PATEL ENGINEERING LTD.

CIN: L99999MH1949PLC007039

May 27, 2022

To,

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

SCRIP CODE: 531120
Security: Equity

The National Stock Exchange of India Limited
Exchange Plaza,
Bandra - Kurla Complex,
Mumbai - 400 051

SYMBOL: PATELENG
Security: Equity Shares / Debentures

Dear Sir/Mam,

Subject: Submission of Investor/ Analysts Meet Transcripts

In continuation of the letter dated May 19, 2022 related to the Investor Conference Call to discuss the Financial Results for the Quarter and Financial Year ended March 31, 2022 and pursuant to Regulations 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), please find enclosed the Transcripts of the Company's Investor Call.

The said Transcript is also available on the website of the Company.

We request you to take the same on record.

Thanking you,

Yours truly,

For Patel Engineering Ltd.

Shobha Ranjit Shetty
Digitally signed by Shobha Ranjit Shetty
Date: 2022.05.27 14:07:28 +05'30'

Shobha Shetty
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"Patel Engineering Limited Q4 & FY-22 Earnings Conference Call"

May 23, 2022

MANAGEMENT: **MS. KAVITA SHIRVAIKAR – WHOLE-TIME DIRECTOR & CFO, PATEL ENGINEERING LIMITED**
MR. RAHUL AGARWAL – HEAD (STRATEGY & FINANCE), PATEL ENGINEERING LIMITED
MR. ADITYA BAJAJ – INVESTOR RELATIONS & MARKETING, PATEL ENGINEERING LIMITED

MODERATOR: **MR. VASTUPAL SHAH – KIRIN ADVISORS**

Moderator: Ladies and gentlemen good day and welcome to Patel Engineering Limited Q4 & FY22 Earnings Conference Call hosted by Kirin Advisors. Participants, please note this conference call will be for the duration of 45 minutes only. As a reminder all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Vastupal Shah from Kirin Advisors. Thank you and over to you Mr. Shah.

Vastupal Shah: Ms. Kavita Shirvaikar – Whole-Time Director and CFO of the Company Mr. Rahul Agarwal - Head (Strategy and Finance), Mr. Aditya Bajaj - Investor Relations and Marketing. Now I hand over to Mr. Rahul for the giving brief about the Company. Mr. Rahul over to you sir.

Rahul Agarwal: Thank you Vastupal. Good evening, ladies and gentlemen, a very warm welcome to you all in this earnings call of Patel Engineering Limited to discuss brief details about the Company and the financial results for the quarter and year ended March 31, 2022. Patel Engineering Limited is a 73-year-old Company established in the year 1949 and have a strong presence in hydroelectric and tunneling projects. The Company has a consistent track record in execution of projects, both in domestic and international arena. It is the only Company in India to have completed over 85 dams for the hydro-electric projects and more than 300 kilometers of tunneling with presence and more than 16 states in India and also Nepal. Since inception it has been involved with the generation of over 12000 megawatts. That is almost 25% of India's installed hydropower capacity and has irrigated over 5.5 million acres of land in India. It has also constructed over 1200 kilometers of roads. Our clients are mostly central and state government organizations namely NHPC, SJVNL, HPPCL, IRCON, CBPPL, NEEPCO, TANGEDCO etc.

Now I will request Mrs. Kavita Shirvaikar, our Whole-Time Director and CFO to brief you about the performance of our Company in FY22 and the future outlook.

Kavita Shirvaikar: Thank you Rahul. Good evening, everybody. I would like to thank and welcome you all to this forum where I get the opportunity to discuss the performance of our Company for FY22. I hope that you all had a chance to have a quick look at the numbers.

With that I would like to walk you through the key highlights for the quarter as well as the financial year ending March 31st, 2022, and the journey of our Company so far from survival to growth. The last financial year has been good for our Company after having the sluggish year FY21 due to the impact of COVID-19 pandemic things have started look positive in FY22 with increase in the order book and strong execution resulted growth in revenue for the year. On a consolidated basis revenue from operations for FY22 stood at INR 3,380.3 crores, it is up by 69.5% from INR 1,994.8 crores in the previous year.

On a standalone basis revenue for the year stood at INR 3,027.8 crores, up 76.1% from INR 1,719.1 in FY21. On a consolidated basis operating EBITDA for FY22 stood at 527.7 crores which is 15.6% and net profit at 54.75 crores as compared to a loss of INR 298.2 crores in the previous year.

