"Vascon Engineers Limited
Q3 and 9 Months FY '25 Earnings Conference Call"
January 29, 2025

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MODERATOR: **MR. AKHILESH GANDHI – STELLAR INVESTOR RELATIONS ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to Q3 and 9 Months FY '25 Earnings Conference Call for Vascon Engineers Limited, hosted by Stellar IR Advisors.

As a reminder, all participant lines will be in 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. Akhilesh Gandhi from Stellar IR Advisors. Thank you, and over to you, sir.

Akhilesh Gandhi: Good morning, everyone. I, Akhilesh Gandhi, on behalf of Stellar Investor Relations, welcome you all to Vascon Engineers' Q3 and 9MFY25 Earnings Conference Call. We shall be sharing the key operating and financial highlights for the third quarter and 9 months ended on December 31, 2024.

We have with us today the senior management team of Vascon Engineers Limited, Dr. Santosh Sundararajan – Group CEO; and Mr. Somnath Biswas - Chief Financial Officer.

Before we begin, I would like to state that this call may contain some of the forward-looking statements, which are completely based upon the company's beliefs, opinions and expectations as of today. The statements made in today's call are not a guarantee of future performance and also involve unforeseen risks and uncertainties. The company also undertakes no obligation to update any forward-looking statements to reflect developments that occur after the statement is made.

Documents relating to company's financial performance, including the investor presentation, have already been uploaded on the stock exchange and the company's website. I now invite Dr. Santosh Sundararajan to state his "Opening Remarks" on the company's performance for the third quarter and 9 months ended December 31,2024. Then we will open the floor to Q&A session. Thank you, and over to you, sir.

Santosh Sundararajan: Good morning, everyone. I welcome you all to the earnings conference call of Vascon for the third quarter and 9 months ended in December 31, 2024. It has been an exciting and productive period for Vascon as we have made meaningful strides in our key focus areas of execution, financial discipline and growth. The performance in Q3 FY25 showcased our resilience and adaptability in an evolving macroeconomic environment with our efforts towards improving operational efficiencies playing a significant role in driving top line growth.

We reported a strong revenue growth of 48% year-on-year in Q3 and 37% in the 9-month period, driven by a robust project execution in our Engineering, Procurement and Construction business. The EPC revenue grew by 48% year-on-year to INR 274 crores in Q3 FY25 and by 37% year-on-year to INR 664 crores in 9 months FY25.

The outlook for the EPC segment remains highly promising, supported by a robust order backlog of INR 3,179 crores, nearly 4x the FY2024 EPC revenue. Of this, INR 2,715 crores pertains to external EPC projects while INR 464 crores is from internal projects with approximately 78%

of the orders coming from government projects. This ensures stable cash flows and facilitate efficient execution timelines. Execution is expected to gather further momentum in the coming quarters, leveraging the healthy order book and sustained operational efficiencies.

Now on the real estate segment. Firstly, let me reiterate that the Ind AS accounting treatment in real estate can result in timing differences between the recognition of expenses and revenue. And therefore, in the light of lower revenue recognized in Q3 and 9 months of FY25, the profitability has also declined as compared to previous year's corresponding period and quarter.

However, in terms of our outlook in the segment, it remains favorable. We are excited to announce that our first redevelopment project, Om Sainath, located in Santacruz, Mumbai, received its RERA approval in the second week of Jan and construction is underway. We are gearing up to officially launch the project in February, making significant milestones in our journey.

Additionally, the Powai residential and commercial project is on track for launch in April 2025 while other projects are slated for FY 2026. These launches are expected to contribute significantly to revenue in the coming quarters, and we remain optimistic about our business prospects in the year ahead.

In 9 months FY25, we achieved new sales bookings totaling 47,658 square feet, generating a sales value of INR 30 crores and a total collection of INR 39 crores. We remain optimistic about the trajectory of our real estate segment, supported by a strong pipeline of upcoming projects.

Another key business update is on our subsidiary, GMP Technical Solutions. As you might be aware, we have successfully completed the divestment of our subsidiary in the previous quarter. We have received the net sales proceeds of INR 110 crores, further strengthening our financial position and enabling us to focus on core business growth.

Coming to the financial performance of the company, let me start with the consolidated Q3 FY25 numbers. The company reported a total income of INR 298 crores as against INR 208 crores in the corresponding quarter last year with a growth of 44% year-on-year. In Q3 FY25, the EBITDA stood at INR 24 crores as against INR 22 crores in the corresponding quarter last year. The EBITDA margin is at 8%.

