



November 23, 2020

To,
National Stock Exchange of India Limited,
Listing Department,
Exchange Plaza,
Bandra (E), Mumbai – 400 051

To,
BSE Limited,
The Department of Corporate Services
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai 400 001

Ref Symbol: **VASCONEQ**

Ref: **Scrip Code: 533156**

Dear Sir/ Madam,

Subject: Earning Conference Call Transcript for Q2 FY 2020-21

Please find enclosed herewith Earning Conference Call Transcript for Q2 FY 2020-21.

This is for your information and records.

Thanking you,
For **Vascon Engineers Limited**

Vibhuti Dani
Company Secretary and Compliance Officer

Enclosures: As above

VASCON ENGINEERS LTD.

Registered & Corporate Office: Vascon Weikfield Chambers, Behind Hotel Novotel, Opposite Hyatt Hotel, Pune-Nagar Road, Pune - 14.
Tel.: +91 20 3056 2100/200/300, Fax: +91 20 3056 2600, Web: www.vascon.com CIN: L70100PN1986PLC175750

EPC | INDUSTRIAL | RESIDENTIAL | COMMERCIAL | ITPARKS | INSTITUTES | CLEANROOMSOLUTIONS

This document is signed electronically



“Vascon Engineers Limited
Q2 FY2021 Earnings Conference Call”

November 06, 2020



MANAGEMENT:

DR. SANTOSH SUNDARARAJAN – CEO

MR. RAJESH MHATRE – CEO - REAL ESTATE

MR. SOMNATH BISWAS – CFO

Moderator: Ladies and gentlemen, good day and welcome to Vascon Engineers Limited Q2 FY2021 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Dr. Sundararajan from Vascon Engineers Limited. Thank you and over to you Sir!

Santosh Sundararajan: Thank you. Good evening everyone, I welcome you all to the earnings conference call of Vascon Engineers for the quarter ended September 30, 2020. Joining me on this call is Mr. Rajesh Mhatre, our CEO of Real Estate and Mr. Somnath Biswas, our CFO. I believe you would have gone through the Q2 FY2021 financial results and the result presentation uploaded on the stock exchanges and on the company’s website. Given the nature of the times we are in, I hope everyone in their families is doing well. Let me begin with the company’s business operations for the quarter ended September 2020.

During the quarter our focus has been on resumption and gradual ramping up of the operations. Our business operations witnessed significant improved compared to Q1 FY2021. Our construction activities and labor availability has reached to 60% at the end of September 2020 and we have started operations at all our project sites. We are witnessing month-on-month improvement in the execution level; however, extended monsoon, social distancing norms and other COVID-related guidelines to some extent limits our performance. With increasing availability of labor and flattening of the COVID-19 curve we expect execution to accelerate during the second half of the year to make up for the shortfall in the first half.

In this quarter, we have received an order from Epicons Consultants Private Limited worth Rs.32 Crores for the construction of new academic building for South Indian Education Society at TTC industrial area, Navi Mumbai with the execution period of 12 months. With this our current total order book stands at Rs.1,972 Crores, which includes external EPC orders of Rs.1,871 Crores and internal orders from our real estate launches of Rs.101 Crores providing comfortable and strong visibility of the EPC revenue for the next 2-3 years. Government orders comprise 75% of our total order book, which provide visibility of faster executions while ensuring an uninterrupted cash flow. Our focus is on accelerating the execution of order book, which will lead to better capacity utilization and improved margins.

Commenting on the liquidity position our position is adequate to carry out operations smoothly and we do not foresee any liquidity concern in the near term.

Now coming to real estate division, as you all are aware over the last few years the real estate sector is reeling under pressure, which got further impacted due to COVID-19 ensued lockdown. To provide the much required push the sector, the Maharashtra government has reduced stamp duty from 5% to 2%, which has translated into improvement in the demand. We are witnessing

uptake in the sales enquiries of our ongoing projects including in Windermere. In HY FY2021 we did a new sales booking of 42,142 square feet amounting to a total sales value of Rs.39 Crores. On new launches, we continue to assess the situation and we would adopt a cautious approach while launching new project.

Let me take you through the financial performance. Let me start with the standalone numbers. During Q2 FY2021 the company reported a total income of Rs.93 Crores, growth of 17% year-on-year over Rs.79 Crores in Q2 FY2020. Company recorded EBITDA loss of Rs.2 Crores and a net loss of Rs.10 Crores in Q2 FY2021.

