



**“Sadbhav Engineering Limited and Sadbhav  
Infrastructure Project Limited Q4 FY '20 and FY '20  
Earnings Conference Call”**

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**MODERATOR: MR. AMBER SINGHANIA – ASIAN MARKET,  
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**Moderator:** Ladies and gentlemen, good day. And welcome to Sadbhav Engineering Limited and Sadbhav Infrastructure Projects Limited Q4 FY '20 Earnings Conference Call, hosted by Asian Market Securities Limited. As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '\*' and then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Amber Singhania from Asian Market Securities Limited. Thank you and over to you, sir.

**Amber Singhania:** Thank you, Neerav. Good morning, everyone. On behalf of Asian Market Securities, I welcome you all for Q4 FY '20 and FY '20 Earnings Conference Call for Sadbhav Engineering Limited and Sadbhav Infrastructure Project Limited.

We have with us stood at. Mr. Vasistha Patel – CEO of Sadbhav Engineering, MD of Sadbhav Infrastructure; Mr. Nitin Patel – ED and CFO of Sadbhav Engineering; and Mr. Varun Mehta – CFO of Sadbhav Infrastructure Project Limited representing the company.

I know request Mr. Patel to take us through the quarterly results, and then the outlook for the company. And then we shall begin with the Q&A session. Over to you, sir.

**Nitin Patel:** Thank you very much, Amber bhai. Good morning, everyone. On behalf of Sadbhav Group, I welcome all the participants and thank you for taking your valuable time for the earnings call for the quarter ended and full year ended 31st March 2020.

I will first start with a Sadbhav Engineering financial numbers and update on merger of SEL and SIPL. Post that, Mr. Vasistha Patel will take you through status of various under construction projects; and thereafter, Mr. Varun Mehta will take you through the SIPL financial numbers and update on stake sale.

The income from operations for the quarter stood at Rs. 409 crores. EBITDA for the quarter stood at Rs. 50 crores. PBT for the quarter stood at Rs. 16.16 crores and PAT for the quarter stood at Rs. 8.18 crores. EBITDA margin for the quarter stood at 12.34%. Income from operations for the full year stood at Rs. 2,252 crores. EBITDA for the full year stood at Rs. 279 crores. PBT for the full year stood at Rs. 110 crores and PAT for the full year stood at Rs. 85 crores. EBITDA margin for the full year remains at 12.41%. Segment wise revenue breaker for the quarter is already mentioned in the presentation.

Now, coming to the gross debt. The gross debt as on 31 March 2020, stood at Rs. 1,242 crores versus Rs. 1,587 crores as on 31st March 2019. Net debt as on 31st March 2020, stood at Rs. 1,119 crores versus Rs. 1,527 crores as on 31st March 2019. Our net debt-to-equity is the lowest in last 10 years. Our net debt-to-equity stood at 0.53x as on 31st March 2020. This

includes loan given to SIPL of Rs. 350 crores. So, if we consider the debt only for EPC business, then the net debt-to-equity will remain at 0.37x.

The order book as on 31st March 2020, stands at Rs. 8,372 crores, all the projects in the order book have received appointed dates, including Gadag-Honnali project, for which we have received the appointed date with effect from 12th March 2020. On the execution front, top five projects by execution during Q4 FY '20 have been disclosed in the presentation.

Now, coming to the merger, we have filed the scheme of arrangement with the stock exchanges. Approval from National Stock Exchange is received, and approval from Bombay Stock Exchange is expected by end of this next week. Post the same, we shall file the same with NCLT. Once NCLT accepts the case, then we shall obtain approvals from all stakeholders, that is shareholders of both the companies, lenders, authorities, creditors etc.

With this, now I will hand over to Mr. Vasistha Patel to discuss the under construction projects. Thank you very much, everyone, for listening to me.

**Vasistha Patel:**

Thank you, Nitin bhai. Good morning to all the participants. And thank you for taking your valuable time to attend the earnings call. Coming to the under construction projects, status of major projects are as under.

Bhavnagar Talaja, 72% work is completed. PCOD approved by NHAI. And we expect received PCOD certificate for 34 kilometers before end of this month. PCOD shall be received with effect from 28 February 2020.

Rampur-Kathgodam Package 1, 84% work is completed. We expect to receive PCOD for 32 kilometer before end of this current quarter. We have already applied for the PCOD.

Udaipur Bypass project, 84% work is completed. We expect to receive PCOD for 18 kilometers before end of this quarter.

BRT Tiger Reserve Forest, Bangalore, 83% work is completed, and we expect to receive PCOD for 90 kilometer before end of quarter three.

Pune to Kodinar project, 67% work is complete. We expect to receive PCOD for 24 kilometers before quarter three.

Rampur-Kathgodam Package 2, 60% work is completed. And we expect to receive PCOD for 40 kilometers before end of quarter four.

Waranga-Mahagaon, 60% work is completed, and we expect to receive PCOD before end of quarter one FY '22.

Jodhpur Ring Road, 22% work is completed. In this project, senior lender of the project who had completed the financial closer has not disburse any amount till date. Hence, we are in the process of a debt tie-up with another lender parallely.

Kim Ankleshwar, 7% work is completed. We have infused our upfront equity and we are in the process of obtaining mobilization advance from NHAI.

Gadag-Honnali, appointed date of the project has been received. However, work has been resumed in this quarter.

Lucknow Ring Road, work is under progress in full swing. And we expect completion in a contractual time limit.

Ahmedabad to Rajkot, both projects we have 35% of work has been completed and we expect to complete the project in quarter two FY '22.

Mumbai-Nagpur Expressway Package 5, 10% work has been completed so far and same has been resumed in this quarter post lockdown.

You can see from above that three HAM projects were achieved PCOD before end of this current quarter. Two more HAM projects will achieve PCOD before end of quarter three, and one more project shall achieve PCOD before end of quarter four. So all put together, we expect to receive PCOD for six HAM projects in current financial year.

On the bidding activity, NHAI has called bids for 24 EPC projects worth Rs. 17,663 crores, and for which bid submission date is before end of August. NHAI has also called bid for 27 HAM projects worth Rs. 27,974 crores, for which bids are to be submitted before end of this August.

There are four projects worth Rs. 3,367 crores, for which we have submitted the bids on 7th July 2020. Where opening shall happen in next couple of weeks. In metro segment, there are three projects worth Rs. 1,986 crores, for which bids are to be submitted before end of this August. We have submitted bid for one project worth Rs. 470 crores in Ahmedabad Metro on 1st July 2020. Bid opening shall happen in next couple of weeks.

