18th August 2021

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400001

Scrip Code: 543317

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C-1
G Block, Bandra-Kurla Complex, Bandra(E)
Mumbai -400051

Symbol: GRINFRA

Sub: Transcript of an earnings conference call on results for the quarter ended June 2021.

Dear Sir,

In terms of the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of an earnings conference call on results for the quarter ended June 2021 held on Friday, 13th August 2021.

You are requested to take this information on your record.

Thanking you,

Yours sincerely,

For G R Infraprojects Limited

G R Infraprojects Limited

Sudhir Mutha
Company Secretary
Membership No. ACS18857

Enclosed: As above.

"G R Infraprojects Limited Q1 FY-22 Results Conference Call"

August 13, 2021

MANAGEMENT: **MR. VINOD KUMAR AGARWAL – CHAIRMAN AND WHOLETIME DIRECTOR, G R INFRAPROJECTS LIMITED**
MR. AJENDRA KUMAR AGARWAL – MANAGING DIRECTOR, G R INFRAPROJECTS LIMITED
MR. ANAND RATHI – GROUP CFO, G R INFRAPROJECTS LIMITED

MODERATOR: **MR. PARIKSHIT KANDPAL - HDFC SECURITIES**

Moderator: Ladies and gentlemen good day and welcome to the G R Infraprojects Limited Q1 FY22 Results Conference Call hosted by HDFC Securities Limited. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involves risks and uncertainties that are difficult to predict.

As a remainder, 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 "*" and then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Parikshit Kandpal from HDFC Securities Limited. Thank you and over to you sir.

Parikshit Kandpal: Thanks Mallika. First and foremost, I would like to thank G R Infra to give us an opportunity to host this call. I have with me on this call, Mr. Vinod Kumar Agarwal – Chairman and the Whole time Director, Mr. Ajendra Kumar Agarwal – Managing Director and Mr. Anand Rathi, who is the group CFO. Without taking much time, I would hand over the call over to Mr. Ajendra Kumar. Sir, if you can give your opening remarks; a little on the industry updates and the performance of the company. Thank you and over to you.

Ajendra Kumar Agarwal: Mr. Parikshit thank you. Good morning to all, everyone and a warm welcome to our first earnings call for the quarter ended June 30, 2021. Along with me, I have our Chairman - Mr. Vinod Kumar Agarwal and our CFO - Mr. Anand Rathi. I thank all the people, all our investors from the bottom of my heart for showing your trust in the company during the listing period.

Before I start with the company's quarterly results, I would like to give some industry updates to you. First of all, I would like to inform you that the government's capital outlay for the year FY2022 is around Rs. 5.5 lakh crore, in roads they have approximately Rs. 1.83 lakh crore and for Metro it is Rs. 2.15 lakh crore, which is 30% more as compared to the last year. The government's target for the coming five years is to award 60,000 km, in which they are targeting 11,000 km in FY22 itself only. NHAI has a target for FY22 approximately of Rs. 2.25 lakh crore, which is a target for 6000 km. NHAI has approved many Greenfield Expressway, few of the projects are in the pipeline, like Surat-Chennai Expressway which is a project of about Rs. 50,000 crore. And Bharatmala-l which is around 15,000 km will be completed in the coming 2-3 years. In FY21 a record of 37 km per day highway construction target has been achieved, which will touch up to 40 km per day in the coming year, FY22. Similarly, for the smooth road work implementation, the government has prepared a big road map for Bharatmala-1 and Bharatmala-ll and in this for land acquisition, for the land record titles, the government has proposed for digitization, with which the land title accuracy will increase and disputes will be minimal, also network survey vehicle has been made mandatory for the better road quality. On the policy level, for MCA many changes have been made in the PPP, due to which smooth implementation will be possible. In this way, the government has increased expenditure year-on-year in the infra. You will see in the budget; the government has made a provision of Rs. 1.83 lakh for MOT for the year FY22. In the EPA also, permission has been granted to use up to 5% investment for Infra in the AUM. NHAI has done monetization for its 415,00 km road which is approximately for Rs. 17 ,000 crore and in the coming times they have a target for monetization of around 26,700 km, whose enterprise is nearly Rs. 116,000 crore, which would be achieved by FY25 and in this the monetization will be done through TOT and InvIT. With all these, the infrastructure will get a big boost and in the coming times these projects will be completed smoothly.

After all this, now I will give you the highlights of the company for the quarter ended in the year 2020-2021. Despite the second wave of COVID-19, in FY22 compared to Q1 FY21, we have done a growth of 73%. In spite of the COVID-19 effect, all types of arrangements were made on the site for all our employees, we made quarantine centers, assured oxygen availability, we made a tie-up with nearby hospitals, took help from the local authority and we tried to make every possible thing available. Second wave's impact did come, but this time we were fully prepared and faced this with the full preparation. You will see that despite the impact on every site, none of our facilities faced any difficulties on our site and we coped with the COVID-19 in every way. Many problems did arise, there was COVID-19 impact on the site but we faced all the difficult situations in an orderly manner. And now you will see, that all the work on the sites have come back to the pre-COVID-19 levels. Yes, the monsoon effect is there this quarter, which is there every year during this quarter, due to which effect is there but there are no challenges now due to COVID-19 and we are resuming our work and proceeding towards progress. Now this year, we have bid for 24 projects till now, in which 20 projects were of Roads and 4 projects were for Metro Rail, its value was approximately Rs. 20,000 crore. I am very happy to announce that from this, one Metro Rail project which is for around Rs. 365 crore and two HAM projects which are around Rs. 1878 crore, we have been awarded as L-1 in those projects. Now we hope to keep our order book robust by continuously bidding in Road, Rail and Metro. Till June 2021, in nearly 27 projects, apart from nearly Rs. 15,000 crore, we are also L-1 in these three projects, whose enterprise value is around Rs. 2335 crore, the total combined value of our order book in is of Rs. 17, 800 crore in today's date. In the HAM and EPC ratio; HAM is 59% and EPC is 39% and our order book from NHAI is 88%. This order book is approximately in ten States, currently the work is going on in 22 projects in this, from which one work of Rs. 8500 crore is still pending, there are 5 such projects whose appointed dates are yet to come. Apart from this, we have completed 4 projects; 2 EPC and 2 HAM projects in this quarter, we have got the provisional or completion certificates for these. Apart from this, I would like to tell you one thing that our one project; Handia-Varanasi, in that we have done an equity of Rs. 175 crore also and its debt also, after upgrading we have achieved AAA. In the coming years; FY22 and FY23, our equity requirement of approximately Rs. 500 crore or Rs. 550 crore, will be completed from the internal accruals only. Apart from this, to share the financial data, I will hand over to Mr. Anand Rathi, thank you.

