

“PNC Infratech Limited 4QFY26 Earnings Conference Call”

May 20, 2026

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MODERATOR: **MR. SUDEEP BORA – AMBIT CAPITAL**

Moderator: Ladies and Gentlemen, Good Day and Welcome to PNC Infratech Limited 4QFY26 Earnings Conference Call hosted by Ambit Capital Private Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

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

I now hand the conference over to Mr. Sudeep Bora from Ambit Capital. Thank you and over to you, sir.

Sudeep Bora: Good afternoon, ladies and gentlemen. On behalf of Ambit Capital, I am pleased to welcome you all to the PNC Infratech Limited 4QFY26 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 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 across the industry with you, followed by operational updates of the Company and highlights of financial performance during the quarter and full year ended 31st March 2026, post which we will be happy to answer your questions.

- ✓ FY26 witnessed a mixed outcome for the highways sector. While awarding activity continued to be subdued during the year, execution activities remained satisfactory for

the given order backlog with NHAI constructing over 5,300 kilometres of national highways during the year.

- ✓ Awarding activity by National Highways Authority of India stood at 3,124 km aggregate length, more than 30% below the targeted length of 4,500 km.
- ✓ The subdued awarding activity over the past three years largely caused by persistent delays in acquisition of land, extended project appraisal & approval timelines, and delay in finalizing of viable and bankable project structure under DBFOT-Toll model.
- ✓ Union Budget for FY27 reflects the Government's commitment to faster infrastructure development. Capital expenditure for the road sector has been budgeted at approximately INR 2.9 trillion for FY27, representing an increase of around 8% over the previous year.
- ✓ With increased focus on expressways, access controlled greenfield alignments including 4 & 6 lane economic corridors, the expansion in lane-kilometres is expected to remain healthy, reflecting the Government's continued emphasis on building larger and more extensive highway infrastructure network in the coming years.
- ✓ Against this backdrop, we remain hopeful that project approval and land acquisition processes will accelerate resulting in improved awarding momentum, which will translate into wider bidding opportunities and stronger pipeline for the key players in highways sector, particularly in fund-based mandates such as HAM and BOT-Toll.
- ✓ New opportunities have been rapidly emerging across core infrastructure segments including renewable energy & storage, power transmission, water supply & irrigation and other sectors.
- ✓ India's target of achieving 500 Giga Watt non-fossil fuel capacity by 2030 coupled with critical requirement of Battery Energy Storage Systems to bridge the gap between intermittent renewable energy generation and country's rapidly growing peak power demand, provides a large number of sustained business opportunities in this sector.
- ✓ India's power transmission sector is entering a high-growth phase, driven by the rapid expansion of renewable energy and acute need for augmentation and strengthening the national grid.
- ✓ Both central and state governments are heavily investing in new intra and interstate transmission networks, and grid modernization projects including setting-up of large number of high-capacity substations across geographies.
- ✓ Water infrastructure segment, in both drinking water and irrigation spaces continues to provide significant opportunities on both EPC and PPP modes, supported by government's flagship Jal Jeevan Mission, which has been extended until 2028 and water resources management projects being initiated by states.
- ✓ With emerging opportunities across railways, metro rail, airports, ports, logistics, mining, ropeways and urban development sectors, India's infrastructure opportunity landscape is set to expand in a big way beyond traditional roads and highways sector.
- ✓ Opportunities in these diverse sectors are expected to generate a sustained project pipeline over the coming years for infrastructure companies with healthy financials, strong execution capabilities and a proven track record.

- ✓ Towards the end of FY26, geopolitical tensions in West Asia led to volatility in global crude oil prices and logistic costs, resulting in higher input costs, particularly bitumen, fuel and logistics.
- ✓ Ministry of Road Transport & Highways introduced cost escalation compensation mechanism for national highway projects executed on EPC, HAM, PBMC modes, payable from 1st April 2026 and reduced price adjustment cycle from 3 months to one month to address the adverse impacts due to steep increase in bitumen prices.
- ✓ These measures are expected to provide some relief margin pressures faced by highway construction and development firms to certain extent.

Now coming to the recent updates on the company:

- ✓ In March 2026, the Company successfully completed the sale of its equity stake in PNC Challakere (Karnataka) Highways Private Limited to Vertis Infrastructure Trust.
- ✓ This transaction marked the completion of the final tranche of the strategic divestment of 12 assets announced in January 2024.
- ✓ In April 2026, the Company emerged as the L1 bidder for two HAM projects of National Highways Authority of India in Uttar Pradesh, with a combined Bid Project Cost of INR 3,483 crore.
- ✓ In May 2026, the Company was declared the L1 bidder for an EPC project of Lucknow Development Authority for the construction of a four-lane flyover on bank of Gomti River in Lucknow. The quoted bid value for the project is around INR 200 crore.
- ✓ In May 2026, Company received a Letter of Acceptance from Uttar Pradesh State Bridge Corporation Limited for an EPC bridge project of value INR 559 crore in Joint Venture.
- ✓ In May 2026, the Company received Provisional Completion (PCOD) for Prayagraj-Kaushambi - Package III HAM project of MoRTH. The project was declared fit for commercial operations effective from 31 March 2026.
- ✓ On 12 May 2026, the Company entered into a one-time settlement agreement with the NHAI regarding Agra Bypass EPC Project Arbitration Award under the Vivad-Se-Vishwas III Scheme, for an amount of INR 235 crore payable by NHAI to Company.

