



Ashoka Buildcon Ltd.

## “Ashoka Buildcon Limited Q3 FY20 Earnings Conference Call”

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Ashoka Buildcon Ltd.



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**Moderator:** Ladies and gentlemen, good day and welcome to the Ashoka Buildcon's Q3 FY20 Earnings Conference Call hosted by Centrum Broking 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, please signal an operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Ashish Shah from Centrum Broking. Thank you and over to you, sir!

**Ashish Shah:** Very good afternoon to everyone. We are here to host the Q3 FY20 earnings conference call of Ashoka Buildcon. We have from the management Mr. Satish Parakh – Managing Director, Mr. Paresh Mehta – Chief Financial Officer and we also have Stellar IR on the call. So, over to you Mr. Parakh for opening remarks and then probably we can go for a question and answer session. Thank you.

**Satish Parakh:** Thank you, Ashish. Good afternoon everyone. Welcome you all to the earnings conference call for quarter ended December 31<sup>st</sup>, 2019. Joining me on the call is Mr. Paresh Mehta, our Chief Financial Officer. To start with, I am happy to share that we have made an important progress in Tumkur – Shivamogga Package IV and Kandi Ramsanpalle HAM projects. We have successfully signed the concession agreement with the NHAI for both the projects. Currently, we are in process of debt tie-up for the said projects and expect to do the financial closure in near future.

Now coming to the order intake during the quarter, Ashoka Concession Ltd., a subsidiary of Ashoka Buildcon won the road HAM project worth Rs. 1,000 crores from NHAI in Telangana under the Bharatmala Pariyojna. The project entails four laning of NH-161 from Kandi to Ramsanpalle on HAM mode. Also we have received LOA for a road project worth Rs. 1,080 crores from Uttar Pradesh Expressway Industrial Development Authority.

The company's total order book as on 31<sup>st</sup> December, 2019 stands at Rs. 8,092 crores. The order book excludes orders worth Rs. 1,454 crores which includes LOA worth Rs. 868 crores and Rs. 586 crores received from Tumkur–Shivamoga HAM project and Kandi Ramsanpalle, respectively. Including these 2 orders, our order book stands today at 9,547 crores. The breakup of the order book is as follows:

The road project comprises of Rs. 5,981 crores, which is 74% of our total order book. Among the roads order book, HAM projects road projects are to the tune of Rs. 3,411 crores and EPC projects are to the tune of Rs. 2,570 crores. Power T&D and other comprises of around Rs. 1,046 crores, which is 13% of total balance order book. Railways contribute Rs. 993 crores which is 12% of the total order book and EPC work on CGD comprises of Rs. 73 crores.

Over the years' road infrastructure has been a key government priority. In Union budget 2020-2021, our honorable Finance Minister seems to provide impetus to further enable the development of infrastructure in years to come.

On 31<sup>st</sup> December 2019, government has launched the National Infrastructural Pipeline of Rs. 103 lakh crores over the next 5 years. The central government has provided Rs. 22,000 crores in the form of equity infusion in NIIF and IIFCL. This support will enable the financial institutions to leverage and provide the financial support over Rs. 1 lakh crores of various upcoming projects.

The government has announced accelerated development on highways, which include development of 2,500 kilometer of access control highways, 9,000 kilometers of economic corridors, 2,000 kilometers of coastal and land projects, 2,000 kilometers of strategic highways. To fund the project, government is allocated Rs.1.7 lakh crores in FY20-2021. Also the government plans to monetize at least 12 highway bundles of 6,000 kilometers before 2024.

Additionally, to drive investment in priority sectors from sovereign wealth funds of foreign government, the Finance Ministry has proposed a grant of 100% tax exemption on interest, dividend and capital gains. We believe this will help in faster asset monetization and support funding for future awards.

In current financial year we have witnessed a slowdown in tendering an awarding of projects by NHAI. In coming months, we expect the strong order intake as the project awarding activities of NHAI had already picked up. The government impetus on road construction improved scenario in terms of land acquisition and availability of funds will help the sector.

