"PNC Infratech Limited

Q2 FY27 Earnings Conference Call"

October 29, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchanges on 29th October 2026 will prevail.

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MODERATOR: **MR. VAIBHAV SHAH – JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to PNC Infratech Limited Q2 FY27 Earnings Conference Call, hosted by JM Financial Institutional Securities Limited. As a reminder, all participants' line will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

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

Vaibhav Shah: Yes, thank you. Good afternoon, ladies and gentlemen. On behalf of JM Financial, I am pleased to welcome you all on PNC Infratech Limited second quarter FY27 earnings conference call. We have with us from the management the Managing Director of the company, Mr. Yogesh Jain; Mr. T.R. Rao, Director Infra; and Mr. Pankaj Agarwal, Vice President, Finance and Accounts. We will begin with the opening remarks from the management followed by a Q&A session. Thank you, and over to you, sir.

Yogesh Jain: Good afternoon, everyone. On behalf of PNC Infratech Limited, I extend a very warm welcome to everyone for joining us today on this call.

Today, I have with me Mr. T. R. Rao, Director (Infra), Mr. Pankaj Agarwal, Vice President, 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's website for your reference.

I would first like to share the key developments in the industry, followed by key operational updates of the Company and highlights of financial performance during the quarter and half year ended 30th September 2026, post which, we will be happy to answer your questions.

- ✓ The highways sector started showing signs of recovery in Q2 of FY27 after significant slowing down in project awarding activity persisted over the past two years.
- ✓ During Q2 of FY27, NHAI awarded highway projects of approximately 230 route kilometers, compared to 107 route kilometers awarded in Q1 of FY27.
- ✓ Out of the 54 projects identified by NHAI for awarding during the remaining period of FY27, 19 projects have received approval, while another 17 have been appraised and balance projects are expected to receive approvals shortly.
- ✓ It is expected that the pace of awarding would further improve going forward, supported by healthy pipeline of projects.
- ✓ As the government is considering development of approximately 51,000 kilometers of high-speed corridors across the country over the next decade, a large number of new business opportunities are expected to emerge for highway developers.
- ✓ Apart from highway sector, significant opportunities are emerging across other sectors.
- ✓ Continued Government focus on railways, metro rail, freight corridors, power transmission, renewable energy & storage, mining, water resources development

including drinking water supply and urban development, provides sustained growth opportunities for well-established infra companies.

- ✓ Railway sector continues to offer a robust pipeline of new projects, supported by the government's focus on capacity expansion, freight connectivity and logistics efficiency.
- ✓ The government has already identified 514 new railway infrastructure projects spanning approximately 40,000 kilometers, with a total estimated investment of over ₹8.0 lakh crore under the National Rail Plan and Vision 2030, underscoring significant, large-scale opportunities in the sector.
- ✓ The proposed HAM-based model for new railway projects, built on the success of highway development, is also expected to create expanded opportunities for established highway infrastructure players.
- ✓ Driven by India's rapid solar expansion, which reached over 170 GW capacity as of September 2026 following over 20 GW addition in H1 FY27, the surging demand for complementary transmission networks and battery energy storage systems is unlocking significant medium to long-term investment opportunities across the renewable ecosystem.
- ✓ The projected capital expenditure of ₹6.0 lakh crore over the next five years in power transmission sector is aimed at evacuating over 900 GW of non-fossil capacity is expected to provide robust opportunities in both short and long terms for infra developers.
- ✓ While highways will continue to remain our core focus sector, we are actively expanding into other core sectors to build a broader, more resilient order book that supports long-term sustainable growth.
- ✓ Rising crude oil prices on account of the West Asia conflict have increased costs for key inputs including diesel and bitumen, straining procurement, transport, construction, and equipment operations severely.
- ✓ Though MoRTH, NHAI and AAI have extended the monthly price-adjustment escalation mechanism for eligible EPC and HAM projects through December 31, 2026, the actual impact of financial mitigation is effective only to a limited extent.
- ✓ Consequently, persistent input cost inflation and partial escalation coverage continue to exert pressure on the operating margins of infrastructure players.

Now coming to the recent updates on the company:

- ✓ On October 12, 2026, the Hon'ble Delhi High Court granted a stay on the effect of the debarment orders issued by the NHAI against both the Company and the Concessionaire, Awadh Expressway Pvt Ltd. Accordingly, the Company is in a position to submit bids to all the government authorities including NHAI, MoRTH and NHIDCL.
- ✓ In July 2026, Company received the Letter of Award from the Airports Authority of India for EPC work of Pantnagar Airport in Uttarakhand.
- ✓ The contract value of the project is Rs. 302 crore and it is to be executed in 24 months.

- ✓ On 31st July 2026, an arbitration award was published in favour of the Company for Rs. 244 crores in connection with an EPC project of Sonauli to Gorakhpur section of NH 29E, executed for MORTH through UP PWD.
- ✓ Our subsidiary, Yamuna Highways Private Limited has received a rating upgrade to CARE AA+ with a Positive Outlook during the quarter.
- ✓ To explore international growth beyond the domestic market, the Company has incorporated a subsidiary, PNC Infratech (Kazakhstan) LLP, in Republic of Kazakhstan. This strategic move position the Company to evaluate long-term opportunities arising from Kazakhstan's planned 9.8 billion US Dollars (4.6 trillion tenge) road infrastructure program in the country, spanning over 3,000 kilometers over the next three years.
- ✓ As part of the Company's endeavor to expand into international markets, the Company submitted a bid for a road project in Georgia to the Roads Department under the Ministry of Infrastructure of Georgia in September 2026.

