



“ITD Cementation India Limited CY12 Post Results Conference Call”

March 7, 2013



MANAGEMENT: **MR. ADUN SARABAN – MANAGING DIRECTOR, ITD CEMENTATION**
MR. B.K. SAHA – SENIOR EXECUTIVE VICE PRESIDENT, ITD CEMENTATION
MR. S. RAMNATH – CHIEF FINANCIAL OFFICER, ITD CEMENTATION

MODERATOR: **MR. NIRAV VASA – ANALYST, SBICAP SECURITIES**



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Moderator Ladies and gentlemen, good day and welcome to the ITD Cementation India Limited CY12 Post Results Conference Call hosted by SBICAP Securities. As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during this conference, please signal an operator by pressing '*' and then '0' on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. Nirav Vasa from SBICAP Securities. Thank you. And over to you sir.

Nirav Vasa Good afternoon, ladies and gentlemen, and a warm welcome. Thank you very much for attending the CY12 Post earnings conference call of ITD Cementation India Limited. Representing the management are Mr. Adun Saraban – Managing Director of the company; Mr. B.K. Saha – Senior Executive Vice President and Mr. S. Ramnath – Chief Financial Officer of the company. May I please request the management to give some opening remarks related to their annual performance, after which we can start the Q&A session.

S. Ramnath: I will just summarize the performance of the company. Mr. B.K. Saha, I request thereafter a couple of minutes to engage with the participants to give some background about our business and our Managing Director Mr. Saraban will talk about the role of ITD, how they have been able to strengthening our business areas and operations since they took over in 2004. So let me begin with a brief on the performance for last year.

All the participants may have already had a chance to look at the results that were published. Just to dwell on it for some time the performance of the year was almost with the flat top line last year December. Our consolidated top line was 1640 crores and we made PBT of 31.06 crores and PAT of 22 crores roughly, PAT was more or less like last year whereas the PBT was about 10% higher than last year, that is against 282 crores we made 31.06 crores. Now, the top line was almost flat because during the last quarter of the year we could not push ahead on certain projects because of some payment issues we had with certain customers in three or four of our projects, we had put a voluntary stop on that because the customers were having some payment problem. Otherwise, we would have definitely closed the year.

Yes, that is the reason why for the quarter the results have been slightly lower. We made a net profit of 138 crores consolidated against 224 crores of the previous year for the quarter. But for this I think where we lost some revenues you can see in that quarter we could have done better than what we did in the comparable previous quarter of last year.

Now, I would request Mr. B.K. Saha just to take a few minutes on our company.

Bijoy Saha: Good afternoon gentlemen. ITD Cementation has been traditionally on the business of marine, civil construction and also specially foundation engineering construction. Ever since ITD came in which Mr. Saraban will explain about ITD inputs we started getting into the role of infrastructure construction commencing from national highway development project, and also



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investment on the DMRC and other projects. Present day, we have in domain space on infrastructure mostly on Marine projects, we also have presence on MRTS; MRTS in Delhi, Rajasthan, Kolkata, and we are looking follow forward for Cochin. We are also there on airport development. You must be knowing that Kolkata Airport has been constructed and it has been inaugurated last month by the Hon'ble President of India and that has been one of the signature projects for this company. We have substantial presence on hydro and tunneling. Presently, we are engaged for a project at Jammu for rail connectivity project with Udhampur and Jammu. We are also having Hydro project in east that is for Meghalaya Electricity Board where we are building a full scale hydro power project near Guwahati. These are the general areas where we work. I will now request Mr. Adun Saraban to take over and give input on ITD's involvement.

