

Conference Call for the Unaudited Financial Results Q3 FY16

January 29, 2016; 3.45 P.M.

Moderator:

Good evening, Ladies and Gentlemen. Welcome to the IRB Infrastructure Developers Conference Call hosted by the Company for the unaudited financial results Q3 FY16. We have with us today Mr. Virendra Mhaiskar, Mr. Sudhir Hoshing, Mr. Anil Yadav, Mr. Dhananjay Joshi, Mr. Madhav Kale and Mr. Mehul Patel on the call.

After the opening remarks by the management there will be a question-and-answer session. I would now request Mr. Hoshing to give you an overview of the significant development during the quarter. Over to you, sir.

Sudhir Hoshing:

Good evening, I welcome all our investor and analysts for the third quarter concall. I hope all of you have our detailed number as well as presentation in hand by now. Overall, the December 2015 quarter has been a good quarter in terms of progress on the go, project construction as well as operations. If we look at the industry, the total value of tender issued in December 2015 stood at 599.3 billion out of which 50% accounts for the road sector, total value of tender issued in YTD FY16 stood at 4213 billion. NHA has awarded projects amounting to Rs.339 billion, 2757 kilometers YTD FY16 out of which EPC contracts were worth 212 billion, 1923 kilometers and BOT was worth 108 billion, 803 kilometers and hybrid annuity contracts were Rs.19 billion, 31 kilometers.

On project construction, we had five projects under implementation during the quarter, construction of Yedeshi Aurangabad, Solapur Yedeshi, Kaithal Rajasthan projects have largely contributed to the construction revenue in the last quarter. Other projects like Kundapur also have contributed to the construction revenue.

Construction segment operating EBITDA margin is at 28% during the quarter, construction order book now stands at 15,500 crores, this order book gives good revenue visibility to the company for the coming years. On operational front, from December 2015 we have commenced toll collection on NH8 arm of Ahmedabad-Vadodara project ahead of schedule. It is pertinent to note that there is no tariff increase in December 2015 quarter in any of the BOT project, however continued positive momentum in traffic growth during the quarter has resulted in 10% toll revenue growth in comparison to corresponding quarter last year. On a consolidated basis, average cost of debt remains at 10.75 per annum, net debt to equity stands at 2.71:1.

Recently we have won Zozila Tunnel project in J&K, the project involves construction of tunnels panning length of 14.08 kilometers, it is the longest tunnel in South Asia. The project has a strategic and socioeconomic importance for the people of Jammu and Kashmir and Leh Ladakh. This project would provide much needed all weather connectivity between Jammu Kashmir and Leh and hence assumes national importance. Concession period the project is 22 years including construction period of 7 year. The estimated project cost of the company is approximately 10,050 crores. The company will receive semi-annual annuity of Rs.981 crores from MORTH after the completion of construction of project which would be received twice in a year till the end of the concession period. We now stand pre-qualifying to bid for approximately 16,600 crores worth of project as and when projects will come for bidding we will evaluate them and bid for them selectively. On InvIT, the company has applied for registration of trust with SEBI and it is pending with SEBI. Upon successful registration, we will take further steps for the listing of InvIT.

Now, I request Mr. Anil Yadav to give an overview of the financial performance. Over to you, Anil.

Anil Yadav:

I will present the analysis of Q3 of FY16 versus Q3 of FY15. Total consolidated income for Q3 of FY16 has gone up to 1,364 crores from 993 crores, registering a growth of 37% over Q3 of

FY15. The consolidated toll revenue for Q3 of FY16 has gone up to 525 crores from 479 crores, registering growth of 10% while consolidated construction revenue for Q3 of FY16 have gone up to 808 crores from 484 crores over Q3 of FY15, registering growth of 67%.

EBITDA for Q3 of FY16 has gone up to 718 crores from 585 crores, registering growth of 23% over Q3 of FY15. Interest cost has also gone up by 11% to 264 crores in Q3 of FY16 from 237 crores in Q3 of FY15. Depreciation has also gone up by 23% to 226 crores in Q3 of FY16 from 179 crores in Q3 of FY15.

