



“Techno Electric & Engineering Company Limited Q1 FY19
Earnings Conference Call”

August 13, 2018



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MODERATOR: MR. AMBER SINGHANIA - ASIAN MARKET SECURITIES



*Techno Electric & Engineering Company Limited
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Moderator: Ladies and gentlemen, good day and welcome to the Techno Electric and Engineering Q1 FY19 Earnings Conference Call hosted by Asian Market Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone telephone. Please note that this conference is being recorded. I now hand the conference over to Mr. Amber Singhania from Asian Market Securities. Thank you and over to you, sir.

Amber Singhania: Thank you Karuna. Good afternoon everyone. On behalf of Asian Market, I welcome you all to the 1Q FY19 earning conference call for Techno Electric & Engineering Company Limited. We have with us today Mr. P. P. Gupta - Chairman and Managing Director of the company, Mr. Ankit Saraiya - Director of the company and their Finance team and Investor Relation team representing the company. I now request Mr. Gupta to take us through the quarterly results and the outlook for the company as well as for the industry and then we shall begin with Q&A session. Over to you, sir.

P. P. Gupta: Thank you everyone for joining and good afternoon to all of you to discuss Techno Electric's financial results for the quarter ended 30th June, 2018. Anything said on this call, which reflects our outlook for the future or that could be construed, as a forward-looking statement must be reviewed in conjunction with the risks that our industry sector or company faces. As we informed earlier that last year was a year of consolidation and our focus was to strengthen the balance sheet by maximizing the collections and reducing our repaying or reducing the debt on our books. We would like to inform you that we are completed successfully the process of amalgamation of erstwhile Techno with its wholly own subsidiary namely Simran Wind Project Limited. The name of Simran Wind stands change to Techno Electric already, our merger is being effective from 1st April 2017. Consequent to the amalgamation with its wholly owned subsidiary the company will have a larger balance sheet size which will enhance the qualification criteria for bidding high value projects, beside this the company will have tax sufficiently also in place.

Pursuant to the implementation of the scheme of implementation, amalgamation as notified, the shares stand delisted with effect from 8th August 2018. The company shall file the application for listing in this week and the same is expected to be listed again by end of September on both the exchanges. I would like to specifically bring to your attention that Q1FY18 and Q1 FY19 numbers are not comparable due to the following results. Earlier our revenue used to be inclusive of taxes now post GST it is exclusive of taxes. First our current quarter topline is lower to the extent of 18%. Accordingly the gross revenue figures for the quarter are not comparable with the previous period presented in the result. Last year in Q1 FY18 we have booked higher sales in EPC division of Rs. 50 crores and some of the customers were pushing to book sales before implementation of GST regime. After that we were back to normal process of booking sales. Hence the figures are again not comparable due to this factor.



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Some of our contracts were not amended by our clients post GST and took considerable time and now which stands amended and has informed in the last quarter concall about billing to the extent has been completed in the current quarter.

We had earlier accounted for bills with GST from our sub-vendors and bills in last quarter and bills against these expenses were raised by us to our customer in this quarter. This has increased the EBITDA margin by around 7%.

Let me quickly highlight our performance:

Revenue in Q1 F19 stands at Rs. 302 crores approximately. Revenue from EPC is 270 crores compared to 368 crores last year. The revenue is lower due to GST packed as well higher sales booked as explained earlier. The revenue from mid segment stands at Rs. 32.3 crores compared to 44 crores last year. The revenue was lower as wind picked up late. We all know that Hindu calendars are better than English and accordingly we have a Adhik Mass this time and Wind setting only in the beginning of June and not in May as last year. But by this time it has been more, we have been more than able to cover up, so the loss of this 10 crore revenue experience in the first quarter will be visible in the next quarter. And we are confident that the full year revenue should be in line with last year. REC prices continue to rise on the back of robust demand and limited availability. The last trading session of July, they were traded at Rs. 1,200 as against bottom number of Rs. 1,000 per REC that is 20% above the floor price. In lieu of limited supplies we are confident that realization from the REC shall be better than last year.

