



**“Sadbhav Engineering Limited Q2 & H1 FY13-14
Earnings Conference Call”**

November 19, 2013

**MANAGEMENT: MR. NITIN PATEL – EXECUTIVE DIRECTOR, SADBHAV
ENGINEERING LIMITED**

Hosted by



Inga Capital Private Limited

Moderator:

Ladies and gentlemen, good day and welcome to the Sadbhav Engineering Limited Q2 & H1 FY13-14 Earnings Conference Call hosted by Inga Capital Private Limited. As a reminder, all participants' 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 telephone.

Please note that this conference is being recorded.

I now hand the conference over to Mr. Nitin Patel – Executive Director, Sadbhav Engineering Limited. Thank you. And over to you, Mr. Patel.

Nitin R. Patel:

Good evening, everybody. On behalf of Sadbhav Engineering Limited I warmly welcome all the participants who have taken their valuable time for the Second Quarter and first half of FY14 Earnings Conference Call. I am sure you must have had an opportunity to see the highlights on Q2 results which were released on the stock exchanges.

To start with, this year, as you all know, monsoon was the longest and was above average of many years due to which it has impacted the execution of projects to some extent in this quarter. However, with all the pre-clearances in place for the projects and a reasonable order book position we expect company to show healthy growth from second half onwards as far as the Construction business is concerned.

Now, let me start with the summary of this quarter's standalone financials. Revenue for the quarter has increased by 12% to Rs.375.40 crores as against Rs.334.50 crores last year. EBITDA for the quarter has increased by 24% to Rs.38.8 crores against Rs.31.4 crores last year. Profit after tax for the quarter was Rs.28.1 crores as against Rs.6.4 crores of the last year. This year's PAT include the reversal of tax provision of Rs.18.68 crores because of completion of assessment of earlier years. This reversal is due to benefit of Section 80-IA being taken in the assessment by the company. EBITDA margin for the quarter stood at 10.3% as against 9.4% in the same period of the previous year. Margins have improved because of the change in the sector mix of the Construction business. The contribution of high margin Mining business has improved significantly, while at the same time low margin Irrigation business has reduced.

Now, starting with the business update, to start with the EPC business, let us first discuss on the EPC business. Our order book as on quarter end stands at Rs.9,241 crores out of which Transport sector contributes 56%, Irrigation sector contributes 22% and balance is from Mining sector. Currently, we have 54 projects where the work is going on. With termination of the Concession Agreement of the Solapur-Bijapur project that order has been removed from the order book. Work has started in Rajsamand-Bhilwara project w.e.f. 9th of October. Chhindwara Project has contributed Rs.150 crores to revenue in this quarter as compared to Rs.24 crores in the same period of the last year. Rs.70 crores is the highest revenue generation per quarter by Mining in this quarter in the history of the company. This shows the Mining sector is growing gradually, also the order book. We also expect the Mining sector to maintain momentum for the coming quarters which is the high margin segment. With the start of tolling of developed section, company has started receiving the outstanding payment from Dhule-

Palesner Tollway Limited and Hindustan Construction Company which was long outstanding since last one and a half years. The order book breakup and the revenue break up is provided in the highlights also.

The new projects won after the last earning call. The company has won 11 projects since the last earning call. To distribute these new business for the sector wise the Transport EPC business has contributed Rs.188.6 crores – total two number of projects; Irrigation Rs.848 crores – total six projects; and Mining Rs.739 crores – total three projects. So total is Rs.1775.64 crores.

On the BOT business update, the detailed breakup of revenues in each SPV has been provided in the highlights uploaded. Also with the decade low of GDP in the country and slowdown in the overall investment climate traffic growth has remained subdued in this quarter also, and apart from that the heavy and long monsoon has also contributed to some extent the reduction in the traffic in the particular quarter. However, an uptick in traffic has seen since October due to good monsoon and also the agriculture season has taken up and also the festival season is.

As mentioned earlier with the termination of Solapur-Bijapur that SPV has been removed from our BOT portfolio. Now the following is the brief update on the SPVs: Ahmedabad Ring Road – documentation is in progress for the securitization proposal. Now, we expect it to complete soon. The Aurangabad-Jalna Construction of one ROB is completed and the traffic is operational on the same and the second one is expected to complete by the end of this month. Nagpur-Seoni – the revision of semi-annual annuity to Rs.21.79 crores is under process with NHAI. The independent consultant and project director of the project has recommended the same to NHAI headquarters which is under consideration at NHAI headquarters. Hyderabad-Yadgiri project – this project has got some disturbance because of the agitations in Andhra Pradesh State because of Telengana issue has affected the traffic particularly in this quarter, it has shown a significant difference in terms of the reduction in the revenue because the cost has remained the same. Maharashtra Border Check Post – Toll Collection has been started at Third Check Post that is Saoner on 28th of October 2013. Apart from that provisional completion certificate is received for additional three Check Posts that is Navapur, Omerga and Warud respectively on 14th August and 27th September. Total eight Check Posts have received COD, out of which three have started generating revenue. Toll revenue from three Check Posts namely Ramtek, Pimpalkoti and Navapur is expected to be started before end of this month. We expect that another two Check Posts namely Hadakhed and Muktainagar to receive the COD by the end of this month, and also the revenue for the four Check Posts namely Hadakhed, Muktainagar, Omerga and Warud is likely to be started before end of December. And also as I have mentioned earlier in my last call that the revenue from 14 Check Posts is expected to start before 31st of March 2014.

The Rohtak-Panipat Project, approximately 98% of the work has been completed in this project. Tolling is expected to start from first week of December. The COD for the project has been issued by independent consultant and project director from August 2013 onwards which is pending for finalization at NHAI headquarters. Yesterday only, the NHAI Executive

Committee has taken the decision to issue the final COD of the project. So based on that decision we expect that the revenue will be started from first week of December. Now, in the Dhule-Palesner project, the Tolling on the developed section has been started w.e.f. 23rd of September, and because of the same the long outstanding dues of that developed section work which was completed by the company at least one and a half year back it is getting started receiving in the books of the company. Rajsamand-Bhilwara – the Construction has started w.e.f. 9th of October. We have an internal target to achieve the COD ahead of schedule in this project. Also, the Rohtak-Hissar – we have applied to NHAI for financial close. Also, land up to 89% has been obtained in this project. The final documentation is in progress with NHAI and we expect the Construction for this project will be started from December 2013 onwards.