On a consolidated basis during Q2 FY2021 the company reported a total income of Rs.123 Crores and EBITDA loss of Rs.1 Crore and profit after tax loss of Rs.11 Crores in Q2 FY2021. Total gross debt as on September 30, 2020 is Rs.252 Crores. We continue to focus on reducing the debt significantly in the next few quarters with incremental cash flow generated from assets sales and Windermere apartment sales. With this we can now open the floor for questions. Thank you very much.

Moderator: Thank you. Ladies and gentlemen we will now begin the question and answer session. We take the first question from the line of Ayan Patel from Pendulum Investments. Please go ahead.

Ayan Patel: Thank you for this opportunity. Sir just one question on the operational numbers, so basically if I see the cost of material as a percentage to the revenue has gone up significantly so can you please explain is this because of COVID and do we see this can continue going forward?

Santosh Sundararajan: No, the reason primarily is not COVID, so on the EPC side the gross profit as I have explained in previous calls also would fluctuate a little bit, but it is still pretty much intact. On the real estate side this time we sold a few apartments in Windermere, which are at par, we do not have much profit coming from sales in Windermere and I think that is where at an overall level the gross profit is coming lower this quarter the cost of sales seems to be higher, but this is one-off because of couple of apartments sales in Windermere.

Ayan Patel: So basically this has been impacted by the real estate business and not the EPC business is what I understand properly?

Santosh Sundararajan: That is right. EPC business is having very marginal impact because of COVID as we said little bit of labor cost increase and little bit of safety procedures at site, which is leading to a bit of inefficiency, but I think these are very temporary the impact of all those on the profits of the company would be very minor and in fact we are in discussion with our clients to reimburse the few of these cost as claims and I think that from next quarter these COVID-related costs would also come down so I do not think that is a major concern for the EPC business.

Ayan Patel: Sir on the industrial front if I see on the real estate side so basically what we see that from the pre-COVID levels and if we compare now the real estate sales in Pune has picked up in a good range so is this trend visible in our numbers too going forward?

Santosh Sundararajan: What you are saying is absolutely right, see Pune has seen a very, very visible traction, in fact Pune is showing traction in segments where traditionally Pune has not seen in those levels particularly in the apartments, which are priced Rs.1 Crore and above. Having said that with regards to our overall inventory if you see in the portfolio it is very, very less, so we have inventory in Goodlife, which is an affordable project and affordable segment is definitely hit by COVID-19, so this is a segment, which is hit by this particular issue, projects like Forest County which are in Rs.90 Lakh bracket typically, which are selling very, very well, but we hardly have any inventory most of these projects are in excess of 90% sales. In the luxury segment Windermere saw a lot of traction so in the last quarter we did sales of Rs.27 Crores and this sales are coupled by obviously reduction in price, we are also trying to take the opportunity of COVID and the sentiment and the renewed interest of people who are looking for these, which consequently is seen in margins, but from a cash flow point of view it is doing very, very well, so the idea as far as Windermere is concerned just typically to decrease the debt on that particular project. So overall if you ask from a trend perspective yes Pune is seeing lot of traction. We do not have so many inventories now, which will literally capitalize on that trend. As far as Windermere is concerned yes we are seeing the traction, we have capitalized and in this quarter also we would like to continue the same.

Ayan Patel: Sir any specific campaigns on the marketing side we are doing for the festive season?

Santosh Sundararajan: From the marketing front we are not spending much in fact the overall market has changed so we are not front ending any spends, we are trying to backend spends by maybe incentivizing the channel partners so that in case the deal happens then only we get to know the payout, but upfront we are not spending.

Ayan Patel: Sir last question from my end like for next year Sir any guidance which you can give us, which you have in the business currently?

Santosh Sundararajan: On the EPC side I have always mentioned in all calls that typically about 30% of our order book historically has been what we execute, this year of course we had an order book about Rs.2000 Crores even in the start of this year, but because of COVID we will not be achieving that one third target, again we do have Rs.2000 Crores in hand, we were expecting to book an order of two more before March if that happens then as I said third of our order book you should be upwards of Rs.600 Crores is something as a topline of EPC, which we can hope for next year. Real estate depends on project completion so real estate is very typical to predict year-on-year or even quarter-on-quarter. We do expect to finish two projects end of this year or mid of next year so those would give revenues to real estate and real estate could also do upwards of Rs.100 Crores next year, but EPC is fairly linear in its prediction we should be able to do more than Rs.600 next year.