Operational and financial performance of the company

- ✓ Company's 17 fund-based project portfolio comprises 1 BOT-Toll project, 2 BOT Annuity Projects and 14 HAM projects.
- ✓ Aggregate Bid Project Cost of 14 HAM projects is over Rs. 17,200 Crore
- ✓ Out of total 14 HAM projects,
    - 6 projects achieved PCOD and COD,
    - 5 projects are under construction,
    - For 1 project of MPRDC, financial closure documents have been submitted and for 2 newly secured projects of NHAI, concession agreements signed and financial closure is in progress
- ✓ Total equity investment requirement for the 14 HAM projects, is Rs. 2,125 crore
- ✓ Till September 2026, Company infused Rs. 1,212 crores and the remaining equity of Rs. 913.0 crores to be invested over the next two to three years.
- ✓ Internal accruals that would be generated over the next two to three years should be adequate to meet the balance equity investment requirement.

Now moving on to our order book

Company's unexecuted order book, including newly secured two NHAI HAM projects, stands at over INR 18,000 crores**.**

Highway contracts contribute 63% of total unexecuted order book, while water, canal, railway and airport contracts contribute around 21%, and coal mining contract contributes 16%.

On bidding front, we have submitted 17 bids to different authorities for a total estimated cost of Rs. 16,600 crore, price bids of which are yet to be opened.

Now I would present the results for the quarter ended 30th September 2026.

Standalone Revenue in the 2nd quarter of FY27 is Rs. 1146 crore which is higher by 17% as compared to Rs. 983 crore revenue in the second quarter of FY'26.

Standalone EBITDA in the 2nd quarter of FY27 is Rs. 138 crore. Standalone EBITDA margin for the quarter is 12.1%.

Standalone PAT in the 2nd quarter of FY27 is Rs. 73 crore. Standalone PAT margin for the quarter is 6.3%.

Standalone Revenue in the 1st half of FY27 is Rs. 2,664 crore which is higher by 26% as compared to Rs. 2,119 crore revenue in the 1st half of FY26.

Standalone EBITDA in the 1st half of FY27 is Rs. 513 crore which is higher by 85% as compared to Rs. 277 crore in the 1st half of FY26.

Standalone EBITDA margin for the H1FY27 is 19.2%.

Standalone PAT in the 1st half of FY27 is Rs. 343 crore. Standalone PAT margin for the H1FY27 is 12.9%.

Console revenue in the 2nd quarter of FY27 is Rs. 1,322 crores which is higher by 17% as compared to Rs. 1,128 crore revenue in the 2nd quarter of FY26.

Console EBITDA in the 2nd quarter of FY27 is Rs. 279 crore which is higher by 10% as compared to Rs. 253 crore in the 2nd quarter of FY26.

Console EBITDA margin for Q2 of FY27 is 21.1%.

Console PAT in the 2nd quarter of FY27 is Rs. 115 crore.

Console PAT margin for Q2 of FY27 is 8.7%.

Console revenue in the 1st half of FY27 is Rs. 3,011 crores which is higher by 18% as compared to Rs. 2,550 crore revenue in the 1st half of FY26.

Console EBITDA for the 1st half of FY27 is Rs. 802 crore which is higher by 29% as compared to Rs. 620 crore in the 1st half of FY'26.

Console EBITDA margin for H1 FY27 is 26.6%.

Console PAT in the 1st half of FY27 is Rs. 447 crore.

Console PAT margin for H1 FY27 is 14.8%.

On Standalone basis, our net worth as on 30th September 2026 is Rs. 6,143 crores, whereas standalone debt from Banks/ Financial Intuitions and Intra Corporate Deposits is Rs. 1,312 crores. This translates to net debt to equity of 0.21 times. Total cash & bank balance including

current investments is INR 1,252 crores. Considering the total cash & bank balance including current investments, the net debt-equity ratio on standalone basis comes to 0.10.

On Console basis, our net worth as on 30th September 2026 is Rs. 7,248 crores whereas total debt is Rs. 5,912 crores. This translates to net debt to equity of 0.82 times. The total cash & bank balance including current investments is Rs. 2,936 crores. Considering the total cash & bank balance including current investments, the net debt-equity ratio on console basis comes to 0.41.

With this, we now open the floor for question-answers. Thank you.

Moderator: Thank you very much. Before we begin, a brief disclaimer. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinion and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict. We will now begin with the question and answer session. The first question is from the line of Shravan Shah from Dolat Capital.

Shravan Shah: Hi, sir. Thank you. A couple of questions. Just one clarification before that. This INR244 crores arbitration is not booked in the Q2 revenue?

T. R. Rao: Yes, because see, this arbitration, just award has been made. We have had to realize this amount. See, only upon realization of amount we consider into the revenue.

Shravan Shah: Is there any toll revenue or the payment which is still pending for the monetization, which is we have booked as part of revenue in Q2?

Pankaj Agarwal: No.

Shravan Shah: Okay, got it. So, just a couple of the -- in terms of the first on the guidance front, so anything in terms of the INR6,000 crores -- revenue for this year and INR7,500 crores for next year and 12% margin. So, any change in the guidance?

