# "GMR Infrastructure Limited Q1FY19 Investor / Analyst Conference Call Transcript"
# Friday, 17 August 2018

---

**Moderator:** Ladies and Gentlemen Good day and welcome to the GMR Infrastructure Limited Q1 FY2019 Earnings conference call. Please note this conference is being recorded.

We have with us today on the call Mr. Madhu Terdal, Group CFO and CFOs of GMR Business verticals.

Before we begin, I would like to state that some of these statements made in today's discussion may be forward looking in nature and may involve risk and uncertainties. Also recording or transcribing of this call without prior permission of the management is strictly prohibited. I now hand the conference over to Mr. Madhu Terdal for the opening remarks. Thank you and over to you Sir!

**Madhu Terdal:** Ladies and Gentlemen, good afternoon and welcome to the GMR's Q1 financial results. Let me take this opportunity to convey our best wishes on the occasion of the Parsi New Year and also I want to submit our personal apologies for the postponement of this call and the inconvenience caused to all of you.

Let me begin with a good news, which we have already announced to the press. GMR has finally reached a long pending settlement with our PE Investors in the airport sector. We have executed definitive agreements with our private equity investors in relation to the settlement of certain disputes; however, I would like to underline here that since this is a subject matter of arbitration, the definitive agreement is conditional upon the issuance of a consent award by the Arbitration Tribunal; therefore, we will not be able to give much details or throw much light on that. We request all the analysts and the investors to wait for some time till the arbitration settlement consent award is issued, but the only thing I would like to say is that this is one more decisive step in the GMR's quest for growth and unlocking of the value in our most important airport sector.

We are meeting at a time when the macroeconomic factors like rising oil prices, the surge in the trade war risks and the consequent inflation fears have started to bother us. Except for the issues in the banking sector, certainly with the settling of demonetization and the GST issues, economy at the macro level seems to have started making a quite comeback. It is obvious that the IMF has already projected global economy growth rate at 3.9% as against 3.7% in the year 2017.

Coming to GMR, let me the highlight a few of the positive things that have happened in the quarter. Hyderabad Airport, to begin with, clocked a profit of Rs.185 Crores as against Rs.108 Crores the corresponding period and they have already declared a dividend of 25% during this quarter. Delhi Airport, as we have earlier explained, has received the regulatory clarity from the TDSAT pertaining to the issue of the first control period and AERA has already issued a consultation paper on the applicability of BAC i.e. the Base Airport Charges.

Energy sector, which has been slightly lagging behind, continues to improve its performance on account of higher PLF in both the plants; in Warora, our profit increased to Rs.15 Crores in the current quarter as against Rs.6 Crores last year and Kamalanga made a cash profit of Rs.43 Crores during the quarter as against the cash profit of Rs.18 Crores during the previous year.

Indonesian Coal Mines, keeping in trend with the change in the commodity cycle, continue to excel with its profit increasing by 52% from Rs.210 Crores during the corresponding quarter of the last year. This year Indonesian Coal Mines i.e. PT GEMS recorded a profit of Rs.319 Crores. The increase is basically on account of higher realization and the higher offtake.

On our urban infrastructure space, Kakinada SEZ won the development rights of developing the commercial port in East Godavari District and once operational the port will have capacity of 16 million tonnes.

Delhi Airport, few of the highlights are: the traffic grew by 12% to 17.6 million in the Q1 2019 and cargo grew by 3.5% but the domestic cargo grew by 14.4%. Importantly, non-aero revenues continue to register robust growth with an increase of 20% to Rs.507 Crores. We had done a renovation in Duty Free at Airport. Post renovation, the duty free arrival area is fully opened since March 2018 and this has led to duty free revenues increasing as much as 25% YoY led by improved spend per passenger and strong international passenger growth.

Coming to Hyderabad Airport, the traffic grew by 24%. The cargo traffic grew by 9% and the Hyderabad Airport's revenue grew by 17% to Rs.343 Crores supported by a 17% growth in the aero revenue and 16% growth in non-aero revenues.

Coming to Cebu, GMR Megawide Mactan -Cebu Airport in Philippines inaugurated the new terminal T2. With the opening of the new terminal, the entire international operations have moved from existing terminal and the total capacity of the airport has expanded from 4.5 million passengers to 12.5 million passengers. The traffic in Cebu Airport registered 11% annual growth to 2.7 million passengers in the Q1 2019 and revenues and profitability, frankly speaking, are much higher in Peso appearance than it appears now because of the Indian rupee appreciation of 11% vis-à-vis Philippine Peso.

