



Date: November 16, 2023

To,  
**The Manager,**  
**Department of Corporate Services,**  
BSE Limited  
P. J. Towers, Dalal Street,  
Mumbai – 400 001.

**Sub: Transcript of Post Earnings Conference call with Analyst / Investors held on Thursday, 16th November 2023, at 15:00 Hrs**

**Ref: Reg.30 of SEBI (LODR) Regulation, 2015; BSE Scrip ID: 543364**

Dear Sir/ Madam,

Pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015, please find enclosed the transcript of the Earnings Call for Half-yearly Results of FY 2023-24 held on Thursday, the 16<sup>th</sup> day of November 2023 at 15.00 Hrs (1ST).

The transcript is also uploaded on the Company's website at [www.markolines.com](http://www.markolines.com)

This is for your information and for dissemination to the general public at large.

Thanking you.

***For Markolines Pavement Technologies Limited  
(Formerly known as Markolines Traffic Controls Limited)***

**Parag Jagdale**  
**Company Secretary & Compliance Officer**  
**Membership No. A52205**



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**(Formerly Markolines Traffic Controls Limited)**



**MARKOLINES PAVEMENT TECHNOLOGIES LIMITED**

**H1FY24**

**POST RESULT CONFERENCE CALL**

November 16, 2023 3:00 PM IST

**Management Team**

Vijay Oswal – Co Founder & Chief Financial Officer  
Prashant Mohite – Chief Administrative Officer

**Call Coordinator**



Strategy & Investor Relations Consulting

### **Presentation**

**Vinay Pandit:**

Ladies and gentlemen, we welcome you all to the H1FY24 Post Earnings Conference Call of Markolines Pavement Technologies Ltd. Today on the call from the management we have with us, Mr. Vijay Oswal, Co-Founder and CFO, Mr. Prashant Mohite - Chief Administrative Officer.

As a disclaimer, I would like to inform all of you that this call may contain forward looking statements which may involve risk and uncertainties. Also, a reminder that this call is being recorded. I would now request the management to detail us about the business since this is our first call, talk in brief about the performance highlights for the quarter, your good growth plans and visions for the company for the coming years, post which, we will open the floor for Q&A. Over to you Vijayji.

**Vijay Oswal:**

Yeah. Good afternoon, everybody. Thank you very much for being with us on this particular conference call. It is a pleasure for Markolines management to present you with our performance. Now, since this is our first call, let me just quickly take you through what is Markolines.

So, basically, Markolines was founded in 2002 and with a single product called is road marking and subsequently we kept on adding various product lines. And now today, we are India's largest company, in terms of the highway sector wherein we do only highway maintenances.

So, from 2000 to 2009, we were doing various activities, when the BOT was coming in picture, we sought that as an opportunity and got into the highway operations and maintenances. And subsequently, we added various products. Markolines has always been, our focus has been on to the innovations and latest new technology.

So, that is how we have been always been instrumental in bringing latest or new technologies in terms of highway maintenance to India. So, in 2015or rather 2014 when we introduced Micro surfacing. So, before we could enter Micro surfacing, there was no not much of the work done in India, but it is a, it was very useful latest technology, environment friendly, which could enhance the life of the road from 100 to 300%.

So, we did a lot of work on that, increase the potential and today we are also the largest Micro surfacing applicator in the country.

Subsequently we added the major maintenances that is conventional but along with the conventional maintenances what we also did is we brought in this technology called a CIPR that is cold in place recycling.

In a commencement language I can say it is a recycling of road, there's an equipment train which runs over a bad road and practically as the train walks through of the equipment's the new road is laid except the last finishing road. Similarly, we are doing lot of work in FDR, FDR is Full Depth Reclamation.

After Modi government, the highway sector has really picked up and it is on a very growing path. And from about 14 kilometers a day to probably we are doing about close to 45 kilometers a day, new roads are being actually prepared in India. And in this lot of greenfield projects are coming where the roads are passing through the Greenfield areas, farmlands where in the, it is very difficult to have a hard sub base.

So, FDR is a treatment or a soil stabilization is a treatment where the soil is treated chemically and hard surface is formed. And then recently we have also ventured into tunneling because looking at the vast and varied terrain of India, tunneling is a way forward because if you increase the speed of the logistics, we need to have a lot of tunnels so that we can increase the speed. So, recently we have got into the tunneling. As of now, we are doing two projects one in Maharashtra and one we taken in consortium with other contractors in Jammu Kashmir.

As far as Markolines goes management, it is me and Mr. Sanjay Patil, who are the founder members of Markolines. Sanjay Patil is Founder Chairman and Managing Director; he takes care of the all-business development and the execution on site. I look after the financial aspects. We also have Mr. Karan Bora as our Director and Mr. S.P Nagarkar as our Director Technical.

Practically we are working across the length and breadth of the country. And as of now, we are working with every Multinational Fund or the InvIts that is working in India in the highway space. And our clientele would include Cube Highways, or the Actis, Safeway, then Tata Reality, L&T, Peak Infra, Highway Concession, Actis that is the latest front who has come to the into this space.

So, this is a quick journey of Markolines and then as I mentioned, our major and our services are divided into three categories. Highway

Maintenances, wherein we do the preventive maintenance and major maintenances. The preventive maintenance is a Micro surfacing basically wherein the roads are repaired before it is due for the periodic maintenance to enhance the life. Major Maintenance is a typical conventional maintenance were a 40mm layer of bituminous concrete is laid on the road surface to restrengthen them because it is wear and tear items. Then Specialized Maintenance is as I said Micro surfacing and CIPR which I explained and these specialized construction services are required while in the construction phase of the road which are very specialized one is called as soil stabilization and tunneling.

So, this is in short about the Markolines. Now, as of today we have an about close to 500 crores of order book in hand and yeah 500 crores of this thing we have already published our half yearly results you must have I suppose, you will have gone through that. And now, this is in brief about Markolines if you all have, we can, Vinay, we can open for Q&A if people want to know more about the company.

**Moderator:** Yes Sir. Anybody who wishes to ask a question, you may please raise your hand. Sir, Laxmikant Kabra is unmuted you can go ahead please.

Mr. Kabra, do you wish to ask a question?

**Laxmikant Kabra:** Yeah, I am audible?

**Moderator:** Yeah, yeah. Go ahead Sir.

**Laxmikant Kabra:** Good afternoon, Sir.

**Vijay Oswal:** Good afternoon.

**Laxmikant Kabra:** You have briefly explained the nature of your business. Really, really interesting. So, I understand that the company is more into the service industry than construction or construction of the roads and infrastructure, right?

