"Arvind SmartSpaces Limited Discussion Call on Financial Results for Q2 & H1 FY-21"

October 30, 2020

MANAGEMENT: MR. KAMAL SINGAL – MANAGING DIRECTOR & CEO,
MR. ANKIT JAIN – CHIEF FINANCIAL OFFICER
MR. PRAKASH MAKWANA – COMPANY SECRETARY

Moderator: Ladies and gentlemen good day and welcome to the Arvind SmartSpaces Limited's discussion on the financial results for the quarter and half year ended 30th September, 2020 Conference Call. As a reminder all participant lines will be in the listen-only mode. 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. Kamal Singal – Managing Director and CEO. Thank you and over to you sir.

Kamal Singal: Thank you and a very warm welcome to all the participants and I thank you on behalf of Arvind SmartSpaces for sparing time and showing interest in the company. We are once again back with all you guys. We have just announced the results for Q2 of 2020-21.

Just to put things into perspective I think we are yet to recover, the industry is yet to recover from the blues of COVID pandemic but surely and certainly the blue is becoming lighter and more and more green shoots are visible on the canvas across industries and also Indian real estate industry per se. Having said that there is specifically a recovery happening and on a consecutive basis as compared to the last quarter, this quarter has seen some significant momentum in terms of launches and sale, etc., across cities and it might be seen in the context of previous quarter when we say that it is multiple times of the previous quarter but then previous quarter was abysmally low and hence our growth over previous quarter has no real sense in understanding the data. But if you were to look at the same data in the context of how and where we are as compared to the same quarter last year as a generic sort of understanding in elite major cities, it seems that the industry has recovered to the extent of 50% to 60% of the normal levels of activity when it comes to measuring the levels from new launches and sales point of view. So in a way while things are coming back to normal, things are moving fast and there are green shoots visible, there still is a very-very long way to go for the industry and a lot of plans to catch up, not only to make up what we have lost and to come back to the normal level but also to then from there onwards start getting moment in terms of growth, etc.,

But this is as far as the industry is concerned, for us at Arvind SmartSpaces the last quarter which ended as on September 30th, was a very eventful quarter while we fought through the pandemic. We had challenges of starting execution in the right earnest at a pace that we want, etc., There were obvious challenges in terms of liquidity, in terms of restarting the sales engine and re-launching, etc., But we are very happy to in home that our last quarter in terms of fresh sales has been a record quarter. We kind of clocked the highest ever fresh sales, mainly out of the new launches and as a matter of record the Q2 of FY 21 has clocked the sales of 156 crores—fresh sales I'm talking about here—vis-à-vis 38 crores odd which we did in terms of fresh sales last year same quarter.

So all in all this was a phenomenal kind of quarter for us and it was primarily driven by two very successful launches, one the Phase-II of Forreste, our township villa project in the outskirts of Ahmadabad and the other was a fresh, again a township project which comprises mainly of plotting, etc., in another direction of the outskirts of the city of Ahmadabad. Both these projects have done extremely well and taken extremely well by the market and response has been phenomenal and as we speak the momentum continues and we ended up having a fresh sales of 156 crores for the quarter we just closed. So this is as far as fresh sales is concerned.

In terms of revenues; the Q2 we have booked in the books of account based on the latest accounting standards, etc., our sales were a topline figure of around 29.8 crores against a 33.4 crores last year, EBITDA of 9.1 crores vis-à-vis 11 crores odd last year and a PAT of 2 crores vis-à-vis 2.6 crores for the same quarter last year. So all in all we have come back to decently healthy EBITDA levels. But I think it's more important to know what is the level of activity and fresh sales, etc., happening at this point of time. Accounting standard as we know dipped in the little bit of a past and less of a current in future, so in that sense a fresh sale which is quite healthy number at 156 crores this quarter is a reason for great satisfaction for all of us and we are very excited about it. We are very hopeful that this momentum is going to be continuing and we should at the end of the year have a number which is under the circumstances under the challenges that we have all been going through should be of a reasonable satisfaction for all of us.

