



इरकॉन इन्टरनेशनल लिमिटेड
नवरत्न कम्पनी
(भारत सरकार का उपक्रम)
IRCON INTERNATIONAL LIMITED
NAVRATNA COMPANY
(A Govt. of India Undertaking)



IRCON/SECY/STEX/124

13th August, 2024

BSE Limited Listing Dept./ Dept. of Corporate Services Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400001 बीएसई लिमिटेड लिस्टिंग विभाग / कॉर्पोरेट सेवा विभाग पी. जे. टावर्स, दलाल स्ट्रीट, मुंबई- 400001 Scrip code / ID: 541956 / IRCON	National Stock Exchange of India Limited Listing Department Exchange Plaza, Plot no. C-1, G Block Bandra –Kurla Complex, Bandra (East) Mumbai – 400051 नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड लिस्टिंग विभाग एक्सचेंज प्लाजा, प्लॉट नं सी-1, जी ब्लॉक, बांद्रा-कुर्ला कॉम्प्लेक्स, बांद्रा (पूर्व) मुंबई-400051 Scrip Code: IRCON
--	--

Sub: Transcript of the Q1FY2025 Analyst Conference Call held on Friday, 9th August, 2024

Dear Sir/ Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and in continuation to our letter of even no. dated 2nd August, 2024, please find enclosed the transcript of the post result Analyst Conference Call held on Friday, 9th August, 2024 to discuss the financial results of the Company for the first quarter ended on 30th June, 2024.

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

www.ircon.org>> Investor Relations>> Presentation and Earning Calls>> Transcript of the Analyst Conference Call held on 9th August, 2024 for financial results for the first quarter ended on 30th June, 2024.

कृपया उपरोक्त जानकारी को रिकॉर्ड पर लें।

धन्यवाद,
भवदीय,

(अंकित जैन)/ (Ankit Jain)
अनुपालन अधिकारी/ Compliance Officer
सदस्यता क्र./ Membership No.: A35053





“Ircan International Limited
Q1 FY’25 Post Results Conference Call”

August 09, 2024



MANAGEMENT: MR. HARI MOHAN GUPTA – CHAIRMAN AND MANAGING
DIRECTOR – IRCON INTERNATIONAL LIMITED
MS. RAGINI ADVANI – DIRECTOR FINANCE – IRCON
INTERNATIONAL LIMITED
MR. B. MUGUNTHAN – EXECUTIVE DIRECTOR, FINANCE –
IRCON INTERNATIONAL LIMITED
MR. ALIN ROY CHOUDHURY – CHIEF GENERAL MANAGER,
FINANCE – IRCON INTERNATIONAL LIMITED
MR. SACHIN GARG – DEPUTY GENERAL MANAGER, FINANCE
AND INVESTOR RELATIONS – IRCON INTERNATIONAL LIMITED

MODERATOR: MR. VISHAL PERIWAL
ANTIQUE STOCK BROKING LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Post Result Earnings Call of Irecon Limited Conference Call hosted by Antique Stock Broking. 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

And I hand the conference over to Mr. Vishal Periwal from Antique Stock Broking Limited. Thank you. and over to you, Mr. Periwal.

Vishal Periwal: Thanks Neha. Good afternoon, everyone and welcome to the quarter 1 FY '25 Post Results Earnings Call of Irecon Limited. From the management side that we have with us: Mr. Hari Mohan Gupta, Chairman and Managing Director; Ms. Ragini Advani, Director Finance, Mr. B. Mugunthan; ED Finance; Mr. Alin Roy Choudhury, CGM Finance; and Mr. Sachin Garg, DGM Finance and Investor Relations. As usual, will have a brief from the management on the gone-by result, and we'll open the line for Q&A. Yes, sir, CMD sir, over to you.

Hari Mohan Gupta: Good afternoon, I'm Hari Mohan Gupta basically India Railway Officer of '89 exam batch and a civil engineer from IIT, Roorkee. Now I will request my Director Finance to please present the finance data for this quarter, please.