EBITDA margin has declined on account of lower contribution from real estate business while margins from EPC business remained stable at about 10% to 11%. Profit before exceptional items and tax stood at INR 17 crores versus INR 16 crores in the corresponding quarter last year. Net profit stood at INR 76 crores in Q3 FY25, including profit on sale of GMP, as against INR 16 crores in Q3 FY '24.

Now moving on to 9 months FY '25 numbers. The company reported a total income of INR 698 crores as against INR 536 crores for the last year, which is a growth of 30% year-on-year. For 9 months FY25, the EBITDA stood at INR 58 crores as against INR 61 crores in the corresponding period last year and the EBITDA margin is at 8%. Net profit stood at INR 93 crores in 9 months FY25, including profit on sales of GMP, as against INR 47 crores in the previous year.

Overall, we achieved a net debt reduction from INR 124 crores as of June 2024 to INR 110 crores as of September 2024 and further to INR 104 crores as of December 2024, reflecting our commitment to strengthen the balance sheet. This consistent decline highlights our focus on Prudential Financial management and improving liquidity.

In conclusion, our various initiatives are driving the company's growth, effectively backed by healthy order book in the EPC segment and upcoming projects in the real estate segment and a strong balance sheet that reinforces our financial and market position. We are confident about the road ahead and remain committed to leveraging our innovative solutions and dedicated team to deliver value and excellence for our stakeholders.

With that, we open the floor for questions and answers.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Madhur Rathi from Counter Cyclical Investments.

Madhur Rathi: Sir, I wanted to understand, sir, majority of the finance cost that we have will be pertaining to the EPC division. Is that right?

Santosh Sundararajan: No, not really. I mean, we have a CC limit, which is dedicated to the EPC business. That is the drawdown is typically in the range of INR 60 crores to INR 70 crores on an average and the rate of interest on that is about 10%. So that, about INR 6 crores, INR 7 crores, is directly to the EPC business annually. And also, we would have short-term borrowing sometimes or interest that we might be paying on advances taken from our clients on the EPC side. But not more than INR 10 crores, INR 12 crores a year could be financial costs attributable to EPC business. The rest would be towards the real estate business.

Madhur Rathi: Okay. Sir, so like 60%, 70% would go to the EPC, right? Sir, so my question was if I look at our PBT basis, we have done around 8%. And we have guided that we'll try to move to 8.5% to 9% by FY '25 end. Sir, I'm just trying to understand, when can we expect them? Because in 9 months, there hasn't been much improvement in the 8% to 9%. So if you could just help me understand, when can we reach this number?

Somnath Biswas: So to answer your question, if you look at that opening statement given by Mr. Santosh that until 9 months, there is no significant revenue and bottom line came from the real estate segment. What you are talking about, the 8%, is a blended EBITDA. So we are expecting some revenue. But from the very beginning, we kept on talking that this financial year, we are not expecting any significant contribution coming from the real estate.

So real estate, obviously having a higher EBITDA, so once that will keep on coming, the EBITDA margin will definitely likely to go up. But until we hope that some more revenue is expected in the Q4 in the Real Estate, so it is likely to touch 8.5% to 9% by the end of the year.

Madhur Rathi: Okay. Sir, my understanding was when I look at our segmental reporting that you have shown in our investor presentation, we've done around INR 72 crores in the EPC on the EBIT level and INR 15 crores was the finance cost. So I was expecting that INR 10 crores would straight away

-- INR10 crores to INR12 crores would be from EPC segment and that's why 8% kind of margin. But all right, we can get that.

Sir, my next question was there hasn't been any major other inflow post Q2 FY25, where you said that post the elections, we will get aggressive in getting order booking. So on that front, because we have given a INR 1,000 crores to INR 1,500 crores order booking guidance, so on that front?

Somnath Biswas: Out of INR 1,000 crores, what we have targeted, almost we are back more than 50%, more than close to INR 500 crores already we are back this year. And almost 2, 3 orders already are in the pipeline, which the tender has been submitted and we are quite hopeful, putting our fingers crossed, that we'll get some more good result in the coming days.

Santosh Sundararajan: Yes, we have 2 more months. We are still very hopeful that the other INR500 crores, we will be able to easily book in the 2 months. Worst case, we might stretch to April, but we are on track to book more than INR 1,000 crores. We are now targeting INR 1,000 crores of fresh orders in the next 3, 4 months itself.

