



“OM Metals Infraprojects Limited Q3 FY16 Earnings Conference Call”

February 12, 2016



**MANAGEMENT: MR. VIKAS KOTHARI - EXECUTIVE DIRECTOR AND
PRESIDENT, OM METALS INFRAPROJECTS LIMITED
MR. SIDDHARTH KOTHARI –MEMBER ADVISORY
BOARD, OM METALS INFRAPROJECTS LIMITED
MR. S. K. JAIN - CHIEF FINANCIAL OFFICER, OM
METALS INFRAPROJECTS LIMITED**

Moderator: Ladies and Gentlemen, Good Day and Welcome to the OM Metals Infraprojects Limited Q3 FY16 Earnings Conference Call. This conference call may contain forward-looking statements about the Company which are based beliefs, opinions and expectations of the Company as on the date of this call. These statements are not the guarantee of future performance and involve risk and uncertainties that are difficult to predict. As a remainder, 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 would now like to hand the conference over to Mr. Siddharth Kothari. Thank you and over to you, sir.

Siddharth Kothari: Good evening, friends. I welcome all you to our Earnings Call for Q3 and nine months ending 31st December, 2015. Along with me I have Mr. Vikas Kothari - Director & President; Mr. S. K. Jain - Chief Financial Officer and Strategic Growth Advisors our Investor Relations Advisors.

So let me start the call with a brief overview of the company. OM Metals Infraprojects is primarily an engineering construction company with a strong presence in the hydro power sector and experience spanning more than four decades. We are industry leaders in the niche area of turnkey hydro mechanical contracts or hydro power and irrigation projects. The profitability in these projects are very high due to high entry barriers by virtue of pre-qualification requirements and high profitability and low capital intensive nature of the EPC business eager us to generate good amount of free cash flow.

The optimally utilized this cash flow generated by our core business of heavy engineering, over the years we have made several opportunistic investments and diversified in the field of real estate development and civil infrastructure. On the real estate front, the company is already in process of monetizing the assets which we expect will generate good returns and on the infrastructure vertical the Bhilwara - Jaipur Highway toll collection is growing smoothly and execution of Smart City contract in Ujjain, MP is also progressing well. We will be bidding for more such Smart City contracts in the near future.

Our strategy to diversify in higher return businesses not only de-risks our core business but it also unlocks shareholder value.

Lastly, I would also like to congratulate all shareholders on the latest project win Vyasi. The project is worth around 106 crores for the hydro mechanical works of Vyasi, Hydroelectric Power Project in Dehradun district of Uttarakhand. This project was awarded to us by UJVNL, Uttarakhand Jal Vidyut Nigam Limited and it is to be executed over a period of 25 months.

To the addition of Vyasi our unexecuted order book as on today is around 986 crores. The Modi Government is planning to offer new hydro power projects with approvals and land use

in a bit to mitigate risk and attract investors. The plan is similar to the Ultra Mega Power Projects or the UMPP that are in vogue for thermal power projects and the government is really trying to do is make hydro power projects attractive as part of their commitment to the latest Paris Climate Conference to cut carbon emissions by about 30% to 35% by 2030 is what their target is. We really expect to benefit from this the benefit of this shift to us due to the very fact that we are one of the few large eligible contenders of large scale dam projects.

And with this, I would like to now request Mr. S. K. Jain to talk about the results for quarter three and the nine months ending December 31st, 2015.

S. K. Jain:

Hello, good evening, everyone I welcome you all to the Conference Call. You all must have seen the results of quarter three. Prior to this policy paralysis and despite of the infrastructure sector bleeding very heavily we are consistently delivering good results. Turnover may have dip a little bit but our profit margins are exactly same and we are seeing good margins..

Our revenue was 41 crores as against 51 crores for the same quarter last year. Our EBITDA is 8 crores a growth of 9% compared to last year. Overall turnovers for the nine months is 118 crores as against 157 crores, this is because in UPA-II government in last two years we did not get any order. All the orders came after Modi Government like Vyasi, Rampur, SSNL. We are considerably showing good results and we are hopeful we will do good results in the near years to come.

At consolidated level we will be achieving good results by showing the real estate state sale of Hyderabad and Kota which will come in the year end results.

