



“Ahluwalia Contracts (India) Limited Q2 FY 2017 Results Conference Call”

November 15, 2016



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Moderator: Ladies and gentlemen, good day and welcome to the Ahluwalia Contracts India Q2 FY 2017 results Conference Call, hosted by Systematix Shares and Stocks Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. If you need assistance during this 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. Jaspreet Arora from Systematix Shares and Stocks Limited. Please go ahead Sir.

Jaspreet Arora: Good afternoon to everyone, we have with us Mr. Shobhit Uppal, and Mr. Rohit Patni from the management. Over to you Sir!

Shobhit Uppal: Thanks. Good afternoon everybody. Thank you for joining in, so just to as most of you would know, I would read out results of this quarter and first half of this financial year. During Q2 FY2017, Ahluwalia Contracts achieved a turnover of 293.35 crores and a PAT of 19.66 Crores in comparison to a turnover of 280.90 Crores and a PAT of 19.06 Crores in Q2 FY 2016.

EPS of the company for Q2 FY2017 is 2.94 as compared to 2.84 on the corresponding quarter of the last financial year. During Q2 FY2017, company’s EBITDA margin was 13.71% as compared to 13.61% in the corresponding quarter last year and a PAT margin of 6.77% as compared to 6.80% last year.

During half-year, first half of the current financial year, the company achieved a turnover of 596.60 Crores and a PAT of 41.20 Crores in comparison to a turnover of 545.94 Crores and a PAT of 37.87 Crores last year. EPS of the company for the first half of this year is 6.15 as compared to 5.65 of the corresponding year last year.

During the first half of FY2017, company’s EBITDA margin was 13.86% as compared to 12.44% last year and a PAT margin of 6.91% as compared to 6.94% last year. The company has secured new orders worth 1360 Crores till date. Net order book of the company as on September 30 stands at 4355 Crores which is to be executed in 2 to 2.5 years. Thank you.

Moderator: Thank you. We have the first question from the line of Shrawan Shah from Dolat Capital. Please go ahead.

Shrawan Shah: Thank you. Sir, if you can once again provide us the guidance for in terms of the revenue, EBITDA margin, orders inflow for FY 2017 and FY 2018?

Shobhit Uppal: For FY2017, we pretty much on track to what we had told you gentlemen, ladies earlier on, it is between a growth would be around 15% and as far as our margins would be similar to what they



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are, between 13% and 14%. As far as FY 2018 is concerned, we aim to grow at about 20% and about 0.5% point increase in our margin.

- Shrawan Shah:** In terms of the order inflow Sir?
- Shobhit Uppal:** Order inflow, our targets for this entire year, was about 1600 Crores, as I said we have got new orders worth 1360 Crores, so for this year, we are not revising our target we are sticking at about 1600 Crores and next year it would be in the range of about 2000 Crores.
- Shrawan Shah:** Sir, this first half year the tax rate was slightly higher at 34.6%, so what rate we take for FY2017 full year and FY 2018?
- Rohit Patni:** Earlier we had MAT credit. That is why full rate, that is why tax rate has increased. Now it is full rate applicable to us. Earlier we have taken MAT credit.
- Shrawan Shah:** Okay for FY 2017 it would be around 33%?
- Rohit Patni:** That is from second quarter onwards that would be full rate.
- Shrawan Shah:** Sir, the 7 Crores arbitration award this will be booked in third quarter?
- Rohit Patni:** That will be taken when we receive. We will not make any provision right now. We are expecting that will come.
- Shobhit Uppal:** Our policy that when we receive the money from the clients, that is when we book it, so we are expecting it in the third quarter.
- Shrawan Shah:** Sir, now how in terms of the proposed demonetization, how do you see your impact on the private real estate and what would be our impact on Ahluwalia?
- Shobhit Uppal:** The impact will be minimal, as all of you know, we have, over the past two to three years we have slowly kind of shifted our focus from private to public sector. Today also 67% of our order book comes from the public sector and from the other 33% also, only about 20% comes from private sector real estate left, so I do not think we will be impacted that much, but yes a little bit of impact is on the anvil but not too much.
- Shrawan Shah:** Sir, lastly if you can give us the order book break up of segment wise and also as you have already mentioned, the public and private and also how much is slow moving or the old one fixed price?



