

"Om Metals Infraprojects Limited Q4 & FY'16 Earnings Conference Call"

June 6, 2016





MANAGEMENT: Mr. SIDDHARTH KOTHARI, OM METALS INFRAPROJECTS

LIMITED

Mr. VIKAS KOTHARI – DIRECTOR & PRESIDENT, OM

METALS INFRAPROJECTS LIMITED

Mr. S.K. Jain - Chief Financial Officer, Om Metals

INFRAPROJECTS LIMITED



Moderator:

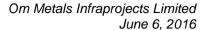
Ladies and Gentlemen, Good Day and Welcome to Om Metals Infraprojects Limited Q4 & FY'16 Earnings Conference Call. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performances and involves risks and uncertainties that are difficult to predict. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal for 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. Siddharth Kothari. Thank you and over to you, sir.

Siddharth Kothari:

Hi! Good Evening, Friends. I Welcome All Of You To Our Earnings Call For Quarter and Year-ended 31st March 2016. Along with me, right now I have Mr. Vikas Kothari – Director and President; Mr. S.K. Jain – Chief Financial Officer and the Strategic Growth Advisors, our Investor Relations Advisor.

Let me start the call with a Brief Overview of the Business and a Brief Insight into the Industry of Hydro Mechanical Equipments: Om Metal Infraprojects is a leading engineering construction company as most of you will know. We have a strong presence in the Hydro Power sector. We are engaged in diversified activities such as execution of turnkey Hydro Mechanical contracts for Hydro Power and Irrigation Projects where we are market leaders and we have robust engineering skills and know-how that enables us to execute projects of varied magnitude and complexities in any geography, India and abroad ranging from 45 MW to over even 1,000 MW Power Generation. Our Heavy Engineering division focuses on Engineering Construction of Dams which includes Turnkey Solutions from designing to commissioning of Hydro Mechanical Equipments and even the Civil Construction of Dams which enables the company to address a larger share of the Hydro Power Project execution.

Moving on to Small Outlook of the Industry Macro: Recently, the Himachal government announced their plans for putting up the Hydro Power Project under execution on fast track to harness over 13,500 MW of Power with the view to avoid delays and execution of Power Projects due to time consumed in obtaining various clearances and timelines that has been prescribed under the HP Public Services Guarantee Act for the time-bound clearances and NOCs for setting up Hydro Power Projects. We expect the benefit of this flow to us due to the fact that we are amongst the few eligible contenders for large scale dam projects and in fact even we have the highest qualifications within this niche group of contenders. Hydro Mechanical Equipments as a business is a high margin business and in turn generates a lot of free cash flow for us. Our aim is to invest this free cash flow in businesses which provide high return generation and thereby maximize return for all shareholders. With that objective, we have diversified in the field of Real Estate, Infrastructure and Civil Structure projects. We are also now evaluating into the Packaging business which we started in a small scale right now and we had very good response to the margins and returns on the front and that is what our





study shows as well in that business. Our strategy to invest in high return businesses will not just de risk our core business but also push growth.

Just some Real Estate Updates: We are currently executing four major Real Estate Projects which are under construction – Meadows in Kota and Pallacia in Jaipur are completely our own projects whereas Ashvita in Hyderabad is a JDA with Mahindra Life Spaces and the Bandra Reclamation Project is a JV with DB Realty and few others. Meadows and Pallacia are showing very good response, in fact, construction is in full swing and we sold about 30% of projects of the units in Pallacia and Ashvita sales we expect to start soon in this current year.

Brief Note on the Order Book Details: Our current unexecuted order book as on March 31st 2016 is Rs.936 crores and of the total order book about 70% comprises of Hydro Mechanical Projects and the remaining is Smart City Infrastructure Development Projects and Civil Projects.

With this, I would like to now request Mr. S.K. Jain - CFO to present the results for the quarter and year-ended 31^{st} March 2016 and say a few notes.

S.K. Jain:

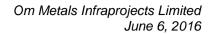
Thank you, Siddharth for inviting. Thank you all the participants to be here on the concall. This quarter was wonderfully good as compared to last year. We have shown almost 70% growth in turnover vis-à-vis 40% growth in the net profit margins. Overall turnover was a little bit dip because of the policy paralysis in the UPA-II government regime and the turnover was slightly down from Rs.220 crores to Rs.189 crores at the standalone level. Still we have shown a very good margins and we have shown better profits as compared from Rs.29 crores to Rs.31 crores in the same financial year vis-à-vis last financial year. You can very well gauge that in spite of the turnover being low, we have shown very good profitability and margins. At the consol level, we have shown turnover of Rs.220 crores and the profits are Rs.29 crores.some step subsidiaries are left out in consolidation which will further add some turnover and profits. A little bit dip in the consolidation profit because of the losses in the Road business, we have clocked Rs.20 crores revenue in the Road Projects and we have shown some Rs.5-6 crores loss in the Road Projects. We are poised to grow very handsomely in this current year and we are committed to show good results and this quarter is also going very well because of execution of Rs.900 crores order book that shall be completed in two to three years and we endeavour give you good results in next two to three years.

We are really committed for a very good dividend also, as we have paid 30% last year. We are committed to grow handsomely in this segment also.

Any questions on the commercial side may please be asked in this concall in the due process.

Moderator

Thank you very much. Ladies and Gentlemen, we will now begin with the Question-and-Answer Session. The first question is from the line of Dhananjay Shah from Sunidhi Securities. Please go ahead.





