



“PNC Infratech Q2 FY2018
Earnings Conference Call”

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Moderator: Ladies and gentlemen good day and welcome to the PNC Infratech Q2 FY2018 earnings conference call hosted by Edelweiss Investment Research. 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. I would now like to hand the conference over to Mr. Debashish Mazumdar from Edelweiss Investment Research. Thank you and over to you Sir!

Debashish Mazumdar: Thank you very much. On behalf of Edelweiss Investment Research, I Debashish Mazumdar welcome you all to the PNC Infratech Q2 FY2018 earning conference call. On behalf of the management, we have Mr. Yogesh Jain, Managing Director, Mr. T R Rao, Executive Vice President - Infrastructure and Mr. D. K. Maheshwari, Assistant Vice President - Finance. Not wasting much of time, I will hand over to the management for their initial remarks. Thank you very much Sir! Over to you.

Yogesh Jain: Good afternoon friends, we welcome you all to participate in our Earnings Conference call to discuss on our performance for the quarter ended September 30, 2017. Along with me I have Mr. T.R. Rao –EVP (Infra), Mr. D. K. Maheshwari - Assistant Vice President (Finance) and Strategic Growth Advisors, our Investor Relations Advisors.

I’ll start with a brief on the few key industry updates and then will discuss the company’s performance.

As you all are aware, the Government has recently announced the Bharatmala Pariyojana which will optimise the efficiency of movement of goods and people across the country. The Road Building Program will involve construction of approximately 84,000 Kms with a total capex of Rs. 7.0 lakh crores over the next 5 years. Bharatmala Pariyojana is the key segment of this ambitious Road Building Program of the Government. Under Bharatmala Pariyojana, a total of 34,000 Kms of Road is to be constructed with an expected total capital outlay of approximately Rs. 5.35 lakhs crores. The implementation of Bharatmala Pariyojana will be through NHAI, NHIDCL, MoRTH and State PWDs and is proposed to be completed by 2021-22. The Bharatmala Pariyojana will be funded by mix of debt from the market to the tune of Rs. 2 lakh crore, private sector is expected to contribute approximately 1.0 lakh crore and balance through Central Road Fund (CRF), ToT Monetisation proceeds and ongoing toll collections of NHAI. The various categories of Road Projects which are to be developed under Bharatmala Pariyojana are:

- Economic Corridor: 9,000 Kms
- Inter Corridor and Feeder Routes: 6,000 Kms
- National Corridors for Efficiency Improvement: 5,000 Kms
- Border Roads and International Connectivity: 2,000 Kms
- Coastal Roads and Port Connectivity: 2,000 Kms
- Greenfield Expressways: 800 Kms

- Balance NHDP works of 10,000 kms

Apart from Bharatmala Pariyojana, the Government will also implement projects totaling to 48,900 Kms under various ongoing schemes through NHAI, NHIDCL and MoRTH. The capital outlay for the same is expected to be Rs. 1.5 lakh crores to be funded through Gross Budgetary Support, Central Road Fund, Bonds and internal accruals etc.

Apart from the Road Building Program, the Government has also selected the 1st batch of 9 projects to be monetized under ToT model. The aggregate length under the 1st batch of projects is 681 kms with potential monetization value of Rs. 6258 crs.

On the funding side, the National Investment and Infrastructure Fund has recently signed its first Investment Agreement of 1.0 Billion USD with wholly owned subsidiary of Abu Dhabi Investment Authority. As part of this agreement, Abu Dhabi Investment Authority will become the first institutional investor in NIIF's Master Fund and a shareholder in the NIIF's investment management Company. The proposed corpus of NIIF is around 6.0 Billion USD. GOI's contribution to the NIIF shall be 49% of the total commitment at any given point of time.

Mr. Nitin Gadkari, Hon'ble Minister of Roads & Highways has recently indicated that the highway projects under Bharatmala Pariyojana worth Rs 7.0 lakh crore will begin before the end of 2018. A total of around 600 projects have been identified across the components under the Bharatmala and DPR preparation for 19,500 kms is underway currently.

NOW MOVING ON TO COMPANY AND RECENT UPDATES:

Over the years we have developed core expertise in Construction and Development of Highways. Our execution strength is visible from the fact that we have executed a total of 59 major infrastructures across 13 states till date and are currently executing 17 projects on EPC basis.

As a strategy, we have developed strong execution infrastructure in Northern region, which helps us to execute the projects faster, with optimum efficiency and within the desired cost parameters. Also as part of our risk mitigation strategy, we have developed a diversified client base with a mix of Central & State Government agencies like NHAI, MORTH, UPEIDA, MES, State Public Works Departments etc.

Our robust execution capabilities have helped us to gain accreditation as Super Special Class Contractor by Military Engineering Services (MES). This qualification help us to bid for the Construction of Runway Projects of MES independently.

The strong execution credentials build over the years also makes us qualified to bid for a single highway development project worth Rs. 3,000 crores on our own.

MOVING ON TO OUR PROJECT PORTFOLIO:

In our portfolio of 12 development projects on PPP model, we have a mix of projects including 4 Toll Projects, 2 Annuity Projects, 5 Hybrid Annuity Model (HAM) Projects and 1 Project on OMT model. The above combination of projects helps us mitigating the risks to maximum extent. Another strategy that we have adopted is to have projects with 'Grant' Components, which makes execution and operation of these projects financially viable and sustainable.

Out of the above portfolio of 12 projects, 7 are fully operational and generating sustainable revenues. The remaining 5 projects are the recently won HAM projects. Of these 5 HAM projects, 1 project is in construction phase, for 3 projects we have already executed all the required financial documents and submitted to NHAI along with Bank's confirmatory letters for the purpose of Financial Closure and the remaining one project is six laning of Chakeri–Allahabad section of NH-2, for which we have received LOA recently. Post signing of the concession agreement for this HAM Project, we will commence the process of financial closure.

From the equity investment point of view, we have invested a total of Rs. 463 crores in the 7 operational projects and there is no further investment pending for these projects. Whereas, the total equity to be invested in the five HAM projects during the next 2-3 years would approximately be Rs. 600 crores. The revenues come from the operational projects are sufficient to meet financial obligations on their own.

NOW MOVING ON TO OUR ORDER BOOK:

The order book in terms of contracts pending execution was over Rs. 4800 crores as on September 30, 2017.