Rest, I will cover in the question and answer session, thank you.

Moderator:

Thank you very much, sir. Ladies and gentlemen, we will now begin with the question and answer session. First question is from the line of Ankit Agarwal from Globe Capital. Please go ahead.

Ankit Agarwal:

I have three part to four-part question so, my questions are first can you tell me what is the value of projects in hand right now with OM Metals? And how much value of the projects will be executed in the current year 2016-2017? And the second part is related to the steel and cement prices and what is the impact on profitability plus also power is trading at a 52-week low at the spot exchange so, I just want to know the impact on the power industry plus in your results the raw material cost has increased from 26% to 31% in the current quarter plus your tax is gone up from 5% of PBT to 17% so, that was the other part. Plus, I also like to ask what is the current scenario in renewable energy given that the solar power rates are almost half to the hydro power so, how do you see this scenario in renewable energy, thank you.

S. K. Jain:

Our order book is 986 crores as on today which we will complete in next three years so as per this roughly 300 crores is achievable in next three years even if we do not get any orders. We

are very aggressive in roads and EPC et cetera so we are hopeful that we will get another 1,000 crores order book in this fiscal 2016-2017. We are totally unmoved by the prices of solar or power sector because we have nothing to do with it because we are just EPC player in the sector, and we are executing EPC contracts for Government of India and we are totally unmoved by this.

- Ankit Agarwal:** What about steel and cement prices?
- S. K. Jain:** If Steel and cement prices are down we get profits in our hand and with increase we are compensated through escalation so we are unmoved totally.
- Ankit Agarwal:** And what about tax going up from 5% to 17% of the PBT?
- S. K. Jain:** PAT is a little bit down because we have shown 5.47 crores in this quarter as against 8.89 crores in the last quarter.
- Ankit Agarwal:** No, but the tax percentage on the PBT has gone up from 5% to 17% in this quarter like last quarter it was only 5% of the PBT.
- S. K. Jain:** Because we had executed some government project where we got escalation amount because this is totally tax free.
- Ankit Agarwal:** Okay. So some tax benefit last quarter and what about the variable cost, the raw material cost which has gone up from 26% to 31%?
- S. K. Jain:** This keep on going up and coming down and we cannot match quarter-to-quarter.
- Ankit Agarwal:** It depends on the project. And one more thing what is your revenue model, like the realization you get from government is it like you make the project and then give it to government on profit or you earn it by toll or some regular income? Is it one time...
- S. K. Jain:** No, we are just EPC executor. We just complete the project, we raise the bills to government, we get the payment and we book in turnover of our company.
- Ankit Agarwal:** So it is a one-time profit when you deliver to the government not regular income which comes from the project?
- S. K. Jain:** Yes, correct.
- Moderator:** Thank you. Next question is from the line of Giriraj Daga from SKS Capital & Research. Please go ahead.
- Giriraj Daga:** Sir my question is related to Pallacia like what are the progress in terms of number of sales and development progress?

- S. K. Jain:** Construction is growing in full swing. We have almost completed 40% of that project in some tower and we have reached to 50-meter height and in some tower and at the stage of 10 meters to 12 meters in other towers. We have already sold 40% of the units. ... We are going steadily and in spite of this real estate market we are doing good and are totally unmoved because the leverage is totally nil in this project, otherwise we would have been in deep pain.
- Giriraj Daga:** Okay. Just want to understand more also like now we are competing project there will be large revenue mix also in FY16 our consolidate number.
- S. K. Jain:** Yes we will see good margins from this project in FY 17 or 18 .
- Giriraj Daga:** Not in FY16?
- S. K. Jain:** Not in FY16, because in 2016 we have already booked some turnover in March 2015, and some sales will be compensated by the extra cost which we have incurred in the project so no profits in this financial year but next year we will see good profit.
- Giriraj Daga:** Okay. And on the like core business like we are currently running with a run rate of about 40 crores and we are standing at about 300 crores so the run rate of about 75 crores to 80 crores per quarter. What timeframe do you think we should be able to achieve that kind of run rate, next quarter or next to next quarter?
- S. K. Jain:** Next quarter will again be depressed because the order which we have secured recently in this financial year will be executed in next year as it is not either in designer stage or preliminary stage. We are hopeful that we shall get turnover of Rs.300 crores in next year not in this year.
- Giriraj Daga:** And run rate also improve in the first quarter of next year or even it would be backened?
- S. K. Jain:** No, we will see compete next year turnover 300 crores roughly and fourth quarter will be again depressed because the turnover which we because orders which we have recently...
- Giriraj Daga:** This fourth quarter I understood, what I want to understand this 300 next year would it again like back ended like 100 crores in the first-half and 200 crores in the second quarter would there be...
- S. K. Jain:** Spread equally.
- Giriraj Daga:** Spread equally, okay. Anything on that Mumbai land thing, Mumbai project, any more development that side?
- S. K. Jain:** No, same development as I explained in the last concall.
- Giriraj Daga:** Nothing new.

