GPT Infraprojects Limited

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GPTINFRA/CS/SE/2020-21

August 23, 2020

The Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street
Mumbai – 400001

National Stock Exchange of India Ltd.,
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051

Dear Sir / Madam,

Sub: Update on Conference Call held on 14th August, 2020 – Call Transcript

Ref.: Scrip Code – 533761; Symbol – GPTINFRA

In compliance with Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to our letter dated 12th August, 2020, please find enclosed herewith transcript of Conference Call held on Friday, 14th August, 2020.

Kindly take the aforesaid information on record and oblige.

Thanking you,

Yours faithfully,

For **GPT Infraprojects Limited,**

ANATHA
BANDHABA
CHAKRABARTTY

Digitally signed by ANATHA BANDHABA CHAKRABARTTY
DN: c=IN, st=West Bengal, 2.5.4.20=2d6a5d268d3bccd1e74b5cc9f6f7ce7fd17e8358ff6dedb259dd3ae82fc89641, postalCode=700089, street=wb, serialNumber=a9548141cc05141b327d19492de8b009f621700e96b84d579d59abbf6e18b991, o=Personal, cn=ANATHA BANDHABA CHAKRABARTTY
Date: 2020.08.23 21:11:18 +05'30'

A B Chakrabartty
(Company Secretary)
Membership No.-F-7184

"GPT Infraprojects Limited Q1 FY2021 Earnings Conference Call"

August 14, 2020

MANAGEMENT: MR. ATUL TANTIA - EXECUTIVE DIRECTOR & CHIEF FINANCIAL OFFICER - GPT INFRAPROJECTS LIMITED

Moderator: Ladies and gentlemen, good day and welcome to GPT Infraprojects Limited Q1FY21 Earnings Conference Call. 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 Mr. Atul Tantia, Executive Director and CFO. Thank you and over to you Sir!

Atul Tantia: Thank you. Good morning everyone and a warm welcome to GPT Infraprojects Limited Earnings Conference Call for the quarter ended June 30,2020. I have with me on call Stellar IR Advisors, our Investor Relations Advisor. I hope you all have received the updated investor presentation that we have also uploaded on our website for your reference and the website of the stock exchanges.

We hope that everyone on the call is safe and their families are also healthy and safe. These are really trying times and we hope that we are nearing the end of the seemingly long tunnel of these unprecedented times in the life of each and every one of us.

When we had recently assembled on the last conference call to discuss the full year results in the end of June, let me tell you on how the company is coping with the COVID-19 related restrictions across our project sites and manufacturing facilities in India and Africa, .Let me take you through how that has impacted the company's operational and financial performance for the quarter ended June 30, 2020 and also give you an update on how things currently stand.

On the execution front, the COVID-19 related lockdown starting from midnight of March 24, 2020 and the attendant restrictions that were in place till the mid of April followed by the partial reopening in the months of May and June resulted in almost a 41% year-on-year shrinkage in the consolidated revenue of Rs.84 Crores in the Q1FY21. In terms of segment breakup both infrastructure segment, which formed nearly 77% of our revenues and concrete sleeper segment, posted degrowth to the tune of 45% and 34% year-on-year respectively in Q1FY21.

While the overall quarter's performance is muted, there has been a significant pickup in execution when compared on a month-on-month basis over the past three to four months. The calibrated resumption of project execution began towards the end of April 2020, improved gradually in May 2020 and witnessed a significant uptick in June 2020, that are most popular websites.

Presently the execution run rate stands at almost 70% of that of same period last year underscoring the company's effort to achieve normalcy in operations.

On the concrete sleeper side as well, all our manufacturing operations in India opened up in the end of April 2020 and we have gradually ramped up the capacity utilization, which currently stands at almost 75%.Our South African facility has also resumed operations in mid May 2020 while the Namibian facility has also resumed operations last week.

On the ordering activity the COVID-19 related disruption notwithstanding, the company has successfully bagged two new orders worth Rs. 218 Crores in year to date FY21. In addition to the Rs.115 Crores orders awarded by NHIDCL for widening of a section of the national highway 102B in the state of Manipur on EPC mode in April 2020. We have bagged a contiguous stretch of the same project for an addition 103 Crores in July 2020.Incrementally we are L1 in orders worth Rs.500 Crores approximately, which further strengthens our order pipeline for the current fiscal as against an abysmal order inflow in FY20.With this, our order book stands at strong at Rs.16.4 billion forming almost 2.6 times FY20 revenue.