However, we had sold our entire previous inventory carried over last 3 years by March last year already at lower price of Rs. 1,000 REC. EBITDA for the company stood at Rs. 98 crores compared to Rs. 106 crores last year. This is after accounting for decline in EBITDA of 10 crores in wind segment. Operating profit for the EPC segment for the quarter stands at 69 crores compared to 61 crores last year that is up by 13% year-on-year. Operating profit margin for the EPC segment quarter stood at 25.44% compared to 16.57%. As explained earlier due to sales booked of the earlier quarter the impact and GST impact has increased the margin by around 7%. So the net we can say 18.44% compared to 16.57%. This may also be taken as the year end guidance also. Operating profit for wind segment was down to 29 crores compared to 41 crores. Operating profit margin for this segment is at 91% compared to 92% last year. The interest cost has substantially come down and is lower by 56% as most of our debts stand repaid The profit before tax for the quarter stood at 95 crores compared to 94 crores last year.

In spite of the challenges we have been able to maintain our profit after tax, we stood at 67 crores this quarter. EPS is at 5.9. The total debt in our books is 90 crores only out of which 60 crores will be repaid during current year. The current investment value including cash and cash equivalents is around Rs. 500 crores in the books of the company. In EPC segment our focus part the last fiscal was to consolidate and close the on-going projects and collect the money. As conveyed earlier we have consolidated our position after having seen a robust growth in last 2



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years that has doubled our topline and bottomline. Unexecuted order book is at 1719 crores. We are signed an exclusive agreement with the Cogeco for undertaking a contract worth US \$87 million to set up a 220 KV power network. We expect the order to materialize soon and this subject to the statutory requirements of the Government of India. We are continuously participating in various standards and expect to get orders around 1,500 crores in FY19. But most of this order inflow will have happened in the second half of the current year. Going forward, we like to concentrate on EPC and BBB business. The board decided to consider buy back of shares post listing of the shares in which promoters will not participate.

With is, I now invite questions from the participants.

Moderator: Thank you very much, sir. Ladies and gentlemen, we will now begin the question and answer session. The first question is from the line of Rahul Gajare from Antique Stock Broking. Please go ahead.

Rahul Gajare: Sir, I got couple of questions. One, regarding the FGD ordering, now NTPC is already put out tenders for or orders for 1A and 1B. Now, we wanted to know what is your thinking on FGD order from NTPC? When do we see orders for Techno Electric?

P. P. Gupta: You see, basically Rahul, NTPC has put up 4 criteria for qualification and we qualified under criteria 4, that is under EPC segment. The first segment was for the people who have done the other manufacturing of the boilers, the second was for who have done a whole power plant and third was who has done FGD already and fourth was for the EPC segment. NTPC out of its own weakness or shyness you see did not qualify any party in category 4, not Techno only. Even companies like Endure, MOIL, Datang you see all where rejected in category 4 because they wanted to limit only to first 3 criteria to begin with. But that does not deter Techno between you and me. Our focus is more on state or central government undertaking now based in Bengal like PVC, West Bengal Power Generation Corporation. In some of them even NTPC they have consultant also. But being a local entity we have a closer liaison with them. Now the views which NTPC took was basically despite JDU in the agreement, we had signed the agreement with our collaborators. That was more on the white paper with us and not on the requisite stamp paper as it was not required by them also. They only mentioned that you enclosed your understanding with the ultimate technology provider, but JDU want the document to certify that. But NTPC use that as an excuse between you and me. But in the meantime, we have got a proper legal document done vetted by our legal consultant and informally same stands approved by NTPC also now.

Rahul Gajare: Sir, the legal document, you mean the agreement with your partner?

