



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



IRCON/SECY/STEX/124

Dated: 29<sup>th</sup> May, 2024

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

**Sub: Transcript of the Conference Call for Q4FY2024 held on Wednesday, 22<sup>nd</sup> May, 2024/  
बुधवार, 22 मई, 2024 को आयोजित Q4FY2024 के लिए कॉन्फ्रेंस कॉल की प्रतिलेख**

Dear Sir/ Madam, महोदय/ महोदया,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in continuation to our letter of even no. dated 16<sup>th</sup> May, 2024, please find enclosed the transcript of the Conference Call held on Wednesday, 22<sup>nd</sup> May, 2024 to discuss the financial results of the Company for the quarter and financial year ended on 31<sup>st</sup> March, 2024.

In accordance with Regulation 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the 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](https://www.ircon.org/index.php?option=com_content&view=article&id=226&Itemid=643&lang=en) which can be accessed through below mentioned path:

www.ircon.org>> Investor Relations>> Presentation and Earning Calls>> Transcript of the Conference Call held on 22<sup>nd</sup> May, 2024 for financial results for the quarter and financial year ended on 31<sup>st</sup> March, 2024.

कृपया उपरोक्त जानकारी को रिकॉर्ड पर लें।

धन्यवाद,

भवदीय,

(अंकित जैन)/ (Ankit Jain)

अनुपालन अधिकारी/ Compliance Officer

सदस्यता क्र./ Membership No.: A35053



“Ircon International Limited  
Q4 FY'24 Analyst Conference Call”  
May 22, 2024



**Management**  
**Ircon international limited**

Mrs. Ragini Advani – Director Finance  
Mr. Alin Roy Choudhury – CGM Finance



**Moderator:** Good afternoon, ladies and gentlemen. I am Steve, the moderator for this conference call. I thank everyone for joining us today for the Ircon International Limited Q4 and FY24 Analyst Conference Call. Please note that this conference call is being recorded. At this moment, all participants are in the listen only mode. Later, we'll conduct a question-and-answer session. At that time, if you have a question, please press "\*" and "1" on your telephone keypad. Today we have with us the senior management represented by Smt. Ragini Advani - Finance Director, Shri Alin Roy Choudhury - CGM Finance.

I would like to remind you that some of the statements that will be made in the in today's discussion may be forward-looking in nature. It is subject to several risks and uncertainties and the actual result could material differ. I would now like to hand the conference over to Smt. Ragini Advani - Finance director for the opening remarks, after which we will have the form open for interactive Q&A session. Thank you and over to you ma'am.

**Ragini Advani:** Thank you, Steve. Good afternoon, everyone. I am Ragini Advani, Director Finance, Ircon. On behalf of my team, I extend a warm welcome to all of you and thank you for your presence today in the earnings call for Q4 as well as year ended 31st March 2024. I have along with me, my team members, Mr. Alin Roy Choudhury - CGM Finance and Mr. Sachin Garg - DGM Finance. As you would all have seen the results this year, FY24 has been an exceptional year for Ircon. The company has been upgraded to Navratna by DPE and this is a prestigious status that's been granted to us because of our strong financial performance, efficiency and credibility.

Additionally, Ircon has reported once again in FY23-24 highest ever Turnover and PAT. This achievement underscores the company's robust growth and the successful execution of the projects. We extend our heartfelt gratitude to all the stakeholders for their continuous and unwavering support. Financial results as well as the investor presentation has already been uploaded. I'm sure all of you have had the opportunity to review these documents.

Just to summarize our financial performance, the company has reported total revenue of rupees 12,871 crores in FY24, almost up by 20% as compared to rupees 10,750 crore for the same period last year. PAT has also increased by about 21.5% at a level of 930 crores as compared to rupees 765 crore in the last year. Earnings per share have correspondingly gone up to rupees 9.88 per equity share in FY24, these are the rupees 8.14 in FY23 and this is on a face value of rupees two per share.

The Board of Directors have recommended a final dividend of rupees 1.30 per equity share, thereby bringing the overall dividend for this year to

rupees 3.10 per equity share. This is of course, subject to approval of shareholders in the ensuing annual general meeting. Order book of the company currently stands as at 31st March 2024 at rupees 27,208 crores. The mix between competitive bidding and nomination and order is almost 50-50 and between Domestic and International is about 91-9. Ircan has 11 subsidiaries, mainly SPV and this is in renewable power, roads, highways. Ircan has seven joint venture companies, mainly for coal connectivity.

Without taking much time I would. Like to open the floor for Q&A session.

**Moderator:** Thank you. The first question is from the line of Tushar Rangate from Kamakhya Wealth Management. Please go ahead.

**Tushar Rangate:** Thank you for the opportunity, ma'am. I just wanted to know the high-speed railway network is what percentage of our order book and how do you see that panning out in next two to three years? Because I could see we have our experience in the blast less track line segment. Just wanted to know your views and the order book position going forward.

