



“Nila Infrastructures Limited Q3 & Nine Months FY2019 Earnings Conference Call”

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MANAGEMENT:

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Moderator: Ladies and gentlemen, good day and welcome to Nila Infrastructures Limited Q3 and nine months FY2019 Earnings Conference Call. This conference call may contain forward looking statements about the company, which are based on the beliefs, opinion and expectations of the company as on the date of this call. These statements are not guarantee of future performance and involve risks and uncertainties that are difficult to predict. 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, please signal an operator by pressing * and then 0 on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anuj Sonpal of Valorem Advisors. Thank you and over to you Sir!

Anuj Sonpal: Thanks Inba. Good afternoon everyone and a warm welcome to you all. My name is Anuj Sonpal. We represent the Investor Relations of Nila Infrastructures Limited. On behalf of the company, I would like to thank you all for participating in the company's Earnings Conference Call.

I would like to simply introduce you to the management today participating in the call first and then ask them for their opening remarks after that. We have with us Mr. Deep Vadodaria the COO of the company, Mr. Prashant Sarkhedi, CFO of the company, and Mr. Himanshu Bavishi, President, Finance. Without much delay, I ask Mr. Deep Vadodaria to give his opening remarks. Thank you and over to you Sir.

Deep Vadodaria: Good afternoon friends. I welcome you all to the earnings call of Q3 and nine months FY2019. Along with me, I have Prashant Sarkhedi, Himanshu Bavishi, and Mr. Dipen Parikh.

Just before I start the opening remarks for the Q3 and nine months, I am glad to share with you that we see the green-shoots of our recent initiative to have a Lighter, Fitter and Faster model by demerging the erstwhile real estate undertaking from Nila Infrastructures Limited. We are working hard to reap the full benefits of this and are convinced about the impetus that it will provide for our growth.

Now getting onto the operation, our confirmed earnings executed order book is Rs.5048 million at December 31, 2018. The conducive climate conditions that ensures clear working days up to year end this time, which is obviously going to help; having possession of almost all the sites that are under execution at this point, having the requisite approvals and sanctions in place for most of the projects that are going in for execution or are under execution at this point and all these hold good even for Rajasthan where the new government has since stabilized. It is not affecting us or any of our projects are already on the stream and have almost reached fair maturity. We also do not envisage any disturbance in the Q4 FY2019 by the scheduled general election as we have our plans in place to tackle such scheduled events. Further, we are commencing our execution of certain projects in Q4 for some of them have already been started, which will chip in to the revenue in Q4 and we are confident to catch up with the continual growth that we have been showing for the

number of years hence for this year as a whole we are confident that we will maintain the growth momentum with sustainable profit margins.

Now coming to our order book, the company's order book is quite balanced with a focus on its core competence of affordable housing with 59% of the orders that is Rs.2987.3 million coming in from affordable housing and 41% is coming in from other civic urban infrastructure projects. The State of Gujarat is accounting for 82% of the confirmed unexecuted order book right now and 18% is coming in from the Rajasthan. Entitywise Adani Group is our major corporate client. Overall the company is obviously focused on affordable housing and is executing construction of almost 3.3 million square feet, including 7324 units of affordable housing.

Now with respect to the sector and economy, the interim Finance Minister presented a typical vote on account budget before the general elections in May 2019, laid out the vision for the next 10 years mainly emphasizing on building infrastructure, rural industrialization, etc., to boost the affordable housing. It is proposed to extend the benefit to the developers engaged in construction of affordable housing with respect to the income tax provided the project is approved by the relevant authority by March 31, 2020, which was 2019 earlier so they have extended that for one year, which is a good welcome move. Long-term capital gains arising from transfer of residential house are exempted from tax if such gains are reinvested in upto two residential houses within a specific period. The bill proposes to extend this exemption from capital gains tax to cases where the tax payers reinvest such gains in two residential houses of course, which provided the capital gains arising from such transfer do not exceed Rs.20 million. We also appreciate that RBI has recently lowered the policy repo rate by 25 basis points and changed its stance to neutral from the calibrated tightening signaling higher chances of more cuts in the coming months if the inflation persisted within the tolerance limit. Also the inflation expectations have softened by 80 basis points for the next three months and 130 points in the next 12 months according to the latest RBI survey. We assess that such supportive measures are encouraging for the economy and will provide relief to infrastructure industry. With this now, I invite Mr. Sarkhedi our CFO to discuss the key financial highlights for Q3 and nine months FY2019.