- Ayan Patel:** Thank you Sir. If I have more questions I will join back in the queue.
- Moderator:** Thank you. We will move on to the next question that is from the line of Rohit Natarajan from Antique. Please go ahead.
- Rohit Natarajan:** Sir if I understand it correctly, currently we have an external order backlog of 18 billion of which government is contributing close to 75%, but if we could further step down go how much is the slow moving orders or may be some color on the top projects like Maharashtra police housing projects or the PWD Raipur projects, some qualitative flavor and some quantitative numbers?
- Santosh Sundararajan:** It is a good question see out of the Rs.1900 Crores order book post COVID and post all the floods what has happened over the last four, five months we are today at this position like you rightly said Raipur had started even pre-COVID and was doing well, it puts a little of a break and it is now back to it levels we are doing more than Rs.10 Crores a month at Raipur project itself, so I would say all are running at full speed. Police housing was waiting for certain approvals, tree cutting, environmental, all of them have come, we got commencement to start work, we have started work at site in fact and we raised our first bill this month in Q3 and so we expect that project will also pickup, it is a big project so the velocity on work, month-month for the next six to eight months will continue to pickup at that project, so we should also reach good levels of billing by year-end on police housing. The MMRCL project we have got in South Mumbai has not yet started we were waiting for the last set of clearances from the government in terms of some road clearance that is needed we are expecting it by end of November and we are ready to start work in December. Goa Airport we have started work, there are two phases to Goa Airport, there is an existing building and Greenfield project. The existing building we have already started work and raised our first bill. The Greenfield project, the environmental clearance is again expected by November and December first week and then work would start, all are drawing designs and approvals are all ready, so that project will also we schedule to start in December. The projects in Pune for government housing is well underway, we are doing more than, four, five projects brought back assuming Rs.120 Crores job so that is about rate at which what will happen, we reached those levels and Lucknow is also at full swing, Adampur airport has been at full swing, so all the government projects there is no hiccup touch wood at this point of time. The private projects that we were doing for a couple of builders, Godrej we have already sold out and we were at the fag end so in spite of COVID I do not think it is having an effect on the completion timeline so that is going on time. Couple of other projects in Mumbai with builders yes it has slowed down but this was expected and anticipated by us, so my projections also, so I would say out of Rs.1900 Crores not more than 200 Crores is slowed down the rest part doing well.
- Rohit Natarajan:** Sure I missed out on the metro rail depot of Bengaluru?
- Santosh Sundararajan:** That is also doing, that has also reached I would say we are doing more than Rs.3 Crores, Rs.4 Crores a month over there and in fact that will go up over the next two months. That project is also well on track.

- Rohit Natarajan:** Coming on to the order inflow part I see the peer group there is lot of opportunity within the buildings and factory space as such. We have seen traction in other infrastructure as well as with commercial buildings and buildings space lot of order inflows happening on that project, are we missing out something on that front or is there something big in pipeline ahead?
- Santosh Sundararajan:** We always maintained we have a little bit of a restriction in terms of our BG limit, now we do have Rs.25 Crores of unutilized BG limit, we are trying to be as efficient as possible, to be honest grabbing an order is not too difficult as you rightly said there are orders, there are government tenders coming up regularly to order book another Rs. 500 Crores is not the difficult target to take at this point of time, but we would like to be little bit choosy in terms of the levels of profit we would derive from these orders because once we put up our BG limits and they have gone then for year or so again we might not be having enough BG limits to keep order booking so we are not being greedy on topline, we are being cautious to ensure that we have our desired margins, like we said we are working on two projects where we think we should be able to strike gold in the next couple of months so hopefully we will have some good news before the year end.
- Rohit Natarajan:** So if I understand this correctly what is the unutilized BG limits or the non-funded limits that you have?
- Santosh Sundararajan:** At this point Rs.22 Crores.
- Rohit Natarajan:** Okay that means you can roughly bid around Rs.70 maybe additional Rs.80 odd Crores kind of an order inflow?
- Santosh Sundararajan:** No, you can bid 20 times 5% is the requirement of nonfund limits for guarantee so typically we can bid up to about Rs.400 Crores.
- Rohit Natarajan:** But there is something that you have to give against the mobilization advances you have to give a bank guarantee i.e. the 10% of your order backlog?
- Santosh Sundararajan:** So you are right so those things what happens is little bit of you need little bit of CC and little bit of rolling we have that in place, so when we get a new project we do not necessarily need to spend good amount to purchase assets. The asset purchase is needed for shuttering comes only after the second or third bill because the first two, three bills go for design and excavation and mobilization, so far we have managed again as you rightly said this is a tricky thing for us, if we start putting up our BG limits to drawdown advances we can actually utilize it better to keep our CC limits even lower and bring down the interest cost a little bit because we do have advances available from our clients of our presentation of BG, but we are not drawing down all of this advantage because again it belongs to BG limits and that is even more detrimental to growth of business because then I cannot order book for that so this game of BG is a little bit tricky and we need to be cautious how we put up our BGs and for what purpose we are utilizing it. As you said if it clearly for performance then I put up Rs.20 Crores I can bag Rs.400 Crores order or I can

