Date: 22nd February, 2018

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BSE Limited
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NSE Scrip Name- SKIPPER / BSE Scrip Code- 538562

Sub: Concall Transcripts for Q3 FY 2017-18

Dear Sirs,

We are forwarding herewith Concall Transcripts for Q3 FY 2017-18 held on 6th February, 2018.

We request you to kindly take the above on record and oblige.

Thanking you,
Yours faithfully,

For Skipper Limited

MANISH AGARWAL
Digitally signed by MANISH AGARWAL
Date: 2018.02.22 18:09:56 +05'30'

Manish Agarwal
Company Secretary & Compliance Officer

"Skipper Limited Q3 FY2018 Earnings Conference Call"

February 06, 2018

ANALYST: **MR. AMBER SINGHANIA - ASIAN MARKET SECURITIES LIMITED**

MANAGEMENT: **MR. SHARAN BANSAL - DIRECTOR - SKIPPER LIMITED**
MR. DEVESH BANSAL – DIRECTOR – SKIPPER LIMITED
MR. SANJAY AGRAWAL – CHIEF FINANCIAL OFFICER - SKIPPER LIMITED
MR. ADITYA DUJARI –INVESTOR RELATION EXECUTIVE- SKIPPER LIMITED

Moderator: Ladies and gentlemen good day and welcome to the Skipper Limited Q3 FY2018 Earnings conference call, hosted by Asian Market Securities Limited. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance, during the conference call please signal for an operator by pressing "*" then "0" on your touchtone telephone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Amber Singhania from Asian Market Securities. Thank you and over to you Sir!

Amber Singhania: Thank you Janet. Good afternoon everyone. On behalf of Asian Market Securities, I welcome you all for Q3 FY2018 Earning Conference Call for Skipper Limited. We have with us today Mr. Sharan Bansal – Director of the Company, Mr. Devesh Bansal – Director of the Company, Mr. Sanjay Agrawal - CFO along with Mr. Aditya Dujari –Investor Relations Executive from the Company's side. We would start with some brief update about the Company and the results from the Company side and then we can take it forward for the question and answer session. I now request Mr. Bansal to take us through the quarterly results and your thoughts and then can start with the question and answer session after that. Over to you Sharan Ji!

Sharan Bansal: Thank you Amber Ji. Good afternoon to you all and thank you for your continued interest in Skipper. Please take note any forward-looking statement made during this call must be reviewed in conjunction with the risks that the industry and our company face.

I am pleased to inform you that we have delivered yet another a good quarter with robust growth in both revenue and profitability front on account of strong engineering products volume execution and rising commodity prices while maintaining healthy margins of 13% plus. As you are all aware that we have successfully completed our migration to Ind-AS and our required to report Ind-AS compliance profit and loss numbers for both the current and corresponding quarter of last year. Thus the previous year's numbers was reinstated and adjusted in accordance to Ind-AS provision. Reconsideration statement explaining adjustment made for reinstatement of numbers between I-GAAP and Ind-AS is provided in slide 56 of the investor presentation.

Some of the key financial highlights in comparison to the previous year's corresponding quarter were net sales grown by over 33%. The net sale of the company increased to Rs.566.42 Crores from Rs.425.13 Crores. The growth was primarily led by strong volume getting executed in engineering product business on both domestic and international front supported by rising commodity prices.

The EBITDA increased to Rs.74.08 Crores from Rs.58.33 Crores in the corresponding quarter with margins consistent at over 13%. Our finance cost as a percentage of sales reduced to 3.11% against 4.47% in the previous year quarter due to continuous better fund planning. Also the company's long-term external credit rating has now been upgraded by CRISIL from A+ to AA- and short-term ratings remain reaffirmed at A1+. On account of improved operational and financial performance in conjunction with better growth prospects of the company.

The PBT has increased to Rs.45.02 Crores from Rs.32.51 Crores and PAT has increased to Rs.29.20 Crores from Rs.22.20 Crores, which translates to 8% and 5.2% respectively of the revenue. On the order front, I am happy to inform you that the Company has yet another quarter of good inflows. We secured new orders worth in excess of Rs.525 Crores for engineering products. These orders are from Power Grid Corporation, Transmission Corporation of Telangana, The Tamil Nadu Transmission Corporation, and Reliance Jio for supply of telecom towers as well as exports supply orders across South Asia.