Prashant Sarkhedi:

Thank you Mr. Vadodaria and good afternoon friends. Welcome to this earnings conference call for the Q3 FY2019 under the review. I hope you have had the opportunity to take a look at the company's performance for the Q3 FY2019 results as well as the earnings presentation, which has been circulated and uploaded on the websites of the stock exchanges. I will quickly take you through the standalone detailed financial results for Q3 and nine months FY2019.

Standalone financial highlights for the quarter ended December 31, 2018. Standalone revenue reduced marginally to Rs.546 million from Rs.548.2 million in the corresponding previous quarter. On the profitability front, EBITDA for Q3 FY2019 increased 159 bps that is from Rs.88.4 million to Rs.96.9 million with an EBITDA margin of 18.25% in the Q3 FY2019. The profit after tax is Rs.52.3 million.

Standalone financial highlights for the nine months ended December 31, 2018. Standalone revenue has reduced by 7.97% to Rs.1581.6 million from Rs.1718.6 million in the previous corresponding period. On the profitability front, the EBITDA has witnessed a degrowth by 75 bps that is from Rs.295 million to Rs.258.2 million with an EBITDA margin of 17% in the nine months FY2019. The profit after tax is Rs.147.7 million. On December 31, 2018, the standalone network Rs.1173.2 million and standalone gross debt Rs.1173.9 million while the cash and bank balance on standalone basis is Rs.64.8 million. The net debt to the network computes 0.95x. The company has honored all its financial commitments and the account is standard with all the lenders. None of the bank guarantees submitted by the company has ever been invoked by any principal or client. I now open the floor for the question and answer that may require further clarification. Thank you.

- Moderator:** Thank you very much Sir. Ladies and gentlemen, we will now begin the question and answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Our first question is from the line of Shrinath Shetty who is an Individual Investor. Please go ahead.
- Shrinath Shetty:** Good evening everyone. Thank you for the opportunity. I had a couple of questions. Sir, given the election is around the corner in the next year, what is the change in the inflow that the company is witnessing?
- Deep Vadodaria:** Change in the inflow can you just elaborate?
- Shrinath Shetty:** What is the visibility in the order book?
- Deep Vadodaria:** Visibility of order book is pretty robust at this point we are sitting at Rs.508 Crores of order book which is visibility of 41 months and our average servicing time of the order book is 24 months, so we are sitting in a very comfortable point as far as order book is concerned and with Q4 still to go and we keep on bidding for the projects and before the election goes projects obviously may go through, so the order book is definitely not a point of concern for it is visible.
- Shrinath Shetty:** Can you just throw some light on the overall industry order like total inflow of order look like in the overall industry perspective?
- Deep Vadodaria:** Overall industry perspective I believe this is one of the best industry to be in at this point because this is where the real emphasis is unless you are talking about any other industry which is pertaining to farming of farmers in general. I think affordable housing and infrastructure in general is where the government emphasis is definitely going to be and irrespective of the government coming in which may be reputation what it is or even a change or whatever that we speak about, I do not think this impetus is going to change the stance from any basic infrastructure which needs to be provided and the basic infrastructure now covers affordable housing as well and we believe that it will continue to pursue for the next decade to come at least.

- Shrinath Shetty:** Given that the industry is robust and it is growing, so does the company have any plans to expand beyond Rajasthan and Gujarat in the coming?
- Deep Vadodaria:** We have said in the past in the other calls that we are closely monitoring a few states but then again, it is a very state-wise model and every state works somewhere in the different model, but we do like places like MP which has similar working culture as Rajasthan and Gujarat and we have been actively looking at states like MP and a couple of other states are on the radar, but no immediate plans or no bids that we have set in right now to set our footholds in any other state apart from these two.
- Shrinath Shetty:** Okay Sir. Thank you for the opportunity. All the best.
- Moderator:** Thank you. Our next question is from the line of Pooja Bhardawaj an Individual Investor. Please go ahead.
- Pooja Bhardawaj:** Good evening Sir. My question is can you just explain the working capital cycle and the margins which we have across the different project in affordable housing?
- Deep Vadodaria:** Yes, sure. Himanshu or Prashant would you want to take this on from me or Should I?
- Himanshu Bavishi:** Good afternoon. Thank you for being on the call. We broadly work in two mode, one is EPC and the other one is PPP, PPP our working capital cycle tends to be a bit longer by 20 to 30 days than our normal EPC order working capital cycle. Normal EPC working capital cycle would depend from project to project, but average, it would average out to be about three to four months. It would again depend on client to client and state to state in which we operate so about three to four months and PPP would be a month additional than normal EPC.
- Pooja Bhardawaj:** Okay Sir. Is there any chance of improving this working capital cycle?
- Himanshu Bavishi:** We are already working on quite a few technologies or initiatives. This would probably give us some scope in reducing our input cost and also we believe that going forward there could be some cushion or some improvement we can look forward to.
- Pooja Bhardawaj:** Okay Sir and another question what is the margin calculation in PPP and hybrid whether company gets the land?
- Himanshu Bavishi:** The usual margin from normal EPC project could be about 9% to 11% EBITDA and with land it could be higher than that could go as high as about the EBITDA of 20%
- Himanshu Bavishi:** If it is a pure PPP, slum rehabilitation projects, it could be something more than that also 20% to 22%.
- Pooja Bhardawaj:** Okay Sir that is all from my side. Thank you Sir. All the best.