T. R. Rao: No, as of now, there is no change. We will maintain the same guidance.

Shravan Shah: Okay. And in terms of the inflow also, INR15,000 crores, so I think INR6,000 crores we are already received. So that guidance also remains the same?

T. R. Rao: Yeah, will remain same.

Shravan Shah: Okay. And in terms of the coal revenue and the JJM revenue, that last time we have said this year INR500 crores, this year coal revenue and next year also the similar INR500 crores and JJM INR700 crores, INR800 crores this year and INR1,000 crores next year, so that also remains the same?

T. R. Rao: See, there will be slight moderation in the coal revenue. This year we are expecting revenue from the coal mining project between INR350 crores to INR400 crores. In case of water, so this year we are expecting around INR650 crores out of INR750 crores last time what we had

mentioned. And the remaining figures will kind of same because coal revenue next year it would be around INR500 crores and water also will be around INR1,000 crores.

Shravan Shah: Okay, got it. And also the couple of balance sheet items if you can help me in terms of retention, unbilled revenue, mobilization, HAM debtors or water debtors.

Pankaj Agarwal: Shravanji, just note down. Retention money is INR272 crores.

Shravan Shah: Okay.

Pankaj Agarwal: Mobilization advance is INR58 crores.

Shravan Shah: Okay. Unbilled revenue, HAM debtors, water debtors?

Pankaj Agarwal: Unbilled revenue is INR490 crores.

Shravan Shah: Okay.

Pankaj Agarwal: HAM debtors is INR418 crores.

Shravan Shah: 480. Okay. Water debtors?

Pankaj Agarwal: Water debtors is INR786 crores.

Shravan Shah: Okay. So there is a reduction in the water debtors decently. Okay. Got it. And in terms of the equity, the balance that we need to invest for FY'28 and FY'29, particularly on the BESS front also, just wanted to understand both HAM and BESS, how it will be invested?

Pankaj Agarwal: The total equity requirement including the two HAM projects is INR913 crores outstanding and which is to be invested in next two to three years.

Shravan Shah: Yes, so in '28 and '29, how much in second half? I think we have given in the presentation.

Pankaj Agarwal: We're targeting for '28 is INR460 crores and the balance in the financial year '28-'29.

Shravan Shah: And for BESS?

T. R. Rao: There is an update on the BESS project. See, I want to share with you – we want to share with all the participants. This project was awarded by NHPC and the power purchase agreement was supposed to be executed with the NHPC within one year from the date of award. And the signing of power sale agreement by NHPC with the prospective DISCOMs is one of -- is the precondition for before signing the PPA.

But however, NHPC could not sign the PSA, power sale agreement with the DISCOM. Consequently, power purchase agreement also could not be signed within one year stipulated time from the date of award. So we sought an extension of one month from 31st August till 30th September, but the both agreements could not be signed before that date.

So as per the stipulations of the RFP, since these agreements have not been signed, the LOA what issue stood cancelled and the bid security submitted by us, they have returned it to us -- they refunded to us. So, if you can say, we safely exited from the project and we realized our bid security. So this project will be no longer -- will be part of our order book.

Shravan Shah: Okay. And lastly, once the -- we got the stay order from the High Court, now we are bidding. And whenever in November, the final hearing is there, so things will remain as it is. So we should be able to keep on participating.

T. R. Rao: Yes, we are participating.

We are participating. We should be able to participate further also.

Shravan Shah: Okay, thank you and all the best, sir.

Moderator: Thank you. The next question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.

Parikshit Kandpal: Yes, sir. Hi. So my first question is on the diversification. So now we were earlier looking to diversify from roads to water. Somehow that has not find out industry is not doing well, payments are not coming. Then we thought we'll do into renewables then this BESS order gets cancelled and whatever is happening on inflation on the battery side, I think it's a good exit for us that we did not continue with this project.

So, and then now you're planning to move beyond India to Kazakhstan despite giving a very robust commentary on the upcoming pipeline in India. Somehow the signals are mixed. I'm not able to relate how the growth will come in the order book. Beyond roads, whatever order we are winning is in road or MDO. So, how does one look at order book growth in the near future, this year, maybe next year? So how are you thinking, how is your internal strategy team thinking to grow from here in terms of order backlog or revenues?

T. R. Rao: See, Mr. Parikshit, our focus will continue to be on the highways. Given the very robust pipeline of opportunities that are available in the highway sector across the implementation models including HAM, EPC and as well as the BOT toll. So highways will continue to be our focus sector to expand our business. Nonetheless, in, case of water, yes, there are certain issues, but if you see, during the quarter ending September 30th, during three months the government has released INR267 crores as our pending payments.

Accordingly, what was the outstanding as on 30th of June now reduced substantially as of 30th of September. Going forward also, we see that we'll get the payments timely release of the payments. So water sector, maybe end of the day there should not be any issue. And similarly, in the irrigation sector also, there was some encouraging development.

During the quarter ending 30th September, we received INR183 crores amount from the Government of Andhra Pradesh. This is also substantial realization we could get it from the Government of Andhra Pradesh. And we revenue we booked around INR500 crores of revenue

and we have done around INR80 crores of work during the quarter two. So irrigation is also, the situation is improving.

With regard to coal mining, there are initial hiccups because of the severe resistance by the locals in vacating the land and encumbrances and encroachments are there but there also now things are getting improved. And the month of October also we could able to do better execution at the coal mining. So this MDO and all this, a lot of other projects are coming, so we don't see any issue.

