



Ashoka Buildcon Ltd.

“Ashoka Buildcon Limited Q4 FY 2019 Earnings Conference Call”

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Ashoka Buildcon Ltd.



MANAGEMENT: **MR. SATISH PARAKH -- MANAGING DIRECTOR**
 MR. PARESH MEHTA -- CHIEF FINANCIAL OFFICER

ANALYST: **MR. ROHIT NATARAJAN -- ANTIQUE STOCK BROKING**

Moderator: Ladies and Gentlemen, Good Day and Welcome to the Ashoka Buildcon's Q4 FY 2019 Earnings Conference Call hosted by Antique Stock Broking 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 "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rohit Natarajan from Antique Stock Broking Limited. Thank you and over to you, Sir!

Rohit Natarajan: Thank you, Nirav. On behalf of Antique Stock Broking, I welcome all participants to Ashoka Buildcon's 4Q FY 2019 Earnings Conference Call. From the management, we have Mr. Satish Parakh -- the Managing Director and Mr. Paresh Mehta -- the CFO.

We would like to thank the management for given us this opportunity to host their conference call.

Without any further delays, I would now hand over the call to the management. Over to you, Sir!

Satish Parakh: Yes, thank you, Rohit. On behalf of Ashoka Buildcon family, I welcome you all to our earnings conference call for quarter year ended 31st March, 2019. Joining me on the call is Paresh Mehta -- our Chief Financial Officer; and Stellar Investor Relations our IR advisors.

To start with, I will initially brief you on company's performance during the year followed by industry opportunity and other company developments.

We are glad to inform you that the company witnessed robust performance during financial year 2018 - 2019. With the consolidated turnover revenue, crossing Rs. 5,000 crores mark supported by our financial discipline and strong or the book and execution capabilities. We also reported highest ever quarterly revenue of Rs. 1,345 crores for any quarter in the quarter four of FY 2019, bettering our performance in quarter three of FY 2019. We are confident to deliver the same going forward.

Moving on to the industry opportunity, there was a slowdown in order award activity the road sector primarily due to the delay in land acquisition by NHAI and also, delay in financial closures of awarded hybrid annuity projects during the last year a few of the new road players. Also, general elections in April - May 2019 restricted to project awards on grounds of the code of conduct coming in place before elections.

During the year, in Road space, Ashoka Concessions Limited, a subsidiary of the Ashoka Buildcon, won a Road HAM project worth Rs. 1,382 crores from NHAI in Karnataka under Bharatmala Pariyojana.

We also won project worth Rs. 1,237 crores from Rail Vikas Nigam Limited. The Company's total order book as a 31st March, 2019 stands at Rs. 8,394 crores and on adding Rs. 1,264 crores order received from RVNL, Punjab and HAM for Tumkur IV package, the balance order book would look like Rs. 9,658 crores. If you look at the breakup, road project comprise of Rs. 6,744 crores, which is 80% of our total order book. Power T&D balance was Rs. 914 crores, which is around 11% of our total order book. And Railways which is a new sector Rs. 720 crores, which is around 9% of the total order book. And we have also have balance order of Rs. 16 crores in our CGD space.

Among projects of order book EPC projects around Rs. 2,124 crores and BOT HAM projects EPC is around Rs. 4,620 crores.

Over the year, the road infrastructure has been key for the government priority. In interim budget 2019 - 20, government has given a massive push for infrastructure with allocating Rs. 4.56 lakhs crores. Government has increased the budget allocation with Rs. 83,000 crores for highway sector. And also, government has allotted around Rs. 19,000 crores for PMGSY. For Railways, the proposed CAPEX is around Rs. 67,000 crores, which is 21% more than the last year.

With the formation of the stable government and impetus for country's infrastructure development, we believe the ordering activity in the road sector to gain momentum and expect a strong awarding activity in financial year 2019 - 2020.

Now moving on to the key developments of the company:

I am happy to state that we have received a favorable arbitration awards to the tune of around Rs. 698 crores in the last year, which makes total outstanding awards in favor of the company to the tune of Rs. 1,400 crores. During the year, company successfully achieved financial closure for all its five HAM projects. The company received an appointed date for Khairatunda Barwa Adda HAM project during the quarter. Earlier in Q3 appointed date was received for Ankleshwar Manubar HAM project. We expect to receive the appointed dates for the balance 3 HAM projects very soon.

That is all from my side, I would now request Mr. Paresh Mehta to present the financial results for Q4 FY 2019.

Paresh Mehta:

Thank you sir. Good Morning, everyone. The result presentation and press release for the quarter has been uploaded on the stock exchanges and on the company's website. I believe you all may have had the chance to go to the same.

Now I will present the financial results for the quarter and the year ended 31st March, 2019. Starting with a consolidated result, the total income of FY 2019 stands at Rs. 5,007 crores as compared to 3,655 crores in FY 2018, registering a growth of 37% year-on-year. EBITDA stood at Rs. 1,471 crores in FY 2019, a growth of 24% on year-on-year.

Now, coming to the standalone numbers. The total income for Q4 FY 2019 stands at Rs. 1,345 crores as compared to Rs. 764 crores in corresponding corporate last fiscal registering a growth of 76% year-on-year. For FY 2019 total income grew by 55% year-on-year to Rs. 3,936 crores against Rs. 2,546 crores in FY 2018.

During FY 2019 BOT division recorded a total collection of Rs. 979 crores. EBITDA for the quarter a Rs. 220 crores as compared to Rs. 142 crores in corresponding last year, a 55% year-on-year growth. EBITDA for FY 2019 was at Rs. 631 crores, 61% year-on-year growth against the Rs. 391 crores in FY 2018. The company reported PAT of Rs. 98 crores in Q4 FY 2019.

For FY 2019 profit after tax was at Rs. 286 crores, a 21% year-on-year growth over Rs. 237 crores reported in FY 2018. Total consolidate debt as on March 31st, 2019 is at Rs. 5,679 crores of which projected debt is Rs. 4,959 crores. The standard debt is Rs. 720 crores, which comprises of Rs. 245 crores of equipment loans; Rs. 325 crores of working capital loans and Rs. 150 crores of NCD.

With this, we open the floor for Q&A. Thank you very much.

Moderator:

Thank you very much. We will now begin the Question-and-Answer Session. The first question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.