Our last addition of Goa Airport in our airport sector has continued to make robust progress. More than Rs.170 Crores investment has already been made in Goa Airport. and the Government of Goa has agreed to provide 2134 acres of land as against 2093 originally agreed, out of which 99.5% of the land has been already given to the Goa Airport. The site office has been already established and Earthworks are in progress.

Coming to the operational parameters in Energy, Warora's PLF has improved to 81% as against 77% previous quarter and as a result of that, Warora's net profit increased by a whopping 138%. As far as Kamalanga is concerned, with the tie up of the coal supply under the Shakti Scheme, long-term fuel tie up has now increased to 85%. Coal supply under the scheme has started from March 2018 and Kamalanga realized 100% coal during Q1 2019 through linkage; resulting in coal cost reducing by as much as 15% quarter-on-quarter and the Kamalanga Plant clocked PLF of 83% as against 65% during the previous quarter. Owing to this Kamalanga's cash profit increased by 146% compared to the previous quarter.

Having said that, on the two power plants which are under the stress i.e. Chhattisgarh and Rajahmundry, I am happy to inform you that as far as Rajahmundry is concerned, the resolution plan that has been submitted by the GMR and is under active consideration of all the banks and we are hoping to receive all the approvals before the end of this month. As far as Chhattisgarh plant is concerned, since the auction process is run by the banks and lenders, we believe that the two bidders are actively in the race and we are expecting a resolution to be reached very shortly. With this, we believe that a final decision will be said in both the plants at the end of this month.

As far as urban infra is concerned, as said earlier, we have got the license to develop the 16 million tonnes of the Kakinada Port, but most importantly Government of Andhra Pradesh has approved the provision of all external infrastructure including road infrastructure connecting to the nearest highway to the port boundary, water supply, and power supply at the cost of around Rs.200 Crores; this has already been approved by the state government. Besides, NHAI - National Highways Authority is taking up the Bharatmala Road through Kakinada SEZ connecting our SEZ port to National Highway number 16 i.e. the Kolkata-Chennai Highway. As a result of that, this SEZ is likely to get a very distinctive impetus in the coming days.

The AP Gas Distribution Corporation also has entered into an MoU with Kakinada SEZ to connect our SEZ lands and the units with a natural gas pipeline. Besides, GMR has also signed a number of MoUs with a few of the local companies. With this you can see that distinctive progress will be made in Kakinada SEZ in the coming months. Even Krishnagiri, our other SEZ, is also not lacking behind. One of the very top e-commerce companies in India has already agreed to take 50 acres of land in Krishnagiri in a price upwards of Rs.60 lakhs per acre and a formal letter of approval has also been received in Krishnagiri from TIDCO for the development of what is now called as the special investment region as against the original what used to be there SEZ; that is instead of special economic zone now we have got a license to develop the special investment region. I would also like to remind our analysts and investors that GMR is still yet to receive a substantial amount by way of receivables as well as the arbitration awards.

In the power sector, GMR is yet to receive about Rs.600 Crores of receivables for Warora. These are approved and waiting to be disbursed. In addition to that Kamalanga has to receive about Rs.660 Crores as well. In addition, there are another Rs.300 odd Crores, which are filed, but yet to be approved. So this is the amount we hope we will be collecting in the coming months.

As far as the roads are concerned, we have submitted total arbitration claims of Rs.2200 Crores and we believe a substantial amount of this should be realized before the end of this year or in Q1 of the next year. This is as far as the current status is concerned. Having said that, let me also touch a little bit on the growth side of what is happening in GMR.

As far as the Hyderabad Airport is concerned, new routes have been launched. Flynas has launched the operations with weekly flights to Riyadh and SpiceJet has launched operations to Hubli and various other airlines have increased their frequencies in Hyderabad. As far as the airport expansion in Hyderabad is concerned, the interim international departure terminals are in the final stages and the operations are likely to begin from September 2018 onwards.

The West Apron works are completed and the East Apron works are progressing as per the schedule and the ramp expansion is also progressing as per the schedule. As far as Delhi is concerned, the RFP documents have already been issued for the appointment of EPC contractors for phase 3A works on July 23, 2017. And as far as the new opportunities are concerned, GMR is looking very actively in the coming growth opportunities in Bhogapuram i.e. the Vizag Airport, in Nagpur Airport as well as the Jewar Airport next to Delhi, and also the operations and management contracts in Jaipur and Ahmedabad.