So that's as far as the results and the numbers are concerned and little bit about how the market has been performing and how we have done so far in this quarter and this year. It will be great if you guys have any questions, you can ask them and we will be very happy to answer them.

Moderator: Thank you very much. Ladies and gentleman, we will now begin the question and answer session. The first question is from the line of Rithvik Sheth from One-Up Financial.

Rithvik Sheth: Couple of questions on the Highgrove first, what is the terms here in the JDA and what is the kind of investment that we will do over the course of the project if you can throw some light on that?

Kamal Singal: So Highgrove is essentially is a land redevelopment project where we have very little upfront investment is in terms of land and land rights and that has broadly been done already. In terms of sharing of profit obviously all the development and construction expenses will be borne by us and roughly speaking we will have 45% of topline as our share. So out of this 45 we obviously will have to have to meet the expenses of construction development and then the leftover will be our profit and divestment. So 45% for almost 100% land oriented product. It's a very decent and a very healthy number to share with the landlords and pretty comfortable and pretty profitable proposition for us.

Rithvik Sheth: Predominantly what will be a mix of this? We have seen if I just calculate we have done 65 crores of sales and about 6.6 million square feet we have sold so far that comes to around close to Rs. 1000-1100 per square feet. So is it safe to assume that the overall 6.6 million square feet will be of this range or what could be the realization for us for the project overall?

Kamal Singal: So obviously this prices that we have just shared with all of you through the investor presentation that the price that we have launched the project and launch obviously is normally done at a price slightly lower than what we think is the right price going forward, so we will be escalating prices in near future in fact I think we have already taken a small increase in the price post these numbers and obviously on an average if you were to talk about a launch price should be bettered by the future say to the extent of 20% to 25% going forward. So to that extent averages will improve. Now it's into the future time to say how much it will be, so it obviously depends upon a lot of market legit factors sales, velocity, etc., But generally speaking as a thumb rule 20% to 25% price escalation through some maybe couple of years is normal to expect.

Rithvik Sheth: And we would be spending Rs. 250-300 per square feet on the cost of the project, would that be a fair assessment?

Kamal Singal: Yes, it might be little less than that. The exact numbers I think we will share very soon. But you are not too wrong about it, it should be little less than that if at all because our cost of development generally is fairly less than that. It should be more like a Rs. 150 per square feet or less than the same that kind of a number. But yeah, that would be we are keeping as a target from development cost point of view.

Rithvik Sheth: Secondly on new launches going forward, we have few launched projects on the outskirts of Ahmadabad, any plans of pure play residential launches in our core focus specially for Bangalore, Pune or even Ahmadabad in this year, what is the outlook on the new launches?

Kamal Singal: We just had started pre-selling one major project in Bangalore during COVID and we are just about to launch this one as we speak here in the process of doing that, it's called Bel Air in Banglore. That project is just taking off as we speak, so one in Bangalore and two in Ahmadabad are done in the last 2-3 months, 4 months' time, the COVID times what we call it and we are hoping that we will also be able to launch the next phase of Forreste which is Phase-III now we have been selling, Phase I already sold out, Phase-II broadly sold out and maybe some very few 3-4 units left here and there. But apart from that we have done with the inventory that we have had on Forreste, so we obviously want to launch a new phase now having sold us II. RERA approval coincidently came just yesterday and we are in the process of now hitting the market in Phase-III as well in next 3-4 days time from now. So Phase-III of Forreste, Highgrove continues, Bel Air being launched, these are the three new developments that we have on our plate right now and obviously we are working on more projects. The investment cycle has to restart now. our things are looking a little more settled, obviously we have taken some little conservative view about adding purchased during these very-very turbulent time but I think we were back to a situation where we think that investment cycle has to be revived once again and we are restarting the investment cycle in the process with immediate effect.