PBT has also increased to 228 crores in Q3 of FY16 from 169 crores, registering growth of 35% over Q3 of FY15. PAT for Q3 of FY16 has also gone up 168 crores, increased by 26% from 133 crores in Q3 of FY15.

Now I will request moderator to open the session for question-and-answer session.

Moderator: Thank you very much. Ladies and Gentlemen, we will now begin the question-and-answer session. We will take the first question from the line of Amit Sinha from Macquarie. Please go ahead.

Amit Sinha: My first question is on the new tunnel project which you have won, what is the kind of CAPEX which will be required in terms of the equipment purchase for this project?

Virendra Mhaiskar: We do not envisage any major CAPEX involvement, and if at all some is required it will be quite minimal and not something substantive. Because this mountain range is young mountain which results in soft mountain structure because of which the TBM or Tunnel Boring Machines will not be possible to be used in this and we will be using the conventional heading-benching method for the tunneling, so it would not involve any heavy CAPEX.

Amit Sinha: And in terms of technical expertise, as a company do we think we can do it on a standalone basis or we need to tie-up with somebody?

Virendra Mhaiskar: As regards the technical aspects and designing and PMC is concerned, we have already tied up with a Swiss consulting firm who are experts in this particular field and have large number of tunnels to their credit in Switzerland and they will be advising the company with regard to execution. As regards subcontracting, some parts of the work will be subcontracted and some parts will be done by the company in-house.

Amit Sinha: Sir secondly on the Ahmedabad-Vadodra expressway what is the current toll collection on a daily basis?

Virendra Mhaiskar: Here the current toll collection is in the range of around 1 crores to 1.05 crores but this is with around 93%, 94% of the tariff and that will go up by 6% - 7% once the punch list items are exhausted and the tariff will go up next year commensurate with the inflation. So we expect to be near to that hurdle mark of 1.2 crores in the next financial year.

Amit Sinha: And lastly, can you give me the debt and the cash number of MRM and the standalone business?

Anil Yadav: Total debt is roughly 14,335 crores out of which 2,000-odd crores will be the construction and MRM debt and SPV debt will be roughly 11,200 crores and plus 1,000 crores will be overdraft.

Amit Sinha: And the cash?

Anil Yadav: Cash is approximately 1,400 crores.

Moderator: Thank you very much. We will take the next question from the line of Atul Tiwari from Citigroup.

Atul Tiwari: Sir my question is on the Mumbai-Pune expressway, what is the status of commencement of work on Phase II right now because you have achieved financial closure which we saw in your presentation, so have you heard anything from the government or what is your sense when we can start the construction?

Virendra Mhaskar: We believe that we will have a decision on this very soon, we do not have any exact update from the government as yet but from whatever informal discussions which we have in having with them we expect to start the construction soon.

Atul Tiwari: And can government decide not to go ahead with the project, is it feasible or have you already entered into a legal contract with the government which binds the government into completion of the project?

Virendra Mhaskar: You will appreciate that a financial closure can be achieved only if there is a binding concession agreement which can be shared with the lenders, so when we say we have achieved financial closure naturally we have a legally binding concession agreement. But to answer your question specifically, can the government decide not to go ahead, yes they can decide not to go ahead.

Atul Tiwari: In that scenario will they have to make some kind of payment to you guys as per the concession agreement?

Virendra Mhaskar: No, the work has not yet started so there is no equity that has chased.

Atul Tiwari: And sir the second one is on Agra-Itawa, it has been quite some time and the financial closure is not done yet, so when can we expect the financial closure and what is exactly holding it up?

Virendra Mhaskar: Our 180 day period ends only in March, so we are well within our contractual period to achieve the closure and we are confident to achieve that very soon. So with the first quarter of next year we should be able to start the execution on that project as planned.

Moderator: Thank you very much. We will take the next question from the line of Nitin Arora from Emkay Global.