Ragini Advani: Thank you, sir. Thank you, Vishal. Good afternoon, everyone. I'm Ragini Advani, Director Finance, Irecon. On behalf of my team, I extend a warm welcome to all of you and thank you for your presence today at Irecon's earnings call for Q1 FY '25.

I'm also happy to introduce our newly appointed full-time regular Chairman and Managing Director; as well as CEO, Mr. Hari Mohan Gupta. Welcome, sir. He has joined the company recently and has extremely rich experience in railways and infrastructure sector. He has previously worked as Director Infrastructure of Dedicated Freight Corridor and also as ED Works and Ministry of Railways.

Financial results as well as presentation for Q1 FY'25 have already been uploaded on the stock exchanges. And I'm sure that all of you have had the opportunity to review these documents. Just a snapshot of our performance; Q1, as we are all aware, in infrastructure sector, especially like ours tends to be little weak, the company has reported a total revenue of INR 2,385 crores in Q1 FY '25. A PAT of about INR 224 crores, this is an increase of 20% as compared to the corresponding quarter of the previous last year.

Core EBITDA has increased marginally to INR 259 crores, vis-à-vis is INR 251 crores in Q1 last year. Earnings per share has gone up to INR 2.38 per share in Q1 FY'25 as against INR 1.99 in Q1 FY'24 and this is on a face value of INR 2 per share. The order book of the company as at 30 June 2024 stood at about INR 26,000 crores, wherein about 51% orders are on competitive basis and balance on nomination. In terms of the domestic international split, it is about 91:9. We are all aware that Irecon has 11 subsidiaries and 7 JV companies.

Without taking any further time, I would like to open the floor for the Q&A session.

Moderator: The first question is from the line of Abhishek Maheshwari from SkyRidge Wealth Management. Please go ahead.

Abhishek Maheshwari: Hi, thank you for the opportunity. Welcome to Mr. Hari Mohan also and to the team. So firstly, year-on-year basis, we saw a decline in revenue we have not been seeing any major traction in order tendering. So just a brief outlook on what kind of revenue growth, if any, are we envisaging in FY '25?

Ragini Advani: So two things. The first thing is that, yes, we have had an order operating revenue decline in Q1 FY'25. There have been a couple of reasons for it. The first reason is that some of our privileged large projects are almost nearing completion or have completed. One of them being USBRL project, rather being Dedicated Freight Corridor project. And that is the reason we have witnessed a decline in the turnover of quarter 1.

Also, there were some geographical factors which were beyond us. For example, there have been too much of a rainfall even in the period of April to June in some of our hilly terrain projects, and we had to divert our resources for national cause.

Third, there have been certain decline in the international revenue as well and that is mainly because of the problems that we've seen in countries like Bangladesh. So given all these factors, we have had a decline in Q1. Also, we do expect Q2 to be mild because of the monsoon and extraneous factors. But on an overall year basis -- FY '25 basis, we are fairly hopeful and comfortable that we should be able to do a similar level as FY '24 on an annual basis. Hope that answers your question?

Abhishek Maheshwari: Part of the question, ma'am. What about order tendering after the election?

Ragini Advani: So yes, now that elections are over, we do expect a lot of tenders and bids to come out, both in railways as well as in highway sector. We are actively bidding and we do hope to have turnaround and some of the orders in this year. And yes, all going well we should be able to get about INR 4,000 crores to INR 5,000 crores in the near future immediately. Thanks.

Abhishek Maheshwari: One last question. Ma'am you've been, you've been maintaining your core EBITDA margin is very stable and good level. So because of the intensity of competition, and we are seeing that the company has not been able to secure orders the way competition has able to. So this we have to compromise on our EBITDA margins going forward because I mean, last two years, we've been reaping for new orders to come in, but it's really not happening and the order book went from INR 45,000 crores, INR 50,000 crores to now INR 25,000 crores. So just like to know your views on that?

