



## “Ahluwalia Contracts (India) Limited Q3 FY18 Earnings Conference Call”

**February 15, 2018**



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AHLUWALIA CONTRACTS (INDIA) LIMITED**

**MODERATOR: MR. JASPREET SINGH ARORA- HEAD OF RESEARCH  
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STOCKS LTD.**



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**Moderator:** Ladies and gentlemen good day and welcome to the Q3 FY18 Earnings Conference Call of Ahluwalia Contracts India Limited hosted by Systematix Shares & Stock 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 conference 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. Jaspreet Singh Arora from Systematix Shares & Stock Ltd. Thank you and over to you sir.

**Jaspreet Singh Arora:** Good evening everyone and welcome for the quarterly conference call for Ahluwalia. We have with us from the management Mr. Shobhit Uppal. I hand it over to you sir for the introductory remarks and then we will do Q&A.

**Shobhit Uppal:** Thanks Jaspreet. Good evening everybody. Welcome to the conference call for the release of our Q3 numbers. Ahluwalia Contracts India Limited has announced the financial results for Q3 FY18.

During Q3 FY18 the company has achieved a turnover of 361.07 crores and PAT of 29.16 crores in comparison to a turnover of 358 crores and the PAT of 24.39 crores in Q3, the corresponding quarter of FY 17. The company has achieved growth on year-on-year basis of 1% in revenue and 20% in PAT. EPS of the company for Q3 FY18 is 4.35 as compared to 3.64 in the corresponding quarter of last year. During Q3 FY18 the company’s EBITDA margin is 17.30% as compared to 13.17% and the PAT margin of 8.07% as compared to 6.81% in the corresponding period of the last year. During the nine months of FY18 the company has achieved the turnover of 1199.81 crores and the PAT of 84.44 crores in comparison to the turnover of 954 crores and the PAT 66.19 crores in the nine months of the last year which is FY17. The company has achieved a year on year growth of 26% in revenue and 28% in PAT. EPS of the company for the nine months FY18 is 12.61% as compared to 9.88 in the nine months of FY17. During the nine months of FY18 the company’s EBITDA margin is 13.83% and the PAT of 7.04%. Net order book of the company as on 31<sup>st</sup> December 2017 was 3575 crores which is to be executed in the next 2.5 years. We are ready to take questions.

**Moderator:** Thank you very much. We would now begin the question and answer session. We have the first question from the line of Dhruv Agarwal from Crescita. Please go ahead.

**Dhruv Agarwal:** If you can tell me what is the status of your L1 orders, do you have any orders in L1?

**Shobhit Uppal:** At the moment no it's.



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**Dhruv Agarwal:** What is your bidding pipeline; have you bid for any projects in the recent 3 to 6 months' time?

**Shobhit Uppal:** Yes, we have. In fact the bidding intensity has increased, so the pipeline stands at about 2500 crores it includes what we bid and what actually is under bidding over the next one month.

**Dhruv Agarwal:** What is the status of your legacy orders, any stuck orders from the past?

**Shobhit Uppal:** Yeah but that's miniscule number now, it's about 200 crores.

**Dhruv Agarwal:** And if I see for the nine-months you have already posted a revenue growth of about 26%. So do you see FY18 top-line at around 1750 per 1800 crores with a margin of 13% to 14% range?

**Shobhit Uppal:** We had given a projection of about 15% to 20%; we are maintaining that at the moment. Then we are also maintaining the projection of 13% to 14% EBITDA margin.

**Dhruv Agarwal:** Top-line you said 15%, right?

**Shobhit Uppal:** Yeah maybe about 1650 crores or around 1700 crores.

**Moderator:** We have the next question from the line of Charanjeet Singh from B&K Securities. Please go ahead.

**Charanjeet Singh:** The growth in the top-line this quarter has been muted while we've delivered a very strong EBITDA margin, so can you please help us understand was there any push-out which is happening is to Q4 and the execution and what led to such strong margin?

**Shobhit Uppal:** The margins are as a result of continuous well tightening exercise. As I had mentioned during my last con-call and my various interactions with few of you, we are seeing increased competitive intensity. So to counter that there are continuous well tightening exercise is that we are doing and the margins are result of that. Additionally, the top line growth historically the fourth quarter is maximum, it shows the highest revenue. So that is why we are extremely confident that we will cross our year-on-year growth target of about 15% to 20%.