Anand Rathi: Thank you Sir. Good morning everyone, I would like to extend to you all a very warm welcome to our first earnings conference call.

Let me take you through our financial highlights for the quarter ending June 2021. Our standalone revenues from the operations increased by Rs. 900 crore almost and has witnessed a growth of 73% as Sir was telling, from Rs. 1231 crore to Rs. 2133 crore in quarter ending June.

This increase was primarily on account of higher execution despite the severe impact of second COVID wave as passed landing help us come more prepared this time. Our consolidated revenue from the operations also increased by Rs. 900 crore with a growth of 66% year-on-year from Rs. 1364 crore to Rs. 2264 crore this quarter. Out standalone EBITDA margin has also improved to 17.36% quarter 1 of the fiscal 2022, from 14.30% of quarter 1 of fiscal 2021. Our EBITDA margin at consolidated level has also improved to 21% in quarter 1 of fiscal 2022 from 19.75% quarter 1 of fiscal 2021, so absolute number for the current quarter of EBITDA is Rs. 375.57 crore for the current quarter. PAT margin at standalone level has grown by 186% to Rs. 203 crore in quarter 1 financial 2022 as compared to Rs. 71 crore in quarter 1 of fiscal 2021. PAT margin at consolidated level grew by 110% almost to Rs. 221 crore in quarter 1 of the fiscal 2022 as compared to Rs. 106 crore in quarter 1 of fiscal 2021. Our standalone net worth stood as of now is Rs. 3800 crore as of 30th June of 2021 which was actually Rs. 3604 crore at the end of fiscal 2021. Our consolidated net worth has also crossed a mark of Rs. 4200 crore at the end of this quarter. Our total standalone borrowing outstanding at the quarter end of this fiscal is Rs. 1443 crore which includes short-term borrowing of Rs. 217 crore, with debt equity ratio of around 0.38 times. The debt equity ratio as on March 2021 was around 0.37 is almost at par. The total debt of Rs. 1351 crore as of March 2021. Our total consolidated borrowing outstanding at the quarter end is Rs. 4990 almost Rs. 5000 crore with debt equity ratio of 1.19 times which was actually 1.07 time as of March 2021 with an amount of Rs. 4500 crore approximately. During the quarter, company has made addition to the fixed asset amounting to Rs. 98 crore, compared to Rs. 568 crore which was added in last financial year. Our net fixed assets as at the end of this quarter is Rs. 1403 crore.

Investment in our HAM projects in form of loan or equity as of June 30th, 2021 is around Rs. 1100 crore, it was Rs. 1194 crore as of March 2021, we could get our equity release as Mr. Ajendra was telling by doing refinancing at SPV level and the debt at SPV level was even upgraded from AA to AAA. We could even mitigate the risk of interest also, where we have arranged this debt which is linked to Repo rate where NHAI is also making interest payment to us which is also linked to bank rate, so we could eliminate that risk of interest rate volatility out there by doing this refinancing.

Balance commitment required to be made for our operational under construction or yet to start HAM project is around Rs. 1272 crore which is to be invested in next 2.5 years' time, it is by end of 2024, except for the projects where we have been declared L-1, I mean two HAM projects where we have declared L-1 recently, so it is excluding that. Working capital in days at the end of current quarter is 68 days as compared to 73 days at the end of fiscal 2021. Our deters, including unbilled revenue at the standalone basis is Rs. 1319 crore at the end of quarter 1 of the fiscal 2022 as compared to Rs. 1134 crore at the end of fiscal 2021. Our deter at consolidated level are Rs. 960 crore as of this quarter as compared to Rs. 705 crore at the end of the fiscal 2021.

Inventory levels are almost same Rs. 1063 crore at the end of this quarter versus Rs. 1058 crore at the end of fiscal 2021. Cash and cash equivalent balance at the standalone basis at the end of this quarter is around Rs. 611 crore vis-à-vis Rs. 541 crore which was at the end of fiscal 2021, our cash and cash equivalent at consolidated level is Rs. 822 crore at the end of this quarter as compared to Rs. 831 crore at the end of fiscal 2021. If you talk about the Mobilization Advance which we have raised from the NHAI, my Mobilization Advance outstanding remains almost at the same level, it is in the range of Rs. 250-260 crore at the end of this quarter, which was almost at the same level for last fiscal as well at the end of March 2021.

With this, on behalf of G R Infraprojects Limited. I would like to thank everyone who is attending this call and we will request the moderator to open the floor for Q&A session, thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Nitin Arora from Axis Mutual Fund. Please go ahead.

Nitin Arora: Sir my first question was that you spoke about bidding what kind of bids are coming sir we are seeing that the bids that were opened earlier a lot of players have come in it and even we have lost there a lot of orders and this we are seeing across the way in which the competition is panning out, but I wanted to understand your view, that given the infrastructure spends that NHAI is talking about, in second half how much opportunity do you see coming in, if you can put this in two scenarios one EPC and HAM and according to you if this market expands in second half when NHAI comes too much into action and does awarding, then do you think if the size increase happens then it will not be a very big task for everyone or even us to work on projects worth of Rs. 10000-15000 crore. This is my first question.

Management: Sir as far as the way the bidding has been opened, so in that the gap that was remaining of the previous year due to COVID, some amount of pressure was there due to that and the government has loosened the bidding parameters due to that as well number of bidders have increased but in the coming times as you are seeing the size will increase and in infrastructure the way in which the size is increasing, in that we will be getting an opportunity and as far as EPC and HAM is concerned, in the coming times there will definitely be increase in competition in EPC but HAM since there is dependency on balance sheet and financing concerns, so in that we foresee that we will get good opportunities in HAM.

