

“PNC Infratech Limited Q1 FY'26 Earnings Conference Call”

August 14, 2025

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MANAGEMENT: **MR. YOGESH JAIN – MANAGING DIRECTOR,**
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MR. PANKAJ AGARWAL - VP (FINANCE AND ACCOUNTS), PNC INFRATECH LTD.
MODERATOR: **MR. VAIBHAV SHAH – JM FINANCIAL**

Moderator: Good afternoon, ladies and gentlemen. On behalf of JM Financial, I am pleased to welcome you on the call of PNC Infratech Limited Q1 FY'26 Earnings Conference Call.

This conference call may contain forward looking statements about the Company which are based on the beliefs, opinions and expectations of the Company as on date of this call. These statements are not the guarantees of the future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be no opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal a conference operator by pressing '*' then '0' on your touchtone phone. Please note this conference has been recorded.

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

Vaibhav Shah: Yes, thank you. On behalf of JM Financial, I am pleased to welcome you all to the PNC Infratech Q1 FY'26 Earnings Conference Call. We have with us the Managing Director of the Company – Mr. Yogesh Jain along with the Senior Management Team.

We will begin with the opening remarks from the Management followed by interactive Q&A sessions. Thank you and over to you, sir.

Yogesh Jain: Good afternoon everyone. On behalf of PNC Infratech Limited, I extend a warm welcome to all of you for joining us today on this call. Today I have with me, Mr. T. R. Rao - Director (Infra), Mr. D. K. Agarwal, CFO; Mr. Pankaj Agarwal, VP (Finance and Accounts) and Strategic Growth Advisors, our investor relations advisors.

The Financial Results and Investor Presentation have been uploaded on the Stock Exchanges and the Company website for your reference.

Initially, I would like to mention key updates of the industry, followed by the operational developments of the Company and highlights of financial performance during the quarter ending 30th June 2025, post which we will be happy to answer your questions.

- ✓ The Indian roads and highways sector has faced notable headwinds in the recent years, with a slowdown in both project awarding and construction activities.
- ✓ Between April and July 2025, NHAI awarded only 180 kilometers of highways.
- ✓ However, long time outlook looks robust as MORTH including NHAI and NHIDCL aim to award new highway and expressway projects of Rs. 7 lakh crore before end of the current financial year.

- ✓ In line with these targets, NHAI intends to bid out more than 120 highway and expressway projects worth over Rs. 3 lakh crore before the end of the current financial year.
- ✓ The proposed NHAI projects cover a diverse network comprising economic corridors, national corridors, expressways, inter-corridor and feeder routes and port connectivity highways.
- ✓ Turning to water infrastructure, Jal Jeevan Mission has shifted focus from infrastructure creation to ensuring long-term sustainability.
- ✓ With over 14 crore rural households now having access to tap water connections covering nearly 75% of rural India.
- ✓ As part of expansion and upgradation of the rail network in the country, Indian Railways launches a series of new projects across all its railway zones generating new business opportunities to the infra developers.
- ✓ A sizable number of new projects are also coming up in renewable energy, power transmission, coal mining & development, water resources management, industrial area development and other infra sectors at both central and state levels offering diversified business opportunities for the established infrastructure players.

Now coming to the recent updates in the company:

- ✓ On the project front, the company has strategically expanded into two new business segments: renewable energy and coal mining.
- ✓ In the month of July, the company forayed into renewable energy space by securing L1 bidder position for 300 MW Solar Power Project with 600MWh Battery Energy Storage System project floated by NHPC. The project is to be implemented in 24 months and operated for 25 years, post commissioning.
- ✓ In August 2025, the company being declared as L1 bidder, received Letter of Acceptance from South Eastern Coalfields Limited for Over Burden Removal and Coal Extraction at Gevra OCP Expansion Project in the state of Chhattisgarh for a contract value of Rs. 3,489 Crores including GST, to be executed in 5 years.
- ✓ On asset monetisation side, Company and its 100% subsidiary PNC Infra Holdings Ltd successfully completed sale of 100% equity stake in PNC Bareilly Nainital Highways Private Limited, a BOT -Toll Sate Highway Project, to Highway Infrastructure Trust promoted KKR by and its affiliates.
- ✓ The above transaction was concluded on 31st July 2025 at an Enterprise Value of Rs. 716.2 Crores, out of which Rs 153.48 crores received towards equity, and Rs. 239.35 crores received against the unsecured loan.

- ✓ In addition to the consideration received as above by the Company, there are certain other receivables amounting to Rs. 80 crore for the same project, which would be received by the Company from VIT, as stipulated in the definitive agreement, going forward.
- ✓ With the successful transfer of PNC Bareilly Nainital Highways Private Limited, the Company has now completed the 100% equity divestment in 11 out of the 12 assets under the definitive agreement executed for the equity sale last year.
- ✓ The 12th and final asset PNC Challakere Karnataka Highways Private Limited is expected to be divested in Q2 FY26, upon fulfilment of the remaining Conditions Precedent.