Niranjan Mishra: This is Niranjan Mishra. My question is with respect to our real estate contribution in FY'16.

Can you provide the breakup of our Rs.225 crores consolidated revenue in terms of what was

the contribution from our Toll Collection and Real Estate as well as Engineering?

S.K. Jain: Overall Real Estate turnover contributed to this financial year was Rs.32 crores which

comprises of Hotel, Multiplex, Om Meadows in Kota and some portions of old projects like

Om urban heights contributed to the revenue.

Niranjan Mishra: Hotel, Multiplex maybe contributing about Rs.5-6 crores right and remaining would be from

Kota?

S.K. Jain: Rs.18 crores from Om Meadows which is 5 lakh sq.ft. integrated housing complex in Kota.

Niranjan Mishra: You are talking about Kota, right? What was the Pallacia conversion?

S.K. Jain: Pallacia turnover was a little bit down this year; this year we have shown Rs.6 crores turnover

in top line, because the project was halted by JDA for sometime and due to this we did not

invite any fresh booking, we stopped the booking.

Niranjan Mishra: Because Siddharth just mentioned in the initial remarks, that we have sold about 30% flat in

Pallacia?

S.K. Jain: That has already been booked in the March '15. results had Rs.89 crores turnover from

Pallacia.

Niranjan Mishra: No, my question is that in our order book we are showing Pallacia Project order book is about

Rs.130 crores and we have Rs.6.5 lakhs of a square foot of built up area to be sold. Even if it takes 10,000 per sq.ft. rate, so we should be working about Rs.650 crores over the next 2-3-

years, right. So why we have shown Rs.130 crores?

S.K. Jain: Rs.130 crores is not the unit sale turnover, Rs.130 crores is the order book on the EPC contract

which Om Metals has got from that company, , and it is a subsidiary company. Rs. 130 crores

is on the EPC side, we have constructed that project.

Niranjan Mishra: Om Metals is executing this project or we are doing with some joint venture?

S.K. Jain: No-no, Om Metals is the sole EPC contractor which has further subcontracted to Shapoorji

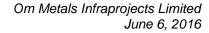
Pallonji and the developer is Om Metals Consortium Private Limited.

Niranjan Mishra: So what is the outlook for FY'17 from the Pallacia project in terms of revenue?

S.K. Jain: Post the halt by JDA, if the project commences, we will be able to book Rs.100 crores revenue

in this year also, but I cannot comment, because right now the project is halted by JDA.

Tribunal has advised JDA to pull back all their allegations, we are awaiting the order.





Niranjan Mishra: Can you talk about the progress from our two major orders we have from Gujarat as well as

Rampur project, what is the execution happening and ...?

S.K. Jain: In Gujarat, we have already clocked turnover of Rs.25 crores in this March '16 quarter and

Rampur has been progressing very well, but we have not clocked any revenue, the revenue has been booked in April, both the projects are going very well, Ujjain is also going very well, Ujjain turnover we have also booked in April only, not in March, though we have started

construction and we have put the figures in WIP.

Niranjan Mishra: So what kind of growth we are looking in the Engineering division in this year because major

contribution should be coming from these all three major projects in FY'17, right?

S.K. Jain: Yes, we have four projects going very fast – Rampur, Ujjain, Gujarat and this Vyasi – all four

projects may contribute roughly Rs.300 crores to FY'17 if everything goes well

Niranjan Mishra: Even if you do Rs.250 crores, that would be about 50% growth from Rs.160 crores to Rs.250

crores, right?

S.K. Jain: Correct.

Moderator: Thank you. The next question is from the line of Sandeep Sabharwal from Sun Capital. Please

go ahead.

Sandeep Sabharwal: On the sales front for 2017, you said Rs.300 crores from these four projects. Besides this some

other projects would also contribute or ...?

S.K. Jain: No-no, I am talking about all the projects put together, these four projects may contribute

majorly, all the projects put together may be contributing ome Rs.300 crores revenue in the

top.

Sandeep Sabharwal: What is the status of the Mumbai Real Estate Project?

S.K. Jain: Some clearances are awaited from DB Realty side. DB Realty is pursuing very hard for all the

clearances. The slum rehabilitation unit and transit camp is already built. So we are awaiting some clearances so that we can shift those slum dwellers to rehabilitation camp, after that we

shall start construction.

Sandeep Sabharwal: What is the target for order booking for this year?

S.K. Jain: Rs.600-700 crores should be very positive.

Sandeep Sabharwal: Given the order book, would it be fair to say that you could grow at 50% for the next year

also?



Om Metals Infraprojects Limited June 6, 2016

S.K. Jain: Yes, for the current level it is looking very easy for 50%, because this year we had clocked

very low revenues, so 50% is looking great.

Sandeep Sabharwal: This year you said around Rs.300 crores. If you get Rs.600-700 crores of orders and your

pending order of Rs.936 crores, so next year also could be 50% kind of growth?

S.K. Jain: From Rs.300 to 450 crores, not looking very easy, but Rs.375 crores or Rs.360 crores looking

very easy, from Rs.200 to Rs.300 crores is really achievable, but from Rs.300 crores to Rs.450

crores may not be same.

Sandeep Sabharwal: Because your turnover I think 4-5-years back used to be Rs.400 crores plus, right, now you are

just going back to the same levels?

S.K. Jain: Correct.

Moderator: Thank you. The next question is from the line of Kamal Sahoo who is from India Nivesh.

Please go ahead.