Ragini Advani: So we have been maintaining that, we will have a PAT margin in the range of 7% to 7.5% on a short-to-midterm perspective. So that is something which we continue to maintain. So they would not -- I think that is something where Ircan has committed the margins on a short-term perspective and we hope to maintain them.

But having said that, yes, the competition is increasing on a mid to long term perspective. And in order to get orders, we may have to go for some aggressive bidding. We immediately don't see the need for it. But as and when it'll happen, we will keep our investor community informed.

As far as orders are concerned, definitely, for any company like ours, it tends to be cyclical. So to that extent, we are well aware that there has been a dip from INR 44,000 crores to INR 26,000 crores. But that INR 44,000 crores was at a peak, typically for a company like ours, if you were to keep 2 to 2.5x the number, the range of INR 30,000 crores to INR 35,000 crores is also good.

And that does not mean that we will not be working for orders. We are continuously following it up and we should be able to do it soon. In the last quarter, we have had orders of about INR 1,000 crores. And as I said, we should be getting in the range of INR 4,000 crores to INR 5,000 crores soon enough.

Abhishek Maheshwari: Ma'am it is not a determination in our way to maintain margin at 7%, 7.5% PAT level that we are closing out on orders, right because it would be nice to have some predictability like other companies have in terms of revenue?

Ragini Advani: That is no true, Abhishek. I think it is not as simple a story as probably being seen as. It is not a question of getting order versus taking headcount margin. It's a lot more than that. A company has to deliver. It has to execute a project and clearly, there is no point taking a project at losses. So it's not a question of taking slight dip in the margins.

Every tender, every opportunity has to be examined in detail. We are very clear that we want to do projects at margins. As I'm saying, from a mid to long-term perspective, we may have to take a dip. Immediately, we don't see it. And we are well aware of the fact that at the end of its turnover and profit both needs to be seen. And rest assured, management is looking at it in full details.

Moderator: The next question is from the line of Shreyans Mehta from Equirus Capital.

Shreyans Mehta: So ma'am my first question is in terms of order inflows, what the order inflow for 1Q? And what's the guidance for the full year?

Ragini Advani: So order inflow that we've had in Q1 is about INR 1,000 crores. We hope to get another INR 4,000 crores to INR 5,000 crores by Q2. And overall as we have been maintaining, we should be getting order book in the range of INR 10,000 crores to INR 12,000 crores for the full year.

Shreyans Mehta: INR 10,000 crores to INR 12,000 crores.

Ragini Advani: Yes.

Shreyans Mehta: Secondly, ma'am, in terms of the other income this quarter on a stand-alone basis looks to be on a very high side. So is it primarily because of dividends received from our JVs.

Ragini Advani: No. In fact, it is because of my increase in FD income and mutual fund income. So the treasury products that I do, that is where I've had some interest increase over the previous quarter.

Shreyans Mehta: So the core other income which has increased. Nothing to do with the...

Ragini Advani: Core other incomes have increased, absolutely.

Shreyans Mehta: And ma'am we've highlighting that we are looking to grow by say over 2x in four or five years. And here at the same time for FY '25, we are guiding for a flattish growth. So I'm just trying to reconcile where are we on this?

Ragini Advani: So you're absolutely right, as I was stating earlier also that it is a business for a company like ours at times, tends to be cyclical. We are hoping to have a slightly flattish growth in FY '25. This is considering the fact that we know our Q1 and Q2 is going to be taking a hit for factors which will be beyond our control. And also it will depend a lot on the orders that have secured going forward. From a long-term target, we definitely want to double our turnover in another five to six years. And that's something which we'll continue to strive.

Shreyans Mehta: So is it fair to now probably whatever we lost in FY '25 in terms of execution for whatever reason, will be compensated in FY'26 and, FY'26 will have at least, say, 10%-plus growth? Is that a fairer assumption?

Ragini Advani: I think I would be in a better position to say that after we have -- we are in the Q2 or the Q3 results and also, there are several orders that we are hopeful of getting. But ultimately, until the time I do not get it, even I may not have that kind of a visibility. We will be definitely answering this probably in the next or next to next investor call.