We have been awarded a total of 5 HAM projects, of which 1 is under-construction, 3 are under development and in advanced stage of achieving financial closure and for the balance 1 project, we have recently received LOA.

The details of 5 HAM projects with an aggregate bid project cost of Rs. 7,194 crores are:

- 2 laning with paved shoulders of Dausa-Lalsot-Kauthun section of NH-11 A (Extension) in the state of Rajasthan under NHDP IV with a bid project cost of Rs. 881 crores
- 6 laning Chitradurga-Davanagere including Chitradurga bypass, design chainage km 0.000 to km 20.700 and Km 208.000 to km 260.000 of NH 48 (Old NH-4) in the state of Karnataka under NHDP V with a bid project cost of Rs. 1,434 crores
- 4 laning Jhansi-Khajuraho section of NH 75/76 (Package I) from km 0.00 to km 76.30 in the states of UP & MP under NHDP III with a bid projects cost of Rs. 1,410 crores

- 4 laning Jhansi-Khajuraho section of NH 75/76 (Package II) from km 76.30 to km 161.70 in the states of UP & MP under NHDP III with a bid project cost of Rs. 1,310 crores
- 6 laning of Chakeri to Allahabad section of NH - 2 from km 483.687 to km 628.753 in the state of Uttar Pradesh under NHDP Phase-V with a bid project cost of Rs. 2,159 crores

The Dausa-Lalsot-Kathun HAM project, which is currently under construction being implemented through PNC Rajasthan Highways Private Limited. The project has achieved a financial closure with a debt of Rs. 370.9 crores at an competitive rate of interest, before time. The equity investment will be Rs. 66 crores and NHAI would be paying Rs. 384 crores as Grant during the construction period.

The company has been issued Letter of Awards in March 2017 and Concession Agreements have been signed in Q1 for the following 3 projects.

- Chitradurga - Davanagere highway project in the state of Karnataka
- Jhansi-Khajuraho highway project (Package I) in the states of UP & MP
- Jhansi-Khajuraho highway project (Package II) in the states of UP & MP

The company has recently received LOI for the Chakeri to Allahabad Project in the state of Uttar Pradesh.

The robust order book is expected to give us sustained revenue visibility for next 2-3 years, in terms of execution.

Before moving on to financial discussion, I would like to share the status of appointed date for various projects.

In the First Half of FY18, we have received the appointed date for the various projects:

- Koilwar-Bhojpur: Appointed date received on 4th July 2017
- Nagina-Kashipur: Appointed date received on 28th October 2017
- Nanau-Dodon: Appointed date received on 8th November 2017

For Bhojpur-Buxar project we have not yet received the appointed date, which is expected before end of the current financial year.

The Appointed date for the 3 HAM projects for which we have signed Concession Agreement in June 2017 are expected to be received before the end of Quarter 3 of FY18. We have fully tied up

with the Banks for the Financial Closure and have executed all the required financial documents and submitted to NHA1 along with Bank's confirmatory letters for the purpose of Financial Closure. The Financial Closures are expected shortly. We expect that by end of the current Financial Year, we would have got Appointed Dates for all the awarded projects except the Chakeri to Allahabad, HAM project.

Now I would now present the results for the period ended September 30, 2017.

STANDALONE QUARTERLY RESULT:

Revenue of 2nd Quarter of FY18 is Rs. 269 crore which is lower by 25% compared to 2nd Quarter of FY17.

EBITDA margin for 2nd Quarter of FY18 is 14.8% which is higher by 191 basis points compared to 2nd Quarter of FY17.

Profit of 2nd Quarter of FY18 is Rs. 17 crore which is lower by 53% compared to 2nd Quarter of FY17 mainly due to lower revenue, lower other income and higher depreciation.

Cash profit of 2nd Quarter of FY18 is Rs. 35 crore which is lower by 28% compared to 2nd Quarter of FY17.

MOVING ON TO HALF YEAR RESULTS ON STANDALONE BASIS:

Revenue of first half of FY18 is Rs. 625 crore which is lower by 29% compared to first half of FY17.

EBITDA margin for first half of FY18 IS 14.7% which is higher by 170 basis points compared to first half of FY17.

PAT of first half of FY18 is Rs. 46 crore which is lower by 53% compared to first half of FY17 mainly due to lower revenue, lower other income and higher depreciation.

Our cash profit for first half of FY18 is Rs. 83 crore which is lower by 34% compared to first half of FY17

ON THE BALANCE SHEET SIDE:

On stand-alone basis our net worth is Rs. 1,603 crores. Total debt of the company on a standalone basis is Rs. 114 crores which includes Rs. 16 crores for working capital and remaining Rs. 98 crores for equipment finance. We have total cash and bank balance on standalone basis of Rs. 102 crores as on September 30, 2017.

With this, we now open the floor for Q&A

Moderator:

Thank you very much Sir. Ladies and gentlemen, we will now begin with the question and answer session. Ladies and gentlemen, we will wait for a moment while the question queue

assembles. We will take the first question from the line of Parkishit Kandpal from HDFC Securities. Please go ahead.

Parkishit Kandpal: Thanks for the opportunity. These HAM projects, so if you can just tell what is the land acquisition status as of now?

Yogesh Jain: In Chitradurga-Davangere, the entire length of 53 kilometers is available for six laning and acquisition is in progress for the 20 kilometer long Chitradurga bypass.

Parkishit Kandpal: 20 kilometers.

Yogesh Jain: Yes; we are expecting availability of 80% of total by the end of this month for declaration of appointed date. We expect to commence the work in December and booking some revenue in Q3 from this project.

Parkishit Kandpal: Jhansi Package I and II.

Yogesh Jain: Jhansi I, the total length is 77 kilometers. As on date about 50% of land is available. The process of acquisition and distribution of compensation is in progress. We expect by the end of December 80% of land would be made available by NHAI for declaration of appointed date. We expect revenue from this project in the Q4.

In Package II, 3G stage of land acquisition is completed for 80% of land and distribution of compensation is in progress. We are expecting possession of 80% land by the end of this month for the declaration of appointed date. We expect to commence the work in December and booking of revenue in the Q3 from this project.

By the end of current financial year, we expect declaration of appointed dates for all the EPC and HAM projects except six laning of Chakeri-Allahabad section of NH-2 HAM project which has been awarded very recently by NHAI.

Parkishit Kandpal: And for Chakeri project what is the status of land acquisition Sir as of now?

Yogesh Jain: As of now almost 70% land is available because it is a six-laning project.