The total order book of the Company as on December end stands at Rs.2530 Crores and is well diversified between domestic, Power Grid and private players, SEBs as well as exports. The sector continues to witness uptick in both ordering and execution and Company expects growth to remain strong and gain for further pace with increased participation opportunity from Northeast and East India sales like Jharkhand, Bihar and Odisha. Also the continued government thrust towards expanding electricity access to all rural households and the last mile connectivity under various flagship schemes like Saubhagya, IPDS, DDUGJY getting higher fund allocation in budgets will spur good investment opportunity within the segment.

On the international front the Company has recently received clearance certificate from Canadian Welding Bureau post a rigorous audit of manufacturing and quality processes. With this certification, the company now gets an entry into the highly potential North American Power Transmission markets.

Also I feel excited to inform you, they our recently commissioned Guwahati plant having a capacity of 30000 tonnes per annum of engineering products put up to actively support the various transmission projects being undertaken in the northeast region, as attained full utilization rates with good order inflow and visibility. The facility enjoy a several tax exemption incentives and is good performance will have the company to report better operational and financial numbers going forward.

Further continuing on pursuit for better product mix in our engineering product business and to see on a large available opportunity, we have added railway and solar structure into our product baskets. The Company is gearing up to sharpen focus on railway electrification work and intends to manufacture and supply various types of overhead wiring support structures like portal, mass, beans, gantries, substation and customized steel structure.

Considering government plan this translates to about USD $3 billion of opportunity size over the next three to four years. The Company in the process of getting RDSO and core approval and intends to start manufacturing by end of next quarter. The Company also intends to increasingly start getting and participating for railway electrification project is strategic alliance in local private player to build on EPC capability in this space.

Q3 performance of polymer pipes remains challenging with sector showing sign of stagnancy due to GST. Considering the challenging circumstance the segment Q-o-Q revenue increased by over 15%, which was in line to our modified expectations. We are very optimistic about the overall benefit GST brings to this business in the long-term and expect the growth to get back to our earlier targeted range of 35% to 40% by next year.

To summarize, we are confident of a profitable revenue growth of 20% plus this financial year with a consistent margin of 13% to 14%. A strong engineering order book and rebound in the polymer market segments give us good visibility and confident of achieving the growth. Thank you and I am happy to take your questions now.

Moderator: Thank you very much. Ladies and gentlemen we will now begin with the question and answer session. We take the first question from the line of Bhalchandra Shinde from Anand Rathi. Please go ahead.

Bhalchandra Shinde: Congrats Sir for good set of results. Sir regarding the order book, which you said Reliance Jio and Tamil Nadu related order if you can give the order value of the same?

Sharan Bansal: Reliance Jio order value is the close to about Rs.86 Crores and Tamil Nadu order is a small order is about Rs.9 Crores.

Bhalchandra Shinde: Okay but as you stated earlier concalls also that we are expecting in State Transmission Transcos to give out orders so how we see that ordering took place like is it picking up or it is still at very nascent stage?

Sharan Bansal: No it has robust. In fact we have been getting regular orders from more APTRANSCO and TSTRANSCO, which is Telangana Transco. This quarter also inflow order from Telangana Transco has been to the tune of about Rs.150 Crores.

Bhalchandra Shinde: Okay and Sir these orders will be in line with the clauses, which PowerGrid provides or it will be slightly fixed price contracts?

Sharan Bansal: No most these orders are also variable price contracts.

Bhalchandra Shinde: Our export order, which was spending with that TST from the Latin America so by when we expect that thing to complete or it still there at time to complete that?

Sharan Bansal: We expect that the Latin American orders to get fully executed by Q4 end but other than obviously we have been getting export orders from other geographies like Nepal, Bangladesh different parts of Africa and Southeast Asia so there is good visibility on the export order front.

Bhalchandra Shinde: But Sir what I heard is like in South Africa there is overall political tensions going on so would not it affect our receivable cycle and how much will be the orders from export?