Kamal Sahoo: I just would like to know about how many orders on your book is for this Hydro Mechanical

Power Project?

S.K. Jain: One is Ujjain Smart City not Hydro Mechanical, Rampur is purely Hydro Mechanical, the

Gujarat one is mix of Hydro Mechanical and Civil, Vyasi is Hydro Mechanical.

Kamal Sahoo: Is it continuing or it is over?

S.K. Jain: No, these four projects are continuing.

Kamal Sahoo: So on an average may I get the overall picture like what is the exact breakup of those figures,

can you explain it?

S.K. Jain: Vyasi is Rs.100 crores roughly, Ujjain our share is Rs.166 crores, total project is Rs.330 crores

and Gujarat one is Rs.200 crores this is our share, and Rampur is roughly Rs.190 crores this is

our share.

Kamal Sahoo: So Gujarat project is completely handled by Om Metals or somebody else?

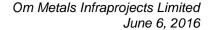
S.K. Jain: Completely handled by Om Metals.

Kamal Sahoo: Then by Q1FY'17 how much we can expect from Om Metals by revenue front?

S.K. Jain: Rs.75 crores looking very reasonable, but all these projects are purely driven by government

and purely driven by local factors, our target is Rs.75 crores, it can be plus also, it can be

minus also.





Moderator: Thank you. The next question is from the line of Tejas Shah, who is an individual investor.

Please go ahead.

Tejas Shah: Out of the total projects cost, what I understand is it takes around a year to kick off the

projects, your Rampur if I go back to your June 2015 presentation, Rampur was Rs.193 crores and your Pallacia was Rs.160 crores which is showing now Rs.130 crores approximately and your Kutch SSNL is also around Rs.230 crores. Now, it is nearly a year, now we have started I think clocking turnover. So, the three projects or four projects are going to span out in the timeframe of three years or it would be less? Second is the Pallacia I think the court order was already received much prior, it almost got 4-5-months plus. So why is it still the work on hold? You are saying you are still awaiting. But I do not think it takes so much time to get the decision and reverse and start the work. Other things are Pench irrigation project, Kopili from NEEPCO Arunachal project, Sikta project in Nepal, Tapovan Vishnugad project, Bhilwara is I think completed and Kalisindh is in Rajasthan, you showed previously around Rs.30-36 crores of top line is what you are looking out, out of which all the projects are completed, pending, if

you can throw some light?

S.K. Jain: You are correct, Road is completed; we have already achieved COD in May 2015, Collection

is completed, some portion of money is receivable from them.

Tejas Shah: But then all the things are recognized in our books or it is just pending?

S.K. Jain: Some portion of collection is pending.

Tejas Shah: Again booking is required and that will be booked only when you receive the payment or how?

S.K. Jain: Correct. Pallacia we had got the order of Supreme Court in favor of us to start the project and

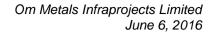
we started the project. Local government and JDA in the last two months back and they halted the project. We have moved to tribunal and tribunal has asked JDA to give the positive clearance. We are awaiting next two to three days so that we can start construction. The good thing is that the project is totally unleveraged, very small amount is from bank and we have not invited any space booking, so we are in a very comfortable position and it will leverage, we would have been paying huge monthly interest to the bank. Four projects which you are talking is Rampur, Vyasi, infrastructure, design and drawing, which Vikas could explain more in

correct manner, I invite Vikas Kothari for all these clarifications.

Vikas Kothari: The Kutch branch and all, and the Vyasi Hydro Mechanical works and the Ujjain Smart City

Works, including Rampur these are all ongoing works which are in active phase of execution. For the sake of clarity, I will explain the way any of such project function. If for example any project is divided over a period of four years, the first 1-1.5-years goes into design and engineering and there is not a significant revenue that is recognized from any of our projects because design, engineering, detail engineering and the project site surveys, etc., take a long

time and they have to be all approved by the client and post approval of the client is when we





start the ground-breaking order, procurement of raw material and supply of goods, etc., To give you exact sense, Vyasi is in that stage, Kutch branch canal we have already started construction at the site, significant revenue recognition will start from this quarter itself, Rampur is a similar situation. The most important thing is when we break ground, so we have broken ground at Rampur also and from here on revenue recognition will start there, likewise Ujjain also ground-breaking has already happened and from here on revenue recognition will start from this project. So the previous quarters have all been largely driven by design and drawing and engineering and their approvals.

Tejas Shah:

So assumingly basically what you are saying from now, Ujjain, Rampur, Kutch, will all get revenue recognition every quarter basically more or less?

Vikas Kothari:

Yes, little bit up and down from each one of them, there will be no consistent revenue coming, because in one month we will have significant billing for that project in second quarter and once in third quarter and second quarter we may not have significant billing, but more or less, yes.

Tejas Shah:

This Ashvita project which was with Mahindra, there I saw the result of Mahindra wherein it says Phase-1 is completed and this quarter the deliveries will be happening. What I understand was in Ashvita we do not have to pay any construction cost, it is just pure sales if I am not wrong?

S.K. Jain:

Correct.

Tejas Shah:

Have we sold any products and have we booked anything because I don't understand in the consolidated figure, because I was expecting good figure in terms of net profit but I doubt which is there in that?

S.K. Jain:

We have already sold 40 units in that project out of 116 units our share. In the share of units, Om Metals Developers Private Limited has won 116 units in that and out of that we have 40% share, so you can say 45 units are belonging to Om Metals, out of the total 116 flats we have already sold the remaining of almost Rs.27 crores is recognizable. This company Om Metals Developers Private Limited is not a 100% subsidiary of Om Metals, so we have not added the figures in this consolidation till now.