**Charanjeet Singh:** You have talked about the 2500 crores bid pipeline, can you give us some more color on this in terms of how many government projects are, are there any private projects also we are targeting and what would be the average size of these orders?

**Shobhit Uppal:** About 80% of this is government comprising of projects which are being tendered out by NBCC, by CPWD or HCEC, State PWD and the private prospective orders come from our



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existing clients like Brookfield, Emaar MGF also or slew of our developers we see increased activity on the commercial side. So there seems to be revival in the metros on that, so that is where the private tendering is coming from.

**Charanjeet Singh:** What is our debt level side now on cash and we had highlighted that we will be reducing the debt levels further going forward if you can just give us more update on that?

**Shobhit Uppal:** 61 crores and what we had projected or said earlier that we will get it down to about 25-30 crores by 2019.

**Charanjeet Singh:** How is the working capital beyond by the end of Q3 and how we see going forward?

**Management:** At present the working capital days are total 90 days and for FY19 approximate 75 to 80 days.

**Charanjeet Singh:** In FY19 we are expecting?

**Management:** Yeah 75 to 80, they are down trended approximately.

**Moderator:** We have the next question from the line of Nitin Arora from Axis Mutual Fund. Please go ahead.

**Nitin Arora:** The first question is when we look at the kind of orders which are coming in terms of sizes especially from AIIMS, the HSCC it has increased a little bit in terms of sizes. We are seeing 700 crores, 800 crores kind of tenders, just wanted to ask you that will we be able to qualify for these orders or is there a plan B that the size of the country in terms of watering is increasing, so we might do a JV and then go ahead just want your perspective?

**Shobhit Uppal:** We are following both routes. We have just bid for two orders of NBCC, one was in excess of 1000 crores where we had a JV with a Russian company and the second was sub-1000 crores level which is about 850 crores where we qualified on our own. With minor differences I think the qualification criteria of different nodal agencies is more or less similar, minor differences are there. So depending on which agency is calling the bid we will have to follow up one of these two routes but we are following both as per the example which I gave earlier.

**Nitin Arora:** And when you say you get a JV is just a royalty we are going to take away or is it like a profit share kind of a JV we will be doing it?

**Shobhit Uppal:** That again depends on the size of projects, on the types of joint venture partner, it can be both. They can be participating in the actual execution of the job, we are now going to bid couple of airport tenders which have come out where our potential JV partner will be participating in the



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execution or there can be the other way can be they provide technology as we had done in the past with our another Russian company to precast, third can be where they can participate in the profits.

**Nitin Arora:**

We have seen lot of the companies let's say for example who are focused on roads, finally going towards railways, again going towards metro projects. So as you mentioned the airports that you're going to bid, is there some other diversification also we are looking to for example you name a player called Brookfield, is there a thought process because he's got good amount of funds in India. Is there a thought process that we are going to increase the private also, the share in order book if it is in a particular state for example where RERA is good and stuff like that?

**Shobhit Uppal:**

I have always maintained that in the long run we would like to maintain an equitable balance between private and public. Last conference call also I told you and now it stands at about 60-40, so we see a revival happening in the private sector especially on the commercial side. Over the next couple of years we like to make it 50-50.

**Nitin Arora:**

How much is this airport tender size would be which we are participating?

**Shobhit Uppal:**

1000 crores.

**Nitin Arora:**

And will being JV?

**Shobhit Uppal:**

Yes, we do not qualify on our own.

**Nitin Arora:**

This is something very historical high margins we have made in this quarter, if we are confident and so why don't we revise our guidance up, so you think there was some synergy or provision write-back came in this quarter that's why the margins went high just wanted to ask you little bit on that?

**Shobhit Uppal:**

Yeah, it's not that we will be achieving such high consistent margins every quarter plus the industry continues to be in a mid of a flux on account of the competitive intensity. The other thing is that the government has just come out with the budget, the effect of which is still not very clear. The fiscal deficit is also on the rise, so keeping all these factors in mind I don't think it is prudent for us to revise our guidelines as things stand. And in this quarter, we had good progress on 2 or 3 high margin projects, couple of them on the government sector, one in the private sector. That is also driven the margins up.

**Nitin Arora:**

What was the order inflow in this quarter?