Moving on to the operational and financial performance of the company

- ✓ The Company's 15 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 INR 17,200 Crore.
- ✓ Out of total 14 HAM projects,
 - 5 projects achieved PCOD/COD,
 - 6 projects are under construction,
 - 1 project of MPRDC achieved financial closure
 - 2 projects, in which Company stands L1 bidder, LOAs are expected shortly

- ✓ Total equity investment requirement for the HAM projects is INR 1,623 crore, excluding 2 HAM projects, for which LOAs are yet to be received. Till March 2026, Company already infused INR 1,081 crores and the remaining equity of INR 542 crores to be invested over the next 2 years.
- ✓ The internal accruals that would be generated over the next two to three years should be adequate to meet the above equity investment requirement.

Now moving on to our order book

- ✓ Company's unexecuted order book stands at over INR 22,000 crores, which includes the value of newly secured 2 HAM projects and 2 EPC bridge projects.
- ✓ Highway contracts contribute 62% of total unexecuted order book, while water, canal, area development, railway and airport contracts contribute around 25%, and coal mining contract contributes 13%.

Now I would present the results for the quarter, and year ended March 31, 2026.

Standalone Revenue for the 4th quarter of FY26 is INR 1,458 crore.

Standalone EBITDA for the 4th quarter of FY26 is INR 175 crore. Standalone EBITDA margin for the quarter is 12.02%.

Standalone profit for the 4th quarter of FY26 is INR 100 crore. Standalone PAT margin for the quarter is 6.89%.

Standalone Revenue for FY26 is INR 4,633 crore.

Standalone EBITDA for FY26 is INR 583 crores. Standalone EBITDA margin for FY26 is 12.58%.

Standalone profit for FY26 is INR 344 crores. Standalone PAT margin for FY26 is 7.43%.

Now moving on to the Consolidated Results:

Consolidated revenue for the 4th quarter of FY26 is INR 1,167 crores.

Consolidated EBITDA for the 4th quarter of FY26 stood at INR 277 crore. The EBITDA margin for Q4FY26 is 17.14%.

Consolidated PAT for the 4th quarter of FY26 is INR 108 crores. The PAT margin for Q4FY26 is 6.66%.

Consolidated revenue for FY26 is INR 5,368 crore.

Consolidated EBITDA for FY26 is INR 1,137 crores. The EBITDA margin for FY26 is 21.17%.

Consolidated PAT for FY26 is INR 832 crores. The PAT margin for FY26 is 15.49%.

On Standalone Basis,

Our net worth as on 31st March 2026 is INR 5,811 crores, whereas standalone debt from Banks/Financial Institutions and Inter Corporate Deposit is INR 741 crores. This translates to net debt to equity of 0.13 times. Total cash & bank balance including current investments is INR 1,068 crores. Thus, we have a net surplus of INR 327 crores as on 31st March 2026.

On Consolidated Basis,

Our net worth as on 31st March 2026 is INR 6,813 crores whereas total debt is INR 5,151 crores. This translates to net debt to equity of 0.76 times. The total cash & bank balance including current investments is INR 2,856 crores.

With this we now open the floor for question-and-answer.

Moderator: We will now begin the question-and-answer session. The first question is from the line of Shravan Shah from Dolat Capital. Please go ahead.

Shravan Shah: Thank you, sir. Sir, couple of questions. Sir, first, broadly one on the guidance part. So, obviously, the FY26 and Q4 were slightly lower versus what we were expecting, INR 350, 400-odd crores kind of a lower number, and we were looking at 25% kind of a growth for FY27 at standalone. So, just wanted to know now, given the order inflow is also there, and how one can look at the revenue growth for FY27, and even possibly, based on the current order book, how one can look at FY28, and then the EBITDA margin also?

T. R. Rao: See, the revenue what we achieved in FY26 because as you know that the four of our projects got delayed execution, three of NHAI projects and one of MPRDC projects of having a more than INR 4,400 crores, for which we executed our concession agreements way back in July '23 and March '24, that has resulted in lower turnover in FY26 than what we expected, and going by this turnover of INR 4,633 crores. So, we are proposing a guidance of around 30% for FY27, which will be around INR 6,000 crores top line, and then for FY28, from there we are looking at another 25% guidance, so that will roughly translate into INR 7,500 crores. The EBITDA will continue to be around 12% for FY27. So, we will see what the EBITDA will be in FY28 going forward, given the geopolitical tensions and the volatility in the commodity prices.

