

ANANDRATHI

“KEI Industries Limited Q4 Financial year 2015
Earnings Conference Call”

May 28, 2015



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Moderator: Ladies and gentlemen, good day and welcome to the KEI Industries Limited Q4 FY 2015 Results Conference Call, hosted by Anand Rathi Shares and Stock Brokers. As a reminder, all participant lines will be in the listen-only mode. 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. Girish Solanki from Anand Rathi Shares and Stock Brokers. Thank you and over to you Sir!

Girish Solanki: Thanks. Good evening everyone. Welcome to the fourth quarter earning conference call of KEI Industries. Today, we have with us Mr. Anil Gupta, who is the Chairman and Managing Director of KEI and with him we have Mr. Rajeev Gupta, who is the Director and CFO. Over to you Sir!

Anil Gupta: Good evening everybody. I welcome you to KEI's conference call and I am Anil Gupta, Chairman of the Company. You must have pursued the results, which have just been faxed, to stock exchanges. In the Q4, we have registered an all time net sales of Rs634 Crores and the total sales, total net sales in this full year has been Rs2,030 Crores, which is an increase over approximately 26% over the last financial year.

This has been a significant growth as compared to the last financial year, and the operating profit we have registered an operating profit of around 197 Crores as compared to 153 Crores in the last financial year registering a growth of around 28% over the last year.

The profit after tax is achieved at 34.2 Crores in the financial year of 2014-2015 and the Q4 net profit is 12.53 Crores after tax. Now I will come to the growth segments segment wise. The overall cable business has achieved a growth of around 17% in the value terms and the major growth has come from our turnkey project division, which has grown by approximately 62 Crores to 218 Crores. This is without cables and the cable portion in all these turnkey contracts we have accounted for in the cable division. So this is 218 Crores sales is without the cables, which is supplied by our own factories, so if I see the total sale of EPC division including cable supplied by KEI it will be around 298 Crores, which is a significant growth as compared to the last financial year, almost four to five times. I expect that this will grow further significantly in the coming financial year.

Exports have not been able to keep pace as compared to last financial year. We had 197 Crores exports in 2013-2014 and this year we have achieved export of around 147 Crores. Many of the contracts, which we got in the last quarter of 2014-2015 could not be executed due to the issues with the customer and being executed in the current quarter and this current quarter is expected to be significantly high in exports.

In the coming financial year we anticipate similar growth in our business in this year as well, which will be significant and apart from that project we expect a significant growth in our retail business through dealer network. In 2014-2015 we have grown by around 30% in the retail network business as compared to 2013-2014 and we expect a similar growth in the coming financial year as we have enhanced dealer network significantly.

This year we expect major growth coming from extra high voltage cable segment for which we already have visibility and we have substantial order book 200 Crores worth of orders already in hand from various transmission companies in India and dealer network we expect to grow by another 30% so we expect 150 to 200 Crores growth in the absolute terms and EPC contracts may see a jump of around 60% to 70% compared to last financial year. Exports are also likely to see a jump of 40% to 50% because last year we declined. So we will go forward from 2013-2014 onwards then we achieve 197 Crores so we expect or anticipate an internal target of around 250 Crores, and we are very confident in strengthening of our visibility in different markets we should be able to achieve that.

Industry outlook is improving this year. We see a lot of orders being finalized by POWERGRID Corporation in transmission sector and as well as Discoms/Distribution Companies are also placing significant orders in the underground cabling, R-APDRP schemes and rural electrification programme. We are also noticing a substantial demand coming from the infrastructure projects especially from metro rail projects and we are a leading supplier to most of the metro rail projects in India. From last three years we are a big leading supplier to DMRC, Chennai Metro, Bengaluru Metro and Hyderabad Metro and we see a lot of activity in this area.

We expect approximately 25% to 26% in our topline in the next financial year as a target and we will try to improve upon it. So, I leave it to the participants for any specific questions, I am hence ready to answer. Thank you.

Moderator: Thank you very much. We will now begin with the question and answer session. The first question is from the line of Ankit Babel from Subhkam Ventures. Please go ahead.