Only issue has happened in the NHPC, but it is also, it's a blessing in disguise because due to on-going West Asia conflict and all, there is a steep increase in the prices of the input materials and the other things including batteries and also prices of the logistic costs. So though we exited from the project, it is better for us.

So in case of Kazakhstan project, it's a road project because we have more than three decades of core expertise in the road sector. So we don't see, even if you secure some projects in Kazakhstan, we should be able to execute it. Similarly, the project what we had submitted in Georgia is also a road project. So in these countries, we are targeting the road projects where we have our core competency. So we should be able to execute these projects very this thing.

And apart from Kazakhstan, we also pursuing opportunities in Uzbekistan as well as the United Arab Emirates. And as of now, we submitted, as MD has mentioned, 17 bids we have submitted which are under evaluation. Price bids of the 17 bids are yet to be opened, comprising 13 EPC bids, three HAM bids and one TBCB bid for the power transmission for the various projects.

So if you see overall, the roads will remain our core area and with a 63% of our order book comprises road sector projects. And other diversification also we are doing in a very calibrated way. And also we find some synergy between the roads and other sectors, for example railways and other things, linear projects. So we see that the expansion into other sectors will enable us to maintain sustainable growth and resilience in the challenging times.

Parikshit Kandpal: I totally understand that but I'm saying the opportunity seems to be compressing because the bids we are seeing even in roads, which is your largest segment, the way the crazy bids which are happening, I don't know whether people will make money in those bids. So, the chances of us winning despite there being a slowdown in ordering at a very aggressive rate doesn't add up to the margins or the profitability or to growth.

Power, as I said, BESS you exited. I mean, good that you exited, but I don't know what's the opportunity there now on the BESS side for us. That again, a growth driver has somehow gone muted. Railways, I don't see any major orders wins pipeline. So the concern is over the next two-three years, how do you -- how does the company grow, sir? That's the challenge which I am not able to understand right now.

Yogesh maybe you can touch upon this. I mean, how are you thinking the growth from here on a base of INR6,000 crores revenue which you are saying this year you will likely do. Given that we had first half -- a week first half, we can do upto INR3,500 crores of revenue in second half

so INR6,000 crores itself looks to be a little challenging. So on this base, how do you think you can grow at 10%-15%?

T. R. Rao: See, if you see the -- given the order book of INR18,000 crores, order book we are having, unexecuted order book and pertinently that order book doesn't include the BESS project. See, right from the beginning we never included the BESS order of INR2,000 crores in that order book. Now, our order book stands at INR18,000 crores. Such kind of order book definitely should be able to achieve that the INR3,000 plus turnover in the next six months in this H2.

We don't see any major challenge achieving the 30% growth what we've given the guidance. And going forward also, even at the end of the current financial year, still we'll having an opening balance of INR15,000 crores of unexecuted order book, even if you don't consider any new orders. If you consider new order, there will be further orders.

Second thing, in the case of competition and all, yes, there is a competition on EPC and a smaller size projects. We see that the competition will be lesser in the large-scale, large-size projects and where there's a fund-based projects like HAM and other kind of a thing where the investment needs to be made. So there we don't see any kind of a fierce competition. So we expect some projects to come.

And also then, as I said, we are expanding into TBCB projects. There are huge number of projects are coming. And also in the railway, more than 400 projects they launched across the zones, railway zones. We are bidding very actively in railway and we expect to secure some projects in the railway sector also.

Parikshit Kandpal: Just one last question on the bitumen prices…

Moderator: Sorry to interrupt you, Parikshit. Can you please re-join for a follow-up? There's a long queue.

Parikshit Kandpal: No Issues. Sure.

Moderator: Thank you. The next question is from the line of Sarvesh Gupta from Maximal Capital. Please go ahead.

Sarvesh Gupta: So thank you for the opportunity. So sir, first question again on the guidance part. So we have done INR2,500 crores but that includes I think INR200 crores of claim which we received in last quarter. So, if we take that out for this first half we have done only 15% sort of growth while we have guided for 33% growth, 4,500 going to 6,000. So sir -- and if we exclude that 217, even I think margins are lower than 12% for the first half.

So for the second half, this 6,000 includes that 200 or excludes that 200? And secondly, from 2,300, now we have to do INR3,700 crores if we are excluding that claim, one-time claim. So can we achieve, sir INR6,000 crores and 12% for the full year?

T. R. Rao: See, if you see the pattern of the thing. First half of the any financial year will be less than the second half because of the monsoon and other kind of thing. So what we achieved, INR2,664 crores we achieved during the H1, so that includes INR217 crores of arbitration award we

received. So the total would be INR6,000 crores. INR6,000 crores what we given the guidance, that would include the arbitration award. So we are not excluding the arbitration award amount from that.

So remaining revenue to be earned is INR3,336 crores with the given order book and these five major road projects are going on, five HAM projects and two highway projects of MSRDC. So these projects are going into full swing and many other projects also we are going to start in Q3 and Q4. The projects which have been recently awarded.

So we don't see any major issue or any major challenge in achieving INR6,000 crores in the current financial year. With regard to achieving the 12% EBITDA margin, see, because of the INR2,664 crores in case of the delta will be there in the second thing and while the fixed overheads being remain the same So that we should able to maintain the EBITDA margin of 12% up.

Sarvesh Gupta: And this 12% is on remaining INR5,800 crores, sir? Because otherwise, this 217 is pure profit only, right? So, otherwise your core EBITDA would be like 9% only or something like that.

