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infralogistic solutions ltd
Think New. Act Now
(Formerly Tara Chand Logistic Solutions Ltd)

Pan No. AAECT1408Q
TAN No.PTLT12766F
GSTIN. 04AAECT1408Q1Z8
CIN No. L63090CH2012PLC033556

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Date : 23rd August,2023

To,
The Secretary,
National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor Plot No- 'C' Block,
G Block Bandra-Kurla Complex,
Bandra (E), Mumbai-400051

SYMBOL: TARACHAND

Dear Sir/Madam,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 –Transcript of the Investor Meet held on 18th August,2023,Friday at 03:00 PM(IST)

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we are hereby sharing the transcript to the Stock Exchange of the Investors Meet held on 18th August,2023,Friday.

The same shall also be made available on the website of the Company (www.tarachandindia.in) as per the prescribed timelines under the Listing Regulations .

You are requested to take the above information on record.

Thanking you,
Yours faithfully,
For Tarachand InfraLogistic Solutions Limited
(Formerly Tara Chand Logistic Solutions Limited)

HIMANSHU AGGARWAL

Digitally signed by HIMANSHU AGGARWAL
Date: 2023.08.23 11:06:34 +05'30'

Himanshu Aggarwal
Executive Director & CFO
DIN No. : 01806026

Encl: As above

"Tara Chand Infralogistic Solutions Limited

Q1 FY '24 Earnings Conference Call"

August 18, 2023

MANAGEMENT: **MR. HIMANSHU AGGARWAL – DIRECTOR AND CHIEF FINANCIAL OFFICER –TARA CHAND INFRALOGISTIC SOLUTIONS LIMITED**
MS. NISHU KANSAL – COMPANY SECRETARY AND COMPLIANCE OFFICER – TARA CHAND INFRALOGISTIC SOLUTIONS LIMITED

MODERATOR: **MS. ASTHA JAIN – HEM SECURITIES**

Moderator: Ladies and gentlemen, good day and welcome to Tara Chand Infra Logistics Solutions Limited Q1-FY24 Earnings Conference Call hosted by HEM Securities.

As a reminder, all participant lines will be in telephone only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Astha Jain from HEM Securities. Thank you and over to you Ms. Jain.

Astha Jain: Thank you Neerav. Good afternoon ladies and gentlemen. Thank you for joining the Tara Chand Infralogistic Solutions Limited Q1 FY24 Earnings Conference Call. Joining us on the call today are Mr. Himanshu Aggarwal, Whole Time Director and CFO and Ms. Nishu Kansal, Company Secretary of the company. We will commence the call with the opening thoughts from the management team post which we will open the forum for Q&A session, where the management will be glad to respond to any queries that you may have.

At this point, I would like to add that some of the statement made or discussed on the conference call may be forward-looking in nature. The actual results may vary from these forward-looking statement. I would now like to hand over the call to Mr. Himanshu Aggarwal to commence by sharing his thoughts on the performance and the strategic progress made by the company. Thank you and over to you, sir.

Himanshu Aggarwal: Thank you for the introduction, Astha. Good afternoon, ladies and gentlemen. I, HimanshuAggarwal, the Whole Time Director and CFO on behalf of the entire team of Tara Chand Infralogistic Solutions Limited welcome you and thank you to be a part of this investor and analyst call for Q1 FY24. I also have with me our Company Secretary, Ms. Nishu Kansal, who is also the Compliance Officer.

To start with, I would like to give you a brief about what our company does at a glance. So the company Tara Chand Infralogistic Solutions Limited, it was previously known as Tara Chand Logistics Solutions Limited. It serves the India's infrastructure development needs and also the industrial capacity expansion needs through a vast fleet of cranes, piling grids and trailers. Along with that, we are into warehousing and logistics solutions that we execute primarily for PSU companies like Steel Authority of India Limited and Rashtriya Ispat Nigam Limited. The company has a vast experience of more than four decades for steel handling projects where we are involved with a capacity of more than 10 million tons steel handling per annum.