Adun Saraban

Thank you so much, Bijoy. Good afternoon ladies and gentlemen. I like to give you a brief information about our parent company Italian-Thai development Public Company Limited. Actually company is established in 1958 -- 55 years old company. The turnover in 2011 is about 44,945 or almost it is about Rs. 8,000 crores. The Italian-Thai is the largest engineering and construction company in Thailand with almost 22,000 employees including 1400 qualified engineers. And out of 22,000 employees, almost about 500-800 working in India only. Last year its contribution revenue from the Indian operations is about 30% on the ITD turnover. ITD has been operating in almost segment of the construction like marine, airport, buildings, dams, tunneling, highways, and expressways. All I can say that it is almost of the sector that is Indian construction being done now. And today is ITD Bangkok is holding 70% share in ITD Cementation. Since 2004 or beginning of 2005 when ITD acquired this company ITD play a major role with ITD Cementation. We bid together in the joint venture name and secured so many projects and now ITD Cementation becoming one of the very few Indian contractors who can get qualified for any kind of the projects in India, using our parent's company credential. This is a brief of the ITD Bangkok. Thank you.

Moderator

Thank you. We will now begin the question-and-answer session. The first question is from the line of HR Gala from Quest Investment Advisors. Please go ahead.

HR Gala

We do appreciate the macro conditions under which our company has operated in 2012 with not much activities taking place in the infrastructure space. Now, can you share some data points in terms of how has been the order flow in 2012, pending order position, etc., and how do you view next year in terms of these parameters?

Adun Saraban

Our order flow of the year 2012 is we received order almost is about 1430 crores. And if we compare to the last year, last year is 1,13,000 that is improving by 76% and the other work in hand we had as of December is about 2,89,000 as compared to the year 2011 is almost same but one thing is different that is if we see the lowest, the bid where we are lowest as of February '12 today is about 600 crores. Comparing to the last year as of February '11 which is 438 crores, that is improving by 37% and even yesterday we were lowest won the tender



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which was 289 crores. So we consider that is as of today work in hand or backlog we had is about 3,480 crores. This is position of backlog we have.

HR Gala

How do you see the outlook for 2013 in terms of the expeditious execution and the order flow like which are the segments do you expect to contribute to that?

Adun Saraban

We will continue focusing on the three major areas. One is the marine work, the second is the specialised of foundation work and three, is area where we can leverage our parent company's strength like MRT, airport, these kind of things. On these three areas we will continue to contribute in our revenues in the range of 75-80%, because it is a core area that is where we have the expertise if we see, marine and specialized it is also less competitors comparing in other areas.

HR Gala

So our pending order book position as on today which you said is 3,480 crores. Can you give broad breakup against different verticals how much that would be?

Adun Saraban

Let us say it is a hydro dam tunneling irrigation, we have 30% and marine work we have 20%, specialized we have 12%, transportation that is 12% and the MRT 26%, that is balance is only small industrial work water sewage treatment and airport which left over work at the Kolkata that is only small sum but this is largely is our order in hand we have.

HR Gala

Just last question from my side, how is the embedded profitability in this pending order, do we anticipate our EBITDA margins which is around 11% to grow next year?

Adun Saraban

That is very challenging. If you see we still different from everybody. We try to focus on the bottom line rather than the top line. So we have to balance now between the revenues and the profitability where the market is not encouraging. So we may have to go for the lower margins but our target is to continue EBITDA level at 10-11%, this is our minimum.

Moderator

Thank you. We have next question from the line of R. Ramakrishnan. Please go ahead.

R. Ramakrishnan:

I just wanted to know, the litigations going with NHAI and more over just wanted to know what is your view of new regulatory body coming up in the Road sector and how good it is for the overall sector?

S. Ramnath

The litigation process in NHAI goes through the various levels, starting with DRB arbitration, then high court and supreme court and there is progress in courts; supreme court cases hearings are going on, some awards which are in our favor have also happened at the high court level but yes, there is still some time in converting those awards into cash. So, we expect that to gain momentum by second half of this year, maybe around 25-30 crores we are expecting monies to be realized from the awards that are in our favor. Now, answering your second question on the new regulatory body, it remains to be seen because there are I think quite a few regulatory bodies being appointed but ultimately we need to see how effectively

they are able to manage on both sides of the regulation, that is the recipient and also the contracting community like us who work on this project. But yes, one thing is for sure, NHAI has realized that there have been certain problems in earlier projects and they are I think in recent times very vigorously involved with the contractor community to resolve the pending issues. I think you will find going forward less of litigation and more of settlement kind of processes coming into the regulatory body. That I think is going to happen.