Further, just to have a general view with the slowdown of the new orders in the Transport sector, especially Roads and Highways company has increased its focus on Irrigation and Metro projects apart from the Mining and also the reasonable amount of order book is being seen that the percentage of order book has grown particularly in Irrigation and Mining sector which has also resulted into the significant reduction in the Road sector order book. So in total, order book as I have mentioned earlier, it is now 56% of the Road sector which was earlier close to 70%. So this is a reasonable change in terms of the order book of the business. However, we have seen the momentum from NHAI in the second half where 3-4 major projects are coming for bidding in the BOT space. Also NHAI and Ministry of Surface Transport (MORTH) has already come up with many projects in the EPC segment. So the company is continuously focusing the bidding of the same kind of projects. We expect that also some reasonable order book may come out of this EPC segment. With the change in the business model in the Mining segment company is looking to grab some more projects especially recently we have submitted two bids under the MDO space, where we expect that if the company is getting the order, the Mining sector will start contributing the higher revenue in terms of the overall business of the company.

Also to update on the fund raising plans of the company, the promoter has already contributed 25% of the Preferential Warrants amounting to Rs.23.15 crores with the balance to be made in the next 15 months.

This is from my end. Thank you very much to all for listening to me. Now, I would like to request all the participants to have their questions regarding this quarter's earnings as well as the present business of the company. Over to floor. Thank you very much.

Moderator: Thank you very much sir. Ladies and gentlemen, we will now begin the question-and-answer session. We have first question from the line of Mr. Shravan Shah from The Market. Please go ahead.

Shravan Shah: First question is Chhindwara, how much is balance?

Nitin R. Patel: Total outstanding business including the price escalation at current level almost Rs.900-950 crores of the business is yet to be executed in Chhindwara.

- Shravan Shah:** In first half almost around Rs.380 crores we have done. So going forward in terms of quarterly run rate Rs.250 crores, can we expect execution?
- Nitin R. Patel:** Yes, absolutely. Altogether by September end we have completed around Rs.520 crores of the total execution out of the total business, and looking to the business which has happened in October particularly the number has not yet been reported, but we can comfortably tell that around Rs.225-250 crores of the business will continue to come up from this project.
- Shravan Shah:** Sir, can I have the breakup of Road BOT execution of Rs.109 crores in the project wise?
- Nitin R. Patel:** It is not readily available with me, but broadly speaking if I tell that the major contribution is coming from the Shreenathji-Udaipur to the extent of Rs.70 crores and also the Rohtak-Panipat has contributed around Rs.17-18 crores. Apart from that Border Check Post as I understand close to Rs.18 crores was the business in the quarter under report. Remaining is from another project mostly I think in Bhilwara-Rajsamand, but also this is the BOT and this is the position actually.
- Shravan Shah:** In terms of the BOT order book project wise can I have the breakup?
- Nitin R. Patel:** We have not reported yet, but broadly it is Dhule outstanding order is close to around Rs.42 crores; Maharashtra Border Check Post is close to Rs.215 crores, then Shreenathji-Udaipur Rs.850 crores; Bhilwara-Rajsamand Rs.600 crores and Rohtak-Hissar is Rs.1,080 crores. These are the broad basically out of the BOT. Remaining are from the various cash contracts including the ADB and World Bank-funded projects in the various states.
- Shravan Shah:** For FY14 are we maintaining EPC revenue guidance of Rs.(+2,500) crores?
- Nitin R. Patel:** Obviously, we can see that comfortably because now the projects have been taken off and we expect that the Rohtak-Hissar will also be taken off, so we do not see any other challenge basically as of now to achieve the target of Rs.2,500 crores for FY14 total revenue.
- Shravan Shah:** For FY15, it will be...?
- Nitin R. Patel:** Close to Rs.3,000 crores.
- Shravan Shah:** Now the Mining we will have a higher share, then in terms of the EBITDA margin can we see an improvement in the margins?
- Nitin R. Patel:** Obviously, this quarter has shown, but depending upon the revenue mix in a particular quarter and year wise how it is happening, but because Mining business, we have to complete all these new projects within an average period of 4.5-5 years as against the Road and Irrigation the duration is 2.5-3 years. Even after we can comfortably tell that EBITDA remains within the double-digit between 10-11.5% in quarter-to-quarter depending upon the revenue mix of individual sector actually.

- Shravan Shah:** Can I have the SIPL consol gross and net debt?
- Nitin R. Patel:** If I see Sadbhav Engineering Limited consolidated as a whole the total debt outstanding is Rs.4,950 crores as of now. If I take out the debt of Sadbhav Engineering Limited the debt at SIPL level is close to Rs.4,100 crores and so close to Rs.850 crores at Sadbhav Engineering level.
- Shravan Shah:** For this first half can I have SIPL consol revenue EBITDA and depreciation or maybe the PAT?
- Nitin R. Patel:** That is not readily available with me now actually. We have just given the SPV wise revenue. Just roughly we can tell that this year considering the projects ongoing and also the Rohtak-Panipat and Border Check Post how we are looking, so we expect that the revenue from Tolling business for full year should be within the range of Rs.370-380 crores apart from the SIPL Border Check Post contract revenue which is coming in the business, so all put together we see that Rs.450-460 crores should come as a consolidated revenue at SIPL level.
- Shravan Shah:** The remaining second half and FY15, how much equity investment?
- Nitin R. Patel:** Second half of FY14 we are yet to invest another Rs.85 crores mainly in Rohtak-Panipat, Rohtak-Hissar where we have to fund the upfront equity of Rs.54 crores and some small part of around Rs.13-14 crores in Maharashtra Border Check Post. So this is the target. And FY15 we expect that the total equity requirement should be within the range of Rs.210-225 crores.
- Shravan Shah:** For Rohtak-Hissar full year revenue how much are we expecting?
- Nitin R. Patel:** As of now data is not readily available with me but I have to check and come back actually on this thing.
- Shravan Shah:** Now Dhule, how much toll revenue per day is coming?
- Nitin R. Patel:** It is close to Rs.35-36 lakhs a day as of now the SPV has reached. 13 kilometers of the one side actually it is yet to be operational and we expect that another Rs.4-4.5 lakh of the revenue from that part if it is being added.
- Shravan Shah:** In this Dhule debtor outstanding how much have we received and how much is pending still?
- Nitin R. Patel:** Total outstanding was Rs.152 crores, out of that till date we have already received around Rs.42 crores, the remaining amount is being under disbursement by the various lenders in the SPV. So we expect that almost Rs.105-110 crores should be made available by the end of this month and remaining may take another 2-3 months time, so maximum by the end of this year we should get the entire money.
- Shravan Shah:** Any specific reason this Rohtak-Panipat COD has got delayed?