On the equipment rental front, the company has machines, close about 300 machines, which as I said earlier, we've got heavy cranes. The largest crane the company has is of 800 ton capacity. There are hydraulic piling rigs, which are used for earthwork, groundwork to be done for construction works, And we've got steel processing equipment which is used for processing of TMTbars that are used in construction activity.

The company, in the infrastructure development zone, has been active in the construction of large metros, the metro rail network across the country, having participated in Mumbai, Bangalore, Ahmedabad, Surat, Indore, Pune, you name the metro, and we are there. We have been a very active participant and we played a very important role for the construction of the first ever bullet train of the country, which is the also known as the Mumbai-Ahmedabad high-speed rail project. Apart from that, in our industrial capacity expansions, we are actively working with the cement industry, steel industry, the renewable energy, in oil and gas, with refineries, and the power sector as well.

We have a very diverse team of experts, which are spread across 21 states in the country. We also have operations in Mauritius where we are working with L&T and our team is a total of about 600 people and at present the company is working across almost 50 sites in the country. So, that is a brief that I wanted to start with. Now, moving on to the financial highlights for the Q1 FY24. The company is very happy and proud to have delivered the best ever June quarter results, in which we have seen as the highest sales& profitability, , as well as the highest ever EBITDA. To give the numbers, we clocked a total revenue of INR 40.17 crores, which is a year-on-year increase of 19%. The EBITDA we had of INR13.27 crores, which is a 33% increase year-on-year.

The company then also ensured that there was financial efficiency, so the interest cost, or the finance cost, because a lot of the equipment that the company purchases is financed by banks. So, the finance cost is an important role which has reduced by 23%. It has gone down to INR1.57 crores for the quarter against the same quarter in the previous year. The profitability, as I said, has been the been the best so we had a profit before tax of INR4.46 crores for this quarter leading to a profit after tax of INR3.8 crores.

Both these numbers have seen exponential increases. The PBT increased by 58% year-on-year while the PAT increased by 81%. The cash PAT accordingly has also increased by 53% reaching a figure of INR11.04 crores for the quarter ended June 30th, 2023. The company is working aggressively with its clients to ensure that the efficiency, the occupancy of its equipment is ensured throughout a longer period. We have the USP of being associated with our clients for long term.

We've been associated with companies like Steel Authority of India Limited for almost 35 years now, and with infra companies like Larsen & Toubro, Tata Projects, Afcons and other such names also for more than 10 years or 15 years, as the case may be. And it is because of these efforts that the company has been able to grow over the years, and we did, if you would look at our numbers, we did have certain challenges when COVID came in, which was a challenge for a lot of the people, but that has only served as a catapulting effect where the company has launched into a new growth zone in the post-COVID era.

And going forward, I would like to add here, we are in the quarter, in the second quarter of the financial year, which usually tends to be slightly lower than the previous quarter because of the monsoon effects and that is traditionally how our industry works where you would see that the last two quarters, Q3 and Q4 usually tend to have the best results when it comes to sales and that is where we would also be looking at and it's just a word of caution that you should consider the output from the company in this quarter accordingly.

Going forward, on the order book front, we have an order book currently for the current year as on 1st August 2023 to be executed up to the 31st of March 2024, we are looking at an order book of about INR110 crores, which is predominantly, almost equally divided between our two major segments, which are warehousing and transportation, giving us about INR54 crores, and the equipment rental industry giving us about INR50 crores in this order book. And we are anticipating more orders that would come in from the rental division because it is of a different nature where every three or six months different orders or extension of orders do take place.

Whereas in our warehousing and transportation, it is a long-term seven-year, five-year contracts that the company gets from the PSU companies that we are working with. To give you an idea, on the work order front, otherwise, the company has an order book from this warehousing and transportation of INR144 crores which is to be executed in subsequent financial years as well.

So, that is the gist of what the company is doing and in addition we are working on bidding for EPC projects where we feel that it is the next step for the company to take forward the company into the next growth and development zone. And those we will update once we have concrete information and concrete results on our EPC tenders that we are bidding. With that, I would like to now open up the floor for the Q&A and had it hand back to Ms. Astha.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the man of Bhavesh Sanghvi from Growthfinity Wealth. Please go ahead.