- Moderator:** Thank you. Next question is from the line of Sandeep Sabharwal from Sun Capital. Please go ahead.
- Sandeep Sabharwal:** Yes, Mr. Kothari, could you elaborate a bit on the monetization of the Mumbai land and that project and what is the status of that and over what period of time you propose to get the monetization of the entire square feet which you have for yourself?
- Vikas Kothari:** So you may be aware of the development that has happened that area has been removed from CRZ Regulation. So FSI has increased tremendously there from 4,000 sellable approximately to almost over 1 million square feet sellable so, with this revision, we need to revise the plans and resubmit the plans to MHADA and get revised approvals so that is the process which is going on right now. We also plan to do the entire rehabilitation in one stage itself in order to reduce the time that we have lost. So the idea is that whatever transit constructed there we want to demolish that and then construct a higher eight-stories transit so that entire rehabilitation of the area can be done in one go. So that is the plan which is why it is getting delayed so, we hope that construction activity at the site itself shall start somewhere around the end of this year and...
- Sandeep Sabharwal:** That is 2016 calendar?
- Vikas Kothari:** Calendar yes, and thereafter you know as soon as we achieve 30% completion of the project we will start realizing revenue for the project start from FY18 onwards.
- Sandeep Sabharwal:** And the other thing was that when I met you, you had mentioned that you are getting into some other area of seismic studies and some other segments where were actually looking at some decent order flow over a period of time so how is that going on?
- Vikas Kothari:** So the other two areas that we have decided to grow organically, are packaging which is one area and oil & gas, EPC oil & gas is the other area. So the progress in both of them is packaging our unit is now commissioned and we shall start generating revenues from March onwards, the approvals of unit are taking place as we speak today and in fact we will get orders. PAT booking some revenue in this financial year itself from the packaging unit and then of course there after of course it is a question of reaching full capacity which should not take that long. So we will see some revenues in FY15-FY16 and 2015-2017 we will see a unit coming up to its full potential as far as packaging is concerned, the other oil & gas EPC we have bid for projects so this is a very high entry barrier business like our core business of hydro mechanical is and therefore I consider even getting qualified for price bid opening itself is a very big achievement so fortunately for us we have reached that we have spent last six months to nine months in learning a lot, we have learnt a lot at a very-very cost almost negligible cost we have gained a lot of learning and that learning is now going to help us in adding order book from the oil & gas EPC going forward. So far some of the bids have opened unfortunately we have not been L1 there are other companies which have become lowest bidder but in the process we have gained a lot of learning which you know years and years to

come. And now hopefully with all the learning that we have received within the next 12 months we should be able to add a significant order book from the oil & gas, EPC even as we speak today we have bid for about 170 crores - 180 crores nearly 200 crores in order book in oil & gas which is still to be open the price bids are still to be opened so, I am hoping that there will be some good results there and then of course going forward there will be many more expenses.

Sandeep Sabharwal: Okay. And if I remember rightly your share of the Mumbai project out of 1 million square feet is around 2, 25,000 is that or somewhere around?

Vikas Kothari: It is approximately 17% of the total sellable areas so let us say about over 1 million square feet so roughly 200 thousand square feet is going to be our share.

Moderator: Thank you. Next question is from the line of Sahil Jain from RN Financials. Please go ahead.

Sahil Jain: Question is for Mr. Vikas, sir, just wanted to check with you and have your views on your real estate segment typically if you can just give us some sense of what is the which cities are you all have real estate projects in and what is the kind of revenue potential you are expecting over the next one year to three years?

