"Arihant Superstructures Ltd. Q4 FY15 Results Conference Call"

May 29, 2015

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Moderator: Ladies and gentlemen, good day and welcome to the Arihant Superstructures Ltd. Q4 FY15 Results Conference Call. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Diwakar Pingle of Christensen. Thank you and over to you sir.

Diwakar Pingle: Thank you Shyma. Welcome everyone and thank you for joining us for the Q4 and full year FY15 results ended March 31, 2015 for Arihant Superstructures Ltd. Please note that the result in the presentation has been mailed to you and you can also view this on our website www.asl.net.in. To take us through the results today and to answer your questions we have with us today Mr. Ashok Chhajer – Chairman of Arihant Superstructures Ltd., Mr. Aman Verma – Chief Financial Officer and Mr. Umesh Jhawar – Vice President, Strategy and Investor Relations of the company. We will be starting this call with a brief presentation providing an overview of the Company's performance which will be followed by a Q&A session. I would like to remind you that everything said on this call that reflects any outlook for the future or which can be construed as a forward looking statement must be viewed in conjunction with uncertainties and the risks we face. These uncertainties and risks are included but not limited to what we have mentioned in our prospectus filed with SEBI and subsequent Annual Report which you can find on our website. With that said, I would now turn the call over to Mr. Ashok Chhajer. Over to you sir.

Ashok Chhajer: Good afternoon friends and welcome to the earnings call of financial year 15. A brief introduction about our company, Arihant Superstructures Ltd. is a real estate company with a predominant focus on affordable housing and we have a larger presence in the two areas of our operations that is Mumbai MMR and Jodhpur, Rajasthan spread across 13 projects and both the locations are the growth centers of their respective states which has been identified by the authorities also. The Group has already taken up projects which are around 11.4 million sq. ft. to be constructed, buildable spaces in the next coming 6 to 7 years which would be something around 11,000 homes. Our philosophy has been that all the land banks we have been picking up as an outright purchase and the complete buildable spaces which we have are fully paid up and wherein the cost of purchase of proportionate land that is FSI works out to be something around 10% of the total realization per sq. ft. of the sales figures. This ensures that we will be able to treat land as only as a raw material and hence we do not speculate into our strategies of sales as it has been a sell-in feature since the two decades of the Group company. We have completely integrated in-house capabilities right from land acquisition to procurement to liaison to design, engineering and sales and marketing. And with a complete strength of around 250 people across both the offices we have tight control on implementation with quality considerations being the priority and that has also been acknowledged to the company by one of the projects getting into Top 100 Projects of India rated by CRISIL in the year 2014 and also ASL getting a position in the Top Hot 50 Brands of Mumbai again in 2014 wherein you have three real estate companies out of 50, that is Godrej Properties, Tata Housing and Arihant and the rest of the 47 are MNC brands like from Raymond's to HDFC Life and etc.

Let me turn your attention to the results now. As we have been telling in the years back that the method of revenue recognition model which we have adopted on completion method basis and as the lands are not into JV the capital investment which all props down to an initial years or phase where the expenditures are almost to a larger size to the incomes but as soon as the phases in time, quarters would go around, we will find a big change. And this year which we see across with the total income with a rise of only 9% from the last previous year the total profits have increased from 13.1 million to 101 million for the FY15 which is something around 670% rise. The EPS today stands something around 2.46 and the EBITDA margin has an increase of 26% to the last year.

During this last year of 2015 we launched two new projects that is Arihant Aloki at Karjat and Arihant Anshula at Taloja. Total area of both the projects is something around 9 lakhs sq. ft. wherein we could bag up to a sale of 18 to 20% of the total size of the project. That is a good figure for the Working Capital to be started off as the project takes off and on a periodic manner we would be able to achieve the required Working Capital for the projects to be completed and to phase out towards the completion direction.

As far as the quarterly is concerned there is a marginal dip in the revenues and this is reflected as Arihant Amodini project at Taloja in CIDCO area had received occupancy certificate and was completed due to which all the expenses had to be booked up into the last financial year and however corresponding the sales would be booked up in the current quarters of year 15-16. Hence there is a drop in this EBITDA which we see. And we see there would be a marginal bounce back in the EBITDA also.

From the industry perspective we are confident. Though it has been looked upon that there is a downside slope in terms of real estate sector but with the product line which we have and the price range we start off our products, we are confident with our growth prospects and there would be a CAGR at all the funds in the year 15 to 16 coming across this financial year on a quarter-to-quarter basis. I am confident of that with all the teamwork which we have and the experience we would be able to execute an implement the projects in the desired phase and time which would be related to the strategies of sales on a monthly basis at a small milestone level.