Bhavesh Sanghvi: Hi, nice to get all the [inaudible 0:10:17].

Moderator: Hello? Speak through the handset please. Can I request you to speak a little louder please?

Bhavesh Sanghvi: Yes, my concern was here related to the previous annual report. So we saw major cause in the maintenance report of previous year. Is there are any cause [inaudible 0:11:12]. Normally, that might impact the profitability that we did expect it to be, if you remind somebody that.

Himanshu Aggarwal: Nikhil, I'm not able to catch the question clearly.

Bhavesh Sanghvi: Yes, so we saw a major cost in the area maintenance in the previous annual report. And I think there are any such major expenses that the management is expecting in the future that might impact the profitability?

Himanshu Aggarwal: So for the previous year are you referring to the entire year or a specific period of the year, if you talk about the previous year?

Bhavesh Sanghvi: In the previous year, the whole year, like in the previous annual report I saw major chunk of expenses coming from the repair and maintenance. So here there was a major increase of almost double increase from 450 to around 900 plus plus?

Himanshu Aggarwal: Okay, so in the previous year, as I understand, we did have a contract with L&T, we were doing for the bullet train piling works where it was a back to back contract. The cost of doing that work, there was a certain component that goes into executing that work which has been itemized under repair and maintenance, which would have led to a chunk of the expense being seen as such, which does not seem to be the case in the present year. So, if that is your question, specifically, whether we see any major repair and maintenance costs in this year is what I understand you're trying to ask, right?

Bhavesh Sanghvi: Yes.

Himanshu Aggarwal: Yes, so, to answer that, it would be in the general range that it has always been. Only last year probably what you were referring to is an increase that was for a specific project which is not there for the current year. At least at this point.

Bhavesh Sanghvi: I have another question. There was like in the previous two or three years there's a major increase in cost people are rising the oil cost and everything. I wanted to know how much is the company able to pass on the cost to the customers?

Himanshu Aggarwal: I'm sorry I'm not being able to hear you clearly.

Moderator: Bhavesh,may I request to rejoin the queue again, please?

Moderator: Thank you. Next question is on the line of Sahil Sharma from SS Capital. Please go ahead.

Sahil Sharma: Sir, can you please explain the two segments once? Like what do we do under the infra-work segment and the transportation and handling segment? If I understand correctly, in infra-work, we are leasing out or renting out medium and heavy equipment like cranes. But the transportation and handling segment, it's not clear to me what business we do in that segment.

Himanshu Aggarwal: Okay, good afternoon. Thank you for the question. What we are doing in the two segments, one is the transportation and handling warehousing, where we are predominantly in the steel logistic works. We are working with companies, PSUs, Steel Authority of India Limited and Rashtriya Ispat Nigam Limited.

We manage their stockyard operations, what it entails is basically all the inward material, which is unloaded by our equipment and our team, stackedas per the guidelines of the client, and accordingly then it is dispatched onto trailers or other medium or other sources that are there for transportation, to be dispatched to the respective clients of Rashtriya Ispat Nigam Limited or Steel Authority of India Limited.

We, at present, one of our major USPs is that we are handling the central dispatch yard of Rashtriya Ispat Nigam Limited which is at Vishakhapatnam. RINL is also known as Vizag Steel, commonly, if that is what you would be able to recollect the name from. So, their entire stockyard operations, the mother stockyard of the plant is handled by us wherein all the production of steel that happens in the plant is first brought by our equipment into the mother stockyard.

From there, it is onward dispatched to the various destinations across the country as per the requirement of the Vizag steel management or the guidelines that are there. And then we are also doing transportation across the country of steel, be it steel or steel pipes or other steel related itemsfor various destinations and with different clients. So that is a basic gist of what we do in our steel handling and warehousing segment. If that is what your question was, sir.

Sahil Sharma: Yes, sir. And if I understand correctly, all the equipment and the trailers would be owned by us in this segment, right?