Parikshit Kandpal:

So, we have this quarter and results on the P&L side has been very good. But again, the balance sheet, we are seeing debt going up. So, last time, I think we have guided at our peak that will go up to Rs. 775 crores. But we have already reached around Rs. 800 crores. So, one side, I mean, the growth is there. And next year also we are guiding a strong growth. So, I just want to understand that Where is the debt going to head from here? And in terms of asset monetization, we have seen often a lot of companies doing asset monetization. So, we have been investing over last so many years. So, if you can just correlate these two things, I mean standalone debt where it will head? And how do you want to bring it down with the asset monetization plans?

Satish Parakh:

Yeah, so all the debt side, as guided last time that we were expecting standalone debt to be in the range of between the Rs. 700 crores to Rs. 800 crores. We are at Rs. 720 crores now working capital, other debts are related more to inter-company debt. So, if knocked off, it will be around Rs. 720 crores of working capital. No doubt this is because of investments in HAM projects, which will get recovered over a period of time, for which we have raised this Rs. 150 crores of NCD's also. Also, this could have been lower in case we would have started the other three projects in time, then this debt would have been lower. Nevertheless, this debt will continue for a year or so on this basis for provided that we did nothing on the monetization side. If we go at is monetizing of assets, definitely the market is vibrant on and there are a lot of investors who are interested in buying assets, those who have deep pockets either in the form of an InvIT structure or in the form of just asset buyout or a portfolio buyout. So, these two opportunities are also always being looked forward by the company. In view of the

Macquarie exit in the planning I think so this would be a good opportunity to monetize the assets.

Parikshit Kandpal: This Macquarie thing has been now so what are the timelines now and I understand, that the our monetization will happen post the Macquarie exit, right?

Satish Parakh: Not necessarily, this could be coincided. So, from a timelines perspective Macquarie has another two years of extended period of their liquidating their investment. So, time is there in hand to take addition and carry on.

Parikshit Kandpal: But internally, how much time, like what are your targets that you are looking at monetizing, like within one year or it will be like between one to two years.

Satish Parakh: Yes, we are planning within 8 months to 10 months, we should try to give them an exit and probably, have an exit for us too.

Parikshit Kandpal: At the same time, coinciding around the same time. So, within one year, we should have something panning out there. Just lastly, on the arbitration, sir you have said that Rs. 1,400 crores of already we have received arbitration awards in our favor. So, the time to realize these awards. So, how do you plan on intend to pursue these getting realized. So, what is the strategy or the game plan?

Satish Parakh: See, these are all about, some of them are now are being contested in the courts. So, we will be looking at the various structures of monetization. One of them is I can go and settle with the state government and NHAI's for NHAI work. NHAI has been very proactive in settling awards. So, the last quarter we could not do anything because of elections processing because nobody was available for such kind of processes. But maybe another two quarters, we will try to settle either through the governments or then we can go in for other innovative models which are now seen in the market.

Parikshit Kandpal: Okay. So, you will try for an out of court settlement initially, if it works out, otherwise, we will try for something else

Satish Parakh: Yes, it works; normally it works out of court settle. Particularly, with the NHAI and MRTH and state governments, they have not tried out of court settlements till date. But maybe going ahead, the will follow. In all other cases, we have seen they have always forward national highway. So, state will also follow that.

Parikshit Kandpal: But within one year, we did get some realization out of this Rs. 1,400 crores.

Satish Parakh: Yes, partial realization like our Chittorgarh bypass we settled with a NHAI and we could realize to the tune of Rs. 40 crores in two tranches. So, definitely there are way forward on this. Otherwise, also when we go to high court, government has to deposit money and we can

withdraw at bank guarantee. Already state government has deposited around Rs. 50 crores, which we are in the process of withdrawing via bank guarantee.

Parikshit Kandpal: So, around half of this Rs. 600 crores to Rs. 700 crores, can we realize this year on this?

Satish Parakh: I cannot give you specific figure because these are all settlements and in settlements normally, they negotiate on the value, on the interest rate part, particularly. So, if this negotiation is favorable for the company, we will settle it, otherwise, we will fight out at the courts and money realization can happen once we will certainly take to the high court.

Moderator: The next question is from the line of Vibhor Singhal from PhillipCapital. Please go ahead.

Vibhor Singhal: Sir, given that we have done a very strong performance this year of around 56% kind of growth and top-line. And our order which stands at including the L-1 which the order book stands at around Rs. 9,600 crores. What do you think, could be reasonable top-line growth guidance for the next year?

Satish Parakh: Yeah, with the works already in hand and with lot of works in pipeline, what I feel we can easily do growth of around 25% to 30%. Yes. If we bag more projects than definitely, we have capability of going at 45% to 50% also. But we never go aggressive in bagging projects. If get at reasonable margin then definitely we have capability to go over Rs. 40 - Rs. 50 crores. It depends upon what opportunities come across in next two quarters to three quarters.

Vibhor Singhal: Sure. So, I was coming to that. Given that the elections have just concluded and the government bodies might take some time in probably getting up with the order awards and all that. And NHAI anyways has not been awarding much for the last year. And if you look at the order book also, I mean if this year we did a top-line of around Rs. 1,300 crores and the order book of Rs. 9,600 crores is approximately two and half times book to sales. So, if we are looking at let us say a top-line of around even a 25% of growth then we are looking to almost execute more than half the order book, almost half the order book this year itself. And given that three projects and HAM projects we have not yet received the appointed date.

Satish Parakh: Yes. These three are at a very much in advanced stage of norms because 3G of almost 95% plus has been done. Only is the question of doing 3H which is just payments to be done, which will happen in one month or two months going ahead. So, even if we see the timeline for all these projects, the average timeline to execute is around most of the project of the Rs. 9,600 crores around Rs. 8,000 crores we have to execute in two years. So, we expect to execute at least in road space Rs. 3,500 crores to Rs. 4,000 crores. Another Rs. 800-1,000 crores in Power and Railways. So, we should be able to cross Rs. 5,000 with only current order book. If we are able to bag some more orders, we will definitely cross Rs. 5,000 crores next year.

Vibhor Singhal: Okay, so you are saying Rs. 3,500 crores, we could do in the road segment itself?

Satish Parakh: Yeah, Rs. 3500 to Rs. 4,000 crores.