Tejas Shah:

Actually, I think what I had understood was Rs.36 crores is what was expected. Out of which how much is booked?

S.K. Jain:

Rs.28 crores has already been booked in the revenue in that company.

Vikas Kothari:

Of which, our share is 40%.

S.K. Jain:

Rs.10-12 crores.





Tejas Shah: That is already shown in this year or a previous year?

S.K. Jain: No, in March '16 already shown.

Tejas Shah: In between also I had requested you and I think you had said you are looking to increase your

promoter holding through open market I think which has not happened, only one quarter we had increased, after that we have not at all looked at it. Second thing, whether Porinju Equity Intelligence two quarters back they picked up some 1% equity through open market. Are they

still holding or they have again moved out of it?

Siddharth Kothari: We had around 69.11% holding when we made the announcement and we have acquired 2%

and did creeping acquisition and have about 71.11% as of today, the idea is to bring it up to 75% gradually and as per your question on Equity Intelligence holding is to the best of my knowledge, they have not sold that position, but of course, you will have to check with them

directly as they are a PMS.

Tejas Shah: Instead of open market, you are not looking any direct placement through warrants and convert

into 18-months?

S.K. Jain: Right now, there is no plan as such, because Om Metals does not need big money for the

projects. If we will do some acquisitions or we will do some good business acquisitions, then

we can think of that, right now there is no plan of such equity dilution.

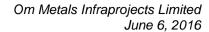
Tejas Shah: On DB Realty, the Bandra project which now people are not talking about, that projects looks

a backburner because I do not see on DB Realty on quarterly results, are not mentioning any progress, nothing about that Bandra project, can you throw some light on exactly what is

happening and why it is hold up till now?

Vikas Kothari: You are aware of the fact that the SSI restriction that was there because of CRZ is not there

anymore, so because of which were hoping the saleable area of about 400,000 sq.ft. is now going to be over 1 mn.sq.ft. Over 1 mn.sq.ft. saleable area to really fructify out of approved plants and everything, we have to do a lot of work which is basically all the work that we have done earlier for 400,000 sq.ft., we have to redo all of that again which essentially means we have to get height permission, we have to get fire permission, we have to get all the permissions that we had already got earlier, we have to redo all of those permissions. So that is taking a long process but is being undertaken as we speak today. We will be able to comment on when the construction would physically begin at the site for saleable area only once the approved plants are in our hand, that is point #1. Point #2 is we have had a bit of a change in our strategy also. This slum comprises of almost 800 to 1,000 slum dwellers. Earlier, we were planning to do the slum clearing in two phases which would have obviously taken a longer time for execution, noe we intend to do it all in one phase itself, so we are basically going to bring down the existing transit camps which we have already constructed and we will reconstruct double height, right now we are ground plus three storey building there in transit





camps and we have constructed 400 transit camps, now instead of 400, we are going to be doing 800 transit camps at one go which will basically help us in reducing the construction period and that also needs to be approved by MHADA the competent authority. So we are again in the process of getting those approvals and clearances also, so which is why it is taking a little longer but we hope to cover it up in the execution stage because today construction does not take that long time, so once the approvals are in our hands, the ground breaking will start which I am hoping will not happen in this calendar year but certainly in this financial year we hope that we should be able to break ground.

Tejas Shah:

But then are we losing any previous area that we had in terms of number of what you can sell?

Vikas Kothari:

We may have to give additional area to MHADA. So our contract with MHADA under the PPP model is that we are supposed to give them 200,000 sq.ft. of area constructed free of cost and we are supposed to give them premium which we have already paid up to about Rs.120 crores. So there maybe additional premium which we will have to pay because we are getting much larger saleable area and there maybe additional area also that we may have to give, but all these will be clear only once we get the approval from MHADA on the revised plans, only then we will know exactly what will be the quantum of area and quantum of amount premium to be paid.

Moderator:

Thank you. The next question is from the line of Rahul Dev, who is an individual investor. Please go ahead.

Rahul Dev:

I want to ask how much the Packaging business will contribute in this year?

S.K. Jain:

Roughly Rs.25 crores in March '17.

Rahul Dev:

How much growth it will give year-on-year?

S.K. Jain:

As per the current capacity, growth will be roughly 10%, but we are going to increase the capacity in next one year, how much we add to the lines, that will decide how much growth we will ensue.

Rahul Dev:

What are the risk involved with that business?

S.K. Jain:

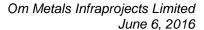
We do not see any risk because the product has a huge demand and the market is growing with 20% CAGR every year in the Packaging business, we do not see any risk of sale in those projects.

Rahul Dev:

Like you were going to bid Rs.1,000 crores for this ONGC project, I would like to know about that?

Vikas Kothari:

Regarding Packaging, products that we have entered into are seeing a bit of gap in the demand and supply and we are entering into only those products where margins are quite attractive. So





this year as Mr. Jain pointed out, we are targeting to do a turnover of about Rs.25-odd crores and of course going forward every year we will be having growth in this and the margins are going to be 15-20% in the Packaging turnover. Regarding Oil & Gas, so far at this point in time we have bid for projects roughly around Rs.200-300 crores, this is a different project in different stages, the price bids have not been opened, the amount that I am talking about for those price bids have not been opened yet, so we would not know whether we are L1 or not and also in the pipeline we have projects worth almost about Rs.400 crores also which we are going to be bidding in the next three months to four months. These are all identified projects where we are doing documentation and the tenders will be submitted by us in the next 2-3-4 months. The results of which will obviously be known not before end of this year. So we are hoping to add some order book from the oil & gas division also before the end of this financial year which will be to the extent of at least Rs.100-200 crores range on a conservative basis.