**Ragini Advani:** So, it roughly is about 5200 crores. The order value of the bullet train project, so it would be about 19 to 20% of our order book. And in terms of going forward, our honorable Prime Minister has announced a particular stretch to be opened in 25-26, then another one and 26-27 and the full connectivity will be a year after that so we are accordingly working for those timelines.

**Tushar Rangate:** And what sort of order book you're foreseeing, ma'am, for FY25 overall?

**Ragini Advani:** You know, I mean in FY23-24, we've had order book increase which was quite nominal close to about 1000 crores only from new projects and the balance from some increases that we had in our existing projects so taking this forward, while we will again target to get order books increase to the extent of revenue that we do in this current year or maybe a little more. But a lot will depend on the number of bids which are coming out, the tenders which are coming out. First quarter there has been the slowdown because of the election and I think we'll be in a better position to give you this answer in our results of June quarter.

**Tushar Rangate:** My last question, are we holding your earlier guidance of 15 to 20% CAGR growth for two to three-years?

**Ragini Advani:** No, no, no. So, what I had said was that we will try getting over a period of four to five years at double of our turnover and currently we've done quite well, from 10,000 we've moved on to 12,000 plus crores. In fact, almost close to 13,000. So, on a year-on-year basis, it may not be every year a growth of about 10 to 20% we do see next year depending on of

course it will depend also on the orders that we procure this year, but we kind of see a flattish growth going forward for the next financial year.

**Tushar Rangate:** OK, ma'am. Last question, ma'am, what are our initiatives to increase our margin?

**Ragini Advani:** So, we've always maintained that our margins are quite good vis-a-vis be the industry and we will continue to maintain the margins. Increased margins will be difficult because competition is immense and so also there is a lot of pressure on margins. We've had fabulous margins this year, which have been in fact on the higher side of the spectrum that we've always stated to our investors. And going forward, we will maintain the margins. We may not be able to increase them, PAT margins would continue to be in the level of 7 to 7.5%.

**Tushar Rangate:** That was helpful. Thank you.

**Moderator:** Thank you. The next question is from the line of Shreyans Mehta from Equirus. Please go ahead.

**Shreyans Mehta:** Yeah. Thanks for the opportunity and congratulations on a good set of numbers. Ma'am, this quarter if you see the margins, we on a standalone basis, we are closer to say 7 odd percent. So, can we replicate the same going forward, or are there any one offs during the quarter?

**Ragini Advani:** So, in this quarter, we had a one-off income against an arbitration settlement or in fact a settlement in international court. This was in regards of our South Africa project and that's been partially offsetted by certain provisions that we created this year. On the whole, that has given margins which are higher than the other 3 quarters in the 4<sup>th</sup> quarter but having said that, overall, as we've been maintaining, we should be able to maintain PAT margins in level of about 7 to 7 and a 1/2% going forward.

**Shreyans Mehta:** Got it, got it, got it. Sure. Secondly, ma'am, you know, in the previous calls, we were talking about order inflow, you know, large ticket size projects which were put on hold. So are we seeing, you know, there's some improvement out there and if you could, you know, name a few projects where we are expecting you know next year we could bag or you know we where we have bided for some projects.

**Ragini Advani:** Yeah. So, I may not be able to name them, but they are pretty much in the pipeline. It just so happens that domestic and you know some of the big projects that we were targeting in domestic market, the decisions are delayed because of the elections that come in and we hope to be one of the players to get some part of it at least, but we will only know it later. And yes, our business development team along with the management is looking for all kind of bids that we can do both in domestic as well as

international markets. We put in a lot of efforts last year also and we'll continue to do those efforts. Unfortunately, last year we could not see the results but we are hopeful that after the June quarter, we should be able to see some good results and we'll be sharing it with you then.

**Shreyans Mehta:** Got it, got it, got it. Sure. secondly, ma'am, you know, I mean, if you see our orderbook, we have an orderbook closer to, say 40,000 odd crores and given the average execution, you know, we'll be able to do it say closer to 14,000 odd crores. So, I mean just to the previous participant, you said you know probably will be ending flattish, so are there any? No moving projects or are we being very conservative on the execution front?

**Ragini Advani:** So, so you know, the 27,000 crore order book of mine, these are construction projects. It includes a bullet train project then it includes a tough terrain Myanmar project as well as a tough terrain Sivok project that we have. So, all these projects were never ever meant to be completed in two years. So, these were supposed to be a four-to-five-year horizon in which these were supposed to be created and therefore I have maintained that we will have a flattish number of turnover next year and this will continue for period beyond two years.

**Shreyans Mehta:** Because, ma'am, you know, my point was, you know, that majority of the projects are at advance stage. It's not, you know, we've just started work. So, if you take DFCC.

