

To  
The Manager  
The Department of Corporate Services  
BSE Limited  
Floor 25, P. J. Towers,  
Dalal Street, Mumbai – 400 001

To  
The Manager  
The Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051

**Scrip Code: 533271**

**Scrip Symbol: ASHOKA**

~~NOV~~ember 27, 2019

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**Sub: Transcript for the Conference Call held on November 15, 2019**

Please find enclosed herewith the Transcript of Conference Call held on November 15, 2019 in respect of unaudited Standalone and Consolidated Financial Results (Limited Review) for the quarter and half year ended September 30, 2019.

Kindly take the matter on your record.

Thanking you,

For Ashoka Buildcon Limited



**Manoj A. Kulkarni**  
(Company Secretary)

ICSI Membership. No. : FCS - 7377



**Encl.: As above**



**“Ashoka Buildcon Limited  
Q2 FY2020 Earnings Conference Call”**

**November 15, 2019**



**MANAGEMENT: MR. SATISH PARAKH - MANAGING DIRECTOR -  
ASHOKA BUILDCON LIMITED  
MR. PARESH MEHTA - CHIEF FINANCIAL OFFICER -  
ASHOKA BUILDCON LIMITED**

**ANALYST: MR. VIRAL SHAH – PRABHUDAS LILLADHER  
PRIVATE LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Ashoka Buildcon Q2FY20 Earnings Conference call hosted Prabhudas Lilladher Private Limited. As a reminder all participant lines would be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during the conference call please signal an operator by pressing star and 0 on your touch tone phone. Please note that this conference is being recorded. I now hand over the conference to Mr. Viral Shah from Prabhudas Lilladher Private Limited. Thank you, and over to you, Sir.

**Viral Shah:** Thank you, Good Morning, everyone, I welcome all the participants to the Q2 of FY20 post results conference call of Ashoka Buildcon. We have with us Mr. Satish Parakh, Managing Director of the Company, and Mr. Paresh Mehta, CFO of the company. We would commence the call with the opening remarks from Mr. Parakh to give an overview of the company's performance for the quarter. This would be followed by a Q&A. Now, I would request Mr. Parakh to begin with his opening remarks. Over to you, Sir! Thank you.

**Satish Parakh:** Thank you, Viral. Good morning, welcome you all to our earnings conference call of quarter ended September 30th, 2019. Joining me on the call is Mr. Paresh Mehta, our CFO.

To start with, I would like to share we have successfully received the Appointed Date for all five HAM projects awarded in 2018. We have received 15<sup>th</sup> October 2019 as an Appointment date for remaining two HAM projects Mallasandra, Karadi and Karadi Banwara Road, that is Package I and Package II of Tumkur-Shivamogga stretch. Execution has started in all 5 HAM projects and work is progressing well. For, Tumkur Shivamoga IV project which we have won in March'19, we are expecting to sign the concession agreement soon.

During the quarter we have emerged as L-1 for the road project worth Rs. 1,080 crores from Uttar Pradesh Expressways Industrial Development Authority. The project entails development work of Bundelkhand Expressway on EPC basis.

The company's total order book as on 30th September 2019 stands at Rs. 7,486 crores. The order book excludes orders worth Rs. 2,262 crores which includes LOA of Tumkur-Shivamogga Package IV and Bundelkhand Expressway. So our order book stands at Rs. 9,748 crores after adding Rs. 2,200 crores. Road projects comprise of Rs. 5,624 crores which is 75% of our total order book. Among the road projects, EPC projects are to the tune of Rs. 3,815 crores and HAM projects are to the tune of Rs. 1,809 crores. Power T&D and other projects comprise the rest of the value.

In current financial year, we have witnessed slowdown in the tendering and awarding projects of NHAI. We expect projects tendering and awarding to gather pace in another 3 to 4 months. This is all from my side. I would now request Mr. Paresh Mehta to present the financial performance of Q2 FY20.

**Paresh C. Mehta:** Thank you, sir. Good morning, everyone. The Result Presentation and press release for the quarter has been uploaded on the stock exchanges and on the Company's website. I believe you all may have gone through the same. Now, I would present the financial results for the Quarter ended September 30th, 2019.

Starting with the consolidated results the total income for Q2 FY20 stands at Rs. 1,053 crores as compared to Rs. 1,018 crores for Q2 FY19 registering a growth of 3% YoY. EBITDA stood at Rs. 384 crores in Q2 FY20, a growth of 13% YoY.

