. So, is that like an order inflow is just around the corner within this quarter can we receive it for Ganga Expressway?

Harendra Singh: Yes, we are expecting by this month end.

Vishal Periwal: One broad industry question. Between EPC and HAM, which is a better model from a developer point of view to get a cost inflation on raw material?

Harendra Singh: What we experienced for us, HAM is a decent one where we didn't felt the big impact was there. But in EPC, we have seen that impact is because of the some formula correction is desired at the contract level. So we already initiated our request to NHAI and ministry. They are doing so to get it corrected. Because earlier, it was all standard formula for all EPC, having a different complexity of the commodity component. So now they're going to complete it. But in any case, probably later on, I think it would be EPC or HAM, irrespective, it would be the same.

Vishal Periwal: Will that be fair to say for HAM projects, whatever the cost inflation that we get, maybe like some bit of deviation in a monthly, quarterly basis, but it's a complete pass-through?

Harendra Singh: No, it's not a complete pass-through, but we've experienced there's not big impact, because most of the HAM, which we did, not in Q3 and Q4, same number has been executed in these quarters. So we have completed mostly in Q2 or say some portion in Q3. So with that I think we did not have big impact into it.

Vishal Periwal: Yes, it's commendable like at least on margin basis, the numbers are still being maintained, 15% and 16%.

Moderator: The next question is from the line of Amber Singhania from Nippon Mutual Fund. Please go ahead.

Amber Singhania: Sir, just wanted to understand a bit more on the revenue guidance which you have shared. I know you have explained a lot, but just to clarify, you're saying that Rs.1,800 crores roughly is the order book of the old orders barring the new ones as such. So entire Rs.1,800 crores will get executed out of Raipur-Visakhapatnam one and Karala which has just started, you are expecting Rs.1,000 crores out of Rs.2,000 crores of order book, balance Rs.4,200 crores where you are expecting AD, you are expecting another Rs.1,000 crores and the Rs.9,000 crores kind of revenue or order inflow, you're expecting around Rs.1,200 crores, am I correct sir on that line?

Harendra Singh: No, probably I just correct it that the project where the appointed date is already received. It's not Rs.1,800 crores, it is coming at about Rs.3,000 crores -

Amber Singhania: Karala and Raipur-Visakhapatnam one, right?

Harendra Singh: Yes. Then if you include that it is coming to about Rs.3,800 crores rather. So, what I'm saying is out of those projects, we will be completing almost Rs.3,200 crores, but that includes the packages of OD-5 and OD-6 where we are going to get the appointed date within a maximum week time. So, that gives that indication that about Rs.2,200 crores of these orders, where we are likely to get the appointed date within a week time, they all are being added into it.

Amber Singhania: So, Rs.6,000 crores of orders will give you Rs.3,800 crores of revenue this year?

Harendra Singh: Rs.6,000 crores of the total order balance, we would be doing some Rs.3,200 crores out of these projects.

Amber Singhania: But considering out of this Rs.2,200 crores you are still awaiting AD, so second half will be under execution, is it not a very aggressive estimate to get?

Harendra Singh: For any of the projects almost in March '21 they were awarded and where already significant mobilization being done, most of the things are aligned, design, etc., So, as soon as we are getting the appointed date and the land is all available, we would ramp up the execution to that extent, that is quite possible even.

Moderator: The next question is from the line of Franklin Moraes from Equentis Wealth Advisory. Please go ahead.

Franklin Moraes: So, I wanted to just understand in terms of the EBITDA decline of maybe about a percentage point on a YoY basis, what could be the probable contribution from input prices, and what could be the contribution from rising competitive intensity?

Harendra Singh: No, I think there is no rising competitive intensity which has impacted our margins, because these all are the projects, which were all being awarded to us some two and a half years back. So it's only price hit which has impacted the margin.

Franklin Moraes: The newer rate changes that the government has introduced on exports which is likely to push down the domestic prices in iron ore and steel, what is the kind of benefit that can happen for our projects?

Harendra Singh: Definitely, the problem is so severe. We would be getting some relief out of it. It's not that we will be benefited. But the margins impact which has been so significant in Q4 which is likely to get subsided not in Q1, but in Q2 at least.

Moderator: Next question is from the line of Amruta Deherkar from Wealth Managers. Please go ahead.

Amruta Deherkar: I have just two questions. First one being, you talked about the EPC formula correction for the cost inflation. So, is it safe to assume that whenever this new formula is being implemented by NHAI, so we will be getting the impacted PAT later on?

