

"Ahluwalia Contracts (India) Limited Q2FY16 Earnings Conference Call"

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MANAGEMENT: Mr. SHOBHIT UPPAL -- DEPUTY MANAGING DIRECTOR,

AHLUWALIA CONTRACTS (INDIA) LIMITED

MR. ROHIT PATNI – INVESTOR RELATIONS EXECUTIVE,

AHLUWALIA CONTRACTS (INDIA) LIMITED

MODERATOR: MR. AMBER SINGHANIA – SENIOR ANALYST - CAPITAL

GOODS & INFRASTRUCTURE, ASIAN MARKET SECURITIES

LIMITED

MR. MITESH NANDLASKAR – ASIAN MARKET SECURITIES

LIMITED



AHLUWALIA CONTRACTS (INDIA) LTD.

Moderator:

Ladies and Gentlemen, Good Day and Welcome to the Ahluwalia Contracts Q2 FY16 Earnings Conference Call hosted by Asian Market Securities 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. Should you need assistance during this call, please signal an operator by pressing '*' and then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Amber Singhania from Asian Market Securities. Please go ahead, sir.

Amber Singhania:

Good Afternoon, Everyone. On behalf of Asian Markets, I welcome you all for Q2 FY2016 Earning Conference Call for Ahluwalia Contracts Limited. We have with us today Mr. Shobhit Uppal – Deputy Managing Director; Mr. Rohit Patni – Investor Relations Executive, representing the company.

Before I hand it over to Mr. Uppal, I just would like to Wish You All A Very Happy Diwali. I now request Mr. Uppal to take us through the Quarterly Results and the Overall Industry Scenario as well as on the Company and then we shall begin with Q&A Session. Over to you, sir.

Shobhit Uppal:

Thanks, Amber. Good Afternoon, Ladies and Gentlemen. A Very Happy Diwali To All Of You. So Ahluwalia Contracts India Limited has announced the Financial Results for the Second Quarter FY15. During this quarter, the company's revenue stands at Rs.280.90 crores as compared to Rs.239.76 crores of the corresponding quarter last year; net profit stands at Rs.19.06 crores as compared to Rs.16.24 crores corresponding quarter last year. During the first half year company's revenue was Rs.545.94 crores as compared to Rs.477.63 crores; net profit is Rs.37.87 crores as compared to Rs.33.13 crores corresponding quarter last year. Company EPS for this quarter is 2.84 as compared to 2.59 for the last corresponding quarter and half yearly EPS is 5.65 as compared to 5.28.

The company has secured new orders in this financial year aggregating to about Rs.1350 crores. Net order book of the company as on date is at Rs.4120 crores. The company is getting orders regularly during the current fiscal so much so that our target for the entire year has almost been met in the year till date. Thank you.

Moderator:

Thank you. Ladies and Gentlemen, we will now begin the Question-and-Answer Session. We have the first question from the line of Nitin Arora from Emkay Global. Please go ahead.

Nitin Arora:

Sir, do we still maintain our revenue guidance what we have stated in the starting of the year about Rs.1300 crores or do you see a change in the second half for that?

Shobhit Uppal:

No, we maintain it, Nitin.



Nitin Arora: In terms of the legacy orders, that is still with us, can you share now what is the quantum and

any execution being done there?

Shobhit Uppal: The legacy orders value is about Rs.200 crores and the execution is many of them trickling in;

the pace of execution has slowed down drastically on account of paucity of funds that the

private developers are facing.

Nitin Arora: As we have earlier highlighted even next year till Q2 it can remain with us for sometime...?

Shobhit Uppal: Yes, but what we are doing is that we derisked ourselves to the extent possible, in the sense

that we are not throwing in good money after bad money, wherever the monies are not coming

in, we kind of almost stop the projects.

Nitin Arora: How are you looking at the order intake now for the full year -- can you share some of the bids

where we have submitted and the L1 bids where we are currently?