Nitin Arora: Sir, basically just asking you the question again about this Zozila tunnel and you said there is a Swiss company which is consulted as far as execution is concerned, sir some sort of royalty we would be paying to them, so just wanted to get a sense that what kind of a construction margin we will be garnering on this order?

Virendra Mhaskar: No, it is a consulting company like any other Indian consultant who will be helping us with the project management and design consultancy, so they will have a normal fee as any other consultant would have, there is no royalty payment attached because there is no technology transfer happening here. And as regards the margin, we will be having a similar kind of construction margin that we have for all other projects that we have with us.

Nitin Arora: And sir in terms of our construction revenue run rate, I mean this is something that has been very strong consistent, what sort of revenue we are looking in construction segment to close this year and some sort of guidance if you can give for the next year as well.

Anil Yadav: Similar kind of run rate we anticipate in the fourth quarter also, so then if you add nine months number around 810 crores of revenue from construction that will be the yearly number for this year.

Virendra Mhaskar: The only one thing that one should keep in mind is that the amortization for Ahmedabad-Vadodra for one full quarter will get added which at the moment is only for one month and also the interest.

Nitin Arora: Sir can you give us the construction revenue breakup project by project?

Anil Yadav: Ahmedabad-Vadodra contribution was close to about 70 crores, SYBOT close to 200 crores, YABOT was roughly 220 crores, similar was from Kaithal Rajasthan and roughly 50 crores from Karwar Kundapur and 50 crores from utility shifting and other additional work.

Nitin Arora: Sir, any specific reason Kundapur is going a little slow as per the execution?

Virendra Mhaskar: No, it is not going slow, now we have entered a phase where we have to do lot of hill cutting because as you know it is a project which passes through lot of hilly terrain. So as we have entered that phase there is a lot of earth work involved which is not translating into financially highly billable items, but as we complete that part the billing will again pick up from next quarter.

Nitin Arora: Sir just last two questions, one, if you can give the breakup of the other income in the construction and the BOT?

Anil Yadav: 26 crores is in construction and approximately 5 crores in BOT.

Nitin Arora: And sir what is our equity requirement now as of today?

Anil Yadav: Equity requirement including Zozila tunnel will be roughly 5,000 crores and excluding Zozila and including Mumbai-Pune Phase II it will be 2,500 crores.

Nitin Arora: You are saying including Mumbai-Pune Phase II 2,500 crores?

Anil Yadav: Yes.

Nitin Arora: And sir the spread for the remaining of this last quarter and the next two years, if you can give that.

Anil Yadav: Roughly 200 crores to 300 crores will be required in this quarter and roughly 800 will be in FY17, roughly 1000 to 1200 in FY18 and balance will be FY19 for as far as 2500 is concerned. And our Zozila will be required over period of seven years.

Virendra Mhaskar: But in Zozila also the equity infusion will be spread over seven years but it is going to be a ballooning construction because as you start getting more and more fronts the construction turnover will pick up. So there also the equity requirement will be much, rear ended.

Nitin Arora: Sir just one thing on Zozila, considering that these are the hills which are basically made of sand and you have explained us there you cannot put a TBM, so as far as subcontracting is concerned, any specific local players will be tying up there or...?

Virendra Mhaskar: Yes, we will be hiring local labor agencies who are good in these kind of works but they are not made of sand, so in terms of grade of rock it is still of grade 5 rock.

Moderator: Thank you very much. We will take the next question from the line of Akshay Soni from Morgan Stanley. Please go ahead.

Akshay Soni: Sir most of my questions actually have been answered, just if I could get a perspective on INVIT what is the timeline that you are anticipating, I know it is with SEBI but you were expecting the INVIT listing around March, what is the timeline that you are anticipating now and what is the size you are looking at in terms of the number of roads that you would be transferring in terms of average size you would be looking at?

