To,
BSE Limited : Script Code No. 500031
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai 400 001

National Stock Exchange of India Ltd. : BAJAJELEC – Series: EQ
Exchange Plaza, Bandra Kurla Complex
Bandra (East), Mumbai 400 051

Dear Sir / Madam,

Sub.: Transcript of post Investor Conference Call held on March 27, 2020

Further to our letter dated March 25, 2020, we enclose herewith transcript of the Post Investor conference call held by the Company on Friday, March 27, 2020, to discuss the recent developments and COVID 19 impact on the business of Bajaj Electricals Limited which was organized by IIFL Securities.

Kindly put this on the Notice Board of the exchange for the information of the investors and general public.

Thanking you,

Yours faithfully,

For Bajaj Electricals Limited

Ajay Nagle
EVP and Head– Legal and Company Secretary

Encl.: as above.
“Discuss on the Implications of COVID on the Business of Bajaj Electricals”

March 27, 2020

Analyst: Ms. Renu Baid – IIFL Securities Limited

Management: Mr. Anuj Poddar – Executive Director - Bajaj Electricals

Mr. Anant Purandare – Chief Financial Officer - Bajaj Electricals
Moderator: Ladies and gentlemen, good day and welcome to the Conference Call hosted by IIFL Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "+" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Renu Baid. Thank you and over to you Madam!

Renu Baid: Thank you. Good afternoon everyone. Welcome for the Bajaj Electricals Conference Call to discuss the implications of COVID-19 on the business. We have with us from the management today Mr. Anuj Poddar, Executive Director and Mr. Anant Purandare, CFO. Without taking much time, I would like to hand over to Anuj for his opening comments thereafter we can open with Q&A if there are any. Also, to mention this call is scheduled for about 30 min – 35 min. Over to you Anuj!

Anuj Poddar: Thank you Renu and good afternoon everybody. I know these are strange times we are in. This is the first time that I am doing this kind of an investor call sitting at home and I think this must be the first time this week that most of you have been doing a lot of these calls from home. I think the purpose of this call, like Renu mentioned it, is to discuss the impact or rather should I say how the situation is playing out and how we have been dealing with this?

I did do a media interaction with ET Now a couple of days ago. I do not know how many of you may had a chance to see that, but I think the message has not changed much in the last two days. So that is what I am going to recapture and summarize for all of us here. I do state it upfront, that this is not regular earnings call, our current quarter numbers are not published yet. I am not going to be discussing specific numbers but will be providing you all an insight into how we are dealing the situation.

Few points that I want to lay out, five or six points before I get into Q&A. Firstly like many of you know, I think the big news for us in this quarter in this month has been the completion of our equity rights issue. That issue closed on March 3, 2020. I think in terms of timing that has gone out very well for us. We have been lucky to get that done just before this problem has blown up or rather in close already a difficult market, but we are fortunate that our issues have gone off very well.

What that does for us, for those of you who have been tracking us is it helps significantly address the financial position and the balance sheet of the company that has been a focus area for us all last year. We have made considerable progress on that and with this rights issue and the money coming in, I think we are pretty much over the curve on fixing our balance sheet.
In terms of specific numbers there, we have raised about Rs 349 Crores through the rights issue and as was shared as part of the objectives of the rights issue, same was primarily to retire debt. Of 349 Crores raised, we have already repaid about Rs 330 Crores towards debt payment. As a result, and through all the other actions that have been taking through last year, our debt equity position on the balance sheet which was close to 2:1 at the start of this financial year is now very well and comfortably below 1.0. So, we are now in a very good position wrt Balance Sheet. The reason I am stressing this rights issue now is because we all know there are few tough months ahead of companies, etc. but I think for us it puts us in a very comfortable balance sheet and financial position to deal with these issues.

Just the last point on debt from what I read or hear about certain other companies and promoter groups, that one of the issue is being within the company but also because many of these promoter groups are leveraged and pledged themselves, and that, in turn has a repercussion on the companies in this situation. Fortunately, for us like has always been the case, the Bajaj family and the promoter group has no pledging at a personal level in terms of their own holdings and therefore in respect of this share price movements or the current challenges that has no adverse impact on the actual operations or stress for the company.