- Shravan Shah:** So, just to touch on that, at least for in Q1 or maybe in Q2 do we see a kind of a risk on the margin, and if yes, whatever the price increase has happened, the crude-related and then the steel and everything, so, do we see anything and structurally also obviously we have escalation cost but given the kind of a sharp increase, how much one can look at kind of a risk to the margin?
- T. R. Rao:** See, certainly, we cannot deny that there would not be any margin pressure. Certainly, there will be pressure on our margins given the current scenario. But, as you said, the Minister of Road Transport and NHAI, both came out with the compensation mechanism to cover the steep escalation in the prices of bitumen directly with the base rate from the 1st April, which should mitigate some of the price rise to a certain extent, which will give some relief to the margin pressure. But certainly, margin pressure would be there. But going forward, once these tensions are subdued and there is stability in the commodity market, so in Q3 and Q4, we should be able to achieve the healthy margins, and overall in FY27, we are hopeful of achieving 12% EBITDA.
- Shravan Shah:** Yes, great. And so now on the inflow front, so two aspects. So, what I understand is INR 3,957 crores that we have already won till now in FY27, plus INR 2,000 crores solar that we have not included, so if I include that also, it is kind of INR 6,000 crores that is already there with us now. So, how much more are we looking at to bag in this year? And at the same time, how much value of projects that we have bidden and bid is yet to be open?
- T. R. Rao:** See, we are expecting an overall new order book of around INR 15,000 crores in FY27, out of which we got INR 3,957 crores new orders in the highways sector. And as you said, if you consider again order book from the renewable energy, so it will be around INR 6,000 crores. So, INR 9,000 crores to INR 10,000 crores further orders we are expecting in FY27. And regarding the bids what we had submitted, we submitted 15 EPC bids and one HAM bid, which is around INR 14,000 crores which are to be opened. The price bids are yet to be opened maybe before end of this month and some bids will be opened during the month of June. So, we are expecting some projects from this INR 14,000 crores where we already submitted bids.
- Shravan Shah:** Okay. And lastly, sir, a couple of balance sheet data points if you can share -- retention money, unbilled revenue, mobilization advance, HAM debtors, or water debtors?
- Pankaj Agarwal:** Just note down. Retention money is INR 264 crores. Mobilization advance is INR 155 crores. Total debtor is INR 1,660 crores. Out of that, HAM debtor is INR 372 crores. And the water debtor is INR 868 crores.
- Shravan Shah:** And unbilled revenue would be how much, sir?
- Pankaj Agarwal:** Unbilled revenue is INR 475 crores as of 31st March 2026.

- Shravan Shah:** And then this equity of INR 542 crores, so this, I hope, does not include the two HAM projects equity, what would be the broader one can take a 14% of the BPC that way, and this INR 542 crores, how much we will be investing in FY27 and FY28 and also the solar of INR 400-odd crores that we need to invest, how much in '27 and '28?
- Pankaj Agarwal:** Out of INR 542 crores, around INR 350 crores will be infused in current Financial Year '27 and the balance will be in Financial Year '28.
- Shravan Shah:** Okay. And for solar, sir, BESS mean.
- Pankaj Agarwal:** Actually, the total equity requirement we have told earlier was INR 400 crores, out of that, approximately INR 120 crores will be infused in this financial year.
- Shravan Shah:** Okay. Got it, sir. I have more questions. Come back in the queue. All the best. Thank you. And good to see the breakup of the order book project-wise in the presentation.
- Moderator:** We will take our next question from the line of Jainam Shah from Equirus Securities. Please go ahead.
- Jainam Shah:** Hi, good afternoon. Sir, the first question will be on the order inflow guidance. So, you have guided for INR 15,000 crores of order book, out of which INR 4,000-odd crores number that we have already received, balance for INR 11,000 crores, which specific segments we will be targeting -- do we have anything in mind, like roads would be this much, rest of the segment would be this much, anything on that part?
- T. R. Rao:** 60% to 70%, we are still targeting the highways sector because NHAI has declared that they are coming out with a large number of highways projects, both on HAM and as well as BOT Toll apart from the EPC. So, 60% to 70% we are targeting from the highways sector, and the remaining we are targeting from the non-highways sector.
- Jainam Shah:** Okay. And sir, the BOT Toll that you told about, so we came to bid for the BOT Toll project as a direct contractor, or you would be a subcontractor to some entity that would have bid directly?
- T. R. Rao:** We will be bidding directly as we are meeting the qualification criteria. But, of course, we will be subject to thorough due diligence, including detailed traffic studies and viability analysis. We will see because NHAI is still working on the structure, and very recently, they also changed some of the parameters. So, today also some discussion is going on one of the BOT projects NHAI proposed to bid. So, we will see, but it will be direct bidding.
- Jainam Shah:** Got it. So, one thing on the top line, so if we see we are targeting 30% and 25% growth for the next two years, which will be leading to let us say INR 7,000 crores-plus revenue for us which was the case for us in let us say a few years back, '23 and '24 as well. After reaching to that revenue

somewhat you can see a few of the infrastructure companies who is mainly into the road generally faces the pressure from the order inflow and then there has been a decline which we have seen as well and other companies as well. So, how do we see the other sectors you can say ramping up for us the qualification criteria and going forward how do we see road as a total order book and of course the NHAI pipeline and the overall awarding has been deep over the last few years, so how do we see our company beyond let us say INR 7,000 crores of top line which will be achieved let us say over the next two years?