R. Ramakrishnan Can you give us brief idea how much capital would have been struck in this settlement thing and in the litigation thing?

S. Ramnath For the industry as a whole you mean?

R. Ramakrishnan Yeah, industry as a whole, I am not talking about....

S. Ramnath There are two types of estimates. From one quarter I have seen estimates of around 50,000 crores. On the other hand, I read one magazine, "Construction World" which talked of overall 1 lakh crore. So I think it is somewhere in between these two. It is very pretty large sum.

R. Ramakrishnan But what is your estimate for this 50,000 crores, justification from where you have derived?

S. Ramnath That I read from some regulatory authorities only recently. Overall, they mentioned that these are the kind of sums which are involved in the litigation process.

R. Ramakrishnan Do you not think such a huge amount 50,000 crores or say 1 lakh crore, the capital has been struck in litigation, it is very bad for the sector?

S. Ramnath Certainly. That is why you find many people are not bidding for these projects now because they have been hurt badly and you have seen, I do not have to say name, you have seen recently very big companies also, withdrawing from BOT projects in the road sector. And after all I think this has created a problem on our roadmap for building new projects in this sector.

R. Ramakrishnan So that means you are saying that one of the reasons NHAI recent bids have attracted less players is because of this heavy litigation, right?

Adun Saraban Certainly yes.

Moderator Thank you. The next question is from the line of Bharat Sheth from Quest Investments. Please go ahead.

Bharat Sheth Just taking a previous question, our ITD level, how much of capital which is on book/off book?



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- S. Ramnath** On book/off book I did not understand. What I am saying is as far as we are concerned in NHAI around 130 crores investments of ours in the form of work-in-progress or receivables are going through the litigation process are involved in this litigation progress. Other than this 130 crores there are some irrigation level projects in Andhra Pradesh also which are in that and these both have been covered -- the actual figures have been given in the notes to our accounts.
- Bharat Sheth** Now, in the initial remarks you said that in Q4 of top line because of payment problem with the customer we have not been able to. Can you just clarify how much is the quantity, how much is the amount and what is the current status now?
- S. Ramnath** I do not want to take names of individual customers. Here it is not appropriate but I will still highlight two-three things to you. One is there was one port project that we were awarded in April and in July-August or so that was about 455 crores contract, and we expected quite a bit of work to be done up to December, and up to September the contract could not be financially closed by that party, and ultimately they withdrew from the project and they had to forfeit their earnest money also on the project. That was a foreign party. So that we lost some turnover there. Another irrigation project in Andhra Pradesh that was to take off by October took off finally only in January or February because of central funding. They were expecting central funding to come by October that did not happen. And naturally, when the funding is not in place you do not want to push ahead with the project. So we lost some revenues there. And apart from that there are three or four projects where because customers have been having some payment issues and financial closure issues on that project, we deliberately went slow on those projects. That affected last quarter turnover and that is why we are overall about 150 odd crores short than what we plan to execute for the full year.
- Bharat Sheth** Now, what is the status of those projects apart from port,
- S. Ramnath** That port project is gone, they have lost. So we are targeting other projects now, and there are several in the pipeline that are going well but yes, it is taking a bit more time than normal. That is right.
- Bharat Sheth** So irrigation....
- S. Ramnath** Irrigation has started.
- Bharat Sheth** And other three-four...
- S. Ramnath** The other three projects, there are two or three projects are still not yet very clear.
- Bharat Sheth** We were reasonably bullish on port side and airport side. How do you see the pipeline and ...?