- Vibhor Singhal:** Okay, sure, sir. And also sir, on the equity side, in the HAM projects, could I just get a bookkeeping number of how much equity we have invested and how much remains to be invested?
- Paresh Mehta:** We have already invested Rs. 520 crores in the HAM projects. And of course, in the HAM project approximately Rs. 500 crores and another Rs. 35 crores in the CGD business. In the coming two years, we will be investing in all the HAM project including the new ones, the commitment would be approximately, Rs. 310 crores in the road business that is HAM project and Rs. 50 crores in the CGD business. And the further year in 2021, we would have completed investment of all the HAM projects of Rs. 150 crores, balance Rs. 150 crores plus another say around Rs. 25 crores to Rs. 50 crores in CGD. So, this is planned outlay of equity, Rs. 360 crores into 2019 - 2020 and Rs. 200 crores in 2020 - 2021.
- Vibhor Singhal:** Okay, sir. Sure. And just last question, sir. We took a board resolution this time of raising Rs. 1,000 crores of capital from various sources, equity, debt or various other means. Could I just get some details on that? Is it somehow related to maybe providing an exit to the SBI Macquarie number deal or is it for basically internal basically HAM equity requirement or working capital requirement or maybe for some other growth prospects that we are looking at? Or it is just enabling resolution?
- Paresh Mehta:** Basically, it is an enabling resolution for the past two years, we have been taking that and fortunately, we could liquidate it last year for Rs. 150 crores for NCD which we raised in December 2018. We are keeping this option open, in case we have an opportunity to raise another small NCD for another two years to three years in case of how the HAM projects keep on bidding and in case, we can monetize our assets then this enabling resolution probably would not be dipped into.
- Vibhor Singhal:** Sure, sir. Sir, last book keeping question, last year, the carrying value of the ABI Macquarie stake on our balance sheets was Rs. 1,359 crores, would that number have changed this year as per the IndAS accounting or it remains the same?
- Paresh Mehta:** Yeah, so that would be Rs. 1,481 crores in this year.
- Vibhor Singhal:** Rs. 1,481 crores, okay, sir.
- Moderator:** Thank you. The next question is from the line of Shubdeep Mitra from JM Financial. Please go ahead. Shubdeep Mitra, your line is in talk mode. Please go ahead with your question.
- Shubdeep Mitra:** Yes, sir, congratulations on a great set of numbers. Just wanted to check that given that we have delivered, better than expected margins, are you looking at upping the guidance on the margin front for future?
- Satish Parakh:** No, I do not think so, are we have bid with a particular margin and these margins will continue to remain. The margins are also up due to certain other incomes, which are interest charge to

our subsidiaries, which will in the course of time probably go down. So, the pure EBITDA or the EPC margin will continue to remain in the range of 11% to 12.5% in power and roads.

Shubdeep Mitra: Understood. 11% to 12.5%, understood. Secondly, given that we are also looking at probably NHAI opening up on the ordering going ahead is there any target order inflow that you would be looking at and any split between say HAM and EPC?

Satish Parakh: We will be looking at both HAM and EPC. So, basically, there is no difference for us as far as execution is concerned.

Shubdeep Mitra: And any indicative inflow number that you would be targeting for the current year?

Satish Parakh: It will all depend upon how fast the bidding pipeline comes in; we hope NHAI should be in Q2 be able to put out a lot of projects. So, it will all depend upon and there are states also showing up a lot of opportunities. So, it will be EPC for states and then HAM and EPC for NHAI together. So, we do have to bag around Rs. 4,000 crores at least this year.

Shubdeep Mitra: Rs. 4,000 crores at least, understood, okay. Lastly on the debt equity side, would you have any say peak consolidated debt-equity number that you are comfortable with beyond which you would not want to expand?

Paresh Mehta: See, we are funding our BOT projects, our HAM projects in the structure of almost 80% - 20% debt to equity. So, from that perspective 4:1 is what the debt-equity we can reach up to, our today's position debt-equity on a console basis keeping the Macquarie accounting aside is in the tune of 3.03. So, I think so, even if we take up Rs. 3,000 crores on HAM projects for this year, we would be considering the EPC margins you we make during the year, PAT margins rather PAT margins, I think so we will be not really far away and we will be around say 3.2 maximum. So, we still have a lot of room to take up HAM projects and year-on-year because of the mix of EPC and HAM the margins will contribute to take care of any additional equity then this will be propped up with any monetization of assets. Though the debt-equity would go down.

Shubdeep Mitra: Understood. Okay, lastly, just checking, I think we were talking about probably doing revenue of closer to Rs. 5,000 crores in FY 2020. So, clearly, would be looking at an order inflow number that would be higher than that, right because only with the Rs. 4,000 crores kind of an order inflow number you might fall behind on the book to bill.

Paresh Mehta: Rs. 4,000 crores only would be for pure road sector that we are having. Now, we are very good at railways, where we are already executing around Rs. 1,250 crores of orders. So, railway also will be sowing another opportunity where we hope to bag at least Rs. 1,500 crores to Rs. 2,000 crores. Other than this, we have power sector where we will be looking for another Rs. 1,000 crores of order. So, total inflow, what we would be looking is Rs. 6,000 crores to Rs. 7,000 crores.

- Shubdeep Mitra:** Exactly. So, that should be around the Rs. 6,000 crores to Rs. 7,000. Perfect. That kind of answers all my questions.
- Moderator:** Thank you. The next question is from the line of Sriram Kumar from Spark Capital Advisors. Please go ahead.
- Sriram Kumar:** Sir, I have a couple of bookkeeping questions. Sir, what will be the bonus and arbitration received recognized in fourth quarter and for the year?
- Paresh Mehta:** No bonus, no arbitration were recognized in this quarter.
- Sriram Kumar:** And for the year?
- Paresh Mehta:** For the year, only we must have taken approximately in June 2018 for the Eastern Peripheral Expressway project approximately Rs. 18 crores and Rs. 18 crores in Chittorgarh project
- Sriram Kumar:** Sir, next will be on the split of standalone revenue, so how much would roads certification project and others?
- Paresh Mehta:** So, for the quarter, on the roads sector, we did Rs. 938 crores of revenue for this quarter, Q4 and Rs. 298 crores for power sector. Against that the yearly execution was Rs. 2,572 crores for roads and Rs. 1,016 for power. Then on the smaller businesses like RMC we executed Rs. 37 crores in this quarter and totally Rs. 157 crores in the whole year.
- Sriram Kumar:** Okay, sir. Sir, what is the toll hike taken for the assets that were due for the hike in April 19?
- Paresh Mehta:** So, approximately the toll hike was in the range of 3.7% for most of the projects except for Jaora it was around 7%.
- Sriram Kumar:** Okay, sir. Sir on the promises that has been taken this quarter also. So, we had actually provided industry last quarter and we were confident of getting the receivables back. So, but we have provided for this quarter also. The surplus we have GVR structured to us or will it go to the common pool under IRP?
- Paresh Mehta:** So, see, we had an exposure of approximately on the financial and operational creditors around Rs. 60 crores in GVR project, where at present, we have done a provision of Rs. 48 crores total. Now, the company is still under NCLT, is yet to receive resolution plan. Once that comes in, we come to know what is the allocation. Apart from that we have a pledge already now in our favor which we have already intimated to the RP, which we expect to keep to ourselves. So, we come to know as time goes by, but there is yet the resolution plan yet to be submitted and further actions to be taken by RP and NCLT.
- Sriram Kumar:** Yes, sir. Sir, finally, so what is the land acquisition status in terms of 3H for the HAM project that are yet to get the appointed date sir?