On a standalone basis operating EBITDA for FY22 stood at 458 crores which is 15.1% and net profit at 53.34 crores as compared to a loss of INR 142.1 crores in FY21. The increase is mainly attributed to overall growth of the Company in terms of order book and execution across all existing projects. Due to increase in the orders our employee strength has also grown to 3924 employees from 1531 employees in the previous year.

The Company has been focusing on bidding for new projects which are self-sustaining. I am happy to inform everyone that our order book now stands at 15,011 crores as on March 31st, 2022. During FY22 the Company received orders of around 2,300 crores. Further the Company was L1 for approximately 2,880 crores as on March 31st, 2022, for which LOI has been received subsequently.

Some of the major orders received by Patel Engineering in the last 2 years are; Kiru HEP project in Jammu and Kashmir for INR 2,240 crores, Subansiri HEP project in Arunachal Pradesh for INR 1,564 crores, Luhri HEP project in Himachal Pradesh for INR 976 crores, Teesta HEP project in Sikkim for INR 1,251 crores. The Company's focus continues to be in its core competency areas of hydropower and underground tunneling apart from other segments like irrigation, urban infrastructure and roads. Around 61.5% of our order book comprises of hydropower projects, 17.5% irrigation projects and 11.2% tunnel project and rest from road, urban infrastructure and others. The sector wise revenue break-up on a consolidated basis is from hydro it is 38.5%, from tunnel sector 24.2%, road 14.3%, irrigation 6.3%, urban infrastructure and other 16.7%.

I would like to highlight some of the key achievements in terms of execution at our project sites in the last 1 year. We achieved fastest boring and ventured out break-out progress of 653 meter in one month in the 3.2 dia TBM segment in our AMT-II project located in Mumbai. In the J&K zone a breakthrough of 8-meter dia tunnel was achieved at our T-15 site with the drill/blast method. There was a record achievement of 775-meter record arch lining progress in a single month at our T-2 project site in J&K. I proudly say that we have a dedicated and energetic team on board. They are working hard towards taking the Company to new heights.

Now coming to overall debt position; the Company has successfully managed to reduce its debt over the last few years to currently level of around 2,000 crores on a standalone basis, mainly by monetizing non-core assets, doing real estate and arbitration awards and claims. The debt equity ratio over the years has decreased considerably from a peak level of 2.8 in FY16 to around 0.38 level currently.

Let's discuss about the infrastructure industry outlook:

The government has increased impetus to develop infrastructure in the country which is attracting both domestic and international players. As per the NIP '19-'25 energy sector projects accounted for the highest share, out of the total expected capital expenditure of 111 lakh crores. Hydro-power is vital griding power and for grid balancing stability given India's commitment under the Paris Agreement, 40% of total cumulative electric power capacity from non-fossil fuel sources by 2030. Hence support to EPC and infrastructure players especially in construction of hydro-power and irrigation projects are of immense importance and part of PM's vision to make India Atmanirbhar which is not possible without a good infrastructure in place. Since independence in India there are only a very few players in specialized construction of hydro-projects. I'm proud to say Patel Engineering is one of them.

Now speaking about the future prospects of the Company. The new orders received in FY22 and L1 converted into shall give a good boost to overall growth of the Company hence improved our profitability. Our focus is to build strong orderbook by selectivity taking projects which are self-sustaining with reasonably good margin. We expect our order book to increase beyond 20,000 crores at the end of this year. Another goal for the Company is to further reduce the debt burden. We have managed to reduce the total debt by more than Rs. 3,500 crores in last 4-5 years. We are planning to further reduce debt by around 600 to 700 crores over next 2 to 3 years by monetizing our real estate and other non-core assets. With regular order inflows and focus on reduction of debt, we shall be able to achieve substantial growth in the future and strengthen our financial position. We are also in the process of merging some of our subsidiaries with Patel Engineering Limited which will help reduce costs and ensure that the Company gets synergies of operations throughout the group. That was a small brief from our side.

Now I will like Vastupal to take over. Our team here shall be happy to give replies to any questions which you all may have. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Yashwanti Khedkar.

Yashwanti Khedkar: You had already explained about the debt. I also just want to understand that our civil construction work which we'll see for this Quarter 4 and even for the quarter period, there is almost 40% to 45% jump we have seen in the civil construction business. But if we see the profit which has increased almost 5 times, 19 crores to 81 crores. So, can you just explain what has happened to give such a remarkable increase in the profit?