Some of our key projects under execution include the Ghazipur order worth Rs.378 Crores by RVNL which is going on smoothly other than the COVID related disruptions that the quarterly run rate currently of Rs.20 Crores and its closure expected over the next 20 months. This would enable us to bid for single orders of approximately Rs.1000 Crores underscoring our execution capabilities in the infrastructure segment.In the concrete sleeper segment the GMR order were Rs.246 Crores is progressing smoothly and the cash flows on the same are also expect to ease the working capital requirements. We expect utilization to pickup further at all our Indian facilities in the next few months.

On our margins and profitability in Q1FY21 our EBITDA declined to Rs.17.8 Crores accounting for almost 20% year-on-year fall in relation to approximately 41% year-on-year degrowth in revenue for the same period. Consequentially the EBITDA margin grew by almost 152 basis points to 21.2% in Q1FY21 from 15.7% in Q1FY20 and 13.5% in FY20.The strong increase in margins attributable to our ongoing cost optimization drive that has not only benefited us in the quarter gone by, but is also likely to result in recurring savings in the long-term. We expect cost savings of roughly Rs.5 Crores – Rs.6 Crores to accrue in the current fiscal on account of the aforementioned. Additionally, our continuing ethos of bidding discipline wherein we ensure that are hurdle rate of 13% to 14% is maintained while bidding for new projects continue to be the primary factor for the profitability.

Profit after tax in Q1FY21 came in at Rs.1.9 Crores as against Rs.3.7 Crores in Q1FY20 Our leverage in liquidity position has also improved considerably. As mentioned in the previous call as well, we have been trying to optimize our working capital addition to pairing some of our long-term debt. During the past fiscal we managed an overall reduction of ~Rs.22.5 Crores of long-term plus short-term debt and in the last quarter we enable to reduce by ~Rs.7.5 Crores of long-term and short-term debt, this coupled with improve profitability has thus to increase our cash flow generation last year.

We also expect to release some of the long outstanding overdues from various clients which was ~Rs.49 Crores in March 2019 and has been reduced to Rs.25 Crores in March 2020. The same is expected to reduce by further Rs.5 crores to Rs.6 Crores this year.In addition, some outstanding cash refunds are also being processed by various departments and the same will also ease out the cash flow for the company.

Further to strengthen the company's liquidity position during these challenging times we are actively engaged with our working capital bankers to avail the special liquidity scheme announced by the Reserve Bank of India. We have also applied for the legal proportion performance guarantees from various clients in partly completed projects as allowed by the Ministry of Finance which result in a significant release of our non-fund limits, they were providing liquidity in terms of margin money for these bank guarantees.

Already approximately Rs.40 Crores bank guarantees have been released by various clients as on date. We do not foresee any challenges in meeting our debt obligations or liquidity for the business.

That is all from my side. I would now request the moderator to open the call for any questions and answers. Thank you.

Moderator: Thank you. We will now begin with the question and answer session. The first question is from the line of Rohit Natarajan from Antique Stock Broking. Please go ahead.

Rohit Natarajan: Thanks for the opportunity. Sir my first question is more to do with the macroeconomic picture. I understand that most of the projects that you are working at as currently you are expecting that quarterly run rate, if you have to name about the Ghazipur or even for the matter of DFCC Project, but my question is more towards how the railway ordering is schedule to happen in this year, because we have been reading news that there is lot of fund crunch at railway level and that may indeed the capital expenditure plans. Is there something of such similar thought that you have come across?

Atul Tantia: With respect to the fund crunch and the ordering pipeline for the railways, the L1 that we are currently of ~Rs.500 Crores and we are also bidding for railway contracts every week, every month, so we do not see the ordering pipeline drawing up for the railways as such. As regards the fund flows from the railways the fund flow has been quite smooth till now and we have been given to understand that this financial year, it should be smooth as well. There have been lot of news with respect to what you rightly said with respect to fund crunch at the railways, but I think that they are in the process of organizing more funds whether through some bond offerings and also they are looking at diluting some stake in public sector undertakings that should also ease also for the cash flow for them.