T. R. Rao:

See, NHAI will continue to be our focus client because there has been a very unhealthy competition for the last two to three years, coupled with the low awarding activity by NHAI. So, these two has affected our order inflow during the past two, two and a half years and consequently the revenue also, there have been no major orders during the last three years from NHAI so it affected our revenue also. But see other sectors are emerging. A lot of projects are coming in railways, and also transmission and renewable energy, including energy storage, and also some projects are coming from area development and other things. We are looking at them, and we are pursuing those opportunities also. So, that is why we said that around 30% to 35% we are expecting the new orders from these things, as we are pursuing these opportunities actively. That is why we have given around 30% percent for the FY27 order book, and then going forward 25% that is for FY28. But certainly once these current geopolitical tensions have subsided, we will relook at it, and we will share with you maybe sometime at the beginning of H2.

Jainam Shah:

Got it, sir. So, from the margin part, of course, the majority of the revenue for this and last year was from the road segment. Going forward, let us say the segments are going to have better inflows, and our focus will also be on that along with the road. Because we will be new to those segments, will it impact our overall margins at the standalone level, or we continue to maintain 12% margin since we have been doing it since long, the sectors would be new to us, will there be any respect to the margin with the new segments contributing more and more to the revenue?

T. R. Rao:

See, we do not see any kind of a cross-subsidy kind of a thing in margin perspective. As you know that earlier we are targeting a margin of 13% to 13.5% EBITDA margin in our portfolio. Now, the guidance we are sharing with you is around 12%. Considering all the factors, we do not see it because we are diversifying into the other sectors, which will impact the margins of the roads and highways sector. So, we should be able to achieve a margin of 12% EBITDA, even with the kind of mix we are foreseeing in roads and non-roads sectors.

Jainam Shah:

Got it. On the competition part, you said that because of the lower awarding along with the competition, the order inflow has been muted. Are we seeing any change in the trend from the competition for the NHAI and MoRTH projects, or is the same thing continuing for the latest projects, which would have opened recently?

- T. R. Rao:** See, what we see, the competition in the EPC segment will continue to be very sharp, and I would say, a cutthroat kind of competition will be there. But NHAI, if you see, they came out with a list of projects they proposed to do over the next one year. So, the majority of them are HAM and BOT Toll where we are seeing less competition compared to EPC. So, since we are in a position to invest into these projects, either it is a HAM or BOT Toll with our healthy balance sheet and our investing capacity, so we look forward to have a lesser competition in the HAM projects, That too, particularly the larger size HAM projects. So, recently we won the INR 1,700 crores each worth of two projects because there you see the number of bidders are reduced in compared to the earlier projects which were bid out. So, going forward, we see lesser competition in HAM segment as well as BOT Toll compared to EPC and the smaller size projects.
- Jainam Shah:** Got it, sir. That is it from my side. Thank you so much.
- Moderator:** Next question is from the line of Jyoti Gupta from Ashika Institutional Equities. Please go ahead.
- Jyoti Gupta:** Good evening, sir. Thank you for the opportunity. Now, we have seen some diversification strategies in your company where you have entered into mining services, solar, and other adjacencies. What kind of return thresholds are being targeted in these segments? In mining services in particular, what is the CAPEX commitment and expected asset turns that you are expecting? And are there any plans to enter transmission, urban infrastructure, or any other kind of infrastructure, maybe defense opportunities that you are actually looking forward to?
- Pankaj Agarwal:** The total CAPEX required for this coal mining project was estimated to be INR 350 crores, out of which we have already made the CAPEX of around INR 250 crores in the current Financial Year '26.
- Jyoti Gupta:** What are the expected asset turns from this CAPEX commitment, what you are investing?
- Pankaj Agarwal:** We are investing in the plant and machinery of around INR 350 crores.
- Jyoti Gupta:** Okay. I will rephrase it. You are entering into the different sectors like mining services, solar, and other agencies. What kind of return thresholds are being targeted in these segments?
- T. R. Rao:** See, before mining and before solar, we had entered into the water sector in a big way five years before. As you know, there are more than drinking water supply projects under the Jal Jeevan Mission with an overall value of more than INR 6,800 crores. We entered into this Jal Jeevan Mission five years before. And concurrently, at that time, we also entered into an irrigation project of around INR 1,100 crores in Andhra Pradesh. So, we diversified into these sectors a decade before, and we were still able to maintain the margins reasonably around that percentage that we have been doing from earlier times. So, there is no major impact on the margin. And this coal also, where we got around INR 3,000 crores, because we have been doing the capital mining projects

from the beginning to meet our aggregate requirement. So, we have enough kind of experience and expertise in mining activities. So, in the coal as well as the solar, it will be akin to the margin that we have been securing in the road sector. So, overall, there would not be any major impact on the overall margin. So, we should be able to get similar returns in these two sectors also, including highways, what we have been getting, and the water sector.