Shobhit Uppal: Our order pipeline stands at about Rs.1,000 crores and we are L1 in about Rs.200 crores as

things stand today, and by the end of the year, we hope to pick up orders aggregating another

about Rs.600 crores.

Nitin Arora: So this year we will be closing around Rs.2,000 crores then?

Shobhit Uppal: Yes.

Nitin Arora: Can you share the number of the receivables more than 6-months at this point?

Management: More than 6-months is Rs.265 crores and Rs.65 crores is more than one year continuously.

Moderator: Thank you. The next question is from the line of Shravan Shah. Please go ahead.

Shravan Shah: A few things; one in terms of the private real estate developers, the payment is the same or the

situation is the same or are you seeing some kind of improvement there?

Shobhit Uppal: It is the same; the private developers continue to face liquidity crunch, there is a very little

improvement. So, in that sense our performance is actually better because in spite of those

headwinds on the private sector side we have been able to achieve what we set out to do.

Shravan Shah: Sir, a few data points; now government and private share of order book is how much?

Shobhit Uppal: 60 government, private 40.



Shravan Shah: In terms of Kota Project, any update? How much right now that is a part of WIP and when it

will be a part of gross block so when we see the depreciation to start on that?

Management: WIP is Rs.182 crores. Kota Project may be an update in the December because they are still

INOX, they are a multiplex partner with our Kota Project. They will be in trial basis of 30th

November and after the trial basis is completed, we will inaugurate the Kota Project.

Shravan Shah: Can you give the breakup of the order book segment wise?

Management: Commercial is 7%, Hospital is 14%; Infra is 11%, Institutional 25%, in Residential Private is

32% and Government is 10%.

Moderator: Thank you. The next question is from the line of Ankita Bora from B&K Securities. Please go

ahead.

Ankita Bora: My question was more on the macro front. Just wanted to understand from you what is your

outlook on the Institutional Factories and Building segment, what kind of a traction are we seeing there, what kind of projects are up for awarding in that space and what would be the

opportunity size?

Shobhit Uppal: As I mentioned earlier when we interacted last time, there is continued traction especially in

the Social Infrastructure side; there are new buildings in the Education sector as well as the Healthcare sector, new tenders are coming up. What we have seen in the last one month or so that mass housing tenders have also started coming in. As far as Industrial traction is concerned that continues to be sluggish. I do not think there is very much happening as far as

Greenfield Projects are there.

Ankita Bora: Would you quantify any of these projects that are coming up... the opportunity size?

Shobhit Uppal: It is very difficult to quantify as such because I mentioned earlier our order pipeline as it stands

today is about Rs.1,000 crores and conservatively when I gave my projection that we will pick up orders worth Rs.600 crores more in the rest of the year, that is a conservative estimate. We are in a position to pick and choose now. There is traction as far as Building Construction

goes.

Ankita Bora: Any particular geographies -- South or North?

Shobhit Uppal: Obviously, we are based in Delhi, so NCR is a focus area for us, other than that Mumbai,

Kolkata, Patna, Bihar, these are focused areas for us, because these are areas in which we are

doing large projects.

Ankita Bora: Sir, what would be our debt position as of now?



Shobhit Uppal: It is Rs.125 crores.

Ankita Bora: Our target would be?

Shobhit Uppal: We will reduce it to sub-100 crores level by FY17.

Chintan: This is Chintan here from SKS Capital. Any update on CWG arbitration?

Shobhit Uppal: The arbitration is continuing, as I mentioned earlier, it is expected to take another year, year

and a half, but from what we hear Emaar and MGF are parting ways. So it would not be a surprise. So this is all hearsay, we do not have full distinct about it, but there may be a settlement before the arbitration concludes if Emaar, MGF takes over the projects in India.

Chintan: So you expect early settlement?

Shobhit Uppal: It may happen.

Chintan: Again, on legacy orders of Rs.200-odd crores, it will continue till second half as you mention?