pickup Rs.300 Crores order and then take a little bit of Rs.5, Rs.7 Crores in advance to kick start these orders, so I can definitely order book with this balance and so before March another Rs.20 Crores of BGs are scheduled to be returned or expire from various other projects so we would have 20 plus 20, 40 based on that our target has been upwards of Rs.500-Rs.600 Crores of order booking is what is possible and what we have taken.

Rohit Natarajan: On the retention money part we have seen the industry across that government is making some proportionate reduction to the extent of work that it was there, so are you not beneficiary of that have you not booked any other government orders, some retention money release something on that sort has come to you?

Santosh Sundararajan: Yes it has happened, in one of the projects we did manage to based on the government directives we have three projects, which are at the closer to completion of more than 50%, 60% completed whereby these directives could be used, so we have written to all those clients. One client have responded positively and in fact given the release of bank guarantee of us and has promised to release a bit more in the next month, which is bank transfer for the order booking, couple of other governments clients and although they are aware of the directives are a little bit slow in moving but it is positive and I think we will benefit from it in the next couple of months.

Rohit Natarajan: So you have pegged in these numbers within that Rs.20, Rs.25 Crores of additional BG limits?

Santosh Sundararajan: Yes.

Rohit Natarajan: On monetization part is there any thought process I understand it is very difficult at this juncture but noncore assets what is the situation over there?

Santosh Sundararajan: The low hanging fruits are already been monetized a year ago so as of now we only have a few fast moving bigger noncore assets, which are on the block as you rightly said we were working hard on them we would have seen some fruit had COVID not happened, now it is not really a time we have hotel in Goa, which we do intent to sell, but again the hotel industry has to sort of revive a bit and so we were working on. So there is a land in Aurangabad which we are also working on, there is a building in Mumbai, which we are working on, so hopefully we have a separate sales team, which is working only on the noncore assets and by year end hopefully we might have good news on that as well.

Rohit Natarajan: Sure, then all the best for the future. Thank you.

Moderator: Thank you. The next question is from the line of Parth Sanghvi from Sanghvi Associates. Please go ahead.

Parth Sanghvi: Thank you for the opportunity Sir. I just wanted to know after the reopening of the economy where we are seeing the increase in the demand from the real estate point of view as well and from the EPC point of view as well?

Santosh Sundararajan: Where are we seeing the demand did you say?

Parth Sanghvi: Yes.

Santosh Sundararajan: We will answer the EPC part first, even before COVID we are not very bullish on taking these exposure to private real estate, we are still waiting for RERA norms to consolidate and I think private real estate has a very good space to do as a contractor, but couple of years ahead whereby now the shock of COVID has absorbed and then the discipline with which RERA expects you to operate becomes a norm among all builders and then I think contractors will definitely take a much better working environment or a much better safety net while working in the private real estate space. As of now it is still a phase we would like to be very cautious about or stay a little bit away if we can on the EPC side. So even if we approach any of these jobs we make sure we do not put up the company's guarantee limits or bank guarantees to any private player and we ensure that we will renegotiate and get our payment terms and advances sorted before we take any such exposure. Also we operate on a clear escrow account at any point of time there will never be any cash outflow from the company towards that project if it is a private project we would never take that call. On the government side there are orders coming, there are various government agencies who keep floating building orders and as I said for our order book target of whatever we have for the year based on our BG limits we can be cautious and try to grab good quality orders rather than being hurried up to take any target that is available. Rajesh will talk about the real estate.