Nitin Arora: And sir generally if we are seeing so much opportunity coming to us, because we were noticing that the companies whose balance sheets are very good, like our company, PNC, KNR all of these companies want big orders to maintain the growth, if we want to sustain the growth, so is there any target as such that you have set that in this year including, we are seeing you are coming nowadays in lot of bid of metro, so what is your target for this year's ordering that you can meet this much, so that we can do 15-20% growth due to this in the coming year? If you can comment on this a little bit.

Management: Sir generally these targets that are there, order to sales we keep a target of 2.5-3 or 3.5 because if you see the project timelines are of 2.5-3 years, so according to that we plan it as such that we maintain our ratio of order to sales and approximately 2.5-3 we maintain it.

Nitin Arora: Got it sir and the HAM portfolio that is there now, how much equity have we put in it and how much more do we need to put in and now we are seeing your HAM portfolios also make profits, generally at a transaction level the liquidity that is there is the system, I am not saying a lot of projects are securitizing or lot of project deals are getting finalized but on a portfolio level a lot of road projects are being purchased by P/E players, so from hereon in the coming 6-8 months what is your stance on the HAM portfolios that make good profits today and the amount of commissioning happening, in this, would you like to conclude any deal now or you think this portfolio should mature a little more and then it is the right time to do it. These are my two questions. Thank you, sir.

Management: So, far, the equity which is already infused under operational and under construction projects or the projects which has already been awarded and where we have already signed the construction agreement, except that two which we have now been given as L-1. So, in them total we need equity of Rs. 2400 crore and out of that Rs. 1100 crore we have already put in. And in that, the balance is almost Rs. 1270 equity that we need to invest in from June onwards which is to be put in by the end of 2024, around 2.5 years from now, so we need to infuse Rs. 1270 crore equity further in the distinct portfolio.

On second question that you are referring about securitization, monetization we are exploring the ideas to see what we can do in it and we are in touch with, we have already started the conversation around this, earlier we had done it and signed the term sheet also but because of change in bank rate stance, that work was not done, so we are exploring all the ways available to us. As of now we feel, given our balance sheet size in terms of our net worth, in terms of the liquidity available to us, in terms of the financing opportunities available to us, we feel that we need not to go aggressive on that particular front, we are waiting for right time and right opportunity.

Moderator: Thank you. The next question is from the line of Kalpit Narvekar from Reliance Global Investors. Please go ahead.

Kalpit Narvekar: Thank you so much and congratulations firstly on the IPO and on the 1Q results and thank you for taking my question. Sir my question was on these metro projects, the Bangalore metro project that you have won recently, so can you share some color on, so how is the deal on those metro projects, the receivables, is it coming from Bangalore, is it coming from the state government, is there any financing on those projects, what are you expecting receivables from it and is there mobilization advance if any in it?

Management: Sir this project is of Bangalore Metro and this project is balance work item rate contract and in this Mobilization Advance provision is also there and the way the item rate contract provisions were there, this is that kind of work.

Kalpit Narvekar: And sir for these projects is there any ADB type funding?

Management: In this I do not think this is ADB funded, this is already work awarded, it is a balance work and there is full provision of funding being done in it, we do not have any issue of funding, remaining projects are completed and this is the balance work.

Kalpit Narvekar: Okay fine and sir on the roads, now the new rounds of bidding that have been opened, on comparative intensity do you see any changes in the latest rounds of bidding and like usually you guys bid for larger sized projects sort of, so in those projects like more than 10 billion, so more than Rs. 1000 crore, so in them how many bidders are there currently in the latest round of bidding, if you know?

Management: In EPC there is a lot of competition over there around 15-20 bidders are there, and in HAM around 7-8 bidders are there. See, with time the number of bidders and market will mature and India's growth story in them the requirement is there to increase the numbers of bidders, considering the portfolio expansion that is happening by NHAI and ministry, 4-5 bidders will not be able to complete these projects. So, by this means number of bidders will also increase and the complexity of the project will also increase, the projects size will also increase, it is a regular scenario of the development as far as I see it and as far as we will progress further, this is the growth story of the country, as you see from beginning also, it will be very simple roads, like 3m-wide road, 4m-wide road, now we are moving from 4 lane to 6 lane, 6 lane to 8 lane, from 8 lane to express way, major structure ports and in this way the complexity will also increase and in the coming times, number of bidders will also increase and the scope will also increase.

Kalpit Narvekar: Sir then over the time, over a medium term will the industry structure be such that only big sized players are doing big size HAM projects and they will exit out from the EPC? Do, you think alongside these lines?

Management: This is a kind of a natural process. If you see here, wherever simplicity is there in the project only small players will be there and if there is more complexity in the project, big players will come into picture. If you increase the project size, increase the complexity, so out there this is a natural thing and in simple projects number of bidders will increase slowly because the way in which I was a sub-contractor at some time, in today's date I am a main contractor, similarly my sub-contractors will grow today and then become main contractors. So, this is a natural scenario sir.

Kalpit Narvekar: And sir one last question from my end, will you be able to give any guidance for FY 2022 on EBITDA margins and revenue?

Management: Sir it depends basis how COVID-19 will pan out, how the monsoon is and the commodity prices that will be there, the commodity prices do not affect us on a long term basis but we have impact of the prices on short term, so there is no guidance as such, Mr. Anand if you can share something on this.

Anand Rathi: So, basically now Mr. Kalpesh we will try to and largely would be in the same range what we have achieved last year, so in that we do not have any doubts as such but of course due to COVID-19 and commodity it is a short-term play, so we will not be able to tell what will be the outcome exactly but yes as of now what we believe is, the guidance that was there last year, we will be able to maintain that level.

Kalpit Narvekar: Sir on the topline and order inflow, anything, any guidance?

Management: Sir with respect to orders we will maintain the regular bidding and we will do our best to maintain the ratio of order book sale to around 2.5-3. So, idea is that we should have a minimum visibility of 2.5-3 years, if the work increases or decreases that will fluctuate but the thought process is that we have visibility of 2-3 years we should, I mean I cannot take order of 5 years because otherwise then we will have to double our capacity on day 1, so that is how we think.

Moderator: Thank you. The next question is from the line of Kritik Jain from Canara HSBC. Please go ahead.

Kritik Jain: Sir first of all congratulations, you have given a very good result in the 1st quarter itself. Sir my first question is that will you be able to do Rs. 10,000 crore and my second question is, that from Rs. 10,000-20,000 what is your strategy moving ahead from here. These are my two questions. Thanks for the opportunity.