P. P. Gupta: Absolutely. Because NTPC always gives a black and white dotted line agreement, as a JDU additionally which is called joint matter undertaking. Which will be, which is a tripartite agreement between EPC technology provider and NTPC. That is what 2 of us are bound with



the NTPC anyway. So, my agreement with my collaborator has no meaning, between you and me. Its overridden by the JDU terms and requirements. But nevertheless, a PSU is a PSU they have **animalistic credence 15.29** always to meet their own comfort zone moods. Market is huge it is the market for next 4-5 years. We are after focusing, you see this technology we have signed with **(Inaudible) 15.38** is for capacity 250 megawatt and above only. We have other partners for 250 and less capacity though we will be addressing the whole market of FGD. We are created a full-fledged business segment and you will find that during the years at least one success we will be able to announce.

Rahul Gajare:

But sir, does that mean, because NTPC is looking at broadly putting out all these FGD in a year or so? So, does that mean you will be not looking at NTPC orders and more focusing on SEB completely, is that what it means? Or you will continue to scout for NTPC orders also?

P. P. Gupta:

Firstly, I wish NTPC puts up all the requirement in one year they will not be able to, trust me they will take less than 3 years minimum. But they are coming out with lot 2 which should happen by September and we will be part of that process as I showed by at highest level. But nevertheless, we will also be working NTPC is definitely apart from their own projects as I mentioned you and also acquiring a dominant role as a consultant in this segment. Even NTPC is scouting for technology partner also of their own, so that they can standardize some of these facilities going forward. So, they are working on multiple options and we have shown that we will have a respectable place in this.

Rahul Gajare:

Sir, my second question is, now with NCLT approval already in place and you looking at listing by end of September. This MAT benefit that we will have for the merged entity. How long, for how many years will you have this benefit?

P. P. Gupta:

Sir, this benefit at least we expect more for 7 years. Because you can select any 10 years out of 15 years and 80I and we have started availing it from 2016 only. So, it maybe third year, 3 years we are avail, so 7 more years are pending.

Rahul Gajare:

Sir finally, the last question is, can you give me a breakdown of this order backlog that you have? The breakup of the order ...

P. P. Gupta:

No, but I must qualify you. This MAT will be depending on the growth in EPC business and its bottomline. Thus, benefits only out of the wind business saving of tax you should work on an average tax rate of around 25% to be on the safer side. Yes, now coming to the order book during the current quarter we have book no new orders sir, so far. But still our order backlog is almost around 1.5 years. So, that is definitely not a major worry but concern yes. We are ...

Rahul Gajare:

Sir, this Kenya order is included in this 1,800?

P. P Gupta:

No, not at all.



- Rahul Gajare:** So, you got this after June, right?
- P. P. Gupta:** Yes, no Kenya order, we have signed the agreement as I told you. But it is yet to get statutory clearance of the Government of Kenya. We think, it should be over by October or so, October or next month November, unless we get a letter to go ahead with the project. It is your exclusivity site now, they will not negotiate this project with anybody else. Our price is frozen, terms are frozen. So, file is in the government corridors for confirmation.
- Moderator:** Thank you. The next question is from the line of Venkat Subramanian from Organic Capital. Please go ahead.
- Venkat Subramanian:** Sir, we had consciously stayed away from taking very aggressive orders actually for the last 9 to 12 months. While some of our competitors had actually bided into some railway orders and their coffers are actually pretty full. What was been our thinking, sir?
- P. P. Gupta:** Sir, the business mostly of Techno is little specialized and higher number one. The companies who are gone in railways are basically transmission line companies because the railway electrification or track electrification again comprise of 85% to 90% of line work only, basically. So, substation work is very little at small there also, number one. And number two, as usual we do not believe in loading ourselves with unrelated businesses. So, we will like to be like light baggage, so that no sooner opportunities come back we are the first mover as we benefitted 2 years back also. While others who are struggling to offload the baggage, so we were light baggage. So we could bag better opportunities. So, our focus will always be bottom-line base as I have always mentioned, and value accretion based, so we do not want to aggressive. Yes we are, we will like to be, we enjoy that but not in areas which do not add to our pressure or our specialization.
- Venkat Subramanian:** On the GST adjusted topline our EBITDA is now closer to 17%, you sad sir?
- P. P. Gupta:** 18 plus, sir. It will be 18 plus, sir
- Venkat Subramanian:** And that is what you would guide going forward as well, right?
- P. P. Gupta:** For the year, for the whole year, right sir, absolutely.
- Venkat Subramanian:** And we had also consciously said last year, and this year were years of consolidation and therefore we consciously are growing at less than 10%-12%. While 2019-2020 and 2020-2021 and beyond we said we could grow up to 30%, that is holds good, sir?
- P.P. Gupta:** Absolutely it holds good, sir.