Rahul Dev:

Om Metals is the leader in Hydro Mechanical Engineering. So the government is very much aggressive in the construction and road and BOT project. So going forward we should look substantial increase in the order book?

Vikas Kothari:

We are looking at Infrastructure as a whole, we are not looking at only Hydro Mechanical contracts to bid for, as you might have seen already in our order book, we have bagged contract in Smart City Infrastructure Project, we have bagged a contract in Water Supply, we bagged a contract in complete EPC contract for Hydro Electric Power and we have bagged the contract for Construction of Dam also. So, we are diversifying our order book in Engineering business. Hydro Mechanical being monopolistic business but it is limited in terms of size of works and contracts that are there in the offing and the number of projects there, also we realize that and therefore you may see that now almost Rs.1,000 crores order book, we have more than 50% coming from Civil and Infrastructure businesses. But as far as Road EPC is concerned, I do not think we are focused on Road, because our criteria for bidding for Infrastructure EPC projects is margins. Unless we get double digit margins we do not want to participate in any project and unless we see that we have some niche or we have some advantage where we can earn double digit margins, we do not wish to participate in project where we have single digit or paper thin margins which includes the Road EPC. Maybe in Road BOT, we may look at projects if they offer us attractive IRR or attractive ROI, but we will be extremely selective in terms of what we bid for and we will be governed only by the bottom line while bidding for EPC also as well as Roads also.

Moderator:

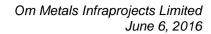
Thank you. The next question is a follow up question from the line of Sandeep Sabharwal from Sun Capital. Please go ahead.

Sandeep Sabharwal:

When you talk about turnover target for FY'17 Rs.300 crores this was standalone or this was consolidated?

S.K. Jain:

Standalone.





Sandeep Sabharwal: Secondly, for this Bandra project, would Om Metals also have to put in some money or you do

not need to put any money in this project?

Vikas Kothari: Whatever money if there is any which we will know once the approvals are in hand. Whatever

money if there maybe any, it will ploughed in from the proceeds of booking amounts only. So

we do not perceive any additional capital requirements from this project.

Sandeep Sabharwal: As and when the permissions come and the construction starts whenever it is, so how long do

you think entire project construction period will last?

Vikas Kothari: We do not think the construction will be lasting for more than three years. Once the ground

breaking starts it is in three years we should be able to complete, because construction technology today is very-very advanced and we will be hiring no less than any international or reputed construction company. So we do not foresee the construction will last more than three

years.

Sandeep Sabharwal: This will be a premium project, right?

Vikas Kothari: It will be a mix of premium. So we will have different towers in this. All of them will be

luxury apartments, but we will be doing mix ticket size; we will be doing ticket sizes from 3-4

units, it will not be restricted to only large ticket size units.

Sandeep Sabharwal: So given the rates in the area, so your realizable value could be in the region of maybe around

Rs.500 crores over this period?

Vikas Kothari: Of let us say 1 million saleable area potential, our Om Metals Infraprojects share will be

roughly 17%, so about 170,000-180,000 sq.ft., and the lowest of the saleable rates in that area, because there is a sea facing plot and very beautiful views of the city and accessibility in Bandra locations. But even that assuming the lowest of the lowest prices also I am not

expecting anything less than Rs.30,000-35,000 a square feet.

Moderator: Thank you. The next question is from the line of Dimple Kotak from SKS Capital. Please go

ahead.

Dimple Kotak: Sir, what is the amount of incremental order book expected overall for this year?

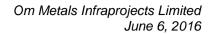
S.K. Jain: Maybe Rs.500-600 crores.

Dimple Kotak: You guided for around Rs.300 crores of top line with margins at around 27%. Are the margin

sustainable at this level?

S.K. Jain: Because some civil construction also has a composite of total turnover, overall composition

maybe around 18-20%, but we cannot comment right now.





Dimple Kotak: Did I hear rightly that you are planning to increase the promoter holding to 75% gradually?

S.K. Jain: That is on the platform that we can do.

Dimple Kotak: By any specific period that within next six months or a quarter or two?

S.K. Jain: This is in the radar and we are quite positive for that, time cannot be commented right now.

Dimple Kotak: That will be through open market only?

S.K. Jain: Yes, open market.

Moderator: Thank you. The next question is from the line of Rupali Seth from Kanya Investments. Please

go ahead.

Rupali Seth: I have a few book-keeping questions first; I just wanted to understand why is our trade

receivables so high this year compared to last year, I am looking at a standalone financial?

S.K. Jain: The Meadows project in Kota we have sold some units there, but you know the Real Estate is

very sluggish right now, we have not realized the money from the persons who have booked the flats, so that is showing significantly on the receivable side. From Hydro Mechanical side, the receivables are not much high, because there is same going on as per the last year. Because

of Real Estate component it is looking high.

Rupali Seth: When do we expect the Real Estate receivables to come in or the payments to happen?

S.K. Jain: Though Kota is not badly hit by the Real Estate sluggishness, but we are expecting that the

receivables shall be realized by September.