Moving on to other key developments of the company, I am happy to share that we have acquired remaining 29% of equity in Ashoka GVR Mudhol Nipani Road Projects Limited, held by GVR Infra Projects Limited. With this Ashoka Buildcon now holds 99.99% equity share in this SPV. The consideration of Rs. 35.69 crores for the transaction was already paid in cash in the past. That is all from my side, I would now request Mr. Paresh Mehta to present the financial performance of Q3 FY20.

**Paresh Mehta:**

Than you, sir. Good afternoon everyone. The result presentation and press release for the quarter has been uploaded on the stock exchanges and on the company's website. I believe you all may have gone through the same.

Now I would present the financial results for the quarter ended December 31<sup>st</sup>, 2019. Starting with the consolidated results the total income for Q3 FY20 stands at 1,303 crores as compared to 1,382 crores in Q3 FY19. EBITDA stood at 401 crores in Q3 FY20, a growth of 4% year-on-year.

Coming to the standalone numbers the total income of Q3 FY20 stands at 1,021 crores as compared to 1,091 crores in corresponding quarter last fiscal. During Q3 FY20 BOT division recorded a toll collection of 238 crores. EBITDA for the quarter was at Rs 161 crores as compared to Rs 174 crores in the corresponding quarter last year. EBITDA margins was at 16% for Q3 FY20. The company reported PAT of Rs. 86 crores in Q3 FY20, PAT margins stood at 8.4%.

Total consolidated debt as on December 31, 2019 is at Rs. 5,881 crores of which project debt is Rs. 5,366 crores including Rs. 150 crores of NCDs at ACL level. The standalone debt is Rs. 515 crores which comprises of Rs. 216 crores on equipment loans, Rs. 149 crores on working capital loans and Rs. 150 crores of NCDs.

With this we now open the floor for Q&A. Thank you.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Mohit Kumar from IDFC Securities. Please go ahead.

**Mohit Kumar:** Sir, firstly on the revenue, sir, these revenue was slightly on the lower side of Q3. Are we still maintaining 25% to 30% growth in revenue for FY20 and is there some kind of guidance which you give for FY21 now?

**Paresh Mehta:** Going with our revenue side we did guide when we started of the year with a 25% growth. But in view of the delayed appointed date for couple of projects and for the 2 projects TS-1 and TS-2 and also the Bettadahalli project and elongated rains during this last Q2 and Q3, our estimates for the year end stands revise to almost around 15 odd percent. And we will achieve that too, but all the revenues there will get postponed for the Q1 of the 2020-2021.

**Mohit Kumar:** Sir, on the asset monetization side, just something which you can share at this point of time, the timeline which you are looking at now?

**Paresh Mehta:** So, as update in our previous calls Macquarie is in the lookout for exit from the portfolio and in purchase of that they already in certain process of diligence where we are settled a team. We do have an option of giving them an exit or monetizing all the assets put together, the kind of investors which are available are looking out for assets 100% stakes in SPVs. So, we believe that by March and we should get the clarity on the exit of Macquarie or stakes sale.

**Mohit Kumar:** And lastly on the sir, on the project, Kandi Ramsanpalle and the Lucknow and Shivmogga when do you expect, all the projects to start construction? Is there something which you can share?

**Satish Parakh:** Kandi Ramsanpalle is quite in advance stage where 95% of the land is available. So that will get started in time like 4 months from now. And (Package IV) Tumkur – Shivmogga may need 6 months to start.