**Ragini Advani:** In, in our case, Myanmar and Bullet train is still at a nascent stage or I would say the 1st 25% stage.

**Shreyans Mehta:** OK, OK. OK, got it.

**Ragini Advani:** Yeah. So those will spill over after next two years.

**Shreyans Mehta:** Sure. And then last two questions from my side. One, in terms of investments, which we've done in our SPVs till date and how much needs to be invested and 2nd in terms of solar project, what's the status and how much have you invested?

**Ragini Advani:** Could you repeat your question please?

**Shreyans Mehta:** One you know till date how much investments we have done in our roads, mining SPVs? And second question is the status of the Solar Power project which you know we have in terms of EPC. So, where what's the construction status and how much equity we have included in that project?

- Ragini Advani:** Yeah. So first coming to the solar project, we have already infused equity of about 112 crore odd. And we will be infusing funds to the extent of another 89 crores in this current year.
- Shreyans Mehta:** Ma'am, this is totally our share, right?
- Ragini Advani:** Yeah, this is totally our share. OK. And in terms of the project itself, well, there is land acquisition which is happening and apart from that, we have already tied up all our contractors in terms of the procurements that we have to do including for supply of solar module. The tariff and the PP is already fixed and a part of the commissioning would happen in this year and the balance in next year.
- Shreyans Mehta:** Got it, got it. Got it. Sure, ma'am. And in terms of investments which we've done till date in all our SPV's and how much do we have to invest in next day one or two years?
- Ragini Advani:** Cumulative investments in the range of 2000 to 2200 crores is what we've done right now in all our SPVs joint ventures as well as Subsidiaries and we have to do another 1000 crores in the next two years.
- Shreyans Mehta:** Next two years?
- Ragini Advani:** 1000 to 1100 crores, yeah.
- Shreyans Mehta:** And majority would be towards the coal connectivity projects or you know that's largely done?
- Ragini Advani:** No, no, no. So even in coal connectivity there is some amount that we have to done, but majority would be in the road projects. And we expect that the outflow in this year's FY24-25 towards all these projects should be in the range of 500 crores.
- Shreyans Mehta:** 500 crores. Sure, sure. Ma'am, I have a couple of more questions. I'll join in the queue. Thank you.
- Moderatot:** Thank you. The next question is from the line of Joydeb Debnath from Microsec Wealth Management. Please go ahead.
- Joydeb Debnath:** Yeah. Good afternoon, ma'am. My one, my first question is in the recent quarter, we will notice on the loss of around 14 crores from the associate. So, could you please tell me from which associate this loss was booked and may we expect this similar loss in the coming quarter or this is a one time?
- Ragini Advani:** Which loss are you mentioning about? Sorry, I couldn't hear you properly.



- Joydeb Debnath:** The share of profit of joint ventures of around 13.67 crore.
- Ragini Advani:** So, in our joint ventures, as I stated last year also, one of our coal connectivity projects, CERL, it is running into losses. Last year the losses were about 30 crores and this year the loss has been about 25 crores. And it will continue losses for another year to two years. It is still actually a particular per line has to be still set up, which we are in the process of doing. And also, the traffic from this line will pick up over a period of two years and it's only after two years that this will break even so another two years, we expect this loss to be taken, but on the overall the project is doing fine, the viability is there and therefore as promoters, we will have to continue incurring this loss for another two years. That's the only one, otherwise all other projects of ours are doing well.
- Joydeb Debnath:** OK. OK. Thank you.
- Moderator:** The next question is from the line of Shubham Shelar from IDBI Capital. Please go ahead.
- Shubham Shelar:** Thanks for the opportunity. Couple of questions. One, you mentioned there had been arbitration claim that has positively impacted our margin. Can you mention the quantum of this amount?
- Ragini Advani:** Overall, Quantum was 97 crores. The impact in my P&L is about 66 crores.
- Shubham Shelar:** And this 97, is it mean anything booked in other income also?
- Ragini Advani:** Yeah, partly. About 22 crores is booked in other income.
- Shubham Shelar:** OK, so 22 crores booked in other income and 97 - 22 which is roughly 75 odd crores, is part of your revenue?
- Ragini Advani:** 66 - 22, the 97 versus 66 was already sitting as part of retention money and OCI. So, what has affected my P&L overall is 66 out of the 66, 22 is in other income and 44 is in my project revenue versus expense. The overall margin, the operational margin.
- Shubham Shelar:** Got it. And this clarification, this high speed you mentioned amount is 5200 odd crores and so which means nothing has started as of now, right?
- Ragini Advani:** No, no, no. So, we've had, we've done about, I think 1000 crores till now.
- Shubham Shelar:** OK. Yeah. Sure. And then coming to our own cash and the books will be how much?