With this, now I will hand over to Varun Mehta to discuss the financial number of SIPL updates on stake sale transaction. Thank you very much for listening to me. Varun bhai.

**Varun Mehta:**

Thank you, Vasistha Sir for giving useful updates. Good morning to all the participants and thank you for taking your valuable time to attend the earnings call. The Q4 FY '20 results for SIPL is after incorporating the stake sale numbers, and so the impact of the SPVs sold have been given for the part of the quarter, depending on when the shares of the SPV were transferred to Indinfravit.

SIPL has a current outstanding order book of Rs. 194 crores towards the maintenance and advisory related of the nine HAM under construction projects, which is to be executed over a period of next 24 months. SIPL also has an order book of Rs. 4,000 crores towards the maintenance of the nine operating assets which we have sold to Indinfravit Trust, and the revenue for this particular order book has been started to flow from Q1 of FY '21.

The consolidated debt of the operational SPVs, so right now we are considering four operational SPVs i.e. Ahmedabad Ring Road, Maharashtra Border Check Post, Rohtak-Panipat and Rohtak-Hisar. So, as on 31st March 2020, the consol debt of these four operational SPVs is around Rs. 3,092 crores. The consolidated debt for the under construction HAM SPVs as on 31st of March 2020, is Rs. 2,057 crores. And standalone debt at the SIPL level is around Rs. 900 crores. And this includes loans from SEL of Rs. 350 crores. In the HAM under construction assets, we have infused equity of Rs. 705 crores as on date. And the balance equity requirement stands at around Rs. 308 crores, which is to be infused over the next 24 months.

Now, coming to status of the stake sale deal. So, we have already completed the transfer of the equity shares of eight operational assets to Indinfravit Trust. Total equity value for the eight assets is Rs. 2,364 crores, against which we have received Indinfravit units worth Rs. 724 crores, representing 10% stake in Indinfravit Trust. These units are listed on the BSE and NSE. SIPL also has one board seat on the Board of the Indinfravit Trust. We see these units as a very valuable investment for us, because we know that the Indinfravit Trust has some solid plans to expand the portfolio, so definitely we see this as one of the good investments basically against the stake sale which we have got. The balance money we have received around Rs. 1,568 crores and the utilization of the same has been mentioned in the presentation. So out of this Rs. 2,364 crores, there is a balance proceeds of around Rs. 73 crores which is expected to be received soon. So, I think in the next couple of months we should get this money also.

Now, post the above receipt of the stake sale money, the net standalone debt of SEL and SIPL combined has reduced by 63% from around Rs. 2,534 crores before stake sale to Rs. 933 crores now. Net consolidated debt of SEL and SIPL combined has reduced by 47% from Rs. 11,497 crores before stake sale to Rs. 6,082 crores now. This debt will reduce further with the completion of the ARRIL stake sale.

Now, coming to the status of ARRIL stake sale. The valuation of ARRIL as per the SPA is Rs. 267 crores. We expect the approval from AUDA, who is the client for this particular project, before the end of the current month, because there has been a certain positive developments which has happened at the time of discussion with AUDA. And so we expect the approval by the end of this month. Approval from five lenders has been received, approval from one lender is pending, but it is expected to be received immediately once AUDA provides the approval.

So, in all, from this stake sale, we are yet to receive around Rs. 340 crores from Indinfravit. We expect that to receive in the next couple of quarters. So, I think with that the debt can further come down from the existing level.

Now, this is as far as our opening remarks is concerned. We thank you everyone for listening to us. Now we will start the Q&A session.

**Moderator:** Thank you very much. We will now begin the question and answer session. First question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.

**Parikshit Kandpal:** Sir, my question is to Varun. So Varun, can you please update in FY '20 what was the loss funding support provided by SEL to SIPL? And what will that number be in FY '21 and FY '22?

**Varun Mehta:** You are saying the loss funding from SEL to SIPL?

**Parikshit Kandpal:** Yes, for the Rohtak two assets, you had a shortfall, repayment of loans.

**Varun Mehta:** Yes. See, basically, for the Rohtak-Panipat and Rohtak-Hisar, SIPL has given support of around Rs. 75 crores to Rs. 77 crores for both these SPVs put together. So that is the short-term loan which has been given by SIPL to both the SPVs during FY '20.

**Parikshit Kandpal:** And how is the outlook for FY '21 and FY '22?

**Varun Mehta:** See, as far as FY '21 is concerned, so I think the shortfall will be lower, because obviously both the SPV they have basically received the moratorium from the respective lenders. So, I think in FY '21 the shortfall funding will be a bit less. And as far as Rohtak-Panipat is concerned, so obviously we started the arbitration process at NHAI, so I think Nitin bhai can put some light on it, exactly where are we in terms of the arbitration.

**Nitin Patel:** Sure. Parikshit bhai, see, with regard to Rohtak-Panipat, earlier we have lodged a claim of almost around Rs. 1,100 crore on NHAI towards the construction of alternate route by Haryana State Government, which is a breach of the concession agreement. And the same has been notified. And now the dispute has been created with NHAI, and we whoa appointed our arbitrator. The arbitration notice has been sent. So we are expecting that within a month's time or so the arbitration process will be started. So, once this will be through, we are completely confident that the Rohtak-Panipat, whatever the difference and whatever support so far has been made by the company, that all is to be made good by the NHAI, because that is a clear breach of the concession agreement.

**Parikshit Kandpal:** But for the next three or four years what could be the peak loss funding suppose this project stays with you? And if it goes, if you can just give colour on that, so how much of peak loss

funding will be required in the next three to four years from SEL to SIPL, if these projects stay with you?

**Nitin Patel:** See, ultimately I can tell that the Rohtak-Panipat obviously and the Rohtak-Hisar put together, because as Varun bhai has mentioned, put together we can say that the FY '21 will be almost around Rs. 50 crores to Rs. 60 crores will be there. And in 2022, almost obviously it is continued, then it will be around closer to Rs. 90 crores to Rs. 100 crore. But parallelly what we are expecting that ones the proceeds will be started, so we may seek the interim order from the panel of the arbitrator also, considering basically the high stake involved in the project. So, that is why we will basically seek that also apparently in arbitration. So that also we are quite hopeful, so that should also come into place.

**Parikshit Kandpal:** Just last question sir, if Rohtak-Panipat is removed, so how much of this loss funding will be required after the Rohtak-Panipat is removed? And other projects like Rohtak-Hisar, so is there any?

