



NCC

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Date : 06-06-2020

The Secretary
National Stock Exchange of India Ltd
5th Floor, Exchange Plaza
Bandra – Kurla Complex
Bandra (E)
MUMBAI - 500 051.

The Secretary
BSE Limited,
Rotunda Building, P J Towers
Dalal Street, Fort
M U M B A I – 400 001.

Dear Sir(s),

Scrip Code : NSE: NCC & BSE : 500294

Sub: Submission of Transcript of the conference call under Regulation 30&46 of SEBI (LODR), 2015

Please find enclosed herewith the transcript of the earnings conference call that took place on 29th May,2020 with analysts discussing about the performance & Financial Results of Q4 and the F.Y.2019-20. Kindly take the above information on record.

Thanking you,

Yours faithfully

For NCC LIMITED.

6-06-2020
M V Srinivasa Murthy
Company Secretary & EVP (Legal)

Encl : As above

NCC Limited

(Formerly Nagarjuna Construction Company Limited)

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**“NCC Limited
Q4 FY2020 Earnings Conference Call”**

May 29, 2020



ANALYST: MR. ASHISH SHAH - CENTRUM BROKING LIMITED

**MANAGEMENT: SHRI R.S. RAJU - ASSOCIATE DIRECTOR, FINANCE AND
ACCOUNTS - NCC LIMITED
SHRI Y.D. MURTHY - EXECUTIVE VICE PRESIDENT
FINANCE - NCC LIMITED
SHRI K. DURGA PRASAD - JOINT GENERAL MANAGER,
FINANCE - NCC LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Q4 FY2020 conference call of NCC Limited hosted by Centrum Broking Limited. As a reminder, all the participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” and then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Ashish Shah from Centrum Broking Limited. Thank you and over to you Sir!

Ashish Shah: Very good evening to everyone. I welcome you all to the NCC Limited Q4 FY2020 and FY2020 results conference call. We have from the company, Shri. R.S. Raju, Associate Director, Finance and Accounts, Shri. Y.D. Murthy, Executive Vice President Finance, Shri. K. Durga Prasad, Joint General Manager, Finance. Without wasting any further time, I will request the management to start with their opening remarks.

Y.D. Murthy: Thank you Ashish. Good evening all the participants. We are extremely sorry for the delay in starting this conference call because of some issues beyond our control. Now already results have been hosted on the website of stock exchanges. Now we are in a position to start the call.

My colleagues are Mr. Durga Prasad, JGM, and Mr. R.S. Raju, CFO and myself Y.D. Murthy, Executive Vice President.

One small request here because of curfew in the city of Hyderabad, we would like to restrict the conference call to about half an hour because after 7 o'clock going on the roads is a problem here, police can stop us and things like that so my request is be brief in your questioning and we will close it by 6:15 pm. Now I will request my colleague, Mr. R S. Raju to give his opening remarks.

R.S. Raju: Good evening to all of you. I am R.S. Raju, CFO. Before coming to the results, with COVID-19 crisis everywhere most of the construction companies have not announced results and however, we have managed the COVID-19 situation with the work from office & home.

Using all by type of modes, by having joint discussion with our joint auditors and through ZOOM calls we transmitted the information and ultimately auditors also satisfied and we have finalized the accounts and presented for today's board meeting which all of you are aware.

So though it is unprecedented scenario, the company has ability to manage this type of situation too and we managed on the quality of information flown across all the review authorities and ultimately the accounts were adopted by the Board of Directors.

So here before commenting I will explain about the order book position. So during the fourth quarter the company has received new orders from various clients about Rs. 3801 Crores and

similarly in this year the company has secured order of Rs.7172 Crores so with this order book stands as of March 31, 2020, at Rs. 26572 Crores.

The division wise breakup for these orders, I will tell about the order book balance division wise at the end of the year. If anybody wants any other details basis on that I will explain. Building division has Rs. 13241 Crores as of March 31, 2020, that means 50% of the order book will be from building division and Rs. 2644 Crores, 10% of the order book of the roads division, water and railways Rs.4660 Crores, 18% of the order book, electrical division Rs. 1711 Crores, 6% of the order book, irrigation Rs. 2054 Crores, 8% of the order book, and mining Rs. 1913 Crores, 7% of the order book, and rest of the things are about Rs. 254 Crores. international stands at Rs. 95 Crores, 0% according to the calculation, so almost the orders of International division execution is over, Rs. 95 Crores is pending and in 12 plus months we could be able to complete these orders also and thereafter there would not be any international operations.