Shobhit Uppal: As I mentioned earlier, we have these projects totally slowdown right, so we are not exposing

ourselves on these projects. As and when the developers of these projects are liquid or get fund, then we renegotiate terms with them and start again. So we have kind of insulated

ourselves from further risk as far as these projects are concerned.

Chintan: We maintain our tax guidance of 19-20% for this year?

Management: Financial Year 2016 is 22% and the next year is full tax.

Chintan: On CAPEX, we maintained Rs.15-20-odd crores?

Management: Rs.15 crores.

Chintan: How much we spent in first half?

Management: Rs.8 crores.

Chintan: Margin guidance will remain stable, right, at 12%?

Shobhit Uppal: Yes, 12%.

Moderator: Thank you. The next question is from the line of Janaki Raman from Franklin Templeton.

Please go ahead.



Janaki Raman:

On the Residential segment of your order book, it is a fairly large block; it is about Rs.1,000 crores at least the Private segment and that is about which one is always hearing news about tight cash flow position especially in the NCR. So what has been your experience with that and out of your Rs.1,000 crores orders on the Private Residential segment, how much of it is actually active now, how much of it is a bit dormant?

Shobhit Uppal:

As I said really about 50% of this would be active and about Rs.200 crores out of this is something which is totally dormant and the balance would be something which is kind of moving but at a snail pace. As far as the macro picture is concerned, Residential movement continues to be extremely sluggish across the country though one is seeing movement on important geographies, one is seeing movement on the commercial side of private development, we are seeing some SEZ starting, we just got a project with Brookfield, the Canadian asset management company, they have taken over the SEZ of Unitech. So their primary Commercial space seems to be picking up but Residential continues to be sluggish.

Janaki Raman:

This being the case and you are also fairly disciplined, in the sense there is no cash flow, so you are saying that the company stops work. So if you do this start-stop kind of work in a particular site, does it not hurt margins from that site?

Shobhit Uppal:

It does. What we have done is the projects which were causing a lot of leading that we finished and this Rs.200 crores which are like fixed price contract, we stop them so that as and when we restart them, obviously, once the owner is liquid and also developer is. So we will renegotiate terms. And whatever losses have been incurred at some stage, we will sit across the table and talk about those being compensated.

Janaki Raman:

If I look at the order flow this year, so first half you mention about Rs.1300 crores, so would this Residential Private Sector would it form a material chunk of that order flow as well?

Shobhit Uppal:

Major chunk as I mentioned earlier is from the Social Infrastructure side; Hospital is a major junk and Education is another major chunk, so Residential out of this Rs.1300 crores would be about Rs.100 crores only.

Janaki Raman:

You did mention Affordable Housing in one of your answers. So where is that initiative coming from -- the government side or from the private side?

Shobhit Uppal:

Government side. Private side as it is they are decided by liquidity woes. Affordable Housing ...one of the private developers have been able to crack conundrum of actual affordable housing; their FSI costs are very high. So this initiative is fairly driven by the government.

Janaki Raman:

Those kind of activities do they meet your margin requirements?



Shobhit Uppal:

As you would know, we tied up with the Russian company and got a Precast Technology. So as things unfold, we feel that technology is going to play a major role, and yes, for a large projects with reduced timeline this technology will play a major role and margin guidelines will be similar.

Janaki Raman:

But, using that recast technology, have you completed any project yet?

Shobhit Uppal:

We had completed the structure of a project albeit by the private developer called Umang in Bahadurgarh. That project is subsequent to the completion and structure has also slowed down for liquidity issues, but yes, that technology is being showcased because the RCC structure is complete. So, it is early days but I feel that in the next couple of years this technology is going to play a major role in Affordable Housing.

Janaki Raman:

In one of your earlier answers, you reiterated that this year you will do the revenue that you had guided earlier which means that one should see a mark pick up in second half, is that logical to expect?