**Mohit Kumar:** Lucknow say this Expressway?

**Satish Parakh:** Lucknow project is already started, and we have begun work on the project already.

**Moderator:** Thank you. The next question is from the line of Koundinya N from J M Financial. Please go ahead.

- Koundinya N:** Sir, sorry for harping on its revenue standalone level again because if you look at the monsoon that also maybe October could have been partly impacted by monsoons. But otherwise also our order book is decent enough to maybe it should have grown by still in 9 months we achieved only 7% growth. So, just trying to understand if there are any liquidity issues either for us or for sub-contractors or if there are any other issues which are hampering the execution?
- Satish Parakh:** Monsoon in fact affected us right up to the first week of December. The major 2 projects were like Vadodara-Mumbai expressway and Karnataka projects where we really had a very long monsoons and Vadodara-Mumbai expressway we really, the entire work in the Narmada bridge, temporary bridge was completely washed away. So we have to completely redo the Narmada bridge, for which definitely will get insurance but we are not going to get the time we have lost and that really affects the entire quarter.
- Paresh Mehta:** We can assure you that the cash flows definitely are not an issue. If you see our standalone debt working capital plus NCDs are to get almost Rs. 300 crores where we have a headroom of another 200 crores to borrow. So, that is not a concern and to just put a lime light, on the first 2 weeks of January we received almost Rs. 400 crores. So, this debt is, I mean the debt is totally under control I mean, there are a lot of comforts on the working capital debt.
- Koundinya N:** Debt loan level we are really comfortable and my question is that if the disbursements to HAM projects are happening and then secondly because we also subcontract part of our work the cash flows to subcontractors are on time or is it some stress to that extent?
- Paresh Mehta:** We have no concerns on either the grant being received from the authority. Because based on the pace of the work we are receiving our grants in time maybe 8-10 days plus minus. The debt also is being reached by the existing bankers in time so there is no challenge that though they are going ahead with the sell down of their debts. But they are delivering till the sell down happens. So, there is no concern on cash flows at all.
- Koundinya N:** Sir, my second question is on Tumkur 4 HAM, if you can help Tumkur 4 HAM, can you help us understand that land acquisition status 3H?
- Satish Parakh:** So, land is around 46% as of now.
- Koundinya N:** 46% 3H, sir?
- Paresh Mehta:** 3G has been done up to 60%. So, this will expedite in coming months. So, once 80% is done we will get the appointed date.
- Koundinya N:** And sir Ramsanpalle 95% is 3H, right?
- Satish Parakh:** 3H is already there we are tying up our debts, so our debt tie up will happen within the time limit given by NHAI. So that we will, we hope to start in time.

- Koundinya N:** Sir, lastly one book keeping question. Can you provide our ACL net debt numbers on the BoT assets which are part of this Macquarie stakes sale thing.
- Paresh Mehta:** So, the net debt on the ACL these are around Rs. 4,821 crores, ACL assets.
- Moderator:** Thank you. The next question is from the line of Vibhor Singhal from PhilipCapital. Please go ahead.
- Vibhor Singhal:** Sir few questions from my side. As of now that you mentioned that we are looking for a 15% kind of growth in fourth quarter that would mean for the full year. That would mean that for the fourth quarter we would need to do something like a 30% kind of growth Y-o-Y around Rs. 1,700 crores of revenue. Do you see the visibility and also as we might have seen in the first 40 days of the quarter? Do you see visible it for us to be able to do that kind of a revenue in this quarter?
- Satish Parakh:** I think, we have started well on this Bundelkhand expressway but here we are now completely in shape and work is with full swing and Tumkur - Shivamogga also work has started in full swing. So, we definitely feel that we will be able to catch up.
- Vibhor Singhal:** Also sir, any chance that you could share the debtors and the inventory rates number with us at the end of this quarter?
- Paresh Mehta:** Total trade receivables are in the range of Rs. 1,500 crores this is including receivables from our SPVs and as I said, January we have received almost Rs. 400 crores on that account. And the inventory, unbilled revenue is to the tune of, I just come back to that.
- Vibhor Singhal:** Along with that sir, if you can get the net working capital number also that will be great.
- Satish Parakh:** Yes.
- Vibhor Singhal:** Sir, in the meantime if you could just maybe ask on a strategy level in terms of asset monetization. So, the ACL we have around 7 projects in which SBI Macquarie has invested directly. So, as of now are we looking just for the, so SBI Macquarie looking for a partner for the exit. So, are they looking just for the, somebody to buyout their stakes in these 7 projects? Or are we also at the same time contemplating the other annuity and the HAM projects that we have in our portfolio?
- Paresh Mehta:** So, from a diligence end from a process which we are progressing we are also looking for 100% monetization of all the 7 assets which they partnered when they came in and additional HAM projects which came up during the course of partnership there also we are looking out for a financial arrangement where somebody can buy out the equity as the projects completed.
- Vibhor Singhal:** So that would mean the all the 7 HAM also?