Venkat Subramanian: And we are seeing clear visibility for that kind of growth and we should actually see more order getting booked in the second half this year?

P.P. Gupta: Sir, we are, let me take you a little to a higher phase. You see, we are like government of India Techno is position like that. I mean, small trigger in the power reforms the sky will be the limit to growth and that is what I can share with you. This sector has challenge got challenged and challenged. We are only trying to not untie the knot but put a knot over the knot to solve the issues. So, this sector still has not become pro-consumer in many any kind of servicing or services. So, any small micro reform in this sector you will see will unbundle the opportunities in plenty.

Venkat Subramanian: And you were hopeful sir in one of the previous calls that possibly the electricity act could possibly be modernized and you could probably see some opportunities coming from there. And you said some of the Ministers who were beginning to make the right noises but are you seeing a singular direction in that regards, sir? Or is it still getting complicated?

P.P. Gupta: Sir, noises are there. They are getting louder by every passing day but nobody still talking of amendment act in Parliament. So, possibly that courage this government may have only post-election to my mind. But indirectly they are trying to regulate new tariff policy. Some of the areas of immediate concern but they will always get stuck with every DISCOMs. Even today's paper you can see now a stressed asset, so much of debate between government and RBI and interesting things vis-à-vis DISCOMs. So, everything government talks in Delhi get stuck at DISCOM level.

Venkat Subramanian: Lastly sir, in the opening remark you said this current NCLT action would result in balance sheet getting bigger and our bidding strength actually getting higher, etc. In one of the previous con-calls we said we could potential do leverage our balance sheet almost 5,000 crores because you already sitting on that kind of cash. What would this mean in terms of any accretion to that?

P.P. Gupta: Yes, I am not saying acquisition but definitely we will be able to grow our BBB business more strongly, number one. Number two, able to dwell more strongly partnerships because I always mentioned apart from organic growth the growth will also happen through partnerships where other peoples are investors where we do their EPC and takes stake to grow our proper development as per international practices. So, a strong balance sheet will help us in grow up our partnerships, business deals, BBB model businesses, so all that will be the strength and what I mean by growth is that we are a zero debt company. That is our major strength. Although you are a \$200 million net worth company but no debt. So, that gives you a strength to borrow and invest if there are good opportunities to invest, sir. Although our core will always remain to be efficient.

Venkat Subramanian: And lastly sir, when is the board date for considering buy back?