Moderator: The next question is from the line of Pratyush from Desvelado.

Pratyush: So in previous conference calls, you mentioned the large ticket projects that have been hold. So I wanted to know that have you seen any significant movement on these projects? And could you please specify these projects are now back on the track or expected to be awarded soon and how does it line with your order into your guidance for the FY '25 now?

Ragini Advani: So yes, as we mentioned that after elections, some of the projects have been announced, both in railways as well as in road and highway, NHAH has already announced some of its projects and the project that we said were on hold is where I'm saying that we should be able to get about INR 4,000 crores to INR 5,000 crores soon enough. So yes, there have been movements in those opportunities, and that's why we feel it should be coming up soon enough in our favour.

Pratyush: So next to that, as you mentioned, the INR 26,000 crores order book. So with the large orders on the competitive bidding that is 51% that you mentioned. So can you please explain on how the bids and strategy is designed to protect the margins, especially in this high competitive environment and what are the trade-offs that have been made between the market share and profitability?

Ragini Advani: So there are different types of orders that one is targeting at. There are certain projects where the competition is very high. And in those products, yes, one may have to take a margin hit. But at the end of it, it will only be to the extent that it should not be a loss-making project. But there are certain projects where there are niche areas such as tunnels, bridges and some complexities. Where we feel the competition is going to be less, especially if the size of those opportunities are large.

And there, we should be able to maintain our margins. We are also trying to do some kind of tie-up wherever required, so as to protect our margins going forward even when the bidding for projects. So given all of these perspectives, it will really depend on every bit to bit. We are aware of it. But to say

it as a general strategy, yes, we would be picking up some projects where we may have to take a little hit on our margins because of the competition.

But we may be trying to offset it by getting higher margins in some of our projects because of the complexity niche that we believe that we will be able to deliver. So industry average typically right now is in the range of about 5%. And let us see how we are able to secure around it.

Pratyush: Last one from my side of would be only 9.3% of your order book from the international market and the slower execution in this season. Could you please share your vision and the strategy for expanding your global footprint?

Ragini Advani: So as far as the global footprint is concerned, there have been a couple of drawbacks that have happened in the last one year. The first one being that, as we mentioned that there has been some political turmoil in two of our projects, it is Myanmar as well as Bangladesh and similar of, one done here geographically certain issues that are happening. Also second the Government of India funding, which was being given on to the projects by MEA, either in the form of grant or in the form of LoC that is right now under wait and watch.

So it's been given very slowly by the government. We are also awaiting further details from them. Many of the projects that we do internationally also require funding from India. So that will depend on how MEA is planning to take it forward. But having said that, because Ircan has had an excellent credibility in footprint internationally. There are certain countries and certain projects where we see ourselves trying to pitch in without both these issues.

And we should be able to increase our international domain but as of now, one cannot say whether it'll come immediately or not. It's -- those kind of projects require some efforts to build it in, some efforts to get it eventually. And therefore, international projects will be on a low side for some time, but we are hopeful of getting some of them by the year-end.

Moderator: The next question is from the line of Ketan Jain from Avendus Spark.

Ketan Jain: So my first question is which type of orders are you targeting to bid any specific segment? Or what's your strategy on that?

Ragini Advani: So essentially, there are three things. One, we are going to obviously bid our bread and butter, which is EPC projects of railways. Two, we are also looking at some EPC in roads and highways. Three, we are looking at some PPP products as well.

Ketan Jain: PPP in roads ma'am?

Ragini Advani: Yes.

Ketan Jain: Next question, what is the status on nomination-based orders. Are you still receiving them or is it closed?

Ragini Advani: Sorry, I did not get your question.