**Vijay Oswal:** Very true.

**Laxmikant Kabra:** And your H124 results, Sir –

**Moderator:** Mr. Kabra your voice is not audible.

**Laxmikant Kabra:** Okay, is it audible now?

- Moderator:** Yes, yes.
- Laxmikant Kabra:** In the recent past our rights issue did not go through thereafter I have observed that there has been an increase in the non-current as well as current borrowings sir. And the borrowings and the non-current borrowings have increased despite the drop in that turnover. So, can you briefly explain, like, where our operational profits have been deployed?
- Vijay Oswal:** I know about headings--
- Laxmikant Kabra:** What are the reasons of...?
- Vijay Oswal:** There is a background voice Mr. Kabra
- Laxmikant Kabra:** Yeah. And what are the reasons of an increase in the current and non-current borrowing, Sir.
- Vijay Oswal:** Okay. So, basically if you look at the non-current we have recently purchased some assets which are required for it. I have told you about the FDR and CIPR. So, we have purchased the equipment which is the costly equipment costing about Rs.9-10 crore. So, that is our how our borrowings have increased and we have a lot of orders in hand and our business as far as the drop in the - Vinay there is background noise.
- Moderator:** Continue, continue Sir. I have muted it.
- Vijay Oswal:** So, as far as turnover goes or all the infra companies would go through this cycle there's a variation in H1 and H2 that is possible because typically we do not have much of a work in scope during the monsoon. So, based on the monsoons wherever our maintenance is going on our results could vary in the H1 because typically in H2 we do more turnover than H1. Though of course, if we get the maintenance project particularly in that year, where there are rain shadow areas, then at times the turnover also could be maintained, but they vary, but as far as this thing is concerned current borrowings so since we have now four or five major projects going on, we've taken WCDL from our bank, and that is how the borrowings have gone up.
- So, these are the two reasons for the non-current and current borrowings going up.
- Laxmikant Kabra:** Yeah, yeah. Sir from the financials, we understand that you have invested around INR10 crore [technical difficulty] subsidiary or

something, they are shown as investment, so I presume that the same have been funded out.

**Vijay Oswal:** Okay, let me explain that. So, it is basically...

**Laxmikant Kabra:** I presume that sir, [technical difficulty] about these borrowings, is that correct?

**Vijay Oswal:** No, those investments what I'm showing is basically the...

**Laxmikant Kabra:** Sorry interrupt you and sir [technical difficulty]

**Vijay Oswal:** Vinay, I cannot hear him

**Laxmikant Kabra:** 9 crores? So, what are the reasons of such a substantial increase in the receivables portion?

**Vijay Oswal:** Mr. Kabra, I did not hear your question completely. I only hear the last sentence.

**Laxmikant Kabra:** Sir, two things one that the you have made investment of 10 crores I presume that the investment is out of the [technical difficulty] Second question is the reasons for substantial jump in the receivables part.

**Vijay Oswal:** Okay, two things. So, as far as that investment goes, it is basically since as I mentioned that the Jammu Kashmir tunnel project we have taken in the consortium. So, we have found an LLP, it is the working capital provided to the LLP so it is appearing as investment in that company. It is for the tunnel project for Jammu Kashmir.

And as far as your second question was...?

**Laxmikant Kabra:** Second question is regarding reasons for substantial jump in the receivables, sundry debtors?

**Vijay Oswal:** Yeah, so, sundry debtors the thing is, we must have put in the monsoon work whatever was happening particularly in BNC or MMRDA. The major bills were submitted just before this thing so, that is the reason we have a jump in what do you see the debtors.

**Laxmikant Kabra:** Sir, my last question.

**Vijay Oswal:** Yes.

**Laxmikant Kabra:** Share in the LLP like share of capital in the LLP.

- Vijay Oswal:** Sorry.
- Laxmikant Kabra:** What is the [indiscernible] Markolines in the said LLP in Jammu & Kashmir?
- Vijay Oswal:** 25%.
- Laxmikant Kabra:** So, Sir it's a minority holding?
- Vijay Oswal:** Yeah, yeah. So, it is a huge project. So, it is we have taken three of us three contractors put together we have taken this project together.
- Laxmikant Kabra:** Share of the contract profit and lost is also going to be 25%.
- Vijay Oswal:** Yeah.
- Laxmikant Kabra:** Okay Sir, thank you very much for your reply, sir. Thank you.
- Moderator:** Thank you, Mr. Kabra. Next question from Chanish Thadani, who has put a question on chat Chanish you are unmuted and you can go ahead, please.
- Chanish Thadani:** Yeah, I would like to know, why the cost of percentage of cost of materials consumed this year has gone up to almost 30% of the sales, whereas normally it was under 10%. Don't you think it's too much, I mean, there are three times I have never heard in my history, the cost of materials being used going up, by three times year-over-year.
- Vijay Oswal:** Yeah. So, Sir if you look at the entire financials, one second let me just get to that. So, the cost of material when we outsource the work, the cost of material doesn't appear then the date comes in other expenses, well, now, this year, we are doing majority of work ourselves.
- So, you can see the cost of material has gone up and other expenses has come down.
- Chanish Thadani:** No, I couldn't hear.
- Vijay Oswal:** Sir, if you look at, when we outsource the work, there was a lot of work which we had outsourced. So, that is the reason there was a less purchase and the purchase was done by the outsourced agency and other that is how if you, combine the cost of material and other expense you will get that the below figures are in place.



- Chanish Thadani:** So, you would say that this will be the standard norm in future
- Vijay Oswal:** Yeah, we try to do as many projects as possible in house, only when we have a lot of projects together at a place and when we do not have a spare bandwidth that time we might outsource
- Chanish Thadani:** No, it was my understanding that because the cost of materials consumed has gone up so much three times, the profitability has been affected because of that, and whether this is an aberration or it will continue this way in future also. My, my yeah--
- Vijay Oswal:** I understand your concern, but if you look at my EBITDA has generally even if we outsource or we do the enhance our EBITDA generally has stable there our margins are steady, there would be a little bit of enhancement in terms of margins and that is how we try to do whatever maximum work we can do in house.
- Chanish Thadani:** No basically I am not concerned with the profitability going down this half year in comparison to the previous half year and so on. But I felt that because of the cost of materials having gone up the profitability has been affected and whether this will be standard norm in future or not and if you can just throw some light as to the future prospects, I will be grateful to you.
- Vijay Oswal:** No, future prospects in terms of what?
- Chanish Thadani:** Of the performance of the company
- Vijay Oswal:** Yeah, as see if you have gone through our, the same majority, if you understand Markolines, we work majorly into the private space in the highway sector. And we work very transparently with the clients. So generally, by and large, our profit margins are steady, because we work as I just mentioned, he works very transparently with our clients practically like we work on our cost-plus basis.
- And in terms of the revenue, yes, we are billing we have been giving us steady growth over the last few years. And we intend to do the same in coming, next one or two years.
- Chanish Thadani:** I see. Okay understood. Thank you very much.
- Vijay Oswal:** Yeah.
- Moderator:** Thank you, Chanish. Yeah Parth, please go ahead.