Just to move on to come specifically to the Corona issue, I have always maintained from the start that it is a serious issue and it is irresponsible to not take that seriously and to try and downplay that and that is right from the time when it started off in China as a supply issue and then currently when it has come into the Rest of the World as a demand issue. I believe that it is all nice for us to wish that it ends soon, I do hope so, but the fact is that as good management we have to be conscious that we do not decide or control external factors. Our primary job as a good management is to make sure that we are anticipating these issues well and are preparing in advance to deal with them and then on a continuing basis and are able to respond dynamically to this. So that is exactly what we have been doing right since January end, both in terms of tracking this very closely and anticipating what that would mean for us in our business and making plans to deal with that and continue responding to it, even though worst case scenario. So, we are prepared for all this time.

Let me just walk you through specifically how we have been dealing with this over the last two months to three months. When this started in January end, as you know the China issue before their Chinese New Year and at that point it was assumed to be China supply issue that would impact all of us. The good news for us is that less than 20% of our sourcing happens from China so it is somewhere in the mid-teens and therefore while it is not a significant part of our sourcing, we did move very quickly
to secure our sourcing requirements and our supplies so that we would not be affected by the sourcing or supplies disruptions that would happen and we are pretty much sourced or secured all our supplies for all of this quarter which is till March end with respect of how the China thing would have paid out so that was stage 1.

Stage 2 as it has moved on towards second half of February and then into early March, it became a global issue and therefore moved from supply issue into a global economic and the demand side issue including in India. There again while every day and every week particularly over the last ten and twelve days is where the issue is becoming bigger in terms of actual on the ground and in consciousness we did anticipate that right towards end of February that we are going to deal with a larger issue or a bigger problem than most people at that point were anticipating. For that we worked on two fronts, one is our people and workplaces and second is on the business front. First to just address the people front, we started securing our workplaces from end February-early March in terms of putting a lot of precaution measures to make sure that our workplaces our employees, visitors to our premises etc., are properly screened and completely secured in terms of safety checks, in terms of hygiene measures, in terms of full controls that have been put in place and this is not just in the cities or in the head office but right down to the fields with our sale forces and EPC project Sites to create awareness even in the smaller towns and places where we are operating.

At a point in time when the level of awareness in these non-metro places are very low, so we were kind of ahead of the curve to create the awareness for that and create social distancing because we wanted to make sure if at all no employees or person working with us is impacted by this as long as we can make sure and ensure that. Besides securing the people by 1st March we kicked in the review of our BCP that is Business Continuity Planning process and started preparing for work from home. In that, included all the tech enablement that we needed to do with our IT systems Most of our people do have laptops but we have already acquired laptops in first week of March itself to plug in the few that did not have. We enabled and we checked all the videoconferencing connectivity tools etc., to make sure that if and when we decide to move into work from home mode, we are not caught off guard, but we are ready to do that.

As the scene on the ground started becoming slightly more serious, we voluntarily decided to kick in work from home initiative before the government advisories on this came out. Incidentally the government advisory on this came out almost two days after we had kicked in work from home approach for our people. Having said that we have been doing this at a progressive level so the first stage of work from home was done selectively for key functions which should not impact our work, which was about
70% to 80% of our office-based employees. We had excluded functions that needed to be out there which included our sales people, included the factories and included the project sides but everything else it moved to work from home so that we would well tested and ready for making that happen and subsequently which is about week ago is when the government advisory came in and that literally over the last weekend is when we have to implement full work from homes, stores shutdown for people even factories etc. but the good news there is that we are well prepared for these measures and actually had planned for all of this. That is one the people in workplaces in front.

Coming to the business side as I already spoke with the China supply chain securing but as the problem moved into India if you had been tracking the numbers of the cases the first three cases in India came in Kerala but after that in a weak or ten days, Maharashtra was clearly starting to lead and shows trying that it might go ahead. Since our plants, most of them are based in Maharashtra and our central warehouse is based in Maharashtra, about two weeks or about 16 days ago our anticipation was that Maharashtra may be the first one to go under some form of restrictions or lockdown or some form of challenges and therefore while we maintained stricter norms on our inventory levels, manufacturing future planning, we consciously decided at that point to increase our manufacturing both at our plant and from vendors, resourcing from them, increase our inventory and stocking levels, get in more of the goods, move them out from the factory premises into the warehouses, our logistics modality that in first moves to our central warehouse particularly the ones located in the Maharashtra but we pushed it therefore from the factory to the central warehouses and proactively pushed it out into the regional advance warehouses beyond what the normal logistics norms that we follow.