Sharan Bansal: South America or South Africa?

Bhalchandra Shinde: South Africa you said no so in South Africa what I have heard that there are relatively political tensions going on?

Sharan Bansal: No but we do not have much export business from South Africa. Our export business is from South America. There are no such political tensions, which I know of.

Bhalchandra Shinde: Okay fine and Sir in this Reliance Jio order what you said do we expect those power orders to grow and what kind of potential do we see?

Sharan Bansal: I think that telecom market has seen a decent revival with Reliance and other telecom operators investing so currently the market is good I cannot really comment on how much it will grow in the next year but this year has been quite robust.

Bhalchandra Shinde: We usually monopoles right?

Sharan Bansal: It is just a mix of monopoles, tubular tower as well as angle lattice tower.

Bhalchandra Shinde: Thank you Sir. Thank you very much.

Moderator: Thank you. We will take the next question from the line of Tarang Bhanushali from IIFL Wealth. Please go ahead.

Tarang Bhanushali: Congratulations on a good set of numbers. Sir of the engineering division, what the growth, how much of that was led by volume and the buy value?

Sharan Bansal: You can assume about 8% to 10% effects of the commodity price is coming in here and the balance has been because of volume growth.

Tarang Bhanushali: Thanks Sir. On the North American operations, are we would be going there with some partner or we would be bidding there on a standalone basis?

Sharan Bansal: We will be bidding for the supply contracts available there, so we do not need to go with the partner because now we have got the CWB certification so then we will be qualified for a lot more projects then.

Tarang Bhanushali: Okay, but we were already there with some partners earlier or it is a new geography for us?

Sharan Bansal: North America, we have hardly done anything there.

Tarang Bhanushali: Okay. Thanks a lot.

Moderator: Thank you. We will take the next question from the line of Abhilasha Satale from Dalal & Broacha. Please go ahead.

Abhilasha Satale: You mentioned that Rs.525 Crores is the order inflow during the quarter, so can you give us a breakup in terms of how much is from PGCIL, state and exports, Reliance in Tamil Nadu you have already mentioned, so the other breakup can we get?

Sharan Bansal: Madam, the detailed breakup can we share the Aditya Dujari you can send him a query please.

Abhilasha Satale: Sir I want to know about this PVC segment like in previous concall management had mentioned that the segment will grow around 25% in FY2018, so which implied a growth of around 35%, 40% in H2; however, this quarter again we have seen lackluster growth on a year-on-year basis. So what is the reason for the same and how is the outlook for Q4 FY2019?

Devesh Bansal: On a sectoral level, the expectation normally was that the sector itself will grow at about 15% odd; however, this year we have seen the sector is pretty much stagnate, there is hardly if there are any growth impact some people are calculating a degrowth in the industry this year primarily being led to GST implementation and the challenge is not really lifting materials to the extent that they should have, because of these factors the growth has not been as aggressive as we had expected, but in spite of the stagnation and the industry at least we are happy that we have been able to grow at 15% plus in Q3 as well. There is a downward revision in our guidance for the polymer segment for this year. So we are still looking at achieving may be 15% odd growth for the financial year, but going forward in next year with GST having been implemented and expecting the segment to also grow as per the earlier expectations. We expect that the organized players such as us will definitely see very aggressive growth going forward, but this year will be muted to a large extent.

Abhilasha Satale: Okay and Sir we have also seen in this segment margin pressure like this quarter also you have reported subdued margin at around 7% or so. So how do we see that improving going forward I mean what is the reason for that is it because of raw material or just because of volume have not grown, operating leverages not come and secondly like what is the outlook on the same when we grow next year?

Devesh Bansal: Again because the segment is not growing and all the organized players had ramped up capacities in expectation of the segment growing at 15% odd, there is obviously a lot more pressure on all the companies to fill up their capacities and that is where we are seeing some amount of undercutting happening in the market and consequently a pressure on the margins. We expect that once the growth numbers realign with the earlier expectations in the segment, this should ease out as well. So again going forward in the next financial year things should be much better and as per the expectations, which were there in the beginning of this year.

Abhilasha Satale: So we should be able to do around 9%, 10% kind of margins?