- Nitin R. Patel:** At NHAI headquarters level they have sought some information pertaining to design and all these criteria, but ultimately according to us it is a wrong thing because once the design has been finalized at the beginning of the project and because it is DBFOT project, so design and everything needs to be done by the concessionaire and only after getting the approval from the independent consultant and the project director at PIU level the work is being executed. So after completing or at the time of issuing the COD this detail we do not see any merit but however after all the efforts yesterday NHAI Executive Committee has given the approval for issuing the final COD for 100% of the project length. So now we are through in the same. Only some small formalities pertaining to issuance of the fee validation letter and everything is pending. So we expect that in another 10-12 days all these will be over.
- Shravan Shah:** Are we then still maintaining that around Rs.4.3-4.5 million toll revenue per day in that?
- Nitin R. Patel:** As of now we have taken some mock calculation and everything, so we expect that around Rs.36-38 lakhs of revenue per day is likely to come on the project. This I am telling about last two months average actually. We see that the season is being started up. A little bit upside may come up at least around 5-7% may come up further because of the cyclical movement and the agriculture season has come up because entire Haryana and Punjab basically is highly influenced of the Agriculture sector.
- Shravan Shah:** Maharashtra Border Check Post, how much per day revenue is coming?
- Nitin R. Patel:** Acchad Check Post we have reached to around Rs.6 lakh a day, in Mandrup we are collecting close to Rs.4 lakh and Sawner it is Rs.70,000 a day. So this is the revenue in these three Check Posts and another as I have mentioned Navapur, Pipalkoti and Ramtek is going to be started by the end of this month.
- Shravan Shah:** For FY14 full year how much in absolute terms Toll and for FY15?
- Nitin R. Patel:** As I have mentioned that by the end of March 2014 we should be in a position to generate the revenue at 14 locations. So all 14 put together we can expect revenue to the tune of Rs.45-47 lakhs a day.
- Moderator:** Thank you. The next question is from the line of Mr. Pranav Gokhale from Religare Invesco. Please go ahead.
- Pranav Gokhale:** Just wanted to check, you said you will do revenues about Rs.2,000 crores this year?
- Nitin R. Patel:** This year we are expecting to go near Rs.2,500 crores because Q3 and Q4 is likely to generate higher revenue as compared to Q1 and Q2.
- Pranav Gokhale:** Why does your total debt both short-term and long-term combined increased from FY13 that Rs.850 crores which you highlighted?

- Nitin R. Patel:** Basically, in terms of the long- term if you see we have made CAPEX of Rs.118 crores particularly in Mining sector in the first half only. So that is the reason it has gone up to that extent because of this development and particularly short-term obviously, after getting the securitization approval of this Ring Road because we have also funded some upfront money pertaining to two of the SPVs at SIPL level. So once this securitization process will come up this will come down actually. Around Rs.110-114 crores is being funded from Sadbhav to SIPL actually.
- Pranav Gokhale:** Post this one-off project going out in the BOT project and how much have we invested and what is the total spending which is required to be spent or invested in the BOT projects as a combine?
- Nitin R. Patel:** If we see the pending amount total Rs.415 crores is pending to be invested, out of which as I have mentioned, around Rs.85 crores needs to be invested in H2 of FY14, around Rs.210-225 crores to be in FY15, and around Rs.110-115 crores in FY16. So this is the broad breakup basically of the further equity requirements.
- Pranav Gokhale:** What will be the Mining CAPEX going ahead now since you have already spent about Rs.118 crores which you have highlighted?
- Nitin R. Patel:** We expect another Rs.70-80 crores of the CAPEX will be required in Mining, because recently we won two projects from Bharat Coking Coal which is again subsidiary of Coal India to the tune of Rs.565 crores. To complete this job we need to invest around Rs.70-80 crores basically in these two projects.
- Pranav Gokhale:** Once this CAPEX is over for FY14 this Rs.70-80 crores additional do you further envisage CAPEX going in FY15 for the Mining business or based on what your viewpoint is towards achieving a particular scale this CAPEX is good enough?
- Nitin R. Patel:** The planning is that obviously some of the CAPEX may come up depending upon the business but particularly in MDO front we do not see the CAPEX will go from Sadbhav Engineering's balance sheet. Once the MDO business is coming, then it will be SPV kind of structure where the CAPEX and everything will be done at the SPV level.
- Moderator:** Thank you. We have next question from the line of Achal Bhagat from Ambit Capital. Please go ahead.
- Achal Bhagat:** A few questions from my side. Now that Solapur-Bijapur has been terminated and Rs.300 crores of equity requirement is not there anymore, are you going to go ahead with the rights issue?
- Nitin R. Patel:** There are two things that has happened. Yes, obviously, Solapur-Bijapur after around close to Rs.330 crores of the equity as fall back requirement. Second thing the positive which has happened is the long outstanding from Dhule-Palesner, it is now coming. So we expect that once this money is completely in place, we expect that management may think basically

regarding this rights, and more or less we are of the view that it cannot be taken off further actually because the requirement is not much now after these two developments actually, so we do not see any other further funding particularly equity is required at Sadbhav level. Preference will be continued. So obviously the option is there, another Rs.70-72 crores can be funded further actually by the promoters. So this may suffice the requirement.

Achal Bhagat:

Now I believe that you will be having surplus money. How I see it is that Sadbhav Engineering on a standalone level has again taken about Rs.150 crores of debt, of which some amount about Rs.70-80 crores of subordinate loans given to subsidiaries. What is your planning in terms of repaying the debt at the standalone level? And what is your comfortable debt-equity level because currently I believe it has gone to about 1x?

Nitin R. Patel:

Currently, it is close to 1, yes. Once the securitization process will start flowing we expect that it will come down to the tune of Rs.100-110 crores at Sadbhav level and apart from the same the interest-free advances from the Rohtak-Hissar and Bhilwara-Rajsamand will also take a place and we expect that this will again further bring down the debt level, and also obviously the business has now started growing up. So the reasonable cash flow will also support to the company even after getting off the long outstanding dues of this Dhule-Palesner. So all put together from a month-on-month basis, obviously, the debt will come down.

Achal Bhagat:

So from here on there is no chance of any increase on debt at the standalone level?

Nitin R. Patel:

Except for some CAPEX requirement at Mining sector, other than that no basically additional debt is required at the Sadbhav level.

Achal Bhagat:

If you can just give me a break up, so currently out of the Rs.850-900 crores debt that you have on the standalone level how much will be your working capital loan, how much will be your long term loan, and of that long term, how much has gone to subsidiaries?