Coming to the standalone numbers, the total income for Q2 FY20 stands at Rs. 862 crores as compared to Rs. 780 crores in corresponding quarter last fiscal. We are seeing a 10% YoY growth. During Q2 FY20 BOT division recorded a toll collection of Rs. 236 crores. EBITDA for the quarter was at Rs. 162 cores as compared to Rs. 119 crores in the corresponding quarter last year a 36% YoY growth, EBITDA margins was at 19% for Q2 FY20. The company reported profit after tax of Rs. 73 crores in Q2 FY20 registering a growth of 70% YoY.

Total consolidated debt as on September 30, 2019, is Rs. 5,880 crores of which project related debt is around Rs. 5422 crores which is including NCDs raised at ACL of Rs. 150 crores. The standalone debt is Rs. 458 crores which comprises of Rs. 228 crores of equipment loan, Rs. 80 crores of working capital loans, and Rs. 150 crores of the NCDs raised at Ashoka Buildcon level. With this we would now open the floor for question answers. Thank you very much.

**Moderator:** Thank you very much sir. We will now begin the question and answer session. The first question is from the line of Ashish Shah from Central Broking, please go ahead

**Ashish Shah:** Yeah, good morning, sir. Sir, just had a couple of questions on the execution that we have been doing on some of the larger projects. So, on the TOT projects we are seeing that in the first half you have hardly actually executed anything if I just compare the closing order backlogs and we had indicated that we have to complete the entire EPC value within this financial year. So just wanted to know if there is anything wrong with that. And at the same time couple of projects like Khairatunda and Ankleshwar projects, again there while there has been some execution the rate seems to be a little on the slower side, so if you can just throw some light on this.

**Satish Parakh:** So if you see at Khairatunda or like Vadodara-Manubar Expressway, both of them were affected in the Q2 because of heavy rainfall in these areas, basically we faced unprecedented rainfall which we have not seen in the last 50 years. These both projects were badly affected and therefore you have not seen much progress in both of them. And TOT also got affected some because of the issues of land acquisition for the expansion mode. So all these overlay also we could not do in the, basically TOT consists of overlays, and all these overlays are starting now. By March end we will see substantial completion of TOT project.

**Ashish Shah:** Okay, so what you are saying is that the pace of execution will pick up, but you know.

- Satish Parakh:** Yes, it will pick up in all these projects.
- Ashish Shah:** So outstanding is about Rs. 800 crores so by year end you would expect about 400 to get executed or lesser
- Satish Parakh:** Yeah, we expect 400-500 to get executed.
- Ashish Shah:** Sure, so basically it will slip into maybe first half next year or FY21.
- Satish Parakh:** Part of it will slip due to availability of certain stretches.
- Ashish Shah:** Right. Sir, also on the T&D side, if you can just indicate what are the outstanding receivables there and whether the outstandings which were there as of March whether they have been received, you know by now
- Paresh Mehta:** On the T&D recoveries have been strong in the last two quarters, maybe the outstanding figures we can come back during the call, but otherwise T&D recoveries have been okay. We have had good experience in Bihar and on receivables in Tamil Tangedco projects have been substantially closed and Uttar Pradesh projects are going on. On the railway projects which we are also continuing as part of the power vertical there also work has started, and receivables will start now getting paid over time.
- Ashish Shah:** There is no particular issue as far as the T&D projects are concerned.
- Paresh Mehta:** No, not in the present.
- Ashish Shah:** Sure, sir, later in the call if you can share the outstanding receivables it will be good, sir. Thank you, sir, I am done for now.
- Moderator:** Thank you. We have our next question from the line of Subhadip Mitra from JM Financials. Please go ahead.
- Subhadip Mitra:** So basically I had two questions, given that we have seen a slowdown in the NHAI ordering so far and we are expecting it to pick up possibly closer to fourth quarter. Would we be looking at any changes in our order in the guidance earlier you had given a number of around Rs. 4,000 to Rs. 6,000 crores, and based on that would you also be looking at some revision to the growth numbers for FY21
- Satish Parakh:** See, orders completely will depend upon bidding pipeline. NHAI is still saying that they do 6,000 kms of award, if they are able to do in Q3-Q4 definitely we have a good chance of maintaining our order inflows. In addition to this we are also participating for state projects like Bundelkhand Expressway, we participated in all 8 projects where we could win only one projects, so we will be having other state opportunities also. So I think Q3-Q4 will throw up

opportunities, government is consistently saying that they want to do huge infra spending and if we are able to bag orders then our guidance remain same almost.