Rithvik Sheth: And lastly on the construction outlay is it enough of the year, what is the kind of construction outlay that we would be looking to expense over the next 6 months and on an annual basis also FY run-rate remains the same or it will go up because of the new launches of the projects from FY22 onwards?

Kamal Singal: So construction I mean was the disruption that we also during COVID and hence expenditure and outlay obviously went down dramatically because there was hardly any action happening on that front. But post-COVID in last couple of months things have really picked up and we are seeing almost normal level of expenditures happening in most of the projects which are under development. Forreste has already, it's gone into major sort of activity level already. So we are spending couple of crores every month there as well now and Highgrove, etc., obviously they will start consuming working capital from development point of view. But there I think from day one because of the message seen that we will be able to achieve from here onwards I think it's one of the forever positive in terms of working capital requirements, so the collections are obviously more than the money that we can spend on the project. So Highgrove is taken care and its cash positive from day one. Bel Air obviously we are launching now, and it will also start getting into development and expenses, etc., So all in all our construction expenses will remain very stable. They are back to normal levels and because 3-4 projects have been added in the last 3-4 months, the total outlay actually increased by 15% to 20% on average basis. But our collection should be even more than that because the new projects have been selling more than what we had anticipated earlier and hence the working capital per se will be in the positive zone only.

Rithvik Sheth: On Highgrove, what is the part of Phase I that we have launched, out of the total overall project?

Kamal Singal: So we have launched around, out of 700 to 750 units that we will have in total in the project, I think we have launched and made available around 350 odd units for sales. We have not only phased them out in terms of Phase I, Phase-II, etc., but because the process of approvals, so converting the land, etc., is an ongoing process. We could make around 350 odd units available for sales and I think we have just crossed halfway mark, we sold around 170-175 units already.

Moderator: The next question is from the line of Akhil Arora, an Individual Investor.

Akhil Arora: My question is regarding the tie-up that we had with HDFC, we haven't seen any update or any progress on that front yet, so what's the plan going forward on the tie-up?

Kamal Singal: It's really a good and a very important point. So the update on HDFC is that while we were all set to acquire couple of projects before pandemic hit us. This agreement was signed towards the end of last the calendar and we were quite busy and active acquiring couple of projects before the pandemic hit. In fact we were about to sign the first project a couple of days before the lockdown and just in time lockdown stuck all of us and the process got stuck. Now post that unlocking has happened and lot of things are happening, etc., and ADIA which is the principal investor into the fund under HDFC management, where the money comes from, obviously have been a little less active in this space post-COVID and during COVID and rightly so we were also a little cautious about committing ourselves to the new investments before things become at least little more visible, etc., So we did that and I am very happy to share that the process of investment and evaluation has just started couple of weeks back. HDFC has also shown interest in terms in starting the evaluation, etc., We have restarted discussion is on the land parcels which we were about to close before the lockdown and process of finalization and completing the processes in terms of delivery, etc., has restarted in the right earnest. I think we will see a lot of action in next 3 to 4 weeks from now and we are hopeful that this cycle restarts and there are all indications that we should be able to progress in that in the coming days.

Akhil Arora: Second question is regarding the cost of debt that we have with a significant reduction in general interest rates, are you in discussions with banks for reduction in interest rate or what's the rate of interest that we can expect going forward?

Kamal Singal: I think interest rates, there are two different worlds that we are living in, one is the interest which is applicable for the home buyers, the excellent consumers where definitely we see a lot of positive movement where the interest rates have touched a decadal lows and possibly the best time to buy in terms of the cost of capital as far as the users are concerned and the buyers are concerned, so it's a very healthy situation to be in. But on other hand because of liquidity crunch all around and because people—when I say people I mean businesses—went into lot of stress, a want of enough collections and expenditures having been committed, etc., I think there was lot of demand of credit from the business point of view and hence there is hardly any movement on the interest rates when it comes to businesses and real estate in specific. In fact interest rate would have got little hardened only as compared to what they used to be before this crisis. So I see an increase in interest cost to the extent of maybe a half a percentage here and there but definitely there is no reduction in the interest as far as businesses are concerned. So overall I think it's good and bad, good that the product is becoming more affordable from consumers point of view, but interest rates probably for the busines has not really gone down.