- Jyoti Gupta:** Okay. Thank you, sir. That is all.
- Moderator:** We will take our next question from the line of Vaibhav Shah from JM Financial. Please go ahead.
- Vaibhav Shah:** Yes. Sir, on the solar project, when do we expect to start the work?
- T. R. Rao:** In the solar, maybe physical execution we will be starting from the third quarter of this year, the land we have already identified, and we entered into some kind of arrangement with the aggregators, and the connectivity also we received in-principle approval, we are expecting final approval also in one and a half to two months' time, going forward, then we will enter into (PPP), Power Purchase Agreement with the NHPC, then we will start physical execution, starting by initially procurement and followed by construction.
- Vaibhav Shah:** So, what revenue are we targeting in '27 and '28?
- T. R. Rao:** We are targeting around INR 600 crores in FY27, and INR 1,400 crores in FY28.
- Vaibhav Shah:** Okay. Sir, on JJM, how have been the payment, have you seen improvement in first quarter, and what revenue are we targeting in '27 and '28?
- T. R. Rao:** Some payments they released, because the state government released from their side, and we were able to get around INR 300 crores payment during the current financial year, and we are also expecting some more payments maybe before the end of the quarter, June 30th. And for FY27, we are targeting INR 750 crores in revenue, with the hope that the government will release more and more funds for this project, both central and state.
- Vaibhav Shah:** Sir, what would be the cash in PNC Infra Holdings as of now?
- Pankaj Agarwal:** The cash balance in PNC Infra Holdings is around INR 1,100 crores.
- Vaibhav Shah:** Okay. Including current investments?
- Pankaj Agarwal:** Including current investments.

- Vaibhav Shah:** Yes, okay. And sir, on the AD side, we have received two new HAMs, and also AD is pending for one older HAM. So, we were targeting to get AD in 1Q'27. So, are we on track now for Western Bhopal?
- T. R. Rao:** For Western Bhopal, we are expecting AD I would say before end of the 30th September and we should be able to commence the physical execution in Q3.
- Vaibhav Shah:** Sir, what will be the reason for so much delay in the appointed date for that project?
- T. R. Rao:** See, we faced some serious hindrances and impediments in the original alignment because of the land acquisition issues and the other environmental issues. So, they changed the alignment... because of the change of alignment, it took a long time. So, now things are settled. Government has approved the new alignment and the project. So, certainly, we will be executing some kind of an agreement and the appointed date is expected before the end of the second quarter. So, the physical execution will begin during the current say in the third quarter of FY27.
- Vaibhav Shah:** Okay, sir. Lastly, on interest cost, it has risen sharply to INR 30 crores in Q4. So, how do you see it going forward?
- Pankaj Agarwal:** Interest cost has increased in Q4 due to two reasons; one is the utilization of working capital; and the second is the interest on term loan which is taken for machine financing.
- Vaibhav Shah:** How do you expect it going forward in FY27?
- Pankaj Agarwal:** FY27, we see that the interest cost will be reduced by INR 3 crores to INR 4 crores from the current quarter.
- Vaibhav Shah:** Okay, fine. Thank you. Those are my questions.
- Moderator:** Next question is from the line of Archit Agrawal from Steptrade Capital. Please go ahead.
- Archit Agrawal:** Sir, my question is, why has execution pace been slow despite the strong order book?
- T. R. Rao:** See, as I mentioned, the four HAM projects, three of NHAI and one of MPRDC, though 25% of the order book, we could not commence these projects till, I would say, October, November of this year. And one of the projects we still have to get the appointed date for is the MPRDC project. Delay in the commencement of these projects resulted in the lesser turnover, though we got the order book. And other things, for example, we have a five-year time horizon for the coal, the order that we got, whatever the order book is, it will be spread over the next five years. And solar also, we are in the development phase. So, that is there, but going forward, definitely, this execution will be geared up. As you said, we are expecting 30% top line growth in FY27, and thereby another 25% top line growth in FY28.