This was all done with the anticipation that we may see shutdowns either first in Maharashtra and/or in particular states and therefore we do not want to be caught with our inventory or productions caught in one state and therefore we dispersed materials on pan India basis so that we can continue to reach in service the marketplace irrespective of which particular geography getting shutdown. So that is again in terms of our BCP on the business side to make sure that we have our pipelines down, right till the marketplace well stocked to be able to continue the service in the marketplace. As it turns out I think after Maharashtra, the rest of the state started doing that and by now we all know that all of India is under lockdown. So that is something again we cannot control but what this gives me confidence is that as and when particular parts of India open up, we will again be well positioned to actually continue to service those geographies or territories or markets that are opened and demand picks up irrespective of if and when we can start getting our back ends including our production and supply is geared up. So even if there is a mismatch
between the markets opening up versus supplies restarting, I think we are well positioned to get our sales kicked in before the full supply chain kicks in. So that is to minimize the impact of this from our control point of view.

So, while this is all that we have been doing over the last two months to prepare for this, I think in terms of way forward to the way I see it there is clearly a short term and there is a long term. The way I see the short term, none of us knows how long this is going to last, we have a 21-day lockdown but there is enough expectation that the problem may last longer than just 21 days’ lockdown. It is not our job to try pre-suppose what that might be but what we have started doing is that working in the short-term to try in address the various or prepare various financials scenarios we are relooking at our business spends for FY2021 and having different options is to how we are going to deal with this on a continual basis including on a month-on-month dynamic basis.

We are from a cash flow perspective like I said in a very comfortable position, so we have a treasury and cash flow review but that to me personally is not a concern, we have enough unused limits, now having repaid our debts etc. So cash is not a concern but I am conscious of the P&L impact that these kinds of events would have on all of us and therefore what we really working on now is mitigating that P&L impact to the extent that we can relook at where is cost lying and what we can defer and or minimize in this interim period that we have a slowdown in the business front. While we kick in all of these measures, we do not want to take the eye of the ball on the long-term basis, I think we have long-term strategic journey that we have been on since last 15 months. We are committed to staying on that journey, and that is where the true value lies for us going forward. If I talk about the consumer business, we are very clear that we are looking at growth in that business and going to continue to drive that growth and therefore whatever calls or long term strategic plans we put into drive that growth whether on a product front and/or in the brand front we will continue to chase those goals, may be some timing of specific activities in the market place may change but the back end preparation etc. for that we will continue as this and therefore we will aim to continue to grow our market shares in the coming fiscal also.

If I talk about the EPC business there as I always have been sharing, we are working very consciously on reducing the capital employed in that business. We made great progress and doing that, it will come much better, ground execution in that we continue to do that even this quarter we made considerable progress on our execution of the ongoing projects and on collections that focus will continue going forward too
and therefore in summary both on the consumer business and on the EPC business our long-term strategies stays intact and I see no change happening there.

My last and final message really to everybody remains that I am very conscious that this is a significant event and disruption for everybody and the entire economy and that is common to all; but having said that our job really is to stay ahead of the curve and keep responding to that faster and somebody else may or may not, we will continue to do so, but having said if I just look back on where we were one year ago quite frankly I think we were in a much more challenging position one year ago on a balance sheet, fiscal and EPC front. I feel far, far more confident and comfortable where we are today and therefore believe that while this is a challenge we do not take lightly. It is not something I lose sleep over or not something that I feel will not be able to overcome, so that is my opening remarks. We are open for questions.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Rahul Gajare from Haitong Securities. Please go ahead.

**Rahul Gajare:** Good afternoon everybody. I am very glad to hear your preparation in terms of BCP ahead of time. So that is very nice to hear. I have got two questions on this. One is fixed running cost for your all working pertinent to your businesses, consumers and EPC separately, that is the first question. The second question is in terms of inventory given that all do not keep so much of inventory with this commuters and entire channel now, how much is that you are all carrying even that you all hearing up for supply side disruption?

