



“Welspun Enterprises Limited
Q1 FY2022 Earnings Conference Call”

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Moderator: Ladies and gentlemen good day and welcome to the Welspun Enterprises Limited Q1 FY2022 earnings conference call hosted by DAM Capital Advisors Limited. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Mohit Kumar from DAM Capital Advisors Limited. Thank you and over to you, Mr. Kumar.

Mohit Kumar: Thank you Nirav. On behalf of DAM Capital we welcome all the participants to the Q1 FY2022 earnings call for Welspun Enterprises. From the management side, we have with us Mr. Sandeep Garg, Managing Director and CEO, Mr. Akhil Jindal, Group CFO and Head Strategy. We will start with a brief update for the quarter and then proceed to the Q&A session. Over to you Sir!

Sandeep Garg: Thank you, Mohit. Good day ladies and gentlemen. On behalf of Welspun Enterprises Limited, I welcome you all for the Q1 FY2022 results con call. I hope that you and your families are keeping well and taking adequate care. On this call from management side, I have with me Mr. Akhil Jindal, Group CFO and Head Strategy.

As we continue to still to be in unprecedented times, we at Welspun are taking extreme caution and following highest standards of hygiene and safety across all our locations and in order to create awareness and protect our employees, additional efforts have been implemented and I am thankful to all of my colleagues for rising to this challenge and ensuring business continuity. I am sure that these times should bring along new learning and would shape us to emerge as a stronger and more resilient organization. In this call, I will cover the key business highlights and later Akhil will cover the key financial highlights. Now let me quickly share key recent developments.

First, I would want to cover the order book as on 30th June 2021, which stands approximately at Rs.8000 Crores. Our current HAM order portfolio stands at seven projects worth about Rs.9870 Crores out of which three projects worth nearly Rs.3400 Crores had achieved PCOD or COD and others are in advanced⁴ stages of implementation. Additionally, we have one BOOT project of Rs.21;22 Crores, which is also in advance stages of implementation. In an aggregate, the total portfolio of roads stands at approximately Rs.12000 Crores as on 30th June 2021. In addition, we have an EPC order of Rs.2366 Crores thus giving the outstanding EPC order book as on 30th June 2021 at approximately Rs.8100 Crores. I must clarify that this order book excludes the Kozhikode Bypass HAM project, which at this point in time the harmonious substitution for which has

not taken place as NHAI has taken certain stand, which may be detrimental to our interest and hence we are evaluating our decision on this project.

To give you a brief about the split of Rs.8100 Crores of order book, approximately Rs.5560 Crores is from road sector and about Rs.2540 Crores is from water segment. I would now want to cover the key updates on our road projects and water projects.

The first project that I would want to cover is Delhi-Meerut Expressway, Delhi section, it is an HAM project from NHAI, the 14-lane expressway. The completion cost for the project stands at Rs.896 Crores, the balance annuity that we need to receive for this project stand at Rs.472.9 Crores. The current outstanding debt stands at Rs.389 Crores at a rate of 7.82% per annum. I would want to update the current status that we have received the sixth annuity for these projects in accordance with the same in schedule.

The second project I would want to cover is Chutmalpur-Ganeshpur & Roorkee-Chutmalpur-Gagalheri or normally called CGRG project, which is another HAM project under NHAI aegis. The project is both in UP and at Uttarakhand. The PCOD for the same project was achieved on 10th August 2020. The estimated completion cost of the project is Rs.1108 Crores. The project has been financed at 7.75% for the debt, which stands at Rs.484 Crores and the balance annuity receivable stand at Rs.654.5 Crores. For this project also the first annuity had been received in April 2021 as per schedule.

The third project that I would want to cover is Gagalheri-Saharanpur-Yamuna Nagar or GSY. This is an adjoining project with CGRG project, this project is primarily in UP and Haryana. The PCOD for this project have been achieved on 31st October 2020 with an estimated project completion cost of Rs.1388 Crores. The debt for this project stands at Rs.608 Crores, financed at 7.75% per annum and the balance annuity receivable stands at Rs.816.7 Crores. The first annuity of this project has been received in June 2021.

The fourth project that I want to cover in the road is Chikhali-Tarsod in Maharashtra. This is another HAM project from NHAI it is on NH-6 in Maharashtra. This project cost along with the estimated escalation stands at about Rs.1238 Crores. At the current moment, the project has achieved progress of more than 90%, which is the fifth milestone under the construction agreement and we have applied for PCOD for this project which we expect shortly.