**Parth:** Thank you, Vijay Sir for this call. Sir, I am a new investor in your company and I need to understand your business a little fundamentally. You already explained about the company, but could you please tell us a little about the revenue cycle that when you take a project and execute it, how much revenue you get at which stage? How much is received during the project? And how much is received after its completion? And do we have to give performance guarantee etc.? I want to know little bit about it?

**Vijay Oswal:** Definitely Parth and thank you for being invested with us and have put faith into us. As I explained our and our product line, if you want to understand it is divided into three major categories. As I told you, one of our core services is highway maintenance which includes preventive maintenance and major maintenance. Preventive maintenance means, highway is a wear and tear item.

So, after every 5 years or 7 years it has to be resplendent. But if you want to make this 5-year schedule for 7 years then you need to do lot of preventive maintenance during the course of the regular course. And major maintenance is something wherein every five to seven years, the entire road has to be overlaid with a 40mm sheet So, that the road is restrengthened. This is highway maintenance activity.

Then Specialized Maintenance activities means that it is a part of maintenance but since this is the specialty of Markolines we have 2 services in it, one is Micro surfacing. Micro surfacing is often referred to as lamination of road in common man's language. Means road gets bad due to bad drainage where water goes inside the road and cracks get developed.

So, what micro servicing does is that basically a thin layer of 6 to 8 mm of emulsion plus aggregate is applied due to which water does not go inside. This is core eco-friendly technology and it ensures longer road life maintenance. So that the cash flows can be utilized effectively by the asset owner. Cold In Place Recycling means recycling of road. If the road is bad but the material can be recycled, there is a set of 8-10 equipment which helps repair strengthen it and then it is compacted back with the loader.

Then our third core service is specialized construction services in which I told earlier that soil stabilization and tunneling. Soil stabilization means that the roads that are still being built, it is the alignment of many of the roads that go through the fields where it is difficult to get hard base, that base is chemically stabilized, for which

the equipment that uses CIPR digs about 150 to 200 mm of road and then mixes chemicals in it and hardens it to make it stable.

And then last I said that recently we have started one more activity that is tunneling, because there is a lot of prospects in tunnel boring. So, these are our core services. Apart from this you asked how the project cycle is.

Typically, if we look at maintenance, it is a short-term project which can last for 4 months to 12 months. Approximately 45 days we get for mobilization because we need to set up a lot of machinery and mobilize the machinery setup on plant, relocate and establish our camps on site, stock the raw material. So, it takes 45 days for us, 30 to 45 days for us to mobilize and after that the project will run for 4 to 12 months.

Now payment cycle. Our average billing is for one month, so if you see the billing, every month we work for a month, after working for a month, we prepare the bill and submit it to the client within 8-10 days of the next month. After joint verification and certification on site and in office, we get paid. So, this is the cycle. So, right from the mobilization to payment realization, you see our payment cycle would vary between 75 to 90 days.

**Parth:** Okay sir. And this tunneling and the rest which you have mentioned that this highway maintenance and special construction vertical, is it remain same in this also?  
Is there something like performance guarantee or the percentage of money you will get after two years or three years?

**Vijay Oswal:** Yeah, I missed that performance guarantee questioned because of these 2 to 3 questions of yours. So, yes definitely by and large maintenance project which is happening and we have to give performance guarantee to the tune of 5% approximately. It could vary also at times and thereafter once the work is completed, we also have to give the 2 years defect liability mostly. And it remains same in tunneling and other by and large projects. We have to give the performance guarantee over the period of actual execution and DLP after execution

**Parth:** Okay. So, Sir something has happened in this that someone has invoked this performance guarantee. So far, our work has been good.

**Vijay Oswal:** No, till now, we are very proud that our performance guarantee as well as DLP has never been invoked. And we are known in the

industry only based on our credentials, performance and quality. If you've gone through our presentations, we say that we are the only company who has a technical-technology center which backs up the quality. So practically, we test everything in the lab before it is done on site.

**Parth:** Great to know Sir. And Sir, one last question, you booked this 500 crores order, is that confirmed order book? And how much time it will take to execute this order? And how is it split upon highway maintenance, special maintenance and special construction?

**Vijay Oswal:** So, if there is an order of Rs.500 crore, the majority of the order will be in highway maintenance and about 100-125 crore will be in construction activity which will be in specialized tunneling. Now highway maintenance activities generally are, since it is they are short term projects, we will keep consuming the orders and new orders will keep coming. And tunnelling projects would run through over from one year to four years.

Currently there are two tunneling projects going on, one of which will run for 1.5 years and second Jammu & Kashmir project will go at least three, three and a half years.

**Parth:** Okay. Sir, little bit. Next year elections are coming and it's a bit long project. So, do you think that there are chances of some obstruction from the government or some money getting stuck somewhere because in election year the funding might be used elsewhere from the government and their priorities might change, so is there a possibility that the company may face some problems in future?

**Vijay Oswal:** There are two things, one is that NHAI has its own budget and the way in which we want development NHAI is also taking ample care that these payments are made. But more important is that by and large, we have no business with the government unless a specific, specialist tender which made for us on our recommendation. We are working with all the private industry players. So, it really does not affect our payment because of the elections.

**Parth:** So, thank you. I'll let others ask I have few more questions but if time permits, I'll get back to you Sir. Thank you.

**Vijay Oswal:** Sure. Otherwise, you can write to us also.

**Parth:** I'll surely do that Sir. Thank you.

**Moderator:** Thanks Parth. We'll take the next question from Anurag Agarwal. Anurag, you can unmute, please.

**Anurag Agarwal:** Hi, Sir. Thank you for the opportunity. Sir, I wanted to understand a little about your new business opportunity related to tunneling. I just wanted to know, what is the scope of opportunity here? And is it a more margin creative business as compared to maintenance? Highway maintenance?