- Moderator:** Thank you. The next question is from the line of Animesh Yadav from Satco Capital. Please go ahead.
- Animesh Yadav:** My first question is regarding the improvement in the margins. So what attributes to the improvement in the EBITDA margin for this quarter?
- Prashant Sarkhedi:** Sir EBITDA margin approximately within the range of 15% to 17% might be Sir.
- Animesh Yadav:** Okay what attributes so I suppose there is improvement in the margin for this quarter?
- Prashant Sarkhedi:** No it should remain in the range of 16% to 17%, no chances of margins because we have already executing the current projects, which are not...
- Deep Vadodaria:** I think he is asking what is the attributing to the increase that we are showing in this quarter so what is the specific reasons that in this quarter, which has gone up marginally?
- Prashant Sarkhedi:** This quarter-on-quarter basis if you see the quarter-on-quarter and year-on-year this has been 25 bps improvements that is because of certain PPP projects would have contributed more, so it is purely revenue mix and economy of scale parameters that would ultimately provide us such relief.
- Animesh Yadav:** Okay and we expect this to improve further going forward?
- Deep Vadodaria:** Yes Prashant has already confirmed, this would remain in this range. It could go both ways some 10, 15, 20 bps, but otherwise it could be range bound.
- Animesh Yadav:** When we adding up some new project into it, this range going to be changed so from next quarter onwards we are keeping more projects, which would contribute to these things so in upcoming year there is definitely chance of increasing EBITDA margin, but for this year I think there could be remaining in the range between 16 to 17?
- Deep Vadodaria:** Yes, Animesh just quickly sum it up I think if it is going be within the range of 15% to 18% on the EBITDA depending on the revenue mix then the execution based on that.
- Animesh Yadav:** Okay, the second question is regarding the increase in the finance cost is there any particular reason?
- Deep Vadodaria:** Increase in finance cost is because of increase in debt by about Rs.13 Crores that is because of six new projects that we have initiated in this quarter where execution is already started and most of these projects are government projects and three of these projects are PPP projects, so these are a little capital intensive so the increase in cost is because of that.
- Animesh Yadav:** Got it. Thank you.