The fifth project that I would want to cover is the PWD project in Maharashtra on HAM basis, which is in Amaravati district of Maharashtra or as we normally call, AM 2. This is a project of upgradation of projects to two lane with paved shoulder road. The project cost with escalation is expected to be approximately Rs.1620 Crores. The physical progress of

this project stands at about 80% at the end of Q1 FY2022. Under the COVID provisions, we have received an extension of time of six months for this project already. We expect the project to be completed ahead of schedule.

The sixth project that I would want to cover is Aunta-Simaria project once again HAM project from NHAI, it is primarily a Ganga bridge project with approach roads. The project cost along with escalation is estimated to be in the range of Rs.1346 Crores. The physical progress for the project is about 28% at the end of Q1 FY2022. Here again we have received an interim extension of time of six months from NHAI.

The seventh project on road side that I would want to cover is Sattanathapuram-Nagapattinam or SNRP project. The project was originally bid out on a basis of four lane road project and six lane structures, however, at the time of Appointed Date in 5th October 2020, NHAI changed the configuration to four lane road project and four lane structures. Negative change order for this reduction in the width of the structures has been estimated by NHAI to be approximately Rs.39 Crores and accordingly the bid project cost which was Rs.2004.5 Crores is forecasted at a bid level at Rs.1976 Crores and with the escalation it is approximated to be approximately Rs.2272 Crores. We have received mobilization advance for this project, the second tranche of the same has been received.

The PPP project, last road project that I would want to cover is Mukarba Chowk-Panipat or MCP project, it is a BOT toll project, which we acquired from Essel. The project is acquired through a process of harmonious substitution in June 2020. The original project cost was estimated to be Rs.2122 Crores out of which Rs.1593 Crores was balance to be incurred to complete the project. At the end of Q1 FY2022, the physical progress of the projects stands at about 74.1%. We have applied for the PCOD for this particular project and we expect the PCOD to be rewarded soon.

Coming to the water projects, I would want to brief about the UP State Water and Sanitation Mission project, which was awarded to a joint venture between Welspun Enterprises and Kaveri Infraprojects Limited, it was 70% share in the joint venture of Welspun Enterprises and it being the lead partner. This is a bid where the successful bidders are empaneled for awards for two years with the projects being evolved after the DPR is submitted and approved by the client, hence the value of the contract evolves as the DPRs are approved. The project entails the design, preparation of DPR, construction, commissioning and operation of the project for 10 years post completion. We had been allocated 2544 villages. The originally estimated contract value for EPC phase or the construction phase is estimated to be Rs.2500 Crores excluding O&M and GST. At this point in time, we have submitted 434 DPRs out of which 119 DPRs have been approved.

Coming to the outlook of the business, on the road side, there are about 20 open HAM projects of NHAI which are totaling to about Rs.33000 Crores. However, due to relaxation of prequalification announced in the road projects, we are witnessing an increased competitive intensity both in terms of number of bidders, which are higher as well as aggressive price bids. We thus are being very selective in our evaluation of the opportunities and bidding for the road sector.

We are also evaluating the opportunities in the adjacencies like Railways and accordingly we have recently participated in Railway Land Development Authority or RLDA RFQ for redevelopment of Lucknow Railway station. Our submissions are under evaluation at this stage. On the water side, I would want to brief that we see a huge opportunity in the scheme of "Har Ghar Nal Se Jal" a scheme which is targeted to provide drinking water access to all by 2024. We see a potential of almost Rs.6 lakhs Crores over the next four years in this segment alone and WEL wants to focus on these projects and will actively participate in the bids. We will continue to explore inorganic growth opportunities to measure evaluation of risk return parameters and also continue to pursue an asset-light model while focusing on operational excellence and proven risk management. With this I now hand over the call to Mr. Akhil Jindal for the financial highlights.