Rahul Agarwal: Yashwanti, so our profits have increased in line of revenues because we have an EBITDA margin of around 15%. As and when our revenues will increase the fixed cost will not increase and the interest costs also remains the same and it will add to the bottom line.

Yashwanti Khedkar: Yes, sir but almost neither when the revenue as the EBITDA margin is around 15%. If you see the jump over the profit, it is almost 5 times from 19 crores to 80 crores. So, is it something like we had some good margin business which is coming to the line of account or you have a new billing which has been able to help you getting some good margin?

Rahul Agarwal: Our product mix, basically the order book mix which has now been increasing coming from hydropower and tunneling is now accounts for almost 65% to 70% of our total order book. So, which is helping us to get more margins. If you see in the past our margin last year was around 9%-10% on EBITDA basis which is now 15%. That 5% increase in the margins is helping us getting more profits and which is a sustainable margin going forward also because our major thrust is always on hydropower and tunneling.

Kavita Shirvaikar: I just wanted to understand what is our working capital cycle?

Rahul Agarwal: So, our normal working capital cycle is around 5 to 6 months.

Yashwanti Khedkar: Is it because of the revenue recovered from the government?

Rahul Agarwal: Please come again.

Yashwanti Khedkar: Is that so high of around 5 to 6 months. Is it because we had to recover the revenue from the government? Most of our projects are from the government.

Rahul Agarwal: Yes. All the projects are from the government but because we are into business where the project life cycle is 4 to 5 years, so the initial expenses what we have to do for site mobilization and the billings what we do. There is always this working capital cycle of 5 to 6 months.

Yashwanti Khedkar: We also have taken a sub-contracting job or we take the direct?

Rahul Agarwal: No, we take directly only from central government and state government.

Yashwanti Khedkar: In your last year financial I was just going through the numbers and then I was just seeing there was contingent liability, so just wanted to understand what it is?

Rahul Agarwal: Contingent liabilities mostly for the bank guarantees because we have the give bank guarantees for the performance of the projects, so that perform part of the majority of our contingent liability.

Yashwanti Khedkar: I might have missed it, the details which you have explained, we have current orderbook of around 15,000, so that is over the period of?

Rahul Agarwal: We have a current orderbook of 15,000 plus L1 converted to order subsequently. So almost it touches is around 18,000 which is executable over a period of next 4 to 5 years.

Moderator: The next question is from the line of Rajesh Gupta from SBI Capital Markets.

Rajesh Gupta: One is with regards to your debt. If I look at your current FY22 number then your debt to equity is close to 1:1, of course you have done a good job to maintain it, your debt-to-equity ratio but how you look to reduce it going forward?

Rahul Agarwal: Mr. Rajesh we have been reducing our debt year-on-year and we have a good amount of land bank and arbitration award which is there. This will help us to monetize and reduce our debt going forward. We expect to reduce our debt by around 700 crores in next 2 to 3 years.

Rajesh Gupta: Your order book is Rs. 15,000 crores which is 5 times of FY22 revenue. Are you facing any execution challenges? I mean with this kind of order book with the (+15) kind of margin I think you can be a fantastic Company to look at. Are we facing any execution challenges at this point of time?

Rahul Agarwal: No, we are not facing execution challenges at this point of time. Last year like FY21 because of COVID there were issues but then this year has been good all across all projects.

Kavita Shirvaikar: If you see our employee size has also increased, doubled in last 1 year, from 1500 to around 4000 employees.

Rajesh Gupta: What kind of margin you will be having on these orders? Of course, you are L1 also Rs. 3000 crores, what kind of margin you anticipate in the order backlog?

Kavita Shirvaikar: We continue to maintain EBITDA level of around 15% from this new orderbook.

Rajesh Gupta: I have not seen your, you have been rated since 2015 or so. Can you please give us your rating profile at this point of time?

Rahul Agarwal: We are rated as BBB- right now.

Rajesh Gupta: Minus triple?

Kavita Shirvaikar: BBB- stable outlook.

Rajesh Gupta: Is there any near-term outlook for any kinds of rating revision?

Rahul Agarwal: Post this March results, we expect to get back to the rating agencies and request them for a review.

Rajesh Gupta: Within your entire area of operation which sector is growing faster? Just wanted to understand your hydro-irrigation because things are looking really great for the Indian infrastructure sector looking at the spending from the government. So which areas growing faster?