Rupali Seth: With regards to our liabilities as well, if I look at our long-term liabilities and also our current

liabilities, we have seen a significant jump, it is almost twice of last year. So can you throw

some light on where they are?

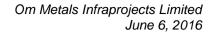
S.K. Jain: No, because in the last four projects which we have been discussing in this concall, we have

got very significant amount of mobilization advance from all the four projects. That must be showing in the liability side. Those mobilization advance gets deducted in every running bill.

Rupali Seth: That will be part of our other current liabilities?

S.K. Jain: Correct.

Rupali Seth: What about our other long-term liabilities? It has gone up from Rs.15 crores to Rs.29 crores.





S.K. Jain: Because we have imported some machines from Italy for the Packaging unit, that is showing in

the long-term liabilities.

Rupali Seth: We have been planning some entering into the oil & gas sector. So would you be able to give

any update on where we are placed out there?

Vikas Kothari: As I stated earlier, we have been bidding for projects in ONGC. So far even qualifications in

ONGC are very big task. So we have been fortunate to have been qualified for opening of price bid in a couple of projects, and fortunately, we have not stood L1, but all that exercise over the last one year has taught us a lot about this industry and has sort of shown us the path towards eventually becoming L1 and successful in at least one or two projects. So, as we speak today, are expecting some price bids to be opened in the next two-three months and also some additional tenders to be submitted of the June of about Rs.300-500 crores over the next two months, the results of which shall be known only within the next quarter. We have not added

any order book from oil & gas, but we are still making efforts and hopefully...

Rupali Seth: These tenders would be largely with respect to EPC, Engineering exploration, in which

category that they are looking at?

Vikas Kothari: In the past we participated in contracts of gas dehydration units which are being hired by

ONGC, then we had participated in contracts which are for seismic data acquisition in ONGC, there were a lot of bids which had come out for seismic data acquisition, we had participated in those contracts, then we had participated in offshore platform painting DSC contracts. So these are just examples that I am giving you of various types of projects that we bid for. Going forward also, we are bidding for similar kind of projects – EPC Projects and Drilling Rig

Projects, then Fracking tenders that we are participating in.

Rupali Seth: The Rs.300-500 crores tenders that we are looking at, they would all be in the similar areas of

this operations?

Vikas Kothari: Correct.

Rupali Seth: Apart from ONGC, any other large organizations we are targeting or we are bidding for in a

continuous basis?

Vikas Kothari: We are anyway bidding for the EPC in Infrastructure which basically comprises everything, all

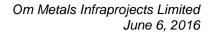
state governments, and all central government bodies we are bidding for. In EPC vertical of om metals, there are two broad areas that we are focusing on - one is Infrastructure EPC and

the other one is Oil & Gas EPC.

Moderator: Thank you. The next question is a follow up question from the line of Dhananjai Mishra from

Sunidhi Securities. Please go ahead.

Dhananjai Mishra: What was the contribution from Road Toll Collection Project?





S.K. Jain: Total Toll Collection was roughly Rs.22 crores in the financial year '16, out of which we have

considered Rs.11 crores as our share because 49% is our stake.

Dhananjai Mishra: Rs.11 crores we have shown in revenue or directly in PBT?

S.K. Jain: Revenue.

Dhananjai Mishra: We are segmenting the EPC or Pallacia also in Engineering division?

S.K. Jain: Correct.

Dhananjai Mishra: Yes, but you have given a guidance for Engineering division right of Rs.250-300 crores, we

are not including anything from this Pallacia project which we will be selling maybe next

year?

S.K. Jain: That we have not included.

Dhananjai Mishra: That is separately we are targeting Rs.100 crores, right?

S.K. Jain: Correct, that is a purely Real Estate sale.

Dhananjai Mishra: That may happen or may not happen, right?

S.K. Jain: Correct.

Moderator: Thank you. The next question is from the line of Madhukar who is an individual investor.

Please go ahead.

Madhukar: Congratulations for increasing your FSI from 4 lakhs to 10 lakhs sq. ft., really huge-huge jump

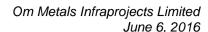
in an area like Bandra and your turnover maybe in the vicinity of Rs.5,000 crores sales value. So you will be a real estate company rather than mechanical engineering company even if you are 17% in that. But you will have to give really-really high attention to this. How do you project your profit from Bandra Project over next five years although you have said you will complete it in three years, but I know in Mumbai, bureaucrats, BMC bureaucrats will keep you

hanging at least for six years?

Vikas Kothari: Of the numbers that you are talking about, the project certainly has that size. Let me remind

you that we are not the ones who are executing the project now, we have done a joint development agreement with DB Realty and therefore the responsibility of executing the project lies in the hands of DB Realty. So it will not take a big toll on our management bandwidth. As far as investment is concerned, there may be minor investment in terms of our share of the additional premium to be paid to MHADA or something similar to that which will

be miniscule compared to the size of the project and that will also come from the cash flows from the project itself. So, from investment point of view, as well as from management





bandwidth point of view, we hope that it will not take any toll on our company. As far as revenue recognition is concerned, I told you three years for construction period from date of start to date of completion, not for the whole project, the zero date for three years will start only once we start the ground breaking. The ground breaking itself may take as you rightly said 6-months, 9-months from now. But we are trying our level best to try and achieve the ground breaking so that at least the project sees the light of the day.

Madhukar: You got FSI 3.5?

Vikas Kothari: Yes.

Madhukar: They give permission stage wise like you bring up your project up to length level and will give

further NOC letter?