Now moving on to the operational and financial performance of the company

- ✓ The Company is presently having a fund-based portfolio of 16 projects. Out of which, 1 is BOT-Toll project, 2 are BOT Annuity Projects, and 13 are HAM projects.
- ✓ Aggregate Bid Project Cost of 13 HAM projects is over Rs. 14,800 Crore.
- ✓ Out of 13 HAM projects,
 - 3 projects achieved PCOD
 - 6 projects under construction
 - 3 projects achieved financial closure, and appointed dates are expected to be declared in Q2 and Q3 of FY 26.
 - Remaining HAM project of MPRDC, documents for financial closure have already been submitted and appointed date is expected to be declared in Q2 of FY 26.
- ✓ Total equity requirement for the 13 HAM projects stands at Rs. 1,744 crores. Out of which, the Company has already infused equity of Rs. 1,019 crores till June 2025, and the remaining equity of Rs. 725 crores to be infused over the next 2 to 3 years.
- ✓ The internal accruals that would be generated over the next two to three years should be adequate to meet the further equity investment.

Now moving on to our order book

- ✓ As of 30th June 2025, the Company's unexecuted order book stands at over Rs. 17,000 crores, which includes EPC values of Varanasi Kolkata Packages 2, 3 & 6, Bhopal Bypass HAM Project of MPRDC and a flyover project of Rajasthan PWD in Bharatpur.

- ✓ The above unexecuted order book doesn't include the recently secured renewable energy project of NHPC and mining project of South Eastern Coalfields Limited having an aggregate value of over Rs. 5,000 Crores. Considering these two projects, the total order book comes to over Rs. 22,000 crores.
- ✓ Out of the unexecuted order book of over Rs. 17,000 crores as on 30.6.2025, highway & expressway contracts contribute 67%, while water, canal and area development contracts contribute 33%.

Now I would present the results for the quarter ended June 30, 2025.

Standalone Quarterly Results:

Revenue for the 1st quarter of FY26 is Rs. 1,136 crores.

EBITDA for the 1st quarter of FY26 is Rs. 141 crores. EBITDA margin for the 1st quarter of FY26 is 12.4%.

Profit for the 1st quarter of FY26 is Rs. 81 crores. PAT margin for the 1st quarter of FY26 is 7.1%.

Consolidated Quarterly Results:

Consolidated revenue for the 1st quarter of FY26 is Rs. 1,423 crores.

Consolidated EBITDA for the 1st quarter of FY26 is Rs. 367 crores. The EBITDA margin for Q1FY26 is 25.8%.

Consolidated PAT for the 1st quarter of FY26 is Rs. 431 crores. The PAT margin for Q1FY26 is 30.3%.

On Standalone basis,

Our net worth as on 30th June 2025 is Rs. 5,557 crores, whereas standalone debt from Banks/Financial Institutions is Rs. 20.0 crores. This translates to net debt to equity of 0.07 times. We also have a net surplus of Rs. 483 crores as on 30 June 2025.

On Consolidated basis,

Our net worth as on 30th June 2025 is Rs. 6,421 crores whereas total debt is Rs. 4,712 crores. This translates to net debt to equity of 0.73 times. The total cash & bank balance including current investments is Rs. 2,672 crores.

With this we now open the floor for questions. Thank you.

- Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Shravan Shah with Dolat Capital. Please go ahead.
- Shravan Shah:** Hi, thank you sir. A couple of questions. So first on the guidance front, so last time we said Rs. 6,600 crore revenue which is a 20% growth for this year and this quarter we have seen a de-growth of 13%. So for in balance 9 months, we need a kind of a 45% kind of a growth. So just wanted a revised guidance number on the revenue for this year and also for next year FY'27, we have talked about 15%-20% kind of a growth. So if you can let us know?
- T. R. Rao:** As of now, we still maintain a 15%-20% growth for FY'26 because the 1st Quarter if you compare to last year 1st Quarter corresponding quarter, we received arbitration award amount as well as the bonus amount. Let's say it's not an objective comparison. So nevertheless we expect an improved turnover during the Q3 and Q4 with the new projects flowing and also once this rainy season gets over. So still we maintain 15%-20% growth over the previous year as a guidance for FY'26.
- Shravan Shah:** On the lower side versus at 20%. So is it fair, so let's put up a number would be a better. So at least Rs.6,300 crore plus kind of a number should be there on the topline front.
- T. R. Rao:** Yes, if it comes to that, 15% so Rs.6,300 crores.
- Shravan Shah:** And on the margin front so this quarter was also on the lower side 12.4% but we are looking at a 13% margin, so that still remains intact?
- T. R. Rao:** Yes, sir that will remain intact. Because this year, the turnover is slightly less, so fixed overheads are same being the same. So there is a pressure on the margin but 13% EBITDA margin we should be able to maintain for the FY'26.
- Shravan Shah:** For next year now once we have this coal mining and the BESS so both put together Rs.5,100 odd crore, so for next year how one can look at will the growth rate on the revenue front should be a much higher 20% plus should be there?
- T. R. Rao:** 20% we are expecting. This will again 15%-20% we are expecting next year for FY'27 but see we are expecting some appointed dates to be declared for the projects which have already been awarded last to last year. So once these appointed dates are declared for the four HAM projects and also the execution begin at these things so we will be able to assess in a better way next quarter, but as of now 15%-20% for FY'27 over FY'26.
- Shravan Shah:** Yes and in terms of the order inflow now, so if we consider this Rs. 5,200 odd crore for the BESS and coal mining, so now how much more are we looking to bag in this year and also at the same time if you can also specify in terms of the bid pipeline from which segments we are looking at?
- T. R. Rao:** See, order book last time we had mentioned Rs. 12,000 - 15,000 crore for FY'26 since we have already secured over Rs. 5,000 crores so we are expecting another Rs. 7,000 crores to

Rs.10,000 crores new order in the next three quarters from Q2 to Q4. So Rs. 7,000 crores to Rs. 10,000 crores and we are expecting orders from the primarily from highway sector as our Managing Director has mentioned, NHAI is coming out with 120 major projects having a value of more than 3 lakh crores. So definitely our focus will be on highway sector only, but roughly you can say the majority of this remaining Rs. 7,000 crore from the highway sector, remaining from the other sectors.