- Paresh Mehta:** See, as far as the land acquisition goes, the three projects basically Package-1 and Package-2 of Tumkur-Shivamogga we have 3G has been done 95% and 99%. 3H point of view land price if you see Package-1 only 51% has been done on Package-2 around 37% has been done. But we had recently meetings with senior officials of NHAI and Chief Secretary Karnataka, where they have promised this to complete by June end or July first week. So, we hope to get an appointed dates for these entire three projects by July 1st week.
- Moderator:** Thank you. The next question is from the line of Abhinav Bhandari from Reliance Mutual Fund. Please go ahead.
- Abhinav Bhandari:** Just couple of questions. One is on the NHAI side, if I am not wrong, they are looking to revive the BOT projects once again. So, as a company, what is our thought process on the same and whether we would be participating in a significant manner?
- Satish Parakh:** See, we have been participating in BOT projects, whenever we have an opportunity, we have a good knowledge of understanding complications in BOT project. So, we will definitely would be analyzing for the sectors where there is minimum risk for the traffic as far as traffic is concerned. So, we will be participating for projects where there is no possibility of diversion of traffic.
- Abhinav Bhandari:** Sure, sure. And the idea was more to us from side that you know the equity contribution in HAM is much more limited which can be recovered majorly through the EBITDA margins also so that you earn on the projects. But on BOT assets that may not be the same picture. So, from that perspective, the idea was more to understand that since our balance sheet is already now you know having so much exposure on the equity of him projects, would we go for additional BOT assets as well?
- Satish Parakh:** But we will be churning all assets this may go as a sell so monetization of assets will definitely be there. It is not that we are going to complete and keep with us. This process is continuous. So, as we see going ahead, the existing portfolio may get monetized. So, we can have surplus cash.
- Abhinav Bhandari:** Sure, the other question was on the toll collection, which both on a Y-o-Y and Q-o-Q is largely muted. So, if you could help me understand what happened during the quarter that these numbers have not really moved on the ACL portfolio?
- Paresh Mehta:** On the toll revenue side for couple of projects like the biggest project, Dhankuni product, we have had a revenue growth of 10%. For Sambalpur, we have had a growth of 14%. So, these are doing well the other projects NH6 like Bhandara, Durg, have not done well but majorly there no specific reason is more on account of economic activities being slightly on the lower side. On Jaora-Nayagaon, the traffic is static reason being that there is some construction activities happening north of the project, which is slightly disturbing the traffic maybe within six months to eight months' time, this traffic will move back. So, I think so it is a temporary phase for these projects.

- Abhinav Bhandari:** Sure. Just one last question sir, on if you could help with the total equity invested in the ACL portfolio from Ashoka's side and the CAPEX for the year that you are looking at?
- Paresh Mehta:** So, total equity invested as of date is in the form of CCD is approximately Rs. 900 crores and Rs. 500 crores in form of loans to ACL. So, approximately Rs. 1,400 crores is what we have invested. And going ahead as I said, we have an equity outlay of Rs. 310 crores in 2019 - 2020 in ACL for our HAM projects, balance equity and for the new project.
- Abhinav Bhandari:** Sure. On the CAPEX side, sir for this year?
- Paresh Mehta:** On the CAPEX side, we will probably, we had approximately CAPEX of around Rs. 200 odd crores in 2018 - 2019. 2019 - 2020 we will be around, say almost Rs. 150 crores approximately.
- Abhinav Bhandari:** And majorly on the railway side because you got those bigger contracts?
- Paresh Mehta:** I don't think so; it is majorly on the road side only. Railways will not be lot of CAPEX value. Whatever machineries being used for the road will be used at railways. Also, base being similar but it will be included in the Rs. 150 crores.
- Moderator:** Thank you. The next question is from the line of Shreyas Bhukanwala from Canara Robeco Mutual Fund. Please go ahead.
- Shreyas Bhukanwala:** Just one bookkeeping question. So, on the interest cost we had around Rs. 90 crores for the full year. So, can you just give us the split of how much was the cost n other bank charges or bank guarantee charges?
- Paresh Mehta:** On the internet cost, the interest on NCD is approximately Rs. 5 crores and maybe I will come back on this.
- Moderator:** Thank you. The next question is from the line of Rohit Seksaria from Sundaram Asset Management Company. Please go ahead.
- Rohit Seksaria:** Sir, first question is on the receivables, receivables have gone up a lot year-on-year in March from March 2018 to 2019. Can you please explain what is the situation here and recovery also?
- Paresh Mehta:** So, receivables as I said, they have gone up, basically because HAM project have a milestone payment. So, on 31st March, even receivables look high in the first 15 days of the 2019 - 2020 we receive Rs. 300 of payment. So, it is more of a milestone base, it is a cutoff date outstanding. But I think, we have kept it under control. Our power receivers also have been kept under control. So, they are all good and substantial receivables.

- Rohit Seksaria:** Sure, sir. Sir, second question is on the investments. You have mentioned some investments have gone to HAM projects, it is not getting reflected in standalone investment number, it is hardly going up Rs. 18 crores. So, where is it housed right now?
- Paresh Mehta:** It is housed in loans to ACL.
- Rohit Seksaria:** Okay. Later on it will get converted to equity, is it?
- Paresh Mehta:** Yeah.
- Rohit Seksaria:** Okay, sure, sir. Now, last one last question, sir. This other financial asset in standalone, current asset, what is this number, sir?
- Paresh Mehta:** Other financial assets in...
- Rohit Seksaria:** Rs. 370 crores is going to Rs. 618 crores.
- Paresh Mehta:** This is basically unrealized billing. So, that we will get.
- Moderator:** Thank you. The next question is from the line of Ankita Saha from Elara Capital. Please go ahead.
- Ankita Saha:** Sir, what would be the average traffic growth to the FY 2019 for the portfolio as a whole ACL?
- Paresh Mehta:** In the range of 3% to 4% on an overall basis.
- Ankita Saha:** Sir, what is the reason for this muted traffic growth for the year? Is it because of axle load changes?
- Paresh Mehta:** That is one of the contributors and definitely, economic activity is not at the full what we expected, still there is a latent growth which is expected in this year.
- Ankita Saha:** Sir, do we think this can go back to 8% - 9% that we used to see earlier.
- Paresh Mehta:** At least NH6 we expect it to happen, so Sambalpur, Dhankuni should somewhere starts showing that kind of number of 7% to 8% growth. Jaora, seasonally if you see every two years the traffic dips and then again goes back to a very high growth numbers. As a trend if you see then these two again will return back to good traffic numbers, which could then eventually show a mix of around 8% traffic growth.
- Ankita Saha:** Okay. Because this is required if BOT model has to come back as the NHAI has been suggesting?
- Paresh Mehta:** Right.