- Ragini Advani:** Our own cash is in the range of 800 Crores to 825 crores.
- Shubham Shelar:** And in terms of what tax rate, can we expect that 25% for 25 and 26 going ahead?
- Ragini Advani:** Yes, yes, we can. In fact, this year also it's been 25. Last year it was low because of some taxation benefits that we got last year. Otherwise, it should be in the range of 25% only.
- Shubham Shelar:** OK. And then this revenue contribution of flattish number, this is based on the current order that we have in terms of delivery schedule, anything that we get in terms of insurance. So that will positively.
- Ragini Advani:** Yes, yes, absolutely. For which we will be sharing numbers with you as soon as we also get to know.
- Shubham Shelar:** Right, right, right. And then you did mention like, BD team is working on getting orders and can you just maybe will this be possible to give some bit more color in terms of which sectors we are seeing opportunity again the same thing which we asked is any bit pipeline or opportunity that we have bided or? And that will help us to understand.
- Ragini Advani:** So, one, I mean, as you all are aware, we got a 600-crore job up to March in Railways itself and we've got another one of 1198 crores again in railway segment itself and apart from these two, we are expecting some bids to be opened now both in roads and highways as well as in railways. Obviously, the target number that we bided is very high, whether in terms of quantum of bids or the value. But because the competition is immense, and also there's been some delay in some of these, you know, decisions. Therefore, I think it will be better if we are all patient and we go with the numbers that we actually win.
- Shubham Shelar:** OK. But just if one has to understand is it the awarding opportunity for the sectors that we cater, so that has been lower in FY24 and that has also impacted our win that include or you are saying the competition is higher, so which way one should ideally look at?
- Ragini Advani:** Both because you know in Ircon, as I mentioned that there is a particular size or scale of projects that we would like to do and also, we would like to do projects which have tunnels or some complexity involved because there are a lot of small-time players, one-time players who are coming and competing and they are under quoting in the market. And especially for small ticket jobs, we found that, you know, I'm talking of a range of 50 to 100 crores or below that. It is becoming extremely tough to even look at that segment. So, considering all of these, the opportunities that have come up in our segment or the target that we're looking at has been limited last year and also within the segment, the competition has been

immense, but we are hopeful of getting some of the jobs and we should be able to share some positive news very soon.

**Shubham Shelar:** Sure, sure. Maybe one last question. In terms of high speed though, we have one order with us, in terms of opportunity because I know it's more of a media report that we keep on getting a number of projects being lined up, but any bids probably like, you know tenders that getting invited in advanced stage any color that you can share. Because lot of names keep on coming between 2 cities and all.

**Ragini Advani:** I also believe that after us, there is an opportunity that came and that's gone to AFCON. But in terms of focus, of course this Ahmedabad-Mumbai Bullet project once it is commissioned for which I think that should be the target now going forward because it is one of our prestigious projects from a country's point of view. So, once it starts giving us results in terms of actually doing it, executing it over a period of time, then we are fairly confident because as of now the credentials lie with us and L&T. So, we are fairly confident that this should from a mid to long term perspective there should be more such projects coming up and given our credentials we should be able to get some sizeable business going forward.

**Shubham Shelar:** OK. And 5200 odd crore in high speed that is fully like 100% is our share?

**Ragini Advani:** Yes, yes, I'm talking only about our order book.

**Shubham Shelar:** Yeah. Thank you for answering the question.

**Moderator:** Thank you. The next question is from the line of Raj Shah from Wealth PMS. Please go ahead.

**Raj Shah:** Can you explain the margin difference between bidding project and nomination project? For that, what is the margin difference and what is the ballpark margin in both?

**Ragini Advani:** You know, I think we've discussed this earlier in earlier calls as well. The margin difference tends to be about half a percent here and there depending upon the complexity of the job, the size of the job between the nomination versus bidding as a very ballpark number. And in terms of what our margins will be, I have been saying that we'll be continuing to maintain our margins which will be in the range of 7 to 7 1/2 PAT margins and core margin EBITDA margins in the range of about 7 1/2 to 8 1/2 percent. So that is something which we are doing knowing very well that going forward, it will all be competition only.