Akhil Jindal:

Good afternoon to everyone on this call today. Many thanks for being a part of our journey. I would just like to briefly touch up on the financial numbers, which were published yesterday a little late in the day. So to that extent, if anyone has not got a chance I just want to repeat the key highlight numbers. Our revenue was up by 97.7% on a y-o-y basis, which is around Rs.344 Crores. Clearly, last year same period was heavily disrupted by COVID, we also had some effect in the first quarter this year but nevertheless the numbers are much better in the comparison to last year. The Q1 EBITDA is Rs.41.4 Crores, there is also 50.4% increase on a y-o-y basis. The EBITDA as a margin percentage is around 11.7%, now this is a little muted than what we plan internally and also what we try and achieve due to some orders, which are executed in this quarter which had a little lower profit margin, but on an overall basis we are pretty hopeful that in a year's time, we would be in and around 12% plus mark on the overall EBITDA as we have delivered in the past. The cash PAT of the company in this quarter was around Rs.23.5 Crores. These are all additional which are happening in the company for the future growth, so there is a Q1 PAT of 23.5, which was there in the last quarter. Now in the investment side because we have two model, as you would know one is the EPC model which Sandeep touched upon each and every project. On the investment side, we are happy to share that most of our projects had been fully funded, so that means a significant amount of money has already been invested, what is left to be invested going forward is Rs.207 Crores all and all, Rs.160 Crores being on the road side and Rs.39 Crores on oil & gas side. While we talk today our total investment book, if I may use that word, is around Rs.2035 Crores, largely into the HAM projects around Rs.1000

Crores, road projects around Rs.524 Crores, Oil and Gas being Rs.361 Crores, Water BOT being Rs.94 Crores and other assets being Rs.54 Crores. The total asset size that we have on the investment side is over Rs.2000 Crores today and naturally as we finish more projects, mostly within this financial year, we are also going to liquidate many of these at the right time at the right valuation. So, many of this Rs.200 Crores investment will also like get free by the end of this year and beginning of next year. So, I think at the balance sheet side, our net debt is roughly around Rs.471 Crores, now this is a little up than the previous quarter where we were Rs.227 Crores. So clearly most of the money that is going is in the investment and completing the project. We have a little extra working capital also during this quarter, primarily on account of some payments from PWD and for GST from NHAI, so that means net current assets have gone up from Rs.50 Crores which was as on 31st March 2021 to around Rs.224 Crores in June, now obviously we have not been drawing our limits so the short-term debt, which was drawn at Rs.97 Crores in 31st March has remained more or less the same at Rs.90 Crores on 30th June. So, clearly most of the net current assets that are funded from 50 to 224 have been funded out of our own net cash surplus and to that extent our cash and cash equivalent has come down from Rs.375 Crores to Rs.95 Crores, but clearly we have lot of room for drawl of the facility as and when required and our investment cycle is also nearly over with just 200 Crores to be invested in the balance projects, so there is no need for raising any further money investment at this level, so all the short-term assets that we have got they can be funded by the short-term loan and all the long-terms are fully funded as I mentioned to you, so to that extent I think the company is well leveraged and our net debt to EBITDA is only going to improve from here on.

Our net debt to equity is also quite comfortable at a net worth of 1840 and a net debt of around 470, you can imagine it is almost like around 30% leverage, which is very low for infrastructure zone but I think we are happy with that and also the Brickworks has reinstated our rating at AA- which makes us one of the few companies in the infrastructure zone to have a rating in the AA family and I think L&T and one or two more companies, so that means our financial acumen over the last two to three years has been well understood by the rating agencies and also the lending community. Some of the loans that we have raised are at a fine price as Sandeep mentioned at 7 to 7.25 for the project like AM 2 7.25 and even the HAM projects at the GSY and CGRG at 7.75, so as we complete more and more of these projects the interest rates are only going to come down because eventually once the CODs are also achieved, our rating will migrate from AA family to AAA naturally and that will bring the cost of borrowing from 7.75 to under 7.5, I would imagine 7.45 to be precise will be the journey from here on second quarter that is something that we would like to achieve by the time we have another call after the second quarter. The completed projects should be under 7.5% is what our internal aim is. So, with this I open the floor for the questions. If anyone has a question, please feel free to ask. We would try and cover as much as we can during this call. Should any question be still left unanswered you can always

reach out to our internal IR team and would be happy to answer any of your pending question. Thank you very much and moderator you can open the floor for the questions now.

Moderator: Thank you very much. We will now begin with the question and answer session. The first question is from the line of Rohit from Antique Stock Broking. Please go ahead.