Rajeev Mishra: No-no, see, the formula would be of our new EPC project. It will not be having any impact for the older one.

Amruta Deherkar: What would have been the impact on the FY'22 EBITDA, so if you could give us the quantification of roughly?

Rajeev Mishra: No-no, I have just given the indication, then Q1 or maximum Q2, the things would be all stable, we will be coming back to the level of 16% to 16.5% EBITDA.

Amruta Deherkar: My second question is regarding the HAM project which has received the provisional completion certificate. So from when will be the annuity like be receivable for us, and if you could give us the amount of the annuity that was receivable?

Rajeev Mishra: See, the annuity amount is just 2% of the total project cost. And this is every six months we will be getting the annuity. We have already applied for the annuity and which is likely to be say in the system, say, within a week, but this annuity payment doesn't matter for EPC. There's only SPV or escrow mechanism where the annuity payment would be received in those.

Amruta Deherkar: On a standalone basis, the annuity payment should have no impact?

Harendra Singh: Yes, nothing.

Moderator: The next question is from the line of Vikash from Health Services. Please go ahead.

Vikash: One of the small flavor is required is that recently government acquired 26% in the Safety First Engineering and Safety First Partnership. It is around Rs.9 crores investment. Any rationale behind for such kind of the small investment?

Harendra Singh: Very specific commodity which is being used with a significant miscellaneous items is a **(Inaudible) 62:11** crush barrier or such kind of crush barriers. We usually are purchasing from out of the market. This is a dedicated where we have invested. There is a lot of opportunity going ahead, where I think most of the companies, they have done a backward integration, say, internally. So this is not being done wholly, but it is a significant portion being taken into as a stake in that company.

Vikash: We have the substantial cost saving in future?

Harendra Singh: Yes, of course, I think that's why the decision has been taken.

Vikash: So, right now we have hold is 26% in private limited and partnership, correct?

Harendra Singh: Correct.

Moderator: The next question is from the line of Alok Deora from Motilal Oswal. Please go ahead.

Alok Deora: Just a couple of questions. So you mentioned about the increase in the CAPEX for FY'23 as compared to the usual run rate. So is it like, for next few years, the CAPEX would continue to remain in this elevated range of Rs.100 to 125 crores?

Harendra Singh: No, no, it's not like that. We are looking at a significant increase in the order inflow during that particular year. So, for that reason, we have indicated and then again, as in 2016-17, so this is almost four, five years plus six plus years of use. So this is the older fleet now being with latest technology, that would be added benefit in our operational efficiency, fuel economy is there. So all technical benefits are available, and then definitely getting the right value of that differentiated product. So, this makes sense that it is up to just 70, 75 crores. For this year it is at about 110 to 120, but then, again, we'll be able to say about Rs.90 crores to Rs.100 crores.

Alok Deora: Also sir, at the very start of the call, you mentioned about asset monetization by end of the year. So, any discussions are on, just wanted to understand, what's the appetite currently in the market, if you could just throw some light on that?

Harendra Singh: Appetite in the market is all available. It was only a matter of debate on the O&M cost which we are just looking at it as a practical basis and what they are assuming on a projection basis. So that is the only gap I think. With all the data being started now, had it be rate of interest, had it be GST impact on the annuity, now the things are very clear. So there's not a big debate is going to be done. Their keenness is there and we believe that within a few months, a significant improvement in that basis in that mode would be done. And by this year end, we are looking for the production to happen.

Alok Deora: So, we are not looking at any sort of delays in that, right. I mean by that time, we will be through with some more this transaction on the monetization part?

Harendra Singh: No, no, no, we don't believe we are expecting much delay.

Moderator: Next question is from the line of Deep Sukhwani, an individual investor. Please go ahead.

Deep Sukhwani: Sir, congratulations on the good set of numbers especially given the rising input costs and the inflationary environment. I had a couple of accounting questions. So, first is building on the contract assets and contract liabilities question that was previously asked. So, is it fair to expect that eventually these contract assets and contract liabilities given our work as we deliver, we should expect them to turn into cash for the business? And second, there has been a substantial increase in the non-current financial assets. I was just trying to understand what exactly goes into these and similarly, there has been increase in the finance costs that we have paid, although as you mentioned that the payment terms for NCDs are yet to start. So again, what exactly went into this increased finance cost?