- Raj Shah:** OK. OK, thank you and one more question was can you explain the cash conversion cycle of the company, whenever the project is awarded or when you will bid for any nomination, how much percent of the award is come to cheque in the balance sheet, and how is this accounted?
- Ragini Advani:** So, the you know, in our case, because it's heavy construction job that we do, so whether it is nomination or whether it is competition, there are advances which tend to sit in our books. There's initially a mobilization advance, then there is an advance against material and typically we would say that as such, the working capital which is involved in completing the project has been very limited till now for Ircan. Going forward, we could have some increase in our working capital requirement because in nomination jobs, the advance tends to be substantial. It is almost like a deposit work, but it would be a working capital which we should be able to manage. I don't see funding requirement towards working capital from banks for the next few years.
- Raj Shah:** OK. Thank you.
- Moderator:** Thank you. The next question is from the line of Hiren, an individual investor. Please go ahead.
- Hiren:** Yeah. Thanks for the opportunity. Just a small bookkeeping question. Is your tax rate seems to have jumped up, you know, during this quarter, if you compare it on a year on year basis, just wanted some clarification and what would be the tax rate going forward for the whole year?
- Ragini Advani:** So, going forward, the tax rates would be in the range of 25 percent and yes, there has been some shift in our tax rate during the quarter Q4 or for that matter, if one was to compare year on year from last year. That's been because of some deferred tax and fees as well as a one-time tax refund that we had last year. And that's an adjustment entry that we've done. It's a non cash book entry also in defer tax, which we've done and going forward it will be around 25%.
- Hiren:** OK. Thank you.
- Moderator:** Thank you. The next question is from the line of Shreyans Mehta from Equirus. Please go ahead.
- Shreyans Mehta:** Yeah. Thanks for the opportunity. Ma'am, first question is, you know that we are seeing a lot of deals as far as HAM projects are concerned at substantial premium. So, any thought process to monetize, I know we'll have to go through you know several rounds to reform, etc. But what we plan out there. Do we intend to hold those or, you know there is a structure where we will be able to monetize those?

- Ragini Advani:** So, as I had stated earlier in my calls, we had taken baby steps towards asset monetization. We had hired a consultant who would tell us what would be the best way to take it forward, after which we've had a board meeting on it as well and in principle decision to monetize the assets which are already operational. And road and highway sector has been taken. This is an Irrcon board, but as you rightly pointed out, after that it has to go through several rounds of approval at Government of India level. So currently that approval we have sought from our parent ministry, Ministry of Railways, the papers are with them. We are hopeful of getting their approval very soon and then we will be moving it further on to DIPAM and Niti Aayog depending upon how much time they take. We are quite focused to take this forward.
- Shreyans Mehta:** But if the intent is to sell it rather than holding to it?
- Ragini Advani:** Yes.
- Shreyans Mehta:** Sure. And similarly for the coal connectivity projects, can we monetize those as well or we'll have to hold on to those?
- Ragini Advani:** So, coal connectivity projects, we haven't yet thought on that direction because we happen to be a minority partner. The majority partner is a Coal India subsidiary, whichever it is, southeastern coalfields or central coalfields and if at all we do plan at some stage, it may not be into the market because I don't think coal companies would like to monetize it, in which case it could be a Intersale, promoter sale or something that may happen, but this is not any charge immediately because as of now all my projects are either in fact, end of construction or just about commercial but with losses so there is no point looking at monetization at this stage. These made for coal projects to be stable.
- Shreyans Mehta:** Got it, got it, got it. Sure. Sure. And secondly ma'am, in terms of you know in the previous calls we've been indicating, you know, that a couple of our coal SPVs would be up and running in say in next one or two years. So how should one look at the JV share of profit?
- Ragini Advani:** So, as I mentioned, you know one of our coal JV's which is Chhattisgarh CERL. Unfortunately, they've been running into losses. There are couple of factors, one of course the major per line is still under construction. The losses will get reduced, but we will still have losses from them for next two years. Meanwhile, our other products, which is MCRL, CERL, CEWRL and one JCRL, those should start giving us profit, but again they are under construction, so the coal profit from coal JV should essentially be coming after two years.
- Shreyans Mehta:** OK. OK.

- Ragini Advani:** Yes, because they take time to stabilize. Ultimately my revenue there is coming from the coal traffic so even when I construct it is not that from the very next day, I get full traffic. So that takes about two to three years to stabilize.
- Shreyans Mehta:** Got it, got it, got it. Sure. And ma'am, one last question, our competitor is actually entering into the manufacturing field to be precise, Vande Bharat Manufacturing. So, are we looking at any sort of JV's or you know tie ups where we can, you know actually enter that segment or any other segment you know which is the upcoming segment?
- Ragini Advani:** So, you know Ircon has had its fair share of diversification into roads, highways and now renewable, and we are fairly confident of the areas we have already diversified and we are making good profits in our Road projects, solar also we hope to do that, in terms of construction or activities, we are fairly confident, In terms of manufacturing, that's a completely new line for us. And as far as Vande Bharat is concerned, that's an area which we've looked at. It's a very, very long liability that is associated with it which I don't think as Ircon we are ready to take it at this stage. So, we will continue to aspire to diversify into more areas. But it may not be manufacturing of Vande Bharat trains.
- Shreyans Mehta:** Got it, got it. Got it, Shannon. Thank you, and., All the best.
- Moderator:** The next question is from the line of Gaurika Nair from Avendus Park. Please go ahead.
- Gaurika Nair:** Hi. First of all, if you could help me with the inflow of the order book for FY24?
- Ragini Advani:** Yeah. So, for FY24, I had an inflow close to 1000 crore from new projects, this included 630 crores for a Aizwal tunnel project that we have and then there is about 120 crores for a signaling project that we've got in Imphal and the balance is somewhat in smaller projects. So that is what I've got for my new projects and I have an overall order book for 27,200 crores currently. So, there has been some increase in my existing projects also roughly to the tune of about 2000 odd crores.
- Gaurika Nair:** Okay, that is my first question. Next is if you could tell me a bit about the EBITDA for this year the future that you expect in FY25-26?
- Ragini Advani:** So, EBITDA margin on a consolidated basis is about 11.73% and going forward, which will be in the range of 10 to 11%. Has been exceptional as I've already mentioned because of some of our yeah, one being, of course, the South Africa income that we got.