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- Shobhit Uppal:** As far as out of our total order book of 4300 odd Crores, fixed price is only 140 Crores, right and as far as legacy order book is concerned, I mentioned last time we more or less got rid of it and even the orders which with some of the developers which are as a standstill, we have a commitment from them that as and when they begin, we will be revising our rates, we are continuously talking to them, so the drag, I think by the end of this year, the old drag would be finished and the breakup is in terms of geographical order book, north is 65%, east is about 20%, west is about 13%, south is about 0.65%, segment wise you know commercial is 5%, hospital is 22.6%, hotel is 0.32%, industrial is 0.12%, infrastructure is 11.74%, institutional is about 28%, residential private is about 25% and residential government is about 7.5%.
- Shrawan Shah:** Thank you. That is from my side and all the best.
- Moderator:** Thank you very much. We have next question from the line of Nitin Arora from Aviva Life. Please go ahead.
- Nitin Arora:** Good afternoon. Sir just two questions, one wanted to understand the impact on execution due to two aspects that happened, one in Bihar and the second thing in the Delhi area, near NCR due to this pollution thing, do you see a chance that if the Bihar ruling comes which is still due, you can surprise your revenue guidance because your order size is still huge, I think execution already started on those projects?
- Shobhit Uppal:** Yes, Nitin. We have received the conformation from the government, the execution has restarted and while in this quarter there has been an impact by closure of projects in Bihar but we plan to make that up in the next two quarters. As far as Delhi is concerned we feel that you know shortly the projects will restart but yes there would be an impact because remobilization with labor and other things it will impact, we will have an impact in about a month's time, but nothing major we aim to cover this impact in the next quarters.
- Nitin Arora:** Sir, when you have given your guidance of 15% you is largely factoring in the delays of Bihar and Delhi?
- Shobhit Uppal:** You know when we spoke last, my guidance was 15%-20% and so that is why we are sticking, we know that we can make 15% and may be we will exceed it also a little bit.
- Nitin Arora:** Sir, with respect to the ordering side in building institutional segment, not seen many bids out yet over the last six months and NPCC still looks a little I would not say jittery but not any big tenders are coming out. Is it something just a functional issue with respect to the tenders or how do you see that. What is your expectation let us say for the next one year in terms of tendering activity in the segment?



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- Shobhit Uppal:** I disagree with you. In fact if you recollect in my various interactions with all of you over the past one to one and a half years, I told you that we have distanced ourselves from NPCC for a period of time because a lot of their contracts which were coming out were fixed price contracts and they go against our policy of not picking fixed price contracts, we are aware that NPCC has picked up large orders from various government departments. I think that is why all of you are so fascinated by NPCC, but a time will come when they will need big players like us, when those orders come on ground or time comes for them to break ground they will be needing companies like us and they will be forced to modify working conditions which at present we feel are not there, that is why we have been dealing with other departments and we have there is tendering activities as far as I am concerned, just 10 days ago I bid for a large hospital project, the size of which was about 750 Crores, just a week ago I bid for an extension of a project which we are already doing which is about 600 Crores. I bid for a large university project in Bihar in Nalanda the size of which was again about 600 Crores, so there is tendering activity going on, but we need to look away from NBCC for a bit to see that activity.
- Nitin Arora:** Absolutely Sir, Sir with respect to you said the demonetization has a minimal impact, not large impact, but in your business per se, when you say a minimal impact, it is something to do with your creditors, your subcontractors or rather your workers where you know actually some amount would be paid in cash because of the nature of the business, how should we read it when you say a minimal impact in your business?
- Shobhit Uppal:** There are two ways to look at it. There are two areas where we are impacted. One, it is minimal on account of order book because it is not dependent on private player, as I said, there is only about 15%-20% of our order book which comes from private real estate player, so there may be a bit of a slow down there or the jury is still out on that we will have to see how this demonetization affects those projects, so there will be a bit of a minimal impact coming from there. As regards what you are saying, we have to make cash payments to laborers and our workforce and so on and so forth. There will be on the short term an impact there but again I feel that it is a matter of time and you know, the way that government is working to put profits in place we should be alright a month from now.
- Nitin Arora:** Thank you very much and all the best.
- Moderator:** Thank you very much. We have the next question from the line of Dhruv Agarwal from Crescita Investments. Please go ahead.
- Dhruv Agarwal:** Congrats on a good set of numbers. I would like to know the L1 order book as of date?
- Shobhit Uppal:** As things stand today, we are L1 in about one single order of 90 Crores.