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- Shobhit Uppal:** Of the total inflow in the year in nine months is about 1260 crores and this quarter its 705 crores.
- Nitin Arora:** Can you give me the quota revenue EBITDA and depreciation for nine months and for this quarter?
- Management:** Nine months revenue 85 lakhs and basically and the accounting losses 6.18 crores. but we are going to see cash loss, cash loss is around 1.44 crores.
- Nitin Arora:** Nine months?
- Management:** Yeah nine months.
- Moderator:** We have the next question from the line of Vibhor Singhal from Phillip Capital. Please go ahead.
- Vibhor Singhal:** On the order inflow you mentioned that in Q3 we've reported around 705 crores of orders, so does this not include the order that we won from Calcutta and also the one in Noida which were announced in the month of January?
- Management:** We are including that which was there in the month of January so there are a part of third quarter.
- Vibhor Singhal:** So the total order book of 3575 crores orders also includes those two orders, right?
- Shobhit Uppal:** Yes it does.
- Vibhor Singhal:** The interest expense in this quarter showed a sharp jump, so any specific reason for that and how do we see it going forward?
- Management:** That is a one-time provision as we made for the interest during this quarter on the systems of the **(Inaudible) 16.16** and this is one time. We are not going to report further provision in our interest.
- Vibhor Singhal:** So how much would be that provision?
- Shobhit Uppal:** This provision, this is about 8 crores. This is on account of DVAT demand which is being raised on us, the interest component to which is 8.7 crores. So this is a provision which has been made for that.



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- Vibhor Singhal:** So there is no cash outlook per se?
- Shobhit Uppal:** Not at the moment, no and this is one time. This will not be there in the subsequent quarters.
- Management:** Next year it will be 14 to 16 crores
- Vibhor Singhal:** Did we hear any update on the issue of the investment on the Delight Marketing Private Limited in which CBI has filed a charge sheet, so any update that we've heard from them, anything that is there that probably we need to know about?
- Shobhit Uppal:** Nothing at all. As I had mentioned last time we had given the explanation we were not even on the list of accused. They draft us some questions and those were answered and that's done.
- Vibhor Singhal:** As we have given to understand they file the charge sheet in that so there is no query or there is no name that we have been informed....
- Shobhit Uppal:** Exactly that's what I said. We were not on the list of accused, in the charge sheet also our name is not there.
- Moderator:** We have the next question from the line of Parvez Akhtar from Edelweiss. Please go ahead.
- Parvez Akhtar:** Like the previous quarter has there been any impact of GST on our revenues this quarter, in terms of YOY comparison?
- Shobhit Uppal:** Yes, it has been there, so our top line has come down by about 8%.
- Parvez Akhtar:** Adjusting for that what would have been the kind of top-line growth that we would have seen?
- Shobhit Uppal:** About 9% to 10%.
- Parvez Akhtar:** I missed the order book number that is 3575 crores?
- Shobhit Uppal:** Yes.
- Parvez Akhtar:** We have already done about 1260 crores of order intake in this year, for Q4 and for the next fiscal which is FY19 what is the kind of order inflows that we are targeting?
- Shobhit Uppal:** For the next fiscal it is about 1600 crores. Our target for this year was 1300 crores which we pretty much met, for the last quarter maybe another 200 crores that's our target.



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- Parvez Akhtar:** Couple of bookkeeping questions, if you could give us the segment wise breakup of the order book?
- Management:** This is basically commercial, this is 8.42% and hospital 19.27%, institutional 32.53% and residential-private 19.41% and residential-government will be 11.04%.
- Parvez Akhtar:** What would be our average cost of debt currently?
- Shobhit Uppal:** Just 9%-9.5%.
- Moderator:** We have the next question from the line of Amber Singahnia from Asian Markets. Please go ahead.
- Amber Singahnia:** Just wanted to understand if there is couple of good institutional orders which are there in the pipeline which is IIT Hyderabad, roughly around 1500 crores odd, IIT Ahmadabad which is planned at around 500 crores odd as well as IIM Ahmadabad extension and all. So could you is some idea about are we also keen to bid for these kind of projects, will we be able to in bid on our own for these? Also part from this is there any other large project if you can highlight which are there in the bidding pipeline for next six months or so?
- Shobhit Uppal:** Some of these orders we're bidding for, IIT Hyderabad we are not bidding because the geography we are not present in at the moment and we don't really have any interest going there as things stand today. But we have executed work on couple of IITs in the past; we are doing IIM Rohtak at the moment. So yes, these institutional orders or projects are our forte. So we are not going to be bidding to some of them and yes we will be bidding on our own.
- Amber Singahnia:** Given the guidance of around Rs. 1600 crores odd are we comfortable with these kind of inflow to report a 20% kind of topline growth going forward, would we be looking for a much larger inflow going forward in that part? What is our comfort level there?
- Shobhit Uppal:** Not at the moment. As I am seeing the competitive intensity is extremely high. We don't want to follow what some of our other peers are doing, so that is why we are not overly aggressive. That is why we are maintaining our guidance of 15% to 20% growth. We are waiting and watching because as I mentioned last time around the number of tenders which are coming out is increasing, it will increase further as we come closer to the general elections. So I think we can afford to wait rather than reduce our margins or price our bids lower.
- Amber Singahnia:** If you can give some color about the competitive intensity, what kind of pressure we are seeing in the market maybe for us and for the other players also, how many number of players has