Shobhit Uppal:

That is always the case, if you were to track the performance, not only of our company but other construction companies over the past few years, the second half always is better in terms of revenue, in fact, the last quarter there is a substantial-substantial pickup. So we are on track.

Moderator:

Thank you. Our next question is from the line of Utsav Mehta from Ambit Capital. Please go ahead.

Utsav Mehta:

Just one very quick question following up on the previous set of answers that you have given; could you elaborate a bit more on the Residential Real Estate competitive intensity in terms of orders, I am guessing the entire pie would have shrunk which means logically, the competitive intensity would have increased, and if so, if you could give some sense on what kind of margins would these orders be being won at?

Shobhit Uppal:

No, looking at it from our point of view we are not interested in that Private segment as things stand today. So there is no question of competitive intensity. As I mentioned the Rs.13-odd-crores worth of orders that we won almost Rs.1200 crores is other than Residential segment.

Utsav Mehta:

The question is orders are not coming at all or you are participating but?

Shobhit Uppal:

We are not participating. As I had mentioned in my earlier interaction with all of you Residential Private Sector is not a focus area for us. Even if we are bidding on some jobs we are bidding wherein we are forcing or telling the client that the commercial conditions have to be more equitable. If they do not kind of meet with our parameters we do not bid.



Utsav Mehta:

So within these contracts, the ones where the developers are relatively more liquid or better name than others, what is the competitive intensity?

Shobhit Uppal:

If the developer is more liquid and obviously he is feeling the pressure of delivery of the project, the competitive intensity is the same as in the public sector side because there are only four or five players who are capable of timely delivery today.

Moderator:

Thank you very much. The next question is from the line of Vibha Batra from ICRA. Please go ahead.

Vibha Batra:

This is Vibha. My question is actually this Housing For All Scheme that has been announced by the government. You said you are seeing some traction for Double Housing, not sure if that is pertaining to this scheme or if there is outside the scheme. But wanted to check which states are kind of leading for Double Housing and when you say for Double Housing broadly what is it that you are referring to -- is it a particular size or the value of home? Also if we were to look at from Delhi NCR perspective, if we are doing any Affordable Housing Projects you mentioned about Umang in Bahadurgarh so given the cost structures broadly what would be per sq.ft. cost of construction for such projects, of course, assuming they are completed with reasonable delay?

Shobhit Uppal:

We are seeing traction in Affordable Housing in states like Chhattisgarh, MP, Uttar Pradesh and also DDA is thinking about it in Delhi.

Vibha Batra:

And on Rajasthan?

Shobhit Uppal:

To my knowledge we have not seen any tenders coming out of Rajasthan as of now, but these are early days, yes, the government has announced almost Rs.6 crores houses to be made over the next 6 to 8-years, and as I mentioned earlier, this initiative is largely government-driven both at the center and various state governments. So they are still grappling with various technologies and the scales of the project with which they will come out with. So as I mentioned 2 in the next couple of years Affordable Housing is going to be a major play as far as construction is concerned. Since the numbers are so large and the scale of the project is obviously bound to be large, there will have to be alternate in construction technologies which will have to be used, pre-casting is one of such technologies which we have invested in. And the cost of construction if the scale is large is almost at par with normal construction, if we were to compare cost of construction of structure because pre-casting is primarily used in structure, so it would be to the tune of about Rs.700 to Rs.800 a sq.ft., only the structure, rest it depends on A) the finishes which the developer is looking to provide to the eventual buyer.

Vibha Batra:

For the now Affordable Housing one would assume bare minimum quality material and all. So that would be additional 200?



Shobhit Uppal:

The quality is obviously better because most of the materials which constitute the making of the structure are factory-made, so there is greater standardization, there is greater quality control and all erection is done using heavy duty crane, so dependence on labor is reduced. So obviously when the human factor gets reduced the qualitative aspect gets improved.

Vibha Batra:

But over and above the structure, what would be the cost typically in Affordable Housing kind of ...?