Ladies and Gentlemen with this I will rest and I will make the platform open for any questions and answers. Thank you.

**Moderator**: Thank you Sir. Ladies and Gentlemen, we will now begin the question and answer session. We will wait for a moment while the question queue assembles. We have our first question from the line of Pavan Kumar from CRISIL Limited. Please go ahead.

**Pavan Kumar:** My question is regarding the monetization you mentioned in your presentation, so the first one is regarding the Hyderabad land monetization for the airport, and if you see in Q3 FY2017 you have mentioned that about 120 acres have been monetized but currently it is mentioned about 90 acres, so could you please tell me if it is 90 or 120 and what is the plan going forward for that?

**Rajesh Arora:** The correct number is 90 acres only. What has been mentioned over there. will see that what was this 120, which was mentioned earlier. So the correct number is about 90 acres and then few other small transactions, which have taken place in the current quarter are close to about 4 acres of one transaction, which has taken place plus another build to suite over 50000 square feet of deal, which we have entered into.

**Pavan Kumar:** Another question is also regarding the land monetization. This is for Delhi Airport actually. The government has mentioned 245 acres has been given for commercial exploitation, but the presentation somehow mentions this as 230 acres?

**Rajesh Arora:** It is only 230 acres. It is not 240 acres.

**Pavan Kumar:** It is 230 acres only right Sir?

**Rajesh Arora:** Yes.

**Pavan Kumar:** Thank you very much.

**Moderator**: Thank you Sir. We have the next first question from the line of Ashish Shah from IDFC Securities. Please go ahead.

**Ashish Shah:** Good evening Sir. Sir just a couple of questions. First, we have seen that in Kamalanga there has been a reversal of Rs.150 Crores in terms of revenue, so what exactly has led to this reversal? There is a mention of CERC order, but if you can please explain what is that order about?

**Manojkumar Singh:** This is pertaining to the CERC deciding the tariff for the control period of 2104 to 2019. So on account of the reductions in the project cost approval, which was approved at Rs.5760 Crores almost, because of that there is a reduction of 17 paisa in tariff, so that has been translated to Rs.150 Crores.

**Ashish Shah:** They have reduced the approved project cost retrospectively?

**Manojkumar Singh:** It is not having that. Whatever the project cost, which we submitted to them so whatever the estimation it was because these are things, which was a provisional estimated by the company, which was subject to the CERC doing a final diligence and doing the cost part of it. As per their regulations and regulatory part of it, they have approved and the cost is lesser than what we were anticipating and because of that there is a reduction of Rs.150 Crores has happened.

**Ashish Shah:** How much is the cost, which they have not allowed? So what were we assuming earlier against 5950, which they have approved?

**Manojkumar Singh:** They have not approved close to Rs.230 Crores of the cost.

**Ashish Shah:** Rs.230 Crores is what has not been approved?

**Manojkumar Singh:** That is correct.

**Ashish Shah:** Sir also about Warora; we have seen that while Kamalanga has seen the fuel cost coming down, but Warora somehow has seen an increase in the fuel cost, so from last year Q1 also it has gone up and there is a marginal increase from Q4 to Q1 also, so what would be driving that increase?

**Manojkumar Singh:** That is because of the escalation of the coal cost is there. That is the reason the fuel cost has gone by 18%, which has increased the fuel cost.

**Ashish Shah:** Sorry Sir I was not clear on that.

**Manojkumar Singh:** You know that as far as the coal cost is concerned every six months the CERC comes out with escalation factor, so for this half yearly the CERC has increased escalation by 18% and that is the reason the cost has gone up, I mean the fuel cost has gone up.

**Ashish Shah:** I thought that CERC escalation would increase the tariff? The fuel cost would depend on what Coal India is supplying to us?

**Manojkumar Singh:** The Coal India cost has been increased by Rs.83. The Coal India cost has been increased by Rs.83 per metric tonne, so what we were getting in Warora was that Rs.3811 which has been increased by Rs.83 per metric tonne that part.

**Ashish Shah:** Just one question before may be then I later on come back in the queue. In DIAL we have seen that the volume of cargo growth was about 3%?

**Madhu Terdal:** I think it is better you come for the second round. Can we continue?

**Moderator**: Thank you Sir. We have the next first question from the line of Nikhil Upadhyay from Securities Investment Management. Please go ahead.

**Nikhil Upadhyay:** Good evening and thank you for the opportunity. Sir in your presentation on Kakinada you have mentioned we have multiple MoUs, which we have signed if you can just give some idea on what stage are these MoUs and how do you see the monetization timelines from where we are now?