Rohit Natarajan: Just to continue with that question itself, there are some nodal agencies and I would not say that it is nodal agencies there are some CPSEs like RITES, IRCON, RVNL. They have not got strong order since December 2019, revision of that notification of new policy. So, do you think there is some other bottleneck that overall scheme of things do we see something of that sort that businesses are missing?

Atul Tantia: I think that lot of our ordering activities happening with RITES, and RVNL even IRCON for that matter other than the zonal railways and the PSUs so the contracts that we are L1 also are some with RVNL and others as well. So, we do not anticipate any ordering activity try up for them as of now.

Rohit Natarajan: I appreciate that part. Sir my second question is more to do with this bank guarantee part. Earlier in the last call, you said that there were some Rs.30 Crores that was stuck up, I mean, banks that to court and this matter was suppose to be taken that in August you also said in your opening marks that you got some Rs.41 Crores kind of an amount and if the overall scheme of things we were looking at close to Rs.55 Crores to Rs.60 Crores of release of funds. So, what is that position over there, if you could give us some granular picture?

Atul Tantia: I think you are mixing up two subjects, so one is with respect to the Rs.30 Crores that you are talking about the Jogbani Highway wherein the NHAI is deposited Rs.30 Crores with Delhi High Court and the same is to be released to us against bank guarantee that hearing was supposed to be in August unfortunately Delhi High Court has postponed the hearing to October, 2020 all their hearings are forwards to October,2020 because of the pandemic so that is one part I think that is so and the other part is with respect to the release of proportionate bank guarantees, performance guarantees specially as part of the circular of Ministry of Finance which total we expect to get release of almost Rs.55 Crores out of which Rs.40 Crores to Rs.45 Crores is already released the balance Rs.10 Crores is expect to be release in August, 2020 itself.

Rohit Natarajan: I appreciate that part. Just one more question sir from my side, that is more to do with the working capital limits that we have I understand it should be somewhere between Rs.2.1 billion kind of a number that utilization rate of 90% to 92%, what is that situation right now looking like?

Atul Tantia: The working capital limits sanctioned to us is almost Rs.2.1 billion and another Rs.11 Crores to Rs.12 Crores is getting sanction under the special liquidity window that was announced by RBI. So, it will be almost Rs.221 Crores; ~Rs.222 Crores, out of which the utilization would be about now about 90%, so Rs.200 Crores would be currently utilized approximately.

Rohit Natarajan: That's it from my side. Should there be any other questions I will get back in the queue.

Moderator: Thank you. The next question is from the line of Shruti Sharma an individual investor. Please go ahead.

Shruti Sharma: Good morning. Thanks for the opportunity. Sir actually I wanted to understand like the current order book we have of around Rs.1,600 Crores what is the execution period for the same?

Atul Tantia: It is over next two to three years.

Shruti Sharma: Sir what kind of deferment have they seen because of due to this pandemic on the execution front?

Atul Tantia: So, deferment would be approximately 1-1.5 months. There is not much of deferment there, means of the government has allowed the various PSUs and various departments to grant an extension up to six months, but like I said in my opening remarks it was almost fully lockdown and we started in May gradually and now we are almost 70% of our execution rate clearly.

Shruti Sharma: Secondly Sir I wanted to understand on our margin improvement so what are the reasons for this improvement and is it sustainable?

Atul Tantia: Like we had said in our annual earnings call in June,2020 we are undertaking some cost optimization measures especially with respect to employee cost and other overhead and administrative costs that has led to an improvement in the margin in the current quarter we expect that for the full year we will be able to improve the margin by almost 100 basis points which is Rs.5 crores to Rs.6 Crores and that would there is a long-term thing and it is strategic in nature.

Shruti Sharma: Sir also if you could tell me like in our Africa business what kind of headwinds, are we facing and is there any execution of business strategy in that particular area?

Atul Tantia: There is no headwind as such it was there last year because the elections in South Africa as well as Namibia and sovereign rating downgrade of South Africa which led to a mark-to-market loss as on March 31,2020, the currency is still quite devalued compared to what it has been historically. However, the operations are going on quite smoothly we are getting, we have the requisite orders and we are getting the necessary payments and all our purchases as well as payments are in local currency so we are as such not affected by the currency fluctuation per se.