Parkishit Kandpal: And Nagina-Kashipur the status of the land acquisition as of now?

Yogesh Jain: For Nagina-Kashipur project as on date 70% of land and work front is available for the working and NHAI declared appointed date with effect from 28 October

Parkishit Kandpal: So it is coming in December execution, I mean by December the execution will come?

Yogesh Jain: The work has already been commenced on available land and we expect revenue from this project in the Q3.

- Parkishit Kandpal:** Sir just last question, now in the first half we had done close to around Rs. 620 Crores of top line in standalone and I think as per guidance we should be doing somewhere around Rs.2,000 Crores plus, so this Rs.1,400 Crores balance how confident we are able to achieve this and if you can just also give a break up between how much will come from this Rs. 6,300 Crores of HAM projects, which are still like early stages of execution, so how much will be contribution in this?
- D. K. Maheshwari:** We are expecting revenue in this year around Rs.200 Crores from all the three new HAM projects, in addition to the Dausa-Lalsot.
- Parkishit Kandpal:** Balance the Rs. 1,400 Crores that you have given the guidance we are confident or we are downgrading in guidance?
- D. K. Maheshwari:** Actually at this point of time, we are expecting that our turnover growth should be around 15% to 18% because almost all the appointed dates, we have received except one of Bihar project and for three HAM projects, for which appointed date is also expected in this quarter.
- Parkishit Kandpal:** So 15% to 18%, so the guidance before we had was 20%+ which we can take it as 15% to 18% currently.
- D. K. Maheshwari:** Yes.
- Parkishit Kandpal:** EBITDA margins will maintain in 13% to 14% because there has been improvement in EBITDA margins this quarter, so what is the guidance on EBITDA margin?
- D. K. Maheshwari:** That will be around 13% to 13.5%
- Parkishit Kandpal:** That is all from my side thank you and all the best.
- Moderator:** Thank you. We take the next question from the line of Priyankar Biswas from Nomura Securities. Please go ahead.
- Priyankar Biswas:** Good afternoon Sir. Thank you for giving me the opportunity to ask the question. so one book keeping question what is the current maturities of long term borrowings at present?
- D. K. Maheshwari:** Long term borrowing and short term borrowing total debt is around Rs.1,890 Crores on consol and Rs. 114 Crores on standalone.
- Priyankar Biswas:** Rs.140 Crores debt?
- D. K. Maheshwari:** Rs.114 Crores, which includes Rs.98 Crores of equipment finance and working capital loan is only Rs.16 Crores as against we are having surplus cash and bank balance and FDR around Rs.102 Crores as on September 30, 2017.
- Priyankar Biswas:** Sir almost net cash close to almost?

- D. K. Maheshwari:** Yes. Further from September 30, 2017 till date there is no utilization of the working capital in our books. Instead we are having the FD around Rs.40 Crores to Rs.50 Crores as on date.
- Priyankar Biswas:** So project specific questions, so what is see from the slides it seems that there has been slow execution in Varanasi-Gorakhpur and no execution of the Bihar projects, so any specific reason for that.
- D. K. Maheshwari:** The Bihar project appointed date we have received on July 4, 2017 and immediately after that there were heavy rains and floods, so we could not execute the work in the second quarter and now we are expecting that we will execute in third quarter and forth quarter.
- Priyankar Biswas:** Is it the same for Varanasi-Gorakhpur as well like monsoon impact?
- Yogesh Jain:** Varanasi-Gorakhpur is going well.
- Priyankar Biswas:** Last question from my side during my site visit to your Aligarh-Moradabad I saw great progress over there, so can you update me like whether we are on track to do it before September 2018 and what is the level of progress so far?
- D. K. Maheshwari:** In this quarter, we have executed Aligarh-Moradabad around Rs.62 Crores and in first half, we have executed Rs.100 Crores and the third quarter and fourth quarter also we are expecting around Rs.90 Crores to Rs.100 Crores each quarter.
- Yogesh Jain:** We are expecting to complete this project five months before ahead of scheduled completion.
- Priyankar Biswas:** That is it from my side Sir.
- Moderator:** Thank you. We take the next question from the line of Shravan Shah from Dolat Capital. Please go ahead.
- Shravan Shah:** Thank you Sir. Just to clarify Sir in the first quarter concall we said 25% to 30% revenue growth guidance and for FY2019 25%, so now we are FY2018 revising downward for FY2018 to 15% to 18% and for FY2019 it is how much?
- D. K. Maheshwari:** It should be 25% to 30%.
- Shravan Shah:** So effectively from a low base even for FY2019 also slightly lower guidance compared to the first quarter guidance?
- D. K. Maheshwari:** You must consider it as 25% to 30% at this point of time for FY2019 which may increase to 30% to 35% if all our projects will be in full swing from the fourth quarter of FY2018 onwards.
- Shravan Shah:** Sir in terms of the tax rate we are maintaining the same for 12% to 15% for FY2018 and for

FY2019 18% to 21%?

D. K. Maheshwari: No. Now it will be around 5% to 10% in FY2017-2018 and in FY2018-2019 it will be around 15% to 18%.

Shravan Shah: Sir regarding this if you can give me the outstanding order book of Sonauli-Gorakhpur, Etah-Kasganj, and Lucknow Airport?

D. K. Maheshwari: Total outstanding.

Shravan Shah: Yes as on September what is the outstanding order book of Sonauli to Gorakhpur, Etah to Kasganj, and Lucknow Airport?

D. K. Maheshwari: Sonauli-Gorakhpur is around Rs.25 Crores outstanding and Nanau-Dodon is Rs.120 Crores.

Shravan Shah: Rs.120 Crores is what?

D. K. Maheshwari: Nanau-Dodon is Rs.120 Crores and Etah to Kasganj Rs.226 Crores.

Shravan Shah: Lucknow Airport you said is how much Sir?

D. K. Maheshwari: Rs.120 Crores.

Shravan Shah: So Sir effectively even for these projects also, it has not the execution has not started?

D. K. Maheshwari: Execution has started, but the third quarter onwards, it will be in full swing.

Shravan Shah: In terms of Etah to Kasganj and Lucknow Airport, we have already got the appointed date?

Yogesh Jain: Yes. Work is going on.

Shravan Shah: Sir in terms of the equity if you can rough give a breakup for Chitradurga, Jhansi I, Jhansi II, and Chakeri how much would be the equity out of total Rs.600 Crores you said Dausa is Rs.66 Crores, but for this four projects remaining if you can give a breakup then it would be great?