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gone up in the large space as such if you can give some color how things are panning out on that?

**Shobhit Uppal:** What happened is a year and a half ago if you had 4 to 5 bids on the largest project, now you are having more than doubled the bids. You have a number of regional players who are now entering out hiring massive ambitions. But what's happening is the bid pricing has come down by nearly 10% or 12% and these are companies who had not really gone through a downturn cycle. They are competitively new players for large building. So they are the once who are bidding extremely low. I feel the number should stabilize in next 6 to 9 months.

**Moderator:** We have the next question from the line of Bharat from Quest Investment. Please go ahead.

**Bharat:** This 3575 order book which has now adjusted for the GST or its including full tax amount?

**Shobhit Uppal:** Its including the full tax amount.

**Bharat:** When we say that this 2500 crores pipeline out of that around almost 1500 crores is for these two projects which is of last nature, is my understanding correct?

**Shobhit Uppal:** Yes.

**Bharat:** On private side when we say that does not include I believe based on the relationship and negotiation it goes, so those are the separate thing and how much is that opportunity in that case?

**Shobhit Uppal:** That opportunity is about 400 to 500 crores.

**Bharat:** And that's mostly in the North India again and are we looking for South India geography?

**Shobhit Uppal:** At the moment no.

**Bharat:** have this is for particularly North India only?

**Shobhit Uppal:** North and East.

**Bharat:** I mean this quarter of course this 17% EBITDA I rightly said but overall margin trajectory over the period with the topline increasing, so how do we really see the margin trajectory?



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- Shobhit Uppal:** We see it at about 14% as I said and as I said the competitive intensity is high, so we are waiting and watching. We are not going overboard with our bid. But we are confident we can maintain the margin of about 14%.
- Bharat:** Now we are going for more of a composite nature of the project other than building a shell, so in that what kind of a profitability vis-à-vis shell? I mean constructing only shell.
- Shobhit Uppal:** We have been able to maintain our margins because of the fact that Ahluwalia is a true EPC company. We have in-house verticals that helps us vis-à-vis our other competitors.
- Moderator:** We have the next question from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.
- Parikshit Kandpal:** Any update on the monetization of the real estate inventory which we are holding?
- Shobhit Uppal:** At the moment no. Update is that at the moment we continue to hold it, so we are waiting. But maybe six months down the line we will start liquidating it or monetizing it.
- Parikshit Kandpal:** You said that the top-line is lower because of GST impact by 8% to 9%, so you implied that the revenues are net of GST that's why?
- Shobhit Uppal:** Yes.
- Parikshit Kandpal:** You are comparing YOY, so last year it was not there, this year it is there so that's why you....
- Shobhit Uppal:** Yes.
- Parikshit Kandpal:** But GST impact as such on the labor supply issue I mean that's not behind us?
- Shobhit Uppal:** Yes.
- Moderator:** We have the next question from the line of Parvez Akhtar from Edelweiss. Please go ahead.
- Parvez Akhtar:** You have said that commercially your asset obviously is doing well especially with the entry of the financial institutions. But how do you see the residential real estate market and what are your thoughts on taking orders from that segment?
- Shobhit Uppal:** We are seeing that there is some movement which is happening there. Post RERA especially in Gurgaon and Mumbai and even in a metro like Calcutta we are seeing some movement on the ground there and some tenders have started coming to us. So in the next quarter I don't see



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many projects coming to us but I think after 6 or 9 months because we are also doing our due diligence carefully, so within next 6 to 9 months we feel that maybe about 10% of the new orders which come in can be from the residential-private side.