Devesh Bansal: Yes, the idea is to maintain our margin numbers in close to 9% to 10%. We have been achieving that consistently on an EBITDA level, but this quarter and this year has been a little muted. Going forward we should be looking at those numbers.

Abhilasha Satale: Thank you.

Moderator: Thank you. We will take the next question from the line of Jaikant Kasturi from Dolat Capital. Please go ahead.

Jaikant Kasturi: Thank you very much Sir. I just wanted to ask regarding your JV with Israeli company would progress regarding that when it is going to materialize?

Devesh Bansal: The discussions are still ongoing and we hope to sign the final agreement within February itself and we expect the JV to be operational by about the second quarter of next financial year, but again because the final agreement has not been signed there are not a lot of details that we can share. Once the agreement is signed then we will be in a position to share much more details about it.

Jaikant Kasturi: Thank you very much Sir.

Moderator: Thank you. The next question is from the line of Pankaj Gurnani from Niveshare. Please go ahead.

Pankaj Gurnani: Congratulations on a good set of numbers. Sir on the deriving the PVC side, what is our market share in northeastern market side like are we leader by how much margins we claim to be leader in that market?

Devesh Bansal: In all the markets that we operate in, we generally are benchmarked at roughly 3% to 4% from the market leader in that region, but obviously our numbers are much smaller still as compared to most of the higher selling brands in each region. So on a price level we are at 3% to 4% discount, but on a volume level we are obviously still growing right now.

Pankaj Gurnani: We clearly have market leadership in the West Bengal side?

Devesh Bansal: In east we have a very strong position. Our brand commands are very good premium as well as good sales, but northeast not so much. Northeast is also new market for us, because we setup our plant only in FY2017.

Pankaj Gurnani: And regarding the engineering products, what is the estimated new total capacity of the total industry and we have 230000 MTPA capacities and what is the total industry capacity at present?

Sharan Bansal: The total industry capacity would be a little hard to estimate, but the total demand is about 1.2 million tonne, so it is about 12 lakh tonnes.

Pankaj Gurnani: Right and how do we place against competitor like KEC and Kalpataru like we compete directly in those markets where they do compete or we have any strong hand in some markets and they are strong hands in some other markets?

Sharan Bansal: Well I think KEC and Kalpataru obviously are larger EPC players. They are not exactly our direct competitors. I would say that our customers, the EPC players who normally we work with they would be ones competing with KEC and Kalpataru.

Pankaj Gurnani: Right and Sir, we are operating around 90% to 100% capacity in our engineering segment, if am correct?

Sharan Bansal: Right.

Pankaj Gurnani: So do we have any capex plan further going forward for this segment?

Sharan Bansal: Yes, sure. In the previous concalls we had given a figure of this year's capex of about 85 Crores, which will be utilized towards adding Brownfield capacity in our existing plant and also will be utilized towards setting up of our new tower testing station to boost our engineering capabilities.

Pankaj Gurnani: Thank you Sir. That is all from my side. Thank you very much.

Moderator: Thank you. We will take the next question from the line of Tarang Bhanushali from IIFL Wealth. Please go ahead.

Tarang Bhanushali: Sir, on the margin front we have been normally band ranging from 10% to 15% and we have registered in the first nine months is on the lower band with the commodity price increase do we expect to stay around these levels in FY2019 also or we might see improvement over there?

Sharan Bansal: I think our guidance has always been in the range of 13% to 14% and even in the nine months figure this has been maintained at 13.1% actual EBITDA, so it is very much in line with our expectations.

Tarang Bhanushali: So, we continue to guide on the lower band going forward or we can see some improvement with the PVC business doing good?

Sharan Bansal: I think you expect this to be range bound between 13% and 14% with PVC probably getting better profitability next year we should be able to see some improvement on this. Yes, I think it should be range bound between 13% and 14%.

Tarang Bhanushali: And we continue with the guidance of 15% to 20% volume or it would be 10% to 15% going forward for FY2019?

Sharan Bansal: For last quarter he have revised our guidance upwards to 20% plus because we see the stronger volume execution this year, but in general our guidance had been in the range to 15% to 20%, but for this year we will definitely see 20% plus growth.