**Nitin Patel:** There if you see considering the Maharashtra border check post cash flow surplus, so I think that itself still will be able to take care in the Rohtak-Hisar. But I think the loss funding will be hardly around closer to Rs. 40 crores odd actually in Rohtak-Hisar. And the second thing, basically I would also put in the place that the dividend from the units of the trust, that also we are expecting to flow almost around Rs. 70 crores to Rs. 80 crores on a yearly basis. So, that will be in addition to whatever surplus which we generated in Maharashtra border check post. In Maharashtra border check post, because once the remaining check posts will be operational, we are expecting the cash surplus of almost around Rs. 110 crores to Rs. 120 crores from next year onwards.

**Moderator:** Thank you very much. Next question is from the line of Mohit Kumar from IDFC Securities. Please go ahead.

**Mohit Kumar:** Sir, my two questions. First on the execution side in Q1, how do you see the FY '21 panning out, has the execution declined sharply? And how do you see the FY '22 good forward, the execution run rate for us? And secondly on the arbitration, of course, a lot of developers are entering into reconciliation and are finalizing the amount. So, have you seen any major improvement in NHAI whereby we can see a reconciliation or something for Rohtak-Panipat very, very soon?

**Nitin Patel:** See, first of all, let me give you the answer of Rohtak-Panipat actually. See, Rohtak-Panipat is a clear breach of the concession agreement. And the alternate route which is created, which is shorter than our project highway, also it is toll free. So definitely this has to be made good, there is a clear provision in the concession agreement. So all provision has been invoked against the NHAI, and we are quite confident. And if you see basically in past also, wherever we have taken the decision to go into arbitration with authorities, over success ratio in all the

arbitration is more than 85% actually, right. So, in each and every arbitration process we received the award of more than 85%. Here, this is also a very clear case. So, whatever basically gap has been happened so far right from the beginning, and in future also they have to make it good. But it may take one, one and a half year maximum to conclude the arbitration process. This is in Rohtak-Panipat.

With regard to the execution, so what I would like to put it here that the execution at all the projects particularly, appointed date of all the projects has been happened so far. So, now there is no project where we are yet to take the appointed date. Now, post COVID, the work has been started in almost all the projects, including Gadag-Honnali we have already started the initial execution also. And the way the current construction activity which is going on, we are of the clear view and we are confident that September onwards we will be able to basically achieve almost around per day Rs. 10 crore of the turnover with effect from September onwards actually. Because the front in all the projects has been cleared, more or less all the land acquisition process has been completed. Wherever it is not there, it has been notified and descopeing or delinking of the same has been officially completed with NHAI.

**Mohit Kumar:** Okay. Last question is, some update on the arbitration for compensation for Ahmedabad Ring Road?

**Nitin Patel:** No, there is no arbitration in Ahmedabad Ring Road. Ahmedabad Ring Road we have to get the approval from the authority for state sale, for which basically the Chairman of AUDA has already given the approval. So, they are in the process of getting the further approval. And in with regard to the car compensation where the car toll has been stopped by the AUDA from 2017, now just within 10 days back they have taken basically the decision to start releasing the ad-hoc amount. So, we are expecting to get around Rs. 18 crores to Rs. 20 crores first ad-hoc payment basically towards the car compensation just during this month itself actually.

**Mohit Kumar:** Sir, how many total amount you are claiming for the car compensation/

**Nitin Patel:** Our claim is total Rs. 80 crores so far and based on the calculation and based on how the Government of Gujarat is paying to Larsen & Toubro in other concessions where already government has given the exemptions of car compensation, on the same formula we have claimed actually.

**Moderator:** Thank you very much. Next question is from the line of Deepak Poddar from Sapphire Capital Partners. Please go ahead.

**Deepak Poddar:** Sir, just I wanted to understand, like by when do you see our quarter getting normalized in terms of our execution? Like, I joined late so I might be repeating it, so just for the sake of it if you can just.



- Nitin Patel:** We are expecting from September onwards the execution will be on a normalized way, because as on date also all sites are going on. And because of this monsoon and COVID situation, the work is not as per the required pace. But from September onwards, we are expecting full pace on all sides.
- Deepak Poddar:** September onwards, like pre the destruction scenario we were at about Rs. 1,000 crores kind of burn rate, Rs. 900 crores to Rs. 1,000 crores. So, is that what you are expecting to reach towards September onwards?
- Nitin Patel:** See, that's why I have mentioned that post September we are expecting basically per the day Rs. 10 crores of the work. Currently we are basically working at between Rs. 4.5 crores to Rs. 5 crores as of now.
- Deepak Poddar:** Okay. And my second query was, like at the lower base also we were able to maintain 12% kind of EBITDA margin currently. So, what is the reason of that? Like, is there no operating leverage advantage that we were getting earlier?
- Nitin Patel:** See, so far as the work is in hand and particularly in hybrid annuity project, okay, if you see the mix in our work basically, the key activities like all the top bituminous work, concrete work as well as all the critical structures, it is being executed at our own. Basically where the low intensity kind of thing where we can see the earth work and some kind of GSP subgrades, that kind of work is being subcontracted. So, all put together, this is the policy of the company since so many years, and whatever the 12%, 12.5% EBITDA what we are maintaining, we are basically achieving, we are confident that even current order book also we will be able to maintain the same actually.
- Deepak Poddar:** Okay. So we will maintain the similar kind of margin even if we do Rs. 5 crores kind of execution run rate or Rs. 10 crores kind of execution run rate, is it right?
- Nitin Patel:** At EBITDA level we don't see there will be a much reduction. Because some of the sites of the company has already been completed, you can see that basically wherever the site has been completed, there even the cost pertaining to the staff has also been run down, and that is also reflected in the results of the company.
- Deepak Poddar:** Understood. That's it from my side. Thank you very much.
- Amber Singhania:** Okay. Sir, one question from my side is that the remaining portfolio of assets which we have, both HAM as well as the other operational assets which we have, what are the plans for us to monetize the same, is there anything on the cards? And how we are planning to take it forward?
- Varun Mehta:** Amber, if you see in the deal which we have signed with the trust, so there is already a ROFO agreement which we have signed with them. And obviously, we at Sadbhav have the plan to

actually sell the HAM and the balance portfolio also. So I think we will start the process for the toll assets once the market normalizes, that is the Maharashtra border check post is basically which is the left one, because of the Rohtak-Panipat and Rohtak-Hisar there are certain issues as of now. And for the HAM assets, we already started the process, so the discussion with the prospective investors has already been started. Because as Vasistha bhai has mentioned in the opening remarks, the projects are basically at a very advanced stage and the COD is basically in light. And because the discussion with the prospective investors have already been started, we have invested more than Rs. 700 crores of equity. And we are seeing a good interest basically amongst the investors especially, because it's a portfolio deal, and especially after our tie-up with the trust which has been backed by some of the marquee investors, so I think we are seeing a good amount of interest also in the HAM assets portfolio.