Pankaj Agarwal: We are giving the guidance of 12% EBITDA on the INR5,800 crores, excluding the arbitration claim.

Sarvesh Gupta: Okay, sir. And that you mentioned bitumen is having some partial impact on the infra players. So, this 12% is taking into account that impact also, right?

Yogesh Jain: Yeah. It is already taken.

Sarvesh Gupta: Okay. And secondly, sir, since our share price has fallen so much and we have decent amount of cash in our balance sheet, and while we have some further use also, but we will be selling down, I think, operational assets also as we have done in the past. So, I don't think we will have any dearth of funds as such.

So, have you thought about doing an open market buyback, at these sort of prices, which are probably one-fourth of the prices 2, 3 years back? So, is there any stance of the management on that?

Yogesh Jain: Yeah. We are thinking in the same line to buy back.

Sarvesh Gupta: Okay, sir. And sir, can you also comment on the pipeline? So, you mentioned that you had submitted bids of INR16,600 crores, which are yet to be opened. But otherwise, apart from that, how is the pipeline looking like, and especially if you can bifurcate that between NHAI, MoRTH and others?

T. R. Rao: See, in case of pipeline, apart from the bids what we had submitted, 17 bids of INR16,600 crores, we identified total around 80 projects. There are many projects which are there in the market

and which have been launched already by the different clients. Out of that, we identified 80 projects comprising 35 EPC projects, 25 HAM projects, and 20 BOT Toll and TBCB projects.

The combined estimated value of these 80 projects comes to around INR180,000 crores, which are to be bid maybe next, I would say, 2 to 3 months and until end of January. These bids will be submitted. And if you see the bifurcation between MoRTH, NHAI and other clients like Railways, NHIDCL and state government bids and other things. So, NHAI, MoRTH and NHIDCL would be around 60% to 65%, and the railways and others will be around 35% to 40%.

Sarvesh Gupta: Okay, sir. Thank you.

Moderator: Thank you. Ladies and gentlemen, in order to ensure that the management is able to address questions from all the participants in the conference, please limit your questions to two per participant. Should you have a follow-up question, please rejoin the queue. The next question is from the line of Deepak Purswani from SVAN Investments. Please go ahead.

Deepak Purswani: Yeah. Hi. Thank you for the opportunity, sir. Sir, just continuing on the international projects, if you can share your broader thought process, how we are thinking in terms of this from the business point of view, in terms of what is the kind of investment, capital allocation, and then what is the kind of orders, how is the competitive landscape and how we are planning to manage supply chain and labor issues?

All these aspects, if you can share your perspective, that would be really helpful. And eventually, what kind of business we are looking at over a period of time?

T. R. Rao: See, in the international arena, as of now, we are pursuing opportunities of a non-fund-based projects, such as EPC projects. So, as of now, we are not looking at any fund-based projects like where the investments need to be made there. So, even if the international project also, there won't be any significant capital requirement except working capital needs.

So, other things, we are also looking at giving preference to the projects that are being funded by World Bank, and in case of Asian countries, it's the ADB, so that there will be continuous flow of funds without affected by the local issues.

Second thing, we have got a team. The team of people, they are visiting these countries very frequently, and they are assessing the local conditions and other things, and they are having some kind of a tie-up. We are also having a tie-up on a country-to-country basis with the local players, so we can provide the local support, including logistics supports and material supports and other things. We are doing all kind of a due diligence that would be required before submitting our bids.

With regard to competition, yes, there is a competition in there with international players, and many firms from China are also participating in these bids. So, of course, the competition will be there at a domestic level as well as international level. So that, anyhow, we have to navigate through.

And third thing, to have a very minimum risk, the projects what we are focusing at an international level is the highway projects where we have our core competency and more than three decades of experience.

Deepak Purswani: And what about the size of the order which we would look out in these kind of projects, especially in the international market?

Management: See, in case of Kazakhstan, as my MD said, more than 3,000 kilometers length of projects they initiated with $9.8 billion, which comes to Kazakhstani Tenge 4.6 trillion of a local currency. So, this is a substantial kind of a thing in there. Similarly, in Georgia, Uzbekistan, also the road projects are coming up. So, we also have a substantial value.

Moderator: Thank you. The next question is from the line of Vaibhav Shah from JM Financial Institutional Securities Limited. Please go ahead.

Vaibhav Shah: Yeah. Sir, what is the amount of cash and current investment sitting in PNC Infra Holdings?

Pankaj Agarwal: Total cash in PNC Infra Holdings is INR1,115 crores.

Vaibhav Shah: It was roughly INR1,050 crores as of March. So, how has it increased?

Pankaj Agarwal: It has increased due to the interest accrued on the FDR, which we have invested in the PNC Infra Holding.

Vaibhav Shah: Okay. Sir, secondly, when do we expect to receive the appointed dates for the two new HAMs and the MP HAM?

T. R. Rao: See, MP HAM, we are expecting appointed date before 31st December. In case of new HAM projects of NHAI, we are expecting appointed date in Q4.

Vaibhav Shah: We are sure about the timelines for NHAI HAMs, it should come by Q4?

T. R. Rao: See, NHAI HAM, we signed our concession agreement on 16th July. We have 5 months period for achieving financial closure. That comes to around 13th December. Whereas NHAI has got 240 days to fulfill their condition precedent, including provide the 80% of the land. So that comes to something around in the middle of March. NHAI has got time.

