

**Nila Infrastructures Limited**  
**Q4-FY2019 & FY2019 Earnings Conference Call**  
**May 22, 2019**

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**Moderator:** Good day, ladies and gentlemen. And welcome to the Q4 FY19 Earnings Conference Call of Nila Infrastructures 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 the operator by pressing '\*' and '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Anuj Sonpal from Valorem Advisors. Thank you and over to you, sir.

**Anuj Sonpal:** Good morning everyone and a warm welcome to you all. My name is Anuj Sonpal from Valorem Advisors and 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 earnings conference call for quarter four and financial year 2019. Before we begin I would like to mention a short cautionary statement as always. Some of the statements made in today's earnings conference call maybe forward looking in nature. Such forward looking statements are subject to risks and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management beliefs as well as assumptions made by and information currently available to management. Audiences are cautioned not to place undue reliance on these forward looking statements in making any investment decisions. The purpose of today's earnings conference call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review. Now I would like to introduce you to the management participating in the earnings conference call with us. We have with us Mr. Deep Vadodaria – Chief Operating Officer, Mr. Prashant Sarkhedi – Chief Financial Officer and Mr. Himanshu Bavishi – Group President Finance. I request Mr. Deep Vadodaria to give his opening remarks now. Thank you and over to you, sir.

**Deep Vadodaria:** Hi, good morning friends. I welcome you all to earnings call for Quarter Four and FY 2019. This has been the most phenomenal quarter with booking on the highest revenue in the history of the company and it is also true for the financial year, too. The company has not only made up for the lag it faced in the nine-month FY19, but has also grown considering certain events namely applicability of inclusive of GST billing for the previously awarded ongoing contract and the state elections in Rajasthan, we are glad to have achieved growth. We have secured fresh orders worth net Rs.3376.8 million during FY19. While the confirmed unexecuted order book stand at a strong Rs. 6476.5 million that provides us revenues visibility of further three years. We are confident to escalate the growth momentum with

sustainable profitable margins and are confidently assured about a very promising year ahead.

Now, coming to our operations.

As communicated in the previous earnings calls, that we have done in the past, we are focusing on our objective of growing through the initiative of Lighter, Fitter and Faster model in a granular and calibrated manner. We believe that our strong execution expertise is the basis of our strategy and we have seen a healthy growth in our overall business. The company's order book is quite balanced with a focus on its core competence of "Affordable Housing" constituting about 55% of it. And about 45% is coming in from the civic urban infrastructure projects, for example medical colleges, commercial complexes, community hall. Geographically the state of Gujarat accounts for 87% orders worth Rs.5603.8 million and principal wise government entities account for 27% of worth Rs. 1726.6 million. The government clientele comprise Engineering Projects India Limited, Ahmadabad Municipal Corporation, Government of Rajasthan, while Adani Group is the major corporate client. Overall, the company is executing construction of about 3.6 million square feet area including 7940 units of affordable housing. Meanwhile we continue to build resilient business to drive growth in core operating profits in a calibrated manner and are maintaining to focus on building the contract pipeline. We believe that the approach of granular exposures and focus on high rated corporate and government client is standing us in a good stead in this environment, and we will continue with this approach.

Now with respect to the sector and the economy.

According to prominent development sources Gujarat is likely to announce redevelopment policy soon, the new policy's primary focus will be encouraging high rise buildings along the metro which is coming up in Ahmedabad and couple of other cities in Gujarat. BRTS corridors and affordable housing zones across the major cities of Gujarat. This will provide great impetus for the infrastructure activity going forward primarily much more related to the contracts that we have been undertaking. The Mandal Becharaji Special Investment Region and in the vicinity of Mandal Becharaji SIR where we are putting up two industrial and logistics parks, is in making as one of the largest auto and auto ancillary hubs of the country with Suzuki scaling up operations very quickly. With the existing plan, about 1 million cars are to be produced every year. To cater to their needs, a lot of auto ancillaries will be required to setup their facilities in the close proximity. This serves as the testament to the potential of this region where we have about 300 acres of land in two distinct land parcels that are within the vicinity of already operational Suzuki car plant and Honda two-wheeler plant.

Now with this I would like to invite Mr. Sarkhedi, our CFO, to discuss the key financial highlights of quarter four and financial year 19.