**Amber Singhania:**

So, for HAM assets also is there any ROFO for with Indinfravit? And secondly, when we can they start like, after the COD is there any waiting period before we start the transfer per say on that?

**Varun Mehta:**

Yes. See, for the HAM assets also the ROFO is there. But if you see, this is the right of first offer, so there is not a right of first refusal, so as and when Sadbhav decides to sell, so obviously we can also go to the market and simultaneously we can also show the assets to the trust. And so then depending on the best price which has been offered to Sadbhav, and so on that basis the deal can be closed. So, it is not that the trust will have the first say and then only we can go to the market. So, I think it is much, much balanced deal which can happen. And as far as the timeline is concerned, obviously, as per the concession agreement, the timeline is that we can sell the 100% of the assets after COD plus two years. But right now, obviously, before the COD plus two years at least we can transfer 49% of the stake. So, on that basis the deals have been structured, that means right now we can transfer 49%, and once COD plus two years is achieved, so then we can transfer the balance 51%.

**Moderator:**

Thank you very much. Next question is from the line of Manish Goyal from Enam Holdings Private Limited. Please go ahead.

**Manish Goyal:**

I just missed in the initial remarks on the pipeline of the orders from NHAI. I would appreciate if you can just kind of repeat that, and what biddings we have done, please.

**Nitin Patel:**

Sure. See, Vasistha bhai has told, the NHAI has called a bid for 24 EPC projects worth Rs. 17,663 crores. And all the bids needs to be submitted before end of August 2020. And also, the bids for 27 HAM projects has been called worth Rs. 27,974 crores, and this is also to be submitted before August actually. From our side, basically we have already submitted for projects of Ahmedabad-Dolera straight, and worth Rs. 3,367 crores. This bid we have submitted on 7th of July. And in metro segment, there are the three projects worth Rs. 1,986 crores as of now which we are considering to put the bid. And other than that, we have already submitted one bid worth Rs. 470 crores in Ahmedabad Metro on 1st of July 2020.

- Moderator:** Okay. So, sir, like for FY '21, what kind of order inflow we should be targeting?
- Nitin Patel:** See, now the post stake sale, actually basically our focus was there to complete the stake sale first, actually that was our priority. Now our complete focus on the bidding has been started. And as we have mentioned that we already started submitting the bids, so currently in this year we will have a significant presence in all EPC kind of bids, either it may be metro, it may be highway sector, it may be also some of the irrigation sector also. This will be the strategy. But in the mind we are thinking that just in between three to four months we are targeting to get at least Rs. 2,000 crores to Rs. 3,000 crores worth of the project now. And then after we will continue even for the Q4 also. And from government per say, we are expecting there will be a lot of bits will come, even other than the NHAI a lot of border roads and everything will open up now. That is what we are hearing from the various authorities.
- Manish Goyal:** Okay. And I have one more question, just a clarification from the presentation and from the previous presentation. Like in three existing balance assets in SIPL, MPCL, Rohtak-Panipat and Rohtak-Hisar, the total equity invested number is mentioned as Rs. 1,283 crores, while the presentation in April what we did, over there the equity was Rs. 845 crores, so it has gone up significantly by Rs. 440-odd crores. So what could be the reason for this?
- Varun Mehta:** Manish bhai, if you see the notes to the results of SIPL, so there we have mentioned that the short term loan which SIPL had given to Rohtak-Panipat and Rohtak-Hisar, so in Q4 this has been converted into a sub-debt, as a 0% sub-debt. And so because of that, now, it is part of the equity.
- Manish Goyal:** Tis loan was given by whom?
- Varun Mehta:** Yes, so this loan was given by Sadbhav Infra to Rohtak-Panipat and to Rohtak-Hisar towards the shortfall funding. And if you see the notes to the results of SIPL, So, we have mentioned that in Q4 the short term loan has been converted into a 0% sub-debt. And so because of that the total equity of these projects have gone up.
- Manish Goyal:** Okay. But how does it change? Because already it was given as a loan to them, so you are saying now it's converted into...
- Varun Mehta:** Yes, so the nature of the funds has been converted from an interest bearing short term loan to a 0% sub-debt and the moment it is part of a 0% sub-debt, it will be part of the equity.
- Manish Goyal:** Okay. And apart from this equity, what is the amount which has been lent to these entities, outstanding short term loans?
- Varun Mehta:** No, no. See, once we have converted the interest bearing short term loan into 0% sub-debt, so post that there is nothing outstanding as far as the short term loan is concerned.

**Manish Goyal:** Okay. And one last question on the Maharashtra border check post, in terms of the note to accounts which talks about this demand order of Rs. 349 crores which is dated 7th July, 2017, so if you can just clarify on this?

**Nitin Patel:** See, actually the hearing of the same has been completed and now it has been recommended by the tehsildar to basically the SDM, the Senior District Magistrate of that Sindudurg basically. And we are expecting the order of the same by the end of this month, actually because of the COVID situation it was not basically taken up post hearing, but now all the proceeds is over and there will be zero demand award actually, what has been recommended by the tehsildar so far actually.

**Moderator:** Thank you very much. Next question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.

**Parikshit Kandpal:** So, Vasistha bhai, this question is for you. So, you have been now steering the ship for Sadbhav Engineering, so what are your deliverables for this year? So, what changes have you done after leading the ship and if you can highlight what are the top three things which you have done, which were of a concern earlier, which you have tried to address, if you can highlight these top three things?

**Vasistha Patel:** So, first, earlier we have told that we require 100% professionalism in the company. So, first step is that the all the steps towards the professionalism we are taking. And we are focusing on the execution and bidding. So, at present, we have consolidated all sites' requirements of the material and everything, by focusing on the execution and completing the HAM projects, as earlier told that we are expecting six projects to be completed in this year. And then EPC projects bidding are going on, and we are expecting some good projects in coming six months. So main focus is now execution and the professionalism of the company.

**Moderator:** Sir, the line for the participant dropped. We move on to the next participant. Next question is from the line of Prem Khurana from Anand Rathi. Please go ahead.

**Prem Khurana:** Sir, three questions. I mean, if you could help us understand what is the status on Mumbai-Nagpur? Because, as I see it, when I look at your presentation, it doesn't feature in our top five contributors in this quarter, and it's been the case for the last three quarters now. Given the fact that this is the single largest project that we are having initial size of almost around Rs. 1,620-odd crores, it is surprising to see that it couldn't even contribute Rs. 20 crores in this quarter because the fifth largest contributor that you have in this quarter has contributed at around Rs. 18 crores, Rs. 19 crores odd. So, is it that we are facing some issues in terms of ROW which is why the contribution has been low for this project?