Rohit: Sir, given the current situation that we have moved from a stressful Q1 what is that normalization process looking like, what is the execution that you are expecting in this particular year itself?

Sandeep Garg: I think the COVID 2 has impacted us to some extent in the Q1 and the impact is now on the wane. The challenge is that we do not know how the third wave will play out, so in these turbulent times it will be incorrect for me to give a forecast for how the whole thing will pan out in this financial year, however, if the order book is to be recognized of about Rs.8100 Crores which gives us a clear visibility for about three years, we would expect the execution to be pro rata over the next three years so that would be the kind of numbers that will pan out but I would refrain from giving any guidance on that.

Rohit: Sure sir my second question will be more on the order inflow part. I understand we are having some negotiation with NHAI on the Kerala based project, but you have also talked about some other projects where you see some competitive intensity with some other players in, with NHAI relaxing the threshold, water based opportunities also as well and some of the railway projects too but in terms of a targeted order inflow what is the number we have in mind?

Sandeep Garg: So I had covered earlier and I was going to repeat. There is a large project with MCGM for which we have opened L1, which in terms of EPC value itself is about Rs3500 Crores. Once that fructifies that will be a very large order addition. My intent for this potential year is to add one more project and it is for the competitive intensities to ease out and then gradually move to scenario of one project every quarter kind of order flow for the next year. So this year our target would be to add one more project, at the most two projects.

Rohit: Sure sir and finally if I may ask one more question this is more to do with the UP-based projects and both UP-based, road project as well as the water project, what is the execution timeline, what percentage of orders will be executed this year and maybe the next year and so forth, what is the life cycle of this project?

- Sandeep Garg:** Life cycle of this project is that these projects are supposed to be completed 24 months after the DPR are approved, as of now as we see we have approximately about Rs.950 Crores worth of contracts DPR issued to the client. So within the 24 months from now, we expect all these Re.2500 Crores worth of orders to be executed.
- Rohit:** Sir, the followup on this water project where you had a JV partner with 70% share if I am not mistaken, so this 25 billion or R.2500 Crores outstanding order backlog that you have with this project is your JV share in that project?
- Sandeep Garg:** Just to clarify that all the EPC work for the project will be delivered by Welspun Enterprises, the JV partner has an JV 30% equity but however they are not going to do physical work, physical work is going to be executed by Welspun Enterprises only.
- Rohit:** They are technical person.
- Sandeep Garg:** Practically our technical partners.
- Rohit:** I appreciate that sir. That's it from my side now. Should there be any more questions I will be back in the queue. Thank you.
- Sandeep Garg:** Thank you.
- Moderator:** Thank you. The next question is from the line of Ajay Luthra from JM Financial Service. Please go ahead.
- Ajay Luthra:** This order that you talked of Rs.3500 odd Crores where you will become L1, by when do you expect get the order or by when would that get finalized?
- Sandeep Garg:** This is a large value order, which is why we are much higher than the original estimate of the client. So we are currently in process of discussions with the client. So, we are not saying that this order is under the belt. We will have some clarity in the next 60 days in which way this project is moving ahead. The validity of this bid is up to December 2021, which is the final date by which we will know the outcome of this project.
- Ajay Luthra:** Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Sudarshan, an individual investor. Please go ahead.

Sudarshan: Just wanted to check because we have unexecuted order book of around Rs.8000 Crores, which has to be executed in say 24 to 30 months, so average it looks like it is 3000 per annum, so each quarter you expect to do at least Rs.600 Crores type of turnover?

Sandeep Garg: If all goes well in terms of the situations, which are beyond our control, we expect in the Q3 the turnovers to rise to that level.

Sudarshan: When you say the factors which are beyond your control is related to COVID or you are talking about NHAI, road, land availability or other stuff also.

Sandeep Garg: I think the only thing that we are referring to it is primarily the COVID or similar events like there are certain events like farmer agitation which are way beyond control of NHAI and the concessionaire or the contractor. so events which are beyond the control of the authority or concessionaire is what I am referring to.

Sudarshan: The two large projects in this Rs.8000 Crores is your Varanasi Aurangabad and your Tamil Nadu project, so are we all geared from all the approval and from our own perspective to start booking revenue or still some more approvals required there?