Vikas Kothari: Correct, it happens on stage wise, so presently we are trying to get the scheme approval, once

the scheme approval takes place, then the plants approval will take place. So as soon as we reach a stage where we can start the ground breaking we will do that, we will wait for the

entire approval to come.

Madhukar: Yes, you will start, but then any time you will have to stop also because the moment you do

not pay them, Maharashtra has become corrupt than Bihar, you can put this in on your recordings also, I do not mind, because I am aware of it, and you will have to really spend money on getting approvals. DB is well connected, and you are also probably well connected because you could jump your FSI from 4 lakhs to 10 lakhs. Very good and I am sure you will

make more money from Real Estate than from Mechanical Engineering. But you did not say

how much you will be able to book in the next years 2nd, 3rd, 4th, 5th?

Vikas Kothari: Revenue recognition will take time, as you already know that recognition of revenue in Real

Estate it cannot be done until 30% of the project construction is achieved. So I am not expecting revenues to come in FY'17. I think our best shot is to expect some revenues start

coming from FY'18-19-20 from project.

Moderator: Thank you. The next question is from the line of Tejas Shah, who is an individual investor.

Please go ahead.

Tejas Shah: Continuing on the same project what we are talking of Bandra, what I understood from

previous concalls is basically this project again is a kind of no-cost project wherein you are only paying the FSI to the premium which you are paying to MHADA and that is about it, so basically whatever sales you do will be yours in terms of the full profit. Your revenue recognition can happen to my knowledge if you are selling a particular flat rather than the construction. So even if you start doing your transit camps and everything, that itself will take two years plus and then again your ground breaks and you start your own saleable building, so

that is going to take time. I do not know, correct me and throw some light on that?



Om Metals Infraprojects Limited June 6, 2016

Vikas Kothari: Yes, you are right in terms of the time it takes to get all these off the ground, but I am hoping

that it will take much less than two years, maybe one year for transit camp construction and shifting and as soon as that happens, then we can start construction. So transit camps itself will

not take two years.

Tejas Shah: You still have not started transit camps correct?

Vikas Kothari: Yes, we build 400 transit camps already, but we are thinking of demolishing them and

reconstructing 800 at one go itself, that is what we are planning to do now, we will have to

demolish them and reconstruct the transit camp.

Tejas Shah: When you say transit camp means let us say one flat we are talking or three storey building we

are talking?

Vikas Kothari: Ground plus four-storey, ground plus five-storey building.

Tejas Shah: Minimum it takes one year. If you are saying 800?

Vikas Kothari: I am hoping it will take about one year to complete, but there will be some 7-8 buildings, so

one-by-one every building will get completed.

Tejas Shah: But this revenue recognition what we say that will happen the way you construct or at the point

of sale for you, because DB Realty will do it on the construction because that is a different ball

altogether, for you I do not know whether the revenue recognition....?

Vikas Kothari: It will be at the time of sale.

S.K. Jain: We are also guided by the same principle of Real Estate regulation.

Tejas Shah: No-no, because your point is only sales and full profit...?

Vikas Kothari: No, for example in Ashvita also, we are doing only at the time of sale. The project is

completed, but we have recognized revenues only to the extent of what sale we have...

Tejas Shah: Correct, basically the sale of units which you do. Even if you book it in the prior, you will not

book it unless and until 30% completion is happened, that is a different part altogether?

S.K. Jain: No-no, let me correct sir, we can start booking, but we will not recognize revenue until and

unless 30% is completed.

Tejas Shah: This Ashvita, do you have only one part or you have another part, because what Mahindra said

is that one part is completed and ready to be delivered and is there any second phase or third

phase?





S.K. Jain:

There are five towers – A,B,C,D,E; A and B is complete and C,D,E is under final stages of completion, so we have already sold 30 units in A, B and C, some portion in B and E also and second phase is coming up for 2 lakh sq.ft. more in the same area, that construction we will start after some 6-months to 9-months, , 2 lakh sq.ft. is going to construct in next 6-7-months because of some change in regulation EWS portion has been allowed as a sale, there it is coming in a kitty for Mahindra and us. So out of those 2 lakh sq.ft., they will take 1,50,000 sq.ft. and Om metals developer will take 50,000 sq.ft.

Tejas Shah:

That will be additional benefit?

S.K. Jain:

Correct.

Tejas Shah:

Now in between also we had requested one is for bonus and second is to publish even your consolidated debt because now you are not into one sector, you are into multiple sectors wherein we as investor does not understand till the year end consolidated debt thing comes up and you have to wait how much profit is derived and again that impacts the share price also because it is a guessing game end of the day, what is seen is what is believed. So why do you not all do consolidated results?

S.K. Jain:

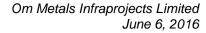
We have shown consolidated results. Where we are more than 50%, we have consolidated those figures. Where we are less than 50% like Om Metals Developer in Hyderabad Ashvita, we have not considered in this results because our share is pretty low.we shall add it later via a separate board meet.