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- Dhruv Agarwal:** The bidding for other projects is going on as you mentioned to the last person, I guess?
- Shobhit Uppal:** Yes.
- Dhruv Agarwal:** Thank you Sir. If I have any questions I will come back in the queue.
- Moderator:** Thank you very much. We have the next question from the line of Sagar Parekh from Sandeep Finance. Please go ahead.
- Sagar Parekh:** Hello Sir. Most of my questions are answered, just one question. What is our order pipeline currently and which sectors do you see as you mentioned about bidding for hospitals and educational institutions, could you just give us a sense of order pipeline and which segments do you see you now ordering you know picking up?
- Shobhit Uppal:** The order pipeline is about 1500 Crores and the institutional projects are coming few bank buildings, healthcare projects, hospital projects and educational projects, these are the areas we are focusing on and we see a lot of activity. On the private side in certain areas like Gurgaon, I see an uptake on the commercial space also, so with a few multinational funds, we are looking at bidding for a few projects.
- Sagar Parekh:** So, a private commercial should not be impacted by the demonetization?
- Shobhit Uppal:** I do not think so.
- Sagar Parekh:** What would be debt level currently including the one in the other current liability?
- Shobhit Uppal:** The debt level is at about 89 Crores. That is about pretty much, there is nothing in other current liability because including that also it comes up to the same thing. When we spoke last time, I said, our target was that we would get it down to sub 100 Crore level by FY 2018, we have been able to do it much before that. In our long term, debt is virtually zero. This is also short-term debt.
- Sagar Parekh:** What would be the retention amount?
- Rohit Patni:** 138.
- Sagar Parekh:** The capex for this year should be about maintenance, about 15-20 odd Crores.
- Rohit Patni:** Yes.
- Sagar Parekh:** That is from my side and all the best.



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- Moderator:** Thank you. We have a followup question from the line of Nitin Arora from Aviva Life. Please go ahead.
- Nitin Arora:** My last question on your BOT project, that is Kota, we have seen this quarter you have started recognizing a segmental revenue, I think you have just started the booking of the amount, so any guidance that how much should we assume for FY 2017 and FY 2018 in terms of area, how much you are leasing up and what should be the lease rental work with?
- Rohit Patni:** In last quarter we had 120 lakhs from Kota and during the next quarter we are looking for from January onwards, 30 lakhs per month and thereafter in the next year, may be in the region of May or June, let us say around Rs.1 Crore per month.
- Nitin Arora:** When you share these numbers, is it excluding the revenue share with the RSRDC or is it at the gross level or at the net level?
- Rohit Patni:** That is the lease rental from RSRDC.
- Nitin Arora:** So that Rs.1 Crore accrue to us that there is no revenue share in that?
- Rohit Patni:** We are looking for the tenants and we are expecting that all will be leased out in May and June and that is why we are looking for Rs.1 Crores per month.
- Nitin Arora:** Sir, what should be the EBITDA margin we are looking at in this project because I think below that there will be depreciation, so that you have already repaid it?
- Rohit Patni:** We are looking for 13%-14% EBITDA, after excluding the loyalty amount of RSRDC all are EBITDA. No any other maintenance expenses so after this based on the depreciation at the PBT level and deduction of PAT all is PAT level projects.
- Nitin Arora:** I thought the EBITDA margin has to be higher I mean because 13-14% taking into account the RSDRC revenue share.
- Shobhit Uppal:** That is what Rohit has just answered. That is what he corrected.
- Nitin Arora:** Thank you very much for this.
- Moderator:** Thank you very much. We have the next question from the line of Shrawan Shah from Dolat Capital. Please go ahead