Virendra Mhaskar: See Akshay, you are right that we were definitely anticipating to reach to a logical end by end of March, but as of now inspite of having applied to SEBI for almost now two months we are yet to get the approval, also this being a new thing they are also struggling to come out with definite requirements. So it is an emerging process and we expect the registration to be through very soon, if that goes through than maybe with a couple of month's delay but I think

still in a reasonable timeframe we should be able to be there. It might not be possible by March but maybe one quarter more.

Akshay Soni:

And in terms of size if you could share something.

Virendra Mhaiskar:

In terms of size, what we are discussing is around six projects that to our mind stay qualified in terms of after whatever consultation we have been having internally and after rigorous meetings and discussions, six projects we believe which are the most stable ones may find favor of getting in the first course.

Moderator:

Thank you very much. We will take the next question from the line of Vibhor Singhal from Phillip Capital. Please go ahead.

Vibhor Singhal:

My question was regarding the Vadodara-Ahmedabad project, so as you mentioned that we basically started the toll collection from December 5th, but we are still collecting only 94% of toll collection as you mentioned, so what is the kind of jump that we are expecting let's say on a QoQ basis in terms of toll collection depending on when we get that 100% approval?

Virendra Mhaiskar:

See, in 180 days we have to complete the punch list items as per the certificate that we have received and after that we will get the jump of that 7% - 8% on the tariff, plus we will get next year's 3%-4% inflation linked tariff adjustment and the normal growth. So we expect around 15% ramp up in the revenue once this whole thing is done with.

Vibhor Singhal:

So that could probably come in the first quarter of next year I suppose?

Virendra Mhaiskar:

Yes, six months from December because you cannot revise the tariff for 180 days between two tariff revisions.

Vibhor Singhal:

And sir the interest and the amortization that we would be paying, that would start from January for 100% of the project itself, right, or would that also be proportionate to 94%?

Virendra Mhaiskar:

Yes, the amortization schedule will be based on the actual traffic count linked to the concession period clauses and that will be for one full quarter that will kick in from January to March.

Vibhor Singhal:

So sir any delta that you could provide that by how much could our interest expense actually go up in the next quarter?

Anil Yadav:

The total loan is 3,100 crores on this project and cost will be roughly 11%, so in this quarter we have provided for one month and there will be cost for 3 months i.e. two additional months cost as compared to Dec 15 in next quarter.

Vibhor Singhal:

But we were already providing it for the expressway part of the project, right?

Anil Yadav:

See, that was a very small portion that was hardly 300 plus cost.

Vibhor Singhal:

For the full year?

Anil Yadav:

Yes.

Vibhor Singhal:

Also sir my second question was on the EPC revenue front, so if I look at the EPC order book right now of 1,500 crores that we have, large part of it is directly comprised of two projects of Agra Ethawah and let's say the Zozila tunnel and assuming that even if we move fast on Zozila tunnel with the financial closure we achieve the financial closure in the next six months, by then I think the winter will start in and I do not think so we would be able to execute any activity in FY17 per say. So do you envisage that the EPC revenue for FY17 will all be majorly driven by the current projects on which the execution is currently going on?

Virendra Mhaiskar: Yes, it will be presently hinging around the present projects and Agra-Itawa will add into it.

Vibhor Singhal: So you expect Agra-Itawa to probably start construction in FY17?

Virendra Mhaiskar: Yes, certainly because it is a six lane project, so it will give good construction turnover in the FY17 period.

Vibhor Singhal: Also sir, my last question is on the Zozila tunnel project, you mentioned that some part of the project is what you would be subcontracting to local players, I know it is still probably early days and maybe the project is still on the drawing board but is there any quantum that you guys kind of that in mind that this much amount of work we might need to subcontract?

Virendra Mhaiskar: It will be difficult to put a number to it today, I mean the entire plant and machinery and the equipment and the raw material will be sourced by us, it will be more of labor contract that we usually play. So it will be difficult to place a total number today.