Tarang Bhanushali: Sir, are we L1 in any of the orders?

Sharan Bansal: No, right now we are not L1 in any of the orders, but bidding pipeline is strong.

Tarang Bhanushali: Also on the export opportunity, so last quarter we had mentioned that to we are entering new geographies are strong in Southeast Asia, then Egypt and all so what is the current status over there and have we bagged any new orders?

Sharan Bansal: Yes, we are continuously getting newer export orders from different countries in Southeast Asia. Previously we had reported incoming orders from Philippines and Malaysia, so we are looking at more opportunity within the Southeast Asia; however, right South Asia like Bangladesh and Nepal have been quite strong. We are getting regular orders include from those countries and in Africa also we are getting lot of opportunities, so I would say order inflow is not a concern at all right now.

Tarang Bhanushali: What would be the share of export orders of our order book?

Sharan Bansal: Right now it is about 15%.

Tarang Bhanushali: Thank a lot.

Moderator: Thank you. Next question is from the line of Pawan Parekh from Bank of Baroda. Please go ahead.

Pawan Parekh: Sir, my question is on the polymer business. Could you share the update on the fittings thing that we were supposed to do at Guwahati? Has that resumed and has it started contributing the sales? Secondly we are margins in polymer segment to be about in the 6% to 7% range. Is it just a function of lower revenues, lower revenue growth for the segment or is it because of some undercutting or increase in raw material price or something as well?

Devesh Bansal: The fittings manufacturing plant in Guwahati is now fully operational. All of Skippers fittings requirements are being met from there only for all our plants across the country and now obviously utilization will depend upon how much we are able to penetrate in each of the markets. Fittings contribute about 8% to 10% of our polymer revenues and your question also about the margins, so we are operating at close to about 9% on an EBITDA level and this is what it is expected to remain at. Obviously there is some pressure this year because of lower than expected growth, but going forward we are very hopeful that growth will rebound in the sector and consequently we will be able to also grow more aggressively, so our current growth in this quarter has been at about 15% odd, but we would like to see a higher growth numbers going forward as the sector rebounds to its original growth plan of close to about 15% to 16%. Going forward should be much more optimistic.

Pawan Parekh: Sir, have not you seen any cost pressures for this business?

Devesh Bansal: We have, so as I mentioned earlier as well because of lower volumes in the market, we are seeing some amount of undercutting happening in the market by other players and everyone is under pressure to ramp their volumes as well. So there is some amount of undercutting, but again as the sector rebounds and growth comes back this should ease out as well.

Pawan Parekh: Sir, just one thing this 85 Crores capex that you mentioned is all for the engineering product business, no capex that we are trying to do for the polymer business for FY2019?

Devesh Bansal: No, this includes the polymer capex also.

Pawan Parekh: Of this 85, how would be for polymer?

Devesh Bansal: It is in estimate at the moment because as you know in polymer we only expand based on the utilization going up in each of the plants, so at the moment around 30 odd Crores has been earmarked for the polymer business, but again this would be subject to utilization being achieved in the plants.

Pawan Parekh: But Sir we thought like about five manufacturing plants of polymer, any plans wherein we have crossed like 70% to 80% capacity utilization or we may cross may be in the next six months, which can make us think to its expand capacities there?

Devesh Bansal: So our Kolkata plant, which is our oldest plant. There we operate at more than 70% to 75% capacity utilization, but in this business also there is a lot of seasonality so you would see in some months utilization being high and in some months the utilization being very low, so on an average in most of the plants we are operating at close to about 60% odd, but varies from month-to-month and season basically.

Pawan Parekh: Thanks a lot and all the best.

Moderator: Thank you. Next question is from the line of Rakesh Roy from Asit C Mehta. Please go ahead.

Rakesh Roy: Sir, my first question is regarding your railway project, in last concall you have mentioned you are in L1 in one project 16 Crores, any update on this Sir?

Sharan Bansal: Yes, we have already received the award for that project and the survey has already started.

Rakesh Roy: Sir, my second question what is the capacity in engineering segment as on December 2017, total capacity in engineering segment?