**Subhadip Mitra:** So as of now you would stick to your order on guidance of 4000 to 6000 for the year

**Satish Parakh:** Yes, yes

**Subhadip Mitra:** Understood. Secondly if you can also help us in two things, one is you know any progress of the BOT asset sale where I think you started the process and lastly what in your opinion can be the peak debt to equity that you can look at.

**Paresh Mehta:** So on the exit which we are you know in a process which we also said in the last call, the process is going on. It is on track so we believe that 6 to 8 months time things should get closed. As far as the second question which you had asked about peak debt equity I think so we are at around 3, we should be in that range and in case the set of projects get sold, then it would substantially reduce. But otherwise when we are bidding projects at 80:20 ratio, I think so 3 to 3.2 kind of a peak would be still comfortable without any stress at the present balance sheet, they are project based financing.

**Subhadip Mitra:** Understood, so is there a potential you know chance that if the asset sale were to get delayed but on the other hand you are looking at good influence coming in, you may need to probably dilute your equity in order to be able to maintain the debt equity at a particular comfortable level

**Paresh Mehta:** We believe that situation will not arise, when we do get into project bidding and projects are awarded, there will be substantial time by which when we have to put in equity and the debt is raised. So from that perspective the third party EPC contracts would easily generate cash flows to fund the initial equity and then later itself project could throw out margins for supporting the equity. We further feel that the dilution of equity at the parent level is envisaged

**Subhadip Mitra:** Understood, that answers all my questions, thank you so much

**Moderator:** Thank you. We have our next question from the line of Vibhor Singhal from Phillip Capital. Please go ahead.

**Vibhor Singhal:** Good morning, sir, thanks for taking my question and congrats on a great set of numbers. Sir, given that we have done reasonably well in the first half, would we stick to our FY20 revenue guidance of around 25 to 30% growth or do you think we might want to maybe change it a bit

**Satish Parakh:** It will range to 20-25% because we have lost substantial months in monsoon. Monsoon continued right up to the first week of November. Our major projects like Karnataka really got affected because of that. No doubt they are picking pace and will try to complete but it may affect by another 4-5%.

- Vibhor Singhal:** So, around 22-25% growth is what we are envisaging at this point of time.
- Satish Parakh:** Yes
- Vibhor Singhal:** And I would assume that assumes no revenue from Bundelkhand or from the package four that we have got. I think those projects will only start in FY21
- Satish Parakh:** That would be additional. Because Bundelkhand also they are very optimistic of starting by next 15 days then we can surpass 25%.
- Vibhor Singhal:** So, we assume no number from that when we give a guidance of...
- Satish Parakh:** We still not have assume from that, yes.
- Vibhor Singhal:** Paresh sir, if I could just ask on the balance sheet side we have seen a reduction in the debtor amount from the March levels. So, would that be primarily because of as you mentioned the strong recovery in receivables from the part T&D segment or is it other receivables also kind of getting cleared?
- Paresh Mehta:** Definitely the recoveries at the T&D level have helped in reducing the debt. Also, in the HAM projects because of milestone billing which get accumulated on a particular cut-off date they get recovered over a period of time when debt and grant gets released from lenders and NHAI. So, that's the recovery position on both sides. T&D definitely has been there and also on the HAM projects
- Vibhor Singhal:** Sure sir. On the wake of that the debt that we have around Rs. 460 crores right now, where do you see that debt maybe by the end of this year? We believe it might increase because of some equity requirement in the HAM projects or maybe the receivables now probably going back to there, so, what could be our year end debt number that you are looking at?
- Paresh Mehta:** Keeping in view the execution pick up which will happen in the next two quarters, we believe that debt position would be in the range of Rs. 600 odd crores, working capital loan including equipment loan and the NCD of Rs. 150 crores.
- Vibhor Singhal:** Sure sir. Lastly if I could probe a bit further on the asset sale deal that we are looking at. So, sir at this point of time the Rs. 1,500 crores value on the balance sheet that we are looking at so at this point of time are we looking out for an investor only in the portfolio that we need to provide SBI Macquarie and exit into, that is only the BOT projects or are we looking for let's say a wholesale kind of an investor who comes in and takes our HAM projects also? What is the kind of approach we are looking at, at this point of time?
- Paresh Mehta:** See, we have kept all the options open from the potential investors whom we are talking to with either they buying out company or they buying out a portfolio. So, these options are open.