Vibhor Singhal: Sir lastly if I can just squeeze in one more question regarding the same project, sir historically we have never bid for any annuity project, I think this is our first annuity project that we have gone for and that too in a terrain which is like very difficult to execute, I mean we have had one of your competitors who is building a tunnel in that domain and that project is already delayed by around nine months to 11 months. So just wanted to get your perspective as to what exactly drove us to take this project, I mean are we not seeing a very healthy pipeline in terms of other BOT toll projects that we actually went for annuity project with such a difficult execution terrain?

Virendra Mhaiskar: See, I do not completely agree that it is a project which is very difficult or not doable kind of a project because we have done tunnels in hilly terrain in the past, point number one. Point number two, the size of the project was significant and the annuity that will come in is also going to be significant. So one other aspect which was on the back of our mind was that if we look back we hedged our beds by growing into different states, now having grown into eight, nine states the further hedging concept was revolving that entire revenue over a long period of time was going to come only by way of tolls. So to further hedge it this we found as a very good tool where substantial revenue will now come in also by way of annuity that provides a good amount of stability to the entire revenue model. And almost 2000 crores of annuity will start coming in once the tunnel is done and operational, so that also was one of the thoughts which was hinging on our mind. As regards the terrain and the challenges are concerned, that is duly and well factored in the seven years long construction period. So that we do not see as much of an issue.

Moderator: Thank you very much. We will take the next question from the line of Subramaniam Yadav from SubhkamVentures.

Subramaniam Yadav: Sir, going forward our revenue mix would be changing more towards the EPC, so looking at it our margin which was around 58% - 59% kind of a margin, would it likely to come down to 50% - 52%, is it possible?

Virendra Mhaiskar: I think the right way to look at the EBITDA margin would be to look at the individual vertical EBITDA margin and if you look at both the EBITDA margins on both verticals tolling as well as construction have remained fairly strong and in the same range, have been very stable. If the product mix changes, naturally to the effect consol EBITDA would change, but the right way to look at it would be to look at the individual vertical of the business and look at the EBITDA whether it has changed or not.

Subramaniam Yadav: And second thing sir, when is it likely to break the ground in the Zozila project?

Virendra Mhaiskar: We expect that in 180 days time once we sign the concession which should happen very soon, we should be able to make the ground and start the work.

Subramaniam Yadav: Sir, but again like the earlier caller has said that the winter would come in and again we would not be able to start anything from October-November.

Virendra Mhaiskar: No, I understand that but the problem is that there are lots of other activities which also need to start simultaneously for the work and those all because there is approach slowdown both the sides and there are a lot of preparatory work which need to be done, all those will certainly commence.

Subramaniam Yadav: So we will book some revenue from this project in FY17?

Virendra Mhaiskar: Yes, certainly.

Moderator: Thank you very much. We will take the next question from the line of Dileep Narayanan from Deutsche Equities. Please go ahead.

Dileep Narayanan: I think most of my questions have been answered, just one or two things. In the opening commentary the average costs of funding I do not know whether I heard it right or not was 10.75, is it 10.75 or 11.75?

Anil Yadav: It is 10.75.

Dileep Narayanan: This is for the stabilized projects or including everything at a portfolio level?

Anil Yadav: This is average cost including all.

Dileep Narayanan: And for the new concessions that we have signed, what is the cost there?

Virendra Mhaiskar: See I think the breakup is something like this, the under construction project, the interest rate is varying between 11.25% to 11.5%, at the operational project the interest rate is somewhere between 10% to 10.5%.

Dileep Narayanan: Has there been some reset sir because last call the numbers were slightly higher, that is the reason that I was asking on this question.

Virendra Mhaiskar: No, I think that is a continuous process, every given due reset dates this is a dynamic process which keeps happening. And as we had said in the past also that when the rates were cut by RBI we had these questions from you guys that whether we will get the pass on benefit immediately, and that time also we had said that whenever the resets are due we will get those benefits on those due dates. So as those dates are now happening the costs will slowly come down.

Anil Yadav: And to add to that further, we have certain projects which are linked with bank rate plus spread, so whenever the bank rate comes down the rate of interest automatically comes down.