Vikas Kothari: So as we speak today we have under construction we have Kota and Jaipur and Hyderabad these are the three projects where revenue recognition has started. Kota revenue recognition will happen over the next two years - three financial years, Jaipur again also over the next two years to three years we will continue having I mean we have already started recognizing revenue from both of these projects we will continue doing that over the next two years to three years and likewise for Hyderabad also is the same story, in the next two years we will recognize the entire revenue. The total revenue coming from Kota which is roughly sellable area for about 6 lakhs square feet 600 thousand square feet is roughly around 150 crores. From Jaipur again sellable area is roughly 600 thousand square feet to 650 thousand square feet and realization is approximately 700 crores and Hyderabad our sellable areas, I am talking about our share in that is about 80 thousand square feet where the realization is roughly around 35 crores. So this all three projects realization is going to happen over the next two years to three years in total.

Sahil Jain: Okay. And if you can also throw some light on what is the kind of sales that you all have achieved so far for each of these projects?

Vikas Kothari: Jaipur project Pallacia we have done about 80 crores in sales, Kota we have not done in terms of past projects we have already recognized the entire revenue for the current existing projects we do not have any I mean because of non-completion of 30% we have not started recognizing revenue, we have started booking revenues, Jaipur I told you 80 crores we have already done. Hyderabad the project is completed; the sales are we have not started sales is going to start

from this year, our area of sales is going to start from this year so we will see some revenue recognition happening in this financial year also from Hyderabad.

Sahil Jain: Sure. And in terms of your Mumbai project where are we in terms of approvals and what could be the dynamics in terms of sales and cost over the next may be three years to four years.

Vikas Kothari: So if you consider 200 thousand as rough area which comes to our share of the total project and the worst case scenario also to be even if the situation becomes even worst then what it is today in real estate development I do not think we would have revenue realization of less than anything less than Rs. 35,000 to Rs.40,000 square feet...

Sahil Jain: This is residential or commercial?

Vikas Kothari: Residential, this is residential so where current market price in Bandra is nothing less than Rs.70,000 to Rs.90,000 square feet on the sellable area, in our project, in our case I am considering it as Rs.35,000 a square feet - Rs.40,000 a square feet so, let us say 35,000 a square feet times 200 that is the realization that we will have for our share.

Sahil Jain: And when do you expect a) to start constructing for this project and b) to...

Vikas Kothari: For recognition will start not before FY18 because 30% completion is what we need to achieve before we start recognizing revenue so, FY18 we will see about the approximately 700 crores that we expect from this project we will see about 10%-20% coming in FY18.

Sahil Jain: And in terms of approvals where are we in this project?

Vikas Kothari: We are at a fairly advance stage in terms of approvals. There is some approvals which have already been achieved some approvals is which are remaining has balanced. So no enough for us to start to kick start the ground breaking of the project so, we hope it should be expect it should be...

Sahil Jain: When do we expect to start the project in terms of the launch...

Vikas Kothari: No, in terms of construction.

Sahil Jain: And in terms of what do you expect that to happen?

Vikas Kothari: In the next six months to eight months.

Sahil Jain: Okay. And you will obviously start with the sales opening as well sometime during next year?

Vikas Kothari: Yes, sometime during next year.