- Ankita Saha:** So, that way, okay. Secondly, sir, any further provisioning required on GVR on our end?
- Aresh Mehta:** So, out of the Rs. 60 crores we have provided Rs. 48 crores, around 12 projects still we have not provided that not be required for anything.
- Ankita Saha:** So, can it come in FY 2020 again or in the next one quarter or two quarters?
- Paresh Mehta:** As we believe that it will probably give some money which will take care of this Rs. 12.5 crores at least that much and maybe more.
- Ankita Saha:** Okay. And sir, execution contribution from railways and CGD in this year FY 2019?
- Paresh Mehta:** From railways is not very significant but on CGD approximately Rs. 25 crores.
- Ankita Saha:** Rs. 25 crores in FY 2019?
- Paresh Mehta:** Yes.
- Ankita Saha:** Okay. And sir, I just wanted to understand these FY 2019 execution number that you have given across segments, how can these numbers look like in FY 2020?
- Paresh Mehta:** It is already, we have discussed. We believe that the road sector would throw a number of against Rs. 2,500 crores which we have executed in 2018 - 2019 should throw in the range of Rs. 3,500 crores to Rs. 4,000 and on the power sector which we have shown revenue Rs. 1,060 crores that is power plus railways would typically show a tune of around say Rs. 1,300 crores to Rs. 1,500 crores. So, that is how we intend to reach a turnover of Rs. 5,000 plus in 2019 - 2020.
- Moderator:** Thank you. The next question is from the line of Mangesh Bhadang from IDBI Capital. Please go ahead.
- Mangesh Bhadang:** Sir, firstly, in the order book, we have seen the equation in the TOT, so firstly, can we expect the same run rate going forward. And again, on the order book, when can we expect the revenue projection in the Jharkhand project.
- Paresh Mehta:** One, you have said, you want stuff on the TOT, as I said the TOT projects will have to get completed in this year 2019 - 2020. And the second question was?
- Mangesh Bhadang:** The second one on the Jharkhand project, so when can we expect the execution to start in that, sir?
- Paresh Mehta:** Jharkhand project, we have already...
- Mangesh Bhadang:** The railways project we are saying.

- Satish Parakh:** Railways project execution has already started and we are doing in Jharkhand, Bihar and Punjab. So, basically, the work has started on all three projects.
- Mangesh Bhadang:** Okay. And sir, on the balance sheet side, the loans and advances given from ABL as a balance sheet to ACL, what would be that number?
- Paresh Mehta:** Majorly that is loans and advance given to ACL on the standalone balance sheet of approximately Rs. 519 crores.
- Mangesh Bhadang:** Rs. 519 crores, okay. And sir, what would be the status of milestone payments in terms of Khairatunda project and the way it is expected in the first one?
- Satish Parakh:** We will be getting in the end of this quarter.
- Moderator:** Thank you. The next question is from the line of Ashish Shah from Centrum Broking. Please go ahead.
- Ashish Shah:** Sir, the first question is on the GVR exposure. So, apart from the you know the receivables which we have, there is also an advanced paid off about Rs. 21 crores for purchase of shares. So, what happens to that money?
- Satish Parakh:** That Rs. 21 crores is paid for shares purchase of our project Mudhol Nipani where the consideration SPA and everything is signed. We are only at transfer process is left out. And we have already got permission from primary lender to transfer the shares. And we are now written to the RP to transfer the shares in our name.
- Ashish Shah:** So, there is no risk to that particular exposure?
- Paresh Mehta:** No, as per the advice of our lawyers also there is no risk to it.
- Ashish Shah:** Right. Sir, on the Pimpalgaon project again, so you know, we have disclosed that NHAI has accepted the termination. So, just to clarify what this means is that you know, the termination that we had file along with L&T has been accepted and it is a full and final thing and there is no residual overhang or a liability on any account for this project for us now except the Rs. 13 crores which we have disclosed, which we might have to pay to L&T as per the arbitration order, which we got. So, that is a full and final settlement of that issue.
- Paresh Mehta:** Correct.
- Ashish Shah:** Right. Sir, also on the CGD business, if you can give any operating numbers as in what is the kind of revenue EBITDA we would have generated in 2019, most of that might be in Q4 but if any numbers you could share for 2019 as well as what one can look at in 2020?

- Paresh Mehta:** So, on the CGD business, we just started transportation sales of gas, we did approximately 0.5 crores of turnover so it is just a seeding kind of turnover. We expect that in 2019 - 2020 we should do at least Rs. 50 crores of turnover and then it will ramp up substantially in 2020 and all the three will come on flow.
- Ashish Shah:** Sure. Last question, sir, we have some Rs. 1,264 crores of LOI received from RVNL Punjab. So, that Rs. 1,264 crores actually refer to only the railway projects, correct?
- Paresh Mehta:** No, sir. Rs. 1,264 crores to RVNL as well as our HAM project Rs. 870 crores of the EPC of the HAM project – Bettadahalli.
- Satish Parakh:** That refers to Package-4.
- Ashish Shah:** Yes, that is Tumkur Package-4, right?
- Satish Parakh:** Yes.
- Ashish Shah:** Right. Okay, thank you.
- Moderator:** Thank you. The next question is from the line of Jiten Rushi from Bank of Baroda Capital Markets. Please go ahead.
- Jiten Rushi:** Sir, my question is on what is the mobilization advance and the retention money as on March 19th, sir?
- Paresh Mehta:** I would not have that number at the moment. Maybe I can come back later on a one-to-one.
- Jiten Rushi:** Okay. And sir, on the debt number which you said that the working capital debt is Rs. 720 crores. So, what is the debt taken from subsidiaries as on March 2019, right?
- Paresh Mehta:** From subsidies is around Rs. 63 crores.
- Jiten Rushi:** Okay. And sir, what is the interest?
- Paresh Mehta:** Interest is on the debt?
- Jiten Rushi:** Yes, sir.
- Paresh Mehta:** On one of the debts of Rs. 23 crores there is no interest, on other debt it is approximately 11%.
- Jiten Rushi:** Okay. 11%, okay. And so, in terms of the valuation of his SBI Macquarie. So, now we have seen the obligation going up. So, do you see any further dilution in the stake? Because I think, June or July is the end of commitment date, right sir?
- Paresh Mehta:** Correct.