Management: Sir we always aim for the maximum be it any entrepreneur or businessman, the desire is to achieve to the highest but there are challenges in the path to do so. Now, you are seeing COVID-19 is there, monsoon has its own sets of effects and the commodity has its own prices and the challenges that are there, keeping that in mind we feel that we will grow in comparison to the last year and this is on a long-term if you go to see on a long term the prices of the commodity, how stable they would be, it depends a lot on this.

And the questions from moving to Rs. 10,000-20,000 crore, so we are not going to stop anywhere, we will always do our best to move ahead and as Mr. Modi has vision of building India's economy from $ 3 trillion to $ 5 trillion, in the same way, the infra space you take my word this is linked with the country's growth story and if the country grows, now you see infra has its own challenges with infra, if the country's growth stalls then infra will also stall and if the country grows then infra will also grow and if infra grows then definitely we will grow.

Kritik Jain: Sir the segment where you are in, you have grown quite a lot to a certain extent, so what new things are you bringing in, so that you can go up to the next level? The segments that you operate in, you are in top 3 right now, so which are the other focus areas where you would like to grow further, can you throw some light on that?

Management: Sir we are always on the lookout to add new, even if we have grown to this extent that is because we were always looking out for adding something new, if you go to see our history, we were a small contractor of a PWD, we used to do PMGSY roads. So, whenever we got a new opportunity we grabbed it, understood and delivered it. So, in the same way today also the opportunities have not closed or lessen down. We are always on the lookout of new opportunities and onto them we will act. In the coming time also in India there are a lot of opportunities, so in them because the demography and size of Indian subcontinent that is there, there is no scarcity in the opportunities, it is just we need to spot it and it should be matching our forte and we are for sure concentrating and looking out for new opportunities and definitely if it matches our philosophy, we will grab that opportunity and act on it.

Moderator: Thank you. The next question is from the line of Seetharaman from Spark Capital. Please go ahead.

Seetharaman: Sir my first question is, there was a sale of BOT assets in 2017, so what is the book value of equity of those assets, debt in those assets and what is the sale price of those assets?

Management: So, equity value was around, I would say Rs. 175 crore and Rs. 340 crore because it is almost 4-5 years back data, I am not pretty sure, it is almost 2 times of the equity value felt while selling these two assets, so almost Rs. 340 crore kind of sale consideration which we got, against the book value or equity value of Rs. 175 crore.

Seetharaman: Okay and the debt portion at that point of time for this particular sale?

Management: Debt portion was between Rs. 400-450 crore.

Seetharaman: Okay so the equity portion for this particular Rs. 175 crore equity portion, you got a value of Rs. 340 crore, the debt portion is separate?

Management: Right, I am only talking about equity only, it is not EV. If you are adding debt portion also, then it will become EV, right?

Seetharaman: Yes, correct. That is basically the debt is around Rs. 400 crore odd.

Management: Rs. 450 crore, right.

Seetharaman: Okay and my second question is, the EBITDA margin from 2015-2016 to 2016-17/18 if you see it has increased drastically, what is the reason for that?

Management: EBITDA margin is that if you see earlier,it used to be item-based contract and we had two issues, we used to work as a subcontractor and secondly, the projects that were there, in the EPC model a design part also comes to the contractor, so this is a third activity. If you go to see EPC, meaning Engineering Procurement and Construction, so at the beginning procurement and construction used to be in my scope and engineering was not in my scope. That means you used to do 2/3rd work of the project that used to be awarded to you and 1/3rd government already used to do engineering and give it to you. Now, after the EPC model came into effect, Engineering, Procurement and Construction all these three activities came into my part and naturally the design work also came to us and we were able to do optimization of that and due to handling of

EPC projects we were able to increase margin in this and second thing sir at the same time we started getting HAM projects. In HAM there was a little bit of margin and we got additional advantage, reason being the funding also you have to do, so that is an extra margin. And in this way our margins increased at that time.

Seetharaman: Okay and was there an impact due to the manufacturing facility that came in at that point of time? I just wanted to understand whether there was any cost saving on internal procurement?

Management: Sir if you got to see in manufacturing, there is not a big part in the margins, we established manufacturing facility from a strategic point of view, where I have issues with timely delivery or quality, so that is why we have established all these manufacturing facilities. We will get some advantage due to this but as such there is more advantage on the strategic front, rather than profit.

Seetharaman: Okay there is not much impact on margins?

Management: Yes.

Seetharaman: Just one more last question. On the early completion bonuses that you have given a big number during the IPO, can you split across, over the earlier years what is the exact absolute amount you got, on an early completion bonus?

Management: That number we have to work out, basically in that, it is not more than 2% or so. If my EBITDA margin is around 20%, it would be in the range of 2%, so without bonus it would have been like 18%, 17%, like this. So, 2%, 3% would be coming from early completion bonus or claim or a one-time kind of revenue which we were getting because of change of law and all that. So, that was the whole number. I mean, in terms of percentage I am giving you right now but for number I have to compare.

Seetharaman: Okay, were you getting the early completion bonus consistently over the years or it is a lumpsum or multiple, means in different points of time?

Management: Yes, so basically because see largely before 15th we were acting as a sub-contractor, we were not having direct contract, right? So, for that reason also, you know, but once we started, I mean when EPC came into play as Ajendra Sir was telling, then we started. We started bidding directly with NHAI, we got projects directly from NHAI and then we received the bonus, so it is always in 2018-2019 or it may not be that big amount in, I would say 2016-2017 but yeas, of course, in 2018-2019, 2019-2020, 2020-2021, we will be getting. So, just to give you the number, I got the number as well. So, almost Rs. 200 crore in 2021, Rs. 15 crore is in 2020, 2019-2020 is Rs. 20 crore and Rs. 22 crore in 2018-2019 and Rs. 5 crore before that, so that is all, not that big.

Seetharaman: So, in 2021 alone you got Rs. 200 crore.

Management: Right.

Seetharaman: Okay, so how do you see going forward, what way we can assume, like because it seems very funny, now Rs. 15 crore and Rs. 200 crore, right?

Management: Yes, see going forward NHAI has also screwed up in terms of timing of delivery of the projects because most of the projects now being awarded in the range of two years of time, two and half years of time. So, earlier it was three years and two and a half years, now most of the projects are coming in the timeline of two years, so going forward we should not expect much, from bonus I would say.