Madhur Rathi: Okay. So, the INR 1,500 crores, again maybe 1 or 2 months here and there, but we will get to that INR 1,500 crores number for FY '25?

Somnath Biswas: We will get that. Yes.

Madhur Rathi: Okay, got it. Sir, just a final few questions from my side. So Real Estate sales have been very low for like the 9 months FY '25 than what we have expected. Sir, so why is that? And the second question was on Real Estate was, sir, the Mumbai property capex that was going to be incurred with QIP, but I think the QIP has lapsed. So how would we finance Mumbai redevelopment as well as the Powai project?

Somnath Biswas: See, you are right as it was already keep on talking, the Real Estate revenue getting recognized only based upon the competition. So this year, we are not expecting any substantial completion because whatever the project are in the pipeline, that is all the way forward. So if you talk about the Tower of Ascend in Kharadi and Coimbatore, one tower we are expecting, so that's why we are hopeful that the blended EBITDA will go up in the Q4.

But rest will keep on coming from the next year onwards. So next year onwards, it will be INR100 crore-plus kind of Real Estate. And going forward, it will be more than that, quite a bit significant will keep on coming from FY26 onwards. In terms of the funding of this project, yes, you are right that initially that Mumbai project that was Santacruz redevelopment and Powai project, we are looking for the funds to be raised through QIP.

But since at this market conditions, we are not interested to go with the QIP. So that's why the net sales proceeds received from GMP has been majorly utilized to mitigate that amount. And whatever the shortfall, we are trying to raise interim funds through some term loan or something like that, which will be mitigated at an appropriate time, when it will be very conducive to raise funds through equity mode.

But as of now, to keep the continue of the project, we'll raise some kind of short-term borrowing, we'll do in between. But currently, it is majorly mitigated from the sales proceeds from the GMP.

Moderator: The next question is from the line of Himanshu Upadhyay from BugleRock PMS.

Himanshu Upadhyay: If we look at the debt position as on 31 December, it seems cash accretion has not happened on and it remains flattish, INR110 crores to INR104 crores - net debt. So the substantial amount of money, whatever we received, have we invested for the approvals in Real State? Would that be the case?

Somnath Biswas: No, that is not the case because if you talk about the cash and FD, which is majorly the FD is attributable to your bank guarantee's margin money. So it is a mandatory parking of the fund to get the bank guarantee.

Himanshu Upadhyay: No, I agree to that. But I am saying there has not been substantial accretion. So total cash and bank balance was INR 122 crores at the end of September. It has increased to INR125 crores. So whatever cash...

Santosh Sundararajan: It is in line with the sale of GMP and the receipt of those funds?

Himanshu Upadhyay: Can you repeat?

Somnath Biswas: No, we are not envisaging that our cash will keep on increasing. That is not the case.

Santosh Sundararajan: So what is the question you posted?

Somnath Biswas: What I exactly want that, yes, September, it was INR122 crores, now it is INR125 crores. What exactly you...

Santosh Sundararajan: INR104 crores, yes.

Himanshu Upadhyay: No. So what I am saying is the cash, what we came for GMP, around INR100 crores.

Santosh Sundararajan: Yes, that has not been included in the statement.

Himanshu Upadhyay: Approval land and everything.

Santosh Sundararajan: No, so that INR100 crores was in the bank during this period, I agree, as a lean mark. In our presentation, deliberately, we have not included the INR100 crores as a cash balance. You will see it in the books. Our net debt will be seen as INR4 crores in our official P&L balance sheet. But in the presentation, we have deliberately kept that aside because those funds have a specific utilization, which will happen over the next 1, 2 months.

And already happened in a significant way as of today in terms of what we said in terms of -- we've given the allocations of those funds earlier as well. We did not want to show that in the presentation because then the net debt looks like INR 4 crores, which is not a real picture. It's a very short-term picture.

Himanshu Upadhyay: Okay.

Santosh Sundararajan: So, this INR 104 crores is without considering the INR 100 crores cash balance from GMP.

Himanshu Upadhyay: Okay. And on Real Estate, any developments further, any timelines for the launches from both the Bombay projects?

Somnath Biswas: Already, we received the RERA from Om Sainath project, so the groundwork is very much on, demolition is completed, the execution has been started. But we are coming back after a long time in the Bombay, so we want to have an appropriate launch, so we are planning. We'll likely do any time in the February, depending on the right dates and everything.