**Mohan Rao M:** We have mentioned that there are about 700 acres MoUs with five companies because of the confidentiality reason I am not in a position to disclose the names, but these are very big companies and very reputed companies in the market especially because we have got these converting the captive port into the commercial port, which has come very recently. All these companies are showing very much interest now. Most of the things are port based in the industry, so all MoU are going very fast and I am not in a position to tell exactly, but they will be closed very shortly.

**Nikhil Upadhyay:** What about this Soft Bank MoU for the solar project?

**Mohan Rao M:** That is also the same thing. In fact, the teams have come two times to three times. They have launched that. They are satisfied. Then only they entered the MoU. It is also in a very active consideration.

**Nikhil Upadhyay:** Sir do we see anything getting monetized this year out of Soft Bank plus 700 acres?

**Mohan Rao M:** Most of the things will be monetized during this year.

**Nikhil Upadhyay:** Thanks a lot Sir.

**Moderator**: Thank you Sir. We have the next first question from the line of Pavan Kumar from Crisil Limited. Please go ahead. Please go ahead.

**Pavan Kumar:** Once again thank you. Actually I forgot one question. I just got it. This question is regarding the ports. You told that you are going to construct a 16 million tonne port in Kakinada so when it is going to start construction Sir and what is the timeline you are looking at to start this operation of this port?

**Madhu Terdal:** Let me clarify to you, we did not say that we are constructing the port. A decision has to be taken on that. What I mentioned was this port will have the capacity of up to 16 million tonnes. Exactly the contours and all everything has to be there because now we have won and it has gone now for the security clearance at the Government of India level, but the actual strategic plan about the whole thing is under preparation and at the right point of time, we will come and explain to the investors exactly the plans regarding the port.

**Pavan Kumar:** Thank you very much.

**Moderator**: Thank you. We have the next question from the line of Shirish Rane from IDFC Securities. Please go ahead.

**Shirish Rane:** Good evening Sir. Sir on the question of the settlement with private equity investors, so I know you cannot disclose the terms of the settlement, but from a process standpoint what happens now? What are the steps till we can say that the process is settled and now we have sort of settled the whole issue?

**Madhu Terdal:** The details of the process I may not be able to tell you, but we can say that some amount of finality will be reached in about 30 days from now because it will be involving certain amount of monetary exchange plus the consent award to be approved by the Singapore Arbitration Court.

**Shirish Rane:** After that there will be some kind of finality where they would not have any charges against the company essentially that is what you say will be achieved in 30 days' time essentially?

**Madhu Terdal:** I will not be able to tell anything on that. What I can only say is that a consent award will be reached.

**Girish Rani:** Fare enough Sir. Thank you very much.

**Moderator**: Thank you Sir. We have the next first question from the line of Avinash Bala an Individual Investor. Please go ahead.

**Avinash Bala:** Sir the question is on the consolidated debt, so over the last two to three years, we have brought out debt from Rs.36000 Crores to about Rs.18000 Crores, but in the cash flow statement the net outflow is more or less in the range of Rs.3000 Crores, so I just wanted to understand the first of all as to how this debt has been reduced from Rs.36000 Crores to about Rs.18000 Crores or whatever is the level that was right now? That is my first question.

**Govindarajulu T:** Because it is difficult explain over phone. Basically some of the units are now gone out of consolidation and became joint ventures.

**Madhu Terdal:** I have not understood your question Sir. It would be good if you can.

**Avinash Bala:** My question is basically our debt has come down from Rs.36000 Crores to Rs.18000, but the net cash outflow for repaying the debt is only around Rs.3000 or Rs.4000, so my understanding is that most of this reduction in the consolidated debt is because of entities that is going out of consolidation right because how much?

**Madhu Terdal:** It is a combination of the entities going out. It is a combination of repayment of the actual debt by the way of servicing of the debt plus also reduction in the actual debt by the way our divestment proceeds as well as the equity offerings whatever we have made, so it is a combination of all this, but I will be very happy if you can engage with Mr. Amit Jain, I think we will be able to take you through the exactly how the split up has occurred.

**Avinash Bala:** Absolutely. Thank you Sir and my next question is on this Chhattisgarh and Rajahmundry, which you said that we will have a finality in the next whatever 60 days, but what I wanted to understand is in these the lenders have converted to majority, but the interest servicing for month-on-month basis it is still GMR responsibility on the remainder of the debt is my understanding correct?