**Nitin Patel:** See, earlier obviously there was a forest issue and, obviously, because the government of Maharashtra wants to start the construction in all the front earlier, so they had given the

appointed date, basically from their side straightway unilaterally. Obviously, we had already drawn the same to them. Now, basically post COVID the work has been resumed, as Vasistha has told that and now this quarter onwards we will continue to see the turnover in the same. Whatever arrangement at the project site was required that has been done now and required resources has been completely lined up there. Now that project will have a continuous contribution. So that's why we are telling that this Mumbai-Nagpur and then Kim Ankleshwar, Gadag-Honnali, these all put together which were not contributing to the top-line during the last quarters, so now that we will start seeing from this quarter somehow, because labour force and because of the monsoon there will be some slow progress will be there. But September onwards there will be a decent top-line will be there actually.

**Prem Khurana:**

Sure. And Nitin bhai, second question was on our working capital. So, receivables still seem to be high, I think, including long-term receivables, it's almost to the external of almost around Rs. 2,000 odd crores. If you could just break it down into how much of it is due from our hybrid annuities and how much would be as if things change in scope of work or GST due that you have been highlighting for a while now? Because Rs. 2,000 crores of receivables on a top-line of Rs. 2,200 crores, Rs. 2,300 crores seems to be on a higher side. So, what is the roadmap to kind of get this number down?

**Nitin Patel:**

See, actually I would like to put in a different way. See, there are four projects which are going right now, say, Kim Ankleshwar, then Jodhpur Ring Road. See, Kim Ankleshwar invoice of Rs. 140 crores has been submitted to the senior lenders of the project, this is a certified work other than the normal work in progress, so that is there. Second thing, in Jodhpur Ring Road, as Vasistha bhai has mentioned that the senior lender has not disbursed any single amount even though the 22% work has been completed. So, almost Rs. 252 crores work has been certified so far, and if we take out the equity and grant of the project, almost around Rs. 140 crores is yet to be received from the senior lenders of the project, in Jodhpur Ring Road. Plus, whatever the normal work in progress and everything is happening. Third, obviously, Rampur project basically because of the land issues and everything the insistence of the lenders want to basically get some of the clarification in writing from NHAI. So, some point has been cleared by NHAI, but in that project itself more than Rs. 100 crores of the fund has been basically blocked. So, this is all certified work I am telling, other than the normal certification of all other projects. So, these three. Apart from that, obviously, the accumulated price escalation to the tune of around Rs. 240 crores basically with Sadbhav Engineering has already incurred towards the HAM projects, so, that is there. In GST front, I can tell that against almost Rs. 110 crores, Rs. 112 crores outstanding, we have received some of the money from NHAI, the current outstanding maybe to the tune of around Rs. 60 crores, Rs. 65 crores basically, because NHAI has started clearing all these basically projects specific actually. So these are the large ones, and also some change in scope and work, as well as I think you may see the arbitration process. Because where the award is there, it is in our hand actually, so there basically the receivable outstanding, particularly in Rohtak-Panipat and Dhule-Palesner and everything, so that also has to come to Sadbhav Engineering. So, these all put together this is the amount, but

we are expecting that the certified work will basically be cleared just within a couple of months by the lenders, so that will bring down the numbers to that extent. And once things will normalize from September onwards, we are of the view that all the requirement of the working capital and everything will be addressed so far.

**Prem Khurana:** Sure. And just one last for Varun. Varun, Maharashtra border check post, I mean, the balance check posts, when do we expect these to come through? And what was the revenue for Maharashtra border check post in Q4 or FY '20?

**Varun Mehta:** See, the revenue in Q4 was around Rs. 52 crores. Obviously, the revenue was impacted from 10th of March, and from 20th of March, in fact, the revenue totally stopped. So the revenue is a bit on the lower side as compared to the earlier quarter. But for the month of January and February, the revenue was strong. And as far as the balance check posts are concerned, so we expect that, because the construction has been completed and we have got the COD, so I think we should expect that the revenue should start from probably around the month of October and the month of November.

**Prem Khurana:** Okay. So all 24 check posts would be operational, or 23 and then 1 would be in last?

**Varun Mehta:** Yes, so this is only for the five check posts, because one check post we have not received the land yet. So I think that will start out now, but the balance five check posts we expect by October.

**Prem Khurana:** And how much are we expecting from these incremental five check posts?

**Varun Mehta:** See, on a yearly basis, on a per annum basis, we are expecting around Rs. 65 crores to Rs. 70 crores odd of revenue from these five check posts. And plus, the important part is that from the next year the toll will increase by 18%. So obviously, all the existing numbers will actually ramp up to a large extent basically in the next year.

**Prem Khurana:** And 23 remain stays, I mean, in terms of whenever you start your check post, which is when you start your 23, or there is change in that?

**Varun Mehta:** No, the 24 years and six months starts from May 2009. So the start date and the end date will be the same for all the 24 check posts.

**Prem Khurana:** Okay. So we would have to file for claims because it's taken us long to kind of get going?

**Varun Mehta:** Yes. So I think in this project, obviously, there has been a lot of changes as far as the concession agreement is concerned, there have been certain delays in the land which has been provided by the client, there have been certain delays in the starting of the revenue, there have been certain changes in the laws also. So I think, obviously, once we start the revenue for these five check posts, generally the plan is to submit the cash flows to the client. Because as per the

condition agreement, there is a 17% project IRR which has been agreed. So as to meet up that 17% project IRR whatever is the extension in the concession period required, so that extension in the concession period will be granted by the client. So, if you see, in case of Aurangabad-Jalna, the similar method was there, and we have got almost more than seven years of extension in the concession period in that particular project. Because since both of these projects are from Government of Maharashtra, the formula mentioned in the concession agreement is almost the same. So, I think we are just waiting for the revenue for the balance five check posts to start and then we will basically submit a consolidated cash flow depending on the actual position which is there.

**Moderator:** Thank you very much. Next question is from the line of Jiten Joshi from Axis Capital. Please go ahead.

**Jiten Joshi:** Varun, can just highlight the toll revenues for the project, all the nine projects, including Rohtak-Panipat?