The rest are in progress. Powai is also -- we are expecting by another 2, 3 months because of what the EC -- the EC meeting has been scheduled. Some of it has got delayed, which is beyond our control. So once the EC has been done, we'll go for the RERA. And the forecast is also expected by another 6 to 9 months in the maximum horizon we are looking at.

So plus-minus 1, 2 months, we are very much on the track of this project. But one project is definitely getting already officially -- we started booking, but official launch is likely to happen pretty soon. But since we got the RERA, everything is done and dusted.

Himanshu Upadhyay: And any business development plans there or progress, what you are seeing in the market? Can you throw some light on both Pune and Bombay in the third market?

Somnath Biswas: You are talking about the real estate or EPC?

Himanshu Upadhyay: Yes, real estate.

Somnath Biswas: See, real estate, already a couple of projects are in the pipeline. If you look at our presentation, already we are talking three projects in Bombay and two in Pune. So that is very much in the pipeline. So, we have -- our major focus is to get this thing mature ASAP. But at the same time, we're in a different level of discussion with a couple of JVs, both in Pune as well as in Coimbatore also because since we are significantly present over there.

And there is a good amount of attraction with Vascon Brand there. So, we are exploring some JVs in Coimbatore also. So it is very much on the track. Mumbai, as of now, these three, we are primarily focusing. And once this is getting launched and cash flow keeps on coming, there are a couple of proposals out there, but we are exploring and evaluating, depending upon the cash flow situation, on all these things.

Moderator: The next question is from the line of Rushabh from Finnovate Finance.

Rushabh: Thank you for the opportunity. So my question is on the lines of the order book. So we have an order book of around INR 3,200 crores. So just wanted to know the estimated completion timeline for these projects?

Santosh Sundararajan: 3 years. Yes, 3 years, typically, you can consider it as on an average 3 years of execution timeline.

Rushabh: Okay. So what will be the payment structure for these projects?

Santosh Sundararajan: Payments are on a monthly work done bill rates.

Rushabh: Understood. So my second question is on the line of the RERA approval received on the Sainath project. Can you just provide an expected completion timeline and the estimated revenue for these projects?

Santosh Sundararajan: So see, now we're mixing Real Estate and EPC. Sainath is a real estate project for us. And for that, Vascon's share of top line, expected share of Vascon's top line is around INR 270 crores, considering today's sale rate. We have about 70,000 square feet attributable to us. So that will be the top line. The execution timeline, as I said, the structure will get done in 2.5 to 3 years. So yes, we can consider the next 2 to 3 years max as the execution timeline for the project, mostly 2 years.

Moderator: The next question is from the line of Rahul Jain from RJ Investments.

Rahul Jain: Sir, are you still maintaining the INR 1,500 crores order book guidance for FY25, given that only 1 quarter remains, and there were no new order bookings in the Q3?

Santosh Sundararajan: Yes. See, we have two orders we have not received the paper yet. We haven't announced officially, but we have current order booking for the year, starting from April, is around INR 500 crores. We still have INR 1,000 crores shortfall on that INR 1,500 crores target. But as I mentioned, we are now aggressively in line to achieve that target.

If not by March end, maybe by April end, we should definitely be achieving the INR 1,000 crores target. We have targeted works. We are filling tenders and a couple of tenders, we've already filled. We hope to back them, I mean. So we're still bullish, may not be March end, but maybe April end, but this INR 1,500 crores will be booked.

Rahul Jain: Okay sir.

Santosh Sundararajan: INR500 crores is already booked.

Rahul Jain: Okay. And sir, what is the outlook for new EPC orders? And how is the bidding pipeline shaping up over the next few quarters?

Santosh Sundararajan: Yes, it looks good. Now the Maharashtra elections are over and things are settled, we are now bullish on orders coming out in Maharashtra also, And with stability for the next 5 years, happy to be engaging as much as possible in Maharashtra. It's easier for us to control projects here. So we're focusing there as well.

Having said that, other places, we are also looking out for a couple of projects in Tamil Nadu, we are bullish on, a couple in UP and Bihar area also. So things are looking positive for the next year. So once we touch this INR 1,500 crores target, then we will take next year's target because again, another INR 1,200 crores to INR 1,500 crores so that for the next 3, 4 years, our 20% EPC growth story can remain intact.