I throw the floor open to all of you. I would be happy to answer your questions. Please welcome everybody.

Moderator: Thank you very much sir. Participants, we will now begin with the question and answer session. We have the first question from the line of Ravi Purohit from Securities Investment Management. Please go ahead.

Ravi Purohit: I am sorry I just missed the initial part of the call. I don't know whether the management made some early comments about their performance. But if you could just run us….I am very new to the company basically so just wanted to kind of get a sense of how we have been operating in this environment and our focus market I think Mumbai and Jodhpur are the two focus markets as shown in our presentation. So if you could just give some background of how these markets are and what our focus is in all these?

Ashok Chhajer: Mumbai MMR and Jodhpur both are the growth centers of the respective states at the top leads and about Mumbai MMR when we see the major infrastructures spending of the government of Maharashtra has been sanctioned and is planned only in this region, it is not in the direction of Basai-Virar towards Gujarat, it is not in the direction of Nasik. You see all the mega projects right from the very well-known airport and MTL, to add on to it you have the Alibaug-Virar corridor of 30,000 crores, the JNPT widening for 8000 crores, the Dighi Port coming up at distinct Nagothane direction with 7 seven villages at Mangaon being converted into industrial zones, the DMC corridor which would be travelling from Nagothane towards Delhi, so all these features would see that when the government is spending largely, very largely on these 100 sq. kms. range of area, this is where in the coming days you will find the major development happening. I can grade it across that for the next two decades consistently, the Navi Mumbai extension area that is the Raigad district would top the charts at 1, 2, 3 – 3, 2, 1 on these numbers across India as the most preferred real estate destination. In addition to it the 600 hectares of new township is being developed by NAINA which would see the actual city development in a more better fashion. To add on to it Navi Mumbai itself today is a self-contained city. About Rajasthan Jodhpur, Jodhpur has a 16 lakh population and it is center focused direction where all the seven districts in the adjoining regions migrate in an inward direction towards Jodhpur because of its city infrastructure, urban infrastructure like education topping from AIIMS to NIFT to NLU and IIT also coming across including the age old universities of medical colleges and engineering. The city is already catering to 5 to 6 major industries that are Handicrafts, Guar Gum, Textiles and Stone Processing and Stainless Steel Units. So Jodhpur also with DMC travelling through Jodhpur and the petroleum refinery which would be installed by HPCL in the next decade would see that Jodhpur is a very hot destination.

Ravi Purohit: But what is our addressable market? What kind of housing development do we do? Do we target premium, mid-premium, low income? What is our target market?

Ashok Chhajer: We target a market with a price range between 20 lakhs to 50 lakhs and this forms out to be at least 57 to 60% of our portfolio and 30 to 40% of our portfolio is with the price tag between a range of Rs. 5000 to Rs. 6000 sq. ft. And we also do premium housing but that forms out to be 2% of our complete portfolio. So you can call that what the affordable housing definition is there across metro cities and 2-tier cities, that is what we are hitting across.

Ravi Purohit: I was looking at our presentation. Basically over the last few years we have averaged about half-a-million sq. ft. of area booked every year. So I think starting from 13 where we booked 7 odd lakhs, we had come down to about half-a-million in FY15. So what kind of growth rate do we see coming forward and why do you think you had a kind of decline in the last three years in the area book? Is it because of lack of launches or is it because of general slowdown? And also given that the current environment is very bad in terms of real estate demand both in Mumbai as well as in Jodhpur, we have been tracking some of the states in Rajasthan in terms of demand and Jodhpur has been one of the worst affected. There are a lot of companies in and around Jodhpur like Ashiana, Unique, lot of their projects seem to be completely on a standstill. So in that sense how do you look at your projects going forward in the next one a two years, if you could give some sense?