Ankit Babel: Good evening and congratulations for good set of numbers. Sir, my first question is what is the current order book in the EPC business?

Anil Gupta: Around Rs.1700 Crores and out of that around 1100 Crores is the orders from turnkey projects.

Ankit Babel: I am sorry Sir. 1700 is the total order book out of which?

Anil Gupta: 1100 Crores is from turnkey projects.

- Ankit Babel:** Sir, what is the current debt on books including long-term working capital and everything?
- Rajeev Gupta:** The current debt is basically 451 Crores as compared to last year it was 470 Crores. So the debt level has gone down almost Rs.20 Crores.
- Ankit Babel:** Sir, what is the expectation in FY 2016? This debt will remain at these levels?
- Rajeev Gupta:** Whatever the repayment will be there to that extent the debt will go down.
- Ankit Babel:** Sir, was there any inventory loss in this quarter?
- Rajeev Gupta:** Pardon.
- Ankit Babel:** Was there any inventory loss you booked in this quarter because the copper prices went down?
- Rajeev Gupta:** There was some inventory loss because of the copper prices had gone down, but that was not very much high figure as compared to our working which was a small figure.
- Ankit Babel:** Sir, you maintain your FY 2016 guidance?
- Rajeev Gupta:** Yes.
- Ankit Babel:** Thank you so much.
- Moderator:** Thank you. The next question is from the line of Shreyans Mehta from Aditya Birla Money. Please go ahead.
- Shreyans Mehta:** Thank you Sir for taking my question. Sir, my first question pertains to your operating margins. Sir, last quarter we did 10.4 whereas this quarter we have come down to 8.7. Sir, any particular reason for this?
- Anil Gupta:** This is the reason, unlike the last basically due to the inventory loss, so basically the amount was Rs.4 to Rs.5 Crores, so because of that some marginal percentage of that EBITDA has gone down.
- Shreyans Mehta:** Sir, secondly our other income has risen from 4 million to 8 million. Sir what is the reason behind that?
- Anil Gupta:** Other income you are asking the exceptional item is there in which the Keyman Insurance Policy for 2.5 Crores so that we have sold.

- Shreyans Mehta:** No, Sir that is exceptional, but apart from that it is the non-operating income, which was 4 million in 4Q of last year and it has risen to 8 million.
- Anil Gupta:** You are talking of the Rs.2.38 Crores, which we have shown in the other income. So that is a very small figure. That is mainly the exchange fluctuation of 1.23 Crores.
- Shreyans Mehta:** Sir, I am talking about the other income portion, which is you know 7.9 million for this quarter?
- Anil Gupta:** 7.9 as a whole in the whole year it is 2.38 Crores, which is mainly because of exchange fluctuation.
- Shreyans Mehta:** That is it from my side. Thank you.
- Moderator:** Thank you. The next question is from the line of Jayesh Gandhi from Harshad Gandhi Securities. Please go ahead.
- Jayesh Gandhi:** Sir, my question is regarding your total debt. Can you just give me what is your total debt currently standing?
- Anil Gupta:** Total debt is basically Rs.452 Crores out of which the bank borrowing is basically 253 Crores and rest is the term loan, hire purchase and unsecured loans.
- Jayesh Gandhi:** Sir, what I want to ask is last year you have paid in finance cost 120 Crores, what would have been your total debt last year?
- Anil Gupta:** Last year total debt was 470 Crores.
- Jayesh Gandhi:** What is the rate of interest that you are paying?
- Rajeev Gupta:** This financial cost includes the commissions and interests we pay on the opening of the letter of credit for procurement of materials. It also includes the bank guarantee commissions. It also includes all the bank charges, which are paid on various bank transactions including the bank limits and lead bank charges etc. It does not include just the interest.
- Jayesh Gandhi:** Sir, then also what is the interest rates that we are paying on that 452 Crores odd debt which we have?
- Rajeev Gupta:** The interest rates is around 13.5%, it is coming down now.