Shravan Shah: Got it. And just how much revenue one can look at from the coal mining this year and from next year onwards once it will be a kind of a stabilizer on a yearly basis how much revenue one can look at and same way for BESS that the RE project that we have received. So this year on the EPC front how much one can look at revenue and next year how much one can look at?

T. R. Rao: Coal mining if you see this Rs. 3,000 crore worth of project has to be executed in five years with an average revenue of Rs. 600 crores per year. So this year anyhow now post this rainy season and all we will be beginning. So 300 crores to 400 crores we expect in current year and the next year onwards it should be Rs. 600 crores slightly more than Rs. 600 crores per annum. So should be able to complete this entire scope within the 5 years what was the stipulated in the contract. Effectively uniformly Rs. 150 crores for each quarter.

Shravan Shah: Got it and for BESS, how much we are looking at this year and next year?

T. R. Rao: See BESS, still we had to receive the letter of award post that there is a process involved. The NHPC has to sign a power sale agreement with the state government and then subsequently purchase agreement signed and then post that we have to implement. So this year, we are not looking at a significant amount of implementation but 24 months we have to implement this project of over Rs. 2,000 crores EPC value. So we say one quarter, in Q4 we will be executing some work this year and major work will be executed next year. The exact number we will be able to share in next quarter.

Shravan Shah: Yes, lastly sir, balance sheet and project wise order book data if you can share, so inventory, debtors, trade payable, mobilization, retention value as on June.

T. R. Rao: Mr. Shravan Shah, we will come back on these details. So let other people also listen. We will share with you all the details going forward.

Shravan Shah: And project wise order book or whatever is left if I can name the project, if you can share the outstanding order book?

T. R. Rao: Okay.

Shravan Shah: Irrigation outstanding order value is how much?

Pankaj Agarwal: Rs. 866 crores.

Shravan Shah: It seems some scope of increase has happened. Kanpur-Lucknow package 1 and package 2?

- Pankaj Agarwal:** Kanpur-Lucknow package 1 is Rs. 67 crores and package 2 around Rs. 40 crores.
- Shravan Shah:** And Mathura bypass Gaju village?
- Pankaj Agarwal:** Completed.
- Shravan Shah:** And Haryana Orbital rail?
- Pankaj Agarwal:** Rs. 528 crores.
- Shravan Shah:** Ganga bridge?
- Pankaj Agarwal:** Ganga bridge is around Rs. 230 crores.
- Shravan Shah:** Got it, sir. Thank you and all the best.
- Moderator:** Thank you. The next question comes from the line of Mohit Kumar with ICICI Securities Please go ahead.
- Mohit Kumar:** Good afternoon, sir and thanks for the opportunity. My first question is on the RE ESS portfolio. You have won 300 MW-600 MW odd bid. The question is what is the aspiration of medium term ambition in building of this business and are you willing to and any capital allocation plan if you have for this particular business?
- T. R. Rao:** This is the first project in the renewable energy space for our Company. We are looking forward to, see this is the first project as we go forward, while implementing this project so we will also know that what is a more deeper insight about this renewable energy space. So definitely, we look forward to more opportunities in this space going forward, but our focus will be first will be implement this for this project.
- Mohit Kumar:** And so you expect a limited capital, right? What is the equity requirement for this particular project?
- T. R. Rao:** This depends upon the debt equity ratio that we are they will be discussing with the banks based on that we are having an equity requirement of say around Rs. 400 crores of equity requirement would be there assuming a debt equity of 80-20 as of now, but only final figures will know once we are in the process of financial closure for the project.
- Mohit Kumar:** My second question is that how should we think about the margin profile in coal mining project and I believe this is our first project in the coal mining right and the related question is do you understand what kind of CAPEX you require to execute this project?
- T. R. Rao:** We are expecting a CAPEX of around Rs. 400 crores for this project for this coal mining project because it's a machinery intensive project. So we are expecting Rs. 400 crores to Rs. 500 crores CAPEX for this project.

- Mohit Kumar:** And what about margin profile sir? Do you believe it is similar to the existing one or do you think it will be...?
- T. R. Rao:** It will be similar. It will be around 13% EBITDA we are expecting from this project. Similar to our other portfolio.
- Mohit Kumar:** Understood sir. Thank you. Best of luck.
- Moderator:** Thank you. The next question comes from the line of Vasudev from Nuvama. Please go ahead.
- Vasudev:** Thank you for the opportunity. So sir what is our current status of the irrigation Jal Jeevan Mission and the CIDCO project?
- T. R. Rao:** The irrigation project we have executed certain work during the previous quarter. As of now only peripheral works are executing because the water is flown into the canal system. Again we will resume the project in the month of January. Overall this year we are expecting Rs. 150 crores work. Then next year this will be further increased. So project is going on they extended the time up to 2026 September and we are expecting further extension of this project. So project is going on because hardly we will get six months less than six months' time in a year to execute the project because remaining year for the irrigation purposes water is left into the canal. And in Jal Jeevan mission, Phase-II we have completed two-thirds of the projects more than 67% physical progress and nearly 55% to 58% were completed in Phase-III. So overall progress is around 60%. So project is going on. We expect to complete in FY'27 and maybe some residual works in later.
- Vasudev:** And sir on the CIDCO project, in presentation we have written that the project is sub judice. So what's the status here?
- T. R. Rao:** The matter is still under sub judice. We halted the project. Implementation of the project we halted. Nevertheless we have mobilized our resources. We set up our camp and other things. But as of now physical execution of the project we halted it. The matter is before the court. Matter is sub judice. We don't want to share further on this project, matter being sub judice.
- Vasudev:** Okay. And sir what is the CAPEX that we are planning for the full year and out of that how much have we done in Q1? And lastly can you also give the toll collection numbers for the quarter?
- Pankaj Agarwal:** Our target for CAPEX in this financial year is around Rs. 450 crore including the CAPEX of coal mining for the financial year. And the toll number are, please note down. For MP highways, it is Rs. 12.34 crore; for Bareilly Nainital it is Rs. 19.65 crore, Narela the collection is Rs. 22.64 crore. And for Rae Bareilly annuity is Rs. 32.16 crore.
- Vasudev:** Okay. And sir what is the CAPEX that we have already incurred in Q1?