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- Shrawan Shah:** Sir, I am continuing on this Kota. In terms of the depreciation, how much this quarter or may be yearly depreciation from FY2018 onwards, how much depreciation it would come, it would be gross block of 83-84 Crores divided by 30, it will be on SLM basis or how?
- Rohit Patni:** Divided by every quarter it is 50 lakhs or annually 2 Crores.
- Shrawan Shah:** In terms of FY2018 also we would like to maintain the sub 100 Crores debt level on standalone?
- Rohit Patni:** Yes, less than 100.
- Shrawan Shah:** That is it from my side and all the best.
- Moderator:** Thank you very much. We have the next question from the line of Ashutosh Garud from Reliance Portfolio Management. Please go ahead.
- Ashutosh Garud:** When you mentioned if you can just explain your portfolio, you mentioned 80% is government and 20% is private, so what exactly comes under this 80% and what would come under this 20%?
- Shobhit Uppal:** Public sector, government is 67%, 53% is private but out of 33%, out of a total of 300, 20% would be for us which is private real estate developers, rest is projects for say private houses such as Amity, their educational campuses or Bennett Coleman, their educational campuses, which are really not affected by the demonetization and slow down in real estate.
- Ashutosh Garud:** What exact the projects on the government side the 67%?
- Shobhit Uppal:** You want name of the projects?
- Ashutosh Garud:** The type of projects I am saying?
- Shobhit Uppal:** Institutional projects like we are doing in headquarters for a couple of banks like Punjab National Bank, we are doing large Convention Center in Patna, we are doing a headquarter building for their police force plus we are doing healthcare projects also we are doing a cancer hospital for the government in Bengal, we are doing two large hospital blocks in AIIMS Delhi. So these are the kind of projects, which are there.
- Ashutosh Garud:** I have your order book as on March 31, it was around 3600 Crores?
- Shobhit Uppal:** Yes now as on September 30, it is 4355.
- Ashutosh Garud:** The breakup of this order book is also 67% and 33% is it?



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- Shobhit Uppal:** Yes.
- Ashutosh Garud:** But then would you see this 33% of your order book do come under some kind of pressure because as you did mention that demonetization may not affect much but still the cascading effects if they have to come through then obviously there can be a quarter's delay and even if it is a quarters delay the delayed orders may not be as the incremental orders which we are expecting may not be as the run rate may not be as high as you are expecting till date would that be a case?
- Shobhit Uppal:** As I mentioned when Nitin asked me a question that there will be a minimal we are expecting a minimal effect because 20% of the total order book is which is purely real estate residential so that may be impacted but out of this also the commercial private reality play I do not see because multinationals are involved and there is an uptake on lease which is happening in certain metros we do not see that being impacted so yes there will be a minimal impact that is why have scale down we have put this thing of 15% to 20% growth top-line we have now scaled it down to about 15% the lower end of the spectrum.
- Ashutosh Garud:** What was the proportion of government orders in last three years back by 67% what was the proportion three years back?
- Rohit Patni:** Three years back approximately 40%.
- Ashutosh Garud:** So basically last two three years would it be safe to assume that you have grown more on the government side ordering because there was a kind of a slowdown on private side would that be?
- Shobhit Uppal:** It was a focus strategy five years ago we were 80% on the private sector we slipped it. So it is a focus strategy and we are more focused on the public sector now.
- Ashutosh Garud:** Thanks a lot and all the best.
- Moderator:** Thank you very much. We have the next question from the line of Ajit Motwani from Bharti Axa Life Insurance. Please go ahead.
- Ajit Motwani:** Sir your interest amount also includes the interest that is pay on the mobilization that the clients have given you right?
- Shobhit Uppal:** Yes.
- Ajit Motwani:** So how much of annually 35 Crores that you have given in FY2016 would be from the interest paid on the mob?