So, land acquisition is in process. In both the cases, around 90% of the ROW 3G they achieved, and 3H is in progress. They are disbursing the funds to the landowners, so 3H is in progress. And in our case, within 150 days from the date of signing of agreement, we should be able to achieve the financial closure.

And also, we see maybe post that in 1, 1.5 months, NHAI should be able to provide the land 80% of the ROW. And the appointed date is expected to be declared during the fourth quarter of the current financial year.

Vaibhav Shah: So in case it comes in Q4, so what execution are we targeting from those projects, in percentage terms in FY28?

T. R. Rao: See, these projects are to be completed in 730 days. So it will be something like a 35%-65% of ratio. So FY28, we expect 35% to 40% progress and the 60% progress in FY29. There won't be any significant work done during the FY27, in case of NHAI two HAM projects. Whereas we will achieve some progress, certain amount of work done, in case of Bhopal Bypass of MPRDC, because the appointed date is expected to be declared during Q3 of current financial year that is before 31st December.

Vaibhav Shah: Okay. Sir, on order inflows, you mentioned that we maintain the guidance of INR15,000 crores. Now, since the solar order is canceled, so the order inflow for this year is roughly around INR3,800 crores. So we almost require INR11,000 crores plus inflow in the second half. So, how confident are we on achieving the INR15,000 crores inflow guidance?

T. R. Rao: No. See, as I mentioned, our unexecuted order book of INR18,000 crores doesn't include solar project. We never included solar project in our unexecuted order book. That is one part of it.

Second thing, order inflow, we had mentioned INR12,000 crores to INR15,000 crores, so already we achieved INR4,260 crores. Remaining INR8,000 crores to INR11,000 crores, given the pipeline of, as I mentioned, INR1.8 lakh crores of new projects we identified, and also we submitted bids for INR16,600 crores. Price bids are yet to be opened. So as of now, we are still confident that we should be able to achieve the guidance, whatever we have given the guidance for the order book in FY27.

Vaibhav Shah: And out of the INR12,000 crores to INR15,000 crores, what are you targeting from international markets?

T. R. Rao: So, international market per se, we are not targeting international market. So this, whatever order book is, we are considering only domestic. Because international market we just entered, so we have to see the dynamics and other things. As of now, we are not considering any order from the international market in the current financial year.

Vaibhav Shah: Sir, lastly, on the asset sale. So, we had sold 12 assets. So, can you just give the total amount? What did we receive? What is yet to be received? And where have we used the cash so far?

Pankaj Agarwal: The total consideration we received from the monetization of 12 asset is INR2,517 crores. Out of that, INR158 crores is yet to be received from the seller (to be read as buyer). And the remaining amount is invested in the PNC Infra Holding in the shape of FDR and in PNC Infratech Limited in the shape of FDR as well as mutual fund.

Vaibhav Shah: So, roughly out of INR2,500 crores, if you have received closer to INR2,300 crores, INR2,350 crores. So of that, INR1,100 crores is sitting in PNC Infra Holdings, so the remainder INR1,200 crores of that, partly it is in the current investment, roughly INR750 odd crores. Where is the remainder amount?

Pankaj Agarwal: INR1,115 crores is in PNC Infra Holding and around INR800 crores in PNC Infratech Limited.

Vaibhav Shah: Okay. Got it. Okay. Thank you, sir. Those are my questions.

Moderator: Thank you. Ladies and gentlemen, you are requested to restrict your question to one per participant. The next question is from the line of Vishal Periwal from Prabhudas Lilladher Capital. Please go ahead.

Vishal Periwal: Yes, sir. Thanks for the opportunity. Sir, I think you did mention cash in infra holding and standalone also. So, what is the reason of increasing standalone debt when you have cash in the books? I mean, standalone debt has almost doubled in the last 6 months.

Pankaj Agarwal: The debt we have taken for the purpose of the equipment finance and for working capital, the investment we have made in the mutual fund for the long purposes. So, we have taken the short-term loan from the banks, which is for the 2 months or 3 months purpose. That is why we have taken the loan from the bank.

Vishal Periwal: Okay. And maybe…

T. R. Rao: Second thing is -- excuse me. Okay, loan, we have taken as a standalone loan that is also our inter-corporate kind of loans we have taken from our subsidiary companies where the surplus cash is available.

Vishal Periwal: Okay. And then, is that fair to say, probably in terms of investments and cash in the books, we have almost INR4,000 crores of investment plus cash, investment in various HAMs and all. Is that fair to say, that number?

Pankaj Agarwal: Total cash and bank balance on the standalone basis, INR3,000 crores approximately.

Yogesh Jain: INR3,000 crores to -- INR1,000 crores…

T. R. Rao: On consol basis, we have cash and bank balance of INR2,936 crores, around INR3,000 crores.

Pankaj Agarwal: INR3,000 crores cash and bank balance on consol basis.

Yogesh Jain: Plus we have invested in the SPVs of INR 1,000 crores

Vishal Periwal: Okay. Got it. And one last thing, sir. Is there any change in the depreciation policy for us in this first half vis-a-vis same…

Pankaj Agarwal: No. There is no change in the policy of the depreciation in the financials.

Vishal Periwal: Okay. Fine, sir. Thank you so much, sir. I'll come back in the queue. Thank you.

Moderator: Thank you. The next question is from the line of Jainam Shah from Equirus Securities. Please go ahead.