Ashok Chhajer: About the decline in the sq. ft. is just being booked on year-on-year basis right from 13, 14 and 15. The market trends are in this direction but the proportionate differences which we are seeing across says that there is a decline of around 20% in terms of units sold from year 14 to 15, less than 20%. Whereas market reports all across India shows that real estate is…. people are not able to sell almost to 50% and below 50% of the total volumes which they have been doing earlier. So vis-à-vis with the peer companies, yes we are doing good. Why? That is because of our track record and the strategies which we have adopted in our sales and marketing, this is how we have edged out in terms of quality of construction which really has been setting trends in both the regions of our operations. The business practices which we have taken, we even advertise in our news prints and common forums committing not verbally but in writing to the actual buyers that even if you a single buyer you do not have any locking period, you do not have any transfer charges, you do not have any hardships on you which is a common feature which has been seen across most of the companies in real estate, the new entrant big ones to these small developers who are from decades also. So this is how it has developed a trust. And on the same lines it is not a new philosophy which we have adopted, it is reflected even by one recognition, that was a Public Award being done in the year 2012 wherein the public had to do a physical voting in the drop box at the MCHI Exhibition that 'who is your most preferred developer in the whole hanger' and we were selected and rated as The Most Preferred Developer of Mumbai and we were competing with all the good fellow brothers of ours, right from Hiranandani to Oberios to Godrej to Kalpataru to Lodhas and everybody. So it takes a long track record to establish yourself and trust which is most required from an end user. And if you see our average realization, yeah, the volumes though have dropped down from 15-18-20% on year-to-year basis but average realization has increased to an extent of 5%.

Ravi Purohit: A word about Jodhpur market that has seen a significant slowdown in the last two years, so how have our projects been because we have a very large exposure to Jodhpur market?

Ashok Chhajer: True, we still have been able to do it up good and we have started one more building out of the whole complex in the last 2 to 3 months. So fairly, yeah, there is a phase, there was a phase where things were stalled due to the speculations coming down but we have edged out and there is common say in the whole city that Arihant projects are apart, they have different strategies, it is good quality and it is value for money we have been serving.

Ravi Purohit: I saw in your presentation you have mentioned about three projects, one is Adita series in 1, 2, 3, and 4 and then there is Agrima and then Ayati. But the saleable area under all three is very different. If you could just throw some light of as to what kind of houses these are because Agrima I read there was some JV with the Government Rajasthan so it's more like an affordable housing. So what kind of realizations are you looking between these three and what kind of houses are being built in these three?

Ashok Chhajer: Arihant Agrima we have not launched our own sale portion. We have been doing the government portion which has been allotted and sold by the government to the needy people of EWS and LIG and they topped the charts of affordable housing in the Economic Weaker Section and LIG. The product line of sales product which will be having in Agrima would be launched around this December and that would be with a range of same as what is in Adita that is two-bedroom, hall, kitchen something around at a price of Rs. 3000 per sq. ft. and below and with a CAPEX of Rs. 30-35 lakhs per unit for a two bedroom, hall, kitchen and so on for three bedroom. Adita also is on the same lines, a two bedroom, hall, kitchen costs something around 30 lakhs and below and that is the product with 1044 flats and which is targeted towards middle-income group. Arihant Ayati is a richer class public product line which has around 80-85 units in the premium segment inside this city.

Ravi Purohit: How much is the realization there at Ayati? Per square foot roughly what's the selling price?

Ashok Chhajer: The selling price is something around 4500 to 5000 per sq. ft. plus.

Ravi Purohit: And there the area will be much higher as in per square foot of….?

Ashok Chhajer: The area would be around 2300 sq. ft.

Ravi Purohit: Can you throw some light on the various business models that you have as in let's say in certain projects we could see here that your economic interest is 100% so I assume we would have bought the land and now you are developing that and whereas in certain projects in Badlapur and Karjat your economic interest is about 60%. What kind of models do you usually adopt? Do you mostly first buy land and develop or do you have JDA or how does it work broadly?

Ashok Chhajer: All the projects across all the subsidiaries as well as the holding company are under the pattern where we buy the land outright at the inception stage that is why our purchase of FSI per sq. ft. is something around Rs. 250 per sq. ft. Many of the projects have been taken up into the holding company directly where you have a 100% holding. To de-risk ourselves and to increase the platter the subsidiaries were formed where the economic interest of the holding company Arihant Superstructures Ltd. is around 60% and the 40% is being held by the other individuals who are also actively into the implementation of the projects.

Ravi Purohit: So what kind of role….

Ashok Chhajer: JDA where some of the landowners have brought in land and we have not paid for the land and area is being shared; it is purely a revenue sharing.

Ravi Purohit: Would it be fair to assume that the borrowings that we see on your Balance Sheet in the last 2-3 years is primarily because they have went towards acquiring these land ourselves?

Ashok Chhajer: Yeah. All the funds required were for the borrowing of land wherein around 11 million sq. ft. which is approximately more than 110 acres or so for buying of this land which we could do very efficiently these funds are required and this came as a debt to the company.