- Moderator:** Thank you. Our next question is from the line of Madhuchanda Dey from MC Research. Please go ahead.
- Madhuchanda Dey:** Hello I have two questions, the first question is there has been a general liquidity squeeze in the market and to what extent that has impacted your business or is there any concern that we need to be aware of and the second question is we have been hearing that lot of NBFCs are in stress and there is lot of stress in their lending to affordable housing projects as then. So do you think that can potentially slowdown the order inflows going forward?
- Deep Vadodaria:** I will take questions one first, one is the liquidity position I believe government is taking efforts to keep out the liquidity a little more leeway with the last straight cut, the liquidity position has been a little squeezed. Fortunately we will not been affected by as because none of this has affected our stance and the project that we are involved in. When you talk about the NBFCs and how that is going to affect the growth that needs to be seen. We have also heard warning signs about NBFCs coming in, but I believe segment now is not only potentially given by the NBFCs and banks has been forthcoming and giving out handing out things to the beneficiary of these things and the money at stake with these people or the lending at stake with these people obviously on the quantum wise could be large, but when you talk about the specific projects it is not that large and when we can only speak about the projects that we are involved with where large chunk of beneficiaries have opted in for banks rather than NBFCs and going forward also we would see that margins to continue so for specific segment of affordable housing NBFC getting affected at least in the segments that we are involved in affordable housing where the beneficiary to pay certain amount of money where majority of the stuff is coming in from the banks at this point would not be as affected as any other housing sector would be, which is not associated with the government.
- Madhuchanda Dey:** Yes fine another question I mean, I am not kind of, I have not tracked your company before. So I am asking you this question maybe a little rudimentary. What is your exact relationship with Nila Spaces is there anything, any lending to that company or what is the exact nature of the relationship with that company?
- Deep Vadodaria:** We have just demerged the company and the demerger order came in May 2018 and Nila Spaces is now a separate entity trading on both the exchanges, NSE and BSE and Nila Spaces is going to be engaged in the activity of doing affordable housing in the private domain because that is where we want it to be and the relationship right now is by virtue of demerge scheme, there are a lot of land parcels that Nila Infrastructures Limited is going to get as part of the remuneration of a construction contract. Now Nila Infrastructures Limited is out to go out and monetize it. Nila Spaces has got, by scheme of demerger, those land parcels and as of now because we are just in the process of setting up the Nila Spaces team in order, which will obviously design their future course of action for the next three years to come. They have already floated out one project, which is already active in Ahmedabad here, but the future growth obviously will be decided by the new team, which comes into play, but right now we also give them support as far as the construction is concerned their projects, which is only one at this point.

- Madhuchanda Dey:** So basically Nila Spaces is going to be a developer?
- Deep Vadodaria:** Yes.
- Madhuchanda Dey:** So the land bank will continue to belong to your company or the land bank will be transferred?
- Deep Vadodaria:** Land bank pertaining to real estate business has already been demerged to Nila Spaces Limited balance sheet as per the demerger order.
- Madhuchanda Dey:** So Nila Infrastructure does not hold any land bank at this point in time?
- Deep Vadodaria:** No, Nila Infrastructure does hold the bank account, but that is pertaining to largely industrial development, which is not where Nila Spaces is going to work and we have kept certain assets in place for our future expansion because of the requirement of bank guarantees and collateral, but not pertaining to real estate.
- Madhuchanda Dey:** Is it a correct understanding that in future there will be no transaction, which will be of beneficial nature between Nila Infrastructure and Nila Spaces?
- Deep Vadodaria:** Well, Madam that depends on how you define beneficial.
- Madhuchanda Dey:** I mean, all transactions, suppose if you were to transfer or to sell a land parcel from Nila Infrastructure to Nila Spaces?
- Deep Vadodaria:** Madam as I said it may so happen at market value by right to refusal for the land that Nila Infrastructure Limited is going to create as a construction contract. If it falls under Nila Spaces business model and Nila Spaces wants to do it, it may happen at market value. Obviously I know that remains a sort of an area where we have to address a lot of questions, but it is very simple the market value needs to be there and it is not essential that in all the places where Nila Infrastructures Limited is going to develop the land parcels Nila Spaces would be interested, but Nila Infrastructures Limited is going to by default go out and monetize all the land parcels that is going to get as part of remuneration of construction contract.
- Madhuchanda Dey:** So, I am sorry if you could come back on the second point, you said that as remuneration for construction contract you might get land parcels. Is that true?
- Deep Vadodaria:** Yes, so we are right now engaged in multiple types of working contracts with the government with one type of contract, which we have with Rajasthan Government on multiple number of cases that we are working on, it is a cross subsidized model in which you get land as part of the remuneration of construction contract apart from the money that the government pays you that is one element and the second element is the slum rehabilitation model where sometimes there is balance land,

which is remaining after slum rehabilitation, which could be used for captive consumption, but Nila Infrastructures Limited is not going to engage into any real estate activity.

Madhuchanda Dey: Just one last question because we have seen too many of this in the market, when you are talking about market value who is going to define the market value?

Deep Vadodaria: The individual market forces will define the market value because everyone is aware that I cannot be taking the government circle rates as market value because they are not near accurate market value, so independent sources and agencies, which is respected amongst the industry will rate the market value obviously.

Madhuchanda Dey: There is not going to be any bidding or anything of that sort when this kind of transfer happens between these two entities?