Once we are at a further stage of some diligence from their side then probably we could come with a complete idea.

**Vibhor Singhal:** It could be a breakup deal that the investor comes only in the BOT and the original part of the ACL portfolio and the HAM projects remain with us, is that also a possibility or we are not looking at splitting the portfolio.

**Paresh Mehta:** That could be a possibility because HAM projects, because they are under construction there they could always be deferred, may not be immediate

**Moderator:** Thank you. We have the next question from the line of Priyanka from PA Capital. Please go ahead.

**Priyanka:** I have a question about this EBITDA if I look at quarter-on-quarter there is an EBITDA which has increased which is probably more than 1.5% from 12 to 14.26% so, is there any unusual item which is included in revenue which we had to exclude? And my second question is around this new tax regime, is there any rationale for not going for concessional tax regime in all the SPV and company, if you could throw some light on this that would be great

**Paresh Mehta:** On the EBITDA front there has been an improvement in this quarter over the last quarters but we maintain that our average EBITDA at EPC level without other incomes would be in the range of 12%-12.5%. This additional increase in this quarter of 1%-1.5% is due to couple of projects which have achieved more than 90% completion where they have revisited the budgeted cost post March 2019 and whatever cost savings have been recognized have been recognized in this quarter.

**Priyanka:** So, generally overall basis do we see this 12-13% or should we increase that expectation going forward?

**Paresh Mehta:** It should be in the range of 12-13% on a normal trend.

**Priyanka:** And on tax can you please share your insight?

**Paresh Mehta:** As far as Ashoka Buildcon is concerned we really don't have any substantial ATI benefit or a MAT carry forward which is there. As disclosed we have opted for the new tax regime in Ashoka Buildcon. At the SPV levels based on each concession being available certain projects have continued in the same old regime and the new HAM projects would probably go into the new regime.

**Priyanka:** So, it's basically tax holiday which is actually encouraging us not to go for concessional tax regime?



- Paresh Mehta:** Yeah, wherever there is substantial impact of that we have analyzed the impact and where we have seen that the impact will continue for a longer time and the savings will be larger, we can opt for new regime at a later date
- Moderator:** Thank you. We have the next question from the line of Mohit Kumar from IDFC. Please go ahead.
- Mohit Kumar:** I have two questions. What is the timeline of the execution of Bundelkhand Expressway and when we can expect the work to start?
- Satish Parakh:** Totally we have 36 months of timeline and work would start maybe next month.
- Mohit Kumar:** The tax rate for FY21, the numbers we should work at 25.2% am I right, for the standalone company?
- Satish Parakh:** Yes.
- Paresh Mehta:** But after taking cognizance of deferred tax adjustment which we have already passed in this quarter, after taking that into impact it will be slightly more than 25.
- Mohit Kumar:** Last question on the industry side. There have been muted response for TOT3. Is there any particular reason why we don't see any strong response in TOT compared to TOT1 and TOT2?
- Satish Parakh:** Because we have not attempted this, I am able to comment on this.
- Mohit Kumar:** Lastly on the liquidation of receivables on T&D side of business if you can give us the number?
- Paresh Mehta:** On the T&D as of March was around Rs. 750 crores which has now gone to Rs. 630 crores, so that is a net recovery of Rs. 120 crores, so it is based on in this half year as well as received payments also.
- Mohit Kumar:** Last one is the toll collection, do you expect it to improve in H2, H1 has been bad to expect especially in Jaora Nayagaon, is it expected to improve or do something, an alternative route. Has it come back in October?
- Paresh Mehta:** Not yet. So, as far as Jaora is concerned the impact would happen once certain projects on the upstream, not to the project day their completion happens so that the disturbance is reduced and people will start moving back on the Jaora Nayagaon highway. Otherwise overall in the portfolio H2 definitely will look better than H1 because that is the trend year on year for the last as many years we have been into this business.
- Mohit Kumar:** But given that H1 is bad what kind of traffic growth you are looking for the portfolio for FY20?