- Pankaj Agarwal:** We have not incurred any CAPEX in this quarter. We will do the CAPEX in the next three quarters.
- Vasudev:** Okay. Sure sir. That's it from my side.
- Moderator:** Thank you. The next question comes from the line of Ketan Jain with Avendua Spark. Please go ahead.
- Ketan Jain:** Thank you. Sir I just wanted to understand on the Renewable project. If I understand the CAPEX involved is around Rs. 2,000 crores. Do we have the execution capability in-house to execute this project? Or how is the execution of this project going to be?
- T. R. Rao:** This Renewable Energy Project?
- Ketan Jain:** Yes sir. Renewable Energy.
- T. R. Rao:** Renewable Energy Project see we will engage the specialized agencies and also we already engaged the consultants who have adequate expertise in these projects and holding expertise in this project. So we certainly we are in the process of recruiting people and certain team is also there already with us. So we should be able to execute the in-house only, this project, by having some partnership with the technology providers and the specialized vendors with the support.
- Ketan Jain:** Understood. Okay, that was my question. And the CAPEX is Rs. 2,000 crores, right, sir?
- T. R. Rao:** For this particular project whatever the equipment of solar panels as well as the battery lines will be but since that is a part of project cost only and it will be capitalized. There will not be any separate CAPEX on the PNC books.
- Ketan Jain:** Understood. So I was thinking that the project cost is around Rs. 2,000 crores, sir?
- T. R. Rao:** Yes. Over Rs. 2,000 crores.
- Moderator:** Thank you. The next question is from the line of Sarvesh Gupta with Maximal Capital. Please go ahead.
- Sarvesh Gupta:** So first question is on this Rs. 4,500 crore worth of MSRDC project. So if you can update us with progress on these two, what is going on in these two?
- T. R. Rao:** See MSRDC projects of 4,500 crores comprising Jalna-Nanded Expressway as well as Pune Ring Road. So both projects are going on. We started in the commencement of execution during the fourth quarter of last year and 1st Quarter of this year also we have executed certain work and projects are going on as of now. Only because of the current quarter, ongoing quarter because of the monsoon and intense rains, , progress is slightly affected. Otherwise progress, projects are progressing as per the schedule.

Sarvesh Gupta:

Okay. And sir secondly on the orders which the industry is hoping to get. So now I think in the past 2-3 quarters, we have been always been expecting that orders will come eventually, but I think that is getting delayed or not getting received every quarter. So I think 2-3 quarters back, we had a revenue growth guidance of 30% for FY'26, which got revised down to 20% and now 15% to 20%. So two times already we have taken downward revision because obviously there is nothing which just you, but other players are also not getting. So what gives us the hope that, we will be able to get these orders? I mean, are there some tangible changes that has coming from NHAI side that you feel confident that they will be giving out these orders or if you can update on that because otherwise we don't have enough of road orders to be able to sort of meet the guidance, even the revised one?

T. R. Rao:

So see, last two years, everybody knows the awarding activity by NHAI is subdued. So it is reflecting into the low construction activities in the last year as well as the current year. But as announced by NHAI, from Q2 onwards, they're going to award major projects of large number of major projects of Rs. 3 lakh crores. So we are positively thinking that, okay, we will get a certain amount of projects from these things. And the second thing, the reason for the downward in the last year turnover, as we had already mentioned, because of the four projects which for the construction agreement you have signed in FY'24, those projects could not start because of the delay in declaration of appointed date due to non-sufficient land is available. There is a prolonged delay in acquisition of land in the state of Bihar. So that is the reason, but now the land acquisition process has improved. So we are expecting appointed dates during the Q2 and Q3. Certainly, these projects will generate income in the current financial year as well as the next financial year substantially. So we should be able to maintain the revenue guidance what I have given. But we don't remember that we have ever given any 30% guidance for FY'26. Last time we mentioned up to 20%, now we say about 15% to 20%. So which we should be able to maintain, we should be able to achieve. Given the fact that we received around Rs. 5,000 crores in new projects and also the four projects which have been awarded last to last year are going to be commenced once the appointed dates are declared.

Sarvesh Gupta:

Sir, even if the orders were to come, so from an industry perspective now what has happened is all the players are having a balance sheet which is probably the best that has been in the history. So everyone is sitting with a lot of cash and everyone is sort of starved of any orders in the last 18 months to 24 months. So given that sort of a scenario, how do we feel about the margins that can be expected on these future orders if at all they come? Because everybody is hungry for orders and everybody is sitting on a lot of cash.