- Jayesh Gandhi:** Another thing you said that out of your total order book of 1700 Crores 1100 Crores is turnkey projects. Can you share with me what is the margins that we enjoy in this turnkey projects?
- Anil Gupta:** It is more than 15%.
- Jayesh Gandhi:** If I am not wrong, you have around 10% margin in your cable business, correct?
- Anil Gupta:** Yes, but in extra high voltage power cable the margin is more than 15%.
- Jayesh Gandhi:** That is all from my side. Thank you.
- Moderator:** Thank you. The next question is from the line of Kamlesh Kotak from Asian Markets Securities. Please go ahead.
- Kamlesh Kotak:** Good evening Sir. Sir, can you help us give the breakup of order book vis-à-vis key customer POWERGRID, SEB, and others maybe if you can just break it up?
- Anil Gupta:** Out of 1100 Crores context are from the SEBs or from the large corporates because either they are EPC contracts or they are the contracts for the extra high voltage power cable.
- Rajeev Gupta:** The major customers here includes the Delhi Metro Rail Corporation, TANTRANSCO, Tamil Nadu Transmission Company, West Bengal Electricity Transmission Company, Punjab State Electricity Transmission Company, Uttar Pradesh Transmission Corporation and one Discom of Uttar Pradesh Dakshinanchal Vidyut Vitran Nigam Limited where we are having R-APDRP projects of underground cabling in many towns and these are all PFC and REC funded projects. These are the major customers, which are consisting of turnkey contracts.
- Kamlesh Kotak:** What would be POWERGRID Corporation's order book out of the total?
- Rajeev Gupta:** POWERGRID Corporation orders are in the pipeline. It does not include any orders from POWERGRID Corporation.
- Kamlesh Kotak:** This will be executed over what period of time, 1700 Crores?
- Rajeev Gupta:** Around 18 months to 24 months.
- Kamlesh Kotak:** This all would be mostly extra high voltage cable?
- Rajeev Gupta:** No, extra high voltage cable portion is 200 Crores and rest is consisting of 11 kV low voltage up to 33 kV. The voltages, which are used by the distribution companies.

- Kamlesh Kotak:** That is remaining 900 Crores?
- Rajeev Gupta:** Yes.
- Kamlesh Kotak:** Secondly Sir, I joined a bit late. Can you help us give the revenue breakup between exports, EPC, retail and extra high voltages if that is available?
- Anil Gupta:** The exports turnover is 147 Crores. Extra high voltage power cable the current year is almost 59 Crores. EPC turnover is 298 Crores.
- Rajeev Gupta:** 298 Crores turnkey projects turnover and rest is cables.
- Kamlesh Kotak:** This year you are talking of yearly figure or quarterly figure?
- Anil Gupta:** Yearly figure I am talking about.
- Kamlesh Kotak:** So, rest is?
- Anil Gupta:** 104 Crores stainless steel wire.
- Kamlesh Kotak:** How much stainless steel wire you said?
- Rajeev Gupta:** 104 Crores.
- Kamlesh Kotak:** So this is the break up of the 200 Crores revenue you are giving?
- Anil Gupta:** In the current quarter that is 44 Crores, extra high voltage is 24.5 Crores, and EPC is 81 Crores excluding cable.
- Kamlesh Kotak:** How much retail cable sales?
- Anil Gupta:** Retail is close to 150 Crores.
- Kamlesh Kotak:** For the year?
- Rajeev Gupta:** No, for the current quarter.
- Kamlesh Kotak:** For the year how much it was?
- Rajeev Gupta:** It is almost 600 Crores.
- Kamlesh Kotak:** What would it have been last year Sir?