- Jiten Rushi:** So, what could be the further dilution by end of July because we are seeing decline in traffic growth and other reasons?
- Paresh Mehta:** Yeah, so we at the moment, when we do a valuation we do not see much of, we do not see any dilution happening. But we will have to actually see the actual date of transfer or sale happens. Today,
- Paresh Mehta:** Yeah, we believe that valuation is sufficient to pay them that 39% equivalent into for 40% even as of 31st March.
- Jiten Rushi:** Okay. And sir, the margins which remain high this quarter also. So, probably, we can assume the reason for the last quarter is the same for this quarter or there is any other reason. This is I am talking about the pure EPC margin, excluding other income, sir.
- Paresh Mehta:** So, pure EPC margins are in the range of 13%-13.5%.
- Jiten Rushi:** It was 13.9% so I am assuming that.
- Paresh Mehta:** Basically, some of the couple of projects which got over where we did margins that we recognized a higher margin, that is all.
- Jiten Rushi:** Okay. So, by going forward, as you said correctly, like 12% - 12.5% should be the run rate?
- Paresh Mehta:** Right.
- Jiten Rushi:** Okay. And sir, on the investment, so we are doing investments in the SPV through loans and advances rather than through the, my question was like not through the investment, but through loans and advances in all the HAM projects, going forward, right, sir?
- Paresh Mehta:** No, we are getting loans and advances to ACL and ACL in turn is investing in the form of shares
- Jiten Rushi:** So, sir, can you just give us the breakup of the investment which is remaining in the older projects of Kharar-Ludhiana and Ranalsthanam and the newer projects the newer projects because sir, last time, you said that there is some investments which is remaining in Kharar-Ludhiana and in Ranalsthanam of around Rs. 48 crores and Rs. 32 crores so, what is the status now, sir?
- Paresh Mehta:** So, in Kharar-Ludhiana, Rs. 39 crores is yet to be invested and then Ranalsthanam Rs. 32 crores is yet to be invested.
- Jiten Rushi:** Okay. And what about the existing projects, the new project, five HAM projects, total remaining, sir?

- Paresh Mehta:** So, that would be around Rs. 195 crore.
- Jiten Rushi:** So, this Rs. 195 crores is still remaining, sir.
- Paresh Mehta:** For 2019 - 2020.
- Jiten Rushi:** Okay. And for 2020 - 2021?
- Paresh Mehta:** 2020 - 2021 would be around Rs. 80-85 crores.
- Jiten Rushi:** Rs. 85 crores. And the new six project what will be the equity?
- Satish Parakh:** 110 approximately.
- Moderator:** The next question is from the line of Aditya Chandrasekar from Edelweiss Financial Service Limited. Please go ahead.
- Parvez Akhtar:** Good Afternoon, sir. This is Parvez here. Sir, just a couple of questions, for the Tumkur – Shivamogga package, I think the bid project cost is some Rs. 1,382 crores. So, why would the EPC cost will be so low at Rs. 870 crores?
- Paresh Mehta:** The project cost will be around Rs. 1,100 crores, we have bid with a higher hurdle rate.
- Parvez Akhtar:** Okay, sure. And sir, would it be possible to give the equity that you had infusion in FY 2019 segment was I mean, was that the number of Rs. 520 crores in HAM and Rs. 35 crores in CGD, and was that for FY 2019?
- Paresh Mehta:** Rs. 520 crores is the total equity in all the HAM projects and union. So, if you want only investment made in HAM projects, in a FY 2018 - FY 2019 with approximate Rs. 310 crores in HAM, HAM cum annuity, so Tumkur-Bagewadi and all the seven HAM projects.
- Parvez Akhtar:** Okay. And in CGD, what did we invest last year?
- Paresh Mehta:** Rs. 35 crores.
- Moderator:** Thank you. The next question is from the line of Pritha Sharma from HDFC Bank. Please go ahead.
- Pritha Sharma:** So, the question was that at the end of Q3 of 2019, the debt number that we were looking at was close to Rs. 593 crores. And today, we are at Rs. 740 crores, out of which the NCD amount remains the same 150, right. So, where exactly had the debt increase whether it is in the working capital bit or in the equipment loan bit, if you could just give me a breakup of Rs. 593 crores and Rs. 740 crores, please.

- Paresh Mehta:** On the Rs. 743 crores, the breakup is Rs. 244 crores in equipment loan; Rs. 150 crores of debt; and Rs. 325 crores in working capital.
- Pritha Sharma:** Rs. 325 crores is working capital. Okay, so majorly it is the working capital bit which has gone up because working capital in the last quarter was Rs. 206 crores approximately.
- Paresh Mehta:** Correct.
- Pritha Sharma:** All right. And sir, the other thing in the next question was that on the tax bit if you see, although we have registered close 50% - 56% growth on the revenue bit, I mean apart from the Rs. 47 crores hit that we have taken on GVR with relation to GVR, the other thing which has really shot up is the tax number is in because ATI composition in your execution has come down and will this be the going forward tax rate that we can look at?
- Paresh Mehta:** So, the tax in 2018 - 2019 is slight more vis-à-vis 2017 - 2018 of three major reasons, one is definitely ATI component has gone down which has an impact of almost Rs. 10 crores of higher tax. Then we have exempted incomes which is not there in this year vis-à-vis last year. The impact of which is around Rs. 7 crores and certain provisions which were made for 2017 - 2018 and by the time we finalized our return tax provision was shot by almost Rs. 11 crores which has now been recorded in this year. So, going ahead, I think so the tax rate would be in the range of Rs. 34 - Rs. 35, our regular tax rate. ATI will be as good as this
- Pritha Sharma:** As good as completed now.
- Paresh Mehta:** Yes, most of it.
- Pritha Sharma:** 32% - 34% tax rate going forward.
- Moderator:** Thank you. The next question is from the line of Rajesh Kothari from AlfAccurate Advisors. Please go ahead.
- Rajesh Kothari:** I have a few questions. One is, if I look at your standalone balance sheet, now, considering that you know last two years - three years there was a very strong order book growth and equally very strong execution. But despite you know strong order good and strong execution, if I look at standalone the ROEs are of course, still not in a desirable level. So, what is your thought process, do you think that on a standalone basis is it possible to generate ROE. I am not looking at console I understand that HAM take his own time, but on standalone takes a very long time, you know, when you think you can get back to respectable double digit ROE.
- Paresh Mehta:** So, on a standalone basis, if we only look at the EPC business, so our ROE is substantially good. Now, the investments will separate you over a period of time because the component of my balance sheet is basically investment in either the EPC business or EPC in the BOT assets of around Rs. 1,500 crores. From that perspective, I think, it is because the BOT projects give

return over a period of time I think so, it will take some at least three - four years to give a ROE, otherwise the value is intact and it is growing.