**Varun Mehta:** You want the toll revenue for Q4?

**Jiten Joshi:** Yes, Q4.

**Varun Mehta:** For Rohtak-Panipat and for Rohtak-Hisar?

**Jiten Joshi:** No, Rohtak-Panipat and Rohtak-Hisar, and others also wish we have, if it is possible.

**Varun Mehta:** See, for Rohtak-Panipat it is around Rs. 20 crores, for Rohtak-Hisar in the Q4 is basically around Rs. 18 crores. And I think if you see, already as I mentioned for Maharashtra border check post, so the same thing is applicable for all the projects, the revenue will be impacted because of the issues which were there. And for the other eight projects, I don't have the data off hand as of now, maybe I can give you post the call.

**Jiten Joshi:** No problem sir. And the interest cost seems to be high this quarter, so this is partly due to the mobilization advances, we have high mobilization advances or any other reason why the interest cost went up significantly in Q4?

**Nitin Patel:** Actually, normally because one mark-to-market basically effect has been taken to the tune of Rs. 5 crores in these quarter actually, particularly in Sadbhav Engineering. If we take out that, I think the cost is almost within the range actually. And post Q1, we are expecting this will start going down, because the debt has been reduced almost at the far end of the March actually in Sadbhav Engineering. And some of the debt has been paid in the month of April also. So, this Q1 and now going forward we will start seeing further reduction in the finance cost.

**Jiten Joshi:** This is mark-to-market for what kind of transition?

- Nitin Patel:** See, there was some of the one or two ECB we have taken, around four or five papers we have purchased under the Euro basically. And also, the windmill basically which is there actually, there also ECP facility we have taken. So this all put together, the difference was there actually. So out of the four, now the two have been completely closed also in this Q1 itself actually.
- Jiten Joshi:** And sir, on the mobilization advances retention, what is the mobilization advances as on March and retention money as on March? And how much we expect additional mobilization advance this year?
- Nitin Patel:** See, additional, in Gadag-Honnali we are expecting another Rs. 80 crores, and in Kim Ankleshwar we are here to get Rs. 140 crores of the advance. So, these two we are expecting between July and August we will get this entire money, because the process has already been started. And the outstanding mobilization advanced as of March 2020 was to the tune of around Rs. 380 crores.
- Jiten Joshi:** And retention money?
- Nitin Patel:** Retention money also is almost around Rs. 260 crores is the retention money.
- Jiten Joshi:** And the last thing on the arbitration, you have mentioned in the presentation of around Rs. 221 crores which we have one, so what is the status as of now, whether we will get the money now or how it is, the future steps?
- Nitin Patel:** See, actually the process at NHAI level, they have started through the conciliation committee. And for Dhule-Palesner and Rohtak-Panipat we have already basically written the letter to NHAI for conciliation. For Dhule, a couple of meetings is completed, mostly the amount has been settled between NHAI and us actually. So, we are expecting that it will be finalized before end of this month. And the remaining Rohtak-Panipat and also the Mumbai-Nasik, so we are in the process, but basically our target is to complete all the arbitration process either through the conciliation that will be the preferred route actually, and to get the proceeds before end of this year itself.
- Jiten Joshi:** And sir, last question on the Rohtak-Hisar, any steps you take have, how you have taken in Rohtak-Panipat where we have seen parallel road. So, what about Rohtak-Hisar, can you just highlighted on the same?
- Nitin Patel:** See, actually if you see that the Rohtak-Hisar, the shortfall obviously is there, but the revenue is also increasing. If you see the trend of last three years, it is consistently increasing double-digit actually, that is one point. Second thing, to mitigate the gap, while doing the refinancing Maharashtra border check post the lenders have agreed to provide upsizing of Rs. 520 crores, out of which they have agreed to basically they take out Rs. 300 crores for Rohtak projects actually, which we can utilize basically in such a way where we can basically take the



advantage of the refinancing of the Rohtak-Hisar and we can get down the cost of the debt also. So, that is also one of the aspect which we are seeing. So, once these five check posts will be completed, when the revenue will be started, so then after we will be able to take up for Rohtak-Hisar, and we are confident that it will be completed. And other than that, if you see that the surplus in Maharashtra border check post itself will be sufficient to take care of whatever the gap is there in Rohtak-Hisar, and even though the border check post will have the sufficient surplus there.

**Jiten Joshi:** That is something is loss funding, like a subsidiary will route it through the parent SIPL, and SIPL will be investing in Rohtak-Hisar. But any steps we are taking for the lower traffic where NHAI will give you some...

**Nitin Patel:** No, in Rohtak-Hisar this kind of case is not there actually what is there in Rohtak-Panipat. So Rohtak-Panipat we are completely okay and we have already taken this step. But Rohtak-Hisar, we are basically working out the solution along with the lenders and based on the other assets what we are having actually.

**Jiten Joshi:** What is the top-up you have taken from, that Rs. 500 crores, Rs. 50 crores you have taken, right, so far?

**Varun Mehta:** See, as of now we have taken Rs. 150 crores draw down.

**Moderator:** Thank you. Next question is from the line of Parvez Akhtar from Edelweiss Financial Service. Please go ahead.

**Parvez Akhtar:** Sir, two questions from my side. First is, if I get the number correctly, we have to include some Rs. 308 crores equity in our HAM project?

**Varun Mehta:** Right.

**Parvez Akhtar:** So, how much do we need to infuse in this year, as in FY '21?

**Varun Mehta:** See, this year for the balance part of nine months, so we have to infuse around Rs. 125 crores, Rs. 130 crores.

**Parvez Akhtar:** And how much we would have done in Q1 already?

**Varun Mehta:** See, already we have infused around Rs. 70 crores to Rs. 75 crores.

**Parvez Akhtar:** And the second thing is, I mean, obviously, execution across the board has been impacted due to COVID. So, currently, what would be the kind of labour availability that we have today as compared to what was the situation, let's say, prior to COVID?

**Vasistha Patel:** See, actually, what we have assessed at all the sites, each and every site has a different, different composition. But so far as structure work is concerned, we had almost around 50%, 60% labourers are available. And for the earthwork, basically, see large number of work we have given to the various subcontractors in our case actually. So, there almost we have seen that they also arrange around 50% to 60% operational level now, but earthwork is going to be impacted during the monsoon period. So, currently we are focusing on the areas where we can utilize the labours in the work, particularly without affecting the other areas we can execute the work in the monsoon. So, like the concreting, doing the BQC almost at all fronts, so that we are given the focus. So, that is going on. And apart from that, the structure work wherever the labour is available, we are basically focusing more on the structure work as of now. So, gradually this will improve. So, we are expecting within a couple of more months actually we will be able to get more labourers basically in almost all the sites, and we are expecting we may get almost around say more than 80%, 90% labourers work force basically by end of September.

**Moderator:** Thank you very much. Next question is from the line of Aditya Shah, an individual investor. Please go ahead.