T. R. Rao:

No, that is there. See the particularly infrastructure cycle if you see over the last decade, it is a cyclical. See there are downs and there are ups in the infrastructure at the how the government and the order inflow is happening. So yes, people are there, everybody is very eager to garner the new business. But what we feel there is enough cake for everybody. Because railways are also coming with a large number of projects and also metro rail projects are coming and also then apart from NHAI and the renewable energy, transmission line, a lot of projects are coming up. So, we feel that okay, there are several players who are very much hungry to

secure more projects, but sufficient business is available at the government thrust on infrastructure development for overall socio-economic development.

Moderator: Thank you. The next question comes from the line of Vaibhav Shah with JM Financial. Please go ahead.

Vaibhav Shah: Sir, what execution do we expect from the existing MSRDC orders, Pune Ring Road and Jalna in FY'26?

T. R. Rao: This figure is not readily available. We will share with you, but we will have a substantial amount to be executing in Q2, Q3 and Q2 may be slightly less, but Q3 and Q4 will be expedited. So we share with you offline. The figure is not readily available.

Vaibhav Shah: And sir, we were L1 in Bhandara-Gadchiroli as well. Any status, any update on that?

T. R. Rao: For practical reasons, that project is non-est. See, there is no guarantee and also this we are not considering as a thing. And so if anything is there, any development in that project, we will share with you through the stock exchanges.

Vaibhav Shah: Okay. Secondly, on the JJM side, what would be our receivables outstanding right now?

T. R. Rao: The receivables are as of 30th June, it's more than Rs. 700 crores receivables are there because there is a paucity of funds. The government of India just halted the funds. They're reviewing the whole program. We are expecting funds will come in the current quarter. Then these backlogs will be cleared.

Vaibhav Shah: Sir, I missed the number you mentioned. What was the number?

T. R. Rao: Rs. 700 crores.

Vaibhav Shah: And the same for irrigation project?

T. R. Rao: Irrigation project, actually, since last year, we received more than Rs. 200 crores amount. Now, the outstanding amount is around Rs. 90 crores. Because the government of Andhra Pradesh has paid during the one year, progressively they paid more than Rs. 200 crores out of the total outstanding amount. Now, the outstanding amount is less than Rs. 100 crores.

Vaibhav Shah: And sir, what execution are we targeting from JJM segment in FY'26?

T. R. Rao: We are targeting Rs. 900 crores in FY'26. We're focusing on making this project into O&M stage. We are also consolidating. There are 80%-90% completed. We are trying to take them to O&M stage and commissioning the project. But still, we are targeting as of now Rs. 900 crores. But we should be able to tell a more tangible figure, a more precise figure during the next quarter.

- Vaibhav Shah:** Sir, in the entire backlog of almost Rs. 2,900 crores, that should be completed by FY'28?
- T. R. Rao:** Yes, FY'28. As per the budget speech, they extended the JJM up to FY'28.
- Vaibhav Shah:** Sir, guidance on the ADs for the three packages of VRK and Western Bhopal bypass?
- T. R. Rao:** We are expecting these appointed dates for these three projects of NHAI, VRK and one project of MPRDC, Bhopal bypass during the current financial year, maybe one project in Q2 and the remaining 3 projects in Q3. So, because since the initial works will not be high-value works, so we are not expecting very high value of this project. But these projects will give some sizable amount. All four projects should give more than Rs. 1,000 crores turnover during the current financial year.
- Vaibhav Shah:** All the four together?
- T. R. Rao:** Yes.
- Vaibhav Shah:** Okay. And sir, lastly on the monetization front, so just a question on the accounting. So, how are we accounting for the money inflow? So, in the standalone books, we don't see any cash coming, right?
- Pankaj Agarwal:** Actually, the money is flowing to the main Company PNC Infratech Limited and Infra Holding. The 100% substantial PNC Infratech Limited. The money has come in PNC and PNC Infra Holding both.
- Vaibhav Shah:** Okay. Sir, so last time we had mentioned that the total amount of cash that we have received in the deal, so around Rs. 2,200 crores had come, Rs. 1,660 crores from the Phase-I and Rs. 584 crores from the change in scope.
- Pankaj Agarwal:** Yes.
- Vaibhav Shah:** So, of this Rs. 2,250 crores, how much has come in the standalone books and how much is in the consol books in the SPV?
- Pankaj Agarwal:** Actually, in standalone basis, the money will come around Rs. 1,100 crore and the balance will receive in the PNC Infra Holdings.
- Vaibhav Shah:** Okay. Thank you, sir. Those were my questions. I will come back in the queue.
- Moderator:** Thank you. The next question is from the line of Aniket Madhwani with Steptrade Capital. Please go ahead.
- Aniket Madhwani:** Here we can see from FY'24, there is a dip of 22% in the topline in FY'25. Can you specify the reason for it?