Moderator: Thank you. The next question is from the line of Rita Tahilramani from Invesco Mutual Fund. Please go ahead.

Rita Tahilramani: Hello Sir, congratulations for a very good set of numbers. Two questions sir; firstly what is the land acquisition status in the five projects, HAM projects which are pending appointment date and when do you expect the appointment date for these projects?

Management: Madam, land acquisition update is in process right now and it has been delayed a little due to COVID-19 because it is a bit difficult for the department to go to the sites, so there is a delay due to that, otherwise, work is in full swing. So, these projects that are there, particularly two projects are on Delhi-Vadodara are on Mumbai Highway, it is a very strategic and a very prestigious project for the government. So, in the coming two, three months these projects their Appointed date should come.

Rita Tahilramani: That means it will come after the Rainy season, somewhere around September, October, for both the projects.

Management: Yes, we expect that.

Management: At 3G status Madam, it is almost more than 90% for all the projects except one or two, except maybe one, it is that Shirsad I think, where 70%, 75% of 3G has already been done but largely, so what we are expecting is that all the projects' Appointed dates should come after the monsoon.

Rita Tahilramani: Okay and second, what is the gross debt today, at Q4, Q1 end?

Management: At Q1 end, the gross debt is Rs. 14 million 42 crore at the end of, so at standalone level I am talking about.

Rita Tahilramani: Yes standalone.

Management: Mobilization Advance is in addition to that, you know Rs. 260 crore. If you add Mobilization Advance as well, then it is Rs. 1700 crore.

Moderator: Thank you. The next question is from the line of Alok Ranjan from IIFL Asset Management Company. Please go ahead.

Alok Ranjan: Hi good afternoon Sir. One question on the HAM and the EPC, you made comments in the opening remarks and answered to couple of participants' questions that on the EPC definitely the competition is higher well in the HAM because it is clear on the balance sheet also, the competition is lower but my question is that currently we have HAM-EPC mix of around 59% to 39% and given the way we have seen the challenges that comes in the monetization of the HAM, what is the ratio that you are looking at going ahead that you would like to keep in your order book and then obviously it will flow to the execution?

Management: In the coming times, the ratio will increase on the HAM side only, that is what we feel.

Alok Ranjan: But sir what will be the comfortable ratio so that you will not be going to dilute the equity and make sure that you will be comfortably funding the capital expenditure and also the HAM equity requirement?

Management: Sir for us the comfortable ratio is 50%-50% but even if it is 70%-30%, then also it is not disturbing for us because the way we have made this model, it is in such a way that any project is sustainable. We have to do equity investment form the internal accrual only, this is our clear funda. We do not want to take equity from outside for investments.

Management: So, to add on this, actually you will see in that, that even after receiving COD, we would be able to release our equity without even divesting right? So, actually, on other point, see we are even upgrading the debt also, so debt is becoming AAA, it is upgraded to AAA from AA and it is also helping me to release my equity.

Alok Ranjan: Got it and Sir, the last question. As you mentioned that you would like to keep your order book to revenue somewhere close to 3, that indicates that you will be targeting order inflow of close to Rs. 14,000 crore, so what is the mix that you are targeting; Road and non-Road?

Management: Sir now if you go to see, we think that in the coming times in non-Road our ratio should be minimum up to 20%, in the coming two to three years.

Alok Ranjan: And this will be primarily Metro sir?

Management: Metro, Railway.

Moderator: Thank you. The next question is from the line of Susmit Patodia from Motilal Oswal Asset Management Company. Please go ahead.

Susmit Patodia: Good evening Sir and congratulations. First question is, you had given this release on the Exchange also about Ludhiana HAM L-1, so is that included in the Rs. 1878 crore which you have said in the call?

Management: Your question is not very clear; can you please repeat it?

Susmit Patodia: Sir you said that you are L-1 in Rs. 1878 crore in Roads in HAM and on the Exchange also your notification is there that you have won the Ludhiana – Rupnagar of Rs. 950 which is L-1.

Management: These are two projects, sir.

Susmit Patodia: No sir, is this included in it, I was asking that?

Management: Yes, both are included, there are two projects of HAM.

Management: No, Mr. Susmit, are you talking about orderbook or what?

Susmit Patodia: No, that Rs. 1878 crore number that was given, know.

Management: Yes, Rs. 1878 crore there are two projects, one is Ludhiana-Rupnagar and Amritsar-Bhatinda is one more.

Management: One is Rs. 927 crore and one is Rs. 951 crore, sir.

Susmit Patodia: And sir the second question is that, how much debt has been Repo in our HAM debt? Is this the first project that has been Repo?

Management: Yes, this is the first debt, right.

Susmit Patodia: Okay, so in this how much would be saving for us approximately, if you explain us?

Management: Saving in what sense?

Susmit Patodia: In the project sir, because of the interest cost?

Management: See interest cost earlier before COD it was in the range of 8.6-8.5 right and now it has come down to 6.8. So, and that is also linked to Repo, so exactly what we are getting from NHAI is bank rate, I mean Repo plus bank rate plus 3, which Repo is again, I mean bank rate is again Repo + 0.25. So, basically, what we are getting is Repo (+3.25) from NHAI. And what we are paying is 3.8 which is linked to again Repo. So, we just tried to eliminate this interest rate volatility risk.

Susmit Patodia: And sir will you be able to expand this further?

Management: We are going to do now more, so transaction is going to conclude, so in the next couple of months, we will be doling.

Moderator: Thank you. The next question is from the line of Vibhor Singhal from Phillip Capital. Please go ahead.

Vibhor Singhal: Good Morning sir. Thank you for taking my question and congratulations on great set of numbers, I wanted to understand sir now we are already into Q2 where almost 45 days' work might have been done, so in Q2 how has our execution been till now, there might have been monsoon impact also. Like in the first quarter we did a top line of Rs. 2100 crore, so in comparison with it, where are we now and on basis of that if you are able to tell basically in Q2 or going ahead how will our execution be?

Management: Sir the execution level of Q2 have reached to pre-COVID levels and on sites there is no effect due to COVID-19 but because of monsoons on different sites there have been rains varying, like in UP there is heavy rainfall so out there, disturbance is there for sure but we hope that it will be better than the previous year?