Shobhit Uppal:

I think they are looking at finishing the entire project anywhere between Rs.1500 to Rs.2000 sq.ft.. As I mentioned earlier why it is the government which is looking at Affordable Housing and not private because the FSI cost for the private sector developer is very high, government obviously when it launches such projects, there is very little FSI cost.

Vibha Batra:

When you say Affordable Housing, what sizes are you referring to -- some size houses or...?

Shobhit Uppal:

Number of units would run into on a very given project..., a single project, the number of units would be in excess of thousand I think to make the scale viable both for developer as well as the contractor.

Vibha Batra:

But the size per unit in terms of sq.ft. do you have some definitions that you follow?

Shobhit Uppal:

As I said, the various government department is still kind of grappling with what size is Affordable Housing to come up with depending on the geographical location also, it can vary from about 400 sq.ft. to about 1000 sq.ft..

Vibha Batra:

You have been referring to developers who are liquid. So when you say liquid developers what does it really mean?

Shobhit Uppal:

Actually I did not say. One of your colleagues said who used the word 'liquid developers.' From where I stand there are a very few developers who are liquid as the things stand unless and until all projects are driven by FDI, otherwise all the local developers are facing a cash crunch, some more, some less.

Vibha Batra:

When you decide to stop a project or take up a project, very few you said you are taking up, what is the?

Shobhit Uppal:

Private Real Estate or Residential Real Estate Projects are not a focus for us.

Moderator:

Thank you very much. The next question is from the line of Nilesh Bhaiyya from Yash Securities. Please go ahead.



Nilesh Bhaiyya: Just wanted to understand your take on FY-'17, probably if you can guide something on order

inflow or say revenue. In past we have guided that we will like to do revenue of Rs.1700-odd-

crores. Do we stick to that?

Shobhit Uppal: Yes, we stick to that.

Management: We are continuing growth on 20 to 25% in revenue size and also 25% growth in order inflow

of Rs.1600-2000 crores, in FY-'17.

Nilesh Bhaiyya: If you can throw some light on working capital. Seems that has increased a bit from year-on-

year perspective, but I understand it may come down as the execution picks up, but in past we have guided for negative working capital. So how we are seeing the receivables going ahead in

the sector?

Management: Yes, we have some problem, but hope end of FY-'17 once again go to a negative working

capital, but on FY-'16 positive working capital.

Nilesh Bhaiyya: What is our average interest rate of debt?

Management: 13% currently.

Nilesh Bhaiyya: And it has come down after the credit appraisal, we had a credit rating upgrade?

Shobhit Uppal: We are renegotiating with the bank, it will come down in the next 2 to 3-months by about the

percentage points.

Moderator: Thank you very much. Our next question is from the line of Devang Patel from ILFS. Please

go ahead.

Devang Patel: Sir, my question firstly was on the EBITDA margin; we are already at 12.5% and yet going

forward you are guiding for 12% margins. So is it because you are just being cautious or is it because the order book mix is changing in this increasing share of government or tender-based

orders that you see this will have some kind of depressing effect on the margins?

Shobhit Uppal: Devang, a), the belt tightening that we had started a couple of years ago so that continues to

yield results; and secondly, yes, our emphasis on public sector and our choice of projects focus on clients who we feel are better placed to pay on time has yielded results. As we have seen over the last six quarters, our results are continuously improving or beating our targets. I think

we are hopeful that we will continue to perform in the same manner.

Devang Patel: Sir broadly, the incremental orders that you are getting are at what margins?





Management:

Approximately 12% to 13%.

Devang Patel:

On the working capital you just mentioned you will be looking to go negative from the numbers we have; it seems it is about 74 days currently. What would be the corresponding number of working capital you think you have? Can that big shift in working capital happen by March '17? How much customer advances are we getting for new orders?

Management:

We hope that we are continuously in the end of FY-'17 negative because the customer advance is there in most of the orders on government side, and there will be advance of 10%, net there will be beneficial to negative side working capital; second, if you have to think about that our revenue will be increased, but our inventory will not increase that much of increase in the revenue. Debtors will be also less than percentage of increase against the revenue, and in our future, we hope the debtors will be deficient.