- Gaurika Nair:** Also, could you tell me the same things for your revenue growth and your revenue this year and the future?
- Ragini Advani:** Yeah. So, for the revenue for the next year, I said would maintain the at flattish level, which means it will be in the range which is similar to this year. And going forward, a lot will depend on the orders that I procured this year. I hope, it's a wishful thinking, we are working towards it, but in our industry, it is difficult to say till we get it. But if I get orders of another 10 to 15,000 crores, then a year after this we should be seeing about 10% growth in my turnover. But it is something which is dependent on the orders that I get this year. So as of now, it is flattish growth for the next one year.
- Gaurika Nair:** OK. Thank you so much.
- Moderator:** The next question is from the line of Darshil Javeri from Crown Capital. Please go ahead.
- Darshil Javeri:** Hello. Good evening, ma'am. Thank you so much for taking my question. Most of my questions have been answered. So just wanted to ask, will our other income run rate be on the similar levels or how much impact would it be? So, can we expect around 500 crores or other income coming in every year?
- Ragini Advani:** So, you know in 500 I mean it's been a little more than 500 this year, which had a portion as we mentioned of about 20-30 crores. Can you hear me?
- Darshil Javeri:** Yeah, Yeah, yeah, yeah ma'am.
- Ragini Advani:** OK, sorry, I thought I had broken off. So out of this, about 20-30 crores has come as one-off income from South Africa and another 10-15 crores has come from income tax refunds. So, if we, even if I was to leave that aside, we should be in the range of 500 crores going forward. At least for the next year. It will also depend how much of my surplus funds I'm investing or flowing back into new projects because essentially my other income includes a lot of my money that I earn on my FD's and mutual funds. So, if I start putting them into projects which I am expecting over the next two years. Then there would be a slight drop, but I don't see that for the next year at least.
- Darshil Javeri:** OK. Perfect, ma'am. And with regards to our interest cost, so it would also be in the similar range, ma'am, that what we are seeing right now run rate of 40 crores of quarter well maintained or how would we see going it ahead because projects like we are expecting a flattish revenue. So, any guidance on you know how our interest would work out?



- Ragini Advani:** You're talking about our finance cost?
- Darshil Javeri:** Yeah.
- Ragini Advani:** Yeah. So, per say, in Ircan, we don't have any active debt from a lending point of view. These are more of costs that you do because of the accounting entries. And also, a little bit that we pay as interest on advances. You know, so, this is something which will really depend on my size and the nature of projects that I take up. It is not the loans typically that we take up so finance cost in our case is very marginal and on a standalone basis. But if we were to look on a consolidated basis, all SPV's have financial closures and they have taken long term lending. The lending is fixed for the entire loan period and it is linked to the MCLR rates of the respective bank. So, unless interest rates go up in the economy overall, which they are not expected to go up further. We should be pretty much at the same levels.
- Darshil Jhaveri:** Perfect. Well, thank you so much ma'am. All the best.
- Moderator:** The next question is from the line of Parimal Mithani from Credential investments. Please go ahead.
- Parimal Mithani:** Yeah. Thank you, ma'am for the opportunity. Ma'am, I just wanted to know recently, India and Iran have signed this Chabahar port agreement. And in the past, you know, your colleagues in the past who are, you know, when you had run, they're quite bullish on the prospects of our Chabahar in terms of, you know, work coming to us or international. Is there any further development or you think it's too early to comment on that?
- Ragini Advani:** Yeah, I mean, I would have, I'm afraid it'll be a little early. But yeah, well, as of now, there is nothing that we can say. We are definitely getting there.
- Parimal Mithani:** And in terms of ground work will be ahead in terms of other people in this safe to assume that?
- Ragini Advani:** Not for Chabahar.
- Parimal Mithani:** OK. OK, ma'am. Thank you. Thanks.
- Moderator:** Thank you. The next question is from the line of Deep Mehta from Bank of India mutual funds. Please go ahead.
- Deep Mehta:** Hi, ma'am. Thank you for the opportunity and congratulations for very stable numbers. My question is regarding slightly top down in nature. So, in terms of various segments in which we are present, what kind of



opportunities in terms of bidding are we seeing for this year and what kind of market share are we planning to take in terms of Bid wins?