**Prashant Sarkhedi:**

Thank you Mr. Vadodaria. And good morning friends. I will quickly take you through the standalone financial results for the quarter and the year.

In the terms of the quarterly performance standalone revenue for the quarter four 2019 increased to Rs. 760.2 million from Rs. 546 million in the corresponding previous quarter. Certain projects have started contributed from the quarter four 2019, while certain others have gathered the pace. On the profitability front, EBITDA for the quarter four 2019 increased by 43% that is from Rs. 84.4 million to Rs. 121.1 million with EBITDA margin of 16.38%. The profit after tax is Rs. 74 million.

In the terms of full year performance, standalone revenue for financial year 2019 has increased by 6% to Rs.2340 million from 2216.4 million in the previous corresponding period. As the company has evidently subdued the consequences of GST as well as state election in Rajasthan. On the profitability front the EBITDA has witnessed a marginal reduction by 91 BPS, that is from Rs. 379.5 million to Rs. 379.3 million with an EBITDA margin of 16.8%. The profit after tax is Rs. 221.7 million.

The Board of Directors has not recommended dividend for this year in order to retain the resources for the future growth of the company.

Meanwhile, over past couple of years our overall Debt to Equity has hovered around 0.9x. For the financial year 2019, Finance cost was 5.55% of the total revenue and 41% of the PBT. While the finance cost would be an outcome of our utilization and the credit environment, given our focus on the sustain profitability, we are planning to reduce it and bring this to the comfortable level vis-à-vis our projected cash flow. We continue to be committed to achieved an improved ROE and ROCE for the financial year 2020.

Meanwhile, Brickwork and CARE Rating have reaffirmed the BLR at BBB plus with a stable outlook and A2 for the various bank credit facilities availed by the company. The company has been also removed from the credit watch by the CARE Ranking.

I now open the floor for the question and answer that may be required for the further clarification. Thank you.

**Moderator:**

Thank you very much. We will now begin the question and answer session. The first question is from the line of Rushit Parekh from Capital Markets. Please go ahead.

**Rushit Parekh:**

Prashant sir if you can bifurcate the revenue for this financial year on a geographical basis in between Gujarat and Rajasthan, just for better understanding as to the execution slow down related to Rajasthan?

**Himanshu Bavishi:** Yes, I am Himanshu, President Finance of the company. The bifurcation of revenue amongst Gujarat and Rajasthan is about 66% of our infra revenue we have derived from Gujarat while 33% is from Rajasthan.

**Rushit Parekh:** Okay. And can you please help me in the comparable figures on an annualized bases year-on-year that would help in terms of better understanding?

**Himanshu Bavishi:** It was about 70% and 30% last year.

**Rushit Parekh:** Okay, fair enough. And second question is regarding the order inflow. I think we have somewhere around more than 330 crore of order inflow this year. So, I just want to understand how is your bid pipeline for this year and what is the order inflow guidance which management is looking for this coming year FY20?

**Himanshu Bavishi:** Deep would you like to take this?

**Deep Vadodaria:** So the order inflow has looked pretty good at least in the last quarter and financial year 19 and going forward yes the bid pipeline is much larger, we are L1 in a few bids then there are about 14 to 16 bids which are yet to open and they will be opened in the due course of time and once the election results are declared tomorrow and in general as I said the development areas that we are working in Gujarat and Rajasthan and the cities that we are involved in, specific bodies that we are involved in, the order pipeline does not seem to be an issue. In fact whatever has happened in the last couple of months in terms of election code is just government probably trying to think, put opportunities into place and they will see a huge inflow of opportunities coming in as soon as the election code is over.

**Rushit Parekh:** Will it be possible to quantify the EBIT in the pipeline here that is visible for the company?

**Deep Vadodaria:** The project pipeline will be large however as our model we have never discussed with numbers because it becomes a little speculative because it is not a certain bid that you are going to be the bids that you bided for, but the order book looks pretty strong and about three times and we have said in the past that we will try and push to a level where we think it is not going to put a lot of pressure on our operational team. So it will be in line but we are very comfortable at three times the order book right now and we will keep on exploring the areas and rest has multiple number of bids which are to open and once they are opened in the next few weeks you will get a much clearer situation off what is the pipeline that we are dealing with and obviously that is going to decide the future course of action for the company.