D. K. Maheshwari: Chitradurga will be Rs.107 Crores and package one is Rs.128 Crores, package two is Rs.104 Crores.

Shravan Shah: And Chakeri?

D. K. Maheshwari: For, Chakeri financial model is yet to be finalized with the bankers, but we are expecting it around Rs.200 Crores.

Shravan Shah: Then in terms of the EPC would be how much 85% of bid project cost?

- D. K. Maheshwari:** 85% to 88%.
- Shravan Shah:** That is it from my side and all the best.
- Moderator:** Thank you. We take the next question from the line of Vibhor Singhal from Phillip Capital. Please go ahead.
- Vibhor Singhal:** Good morning Sir. Thanks for taking my question. Sir just two questions from my side. One is Sir our debtors days have increased still more than what it was in the last quarter, so it is still because of the Rs.130 Crores that was stuck with the Agra-Firozabad project? Have we received that money and where do you think these debtors days are coming down by the end of the year?
- D. K. Maheshwari:** Debtors days has increased mainly due to delay in submission of the bills in this quarter because of the GST. Earlier there was no clarity whether GST will be 18% or 12% that is why we could not bill and realize the amount. As regards Agra-Lucknow project, we have already either received the payment or the outstanding has adjusted against our mobilization advance. As on date, there is no outstanding of mobilization advance.
- Vibhor Singhal:** So the Rs.130 Crores that was outstanding, we have received the entire amount?
- D. K. Maheshwari:** Exactly. Entire mobilization advance has been adjusted, but some outstanding is still there.
- Vibhor Singhal:** So how much would that be small amount or significant?
- D. K. Maheshwari:** It is around Rs.72 Crores. It is expected to be realized in the next couple of months.
- Vibhor Singhal:** Sir my second question since you touched upon GST, so just wanted to ask more in that thing, so we have seen other companies also reporting problems as you also mentioned that because there was no clarity as to what should be the GST tax rate, so the submission of bills was also delayed, so was there any impact on our topline also because of GST, companies have been calling around 8% impact on the topline, so what has been the reading of GST on our topline and is the situation now back to normal? Has the government departments have got the clarity and now the bills are being cleared and payments are being made?
- D. K. Maheshwari:** GST payment is yet not released by the authorities because we are raising the bill after considering the 12% GST, to that extent my debtor days has also increased.
- Vibhor Singhal:** So was there any impact on our topline also that we were able to realize lower revenue because of GST or no?
- D.K. Maheshwari:** There is no impact on topline. Only there is an impact on realization.
- Vibhor Singhal:** And the debtors increased that is why we could not get the cash?
- D.K. Maheshwari:** Yes. The GST component now they are not releasing in most of the cases.

- Vibhor Singhal:** Thank you so much for answering my questions and wish you all the best.
- Moderator:** Thank you. We will take the next question from the line of Ankit Fitkariwala from Jefferies. Please go ahead.
- Ankit Fitkariwala:** Good afternoon Sir. Sir my first question is can you give the toll collection number for the four BOT toll projects that we have for this quarter as well as for the last year same quarter?
- D. K. Maheshwari:** MP Highways, it is Rs.11.6 Crores in this quarter and Kanpur Ayodhya is Rs.66.3 Crores. Kanpur Highways Rs.17.3 Crores and Bareilly-Almora is Rs.10 Crores.
- Ankit Fitkariwala:** Sir Ghaziabad -Aligarh?
- D. K. Maheshwari:** It is Rs. 44 Crores.
- Ankit Fitkariwala:** Sir YOY last year same quarter?
- D. K. Maheshwari:** Same quarter MP Highway was Rs.13 Crores as against Rs.11.6 Crores this year. Kanpur to Ayodhya was Rs.56 Crores as against this year it is Rs.66 Crores. Kanpur Highway it was Rs.13.7 Crores for current year it is Rs.17 Crores and Bareilly-Almora Rs.8.7 Crores and this year it is Rs.10 Crores.
- Ankit Fitkariwala:** Sir Ghaziabad last year?
- D. K. Maheshwari:** Last year was Rs.32 Crores.
- Ankit Fitkariwala:** Sir just the last thing, so has Ghaziabad I believe that once you started toll collection on the additional kilometers that happened around which month this year?
- D. K. Maheshwari:** This year it was from December 22, 2016.
- Ankit Fitkariwala:** So Sir so because of the additional 20 kilometers you were doing higher tolling rate will be there, but did we get a revision in April also for that project?
- D. K. Maheshwari:** Yes.
- Ankit Fitkariwala:** How much was the revision please?
- D. K. Maheshwari:** It was around 3% to 4%.
- Ankit Fitkariwala:** Got it. Thank you.
- Moderator:** Thank you. We take the next question from the line of Ankush Mahajan from JM Financial. Please go ahead.

- Ankush Mahajan:** Good afternoon Sir. Sir I am trying to understand what is the exact reason that if we see the execution among Varanasi to Gorakhpur and Dausa-Lalsot as well as other projects that is Chakeri and Lucknow Airport, Sir what are the exact reason that the execution was low at this quarter and how do you see in the third quarter that the execution will pick up? If there some monsoon and GST, I am just trying to understand the execution was low at this quarter?
- D. K. Maheshwari:** Actually in Dausa-Lalsot we have executed in this quarter Rs.87 Crores as against first quarter of Rs.56 Crores. It can much go higher, but because of monsoon the execution got affected. Similarly Varanasi to Gorakhpur revenue from second quarter is Rs.25 Crores.
- Ankush Mahajan:** That is only Rs.25 Crores?
- D. K. Maheshwari:** That is mainly because of monsoon in this region and Aligarh to Moradabad Rs.62 Crores in this quarter as against Rs.36 Crores in the first quarter.
- Ankush Mahajan:** That is good Sir, but in terms of if we see other projects that is only Rs.55 Crores of aggregation?
- Yogesh Jain:** All other projects are in the starting stage due to delay in appointed date.
- Ankush Mahajan:** How do you see this now in the third quarter this scenario?
- Yogesh Jain:** Third quarter will be certainly better than the second quarter. Now we have got the appointed date for the Nagina–Kashipur also and we expect some minimum revenues from Chitradurga-Davangere, and Jhansi to Khajuraho Package two during the third quarter. Now the rainy season also completely receded and except Bihar package two, appointed dates are declared for all the EPC projects.
- Ankush Mahajan:** So can I say that the only reason is monsoon that has impacted the second half?
- T. R. Rao:** Monsoon and delayed appointed dates. Also the projects were in the initial stages. When we do the project execution in the initial stages, we predominantly do the earthwork and other things, which will not generate more revenue. Once we come out from the earthwork and enter into PQC stage and the bituminous stages, the revenue will be more when compared to the initial stages.
- Ankush Mahajan:** So that we can take Varanasi to Gorakhpur?
- Moderator:** Excuse me this is the operator. Mr. Mahajan may we request you to come back in the queue please.
- Ankush Mahajan:** This is a part of that, so Sir can we say that the Varanasi to Gorakhpur, Dausa-Lalsot these are in the initial stages and now the pickup will increase in the upcoming quarters.
- T. R. Rao:** You are correct.