**Anuj Poddar:** Thanks Rahul. Good afternoon. To be honest, like I said at the start of the call I am not going to share specific numbers for multiple reasons. One is that the current quarter is also unpublished numbers and we do not want to give out specific numbers but let me try and address both of these aspects qualitatively on the fixed cost. We have even otherwise irrespective of this problem been working to reduce that. That is how we are working on a long-term basis on a margin expansion. So those initiatives continue. I think what this is doing for us is in a short-term is accelerating that process to convert some of these fixed costs in the short-term to variable and/or there are certain specific measures that we have already kicked off in the last two days to try and address that in April but not measures that I am willing to publicly share at this point of time.

Number two coming to the inventory levels typically, we have improved inventory levels, the supply is more for consumer business, and so we were upwards of 70 days where we track it internally at the start of this fiscal. We are sitting closer to 50 days towards end of this fiscal except that on a cusp of summer that tends to go slightly
higher because you do specifically stock up on fans and coolers. At this point, as I said from our BCP perspective actually in March we consciously decided to go above our regular inventory norms in order to make sure that any disruptions do not affect our supplies in the marketplace. So, if the question is more to do with ability to service the marketplace, I think we are very well positioned to do that as and when lockdowns open up or the markets open up irrespective of production and supplies. We had paid off to try and optimize inventory from a working capital on March 31 because March 31 is particularly one tries to optimize that but we took that call in early March that this is not the time to save that working capital at the cost of making sure we do not have any loss of sales because of inventory shortage. So, both we started that initially to secure the China supply problem and then later to deal with India potential production lockdown. So, in both cases we are comfortably above 50 days but specific numbers I cannot put out right now.

Rahul Gajare: Thank you very much for that answer.

Moderator: Thank you. Next question is from the line of Achal Lohade from JM Financial. Please go ahead.

Achal Lohade: Good afternoon. Thanks for the opportunity. I just wanted to understand a) in terms of the balance sheet given the recent fund raise, how much are we covered in terms of covering our fixed cost if the lockdown were to extend beyond reasonable time?

Anuj Poddar: Let our CFO come in just quickly to answer that. One is if I give you broad numbers our Net worth was about 1,000 Crores at March 2019 and that debt including our quasi debt with advances was coming to 2,000 Crores. That ratio has slipped. We have a Net worth / equity at 1350 Crores and debt of under 1,000 Crores and this is because we have repaid a lot this debt and therefore are below our limits etc. Mr. Purandare you can come in and now answer the question therefore how you see it play out?

Anant Purandare: If we look at our loan profile our long-term debt is of around 300 Crores at the same time our regular working capital facilities are of 300 Crores. As everybody is aware that we are doing the purchase bill discounting which is a portfolio of around 400 Crores to 500 Crores. Now with reference to the RBI has declared the moratorium for the repayment of the liability which are getting matured. So, this will help us to postpone the repayment of purchase bill discounting which will enable us to improve our cash flow. At the same time as our channel finance space where the distributors are availing the channel finance which is around 350 Crores to 400 Crores of portfolio where the distributor is going to get 90 days’ moratorium so that as soon as the things open up I think our distributor will have sufficient working capital.
Achal Lohade: Understood. The second question I have was with respect to the consumer business assuming just a scenario hypothetically wanted to just figure this out, if we were to see a lockdown getting lifted at the end of April, one month of shutdown for FY2021, how quickly do you think the consumer business can pick up and we with respect to vendors what kind of delay you see in terms of availability of the products for us?