**Vijay Oswal:** Yeah, so basically if we are talking about scope as I told you before India is a, basically we have a very varied and huge terrain wherein tunneling is required because there are a lot of hilly areas where we are trying to straighten the alignment for increasing the speed. Like I said, Jammu and Kashmir project where we are doing the project, only on the Jammu Kashmir highway between Jammu and Kashmir there are about 30 tunnels that are happening on maybe a length of 200 kilometers.

So, we have scope in this, because in entire India there are lots of hilly regions. Government and NHAI are trying to complete this tunneling activity, so both the speed of logistic and efficiency will increase. So, there is a huge scope in this and we are still opening up in northeast, which will also become potential particularly in terms of tunneling.

And yes, definitely we are looking at increasing our profit margin and this specialized listing where we will be in a position to get the result or the knowing work as we progress in the tunneling activities towards the end.

**Anurag Agarwal:** Got it. So, I had another question on the receivables side as you said every month billing is done and generally the payment cycle is about 75 to 90 days, right? So, currently if I see this half yearly turnover, about 80% turnover is in the bills receivables, so is there a chance where you think there are bad debts as well or are there any clients where we are facing some issues with respect to payment?

**Vijay Oswal:** No sir, majority of the billing has done either at the beginning of monsoon or end of the monsoon but there will be no bad debts. As I told you, we are working with the private industry, we have the comfort that there won't be any bad debts. We take ample care.

**Anurag Agarwal:** Okay. And Sir lastly, recently Government of India had issued a notification that they will cover all the potholes on national highway by 2024 with some date they have mentioned, do we see more traction towards maintaining or improving the quality of our road

infrastructure in India and is that translating into more business opportunities for us and could you just give some limelight or like some details regarding what type of tractions are you seeing in the order wins or any tenders which are coming up which can be good for our business?

**Vijay Oswal:**

Sure. Definitely know the way the NHAI and government has focused on the infrastructure and particularly even on the Highway infrastructures. So, if you have recently traveled on any highway, you must have seen that there is a huge improvement in last five years in terms of the quality of the highway, riding quality also, the potholes yes on national highway majority of the places the pothole issues are being resolved.

As I told you that in the last 10 years, when about 14 kilometers per day were constructed to about 45 kilometers per day today, new roads are being constructed so, this definitely is also adding to our future potential. Because these roads will come for maintenance after 5 years and that is where the potential lies for us. Okay, now--just like the concrete roads which we had adopted about 20-30 years ago in many places, there will be maintenance in those concrete roads too. We are also working on where we will make a separate solution for some concrete roads and take care of its maintenance.

As of now, we are purely focusing on our major grid that is bituminous. But we are also looking at an opportunity to get into the concrete road maintenances. So, this these are the things which we know which I see as potential for growth.

**Anurag Agarwal:**

Got it. Sir Any outlook on how we have seen the traction in order wins or like what kind of a percentage win rate do we have in tenders?

**Vijay Oswal:**

See today because of the huge potential we are definitely very choosy in terms of picking up the work orders and in the tenders that they have, but in private industry, it is not like the government tenders were purely L1 is the only criteria. In the private industry, what happens is your performance, the solution that we provide, and the services that we provided are also major.

And as I said that we are the largest highway maintenance company now, and definitely we have an edge over the competition, because of our performances in past and the credentials.

**Anurag Agarwal:**

Got it. Sir, last question. So, you said we have in your presentation, we have about 30% share in highway maintenance business and we

are the largest player in this business. So, let's say whoever is our closest competitor, what kind of percentage share will that player have?

**Vijay Oswal:**

So, actually Sir highway infrastructure industry is also a very small fraternity, but in terms of maintenance, when we say this we are looking at purely the potential in the private sector. And we are the only company in India providing entire spectrum of services and our approach is slightly different we are not looking at just that we got any inquiry from client and we will bid for it. We work on a bundled products wherein, when the tender is rotated, our team would go, we will do survey of that stretch. And many times, we provide composite solutions to clients so because of that in by and large and in private industry they would have finalized the what kind of a treatment they would want to do what who is the contractor they would want to work.

So, and till now, we are one of the preferred vendors for all the funds and the InvIts. So, that definitely gives us an edge over as I mentioned.

**Anurag Agarwal:**

Okay. So, Sir as such no competitor is there with like, which is even single competitor which is remotely close to like 20% of the market share or like 25 or whatever

**Vijay Oswal:**

No sir, it is fragmented again. Service wise there will probably be a few. But composite structure or cumulative basis pay, I do not see someone so big like us, to be honest.

**Anurag Agarwal:**

Okay. Got it, Sir. Thank you.

**Moderator:**

Thanks, Anurag. We'll take the next question from Anupama.

**Anupama:**

Yeah, thank you for this opportunity. So, my question is related more towards the revenue jumped which we had from FY22 to FY24, that is one and the margins have contracted like we were at somewhere around 12.3% margins. And now we have come down to 10%. So, what is the reason first, what is the reason were we concentrating more on increasing market share? What exactly the reason is, for the margin contraction and jump in the revenue?

**Vijay Oswal:**

Yeah, jump in the revenue was definitely because of post listing, we had clear cut bandwidth, the working capital where we put take more projects and complete do the thing which is visible, as you mentioned in the revenue, because we weren't listed in 20- September 21. By the time we could have the result it was printed March 23, where you see the substantial growth from 186 to 312.