- P.P. Gupta:** Sir, this will happen immediately on the day of listing approval. It is mandatory to hold a meeting on the day of the listing approval and same day we will take it up. But already in principle we have already informed the stock exchanges before delisting number one. It was discussed in the last board meeting also where board has taken on record the promoters intend and also the resolution filed with the exchanges. But actual quantum and terms can only be announced once we are a listed stock as a statutory guideline.
- Moderator:** Thank you. The next question is a follow up from the line of Rahul Gajare from Antique Stock Broking. Please go ahead.
- Rahul Gajare:** Sir, one more thing. Now, we were also indicating, I mean last time I think you were indicating that you are looking forward to some industry orders in this particular year from aluminum smelters and all. So, any progress that you have seen in that front and what is the general mode on the private sector in terms of ordering?
- P.P. Gupta:** Very timely you have asked, sir. We are dot on it, we are packaging the first offer to Vedanta now along it is confidential. We have a NDA, we cannot talk on it but we are on the job sir and offer is getting submitted in next 15 days and discussions are all will be happening in London.
- Rahul Gajare:** Any other, I think even NALCO was, I think you all mentioning about NALO also?
- P.P. Gupta:** NALCO should also follow. But generally, they engage EIL that is a tendering route of the, there we only get a sub segment. There we are coming up as a partner to a complete EPC.
- Rahul Gajare:** Sir, typically company like Vedanta how much time to, after you submitted the tender? Typically how much time does it take for the entire cycle for you to get order?
- P.P. Gupta:** I think it should be over by no later than January, February to by March, 4 to 5 months. Because, yes it may take that kind of firming up, financing closures and all that, so some moment it is more of a partners' selection, technology selection, scope selection pumping up the project cost, so that exercise will be over by September. So, in another 3-4 months we should get the ground work ready and project happening because generally they do not give more than 18 months to complete these projects.
- Rahul Gajare:** Sir and any other, I mean update on what is private sector doing in terms of specifically for your line of business?
- P.P. Gupta:** Sir, we are looking for good breakthrough in renewable powers. That is what we are looking for, as a balance of plant supplier or as a last mile connectivity we are getting good response from companies like GAMESA, Suzlon as well as developers.
- Rahul Gajare:** So, you mean electrical BOP on the wind energy side?



- P.P. Gupta:** Yes, absolutely, right.
- Rahul Gajare:** Sir, one more thing, STATCOMs, I think last time I think we discussed this particular thing that PGCIL was looking forward to see what are the results of STATCOM before they give out more ordering. Any update from PGCIL on performance of STATCOMs?
- P.P. Gupta:** Sir, they had in a slowdown mood as you know more than me and maybe change of guards also additionally, so that was you ask then directly they will come to you.
- Moderator:** Thank you. The next question is from the line of Pawan Parakh from Renaissance Investments. Please go ahead.
- Pawan Parakh:** So sir, you have guided for like about 1,500 crores of order inflow for FY19. This includes the Vedanta and NALCO types order as well or that will be like over and above the existing guidance if you have?
- P.P. Gupta:** There will be over and above sir, over and above this, if you are talking in our traditional businesses, power businesses.
- Pawan Parakh:** So, there could be like some more other things that you were, I mean we have discussed earlier some several kind of things and there could be many more things over and above this 1,500 crores as well?
- P.P. Gupta:** Yes, absolutely.
- Pawan Parakh:** But sir, as you said these orders will be more back ended, so 70 crores-90 crores order inflow at the end of year is by far the lowest in last several years. So, how do we see growth in FY19 in terms of the revenue execution?
- P.P. Gupta:** Sir these, you see today the cycles of executions are getting compressed by most of the utilities and agencies. We have not unlike earlier when they used to give us 2 years. Today they talk now more than 9-12 months, by enlarge if it is an extension projects. So, I think we are all well prepare and as much you can advance is always appreciated by the customer. Yes, a tale end project always means a little rush up to achieve topline in the immediate year. But we will work for it sir, definitely we will work for it.
- Pawan Parakh:** And sir, just one final thing. There was this some Japanese company wherein you are exploring some idea, I mean anything concrete on that?
- P.P. Gupta:** Not, yet sir. Nothing because Japanese move very slowly also I mention, additionally their decision making is very slow but they are definitely strong partner in the long term.