Anuj Poddar: Achal, like you asked, I think these are two separate independent issues. I think as soon as the demand picks up, we have enough stocks or materials to start servicing the demand much longer than enough period of time without the supply side getting addressed. So that is point one. To answer that, more I do not think the demand will pick up like go back to normal, I think this is significant economic event and therefore now the demand will take its time to pick up so the lockdown start even on April 14 or 15 as currently indicated or April 30 as you asked, it is not as if then next days the demand will go back to as if yesterday was no problem but I do believe that at some point that will come up fairly strongly dependent and I think the big factor there is how big has the ground problem been in terms of the virus and the illness on that part. If that has not been substantial, then one month of fairly disruption is something that lot of people may able to deal with, if these economics measures the government has played out well. If it has become large health issue whatever 100s or 1000s death anyway a very different scenario, that is on the demand side. Coming to the supply side and vendors I do believe any supply chain when it shuts down fully, it does take time to kick in because the entire chain has to kick in from the FG to the RM to component suppliers to the logistics of that, so there is always may be anywhere between two to four weeks lag for that to fully kick in and that is what we have tried to insulate again stock or cover for by the inventory stocking that we have done. What we have also done to add a little more texture to that when I said we increase production etc., at our plants and vendors, we actually also monitor and got into the RM inventory levels for our vendors to and make sure there was increase stocking done for that also in line with our intent special increase their own production. So, while that has been done but I do think what to help us is that all this is in place to start quickly but I think the entire machinery to follow in place that takes its own time.

Achal Lohade: Just last question, with respect to the EPC business, how would that play out in these two scenarios of one month and beyond one-month kind of a lockdown in terms of the revenue booking and in terms of the collections?

Anuj Poddar: The two are different again. Firstly, to give you some insight in the current quarter, we have been making good progress in the EPC business on execution and collections in the current quarter right till March. In March itself, the first 10 days the execution
does slow down normally because March 10 was Holi, so that is the time when a lot of manpower is unavailable and then post March 10, they do return or start to return and therefore by 15 or so when we are kicking in. Unfortunately, this time a lot of this lockdown has started playing out. So, March has been an impact on the EPC business. Having said that I think the collections trend has been improving for us. I do believe when these things open up and improve, I think the collections cycle for us will pick up first before the actual ground execution cycle can because I a lot of collections are already due to us. It is moving at various stages and therefore this is a fair amount of funds that is due to come to us subject to their offices open, the people being able to certify and release those funds. So that is that but on the terms of ground execution I think it will take little while to get that fully geared up for the people to return once the lockdowns are opened up. We are committed to making that as fast as we can as soon as things normalize then.

Moderator: Thank you. The next question is from the line of Bhavin Vithlani from SBI Mutual Fund. Please go ahead.

Bhavin Vithlani: Thanks Anuj for taking time out and addressing investors at such uncertain time and we understand that you were the first one and apt to point out what is the gravity of impact. I have couple of questions. One is if you can talk about the channel on the consumer side, what do you believe that there is a need to lend them a helping hand in terms of easing out the credit period?

Anuj Poddar: Thanks, Bhavin. Like you know as our CFO explained maybe he can come in and do that again, actually with RBI announcement today I do not see any challenge there. Mr. Purandare do you want to just address that again?

Anant Purandare: Bhavin as I said most of our distributors are on channel finance and they are going to get 90 days’ moratorium to settle their liability. So that itself will help them to ease out their working capital requirements. So, I do not see any challenge and if required obviously company can give them the additional credit period but with this moratorium, I do not think that will be required.

Bhavin Vithlani: Thank you. Second is with this issue ongoing do you believe that there is a strategic need to change more mix of in-house manufacturing versus outsourced?

Anuj Poddar: I have always maintained that we are low on in house manufacturing and we are pretty comfortable to be there. I have not done a math on that, if anything, the situation only proves me more right that in-house manufacturing is a big fixed cost and results in lack of flexibility. More volatility or events that you have of this nature,
to my mind, having a more asset light flexible approach is strategically better place to be in.

**Bhavin Vithlani:** These are my questions. Thank you so much.

**Moderator:** Thank you. The next question is from the line of Ashish Poddar from Anand Rathi. Please go ahead.

**Ashish Poddar:** Thanks Anuj for this call and I have been following you since December–January and you have been very vocal about the spread of this Coronavirus outside China and you have been now gone right in that, so in December-January we were more concerned about the supply side concerns because most of the components come from China, I am talking about the industry, now we are concerned more about the demand and we do not know when it will come back but whenever it comes back may be one month or two months or three months’ timeframe, do you see that we will be chasing more of supply side concern at that point in time because it will take all the workers who had gone to their native places will take time to come back and will be facing more of the production related issues at that point in time and people who are sitting on more inventory which normally we do not like, will be the gainer temporarily in back there. Do you have comments?