- T. R. Rao:** See, you are telling FY'25 vis-à-vis FY'24?
- Aniket Madhwani:** Yes.
- T. R. Rao:** We had already shared last year, many rounds of discussions had, but still, as we said, the main reason in the delay in declaration of appointed date for the four HAM projects, which were awarded in FY'24. In July 2023, we signed the concession agreements for these HAM projects and we timely within six months, we achieved the financial projects within six months. These 4 project were awarded in July 2023. We signed the agreements and though two years passed, appointed dates were not declared because of the non-availability of land. There were certain issues in the land pricing and acquisition process and all. Prolonged delay happened in the land acquisition. So, these projects are worth of nearly Rs. 5,000 crores. We could not execute anything during the FY'25.
- Aniket Madhwani:** Sir, our main question is with regard to dip in June 2025 revenue, right? If you look at the year-on-year, there has been dip of 35%, right? And simultaneously, there has been dip in the profit.
- T. R. Rao:** I'll tell you. In June quarter, the Q1 of FY'26 versus Q1 of FY'25. In Q1 of FY'25, we received more than Rs. 400 crores towards the arbitration awarded in our favor and also around Rs. 56 crores bonus we received from one of the EPC projects executed. So, it's not exactly Rs. 1,700 crores that is my dip. The amount if you compare it objectively, FY'25 figure, corresponding figure will be around Rs. 1,300 crores vis-à-vis the Rs. 1,136 crores we achieved with a dip of around 13%.
- Aniket Madhwani:** Sir, what I am trying to ask you, we have an order book of Rs. 17,000 Cr. as on the date, but still the Company is not able to perform well. So, what are the critical reason and if you look at the history, so it shows the downtrend, right? So, what are the critical limitation factor for us? What are the bottlenecks? Do we have insufficient working capital or do you have insufficient CAPEX? What are the critical problem that you are facing, right? Because when we look at order book, so it is tremendous, right? Obviously, you have 3 to 4 year of the runway, so far as the order book is concerned, right? So far as the ban, so ban is also lifted. So, why the Company is not able to perform? That is what we want to understand from your end?
- T. R. Rao:** See, out of Rs. 17,000 crore order book, nearly Rs. 7,000 crores new orders we received last year only, that too towards the end of the last year. This MSRDC project and CIDCO project, we received towards the end of the last year and we started executing those projects but those projects didn't give much work. And the CIDCO project of Rs. 2,000 crores halted because of the judicial intervention. So, that project was halted. And see, we are having a sufficient working capital. In fact, our working capital limits and CC limits, we hardly use them. We have sufficient cash and there is no dearth of any equipment or anything because we are having a gross block of more than 1,200 crores which can execute 6 to 7 times. This has happened because the Rs. 17,000 crores order book, Rs. 7,000 new orders we received last year only and Rs. 5,000 crores order book which was received in FY'23. So, appointed dates are not declared

so that we could not commence the physical execution. So, all these regions are beyond our jurisdiction and beyond our control. And also, this Rs. 5,000 crores order book could not execute because of the land acquisition issues. It's completely out of our control. So, see, we are not sparing any effort but the factors beyond our control, the main reason...

Aniket Madhwani: And sir, you mentioned one of your projects got on hold, right? So, what is the value of that project?

T. R. Rao: That project is Rs. 2,040 crores.

Aniket Madhwani: Okay. So, 5,000 Cr, land acquisition issue, Rs. 2,400 crores is due to on hold, correct? So, we should remove...

T. R. Rao: Rs. 7,000 crores.

Aniket Madhwani: Okay. So, we should eliminate this contract for the time being, right? Temporarily, we should not consider out of this temporarily?

T. R. Rao: This project except Rs. 2,040 crores which is sub judice, we can't say but with Rs. 5,000 crores project which are on hold because of the land acquisition issues, we are expecting appointed dates during the current financial year and we expect to commence the physical execution during the current financial year. So, going forward, these projects will give the revenue to us.

Moderator: Thank you. The next question is from the line of Parth Thakkar with JM Financial. Please go ahead.

Parth Thakkar: Hello, sir. Thank you for the opportunity. My first question is what would be our current bid pipeline and from that have we put out any bids, where results are awaited?

T. R. Rao: Yes, we have put out our bids. We put out around 13 bids comprising both HAM, EPC and one TOT project. If you see the total value of the bids, what we have put, it comes to around Rs. 48,000 crores including the TOT project. So, these bids are under evaluation. So, we expect these bids will be opened during the next 2 to 6 weeks. These bids will be opened, price bids will be opened.

Parth Thakkar: And what would be the value of the TOT project?

T. R. Rao: TOT project, is for a period of 20 years, it is expected to generate a total revenue of over Rs. 30,000 crores over a period of 20 years.

Parth Thakkar: Okay. And also if you have the numbers in handy, what would be our mobilization advance and working capital debt as of June?

Pankaj Agarwal: As of June, the net mobilization advance is over Rs. 500 crore.