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Rohit Patni: This is out of which is 35 Crores out of around 13 Crores for interest and to banks 13 to 15 Crores.

Ajit Motwani: 13 to 15 is to banks?

Rohit Patni: 15 Crores around to the bank again it comedown and the working capital and now this comes around in six months that grows 160.

Shobhit Uppal: And this is to the banks for our term loan.

Rohit Patni: Only to the banks term loan against working capital.

Ajit Motwani: In the first six months you are saying.

Rohit Patni: Yes six months.

Ajit Motwani: So the balance should be the interest that you have paid through the...?

Rohit Patni: One stand the processing fee, the revenue charges for the bank guarantees issuance like this.

Ajit Motwani: How much is the amount of mobilization advance you would have taken from the clients?

Rohit Patni: That would be around 214 Crores.

Ajit Motwani: As far as the margins are concerned first half we have delivered upwards of 13% so what should we look at for the full year.

Shobhit Uppal: It would be in the same range about 13.5% took the same listing yes.

Ajit Motwani: And the issue that had come up in for Patna Bihar that has resolved now?

Shobhit Uppal: Yes it is resolved in the last week only the government has got they go ahead to restart our projects.

Ajit Motwani: So is our project has now up in running in terms of construction?

Shobhit Uppal: Both our projects are up in running now.

Ajit Motwani: How much is that portion of our order book?

Rohit Patni: Unexecuted order book would be to the tune of about 350 Crores.



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Ajit Motwani: And you said your bidding pipeline is around 1500 Crores?

Rohit Patni: Yes.

Ajit Motwani: One hospital project is about 750 Crores is that correct?

Rohit Patni: Yes.

Ajit Motwani: Thanks a lot Sir.

Moderator: Thank you very much. We have the next question from the line of Rajendra Mishra from IDFC. Please go ahead.

Rajendra Mishra: Sir I joined a little late at the risk of repeating just wanted to quickly know on the execution side why it was low and on the tax rate and what we can look forward to in the second half of the year?

Shobhit Uppal: The execution if you were to compare our results to our peers we have actually done better than them, but execution has been affected across the board because of a heavy monsoon. In our particular case as you must have heard Patna because of 20 odd large projects being sold by NGT that also affected our runrate a bit those projects have restarted, as you must have heard. So these are two major factors which contributed to a bit of a slowdown so as far as the future goes we are speaking to our growth projection of about 15% and about 13.5% of margin as far as the full year is concerned.

Rajendra Mishra: So that number remains?

Shobhit Uppal: Earlier on I had projected a growth of 15% to 20% is slightly scaled it down to the lower end of the spectrum which is 15%.

Rajendra Mishra: About the tax rate?

Rohit Patni: It is full tax rate.

Rajendra Mishra: So I think last year it was lower right the YoY numbers?

Shobhit Uppal: So now it is full tax rate.

Rajendra Mishra: So we have to take the full tax rate going forward. I missed this hospital projects so what was that how big is that size?