Himanshu Aggarwal: Yes, yes, that is correct.

Sahil Sharma: Okay, and I think in the FY22 annual report, we had said that there's an operating capacity of 6 million tons, and we are like one of the largest steel material handling providers in the country. I've heard that just in the FY22 annual report. Can you give some kind of an update on like what's the current operating capacity for this sector?

Himanshu Aggarwal: We have enhanced the capacity to almost 10 million tons per annum. We've added equipment, be it trailers, cranes, and we recently also imported rubber tyre gantry cranes. We are the only private service provider in the country who has got self-owned rubber tyre gantry cranes. These are innovative cranes which increase the efficiency of steel handling within the stockyard premises, which leads to faster turnaround of the trailer so that more of the steel material can be dispatched and the trailer utilization can be increased.

Sahil Sharma: Okay, so related to that, what is the capacity utilization in both the segments separately right now?

Himanshu Aggarwal: So, currently if we look at the capacity utilization for our infra rentals and the infra works, we are at about 85%, 84% to 85% capacity utilization and on the front of the steel handling and logistics sector, we are doing, if you talk about the present quarter, are you talking about the current quarter, right? Yes. So the present quarter, that would be about 75%.

Sahil Sharma: Got it. So in terms of the capex, you have written that we continue to do capex for growth. Can you just point out like how much capex you are planning to do in both the segments?

Himanshu Aggarwal: Capex is nothing per se defined as capex plan. It is usually taken up by the company and the board's approval at the time of requirement based on our client's requirements when projects come up. And for the current year, as I said, we've already done capex in the previous quarter, wherein we've brought in cranes, the rubber-tyre gantry cranes, as I highlighted, for our steel handling operations.

And there have been certain additions in the equipment rental space where we've brought in equipment that werenecessary for the execution of our project. So to give you an idea, in the first quarter, in the current year, we've already done a capex of INR25.4 crores. And going forward, if the need does arise and with the necessary board approvals, we would take up the capex if and when required.

Sahil Sharma: Essentially, how I'm trying to understand is that from this 85% and 75%, could we go to like 100%? Is that possible in our industry? And basically without capex we wouldn't be able to build, so that's the context.

Himanshu Aggarwal: Right, so for the occupancy percentage to increase, what we are essentially looking at is when we talk about 84% to 85%, , there is a lot of time that goes in the transit of the equipment as well. So, the actual utilization of the equipment is 100% if you look at it in that sense, but because of the space and time that is wasted in their transit, that leads to the actual utilization converted in numbers about 84%-85%.

The capacity utilization in our steel segment, the handling and transportation segment, that definitely depends on the demand in the industry, which is increases as I had earlier mentioned in the Q3 and Q4. So there we do see a chance of it improving but reaching 100% capacity utilization is definitely a difficult task if you look at it that way.

Sahil Sharma: So in Steel Handling, probably we can get to 85% in Q3 and Q4.

Himanshu Aggarwal: Right, yes. That would be a good estimate.

Sahil Sharma: Got it, sir. I was saying, if you look at our competitors, like some of the other companies that are in similar segments, like Sanghvi is another company, their operating margins are more like 60%, and our operating margins are like 33%. I was wondering what could explain the difference in these operating margins and also like if scale could have operating margin increase from here or would it remain around this 30%-33%?

Himanshu Aggarwal: Okay. So, to answer your first question, the operating margins for Sanghvi are predominantly different because they are only and only into the equipment rentals, as I understand, although I have not looked into their numbers. Whereas, if you look at our mix of services, it is a combination of three different services. One is the equipment rentals, which forms about 45% of the overall revenue, and then we've got warehousing and transportation, which is about 45%-46%, and then we've got steel distribution which is about 9%.

If you look at the mix for the last quarter or even for the previous financial year.So a mix of these are the operational output of those operational margin that you're looking at, that is where we are at 30%-33%.Going forward, we are targeting to maintain the margin in those range, but definitely we do not see a jump as you're talking about Sanghvi having a 60% to 65% margin. That is a different, there is a single industry that you are looking at which will not match with the kind of mix that we have.