So that was the reason and as far as the margins are concerned, as I mentioned at times in terms of when we have to do the turnovers, but we work as I already mentioned, very transparently by and large, our margins are maintained what do you say on a cost-plus basis work. So that is how our margins they are hardly varying, if you look at net profitability is, they would be very pretty stable

- Moderator:** Anupama, do you have any further question?
- Anupama:** Yeah. And the other question is, like, I was just attending few more con-calls. So generally, when we talk about demand, since elections are around the corner, and so any slowdown in orders or any slowdown in work, you're seeing though you're not directly connected to government institutions, you're doing through private parties, but any kind of edge to slow down you can sense?
- Vijay Oswal:** No, I have mentioned because infrastructure highway that is also today in need of an hour if we have to be a developed economy in next 20-30 years. So generally, the government has, irrespective of the elections, they have clear cut focus, and which is only infrastructure development. So, I don't see any slowdown for the elections.
- Anupama:** Okay, and the other thing is, do we consider like Tinna Rubber as a competitor, like, do they provide similar kinds of services? You and Tinna Rubber are like competitors? Do they also provide the similar kind of services?
- Vijay Oswal:** No, I have not heard this name, but I'll like to look into it. Maybe if you can just send me the details of that company. I can look into it. I do not know what services they provide.
- Anupama:** Sure, fine. That's it from my side. Thank you so much.
- Moderator:** Thank you, Anupama. We'll take the next question from Pritam Chandra. Pritam you can go ahead please.
- Pritam Chandra:** Hello. Yeah, Sir I would just like to know the segment wise margins.
- Vijay Oswal:** Segment wise, which segment wise?
- Pritam Chandra:** You have two, three I mean like you have two three segments right, like one is the tunneling then one is the maintenance? Can you tell us separately like this segment has this much margin?



**Vijay Oswal:** So, preventive and the regular maintenance specialized maintenance services, they are generally bundled and they come under the maintenance activities only. And as I told you specifically particularly the tunneling. So, we are expecting with tunneling we can have little bit of more margin, but it is very difficult for us because you know, the road maintenance is a very dynamic or the product mix is very dynamic.

So, depending upon the road condition the volume of one service to other we would vary year on year, it could vary. And by and large for as a client for them it comes under a maintenance of a highway. And the way we work, our by and large margins are same. But as far as tunneling is concerned we are looking at enhancing our bottom line over the coming two-three years at least by no substantial amount some maybe marginal maybe you can say 1% or 2%, we are looking at it. By the way, the margins are pretty same and steady.

**Pritam Chandra:** Okay. So, Sir I mean, as of now you have like around five hundred something kind of order book. So how much more can you bid for at this point of time?

**Vijay Oswal:** If I could know where what is the, where are you coming from then I could answer. See I can bid for like I have an active pipeline of 400, and if you've listened to the earlier conversation, my projects are generally short-term. So, I have to keep bidding, because we keep consuming the orders month on month.

**Pritam Chandra:** Okay, okay got it. Sir, I mean and the last question is like, just a minute okay. So, like if you see for the long-term point of view, like for three to five years, what would be the -- I mean, the guidance I mean, if you could give any guidance for us?

**Vijay Oswal:** About what?

**Pritam Chandra:** Like your order flow, or your revenue targets for the next three to five years and also the margin trajectory like will be margins arise as you get more orders? Or I mean for like how will it be?

**Vijay Oswal:** As I said since we work very transparently and we particularly work on a cost-plus basis with our clients, so for us volume is the only solution for the growth in terms of increasing, our bottom lines. So, by percentage we definitely are trying with these specialized construction activities to improve a little bit on to the bottom lines.

- Pritam Chandra:** Okay. And like, I mean, take the guidance if you could, like guide us the top what will be the revenue for the next three to five years?
- Vijay Oswal:** Sir, now being in the public domain I shouldn't talk about this it will come on to something else. Sorry for that.
- Pritam Chandra:** Okay, got it Sir. No issue Sir. Thank you so much.
- Moderator:** We'll take the next question from the line of Pratik. Pratik you can go ahead please. Pratik Chaudhary.
- Pratik Chaudhary:** Am I audible?
- Vijay Oswal:** Yes
- Pratik Chaudhary:** Sir you just told us this number Rs.400 crores, which we have projected and we can get orders also, so historically what is our winning rate? So, with this pipeline, roughly how much percentage we get from final orders?
- Vijay Oswal:** Sir, when I say we have the active pipeline of Rs.400 crore that means these are the projects which are due for the maintenance let's say over six, eight months of time or maybe one year. As I told you that we keep consuming order so, we have to keep bidding for it. we work by and large with the same clients, so with our credential performance and relationship, we always know which project we will get tentatively.
- So, out of Rs.400 crores, I will calculate the active pipeline and from this, you should consider that I get at least more than 50%. But this Rs.400 crores is also a dynamic number. Currently it is 400, if any tenders opened in the next month, then the active pipeline of 400 will become 600.
- Pratik Chaudhary:** Like you said that you have 30% shares in highway maintenance market, right?
- Vijay Oswal:** Yes.
- Pratik Chaudhary:** Means, as we look at our revenue which is around Rs.300 crore, if we consider roughly 80%, we are getting from highway maintenance that is equal to 30%, so that means the entire market is worth Rs.700-800 crore, right?

**Vijay Oswal:** The market that I have mentioned as potential is from that private space, which we can calculate today only, otherwise it is very difficult there is no official data. This is also our guess. Because there are not many players in the organized sector and there is no such data.

**Pratik Chaudhary:** But the size of end market or the size of private sector is around Rs.700-800 crores.

**Vijay Oswal:** Yes, it should be around 2000 crores. It's up to 1500 to 2000 crores.

**Pratik Chaudhary:** Then our market share has decreased, right?

**Vijay Oswal:** No, that's what I am saying as we are growing, I am talking about potential which is around 1500 crore – 2000 crore, right? And as I said there is no such data available particularly on road maintenance and highway maintenance, private industry that how much we are making? Because it is a bundled service and since its privatization, when a road asset is given to let's say, private asset owner or a fund or any company so for them it is a combined tender of construction and maintenance. So, it doesn't have any numbers. We are assuming that we have 30%, which means approximately Rs.1000 to 1500 crores as of today.

We are also growing as the market grows, this is how these numbers are coming.

**Pratik Chaudhary:** So, the way they have constructed it, right? Means one private company has constructed the highway, so after that, don't they have internal resources to maintain it? Because if they have the machinery to construct the highway do, they not have the required machinery and manpower to get it repaired also? How much is there in house?

**Vijay Oswal:** There are two things, construction houses we do we the Indian infrastructure industry highway industry is changing very fast. Meaning, we came to DOT in 2009 and now in 2023 we are in TOT, where all the domestic players, the construction houses they are selling their projects or assets to the funds and whatever are getting obviously they do not have this kind of a bandwidth. So outsourcing is an obvious thing.

And second, as you said big contractors yes if they want, they will be able to do the maintenance, but Rs.500 crore company which is doing construction, should deploy machinery for a work of Rs.50 crore? Probably must not be very viable. And fund houses, like I told you, we work mostly with funds.