- Anil Gupta:** Last year it was 400 something.
- Kamlesh Kotak:** Sir, what would be your current utilization if any ballpark number you can share?
- Anil Gupta:** As on March the current utilization was 75% but now in this period our extra high voltage capacity is now fully grouped high tension cable capacity is fully booked and house wire capacity is fully booked. So right now almost we are utilizing 90% capacity.
- Kamlesh Kotak:** Any further capex we need to make to enhance our capacity?
- Anil Gupta:** Current year we are just adding one additional line for extra high voltage power cable in our Chopanki plant and the cost of expansion will be close to 50 to 55 or 60 Crores so because the extra high voltage order book position is almost 200 Crores so we are fully booked for the current year so we are targeting for the next financial year additional sale approximately 300 Crores with this investment.
- Rajeev Gupta:** The total capex in this financial year will be approximately 60 Crores.
- Kamlesh Kotak:** What was that last year Sir?
- Anil Gupta:** Last year there was no capex. Only there was maintenance capex of 8 to 10 Crores.
- Kamlesh Kotak:** 8-10 crores, okay. Next year as you said 25% topline growth, you would expect the margins to further expand from hereon, how do you see the overall margin profile shaping up?
- Anil Gupta:** Definitely as a whole, the operating margin will be improved by at least 1% to 1.5%.
- Kamlesh Kotak:** Sir, how is the competitive scenario shaping up in terms of both for retail cabling and the extra high voltage?
- Anil Gupta:** The demand is increasing, so everybody's sale is increasing. Once the demand is increasing, so the margin will increase because of the selling price increase as well as the fixed cost absorption early.
- Rajeev Gupta:** I mean, so far as competitive scenario is concerned, it is the companies, which are well managed, and who are managing their business operations and financials better, they are improving in all segments. It is very specific to our general outlook of the industry is very positive and you can see the statistics from Indian Electrical and Electronic Manufacturer Association. There is a substantial growth in volumes in cable industry in last financial year as well and same is scenario expected in this financial year also.

- Kamlesh Kotak:** Sir, I wanted to have specific understanding about this quarter because most of the leading companies, I was about to chat, had a growth of around 6%-10% in the revenue terms whereas we have got a very strong growth on the fourth quarter, so what I exactly has led to that kind of a growth vis-à-vis competition which is growing at a single digit level?
- Anil Gupta:** We expect a substantial growth in this quarter compared to the corresponding period last year.
- Kamlesh Kotak:** No, no I am talking of the previous fourth quarter where we grew all the way from 467 to 634 Crores in terms of our topline?
- Rajeev Gupta:** In the current financial year of March, 2015, we have focused on extra high voltage power cable sales, on EPC segment sale and on the retail front sale, so all the three has worked very well where Anil Ji has personally has looked into. So, because of this our order book position since last six to seven months, we are holding to close to earlier it was 1200 Crores, then it went up to 1400 Crores and then it went up to 1700 Crores. Now quarters to come you will see that kind of result and that kind of growth.
- Anil Gupta:** The ongoing quarter looks to be strong.
- Kamlesh Kotak:** Sir, in the extra high voltage who would be your key competitors?
- Anil Gupta:** Our key competitor in India is Universal Cable and rest mostly it is coming from imports.
- Kamlesh Kotak:** Domestically, there are no major players?
- Anil Gupta:** Yes.
- Kamlesh Kotak:** All right Sir. Thank you very much.
- Moderator:** Thank you. The next question is from the line of Priyank Chandra from Dolat Capital. Please go ahead.
- Priyank Chandra:** Hi, Sir. Congratulations for a good set of numbers. Sir, just wanted to ask if you can share us with a breakup of the interest cost of 120 Crores for the full fiscal?
- Rajeev Gupta:** Priyank, interest cost for term loan is 21 Crores, interest from working capital 47 Crores, interest on LC 31 Crores, and rest is the bank charges on LC and bank guarantees and the processing fee.