Devang Patel:

What is our working capital cycle currently?

Management:

I think approximate 125 days. We have formed only debtors, inventory and payback. We are overall continuing the other current liabilities of approximate 75 days.

Moderator:

Thank you very much. Our next question is from the line of Divyata Dalal from Systematix. Please go ahead.

Divyata Dalal:

Just wanted to have a sense on the bid pipeline of Rs.1,000 crores which you have mentioned if you can list down a few projects in this bid pipeline?

Shobhit Uppal:

There are a couple of large Hospital Projects hitting about Rs.600 crores and then there are Education Projects... IIMs and IITs aggregating about Rs.250 crores and then there are a couple of Embassy Projects. As I mentioned earlier there are one or two SEZs which are coming up; Ascendus is coming up with an SEZ... International Tech Park IT Space in Gurgaon, so we are one of three bidders who are participating in that tender.

Divyata Dalal:

Sir what would be the average ticket size for these orders especially the SEZ?

Shobhit Uppal:

About Rs.150 crores.

Moderator:

Next we have a question from the line of Nitin Arora from Emkay Global. Please go ahead.

Nitin Arora:

Sir just on the industry's perspective if you can tell us that how the tendering has been panning out with respect to the three authorities of NBCC, HSCC, DDA and state you have already given? You just highlighted the SEZ part, is it the total opportunity size is only 150 or is the opportunity is higher than that?



Shobhit Uppal:

It is that this one particular tender that we are bidding out for; one tender is Rs.150 crores. As far as NBCC, HSCC are concerned remains pretty much the same, there are only a handful of construction companies which are getting qualified to bid and these hospitals that I mentioned are with HSCC that we are going to bid which are in the order pipeline. As far as NBCC is concerned, the big ticket orders are yet to come out; there is a project in Karkarduma there is a project in RK Puram, projects in Rajasthan, these projects which I think the size of which would be in excess of Rs.2000-2500 crores, the size of the project not individual tender. So these I think will come out in the next 6 to 9-months some of them.

Nitin Arora:

Any particular reason why NBCC toned down suddenly with respect to ordering?

Shobhit Uppal:

You will have to ask them. My point of view I think they are consolidating too because they also have to now look at better planning so that delivery is something that they can focus on.

Nitin Arora:

Your debt currently is about Rs.135 crores short term borrowing and Rs.2.9 crores is long-term, so around Rs.138 crores of debt, plus I think you must be having a current maturity. So our debt would be around Rs.150 crores by the end of this quarter?

Management:

Debt as told u that the short-term is 125 or 135 crores. In the long term it may be payable after 1-year and the current maturities can reduce. So we are tight. The analysts ask about the liable debt. There will be a short term, so there told Rs.135 crores.

Nitin Arora:

So our total debt including current maturity is Rs.135 crores you are saying?

Management:

Yes.

Nitin Arora:

In terms of working capital normally HSCC... correct me if I am wrong does not pay the advances even though they are very good in doing the billing in number of days as compared to the other authorities. So do you see a little tightening because we are very much focused on the execution side? So just wanted to understand because we have taken more of the Hospital projects largely from HSCC. So in terms of managing the cash flow do you see some working capital increasing at least in the second half?

Shobhit Uppal:

We have 1-2 large hospitals where the advances are not there and we have just recently won another hospital from HSCC in Kolkata, there the advance condition is there. So it varies from tender-to-tender but value yourself that where the advances are not there, payment conditions are much better; they pay out secured advances once we get the material to site. So the payment cycle or the working capital cycle does not really increase that much. Why they do not pay advances on large projects in certain geographies? Because they want to prevent contractors who are coming in taking the advance and utilizing it for other purposes.

Moderator:

Next question is from the line of Sagar Parekh from Deep Finance. Please go ahead.