- Pratik Chaudhary:** And Sir, last question is, whatever work we do in highway maintenance, we only use our own machinery or do we outsource it?
- Vijay Oswal:** Majority of the equipment's are owned by us, we also have some sets of our own. So that we have a captive capacity to do that. But rest we work on asset light model only; we outsource the machinery which is easily available on market, we rent it.
- Pratik Chaudhary:** I want to understand that, suppose tomorrow you want to double your turnover size like from 300 crores to 600 – 700 crores, and by any chance if demand increased then there will be no difficulty in ramping it up
- And sir, what is the money bifurcation of Rs.300 crore between highway maintenance and tunneling?
- Vijay Oswal:** I just told you that I can't give the bifurcation of highway maintenance but as of today, which Rs.300 crores you are asking, that we have executed last year?
- Pratik Chaudhary:** Yes Sir, FY23.
- Vijay Oswal:** Last year I think it was maybe you can say 70:30.
- Pratik Chaudhary:** Which means it was around 60 crores, no 80 crores.
- Vijay Oswal:** Yes, tunneling work worth Rs.60 crores-Rs.65 crore has done last year.
- Pratik Chaudhary:** Okay. Rest was for highway maintenance?
- Vijay Oswal:** Yes.
- Pratik Chaudhary:** So, that ratio will be same for this year also?
- Vijay Oswal:** Yes. Proportional will remain same as last year.
- Pratik Chaudhary:** Okay Sir, thank you so much.
- Vijay Oswal:** Most welcome.
- Moderator:** Thanks, Pratik. We'll take the next question from the line of Rajesh Singla. Rajesh, you can go ahead, please.

- Rajesh Singla:** Yeah, hi Sir. Can you hear me?
- Vijay Oswal:** Yeah, yeah, I can.
- Rajesh Singla:** Yeah, so if you look at the order book movement, maybe if I don't know if I might have missed it, but I didn't see any investor communication from your side, over like 250 crore kind of order, which you might have received during the first half of FY24. So, if you can elaborate a bit on that. And second thing, like what kind of execution we can expect in the second half of this year, like given the first half, probably was impacted by monsoon and maybe seasonally a weak half versus the second half. So, what kind of revenue we can expect in the second half and the margin expectations if you can highlight or share some insight on that.
- Vijay Oswal:** Okay, sure. Sir, the majority of order book, you know what happened with highway industry during the monsoon, your orders are finalized, recently we have got about three to four major orders. Okay, four projects which are running currently, so that have added to the order book as or as far as the future is concerned like I said, I can't talk in numbers I have some protocols to follow, but as we have been giving growth, we will keep on growing we have enough, if we look at by volume also, we can get to easily.  
I can see the visibility of one and half or two years with confirmed working hand. So, you will see a good growth this year also.
- Rajesh Singla:** So sir, last year for example, in FY23, we gave like 67% revenue growth and the profit net profit increased by 60%. So, can we expect a similar growth in FY24 as well based on your comments so far?
- Vijay Oswal:** The 60%, over the smaller number, there will be substantial growth in volume. I may not be able to talk in percentage but there will be substantial growth in volume.
- Rajesh Singla:** Okay. So, based on that, so, maybe second half could be like maybe 60, 70 or 80% higher than the first half
- Vijay Oswal:** We will try for that
- Rajesh Singla:** Okay, in terms of the margin like what will help you in improving your margins going forward are you deploying more automation or the scale will help you in improving your margin. So, what will drive your margins higher in the coming month coming half or maybe next year?

- Vijay Oswal:** So, someone had actually covered this point, I said that we work with private industry and work very transparently to volume the scale is the only this thing for growth, because by and large otherwise margins are decided before percentage wise we will. So, we are focusing on specialized construction activity so that we can increase our bottom line percentage wise.
- Rajesh Singla:** Okay and maybe if I missed it earlier, we I joined a bit late so in terms of the order book which you had at the end of 30th September that is 504 crore, out of that you said I think around 100 crore is for tunneling rest 400 crore is for the highway maintenance
- Vijay Oswal:** Correct for tunneling we have almost I think 170 crore balance.
- Rajesh Singla:** Tunneling okay, 170 Crore tunneling and like maybe 330 – 340 crore is the highway maintenance. And the highway maintenance is usually like spanning up across like nine to 12 months like what is the duration of that?
- Vijay Oswal:** Four to 12 months. And this order will keep coming also and will be consumed as well
- Rajesh Singla:** Four to 12 month is the highway maintenance and you're saying that second half is usually quite heavy on highway maintenance as compared to the first half okay.
- Vijay Oswal:** Work can't be done because of rain. That is how it could vary in the H1 and H2.
- Rajesh Singla:** And anything on the geographical split of this order book like how much you have like created 30 - 40 crore of that highway maintenance like where are we doing this highway maintenance on a pan India basis with the pan India coverage?
- Vijay Oswal:** Yeah, it is pan India coverage as of now, Markolines Pavement we are working across all this thing we are currently working in Maharashtra, we are working I think we are just about to finish that investment goal we are working in Jammu Kashmir and now then Andhra Pradesh, Telangana, UP, Maharashtra, Rajasthan. So, it is pan India.
- Rajesh Singla:** Okay, and maybe my last question would be on the tunneling. So, this is a new business. So, what kind of annual revenue potential do you see maybe in a few years-time from this tunnelling business, so like right now, you have like 170 crore order book but how big you can make this particular business?

- Vijay Oswal:** See, as I mentioned there is we see a huge potential here. So, once we have our hands on experience and get more mature in this, we can expect an exponential growth.
- Rajesh Singla:** Okay. Fine, thank you Sir thank you very much.
- Vinay Pandit:** Thank you, Rajesh. Before we move to the next participant. There's a question in the chat from Mr. Debankar sir. So can you please clarify what is the reason for the drop in H1FY23 revenue versus H1FY22 revenue that is 132 crores or 152 crores?
- Vijay Oswal:** Okay, sure. As I told you particularly in infra industry the turnovers in H1 and H2 could vary because of the monsoons. Like how's the monsoon here or how's the monsoon in the region where we are working on our current project. So, our turnover could vary in H1 and H2 because this is very dynamic, like last year I was working in West Bengal and now I am working in Telangana, next year I will be working in Telangana then maybe I will work somewhere else.
- So, we are not sure about how will be the monsoon in that year in that particular region, the only reason for drop in H1 comparatively, but if you look at the yearly performance, rest assured Markolines will give its performance whatever we have been saying about it.
- Moderator:** Sure, sir. We will take the next question from the line of Nithya. Nithya, you can go ahead please.
- Nithya:** Yeah, hi, Vijay, sir. So yeah, I just wanted to understand, your tunneling businesses which states is it present in at the moment?
- Vijay Oswal:** Currently we are working in Maharashtra and Jammu Kashmir.
- Nithya:** Only two states?
- Vijay Oswal:** Yeah we have two projects only.
- Nithya:** So what I wanted to understand is like the Northeast area is highly mountainous. So there much be lots of scope for tunneling work?
- Vijay Oswal:** Yes, sir.
- Nithya:** So are you getting any traction in orders in the Northeast area?