- Priyank Chandra:** Sir just one more thing like you mentioned earlier that you may be needing a capex of around 60 Crores for this fiscal, so how you are planning to finance it. You are looking on internal cash generation would be able to fund that?
- Rajeev Gupta:** The internal cash generation will be sufficient for that.
- Priyank Chandra:** Will be sufficient for that.
- Rajeev Gupta:** Because it will be needed at one time, it will be expenditure over a period of a year, because first we need to give them the advance at the time of, which is almost eight months later.
- Anil Gupta:** The money will be spent over 12-month period.
- Priyank Chandra:** Sir, if I understand it right then basically for a 25% revenue growth, so the interest cost that can increase would be only on the working capital side?
- Rajeev Gupta:** Yes, because earlier also as I already told you in our previous conferences earlier, our total interest cost was 110 Crores which went up to only 120 Crores. Now again in the same year we are targeting, it will be to 130 Crores.
- Priyank Chandra:** Definitely Sir, like year's performance suggests this. Sir, just one last thing, more like we have been seeing a lot of advertisements of late regarding the KEI Cable, so why this stress you would want to create like brand image so that you can have a pricing or is it like you are expanding into new distribution zones, I mean to say new distribution places?
- Anil Gupta:** We need to increase our dealer network and improve the secondary sales by brand promotion. It will definitely give an advantage over product reference and pricing over a period of time.
- Priyank Chandra:** Any budget allocated for this branding thing?
- Anil Gupta:** Around Rs.5 Crores in this year.
- Priyank Chandra:** Thanks a lot and all the best.
- Moderator:** Thank you. The next question is from the line of Shreyans Mehta from Aditya Birla Money. Please go ahead.
- Shreyans Mehta:** Sir, I just wanted to understand in terms of the PAT, what is the internal target in terms of PAT margin since you know we are expecting around 1% to 1.5% improvement in operating profit margins, in terms of PAT where would we end up?

- Rajeev Gupta:** From next year we are targeting for 3% PAT.
- Anil Gupta:** Approximately 3% PAT on the net sales.
- Shreyans Mehta:** Sir, roughly on a topline of 2600 we are expecting a PAT of 3%, right?
- Rajeev Gupta:** Yes, topline 2600 is basically the gross sales, so net sales will be close to 2400 Crores.
- Shreyans Mehta:** 2400 Crores, Sir 2600 is what we are seeing at higher end or it will be a normal range of the minimum range which are seeing?
- Rajeev Gupta:** Sale will be 2600-2700 Crores.
- Anil Gupta:** What do you mean by higher end?
- Shreyans Mehta:** I mean the 25% range is the topline range, is it the minimum which we will achieve or that is the maximum we can stretch?
- Rajeev Gupta:** It is the minimum. Minimum, we will definitely grow on the scale.
- Shreyans Mehta:** Thank you.
- Moderator:** Thank you. The next question is from the line of Nilesh Doshi from Way2Wealth. Please go ahead.
- Nilesh Doshi:** Good evening Sir. Thank you for taking my question. Sir my question is on the expansion of EHV cables, at what stage it is in the sense have you finalized the plant and machinery or it is yet to be done?
- Anil Gupta:** It is under way and part of it is already finalized, part of it will be finalized in next 15-20 days.
- Nilesh Doshi:** Sir, we have a visibility for the current year, but how do you see on a little longer term especially on the SEB and the PGCIL side?
- Anil Gupta:** There is a strong feasibility. I mean the tenders in pipeline are too many and the bidding is also quite high at the moment.
- Rajeev Gupta:** Very recently Mr. Piyush Goel has announced for the 1 lakh Crores of the tender from the PGCIL alone?