- Ankush Mahajan:** Thank you Sir.
- Moderator:** Thank you. We will take the next question from the line of Bhavin Vithlani from Axis Capital. Please go ahead.
- Bhavin Vithlani:** Good afternoon gentlemen. So I see your presentation pending investment of about Rs.600 Crores in five HAM projects and you have already invested over Rs.450 Crores of equity in the BOT, so could you guide us through or do you have a strategy and what is the level of equity that you are comfortable in the BOT short HAM projects?
- D. K. Maheshwari:** Actually so far we have has infused the amount of Rs.463 Crores of equity in 7 operation projects and in all the five HAM projects, we require Rs.600 Crores equity in next three years which can be arranged from our internal generation however we are also thinking to monetize the BOT operation projections in the coming months in case if we get good price.
- Bhavin Vithlani:** Are you looking at additional HAM projects, which will be coming up for bidding in the second half of financial year or do you believe that given the size of the balance sheet you want to take a pause for a while and look at additional cash flows and then move on?
- Yogesh Jain:** Certainly we will bid but will finalize only after achievement of financial closure of all three HAM projects which are expected in this month..
- bhavin Vithlani:** But because when we look at the other conference calls people have said that between Rs.15,000 Crores and Rs.30,000 Crores is the upcoming bid pipeline for HAM projects in the second half of this fiscal, so just wanted to know your thought process on this?
- Yogesh Jain:** We will go certainly.
- Bhavin Vithlani:** Any size of the project in your mind that okay I want to stop at this an X level of projects?
- D. K. Maheshwari:** HAM projects are usually coming at a bid project cost of Rs.1000 - Rs 1500 Crore.
- Bhavin Vithlani:** Thank you so much for taking my questions.
- Moderator:** Thank you. We take the next question from the line of Sandip Jabuani from Narnolia Securities. Please go ahead.
- Sandip Jabuani:** Good afternoon Sir. Sir my question is related to the order book. If you look at the order book compared to the last quarter, it has come down by Rs.230 Crores and we have booked revenue of around Rs.270 Crores, so just wanted to understand on that part Sir? Is there any incremental order?
- D. K. Maheshwari:** Actually there are certain utility shifting bills we have executed in this quarter. Additionally, Agra bypass project Rs.18 Crores is a boost in this quarter because of the final bill, that is why

there is difference with the opening balance of work and quantity of work executed and closing balance at September end.

Sandip Jabuani: My second question is on bonus front? We were supposed to receive a bonus of around Rs.96 Crores on Agra to Firozabad project in second half of the year, so what is the status?

T. R. Rao: We received the provisional completion for Agra to Lucknow Expressway our part of Agra to Firozabad section on October 31, 2017. Thereby we become eligible for the receiving bonus for 90 days period, which comes to around Rs.60 Crores, so this bonus will be realizing once they issue the final completion and submission of bill, so we expect realization of this bonus in the fourth quarter of this year.

Sandip Jabuani: In the fourth quarter of the year?

Yogesh Jain: Yes.

Sandip Jabuani: To the tune of the Rs.60 Crores?

Yogesh Jain: Around Rs.60 Crores.

Sandip Jabuani: Thank you Sir.

Moderator: Thank you. We take the next question from the line of Rahul Agarwal from VEC Investments. Please go ahead.

Rahul Agarwal: Good afternoon. I think first question was more on the appetite of the order I think Bhavin also mentioned the same question, so essentially looking at the order book today, obviously we have Rs.5,000 Crores and plus another Rs.6,000 Crores to be added in terms of your appetite when you think about taking two to three more HAM projects, so there are two risks to that right? One is obviously equity funding, which will be adding on to your Rs.600 Crores over the next two to three years and the second is on the execution side, so in terms of company bandwidth will that be a comfortable number let us say if you have like a Rs.15,000 Crores to Rs.16,000 Crores order book to execute over the next three years, in terms of your company bandwidth labor sourcing and everything else put together will you be comfortable in your mind doing that in terms of size?

Yogesh Jain: We are fully geared up for the turnover of Rs.3,000 Crores to Rs.3,500 Crores per year at this point of time. So this is the opportunity for us to complete the work in hand projects as early as possible.

Rahul Agarwal: Yogeshji so Rs.3,000 Crores to Rs.3,500 Crores assuming a two and a half execution period two and a half years to three years that itself is Rs. 10,000 Crores right, so you are already full in that sense for the next three years obviously you can add a bit more on that, but Rs.15,000 Crores to Rs.16,000 Crores will that be comfortable as well or what change would you like to get into the company to execute that kind of order book?