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- S. Ramnath** We are bullish means what happens is airport, as long as they are in PPP sector, that is through BOT project, we are not a BOT company, we are a pure construction company. We look at EPC opportunities. So we are not a BOT company. So as long as new airports come in the BOT space we may not be able to bid for them unless of course the BOT operator chooses us as a contractor which may or may not always be the case. Now, as far as Greenfield projects which are done by AAI themselves, like the Kolkata Airport project, we will definitely be bidding for those types of projects.
- Bharat Sheth** What is the pipeline that you see in a near-to-medium term?
- S. Ramnath** Government has talked of many 13 Greenfield projects being looked at in the XII Five Year Plan all that. There are always so many targets being set but how much of them really take off and move into the drawing board remains to be seen. But Mr. Bijoy Saha will be able to answer more detail on this.
- Bharat Sheth** I want to know the airport side, port side and what is the visibility?
- Bijoy Saha** All the major airports, the modernization has been done, all the new initiatives as what we see Navi Mumbai is being talked about for a couple of years. Some of the private airports and where private participants are working we are keeping touch but like Mr. Ramnath says all has to come ultimately on the reality. On immediate terms there is not many in the offing except one or two odd cases. That is what we see.
- Bharat Sheth** Kannur airport.
- Bijoy Saha** Kannur is there on the plate. There are one or two odd cases but not as a big boost.
- Bharat Sheth** And port side?
- Bijoy Saha** Port side we have been very anxiously waiting for clearances of the projects like Chennai Container Terminal we are also looking forward for further clearances of Ennore Port where Ennore Port authorities are working on that. We are also looking forward for Sagar port in West Bengal which has come to the budgetary lecture by our finance minister. These are on the initiatives by the government. Then coming back to the PPP model there are smaller airports being talked about. Overall, we will have to wait and see how quickly those really come in the construction mode.
- Bharat Sheth** This question is for our M.D. How we really plan because a lot of delay may likely to happen. So in near-term what is the strategy to grow our....?
- Adun Saraban** I give you so that we will have the ideas. If we see the projection or estimation by world bank that for the whole economy it is only 2.4% that is overall. But it is only two areas except China that still continue enjoyed highest growth for this year at 8.4% something. Another two



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areas is East Asia and the pacific region, the growth estimate, growth is something about 7.9% and this is including Thailand and neighboring countries. So, as being the subsidiary of ITD Bangkok that is opportunity we had. And now the team is working on this plan. I believe that is something will be materialized in the second quarter this year where we can share some work from our parent company in Thailand or Myanmar. That is like a backup plan or the option that we have in addition to the India market.

Bharat Sheth

How about in India market which are the areas that we expect to continue to grow apart from MRTS? In MRTS, how big the opportunity do you see?

Adun Saraban

It is a lot. Because like Cochin Metro now will start coming after Dr. Sreedharan initiated. And then even the second phase I see today from the newspapers, he invite the consultant already. That is 4-5 tenders in the pipeline would be open in a couple of weeks from now. And we are talking on the Ahmedabad MRT we have the Jaipur Metro, even Mumbai Metro Phase-II. Many more to come. And I give you one idea. You can see that our capability of the company has. When the MRT Phase-II was doing only throughout my tunneling boring machine for the underground MRT. Now up to 4 belong to us. And today I believe when the DMRC Phase-III coming in full-fledged, and you see now in Kolkata, Bengaluru, Chennai, everywhere that is 40, we estimate it is about 50 number of the TBM will be operating in full-fledged. So that it is for us to increase from the 4 TBM to 6 TBM is not a big thing. But that does mean other companies is the 40 TBM they have to fight each other because the team who is doing the micro tunneling or operating the tunneling boring machine is only this team only, only the 12 teams was doing in the DMRC Phase-II only. So that is the capability we have.

Bharat Sheth

How do you see the industrial thing moving, our diaphragm, piling and specialised work that we call.