**Madhu Terdal:** Whatever the debt has gone into the SDR process is not currently in the balance sheet. There is no responsibility or obligation to service this interest. And final settlement when it will happen. Everything will be accounted for.

**Avinash Bala:** I read somewhere in the financials that GMR has given some bank guarantees to the banks to the extent of interest right?

**Madhu Terdal:** Sorry can you repeat?

**Avinash Bala:** Has GMR given bank guarantees for these interests for these two particular units?

**Madhu Terdal:** As far as the Chhattisgarh is concerned, the listed company has not given any guarantees. As far as the Rajahmundry is concerned, we have disclosed earlier. We had given a corporate guarantee and I will not be able to disclose more details, but once you see the restructuring happens I can only say that the listed company's liability will come down very substantially. In addition to that we will be getting another 17 to 20 years' time to service this debt, so all in all the listed company's risk would have completely be either deferred or come down very substantially.

**Avinash Bala:** That is what I wanted to understand Sir. Thank you so much.

**Moderator**: Thank you Sir. We have the next first question from the line of Manu Agarwal an individual investor. Please go ahead.

**Manu Agarwal:** Good evening Sir. Sir have we signed any MoU regarding defense manufacturing that we are setting up?

**Madhu Terdal:** Kakinada?

**Manu Agarwal:** Yes?

**Mohan Rao M:** Sorry come again.

**Manu Agarwal:** Are we setting a defense manufacturing hub also? There was a report or some article on your website, which said that we have signed an MoU setting a defense manufacturing hub, so I could not understand what is the timeline and how is it going forward?

**Mohan Rao M:** The discussions are happening regarding this I think MoU, but the formal MoU is not yet signed.

**Manu Agarwal:** The setup would be near Kakinada Port only and the Kakinada SEZ only?

**Mohan Rao M:** What you are talking about is Krishnagiri SEZ.

**Manu Agarwal:** Sorry.

**Mohan Rao M:** In case of Kakinada, we have entered a lot of MoU, but in Krishnagiri SEZ the discussions are going on.

**Manu Agarwal:** Thank you. That's it from my side.

**Madhu Terdal:** In all these things let me clarify to you the model of GMR is that we will be monetizing the land only. There will be no investment or expenditure on behalf of the GMR expect for providing the basic infrastructure. So I would like to clarify even if it is defense or anything else, there will be no investment intended from GMR side other than the normal basic infrastructure.

**Moderator**: Thank you very much Sir. We have the next first question from the line of Vipul Shah an individual investor. Please go ahead.

**Vipul Shah:** Good evening Sir. My question is regarding the aero revenues for DIAL so if I divide your revenue by number of passengers, I get that in this quarter we have got only Rs.120 per passenger as against as Rs.650 in the corresponding quarter of last year, so where will this tariff will be increased and how come you say that the verdict, which we got from TDSAT was favorable?

**GRK Babu:** As per the Supreme Court order the second control period tariff was implemented on July 7, 2017, so the quarter-on-quarter comparison is very difficult so after implementing the second control period tariff order, we have received a TDSAT order. The TDSAT order effect has not been given by the regulator because the TDSAT order in itself it is mentioned by the tribunal that the effect will be given only in third control period, so the effect you will be able to see when implementation of third control period tariffs.

**Vipul Shah:** When third control period will start?

**GRK Babu:** The third control period effectively will start from April 1, 2019 to 2024 and we are in preparation of filing our application for third control period and we are likely to file shortly.

**Vipul Shah:** Which date in 2019 come again Sir?

**GRK Babu:** April 1, 2019 is the starting date for third control period.

**Vipul Shah:** From a layman's point of view how much tariff will go up from Rs.120 roughly?

**GRK Babu:** That will be very difficult to say because all depends upon application we make and it depends on our capex what we are incurring and TDSAT effect by the regulator, so it will be very difficult to say any figure now.

**Vipul Shah:** But in which quarter the effect will be seen because DIAL is our prime asset and if it is bleeding then?

**GRK Babu:** No once the tariff application is filed and considering our capex, if the tariff finalization is done by the regulator by January 2019, I think April 1, 2019 if they are implemented and Q1 of FY2020 we will be able to see if the tariffs are determined.

**Vipul Shah:** Earlier if we can see the increase in tariff will be Q1 of 2019-2020 that is what you are trying to say?

**GRK Babu:** Yes, that is correct hopefully if the tariffs are determined by that time.

**Vipul Shah:** My last question Sir, we have so many hydro projects which are to be developed so what is the funding requirement for that and how we are going to fund this plus this port? On one sided we are deleveraging and on the other side we have capex commitments like I find it little contradictory?