Coming to the performance of the company, first I will explain about the standalone operating results. On a standalone basis, the company achieved turnover of Rs.2182 Crores as against Rs. 3389 Crores in corresponding quarter the previous year, which works to about 36% decline in the turnover of the Q4. Now the company achieved an EBITDA of Rs.280.53 Crores and net profit of Rs.110.37 Crores as against Rs.397.67 and Rs. 174.36 Crores respectively in the corresponding quarter of the previous year and reported an EPS of 1.82as against 2.90 For the year as a whole, the company achieved a turnover of Rs.8219 Crores as against Rs.12080 Crores in the previous year. So the company reported an EBITDA of Rs.1030 Crores and a net profit of Rs.382.04 Crores as against Rs. 1423 Crores and Rs. 563.9 Crores respectively in the previous year. So the company has reported an EPS of 6.34 for financial year 2020.

So that is our standalone. Now coming to the consolidated results, so on consolidation basis the company achieved a turnover of Rs.2334 Crores for the quarter ended as against Rs.3761 Crores in the corresponding quarter so the operations of the company resulted into an EBITDA of Rs.287 Crores and PAT attributable to shareholders Rs.75.82 Crores as against Rs.475. Crores and Rs.187. Crores respectively in the corresponding quarter of the previous year so reported an EPS of 1.25 as against 3.12 in the corresponding quarter of the previous year that is for the fourth quarter on consolidation basis.

Now I will read out about the 12 months operations on consolidation basis. So company achieved a turnover of Rs. 8901 Crores for the year ended March 31, 2020 against Rs. 12896 Crores and an EBITDA of Rs. 1087 Crores and a PAT of Rs. 336 Crores for the year as against Rs. 1599 Crores and Rs. 578.69 Crores respectively in the previous year. The company has reported an EPS of 5.59 for financial year 2020.

Before going to the margins front, the other income for the year as a whole reported Rs. 151 Crores which represents interest income of Rs. 48 Crores and interest on IT refunds Rs. 13 Crores and interest on deposits Rs. 18 Crores and sale of land Rs. 41 Crores and other

miscellaneous income, rental income and other things put together around Rs.30 Crores, totaling to Rs. 151 Crores.

As far as margins are concerned for standalone for this quarter, the gross profit margin reported is 20.16% as against 17.84% of the corresponding quarter of the previous year. For the 12 months period the gross profit margin is 20.98% as against 17.79% of the previous year. So here there is an increase in the gross profit margins happened and the reasons for increase in the gross profit margins are in the current year some of the extra items, variation orders in some of the major projects which are materialised and which again helped to increase the gross profit margins and similarly some arbitration award relating to one road project about Rs. 20 Crores also materialized in the year 2019-2020 and other reason seen here is the mix of the divisions. So here in the current year the road projects compared to the previous year reported more turnover with relatively high gross profit margins and also in water division the works we are executing at present for FY2019-2020 there are some good some margins compared to the works what we have executed in the last two years and also the mining division which has orders now, executed some significant amount in the year FY19-20 where the gross margins were also high.

These are the latest items which are responsible for the increase in the gross profit margin about 2% plus. EBITDA also on an average for the quarter as well as for the year gone up by around 0.75% to 1% has happened quarter on quarter so the reason for increase in EBITDA also what I explained for the gross profit margin the same reasons again for the EBITDA margin for increase in EBITDA margin. About net profit for the quarter as a whole it reported around 5%. It is almost equivalent to the percentage what we reported in the corresponding quarter the previous year and for the 12 months period the net profit reported is 4.56% versus 4.62% reported in the previous year. Here also the net profit margin more or less in the same level as that of the previous year.

As far as interest cost is concerned there is an increase in the interest cost in the current year as compared to the previous year so the reason for increase in interest cost the utilization of debt in the year 2019-2020 relatively higher than the debt what we used in the 2018-2019 but the debt is increased in Q1, Q2, and Q3, but in the Q4 the debt has come down steeply about Rs. 450 Crores. in the month of March that too in the terminal month of this year, that is March, but going forward we can see the reduction in interest cost provided again the situation is normal if any abnormal situations arise again that is different.