**Rushit Parekh:** Fair enough. Next question is on the current interest rate. So what is the current average interest rate for the company?

**Himanshu Bavishi:** It's below 11%.

**Rushit Parekh:** And in terms of funding given the anticipated execution and order book you have, will you be raising any additional bid for this next year?

**Himanshu Bavishi:** No. Prashant would you like to throw some light on debt ? Prashant already mentioned it earlier, nonetheless he can repeat.

**Prashant Sarkhedi:** Yes, we are not raising any further debt and we have very strong plan to reduce the debt from our books by non-revenue generating assets like land. Definitely we would not generate any further debt.

**Rushit Parekh:** Fair enough. My last question, it's a request if you can throw some light on the Nila Space I know it's already demerged but something on the real estate business of Nila Space that would be of great help.

**Deep Vadodaria:** So we Nila Space is obviously this is not the right platform to discuss this in detail but we have already launched one project here for real estate affordable housing in the city of Ahmedabad and that has got a phenomenal response from people. The consumption looks pretty good and the model that we are observing there is a affordable housing model which is a past turnaround in terms of execution also in terms of the overall sales turnover. So, we are very confident that we will be able to maintain that in the first project and as of now there is only one project and while we prepare the project pipeline and new team is taking place in Nila Spaces. This is the only thing that can I support that one project is already floated out of affordable housing, the construction is ongoing, we have finished more than 30% of the construction by now and the teams have been very-very good. The appetite of affordable housing we have absolutely no doubts in because we have been dealing very closely with respect for the government side of thing to understand that private side of affordable housing also is going to play equally important role in terms of housing for all.

**Moderator:** Thank you. The next question is from the line of Viral Shah from Emkay Global. Please go ahead.

**Viral Shah:** Couple of clarification. One of the presentations on slide #9 states that some projects are yet to be initiated right? Like Vadaj SRA – Vivyan, Bopal 232 that means the project has not started construction right, is the understanding correct?

**Deep Vadodaria:** Yes, the understanding is correct. The different reasons for the different projects of course but I think it will be done out pretty smoothly by now once the election is over. So Bopal has the same problem with the election. Once the election code is gone obviously the execution will start there on the ground because the execution is postponed now and the same thing for Jodhpur Barli. I think we will be able to start execution in the next month for the same.

**Viral Shah:** Agreed. So out of the 650 crore of order book roughly, what percentage of the order book is not executing as of now?

**Deep Vadodaria:** You could say in value terms about 18 to 20%.

**Viral Shah:** Fair enough sir because what I understand from the presentation it is higher than that actually it is close to 30-35%.

**Deep Vadodaria:** Yes, see in the absolute value terms I have no clue but different projects have different reasons why they have not been executing right now or delivering to the revenues but we will confidently start delivering on the revenues Vadaj Project is very complicated SRA project which is one of the largest slum dwelling houses of the city.

**Viral Shah:** Agreed. So do we expect all this project to start by 1Q FY20?

**Deep Vadodaria:** Yes, absolutely.

**Viral Shah:** Fair enough. Finally when you look at our order book we have around 650 crore and we did mention that we are L1. So could you quantify what kind of L1 orders are there, they are from government or private orders only and geography price by any chance if you quantify that or absolute numbers for that.

**Deep Vadodaria:** As a policy we do not quantify the value of the L1 orders but there are four orders and they are all government in nature and they are all coming in from Gujarat largely and one of the order is coming in from Rajasthan but at the same point of time Gujarat has more opportunities of course because Rajasthan went in for two election in the last six, seven months.

**Viral Shah:** Alright. Secondly, sir what will be your average execution cycle of this 650 crore of order book?

**Deep Vadodaria:** About 24 months.

**Viral Shah:** About 24 months?

**Deep Vadodaria:** Yes, that's the average timeline for most of the orders that we get.

**Viral Shah:** Agreed. So if you split this order book into two half's such 30% of the order book has not started on ground and it is going to pick up in 1Q of FY20, probably second quarter being the monsoon quarter and your net debt of, I believe when you look at it from a two year horizon you still have a decent run rate for FY21 but 20 looks a bit challenging it all depends on the new orders whether they pick up in terms of revision or not. So is the understanding correct, or there is some disconnect there?