- D. K. Maheswari:** Actually at this point of time we are very much comfortable up to Rs.3,500 Crores to Rs.4,000 Crores whether machinery wise, manpower wise, or infrastructure wise, in last year we have purchased Rs.170 Crores of equipment. This year also we are purchasing around Rs.120 Crores of machineries. We are purchasing only for the future execution of the projects mainly. So therefore in FY2018, FY2019, and FY2020, we can execute more projects if right opportunity will be there.
- Rahul Agarwal:** Secondly small question on the bonus payment, so the bonus of Rs.60 Crores you just explained any other bonuses expected over the next second half, I think there were a couple of more of them right?
- Yogesh Jain:** We are expecting Rs.33 Crores from Raebareli-Jaunpur Project. It is pending in NHAI headquarter and expecting in December 17 or in January'18.
- D. K. Maheshwari:** Actually in this financial year, we are also expecting the 80 IA reversal around Rs.40 Crores of 2014-15 and bonus of Kanpur to Lucknow Ayodhya, which will come 50% to EPC contract which is Rs.16 Crores to Rs.17 Crores as well as on Agra to Lucknow bonus will be around Rs.60 Crores for 90 days.
- Rahul Agarwal:** So Rs.60 Crores of Agra to Lucknow plus about Rs.20 Crores of other projects of the other projects plus about Rs.33 Crores of Raebareli-Jaunpur?
- D. K. Maheshwari:** No, 50% of Rs.33 Crores will pass on to PNC as per the terms of the agreement, so in the PNC books it has been reflected around Rs.16 Crores to Rs.17 Crores.
- Rahul Agarwal:** So Rs.18 Crores plus Rs.60 Crores?
- D. K. Maheshwari:** In addition to that there is reversal of 80 IA of earlier years, which will be around Rs.40 Crores.
- Rahul Agarwal:** Got it Sir, so total about Rs.100 Crores of bonus is expected right for previous financials?
- Yogesh Jain:** It will be around Rs. 120 Crores.
- Rahul Agarwal:** Thank you so much for answering.
- Moderator:** Thank you. We will take the next question from the line of Debashish Paul from BP Capital. Please go ahead. Mr. Paul is unmuted. You may go ahead.
- Debashish Paul:** Sir I have two questions. One is with respect to this HAM project one which is under construction is there a tax implication of this Ind-As on this HAM project Sir and second on overall basis at the company level if I check the effective tax rate that is much lower is that something because of 80 IA sort of deduction, so these are the two key questions I had?
- D. K. Maheshwari:** In the HAM project the model we have submitted to Lenders based on that loan was sanctioned is based on the IGAAP accounting and certainly there will be difference in the tax rate between the

accounting of IGAAP and the IndAS,. At this point of time, there may be some difference, but exactly we can confirm you at a later stage.

Debashish Paul: Will that impact from the tax perspective Sir?

D. K. Maheshwari: There will certainly be an impact in all the projects of all the companies.

Moderator: Thank you. We take the next question from the line of Rahul Singh from Ampersand Capital. Please go ahead.

Rahul Singh: Good afternoon. My question is on fiscal 2019 your guidance of 30% to 35% revenue growth still appears a little conservative given that a lot of projects would be in full execution mode, so if you can just elaborate on that especially when you are saying that your ultimate capacity is to do revenues of up to Rs.4,000 Crores that is number? Number two on the margins again 13% to 13.25% margin, which you are guiding given that the HAM projects competition have actually come down can we expect any scope for marginal positive surprise on that in the next year?

D. K. Maheshwari: As regard to the execution FY2019 you are absolutely correct that we are talking 30% growth at this point of time is conservative, because there may be some ifs and buts, therefore correct execution position for FY2019 we can give at the end of this financial year, but at this point of time we are very much comfort that there will be growth of around 30% in FY2019 as compared to FY2018. As regards to the margin, so whatever EPC are being given by SPV to PNC considering the 13.5% margin..

Rahul Singh: So the HAM projects the EPC margin will be 13.5%?

Yogesh Jain: Yes, in this range.

Rahul Singh: Thank you very much.

Moderator: Thank you. We take the next question from the line of Alok Deora from IIFL Wealth. Please go ahead.

Alok Deora: Good afternoon Sir. Actually most of the questions were answered just a couple of questions. One was on the bonus component, so we heard reports that the bonus component has been now increased by NHAI for the new projects, so any input on that?

Yogesh Jain: Now as per the new conditions, they are trying to give up to 10% of the total projects cost, which is currently 3%.

Alok Deora: That would be for EPC as well as HAM?

Yogesh Jain: . This is for the EPC only.

Alok Deora: Not for HAM?

- Yogesh Jain:** Not for HAM.
- Alok Deora:** But currently also there is some bonus component in HAM?
- T. R. Rao:** Yes Currently also bonus component is there in the HAM project.
- Alok Deora:** So that is unchanged?
- T. R. Rao:** Whatever projects we are having now, it is unchanged..
- Alok Deora:** Sir one more thing your order book currently is nearly Rs.10,000 Crores, which is nearly five times more than the revenues, so which is quite high as compared to some of the others present in the industry, so the significant number of orders, which are now expected to be given out in this quarter and the next quarter, so how active you would be in bidding for those? Are you now focusing more on the execution part?
- T. R. Rao:** We are definitely focusing on the execution part. We want to achieve the revenues and other things and complete the existing commitments. At the same time, if there is a right opportunity and if we get a right project, we will definitely look into those opportunities should there be any such opportunity.
- Alok Deora:** So currently there is around Rs.30,000 Crores of NHAI tenders, which are currently floated in the market, which would be closed by December, so will you bid for any of those?
- T. R. Rao:** So far these projects are still in the bidding state, so we are studying these projects. There are seven highway projects including one HAM project and five EPC projects, so we are working on these projects. We will see based on the market conditions and other things, if these projects make sense and if we find a right opportunity then we will bid for these projects.
- Alok Deora:** Just one last question, so we have made any order inflow target for the next year considering our hands are completely full now?
- Yogesh Jain:** For FY2019, we have not done, so this we will be able to share during the fourth quarter.
- Alok Deora:** Thank you and all the best.
- Moderator:** Thank you. We take the next question from the line of Divyata Dalal from Systematix Shares. Please go ahead.
- Divyata Dalal:** Thanks for taking my questions. Sir my question is pertaining to the bonus on Aligarh to Moradabad project since you have indicated we will complete it five months below schedule, is this project eligible for bonus?