**Moderator:** We have the next question from the line of Mr. Utsav Mehta from Ambit Capital. Please go ahead.

**Utsav Mehta:** Just wanted to delve a bit on the order inflow guidance. I mean earlier today NBCC on the call sort of gave a very big pipeline in terms of tendering. They are saying more than 10,000 crores worth of the tenders over the next 6 to 7 months, so just wanted to understand why our guidance is probably range bound in that 1500 to 1600 range.

**Shobhit Uppal:** Today the competitor intensity what we have seen amongst various nodal agencies is the maximum in NBCC. We see a number of regional players coming in bidding and they are bidding extremely indiscriminately. While we are also bidding but we are extremely wary of dropping our pricing there, more so these are EPC contracts. Now almost 100% of the tenders that are coming out from the NBCC, they are EPC lump sum contract which require lot of experience to bid, to calculate, cost out, quantify and then cost out and then bid. We feel a lot of bidders who are bidding our inexperienced and they will burn their fingers. So that's why over the short-term NBCC we are not expecting many orders that's why our new order inflow this thing is conservative.

**Utsav Mehta:** Given the fact that these orders sizes themselves are 800 to 1000 crores and this is significantly larger than what you have seen in the past. So doesn't that it act as an entry barrier to some of these smaller regional players?

**Shobhit Uppal:** They have diluted the qualification criteria.

**Utsav Mehta:** Both on the technical and the financial side?

**Shobhit Uppal:** Yes. They have done that in their wisdom to broad-base the number of bidders who build on a project. But the jury is still out on whether a lot of them will be able to complete the project that they have undertaken. We are already seeing large delays on the Kidwai Nagar project.

**Utsav Mehta:** If you can just give one example of how they have diluted sort of requirements just to give a sense?

**Shobhit Uppal:** They have diluted on fee component on technical side is similar projects. So there the definition of similar projects has been diluted. It's become a little more broad-base.



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- Moderator:** We have the next question from the line of Charanjeet Singh from B&K Securities. Please go ahead.
- Charanjeet Singh:** Again coming back to this point of smaller regional players; there are also other criteria was like network criteria and the track record in terms of executing those kind of projects. So those have been also diluted and who are these regional players, what will be the size what they would have executed if you can give some more color on that?
- Shobhit Uppal:** As I said that there are players like Kunal Infrastructure, Girdharilal, Sam India, Swadeshi Constructions, they are whole lot of them. As I said now on every tender there are bids ranging from about 8 to 15 people and I already did mention how the technical criteria is been reduced. As far as the financial criteria which you are asking about, the turnover levels have been reduced, the net worth level will be reduced.
- Charanjeet Singh:** This is only happening in NBCC tenders or you see like in the CPWD and the other tenders also, the similar kind of dilution of the norms?
- Shobhit Uppal:** Not to the extent that it is there in NBCC. I think what NBCC seems to be doing if I may clarify this further for everybody is that obviously because their order pipeline is so huge they also realize and rightly so that they need to have a bank of contractors who can execute and deliver. So obviously they cannot just depend on four or five, so that's why I said in the short-term there will be more contractors but the degree of these contractors will be proven over a period of time and hence I see that for the next six months, nine months or a year the competitive intensity will be more.
- Charanjeet Singh:** Because you had earlier mentioned that some of the organizations like HSCC, they don't give out the advance, so there I think the competitive intensity will continue to remain low, so if we have to talk about....?
- Shobhit Uppal:** That's a very valid point. We just bid for two large, about 600-700 crores job for HSCC way we see only four players who have bid because only 4 or 5 will qualify. There the qualification criteria in has not been diluted and yes the point is that the advance is not there in those tenders so that is why people—some of the smaller regional players—have not found it attractive to bid for these jobs.
- Charanjeet Singh:** How large could be the pipeline for its HSCC?
- Shobhit Uppal:** HSCC the pipeline is about 1000 crores. The pipeline when I mentioned that is our pipeline, what we see. HSCCs total pipeline should be about I think 5000 crores.