Similarly the mobilization advance, the interest on mobilization advance is Rs. 9 Crores increased in the 2019-2020 as compared to the previous year and now the mobilization advance also will come down in the coming years and we may see about a reduction in the interest on mobilization advance in P&L account will come down. As far as interest rate is concerned, there is no increase in interest rate. There is a slight decline about 10 basis point from 9.9 to 9.8. As far as the debt is concerned the debt at the beginning of the year is about Rs.1996 Crores or so in the beginning of the year. At the end of the year, the debt standing at Rs.1910 Crores about 86 Crores debt has come down in the year as a whole, but in this quarter if you compare to the debt with December2019, there is a significant decline about Rs.2362 Crores to Rs.1910 Crores about

Rs. 450 Crores decline has happened so if you come to debt of the company as a whole, the consolidated debt has also come down from Rs. 2635 Crores as of December 31, 2019 to Rs. 2181 Crores. If you have come to the balance sheet the share capital that is networth of the shareholders is increased from Rs.4757 Crores to Rs.5106- Crores for the year as a whole as represented by increase in the profits in the year and some Rs. 87 Crores additional share capital brought by the promoters in the fourth quarter and minus the dividend what we paid in the month of August or September Rs.108 Crores.

There are three elements in the change for the networth. Now coming to the trade receivables, the trade receivables have come down from Rs.3155 Crores to Rs. 2618 Crores there is a significant decline in the trade receivables partly because of the reduction in the turnover also. The retention money that also there is no significant increase in the retention money only 100 Crores or so increased in this year in the retention money point of view. Mobilization advance has also come down from Rs.1522 Crores to Rs.1297 Crores. These are balance sheet changes.

As far as debt equity ratio is concerned, there is an improvement in the debt equity ratio now it is standing at 0.37 probably it is the lowest in the recent past. Working capital days have increased in this year because of the low turnover, though the working capital is not increased dramatically the working capital more or less stable but the turnover has come down as a result the working capital days are increased.

The cash flow for the standalone basis in the fourth quarter the cash flow generated from operating activities are Rs. 620 Crores and cash flow used in investing activities are 71 Crores and the cash flow used for financing activities are Rs. 482.75 Crores resulting an increase in the cash balance of Rs.66 Crores. For the 12-month period also there is a cash flow generated from operating activities Rs. 667 Crores and cash flow used for investing activities Rs.145 Crores, cash flow used for financing activities Rs.582.94 Crores. So here whatever cash generated through the operations primarily used for the repayment of the loans and also for the payment of interest which reflected in the financing activities so in the investing activities primarily we used for capex about Rs.140 Crores and margin money deposits into the banks they are in the form of, so Rs.100 Crores used there. So that is investing entailment returns investing activities. Consolidated cash flow is more or less also in the similar level. There is no much difference.

Y.D. Murthy: Now I request the participants to ask their questions and because of paucity of time I request each participant not to ask more than one question. The total number of questions will be restricted to 15. Please go ahead.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Mohit Kumar from IDFC Securities. Please go ahead.

Mohit Kumar: Good evening Sir. My question is pertaining to fact that of course I understand Q1 is expected to be difficult but is there any some kind of commentary you can give on the how the construction activity is happening on the ground?

R.S. Raju: COVID-19 disruption is there. It is very unprecedented event and present scenario is there so when the lockdown is declared because of restriction and other things the projects, the progress is effected in the month of March, first fortnight of the April and subsequently in lockdown the government has given certain relief and also government focusing on the encouraging the construction companies to carry out the work. As a result the permissions and also certain other facilities what are required from the government side the company's are getting now and as a result the projects more or less 90% to 95% have been restarted and the work is going on with some issues, disturbances in participation but the supply chain and more workmen are required particularly where they have migrated from other places. In such places some impact is there, but prior to the COVID whatever workmen stayed with us those workmen have also stayed during lockdown period and based on the relief methods given gradually we started the work and few people again migrated to their native place but we have the manpower residing at our project locations and we have taken care by providing whatever they need during this COVID-19 period. We have taken care their livelihood and other things and we started providing all sanitization, all preventive measures of the COVID-19 so as a result the work is moving forwards on an average 50% plus in operations are there, few projects are there 100% and some projects are there nearly 70% to 80% and some projects around 50% to 70% and some projects at 20% and even three to four projects not yet started. On an average we expect that this moment 50% to 70% in between the movement, the progress is there.

Moderator: Thank you. The next question is from the line of Dhananjay Mishra from Sunidhi Securities. Please go ahead.

Dhananjay Mishra: Sir based on current year ending order book and the current progress which will gradually go up and also we have exposure in Andhra so taking all into consideration what kind of rough revenue target we have in mind for FY2021?