Rahul Agarwal: In terms of growing faster infrastructure all areas are growing but our focus is on hydro tunneling and all because going forward if India has to get to a net zero for carbon rating and all then non-fossil electricity and roads in hilly areas which involves tunneling requirements. That is where again we are focused on. All these areas are currently focus of the government.

Rajesh Gupta: My last question is regards to your promoter pledge. So currently you're holding 55% stake at this point of time but you also have nearly 100% pledge. What is the management plan here to reduce pledge or if you can share some outlook on that?

Rahul Agarwal: Management had pledged the shares to introduce funds in the Company in the past when required by the Company. Now going forward as and when the Company improves, the management that will try to reduce the pledge holdings on that.

Rajesh Gupta: Any plan for the Company to issue shares on a preferential basis to the promoter in the future?

Rahul Agarwal: Not yet thought of but we can look at going forward.

Moderator: The next question is from the line of Apoorva Raj from APR Capital.

Apoorva Raj: My first question is as you mentioned for next year you have an order book around 15,000 to 18,000. What would be the top line growth for next 2-3 years?

Rahul Agarwal: We expect that our order book which is there to be executed over 4 to 5 years so maybe 10% to 15%.

Kavita Shirvaikar: 15% to 20% growth we expect.

Apoorva Raj: This year somewhere you are nearly about Rs. 3,000 crores, so can we expect next year somewhere around Rs. 3,400 crores somewhere?

Kavita Shirvaikar: Yes.

Apoorva Raj: As you are working on more of a project basis so what kind of escalation clause you have in the project when especially the commodity prices are going up and up?

Kavita Shirvaikar: Most of our projects has escalation clause built in ,so it is linked to the Ind-As as the prices are going up; we are getting paid till material and labor escalation is included in our contract.

Apoorva Raj: More or less you are covered with all these fluctuations of commodity and other price increase?

Kavita Shirvaikar: Correct.

Apoorva Raj: That will be given strength to maintain your margin somewhere around?

Rahul Agarwal: Somewhere around current margins.

Apoorva Raj: And what is your consolidated debt? As you mentioned a standalone somewhere around Rs. 2,000 crores?

Rahul Agarwal: Consolidated debt is around Rs. 2,200 crores odd.

Apoorva Raj: One thing like government is announcing big projects, they are entering very aggressively in many areas. Are you finding any difficulty in getting receivables?

Rahul Agarwal: No, we are not finding difficulty in realizing receivables because government is focusing on the infrastructure and they are releasing payments also.

Apoorva Raj: No but is there any sign on improvement or it is better than pre-COVID area or like little delayed compared to COVID area. How is this I mean scenario is improving or already improved?

Rahul Agarwal: It has improved and we expect it to improve further.

Kavita Shirvaikar: If you see our working capital cycle also as compared to last year has substantially improved actually.

Apoorva Raj: And this is because of government's efficiency?

Kavita Shirvaikar: Yes, it is government efficiency because as and when we will get certified stay release, payment on priority because their focus is also early completion of the project. Now if I would like to just tell you all the large projects which we have got recently; it is monitored by PMO. So, payment also realization we expect it is improving.

Apoorva Raj: And little more I wanted to know about your, as you mentioned in your last question about net zero something. In which area which can help you going net zero, your Company is working?

Rahul Agarwal: See we are mostly into development of hydro power project which will help us, help the country to generate renewable energy. Power is generated from renewable energy rather than non-renewable energy will help us going towards net zero plan.

Apoorva Raj: And in renewable specifically?

Rahul Agarwal: Specifically hydro power.

Apoorva Raj: Hydro power only so not entering into any EPV of solar or other kinds of projects?

Kavita Shirvaikar: At present our focus is on hydro. We may look into that expansion plans.

Moderator: The next question is from the line of Sanjay Awatramani from Envision Capital Services Private Limited.

Sanjay Awatramani: I just wanted to know that the EBITDA margin which you guided for 15% to 16% so will we be able to maintain this? Because I think that Rs. 18,000 crores which the order book you mentioned is to be executable in the next 4 to 5 years and you have all the escalation clauses also mentioned in this the contracts and all but will this margin be sustainable? I mean because in the previous years I think the margins were low in the 9 to 10ish sides of the numbers. So, what do you think on this?

Kavita Shirvaikar: Yes, margin is sustainable because right now whatever new projects as I have mentioned, there are very few players. So, whatever new contracts we have got, we have got with a good margin. So, this margin is sustainable.