Vibhor Singhal: It will be better than previous year but you cannot give a number that we will be able to reach this target or grow this much?

Management: Sir to give number, we do not have visibility at that level as of now but work is happening smoothly.

Management: Because see sir the run rate for Q2 will be lower than Q1 for sure because reason being the monsoon. But this is only because of monsoon, it is a seasonal effect, right? So, to that extent we are at par.

Vibhor Singhal: And sir in Q3 there will not be monsoon effect, so in Q3 it will happen that we will come back to this level, so we need to see what happens?

Management: Right. I mean Q2, it has to be compared with Q2 what we have done in last year because Q2 is always a kind of monsoon quarter right? So, Q1 and Q2 cannot be compared right?

Vibhor Singhal: Got it. Right. And sir my second question was on the margins level, now like we do execution on HAM projects, so that HAM project that SPV awards us, is it a fixed price contract or is it also similar to an item rate contract? What I want to know is, if tomorrow already prices are high and going ahead if they fall or rise, so that risk of commodity prices it comes onto the parent company or it comes onto the SPV?

Management: So, it is actually a fixed price contract, to parent company but HAM also come with escalation clauses, so whatever escalation generally we are getting, not 100% we are passing it on to a parent company that is G R but a certain amount of it , so partial amount is, so basically it is not that 100% escalation risk, so escalation risk is there because we are doing, we are with NHAI, right and to some extent because of escalation clauses are there in every type of NHAI agreement, so that kind of risk is mitigated because of this escalation clause and that is also passed down, even if it is in HAM, that is also passed onto EPC.

Vibhor Singhal: To some extent, right. So, sir in this quarter, as our EBITDA margin was 16% on a standalone basis if I see and in the previous years, we have done 18-19%, so in this quarter specifically due to the COVID-19 was this impact or early completion bonus was not there, that is why the impact was there and going ahead will margin rebound to 18-19%? I am not asking for the entire year but in general run rate will be 18-19%.

Management: In this quarter COVID-19 impact is definitely there know. In this quarter I mean.

Vibhor Singhal: So, going ahead can we think that we will come to 18-19% if COVID impact will not be there?

Management: See moving ahead from here we will try for even last year we delivered 20%, so it may happen but on bonus part we will not be pretty sure on bonus part because timeline is decreasing now and if you got to see a 3-year view from now, if you are taking a call on 3 years, then probably we would be having that kind of a margin, unless and until anything else comes in. Because see then how is the commodity price coming in and what kind of, like HAM projects are there, right? In HAM projects, the earlier version of HAM actually was having 5 payments, we used to get only 5 payments from NHAI for the entire period of 2-2.5 or 3 year, right? Now, there have been changes in the HAM projects where we are getting 10 payments, so my working capital is getting to that extent, it is impacted right? It is favorably impacted, so I will also have to see my margins in accordance to this, that is how we think. Our endeavor is basically we try to develop a sustainable model, so that in business I need not be dependent on the outside sources, that is how we deal.

Vibhor Singhal: Got it and sir one last question on the metro side, are we bidding for Delhi Metro phase-4 and Aza metro project, which are coming up in the next, maybe few months?

Management: Sir in metro projects the policy varies for different projects and we have some issues with regards to qualification, so in the projects wherein we qualify on them we are bidding.

Moderator: Thank you. The next question is from the line of Arun Kumar from Aeries Investments. Please go ahead.

Arun Kumar: Yes, my question with management is firstly congratulations on a very good set of numbers, that too on a quarter where COVID-19 related disruptions were there, so that is there. Secondly, I just wish to ask, what is the orderbook and if you could give some guidance related as to what would be your topline going ahead, the year ahead? That is what I would like to know.

Management: Sir in the orderbook we have balance projects worth Rs. 15,000 crore and apart from that, we have been awarded with Rs. 2835 crore of L-1 projects, total approximately Rs. 17,800 crore is our value of the orderbook. And in the coming time, the way we are seeing the market today, commodity prices also effects on the short term and COVID-19 and monsoon how long it stretches, it depends a lot on these factors as well. But we will try our best sir, to deliver our projects as of last year.

Moderator: Thank you. The next question is from the line of Arun Ranganathan an Individual Investor. Please go ahead.

Arun Ranganathan: I was wondering all these monsoon and the commodity prices you guys would have gone through all this year, so you would be working with some sort of an internal target for both the revenues and the profits for this year that is FY22 what will be that sir?

Management: Sir seeing the COVID and monsoon we are targeting that the previous year target we would be able to achieve that in this second quarter because in this year there is a lot of rain.

Arun Ranganathan: I was looking per year FY22 some sort of a internal target will be there for the margins and all these things because you should be having some sort of internal target to reach milestone in a year, so for the coming year what will be that sir for margins and for the overall sales and profits for the company because I am not an analyst I am just a individual investor I just want to know what is your thought process?

Management: Generally the target which is there we do for the project, we do of the revenues seeing the profit we work efficiently work, but many things depend on it either in commodity prices or working conditions and in COVID a lot will depend so the internal targets what we have generally we do for revenue because the project which we have with us so that we can work on maximum efficiency and to achieve the COD project that is our biggest target and whatever we have done last year we would be able to give some bit of growth this is our target 5% to 10%.

Management: See what happens in this project because see from last one and half years the COVID scenario which is there the government agencies are busy towards this COVID settlement what happens land acquisition gets delayed for that reason so the project last year we have taken ideally they should have been started by this time so that has not happened so we do the target we have done financial closure on time, we have mobilize the site that also we have done ,but the project could not be started because land is not there with us. So, ideal is generally the project which we have bided that was bid from last one year margins we have seen that time project margin that time we have set now we are delivering let us say after one year of gap and in that commodity price issue was not there. So, in short term it happens, but then over the period because that would be it would be spread in next three years whenever we will be starting in the coming two and half years this will get spread then margin would be commodity impact that will also go out basically next two and half year time, but yes when it will start and accordingly our endeavor is to get the appointed data as early as possible and it revolves around that we have to do timely delivery.

Arun Ranganathan: Just one more small question sir I am just a layman and I do not have knowledge of all the analyst who are asking questions before me I am just an individual investor I cannot understand what is an HAM project can you explain in a minute what is a HAM project and what is the equity component of the company is contribution and how this HAM project work in just one minute?