- Ragini Advani:** So, you know, in our case, so we wouldn't talk about market share because market is huge in infrastructure. So, within railways, for example, there is a budget of 1,50,000 crores. But within that 1,50,000 crores roughly about 70 to 80,000 crores is more to do with Vande Bharat and areas where probably Ircon is not present. And then when we talk of another 70 to 80,000 crores, a lot gets done by railway itself and there are also it depends a lot on you know what kind of project sizes do they have. What are the projects that they're coming up with, whether they're coming up at a railway level or at a zonal level, which will mean smaller value? And also, on a lot of competition. So, on a top-down approach, the market is very attractive. We are poised to get more jobs. We have the right credentials and whatever we have built in the past, we also carry a very high credibility. But having said all that, all this there it is ultimately an L1 regime and an L1 regime. as I've mentioned earlier, also the competition is also immense. It also depends on the complexity and the kind of technical qualifications that are put in a particular tender. Given all this, we should be able to get a good sizeable share, I'm saying as I mentioned in the range of 10 to 15,000 crores is what we will target getting this year. But having said that, it will really depend because our last year has not been good enough in terms of getting orders.
- Deep Mehta:** Sure, ma'am. Just one clarification, railway budget is 2.5 lakh crores, right?
- Ragini Advani:** Sorry. Yeah, it is about two 2.5 lakh I mentioned, I think. 1.5 instead.
- Deep Mehta:** Correct. So, our opportunity size should be slightly larger then?
- Ragini Advani:** It is still 60-70 thousand. I mean, if you were to reduce and take out all of those. It basically you know about 1,35,000 is include the rolling stock and many other areas. So ultimately, the areas which we do, which is new lines, gauge conversion and doubling some bridges, all that combined is coming to about 60-70 thousand.
- Deep Mehta:** OK. And metros, bullet train and all those will give us
- Ragini Advani:** Those are over and above anyway, because it is beyond the Indian Railways. Yeah, so those are new again opportunities that we have to bid and we will continue to bid.
- Deep Mehta:** Yeah, will it possible to quantify non railway opportunity for us or those are too difficult?

- Ragini Advani:** No, no, it will be really tough because Metro is fairly segmented in terms of states and it is a little difficult to quantify all of them. But if you were to talk very broadly at India level, then obviously once looking at an opportunity of infrastructure spend of, I think almost more than 10,00,000 crores or something on a yearly basis.
- Deep Mehta:** Yes, ma'am. That was very helpful. That's all from me, Thank you.
- Moderator:** Thank you. The next question is from the line of Manoj Shah from lags cog investment. Please go ahead.
- Manoj Shah:** Hello. Yeah. Good afternoon. Ma'am. Thank you for the opportunity. Yeah, you were saying that you are targeting doubling of the revenue from 10,000 crores to 20,000 crores over four to five years from FY23 to FY28, is that correct?
- Ragini Advani:** Yeah, that is what I had mentioned last time.
- Manoj Shah:** OK, so you have achieved 12,000 crores round about in FY24. FY26 you are saying it will be flat or muted top line? And then next so next 2-3 years, you need to grow at a because over a five years year, the CAGR should have been 14 to 15%. Then after 26 to 28, you need to grow at a much higher than 14 to 15%. So, and you were also saying for the bullet train and Myanmar these you will have revenue additional revenue to even post two years so right now, you are in the initial phase of that project. Is that so you're saying revenue will flow from bullet Train and Myanmar project from FY26 onwards, is that correct?
- Ragini Advani:** No, no, that is not what I meant. What I meant is this project is yet to be completed, so the period in which it will get completed is three to four years. So, the revenue will be spread over the three-to-four-year period and not over two-year period.
- Manoj Shah:** OK, OK. You said it was thousand crores you booked the revenue so out of those 5000 crores, so 4000 crores still to be executed.
- Ragini Advani:** Yes, and it would be over a three-year period.
- Manoj Shah:** OK. And you said the margins will remain in PAT margins will be in the range of 7 to 7 and a 1/2% and the work will be additional money will go into working capital FY25.
- Ragini Advani:** No, I didn't say additional money. We're working capital, I said additional money has to go into PPP projects mainly, but should there be a working capital requirement, we are poised to do it internally. We will not need lending for it for next few years. I don't see working capital as a challenge for us.