- Paresh Mehta:** Yes, that would be.
- Vibhor Singhal:** I just need the inventory days and working number days. I come back in the queue whenever you have, I will be ok to take those numbers, sir.
- Moderator:** Thank you. The next question is from the line of Prem Khurana from Anand Rathi. Please go ahead.
- Prem Khurana:** Sir, first one was I mean if you could help me with the break up in terms of I mean how much they will be have from roads in terms of revenues and how much was from Power T&D this quarter?
- Paresh Mehta:** On the roads for this quarter we had Rs. 742 crores, on the EPC power Rs. 95 crores, on the railways Rs. 74 crores, other projects around Rs. 32 crores.
- Prem Khurana:** And sir, just to continue on this revenue recognition, so essentially we have had good numbers from roads and I am assuming a part of it would be from your hybrid annuities as well. But when I look at my project level debt it seems to have come up. So, does it mean, I mean we could have mobilization advances and grants from government to be able to fund our execution because I mean when I look at the presentation sequentially your project debt has down by almost around Rs. 60 crores despite this kind of execution in this quarter. How do we explain this?
- Paresh Mehta:** So this is, you are right, the 2 parts. One is that repayment of debt on the old projects which is also happened during the quarter. And second, definitely disbursement of grants and mobilization advance has head in funding all this progress of work.
- Prem Khurana:** Would you have that number available with you? I mean, how much was the mobilization and grant in this quarter that we would have received?
- Paresh Mehta:** I will just come back on that.
- Prem Khurana:** And just one last, I mean if I may. So what is the status on the Kharar Ludhiana COD and as well I mean when do we expect the same for your Ranastalam project?
- Paresh Mehta:** COD is very much in advance stage; we expect by the end of this quarter.
- Prem Khurana:** Sir this schedule COD was September, right? So, it is already delayed by a quarter or right?
- Satish Parakh:** See actually work has been completed. Now the process takes time in NHAI than what we expect.
- Prem Khurana:** And then would they compensate for this delay as in essentially in terms of the interest that you are supposed to get at the annuity that ...

- Satish Parakh:** Because they were not being supporting, this first annuity will be anywhere you update in time.
- Prem Khurana:** And Khar - Ludhiana the entire 100% land was available or there was there still some missing land there because when I look at the order backlog there is some more work that needs to be finished.
- Satish Parakh:** Yes, there is a work balance which will be done in maintenance period as and when plant is plan is released.
- Prem Khurana:** If I may have that grant and mobilization advances number, sir.
- Moderator:** Thank you. We move to the next question. Next question is from Avinash Chenna from Spark Capital. Please go ahead.
- Avinash Chenna:** Sir, can we know exactly what is the cash available as on December 2019 and understand gross debt is around Rs. 5,881 crores?
- Paresh Mehta:** On the standalone numbers?
- Avinash Chenna:** Yes, on the standalone.
- Paresh Mehta:** Cash available on balance sheet as on 31<sup>st</sup> December is around Rs. 50 crores.
- Avinash Chenna:** Sir, next question is on your bidding. What is the current bidding status on pending awards or pending results?
- Satish Parakh:** See, we are actively participating various EPC as well as HAM projects. We have number of bids we are able to yet to be out. Project which we have bid in, we are awaiting for the numbers.
- Avinash Chenna:** Sir, of this Rs. 80,000 to 100,000 crores of pipeline that NHAI is ready with, so how was we targeting? Are we specific about any geographies or it will be HAM and EPC.
- Satish Parakh:** We have selected projects worth Rs. 30,000 crores for bidding in next 2 months. It is compromising HAM as well as EPC.
- Moderator:** Thank you. We move to the next question. The next question is from Jiten Rushi from BOB Capital. Please go ahead.
- Jiten Rushi:** Sir, firstly on the equity invested so far in the HAM projects and balance to be invested in next couple of years. Can you please give us the breakup?
- Satish Parakh:** So, in the existing HAM projects up-to-date equity invest is around Rs. 490 crores.