Nitin R. Patel:

Rs.275 crores at working capital level. 200 crores NCD is basically which is funded to the SIPL for increasing the stake by Sadbhav Engineering. Apart from that as I have mentioned Rs.115 crores odd is being additionally funded by Sadbhav to SIPL and the total outstanding CAPEX in terms of the machinery including the new CAPEX of Rs.118 crores done in first half is all close to put together around Rs.230-240 crores. So this is the broad mix of the debt actually. If we break out after getting this money from SIPL everything is designated actually because NCD is obviously a five-year structure. Apart from that mining equipment funding again average funding period is almost 3-3.5 years and working capital is Rs.275 crores in normal course of business it is going on. So short-term kind of pressure is not much actually from the balance sheet of the company, and also there is not any special requirement by the company for funding any of the projects actually.

Achal Bhagat:

That means that you would not need to securitize any other asset apart from Ahmedabad Ring Road now. Earlier you were saying that you might consider some other asset also but now I do not think that there is a requirement of any other securitization for the next...?

- Nitin R. Patel:** Securitization may not happen but we will be requiring to get around 300-odd crores of the funding at SIPL level by the end of say, close to September 2014 to cater the requirement of balance requirement of the ongoing projects. Obviously, this will be funded over the period of 2-2.5 years of the time. But that planning is to be done at SIPL level.
- Achal Bhagat:** In the first half of FY14 how much equity has been invested?
- Nitin R. Patel:** Almost Rs.280 crores has already been invested in first half.
- Achal Bhagat:** And how much more in the second half?
- Nitin R. Patel:** Around Rs.80-85 crores.
- Achal Bhagat:** And FY15-FY16 balance?
- Nitin R. Patel:** FY15, as I have mentioned around Rs.210-225 crores, and FY16 around Rs.110-115 crores.
- Achal Bhagat:** The last question from my side will be on the traffic. Now the first half has ended now. On your major Roads how have you seen the traffic, if you could just put an indicative number of how the traffic growth has been like supposingly Ahmedabad Ring Road, Aurangabad-Jalna and your other assets like Dhule-Palesner?
- Nitin R. Patel:** It was steady, there is not significant growth also, there is not reduction but it was basically at par level, particularly in Aurangabad-Jalna, Ahmedabad Ring Road. Bijapur-Hungund it has come down by 1.5%. Only at Hyderabad-Yadgiri particularly this quarter we have seen some disturbance because of the Telengana issue for at least almost a month period.
- Achal Bhagat:** Now, if I understand clearly since Solapur-Bijapur is out, only Rohtak-Hissar is one project which from your side is pending on which Construction has to start, right? Any chance of that also getting terminated because I believe even that had some clearance issues and you had not got the complete clearance from the NHAI? So what is the status of that?
- Nitin R. Patel:** Land acquisition to the tune of 89% is over in that project. So that issue is not there. Even for 100 meters land there is no single forest there. Only the MoEF clearance because of the project size is more than Rs.100 crores. So as per the guidelines it is required and some permission of tree cutting which is alongside of the road and utility shifting. Our view is that we should get all these approvals in place, then only we should take the appointed date for the project.
- Achal Bhagat:** But you are guiding that the Construction will start somewhere in December, do you think that can be maintainable or do you see some delays in this project?
- Nitin R. Patel:** Not much delay because we have already started mobilizing the Rohtak-Panipat setup to Rohtak-Hissar, and by the end of this month everything will be in place actually.

- Moderator:** The next question is from the line of Madan Gopal from Sundaram Mutual Fund. Please go ahead.
- Madan Gopal:** First on the Mining, you have spent around Rs.118 crores now and you expect another Rs.80 crores spending and then you will be getting the remaining part of the promoter money through warrants or so around probably Rs.70 crores pending. So put together all this Rs.260-270 crores money you will be investing in Mining over the next one year or so. What kind of sales that this can bring? Basically, I am trying to find out what is the sales to fixed assets turnover ratio of Mining segment has compared to others? Normally it is around 4-5 times. In this business how is it, is it lesser or is it similar to the other businesses?
- Nitin R. Patel:** Particularly, in this business, obviously, it will be lesser because the CAPEX component is high because margin level if we see that around 20% at EBITDA level we are normally making in Mining sector and after providing the depreciation because the depreciation component is a little bit higher as compared to others and after your interest component, all put together the net margin is close to in between 7-8% as against 4-5% of the average of the company's total margin actually. That is the difference. Particularly in terms of the risk factor if we see because it is nullified completely because all diesel, this blasting material and labor component, everything escalation is pass-through, and normally this CAPEX which we have incurred mainly on the 'AAA' rated companies, so that is also giving the continuous and fixed margin at every month-on-month basis. It can be understood from the day one that this much margin Mining sector is going to generate. So this will obviously help to maintain the cash flow and also if you see that particularly as compared to the BOT business of the Road sector this sector particularly Mining and as well as the Irrigation where the escalation is pass-through it is derisking the overall business.
- Madan Gopal:** This business can be giving you three times kind of turnover of the total investment?
- Nitin R. Patel:** Not three times, as of now we can say it is almost close to 2.5-2.8 times.
- Madan Gopal:** This Rs.118 crores that you put so far is Rs.23 crores would have come from the promoters and remaining would have been debt, is it right what I am saying?
- Nitin R. Patel:** 90% is the funding from the lenders, 10% margin money being funded by the company.
- Madan Gopal:** And generally the working capital of the Coal India-linked companies, how is the payment cycle?
- Nitin R. Patel:** Normally, they are making payment at every 15 days, so not much money is being blocked.
- Madan Gopal:** On the BOT side, did you share anywhere the H1 revenue collection from BOT Toll Collection?
- Nitin R. Patel:** Not H1, we have shared the quarterly basis actually. Q1, Q2 we have shared.