Y D Murthy: See these were discussed in the Board meeting today and because of the uncertainties and the spread of COVID and also slowdown in the economy all these factors we are not able to give any guidance for FY2021. We will examine the situation as it arises month by month and try to do all the best as far as the turnover and projects are concerned for FY2021. So the Board has felt that no guidance can be given for the current year.

Dhananjay Mishra: Which are the key orders which under progress which we will contribute. Can you explain this?

R S Raju: I will explain the biggest road project is there from Nagpur to Mumbai about Rs. 2850 Crores that is in good progress. Similarly the progress what we received around Rs, 1000 Crores range AIIMS in Bathinda, in Himachal Pradesh and, Guwahati and also the project what we received from Seabird, that is also recent past started, the permissions were given, that is also moving, similarly the mining projects Rs.750 Crores is there, we have seen 100% capacity are operating in April and May so like this some major projects are there. So in Odisha water division also started in late April and gradually now picking up in May like that and NBCC. So like that the Airport Lucknow is also moving, so like that projects are moving wherein some four to five

projects are there, but constraints like supply chain and also workmen, but we are making all efforts to pick up the progress, the progress also is there day by day, increase we are evidencing now so how this COVID-19 and again for the last one week if you see the numbers there is a different story is coming, how the government takes various other restrictive measures further they relax this one or restrict that one, all these uncertainties are there, but the same situation no further bad situation then there is every possibility for increase from 60 to 70, 70 to 80, 80 to 90 like that.

Moderator: Thank you. The next question is from the line of Vibhor Singhal from PhillipCapital & Investments. Please go ahead.

Vibhor Singhal: Sir just wanted to understand at this point of time you mentioned that implication in our site is around is 50%. What is the kind of basically raw material availability or are we facing any challenges in terms of getting the steel and required cement from the plant to our site and how will that impact you one and also related question in the latter half of the year do you expect order awarding to pick up and from which quarter?

R.S. Raju: Now the material constraints always some impact would be there. It is project to project and location to location. So cement as it is we are getting, but instead of getting today the cement may come tomorrow like that it maybe there but in the earlier restart had some transportation and logistics issues were there and now gradually one after other people sorted out, now the key materials are in movement, so definitely if the material comes from abroad but basically our project not dependent on the abroad material or imported material and 90% to 95% only indigenous material is there so some insignificant delay will be there, no significant delay but both steel and cement we are getting, there is no problem in getting steel and cement and local materials also we are getting.

Y.D. Murthy: Vibhor actually in the month of April even the highways were closed, so supply of raw material has been a big constraint and all the construction companies were also asked to stop the work at project sites but from April 20, 2020 onwards relaxations are given and now the highways are open, movement of goods is happening so the availability of raw material has improved substantially. The only issue that we face right now is the migrant workers who are struck at the state borders while going to their native places and things like that despite that even in some places we are having the workers with us like our Bhatinda site in Punjab, that All India Institute Medical Sciences they have got about 1400 people are working today. So likewise some improvement is there and further improvement is also expected and as far as the order award is concerned you know better than us because the economy has come to almost like a standstill. The Government of Delhi is very keen to kick start the economy and the only way they can do it is to go and award as many infrastructure projects as possible already NIP, National Infrastructure Pipeline. That needs to be executed and the order award is likely to pickup from the second quarter onwards.

- Vibhor Singhal:** Right Sir on the Nauroji Nagar and Metro Bhavan project are we expecting any execution in this year?
- Y.D. Murthy:** Yes Nauroji Nagar already started, Metro Bhavan also we have started the work.
- Vibhor Singhal:** We have started the work.
- Y.D. Murthy:** Yes.
- Vibhor Singhal:** Thank you so much Sir. Thanks for taking my question.
- Moderator:** Thank you. The next question is from the line of Prem Khurana from Anand Rathi. Please go ahead.
- Prem Khurana:** Good evening Sir. Thanks for taking my question. Sir, my question was on the payment cycles what we have hearing in the market or we have been reading in the media reports the government admitted they have been claiming that they are giving out payments on time rather they are testing to make sure that contractors are being paid before the time. So have we have we experienced this kind of scenario in any of our client and to add that which all projects this would be whenever you take in built more in terms of payments for instances like healthcare or water sanitization, is it healthcare is better than some of these for water and irrigation or healthcare or is the same?
- Y D Murthy:** One thing is there in the first two months of the current year because of this COVID-19 and also in the month of March also the focus of the state government agencies have shifted from the contract payment to welfare measures and healthcare related measures. Their entire focus is on the state administration is also working on that added to that migrant workers are taken care providing them shelter, providing them food and accommodation, all these things are taken care of, but the Finance Minister has given guidelines and they have told government agencies to release the payments of the construction companies, some improvement is expected in the month of March we have got substantial payments. That is why our debt has come down and cash flows have improved. Going forward also there is a realization on the part of this government agencies if the work is done and billing certified the payments should be released so that the economic activity will keep on going on so all these things should help us in terms of getting payments faster and quicker particularly our Nagpur Mumbai Expressway, SPV is there, they have declared financial closure, funds are available on tap and when the work is done and billing certified payments are coming. They are coming very fast and so that we are able to execute faster. Likewise particularly if you look the central government agencies like All India Institute Medical Science at three locations we are executing three projects, each is of Rs.1000 Crores this is no question of any delay in payments because work is done and billing certified. Likewise Airport Authority of India, likewise the defense project at Seabird Karwar so many of these agencies are AAA rated companies like NHA! we do not have any difficulty in terms of getting the payments.