**Ashis Basu:** While we have quite a few hydro projects currently only one is under construction Bajoli Holi, which is we are targeting for completion by the next June 2019. Besides that, we had two hydro projects in Nepal one, which we have already divested and the transaction is to close in the next 30 to 60 days. There is another hydro project in Nepal. There is no capex plan as of now. Our plan is to create value of these projects to initial development, tying up of PPA, which we are doing and suitably monetizing it. That is the focus of the plan. In the one hydro project, which we divested, we got nearly six times the book and the approach is to monetize. No plan for building any more hydro projects other than what we have currently undergoing construction.

**Vipul Shah:** In one hydro project, which we are constructing what is the remaining capex Sir?

**Ashis Basu:** The remaining capex in terms of equity contribution is around Rs.200 Crores, but we are going to get it funded without GMR investing money. That is what is going on the process.

**Vipul Shah:** Thank you very much. All the best.

**Moderator**: Thank you Sir. We have the next question from the line of Vivek Ashok an individual investor. Please go ahead.

**Vivek Ashok:** Good evening Sir. Thank you for the opportunity. I just wanted to find out that there is a significant reduction in this energy sector? The revenue in energy sector has gone from Rs.453 Crores to Rs.72 Crores so that is from the last quarter, but as per investor presentation Warora alone has clocked around Rs.463 Crores and Kamalanga has clocked under Rs.456 Crores, so can you just give us more clarity on how the accounting treatment is done here?

**Ashis Basu:** One very basic reason is our trading business what we were doing as per the established accounting norm was to book the gross sales. Now with the change in accounting norms, we are booking the net margin, so while Kamalanga and Warora have done better, this is more of the trading margins versus gross.

**Manojkumar Singh:** Also to be noted that when GMR Infrastructure is consolidating its accounts and the energy business the Kamalanga and Warora they have been only the profit is getting consolidated; however, what you are trying and seeing over there normally the net revenue, which is getting extracted from the GMR Energy Trading.

**Vivek Ashok:** Thank you. My second question is in the last quarter GMR Sports had made a sale, the Delhi Daredevils are 50% to JSW at around Rs.550 Crores if I am not wrong, I just wanted to find out whether have you accounted that income in the last quarter or this quarter or if it is not when it is going to happen Sir?

**Madhu Terdal:** This is at the promoter's holding company level, I do not think we will be able to comment or answer to this question and this is not a part of the GMR infrastructure data?

**Vivek Ashok:** Thank you so much.

**Moderator**: Thank you. We have the next first question from the line of Vipul Shah an individual investor. Please go ahead.

**Vipul Shah:** Sir any concrete plans for DIAL's expansion and what is the capex for the second phase of DIAL expansion and how we are going to fund it?

**GRK Babu:** The expansion of the DIAL has been principally approved by the regulator by about Rs.7970 Crores.

**Vipul Shah:** Sorry Rs.7000 Crore?

**GRK Babu:** Rs.7970 Crores in principal approval has come from the regulator. We will start. We already have explained that we are already in the process of selection of EPC contractor, so as of now, the funding plan has not been finalized since we are already having sufficient cash balance right now. So it will be finalized in the due course of time.

**Vipul Shah:** My last question regarding this settlement with PE investor for this GMR Airports will there be any cash outflow from listed entity?

**Madhu Terdal:** At this point of time, we will not be able to answer any of these queries Mr. Shah.

**Vipul Shah:** Thank you.

**Moderator**: Thank you Sir. Ladies and Gentlemen that was the last question. I now hand the conference over to the management for closing comments. Sir over to you!

**Madhu Terdal:** Thank you once again Ladies and Gentlemen and thanks for your active participation. You will notice that in every sphere whether it is a reduction of debt or finding out solution for our stressed assets, improvement in the operational parameters in the energy, and striking the growth roads in the airport sector. In every segment, you must have started seeing a very steady and sustained progress during the last one-year or so. There will always be a lag effect between the actual things happening on the ground and the numbers underlying that will reflect these changes in the coming days. We urge the discerning investors to notice these changes and GMR promises to improve its operational and performance matters in the coming quarters. Thank you ladies and gentlemen once again.

**Moderator**: Thank you Sir. Ladies and Gentlemen, on behalf of GMR Infrastructure Limited that concludes this conference call. Thank you for joining with us. You may now disconnect your lines.

***Note**: Transcript has been edited to improve readability*.