Jainam Shah: Yeah. Hi, sir. Thanks for the opportunity. Just one thing on the Awadh Expressway and PNC Infratech, while there has been a stay from the High Court, any specific cost that we have incurred during the quarter, maybe for the penalty, maybe for the suspension of the toll

collection, maybe for some reconstruction or anything on that part during the second quarter? I don't see any major change in the standalone, but has there been anything booked in the subsidiary during the quarter for anything for this Awadh Expressway?

T. R. Rao: No. The NHAI has not imposed any penalty because the defects that have been notified, we rectified all the defects within the timeline stipulated in the contract. So, there is no time lapse or anything in rectifying the defects. So NHAI has not imposed any penalty, and also there is no recovery made for the toll loss. So, in quarter 2, we have not booked anything. Only the expenditure part we have booked is the expenditure incurred on the repairs and rectification, which is very minimal.

Jainam Shah: Okay, sir. Yeah. That's it from my side. Thank you very much.

Moderator: Thank you. The next question is from the line of Bhavik Shah from Invexa Capital. Please go ahead.

Bhavik Shah: Yeah. Hello, sir. So, my first question is regarding the cash. So, we are around INR1,252 crores cash in standalone, INR1,115 crores of cash in the PNC Infra Holdings. What is the ICD amount given by PNC Infra to the standalone company?

Pankaj Agarwal: The ICD is not given by PNC Infra Holding. It is given by the operational SPV subsidiaries, which is around INR494 crores.

Bhavik Shah: Okay. So that is part of my standalone debt, right?

Pankaj Agarwal: That is part of standalone debt.

Bhavik Shah: Understood. And the rest debt of say INR900 crores is my debt from banks and financial institutions?

Pankaj Agarwal: Yes, banks and financial institutions for equipment financing and the short-term working capital purpose.

Bhavik Shah: Understood. So, what is the cost of debt and what is the rationale for holding the cash and not utilizing the cash and taking the debt? How much are the earnings on the investments and what is our cost of debt? Is there any arbitrage you are seeing?

Pankaj Agarwal: We will evaluate always on monthly basis what we are getting and what we are paying on the working capital loan. So accordingly, we change our loan and investment decisions.

Bhavik Shah: Okay. So currently, we are having an arbitrage, so we are doing this. Is it fair to say that?

T. R. Rao: We are not for the arbitrage, we are doing it. See, if you see INR1,300 crores of debt we are having as standalone, which comprises INR500 crores of own company subsidiaries, intra-corporate deposit, intra-corporate loans. So, that is our own companies, the surplus cash is available in those SPVs, so we are taking.

And another major part of more than INR400 crores in the equipment finance, which is, there is an obligation to take the debt in the equipment finance because that is what the industry practice. Whenever we go for equipment purchase, we take a five-year term loan And the remaining, there is very minimal kind of a thing, what my colleague said. For the working capital requirements, we take short-term borrowings from the banks, where the rate of interest is very competitive. So, it is not that per se for any arbitrage.

But it is the corporate debt, working capital loan, what we are taking is very thin whenever we get realization from the clients of our outstanding payments, so this will be paying back. Whereas the deposits what we are making, cash and bank, this thing, on a long-term basis under mutual funds primarily.

Bhavik Shah: Understood, sir. And sir, one more thing. Regarding our order, we have got the stay. So, what is the way ahead there now? What are the next steps?

T. R. Rao: See, we got the stay. Se, next date of hearing is on 26th of November. The order says both parties may file their arguments, written arguments, including NHAI's reply. So, final arguments will happen. Because in the writ petition, we asked for the quashing of the debarment orders, and under CPC, we asked for an interim stay. So interim stay the court granted, because if in case court gets convinced about the illegality of the debarment, the debarment orders may get quashed.

Moderator: Thank you. The next question is from the line of Mehul Jain from Siddhant Partners. Please go ahead.

Mehul Jain: Yeah. Am I audible?

Moderator: Yes, sir.

T. R. Rao: Yeah.

Mehul Jain: Thank you. Thank you for the opportunity. I have two questions. One, with respect to this INR3,000 crores, if I understand it right, roughly INR932 crores is the equity commitment what we have, balance equity commitment, including INR400 crores of HAM. So, first question is about balance INR2,000 crores, is there any plan that we have formed up or we are trying to look at how to deploy this?

And my second question is that since we are now looking at even overseas opportunity, is it right to say that we are not able to find the right growth opportunities within domestic space, that is the reason we are exploring this? Because in past, I think overseas geography have not turned well for the infra company. If you look at probably 2000, 2010, 2011 to 2020 decade, lot of companies have erred in those aspect. So, any thoughts around this, sir?

T. R. Rao: The first question is that you say that we have to invest in the ongoing projects where some equity of INR900 crores plus we need to invest, where we already secured these HAM projects. Then we are pursuing 25 HAM projects of an estimated cost of INR50,000 crores. So, even if

you get some of the projects from this particular model, so we need to invest further equity into these projects.

And also we are pursuing both the TBCB power transmission projects as well as the DBFOT toll projects. So, these projects are around 20 projects of a total estimated value of INR95,000 crores. Should we secure any of these projects, some of these projects, which we are bit confident about securing the new projects, then there will be a fresh equity requirement in these projects, and the remaining INR2,000 crores that is available, then we utilize this for the equity purpose.