- Jiten Rushi:** This is 7 HAM right, sir?
- Satish Parakh:** This 7 HAM, yes and then if you move ahead we intend to invest approximately Rs. 76 crores in 2019-2020 that is the remaining 2 months. And then around 2020-2021 we expect to invest Rs. 240 crores this including the 2 new projects that is better Bettadahalli and Kandi project. And the balance of around say Rs. 130 crores will be invested in 2021-2022. So, it is the schedule of the existing HAM projects which you will have.
- Jiten Rushi:** So, what is the equity you have to put in these 2 HAM put together the new HAM the Tumkur-Shivamoga.
- Satish Parakh:** These 2 HAM would be in Bettadahalli approximately Rs.129 crores and in Kandi approximately Rs. 76 crores.
- Jiten Rushi:** So, Tumkur – Shivamogga 129 and Kandi 76, right?
- Satish Parakh:** Yes.
- Jiten Rushi:** And sir, can you throw the light on the land status for the other HAM projects as you said that for Kharar – Ludhiana only 80%-85% land is available. That was the case last time I think that is the case now also and what about the other HAM projects land status?
- Satish Parakh:** No, Kharar – Ludhiana around 91% is available which we are completing. We are getting COD on that. Other projects as I explain earlier Kandi, Tumkur project is 95% kind available and Tumkur – Shivamogga – 4 that is Bettadahalli there today only 60% is 3G and 46% of 3H done. So, that we expect to pick up in the coming quarters.
- Jiten Rushi:** And sir, your lease revenue which you have lost in Vadodara Kim, so I see some 100 crores plus revenue execution in Q3. So, what kind of run rate you can expect in Q4 and in FY21? Because you said you have lost some revenue because of the extended monsoon in Narmada river bridge.
- Satish Parakh:** So, all this will catch up in this insurance we won. So, now everything is come down to we are completely the project has now come to fast-track, if we try to maintain the schedule completion date as it is. So, increase more resources and we are trying to catch up with the run rate.
- Jiten Rushi:** So, what is the CAPEX for 9 months and Q4 you are expecting, CAPEX?
- Paresh Mehta:** CAPEX for the balance 2 months is not very significant. But for the 9 months gone by total CAPEX done during the 9 months was approximately, I will come on that one second, sir.
- Jiten Rushi:** And sir this for the ACL portfolio which SBI Macquarie, can you just gave us the breakup between the equity, sub debt and the external debt for 7 portfolios?

- Paresh Mehta:** So equity on SPV wise?
- Jiten Rushi:** As you are comfortable, it is up to you, sir?
- Paresh Mehta:** Well we could come back separately on that.
- Jiten Rushi:** The total equity if you can, SPV is fine. But it just total equity?
- Paresh Mehta:** Total equity approximately all the projects under ACL is approximate Rs. 2,400 crores.
- Jiten Rushi:** And what is the sub-debt in the loss funding which we have done so far?
- Paresh Mehta:** That would be approximately 250 crores and 300 crores on loss funding basically Sambalpur.
- Jiten Rushi:** And sir the external debt outstanding?
- Paresh Mehta:** Rs. 4,821 crores.
- Jiten Rushi:** And sir what is the mobilization advances and retentions as on December, sir?
- Paresh Mehta:** Mobilization advance as of December is around Rs. 340 crores.
- Jiten Rushi:** And retentions?
- Satish Parakh:** Retentions, I will have to come back. Rs. 230 retentions.
- Moderator:** Thank you. We move to the next question. The next question is from the line of Vaibhav Shah from Centrum Broking. Please go ahead.
- Vaibhav Shah:** So, what are the T&D receivables that we had currently? And how are we they moved on over the past quarter?
- Paresh Mehta:** On the Power T&D, right?
- Vaibhav Shah:** Yes, Power T&D?
- Paresh Mehta:** Total receivables in Power would be approximately Rs. 600 crores.
- Vaibhav Shah:** And what was the number during last quarter?
- Paresh Mehta:** We come back on that.
- Vaibhav Shah:** Sir and with respect to our new HAM Kandi Ramsanpalle, so if you see that the EPC cost is quite lower at 586 crores. So, what could be the reason for that?