**Anuj Poddar:** Thank Ashish. Like you pointed out, yes I have been at the cost of seeming alarmist been saying that the problem is more serious than people are realizing and I think if anything only last two days’ things reality is catching up with most people and may be that really helped us prepare for this. To your specific question I yet believe that if anything I am more confident of supply kicking in faster in the sense that while I said in response to earlier question it has a certain lag period but that is the controllable lag but it will kick in on its own if you put in the right steps and that will happen in a matter of two to four weeks. Demand is the one which is slightly harder to call right now. It depends really on how bad the situation gets that will have a big impact in this sentiment. If the situation does not get too bad beyond a certain point, then the ability of demand bouncing back is better. If it does go really bad, then I think demand will take its own sweet time to bounce back. So, if anything my concern is not even now if I look out over the next three or six months to be able to meet the supplies but my concern if anything is about for a demand will be healthy or not.

**Ashish Poddar:** Thanks, and all the best.

**Moderator:** Thank you. The next question is from the line of Siddharth Mohta from Principal India Mutual Fund. Please go ahead.
Siddharth Mohta: Good afternoon. Sir my question is specifically with respect to UP Power Distribution, so how has been our execution there, whether they have been some reduction in receivables?

Anuj Poddar: Sorry what did you say?

Siddharth Mohta: Our revenue execution and there has been some collection because in the Q2 and in Q3 there was a good recovery as far as receivables was concerned?

Anuj Poddar: Thanks for that. We have been maintaining the same trend so like I said while I am not giving you Q4 figures, you have been tracking us for a while now, you have seen every quarter we have been delivering on our promise of both improvements on ground execution and on collections from there. We were on track to do that in this quarter itself except for these disruptions in the month of March. Like I said one cannot help this current immediate situation but when things normalize, when people come back to the office I do think, particularly in the case of UP Power the collections will be coming in faster before the ground execution picks up pace. That is for reasons of various things that I know at what stages those monies are lying and almost had been at the ultimate stage of getting released to us. So, I am fairly confident of the collections they are continuing to do well except for this interim disruption. I think the execution in this case will take a little while to come back because the people or labor that has moved out will have to be re-gear ed up and collated together because you worked through contractors who get into the contract labors so that is similar to the product side supply issue that I have spoken about that probably will yet have a couple of weeks lag or two to three weeks lag before it gears up really.

Siddharth Mohta: Sir in terms of Starlite and Hind Lamp, we have to provide any financial support to them during this tough period?

Anuj Poddar: If anything, not more than what we have been, supporting these entities in one way or the other. Hind Lamps quite frankly in terms of the size, the quantum is really immaterial, and we have merger process undergoing in NCLT. So I think and we had hoped for that to happen that by March maybe I think the next date Mr. Purandare can confirm, but I think May or something is that we are anticipating that to get closure but that is not material item. Starlite we continue to have loans too and corporate guarantee extended too which is disclosed. The good news there has been that well that has been operationally non-profitable company for many years, we have for the first time since October 2019 broken even at an operation EBITDA level. So, all we are looking and working at is over the next two to three years that company intends to break even from operational level to be able to start covering its debt and interest cost too. So that trajectory will continue I think the big season for that is really water heaters
so it had a good season this last winter season of water heaters, coming year also they are preparing strongly for their water heaters but we will be ramping up is other products from that factory too.

**Moderator:** Thank you. The next question is from the line of Charanjit Singh from DSP Mutual Fund. Please go ahead.

**Charanjit Singh:** Sir actually on the states front there could be some worry in terms of the payment side because the funds might be diverted towards all these healthcare related issues so that is one thing which I wanted to get more clarity on while till now they would have kept the funds in different ways available for the projects but this money lot of times is fungible and they will definitely look at with their limited resources how they want to take care of this health care requirement, so what will be your comment on that and what is the pending dues right now for us with this UP distribution project?