- Pawan Parakh:** But that is happening sooner than later or is it still like on the negotiation table?
- P.P. Gupta:** Exploratory sir, I assume, we were at that time also more exploratory.
- Pawan Parakh:** But if it all this happens, so this will be like fresh equity stake that they will take into this company?
- P.P. Gupta:** Right, absolutely.
- Pawan Parakh:** And we already are sitting on good amount of cash. So, what will be the potential investments scenarios?
- P.P. Gupta:** Sir, that we will discuss with, along with their programs what kind of markets they are providing us, what technology is they are providing us and what opportunities to invest. It will depend on what they bring on the table. Otherwise, even they will not like to diminish their rewards.
- Moderator:** Thank you. The next question is from the line of Ritika Agarwal from Quest Investments. Please go ahead.
- Ritika Agarwal:** Sir, just a follow up question on the 1,500 order intake guidance for FY19. So, could you just throw some color as to from which segments are we seeing the order intake from state, PGCIL, international orders?
- P.P. Gupta:** If you see, it is all put together we expect at least one order we are working from Kenya as we said with you we also expect some business from the states and we will also be looking for at least one breakthrough in FGD business additionally. And some business I will say this smart metering solutions, IT base smart metering solutions on the distribution side. All these will have there will also be announcement of the orders of the on-going projects like in Jharkhand we expect the improvement in order value by 40%-50%. So, government has to make a program we are a performer party successfully performing party. So, they definitely knock us first. So, all these will culminate into little bit here and there everywhere.
- Ritika Agarwal:** Sir, my second question is in last time we discussed on the challenges faced in the state orders. So, how are we seeing that going forward?
- P.P. Gupta:** No, I will not share that there are great challenges. They also need to meet their programs but yes in states, different states are differently organized. So, definitely the follow up efforts are little high than government or CPSUs in the process. But selectively we will be, we do not want to be part of all the states. At one time we will focus only on 2 or 3 states and like to achieve a breakthrough. So, we are not looking for a great business not more than 300-400 crores from the states in this year. So, whoever comes first we will be able to take care of it.



- Ritika Agarwal:** And which states would be we targeting?
- P.P. Gupta:** We are focusing on Rajasthan, UP, MP and Andhra.
- Moderator:** Thank you. The next question is from the line of Jaykant Kasturi from Dolat Capital. Please go ahead.
- Jaykant Kasturi:** Sir, in terms of the competition intensity for orders like say for international and for domestic, can you throw some light on it? And you were also in the last quarter you said that you were expecting the Afghanistan order.
- P.P. Gupta:** No, that is already in process. Order we have got, we are expecting enhancement of the order value. That is what we said the earlier order also on our 4 base they want to add another 4 base into the same place. So that proposals are submitted they are in process, that in the on-going exercise with any existing customers because they are tried out of the very order in hand. So, they are amendments to the orders more than any new orders but are often the significant values. So, that is rest in the process.
- Jaykant Kasturi:** Sir, in terms of EBITDA margins for this quarter, this year, your expectations?
- P. P. Gupta:** We have already given a guidance it will be 18% around plus, minus a bit, but it should be you can take it 18%.
- Moderator:** Thank you. The next question is from the line of Amber Singhania from AMSEC. Please go ahead.
- Amber Singhania:** Sir, first question is towards our BOOT project in Nagaland, Kohima, what is the current status there and when do we expect the execution will start on that?
- P. P. Gupta:** Sir, we are in the process of land acquisition and engineering is in full process now. Orderings should be, equipment ordering we should complete by October-November. We should take the, site should be in place by September. We have to commission that projects by May 2020, sir.
- Amber Singhania:** So, in revenue from when we can expect this project to reflect in our revenues, sir?
- P. P. Gupta:** It will, revenue is due as per the TSA from July 2020.
- Amber Singhania:** That is the annuity but on the EPC construction side by when can we expect?
- P. P. Gupta:** I think you can expect in the last quarter of this year.
- Amber Singhania:** From Q4 onwards?