- Paresh Mehta:** The equity, the project cost is lesser.
- Vaibhav Shah:** EPC cost?
- Paresh Mehta:** EPC cost. The project size is small because basically the project size is almost 20% lower than the BPC. And accordingly around say Rs. 650 odd crores should be the EPC price, IDC would be around Rs. 720 crores with the project cost.
- Vaibhav Shah:** Sir and what could be our inflow guidance for FY21?
- Paresh Mehta:** We expect biddings to happen in the next 6 weeks, we believe and we will try to target at least Rs. 3,000 to 4,000 crores of order book either in HAM or EPC because whatever biddings have been postponed we will continue to participate in those. So, against our target of Rs. 5,000 to 6,000 crores we will try to at least do within this 2 months, Rs. 3,000 to 4,000 crores.
- Moderator:** Thank you. The next question is from the line of Ashish Kumar from Infiniti Alternatives. Please go ahead.
- Ashish Kumar:** The sale of our stake in Ashoka ACL for unwinding the Macquarie stakes where are we have got any term sheets?
- Paresh Mehta:** So as decided we are already in a process of diligence and we are talking to investors on the subject and we expect clarity by March, before March end.
- Ashish Kumar:** But do we expect our equity stake to get diverted further or will it be that 39% only?
- Paresh Mehta:** That will all depend on the valuation which we actually pans out and our minimum number which we have already disclose Rs. 1,500 crores the Macquarie should be making in their transaction on their investment.
- Ashish Kumar:** So, we will only known by in March as to whether we need to ...
- Paresh Mehta:** End of March.
- Moderator:** Thank you. The next question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.
- Parikshit Kandpal:** Sir, earlier in the call we have said that this 7 ACL assets equity investor is 2,400, it is only the 7 assets, right?
- Paresh Mehta:** These are 7 assets, equity which I told about, yes 7 assets. 7 plus the 2, so it is for Bettadahalli and Kandi the investment will basically start in 2020-2021, 2021-2022.

- Parikshit Kandpal:** No, I am not talking about that, I am talking about the SBI Macquarie portfolio of 7 assets. The total equity invested is Rs. 2,400 crores, right?
- Paresh Mehta:** The Rs. 2,400 is for all, the invested by Macquarie and by Ashoka Buildcon, for all the assets 7 BoT assets annuity as well as the HAM assets.
- Parikshit Kandpal:** But the monetization which you are looking at is for 7 assets of which you have earlier with SBI Macquarie, right?
- Paresh Mehta:** Yes, and there are also opportunities available for ...
- Parikshit Kandpal:** Sir, what will be the equity, what be the equity of those only those 7 assets if you can give a breakup of equity and ...
- Paresh Mehta:** Approximately Rs. 1,900 crores.
- Parikshit Kandpal:** How much sir, Rs. 1,900 crores equities?
- Paresh Mehta:** Yes, the Rs. 500 crores has been invested in the HAM projects.
- Parikshit Kandpal:** Sir, only for 7 assets I am talking about.
- Paresh Mehta:** Yes, so out Rs. 2,400 crores, Rs. 500 crores have been invested in the HAM.
- Parikshit Kandpal:** 500 in HAM and balance 1,900 in these 7 assets. And this 1,900, does it include loss funding as well because you spoke about 300 crores of loss funding. So, this 1,900 includes that loss funding?
- Paresh Mehta:** Yes.
- Parikshit Kandpal:** So, it includes that 300 crores of loss funding?
- Paresh Mehta:** Right.
- Parikshit Kandpal:** And this 1,900 includes what is our share in this? 1,900 crores ACLs, Ashoka share?
- Paresh Mehta:** So, 800 crores is of Macquarie.
- Parikshit Kandpal:** And just last thing sir, what will be the total debt of this 7 assets? I think you mentioned about Rs. 4,800 crores for the total portfolio, so what will be the net debt of these 7 assets?
- Paresh Mehta:** So, on the 7 assets as of December it would be around 950 crores.
- Parikshit Kandpal:** 950 total, 7 assets debt?