- Anil Gupta:** Significant investment has been announced by the Power Ministry in the transmission segment across the country which includes underground cabling which includes substations, switchyard, gas insulated stations, interstate transmission lines, AC & DC transmission lines. It is in the central sector by POWERGRID Corporation. Apart from this, matching investments are being done by State Transmission Companies also and for the distribution side, most of the distribution companies will be allotted funds by Power Finance Corporation and REC for this IPDS (Integrated Power Development Scheme) and Deen Dayal Upadhyay Gramin Vidyut Karan Yojana. So there is a strong visibility of the project and this year the infrastructure growth is also significant in the infrastructure side, but only weaker side, which looks to me in this financial year, is power generation projects. Power generation projects do not look to be that strong, but transmission and distribution will be the key growth area in this financial year as well as maybe in many years to come.
- Rajeev Gupta:** Whether demands come only from distribution and transmission.
- Nilesh Doshi:** The next question is once we see these coalmines, which have been allocated recently do we expect the generation side also should pickup from the next year onwards?
- Anil Gupta:** 100%, because now that the first the fuel will be available to lot of trust projects which will start coming on stream and the generated power has to be transported through transmission network to the consuming destination and at consuming destination it has to be distributed to the consumer through the distribution cable. So this will definitely bring a lot of investments at the transmission and distribution side and also at the level of the end consumer industry, either consumer industry or consumer real estate or consumer houses or consumer durable.
- Nilesh Doshi:** Sir, the next thing is on the private capex side are you seeing any improvement in the ground level in the industry?
- Anil Gupta:** Little bit. We are seeing some action by some of the existing cement company, some investment continues in most of the projects, but major capex to be seen.
- Nilesh Doshi:** The last question Rajeev Sir is this 4-5 Crores inventory loss which we have taken in this quarter, do we expect any some run rate going forward or more or less it is done?
- Rajeev Gupta:** No, no, it has already been done because it was the effect was six months before.
- Nilesh Doshi:** I see, so the EBITDA impact was about 4-5 Crores which we do not expect to repeat as we go forward?
- Rajeev Gupta:** Yes.

- Nilesh Doshi:** That is all from my side. Thank you very much, Sir.
- Moderator:** Thank you. The next question is from the line of Girish Solanki from Anand Rathie Shares & Stock Brokers. Please go ahead.
- Girish Solanki:** Sir, could you give us a breakup between LT power, HT power, EHV and housing?
- Anil Gupta:** For the quarter or for the current year?
- Girish Solanki:** For the year, the quarter and for the same quarter last year?
- Anil Gupta:** For the quarter the numbers between the low-tension power cable is 306 Crores, high-tension power cable is 113 Crores, extra high voltage power cable is 24 Crores and house wire sector 85 Crores, stainless steel wire sales is 24.6 Crores and EPC segment is 82 Crores without cable. This is for the current quarter and if you go for the whole year number then almost 992 Crores is HT power cable net sales, 327 Crores is the high tension power cables sales, extra high voltage cable is 59 Crores and the house wire sale is 328 Crores, stainless steel wire is 105 Crores and EPC sale is 218 Crores without cable.
- Girish Solanki:** 218? I thought the number was 298.
- Anil Gupta:** 298 including cable, cable we have included in the LT & HT.
- Girish Solanki:** Right and what was the same number for Q4 FY2014, if you have a number with you?
- Anil Gupta:** Fourth quarter number for low-tension power cable the sale was 252 Crores, high-tension power cable, the sale was 95 Crores, extra high voltage sale was 10 Crores and house wire sale was 70 Crores and SS wire sales was 54 Crores, EPC sales was 14 Crores?
- Girish Solanki:** Then what is your view on the housing market since we are talking about growth in the retail segment and quite a lot of it is coming from your housing wire segment?
- Rajeev Gupta:** What actions we have taken in this gone financial year is we have significantly increased the areas they were there where we were not present. So we have opened branches, stock points, and dealers in approximately seven to eight states where we were not present and we have constituted our branches and the marketing team. Apart from that, some growth coming from the existing markets, big cities the new demand is coming from the areas where we were not present so that will also add to the growth projected in this year.
- Girish Solanki:** Sir, what is the absolute number in terms of dealer addition that you all did for the year?
- Anil Gupta:** Dealer addition is close to, in the current financial year 300.