Ravi Purohit: Hereafter you don't foresee any further increase to your debt because you have enough pipelines for you for the next 4 to 5 years. Is that a fair assumption or are you still looking at projects to acquire?

Ashok Chhajer: As a strategy for the next 1 year we would be slowing down in acquisition though we may not say no to a very good opportunity which is coming across but yes, raising of more debt for the implementation of the projects to speed up and to take up the projects in a correct scheduled manner the debt will be required, if required will surely raise the debt and that it would be an term debt for a period where we want to deliver the product in time to the consumers whom we have sold, so that phase of real estate is something around 2-2.5 to 3 years.

Ravi Purohit: You do most of the construction in-house or do we get it outsourced?

Ashok Chhajer: Completely in-house. We have a complete procurement team which buys each and every material and this is how we are able to maintain and control our quality and the labor job is on contract basis.

Ravi Purohit: How about marketing and sales? Is the sales also done in-house or you do it through brokers?

Ashok Chhajer: We do have brokers and channel partners also. We don't give sole selling, we have around 55% of sales of this financial year being done on direct basis without a broker and 45% through brokers but we acknowledge and we require the support of the brokers.

Moderator: The next question is from the line of Rahul Jain from Systematix Shares & Stock. Please go ahead.

Rahul Jain: Firstly, just to try and understand what could be your major pre-sales driver going forward in terms of the project which project you would say could be a pre-sales driver going forward ?

Ashok Chhajer: This financial year I think we will be having at least three projects which will be coming on launches Arihant Anaika, Arihant Akansha, and Arihant Agrima, so two of them happening in the most hotspot that is Panvel region. As in pre-sales these projects are open today also for pre-sales the construction has started off at Arihant Anaika though we have not opened up sales, we are open for it to sales also as desired.

Rahul Jain: And just to try and understand strategy on the launch side, in terms of how much we tend to invest? How much we tend to sell at a time of the launch? Is there any maximum cap we would not sell beyond a point? And secondly how we price our sales, the current price prevailing in that market?

Ashok Chhajer: We generally have a very sensitive analysis on our pricing and there are two good examples which is there already on the board. One of our project is Arihant Arshiya at Khopoli which is adjoining and we are sharing the common boundaries with India Bulls Golf City. India Bulls Golf City is selling something around at 5000 to 5400 per sq. ft. plus and we are around Rs. 3000 per sq. ft. So this is how we are sensitive in our pricing which is driving the sales of actual users to a larger extent. And whenever we launch we basically have a target of at least selling of 10 to 15% of that particular phase which is launched as a pre-launch or as a sales which should happen in the first 30 days itself and that is where we give the advantage to the buyer and that is how we ensure that the Working Capital or for the start-up they are in the kitty.

Rahul Jain: On the land part if you could share what is the total developable land bank which will have not launched till date?

Ashok Chhajer: Total developable land bank is 11.4 million sq. ft. out of which you can tell which is not launched is something around 50% of it.

Rahul Jain: Of the launch so which would be around let’s say 6-6.5 million, how much of this is sold and unsold component?

Ashok Chhajer: You can get back to this analysis.

Rahul Jain: Even a rough estimate would help.

Ashok Chhajer: Rough estimate would be that for all the phases which we have launched on unit base we have a sale something around 35 to 40% sold.

Rahul Jain: 35% only on the launch phased component. So after 6.5 you might have launched 'x' and then further 35% of that is sold, so balance is the potential of the existing launch projects.

Ashok Chhajer: Yes. You can put it like this.

Rahul Jain: When you say this 11.4 million and 11,000 home, you are also considering the land parcel which we have not even launched and eventually launch over next 2 to 3 years?

Ashok Chhajer: When we are talking about 11.4 million sq. ft. it is all what you see in the presentation. The lands which are still under acquisition stage or where advances have been given has not been accounted in the statement of the presentation which has been given to you.

Rahul Jain: The component which is not launched today that component; do we see that happening in 18 months, 24 months or even beyond that?

Ashok Chhajer: On the projects in phase-wise manner when we see you can put it up like this that of the total balance 60%, an average of 15% of the total buildable area would be launched on year-on-year basis.

Rahul Jain: Regarding commercial projects I think there is one project called Arihant Aura, is there any other commercial projects in your portfolio?

Ashok Chhajer: No Arihant Aura is not under the ambit of Arihant Superstructures Ltd. It was a project which took birth prior to Arihant Superstructures Ltd., so that is not under the ambit of ASL

Rahul Jain: Okay, it was actually showing on the website. So there is no commercial project with us as of now?