Sandeep Garg: In terms of the Tamil Nadu Sattanathapuram-Nagapattinam road project, we are fully mobilized on site to start recognizing revenue from this project, so all adequate approvals are in place. In terms of the Varanasi Aurangabad road project, the approval from NHAI in terms of the deal between concessionaire and NHAI it has been approved. So all approvals in terms of the project to start are in place. We expect the project to start somewhere in September 2021 and then we will be in a position to start getting revenue from that one.

Sudarshan: Okay, that's all from my side. Thank you.

Moderator: Thank you. The next question is from the line of Mohit Kumar. Please go ahead.

Mohit Kumar: Good afternoon. Two questions, firstly we have included Varanasi project in our order book but Kerala one is pending. So what is the status of Kerala and when this will become part of our portfolio and what is the hindrance and what is the issue you are facing right now in terms of approaching this deal.

Sandeep Garg: So as I said Varanasi-Aurangabad road project all the issues between the concessionaire and the NHAI stand resolved and we are quite confident that project would start generating revenue from September 2021, however, on the Kozhikode bypass which we were trying to takeover through a process of harmonious substitution, NHAI has taken certain position in terms of the levy of 1% LD on the existing concessionaire for the harmonious substitution and also that they will not consider extension of time at the time of harmonious substitution.

We are not confident at this point in time that we will be able to convince the client to reconsider these stands. If NHAI reconsider these stands, we may have to rethink about these projects so hence we are not currently considering this project as part of our portfolio, so we will update the investors once the clarity emerges around these few sticky points on the harmonious substitution.

Mohit Kumar: Do we have enough opportunities of this kind of harmonious substitution going forward, do you think that we will be able to, I am talking about the opportunity set, is the opportunity available to close more project like this in this fiscal.

Sandeep Garg: There are enough projects under the stress for sure in the industry, but will they meet our return expectation for us to get into a more of discussion for harmonious substitution, the answer is that we have not evaluated anything at this point in time which meets our threshold return expectations, so if something comes through we will surely evaluate them and trace if we should take over those projects or we should not.

Mohit Kumar: Understood sir, last one, UP we have not seen too many tenders on the block, have you seen more tenders from the states in the last few months and do you think what kind of opportunity size available especially in the next eight to nine months?

Sandeep Garg: In terms of water, I think there are substantive opportunity, I mean they may not be in the direct domain or states we may want to participate but we see substantial orders by NVDA in Madhya Pradesh being considered at this point in time, so there are projects in Pune which have been considered in the water segments, there are about Rs.10000 Crores of water projects similar to the one we have in UP, in Madhya Pradesh, so there are lot of water projects which are getting announced as we speak but since these are some scattered agency, they are not getting consolidated as a single number. So water as an opportunity offers a huge canvas both in terms of the client base and in terms of the kind of project that are available.

Mohit Kumar: Couple of more questions sir if I may ask. Where are we in terms of monetizing especially two or three HAM assets, is something on the cards we are considering right now or something which you want to do in FY2023 or FY2024 and you are not looking at it at all at this point of time.

Akhil Jindal: I think it would be a more like H2 exercise other than FY2023 exercise, so as Sandeep mentioned the three projects now are operational and annuities are getting received, timely annuities on each one of them. It is a matter of time that we complete our two more projects on the HAM side during this quarter. When I say during this quarter means Q2 quarter and at the same time achieve PCOD on one of the BOT projects, so with this six projects under

our belt, all complete operational revenue generating, it is the right time for us to be visible in the market as a large portfolio than individual singular asset by asset sales because that does not fetch the right results, so clearly it could be H2 exercise something that we would strive to achieve by the February, March of 2022 or if not in the beginning of the next financial year we will start seeing some of the exits from these completed assets.

Mohit Kumar: Understood sir. Lastly on this Lucknow rail land, Lucknow railway station, can you just clarify what kind of opportunity they are in terms of size and what kind of scope we have?

Sandeep Garg: This is the RFQ stage of the project where we are qualifying for the project with opportunity exists for redevelopment of the station and the land around it and as you would know these are more like investment projects, which based on the vision and design of the concessionaire will determine the cost to be incurred and the revenue streams are identified, so it is a design-build and monetization opportunity so each individual concessionaire will look at it differently but to give you a ballpark figure this will be in the range of Rs.1000 plus Crores as a base any concessionaire will look at.

Mohit Kumar: Understood sir. Thank you sir.

Moderator: The next question is from the line of Rohit from Antique Stock Broking. Please go ahead.