Shruti Sharma: Sir one more question if I may ask, I mean, is there any update on the arbitration award of around Rs.60 Crores?

Atul Tantia: So, like I said in my earlier remarks the hearing that was expected of this August,2020 has been referred to October,2020 by the Delhi High Court due to the pandemics, there is no update on that.

Shruti Sharma: Sir any timeline do we have in our mind like I mean any expectation on that.

Atul Tantia: We cannot decide because its subjudice so it depends on the judicial process.

Shruti Sharma: Sir what is the average cost of debt?

Atul Tantia: Around 12%.

Shruti Sharma: Thank you Sir for taking my question, if I will have more questions, I will join the queue.

Moderator: Thank you. The next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar: Thanks for the opportunity. Sir just wanted to understand like we are currently running at about 70%-75% utilization level so by when we are expecting it to normalize.

Atul Tantia: I think that it depends on the pandemic we are hoping that it should normalize by June and utilization levels at the factories as well as the projects are going up. Currently also there is some effect of monsoon as well, hopefully by September,2020 – October,2020 once the pandemic subsides should get normalized.

Deepak Poddar: Once the situation normalizes so what sort of basically growth we would be wanting to grow at?

Atul Tantia: This year due to the pandemic I think we would be a flattish or slight uptick not too much of growth, but it depends on how the pandemic honestly pans out it is too premature right now also to predict what will happen this year, but as we stand I think this year we would be flattish or slightly uptick.

Deepak Poddar: Regarding EBITDA margin you mentioned about 100 basis point improvement so vis-à-vis overall for the last year right that is the comparison matrix?

Atul Tantia: Correct.

Deepak Poddar: That's it from my side. Thank you very much Sir. All the very best.

Moderator: Thank you. The next question is from the line of Mohit Kumar from IDFC. Please go ahead.

Mohit Kumar: This is Mohit Kumar. I have one question on the order book. Just to Sir have you seen any order inflow in the sense there is the less tender from the Indian Railways or RITES or RVNL or IRCON or you are seeing a decent order pipeline for you to the next for the tender and have you submitted any tenders in the past three, four years which are awaiting the results, I understand that of course on the PPT that you are L1 in Rs.5.2 billion worth of order and what kind of order book you accretion you believe will be you be able to do in this financial year?

Atul Tantia: First of all, I think that we have got orders from RVNL and IRCON in the last one year. I do not know. Last three to four years obviously we have got lot of orders from them we are L1 just to correct you we are L1 in Rs.500 Crores not Rs.5.2 billion so it is not Rs.520 Crores, Rs.500 Crores. In terms of ordering activity, I think that it has almost been the same with respect to what it was previously in RVNL, RITES, IRCON and even the railways for that matter. We are bidding like I said earlier also every week, every month and with RVNL and Railways and RITES and even IRCON for that matter, so we do not foresee any downtick in that order pipeline. For the full year we have already got Rs.230 Crores of orders already for up in this in year to date right now and we are L1 in Rs.500 Crores. So, I think that for the full year we should have order inflow of minimum Rs.1000 Crores.

Mohit Kumar: Which are the other sectors you are looking at apart from Railways for the order for it for the next six months?

Atul Tantia: Our primary focus has always been Railways and whether it is the concrete sleeper segment or the infrastructure segment and I think that it will currently do with that we have got some contracts for roads and in northeastern part of the country in Manipur but primarily it would be railways.

Mohit Kumar: Sir one last clarification, you said about one arbitration award, this arbitration award is from Jogbani Highway am I right?

Atul Tantia: Correct.

Mohit Kumar: Thank you.

Moderator: Thank you. The next question is from the line of Viral Shah from Prabhudas Lilladher. Please go ahead.

Viral Shah: Good morning Sir. Sorry I joined in late to the call, so my questions might be repetitive. First of all hope in GPT family, all everyone is safe and is fine. Sir to start with, in terms order inflow of L1 of around Rs. 500 odd Crores, sir could you quantify which all segments mainly it would be railways or is it sleepers as well or EPC or sleepers?

Atul Tantia: No, it is EPC now that goes all EPC contracts right now.