Rajesh Mhatre: On the real estate front overall if you want to see our view from the macro point of view there is definitely a decrease in demand, which obviously is going to improve when the overall economic activity and economy comes, but the supply side contraction is much more than what the demand destruction that has happened that is what macro trend that we are seeing. Second there is lot of migrations on lower level developers towards more organized developers or brands per se, therefore the consolidation, which started right from demand to all which has been happening in real estate has only accelerated the process and therefore we find buyers are attending more towards organized developers and therefore organized developers are going to benefit more from what has happened post COVID. Lastly, what is also happening is people are looking for more larger spaces, which is the general trend, which is more because there is lot of end user demand that has come, there are lot of opportunities that are available in lot of developers whose prices have been high or ticket sizes have been very, very high and developers were reluctant to cut the price COVID has given them an opportunity to drop their prices and actually if the demand actually made the supply over there and hence we will see a lot of inventories being released and buyers getting those opportunities and therefore we have seen a lot of traction in the luxury segment because of that so this has three generic trends that we are seeing. Going forward if you want to see how we are going to capitalize on the opportunities yes we are not looking at affordable housing segment, which is reeling from the COVID-19 impact and I think it will take amount of time by the time this improves and focus not on luxury segment, but the segment just if you talk in terms of Pune between Rs.70 to Rs.90 Lakhs segment that should be doing very, very good. This is from the real estate front.

- Parth Sanghvi:** Sir what kind of discounts are we offering currently?
- Rajesh Mhatre:** If you see from the Pune market perspective I think the luxury market has seen discount, which were going to as high as close to 25%, the other segments have not seen any large discounts may be or 5%, 10% over here and there, but other segments in fact prices have actually increased in the other segment as far as Pune market is concerned.
- Parth Sanghvi:** I was just trying to understand that in which segments the prices have been increased?
- Rajesh Mhatre:** The prices have been increased in the aspirational kind of segment so wherever the ticket size is between 70 and 90 the firming up of prices will definitely happen.
- Parth Sanghvi:** So it is due to supply demand gap or is there something else?
- Rajesh Mhatre:** Overall the demand was more and the supply demand gap, see the organized developers are almost completing their inventories, so as inventories are getting finished they are definitely being beneficiaries.
- Parth Sanghvi:** Okay that is it from my side. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Manish Goel from Enam Holdings. Please go ahead.
- Manish Goel:** Thank you so much. I have a few questions Sir. On EPC side you mentioned that we have reached to 60% pre-COVID levels on execution front so like probably when do you expect to reach 100% and what kind of revenues can we see in the second half?
- Santosh Sundararajan:** As we said we have done about Rs.60 Crores on EPC in Q2 and so in Q3 itself I would stay clear of actually projecting numbers, but yes this could be taken as 60% of what we might achieve in Q3 and then Q4 should be at least another 10%, 20% more than in Q3 so to answer your question I think somewhere between Q3 and Q4, somewhere in the month of December, January we should be back to almost 100% of execution.
- Manish Goel:** Sorry Sundar, I missed on Q3 you said what growth we can look over Q2?
- Santosh Sundararajan:** In Q3 we should be closer to Rs.100 Crores and Q4 should be hopefully more than that as long as there is no hiccup in any of the projects as I said so far touch wood all projects are on track, the three projects as I said MMRCL and Goa, which were not yet started as scheduled to start in December and police housing has already started, so all projects will be running post December, so from January to March in Q4 definitely we should see full utilization of the order book and execution at first thing then labor by then is also expected to be back to almost 100%, we are at 80% of the required labor already so I do not see any issue with complete 100% execution of our order book at full speed from January onwards.