Deep Vadodaria: We have not thought about it because there is no real land transfer that we have done as of this moment at that market value, but we will have individual third party agency certifying the market rate, which usually is in line with the market rate, but obviously there is always going to be question on that, so unless couple of transactions do really take place I do not think this really is going to be a question that is going to be answered very satisfactorily for both the investors, but as of now we have not done any land transfers, but as and when the time comes as I said Individual agencies, which are respected in the industry, third party agencies will validate the market rate.

Madhuchanda Dey: There is no equity holding of Nila Infrastructure in Nila Spaces right?

Deep Vadodaria: No.

Madhuchanda Dey: Okay. Thank you.

Moderator: Thank you. We will take a next question from the line of Vibhor Rastogi of Motilal Oswal Securities. Please go ahead.

Vibhor Rastogi: Thank you. Sir I have a couple of questions. If you can just guide us on your order book, which stands at 5000 million as of end of December 2018 and how you are looking at Q4 and FY2020 and which are the specific regions in focus along with some guidance on margins if you can give us?

Deep Vadodaria: Hi Vibhor, so the un-executed order book as it stands 5048 as I said earlier on the call, a credit visibility of 41 months, we are comfortable with that and right now the order book is only going to go higher because of the sort of projects what we keep on bidding for and obviously all the specifics we got these are in pretty much of, I would not use the word hurry, but a lot of work is happening at this moment because they all want to get it processed before the election dates come in, so this is a busy time for us where more numbers of orders are likely to be received, and as I

said it is a busy times so may be in this Q4 we are going to add up a little bit of in order book and if you talk about Q4 in terms of execution is concerned traditionally it has been one of the best quarters and so this may also as we have done in our history because of the number of projects that are under execution and the clean execution time that we are going to get in the last month because of Holi being on March 20, 2019 and not earlier in March, so both pertaining to that and as far as the 20 is concerned, 20 seems to be on a very good core growth trajectory it may be reinstating towards margins that we have been showing for the last three or four years.

Vibhor Rastogi:

So margin should be relatively stable at these levels?

Deep Vadodaria:

Margin should be relatively stable at this levels because we have been able to maintain the revenue mix to our control and going forward if the revenue mix does not change too much on that well actually our bidding is also based on that format where we do not bid for more than certain amount of projects, which come in for EPC businesses and certain are based on PPP, so we are very focused on maintaining the revenue mix to suit the profitability because that is one of our biggest concern is that we want to keep the profitability within the range that it is right now and not dip further into pure EPC sort of margins, which becomes difficult to maintain as we go forward in this competitive market, so the revenue mix as of now what it looks in unexecuted order book we are pretty confident that we will be able to meet the margin levels.

Vibhor Rastogi:

Number you would like to probably give a target or internally what you are targeting for?

Deep Vadodaria:

Vibhor as a management policy we do not give out guidance's, but it would be safe to assume that we will be back on track with the growth that we have shown in previous year.

Vibhor Rastogi:

Okay, perfect. Thank you.

Moderator:

Thank you. We have a next question from the line of Animesh Yadav of Satco Capital. Please go ahead.

Animesh Yadav:

Thank you. I just wanted to know two things, first is about that what the average ticket size for the affordable housing is?

Deep Vadodaria:

Well right now, the unexecuted order book that we are sitting on our average order book size is about Rs.49 Crores, so yes you can calculate that the average order size is somewhere between Rs.50 Crores on the affordable housing.

Animesh Yadav:

Okay, like how comfortable do you think the realization is expected in another quarter like may be next year, how do you see that going forward, realization would you elaborate that I did not read you quite I mean realization in terms of the order book.

Deep Vadodaria:

You mean execution?