- Archit Agrawal:** Okay. And what will be the margin guidance for FY27 and FY28?
- T. R. Rao:** For FY27, the margin guidance is around 12% EBITDA. For FY28, going forward, we will share with you, because of the current volatility in the commodity prices and the consequent increase in our input cost. So, we will not be able to tell. But, it should be around 12% in FY28 also, should things be normalized going forward.
- Archit Agrawal:** And what are the key reasons for the sharp EBITDA margin compression, like from 19% it was in FY25, and now it is about 12% to 13% this year?
- T. R. Rao:** See, in FY25, we received more than INR 400 crores payment towards the arbitration awards published in our favor through settlement under Vivad se Vishwas II. And also, we received INR 50 crores-plus bonus from one of the projects we completed for MSRDC, that is Nagpur-Mumbai Expressway Package-IV, because that is reflected in the higher turnover in FY25.
- Archit Agrawal:** Okay.
- Moderator:** Thank you. We will take our next question from the line of Sarvesh Gupta from Maximal Capital PMS. Please go ahead.
- Sarvesh Gupta:** Yes, good afternoon, sir, and thanks for the opportunity. So, sir, first question is that, last year when we had given the guidance for FY26, initially, we were assuming 15%, 20% growth, then it was subsequently downgraded to 5%, and we ended the year with a 20% down in terms of revenues. So, basically, giving any guidance is very difficult because the approvals and all were pending, and you could not get that in time, and execution was hampered massively. So, sir, this year, when I look at your guidance of INR 6,000 crores, I mean, if you can break it up between, let us say, all the projects that you are doing where you do not have any approval pending, so what is that clean sort of revenue where the execution is just pending, what is that out of that INR 6,000 crores? And what is the amount that you are penciling in where you are still waiting for various approvals, etc.? And if they do not come, then this INR 6,000 crores will be under a question mark?
- T. R. Rao:** Very consciously, we are giving a INR 6,000 crores guidance. Of course, last year, there was uncertainty about the delay in the appointed date for the already awarded projects. But the INR 6,000 crores guidance, which we are giving based on the projects that have been duly awarded to us, we are not considering any new projects that we are going to secure during the remaining 10-month period of the current financial year. That is one thing. Second thing also, this guidance is largely based on the projects where the appointed date has already been declared, and also then projects are going on. For example, the large projects of the three HAM projects that are going on, and two more HAM projects of NHAI, which are also in progress. And we got two major projects from MSRDC on Jalna-Nanded Expressway and also Pune Ring Road. Those projects are also going on in full swing. So, considering all these aspects, whatever guidance we are giving this year

is on a firm order as well as the projects which are going without any pending of anything. Of course, only one project, which is the Western Bhopal, we need to get an appointed date. And the rest of the projects are okay. So, unlike last year, we do not foresee any major hurdles or any unforeseeable things that will come into achieving our order. So, we should be able to get. I agree, last year, we were a bit optimistic when we had given guidance in the initial year, but later we faced these difficulties, and there was a prolonged delay in the declaration of the appointed date for the NHAI HAM projects due to land acquisition issues and delay in the Western Bhopal Bypass Project.

Sarvesh Gupta:

So, sir, this year, this Western Bhopal and then this solar project, where you are penciling in INR 600 crores, so what is pending, sir, here? So, one appointment date is pending. So, how much are you penciling in for Bhopal this year? And for the solar project of INR 600 crores also, I think you have not yet started, right, what is pending there, and when will it start?

T. R. Rao:

See, our INR 6,000 crores, what we are projecting now with a guidance of 30%, we have taken a very minimal value of work around INR 100 crores for the Bhopal Bypass Project, though we are expecting the physical execution will commence in Q3. That is one aspect. And the second thing out of INR 2,000 crores of the order, what we are expecting from the solar, only 30% we have considered in the current financial year. As we had said earlier, solar, the land acquisition, and the land possession are in an advanced stage. We identified the land and also finalized the initial kind of arrangement with the aggregators and all. We are expecting a minimum 30% physical possession of the land before execution of PPA. Then, going forward, initially, the high-cost items procurement will be there. So, we are hopeful of getting INR 600 crores from the EPC solar project this year. Even as a fallback kind of a thing, because there are other projects, we have not taken any project from work done on the two new HAM projects that we secured from NHAI. So, if we are able to achieve the appointed date during the current financial year, we will get some revenue from these two new HAM projects in Uttar Pradesh, which we secured recently. So, going by this, some kind of a fallback arrangement we are having, so we should be able to achieve INR 6,000 crores comfortably.

Sarvesh Gupta:

And sir, on this margin issue, so like earlier we had mostly HAM projects from NHAI, where generally it is considered that margins are better and payment terms are better, delays are less in terms of release of funds and everything. Now you know if I look at your order book, it is more geared towards all state government projects where the funds that we receive from the state governments can also be under a question mark, and margins also we do not have enough history. So, how do you look at that both margin risk and the fund release risk itself?

T. R. Rao:

See, if you see the highways sector, the state government project is only one project from MPRDC. If you go by the MPRDC's past history, they are able to make payments and this also only 40% payment they have to make during the construction phase being a HAM project, remaining 60% will come in the form of annuities and interest over the balance payments. So, we do not see any

major challenge in securing payment from MPRDC for this state highway project. All the remaining highway projects are of the Government of India's NHAI and MoRTH, and two more state projects are there from MSRDC. Since the beginning, we have been getting the payments regularly. So, there are also two packages that are EPC; here, there is no investment risk, and we are getting payments regularly for what we are progressively doing the work.

Sarvesh Gupta: At least 12% EBITDA margin?

T. R. Rao: Overall, 12% EBITDA margin we should be able to achieve.

Sarvesh Gupta: Thank you.

Moderator: Next question is from the line of Parikshit Khandpal from HDFC Securities. Please go ahead.

Parikshit Khandpal: Yes, hi, Yogesh ji, congratulations on a decent quarter. Sir, my first question is now the commodity prices have gone up, so bitumen, which is a large part of the cost and associated inputs around the fuel cost. So, when the SPVs give us the EPC project, how are we protected on margin? Are these fixed price contracts like if you get a HAM in SPV? So, when it comes to EPC, is it a fixed price or it is a variable price? So, how do we adjust for commodity inflation?