- T. R. Rao:** In this project we have 100 days maximum bonus at 0.03% per day, so we will be getting around 3% of the total project cost as maximum bonus, but we are targeting to complete it before five months i.e. 150 days ahead, but the maximum bonus is for 100 days only.
- Divyata Dalal:** So this should come in FY2018 this bonus?
- Yogesh Jain:** This should be realizing in FY2019.
- Divyata Dalal:** Should be realizing in FY2019 and the new guidelines, which NHAI is proposing of 10% will it be for existing projects or it will be for the new projects?
- Yogesh Jain:** It will be for new projects. They have to get it approved through the planning commission and the cabinet along with new RFP.
- Divyata Dalal:** The second question was on the Purvanchal Expressway any date there in terms of the bids or tenders coming up?
- T. R. Rao:** Initially the government was trying to have a tie up with NHAI and to have a 50:50 kind of partnership between UP government and the Government of India, but what we heard that it is not getting materialized. Now the state government wants to go on its own on EPC mode. As of now 80% of the land has been acquired, so they are planning to issue the RFQ document during December.
- Divyata Dalal:** So will we participate for this project?
- Yogesh Jain:** We will participate.
- Divyata Dalal:** And this will be on EPC basis?
- Yogesh Jain:** Yes.
- Divyata Dalal:** Thanks Sir. That is it from my side. Thank you so much.
- Moderator:** Thank you. We take the next question from the line of Prem Khurana from Anand Rathi. Please go ahead.
- Prem Khurana:** Good afternoon Sir. Most of my questions have been answered. Just a couple, so one what is the land status on Bhojpur-Buxar, so last we spoke I think you said it is only around 30% to 40% is the land available with the project as of now? Have we seen any progress there?
- Yogesh Jain:** Land acquisition and distribution of compensation is in progress, but the process is slow, so we are expecting minimum 50% of land, along with structures with about 70% of work front will be available by NHAI by end of December 2017.

- Prem Khurana:** We will be fine with this number to seek appointed date 50% land in place, 70% of the total work or we would wait for them to kind of have at least 70% land in place and then only seek appointed date?
- Yogesh Jain:** Yes, we are expecting appointed date by the end of December.
- Prem Khurana:** Sure and what if you are not able to get incremental land, so how do they kind of adjust for the remaining land, which was not available, so how do you kind arrive at a settlement with NHAI because in most of the appointed dates that we have received the land is not in place in the entire team. Most of the benefits is still to come to you and if NHAI is not able to get the land for some or other reasons, so how would we kind of settle the dues with NHAI?
- T. R. Rao:** Whatever land they provide, what we work do we will get the payment as per the contract, but only the weightages and percentages and the progress and other things we are talking to NHAI. They in-principle agreed to have some kind of modifications in those tender conditions, so we should be able to get the payment for whatever the work we have done in the given land. In case in the unlikely situation, if the balance land they could not able to acquire at all before the end of the completion then accordingly the contract will be treated.
- Prem Khurana:** The second question we have recently got our Ghaziabad-Aligarh refinance and you were supposed to have some top up loan as well, so have you received any top loan on this subsidiary?
- D. K. Maheshwari:** It is under process of refinancing along with top up.
- Prem Khurana:** How much could this amount be top up amount and essentially it will come back to us right because we have extended the warrants and additional money over and above what was the equity requirement originally?
- D. K. Maheshwari:** With the top up amount we all three partners infused money either through warrants or unsecured loan other than equity, which shall be refunded.
- Prem Khurana:** Sure and Sir just on Ghaziabad-Aligarh we did a peak number of almost Rs.60 odd lakh kind of collection the number in this quarter appears to be Rs.48 lakh to Rs.48 odd lakh, so is it only because of seasonality or is it also because we have seen some reduction in your overloading charges and because of better compliance and what could be the stable number for this project in terms of average daily collection that we can build in our models?
- D. K. Maheshwari:** Mainly because of the monsoon period of the quarter, secondly because of overloading which has totally stopped in UP.
- Prem Khurana:** What could be the stable number for this project on an ongoing basis?
- D. K. Maheshwari:** Pardon.

- Prem Khurana:** Stable number in terms of average daily collection that we expect just like a monsoon or for any other festivals?
- D. K. Maheshwari:** Stable number you can say around 60 lakhs.
- Prem Khurana:** Sure. Just one last if I may, if you could update us on Narela and the issue has been pending for a while now, any update there?
- T. R. Rao:** For Narela project, we got an interim award of Rs. 43 Crores but they challenged the award in the Delhi High Court unsuccessfully of course and further they challenged it in the Supreme Court and we won the case even in the Supreme Court; so we are expecting the 43 Crores payment by December'17.
- Prem Khurana:** Thank you.
- Moderator:** Thank you. We will take the next question from the line of Siddhart Rajpurohit from JHP Securities. Please go ahead.
- Siddhart Rajpurohit:** Sir are the toll numbers given including overweight?
- D. K. Maheshwari:** Yes overweight, because overweight in this quarter is very negligible now.
- Siddhart Rajpurohit:** Narela collection would be around Rs. 10 Crores.
- D. K. Maheshwari:** Yes it is around Rs. 9.9 to 10 Crores per quarter.
- Siddhart Rajpurohit:** Raibareili is fixed Rs. 32.32 Crores?
- D. K. Maheshwari:** Yes Rs. 32.16 Crores per quarter.
- Siddhart Rajpurohit:** Sir, my last question if we have done some work and there is destruction because of some calamities, how it is settled before we have given any certificate or taken certificate from NHAI?
- T. R. Rao:** We have an insurance policy and insurance coverage for that, which also covers the storm, flooding and inundation etc.
- D. K. Maheshwari:** In all the projects irrespective to EPC, HAM or BOT.
- Siddhart Rajpurohit:** Thank you.
- Moderator:** Thank you. We will take the next question from the line of Amber Singhanian from Asian Market Securities. Please go ahead.
- Amber Singhanian:** Sir, thanks for taking my question. Sir, going by your guidance of 15% growth in FY2018, you would be requiring to do a run rate of around Rs. 1,300 Crores to Rs. 1,400 Crores in second half,

you have mentioned that you are expecting Rs. 200 Crores from HAM projects, could you give some highlights on which projects you are expecting the larger revenue and how much of the remaining Rs. 1,100 Crores?

D. K. Maheshwari: All the projects Dausa-Lalsot, Aligarh-Moradabad and Varanasi-Gorakhpur. These three projects are the major projects we will generate maximum revenue in this quarter as well as Rs. 200 Crores what we have told for remaining HAM project is also very conservative.

Amber Singhania: So Nagina-Kashipur how much you are expecting in second half?

D. K. Maheshwari: Nagina-Kashipur also around Rs. 30 Crores in this quarter and also in the fourth quarter.

Amber Singhania: Sir, 60 or may be Rs. 100 Crores you will not need much?

D. K. Maheshwari: Yes, and the airport runways will also generate good revenue, both the airport runways in addition to that there are some more projects, one is Agra-Lucknow remaining work is Rs.30 Crores similarly Sharda Canal we expect around Rs.60 Crores to Rs.70 Crores, Nanau-Dodon, Etah to Kasganj, additionally Gorakhpur-Sonauli where balance work is Rs. 25 Crores is remaining and in Barabanki balance work is around Rs.24 Crores.