- Manoj Shah:** OK. You're saying you will manage it from internal. You don't need to borrow it.
- Ragini Advani:** Yeah. And I'm also saying that it is not so much of a concern right now. We are well within our numbers. So, but what in fact, I need the funds is for my PPP projects.
- Manoj Shah:** OK, OK. OK. Thank you. Thank you very much.
- Moderator:** Thank you. The next question is from the line of Hitesh Raja from HV Raja and Co. Please go ahead.
- Hitesh Raja:** Good evening, Madam. Thanks for answering me. Thanks for giving me the opportunity. This is a very small question. As you were just talking that there would be some more additional working capital requirements, especially as regards the PPP projects and as you already said that there you don't foresee any requirements to raise any funds for working capital. But on the flip side, whether there will be any impact on the other income or the revenue that we may be earning from the working capital because if we need more working capital, we don't need to borrow, but then it may impact our revenue in some sense?
- Ragini Advani:** So, you know, this is someone who asked on not working capital. I said as of now we are on a very, very comfortable situation. If at all we need working capital, we will have internal resources. I am not needing working capital. Right now, my cash that I get from client is good enough for me to manage the liability. I normally don't put my own funds other than bits here and there, and that position is expected to continue on a short-term basis, but just in case we need to put, we are poised to keep it. As I again mentioned, my internal resources will essentially go in equity investments of PPP project and not towards working capital immediately.
- Hitesh Raja:** So, Madam, as I understand, on a broad basis, as of now, the working capital, the current assets, or the short-term investments are not yielding that much of our sizable income in our part of component of the other income part.
- Ragini Advani:** Yeah. So other income will decrease once I invest my surplus cash into PPP projects, which is spread over two years. But having said that, I'll also be earning in the next few months. So, it will be a recurring cycle. And therefore, I do not see a other income dipping from a 500 crore level, it may not be at a level of 540 or 580, but it will be in the range of 500 for the next year. Obviously, if I get more PPP opportunities then the number will come down, but for next one year I'm confirming it should be in that range.



**Hitesh Raja:** OK. Thank you, Madam.

**Moderator:** Thank you. The next question is from the line of Raj Shah from Wealth PMS. Please go ahead.

**Raj Shah:** Hi, thank you very much for giving this opportunity. I just want to ask one question. I want to take the product you want to understand what is the risk of your sub-contractors bidding is gone for the projects that we are currently handling? Because I understand we are currently sub-contracting a lot of projects that we get, right? So, what is the risk that going forward is there any project where more than 50% or 60% of work is being done by one single subcontractor in any of our projects and just want to understand what is the risk that these subcontractors may outbid Ircon going forward in the bidding project? Thank you.

**Ragini Advani:** Couple of things. The first thing is that Ircon does a lot of work departmentally as in what we do within Ircon in our company by different sections and the essential work there involves the initial planning, the designing, the procurement which typically for a contractor, becomes tough because most contractors don't have financial resources and subsequently it's overseeing the overall quality of the project or the credibility. So, these are three things that we typically bring to the table even when we are subcontracting. Now in terms of competition, obviously, hardcore pure civil work, they can compete with us and they are. But where it is an overall package which involves a procurement at designing and a lot of planning, meticulous planning in some of these projects, if you see the kind of projects Ircon has done, we've done the USBRL project and we are currently doing this Sivok project, all these involve a lot of tunneling project experts and you have a lot of design and planning details that need to go into it. So there the competition will be lesser from any of these subcontractors. In fact, it will be nil and that's the reason we are trying to build a niche for ourselves in which we hope to continue getting more projects. Like it goes straight away for bullet train project also. The technology is Japanese. There's a lot of JV arrangements that we have with many of the Japanese vendors and that is how this project is coming. So pure subcontractor will not be able to take it forward.

**Raj Shah:** OK. OK. Thank you. Thank you so much. And the second question was what do you see a technicality in Q4? In the topline, why is there a technicality in Q4 for revenue recognition?

**Ragini Advani:** Technicality. What technicality?

**Raj Shah:** Yes, usually the Q4 numbers are higher than the 1st Q1Q2Q3. So, is there any particular reason why Q4 numbers are higher?



**Ragini Advani:** Why Q4 numbers are higher?

**Raj Shah:** Yeah.

**Ragini Advani:** Yeah, but I think typically in our kind of industry, Q4 always tends to be higher.

**Raj Shah:** Ohh. OK, thank you.

**Moderator:** Thank you. As there are no further questions, I would like to hand over the call to the management for their closing comments. Thank you all for being a part of the conference call. If you need any further information or clarification, please mail at [sachin.garg@ircon.org](mailto:sachin.garg@ircon.org).

Ladies and gentlemen, this concludes your conference for today, thank you. As there are no further questions from the participants, I now hand the conference over to the management for their closing comments.

**Ragini Advani:** Thank you. Thank you, Steve for moderating the call. I would also like to thank all our shareholders, stakeholders, business partners, analyst, investor friends who have continued to show faith in us and have supported in this journey. We assure you we will not disappoint you. We would be happy going forward to connect with you on one-to-one basis if it is required for any further queries and clarifications. With this I conclude today's concall and thank you all for your active participation. Thanks once again, thank you.

**Moderator:** Thank you everyone for joining this call. You may now disconnect your lines. Thank you.