- Paresh Mehta:** Yes, Kharar, Ranastalam, Ankleshwar and Khairatunda these are the 4 assets where we have taken debt, others debts are yet to start to draw.
- Parikshit Kandpal:** I am talking about only the 7 HAM, 7 assets of SBI Macquarie, BoT assets sorry.
- Paresh Mehta:** Rs. 3,713.
- Parikshit Kandpal:** And last one thing sir, if you can give the breakup of other income how much has been the interest on the advance to the subsidiaries?
- Paresh Mehta:** Advances to the subsidiaries?
- Parikshit Kandpal:** What is the other income breakup if you can give me what is the ...
- Paresh Mehta:** Other income breakup in the standalone?
- Parikshit Kandpal:** Yes.
- Paresh Mehta:** Majorly it is interest income from subsidiaries and the joint ventures of around Rs. 30 crores and bank deposits, and other interests is around say Rs. 4 crores. That is the major breakup.
- Parikshit Kandpal:** So, these Rs. 30 crores will continue until we monetize, I mean these assets?
- Paresh Mehta:** Yes.
- Parikshit Kandpal:** So, next year onwards we will see a substantial reduction at this whenever the money is come in. So from there on this reduction will happen.
- Moderator:** Thank you. The next question is from the line of Parvez Akhtar from Edelweiss. Please go ahead.
- Parvez Akhtar:** Couple of questions from my side. What would have been the equity that we would have infuse in Q3?
- Paresh Mehta:** Q3, around Rs. 25 crores.
- Parvez Akhtar:** This would have been entirely in the road segment or was there something in the CGD segment also?
- Paresh Mehta:** Nothing in the CGD segment. It is only road sector.
- Parvez Akhtar:** What is the kind of CAPEX that we are looking at going ahead?
- Paresh Mehta:** So, approximately for 2021, we will be in the range of around Rs. 75 to 80 crores of CAPEX.

- Parvez Akhtar:** And just lastly one thing to clarify the Rs. 3,000 to 4,000 crores order intake that we are targeting. This is over and above what we have already won this year, right?
- Paresh Mehta:** Right.
- Moderator:** Thank you. The next question is from the line of Mohit Kumar from IDFC Securities. Please go ahead.
- Mohit Kumar:** Sir, this toll collection remains low. Can you just comment on the traffic growth for each of the stations?
- Paresh Mehta:** So, yes toll growth continues to remain low we have announced in the presentation. Presentation talks about the ACL portfolio as 1% negative growth year-on-year for the quarter. If we consider the toll rate rise impact also then the traffic growth would be in the range of 3% negative growth. So, that is there majorly contributed by Jaora-Nayagaon or in Sambalpur where the traffic de-growth is higher in this quarter. This is majorly due to certain activity, as in Jaora-Nayagaon there are certain customer activity happening northwards of the project where traffic has temporarily shifted. We expect the temporary to shift back by Q2 next year.
- Mohit Kumar:** Has anything improved after the FASTag implementation for us?
- Paresh Mehta:** Not significantly as of now. Of course the ratio of FASTag to others are definitely increase more than 50%. But otherwise not much of not significant impact on the collection growth.
- Mohit Kumar:** No, sir given the fact that we also have a large arbitration claim and awards, I am asking has anything materially changed from the government side or NHAI side to resolve this?
- Satish Parakh:** Yes, we have applied to government for four of our arbitration claims where we have 3 awards in our favor for settlement and one which is under arbitration. So, four applications we have done to NHAI and we hope that consolation process starts soon.
- Moderator:** Thank you. The next question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.
- Parikshit Kandpal:** So, sir next year what kind of revenue growth we are looking at for FY21?
- Satish Parakh:** This will all be the function of incoming orders which we bag in next 2 quarters. So, looking at current order book yes, at least we will able to do decent numbers because all these projects would be on quite advance stage of execution. But if you can bag real order book of Rs. 3,000-4,000 crores and definitely we look at 35% plus growth.
- Parishit Kandpal:** As of now the current visibility 10% kind of growth we can do for next, from the current order book 10% to 15%?