T. R. Rao: See, it is on a back-to-back basis. Whatever SPVs are getting the price index multiple, which covers both the WPI increase as well as the CPI increase, which will largely cover the other things. Similarly, the bitumen price is now directly compensated between the base price and the price in that particular month of execution, which will also be passed on to EPC from SPV on a back-to-back basis.

Parikshit Khandpal: Whatever the SPV gets as an inflation from NHAI is passed to you back-to-back, so that is what you are saying, right?

T. R. Rao: Yes. This is a part of the EPC contracts that you executed between SPV and the EPC contract.

Parikshit Khandpal: Okay. Second question is sir, what is the pending payment from the Vertis Infra now? Out of the INR 1,700 crores, how much have we received and how much is pending?

Yogesh Jain: From Vertis, we have received the entire payment.

Parikshit Khandpal: And what will be the roadmap for the monetization of the next set of assets beyond these 12-assets, so how are we looking to monetize the projects where we have achieved PCOD or COD?

T. R. Rao: So, we certainly will let you know once we reach out to any kind of framework mechanism on how to monetize these projects. So, we are evaluating multiple options. So, certainly we will share with you.

- Parikshit Khandpal:** Beyond the 12-assets which we have monetized with Vertis, I mean, now for other assets, we are looking for a different investor?
- T. R. Rao:** No, that is what I said, that it is really premature to say anything. So, please wait because just now we have got only out of now ongoing 14-assets, including 2 new. Yes, we are evaluating and only five assets only got the PCOD.
- Parikshit Khandpal:** Okay. Thank you so much, and wish you all the best.
- Moderator:** Next question is from the line of Sudeep Bora from Ambit Capital. Please go ahead.
- Sudeep Bora:** Hello, sir. Thank you for the opportunity. Sir, I wanted to know about the Varanasi-Kolkata Packages. So, like we got the ADs in September, October, and you said in your remarks that the progress has been slow in these packages. So, like, what is the outlook on this currently? And like how much revenue are we seeing in FY27 from these three packages?
- T. R. Rao:** After the commencement of these packages during the month of October, physical execution, we have already achieved INR 336 crores in revenue during FY26. And going forward in FY27, we are looking at around INR 1,600 crores to INR 1,800 crores revenue from these packages.
- Sudeep Bora:** Okay. So, there is no obstruction or delays right now?
- T. R. Rao:** No obstructions. All three packages are going smoothly, we are executing in full swing, so, we do not foresee any major obstruction or anything as of now. So, we should be able to complete these three packages within the stipulated time of 24-months.
- Sudeep Bora:** Okay. And regarding the Pune Ring Road and Jalna-Nanded, I think one of them was having some issues. So, is it sorted? What is the outlook for 27?
- T. R. Rao:** See, both Jalna-Nanded and Pune Ring Road were initially having some land acquisition issues. Last year, for Jalna-Nanded, we encountered a very prolonged, very intense, and record-breaking monsoon in Jalna-Nanded. Now all these issues are behind us. So, we should also be able to achieve a good kind of turnover from these two projects. Also, we are targeting around INR 1,500 crores to INR 1,600 crores in FY27 from these two projects, and we do not foresee any major issues with these things.
- Sudeep Bora:** Okay. And sir, about the Haryana Orbital Rail, so that is getting stretched for a long time, it has been sitting in our order book for a long time. So, any update on that?
- T. R. Rao:** See, in the Haryana Orbital Rail, there are certain issues of land acquisition because it falls in the Aravalli range and other things. And also whenever there is a restriction imposed in the construction activity in NCR to curb the pollution, we are also seeing these restrictions in the

construction activities. That is there. Nonetheless, we have completed more than INR 400 crores of work, which is more than 53% of the work we have already completed. Now, the balance around INR 360 crores of work is there. So, we are expecting that this balance work will be completed in FY27 as well as in FY28. Of course, the execution is slower than what we expected, but we are eligible for the necessary extension.

Sudeep Bora: Okay. So, what remaining work are you expecting to get completed by FY28?

T. R. Rao: Yes, by FY28.

Sudeep Bora: Okay. And about the mining project, I know we have started with the initial work, but the major revenue flow that would come from which year and how much are we expecting in, say, '27 and '28?

T. R. Rao: See, in the mining, execution, and mining activities we started. We achieved around INR 68 crores turnover during FY26, the year we completed, and we are expecting another INR 400 crores turnover in FY27, and in FY28, we are expecting around INR 600 crores. Because we got a five-year time for this entire thing of INR 2,956 crores. So, we should be able to get decent progress beyond FY28 also, and we should be able to complete the entire scope within the time.

Sudeep Bora: Got it, sir. Thank you. Those were my questions.

Moderator: Next question is from the line of Vasudev from Nuvama. Please go ahead.

Vasudev: Yes, thank you for the opportunity. Sir, I just want to know our progress on the Andhra irrigation project. Where are we over there?