- Paresh Mehta:** Overall we should look at a traffic growth in the range of 4-5% plus toll rate of rise of around say 3.5 average.
- Moderator:** Thank you. We have the next question from the line of Jiten Rushi from Bank of Baroda Capital Markets Limited. Please go ahead.
- Jiten Rushi:** Good morning sir, thanks for taking my question. I want to understand the total equity requirement in the HAM projects so that is the older two projects and the six new projects. So, as per our presentation in September the company had mentioned liquidity requirement including the PMI around Rs. 1,137 crores. So, what is the status as on date and how it will spread out in terms of further investment?
- Paresh Mehta:** As of date investment to be made in HAM project by 2020, post September is approximately Rs. 158 crores and in 2021, which is including the last project which we on the HAM project Tumkur Sivamogga-IV project. For the year 2021 we expect total equity outlay of around Rs. 220 crores and approximately Rs. 19 crores in 2021-2022 for this set of projects including Tumkur Sivamogga IV.
- Jiten Rushi:** This is you are talking about the six projects, right?
- Paresh Mehta:** Yeah. Six projects. 8 projects I would say. HAM projects
- Jiten Rushi:** So, Rs.1,137 crores in the total, if I may ask you, that is the total equity requirement and so far we must have invested how much in these?
- Paresh Mehta:** Approximately Rs.600 crores.
- Jiten Rushi:** Coming to the execution on the older two HAM projects of Kharar Ludhiana & Ranatsalam we have seen a good execution. So, what is the targeted completion for these two projects, Kharar Ludhiana are we targeting to complete this year or it may spill over to next year in terms execution?
- Satish Parakh:** Kharar-Ludhiana we have already applied for PCOD with certain length still remaining to be given but whatever has been handed over has been completed and PCOD process has begun
- Jiten Rushi:** So, now the outstanding alter backlog will remain as outstanding only, it will not move further?
- Satish Parakh:** This will go into extended period.
- Jiten Rushi:** And what about Ranastalam, when is the timeline to complete.
- Paresh Mehta:** The schedule date for completion is in the first quarter of FY20-21 and we are on track. So, we have completed almost 60% of the job is over and I think so by March end we should be

before February and we should be over with a substantial completion that is more than 75% so that we can be eligible for applying for PCOD.

**Jiten Rushi:** Kharar, we can say outstanding order backlog Rs. 331 crores, so that will not move as of now in this half, can see some movement next year when the land is available. So, what is the land status there in terms of availability?

**Satish Parakh:** Kharar, we are getting certain patches every month, so work is in progress. It may take another 3-4 months.

**Jiten Rushi:** Sir, we have seen significant jump in the other income this quarter, any reason for that, because we have not received any dividend also from subsidiaries this half, so what is the reason for high other income?

**Paresh Mehta:** On a quarter-to-quarter basis the jump in the other income is basically on account of interest being charged to ACL for which AGL has funded ACL for funding the HAM projects, the five HAM projects which we closed last year. The equity which was put in approximately 40% of the projects, the equity was put in that was funded as debt to ACL where there is an income of approximately Rs. 16 crores of interest income per quarter

**Jiten Rushi:** This run rate would continue, this Rs. 16 crore run rate will continue in terms of interest?

**Paresh Mehta** Yes.

**Jiten Rushi:** About the toll collections, Ahmednagar we have seen some significant jump in the run rate of toll. It's a very small number I agree it will remain same around 9.5-10 crores.

**Satish Parakh:** Basically, buses collection they give on quarterly basis. So, this has come into this quarter.

**Jiten Rushi:** Okay, so the run rate would be coming back...

**Satish Parakh:** Reimbursement of bus which state government normally gives, so that is periodic. It has come into this quarter.

**Jiten Rushi:** Okay otherwise the run rate is around 8-8.5 crores, right sir?

**Satish Parakh:** Right.

**Moderator:** Thank you. We have the next question from the line of Ashish Shah from Centrum Broking. Please go ahead.

**Ashish Shah:** Yeah sir on the two projects, where you have got the appointed date the Tumkur Shivamogga 1 and 2, so there now, what is the land acquisition status? I mean obviously it must be more than 80% but where are we on the total land available?