**Deep Vadodaria:** No, the understanding is correct largely. But, I have to add that FY20 looks very promising because we are very confident of the revenues that we are going to be able to book from the existing order book that is there and also on the orders which we are going to get pretty shortly but, since they are government projects obviously the execution of that will be largely limited to maybe two quarter but they will obviously be chipping to our top line so we are very confident of FY20 and yes we have clearly stated that FY21 also looks pretty much in place.

**Viral Shah:** Yes, so can you give me the guidance of sales EBITDA, PAT for 20-21?

**Deep Vadodaria:** We do not give revenue guidelines as per policy but we will get back on the growth rate that we have been delivering through the past. This year of course was a challenging for everyone and we have been able to outdo all the negatives that were there in the year and still register the growth and our single point agenda is to grow on the top line and as well as on the bottom line. And that is what we will continue to do.

**Viral Shah:** Sir apart from Gujarat and Rajasthan are we looking at different geographies or any new geographies to how to kick in or to start execution there or to back projects there or something like that?

**Deep Vadodaria:** We have been actively looking at a few territories but as a short term strategy or a medium term strategy right now as I said because we have already bided for a lot of project once the bids open in the next few weeks that will decide a little bit of course of action in terms operations because the order book which is very strong at this moment even get stronger then we do not need to aggressively hunt for another opportunities in other states and to be very honest in the states that we are operational in Gujarat and Rajasthan are serving with ample opportunities to which we have.

**Viral Shah:** Sir lastly in terms of technical qualification, what will be your technical qualification be for projects and what is the bigger project which we can bag technical?

**Deep Vadodaria:** Well it's a very complex thing to answer because every different segment or the actual scope of work of qualification criteria but it's very safe to say at this point of time that with all the hard work that we have been doing in the last two years we want the opened up doors to do more and more segment than value of the bid that we can bid for has only gone higher because of the execution that we have been doing on the existing projects. So it's very safe to assume that most of the building construction bid that come in our territory area and the area of our interest we try to qualify basically on that.

**Viral Shah:** Agreed. So what is your ticket size you would be looking at going forward, are you going to have a ticket size of 100 plus?

**Deep Vadodaria:** Yes, we are comfortably qualifying for a ticket price of 100 plus.

**Viral Shah:** 100 plus?

**Deep Vadodaria:** Yes, around 130-140.

**Prashant Sarkhedi:** If we have to qualify, there are three bids of equal amount then we can qualify for 150 and if they are qualifying two then more than 120 plus which I am qualifying easily with any.

**Viral Shah:** Sir in terms of balance sheet when you look at. So, on your current balance sheet strength without adding any new equipment's or doing largely CAPEX what is the kind of drop line we can easily achieve based on our current balance sheet strength asset?

**Himanshu Bavishi:** We work on assets-light model wherein we normally try to empower our contractors rather than purchasing asset on our books and construction equipment and assets are readily available in the market. We deem it more prudent to follow this model rather than making our balance sheet heavy and then stare at the position wherein we need to go and find out work only to keep those assets in operating condition. So the kind of fixed assets that we have or at our disposal, we believe that about Rs. 350 to Rs. 400 crore of annual execution is not a challenge. No substantial fresh CAPEX that we look forward to in this financial year.

**Viral Shah:** No, because sir why I am asking this question is because when you look at the current scenario in terms of NBFC funding on terms of equipment's and all, equipment financing and all it is very stressed right they are not ready to put that kind of money.

**Himanshu Bavishi:** We do not rely on NBFCs, as we have tied up our requirement with banks like SBI and other nationalize and private banks and we do not stare at any situation where we need to run from pillar to post for the need for tie up of funding for our projects. We are sufficiently tied up and there is no fresh large CAPEX plan, routine CAPEX plan will go and there is no large CAPEX plan that we need to be worried about.

**Moderator:** Thank you. The next question is from the line of Jitendra Rushi from Bank of Baroda Capital Markets. Please go ahead.