Adun Saraban

The foundation that is still remain to be a concern because largely in the past we have done in the power sector, but certainly that is power sector has had a problem of either environment or financial closures it is many, many power plant that is even there is no further progress so far. So that it remain to be a concern but as I mentioned before first area that we may share the work load from our parent company is a piling work in Thailand, because now many work in Thailand going to come up in the near future, they are talking on the such protection project, they are talking on budget something about 3 lakh crores but that is huge, that is going to come up in just only the 2-3 months' time.

Bharat Sheth

In initial remarks you mentioned that around 900 crores we are L1. So these are which segment?

Adun Saraban

We L1 for DMRC Phase-III Underground Metro. It is about 752 crores, but that is 51/49% share with our parent company, our share is only 49%. And then MRT in Ahmedabad is about 200 crores, elevated road for Ghaziabad, that is 115 crores, and then Agartala Power



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Treatment plan is 40 crores. Yesterday as I mentioned PWD Delhi Flyover opened yesterday that is we were lowest at 289 crores. This work is going to come up.

Bharat Sheth Still we expect around say 1500 crores order book in next 3-4 months?

Adun Saraban Yeah. Actually today should have been opened one more tender but it is postponed by next week I believe.

Bharat Sheth How much CAPEX that we have to do for this two boring tunneling machine that we have to invest?

Adun Saraban We require for the Delhi Metro is 4 TBM. We already have 2 TBM in hand. That is the completion of Kolkata and this is perfectly matched. So we can say 2 TBM. We purchase only 2 TBM for our port requirements.

Bharat Sheth Currently, how much is our borrowing, what level, and how do we really plan to because our interest is almost hitting our savings more than 80% of the EBITDA?

S. Ramnath Presently, our borrowing is about 660 crores as of now. By December it was around 680 crores. Now, we are conscious about this but today the problem has been because of our money locked up in partly through litigation, partly through increase in work-in-progress on projects where there is a slow movement. This has affected our debt. But our plan is not to increase the borrowing, keep it at the same level this year. So if we are able to ensure that our current assets level do not balloon up much by probably monitoring all these projects very closely, that is our intention. And if we are able to manage it by end of this year our debt level should be better than what it is now.

Moderator Thank you. The next question is from the line of Subhankar Ojha from SKS Capital and Research. Please go ahead.

Subhankar Ojha One is you are looking at the execution pipeline. You have close to 3500 crores of order backlog. Do you expect to see a revenue growth in current financial year over the last financial year?

S. Ramnath Under normal circumstances, we would expect the growth of around 10% I would say. But you have to qualify all these things with. We do not want any further delays in some projects, some work we are expecting to move into revenue is also from orders that we are anticipating in this quarter. So if these things delay it can, but I have a feeling we should be able to improve our top line this year.

Subhankar Ojha So considering all the challenges we should be able to do this?

S. Ramnath That is right.



- Subhankar Ojha** And as you explained that like you lost close to 130 crores of revenue, do you expect to recover some of it in the coming quarters?
- S. Ramnath** It should have happened in the first quarter. First two months unfortunately 3-4 clients they have still not been able to close or come out of those financial issues they have. And one or two projects which we were expecting to replace. As I said, one port job that got dropped last year. Some other projects are expected but again they have to fall in line if for example, you are expecting something to come in first quarter, it moves into second quarter, it will impact your revenue this year. So those kind of things are only we are looking at, although we are well positioned in some of these projects.
- Subhankar Ojha** I was asking about cost of borrowing. So you said that you have nearly 650-680 crores of gross loan. And interest cost for the calendar year was 103 crores.
- S. Ramnath** That includes guarantee commissions and so many other things. Interest is about 90 crores.
- Subhankar Ojha** Then also the cost of borrowing seems to be at a higher side right?
- S. Ramnath** It is around 13%.
- Subhankar Ojha** Thirdly, your tax rate, you are getting a tax credit I think last couple of quarters...
- S. Ramnath** Last year we got. There is a little bit because what happens is our book depreciation is on the higher side. We are on WDV depreciation, not on straight line. So that is also to some extent we are reporting lower PAT than others. Because of that there is a depreciation impact on year-on-year a little bit.
- Subhankar Ojha** And do you expect this kind of tax rate to continue for this calendar year?
- S. Ramnath** We should be able to because we do not plan a bigger CAPEX this year. So you can assume normal tax rate of around 30%.
- Moderator** Thank you. The next question is from the line of HR Gala from Quest Investment Advisors. Please go ahead.
- HR Gala** Just wanted to know what is the nature of that Rs. 4.41 crores management fee that we earned in Q4 and we said it is onetime?
- S. Ramnath** Basically one of the joint ventures, Kolkata Airport project they needed a lot of support because at one point in time they had a lot of people working on completing that project. And these joint ventures they need to have all support provided from outside because they cannot get people to do their work. So we have deployed our resources for administration, HR,