Moderator: Thank you. Sorry, interrupt you Sahil, I have requested you to join us again for a follow-up question. A request to all the participants, please restrict to two questions per participant and join back the queue for a follow-up question. Next question is from line of Sethuraman from Angeeras Securities. Please go ahead sir.

Sethuraman: Good afternoon. I have two questions. One is your ROE. You know when you look into ROE, you know till March 20, it is fantastic. Then 21, 22, 23, slowly it is coming down, number one. Number two, your receivable base is also increasing. And the cash conversion cycle, that is also we can see from after March 20 is drastically down. Could you explain on it?

Himanshu Aggarwal: Yes good afternoon thank you sir for the question. So to answer the first one which is the ROE., the change that you have noticed is because in the 21 and 22, FY21-22 and FY2021, there was definitely COVID that played a major role in the challenges that everybody faced and we were no stranger to it.

So, that was the reason that for two consecutive years we had a challenge on the ROE front and as we have come out of the COVID era, if you would look at the March 23 numbers, the ROE levels are beginning to reach what we used to have in the pre-COVID era.

On the second question that you've asked on the working capital days, it again is a reflection of the challenges faced during COVID where the receivables cycles were stretched beyond the norm in the industry which had led to a drastic change in our working capital and the funds from our clients got stuck because of projects getting stalled or because of certain disputes that had arisen during the COVID idling periods.

And that has been, in the last two years, the company has been on a spree to also sort out differences and to write off debts, bad debts that it felt that could not be taken forward in that sense with a rider that any legal or other procedure that needs to be followed to recover those debts has already been put in place.

If you would see the working capital days as in fact improved when we look at March 23 numbers where we have increased and the working capital days have come to 132 days whereas they were almost about 180 days in the year prior to that.

Even the cash conversion cycle has improved by a straight -- it has come down 50% from almost 140 days to 75 days in March 23. So, the efforts are on. There is a very stringent, strict actions are being taken to ensure that these aspects where the company's cash flows remain intact they are being taken care of.

Sethuraman: And second one is now the election is going to on the next year so how you feeling and facing it at the infrastructure side so how to take care of that kind of some kind of impact before or after that?

Himanshu Aggarwal: Okay thank you for the question again. So to answer that, if you would see when I talk about warehousing and transportation we are working with public sector undertakings who are the corporate entities and they have no direct impact of elections in a state or in the country. Historically, we've been working with them for the last 30 odd years.

So, the receivable cycles with them are dependent on their own productions and sales, which are directly independent of the government activity because we are not being paid by the central government itself.

On the infrastructure and the equipment rentals, there again we've got a good mix where we are working with clients in the infrastructure space as well as we've got clients that are working in the industrial expansion the refineries, in steel and cement plants. So to give you an idea there are the revenue from the rentals is spread about 35% in the infra and about 65% from the industrial plants.

Even in the infrastructure we are not working right now directly with the government where any state government project gets stalled because of the elections as you asked, that could impact our receivables. There might be a stretch on the companiesthat we are working with if at all there is any change of government for the infra projects, but it does not impact much on our receivables directly.

Sethuraman: Thank you, sir, all the best. Thank you.

Moderator: Thank you. Next question is from Jitesh Parmar from Vanfin India Investments Ltd. Please go ahead.

Jitesh Parmar: Thanks, thanks for the opportunity. And congratulations for the great set of numbers. Sir, I have a question around the offerings. So, you mentioned you have 40% to 45% under warehousing, transport, 40% to 45% again, equipment, and remainder 9% around C. So what sort of margin do we see on these business verticals and where do you see the growth coming from? Is there a particular vertical that we want to focus on?

And linked to that is, we plan to basically look into the EPC verticals. So, what sort of business we are looking at in the EPC verticals and what sort of business we would see in that say in the EPC contract, if we kind of get something in EPC area?