- Ketan Jain:** Status of nomination-based orders from Indian Railways, are we going to receive some of them, going forward?
- Ragini Advani:** No. I mean as a matter of principle, government has stopped giving any business on nomination in railway sector. And that's been stopped for quite a while now. So unless suppose there is some extreme exigency per se, the condition remains competition only.
- Ketan Jain:** So we can assume nomination-based orders in our order book to go to zero in long term?
- Ragini Advani:** Yes.
- Ketan Jain:** And also on the bidding-based orders, how are we executing them? Are we subcontracting them 100% or how are we executing them?
- Ragini Advani:** It's again a mix. Most of the jobs, we tend to do some part in-house. We have a very strong designing team. And we also tend to keep procurement with us wherever we feel it's important. And then subcontract and that could also be not one, but depending upon the level of subcontracting that is required. Certain jobs, yes, we have been fully subcontracting where we see that our role is limited or it's more of run-of-the-mill job. So it's been a mixture depending upon how we feel we can execute the project well and maintain our margins.
- Ketan Jain:** So can I argue that design and procurement is in-house and construction sub-contracts or majority of the projects?
- Ragini Advani:** Certain projects don't kind of design or they may not have too much of a procurement component. Then, for example, our Bullet train project, we're keeping the procurement with us. So it is really dependant on that.
- Ketan Jain:** But if I just have to take an answer like majorly it is sub-contracted?
- Ragini Advani:** Yes, absolutely. Meaning certain components of a project, we continue to keep with us certain we do in-house and certain we sub-contract, yes.
- Moderator:** The next question is from the line of Shreyans Mehta from Equirus Capital.
- Shreyans Mehta:** Ma'am just to delve more on order inflows. So for INR 4,000 crores, INR 5,000 odd crores which you have indicated, are these mainly the road sector projects which you are indicating?
- Ragini Advani:** That's right.
- Shreyans Mehta:** What we're hearing is that could go under renegotiations and many players have indicated that the authorities are approved well. Are we on the same lines that probably the renegotiations are on?
- Ragini Advani:** I don't think we'll be in a position to disclose beyond that considering the sensitive information. I think you're asking very specific granted bid that is under consideration. So we'll be happy to discuss this after we get.

Shreyans Mehta: And in terms of bid pipeline, what's the current bid pipeline? And how do you see the INR 10,000-odd crores coming through, if you could give any number that x percentage would be from railways, x percentage from roads. Any broader sense on that?

Ragini Advani: At this stage, we may not be able to say how much percentage from railways or roads but we are going aggressive in both these sectors in terms of what we are targeting to build. For example, in Q1 itself, just to give you an idea, we are planning -- I mean, we have bid to the extent of about INR 20,000 crores to INR 25,000 crores.

And wherein the indicative bids that have been opened until now, approximately out of that INR 25,000 crores is around INR 15,000 crores to INR 18,000 crores. And also that INR 15,000 crores to INR 18,000 crores some of them are under technical evaluation and some of them have also had their financials. And that is where I'm saying out of that INR 15,000 crores we are looking and hopefully, should be in the range of INR 4,000 crores to INR 5,000 crores is what we should get in our pie.

Shreyans Mehta: And now in case if you could...

Ragini Advani: Both railway and road. Broadly, I mean, one can say, at least on this number of INR 25,000 crores that we've bid right now, one can say is almost 50-50 mix. But going forward, it will really depend which sector comes with what kind of bids and what is it that we really go ahead.

Shreyans Mehta: And secondly, ma'am, in terms of the solar and hydro now government is focusing a lot on renewable. We are largely in the solar. So any plans or can you do something on the hydro front or any other related segment?

Ragini Advani: We are open to it. But since we are taking up the first renewable project, Solar PV project, we wanted to play safe and make sure that we are in a position to deliver what we are delivering and get returns out of it. So this is pretty much on track. I will hand over to my CFO, to explain our existing project that will give you a sense of how we are proceeding there. And we will be looking at these segments once we have completed the existing projects that we've taken on then. Over to Mr. Mugunthan.

B. Mugunthan: Yes. Good afternoon. Regarding our -- the progress of the solar project, we are on track. About 80% of the land acquisition has taken place. We have placed -- all the contracts are in place, and we are seeing a steady progress. In fact, just about a week back, we had commissioned about 50 megawatts of capacity. We hope to complete this entire 500-megawatt capacity by September 2025. I think once we are confident, we may use the credentials to take part in EPC tenders in the solar sector.