- Madan Gopal:** Can you tell me Q2 sir?
- Nitin R. Patel:** Q2 if you see Ahmedabad Ring Road the Toll revenue was Rs.17.68 crores; Jalna Rs.6.96 crores; Bijapur-Hungund Rs.23.62 crores; Hyderabad-Yadgiri Rs.8.92 crores; Nagpur-Seoni Semi Annual Annuity Rs.9.53 crores. This is mainly from the SPVs. Dhule and Mumbai-Nasik, we do not have the complete details of these two SPVs now.
- Madan Gopal:** Rohtak-Panipat is still to be operational?
- Nitin R. Patel:** Rohtak-Panipat will be operational from next month onwards.
- Moderator:** The next question is from the line of Deepak Purswani from ICICI Direct. Please go ahead.
- Deepak Purswani:** In this quarter, on the EPC front, despite the fact Shreenathji-Udaipur was under execution and Chhindwara also execution picked up, broadly execution has been muted in Q2FY14. If I am looking at overall guidance of Rs.2,500 crores, in the second half it is implying close to Rs.1,550-odd crores revenues which is 50-60% kind of growth rate. So which would be the major contributor in H2FY14, if you can give us the detail in terms of the project wise?
- Nitin R. Patel:** Particularly, if we see Chhindwara, obviously, this is number one, second is Shreenathji-Udaipur, Bhilwara-Rajsamand because it has picked up now, fourth one is Rohtak-Hissar particularly in Q4 and also the Mining sector because all the CAPEX which we had done actually, the real execution will start from October onwards. Out of this entire Rs.118 crores almost Rs.70 crores is being basically invested particularly in Q2 only.
- Deepak Purswani:** Will it be possible to quantify numbers for these projects for the second half?
- Nitin R. Patel:** As of now readily it is not available with me but broadly speaking, yes, we can prepare and share on an individual basis, not an issue, we will note down and we will send it to you.
- Deepak Purswani:** Currently, our standalone debt is at Rs.850 odd crores and given the fact we still need to spend Rs.70-80 crores CAPEX in the second half as well as there is going to be improvement in the execution which may lead to increase in the working capital. So by year end what kind of standalone debt we are targeting?
- Nitin R. Patel:** According to our assessment, it should come down, because first of all the money which we have funded to SIPL close to Rs.115 crores this will come back actually out of the proceeds of the securitization of Ahmedabad Ring Road, number one. Number two, obviously, the Rohtak-Hissar and this Bhilwara-Rajsamand, they have two fund, interest-free mobilization advance, both put together to the tune of around Rs.170 crores. And third one, as I have mentioned, the money from Dhule-Palesner have started flowing. So this will also flow particularly in this quarter. So all three put together if I consider the additional requirement of CAPEX is Rs.70 crores, obviously, we need to get around Rs.63 crores net debt, Rs.7 crores will go from the margin money. But net-net it will bring down the total debt because the money which is coming inflow this much is not the requirement of the working capital particularly.

- Deepak Purswani:** In terms of the BOT project portfolio given the fact Bijapur-Solapur went away and equity funding gap has narrowed down significantly just wanted to understand, we are also looking out for the new bidding going ahead. And what would be the size of the project we would be looking out and what would be the new equity investment we would be comfortable at the current level?
- Nitin R. Patel:** Obviously, as of now, these new projects as we understand that is not looking in the near future, but we expect that the NHAI may obviously finalize all these process within the couple of months. But, obviously, bidding will continue. We expect to get at least one or two projects for the next year and mostly this will be decided post-election.
- Deepak Purswani:** So FY14, we are not expecting any new projects?
- Nitin R. Patel:** Absolutely. Bidding may take place obviously, one or two projects; however, the execution and the requirement of the equity and all put together obviously, go by the second half of FY15 actually.
- Deepak Purswani:** How much is the Toll Collection per day on the Hyderabad-Yadgiri given the agitation at that place?
- Nitin R. Patel:** As of now we are collecting close to Rs.10.5 lakhs per day on an average basis.
- Deepak Purswani:** How much was the expectation on this project?
- Nitin R. Patel:** Expectation was Rs.14 lakhs a day.
- Moderator:** Thank you. The next question is from the line of Mr. Vaibhav Modi from Equirus Securities. Please go ahead.
- Vaibhav Modi:** Just firstly wanted to clarify that the total standalone debt amount including the debt under other current liabilities would come to what number? Just add up the debt that is there on the standalone balance sheet it comes to around Rs.834 crores, further debt that will be there under other current liabilities.
- Nitin R. Patel:** Total will be around Rs.940-950 crores.
- Vaibhav Modi:** Whatever the break up you gave regarding Rs.850 crores, whatever additional number that will be housed under short-term loans if I understand it, right?
- Nitin R. Patel:** No, no, no, it is not like that. If we see the total I have netted out as against the cash balance.
- Vaibhav Modi:** In this Rs.942 crores how much debt would be towards the Mining Equipment?
- Nitin R. Patel:** As against the Mining Equipment outstanding will be to the tune of around Rs.190-200 crores almost.

- Vaibhav Modi:** That will be the debt? So total equipment of around Rs.220 crores would have been purchased?
- Nitin R. Patel:** The gross block would be higher, but outstanding debt I am telling that it is around Rs.200 is particularly for the Mining Equipment basically.
- Vaibhav Modi:** What would be the Mining Equipment gross block?
- Nitin R. Patel:** Gross block out of total it should be to the tune of almost around say Rs.290-300 crores as of now.
- Vaibhav Modi:** Once all the mining orders start going, then how much revenue can we expect which is based on this utilization of this Rs.300 crores gross block, how much annual revenue can we expect from it?
- Nitin R. Patel:** Annually, we expect that it should touch particularly if we see the full year working from now actually it would be in a range of say Rs.550-600 crores.
- Vaibhav Modi:** And you are saying you can easily see EBITDA of 15-20% over here?
- Nitin R. Patel:** Yes, it should be.
- Vaibhav Modi:** On the MDO front who is that we are thinking of partnering with?
- Nitin R. Patel:** As of now we have submitted the bids on a standalone basis based on our own qualification. So we have not yet taken any member as a partner now. And particularly, one is from the Mahanadi Coalfields and one is from the GMDC actually, so they are the 15-year contracts.
- Vaibhav Modi:** So basically you will be competing against Adani and all those guys over here?
- Nitin R. Patel:** In GMDC there are another 3 Gujarat-based companies have submitted the bids and only 4 bids has come up and particularly in Mahanadi Coalfields there are the 6 bidders but Adani is not there.
- Vaibhav Modi:** In both of these Adani is not there?
- Nitin R. Patel:** Yes, both of these it is not there.
- Vaibhav Modi:** Sir and particular reason why in Bijapur-Hungund we have sort of seen a year-on-year de-growth even after sort of some mining has already begun in that region and all those things after that?
- Nitin R. Patel:** Mining has started but the real traffic we expect that it will start from now actually because of the monsoon and everything it was not. Second thing if we say particularly because of the slow down in the economic situation and also basically particularly this Road caters a large number of car traffic piece, car in the sense the car manufacturing companies basically the long trailers which are carrying the cars particularly to Bangalore between Pune and Burmese Maharashtra is a hub of the car manufacturing, but all these cars is being transported to Bangalore through this route actually and the

sales of cars and everything has come down particularly in first 6-months so that has also shown some reasonable reduction in the same. So we expect that slowly it will come up.