Moderator: The next question is from the line of Jigar Shah from Elevate Research.

Jigar Shah: Sir, I have just one question. With the recent divestment of GMP Technical Solutions and an expected net cash flow of around INR 100 crores, so how do you plan to allocate these funds between the real estate and EPC division?

Somnath Biswas: It is not expected, it is already received. And as we conveyed some time back, that majority of the fund is going to be utilized for the real estate project in Mumbai, which is initially planned to be mitigated from the QIP. But since we are not coming up with QIP right now, so the GMP sale process majorly utilized to pump in the required capital for three Mumbai projects.

Santosh Sundararajan: And partly, INR 14 crores, INR 15 crores towards EPC as well to to create a collateral.

Moderator: The next follow-up question is from the line of Madhur Rathi from Counter Cyclical Investments.

Madhur Rathi: Sir, I wanted to understand, what is the status of our Baner project? And it was expected that the GMP proceeds were going to be used for this. So status of that, how do you plan to fund it? And what will be the total capex required from our end on this project?

Somnath Biswas: See, this is initially planned, that GMP sale proceed was supposed to be utilized for the Baner Pashan project and it is that point of time, when we are aggressively going with the QIP. But since the QIP plan has already been dropped, so GMP sale proceed is majorly utilized for the Mumbai project, which already we conveyed to you all also.

But now Baner Pashan Link Road also, we are in the process of the approval cycle. So that's why we talked about that whatever the rest of the fund is required to keep the schedule of this launch and project is intact, so we'll need to raise some kind of short-term capital intermediately. And when the market will be positive and favorable, then we'll try to raise some more capital through equity mode and extinguish this short-term debt.

Madhur Rathi: Okay. And sir, what would be the investment from our end on this project?

Somnath Biswas: It will not be significant as well because Pune is not that capital-intensive as compared to Mumbai. But still, it will be in the range of INR 30 crores, INR 40 crores kind of investment is required because that project size is almost 1 million square feet.

Madhur Rathi: Yes. Sir, I just couldn't get numbers?

Santosh Sundararajan: INR 30 crores to INR 40 crores.

Madhur Rathi: Okay, sir. So we'll invest INR 30 crores to INR 40 crores and we will get INR 400 crores of expected sales value from that? Is it right?

Santosh Sundararajan: Yes.

Madhur Rathi: Okay. Got it. And sir, so majorly, I think this will be a commercial project. So it seems that most of the real estate companies are moving towards a cash flow kind of a model, where the cash flow from this commercial kind of real estate sustain their debt books as well as their interest payments. And so do we plan to do some kind of that for this project? Or do we plan to sell it out totally whenever this is launched? And what will be the launch timeline for this?

Santosh Sundararajan: Up until now, Vascon has not really held on to commercial assets. Our model has not been to sort of generate regular rental revenues for the company. I'm aware some of our peers are doing that as a model. But we've always felt that if we can encash our amounts and re-rotate into the next project, we're probably adding more value than sitting on 8%, 9% rent.

So as of now, at the Board level, we do not have any big plans or intentions to hold commercial assets, except to the extent that we need as collateral for our EPC business. But having said that, the Baner project will take 2, 3 years to finish. At that point of time, whatever is the best strategy the market offers, I think we'll take a call.

Madhur Rathi: And sir, when do we start with construction? Can we in the next 6 months, see the construction started?

Santosh Sundararajan: Not in 6 months, we are not expecting to ground break before calendar year 2026.

Madhur Rathi: Okay. So another 1 year would be minimum before the start.

Santosh Sundararajan: At least minimum 9 months you can assume. So that's why I talked about the calendar year, 2025 calendar is the timeline.

Madhur Rathi: Okay, got it. Sir, then a final question, sir. Sir, when I look at the Real Estate segment, sir, although we are launching new projects that are very attractive based on the margins that double the margin of our [inaudible 0:27.59] margin on the EPC segment. But sir, when I look at our investor presentation, we have some of our projects from 2018 that has not been sold. So what gives us confidence that we can sell a new project moving forward, when like the real estate boom cycle has moved out and still we are not able to sell our 2018 projects? So sir that is the worry that we have?

Somnath Biswas: No 2018, if you talk about 2018 onwards, the real estate, whatever it is, segmental report, it is always a better number. So then expect that affordable segment at affordable housing in Kharadi. Affordable doesn't give that kind of margin what normally other project gives. So any other project, if you talk about the Forest County, if you talk about the Tower of Ascend, most of these are having a significant EBITDA margin.