Rajesh Kothari: So, what you are saying is that out of the total balance sheet you are saying out of Rs. 5,300 crores standalone balance sheet, you are saying you remove Rs. 1,500 crores that is what you are trying to say?

Paresh Mehta: Yes, so that will give a different return mostly back-ended.

Rajesh Kothari: Yes, I understand so that leaves Rs. 3,800 crores, am I right?

Paresh Mehta: Right.

Rajesh Kothari: Now if we do you know Rs. 286 crores which is a profit divided by Rs. 3,800 crores still you do not get that ROE. So, I am giving you again benefit of doubt let us remove investment I understand. So, of your total balance sheet I repeat my number of Rs. 5,300 crores, if you remove Rs. 1,500 crores you get Rs. 3,800 crores. On this Rs. 3,800 crores total, what I would say balance sheet, you generate PAT of Rs. 286 crores.

Paresh Mehta: So, you are talking of the retail on the total capital deployed.

Rajesh Kothari: Yeah. You know, so what I am doing is so because I do not have then separate network, am I right. So, on Rs. 3,800 crores you have a PAT of Rs. 286 crores and you might have the interest of say of Rs. 90 crores. So, you know, I am giving benefit of again Rs. 286 crores plus Rs. 90 crores when you do then also you do not get, you still get you know 10% ROCE I am talking about, including interest.

Paresh Mehta: But if you see, the asset side is substantially supported by current liabilities and other current liabilities on the liability side, it will net it off the total capital employed in the EPC business is quite small.

Rajesh Kothari: How internally you look at your business internally when you look at your business in terms of ROE, ROCE, how internally you look at it?

Paresh Mehta: We have three ways of at it. One is the return on capital on BOT projects which is to the tune of 15% to 17% on the equity invested. Second is on the EPC business, capital employed that is the network of in the EPC business return on that. Second is the EBITDA margin and the contracts executed. So, these are the three parameters which we look at.

Moderator: Thank you. The next question is from the line of Shreyas Bhukanwala from Canara Robeco Mutual Fund. Please go ahead.

- Shreyas Bhukanwala:** Yeah. Thanks for the opportunity. Sir, you mentioned that we received Rs. 300 crores of milestone payment in post the March. So, was that also one of the reasons for higher debt of Rs. 720 crores because that might have led to the higher working capital?
- Paresh Mehta:** Definitely. So, our expectation was that we would not be using our working capital limits as of 31st March also, but then missing on the payments which we can delayed on your end, unfortunately, this was also an election year not much work happening at March end. So, many payments got delayed in the first two weeks of April. So, otherwise, our working capital debt would have been substantially low and the Rs. 300 crores would not have been not there at all.
- Shreyas Bhukanwala:** So, has that gone towards the repayment of debt now?
- Paresh Mehta:** Yes, sir. Today if you ask me I have got zero utilization of my CC.
- Shreyas Bhukanwala:** So, now the current debt would be what Rs. 450 crores - Rs. 500 crores, again?
- Paresh Mehta:** It would be worth Rs. 150 crores - Rs. 175 crores and Rs. 244 crores. So, around Rs. 400 - Rs. 450 crores
- Shreyas Bhukanwala:** Okay. So, your Rs. 720 crores has come down to Rs. 450 crores now?
- Paresh Mehta:** But is the transitory, it keeps on moving up and down
- Shreyas Bhukanwala:** Yes, That is fine, but I just wanted to understand that so.
- Paresh Mehta:** As you said we do touch the lows of around Rs. 400 crores the ability for a company to recover all that money.
- Moderator:** Thank you. The next question is from the line of Ritesh Goel from Elara Capital. Please go ahead.
- Ritesh Goel:** Congratulations, sir for very good numbers. I was trying to understand your bidding process and I can understand from the previous discussion that you are aiming at BOT projects. But in the last history, what the history I see, we have not been successful in getting some of the upcoming BOT projects and I could see you are ending up at L2 and L4. So, what is your strategy in terms of chasing the projects? Are we chasing states? Are we chasing the size of the projects? Or are we just chasing on the margin basis on the BOT? And on the HAM what is your strategy, in terms of states, size and as well as from the bidding side. So, just wanted to understand what is going in internal planning in your prudence of bidding?
- Paresh Mehta:** See, overall the company has presence almost in 20 states. So, state wise we are comfortable working with most of the states in the country. And if you see normally, we do a very thorough selection of projects, the property diligence is done and whenever we have comfort in terms of

margin without sacrificing margin we do participate. We believe there is an enough opportunity for everybody going ahead.

Ritesh Goel: Okay, but there is not any specific strategy in terms of BOT because the bidding is very prudent I can see that and it goes to your experience of doing it. But going forward any other plans in terms of strategy in terms of attacking HAM and bidding for more BOT, because I can see that you have lined up a good set of you know projected numbers for adding more project. So, I was just trying to understand and map your strategy.

Satish Parakh: So, today, if we see, we have a good presence in Karnataka with seven projects; four HAM projects and there are annuity projects which are ongoing. State projects also we have completed very successfully in Karnatak.

Ritesh Goel: So, I had ideally two question. One to understand the strategy on ongoing bidding where how we are planning it and second is on have you know sir, spoken about monetization of assets as well as raising debt as ongoing strategy to infuse more capital. But are there any plans in terms of raising equity as well as the resolution says that the company might plan for equity fund given the SBI Macquarie also in place getting ready for the exits, InvITs are also be considered. So, in all this gamut of considering other options is equity freezing is also be considered I mean QIP?

Satish Parakh: On EPC side we are primarily in three sectors, highways, power and railways now and we are comfortable bidding in any state. We have been executing works in 20 states in last so many years. So, I do not think we are very well-placed as far as participation in projects and winning projects is concerned. And monetization assets definitely we are serious about it. And the process will start with Macquarie and we should be able to monetize within 8 months to 10 months for our assets which will put company in formidable position as far as cash flows are concerned.