Himanshu Aggarwal: Okay, so thank you for the question again. On your first question we talked about margins in these specific segments. If you would look at our segmental results declared for the June quarter 23, I would see that the profit margins are very similar in both our segments. As such, we are looking at about 14.5% odd margin, as I see the numbers in both the segments.

This is before tax and interest for each of these segments. And that is the kind of profit margins or the margins as you asked that we see continuing in that similar range. In the EPC works that we are looking at, EPC is where we are looking to go for construction of buildings. There the margins will be dependent on, is hard to comment on it per se because it is project-to-project based but we would try and we would want the margins would remain in the similar range that we already are working/operating in our infra work or in the transportation and handling sectors.

Jitesh Parmar: Okay sir and next question is what sort of growth do you see this year, are we going back to what we used to see pre-COVID okay in the range of 25% and up or are we going to follow the same growth trajectory as we have in the last two years, three years 15% to 20% and what sort of I mean which business vertical do you see as your growth you know vertical and where would you like to focus on for next three years?

Himanshu Aggarwal: Okay, so to answer your second question we are looking at the -- to just give you an idea although we are not looking at giving any forward-looking statements, but we would, the company would continue to strive for growth in the similar range that it is growing currently, and the growth is expected to come similarly from both the primary divisions, which is the infrawork and equipment rentals, as well as from our warehousing and transportation. I say so because of the capex that the company has done recently. It will come into effect predominantly bringing in more revenue for the Infra rentals and equipment rental sector in the coming year and we already have the work orders in hand as highlighted earlier for the warehousing and transportation to continue the growth as for the current trends.

Jitesh Parmar: Yes, if I can squeeze in one last question. So you mentioned at the beginning that you might have an order book of around 100, 110. So, what would be the execution cycle like everything to be executed within this financial year as in FY'24?

Himanshu Aggarwal: Yes that is what the current order book is for execution up to FY'24.

Jitesh Parmar: And we do you expect any more export order book to be executed?

Himanshu Aggarwal: We do tend to receive or because it is the transportation work orders, they come on, they are cyclic in nature and they come as per the quarterly requirements or as per other client requirements. So, there would be certain additions with those orders as well as in the equipment rentals. There are orders which come in for shorter periods, there are certain shutdowns that happen for steel plants/ refineries, which come up as and when the clients requirements come up. So, those changes we definitely see coming up in the next two quarters which is specifically Q3 and Q4.

Jitesh Parmar: And would that affect our borrowings for this particular financial year?

Himanshu Aggarwal: No, the borrowings would only be affected in the sense when we plan for any capex, but that would be aligned with the payback that the company is already doing and so any borrowings that do come up, we would like to maintain the borrowings of the company in a similar level that they are currently. There doesn't seem to be any major addition planned for the current financial year.

Moderator: Thank you. Next question is from the line of Piyush Jain from NX Wealth Management Services IFSC LLP. Please go ahead.

Piyush Jain: Thank you for the opportunity. I just want to know this crane leasing business, this is for transportation in handling segment B or Infra of segment A?

Himanshu Aggarwal: Sir, it is for Infra works segment A.

Piyush Jain: Okay, so as we discussed earlier also Sahil had asked Sanghvi is doing 60% nominal you said you have a mix of business where the margin is mended, but still if we see a crane business itself, a crane business itself can only earn 14%, 15% type of EBIT. So, is it in the, this range only will remain or is it something in the downside where you see this margin will go upside. With this crane hiring business 14%, 15% margin, I'm not able to understand?

Himanshu Aggarwal: No, so what I mentioned as 14% is the net profit after expenses, but before taxes, before interest and tax. So, it is not the EBITDA that you are looking at of 60% of Sangvi. It is not comparable to that. But in our equipment rentals, it is not only equipment rentals, it is a combination of equipment rentals and other works that we do, which is like in the piling works, we are doing piling on contractual basis or if there is any activity where the crane is deployed along with other services. So, it is not out and out equipment rentals only.

Piyush Jain: So what would be our EBITDA on this crane rental business?

Himanshu Aggarwal: So if we were to single out the crane equipment rental business that would be very similar to the industry standard which is about 50% to 60%. It ranges from 50% to 60% based on equipment-to-equipment and client-to-client.