- Satish Parakh:** Yeah these are 80% plus in both this package one and package two.
- Ashish Shah:** So here, you know, my basic question was that here you expect that there are some challenges in the remaining 20% and there could be some change of scope or reduction in the scope or do you think the remaining 20% will also naturally progress as time goes by?
- Satish Parakh:** Yeah another six months we should have entire thing
- Ashish Shah:** So as of now we are not expecting any change of scope or reduction because?
- Satish Parakh:** There are certain changes of scope it may not be always reduction. There is some on positive side, some on negative side, but more or less it should match.
- Ashish Shah:** Okay. On the smart infra project that we have, so there, have we got any mobilization advance for the project?
- Satish Parakh:** No mobilization advance on this project, we have got still.
- Ashish Shah:** Sir so is anything due or it is not supposed to come with the mobilization?
- Satish Parakh:** No, there is no mobilization advance provision that we have with this.
- Ashish Shah:** Right and sir this project is, is it like state funded or is it funded by any multilateral agencies?
- Satish Parakh:** Kerala one is the state funded project.
- Ashish Shah:** Right but are we, like, reasonably confident that the payments and all will be on time here?
- Satish Parakh:** Yeah, they have payment already in place. I mean they deposited it.
- Moderator:** Thank you. We have the next question from the line of Prem Khurana from Anand Rathi. Please go ahead.
- Prem Khurana:** Yeah hi sir. Thanks for taking my questions. Two questions one was I think this quarter Ashoka Concessions has raised NCDs over 150 odd crore rupees so essentially I mean till the time since Ashoka Concessions did not have money we were funding these projects. Is it fair to assume I mean this money would have come... a part of this money would have come back to you or this has been used to kind of fund equity requirements at Ashoka Concessions for hybrid annuities?
- Paresh Mehta:** On a fund to fund basis this Rs. 150 crores has been upstream back to ABL.
- Prem Khurana:** Okay, so is it fair to assume I mean the reduction that we've seen in debt during the quarters essentially because of this money, which has come back to us from Ashoka Concessions?

- Paresh Mehta:** Right.
- Prem Khurana:** Okay, okay. And did we invest any money in these hybrid annuities during the quarter? Because I think last quarter, you had given us a number of around Rs. 450 odd crore rupees in terms of cumulative investments that we may had done in all these projects put together I think a while back you gave us a number of around Rs. 600 odd crore rupees so you received Rs. 150 back from Ashoka Concessions and seems that you've given them back that Rs. 150 because you were required to get fund for hybrid?
- Paresh Mehta:** What was your question specifically?
- Prem Khurana:** Basically last quarter the cumulative investments were around Rs. 450 crore in hybrid annuities right?
- Paresh Mehta:** Correct, correct.
- Prem Khurana:** A while back you gave us a number of around 600 crore rupees of cumulative investment. So, did we invest Rs. 150 crore during the quarter itself?
- Paresh Mehta:** Rs. 600 crore is including up to date investment is including the annuity projects of Ashoka Buildcon SPVs of 87 crores. But if you ask limited to the higher project approximately Rs. 50 crores have been funded in this quarter
- Prem Khurana:** Rs. 50 crores only okay, okay sure. And how about CGD, did we invest any money in CGD and what's the... were things scheduled for equity requirement that we have for CGD over the next two years?
- Paresh Mehta:** As of date we have invested Rs. 51 crores in CGD and our partners have invested Rs. 50 crores in CGD so Rs. 101 crores is totally invested. Coming future we don't expect to fund any but we are tying up debt for the project and that debt would be utilized to further project for at least another six to eight months
- Prem Khurana:** And last one was, I mean if you could share the land acquisition status for the Tumkur Shivmogga package for I think last quarter the number was almost some 40 odd percent. Have you seen any progress there and have you seen any incremental acquisition?
- Satish Parakh:** Tumkur Shivmogga package IV 3G status is to the tune of 45% which they are very much in aggressive stage to do it by this month end or maybe mid of next month so once this 80% of 3G is done, we will enter into agreement with the government and then it will take another five months for appointed date.

- Moderator:** Thank you. We have the next question from the line of Mangesh Bhadang from IDBI. Please go ahead.
- Mangesh Bhadang:** Hello sir. My question is related to land acquisition for the projects in HAM for which we have achieved AD is the land fully available or you think that because of limited availability in Karnataka probably there could be de-scoping going ahead?
- Satish Parakh:** See 80% plus land is available in which package 1 and package 2 where we have received appointed date where we have already started work
- Mangesh Bhadang:** Right.
- Satish Parakh:** 20% we are expecting in another two quarters.
- Mangesh Bhadang:** Okay, so you expect like to reach 100%?
- Satish Parakh:** Yeah, we recently expect around 95 to 100% to reach in another two quarters and if there is something which remains till the time of COD then normally that gets completed in extended period which we are seeing in Kharar Ludhiana and other projects
- Mangesh Bhadang:** Okay so but the execution will start in these two projects right complete?
- Satish Parakh:** Execution has started already in package I & II
- Mangesh Bhadang:** Sir secondly, what milestones that we have achieved in the HAM project under construction, if you can give us project wise and when are the next one expected?
- Satish Parakh:** Milestone wise backup we have to take offline.
- Mangesh Bhadang:** Okay. Sir finally, any timing in terms of arbitration schemes that you expect in the remainder of the year, which is an advanced stage?
- Satish Parakh:** Arbitration is going on Durg project where we did come after one and a half to two months, arguments are over so it's final stage I don't know what stage.
- Moderator:** Thank you. We have the next question from the line of Parvez Akhtar from Edelweiss. Please go ahead.
- Parvez Akhtar:** Hi, good afternoon, sir. Couple of questions from my side. Sir we would have received a toll hike in Durg and the Bhandara project this quarter so what was the quantum for that?
- Paresh Mehta:** Approximately 4%.
- Parvez Akhtar:** And in this quarter apart from the Rs. 50 odd crore equity that we infused in the HAM projects, was there any other equity infusion in any other business?