Sagar Parekh: Sir, if you can just give us a broad breakup of how much would be the fixed price contracts in

your order book and if the proportion is large, we can comfortably say that margins will

improve from here on as well because of commodity deflation?

Shobhit Uppal: We have steadily been decreasing the fixed price legacy contracts in our order book either

through completion of their execution or through having mutual settlements with clients where the projects have come to a standstill. So as things stand today the fixed price contracts is

about Rs.200-odd-crores.

Sagar Parekh: And those Rs.200 crores would be the same as the legacy or they will be completely different

that you mentioned?

Shobhit Uppal: No, they are the same.

Sagar Parekh: So the incremental orders that we are getting everything is a pass through in terms of labor and

material?

Shobhit Uppal: Yes.

So then we will probably at least in the near term we will not be able to get the benefit of lower

commodity prices?

Shobhit Uppal: Not really.

Moderator: Yes Mr. Shravan Shah, please go ahead.

Shravan Shah: Sir we have announced in terms of the order inflow of Rs.1214 crores I think but you

mentioned around Rs.1350 crores so....

Shobhit Uppal: Another Rs.120 crores we have just got recently in the last one week which we will issue a

release immediately.

Shravan Shah: So in terms of this 5th October order and this one will be part of 3rd quarter or everything will

be part of the 2nd quarter?

Management: Today will be announced a new order will be a part of Q3.

Shravan Shah: If we look at the kind of inflows we are getting in terms of every other thing means why on the

conservative side we are restricting ourselves in terms of the top line of Rs.1300 crores and

Rs.1700 crores in '17 or is it something else that we are giving lower kind of guidance?



Shobhit Uppal:

Nothing else, we just want to continue doing the due diligence that we are doing for prospective clients. Since we are just coming out of recession we do not want to kind of get stuck again with clients who are unable to pay on time which will lead to increasing in our working capital cycle. So we are just being a little more careful.

Shravan Shah:

So in terms of the execution period for current Rs.4000 crores order book is 2.5-years?

Shobhit Uppal:

About 2.5-years.

Shravan Shah:

Bikramjit sir pledge share has increased by 6.25 lakhs in this quarter. Any specific reason?

Management:

Yes, increase in the Bikramjit Ahluwalia, but we had a decrease in the other promoter, Mrs.

Pushpa Rani. So overall nothing changes in the pledge shares.

Moderator:

Thank you very much. Next we have a question from the line of Amber Singhania. Please go ahead.

Amber Singhania:

Just my question pertains to our Kota Project. Can you just throw some light about how much is the total money invested? What is the debt lying with the Kota Project? What are we planning for this project as a future -- will we continue as a leasing model or are we planning for monetizing the same?

Shobhit Uppal:

The total cost is about Rs.75 crores. There is no debt on this project, it has all been paid off. As Rohit mentioned earlier January we will launch this project; 60% of it is already leased, the anchor is in place; the multiplex owner is in place, and going forward January we should start seeing revenues to the tune of about Rs.50 to 60 lakhs every month and hopefully in the next 1-year it should be fully leased. Once the environment improves, we are open to monetizing it and going forward we have at the moment no plans to do more such projects.

Moderator:

As there are no further questions, I would like to hand it back to both Mr. Amber Singhania and the management for any closing comments would like to add?

Shobhit Uppal:

Thank you so much everybody. As I said during the course of this interaction, we continue to remain bullish and we think we will meet our targets for the FY-'16. I Wish All Of You A Very Happy Diwali.

Amber Singhania:

Thank you sir. On behalf of Asian Market I thank everyone for joining the call and special thanks to the management for taking out time for us and sharing their insight about the company and the industry. Once again Very Happy Diwali to Everyone. Keith, we can close the conference.



Moderator:

Sure. On behalf of Asian Market Securities and Ahluwalia Contracts that concludes this conference. Thank you for joining us and you may now disconnect your lines.