Shreyans Mehta: Sir, these are largely back-to-back PPA contract, right?

Ragini Advani: Yes, yes. The PPA has been signed by with railways.

B. Mugunthan: Yes, it is. The PPA signed with railways.

Shreyans Mehta: What's the per unit which we are going to receive?

B. Mugunthan: So right now, we have signed the PPA at INR 2.45. This tariff was as per the big conditions that is prescribed by the MNRE. And there is a tariff revision, which has been subsequently advised by

MNRE INR 2.57 because of the change in the GST regime, we have approached railway for changing the tariff rate in the PPA agreement which we have signed. And it is under consideration.

Shreyans Mehta: One last question, if you could help us in terms of cash on bank balance and investments in our different SPVs.

Ragini Advani: So we have typically a cash on bank balance of INR 4,000 crores, out of which our own funds are about INR 800-plus crores about INR 820 crores. The rest is, of course, relating to projects and as far as our investments go, we have a commitment of about INR 1,100 crores, which we still need to give in the form of equity loans, loans capacity to our SPVs. Out of that, I think 50% should be this year and the balance next year.

Shreyans Mehta: And what I mean -- what have we already done till date?

Ragini Advani: So in this quarter, we have done about INR 80 crores. And overall, we have done in the range of about INR 2,200 crores to INR 2,300 crores.

Shreyans Mehta: Sorry, can you repeat ma'am. INR 2,100 crores to going INR 2,300 crores?

Ragini Advani: Yes, that's it.

Shreyans Mehta: Okay, ma'am, that's it from my side. Thank you and all the best.

Ragini Advani: Thank you.

Moderator: Thank you. The next follow-up question is from the line of Abhishek Maheshwari from SkyRidge Wealth Management.

Abhishek Maheshwari: So ma'am, regarding high-speed rail, we are working on Mumbai-Ahmedabad corridor right now. Any expectations if any new corridor also opens up for work, I mean government was focused on Delhi-Varanasi and Delhi-Ahmedabad also. And also, if you could give your views on why there is so much delay in executing our projects versus how they're executing it this year, where things happen much faster. Is it primarily because of land acquisition or what is it?

Ragini Advani: So two, three questions that you've asked. The first thing is regarding Q2 project or bullet train projects. As far as bullet train project is concerned, it is definitely the first project, which has come into India on Japanese technology. It is supposed to be completed in FY'28, and it is running pretty much on track. I think some first 50 kilometers should come up next year.

And as far as the rest of the projects that you mentioned, which is Delhi-Varanasi corridors and then by Mumbai-Delhi corridor. The government is right now looking at those projects at DPR state. That is what we believe. So the project detailed project review reports are being made. We will be happy to participate as and when those opportunities come.

Now as far as the second question that you mentioned about the delay in execution of projects are concerned. This can be again split into two parts. As the part is, yes, these are infrastructure projects. And typically, the land acquisition becomes one of the most critical factors. We also have a lot of land

split into private land, State Government Land, Central Government Land. And at times, there are land, which even authorities may not have the records of.

So at times, that tends to take us some time. And also, there are certain environmental clearances which are required. So there is a lot of green cover that we have all over India. And that may also take time. But those are things which I may not fall in the scope of Irecon. So as far as Irecon is concerned, once these things are taken care of we typically are by and large executing projects on time with few delays here and there.

Certain projects, again, depending upon the geography or the terrain do tend to delay, for example, our J&K project or the USBRL project as we call it. But otherwise, we are right now doing projects, especially road and highway projects on time. In fact, whatever is the time that's been laid down by NHAI, we have pretty much completed most of them within time. And again, there are certain issues in some of our core connectivity projects, but that's also because primarily because of land.

Moderator: The next question is from the line of Vishal Periwal from Antique Stock Broking Limited. Please go ahead.