Management: So, HAM project is a PPP projects where you know generally government is doing partnership they are making partnership with private player because government is not having fund. So, just to accelerate the road implementation program I mean just to accelerate that road work we have been participating with the government where we are arising 60% of the project value and government is arising 40% of the project value and that balance 60% is being paid to us is we are getting the return on investment and getting that return 60% we are getting in next 15 years so that is HAM and in EPC 100% it is 100% funded by government only.

Moderator: Thank you. The next question is from the line of Teena Virmani from Kotak Securities. Please go ahead.

Teena Virmani: Sir my question is already been answered just one small thing in this other income for current quarter there is no component of early completion in bonus right?

Management: Right.

Teena Virmani: So, it is largest the interest that you are getting from SPV plus the normal interest income?

Management: Right.

Moderator: Thank you. The next question is from the line of Ashish Shah from Centrum Broking. Please go ahead.

Ashish Shah: Sir would you like to highlight any specific projects other than highways that we had bid for any big projects that we are targeting where we are bidding especially in metro, HSR anything like that?

Management: Sir in metro projects we are bidding and high-speed metro also we have bided, but challenges are there the experience we have all those structure which are made in highway that is here, but we have challenges of particular metro or railway work we have less experience so there are some issues of qualification then also to mitigate that we are dealing with partners.

Ashish Shah: Sir qualification capability on an individual basis in metros?

Management: Sir on individual basis if you are going to talk about highway project if our individual project is of around 5,000 crore then we can bid, but sometimes specific requirements are there in project in that project basis the qualification which is there that we have to see, financially we do fulfill the requirement and some technical qualification requirement is there the particular project the item which is there in that only particular only the qualification is seen.

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

Shravan Shah: Sir one basic thing I want to ask the 17,800 crore order book which is there out of that 2,800 crore we recently received project so remaining 15,000 plus crore order book which is there out of that how much in value terms the appointed date has not come and how much value we have not yet started the work?

Management: Let me check if any other question is there.

Shravan Shah: Secondly sir on the margin front two things the first thing for FY21 you said that we received a 200 crore early completion bonus, so if I remove that then our margin for entire full year of FY21 is 15.5% in that range and this quarter also 16% and you are saying commodity pressure is also there, so and also we are not expecting much completely bonuses, but at the same time we are also saying that we can try to have a 18%, 20% margin can you explain sir please so why the margin will go up or it should remain in the 15%, 16% range or can it go to 20%?

Management: See what happens because it depends on my revenue mix as well. So, if we are doing my revenue mix is comprised of more HAM revenue then because in HAM we are having higher margin. So, it will depend how my revenue is coming right. If I will be able to execute more project under HAM then probably my margin would be increasing of course increasing despite that commodity price increased.

Shravan Shah: In HAM normally how much we have 20% to 23% margin at current level?

Management: Generally we are trying it is more than 20%, but how it gets executed because I told you we had bid last year and now we will be starting. So, it is very difficult it is not that standardized in our industry. See what happens today we have bided and from tomorrow we started the level of certainty is high because if you bid today and starting after 6 months then my level of certainty has to be to that extent I mean it can add, it can reduce in terms of my margin.

Shravan Shah: On the revenue front also though we are not saying clearly in terms of the guidelines, but we are saying that first quarter has come, second quarter would be lower because of the monsoon we are saying and we are trying to have at least a last year revenue 7,200 crore or maybe 5%, 10% higher and margin will be maybe slightly on the lower side because of the commodity pressure also so there also not getting a clear idea if it is possible to give maybe we should be having a slightly more convincing way of saying that we can have this much at least our target internal revenue and the margin so that is one thing, second my main question is that in HAM debt what we are financing so in this one project also it has been done, so is it possible to put all the HAM projects with all the TPC BPC equity how much invested debt which is other companies also given in the presentation so that would be a great if we can start that or maybe we can uploaded on the exchanges and secondly the remaining project which we are targeting for refinancing so in this year how much project and how much value and how much extra equity we can get back any ballpark idea?

Management: Yes next time we will try to update on that number also EPC and all that and generally what we are targeting at the time of COD because HAM project actually is getting matured because starting 2016, not much projects are there under COD project. So, in fact of the projects where we have received COD almost back only. So, we could refinance and we could get them realigned in terms of Repo or whatever probably on COD, but last year it was not there. The project which where we received COD last year I mean FY2020 we are not able to get it realigned to interest which is linked to bank rate. Now things are maturing. Now going forward having opportunity to refinance another I would say four projects in the current year and in that I think we can free up around 300 crore to 400 crore of equity by way of doing refinancing and taking top up loan over there SPV and at the same time would be upgrading debt also at that particular SPV that opportunity exist with us we will be exploring what happens my debt at parent level is not that much high basically so ultimately unless and until I find used deploy the money whatever money I am raisin whether at SPV level or GR level if I am having proper use for that then probably I would be saying the debt so that is how we think about and while we are going for refinancing, but we will try to realign the interest cost which is linked to bank rate for each and every project that would be our endeavor and EPC we will give you and your first question was what portion of my order book where appointed date was not yet declared it is around 6,500 crore almost of the project where my appointed date is just to declared out of that 15,000 crore of order book.

Shravan Shah: So, our reference in terms of the debt refinancing versus the monetization so at least this year you said four projects we can go for a refinancing, but any plan in terms of selling and monetizing the HAM projects that is on cards at least for this year?

Management: So, we are waiting for right opportunity in fact in HAM because see there was much disturbance in last two, three years in this particular project and the structure of this project reason being my interest, my revenue was linked to bank rate and there was I would say is a big downfall in terms bank rate in last one and half years it is almost if we take number from October 19 the disturbance will continue. So, far we have not got that right opportunity we are excluding this we are I mean monetize those assets may not 100%, but we may do some JV based we can have some financial partner on board so that we are exploring.

Shravan Shah: Last question anything in terms of the CAPEX how much we have done and how much are we planning for this year and the debt level currently you said standalone 1,442 crore so how much reduction when we can say by end of this year?