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- Shobhit Uppal:** Earlier on people had asked me about our order pipeline and whether we see a slowdown in tendering activity because NDCC that was the particular question that NDCC tender were yet not out so I said no there is a lot of tendering activity there is a large hospital that we bid for there is a large education institution that we bid for and in this first half of the year we have won orders worth nearly 1300 Crores so from our side order pipeline is robust.
- Rajendra Mishra:** Just one last thing across this entire NCR market so how is the in not particular with respect to Ahluwalia but with respect to the industry in general all this entire real estate market working out both in terms of the new thing which has happened but even before that there were lot of things were lot of correction was there and the court cases and all that so will you be want to throw some light on the entire real estate market on NCR?
- Shobhit Uppal:** Real estate market is extremely stressed continues to be stressed now with demonetization the residential part of the real estate monetization will get even more stressed, but I see an improvement in the commercial good commercial projects in Gorgon areas like Gorgon I see an uptake there.
- Rajendra Mishra:** How is that competitive intensity has it change anything or is it similar to what it was before.
- Shobhit Uppal:** It is similar.
- Rajendra Mishra:** Thank you so much.
- Moderator:** Thank you very much. We have the next question from the line of Aseem Gupta from JM Financial. Please go ahead.
- Aseem Gupta:** Sir just one question actually in the worst case and the most grim scenario on the private book side what is the maximum hit that we can probably take on the account receivables that we have today?
- Shobhit Uppal:** We have been very aggressive in securing ourselves with some of the developers who we feel are extremely stressed like JPHDIL we have started picking up inventory completed inventory in terms of flats from them so that we do not lose out on our receivables and over the past six to eight months we have secured nearly 80 Crores worth of receivables this way. So going forward we will continue this so that our risk is minimized.
- Aseem Gupta:** So will it be fair to assume that the worst case scenario it is only a couple of Crores that we may have to take a hit at the best have that in the worst case scenario?



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- Shobhit Uppal:** Yes because I have continuously mentioned that our private clients most of these with them we have longstanding relationships so I do not think that we are looking any bad debts major bad debts.
- Aseem Gupta:** Thank you.
- Moderator:** Thank you very much. We have the next question from the line of Gaurav Sanghavi from Bajaj Allianz. Please go ahead.
- Gaurav Sanghavi:** My question is related to receivables if I just look at benefits we have roughly around more than 500 Crores receivables so in that 84 Crores is in non-current asset so this is what you are mention this 80 Crores we have taken the inventory of the property?
- Rohit Patni:** No it is 27 Crores from Commonwealth Games Village and approximate 17 Crores on the court Talkatora Stadium from government CPWD and have there any two or three projects they are under acquisition.
- Shobhit Uppal:** This 80 Crores that I mentioned this separate this is in whereas we have reached an agreement with three or four of our large developer clients and for our receivables to be set off against some property or various flats that we are buying from them so this is the paper work for this is going on, this is separate from what has mentioned in the balance sheet.
- Gaurav Sanghavi:** So what would be the breakup of this around 500 Crores receivable in terms of public and private and you see any of them coming under stress because of this recent announcement.
- Rohit Patni:** Presently that data is not available I will give you separately.
- Gaurav Sanghavi:** The other question is on recent demonetization you mentioned your 20% of the order book is in private side basically residential projects so what is your initial feelers that you are getting when you are talking to them in terms of execution or in terms of oral feedback but not for a particular company but I am saying overall across the market what do you think how much time it will take overall to them to come back on the track or you think price has to correct or what is your overall view on the market on the recent phenomena?
- Shobhit Uppal:** As I said in our projections we have factored in the slowdown in private residential real estate and this demonization is going to affect that particular segment only so that is already factored in that is why I said there will be a minimal impact as far as this is concerned in terms of how long the impact will last with early days everybody is still kind of trying to figure out even the government their thought process is also evolving the opposition is going to creating its own racket so I think it will take at least a month for things to stabilize generally speaking.