R.S. Raju: Last experienced in a big in these two months also the payment flow is more or less in the normal.

Prem Khurana: Thank you.

Moderator: Thank you. The next question is from the line of Parvez Akhtar from Edelweiss. Please go ahead.

Parvez Akhtar: Sir just wanted to get status update on our Andhra project, what is the share of Andhra projects in order book currently also what is the working capital situation for the state as a whole and net of let us say payments or mobilization advance that you would have?

R.S. Raju: AP projects now we have about Rs.4479 Crores in the order book. It is almost about 16% to 17% below 20% so as far as payments and other things are concerned in the current year we have received about Rs.300 Crores from this AP project and in some of the projects the descoping has happened and after descoping and now the discussions are going on for the settlement of the projects and the release of the payments so in the month of March also we received nearly Rs. 100 Crores so another four to five months some more clarity in closing of the projects will happen now the state government for the last three four days appears that they are also glad to restarting or to bring the construction activity into force to provide employment and other support.

Y.D. Murthy: As far as the affordable housing is concerned we already received a payment of Rs.100 Crores in the month of March and the affordable housing projects are likely to start particularly wherever payments are received project wise and as far as the capital city is concerned the orders that we are doing pertaining to the assembly buildings like we are doing the MLA Quarters and IAS officer quarters that work is going on at full swing and is likely to be completed also very shortly but the orders pertaining to secretariat building because the state government is planning to shift the secretariat from Amaravati to Vizag they are likely to be canceled, they are put on hold for the time being but we are having a dialogue with the government on all these matters and some cases they have agreed to return the bank guarantees so that our bank guarantees limits will be available and also we requested them to set off the mobilization advance against receivables pending to be paid to us that also will release the mobilization advance bank guarantees and also the bank guarantee commissions will not be there but as I was mentioning the last two months their entire focus is on controlling this epidemic and so their focus is totally on welfare measures and now slowly the construction activities also picking up even in AP.

Parvez Akhtar: Sir how big is the secretariat order out of this Rs. 4479 Crores?

R.S. Raju: In Rs. 4479 Crores secretariat order is not there.

Y.D. Murthy: We already removed it from the order book because it is slow moving order and the only thing that remains is our outstanding bills to be paid and our bank guarantees to be returned to us. This will get adjusted in the mobilization advance.