**Jitendra Rushi:** Sir my question was your initial remark which you said about the upcoming redevelopment projects in Gujarat. So, I see the government had passed this last year when buildings older than 25 years they would come up for redevelopment. So sir can you quantify the size we are looking for that, are we qualified for any larger size project as you said you are looking for a ticket over 100 to 150 crore so this redevelopment projects would be in that range or bigger or anything. Can you just throw a light on it and the competition for this?

**Deep Vadodaria:** This is difficult to quantify but it is safe to assume that we will qualify for most if not all of them, all the redevelopment projects that can be undertaken in the state of major cities in



Gujarat where we are engaged in and you rightly said that there is a redevelopment policy in place obviously this is core area of expertise because we are already doing slum rehabilitation projects and we are actively involved in other redevelopment projects, redevelopment obviously is a much earlier job compared to the slum rehabilitation model because they are existing houses which need to be vacated which do not take as much time as the slum projects in terms of doing social work there and convincing them to move out. So, we had buoyant about this opportunity which is going to come about in the cities that we are involved with Gujarat and if you look at the order pipeline that are there in terms of civic bodies coming out with the redevelopment it seems quite large. So we are pretty excited about this bid.

**Jitendra Rushi:** We can further taking a way perspective of what kind of opportunities you have there, can you just quantify the opportunities?

**Himanshu Bavishi:** There are already about 100 societies in Ahmedabad itself which are proposing for redevelopment and even if you take about 25, 30 or 40 units per society, then you can readily workout that the number is quite promising and we are very bullish about this opportunity and we look forward to it.

**Jitendra Rushi:** Sir this projects would be like 10 story project, 10 story building or it would be higher or how it is?

**Deep Vadodaria:** It depends on the specific location of the plot because the FSI is permissible in the various civic bodies guidelines are as per the width of the road where this project is located in and as per the civic transportation, obviously because metro PRTR coming up these are large corridors in which they are allowing large size building. So if the society is lying right there in terms of direct access to the road where metro or BRT is then you are allowed to build higher FSI and also in terms of higher FSI you have to also look at in the redevelopment project it's not only in terms of FSI because there are lot of situations which come into perspective because these are voluntary people who are looking at redevelopment of their projects so their comfort also needs to be taken into place but at the same point of time you can say that, that will vary largely from these locations of the project that has been taken under redevelopment, but anything in the zone which is very close to or direct access to the high transportation network like BRT and Metro will tend to get higher FSI.

**Moderator:** Thank you. The next question is from the line of Madhu Chandade from MC Research. Please go ahead.

**Madhu Chandade:** First some housekeeping question. If you could give me a breakup of what was the actual quantum of PPP booked in the revenue for the fourth quarter and for the full year?

**Himanshu Bavishi:** Sorry ma'am if you can please repeat the last part?

**Madhu Chandade:** PPP projects, what was the quantum of that booked in the revenue for the fourth quarter and for the full year?

**Himanshu Bavishi:** For the fourth quarter it is about 7% and for the full year it is about 3%.

**Madhu Chandade:** 7% for fourth quarter?

**Himanshu Bavishi:** Yes, and 3% for the full year.

**Madhu Chandade:** Okay. And what was it in the third quarter?

**Himanshu Bavishi:** I will just get back to this particular number meanwhile you may proceed with your next question.

**Madhu Chandade:** Yes, and another thing is what was the total fresh order inflow for Q4 and FY19?

**Himanshu Bavishi:** For FY19 it is Rs. 337 crore and for Q4 it is about Rs. 65 crore.

**Madhu Chandade:** Okay. My next question is rather qualitative question. We are seeing, we are actually hearing about lot of stress in the market which is getting worse because of the liquidity issues with NBFC, specially lot of problem has been reported on the small housing finance companies since affordable housing is definitely a focus area for your company don't you feel that this could lead to a slow down because your client getting impacted in some or the other ways, either I am not saying liquidity is unavailable but liquidity, I mean money is coming at a price so what is your take on this whole situation, should it aggravate further in the coming months?