Moderator: Thank you. The next question is from the line of Jatin Nayak from ICICI Prudential Mutual Fund. Please go ahead.

Jatin Nayak: Hi, sir, just one question how much if any, you have recorded reported as revenues from this second HAM project which you just financially closed in this quarter?

Paresh Mehta: On the revenue side, approximately Rs. 35 crores.

Jatin Nayak: Okay. And what about Ankleshwar?

Paresh Mehta: Ankleshwar, approximately Rs. 300 crores.

Jatin Nayak: Okay. Are somehow these projects where it has taken sometime for you to get the appointed dates, are they in a much better shape in terms of execution and that is the reason why you are able to show such strong execution from these recently received appointed date project?

- Satish Parakh:** See, execution wise, we have done good at Vadodara-Manubar and also in other two projects like Kharar-Ludhiana and Anandapuram we have done good fortune of execution in Q4.
- Jatin Nayak:** No, sir, my point is that in Ankleshwar, we have Rs. 300 crores of execution in one quarter, which you have known recently received appoint date was received in just one quarter. So, are the status of these projects, the condition of these projects, much better now that NHAI is taking longer time to give you the projects for execution can actually be so strong for all the projects now, which receive appointed dates?
- Paresh Mehta:** Just for a correction, the Ankleshwar project for the year is the Rs. 367 crores, contributing slightly less, it is for both two quarters last quarter and this quarter.
- Jatin Nayak:** Okay, both the quarters put together is the Rs. 360 crores.
- Paresh Mehta:** Yes.
- Jatin Nayak:** Okay, sure. But in general sir, how is the condition of these projects, are they much superior in terms of, so it is easier for you to execute much faster or it is broadly the same.
- Satish Parakh:** Because land acquisition in place, and then they are giving the appointment dates. So, that puts us in a more comfortable position, as well as execution goes. And we also get sufficient time to mobilize and keep all the raw materials ready
- Moderator:** Thank you very much. The next question is from the line of Rajesh Kothari from AlfAccurate Advisors. Please go ahead.
- Rajesh Kothari:** Sir, just one follow-up question, that how is the competition now in bidding for you know HAM type of projects?
- Satish Parakh:** Last quarter, we have not seen much of building for HAM projects. But whatever happened, we have seen unique response. Basically, because there was a delay in financial closure for earlier projects and there are challenges for down selling for the bank. So, they are going ahead, I feel that it will be few players who will be participating in projects.
- Rajesh Kothari:** So, whenever we are building, you know, generally when you do HAM what is the underlying ROE, what you look for when you get bid for HAM project.
- Satish Parakh:** So, normally we are looking at 15% to 16% of IRR.
- Rajesh Kothari:** But, you know, considering that, there are a lot of challenges, as you rightly mentioned from bankers, they are also not giving the loans although the sanction letters at there, disbursement did not happen?

- Satish Parakh:** We have not faced much of the challenges as far as we are concerned even on forefront of cooling all the five projects in time.
- Rajesh Kothari:** So, what is the maximum you know HAM project which you think your balance sheet can allow you or other you would like to go for, in terms of your overall exposure?
- Satish Parakh:** We are very comfortable bidding HAM project; we can bid back quite a big number like Rs. Rs. 2,000 crores to Rs. 5,000 crores also not an issue as portfolio is now, we will be looking at monetizing going ahead. So, this would be a very good model for us going ahead where we can bag HAM projects and then push it on to structure like InvIT or something like that.
- Rajesh Kothari:** But do not you think, everybody is looking for same thing? When I speak with any other large infra player everybody is looking to monetize the assets? So, all of a sudden....
- Satish Parakh:** Everybody means there are hardly few players in the industry.
- Rajesh Kothari:** Number of projects are huge. See, there might be only four players?
- Satish Parakh:** Yes, but there are five - six players and I think if they are able to switch on InvIT works for everybody, everybody must look at that model.
- Rajesh Kothari:** Right. So, you think there will be enough appetite to buy outset projects. So, that, everybody claims that they make 15% ROE.
- Paresh Mehta:** So, that is true, what happens is all these sovereign funds from the U. S. or from the Europe, they have deep pockets to invest, in these project sizes are quite small compared to their expectations. So, they are ready to take up portfolio projects, create an InvIT, they are looking for a standard yield, a yield of something like a 10% to 12% is far-far more than what they expect getting yields in their countries. From that pursue, they are very eager to invest in India on road platforms, and specifically in HAM projects where the revenue is like you can I mean, , the yields are assured. It is not an IRR issue, it is a yield, which is assured. Once construction is over, we are ready to take up the projects.
- Rajesh Kothari:** and next year what kind of total interest cost you are looking for, at the standalone level?
- Paresh Mehta:** They should be the range of Rs. 110 crores.
- Rajesh Kothari:** So, you are not seeing any because as your revenue will go up. Do you think your working capital will again increase, again, you to be investment?
- Paresh Mehta:** It has already been picked. So, I think it will be in that range? That is what we had estimated.
- Rajesh Kothari:** And you know, you mentioned that margins will come down by about 150 bps compared to 13% what you have done in FY 2019.

- Paresh Mehta:** There will be some coverage. This is a standard margin which we work and we always try to improvise also. So, I think so we should go with as you said including other incomes should be the range of 40% and I think so that we will achieve.
- Rajesh Kothari:** Because just in the previous question, I think you mentioned that you are looking for there is some reversal in terms of subsidy, something and therefore, you are looking at a lower margins of around 11% to 12.5% compared to I am talking about before other income compared to 13.5% in FY 2019. So, what was that 11% to 12.5%.
- Paresh Mehta:** See, that is EBITDA we bid for projects and we minimum assure that this much EBITDA we will earn. Now, based on that if there is an improvement because in last year as I said there was booking of two bonuses, one is in the EP project, and one in the Chittorgarh project, which we booked as a bonus of around Rs. 36 crores - Rs. 37 crores. So, this kind of bonus on some realization would prop up the EBITDA.
- Moderator:** Thank you very much. Ladies and Gentlemen, due to time constraint, that was the last question. I now hand the conference over to Ashoka Buildcon's management for closing comments.
- Satish Parakh:** We thank all the participants for having joined on this call. If you have any further queries, you may connect with us or Stellar Investor Relations. We will be ready for any follow up question and answer on the same. Thank you very much. Good day.
- Moderator:** Thank you very much.
- Management:** Thank you.
- Moderator:** On behalf of Ashoka Buildcon Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.