- Manish Goel:** Sure okay and on the margins front like do we expect to achieve normalization in Q3 level?
- Santosh Sundararajan:** Yes the GP of course in the first two quarters should not be read as because there are certain things because of COVID as we have also taken certain hit in Q1 and that keeps reflecting, but quarter-on-quarter, third quarter GP should be very healthy and fourth quarter it should be at its peak, our GP levels are good touch wood there is no deterioration in GP.
- Manish Goel:** Sure so ideally gross profit level we should look at 18%, 20%?
- Santosh Sundararajan:** Yes we should look at 18%.
- Manish Goel:** Okay sure and on the cost rationalization like what effort we have taken and what is the sustainable reduction in fixed cost can we probably see it as a year as a whole?
- Santosh Sundararajan:** In the first two quarters of course we had forced reduction in fixed cost because of electricity, travelling, rents, we did renegotiate lot of rents to people and salaries as well so obviously we had huge reduction in fixed cost in the first two quarters we were forced to do it. From Q3 and Q4 you say for our nature of business the reduction from last year if you see year-on-year would be not so much I would not say we would be able to reduce more than 10% 15% because really we are very few officers we operate very small offices, already most of the people operate from sites so the question of trying to getting to this work from home and save rent and electricity does not work too much for us as it is 80% of our staff are already at site, so we have given up a couple of officers having said we have given couple of small offices the rental are down for the year we do not expect to again take more officers for the next year or so. There is a reduction, but I think if Q3 of this year versus Q3 of last year I do not think fixed cost would be reduced by more than 10%. Yes currently there is not much travelling happening, not much flying around, but these are small reductions and maybe by next year they will probably be back, so I do not think permanently we are reducing huge amount of fixed costs not more than 10% I would say.
- Manish Goel:** Sure and Sir on real estate front do you mention that the inventory levels are lower for the company because what we see is that off late real estate ready to sell apartments are seeing much higher demand than something under construction so what would be our ready to sell inventory, which we can probably liquidate quickly in the next six months and take the benefit lower stamp duty till December and then going forward so would it be possible to share the numbers?
- Santosh Sundararajan:** From real estate point of view we have only Windermere, which has ready to move inventory, rest of the projects are under construction projects of that the projects in the Kharadi area, Forest County, Forest Edge are almost 90% sold, there is only one small project Xtech which is again 100% sold and the commercial offices in the Platinum Square also 100% sold. We have an affordable housing project where in fact we have sold to an extent where the area that has been launched which is roughly 300000 square feet the receivables are sufficient to construct even if we do not sell anything over there so we are prioritizing our accelerating construction so that internally the target is by March we should give possession roughly for 300000 per square feet if

not March at least by June so that we can see visible traction from the balance inventory over there as you rightly said, immediately we can capitalize only on Windermere and there we have the focuses, in the last quarter in fact we sold around 6 odd units in fact, we have sold couple of more units over there and we are internally targeting couple of large units we need to sell in this quarter.

- Manish Goel:** Rajesh what would be the inventory left in Windermere sorry for my ignorance?
- Rajesh Mhatre:** See overall inventory in Windermere is large but if we say other share of inventory that is left in Windermere it will be close to Rs.120 odd Crores.
- Manish Goel:** Which is kind of ready to sell?
- Rajesh Mhatre:** Bungalows is not ready to sell.
- Manish Goel:** This Rs.120 Crores does not include the Bungalows right?
- Rajesh Mhatre:** Yes, so it is roughly Rs.80 Crores plus couple of Bungalows, it could be Rs.130 odd Crores.
- Manish Goel:** Rs.80 Crores plus Bungalows is Rs.130 Crores?
- Rajesh Mhatre:** Yes.
- Manish Goel:** But Bungalows we will have to spend some capex to kind of?
- Rajesh Mhatre:** The balance construction cost including Bungalows it will be close to Rs.35 to Rs.40 Crores and we have receivables, our receivables will be close to Rs.25 Crores, total Rs.65 is the balance receivables in Windermere.
- Manish Goel:** Last question on what is the current gross debt and net debt for the company at a consolidated level?
- Santosh Sundararajan:** Gross debt would be around Rs.250, total debt is Rs.252 Crores, and net debt is Rs.187 Crores.
- Manish Goel:** Thanks Sir. I will come back in the queue. Thank you so much for all the answers.
- Moderator:** Thank you. As there are no further questions I now hand the conference over to the management for their closing comments.
- Santosh Sundararajan:** Thank you all for your participation. Wish you a great day. Please connect to Stellar IR Advisors for any further queries you may have. I will see you again in next quarter. Thank you.
- Moderator:** Thank you very much. Ladies and gentlemen on behalf of Vascon Engineers Limited that concludes this conference call. Thank you for joining us and you may now disconnect your lines.