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- Charanjeet Singh:** And what timeframe which you have any idea in terms of how they will be ordering out like one year or two years' timeframe these 5000 crores?
- Shobhit Uppal:** I think about 2 to 3 years. HSCC as you also know the government has come out with tenders for the likes of NBCC or other government entities to takeover HSCC. That is also a process which is happening which should take about a year-year and half.
- Charanjeet Singh:** But could that impact the ordering from HSCC?
- Shobhit Uppal:** I don't think so. I think it will be pretty seamless. The way what I know of that is that HSCC will maintain its identity. They will become a subsidiary of another organization like maybe NBCC.
- Charanjeet Singh:** Last question on the commercial side, do you see that commercial real estate also where we are seeing some green shoots the intensity is so high like we are seeing in the government end?
- Shobhit Uppal:** No, intensity is much lesser.
- Moderator:** We have the next question from the line of Gurpreet Arora from Quest Investments. Please go ahead.
- Gurpreet Arora:** Could you just update with respect to GST, have we done or the pricing of our existing contracts, has that concluded?
- Shobhit Uppal:** Not 100%. We expect that it will be done by the end of this quarter. It's happening with various clients. With some it's been concluded, with some that is yet to be concluded.
- Gurpreet Arora:** But for majority of contracts is it concluded, any sense on that?
- Shobhit Uppal:** Yes about half of the contracts, 50% of the contracts it concluded.
- Gurpreet Arora:** As in the previous call you had suggested the 2% to 4% is what the client is withholding for till the GST clarity emerges, is that the amount you are still working with or has it risen or fallen?
- Shobhit Uppal:** No it's not risen further. In fact it's come down. The resolution of contract as far as the overall number has come down.
- Gurpreet Arora:** My second question was more pertaining with respect to the number of sites which we're executing currently, could you help us how many sites are we executing currently?



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- Management:** Projects wise?
- Gurpreet Arora:** Yeah project wise, number of sites for the work going on currently.
- Management:** 40 projects.
- Gurpreet Arora:** Shobhit I wanted to check with you given the current strength of our man and machinery how many projects in one go can we execute?
- Shobhit Uppal:** At one time we were handling projects which in excess of 70 odd numbers. But obviously the scale of the projects is also increasing, so we can handle about 50 projects if you want the number guidance.
- Gurpreet Arora:** This is just an indication, so it's good enough indication. Last question on this was assuming the competitive intensity subsides as per your expectation humans down the line, so what is the upper limit for the order inflow which you can have in a particular year beyond which you would think it's literally impossible for you to add on more?
- Shobhit Uppal:** Anywhere between 2000 to 2500 crores, hypothetically speaking. As you said maybe a year down the line then the intensity is lesser.
- Moderator:** We have the next question from the line of Divyata from Systematix Shares. Please go ahead.
- Divyata:** My question pertains to the average ticket size which has been increasing gradually. What would be the composition of own execution vis-à-vis outsource or subcontracting going ahead?
- Shobhit Uppal:** Our subcontracting on average size projects should be about 15% to 20%.
- Divyata:** That would be applicable for the current order book as well as for the order inflow guidance that we are looking at?
- Shobhit Uppal:** Yes.
- Divyata:** And in that like what kind of CAPEX can we do on the standalone basis for this year and next year?
- Management:** This year its approximately 20 crores where maintenance CAPEX is **(Inaudible) 42.10**
- Divyata:** In terms of CAPEX for FY19 given that if we touch the 2000-2500 crore order inflow, the upper limit, what kind of CAPEX would be required?



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- Shobhit Uppal:** As Rohit said about 25 to 30 crores.
- Divyata:** The subcontracting would be related to the value of work would be lower in value or it would be a more margin an accretive work?
- Shobhit Uppal:** No, as I said the subcontracting would be about 15% and this would be for highly specialized works in a project which would be lift, so which would be building management systems more IT related so on and so forth.
- Divyata:** So which is not in our domain but of civil concern?
- Shobhit Uppal:** Yeah which we have to take on experienced subcontractors to execute for us.
- Moderator:** Thank you very much. At this point there are no further questions. Would the management like to make any closing comments?
- Shobhit Uppal:** Thank you so much everybody. As further results that we read out, we are on target to meet or exceed the guidance that we've given that the beginning of the year and hopefully **(Inaudible)** **45.49.**
- Avi Mehta:** Thank you Mr. Shobhit and thank you all the participants.
- Moderator:** On behalf of Systematix Shares & Stocks Ltd that concludes this conference. Thank you for joining us and you may now disconnect your lines.