D. K. Maheshwari: Chakeri airport and Lucknow airport they will also generate around Rs. 120 Crores in the third and fourth quarter, so 15% to 18% growth we do not think there will be any trouble.

Amber Singhania: Just secondly the Rs. 600 Crores of equity you need to put in HAM, if you can give some idea about how much it will go in FY2018, FY2019, and FY2020?

D. K. Maheshwari: FY2018 is very negligible because we have to infuse mainly in Dausa-Lalsot. Project ,apart from this in the three HAM projects we don't required much equity to be infused in FY'18..

Amber Singhania: Thank you.

Moderator: Thank you. We will take the next question from the line of Parkishit Kandpal from HDFC Securities. Please go ahead.

Parkishit Kandpal: Sir, Narela project by Rs. 43 Crores you are expecting and balance Rs. 43 Crores that will also come in now since the Supreme Court ruling has come?

D. K. Maheshwari: The Supreme Court has given ruling in our favor for the payment of interim award of Rs. 43 Crores the remaining 43 Crores that is there under the arbitration, so we are expecting the entire arbitration is going to be concluded by end of this financial year so we will get balance payment early next financial year.

Parkishit Kandpal: Can that be challenged as of now, how will the client approach it, will it again going to be contested that Rs. 43 Crores or like how?

- Yogesh Jain:** The entire payment of annuity attracts the interest. There is a contracted provision for that, but we cannot say anything now, as anything can be happened with the government.
- Parkishit Kandpal:** So may be they can still go ahead?
- Yogesh Jain:** Yes
- Parkishit Kandpal:** Maybe.
- T. R. Rao:** We cannot say anything at this point of time as our fingers are crossed.
- Parkishit Kandpal:** That is it.
- Moderator:** Thank you. We will take the next question from the line of Ankush Mahajan from JM Financial. Please go ahead.
- Ankush Mahajan:** Sir, my question this is an extension of the previous one, so how do you see the revenue recognition in the second half from the Varanasi-Gorakhpur, Aligarh-Moradabad and Dausa-Lalsot?
- D. K. Maheshwari:** Varanasi-Gorakhpur in the second half should be around Rs.200 Crores.
- Ankush Mahajan:** I agree Sir. Aligarh-Moradabad?
- D. K. Maheshwari:** Aligarh-Moradabad is also be in the range of Rs.220 Crores to Rs.230 Crores because these three projects are in full swing and they will generate the major revenue to the company, Aligarh-Moradabad, Varanasi-Gorakhpur, Dausa-Lalsot.
- Ankush Mahajan:** What Dausa-Lalsot all approximate Rs. 220 Crores or more than that?
- D. K. Maheshwari:** It should be around Rs. 200 Crores plus.
- Ankush Mahajan:** Thank you, Sir. That is from side, thanks.
- Moderator:** Thank you. We will take the next question from the line of Shravan Shah from Dolat Capital. Please go ahead.
- Shravan Shah:** Thank you. Sir, out of this five HAM project, which are cemented one?
- Yogesh Jain:** Chitradurga-Davangere is bitumen, Jhansi to Khajuraho half bituminous, and half concrete, and Dausa-Lalsot half bituminous and half concrete and same is in Chakeri Allahabad half bituminous and half concrete.

- Shravan Shah:** Sir, in terms of capex this first half we did around Rs 35 Crores and this full year we are saying another Rs. 100 or Rs. 125 Crores for full year we are saying Rs. 100 Crores to Rs. 125 Crores capex?
- D. K. Maheshwari:** In full year it will be around Rs. 100 Crores to Rs. 125 Crores, which includes Rs. 35 Crores in first half, because there are certain orders we have already placed, but we have not received the machinery by September 30, 2017, so in full year it will be around Rs. 100 Crores to Rs. 120 Crores.
- Shravan Shah:** And the next year?
- Yogesh Jain:** Next year it should not be more, will be in the range of Rs.40 Crores to Rs.50 Crores.
- Shravan Shah:** Sir, despite this cemented HAM projects the capex will not be much higher even in FY2019 also?
- D. K. Maheshwari:** Yes, because we have already purchased the concrete pavers in FY2017 as well as in FY218.
- Shravan Shah:** Sir, just one clarification Bhojpur project, the appointed date you are expecting by December or by March?
- Yogesh Jain:** By end of December we are expecting, so we are expecting some revenue from this project during the fourth quarter.
- Shravan Shah:** And the second one Koilwar-Bhojpur where we have appointed date there how much land is available right now?
- Yogesh Jain:** We have a work front of around 75% is available and the land acquisition concurrently is in progress, so we expect at least to 80% of the land this project also by December end.
- Shravan Shah:** Sir, regarding Agra project where now we are saying the bonus is Rs. 60 Crores, so till last quarter we were saying it was Rs. 96 Crores, so just wanted to understand?
- T. R. Rao:** Rs. 96 Crores was the maximum bonus, with the change of government and other things, though the expressway was declared open for the full length for traffic in the month of February, they issued provisional completion on October 31, 2017 only.
- Shravan Shah:** On October 31, 2017?
- T. R. Rao:** Yes, on 31 October 2017. As on August 2007 we have completed 96% of the work, but still they have chosen to give the provisional completion only on 31 October 31, 2017, now we became eligible for 90 days bonus as against 150 days maximum.
- Shravan Shah:** Are we now 100% sure that this Rs. 60 Crores will come that by FY2018 or still there is a doubt?

- Yogesh Jain:** Yes, provisional completion certificate is already issued by the UP government.
- Shravan Shah:** No, that you told, but in terms of receiving this Rs. 60 Crores are we confident?
- Yogesh Jain:** We are sure to receive it during the current financial year only before March 31, 2018.
- Shravan Shah:** That is it from my side and all the best.
- Moderator:** Thank you. As there are no further questions from the participants, I would now like to hand the conference over to the management for closing comments.
- Yogesh Jain:** Thank you everyone for your participation in our earning the call. We have uploaded the presentation on company's website. In case of further queries you may get in touch with the Strategic Growth Advisor, our Investor Relations Advisors or feel free to get in touch with us. Thank you very much for participation.
- Moderator:** Thank you very much Sir. Ladies and gentlemen on behalf of Edelweiss Investment Research that concludes this conference. Thank you all for joining us. You may now disconnect your lines.