Harendra Singh: The first question is about contract liabilities and contract asset. The contract liabilities, again, the mobilization advance which we usually receive in all the projects, had it be from the HAM projects and through SPV or these other projects from EPC or any private client. So, this is during course of execution, this mobilization would be recovered. But then again, they are all almost interest-bearing, it's not that they are free of interest, number two. So the contract assets are those assets, which is a part of unbilled revenue. So, we are doing those all EPC mode. So, there are a few of the milestones are a stage payment, which usually could not be converted and mostly we experience those things to happen into projects, where a significant execution post-75%-plus execution or that execution has been done. So, there again, those unbilled portion remain as the contract liabilities what I said, which US is there, there is certain modification is there into the contract, certain milestones are there. So all is settling in the final bill. So, there we have seen that every quarter there is a significant portion being received as the newer portion being added into it.

Deep Sukhwani: The second question was around the increase in non-current financial assets and the finance cost.

Harendra Singh: If we can give the number of this non-current financial asset, it can be GST receivable from government authorities.

Deep Sukhwani: I was just having a look at the consolidated cash flow statement. The overall increase in the non-current financial assets that we see is Rs.474 crores approximately and the finance cost has gone up by 23%, around Rs.118 crores.

Harendra Singh: In consolidated, you might have seen that is annuity I think.

Deep Sukhwani: And on the finance cost side?

Harendra Singh: Finance cost doesn't have impact in the parent company, it is all SPV where the entire financial model is being taken into consideration.

Moderator: The next question is from the line of Faisal Hawa from HG Hawa & Company. Please go ahead.

Faisal Hawa: Going forward, the competition is continuously rising in the tendering and most people are quoting even below the bid price. So, this will lead to destroying of many companies. So, how are we really preventing from that happening and with large players like Adani also coming in, how will we really protect ourselves from really bidding too low and going wrong?

Harendra Singh: See, we are maintaining our own standards and discipline towards the bidding at least maintaining and keeping a balance. That is only what we can say, that we are keeping quite a good control on what should be the margin, wherever we are moving as far as geographical areas, and where we can move for the company, and it will be a balancing order of our HAM and then EPC and then say private EPC even. So, that is how I think we are keeping control on those things. I cannot say much about most of the companies doing wrong and just losing because of that reason. That is all evident I think.

Faisal Hawa: Because we have seen a new player like Adani coming in and bidding so many contracts all through the country. This means that there's hardly any entry barrier into the road construction vertical.

Harendra Singh: They have opened the competition for the players, at least for the developer, it's not only for EPC, for the developer, they have opened it for all the core sector experienced players; it can be BOT, it can be any building or it can be any real estate, they cannot just bid for those HAM or BOT projects. As a developer, they are doing those things, but for EPC, they're getting it done through the players like us only.

Faisal Hawa: So would it make sense now to go into more BOT projects, because there the competition is much lesser and very few players, the government has made the laws and rules quite easy and favorable to the developer?

Harendra Singh: The traffic origination and destination traffic studies are there, say, they are all kinds of projections. You cannot assume a right estimate, you can just take on to the right estimate what exactly would be the traffic segueing into your project which you have developed. So ultimately, for most of the things dynamics are changing the year-on-year, you're seeing that a lot of NHAI and national highways, expressways and these all corridors being developed. So this estimation at this point of stage is I think is not appropriate.

Faisal Hawa: Do you feel irrespective of whether NHAI get these stress funds or even if the minister has changed or whatever, the kind of momentum that NHAI has now gained will really continue over the next four to five or six years?

Harendra Singh: Probably, they have already indicated and the government has said, it's not that good, it's not ministry which indicate, the government has indicated that Bharatmala-I to be awarded in next two years. The Bharatmala-II to be approved from the parliament. So I think they're keen on developing the core network for national highways and expressways. Had it been labor stress or whatever it is, Gati Shakti which they have rolled out. So this means that infrastructure development in all sectors to be taken, say control in umbrella. That is a significant sincerity of the government, say for those infrastructure and development projects.

Faisal Hawa: So on a very ballpark figure, in the next two to three years, how much would be the total ordering that would come through or what is the total addressable market that we have for the next three years for overall the industry?

Harendra Singh: So I'm not having a big idea on it. But definitely, in most of the sectors, that can be water sector, JJM or railway, where the high speed density corridors –

Faisal Hawa: Only in roads?

Harendra Singh: Roads definitely say they already are having the 40,000 kilometers to be developed in Bharatmala-I and II. So this give sense that within the next five years a lot of opportunities are likely to come.