Sharan Bansal: Our capacity numbers is updated once a year, so as on the beginning of this financial year the capacity was 230000 tonnes, so we will be seeing expansion here after our capex this year, so approximately 15% capacity addition you can expect.

Rakesh Roy: For this FY2018?

Sharan Bansal: FY2018 yes.

Rakesh Roy: Sir for FY2019, how much can you give me an outline, how much capacity?

Sharan Bansal: Every year the company looks to expand capacity by about 15%.

Rakesh Roy: Sir, my next question is regarding government has announced are 26000 Crores for drip water, this budget any update on this one?

Devesh Bansal: Sorry announced 26000 Crores for?

Rakesh Roy: Just a minute Sir, drip irrigation?

Devesh Bansal: Obviously the government is very focused on the agriculture and irrigation sector as a whole. The various initiatives such as Pradhan Mantri Krishi Sinchai Yojana as well as other initiatives that the government is focusing on these are very proactive measures and we expect good push to the industry going forward and definitely this should help both our PVC piping segment as well as the new business of drip irrigation that Skipper is entering.

Rakesh Roy: Sir, next question regarding in this quarter your infrastructure revenue has totally jumped up last quarter is 9 Crores to 26 Crores. Can you give an outline how they jumped to 26 Crores?

Sharan Bansal: Can you repeat the question please?

Rakesh Roy: This quarter, your infra project number has totally jumped Rs.26 Crores compared to last quarter 9 Crores?

Sharan Bansal: I mean the numbers cannot be looked at continuous quarter wise, anyway the infra project segment, we have mentioned earlier that this is the order book dependent anyway the Q2 is a rainy season, so there are not too many project activities happening at that time also, so in general we do not really give any guidance for the infra project segment because we bid selectively in this business, only if we get some profitable orders then only we execute those orders.

Rakesh Roy: Right Sir, last quarter Jharkhand Government announced I remember Rs.5000 Crores for transmission order any update on Skipper for this one?

Sharan Bansal: The Jharkhand government has invited private participation in the 5000 Crores project. The bidding profit is still on right now. It has not been decided.

Rakesh Roy: Okay right Sir, from my side is okay. Thanks Sir.

Moderator: Thank you. Next question is from the line of Paras Behl from PA Wealth Advisors. Please go ahead.

Paras Behl: Thanks for taking my question. Sir as per the current quarter your net sales have been increased by almost 33%, so I want to ask can you elaborate this 33% increase between the volume and price growth?

Sharan Bansal: Yes, I answered that a few question ago approximately 10% you can attribute to price growth because of commodity prices and the balance is because of volume growth.

Paras Behl: Sir sorry can you repeat how much is volume growth?

Sharan Bansal: Approximately 10% it is because of the price growth.

Paras Behl: 9% to 10% prices and rest is the volume growth?

Sharan Bansal: Yes.

Paras Behl: Thanks a lot, Sir. Thank you.

Moderator: Thank you. We will take the next question from the line of Mr. Amber Singhania from Asian Market Securities. Please go ahead.

Amber Singhania: Just wanted to clarify on the previous question that the growth which we are seeing on the engineering this also looking lower because GST by around 10%, am I correct in that?

Sharan Bansal: No, why would that be because under GST there has not been much change in the tax structure for the company as we had clarified earlier. Earlier it was 12.5% excise and 5% VAT, which was a net effective tax rate of about 18.13% and now under GST it is 18% so as per GST there are no impact on revenue.

Amber Singhania: So, am I right in that way that EPC player will have that impact and not the product company?

Sanjay Agrawal: Amber Ji, one more thing the revenue numbers, which we are reporting and we are talking about all our net numbers, basic value.

Amber Singhania: Right Sanjay Ji, so earlier we used to deduct only excise component from the gross sales whereas now we are deducting the entire GST component, so that other part of the tax component, which you used to go into another expenditure is now getting knocked of directly from the gross sales, so to that extent sales would look lower in terms of growth in this year?

Sanjay Agrawal: I will again tell you when actually we have basic value then we have excise duty, then the VAT amount while we report the numbers and you are seeing that we are deducting the excise no, we are adding the excise value to the basic value.