Tejas Shah:

You are not publishing quarterly consolidated? If I want to invest in Om Metals and I cannot do it on the perception okay fine, at the end of the year one quarter I will get x amount of profit, so prices will go up, means if you are looking as an investor perspective, every quarter we need to understand what is the profit derived from all and earlier it was only one or two businesses but now we are saying Packaging is added, other things are also adding up, so unless and until we do not get true sense every quarter what is happening in terms of the revenue and everything, we will not be able to understand, we will not be able to fully invest more? I hope you understand my concern or everybody's concern because even if you want to invest somewhere down, you will need that quarterly thing, even if there is no recognition, it is immaterial. But at least I will understand, "Fine, that this quarter they have not booked anything and how much profit is booked." This time I was expecting Rs.15 crores plus from Ashvita, but I think it was less. So, it is a guessing game end of the day because in Mahindra has been booked, so again our calculations are different and end of the day the result something else comes up. So if you can do a quarterly result and publish it every time on a consolidated basis on a quarterly it will be very helpful for everyone because everybody will know the status and it is not too much of a complicated work in terms of getting this thing done.

S.K. Jain:

We will do this.





Tejas Shah: Pallacia, you are saying it will not start from another 3-months on, correct?

S.K. Jain: No, it can start tomorrow also, we never said it is not going to start, we are awaiting the letter

from the tribunal.

Tejas Shah: Another thing is in Pallacia if I recollect, how much is the construction cost you have banked

and how much is the revenue which you have done?

S.K. Jain: Rs.470 crores is the construction cost including land as per the appraisal done by the bank, out

of Rs.470 crores we have already invested Rs.280-290 crores including land and out of those some 40-50 units have been sold, for which we have already recognized the revenue is Rs.90 crores in last year, Rs.6 crores this year, almost Rs.100 crores has been recognized. Since we have not invited any fresh booking, we have not invited any fresh advance amount, we have

not recognized revenue for that portion.

Tejas Shah: So what I understood was Rs.81 crores were already booked, that was told as on 2015 thing

and against which I think no recognition was done in terms of the revenue?

S.K. Jain: In '16 we have done Rs.6 crores revenue.

Tejas Shah: So, all these profits or 30% completion, when is it going to happen?

S.K. Jain: We have already achieved roughly 40-50% completion including land bank as per formula of

the revenue recognition for real estate projects.

Tejas Shah: So that 50% completion of the work is done?

S.K. Jain: Yes, including land bank.

Tejas Shah: Balance 50% you are saying let us say subject to the approval comes in after few days or a

month, how much time it will take to complete the project if no hindrance is coming?

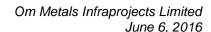
S.K. Jain: June '18 possibly.

Moderator: Thank you. The next question is from the line of Madhukar, who is an individual investor.

Please go ahead.

Madhukar: The previous speaker really asked good questions. We deserve consolidated results every

quarter sir. I hope you will give it. Because even if it is difficult, it needs to be given. #2, the previous speaker said that you have only the premiums to pay in, the rest is profit. So you may be paying a premium of Rs.300 crores or Rs.500 crores, I do not know, you have not specified it and Rs.3,000/sq.ft. maybe your cost of construction, but Rs.50,000/sq.ft. is the selling price in Bandra West, so the profit looks like 90%. I do not know whether DB Realty will play fair





with you and pass on all the profits, their two projects are stuck, one is Dahesar and one in Goregaon. So I hope this time you do not get stuck. Please say something about it.

Vikas Kothari: Our deal with DB Realty is to get a share of the saleable area, not the share of profits... they

will construct the area and they will give us the share of the saleable area which kind of solves one of the issues that you are talking where that you mentioned that the construction cost and all, so we are not dependent on them for the cost of construction or anything, they have to bear

all the cost and they have to just give us the split of the area.

Madhukar: So you get the areas first and they sell the last?

Vikas Kothari: No, we both get areas together, let us say, as and when the construction is complete, we get

50% of the completed area which is in the SPV where we own 35% stake, if let us say 1 lakhs q.ft. is completed, then Om Metals consortium which is the SPV will get 50,000 sq.ft. and they will get 50,000 sq.ft. and they will have to give us our area, we may use their window to sell

our area also or we may sell our area through our own window also.

Madhukar: The project looks hugely profitable?

Vikas Kothari: It is, but I always prefer to give conservative numbers and achieve much bigger...

Madhukar: But in Maharashtra, what looks does not fructify?

Vikas Kothari: Yes, but you can never go wrong with Rs.35,000/sq.ft. on a sea facing property with such large

ground area.

Madhukar: When you say you got this much FSI it is carpet, or at least build up if not superb?

Vikas Kothari: I am talking about built up rate, carpet rate will obviously be higher, so even if you take it as

Rs.35,000 on a built up area, and I am talking about saleable area also as a built up only.

Madhukar: I hope we realize all this profit without any problem because just as in Maharashtra, the

farmers do suicide, even builders do.

Vikas Kothari: But fortunately for this DB has received funding, because otherwise for DB to pay us an

upfront premium of Rs.50 crores, they have already paid. So for them to pay us an upfront premium of Rs.50 crores itself would have been challenging if they were in the same situation as earlier. So they paid us an upfront premium. Without premium you would have not signed a joint development agreement with them and they paid us the premium already, which has come in our bank accounts. So that is a sigh of relief for us. Going forward also, I think the

situation will get better from here.

Moderator: Thank you. As there are no further questions, I now hand the conference over to Mr. Siddharth

Kothari for closing comments. Over to you, sir.



Om Metals Infraprojects Limited June 6, 2016

Siddharth Kothari: Thank you, everyone for participating in this earnings call. So we have uploaded the

presentation on our company's website and also on the stock exchanges. For any further

queries, you can get in touch with us or with SGA, our Investor Relations advisor.

Moderator: Thank you very much. Ladies and Gentlemen, on behalf of Om Metals Infraprojects that

concludes today's conference call. Thank you all for joining us and you may now disconnect

your lines.