Moderator: Thank you. Next question is from the line of Mr. Bharat Sheth from Quest Investment Advisors. Please go ahead.

Bharat Sheth: On Mining side we say that our order book is roughly around Rs.2,000 crores, correct?

Nitin R. Patel: Correct.

Bharat Sheth: And you said about 4-years order book we have in hand?

Nitin R. Patel: Average we can say 3.5, because this is at its current level because if I add the escalation and everything put together by the end of the 4th year, 5th year almost around 20% of the order book will be increased because of the escalation factor.

Bharat Sheth: And now going ahead because some of the Mining activity might not have yet started, so how much further CAPEX that we may need in next 2-years on Mining side?

Nitin R. Patel: Current order book recently what we received the project of Rs.565 crores from Bharat Coking Coal, so we had to do CAPEX around close to Rs.70 crores in these two projects basically, it had the adjoining mines, remaining commitment has not yet happened, it will be depending upon the new jobs won by the company particularly out of the bidding if anything new has come up, then only we need to go, otherwise not.

Bharat Sheth: Sir next year we have to do around Rs.270 crores CAPEX?

Nitin R. Patel: Not at all.

Bharat Sheth: So this Rs.270 crores CAPEX you said is for in how many years I mean?

Nitin R. Patel: Total not Rs.270 crores, Rs.200 crores is the net block actually of the debt level particularly which is outstanding because of the Mining Equipment against the purchase, and Rs.70 crores as I have mentioned we are going to add a new. So net debt will be Rs.63 crores. So Rs.263 crores will be the debt outstanding by the end of this year pertaining to the Mining Equipments.

Bharat Sheth: Based on this order book how much additional CAPEX that we may have to do next year?

Nitin R. Patel: Except for this Rs.70 crores as I have mentioned, no other CAPEX will be required to be done in any of the projects.

Bharat Sheth: And second thing sir on this SIPL side you said that we expect to generate revenue of around Rs.450 crores. So how cash profit do we expect and how much next year cash profit we expect and how much repayment will be there this year and next year?

- Nitin R. Patel:** Particularly, if we see at EBITDA level I am telling you that it should be in the range of say around 88%, and after paying the interest of the completed assets which has been capitalized. So we expect that against this Rs.450 crores of the revenue, the company should generate at least Rs.75 crores of the cash profit basically for this particular year.
- Bharat Sheth:** And next year because once the Maharashtra Border Check Post which...?
- Nitin R. Patel:** All other projects particularly Rohtak-Panipat and Dhule, all will have full year's revenue actually. So according to our assessment this may go close to around Rs.690 to Rs.700 crores all at SIPL level.
- Bharat Sheth:** How much again interest and after that cash profit do we expect?
- Nitin R. Patel:** We expect that particularly it should be in the range of say Rs.125 to 150 crores should come up.
- Bharat Sheth:** And how much is then repayment out of this SIPL that we have to do it for this completed asset?
- Nitin R. Patel:** Repayment is ballooning actually. So I think that except for the Ahmedabad Ring Road, Aurangabad Jalna where almost 3-4-years has happened, the new Rohtak-Panipat particularly Hyderabad-Yadgiri has some small amount of repayment will be there, but because it is a ballooning repayment so the percentage terms the amount is very less actually. After the repayment what will be the cash available what you would like to understand, okay. So even though even after paying the same we expect that around Rs.45-50 crores of the cash should be there in the business.
- Bharat Sheth:** Sir that itself may fulfill some of our funding requirement?
- Nitin R. Patel:** That will be at the SPV level cash will remain. So based on the approved financing plan by the lenders, so we have to get it done actually, we have to adhere to that.
- Bharat Sheth:** On sir Mining side just can you elaborate little more on revenue model? And how really the working will be? And how much of funding that in case we won it will require? And what is the size of that we have bid or size of the contract that we have bid?
- Nitin R. Patel:** Size as I have mentioned it is ranging from Rs.150 crores to Rs.350 crores as of now which is already won in our books basically, but the submitted bids was as I have mentioned one project to the tune of around Rs.2,700 crores and second project is almost to the tune of around Rs.2,300 crores. So almost put together another Rs.5,553 crores of the bids we already submitted in Mining sector.
- Bharat Sheth:** Like in Road we have so how will be revenue model for us, EPC side may come to Sadbhav end?
- Nitin R. Patel:** No, no, this mining will be executed through the SPV model. SPV will make the investments particularly in terms of the creating infrastructure and giving the CAPEX arrangement and all kind of things to the EPC contracts. Sadbhav will do the only EPC part actually. So the arrangement will be done in such a way that the company will get a revenue regularly along with the margins, okay, and simultaneously all the CAPEX and everything will be remained at the SPV level, and all the servicing

of this CAPEX and everything will be done at SPV level actually. So this will be the business model particularly in this kind of Mining projects.

Bharat Sheth:

Again here what kind of funding requirements will be approximately?

Nitin R. Patel:

Depends upon how the project is being configured, but we see that once looking to the clientele actually because every month we are getting the payment, after the 5-6-months onwards no much gestation period is there, and all the requirement calculation of the working capital and everything is being done basically before the submission of the bid. So we do not see significant funding particularly in terms of the supporting this SPVs of Mining sector actually.

Bharat Sheth:

What is the status of this SIPL listing? I believe we have to do it before September 2014, correct, if I am not mistaken.

Nitin R. Patel:

That is exit route arrangement we have agreed with the investors of the SIPL, so that is the end date and with a 1-year moratorium period.

Bharat Sheth:

Is there anything moved in that direction?

Nitin R. Patel:

We are in a process of raising the funds at SIPL level particularly to cater the requirement of the present investment needs only as of now, but however, if the things and everything is at an appropriate level if we are getting the funds at a reasonable cost, so we may think of giving the part exit or we can discuss with the investors how to plan this actually, so this will be depending upon the whole of the how the structure is being calculated.

Bharat Sheth:

And sir last thing, in first half and this quarter, margin was better because of higher contribution from Mining. Now go ahead transport execution will pick up. So where do we see really full year margin?

Nitin R. Patel:

It should be within the range of 10-11% okay.

Bharat Sheth:

And next year again Mining should be able to do better so...?

Nitin R. Patel:

Yes, obviously, because the order book has also come up, and we expect that the mining sector will generate a good business in coming full year.