- Vijay Oswal:** See as I mentioned already first these are long projects, high value projects. So after we get one project, we go a bit slow on that, because we are also building the captive capacity in terms of technical manpower, but yes, growth if you are talking of northeast definitely it is not only northeast it is all across the country, we have the hilly terrain, may be Nilgiris in South, Himalayas -- or the Coromandel in South or even the northeastern states where Himalayan range is there, there is a huge potential in incoming years.
- Nithya:** Okay, sir. Second I wanted to ask when you're doing these tunneling projects, are you doing these entirely by yourself or is it also with another firm where they are also working with you like a joint venture kind of thing?
- Vijay Oswal:** Yes, the Maharashtra project we have taken ourselves, and Jammu Kashmir project we have taken in a consortium.
- Nithya:** Okay. Second I wanted to ask, now I've been reading that the highway targets given by the government, like it's nowhere close to reaching that level. So are you seeing a slowdown in the entire segment of highway construction and so on?
- Vijay Oswal:** No, sir. What you are saying, in that we have been consuming the allotted budget onto the highways. And in fact, Gadkariji is being very dynamic in terms of allocating the budgets and maintaining the growth.
- Nithya:** Because sir, I've read that because of the cost overruns, there's a big problem in execution. The 50 kilometers per day target it is nowhere close to that because of these cost overruns. That's why I wanted to understand your pace of growth, you have the order book, but is it being executed or not, that is what I wanted to understand.
- Vijay Oswal:** Okay, maybe I do not have the details as I am not into constructions, but I will tell this that the construction and our business is not correlated as of today, because what is being constructed now, I will get after 5 years for maintenance. And there has been so much work in the last 5 to 10 years that there is huge potential in terms of maintenance of these routes.
- Nithya:** Understood sir. So at the moment, you are very well placed due to the highways built over the last five years, right?
- Vijay Oswal:** Yeah.



- Nithya:** Okay. Thank you, sir. That's it from my side.
- Vijay Oswal:** What you are saying maybe I do not have the data of construction.
- Nithya:** Like this is what I've read recently, is because I was just trying to see that how much it would correlate to you, that slowdown in highway, how would it affect you, I wanted to understand.
- Vijay Oswal:** Second is this is a recurring business. So it is not only the growth. Growth is adding to the potential but the roads built by today, it will again come for the maintenance to the market after 5 years.
- Nithya:** Right, sir. Okay.
- Vijay Oswal:** So it is recurring as well as the road, both we need to factor.
- Nithya:** Got it. Got it. Okay, thank you sir. Wish you all the best.
- Vijay Oswal:** Thank you.
- Moderator:** Thank you, Nitin. We'll take the next question from Anurag Agarwal. Anurag you can unmute?
- Anurag Agarwal:** Thank you for the opportunity again, Sir. Sir, I wanted to clarify two things. First you said that the road network in India is mostly bituminous today, and it is not concrete. So, I wanted to understand, let's say if a concrete road is built, then that maintenance will come after how many years in the market?
- Vijay Oswal:** It is like that the making of concrete roads has been adopted by national highway at some places as a greenfield project, but by and large at present national highway are being built as bituminous only. Concrete road life definitely is from 30 to 40 years, and some maintenance will come after 20 years. But the problem with the maintenance or this thing is that concrete road, normally cannot be repaired, panel replacement is the biggest work in terms of maintenance. So of course, we are also working on few solutions where we could come out for the concrete roads, but that is still in the early stages. We are eyeing on it.
- Anurag Agarwal:** Okay so...
- Vijay Oswal:** Concrete Road firstly percentage wise concrete roads are very less in the national grid. And if you want to see the maintenance, pure

maintenance would come much later. Like we had built in the first phase in 90s to 2000, they are now coming for maintenance.

**Anurag Agarwal:** Got it. Sir, I wanted to understand, what is the traction of concrete roads? What is stopping Government of India to build more concrete roads as compared to bituminous road?

**Vijay Oswal:** Like I told you now, the problem is that concrete road is not new technology. If we see the British age roads, we had the concrete roads. The only problem with the concrete road is when they are damaged where you will put the road, to replace the road.

**Anurag Agarwal:** Got it got it. And cost wise also there much a difference.

**Vijay Oswal:** And environmental concern is also a lot, particularly cement road or cement industry, labor and hygiene and safety, that's another issues,

**Anurag Agarwal:** I think I was reading up on this in US market also. I think there also the major network is bituminous, at least even if concrete is there, there is a bitumen layering. Am I right?

**Vijay Oswal:** Correct. Now we are also, as I said, we are talking about concrete road solutions, we are working on it, we are conducting few trials, that if we construct a bituminous road or do micro surfacing if we could do something, but that is still in early stages. We are working on it.

**Anurag Agarwal:** Got it. Sir, last question. Like bitumen is a crude oil derivative so how does crude oil fluctuation affect your profitability? Does it not affect your profitability? Bitumen cost will be paid by the customer, and we will have the manpower and servicing costs, or do we procure bitumen on our own and if the rate fluctuates it affects our profitability also.

**Vijay Oswal:** No, my all contracts are covered with the escalation clause. So, the variation of bituminous it really does not affect us. Whatever the price difference we get it additional in the contract value.

**Anurag Agarwal:** Okay. Sir, this is a very futuristic question, but like having backward integrated if we have bitumen sourcing, better sourcing so we can have better margins right. So, have you ever thought in that line?

**Vijay Oswal:** No, sir. First bituminous -- the bitumen used in particularly in road maintenance, most of them insist on the bitumen from the government refineries only.