- Parth Thakkar:** And working capital debt, sir?
- Pankaj Agarwal:** Working capital debt in standalone is nil, zero. But there is standalone debt of Rs. 20 crores in the standalone balance sheet.
- Parth Thakkar:** Okay. Thank you, sir. Those were my questions.
- Moderator:** Thank you. Thank you. The next question comes from the line of Lokesh Kashykar with SMIFS Institutional Equities. Please go ahead.
- Lokesh Kashykar:** Thank you for the opportunity. My question is basically on the mining project which we have bagged recently. So, my analysis is that we have bagged this project on a 20% discount to the authority's cost. So, just wanted to understand the reason behind it. And have we bidden on the aggressive basis? And what is the margin we are targeting on this project?
- T. R. Rao:** We have done a thorough market analysis and also we have done the surveys and other things, taking all the factors into consideration. Of course, the competition also. So, we bid this project very judiciously. Of course, incidentally it is 18% below what the project proponent has estimated. But we don't think that we bid this project very aggressively. We bid it judiciously and we expect a margin of around 12%-13% EBITDA margin from this project.
- Lokesh Kashykar:** Okay. And, sir, on the bidding pipeline, do you see that there would be chances that we will get more mining projects and more BESS kind of projects during FY'26?
- T. R. Rao:** See, we submitted our bids for the two more mining projects nearby. It is having a project value of around Rs.6000 crores – Rs. 8,000 crore we can't share exact kind of a quote. But we may get some projects depending upon the competition and other things. The rest of the projects, we continue to focus on road projects. We submitted a HAM project of the road sector and also submitted projects to NHAI on EPC. And we submitted a few projects to Railways also.
- Lokesh Kashykar:** Okay. But don't you think that given that we have bagged around Rs. 5,000 crores of projects during Q1 only, and given that we have a strong bidding pipeline, so we can easily cross Rs. 15,000 crores of order inflows for FY'26?
- T. R. Rao:** Yes. Hopefully. So, we have given a guidance up to Rs. 15,000 crore. We are hoping that we will achieve Rs. 15,000 crores or otherwise an optimistic side, we may even cross Rs. 15,000 crores in the current financial year.
- Lokesh Kashykar:** Okay. And this last question, sir, we have announced one arbitration award of Rs. 485 crores during the period of May for Agra bypass project. But we have not reported that during Q1. So, what was the reason? And have you received that claim amount?

- T. R. Rao:** No. Actually, the award has been published in our favor. But the NHAI has got time up to three months if they want to accept it or if they want to challenge it. So, ball is in the court of NHAI. So, once the NHAI decides, then the further course of action will be there.
- Lokesh Kashykar:** Sure. Okay. That's it from my side.
- Moderator:** Thank you. The next question comes from the line of Vishal Periwal with Antique Stock Broking. Please go ahead.
- Vishal Periwal:** Yes, sir. Thanks for the opportunity. Sir, I missed on the cash number which you mentioned at a consol level. If you can just highlight again?
- Pankaj Agarwal:** The total cash number as on consol basis is Rs. 2,600 crore.
- Vishal Periwal:** Okay, got it. And then in terms of the mining that we will be doing for the next five years, so is it part of the SPV or subsidiary or standalone we will be booking this revenue?
- T. R. Rao:** It will be standalone. So, we will be executing on a PNC Infratech the main Company. So, this turnover will come directly on a standalone thing.
- Vishal Periwal:** Okay, got it. And maybe one last thing. I think though you did clarify on this pending AD that is there and you have given like based on the current timeline, one AD will be receiving this quarter and then remaining three in the next. So, what exactly is the issue? Like, are you seeing things getting sorted now? Any color that can be provided? Or probably, things are still highly balanced between like, we may get, we may not get. So, if you can just clarify that, sir?
- T. R. Rao:** No. Situation has materially improved because our team is at the project sites. So, we know the ground reality. Out of four projects, one project, the adequate length ROW has been acquired. So, just we are waiting because currently monsoon is very active in that area. Just we are waiting the monsoon to recede. So, one project that is VRK-6 will get the appointed date before end of the current quarter. Next quarter, we will receive the three. So, there is a mark on the ground. It's in real position. The land acquisition process has been expedited and improved. So we don't see uncertainties in this project.
- Vishal Periwal:** But I think we have 15%-20% revenue growth, Rs. 1,000 crore is expected from these couple of projects where AD is expected. But that will be a little steep ask, right? I mean, given the project we will be acquiring, we will be starting and mobilization advance we will receive and six months generally take time for a pickup. So, I mean, probably...
- T. R. Rao:** For these three projects, since all these four projects, we received the letter of award and also signed the concession agreement long back, our site establishments already we put it there. We stacked our material and also we positioned our plant and machinery. Everything is ready. So, with the current position, so once the appointed date is declared, so we will be able to start in full swing. If it's not like that, then further we will require some lead time or anything. So, in full swing, we started all these four projects. So, on an optimistic side, we are expecting around

an aggregate level of Rs. 1,000 crores from these four projects. See, that also will depend upon the date of declaration of appointed date, whether we will get it beginning of the quarter or at the end of the quarter. But we are fully ready because we got sufficient time for mobilization. So, we adequately mobilized and we positioned the man, material and machinery over there. So, we should be able to start these projects in full swing and achieve the progress.

- Vishal Periwal:** Okay, sure. So, I think that's pretty helpful, sir, explaining all the questions. Thank you very much, sir.
- Moderator:** Thank you. The next question comes from the line of Shravan Shah with Dolat Capital. Please go ahead.
- Shravan Shah:** Hi, sir. Can you give now the balance sheet numbers, inventory, trade receivable, trade payable?
- Pankaj Agarwal:** Just note down. Inventory is around Rs. 900 crores. Trade payable is Rs. 750 crores and trade receivable is around Rs. 1,900 crores.
- Shravan Shah:** And out of that, HAM debtor is how much?
- Pankaj Agarwal:** HAM debtor is Rs. 730 crores.
- Shravan Shah:** Okay, and retention money is how much?
- Pankaj Agarwal:** Retention money is around Rs. 180 crores.
- Shravan Shah:** Unbilled revenue will be how much?
- Pankaj Agarwal:** Unbilled revenue around is Rs. 340 crores.
- Shravan Shah:** Okay, got it. Sir, just a clarification. When we say this Rs. 2,957 crore coal mining order, where we will be doing a Rs. 500 crore kind of a CAPEX and this will be kind of a depreciated over five years. Am I right?
- Pankaj Agarwal:** Technically, yes.
- Shravan Shah:** So, then if I look at, if I do the math, this Rs. 3000 crore into a 12% kind of a number would be a Rs. 330 crores-Rs. 340 crore kind of EBITDA and then a 25% tax is Rs. 280 odd crores to Rs. 290 odd crore and versus we are spending a Rs. 500 odd crore CAPEX. Actually, we are doing a loss on that project.
- T. R. Rao:** No. Actually, see, for this project, considering on a standalone basis, whatever equipment we purchase, so we are considering it five years, but otherwise, as per SLM, it will not be completed in five years going forward. If you get some other projects, because once we open this particular sector, so the machinery can be redeployed from other projects also. And it's not

like that we will be writing off this entire equipment in five years. So, the reality is this equipment will be used for projects of a similar kind.