Bharat Sheth:

And sir last question is you said that because of 80-IA some of the tax benefit. So we are eligible for tax benefit under 80-IA under which business?

Nitin R. Patel:

Particularly in Road sector actually, Infrastructure project earlier what was happened, initially we have taken the advantage; we have provided the less provision, but after the income tax department we have started making the full provision, even for the earlier years we have made the full provision and we have paid the tax under protect, and after completing all the assessment and appeal and everything now finally the decision has come. Out of that Rs.18 crores which has been reversed almost Rs.12 crores of the payment has been received by the company so far and remaining will be received almost within months' time.

- Moderator:** Thank you. Next question is from the line of Mr. Lokesh Garg from Kotak Securities. Please go ahead.
- Lokesh Garg:** Sir just wanted to ask you basically we had invested some money in equity of Solapur- Bijapur. So what is the status of that? Have we sort of repatriated that back or is it sort of stuck somewhere?
- Nitin R. Patel:** That repatriation has been started now. The thing is that we have called the meeting of Lenders Consortium on coming Saturday. So we have started the process but everything will be completed by the end of this month. So remaining net expenditure which company has incurred to the tune of around Rs.5-5.5 crores will be not coming back actually so that will be the written off by the company.
- Lokesh Garg:** But out of the total Rs.77 crores roughly, rest of the Rs. (+70) crores should come up?
- Nitin R. Patel:** Yes, yes, yes, everything will come up.
- Moderator:** Thank you. Next question is from the line of Mr. Madan Gopal from Sundaram Mutual Fund. Please go ahead.
- Madan Gopal:** On the BOT side the revenue numbers that you gave they are far below the average number that we were looking for the quarter. So this quarter has been because of monsoon severely affected, do you think full year we would be able to get back at least say 5% Toll growth that is like assuming traffic to be stable and the tariff increase?
- Nitin R. Patel:** Obviously, it should come up. Particularly in this kind of project because every year cycle, June, July, August, September is having the lower traffic as compared to the whole of average of the year and also from corridor-to-corridor it is having a different configuration. But as compared to the previous years the traffic basically for the particular month actually as I have mentioned that it is almost flat except for Bijapur-Hungund there is a 1.5% basically lower and remaining Aurangabad-Jalna it is also a flat, even Ahmedabad Ring Road is also flat actually.
- Madan Gopal:** If traffic is flat at least on the tariff part whatever increase that we get in NHAI projects that should enable a total revenue improvement of at least 5% right, for the year?
- Nitin R. Patel:** Correct, if you see the Aurangabad-Jalna, it has grown by 9% Ahmedabad Ring Road has also grown by 6% particularly in quarter and Bijapur--Hungund it is net growth by 2% because of reduction in the traffic.
- Madan Gopal:** Q2 last year also was poor?
- Nitin R. Patel:** Absolutely, particularly up to the second quarter of the last year as compared to the current quarter of the last year.
- Madan Gopal:** So second half should be better?

- Nitin R. Patel:** Yes.
- Moderator:** Thank you. Next question is from the line Mr. Naveen Jain from JM Financial. Please go ahead.
- Naveen Jain:** Just a couple of questions; one Karnataka annuity project that we had, is it still on or the project is scrapped now?
- Nitin R. Patel:** The third time government has asked us to renew the bid validity, so we have extended, and we have been told that they are going to consider the same. So one meeting was called during last month which I had attended and the government was very positive at that. Even World Bank representative was there. So they have also mentioned that they want to continue with the project. So obviously we expect that within a short time some meeting at high level may happen at the government level and they may communicate with the same.
- Naveen Jain:** Secondly at Ahmedabad Ring Road project we had some Toll Plazas reconstruction going on. Is that already completed?
- Nitin R. Patel:** That process is over. At four locations we have extended the number of lanes also in Toll Plaza.
- Naveen Jain:** So was the benefit of that reflected in this last quarter or will it reflect from this quarter onwards?
- Nitin R. Patel:** Because from October onwards, yes, obviously, it has started growing up further but overall, we have to see for another 2 quarters how numbers are coming actually. So based on that we will be able to assess that how it has impacted particularly at four locations.
- Naveen Jain:** The reason I am asking this is because last year from 2nd quarter or 3rd quarter onwards the average run rate had fallen for this particular project. So since these toll plazas are now bagged, will there be a significant improvement in toll collection at Ahmedabad Ring Road from 3rd quarter or 4th quarter onwards in terms of daily run rate is what I want to understand?
- Nitin R. Patel:** In particular October we have seen that as compared to a month-on-month of the October '12, traffic growth has grown by 3% on an average, we are having October-November as of now so it has grown.
- Moderator:** Thank you. Next question is from the line of Mr. Shravan Shah from The Market. Please go ahead.
- Shravan Shah:** Sir this is regarding our SIPL PE investors. Whenever the exit will happen exit or whatever will our stake remain same or will it reduce or will it increase?
- Nitin R. Patel:** As of now we are 80%, right. So if they are exiting so obviously their stake will go down, ours will remain the same.
- Shravan Shah:** It will be replaced by someone else?
- Nitin R. Patel:** Yes, obviously, this is a case actually. So at SIPL we are raising some money and we are diluting further, then only our stake will come down.

- Shravan Shah:** Because earlier at the time of analyst meet we were thinking that we will also dilute some 5-10%, so still that is on or no?
- Nitin R. Patel:** Yes, our requirement, as I have mentioned we need to raise another Rs.300 crores by say September 2014, so that plan is already going on now.
- Moderator:** Thank you. Next question is from the line of Mr. Prem Khurana from B&K Securities Private Limited. Please go ahead.
- Prem Khurana:** Sir I just want to understand what explains your intend to kind of terminate this Solapur-Bijapur project because given the fact that last quarter only we put in money in this project, so we were under the impression that you want to go ahead with this project. Is there any other issue other than traffic growth, what was the exact issue with this project?
- Nitin R. Patel:** If we see we have completed the financial close, we have completed the syndication process also because the downselling was completed. Apart from that site mobilization at both the camps we have completed. We have purchased the land also particularly for the camp and quarry purpose, started the crushing activities and all put together. So effort from our side it was very clear and sincere effort on the project. But what has happened, two things particularly Solapur Bypass around 27 Kms that entire got changed basically, and because of that change NHAI has indicated that they may take another one full year to get the environmental clearance of that period even after completing the 1.5 years from the date of bidding actually. So that is why we have seen that the actual viability particularly for execution of the project. So the cost of the execution has gone up significantly. It was after calculating everything we have also sit with NHAI and we also tell that if you are ready to contribute this cost so then we are able to take up further or otherwise it is better that we should take the decision at your level. So then finally after evaluating and they have seen that company has done all the things which is required to be done at ground also. So that is why NHAI has taken the final decision that "Okay, we will get terminated." And there is no any kind of penalty, no debarring and everything actually.
- Prem Khurana:** If they were to approve your cost escalation with the change in structure or bypasses, so would you have taken up this project?
- Nitin R. Patel:** Absolutely, yes, because we were geared up completely actually.
- Prem Khurana:** And sir on Toll Collection, I understand on sequential basis because the quarter was hit by monsoon so you would have seen some de-growth in your traffic numbers but on Y-o-Y basis if I were to take into consideration Toll Rate hike that you had received over 1H for instance in Bijapur-Hungund, we received around 6.7% hike which was effective April 13th and if I were to kind of look at a 2Q FY-'13 number there seems to have been de-growth of around 9% in Bijapur-Hungund, in Ahmedabad Ring Road there appears to be a de-growth of around 9% in traffic numbers. So am I correct in my understanding or am I missing something there because I think in your comments somewhere said you have not seen any significant traffic decline at your projects.