Ashok Chhajer: No.

Rahul Jain: So purely residential?

Ashok Chhajer: All residential. Commercial is under the personal portfolio which is around 6.5 lakh sq. ft. and that is being developed for the sake of leasing out and some pre-sales but it is not under the portfolio of Arihant Superstructures Ltd.

Rahul Jain: There is no cross ownership with this company or do we have something?

Ashok Chhajer: No, there is no cross ownership.

Rahul Jain: Those are two different separate entity altogether?

Ashok Chhajer: It is a separate entity.

Diwakar Pingle: Shyma, I think I'll just chip in with a question. Mr. Chhajer, given the fact that we are in the affordable housing space I think there are a lot of definitions in terms of what affordable housing is. So when we talk of affordable housing segment what are the typically the ticket sizes that we are looking at? People talk about low cost housing, suitable housing, there is always this confusion as to what is your definition of affordable housing. So just wanted to clarify for the benefit of the participants as to what is the ticket size that we normally deal with?

Ashok Chhajer: For the Mumbai Metropolitan region we define affordable housing as in a price bandwidth from Rs. 20 lakhs to 50 lakhs and for 2-tier cities we take it as Rs. 15 to 35 lakhs as an affordable housing for an average of one and two bedroom hall, kitchen size of flats.

Diwakar Pingle: And I think we are just following up on a question that an earlier participant asked. In terms of your driving sales how is your sales team structured, what kind of incentives are they given to drive the sales of the company?

Ashok Chhajer: We define the strategies for sales on almost on 15 days basis and we have increased the sales staff, we have recruited almost 50% in addition to which was existing around 3 to 4 months earlier and there are different strategies of getting closer to all the leads which are being generated or which there is a source of generation. So in terms of incentives the sales team they are on employment roll and they do the best and they do not leave out anything left out for the sake of incentives in terms of per sale basis but they are acknowledged on year-on-year basis with their performances.

Diwakar Pingle: Thanks and last question from my end, obviously if we look at this year I think the financial performance has been moderate. Obviously the revenues have grown at about 8 to 9% while there has definitely been some movement in the EBIDTA. How do you see trending for the next year and what are the key drivers for both the top line and the bottom line.

Ashok Chhajer: Next financial year with the type of structuring we have done earlier in the last 2 to 3 years by booking up the sales and the projects which are under implementation, I see there is a fair good CAGR at all the levels and we can expect something around 20% plus in terms of revenues and also relatively same in terms of PAT also.

Moderator: We have the next follow-up question from the line of Ravi Purohit from Securities Investment Management. Please go ahead.

Ravi Purohit: What accounting policy do we follow for revenue recognition?

Ashok Chhajer: All our projects since year 2012 we have been following the Percentage Completion method that is as per Accounting Standard AS-7 and none of our projects are under 100% completion where the complete revenues are booked at the end of the project. Due to this there will be a consistency in terms of all the numbers and the Balance Sheet growth and due to this also the company is secured in terms of tax payments being made at all small level of tranches from quarter-to-quarter basis other than amounting all at the end of one given day.

Ravi Purohit: And there was some of the BSE notice on this company called as Arihant Techno Infra Pvt. Ltd where the company has reduced its stake from 60 to 48%. So what are all these subsidiaries, some of the subsidiaries that we have apart from the real estate business that we have?

Ashok Chhajer: This is the only one subsidiary that is Arihant Technoinfra Private Limited and herein we started up the commercial production. This is a manufacturing unit of auto **(Inaudible 37.21)** blocks, so this is what is being used in the construction. It is a building material which is used in construction and the commercial production started up in June 2014 and this was the first year and the Board then decided that we would reduce our stake from 60% to 48% that is why you find this notice and the relevant changes.

Ravi Purohit: I am just trying to understand, why was it formed and what was the intention behind that and now what is the intention going forward?

Ashok Chhajer: It is a manufacturing unit and it is in the western region of Rajasthan where this is the first manufacturing unit of its own kind, this is the first plant of its own kind in this category across Rajasthan when we started off and today it is the second one, one more has set up in the eastern of Rajasthan and this is a fly ash based unit were the product has raw material as well as the finished goods both adhering to the environmental conditions to a larger extent and which has been a norm by the Central Government and Environmental Ministry also to the complete building in this **(Inaudible 38.46)** MES, the Military Engineering Services and Air Force and PWD constructing large number of houses and that is what our clientele would be is happening up in this region.