- Girish Solanki:** And what is it currently standing at?
- Anil Gupta:** Approximately 800 dealers.
- Girish Solanki:** Okay, now it is 800. Okay, you mentioned about growth coming from dealer addition, but what I am concerned is whether the same dealer is able to increase sales, what is that number, how much is that growing by?
- Anil Gupta:** Dealer is also increasing their sales as well as we are opening in the new markets with the new dealers also.
- Girish Solanki:** Okay, which area are you strong and which area you are weak?
- Anil Gupta:** We were strong mostly in north and west. In west it was Mumbai and Vadodara and in North India we were very strong in NCR but we still need strength, we are too small in the dealer network sales at the moment. So when I say strong means it is very relative word.
- Girish Solanki:** Right, what is the amount that you all have as one of the participants has already mentioned we have started seeing a lot of advertisements from your side, what is the total advertising amount that you have spent?
- Anil Gupta:** 5 Crores is being budgeted for TV advertisement in this financial year.
- Girish Solanki:** Is that for FY2016 and what did you spend in FY2015?
- Anil Gupta:** For 2015, we did not have advertisement, we did not advertise.
- Girish Solanki:** Okay, is there any print media or some other?
- Anil Gupta:** Around 2 to 2.5 Crores is spent every year on various other promotions like hoardings, the print media or conducting electrician seminars or consultant or dealer seminar. So that is a general expenditure done every year.
- Girish Solanki:** Sir, in terms of in your opening remarks you mentioned about big jumps that you are looking at, like you mentioned about EPC is growing by 62% to 70%, exports growing up by 40% to 50% and ultimately when you gave the final number the growth turned out to be just 20%.
- Anil Gupta:** No, not 25% around 25% we said.
- Girish Solanki:** You did around 2000 Crores and you spoke about 2400 to 2600, you gave a broader range from 490 to 600 Crores jump, but when your retail...?

- Anil Gupta:** We are projecting the major growth coming in this year from turnkey projects and retail and export I said that from 197 Crores achieved in 2013-2014 we are budgeting it to 250 Crores in this financial year. As there was a decline in 2014-2015. So we are not projecting a very big jump.
- Girish Solanki:** Where I am coming from 100 Crores jump is just coming in exports, out of that assuming that you are going to reach 2000-2500 that type of number, so basically 100 Crores out of 500 Crores is going to come from export, now can you break it up what is another 400 Crores jump?
- Anil Gupta:** The extra high voltage sales will be around 100-124, I am talking of now the addition that is coming from. Dealer distributor sales will be close to 200 Crores, export sale will be 75-100 Crores.
- Girish Solanki:** Now we just calculated the number as 100 Crores, right?
- Anil Gupta:** EPC sales will be 150-200 Crores additional sales.
- Girish Solanki:** EPC would be?
- Anil Gupta:** 150-200 Crores additional sales.
- Girish Solanki:** Now this number is added up with 574 Crores, so then your ideal sales, mixed sales that you are looking at is 2500-2600 somewhere in that range?
- Anil Gupta:** They will be close to 2650 or close to 2700.
- Girish Solanki:** Sir you mentioned about the order book being a 1700 Crores even in the last quarter you mentioned your number was somewhere closer to that, so what I am assuming is you have got additional 600 Crores orders during the quarter and you have replenished 600 Crores?
- Anil Gupta:** Yes, yes. Cable business is like that. It is almost three to four months cycle, whole lot is executed. The new comes so this is the way the cycle goes on.
- Girish Solanki:** Right. Sir, what I wanted to understand over here is when did we ever have our order book position at say 1500, 1600, 1700 Crores type in the last 3, 4, 5 years?
- Anil Gupta:** Never, it was only from last financial year only we are seeing this kind of order book position.
- Girish Solanki:** Okay, Sir, but is it across the industry or it is?

- Anil Gupta:** No, no, it is not across the industry, but major order book position is built up from turnkey project which are long term execution period is there.
- Girish Solanki:** What do you mean by long term, is it 15 to 18 months?
- Anil Gupta:** 18-24 months is the execution time.
- Girish Solanki:** That is all from my side.
- Moderator:** Thank you. As there are no further questions, I would now like to hand the floor over to Mr. Girish Solanki for closing comments.
- Girish Solanki:** I would like to thank the management for taking their time out. Thanks Anil Ji, thanks Rajeev Ji.
- Anil Gupta:** Thanks to all.
- Moderator:** Thank you. On behalf of Anand Rathi Shares & Stock Brokers Limited that concludes the conference. Thank you for joining us. You may now disconnect your lines.