- Nitin R. Patel:** No, no, no, it is not that, if I see particularly FY-'13 it was there actually but in FY-'14 overall it is a 4% de-growth. So it is not that much particularly. Even Bijapur-Hungund also little bit de-growth is there but if I say particularly in Road in this kind of BOT projects normally the numbers is to be seen on a 5-year average basis if we see because all the consultant and everybody because country is having its own cycle, even today also if Ahmedabad Ring Road if I consider the traffic from the last 5-years average, so even though we are at almost 9-9.5 to 10% growth is there as compared to which was there 5-years back actually on CAGR basis.
- Prem Khurana:** These mining projects these tend to be capital-intensive or CAPEX-heavy projects. So in terms of mobilization advances, do you receive a higher number if I were to compare with Roads or Irrigation the number tends to be similar?
- Nitin R. Patel:** No, particularly, Mining there is no provision of providing the mobilization advance. So we need to make the arrangement at our own actually.
- Prem Khurana:** So we have already put in money for these projects. What have these clients were to ask you to go slow on these projects, so are we protected against these kinds of exigencies?
- Nitin R. Patel:** Naturally, because in tender itself particularly they are giving the month wise production targets and also they are giving the number of equipments required to be deployed. So there is basically guaranty from the client that if there anything is adverse there needs to be compensated by them.
- Prem Khurana:** And sir in Dhule-Palesner we were supposed to put in some Rs.16-odd-crore of equity. So have you put in that money or we are yet to because disbursal has taken place only for around 40....?
- Nitin R. Patel:** Out of that we have already funded close to Rs.9.5 crores now and balance will be funded for the remaining part of execution say around Rs.43 crores of the job is pending there. So at the time of completing that job we need to fund that part.
- Prem Khurana:** And sir on receivables this quarter we have realized some money from Dhule-Palesner. But despite that the number has not gone down substantially, so from 730-odd-crores its come up to 705 crores which essentially gives me a number of around Rs.30-odd-crores of decline against receipt of around Rs.45-odd-crores. So are we seeing buildup from Aadhar projects or from projects like Shreenathji-Udaipur? These are basically business course receivables or not, extraordinary in nature?
- Nitin R. Patel:** Dhule-Palesner, we have started getting the payment from this third quarter actually not from second quarter, okay. The same amount was outstanding as on 30th of September. So as compared to it has come down actually, practically we have seen that.
- Moderator:** Thank you. Next question is from the line of Mr. Vinay Rohit from ICICI Prudential Life Insurance. Please go ahead.
- Vinay Rohit:** Just want to understand since you did not start Construction of Solapur Bijapur where was the Rs.70 crores investment done?

- Nitin R. Patel:** To be frankly speaking as per the approved plan of financing document and as well as the guidelines issued by NHAI for declaring the project as a financial close, lenders have to issue a letter that fund is ready for disbursement. So for getting that letter upfront equity which requires to be funded, that needs to be funded in the project, okay, then only lender will issue the letter to NHAI that the fund from the lender side is ready for disbursement, and normally this is being used basically for the purpose of giving the mobilization advance to the EPC contractor. Only this transaction will be reversed actually once this is being terminated, and this all money will come back to SIPL actually.
- Vinay Rohit:** So basically SIPL will make payment to Sadbhav in terms of mobilization advance, is it correct?
- Nitin R. Patel:** Ultimately upfront equity needs to be funded. If we fund the equity what was the use basically, so rather than keeping the money idle, it is better to complete the obligation, and at the time of even the bidding the calculation of IDC is also being made considering this factor actually.
- Vinay Rohit:** Just to understand there will be some number from SIPL in terms of advances in Sadbhav which was the reverse, is it correct?
- Nitin R. Patel:** SPV has given the advance to Sadbhav that will be written back by Sadbhav to SPV, and again it will come back to SIPL, and again SIPL will pay back to Sadbhav against the outstanding loan which Sadbhav has given to SIPL.
- Vinay Rohit:** Total requirement is Rs.(+400) crores and the pending payment from Dhule-Palesner is Rs.100 crores, right, so we still need Rs.300 crores over 2.5 years, right?
- Nitin R. Patel:** 300 crores, yes. This is coming from securitization proceeds of Ahmedabad Ring Road actually. Rs.252 crores is being sanctioned. Out of this say as I have mentioned Rs.100-115 crores will be paid back to Sadbhav which Sadbhav has already paid to SIPL, and remaining money will be utilized for funding this requirement out of Rs.415 crores okay and balance Rs.300 crores as we have worked out this needs to arranged by September 2014 for completing the equity commitment of the ongoing projects.
- Moderator:** Thank you. As there are no questions from the participants I would now like to hand over the call back to the management for closing remarks. Thank you.
- Nitin R. Patel:** Dear all the participants, on behalf of Sadbhav Engineering Limited, I am very much thankful to all of you for taking your valuable time for understanding the business of the company, and also I can appreciate out of the questions raised. A lot of the information and also the knowledge about the business of the company is available in the market. And we really appreciate and again we are thankful to all for taking your valuable time. And for any other individual questions I would like to request to send a query either to me or Mr. Varun Mehta; you can note down the mail id of Mr. Varun Mehta, varun.mehta@sadbhaveng.com, so you will get all the information whatever required additionally from our side. Thank you very much to all.
- Moderator:** Thank you. On behalf of Inga Capital Private Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.