**Deep Vadodaria:** I don't think it is going to slow down in one week. There are two, three reasons why I feel that, All the government projects that we are undertaking largely NBFCs exposure is very limited we have to agree that there has been a paralysis of that sort in the last few months because of government that is into election mode and lot of things has happened in terms of liquidity showing action in terms of aggressively landing. That could be an issue for NBFCs I am pretty sure but in terms of demand and liquidity coming into this segment, I do not think there can be any question mark because we are down there on the ground and the demand and the appetite even the banks are showing, even see we are also engaged with spaces on the affordable housing segment on the private side and obviously NBFCs have encounter problems but we are still working with NBFCs as well as banks who are looking very aggressive to lend it to people who were buying their first houses or the affordable housing. So, I do not feel this liquidity squeeze is going to effect the affordable housing space in any way if you look at private as well as the government part of it. Because the government banks are also looking very buoyant to aggressively land to affordable housing. There could be a sort of pause that they have taken in the last few months but we are not encountering any

operational issues on the ground in terms of processing the loan for the specific member even if it's governments responsibility or our responsibility we have not come across alarming cases in which we should be worried about this situation.

**Madhu Chandade:** Okay. I had just one that housing keeping on the share of PPP revenue.

**Himanshu Bavishi:** It was 1% in the third quarter.

**Madhu Chandade:** Okay, that takes me to this question you have mentioned in the presentation that margin dip that we have witnessed in this quarter is because of the change in the revenue mix, so how do you explain that really when the share of PPP has actually gone up in the quarter?

**Himanshu Bavishi:** Share of PPP has gone up then there are certain four projects that we have initiated in this quarter.

**Madhu Chandade:** Can you name the projects?

**Deep Vadodaria:** Sorry to intervene but it's more of a quarter four comparison in which quarter four in a subsequent in the previous year we had large execution coming in from PPP in terms of that the execution is much lesser and just to elaborate what the breakup that he gave in are two projects only started very late into quarter three and we have put some revenues on four but they are down there executing at full strength at this moment and we are going to see large revenues coming in from those four PPP projects four or five PPP projects that we are undertaking at this moment. So the revenue share coming in from PPP project is going to be larger in the financial year 20.

**Madhu Chandade:** If you could give us some sense you mentioned that it was 3% in FY19 right, so what is your ball park estimate of this number in FY20?

**Deep Vadodaria:** See the ball park estimate could be a speculative figure in a way but I will tell you one thing very clearly it has a PPP execution numbers are usually largely muted compared to EPC because we are only awarded orders from the government for the construction of the parts that we are to construct for the government just to give you a larger example on a redevelopment project if we are constructing 240 houses for the government and 400 houses or some square feet in terms of captive consumption of selling it out then that is not considered in the work order but when we actually go through the chain of execution there is obviously the opportunity which needs to be looked at which is on our component but just to answer your question pretty straight you can definitely see it inching close to 10% or more execution coming in from PPP projects.

**Madhu Chandade:** In FY20?

**Deep Vadodaria:** Yes.

**Madhu Chandade:** So where do you see your in light of this whatever you have mentioned and expect where do you see your margin settling basically?

**Deep Vadodaria:** The margins looks pretty settled at this point I think it will be around the same region of 16-17% on the EBITDA I think we are very comfortable with that and we are very comfortable to achieve that sort of EBITDA going forward.

**Madhu Chandade:** Okay. One last question, what are the challenges or risks that you see to your growth journey in FY20 and beyond?

**Deep Vadodaria:** Well the government coming in and saying that we no longer want to build houses for poor that seems very unlikely so I do not see any scenario in which the space that we are involved in is going to get bigger or is going to lose any of the strengthen that it has in terms of driving the infrastructure growth of the company.

**Madhu Chandade:** Okay. So basically you are not really highlighting or you are not sensing any over challenge?

**Deep Vadodaria:** Not at all.

**Moderator:** Thank you. The next question is from the line of Amish Chandarana from Tata Capital Financial Services. Please go ahead.

**Amish Chandarana:** Most of the questions have been answered by you but I would like to ask you couple of questions, if we go by the exit polls and if it hold to we will come to know by tomorrow so it's seems more likely that the present government will come into power. So your risk basically to some extent will get eliminated for building the affordable houses for poor because they have a good focus for building affordable houses for poor because Prime Minister itself has said till 2022 they wanted to build as much as of number of affordable houses. So probably that could give you some kind of breather in terms of your increasing the book size from current 650 crore to maybe can increase to some more levels.