- Sahil Jain:** Okay. And any other plans of any other projects that you are looking at either in Mumbai or your other markets in terms of real estate?
- Vikas Kothari:** Not at present, we are not looking at we are only looking at monetizing our existing land bank, we are not looking at investing in any new real estate projects.
- Moderator:** Thank you. Next question is from the line of Dharmesh Shah, Individual Investor. Please go ahead.
- Dharmesh Shah:** I wanted to ask you, is there any update on Pondicherry port and SEZ or it was under arbitration?
- Vikas Kothari:** No, there is no update on that as the issue is under arbitration with Government of Pondicherry. The arbitration hearings have already taken place and arbitrators have not given their judgment as yet, we are awaiting the judgment from the arbitrators.
- Dharmesh Shah:** Okay. And secondly, any plans of promoters increasing stake?
- Vikas Kothari:** We are constantly doing that over the last six months we have increased our holding in the company, the markets at the levels at they are we feel it is fairly attractive for us to increase our holding and we do intent to take it up to the maximum limit eventually.
- Moderator:** Thank you. Next question is from the line of Mini Shah, M&S Company Limited. Please go ahead.
- Mini Shah:** I have a question on your business vertical packaging, sir, can you just give us an idea what is the thought process of starting this business I mean the packaging business segment?
- Vikas Kothari:** So the idea is that we are a cash rich company, we are constantly looking for avenues to grow I mean where we have double-digit growth and double-digit margins. We are currently sitting on big land bank across various cities which is industrial land bank, high quality industrial land bank which is sitting idle and is not being utilized. So we mandated a few, we did an enormous exhausted study where we wanted to find out what is the best way to utilize our existing industrial land bank and our focus while looking for such opportunities was that it should be high growth area double-digit growth in the market and plus double-digit margin business. So the one area that fit our profile of the business is that we are looking for worst packaging and in that also we have identified specialized manufacturing of closures which offers double-digit margin. So at the very low entry, very low investment we have entered into it and we have entered into it with three lines of closures manufacturing which have been imported from Italy from the World's Best Manufacturer and we have set it up in our existing so we have not have to invest anything in land and building and the machines we got were on a buyers credit so we have not had to invest significant amount of money on the machine side also so the return on equity and return on investment is going to be phenomenally higher. So that is the idea behind

entering into packaging and eventually going forward, we want to scale this business. We want to be hoped that FY16-FY17 we will reach a turnover of not less than 40 crores - 50 crores from this business and going forward this will only keep on increasing so we want to hit 200 crores - 300 crores top-line from this business in over the next may be few years.

Mini Shah: Okay. Actually sir, I asked this question because we are so diversified that we are present in real estate and so do you have any idea, I mean would we be able to simplify our structure going ahead like what is your...

Vikas Kothari: I will tell you background behind this one which I told you the other is that you know contracting business which is EPC business has a lot ups and downs we might have a very good order book but the execution cycle itself takes its own time. So one quarter we have growth in turnover, the second quarter we may have a downfall so in order to have a consistent revenue stream and in order to have a consistent bottom-line and top-line this is the most stable business we found so this is one reason that we have added and of course this offers a phenomenal growth. Going forward if this business reaches a significant number in terms of revenue, we may look at restructuring the company wherein one company could be focused on which may include real estate and the other businesses and one company which would be the core businesses which is engineering construction but this may happen over the next may be three years - four years whenever the other business is reach a significant top-line.

Mini Shah: Okay, fair enough. Sir in the speech you mentioned some smart city plan so what is your view on that I mean the plan of government the smart city? And has the work on smart city development project started?

Vikas Kothari: So smart city has while the government is completely focused on achieving the plan that it has for development of these 100 smart cities and you would have read in news that there is significant developments that are happening and all are happening very expeditiously. So we have already tasted success with EPC contract of the first smart city which is Ujjain where we are EPC contractor and likewise with all these 20 smart cities already being allocated funds there will certainly be EPC contracts coming up for all of these smart cities. So I have not seen personally in the last 20 years from policy to implementation in such short period of time as we are seeing in the smart city development. So we are quite bullish and quite positive about this development.

Mini Shah: Okay, sir. And last question from my end, on your core business hydro mechanical equipments, how much EBITDA margins you have achieved?

Vikas Kothari: So hydro mechanical that is our core business and highly monopolistic business and we have very good margins, our EBITDA margins in hydro mechanical is over 20%.

Mini Shah: Okay, I mean is it sustainable?