- Parvez Akhtar:** Sure Sir. Thank you.
- Moderator:** Thank you. The next question is from the line from Ankita Shah from Elara Capital. Please go ahead.
- Ankita Shah:** Sir my question was on the high margins projects which contributed in the fourth quarter basically in the roads, irrigation, and mining segment as you already mentioned so just wanted to check their share in the order book currently and will it likely to contribute in the next year as well so are these margins sustainable? Secondly just a related question to this is any risk of execution on this high margin project due to the current COVID situation which could impact the high profitability in the segment going forward of this project?
- R.S. Raju:** Whatever now the divisions of projects reported high margins in FY2019-2020 the projects are still on the hope to grow further particularly the Nagpur Mumbai Express is the biggest project it is half the way so FY2020-2021 also would be there that project entire period. Similarly now water division started works in Odisha they are also on the 40% to 50% level another 60% yet to execute. Similarly the mining project also it is also in the half the way so like that projects whatever reported and those projects also there in the FY2020-2021 and other one you are asking about is there any risk because of COVID-19?
- Ankita Shah:** If you could give us the share of all the high margin projects in the order book?
- R.S. Raju:** The shares of the high margin about 30% to 35% would be there at this moment. So at this moment we are not forcing any risk of stoppage because of COVID 19 wherever these projects are there the same product margin at this moment we are going in a normal way. There will not be big thing, so COVID-19 also may not show unless if any sudden change comes in the coming months but at this month the areas where these projects are located works are going.
- Ankita Shah:** Any thoughts on the margin profile going forward, on the company level margins?
- R.S. Raju:** Margin company level we cannot extrapolate, but margins whatever can be done, some extraordinary items will happened in FY2019-2020. The margins are sustainable but due to COVID-19 definitely some sort of expenditure would be there at the project to that extent some impact on the margins would be there.
- Moderator:** Thank you. The next question is from the line of Jiten Doshi from Axis Capital. Please go ahead.
- Jiten Doshi:** Thanks for taking my question. Can you please give us the insight of the investment in subsidiary in the bank limit, non-fund and fund limit?
- Y.D. Murthy:** We are enjoying about Rs. 12000 Crores limits in the consortium banks, headed by SBI out of that the bank guarantee limits are about Rs. 9000 Crores and the LC limits are about Rs. 1000 Crores, rest is about Rs. 2088 Crores a fund based limits.

- Jiten Doshi:** Utilization level is how much Sir on this?
- R.S. Raju:** It varies but as far as the BGs are concerned around 90% utilization levels is there. LCs are slightly less about 75% are so and fund based limits it fluctuates sometimes 75% and sometimes it goes up to 90% to 95% also and as you know they have converted 60% of the fund based limits into working capital loans. They are locked in for a period 90 days or 180 days so there we cannot do anything only the balance 40% which is in the overdraft accounts there we can reduce the utilization based on the cash flows for the company. So that is how it is happening. What is the other question you asked other than the bank limits?
- Jiten Doshi:** Loans and advances?
- R.S. Raju:** Loans and advances to group companies, Rs. 413 Crores. Loans and advances to group companies at the end of the financial year is Rs. 567 Crores for short-term and long-term put together is Rs. 567 Crores.
- Moderator:** Thank you. The next question is from the line of Ashish Shah. Please go ahead.
- Ashish Shah:** Have we availed the moratorium which is the facility which is available?
- R.S. Raju:** We have not availed. We have paid the interest for the month of March and April also. May also we are planning to pay but recently the Reserve Bank has come out with another three months of moratorium up to August and also they have put a clause that the moratorium that is granted for six months can be converted into FITL, Funded Interest Term Loan and that directs the banks to convert those interest amounts into FITL and give it as a separate loan to be repaid on or before March 31, 2021. Now each bank is to take up at the board level, set up a facility and convey to companies like us whoever are likely to take advantage of that because the cash flows will improve and in all probability these loans may carry a lesser rate of interest and also I would like to bring to your notice based on the RBI directions all the banks are giving COVID loans up to 10% of the working capital limits. If I am enjoying a limit of Rs. 100 Crores, Rs. 10 Crores is given as a COVID loan at MCLR without any mark up, which is they are giving at a very good rate. We got loans at 8%, we got loans at 7.25%, some are in the pipeline likely to be sanctioned now since we have Rs.2088 Crores of fund based limit presuming that all the banks in the consortium due to this COVID loan we are likely to get a cash flow of about Rs. 208 Crores that too at a concessional rate.
- Ashish Shah:** Lastly on the two arbitrations which have been going on, one for Himachal Sorang and other for SembCorp any update that you would like to share on that?
- Y.D. Murthyju:** ~~Taga~~ we are discussing with the counterparty for out of court settlement but last 1.5 to 2 months not much progress because of this complete shutdown of operations everywhere. As far as SembCorp the arbitration award is likely to be declared by September 2020. We are also

carefully waiting for that and our arguments are more or less over and based on the High Court grant of additional time the arbitration award is likely to be declared by September.

Ashish Shah: Thank you

Y.D Murthy: Thank you.

Ashish Shah: Thank you for giving us the opportunity to host the call and we can conclude the call.

Y.D. Murthy: We thank all the participants and also Centrum Broking, Ashish Shah and his team for giving this opportunity to talk to the investors. We concluded well and we thank you all for your participation and if you have any further queries you can send your e-mails to us. We will be glad to reply you separately.

Moderator: Thank you. On behalf of Centrum Broking Limited that concludes this conference call. Thank you for joining us. You may now disconnect your lines.