**Deep Vadodaria:** Sir I would answer that very correctly yes exit polls show that they are going to come back in power and obviously that means it just continues in the same velocity or even increase in velocity as far as execution is concerned which is the best case scenario for us and even though the government changes or the composition of the government changes in certain way I still believe that the execution velocity of affordable housing only needs to improve because even if the new government comes in and when I say new government I am saying a new composition of the government which is obviously going to happen because there is going to be change in numbers compared to 2014 o 2019, they will have to look at the space more aggressively. I do not think so this is the space in the country where anybody can afford to deliver lesser than what has been delivered the last five years.

**Amish Chandarana:** Okay. And sir one more question, sir you have answered that you are looking at the same growth rate as what you were looking out in previous financial year but probably is there any from your existing 250 crore turnover is there any possibility of increasing to growth rate what it was before because now the pace is going to pick up and even the demonetization effect has gone too much.....

**Deep Vadodaria:** Yes, we definitely as I said very buoyant about 2020 and 2021 very evident from the numbers that we have presented on the unexecuted order book and the orders that we are going to execute. However, since execution is largely a very relative measure and we need to go into details of how this radiation could come in but we are very-very confident to login the sort of growth numbers that we have seen in the past coming in from past anywhere close to 25-30% on the growth side.

**Amish Chandarana:** Okay. And any ball park figure for 20 or 21?

**Deep Vadodaria:** We do not have that policy we do not give out guidance's.

**Amish Chandarana:** Okay. And one more question, what would be your order book one year down the line if you have some kind of PBT on that?

**Deep Vadodaria:** We will be very happy with anything above three that is what we are targeting.

**Amish Chandarana:** Anything above sir sorry?

**Deep Vadodaria:** Anything around 3x of billing which it is at right now.

**Amish Chandarana:** So 1800 crore roughly?

**Deep Vadodaria:** How many crore?

**Amish Chandarana:** 650 crore is your current order book correct sir?

**Deep Vadodaria:** Yes, then 3x of existing billing, so we want to be around 3x.

**Moderator:** Thank you. The next question is from the line of Anurag Sharma an Individual Investor. Please go ahead.

**Anurag Sharma:** Sir I would like to know any update on the Becharaji and other industrial park and also what kind of revenue visibility this can provide over the next financial year.

**Deep Vadodaria:** So Anurag there is good news coming in from that part of the business we have one land parcel which was inside Mandal Becharaji SIR which was looking something like we could not monetize for a very long time because the government was taking too much time in coming

out with a final plan of the SIR but in the last quarter it has happened and they have been on the ground and the basic execution of road and services is going to start very soon and the TB schemes have been finalized so we are looking at that space very buoyantly going forward on both the parcels. On the other parcel which is Romanovia Industrial Park as we stated on the previous calls as well the developed is already on in swing there and we are close to completed the phase one of the industrial park we already have about 3 lakh square feet of leased out area and we have potential to build more than 1-1.2 million square feet more in the same park, but these are bid suit spaces so we are not engaging into any risk of creating spaces to be leased out later and putting in the CAPEX so we have been serving as per bid suit basis so it will be difficult for me to quantify the numbers but just to be clear the demand looks pretty robust there and specially with Suzuki's production chain growing very strongly it seems like the demand is only going so higher as we move forward.

**Moderator:** Thank you. As there are no further questions from the participants. I now hand the conference over to Mr. Deep Vadodaria for closing comments. Sir you may go ahead with the closing comments.

**Deep Vadodaria:** Thank you friends for joining us today. Looking ahead we will continue to maintain our focus on building scalable and resistant plot base civic urban infrastructure business to drive the growth. We will further strengthen our capabilities and peruse growth in elide and ancillary civic urban infrastructure. We will align our offerings to provide the full range of civic urban infrastructure development and capture the opportunities concentrated around changing needs of the customers. We look forward to enhancing the shareholder value with support from our stakeholders. We will look forward to having you all in the next quarters call and in meanwhile our team and our IR team will be more than happy to assist you with anything that you need. Thank you again.

**Moderator:** Thank you on behalf of Nila Infrastructure that concludes this conference call. Thank you for joining us and you may now disconnect your lines.