Viral Shah: All from railways or there were clients from RVNL, IRCON part, PSU plant as well?

Atul Tantia: Railways includes RVNL, IRCON, RITES, so railways include all of the things.

Viral Shah: So why I was clarifying is it is from Indian railways directly or it is to the PSUs, RVNL IRCON on RITES?

Atul Tantia: The current L1 is from PSUs not in Railways directly although we have submitted some tenders even for Railways directly, currently they are not yet open so we do not know whether we are L1 or not.

Viral Shah: Secondly Sir how have you seen that conversion actually happening from tendering or bid pipeline to actually getting into orders and what is the duration of time does it take to start the work on ground so could you explain that order crisis?

Atul Tantia: Conversion generally our strike rate it is almost 15% to 20% and in fact we are having that kind of strike rate also currently in terms of getting new orders for the tenders whether we bid for and to start the project post the award I think it takes minimum three to four months after the drawings and everything are cleared so 3 to 4 months is generally when the work can get started on ground.

Viral Shah: Sir my question to conversion was more from the point of the view that currently there would be huge amount of bid odd tendering pipeline right and to get into converted into actual orders per se LOI or LOA so what is that timeline whether that it has been three lane, six lane because there would be huge amount of pipeline.

Atul Tantia: So normally nowadays it does not take that long normally one to two months.

Viral Shah: Sir from our execution capabilities when you look at what has been the run rate in the month of July as compared to month of June and what was there in the month of April so how gradually the ramp up has happened so that clarity will be helpful?

Atul Tantia: April,2020 was practically maybe quite abysmal almost Rs.2 Crores to Rs.3 Crores. In April,2020 it was quite less in terms of execution because it only started in the end of April,2020 last 5-6 days that was there and that will take some time and so basically in May,2020 and June,2020, we have done almost Rs.40 Crores and July,2020 I would say we are doing almost Rs.50 odd Crores of run rate right now.

Viral Shah: That would be how much as compared to pre COVID levels in terms of percentage broadly?

Atul Tantia: I think pre COVID last year July we would be also doing a similar amount.

Viral Shah: Sir in terms of employee availability what is the trend currently on and when do we expect the peak to happen?

Atul Tantia: So, in terms of employee availability, 90% of our employees are at project sites and factories so they are fully available because in rural India it has not affected that much till now thankfully. In terms of our corporate office we have started in May 5, 2020 has allowed by the Government of West Bengal that to with a limited very limited manpower has again allowed by the local district authorities but now also it is working on a roster basis so I would say 95%-98% of the employees are working from home maybe 2% to 3% are not able to come I think about 15 to 20 people out of 800 people are not able to come

Viral Shah: Sir last two questions from my end one on the moratorium have we availed any moratorium relief which was done by the government during the quarter and what will be the capex plan be for the FY2021 and how much we have incurred in Q1Y21. Thank you that is it from my end. Thank you.

Atul Tantia: We have not availed the moratorium from banks as announced by the Government of India only that we have applied for the special liquidity window. In terms of capex it again depends on the order inflow but generally capex would be about, replacement capex would be about Rs.10 Crores to Rs.12 Crores.

Viral Shah: That's it. Thank you so much sir and all the best for future. Thank you.

Moderator: Thank you. The next question is from the line of Mihir Desai from Desai Investment. Please go ahead.

Mihir Desai: Sir my first question would be on order inflow Sir, so basically you said the order inflow would be around Rs1,000 Crores this year, which we have and so it would be even higher than FY18 and FY19, Sir is that, correct?

Atul Tantia: Yes.

Mihir Desai: Sir we are not seeing any disruption in or any lag in order that we see on account of pandemic?

Atul Tantia: Like I said we already have received 230 Crores of new orders and we are L1 in Rs.500 Crores so first half hopefully we should announce Rs.700 odd Crores of new order inflow and that would be much higher than even FY20 that we had got in FY2020.

Mihir Desai: Sir on the industry side how do you see that now post-unlock the supply chain and everything this has been disrupted earlier sir now is it back to normalcy?

Atul Tantia: Supply chain is quite back to normal. There is no issue in supply chain.

Mihir Desai: Sir the improvement, which we have seen in the past is this sustainable going forward?