Dileep Narayanan: And the second thing was, those three projects in Maharashtra where tolling was stopped, have we got the compensation for that?

Virendra Mhaiskar: No, I think the number has got crystallized now and before March we are very much hopeful that the cheque should be in the bank.

Dileep Narayanan: And what could that quantum be in number?

Virendra Mhaiskar: See, Mohol - Mandrup Kamti, Nagar - Karmala - Tembhorni are those two projects so there we expect around 20 crores to 25 crores to come. In Thane - Ghodbunder only cars were exempted, so there they are going to pay the loss of revenue due to exemption of cars on annual basis. So it would be around 10 crores to 12 crores of annual payment that they will make for the balance five years.

Dileep Narayanan: And lastly on this Omallur – Salem – Namakkal road, there was that stoppage, of how many days was it?

Virendra Mhaiskar: Because of the Chennai floods on humanitarian ground Ministry of Road Transport and Highways had asked all the concessionaires to keep the tolling close for 15-20 days and they have asked us to officially launch the claim for loss of revenue which has been done. So that is the reason if you look at the presentation you will see a fall in the revenue on the Omallur – Salem – Namakkal for 15 days, but we believe that the compensation should be with us soon.

Moderator: Thank you very much. We will take the next question from the line of Nitin Arora from Emkay Global.

Nitin Arora: Sir, just wanted to ask you, based on the tariff hike what we talked also about Ahmedabad-Vadodra, for FY17 what should the per day toll collection number we should work with for the revenue for the whole year?

Virendra Mhaiskar: Would be difficult to immediately calculate and give you, we will make an exercise and come back to you.

Nitin Arora: But sir it should be roughly around 1.2 crores to 1.3 crores is the numbers is post the tariff hike we should work with or is there something on the lower side?

Virendra Mhaiskar: You are only asking about the Ahmedabad-Vadodra?

Nitin Arora: Yes sir.

Virendra Mhaiskar: The Ahmedabad-Vadodra with the full revenue next year we should be somewhere close to 1.2 crores per day.

Nitin Arora: And sir can you give us a sense that the interest cost and depreciation, how much was that for one month in this quarter?

Anil Yadav: Interest would have been approximately 15 crores or so, amortization would have been in range of 8 crores to 10 crores.

Nitin Arora: So sir in the next quarters the incremental increase in depreciation would be roughly around 30 crores and interest would be close to about 30 crores, 35 crores?

Anil Yadav: Yes, close to that.

Moderator: Thank you very much. We will take the next question from the line of Ankita Bora from B&K Securities.

Ankita Bora: Sir my question was on your strategy going forward on new order additions, so would we be continue to go and look for new projects going forward or with the healthy order inflows that we have got now probably we might slowdown on your order additions and what kind of projects will we be looking for going forward?

Virendra Mhaiskar: See, incrementally I think we have with Zozila coming in we have achieved our internal targets to a great extent even for FY17 I would say, but as you rightly said we will be a little choosy now, we would not be rushing into anything for sure and whatever we feel is able to give us a reasonably good IRR only those projects we will look at in a selective manner, particularly the six laneing ones which will be the ones which we will be keen to work on.

Ankita Bora: And also on hybrid annuities, are we looking at those projects as well?

Virendra Mhaiskar: Not yet.

Ankita Bora: And what kind of IRRs are we expecting on the Zozila project?

Virendra Mhaiskar: Zozila we expect around 16% equity IRR.

Ankita Bora: And when do we expect a pick up on Goa - Kundapur project?

Virendra Mhaiskar: Goa - Kundapur is already slowly picking up, so in the fourth quarter you will see much better execution than what you saw in the third quarter.

Ankita Bora: So it would be better than what we have done in this quarter?

Virendra Mhaiskar: Yes, certainly.

Moderator: Thank you very much. We will take the next question from the line of Prem Khurana from Anand Rathi. Please go ahead.