- Paresh Mehta:** No. Equity is around Rs. 16 crores
- Parvez Akhtar:** Sure and sir lastly if you could give the segment wise breakup of revenue for Q2?
- Paresh Mehta:** So, for the Q2 the road to EPC was approximately Rs. 644 crores and the power vertical was around Rs. 140 crores and RNC business was around Rs. 22 crores, the major business
- Parvez Akhtar:** You are giving this for H1?
- Paresh C. Mehta:** I am giving this for Q2, it's Rs. 644 crores, Rs. 140 crores and Rs. 22 crores
- Parvez Akhtar:** Rs. 22 crores, sure thanks sir that's it from my side and all the best.
- Moderator:** Thank you. We have the next question from the line of Rohit Natrajan from Antique Stock Broking. Please go ahead.
- Rohit Natrajan:** Thank you for the question. I just had two questions one is on this effective tax rate sir you said something but I couldn't exactly figure out what should be the effective tax rate assumption for FY20 and FY21?
- Paresh Mehta:** The effective tax rate for FY21 will be in the range of around 27-28 or considering deferred tax also has what do you call, charge off on the profit for which has already been taken in the September quarter
- Rohit Natrajan:** Okay. And then they should normalize to it should get lowered in the next year is that what you are saying?
- Paresh Mehta:** Yeah.
- Rohit Natrajan:** Okay and sir, the working capital limits, I understand sir we have some working capital limit of 5 billion and we have just used Rs. 1.25 is that limit continues to remain the same? And even if you could touch something on the non-fund base limits?
- Paresh Mehta:** So, we have non-fund base limits of Rs. 4000 crores which is almost around say that to be used on a regular basis, there's a continuous moment there, because we keep updating and performance innovation guidance has been given and then returned. And on the fund base we have a limit of around Rs. 500 crores including supply chain finance and then additional NCDs and equipment finance, which it today stands at around 400 odd crores.
- Moderator:** Thank you. We have the next question from the line of Mohit Kumar from IDFC. Please go ahead.
- Mohit Kumar:** Yeah, thanks for the opportunity. Once again sir two questions mostly on the ordering side sir, how is the order pipeline in the sense of trending pipeline is shaping out for railways, is there

anything big in the horizon? Secondly on the state roads is there anything on the horizon which can happen in the next six to 12 months?

**Satish Parakh:** Yeah in the states we are seeing activity in UP further they may come up with defense corridor and Ganga Expressway which may happen in another three to six months. At NHAI, we are looking at around 70,000 crores to come up in next two to three months. Other than this, railways, we are not very sure because we are seeing but not a very big number still in visibility in another three to six months

**Moderator:** Thank you. We have the next question from the line of Jiten Rushi from Bank of Baroda. Please go ahead.

**Jiten Rushi:** Thanks once again sir, what is the CapEx done so far and what is the CapEx guidance for FY20 and '21?

**Paresh Mehta:** To comeback on the CapEx done, the guidance it's approximately 80 to 90 crores for 20-21.

**Jiten Rushi:** Okay and what about this year broadly?

**Paresh Mehta:** I will come back on that.

**Jiten Rushi:** Guidance I am talking about, obviously you can tell me the breakup of first half.

**Paresh Mehta:** Guidance would be approximately 95 to 100 crores

**Jiten Rushi:** And sir can you help me with the retention money as on date as on September and mobilization advances outstanding as in September?