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- Gaurav Sanghavi:** In terms of any feedback or any feeler you are getting while talking to these private clients what is their response over their kind of rating much more or executions on the credit what is happening out that if you can just give some color?
- Shobhit Uppal:** As I said private clients like people who are like Amity, the Bennett Coleman and Brookfield such clients who are robust financially strong and who have committed end use for the property that they are investing in there, there is no slowdown even demonetization this is the minor hiccup it is a procedural issue and everybody various clients are moving to make sure that the processes are streamlined in alignment with what the government wants. So we do not see any major setback or any setback as far as these clients are concerned it is going to affect the private real estate plays residential play let me put it in that way in the short-term because it is going to affect the demand, which is already sluggish.
- Gaurav Sanghavi:** Thank you.
- Moderator:** Thank you very much. We now have a follow up question from the line of Ajit Motwani from Bharti Axa Life Insurance. Please go ahead.
- Ajit Motwani:** Just wanted clarity if you are saying this 80 Crores is the worth of flat that you have taken from the developers from whom you have got.
- Shobhit Uppal:** We are in the process of taking, securing our receivables when I saying the process we have identified the properties as far as our receivables are concerned they have acknowledge those receivables and the paper work is in process.
- Ajit Motwani:** Further in terms of what are the total receivables?
- Shobhit Uppal:** Well it is a 550 Crores, but this is our total receivables some projects which are ongoing also.
- Ajit Motwani:** This 80 Crores is against those one of those?
- Shobhit Uppal:** 80 Crores out of 550 Crores would constitute slow moving projects, projects where which has been installed for some time and also projects which are ongoing, current receivables.
- Ajit Motwani:** So basically once you realize this 80 Crores then your number of receivables from 550 will come down right.
- Shobhit Uppal:** Yes it will.
- Ajit Motwani:** So apart from this 80 Crores you have another 47 Crores from some Commonwealth you mentioned right?



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Shobhit Uppal: That is in arbitration, which is going on.

Ajit Motwani: Thanks a lot Sir.

Moderator: Thank you very much. We have the next question from the line of Parvez Akhtar from Edelweiss. Please go ahead.

Parvez Akhtar: Sir just one question before the stoppage of work on the Patna what was the average quarterly run rate of execution on those projects?

Shobhit Uppal: The average run rate there are before the stoppage was about 40 Crores for quarter.

Parvez Akhtar: Now I think may be after a quarter?

Shobhit Uppal: Yes we are gearing up now it will go up we aim to take it to about 60 Crores.

Parvez Akhtar: I think over the next year or so it should get completed?

Shobhit Uppal: Yes by this one project should get completed by June, July and one project should get completed by December FY2017.

Parvez Akhtar: Thanks that is it from my side and all the best for the future.

Moderator: Thank you very much. We have the next question from the line of Shrawan Shah from Dolat Capital. Please go ahead.

Shrawan Shah: Sir regarding this 80 Crores flat where we are in the process to take it over if you can help me out in terms of against how much the debtor was and we have is it the same amount and are these ready projection sales how do we done we are going to take the one of it and we will sell it and recover the cash and in terms of balance sheet where it will come from Sir?

Shobhit Uppal: A) Yes we will sell it and recover the cash b) this is about the outstanding I do not have the exact figure but roughly speaking this would be about 60% to 70% of our outstanding against these respecting to balances and these are ready to move in flats.

Shrawan Shah: The balance suppose let us say being this month and if it comes to you?

Shobhit Uppal: It has to take about two to three months so our receivables will come down.

Shrawan Shah: And it will be part of gross block then?



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- Rohit Patni:** No gross block is going to be part of real estate inventory.
- Shrawan Shah:** So in summary just wanted to understand will there be any write-off in terms of the provision?
- Shobhit Uppal:** No.
- Shrawan Shah:** Thank you.
- Moderator:** Thank you very much. As there are no further questions at this point of time I can now hand the floor over to Ms. Divyata Dalal from Systematix Shares for any closing comments.
- Divyata Dalal:** Thanks for giving us the opportunity to host this call and thanks to participants for participating the call. Thank you.
- Moderator:** Would the management like to make any closing comments?
- Shobhit Uppal:** I just thank everybody. Thank you so much and if there is any questions feel free to write to Rohit Patni, he will respond. Thank you.
- Moderator:** On behalf of Ahluwalia contracts and Systematix Shares and Stocks Limited that concludes this conference. Thank you for joining us you may now disconnect your lines.