Atul Tantia: Like I said we expect the EBITDA margin improvement of almost 100 basis points on account of cost optimization. Obviously, EBITDA will not be 20%-21% which we have done for this quarter overall for the year I think we would do an EBITDA of almost 14% to 15% rather than 13% to 14% that we would have done historically.

Mihir Desai: Sir lastly just wanted your outlook on the sleeper side business also like how is the order inflow?

Atul Tantia: Sleeper last year we had done revenue of almost Rs.97 odd Crores and that this year we expect revenue of almost Rs.125 Crores -Rs.130 Crores minimum.

Mihir Desai: There also activities will be smoothened going forward?

Atul Tantia: Sure.

Mihir Desai: If I have more questions, I will join the queue Sir.

Moderator: Thank you. The next question is from the line of Sadanand Shetty from Dhruv Equity Advisors. Please go ahead.

Sadanand Shetty: While your Namibian has shut temporarily are you incurring any cost on that currently?

Atul Tantia: Namibia, we already started last week. Like I said in my opening remarks. In the first quarter we have incurred some fixed costs that are part of so that has been already accounted for in the results that has been declared.

Sadanand Shetty: My second question is when will you complete Ghazipur contract and follow on that is how quickly thereafter you can bid for Rs.1,000 Crores opportunity?

Atul Tantia: We are expecting to complete Ghazipur in the next 20 months and in terms of bidding as soon as we complete the certificate will be available from the client and then depending on the orders inflow, we can always bid for it immediately.

Sadanand Shetty: What are those scale and size of Rs.1,000 Crores opportunities which perhaps you have not done till now?

Atul Tantia: We have done larger scale contracts. We are doing larger scale contracts like Ghazipur this one is through contract so the scale would be similar to like I would say bridge over some of the larger rivers of the country or also for that matter the larger contracts for high-speed rail and the likes of that.

Sadanand Shetty: I just add one more question and after that I will join the queue. While you talked about expanding EBITDA by 100-basis point is that here to stay is that secular?

Atul Tantia: Yes that is here to stay it is long-term and strategic in nature so we expect it to stay.

Sadanand Shetty: What is strategic in that you mentioned?

Atul Tantia: We have cut down a lot of the cost and it has been optimized and some of our departments, which were redundant, have been merged so it is strategic in that perspective.

Sadanand Shetty: With the larger railway capex what is your sizable opportunity? Now we hear there is Rs.1.6 trillion kind of a spend and all but I am sure that you must be operating in specific vertical so according to you what is your size of opportunity?

Atul Tantia: I think our addressable opportunity out of the 1 lakh Crores we have got infrastructure pipeline that the government has announced it would be about Rs.10,000 odd Crores we would be addressing a segment of that.

Sadanand Shetty: If you see your execution cycle you mentioned earlier is three year for Rs.1,600 Crores so these looks like a long cycle. Is there any plant fill in the short cycle and bolster the overall turnover of the company?

Atul Tantia: In order to bolster the turnover of the company you have to have larger new orders as the larger contracts require two to three years it is very difficult to shorten the cycle because there are challenges in terms of their execution, the chart that we need to follow in terms of the execution cycle; however, having said that to bolster the turnover of the company the order inflows have to be in tandem with the growth so we still be like to have an order pipeline of 2-2.5 times the trailing 12 months revenue. So that is in line with why we are saying that this year minimum Rs.1,000 Crores order inflow is expected.

Sadanand Shetty: My question pertaining to sleeper business in our typical DFC project when does the sleeper requirement comes exactly in the project like DFC when do they start ordering?

Atul Tantia: They have to start ordering in as the sleepers as soon as the project ordering happens because sleepers a) you need to be set up the factory at the location and the approval of the factory that itself takes almost 8 to 10 months and then you need to produce sleepers and keep it ready because once we start laying the sleepers the daily requirement get sometimes be higher than your daily production so if they are laying about say about a kilometer a day which is about 1,600 sleepers and we are producing 1,000 a day or 1,200 a day you would be depleting from the stock so ordering has to happen in tandem with the ordering of the main contracts for the DFC as well.

Sadanand Shetty: In eastern DFC it looks like a long runway for you what is the incremental size of opportunity would be available?