Shravan Shah: Okay, but still, it seems it doesn't make sense. The kind of a CAPEX we are doing, maybe a max-to-max it seems kind of a 1% kind of a net profit margin that maybe we will be doing, because ultimately this equipment has to be max-to-max seven-eight years, it should be a kind of written off, if not in five years?

T. R. Rao: That is there practically, but let us see that, as we said that we already did that more projects.

Shravan Shah: Yes, no issues. Yes, please go ahead, sir.

T. R. Rao: No, see, this is not seen as a single project kind of a thing. Once we invested into this thing and enter, so we see, we are looking at a long term kind of a perspective in this particular mining sector.

Shravan Shah: Okay, and sir you mentioned that we bided for two mining projects, which would be around Rs. 7,000 odd crore, am I right?

T. R. Rao: Yes, it's around.

Shravan Shah: Okay. And this bonus on Hardoi of Rs. 15 odd crore that we will be receiving in this quarter?

T. R. Rao: Yes, we are expecting this to be bigger. This Rs. 14 point odd crore has been recommended by the field unit and sent to NHAI headquarters. So, we are expecting that this quarter.

Shravan Shah: Okay, and sir, this total, if you can now summarize this monetization of 12 odd projects. So, what is now left is Challakere-Hariyur, where Rs. 114 crore equity is invested. So, from that, how much we will be expecting in terms of the equity value? And if you can also now tally the total, how much we will be receiving? And against what, how much we have invested and how much already we have cash received?

T. R. Rao: Yes, this will update once the Challakere Hariyur, let us close the Challekere Hariyur. We are expecting we will be closing in Q2. So, once then we consolidate the total thing and we will be able to tell you how much we have invested and how much we have received. I think Challekere Hariyur, our valuation would be around, equity valuation would be around Rs. 200 odd crore.

Shravan Shah: Okay, So, put together, if I assume the Rs. 200 crore that are receivable for the previous 10 as such?

T. R. Rao: We will share with you. We will consolidate all the figures, including Challekere Hariyur.

Shravan Shah: It would be good. And lastly, some standalone cash and bank balances versus March Rs. 682 crore, how much value has on June?

T. R. Rao: March, standalone cash balance, March versus 30th June?

Shravan Shah: Yes, so cash and bank which was Rs. 682 crore as on March. Standalone cash and bank balance as per reported balance as on March was Rs. 682 odd crores so, so as on June how much is the value?

Pankaj Agarwal: Rs. 483 crore.

Shravan Shah: Thank you, sir. All the best.

Moderator: Thank you. The next question comes from the line of Krish with Anand Rathi. Please go ahead.

Krish: Thank you for taking my question, sir. Could you please tell me how much did you receive in the 11 assets monetized?

Pankaj Agarwal: We have received around Rs. 2,050 crore. We have realized against the 11 assets.

Krish: Okay. And how much was received in the subsidiary of PNC Infra Holdings?

Pankaj Agarwal: We have received in PNC Infra Holdings is around Rs. 1,100 crore rupees.

Krish: Okay. And how much of the money has been utilized and what is the cash standing at PNC Infra Holdings?

Pankaj Agarwal: The outstanding cash in PNC Infra Holdings is Rs. 2,600 crore.

Krish: And how much was it utilized?

Pankaj Agarwal: We did not utilize the money as yet. The money has invested in the investment portfolio.

Krish: Okay. Thank you. That's all from me.

Moderator: Thank you. The next question comes from the line of Vasudev with Nuvama. Please go ahead.

Vasudev: Thank you for the follow-up. So, sir, for the solar project and the mining project, how is our working capital cycle different compared to the road projects?

T. R. Rao: See, as far as solar project is concerned, we will be floating an SPV for this implementation of this project, project SPV, which will be subsidiary of our parent Company. So, the working capital cycle may not be lengthier. And in case of coal project also, they digitized and a lot of digitization has happened. And what we understand that the measurement, certification and billing and their ease of payment is quite expedited, there also don't expect a longer working capital cycle. But anyhow, payments are made on a fortnightly basis because the quantum of work is large and a lot of digitization and a lot of technology interventions have happened. So,

they will be getting payment. So, there won't be any longer working capital cycle for these two projects.

Vasudev: Okay. And can you give the toll collection for the Kanpur highway project?

T. R. Rao: See, Kanpur highway project ended, concession period ended on 20th January 2025. So, therefore, we don't have any toll figures for Q1 of FY26.

Vasudev: Okay. Thank you. That is it from my side.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Yogesh Jain: Thank you everyone for your active participation in our earnings call. In case of further queries, you may get in touch with the Strategic Growth Advisors, our investor relations advisors or feel free to get in touch with us. Thank you very much.

Moderator: Thank you. On behalf of JM Financial that concludes this PNC Infratech Limited conference call. Thank you for joining us and you may now disconnect your lines.