Amber Singhania: So, like-to-like there is no difference because of GST coming in right?

Sanjay Agrawal: No, not at all.

Amber Singhania: Secondly if I am correct that steel prices have gone up more than 20% on that part whereas here you just mentioned around 10% is because of the price variation, so is it because the tower grid steel has not moved that much or is there something else we should read out?

Sharan Bansal: So the price variation, which you are talking about that, can take some time to get implemented. Firstly you are right that yes because our company is purchasing semi-finished steel where obviously the price variation is lower compared to finished product steel and secondly the 20% you have to see, which period you are talking about from which period to which period. As far as when we are talking about a 10% price growth this is Q3 of this year compared to Q3 of last year. The 20% may be different depending on which points in history you are taking, so that could be different.

Amber Singhania: Also if you can just clarify on the polymer side in the similar way how much is the volume growth we are seeing because again there would be a lot of price variation on the polymer prices, which has happened and on rupee basis we are just seeing 1% growth on nine-month and 6% on the quarter if you can give some idea about how the nine-month numbers are looking in terms of volume and in terms of how much is impact because of the prices?

Sharan Bansal: We will have to just check on the records and get back to you on this Amber Ji, so maybe you can take this offline please.

Amber Singhania: Surely no problem. Secondly, I just was going through we have got around Rs.525 Crores of order inflow this quarter? Last quarter we had around Rs.432 Crores in Q2 was there any inflow in Q1 also Sir or if you can give me total number of order inflow in first nine months? How much is the total order inflow?

Sharan Bansal: We do not have the data readily available, but we can share it with you offline.

Amber Singhania: Also on the outlook part if you can give some idea about the pipeline going forward for the entire engineering business both from PGCIL, states and private side where do we see the new order inflow coming in next couple of months or opportunity coming in, in the next couple of months can you give some idea on that?

Sharan Bansal: I would say as far as the company's order book is concerned it is still 1.7x of last year sales, so essentially we have very good visibility again for the next year-and-a-half to two years and at the same time short-term orders are also coming in regularly. So really there is no pressure for the company to really gather more and more orders. I had shared for the last couple of calls that the order execution cycle in transmission have been coming down, so it is more and more difficult to get orders with a very, very longer term execution. So that has been a challenge in the industry; however, if you are asking me where we are more hopeful of seeing growth coming from in the next few quarters perhaps I would say that PowerGrid would continue to be stable because PowerGrid they are getting a good share of the new TBCB projects, which are coming out. PowerGrid is maintaining its market leadership and they are getting a good share of those orders as well, so I think PowerGrid definitely will continue to be stable, but State Electricity Board and private as I mentioned earlier they will continue to lead the growth chart. For our company, particularly of course what we are really excited about is exports where we see again lot of potential and a lot of opportunities in a lot of markets where have not entered yet and the other thing is a new product where we are entering into railway and solar, so I think both of these are opening up two completely new sectors for us beyond power transmission.

Amber Singhania: I was coming to railway and solar Sir because what I understand is railways tower requirement is not as high as it is terms of your power tower because railway originally have their smaller structures as such? If you can give some idea about how the dynamics are there is railway and solar and what is our growth plan there in terms of where do we see ourselves in terms of these two segments contributing in the overall order book or may be on the revenue in a couple of years going forward? What is our strategy in that?

Sharan Bansal: I think from next year itself we could see potentially around 10% to 15% revenue of engineering products coming from railway and solar because in both the places we see a lot of order opportunities. Particularly if I talk about solar the project sizes of the solar plant have continuously been going up. Now 100-megawatt to 200-megawatt plant is quite the norm. Earlier which used to be in the range of 5-megawatt, 10-megawatt, and 20-megawatt and now really I think rarely nobody talks about below 100-megawatts or 200-megawatt, so definitely the structure requirement in these are pretty large, so I would say solar is definitely looking at better and better opportunities in the future. Railways again there are a lot of projects out there already. As a percentage of overall investment we have structure requirement maybe lesser than transmission, but still these are very, very good areas for investments over the next four to five years and the volume should be there.

Amber Singhania: What about the margins? Will that be lower than the current engineering segment margins in those?

Sharan Bansal: Skipper does not work for low margins.