- Satish Parakh:** Current order book, yes. 10% to 15% is very much possible.
- Moderator:** Thank you. The next question is from the line of Jiten Rushi from BOB Capital. Please go ahead.
- Jiten Rushi:** Sir, can you just highlight on the bank limits, non-fund and fund limits?
- Paresh Mehta:** So, we have a fund limit of total working capital limit of Rs. 350 crores that is CC limits and supply chain of financing of around Rs. 200 crores. We have bank guarantee and non-fund limits of around Rs.3,800 crores.
- Jiten Rushi:** So, what is the utilization of non-fund limit?
- Paresh Mehta:** Non-fund limit would be around say 60%.
- Jiten Rushi:** And sir, the other income which you are talking about the Rs. 30 crores interest you have received in subsidiary. So, that is the actual cash we have received this quarter or?
- Paresh Mehta:** No, majorly this interest is received from ACL where we have given loans. So, it is typically not cash, it is accrued basis most of it.
- Jiten Rushi:** And sir, the retention number and the CAPEX for 9 months you are supposed to come back. Can you get that numbers or should I get back to you later?
- Paresh Mehta:** Retention money is approximately Rs. 230 crores and CAPEX for 9 months is around Rs. 36 crores.
- Jiten Rushi:** And sir, last time you had guided for a Rs. 100 crores CAPEX for FY20. So, now this CAPEX would be around Rs. 50 crores this year then broadly?
- Paresh Mehta:** CAPEX is around say Rs. 50 crores but because of this couple of projects getting delayed appointed dates, we looking it for the CAPEX in 2021.
- Jiten Rushi:** And sir, what is the mobilization expected in Q4?
- Paresh Mehta:** Q4 mobilization we will be majorly approximately for TS-1 and TS-2. EPC project of Bettadahalli where we have already received the amounts in this last 40 days.
- Satish Parakh:** And Bundelkhand is 5% we have received; another 5% we are about to receive.
- Jiten Rushi:** Sir, TS-1, TS-2 10%, Bundelkhand again 10% and the Bettadahalli 10% that is what I can assume?
- Paresh Mehta:** Bettadahalli may probably come in the Q1 because we expect Bettadahalli to happen by 4 months' time. So next ...

- Satish Parakh:** Bundelkhand 5% is already come in, balance will 5 will come in now.
- Jiten Rushi:** So but that 5% you received in Q4 only, right sir?
- Satish Parakh:** Q4, yes.
- Moderator:** Thank you. The next question is from the line of Koundinya N from J M Financial. Please go ahead.
- Koundinya N:** Sir, just wanted to understand what is the pending arbitration claim from NHAI for us and if any other amounts from any other authority?
- Satish Parakh:** Total arbitration awards which we won for which we have applied for reconsideration is around Rs. 200 crores and one which is under arbitration our claim is around Rs. 350 crores.
- Koundinya N:** 650 sir?
- Paresh Mehta:** Yes, so around Rs. 350. So, total around Rs. 550 crores out of which Rs. 200 awards in favor and Rs. 350 is what we have claimed which is under arbitration.
- Koundinya N:** Sir and second sir, on the new BoT concession agreements, so what is your view I know that in the last concall you have highlighted that we are not interested in participating the BoT. So, just on an industry outlook do you see that new BoT concession agreements favoring the developers or what is your view on that?
- Satish Parakh:** It will all depend upon the comfort on traffic numbers they give us because estimating traffic and uncertainties of parallel highways. So on this, whereas to be some comfort given by the authorities in the concession agreement. Then there is some comfort even then we can go ahead with BoT. Otherwise we would like to play with HAM projects.
- Moderator:** Thank you very much. That was the last question in queue. I would now like to hand the conference back to Mr. Ashish Shah for closing comments.
- Ashish Shah:** On behalf of Centrum Broking, I thank everyone for participating in the call. And thank you for the management of Ashoka Buildcon for giving us the opportunity to host the call. Thank you Mr. Parakh, thank you Mr. Mehta.
- Paresh Mehta:** Thank you very much.
- Satish Parakh:** Thank you, everyone.
- Moderator:** Thank you very much. On behalf of Centrum Broking Limited, that concludes the conference. Thank you for joining us ladies and gentlemen. You may now disconnect your lines.