In case of international, see, international projects that have been coming in Africa and other earlier, so there had been some issues, but now the projects are coming in the erstwhile USSR countries, those like Uzbekistan, Kazakhstan and all. And second thing is these projects are in the road sector primarily, so where our expertise lies. So, there we are pursuing.

And also, as I mentioned, these projects are primarily funded by World Bank and ADB. So, don't foresee any kind of a funding issues or any kind of any interruptions in the payments. That is one safe area we are looking at. And it's not like that in the domestic, we are not able to secure projects in domestic sector, that's why we are traversing into international sector. But to complement our domestic thing and to broaden our horizon, we are going into international sector. It is something like complementary in nature.

Mehul Jain: And how is the return margin profile, sir, for domestic versus overseas?

T. R. Rao: See, since we do not have any first-hand experience in the overseas thing, we cannot say. But we are targeting the similar kind of return, what we are making at 12% to 12.5% EBITDA in the domestic. We also look at the similar kind of thing in the international market also while bidding. And also, we are not pursuing any fund-based projects over there. So, initially, we are pursuing the cash-based kind of projects like…

EPC and in some cases maybe item rate.

Mehul Jain: Understood. I think that's it from my side, sir. I will get in touch offline. Thank you very much.

T. R. Rao: Yeah.

Moderator: Thanks.

Moderator: Thank you. The next question is from the line of Vaibhav Shah from JM Financial Institutional Securities Limited. Please go ahead.

Vaibhav Shah: What is our capex guidance for '27 and '28?

Pankaj Agarwal: For financial year '28, we are giving the guidance of around INR150 crores capex.

Vaibhav Shah: Sir, and '27?

Pankaj Agarwal: '27, around INR200 crores.

Vaibhav Shah: Sir, first half is already INR150 crores, right?

Pankaj Agarwal: We have made the capex of INR155 crores, and for balance period, we are going to total amount is INR200 crores.

Vaibhav Shah: So, roughly INR50 crores only in second half?

Pankaj Agarwal: Yes.

Vaibhav Shah: Okay. Sir, secondly, you mentioned that you are quite confident on achieving order inflow of INR 12,000 crores to INR 15,000 crores, so incremental INR 8,000 crores to INR 11,000 crores in second half. But if the NHAI orders doesn't come in our favor, and if the ban continues post November, then still we are sticking to our guidance or there could be a reduction in guidance?

T. R. Rao: See, it's a bit of a hypothetical kind of a scenario. So, we hope that the stay or the relief would continue beyond November 26th also. And the NHAI is coming out with large number of projects both on HAM and as well as DBFOT And also there are more than 400 project opportunities in railways. So, still we are hopeful of getting the INR 8,000 crores to INR 11,000 crores new orders before 31st March.

Vaibhav Shah: So, let me put it the other way. What would be our NHAI share in that INR 8,000 crores to INR 11,000 crores?

T. R. Rao: Sir, majority share would be from the NHAI. More than 50% to 60% from the NHAI and MoRTH and, I think, NHIDCL, and 30% to 40% would be from the non-NHAI.

Vaibhav Shah: Okay. Thank you, sir. Those are my questions.

Moderator: Thank you. The next question is from the line of Deepashri Joshi from Ambit Capital Private Limited. Please go ahead.

Deepashri Joshi: Hello, sir. So, my question is on your Canal project. What would be the guidance for FY27 and '28?

T. R. Rao: Yeah. Actually, as of now, we have paused the work because they release water into the canal system. Effectively, we get around 6 months working time in a year. So, we are expected to resume the works from the middle of November.

So, in the current financial year, we should be able to execute another INR60 crores to INR70 crores work. And in FY28, we are targeting around INR400 crores work. See, they granted extension of time up to 12/31/2028 for completion of the project.

Deepashri Joshi: Got it.

T. R. Rao: Already we have done INR495 crores work, already we have executed.

Deepashri Joshi: Right. So, now it is about INR790 odd crores left, right?

T. R. Rao: Yes. That we should be able to do during the next two financial years.

Deepashri Joshi: Okay.

T. R. Rao: And as you had mentioned that we received around INR183 crores money we received from the government, which is a bit encouraging development. During the current quarter, we received it.

Deepashri Joshi: Okay. Got it. In your mining project, sir, you have done about INR260 crores in the current year till date, but you are guiding only INR350 crores to INR400 crores for '27. Why are you lowering your guidance for the second half?

T. R. Rao: See, actually, it's not INR250 crores. We have done around INR160 crores till the end of September, this thing. So, we are expecting another INR200 crores plus during the H2.

Deepashri Joshi: Okay. Got it. And my last question is, sir, you are guiding INR7,500 crores for FY28, right? But with the BESS project now canceled, are you still sticking to your guidance of INR7,500, right? Where will you get the visibility for that from?

T. R. Rao: Yes, because see, excluding the BESS project, as on date, we have an INR18,000 crores unexecuted order book. We are expected to execute another INR3,000 crores plus INR3,300 crores in the current financial year.

Even with the given order book, we will be opening the order book for FY28 to be INR15,000 crores, plus whatever the new orders that would be securing during the H2 of the current financial year. So, with the kind of order book of around more than INR25,000 crores, so we should be able to achieve INR7,500 crores, which is around 25% over FY27.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I would now like to hand the conference over to the management for closing comments.

Yogesh Jain: Yeah. Thank you everyone for your active participation in our earning 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.

Management: Thank you.

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