T. R. Rao: See, the irrigation project, we received payments of around INR 300 crores from the Government of Andhra Pradesh. And till 31st March, we achieved INR 380 crores worth of work done, and the remaining work to be done is around INR 700 crores. So, this year we are targeting around INR 200 crores of work in FY27. And also then this further progress and all depend upon the receipt of payments from the government of Andhra Pradesh. We are hopeful that, being a priority project, they should be able to release. And we have time up to September '26, they have given an extension, and now we have applied for another two years up to September '28.

Vasudev: Okay, sure, sir. And can you just help me with the toll collection numbers? And just a bookkeeping question is on CAPEX that we did in FY26, and our target for FY27?

Pankaj Agarwal: Yes, note the number of Toll; the Toll of MP Highways is INR 13.3 crores in this quarter, and for Raebareli is INR 32 crores, and for DSIIDC Narela project is INR 2.65 crores.

Vasudev: Okay, sure, sir. And just on the CAPEX part?

- Pankaj Agarwal:** CAPEX for Financial Year '27, we are targeting INR 150 crores.
- Vasudev:** Sure, sir. That is it from my side. Thank you.
- Moderator:** Next question is from the line of Bhavin Modi from Anand Rathi. Please go ahead.
- Bhavin Modi:** Thank you, sir, for giving the opportunity. Sir, my first question is with respect to the MDO. Sir, you spoke that you have clocked in the revenue of INR 68 crores in FY26 and INR 400 crores in FY27 is the plan, right? So, is this the EPC revenue or the mining fees that you are speaking about?
- T. R. Rao:** This is the EPC revenue, nothing is mining fee. This is the item rate-based contract. Whatever revenue we are expecting, that is from the EPC revenue only. So, we are expecting around INR 35 crores on average per month, so we are expecting INR 400 crores revenue in FY27, and going forward, around INR 50 crores per month to INR 600 crores in FY28. It is not an MDO work. No investment is involved. It is a pure EPC work on an item rate basis.
- Bhavin Modi:** Okay. So, there will be no separate creation of the SPV, right, generally, which happens in the MDO model.
- Yogesh Jain:** No, it is on the company's balance sheet only.
- Bhavin Modi:** Understood. Sir, the second question is with respect to the BESS thing. So, you mentioned the order book of INR 2,000 crores. So, this is the pure EPC or does it also include the procurement of bought-out components?
- T. R. Rao:** No, see, there is no EPC kind of a thing. But it is a PBMC kind of model. We will be getting a charge for the power we transferred into the grid and through BESS and directly. And EPC will be the byproduct to what we will be routing through the project through our parent company.
- Bhavin Modi:** Suppose whatever the bought-out components are there, like for example, transformers or something, so that will be directly purchased by the SPV, or will it be through the PNC EPC company?
- T. R. Rao:** As of now, we are looking at it being purchased by the PNC as an EPC contractor.
- Bhavin Modi:** And then it will be passed to the SPV, right?
- T. R. Rao:** Yes.
- Bhavin Modi:** Now that the bitumen prices have skyrocketed, do you see NHAI already with the tenders that they have floated? Are they going to revise the authority cost either by corrigendum or through re-tendering? Is any discussion ongoing for that?

- T. R. Rao:** We are expecting a revision of this authority's cost, because as of now, the compensation mechanism that they introduced is only for three months from the 1st of April for the ongoing projects. So, the projects that they are going to bid out from right now, from the current point, either the cost should be revised, or this kind of compensation mechanism should continue.
- Bhavin Modi:** Okay. So, once they elongate the tendering process, would be through a simple corrigendum, how do you see it?
- T. R. Rao:** It will be a simple corrigendum. Earlier also, they revised the estimated cost put to tenders through an addendum and corrigendum. So, this will also happen like that only.
- Bhavin Modi:** Understood. Thank you for answering the questions.
- Moderator:** Next question is from the line of Parth Thakkar from JM Financial. Please go ahead.
- Parth Thakkar:** Thank you for the opportunity. When can we expect the AD for the two new HAM projects that we received L1?
- T. R. Rao:** See, once we get the letter of award and then follow it with the execution of the concession agreement, we will have a five-month time for the financial closure. Similarly, NHAI will also have a five-month time to fulfill its conditions. So, take everything by a thing, we are expecting appointed date declaration in Q4 of the current financial year.
- Parth Thakkar:** Have we submitted a bid for any of the BOT projects? And if yes, what would be the size?
- T. R. Rao:** No, as of now, we have not submitted any bid for any of the BOT toll projects. We are evaluating the opportunities of the BOT toll projects that have been floated by NHAI.
- Parth Thakkar:** Okay. What would be our outstanding receivables from the canal project?
- Pankaj Agarwal:** Our outstanding in canal project is around INR 300 crores (this was wrongly mentioned as INR 300 crores, the correct figure is INR 141 crores).
- Parth Thakkar:** Okay. Thank you, sir. Those are my questions.
- Moderator:** Ladies and gentlemen, that was the last question for today. I now hand the conference over to management for closing comments. Over to you, sir.
- Yogesh Jain:** Thank you, everyone, for your active participation in our earnings call. Should you have any 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 Ambit Capital, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.