Sanjay Awatramani: What is the amount of projects we can expect in the next 1 year or so?

Kavita Shirvaikar: The current year we already converted L1 Rs. 2,880 crores in LOA. Another we expect to Rs. 3,000 to 4,000 crores. So, at the year end, we expect our order book to cross Rs. 20,000 crores.

Sanjay Awatramani: That is for the orders. I mean I was asking for execution in the near term?

Kavita Shirvaikar: Execution we expect with the current order book and further increase in the order book in future, we expect around 15% to 20% growth in revenue as compared to last year.

Moderator: The next question is from the line of Mukesh Mody from Mody Fincap Private Limited.

Mukesh Mody: The only question which is left is what kind of debt reduction you are planning by the end of '23? You have guided Rs. 700 crores in 2 to 3 years?

Rahul Agarwal: We will push for a reduction of debt as much as possible but so that's why we have given a plan of 2 to 3 years. It all depends upon how fast we are able to monetize our non-core assets.

Mukesh Mody: One more thing, about your this growth plan and EBITDA margin. What kind of headwind do you foresee if at all it comes, which can disrupt this guidance?

Rahul Agarwal: Your voice is breaking.

Mukesh Mody: On your this guidance of 15% to 20% growth and EBITDA of around 15%. Which are the headwinds do you foresee which can disrupt this kind of guidance if you can highlight some of them?

Rahul Agarwal: We don't foresee as such; I mean nobody can tell anything about any natural calamities or anything but otherwise we don't foresee any challenge in that. During the current focus of the government of focusing on infrastructure projects, releasing payments on time, we don't foresee any challenge in that.

Mukesh Mody: We are quite confident about growing the growth?

Kavita Shirvaikar: We are fairly confident to achieve this kind of growth.

Moderator: The next question is from the line of SK Goenka, an Individual Investor.

SK Goenka: My question is on the total debt and related to that the interest cost that we have in the balance sheet. One question is that the total consolidated debt I heard is Rs. 2,200 crores. Is it net of cash on the books? Because I see about (+Rs. 200) crores of cash and bank balances. Is it net debt, or is it?

Rahul Agarwal: Net of cash is around 2,000.

SK Goenka: Now if I look at the interest cost that the Company has, which is I think close to about Rs. 420 crores on a consolidated basis. Is it possible to give a breakup of that? Also, on the debt part one more question was how much of that Rs. 2,000 crores is actually repayable debt in the sense which of that is working capital; how much of that is OCD and how much are actually term loans?

Rahul Agarwal: Let me give you a break up. Out of net Rs. 2,000 crores around Rs. 1,300 crores is CC limits which is not repayable and Rs. 7,00,000 crores is repayable debt that is the reason we were talking about reduction of Rs. 700 crores debt over next 2-3 years. And as far as interest cost is concerned so our interest cost consists of the total finance cost is around Rs. 220 crores which consist of two-three components. One is the interest cost payable to lenders on the debt plus there will be bank guarantee charges and all for the MAB limits which we have. Also, there will be in interest payable on advances from clients. So, all combined becomes Rs. 420 crores.

SK Goenka: Because the way I see going forward; what is the average cost of funds bank borrowings that you have and what is the likeliness of an improvement in that because that can give a significant impact?

Rahul Agarwal: Yes, so average cost of debt is around 11%-11.5% right now.

Kavita Shirvaikar: With the improvement in rating going forward, we expect it to reduce by 1% or 2%.

SK Goenka: Next question was regarding the learning of the past. Patel at one point in time was absolutely phenomenal Company. I think in line with what the industry saw, Patel also had its share of problems and fortunately we are on the good track now. What are the learnings from the past and the issues that we faced? How are we ensuring that nothing of that sort impacts the Company from a sustainability point of view, sustainability of these profits and future?

Rahul Agarwal: See basically we have learned from the past and we are focusing only on our core business which is EPC business. We had earlier forayed into other asset ownership businesses which we are not looking into now. So that is one thing. The other thing is we are taking projects on a selective basis only which are self-sustaining so that the projects are funded through client advances and we don't need to take additional working capital borrowings which will not affect our liquidity cash flows.

SK Goenka: That's really useful. I guess the cost of funds seems to be still very low?

Rahul Agarwal: Yes, so recovering Company, our cost of funds is around 11%-11.5% and when rating further improves going forward those costs of funds should come down.