Prem Khurana: Most of my questions have already been answered, just one question, if I look at our toll collection numbers for the quarter, Pathankot - Amritsar I mean at least on a sequentially seems to have a significant jump in the numbers of almost 25% odd, what explains this sudden jump in the number?

Virendra Mhaiskar: Yes, Amritsar - Pathankot has been quite promising and we have seen good traction on the project, I believe that in the past when the project commissioned we had seen that the collections were lower than what we had anticipated and that time also we had said that the traffic diversion which was happening to the state highways which were not capable of carrying that kind of volume will slowly yield in and we will see the traffic coming back to us. I think that prediction of ours is proving right now with the volume coming back and using the road that has proved right in less than a year's time.

Prem Khurana: So the jump in traffic is entirely on account of overloading charges?

Virendra Mhaiskar: No, overloading is hardly anything.

Moderator: Thank you. We will take the next question from the line of Naveen Jain from JM Financial. Please go ahead.

Naveen Jain: Sir question on the toll collection at Ahmedabad - Vadodra project which was 52.7 crores last quarter, is it possible to split it between the expressway and the NH component?

Virendra Mhaiskar: It will be difficult because at the moment it is yet to stabilize, so at the moment it is very difficult to split that up.

Naveen Jain: Secondly, you mentioned that for InvIT you are looking at six projects which can qualify for it, can you tell which projects are those?

Virendra Mhaiskar: Will be difficult to share the names as of now, once we are on filing the thing we will let you know.

Naveen Jain: And Surat – Dahisar what was the tariff hike that we got?

Virendra Mhaiskar: Approximately 2%.

Naveen Jain: Actually, your presentation says that traffic growth in Surat - Dahisar is 8%, the total toll revenue growth is also 8% on a YoY basis for this quarter. So that is why I was wondering if the tariff increase was not there in this project during the last tariff setting.

Anil Yadav: There was close to 2% hike in Surat - Dahisar and 2% negative in Bharuch - Surat.

Virendra Mhaiskar: But this tariff hike in Surat - Dahisar was July, not in this quarter.

Naveen Jain: Yes, I got it, but I am talking about YoY, so your base quarter.

Virendra Mhaiskar: Yes, around 2%.

Naveen Jain: Sure, so that means traffic growth would have been around 6%?

Virendra Mhaiskar: Yes, 6% - 6.5%.

Moderator: Thank you very much. We will take the next question from the line of Ankita Bora from B&K Securities. Please go ahead.

Ankita Bora: Sir, just one question, on this Surat - Dahisar we said we had a toll rate hike of 2%, this is on a new concession agreement based on your 3% plus 40% of WPI, so at least 3% should have been there, right?

Virendra Mhaiskar: No, this project is old concession where it is 100% linked to inflation, both Bharuch - Surat and Surat - Dahisar are projects which are 100% linked to WPI. So as Anil said, Bharuch - Surat we saw negative tariff hike of 2% and on Surat - Dahisar it was 2% positive.

Ankita Bora: So why is that so?

Virendra Mhaiskar: Because of the length, we have to round up the tariff.

Anil Yadav: It is a different date, Bharuch - Surat there is a concession provision talks about particular date WPI and Surat - Dahisar is average for the year.

Ankita Bora: I did not get that sir.

Anil Yadav: See, Surat - Dahisar it talks about average increase in the WPI in a financial year and Bharuch - Surat it says that on a particular date. Suppose they have set 31st December so whatever the increase in WPI on 31st December compared with the last 31st December, that much rate hike you will get.

Moderator: Thank you very much. As there are no further questions, I would now like to hand the conference over to Mr. Hoshing for closing comments.

Sudhir Hoshing: I would like to thank all our investors and analysts and we would like to see you soon later next quarter. Thank you.

Moderator: Thank you, sir. Ladies and Gentlemen, this concludes your conference for today. We thank you for your participation and for using Research Pipes conferencing services. You may please disconnect your lines now. Thank you and have a great evening.