Piyush Jain: Okay, and whatever the capex largely we have been doing this crane rental business only, correct?

Himanshu Aggarwal: Yes, of the INR25 crores are predominantly the capex is for the crane equipment rental.

Piyush Jain: So this crane rental leading business, right now this on what type of contract that has been used or some contract something or which has been deployed for a long-term contract or which client, can you share some information on it?

Himanshu Aggarwal: Sir, I'm sorry, I will not be able to give you details because of those being internal information for the company's own...

Piyush Jain: What type of nature of contract, let's say, a visibility of one year, two year contract already being given?

Himanshu Aggarwal; Usually, so usually the visibility is six months to one year, and those are the contracts that we target, and when we choose also the kind of client and the contracts we are working with, we are looking at the specific factor when we decide to take an order that the visibility should be there. If the order is given for six months, the visibility for about a year should at least be there when deciding on the orders.

Piyush Jain: And currently we are given the number of INR110 crores order book out of this how much is from crane business?

Himanshu Aggarwal: We are looking about 50 odd crores is from the crane business.

Piyush Jain: So, this is our complete order book INR110 crores correct?

Himanshu Aggarwal: Yes, yes which is to be executed in the current financial year.

Piyush Jain: And the crane business around INR50 odd crores order book, correct?

Himanshu Aggarwal: Yes.

Moderator: Thank you. Next question is from the line of Dhruv Bajaj from Smart Sync Services. Please go ahead.

Dhruv Bajaj: Good afternoon, sir. Congratulations for an amazing set of results and thanks for keeping this concall. I believe this is your first concall. So it's very helpful to know more about the business. So coming to the question, firstly I would like to know the contribution from different industries to our overall current revenue pile. Like if I understand correctly we are not catering to the wind sector. Is my understanding correct?

Himanshu Aggarwal: Yes, that is correct. We are not currently catering to the wind sector.

Dhruv Bajaj: So, do we have any plans to cater to that segment see our competitor that is Sanghvi Movers derives close to 50% of their revenues from that segment and due to the government push, do we believe that he has a chance to get through that industry?

Himanshu Aggarwal: That is more of a strategy question which again is an internal decision, but at present we are not in this wind sector because we have a different mix of equipment and our focus is elsewhere. In the future, if our board does believe that it is – it will be beneficial for the company to be in that segment and to also pursue any projects in that sector, we will definitely take it up. But at present, we are not there.

Dhruv Bajaj: Sure sir. Okay. And my second question is regarding the arbitration case that we got from RINL. So, I believe that it is one of our major customers. So, can you please explain what type of impact that it can have towards the relationship with that customer?

Himanshu Aggarwal: Thank you for that question. With regards to the arbitration case with RINL, either it being a contractual arbitration, so there is no personal or professional relationship that gets impacted in any contract that we have with our client. We both are bound by our obligations and those are bound by contract for both the organizations.

So, any contractual award or any contractual, any arbitration contract that goes into arbitration is totally gone on the merits of the case forboth the parties.We've been working with them for almost 20 years now and there have been multiple arbitration cases, but again and again we've had contracts, new contracts with them. We are, as I said earlier, we're handling the mother stockyard of Rashtriya Ispat Nigam Limited, which also we won through a contract.

So, the arbitrations, have not had a business relationship impact, if that is what you are trying to say. On the other side, if you would look at it, we have been appreciated over the last few years by the RINL management for the various activities, the various output that we have given, the efficiency that we've brought about and this is their first ever central dispatch stockyard. So, that contract also the company took and it has been performing exceedingly well there as per the feedback of the RINL management itself.

Dhruv Bajaj: Got it sir. That was very helpful. Thank you for the amazing set of results and we are looking forward toward new interactions.

Moderator: Thank you. Next question is on the line of Ashok Balakrishnan from Mact. Please go ahead.

Ashok Balakrishnan: Yes, you have any plans to go to main board from SME?