**Paresh Mehta:** I would not have it at this moment, probably I will give it offline.

**Jiten Rushi:** And sir one more thing like the Smart City project when do we expect the execution to commence?

**Satish Parakh:** See we have started execution in Kerala project

**Jiten Rushi:** We can expect some... okay, okay. Right sir. Sir can you just tell me the first half CAPEX if you have otherwise I will take it offline sir?

**Satish Parakh:** Yeah we can give you offline

**Moderator:** Thank you. The next question is from the line of Vibhor Singhal from Philip Capital. Please go ahead.



- Vibhor Singhal:** Yeah, good morning sir. Sir just one small bookkeeping question sir what is the status on our two annuity projects Bagewadi Saundatti and Hungund Talikot I think we received the COD date is October 2018. So by now we would have received two semi annuities are they on track?
- Paresh Mehta:** Yeah. They are on track.
- Vibhor Singhal:** So sir as of now we are receiving four annuities from Chennai-ORR, Mudhol nipani, Bagewadi and Hungund right?
- Paresh Mehta:** Right.
- Vibhor Singhal:** And these four projects also are a part of the asset sale that we are trying to do sir?
- Paresh Mehta:** This Bagewadi Hungund are not part of that.
- Vibhor Singhal:** Okay, so Mudhol Nipani and Chennai-ORR are part of that.
- Paresh Mehta:** Even Mudhol Nipani sorry.
- Vibhor Singhal:** Exactly so only Chennai-ORR is part of the ACL portfolio right?
- Paresh C. Mehta:** Right sir.
- Moderator** Thank you. The next question is from the line of Rajat Kamat from Anand Rathi. Please go ahead.
- Rajat Kamat:** Good morning sir. I just wanted to have a data point regarding project wise equity infused and for the requirements required in the coming years project wise?
- Paresh Mehta:** Maybe we can go project wise, on the Kharar Ludhiana around Rs. 149 crores is already invested, Ranastalam Rs. 104 crores is invested. Belgaum Khanapur Rs. 33 crores invested, Khairatunda project Rs. 30 crore invested, Karadi Banwara Rs. 39 crores invested. Mallasandra Karadi Rs. 35 crores invested. Ankleshwar project Rs. 76 crores invested.
- Rajat Kamat** And Tumkur Shivmogga you have not yet invested because it's not appointed. What will be the pending in older two projects now?
- Paresh C. Mehta:** So 11 crores in Kharar and approximately 5 crores in Ranastalam.
- Rajat Kamat:** Ranastalam 5 or 6 crores and okay, balance I can see and calculate thanks a lot sir.
- Moderator:** Thank you. The next question is from the line of Parvez Akhtar from Edelweiss. Please go ahead.

- Parvesh Akhtar:** Yeah, thanks for the follow up question sir. Sir what is the land status for the Bundelkhand project considering that we feel we will start execution next month, probably? Hello?
- Satish Parakh:** 95% plus is available with the government.
- Parvesh Akhtar:** Okay sure and sir just one last question. Have you seen an increase in the order book for the CGD project sequentially so, have the two new cities added there or I mean what exactly is that for?
- Paresh Mehta:** So, the order being released to ABL from the subsidiary which is UEPL is on what program being submitted by ABL for executing this or total project outlaid approximately 800 crore, approximately 700 odd crores of EPC works to be done for the project, of which on a periodical basis yeah orders are being issued so only those orders which are being issued by the subsidiary are being captured.
- Moderator:** Thank you. A reminder to participants that you may press star and one to join the question queue you may press start and one. The next question is from the line of Viral Shah from Prabhudas Lilladher. Please go ahead.
- Viral Shah:** Yeah sir what will be the strategy for bidding for smart cities and what all areas we would be bidding for in smart city projects basically?
- Paresh Mehta:** See basically these are projects like what we had been doing in power where you know laying of fiber networks and putting up control centers and all this. So whenever we get opportunity we are bidding all these skill set required is what we have in our partnership
- Viral Shah:** Okay, and what were the margins we're looking in this division
- Paresh C. Mehta:** It will be the similar margins like what we have in power. Around 11 to 12%
- Viral Shah:** Fair enough sir. Yeah. Thank you
- Moderator:** Thank you very much. That was the last question in the queue. I would now like to hand the conference back to the management team for closing comments.
- Paresh C. Mehta:** We thank all the participants for joining this call. If anybody has any queries, please contact with us or Stellar Investor Relations. Thank you very much.
- Satish Parakh:** Thank you very much.
- Moderator:** Thank you. On behalf of Bank of Baroda Capital Markets Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.