Amber Singhania: Fine and here we are also aiming at EPC order instead of just the supply right?

Sharan Bansal: Yes I think there are some interesting opportunity in the railway EPC space also, so we are developing or capabilities there.

Amber Singhania: Just lastly Sir if you can give some idea about the tax benefit in Guwahati plant, which you mentioned what kind of benefit on an overall company level we can expect by the way of tax benefits coming into the overall company form the Guwahati plant?

Sanjay Agrawal: Amber Ji, it will be very early to quantify the tax benefits. The Guwahati plant is only for 30000 metric tonnes for engineering products and 7000 metric tonnes for the plastic fittings. Once we start getting the revenue from both the products then there is an income benefit of 100% of the profit and from that plant itself only and there are certain GST benefits also and again the GST benefit is available once we are required to make the payment then only we will be eligible to get the GST benefit. So whatever profit we will generate from that plant will be fully credited, as far as the income tax is concerned so that all depends upon the revenue contribution, which is coming out from that plant.

Amber Singhania: Sir just a rough cut basis if I assume on a 230000 tonnes of capacity we have 30000 tonnes coming from Guwahati and once that will get full utilized, which will be tax exempt, so roughly we can have about 10% benefit on the overall tax. So for example we are paying 30% tax, so it will be come 27% tax just by virtue of that the rough-cut number?

Sanjay Agrawal: Going forward may be you can consider that 10% of the profit is coming from the Guwahati plant depending upon the fully utilization level of that only. That may be considered.

Amber Singhania: That is all from my side. Thank you.

Moderator: Thank you. We take the next question from the line of Raj Parikh from Anand Rathi. Please go ahead.

Raj Parikh: Sir congratulations on a good set of numbers. Sir I had just one question regarding the railways and the solar opportunity. Will there be any additional capex because of the same?

Sharan Bansal: It is part of the Rs.85 Crores capex, which we are doing this year. So this will be covered in that itself.

Raj Parikh: Can you give me some amount of breakup regarding these two seeing so much traction in the future right in the near future how much would be incurred on the same?

Sharan Bansal: This is part of our overall engineering product expansion only, so we do not really have separate capex numbers right now for railway and solar. The capacities are fungible between the various products, so exactly it is difficult to define what are the separate capex. As an overall engineering products basket that is capacity increase is happening.

Raj Parikh: One more thing regarding the monopoles Sir can you give us some highlight on the monopole the product, which you have taken now? It can be kind of very advantageous for the company in the near term?

Sharan Bansal: Monopole is in commercial production for the last a year-and-a-half to two years. The adoption level in India is still low for the power transmission projects. Right now the monopoles are goings more for telecom application, for lighting application. Those are the applications where predominantly are supplies are happening, but for transmission also we have started to see some tenders coming out. So obviously we will have the early mover advantage here and in terms of technology definitely this is a very good product because India we are obviously a densely populated country where right away issues are tremendous in laying new transmissions lines and monopoles can help address that problem to quite a large extent because the ground coverage reduces drastically when a monopole is used instead of a lattice tower.

Raj Parikh: In the near future India in the domestic market regarding the monopoles can shoot up tremendously because of the same right?

Sharan Bansal: Yes obviously. We expect that let us say other countries also monopole has seen very large-scale adoption. India is yet to see that, but when it does happen then obviously we will have the early mover's advantage at that time.

Raj Parikh: Thank you Sir. That is all from my side.

Moderator: Thank you. Well that seemed to be the last question. I now hand the floor over to Mr. Amber Singhania for his closing comments.

Amber Singhania: Thank you, Janice. On behalf Asian Market Securities, I thank everyone for joining this call and a special thanks to the management of Skipper Limited for providing the insight about the company's business and future outlook. We conclude this call. Sharan Ji would you like to add any closing remarks?

Sharan Bansal: Thank you everyone for again your continued interest in Skipper. We are confident of the company's continuous robust performance in the future as well. Thank you once again for all your support.

Moderator: Thank you very much. Ladies and gentlemen, on behalf of Asian Market Securities that concludes this conference. Thank you all for joining us. You may now disconnect your lines. Thank you.