Faisal Hawa: In amount of crores, what would that mean approximately

Harendra Singh: I'm not having a fair idea of it.

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

Shravan Shah: Two questions. First is we said that we have bidded for projects of around 14,000-odd crores. Is it right and if you can break it into the HAM, EPC?

Harendra Singh: I have seen that, I think it is some mistake which I have conveyed, that is Rs.1,400 crore. These are the only two projects the bid results are yet awaited, because not so much of activities, say bidding has happened in last April and May.

Shravan Shah: So, these two projects are EPC projects?

Harendra Singh: Correct.

Shravan Shah: Lastly, on that debt front, so, given everything, strong guidance, so the debt likely to be maintained at the current level of 300, 350, that's the level that we look for at least two years?

Harendra Singh: Correct.

Moderator: The next question is from the line of Meet Parikh from Anand Rathi. Please go ahead.

Meet Parikh: I just had two questions. First question is on the receivables front, how much is the receivable from Adani and IRB?

Harendra Singh: Adani receivables are including the timeshare is coming at about Rs.52 crores and IRB receivables, if we take out the retention which is not yet due is Rs.167 crores.

Meet Parikh: When you have given trends for the EBITDA margin of 15.5% to 16% for FY'23, does it include the early completion bonuses for the HAM projects you're going to get or not?

Harendra Singh: No, no, it is not considered into it.

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

Jiten Rushi: My question is on the HAM side. So government has recently proposed for a change in networth criteria. So what is the status on that? So you are discussing with the government, so when is this expected to get implemented, because that is very important, because most of the smaller players networth and the negative trajectory and still they're able to win projects? How do we see is to get normalized or being on that, the proposal will not get passed, because you're looking.

Harendra Singh: So there are a few modifications already been given. So that's why the bidding activity is now almost at a standstill. So they are going to do this modification very soon.

Jiten Rushi: What kind of modification are these, can you throw some light?

Harendra Singh: One is the networth criteria, one already is the O&M criteria which they are now standard as a percentage basis of the BPC or the tentative EPC.

Jiten Rushi: On the Rajasthan north and Maharashtra projects, so these projects are standstill or we can see some execution from these projects?

Harendra Singh: No-no, we have executed some Rs.60-odd crores during the year in Rajasthan project. So it will be all at a snail's pace, does not like that's the big chunk of revenue is expected in '23, one. In Maharashtra, even in bits and pieces things are being moved, we are doing some execution, but not more Rs.22 crores of execution being done last year.

Jiten Rushi: On the exit of the senior management, so any replacement are we looking out or we are going to continue the same board?

Harendra Singh: Sorry.

Jiten Rushi: On Vinod Kumar Agrawal's exit, are we looking for any replacement in the senior?

Harendra Singh: No-no, he was looking into indirect taxation and we have already engaged one more senior position on that.

Jiten Rushi: Last question is, are we looking for any mines in Telangana and AP region, because now we have a significant order backlog received and we are expecting some faster execution. So sourcing as we get from outside third-party would make sense or we are looking for leasing mines?

Harendra Singh: All the projects do have a unique area where they are being there. The mines in nearby, if you're talking of even Tumkur project or Khammam-Deverapalle or Odisha, all the three corridors, Raipur-Visakhapatnam corridor project, where we have established most of the crushers or they have been given to the crushers which being established in our mines, which is allocated to us for that specific project. The project in north usually doesn't make sense to establish because there are a lot of areas or a lot of mines already established wherein we are getting supplies safe, intermittently, there is no hurdle into it getting the good rates even.

Moderator: The next question is from the line of Dhruv Bhimrajka from Monarch AIF. Please go ahead.

Dhruv Bhimrajka: Sir, in the latest NHAI circular, they have expanded this relief measures for contractors and developers till 31st October '22. So how do you see this continuation benefiting you and the industry as well?

Harendra Singh: For sure, I think entire industry being benefited because of that relaxation being given. And they have also extended this timeline for submission of the performance guarantee. It's now would be 3% only till March '23. So not going to increase. With that I think everybody benefited.

Moderator: As there are no further questions from the participants, I now hand the conference over to Mr. Harendra Singh for closing comments.

Harendra Singh: So, thank you everyone for your participation in our Q4 FY'22 Earnings Call. In case of further queries, you may get in touch with Pareto Capital or feel free to get in touch with us. We look forward to interacting with you in next quarter. Thank you.

Moderator: On behalf of H.G. Infra Engineering Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.