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recruitment. At one point they had almost 7,000 people working in that site. So recruitment, HR, so many support we had to provide. So that cost we got reimburse from them.

HR Gala So there will not be any profit element in it?

S. Ramnath No, there would not be a profit element in it and this is not likely to continue also. But this because we have to show it as a part of that our cost has gone up because of rendering those efforts.

HR Gala How do you see the JVs will be performing going ahead?

S. Ramnath As Mr. Saraban mentioned to you, this large MRT project that we have entered have been in JV and also he mentioned where we are LOI, we are L1 in one mega project, Ahmedabad, that also is a JV project. Another 40 crores project we have got in Agartala for a water supply. That is a JV project. So JV I think there is a real traction in growth also apart compared to last year there could be significant growth in JV project this year.

HR Gala And all these projects the profitability is comparable to what we are earning?

S. Ramnath It depends on segment-by-segment but I would say more or less they would not be lower, they would be comparable I would say on an average.

HR Gala Any plan for equity infusion since our debt level is so high? And I think in near future we may not be able to realize all that money which is stuck up in the NHAI and the Irrigation projects, etc. So in order to prevent bleeding by way of the higher interest do you think that some equity infusion could help at this juncture?

S. Ramnath We have always been conscious of that. We are also open to that, but for any promoter to dilute, our existing promoter, any person for example, the valuation has to be reasonable. I am not even saying it should be high. It should be reasonable and all of us feel and you would agree I am sure Mr. Gala that the present valuation does not reflect the true value of the company. That is what is the hurdle we have. Otherwise our promoters sure are open to ensuring that some long-term funds come in, they are also conscious of the fact that debt levels can be brought down by equity infusion. But if the valuation is reasonable I am sure people can consider that and we are also open to that.

Moderator: Thank you. The next question is from the line of Bharat Sheth from Quest Investments. Please go ahead.

Bharat Sheth: This question is for our MD. In initial remark you said that ITD total has around 1500 engineers, out of which 500 to 600 are from India, where the size is comparatively around say 1600 vis-à-vis 8000. So how do we plan to leverage this engineering strength for other, are we really working on that?