Vishal Periwal: I think you did briefly mention the investment of roughly INR 1,100 crores this year and next year combined. Is it possible to share the breakup of it, maybe broad segments or anything that you can provide on this?

Ragini Advani: Because these are already committed. So this is about INR 500 crores in road projects. INR 400 crores in coal project, about INR 70 crores in renewable and about another INR 100 crores, which could switch between road and coal depending upon the final cost.

Vishal Periwal: And then on this solar project, I think the project is on the verge of commissioning. So what is this expected project cost and what is the equity invested in this?

Ragini Advani: Yes, absolutely. I think as far as the renewable committed amount is about INR 120 crores of equity and that is where we still have to do another -- in fact, it's INR 200 crores, and we have done about INR 130-odd crores. INR 60 more crores is what we need to invest and the overall project cost and other details, I will ask my CFO to explain, please.

B. Mugunthan: So overall project cost is about INR 2,760 crores. This is for the entire 500 megawatts. Out of this, about INR 224 crores is coming as VGF. So minus that we have a total equity commitment along with our JV partner of about INR 416 crores. The rest we have arranged debt from Union Bank of India.

Vishal Periwal: So, what is our stake in this?

Ragini Advani: Our equity stake is 76%.

Vishal Periwal: And the remaining is it with railways?

Ragini Advani: It is with a private player called Ayana.

B. Mugunthan: This is Ayana Renewable, which is a subsidiary of NIIF.

- Vishal Periwal:** NIIF okay. And then in solar, again, are there any further plans that we are bidding for it or anything that you'd like to share after this 500-megawatt?
- B. Mugunthan:** So given the competitiveness of the industry, we may not participate in the bids which is being called by state governments, etc. But whenever a CPSE scheme, which is specifically -- if it is another tranche is launched, we will definitely would like to participate in it. Apart from that we are also open to participating as an EPC player in the various tenders, which are called by entities like NTPC or NHPC. So that is something that would be interested, but this is all only after we complete and get our credentials for this project.
- Vishal Periwal:** Got it. And in terms of -- I think, though, historically, you have been saying -- but anything on the asset monetization where we have invested roughly INR 2,200-odd crores any progress which is happening at clearances, which we are seeking or it is still at the same stage or probably we are not looking as us now for that side?
- Ragini Advani:** So this is pretty much on our radar. As we mentioned last time also, four of our road projects are operational. And for them, we have taken our own board approval, which is in-principal approval to go ahead for strategic sale or monetization of these assets. And for which, of course, we being a government company have to take some other approvals from the government itself.
- We've written to Ministry of Railways. In fact, Ministry of Railways has also had some rounds of discussions with us on it. And it should be moving soon to the next level, which would be DIPAM. So we actually this needs to go through a full process and government approval that alternate mechanism may be required for this to happen.
- Once we get that approval, which we are hopeful of getting since we have already crossed railways and right now, it is sitting with DIPAM, it may take time, but eventually, as and when it comes, then we will be happy to go ahead with the monetization.
- Vishal Periwal:** Maybe one last question and then I'll come back in the queue. Two, I think you did mention clarified in terms of our orders that we are targeting. So given -- I mean like competition is there or other things that you mentioned, are we also trying for -- get to get orders, some joint ventures? Are we looking in that front so that like we are opening business new sectors?
- Ragini Advani:** Yes, we are open to all kinds of joint ventures. Obviously, I mean, at the end of it, there has to be something which is a sustainable business and something which we feel we bring value to the table. So what we call as a fit to the overall natural business sense that we have. In fact, some of our bits that we have given are as a part prebid tie ups to get -- make sure that the best of both worlds available by we are bidding for a project. And going forward, we would be open to more joint ventures.
- Moderator:** The next follow-up question is from Shreyans Mehta from Equirus Capital. Please go ahead.
- Shreyans Mehta:** So just one clarification on the previous participant's question on monetization. So how does it work? First, we go -- move the plans to railways and move to DIPAM or we work parallelly even just players who want to look at our assets and both work in sync.