Atul Tantia: Till now I think they have tendered up to if somewhere Bihar, Sonnagar and they need to tender from there to the Kolkata port that is another 300 odd kilometers. So, 300 odd kilometers odd we have got in terms of sleepers it would be an order of almost 300 odd Crores.

Sadanand Shetty: This contribution of mega bridges how much is part of your current order book and how much was that percentage of your last fiscal revenue?

Atul Tantia: Mega bridges so we do lot of bridge contracts bridges is almost 60% to 70% of our order book the larger bridges. We also do smaller bridges 60% to 70% is from mega bridges so that is both in terms of order book as well as revenues.

Sadanand Shetty: Considering there is the limited competition as you mentioned, is it fair to assume you have a higher margin in that segment?

Atul Tantia: Yes, it is quite fair to assume. So, 13% to 14%, the 100-basis point increase would be 14% to 15%, EBITDA is a blended margin so some contracts might be having 16% some while we are having 13% so a blended margin is about would be about 14% to 15% for this year.

Sadanand Shetty: You earlier talked about in presentation opportunity in Africa, Mozambique, Bangladesh, Myanmar, nothing seems to be fructifying you want to share some details on that?

Atul Tantia: We have done opportunities. We have done in Mozambique in the past. We are doing currently in South Africa and Namibia. In Bangladesh we have also supplied as earliest as last quarter means the March quarter we have supplied from our factory in India to Bangladesh. So, to Sri Lanka we have supplied last year as well. So it is fructifying in that sense.

Sadanand Shetty: Are you looking at any opportunity in Mozambique that seems to be quite active on the railway capex?

Atul Tantia: No, not currently. Mozambique is going through a tough time. We have had the Mozambique the railway capex is already I think fully happened and they had some contracts with Vale of Brazil and that contract is again in doldrums I am told.

Sadanand Shetty: You see while you stay true to your railway segment but railway itself is actually opening up to the private sector whether it is a Railway Development Corporation, Station Development, or Passenger Privatization or Goods Train Privatization you do not smell any opportunity on those segments?

Atul Tantia: We are core infrastructure player and we do not like to, we like to be asset light in that sense we do not like to b a BOT or an asset heavy company we are EPC company and we like to stay true to our core components.

Sadanand Shetty: But have you evaluated with them, which can fit into your core competency?

Atul Tantia: We have not evaluated in terms of private train operations or station redevelopment, although as part of some contracts for metro we might be bidding for station works. But the station redevelopment of the traditional Indian Railways we have not evaluated honestly.

Sadanand Shetty: The reason I am asking is one of the calls, I got to know that in a privatization of passenger train lot of this operator might outsource the services part of it I do not know whether for you it is fits into your strategy?

Atul Tantia: No, it does not, we actually like to have a direct contract from the railway or the railway PSUs typically that is our model and we kind of like to stick to that.

Sadanand Shetty: Thank you Atul. It is very helpful.

Moderator: Thank you. The next question is from the line of Shubham Jain from Sameena Capital. Please go ahead.

Shubham Jain: Good afternoon Sir. I had a question regarding the sleeper segment of the company. Given that 13% to 14% revenue is from this segment. I just wanted your outlook from this business for next from medium to long-term what is the amount of inflow you are expecting what is the amount of expenditure you are expecting in the sector just the outlook for the sector from your view?

Atul Tantia: I think to correct this quarter I think the revenue from this segment is about 20% not 13% to 14% and in terms of outlook for the segment like I said earlier we expect it to be almost Rs.125 Crores for this year revenue for this year and similar for next year.

Shubham Jain: Thank you Sir.

Moderator: Thank you. As there are no further questions, I now hand the conference over to Mr. Atul Tantia for closing comments.

Atul Tantia: Thank you everyone for your participating in Q1FY21 earnings conference call. I think that going forward with our strong execution capabilities, a healthy financial base and enviable growth prospects across our areas of operation we believe that GPT Infraprojects is well position to continue the growth trajectory and give positive return to all our shareholders. In case you have any other further queries, you may get in touch with our IR team, Stellar Investor Advisors or feel free to get touch with us directly. I wish that all of you take care and stay safe. Thank you and have a good day.

Moderator: Thank you. Ladies and gentlemen on behalf of GPT Infraprojects Limited that concludes this conference. Thank you all for joining us. You may now disconnect your lines.