Himanshu Aggarwal: Thank you for the question, sir. We are already in the process of migration. Our NSE in principle approval was received in March 23, whereas the BSE in principle approval is pending. The process is currently going on and we anticipate that we should be there on the main board for both BSE and NSE very soon. Thank you very much.

Ashok Balakrishnan: Thank you.

Moderator: Thank you. Next question is from the line of Rahil Dasani from Smart Sync Services. Please go ahead.

Rahil Dasani: So, I wanted to get a bit a bit of clarity on the order book. The 5 to 7 year contract and the [inaudible 0:40:32] segment. So are the contracts volume based or value based? How will the steel prices impact me? What happens if the small steel price [inaudible 0:40:41]

Himanshu Aggarwal: Okay. So, thank you for the question sir. To answer that, the contracts are totally volume based. It is the contracts are per metric ton of steel for different activities that we have to do like unloading is one activity, loading is one activity, stacking is one activity. So, on those basis the per metric ton as defined in the contract is what our pricing terms are with our client and are our contract is irrespective of the any changes in the steel prices in the market is if it is what you're trying to ask.

Rahil Dasani: Okay so completely fit, there are no option for aggregation or something coming down?

Himanshu Aggarwal: There is an escalation clause for diesel and manpower as per the contractual terms.

Rahil Dasani: My second question is as we said few of the attention in almost all the crane projects. So do you get 100% of the projects and what's your right to win the orders against your peers? Any special benefits or services like lower cost or something like that? You provide to your -- compared to your peers?

Himanshu Aggarwal: I didn't get the first part of the question, sir. You were not that audible.

Rahil Dasani: Okay, I'll repeat. So, as you have said that you were in almost all the crane projects you are participating, your company's participating. So, do you get the 100% of the contracts or do you get a part of the contract which your company supply? Secondly, what's your right to win those orders against your competitors? Do you provide any special benefits or services by cost advantage? And lastly, are there any pricing costs for your customers?

Himanshu Aggarwal: Okay, so what I understand is you're trying to ask about our metro rail contracts. Okay, so in metros we are working primarily with our equipment rental division. The reason why we've been present in these throughout the various cities is because if you would see a lot of the companies who do, let's say, was doing Mumbai Metro is also doing Delhi Metro is also doing the Indore Metro or might also be doing the Nagpur Metro. So, one is because of our very good network with our client which gives us the opportunity to work with them at multiple places, at multiple locations across the country.

On the advantage side, our equipment is primarily young, which is less than five years old, which is a big advantage for the customer because it leads to much lower breakdowns at the site. So, the construction can go on at the speed that the client requires. The costing part, we are very competitive when it comes to our peers, but at the same time, we have to ensure that our desired rentals are not impacted, so we do not undercut the rentals in a way that we can just get into a project.

We make sure that as long as it is matching with our desired results, we only enter those projects and it has been because of that reason that we maintain our equipment well. We've got a large network where we are present in different states. So, it gives that ease and comfort to our client that we can handle the machinery at the local level rather than having to move spare parts from various locations across the country. So that gives that advantage to us to get orders from our client for specifically the Metro Rail products.

Rahil Dasani: And do you get the 100% of the contract or is it divided between two, three players and vendors?

Himanshu Aggarwal: It is definitely divided. We try to have maximum allocation of equipment to us at a certain place to bring down the administrative cost, which advantage is definitely passed on to the client, where if there is a bulk order, they do get a price advantage as well.

Rahil Dasani: Thank you very much.

Himanshu Aggarwal: Thank you.

Moderator: Thank you. Ladies and gentlemen, we'll take that as a last question. I now hand the conference over to Mr. Astha Jain for closing comments.

Astha Jain: Thank you. On behalf of Hem Securitiesy Limited, I thank Tara Chand Infralogistic Solutions Limited team for giving their time and replying all the queries in the detailed way. I would also like to thank all the participants for joining this call. Now, I would like to hand over the call to Neerav.

Moderator: Thank you very much. On behalf of Hem Securities that concludes this conference, thank you for joining us. You may now disconnect your line. Thank you.