Management: So, far we have done around 100 crore of CAPEX in the current quarter and idea is generally whatever projects we are getting we have to start the mobilization. So, last year we have gone around 10,000 project it is almost 3% to 5% generally see if we are using our old machinery probably we may add up doing CAPEX of 3% or 2.5%, but this year our target is around 300 crore, 350 crore of CAPEX and my debt level generally what as I told you in our earlier conversation also because I can probably raise that at SPV level while maintaining or even upgrading the debt level at SPV may not be increasing the debt my parent at GR. So, idea is you know have that kind of mix I mean we will explore we will go by that and our endeavor would be kind of kind of debt equity ratio would be in the range of what we have been maintaining so far.

Moderator: Thank you. The next question is from the line of Niket Shah from Motilal Oswal. Please go ahead.

Niket Shah: Sir I have one question the order book that is around 18,000 crore and if we will see this year growth if we pick up for the next two year then around if you have to sale for 12,000 crore then your order wins that is around 13,000, 14,000 crore run rate will be there if you want to achieve that of 20% growth and already around 1,900 crore order win already we have taken in first quarter so what is the confidence that within three quarters more additional 12,000 crore order win we can take?

Management: Sir the way it is in pipeline if you will see that around 25,000 crore project which is there that is in pipeline.

Niket Shah: What we had bided the number which you have said in starting that is around 17,800 crores is that number correct?

Management: That we have done that and in the coming time what we are going to do the project which are in pipeline in the coming quarter the bidding which is yet to happen I am talking about that and the target which is there because in the previous time if you see that to reach to the site there are issues that is why the project was less in pipeline, but now since the COVID position is improved in the coming time NHAI's flow will increase so I think that remaining quarters we will be able to achieve that.

Niket Shah: Sir 18,000 crore what order book we have already bid what would be the win ratio should we assume if we go in that past what win ratio should we assume?

Management: Win ratio to define time-to-time it gets changes and it depends on many conditions how much is the number of bidders are there, how much is the size there are many things and we should assume that if it gets increased 1 is to 10 ratio.

Niket Shah: It means 10% success ratio is there?

Management: Historically we could have won around 10% of what we have bided we would have also bided 15%, but problem is actually the NHAI target for two years and MoRTH is in the next two years is 15 lakh crore and 15 lakh crore for next two, three years and if I have taken the work for 10% I do not have that capacity. So, winning accordingly I had to restrict myself in that case. So, it can be 5% depending on competition and it can be 10% also and 15% also.

Niket Shah: The question is 18,000 crore order if you have bided and if we think that 20% then around 3,500 crore to 4,000 crore incremental order wins will come and then also 14,000 to get a 20% top line growth that is around it will not be achieved so I am just trying to understand how that math will fit?

Management: No current year NHAI target that is 2.25 lakh crore and if you will bid 10% and if you take 10% then I get around 20,000 crore to 22,000 crores which I am not interested for anyone. So, MoRTH target is much higher. NHAI is targeting 6,000 kilometer, MoRTH's target is 11,000 kilometer.

Niket Shah: And most of that you think will come in fourth quarter only like every year it comes towards the end of the year so it is order book?

Management: In second part of the year, it is little more active in NHAI they say because it is the traditional I mean traditionally this has been followed.

Niket Shah: And sir final question order book sales ratio has been said around three times you have to keep that is for current sales right and not the forward things means today sales number is 8,000 crore and the order wins of 18,000 crore so that is how you are coming to 4.5?

Management: It is for current sale suppose next year if the order does not come 7,000 crore then how will I tell you.

Moderator: Thank you. The next question is from the line of Faisal Hawa from HG Hawa & Company. Please go ahead.

Faisal Hawa: So, my question is more about how GR Infra is looking at it in 7 to 8 years from a family and organization, do we want to really morph into more professional and go into more verticals I mean because after L&T there is actually there is actually not a very good, very strong infrastructure company there anymore, so do you want to morph into more vertical by employee professionals and taking some more verticals?

Management: Sir if you will see in any company in family and professional how do you differentiate basically those who are working for company either it should be family or it should be professional and first priority that is family or professional first priority is the company and now you will see that in company there is a growth so with that growth family can grow in today's date if you see the family growth for the maturity of the kids it takes around 30 years and you should take in hand that compliance that if company will grow then you can run professional and we get associated with that professional who works like our family and they should treat this company as a family and should treat that as a target and it should be our or it should of our family or we are from profession we are going to work for the company whosoever professional is there or family member is that ultimately what is the target means being a family member is it a negativity.

Faisal Hawa: Sir you have given a very good answer we cannot wait for the children because it will take around 30 years so before that we will hire the professional so in that discussion you have answered my question and there is no debate with professional versus family any such thing, but I mean to say that because many such companies from last one year problem because of the problem in balance sheet many such companies are not there they are not with us because of the infrastructure sector so the organization like you who can occupy the vacuum so I want to ask that if we think that if we feel the need after hiring the relevant professional you will enter that vertical or not so that in the coming 6 to 7 years the company can grow up almost 7 to 8 times because that vacuum is there?

Management: In any organization whoever are your people they are your assets only and there is no less MFI is there because the way we want to grow, the pace at which we want to grow so there all these professionals requirement is always there who leave their own interest and takes the company interest they take at the highest level and they should be aligned meaning his and his own company interest if it gets aligned then the company will also grow and individual also they will also grow and in this way sitting altogether our target is that that with our growth the company should also grow and we should stay disciplined. We should maintain the corporate governance and all these things discussing all these either it should be professional or are the family member there should not be any discrimination and in this way the vacuum what you have said either family can do it or professional can do it completely that depends upon the capability and not that he is professional or he is a family member company remains in top priority.

Faisal Hawa: Secondly sir you will do any backward manufacturing initiative you will do so that the margins should improve?

Management: Sir as I have said earlier regarding backward integration this is not to improve the margins. Backward integration has only one target that quality and time issue comes there we go for backward integration and if we have to improve the margins then we will do forward integration where there is more margins and where your world is there, finance world is there, there we would like to go whatever options you will tell whatever way you will guide that way we will also keep the same way.

Moderator: Thank you. I would now like to hand the conference over to Mr. Parikshit Kandpal from HDFC Securities Limited for closing comments.

Parikshit Kandpal: Thank you sir for the opportunity if last remarks you want to make then you can make the closing remarks.

Management: Thank you very much and I want to assure everyone that company's employee, professional and family member everywhere we are working for the company's growth and in this way we are associated with it and we are trying to fulfill your faith in this way only and I want to congratulate in your company the way you have shown the interest in the way of IPO for that thank you so much.

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