**Anurag Agarwal:** Got it.

- Vijay Oswal:** So particularly the BOT in the road at the construction phase that might help or maybe states or the other grades they must be purchasing, but then it is -- we do not take it in our scope.
- Anurag Agarwal:** Got it. Sir, last--
- Moderator:** Anurag, we need....
- Anurag Agarwal:** Just one very small question. Do we see quarterly results being published in the future?
- Vijay Oswal:** Yeah, as we will grow and we are also implementing the new ERP. So slowly, slowly we will also get on to the quarterly results.
- Anurag Agarwal:** Okay. Thank you sir. Thank you so much.
- Moderator:** We'll take the follow up questions now. From Parth. I would request you all to quickly just stick to one question since we've gone over time. Parth you can go ahead and ask your question please.
- Parth:** Hi sir. I wanted to ask, is our order book 100% private, the existing Rs.300 crore and above order book? And there is a related question, our clients, you said the EBITDA margins are more or less fixed, because it is on a cost-plus basis. So, related to this the government orders, NHAI, who does the maintenance of that? And if the capability is same, can we look into servicing roads which are still owned by the government, can we do that?
- Vijay Oswal:** There are two to three things that we work in private industry so that we are assured about the performance and terms and also the payment. With NHAI, government contract there is a lot of interferences, influences or local competition, particularly it goes on the cost basis. And we have decided not to get into that.
- Parth:** There is [indiscernible] sir. And sir, one last question, we have existing clients, but how many new private clients are we adding? And from the existing client which you had shown a slide, since how many years are they with us, and are new private clients also being added?
- Vijay Oswal:** Yes, new -- one as I said, the infrastructure industry is very limited fraternity. In total if you see all the big players, they might be some 20 or so. Now with the funds coming in, a lot of firms who have come in are procuring or taking over the project from the domestic operators. So new projects are being added, clients are also being added, but if

you see now, funds and invITs will only control majority of the projects over the next few years. So, adding new clients, yes, definitely, it is happening like I told, the ones who have recently come to market, funds, they have acquired projects and want to start, they have also come to us. We are working with them for we have already been awarded some work and we are also eyeing few more projects from them.

**Moderator:** Right, sir. We'll take the next follow up question from Rajesh Singla. Rajesh, go ahead please.

**Rajesh Singla:** Yeah, hello, sir. Hello, can you hear me?

**Vijay Oswal:** Yeah.

**Rajesh Singla:** Yeah, okay. So maybe a couple of questions. One would be like, if I look at the last year. So last year, your revenue in first half and second half were almost similar. But you had better margins in second half, but there was no major seasonality it seems last year like as compared to this year, when you're saying that the second half will be much much better than the first half. So that is the first question.

Second would be like are you well-funded to execute the current order book, or will you require any further preferential fund raise? And the third question would be I believe in the past you were trying to raise funds by right issue. So any specific reason why that got failed?

**Vijay Oswal:** So first you asked me, the first question was about the actual performances over last year right? So as I said dynamics are last year for us, particularly in monsoon period we had two projects which were in rain shadow area. So we could work even during the monsoon. This year projects, where the monsoon is going on, regularly monsoon is going on, that is how there is a difference in the -- what do you say the performances. And second question was sorry can you just...?

**Moderator:** How will you fund the execution of the order book?

**Vijay Oswal:** As far as current order book is concerned; we are sufficiently funded and we will execute this project from this. There was one question of yours about the preferential. Preferential it so happened, it was a coincidence that we announced the preferential on the same day when the Hindenburg disclosed the Adani report and the market had gone through a lot of turmoil. So that was the reason that we had to withdraw that.

- Moderator:** Right. Sir we'll take the last question for the day from Mr. Gautam Parikh. Gautam, you can unmute and ask your question please.
- Gautam Parikh:** Yeah, Hi. Am I audible?
- Vijay Oswal:** Yeah.
- Gautam Parikh:** Yeah. So my question is, I was just going through your last year's presentation of September '22, wherein, it was mentioned that the order book is around 580 crores. Whereas, if I see the execution over from September '22, till September '23, it is around total is around 300 crores. And also, I understand there the major portion is highway maintenance. So only 50% has been executed whereas, generally it gets executed within 4 to 12 months. So, I was expecting a major -- I mean, out of 580 crores, I was expecting a major being executed in this one year. But it has not happened. Almost 50% only has been executed. Any specific reason for the same?
- Vijay Oswal:** Sir, like I said, you are seeing two things. First is the total order book, particularly the highway maintenance is of a consumptive type, so orders will go hand and hand with consumption. Secondly the order book which I said, the order book of the tunnel project, that are spanning over two or three years, due to which when you are seeing the percentage, you might feel we have not executed.
- Gautam Parikh:** Right. Sir, but tunnel what I understand is, at that time it was very less, right?
- Vijay Oswal:** Tunnel revenue was less, but the orders of 350 crores was still there. See if you're taking numbers, then we'll have to talk only through numbers. Now the order book versus execution, in that variation was like order book which is being consumed, over the entire -- a higher portion is [indiscernible] and what is recurring they will keep on coming and getting consumed. Due to which you feel this, otherwise if you see on performances we have been growing.
- Gautam Parikh:** Okay, sir one last thing, assuming that the whole industry grows, like let's say the industry goes 3x in next five years, do you see any bottleneck as far as -- because we are a growing company, not necessarily that we also grow by -- it can either happen 3x, or it can even not grow as far as the industry grows also. Do you see any bottlenecks here when growth is concerned? You'll be able to match the industry growth?

**Vijay Oswal:** Yeah, we should be able to match it. Our efforts will be towards that that we match the industry pace, and not only that, because -- and grow not only with the industry, but if we can surpass the industry growth, we will definitely try our best to do that. And as far as bottleneck is concerned, technically as I said, we are preferential vendor, so I don't see much of a bottleneck. And if at all it is financial, we can definitely work over it. At the most that could be the bottleneck, which I do not see as of now. But for an exponential growth if that is the thing, then there are various ways and means that can be matched with.

**Moderator:** Right, sir. That was the last question for the day. Would you like to give any closing comments before we end this call sir?

**Vijay Oswal:** Yeah. Sure. Thank you, guys, for being on this call. And we are really happy to answer your all queries and questions. And if at all we have any of your questions have been left, if you have -- or any question pop up anytime later feel free to write to us. We will be happy; we will try and answer your questions to the best of your satisfaction. And thank you for the faith and belief that you all have kept in us. And we will live up to it. Thank you very much.

**Moderator:** Thank you, sir. And that brings us to the end of this conference call. Thank you to all the participants for joining on this call. You may very disconnect your lines.

**Vijay Oswal:** Thank you.