**Aditya Shah:** Sir, my question is, how many quarters will it take to reach Rs. 75 crores per quarter profit?

**Nitin Patel:** See, as of now, currently because of the COVID situation and now the migration of the labour force, particularly in construction sites, we have seen that it has been impacted basically right from post the lockdown. As of now, obviously, the work front has been started, but what we have mentioned that the post once this paver say by the end of September we are expecting that we should basically come at a normal level. So, then after definitely we will be at, now as we mentioned that the work at the Kim Ankleshwar, Gadag-Honnali, now also at the Samruddhi Expressway that has been started, so this will basically give the further uptick which was not there in earlier quarters. So, from there itself we are expecting the significant top-line. So, I think from October onwards basically we should be on a normal level.

**Aditya Shah:** Sorry, but my question was, how many quarters will it take to reach around Rs. 75 crores of profit, do you have any estimate about that?

**Nitin Patel:** As of now, at the bottom-line I am not able to basically give exact, but as I can obviously tell that from October once we reach the Rs. 10 crores per day of the top-line, I think that quarterly we can reach the run rate of more than Rs. 800 crores to Rs. 900 crores. So, definitely considering the EBITDA, almost basically we can come to the normal level which was there in earlier case actually. So, this is basically as of now we are focusing. And the way all the front has been taken up and the way the entire team is working, that is the first and primary goal to achieve that.

- Moderator:** Thank you very much. Next question is from line of Tina Virmani from Kotak Securities. Please go ahead.
- Tina Virmani:** Sir, my question is regarding Rohtak-Panipat project. Like you mentioned that you have already initiated the arbitration process that the NHAI and you expect a resolution also on the same. But just in case if you have to continue with this project, then how is the company planning to take care of the debt repayment and the interest charges for this particular project after the moratorium gets over? Because currently we are protected by the moratorium and there is a hope that arbitration may come in favor, but what would be the worst case scenario if Sadbhav has to continue with this particular project?
- Nitin Patel:** See, particularly if you see, during last six years, the company is obviously there to basically take care of the project. And now that it has been notified, because all the parameters which has been taken by the authority, which is a clear breach, so we are confident I think that will not be required basically. Because in this particular case, there is no option with the authority also to accept the fact and take the appropriate decision. So, there are two things are there as per concession agreement, either they will continue to basically fund the shortfall in terms of the concession agreement authority, or basically authority has to accept the termination due to authority event of default and they have to make good the entire debt whatever to the lenders basically, which has happened in couple of case in earlier also, one of L&Ts project also the same kind of situation has happened and authority has now agreed to basically go ahead for making the payment to the lenders.
- Tina Virmani:** Okay. So, on the positive side, if authorities go ahead considering the discussions that you have initiated, equity investment plus the loss funding that you have approved for this project should get funded?
- Nitin Patel:** See, obviously, whatever the gap, because of the alternate route, because concession agreement is very clear, the authority has to make it good. Even for the all the future period how they are to make good that has also been stipulated in the concession agreement.
- Tina Virmani:** Okay. So, they will either make good the loss that you would have seen in revenues on account of alternate route or they may also take care of the equity or the loss funding that you have provided for this particular project, but is there any quantum that you are expecting to come through for this project?
- Nitin Patel:** Actually madam, see, we have lodged a claim of almost Rs. 1,100 crores on NHAI so far, as of now.
- Tina Virmani:** Okay. So claim is of Rs. 1,100 crores. And currently you have taken the moratorium facility even for this project?
- Nitin Patel:** Yes, we have taken it.

**Moderator:** Thank you very much. Next question is from the line of Alok Deora from YES Securities. Please go ahead.

**Alok Deora:** Sir, just a couple of questions. One was on, considering the first quarter, a large part of it would be a washout and even September-October we are expecting some sort of normalcy. So, how much degrowth we are looking at in FY '21? I mean, considering that we are already on a very small base currently as compared to the previous year. So what kind of numbers we are looking at FY '21 in terms of top-line?

**Nitin Patel:** Frankly speaking, to give basically the idea of the top-line at this juncture will not be advisable, what I can say. That we can give somewhere in the month of September or October, August end or September we can basically give that idea with more clarity. Because first quarter has been completely ruled out. Second thing, basically the enter work force which is yet to come, and because of the monsoon situation all put together, these two is going to effect this current quarter. But however, we have already started the work at all the fronts, basically all the sites, so the things and the resources have been started utilizing. This will further improve as and when the number of more and more work force will start coming. So, I think we will be able to give somewhere in the September itself about this top-line, what would be the current year's number maybe.

**Moderator:** Thank you very much. Next question is from the line of Nitin Gandhi from KFS Trade Capital. Please go ahead.

**Nitin Gandhi:** In first quarter, have we done at least Rs. 2 crores, Rs. 3 crores per day volume? Or are we saying that there is no volume at all?

**Nitin Patel:** No, see, it was a complete lockdown. So there was no movement at all basically till the lockdown continued. And even people remaining nearby vicinity, they basically were scared to come on the project side itself actually. And I think this is a clear scenario. Obviously, in the month of June some movement has been started actually. But what we can say that certification of June is yet to take place actually.

**Nitin Gandhi:** What is the fixed cost per month we are incurring?

**Nitin Patel:** Obviously, the cost of working capital, even cost of equipment and the manpower costs, these three are the main put together. But obviously, these three if we can see, based on the numbers which was there actually, I think it may be around, almost we can say that around Rs. 20 crores to Rs. 22 crores in the month, maybe. It may be something different actually, exactly we have to figure out.