**Anuj Poddar:** Charan, two answers to your questions on the dues. Firstly these funds are not really that fungible because these are under the centre sanctioned funding lines which comes from REC specifically to the power utilities or bodies in the state incomes from them, it is not from the generic state budget that can diverted and therefore we have some visibility on how these funds are moving in that pipeline and it is also I think new projects including the infra projects that were announced in February under the Prime Ministers scheme I think the new projects maybe have a greater challenge in terms of start line but existing ongoing projects that are close to closure is something if I were in the government’s position also would always get priority to achieve closure and not hold up the funds. That is the good news. If I take a pessimistic view on that, if the money has been delayed a 50 Crores to 100 Crores gets delayed my only reaction to that is I have seen worst days, we were in much worst position a year ago, now current position to take a 50 Crores to 100 Crores delay in delayed payment cycles something we are far more comfortable to digest right now. That is from that part. Sorry, you had second part to your question. Yes, onto the receivables position, so the receivables position as of December we have disclosed, the current quarters since it is not a published quarter I cannot give a specific number on the receivables number but directionally like I said we will be making progress so we have improved on the past collections having said that like we have discussed earlier there is certain new materials that have gone into the sites in this quarter and new billings done so we will see how we net out on March 31 numbers but if any there will be some increase in receivables because of the new billing but the old outstanding are substantially coming down.

**Charanjit Singh:** Other thing is we had done this entire GTM process, which was good success now, in these kinds of times how is that entire process helping us in a better way maybe
compared to the other players. How is our edge even the lockdown comes to an end so our ability to restart back is it much faster versus the other players who maybe still in the earlier kind of distribution networks? That is all from my side.

Anuj Poddar: My view I do not know if there is a direct correlation. Will see how that plays out, but my view is because of our distribution model and because of our better access of visibility on inventory at every level and the secondary sales if anything that gives us better analytics to be able to deal with situations and therefore how we use that but we slightly have a better grip on the market realities than the wholesaling model that many other people follow. In wholesaling model you can be dumping stuff, what would have happened now is all the stuff there is dumped and if there is no sales happening now demand is really bad in the market and you do not have visibility on that then it takes a lot more time for the companies own sales to pick up even after the market sales are picked up. So hopefully we are slightly secured from that. Having said that we consciously like I said went above those norms from our inventory stocking more to derisk our ability to service the market if and when our supplies would disruptive so that is the two sides of that coin I think our ability to bounce back should be better because a bounce back in the market will directly come back to us our benefit but at the other hand we have consciously stocked up a little more to be able to derisk ourselves.

Charanjit Singh: Okay Sir. Thanks.

Moderator: Thank you. The next question is from the line of Sanjeev Zarbade from Kotak Securities. Please go ahead.

Sanjeev Zarbade: Sir thanks for taking my question. It was regarding the EPC business. Do you see any risk of client coming back to you because there could be possible delay in completion of projects, so is there a risk of liquidity damages or renegotiation of projects because some commodity prices could have gone up or down, do you see that kind of risk or concerns going ahead?

Anuj Poddar: Not really, for two reasons, one is this is a force majeure situation. So, all contracts, all law provides a force majeure situation, this is clearly legally we are right but be in this case the client is the government and the person issuing the lockdown is the government. So, if anything the government trying to impose liquidated damages for us for their stopping the work is now quite out of the question. So that is my legal response. My practical answer is that even if I do not have a strong legal footing, the government needs to get the work done and they need to get the work done so it is not anything lack of our doing right now for which there would be any reason for them to try and take any such steps.
**Moderator:** The line of the participant has been disconnected. As there are no further questions from the participants, we will go ahead and close the call now.

**Renu Baid:** Are there any closure remarks from your end?

**Anuj Poddar:** All I can say is that we are on very much on top of the situation. I do believe it is not an easy situation and I keep saying that not to sound alarmist but to sound more realistic, so I think people who try and gloss over these things actually end up giving much worse surprises later. So, for most of who you would know that I would be rather be straight enough about these things but if anything, we are on the top of the situation as best as can be we will keep dealing these situations. I also believe we will have a tough quarter that is true for everybody else, but I want to make sure that this does not distract us from the longer-term focus that we have here. That is all, thank you everybody.

**Moderator:** On behalf of IIFL Securities Limited, this concludes this conference. Thank you for joining us and you may now disconnect the lines.