SK Goenka: The only thing is that we are in a rising interest rates scenario so I'm not sure if how much of would that translate into actual benefit? That seems to be a bit of a challenge?

Kavita Shirvaikar: It is linked to the Company rating also. So going forward with our numbers and estimates, we expect rating to improve further and then accordingly we expect to reduction in interest cost.

Rahul Agarwal: Further reduction of debt going forward also will help reduce interest.

Kavita Shirvaikar: Because we target to around Rs. 600-700 crores in next 2 to 3 years. So that will also help in reduction of interest cost.

SK Goenka: Just one last clarification question. Rs. 3,380 crores is the turnover for FY22 and we are talking about a 15% to 20% growth in this year. That means a 15% to 20% growth on the figure of Rs. 3,380 crores turnover achieved this year?

Rahul Agarwal: Yes. We were talking more on a standalone basis.

Moderator: The next question is from the line of Rushabh from RS Capital Services Private Limited.

Rushabh: To understand given most of our contracts are linked to government and the government currently is in a tight fiscal situation. Do you expect a delay in payments going forward maybe apart from the usual 5-6 months, can it go to 7-8 to 9 months, any thoughts here?

Kavita Shirvaikar: Most of our projects are with Central PSU like NHPC, SJVN, NUPPL, they all are central and they are equally rated companies.

Rushabh: We do not expect any delay in payments?

Kavita Shirvaikar: We do not expect any delay in payments.

Rushabh: How are we strengthening our execution capabilities as compared to past? We hired anything or we're confident of achieving this or anything? From your customer side they're telling you to do something?

Rahul Agarwal: We are constantly improving our employee base as well as equipment base and hence we are fairly confident of our execution capabilities.

Kavita Shirvaikar: If you see our employee base have also increased from last year doubled the size and equipment size also see we have purchased lot of equipments so our core focus, main focus is the execution.

Rushabh: What is the interest rate breakup on term loans versus working capital loan?

Rahul Agarwal: As far as our interest cost is there so we have Rs. 1,300 crores of working capital debt and Rs. 700 crores of term loan.

Rushabh: On those both separately?

Kavita Shirvaikar: Rs. 700 crores term loan also includes Rs. 400 crores OCDs.

Rushabh: No, I'm asking the interest rate percentage on the term loan?

Rahul Agarwal: Our term loan and working capital interest rates is around 11%-11.5%.

Rushabh: That's on blended basis, you are saying?

Rahul Agarwal: Correct.

Rushabh: Do you have a separate break up for this?

Rahul Agarwal: A separate break up I don't have right now but I can share it with you separately.

Rushabh: But the term loan we are higher or lower than the working capital?

Rahul Agarwal: Term loan and working capital are same.

Moderator: The next question is from the line of Sanjay Awatramani from Envision Capital Services Private Limited.

Sanjay Awatramani: I just wanted to know some things on exceptional items. I mean what are these exceptional items? I see that in 2016 we are a negative Rs. 112 crores and in '18 we are Rs. 100 crores again and then in '21 we had Rs. 220 crores odd again negative. What is this exceptional item if you can highlight this?

Rahul Agarwal: In 2021 we had written off our investment in a project which is Dibang hydroelectric project where we had earlier got into asset ownership and then we closed that project and we settled the lenders. Accordingly, the capital WIP of that project was written off. Because we have exited from our all these asset owners' business companies.

Sanjay Awatramani: This even we see that this year we have Rs. 30 crores. So, this was for that only?

Rahul Agarwal: No. This year Rs. 30 crores what is there, this is in respect of impairment of certain loans and advances to our subsidiaries where we had land parcels and we expect to sell those land parcels and based on latest valuation reports we have done an impairment.

Sanjay Awatramani: And any future exceptional items like Rs. 100-200 crores odd we expect in the future in the coming years?

Rahul Agarwal: No.

Sanjay Awatramani: There is no specific figure to exceptional items. This can be I mean; I see that there are some positive as well but those will be for asset ownership projects which you mentioned, right?

Rahul Agarwal: Right.

Moderator: Thank you. As there are no further questions, I now hand the conference over to Mr. Vastupal Shah for closing comments.

Vastupal Shah: Thanks everyone for joining the conference call of Patel Engineering Limited. If you have any further queries or follow-up questions you can write us at vastupal@kirinadvisors.com and once more many thanks to management team and the participants for joining the call. Thank you.

Moderator: Thank you very much. On behalf of Kirin Advisors Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.