**Moderator:** Thank you. Next question is from the line of Ritwik Seth from One Up Financial. Please go ahead.

- Ritwik Seth:** Just one question from my end, what is the timeline for the merger to get completed?
- Nitin Patel:** See, actually, the process has been started, now what our view is that it will be in a fast pace, because now the lockdown and everything is over. And as we have mentioned that we have received the NSE approval, BSE we are expecting to get by the end of next week. So then the NCLT process and the further approval from the stakeholders, obviously, but we are expecting by January or so we should be able to complete all this.
- Ritwik Seth:** Okay, sure. And one question, once the merger is completed, what is the kind of standalone debt?
- Varun Mehta:** Standalone debt of SEL?
- Ritwik Seth:** Both, combined SEL and SIPL external debt.
- Varun Mehta:** Yes. So, I think if you see the external debt as of now in SEL is around Rs. 1,200 crores, and in SIPL is around Rs. 450 crores. So both put together is around Rs. 1,650 crores. But obviously with the stake sale of ARRIL and the balance proceeds of the eight assets coming in, so I think the debt should be lower than that. And as against that, we will be having the units of Rs. 724 crores which are listed and which are obviously as per the SEBI guidelines the 90% of the cash flows has to be distributed. So, I think the net debt will be much, much lower than probably around Rs. 700 crores, possibly lower than that also.
- Ritwik Seth:** Okay. So if we exclude the Indinfravit unit, it will be around Rs. 1,000 crores? And if we include it will be around Rs. 400 crores?
- Varun Mehta:** If we exclude Indinfravit units, it will be around Rs. 1400 crores and if we include it then it will be around Rs. 700 crores.
- Moderator:** Thank you. Next question is from the line of Giriraj Daga from KM Family Trust. Please go ahead.
- Giriraj Daga:** I just want to understand, what kind of execution we can target in FY '22, assuming the COVID will normalize in few months, for FY '22 what kind of revenues we can project?
- Nitin Patel:** Seem, again, I think in FY '22, definitely it will be a normal year, as we have to see how the current situation pans. Because see, everything has not been normalized so far in the country actually. But if we assume that everything is normalized by September or October, and things will be completely on the track, so FY '22 again we will be back to basically the earlier numbers actually, almost we can say based on the current orders and the new business what we are expecting that we will be able to cross almost around Rs. 3,400 crores, Rs. 3,500 crores of the top-line in that year itself actually, okay. It may go up also depending upon how the new business is getting added. But the focus, as we have mentioned, post the stake sale is

completed, obviously, the hybrid will also take place at appropriate time, we have already started the process. But our clear clarity in the mind is there, everybody now with the new team under Vasistha and basically how the complete focus is on the execution itself. And that is how we would like to take it forward.

**Giriraj Daga:** This Rs. 3,367 crores we have bid, is it for the EPC side or HAM side?

**Nitin Patel:** All are EPC.

**Giriraj Daga:** And focus of Rs. 2,000 crores, Rs. 3,000 crores of orders you are expected to win, they are again EPC, right?

**Nitin Patel:** Yes.

**Moderator:** Thank you very much. Next question is from line of Jiten Rushi from Axis Capital. Please go ahead.

**Jiten Rushi:** Sir, this Gadag-Honnali, how much equity we will put this year?

**Nitin Patel:** Actually, the total requirement of the equity is Rs. 108 crores. Out of that, almost around, initially we have to put around Rs. 75 crores, Rs. 80 crores odd, Varun, right?

**Varun Mehta:** Yes. So I think in this year we will be required to put around Rs. 75 crores to Rs. 80 crores.

**Jiten Rushi:** So, this is excluding the one equity figure you gave?

**Varun Mehta:** Yes. So, that is the figures from SIPL, and this is equity figure basically which SEL has to put in.

**Jiten Rushi:** And unbilled revenue outstanding as on March?

**Nitin Patel:** The unbilled, we have to bifurcate it. See, ultimately if you see that, as I mentioned, the build revenue, number one; number two, the accumulated price escalation to the tune of almost around Rs. 230 crores to Rs. 240 crores, outstanding of the GST and some of the arbitration awards which are already there. If we take out that, I think the unbilled revenue maybe within the range of almost around Rs. 600 crores to Rs. 700 crores maybe there actually.

**Jiten Rushi:** Sir, that is part of the Rs. 1,900 crores of debtors that you are seeing, right?

**Nitin Patel:** Yes, this is all part of the same, everything.

**Jiten Rushi:** And CAPEX, what is the target, like how when you have done in FY '20 and now what is the target for 2021 and 2022?

**Nitin Patel:** See, the target for the CAPEX, because considering the current environment is not so significant, but hardly maybe around Rs. 20 crores, Rs. 30 crores or Rs. 40 crore of basically new equipment to breach some gap if there, we may physically go for the same. Even last year also we had done almost the CAPEX largely on a lease basis, but hardly around Rs. 25 crores to Rs. 30 crores only.

**Moderator:** Thank you. Next question is from line of Alok Deora from YES Securities. Please go ahead.

**Alok Deora:** Just one question. So, regarding the HAM projects where the bank rate had come down significantly, and there was a mismatch because the borrowing cost did not come down. So, in the last one of the calls you mentioned that you have sort of discussed the same with NHAI, any update on that? And is there anything in the concession agreement related to that?

**Nitin Patel:** See, actually in HAM if you see, obviously the bank rate which has come down substantially because of the RBI's intervention considering the current environment, obviously the representation from basically all the concession and the National Highway Builders Federation that has already been given to the Finance Ministry and NHAI to consider some another alternative with regard to that actually. Obviously, because this cannot basically remain for a longer period, but here we are expecting the authority will come basically with that, discussion is already going on at authority level also. So it may come with some of the alternative or they may come with some, in past also if you might have seen because of the change in the base year of the prices, we can say that the price index, there was a gap of some calculation which the authority has later on accepted, and have considered the difference basically for the purpose of the toll revenue, toll rate actually. And that is why how it has been reflected this year, also we are expecting from the authority to come up actually.

**Alok Deora:** Okay. But is there anything in the concession agreement for the same? Or it is just that something which is outside or extraordinary...

**Nitin Patel:** An agreement is not there, but see, obviously, when the authority has taken a step to consider the force majeure, the political event of force majeure and they have accepted the losses for all the government projects and they have considered the extension for all the toll projects and even hybrid annuity projects, so this is a force majeure because this decision is also because of the force majeure kind of situation. So definitely this will also have, basically the force majeure clause maybe evoked off the concession agreement, that is what we are expecting.

**Moderator:** Thank you very much. Ladies and gentlemen, that was the last question for today. I will not hand the conference over to Mr. Amber Singhania for closing comments.

**Amber Singhania:** Thank you, Neerav. On behalf of Asian Market Securities, we thank everyone for participating in this call. And a special thanks to the management for giving us this opportunity to host the

call and taking time out for this discussion. I would like to hand the floor back to the management for their closing remarks. Over to you, Nitin bhai.

**Nitin Patel:**

Thank you very much, Amber bhai, and Asian Market Securities for organizing. Again, I am very much thankful to all the participants who have taken their valuable time for understanding this business. Obviously, this is a challenging time in the entire world actually, our country and even particularly our sector itself has also been impacted. But as we have mentioned that our first priority is to basically bring thing on a normalcy. Obviously, the way the decision making process at the company we are taking is to completely the focus is to bring the things on a normal way. And we are quite confident that just within a two to three months, we will again be back to whatever required level. And for all here, again, I would like to request to stay safe and for all of their families under this current challenging scenario. Thank you very much for all for taking your time.

**Moderator:**

Thank you very much. On behalf of Asian Market Securities Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.