Ravi Purohit: What I am trying to understand since your focus is going to be predominantly big portion of your business comes from real estate, does it not become a distraction and therefore maybe over a period of time you are not really going to focus on this or is there any synergy, so I am just trying to kind of get some basic understanding?

Ashok Chhajer: The management has set out KMPs for the unit separately, so they do not look after real estate other than myself undoubtedly and the KMPs really are doing a good job **(Inaudible 39.32)** the business coming down.

Ravi Purohit: If you could also share your philosophy on as to why Mumbai and Jodhpur? Is it because you hail from Jodhpur, Rajasthan so if you could share your background also as to why are we doing basically what we are doing, an evolution of our company basically between Mumbai and Jodhpur?

Ashok Chhajer: Mumbai being the main…..I belong to Mumbai since 1972 so all educated and grown up in Mumbai so we started up our real estate division around two decades ago as a group, as a family in 1994. And Jodhpur it happened out in 2011 where we took all these three projects at one go and it was more easy for us to go to Jodhpur because we knew the people, we knew the streets, we knew roads and the Board decided that time that Maharashtra approvals were not going well all across at each and every level and the diversification or the risk should be divided geographically at a distinct place and that is why Jodhpur is existing.

Ravi Purohit: So when you say you know Jodhpur quite well and you know the inner land so is it because this is your native place or how did it actually happen?

Ashok Chhajer: Yeah I belong to Jodhpur division.

Ravi Purohit: Secondly can you also throw some light on what is the competitive scenario in basically the Mumbai MMR region in the Badlapur because we have recently also heard quite a few companies focusing in that area, let us say Tata Housing in that area. I do not know whether specifically in the exact location where you are located but in that area, like Badlapur, Kalyan, Karjat, Khopoli Panvel. You have Poddar Housing, you have Tata Housing, there are a whole host of companies, so what is really our kind of brand equity or selling point against these companies?

Ashok Chhajer: In the region of this operations being a localite from the last 20 years and being a good brand, it is the most preferred up product line which has been developing which we are developing and vis-à-vis comparing with all the players we ourselves still are the trendsetters . And why this region, because I think this is the whole region where affordable housing would be delivered to support the Mumbai city in large.

Ravi Purohit: How much have we totally delivered so far since we started doing real estate business?

Ashok Chhajer: Around 4 million sq. ft.

Ravi Purohit: And our pipeline right now is about 11 odd million you said?

Ashok Chhajer: 11 odd million in the next seven years.

Ravi Purohit: What is your aspiration basically? Right now we are doing a run rate of about, if I take a 3 year average about half-a-million, so a) what is our aspiration and b) what is our bandwidth to handle. So let's say if you are outsourcing your construction then you could possibly do couple of million, 3-4 million sq. ft. in a year very comfortably but if you are actually doing most of it in-house then scaling up will become a little bit of an issue, right?

Ashok Chhajer: That is where what the management and the company really invested, if somebody knows the company very closely since last 6-7 years the major investment even the balance sheet tells that the major investment has been into setting up the systems and processes and the manpower. I am pretty confident that from here to even 10x size of implementation, we would be able to do it up. Because we have Level 3 delegation happening in terms of financial closures individually in the company and it is not more of a lala style where everything comes to the top desk.

Ravi Purohit: So you are basically kind of decentralized a lot in the last 5-6 years?

Ashok Chhajer: Yeah, that is what we invested. We invested into the building of the organization structure. I can be confident, I can loudly tell that in the region of the whole MMR operations leaving apart Tata Housing and Godrej and the ones who have offices in in Mumbai, there is not a single organization which has this organogram and this organization structure with systems across right from Panvel, Navi Mumbai to Thane to Kalyan.

Ravi Purohit: So it will not be a challenge for you to let's say scale up to 1 million sq. ft. or 2-3 million sq. ft. in a year?

Ashok Chhajer: Absolutely not.

Moderator: Participants that was the last question. I now hand the floor back to Mr. Chhajer for any closing comments. Thank you and over to you sir.

Ashok Chhajer: Thank you very much for being with us and keep watching us in the quarters to come. We would always be happy for you to take you around all our projects whenever you find time you can get in touch with Umesh Jhawar and from our team and Mr. Diwakar from Christensen and any more queries on the company or insights of it, they would be very much eager to serve you.

Moderator: Thank you sir. Ladies and gentlemen with that we conclude this conference call. Thank you for joining us. You may now disconnect your lines.