- Vikas Kothari:** Yes, sustainable absolutely. Our monopolistic position has not changed so certainly sustainable.
- Moderator:** Thank you. Next question is from the line of Devang Patel from IL&FS. Please go ahead.
- Devang Patel:** A few questions, from oil & gas exploration that you were discussing earlier how many companies are typically bidding for these tenders and what is the average ticket size?
- Vikas Kothari:** So there are a couple of areas that we have participated in the past and are participating going forward also and typically there are about three companies to five companies and the best case scenario of our three companies and the worst case scenario about five companies and when it comes up for bidding it is about seven companies - eight companies that participate, but when it comes to qualification it is only three companies or four companies that get qualified that has been the last six months result that I have seen and we have been fortunate to have been one of those companies which have been qualified.
- Devang Patel:** Right. And the average ticket sizes?
- Vikas Kothari:** Average ticket size ranges from anywhere between 50 crores to 500 crores, so average would be about 200 crores to 300 crores, the smallest project we bid for is 30 crores - 35 crores and the biggest project we bid for is 500 crores. So average I would say 150 crores to 200 crores.
- Devang Patel:** Okay. On the plastic that has started what is the cost of machinery that we have got?
- Vikas Kothari:** Cost of machinery 3.2 million but we have taken it on buyers' credit where we have buyers' credits for three years so our investment in the machine are still not happened. As may be aware very good, we enjoy very good facilities from our existing bankers and these facilities are fund based and non-fund based limits which are unutilized so we already have these sanctions. We have used these non-front based facilities that we have from our existing bankers and taken buyers' credit so, basically investment in the machines except for maybe a few custom clearing charges and all that has not been about a crore and working capital utilization will be roughly around 5 crores so, our equity investment in this whole project will be roughly around 5 crores including working capital ie 5 crores to 6 crore.
- Devang Patel:** What will the eventual cost be?
- Vikas Kothari:** The cost of the machines itself is about 22 crores and the cost, the infrastructure and everything all put together is about 24 crores.
- Devang Patel:** Roughly 50 crores is all in cost for us for this line of business?
- Vikas Kothari:** Not, 50, not at all, so 25 crores is what the cost of equipment, machinery and renovation in the existing building

- Devang Patel:** Okay. On the plastic silos there was something mentioned in the notes last time we had received an LOI any progress on that?
- Vikas Kothari:** On the plastic.
- Devang Patel:** Sorry, on the Silo business.
- Vikas Kothari:** No, we have not we bid for projects those tenders have been thereafter cancelled. So we are still awaiting the contracts some tenders were invited and their bids are cancelled and then have been re-invited so we are still waiting for getting a LOI from any of these projects.
- Devang Patel:** Again what is the size of these opportunity?
- Vikas Kothari:** The size of the project is ranging from 25,000 tonnes to 50,000 tonnes and each project size is about 40 crores to 50 crores and we have bid currently for about six project. We have not yet been intimated of being chosen as the concessionaire in any of the projects as yet.
- Devang Patel:** Right, sir. Sir and across the three real estate projects, can you have the percentage completion Hyderabad I think you mentioned is 100% complete, how much Jaipur is?
- Vikas Kothari:** Hyderabad is about 75% complete, Jaipur is 30% complete and Kota is 30% complete.
- Devang Patel:** Is there any incremental work happening on the Jaipur project it seems to be at 30% for the last two quarters?
- Vikas Kothari:** No, the construction is going on. It was a bit slow because of all these issues that we were facing. We had a little bit of interruption also in the construction progress for a while but that has started again. So the progress is a little slow but it is progressing. The construction as we speak is going on right now.
- Devang Patel:** Right. Sir, on the order backlog that is mentioned is it something to get a break-up versus hydro mechanical the other water works and smart city broadly what is the incremental revenue we have booked on the four large projects, some such sense on the progress of big orders?
- S. K. Jain:** Out of 986 crores of order book, 166 is from Ujjain smart cities which is total infrastructure and the system itself and 130 crores is from the Jaipur residential which we are doing EPC for that company and rest is totally hydro mechanical.
- Moderator:** Thank you. Next question is from the line of Ekta Lalwani from Dewan Investments. Please go ahead.
- Ekta Lalwani:** Sir, can you just guide us like what are the growth numbers that we are looking like for the next two years to come like in terms of revenue and PAT?