Rohit: Sir, my question is more to do with this bookkeeping question. Can you just help us through, there are some projects where we have got PCOD but they are still having some exposure in the order backlog, it is a minuscule portion I understand, but what is the nature of that order and will you be executing it in this fiscal.

Sandeep Garg: There are two kinds of thing that are left out of the PCOD, certain areas are where client is not in a position to handover the land or certain sections of the work, which cannot be completed due to local constraints, they are listed separately at the time of PCOD and then those particular projects actions are completed over the next few months or maybe larger period. So all these orders of Rs.10, Rs.12 Crores represent those sections where due to certain constraints work could not be completed by the concessionaire, however, NHAI reserves its rights to ask concessionaire to complete the project once the constraints are removed.

Rohit: Sir, by any chance is there any descoping or something that can come across?

Sandeep Garg: I do not foresee that because whatever has to be descoped has already been descoped, so when we say we have completed the project cost, the descoping sections have already been factored into that.

- Rohit:** Sure sir. My final question will be more on the oil and gas projects that you have current exposure, you also have some investments lined up, you are earlier planning to do feasibility report and then do a subsequent value unlocking, what exactly is the status over there?
- Sandeep Garg:** I had addressed that last time as well and I will repeat, so we expect the technical due diligence is to continue between now and December 2021, by the time we will have all the detailed investigations of the source that we have got out, the PVT analysis that we are making on the resources available and also the inversion of the systemic records that we have and establishing a correlation. So this process will continue till about December and by that time we will know the certifying things, we need to certify the results/resources and that is when we will have a clarity around the whole developmental model that we want to use for these projects, so that is when the clarity will emerge where actually we can brief you a bit better more than what we have already briefed here.
- Rohit:** Sure sir. That's it from my side.
- Moderator:** Thank you. The next question is from the line of Chandra Shekhar, an individual investor. Please go ahead
- Chandra Shekhar:** Thank you sir for the opportunity. Sir mine is a more general question. So as we know that we have been following an asset-light model, so my doubt is especially in these kind of situations when worldwide we are facing a lot of constraint, so is it possible that when lot of projects are lined up by government so will face any constraint in the availability of contractors, who have the equipment ready to construct or complete the project like is it a risk that is there because of following this model or we prepared like it is not an issue or is it not a risk at all, so that is my question sir?
- Sandeep Garg:** Very interesting question, let me tell you that in two ways, so as mentioned that if you follow the bidding pattern in NHAI on EPC contracts, most of the EPC contracts are going in the ranges of -15% to -25% so what it tells you is that there is a huge amount of capacity of the EPC contractors who want to take up the EPC work, so I do not see that challenge that the capacity will dry up quickly. Secondly, I would want to address this thing is that there are certain key assets in terms of construction equipment that the company has acquired, they are right now available for us to be utilized on the projects and hence for sale, however, those are available for us to augment any contingency that may come up on any of the projects with any of the contractor, so we have planned it in terms of mitigation plan reasonably well balanced strategy there.

Chandra Shekhar: So if any case like in future we are getting more and more projects is it possible that we can augment it to meet, when we compare with other builders, other infrastructure companies which have already huge existing capacities, so is it possible to augment in a reasonable time or is it not in our plan at all?

Sandeep Garg: So let me say that this is not our preferred option, however, we are aligned to realities and we are simply aware as to that if the cycle moves to a particular direction then we need to respond very quickly, the good thing is that we have a very healthy balance sheet which allows us to very quickly move in a direction that we choose to move and we are not constrained unlike most of the industry players struggling with a situation that even if they want to move they cannot move.

Chandra Shekhar: Thank you sir that answers my question.

Moderator: Thank you. As there are not further questions I will now hand the conference over to the management for closing comments.

Sandeep Garg: Thank you every one, I really appreciate your participating in this investor call. I can assure that Welspun Enterprise will continue its journey of operational excellence on an approximate Rs.12000 Crores of order portfolio. We will remain focused on unlocking value through recycling of the capital at an appropriate time, the water segment where we operate in EPC mode as well, we will continue to look at opportunities for value creation. I thank you all for questions and if there are any further queries you may get in touch with our investor relationship team, who would be very happy to respond to your questions. Thank you and good day.

Moderator: Thank you very much. On behalf of DAM Capital Advisors Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.