- P. P. Gupta:** Yes.
- Amber Singhanian:** And generally it is around 5 quarter project?
- P. P. Gupta:** 5 quarter projects, absolutely and final payment in the 6th quarter.
- Amber Singhanian:** Sir, secondly on the macro side, just wanted some clarification on the green corridor we read on the newspapers that green corridor PGCIL has been given on a nomination basis. So, what is the status on that? Is it formally given to PGCIL now? Or it is still on the cards or how things are panning out on that part, sir? Sir, if you can give some color on that?
- P. P. Gupta:** Sir, it is better you ask Power Grid they will come to you shortly.
- Amber Singhanian:** But it has given to PGCIL, sir?
- P. P. Gupta:** I am as much confused as you are. Whether this is 500 crores or 5,000 crores I do not know. But something is given if not the whole. Something is given to them.
- Amber Singhanian:** And secondly on the FGD side, just I missed out on the part that what are the projects which are coming in next 3-4 months if you can give some names or some size indicative where we will be bidding in terms of opportunity because larger portion it will be known that it is a pretty large opportunity of more than 100 gigawatt kind of opportunity. But in the near couple of months how much we are going to planning to bid as such for our portion as such?
- P. P. Gupta:** No, we are only looking for let me be clear, sir that we want one project and we would like to achieve some successful performance then only and large this area, the more is not always more is not always the merrier Techno has been like that. So, we are conservative in that. So, NTPC is coming out with lot 2 as well as they are consultant to now projects of DVC and are some other state governments also additionally. So, we will participate in these projects but our focus will be more on the projects of the DVC or West Bengal Power Development Corporation or of NTPC project where I already have a site. We are already working them, so that our overheads and our comfort zone is already there.
- Amber Singhanian:** And just wanted to understand from our normal core business which was PGCIL orders which keep on coming since last couple of years. Where exactly things are moving now because we have not heard much on the PGCIL tendering side, so what is your sense on interaction with PGCIL? Are they coming out with the tenders or how things are shaping on those parts? And what is the expectation from this year for the PGCIL as a whole in terms of tendering and our scope on that?
- P. P. Gupta:** Sir, all government and PSU workings are reasonably mysterious and it is very difficult to unlock them. And I do not want to be labeled in telling you what is being cooking behind the seen. It is



better you talk to Power Grid directly and understand. They will be coming to **Bombay shortly 45:28** only.

Amber Singhania: Because what I understand interaction with PGCIL that they are still not very gung-ho about the large chunk of tendering. So, in that case I just slightly wanted to understand your point of view how things will be shape up because that was the core bread and butter for us in last couple of years and also couple of more companies as such? So, how do we see that thing panning out? Is there something which probably we are not aware and PGCIL is working on it something?

P. P. Gupta: See, let me first tell you the roll of a central transmission entity in the 11th scheme of power sector set up cannot be undermined. It can only get stronger not weaker over the time, number one. Number two, under what format it happen is always a constant discussion and debate of the different entities involved with them. At the corporate level, political level, Ministry level, entity level because all these companies are gradually becoming asset heavy. So, they have to find ways how to provide more space to them, more speed to them. So, I think those choices have been worked out by the government. So, that is what may be taking some more time to give a direction to it. So, it does mean that whatever is happening is more of a debottlenecking that is for expansion part of it.

Amber Singhania: Karuna, do we have any more participants in the queue?

Moderator: No, sir.

Amber Singhania: So, thank you everyone. On behalf of Asian Market, I thank everyone for joining this call. And a special thanks to the management for taking out time and giving us the opportunity to host this call. That is all from my side. Sir, would you like to add any closing comments?

P. P. Gupta: Yes, I will like to thank all the participants despite their busy routine they spare time to be part of it 43 of them or maybe more giving value us. We value their presence in the concall tremendously and their queries. In case you still have any query related to our performance please drop us a mail or write to us. We will be really delighted and if anyone of you are visiting or travelling towards Kolkata you are welcome to drop in our office and face-to-face discussions. With that, I would like to close the conference and thank everybody once again for joining.

Moderator: Thank you very much, sir. Ladies and gentlemen, on behalf of Asian Market Securities Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.