- Ragini Advani:** No. So it clearly works after we get an in-principle approval from the highest authority in the government. That is when we will open the assets or the due diligence thereon for any discussions with parties only after that. And also that would be open process.
- Shreyans Mehta:** And then one for example, once we are through this process and once you receive some valuation for that, again, will be required approval from the government authority or we can go ahead out with whatever values on were comfortable with?
- Ragini Advani:** So our understanding is that it should be that the Board or at the most with Ministry of Railways, but once those approvals come from the highest authority, that is when we will need to know or get to know that are any caveats put by them. Basically, it should not go again to that level.
- Shreyans Mehta:** No, because, ma'am, I am just trying to understand, we are going to DIPAM, without any valuations based on that we want to sell. And once we get the numbers post that, I don't know, I mean, how do we work?
- Ragini Advani:** We are running an open process, and we are going to run it as per the Government of India guidelines.
- Shreyans Mehta:** Secondly, in terms of the railway land, I mean, we had some land barter in BKC. Any clarity out there?
- Ragini Advani:** As we mentioned last time only that we have given it back to railways. It is out of our books completely.
- Shreyans Mehta:** Got it. So any payment we received against that we were supposed to receiving some payment from railways?
- Ragini Advani:** So we had structured the entire development of that Bandra project in such a way that we were getting three instalments initially for doing the work that we were doing initially and subsequently, it would be dependent upon the almost like fixed fee with success fee kind of a model. And -- but it didn't turn out that way.
- So we have received the first instalment of that fee, and that is what we've accounted. Everything else has gone lock stock and barrel back to railway. We booked out of it is the receipt that we booked out of it is about INR 25 crores.
- Shreyans Mehta:** INR 25 crores. And how much addition will have to book?
- Ragini Advani:** Sorry?
- Shreyans Mehta:** So INR 25 crores is what we've booked till date right?
- Ragini Advani:** INR 25 crores is what we have been booked as our fee in this, Yes.
- Shreyans Mehta:** And how much more needs to be booked the other 2 instalments?
- Ragini Advani:** Asset.
- Shreyans Mehta:** Asset. Okay.
- Ragini Advani:** It's a full and final settlement.

Shreyans Mehta: And lastly ma'am, in terms of EBITDA. How should one look at the core EBITDA at standalone level. Should it stabilize here given the current order book? And the, in case you have the competition increases, how confident are you of maintaining or probably since you are indicating that competition could increase. So can it go or how comfortable are we at a 6% EBITDA margin? How should one look at the EBITDA margins for this year and next year? The core EBITDA margins.

Ragini Advani: So as far as core EBITDA margin, I'm talking about the full year FY'23 and'24 level. That is the level which we've maintained, we should be able to maintain for FY'25 also. I'm not talking for Q1, Q1 has an exceptionally good EBITDA margin, okay? So those are the numbers which we'll continue to maintain for FY'25 we may take a hit of about a few basis points in FY'26.

And as far as going forward is concerned, as you rightly mentioned, there may be a stretch between, competitions versus orders that we have to procure. We then keep our investor community informed as and when we feel that these are expected to drop. But for this particular year and most of the next year, we should be within the range of 6.5% to 7%, 7.5%.

Shreyans Mehta: Okay, ma'am. That's it from my side.

Moderator: Thank you. Ladies and gentlemen, we'll take this as a last question. I would now like to hand the conference over to the Ircon management for closing comments.

Ragini Advani: Thank you so much. As there are no further questions, I would like to hand over the call. Thank you for -- I'm sorry, I think I thought that Vishal would be there. But thank you, Neha, and Vishal for moderating the call. And I would like to thank all our Stakeholders, Shareholders, Business Partners, Analysts, Investor Friends, as well as, officers from our ministry who have continued to support us, show faith in us and being a part of our growth journey.

We would be happy to connect with any and all of you on one-to-one basis as and when required. I conclude today's con call, and thank you once again for your active participation. Thanks.

Moderator: Thank you. On behalf of Antique Stock Broking Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.