- S. K. Jain:** We are very much full hopeful for clocking 300 crores turnover in next year on a standalone basis.
- Ekta Lalwani:** And on a consolidated basis?
- S. K. Jain:** 450 crores.
- Ekta Lalwani:** With a PAT margin like what were the PAT margin that will be target?
- Vikas Kothari:** 15%-12% at a consolidated level.
- Ekta Lalwani:** 15%-20% on the consolidated level. Sir, I was just having a look at some of the historical numbers in my standalone in the past year there was a timeline we were clocking mid-20 EBITDA margin and write now we are somewhere in the average range of 18% to 19% so do we like target like...
- S. K. Jain:** It will improve because of real estate component in two years in Kota and Jaipur.
- Ekta Lalwani:** So next two years EBITDA margins we would have be looking at anywhere like you know...
- S. K. Jain:** 40% roughly.
- Ekta Lalwani:** Okay, so what will be the number?
- S. K. Jain:** 40%.
- Moderator:** Thank you. Next question is from the line of Rupali Sethi from Kavya Invesments. Please go ahead.
- Rupali Sethi:** Sir, just wanted to dwell a little more on the road projects segment, if you can give you a little more idea on what are the plans that we have going forward on this, are we looking at bidding more in the future, exactly our strategy in this department.
- S. K. Jain :** Yes, we are very much aggressive in bidding for Road project but not on BOT basis only on EPC basis. BOT we have already done this Jaipur to Bhilwara and we have started toll collection from July onwards. So we are not much aggressive on BOT basis but we are very interested on EPC business, when the opportunity comes for EPC of road we will definitely do, at this standalone basis or joint venture with any big company.
- Rupali Sethi:** So the current project is ongoing and other than this one BOT project we not do not have second line as of now?
- S. K. Jain:** Nothing, yes.

- Rupali Sethi:** Yes, so how aggressive are we being in this line now are we bidding a lot?
- S. K. Jain:** Yes, we are bidding. We are bidding with some good players on joint venture basis.
- Rupali Sethi:** Sir, can you give any idea on the size of the bids that we are looking at probably that can materialize of the next six months.
- S. K. Jain:** So far we have not bided but we are in line of bidding for next six months to 12 months because on a standalone we are not qualifying for big projects because we have only completed 400 crores road in three years on BOT basis. May be on a standalone basis we do not qualify much we shall be definitely looking for bidding in joint venture with SPML or any big coming. We will identify good projects and then we shall bid for that.
- Rupali Sethi:** Sir any geographical preference that we have in that?
- S. K. Jain:** Yes, Rajasthan, Haryana, MP, Chhattisgarh, and these are preference area.
- Rupali Sethi:** Currently we are would be in Rajasthan so the other states are open for us.
- S. K. Jain:** Yes.
- Moderator:** Thank you. Next question is from the line of Jitesh Jain, Individual Investor. Please go ahead.
- Jitesh Jain:** Can we discuss about the stake sell in our road project so what is the progress on that, number one.
- S. K. Jain:** We have already given mandate to one IB and we are doing for either takeover of loan or stake sale. Takeover of loan by IIFCL is in very advance stage, they have already put the proposal in EC meeting scheduled on 20th February and may be we shall be able to plough that because right now the requirement is 12 years and we are trying to extent to 17 years, we are trying for that.
- Jitesh Jain:** Okay. And my second question is on the opportunities coming up in the smart cities has the company bid for many more smart cities?
- S. K. Jain:** Not yet.
- Jitesh Jain:** Okay. So what is the kind of potential that we have like the Ujjain one is about 335 crores so what kind of business opportunities can be looked for in the next six months to 12 months in the smart cities.
- Vikas Kothari:** So the part that we address so far is the EPC part of the scope of works and I am assuming that in each of these smart cities whether it is re-development of an existing city or a new city the scope will depend on what the EPC part of it is, it is very difficult to put a number to the

potential opportunity I mean the competition is running lakhs of crores over the next 10 years 20 years, but I would assume that we should be able to add a few hundred crores of orders over the next one year so from as far as our scope of work is concerned, it is not more.

Moderator: Thank you. As we have no further questions from the participants, I would now like to hand over the floor to Mr. Siddharth Kothari for closing comments. Over to you, sir.

Siddharth Kothari: Thank you all for participating and thank you all for your interest in our quarterly call and we are excited about all the progress that is being made and all the exciting developments that are coming up. And we have also uploaded the latest presentation of our company on our website and also on the stock exchange's website. So in case of any further queries that you may have, please feel free to get in touch with our IR Advisors, Strategic Growth Advisors, or you can feel free to get in touch with us directly as well. Thank you so much for your participation.

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