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- Adun Saraban** When I say 500 or 800 working in India is two type of the project that is ITD working so far. These two projects they are doing in their name, their own work force with our involvement of the ITD Cem. One is Koldam another one is in West Bengal, that is almost about 300 engineers and supervisors working and another one that is we work in joint venture with our company, mostly in the MRT project in Kolkata Airport under MRT in Kolkata. This is another half that is 200 and 300 engineers and qualified supervisors, but since we have been working with ITD for almost 5 years in India, so, so far as ITD engineers, they are capable, they have experience to do their own. So the numbers of the ITD engineers or Thai engineer or supervisor for the future joint venture project has gone down by half. Let us say we have the engineers doing at the Phase-2 DMRC at about 200 engineers, but when we chip to the Kolkata MRT is only 60 engineers and now it is about for the new tenders we are going to do in a couple of months that is we believe is only 30 engineers that is because now it is Indian engineers more and more they know the work.
- Bharat Sheth** You said that some of the work ITD is doing alone. So do you see that in future those kind of come under this JV model?
- Adun Saraban** Since we have the ITD Cem as the local arms in India, now it is no more ITD project. They have to work through us. So as our chairman policy from the beginning we have to learn from the ITD as much as possible and whenever our company can get qualified by our own, we have to do the entire work by ourselves, and with this policy that we have been qualified for the Cochin Metro and we submit the Cochin metro in our name.
- Bharat Sheth** That is ITD Cem.
- Adun Saraban** Yes ITD Cem.
- Bharat Sheth** So over a period next 2-3 years you believe that ...?
- S. Ramnath** Just to elaborate what Mr. Saraban said, for ITD Cem to bid and take projects in its own name it needs to meet the qualification criteria by the tenders. So what Mr. Saraban is trying to say is that wherever we are able to fit that criteria we will bid on our own. Where the threshold limit is such that we need to still rely on ITD then we have to go through the JV option.
- Bharat Sheth** And Mr. Ramnath, a last question for you that you said that our cost of borrowing is 13%, which was I believe around 14% in the beginning?
- S. Ramnath** Last year average was around 13.5-13.6% because beginning of last year almost nothing happened till almost October when 0.25% reduction came about, but this year it is around 13% now. Quite a few banks have brought down the rates to even below 13%, but some are at 13.5% and all that so average is around 13%.
- Bharat Sheth** So going ahead you expect that rate further to if RBI...



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- S. Ramnath** We all hope, so you know that.
- Nirav Vasa** I wanted to get some idea as to what are the metro projects which are in pipeline across the country?
- Bijoy Saha** Presently we have DMRC Phase-III, we have Cochin Metro, we have Ahmedabad Metro, we have Jaipur Metro, we have Kolkata Metro, Chennai Metro and Hyderabad Metro we already have, metro being talked about for city like Ludhiana, there are a couple of other cities are also on the race. So I think those will take a couple of maybe...
- Nirav Vasa** Sir if possible can you give some update on the Hyderabad Metro project and at what stage it is and what scope of work are we doing there?
- Bijoy Saha** Hyderabad Metro is primarily being done by Larsen and Toubro on the BOT basis. Exact details are not in hand today at this moment.
- Nirav Vasa** And the other projects that you said that in the cities like Cochin, Ahmedabad and Chennai etc., these projects are going to come on BOT basis or it would be again a complete EPC?
- Bijoy Saha:** No, it is a mixture of the things. Like Ahmedabad Metro Phase-1 there has been a couple of tenders coming on construction basis. I believe in Phase-2 they may have a mix and match. Like in Kolkata most of the metros are coming on a cash contract. So going forward it depends, a lot of ADB funds, ADB, JICA they are all providing funds. And in the budget we have heard that Finance Minister telling us that all the major urban infrastructure JICA will continue to support Government of India.
- Nirav Vasa** But if I am not wrong, the JICA funding comes also with a clause that certain amount of contract has to be given to the Japanese contractors?
- Bijoy Saha** Not always. It has come only in case of dedicated freight corridor. We are working for East-West Metro in Kolkata for an underground tunneling project, there, there is no such provision. It has come only for dedicated freight corridor, I think that was a special requirement from the funding agencies, but not in general terms.
- Nirav Vasa** So it is not a norm that every time when...
- Bijoy Saha** No, it has not been a general term.
- Nirav Vasa** I would like to thank the participants for attending the call. I would also like to thank the management for giving us the opportunity to host the call. Sir would you like to give some closing remarks?



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Adun Saraban

Thank you so much to the participant. I believe ITD Cementation can continue doing good when they came down to the road or thermal project from 17% in 2010 now only 6% remains. So we believe in the sector we are doing now is a good sector for us and more suitable to us and we believe that we can continue these for our future growth sustainable. Thank you.

Moderator:

On behalf of SBICAP Securities that concludes this conference. Thank you for joining us and you may now disconnect your lines.