- Animesh Yadav:** Yes.
- Deep Vadodaria:** So execution as I said we have six more projects out of which we already have given of revenues in Q3, which we are talking about and more, which I have not given in revenues, we are going to give us revenues in Q4, but six new projects we can account for in Q4 along with all the projects, which are under execution and only one of that project is coming to an end by end of March, rest of all the projects are continuing so we see Q4 as one of the best quarters that we have seen in our history.
- Moderator:** Thank you. We will take a next question from the line of Prabhat Chandra of Greenfield Advisory. Please go ahead.
- Prabhat Chandra:** The first question is if you look at the historical numbers this quarter in the presentation then you know Q3 FY2018 and Q2 FY2019, are these numbers ex-Nila Spaces or right now they include the Nila Spaces?
- Deep Vadodaria:** It is standalone.
- Prabhat Chandra:** Standalone Sir, Sir the demerger?
- Deep Vadodaria:** Yes the demerger order was from 2017-2018.
- Prabhat Chandra:** Okay, it is all clear data. The second question is if you look at the order book, the order book size has been decreasing over the past two to three quarters, so just trying to understand is it because new orders or new projects, which are being launched they have lot of interest to Nila and that is why we have not bid for them or are we bidding for these projects and our win rate has gone down and you know how to do you feel going forward?
- Deep Vadodaria:** We are very comfortable around this order book 41 months sort of a visibility level I do not think it has gone down a lot, but at the same point of time where it could be say the last quarter was a little lackluster when it comes to opportunities also because the potentials in Gujarat when new government had recently taken over, so there were not a lot of rates, which were coming out in state of Gujarat and Rajasthan obviously the bids were coming out, but we were not really comfortable in bidding for projects, which were coming in before the election because the change of guard so we opted out of a lot of bids in Rajasthan, we were a little selective in the last quarter adding up our order book, but now even say it is a busy time of the year and we keep on bidding for a lot of projects so Q4 as far as adding up to your order book looks pretty encouraging.
- Prabhat Chandra:** So on that front it would be possible for you to give us just some numbers as to how many orders have we already bided for and how many are we in Q1?
- Deep Vadodaria:** Well, right now we have bided for about eight to nine projects.

- Prabhat Chandra:** Thanks a lot. That is all from my side.
- Moderator:** Thank you. Our next question is from the line of Mehul Sharma, an Individual Investor. Please go ahead.
- Mehul Sharma:** How is the Bechraji project performing and could you share any update on it and what could be the potential revenue from this land bank and do you have any timeline for us to say?
- Deep Vadodaria:** Sure so Bechraji yes there are encouraging news coming on this quarter, so we have two different land parcels, which are there in Bechraji one is Romanovia Industrial Park, which is a purely logistical park, which we have already started developing and we already have tenants for about more than 300000 square feet of space, which are already operational out of the park and now in start of next financial year we will start the work of phase II of Romanovia expansion to create more build to suit facility for logistical players, but the encouraging signs are actually coming from the other land parcels, which was something that we were not able to monetize because it was part of a government SIR and government SIR was not been finalized, but finally the government SIR has been finalized in the last quarter and the town planning scheme has been formally published and now we are in a position to monetize that land parcel as well so that is going to be a mix of industrial and residential. We already have floated out our plans and we will be floating out workers housing there, which is a housing project in the next quarter and apart from that we are already getting repeat orders of dormitories, which is coming in from Suzuki, these are long term leases where we create dormitories for likes of Suzuki for their trainee labors and these are long term leases, which are nine year leases going forward. We had already created about a year and year-and-a-half ago of dormitory one for them, but now with the way the plant is expanding capacity right now there are four more under construction out of which two we have already handed over and two were going to be handover later in this financial year so the positive sign coming in from Bechraji is that the another land parcel, which was Kent Residential & Industrial Park LLP that has started doing monetization, which is something that we were not able to monetize because the government SIR plant has not been chosen upon.
- Mehul Sharma:** Sir can you just share some ballpark revenue that I can expect from the Bechraji for this financial year and next financial year?
- Deep Vadodaria:** Next financial year anywhere close to Rs.11 to 12 Crores in this financial year, but going forward it will be a speculative figure so I do not think it makes sense for me to give out a figure, but because a lot of development that we do in Romanovia is on build to suit spaces, there are multiple number of players that we are in talks with right now where we submitted proposals, if they go through them that will be a lot of construction, which will come in to place and will give us the revenue, which is a forward looking statement first and I will not able to share the exact number or square feet that we are talking about. Once we receive the LOI of course we will be in a position to tell you that this is the amount of revenue that we will able to envisage, but for this financial

year you are looking at anywhere close to Rs.11 to Rs.13 Crores of revenues coming in from Bechraji.

Mehul Sharma: Okay Sir. Thanks a lot and that will be very helpful.

Moderator: Thank you. As there are no further questions from the participants, I now hand the floor back to the management for closing comments. Over to you Sir!

Deep Vadodaria: Thank you for joining us today. Going forward with the Lighter Fitter and Faster structure we will continue on the growth path as we discussed the details of which in the call today and we will look forward to having you with us on the next quarter's call and in the meanwhile our team and our IR team will be more than happy to assist you with any further data that you might need. Thank you again for joining us today.

Moderator: Thank you very much. Ladies and gentlemen on behalf of Nila Infrastructures Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.