But currently, whatever the top line is coming, it is coming from the Kharadi only. So Kharadi is not going to improve the EBITDA or ratio significantly. But the rest of the project is definitely we have at least of close to 18% kind of EBITDA minimum, that real estate.

Madhur Rathi: Okay, got it. Sir, just a final suggestion, sir, when we see insider and director selling their stakeholders in the open market in a downturn, sir, it gives a negative impression to the investor community that is there something wrong with the company because even at such levels, the Directors' are selling. So if you just like make sure it gets either reflected in their salaries or something else. So that was a suggestion from us.

Santosh Sundararajan: I couldn't get, what is being sold?

Madhur Rathi: Sir, the Directors' share, designated position as well as Director shareholding that is sold in the open market, so it is regarding that. So that gives is a very negative impression to the investor community regarding the...

Santosh Sundararajan: So I mean, I don't know which specific this you're talking about. I am the only Director on the Board who gets to sell in the open market. And if you check my holding in the company, it has only increased. You have to understand. I am also the CEO and I have access to ESOPs year-on-year that the company awards and the ESOPs, including their tax liabilities, have to be purchased by me and paid for.

And so whenever a round of ESOP is available, I am supposed to sell a little bit of my old holding, but I end up buying more than what I sell. So overall, if you track my holdings, my holding in the company has only increased. And other than me, the other Directors either do not have holdings or are not selling. So Directors' holdings are not dropping in the company for sure.

Moderator: The next question is from the line of Kanak Shah AK Services.

Kanak Shah: I just wanted to ask that with the 6, 7 projects currently underway, when are they expected to be launched or completed, what kind of capital requirement are we looking for over here?

Somnath Biswas: So already, we've given that as a capital requirement, still we need for three Bombay projects, more or less, we have settled with the capital, around INR 20 crores, INR 30 crores may be required, which is the shortfall from the QIP vis-à-vis the GMP sale proceeds that we raise. And apart from that, the Baner Pashan also, we talked about INR 30 crores, INR 40 crores capital to be required.

So all in all, we require INR 70 crores to INR 80 crores kind of capital to be raised in coming days, depending upon the timeline of the projects. And completion horizon is depending upon once again, it varies project-to-project, both the redevelopment project since it is G plus 8 the horizon is 24-month kind of thing, but other projects will be 30 to 36 months kind of project. And I mean, Baner Pashan may be something more, a little bit more because it is almost 1 million square feet project.

Kanak Shah: All right. Okay. And looking ahead, what type of real estate projects are you planning to undertake? Like will it be affordable category or luxury as well?

Somnath Biswas: Not affordable, the residential for mid and little bit upper mid segment or commercial.

Kanak Shah: Okay. And like is there a potential boom in the growth outlook in these segments? Or do you think the like luxury projects also have some more scope?

Somnath Biswas: All the above, eventually. Now it is mostly end user gain. So there is significant attraction is happening and sales are happening, so at least we are confident, even the market report also suggests that this growth will be continued for at least next 4 to 5 years or even bigger growth is there.

Kanak Shah: Okay. And the last question that I have is how do you see the competitive landscape evolving in both in EPC and the Real Estate segments? Like are there any regulatory issues or market risks that could impact the growth or towards the project completion?

Santosh Sundararajan: No, nothing new as such, nothing is there.

Kanak Shah: Okay. So there are no risks or there are no regulatory issues that can impact the growth?

Santosh Sundararajan: No, no regulatory issues. I mean, nothing new that has cropped up. But of course, there are many regulatory issues to do with Real Estate, launching your project and the timelines that it takes. I would never say there are no risks. We are not getting easy for our second Real Estate project yet, then we have to go for RERA, so all of that. But nothing new, these are all known constraints and known risks. And so yes, nothing to worry about.

Moderator: As there are no further questions from the participants, I would now like to hand the conference over to Mr. Somnath Biswas for closing comments.

Somnath Biswas: Once again, we thank all the investors for staying with us and hope we resolved your queries and all these things. If any further queries are there, you can be in touch with either Stellar or Mr. Pankaj Jain, who is handling the Investor Relations team from us. And thank you, wish you all the best for the coming future. Hope the market will keep on improving now.

Moderator: Thank you. On behalf of Vascon Engineers Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.