Akhil Arora: Do you see any opportunities for the DM opportunities like we have and any other distress opportunities that you see in the market because of the consolidation happening in the sector and would you be interested in having such opportunity?

Kamal Singal: Oh yes. I mean we clearly see opportunity here for people who are very well capitalized and people who can manage their working capital and people who have strong balance sheet in terms of debt equity, etc., They have tremendous opportunity or not many people have appetite to launch new projects specially few buying out, etc., and hence stronger player are obviously going to be getting more-more options and opportunities in the form of JVs and DM. we are very keen to do that and in fact as we see we have been in discussions with some of them and we see a clear interest as far as landlord group is concerned wherein they want to tie up and join hands with good developers who they think are strong enough in ensuring that the projects are taken and executed well. So to that extent yes, organized players are much better positioned. This position has been improving right from RERA days and then GST days and now demonetization days and now of course the pandemic or post pandemic days, this thing is consolidating and hence we clearly see more opportunities coming our way. But having said that we have also been very cautious about an inherent sort of leveraging of working capital. It's not that just because a project comes where there is no investment in land that we just come on to the decision on to that opportunity and commit ourselves and I think lot of risks remains even if we don't pay a single penny for land. I think commitment in terms of working capital in execution cost, etc., is too high in many of cases. So unless there is an underlying strength, unless there is a very good reason for the customers to buy, at least has to be looked from the point of your customer are looking at it from the cost of land point of view or the cost of starting of a project point of view. If you see the project from the point of view of customer whether it makes sense to them or not or if it makes sense to them then obviously the structuring is secondary, obviously we are now in a position to get better structure in form of JVs and the DM just a bit what we were doing earlier. But having said that our internal strength is of utmost importance and we are in no hurry to jump on to getting and taking projects so just because they are available cheap from the landownership so we are equally worried about our working capital cycles and completing the projects in time and Hans the criteria to select and take a project still remains absolutely tight and absolutely scrutinized irrespective of the structures. So yes, it's an opportunity but we remain vigilant and we remain very conservative of about which project to really take up with respect to be in JD or even out right one.

Akhil Arora: Lastly on Elan the project that we have in Pune, normally I have observed that even around the launch phase we have been able to tell around 15% to 20% of the inventory whereas in that project I think we are still at around 10% itself, so anybody pull the reason why we are not being able to sell enough units in that project?

Kamal Singal: Elan is a small project per se but having said that it has been a little slow. There are multiple reasons to that, one is that Pune is a typical market where people tend to buy little more once the structure is little more visible that's one. The other is in the last 6 months Pune has been in our understanding will take little more than other markets from the COVID point of view. There were quite a bit of disruptions and the lockdown was more strict there as compared to rest of our markets, so it will take off pretty late as compared to the rest of the projects that we have and hence its little slow. We are also very patiently focusing on execution right now and really focusing on making the structure visible first. Besides that the road at which this project is located is under a very-very significant upgrade. It is turning into an eight-lane trumpet junction, etc., while we have now come on to an extremely posh and important junction in that area and touching an eight-lane now. but at the same time the access has been impacted on a temporary basis and a lot of traffic has been diverted and in our understanding this situation would have been remained for next one or two more quarters and during the intermittent period lot of footfalls have got affected also. So there are multiple reasons, small projects but we are just focusing our energies on actual execution and putting our efforts on the site first then obviously we should be in a position to sell them better and create a much more momentum once these small-small issues are sorted out at site in the city in general and at our site in particular.

Moderator: The next question is from the line of Ruchak Mehta from Sanyam Capital.

Ruchak Mehta: First one is more if I was to understand the breakup of the bookings that you had during the quarter, it seems more skewed towards the villa or the plot based project that we have as compared to the apartment based projects. So just wanted to understand what you are seeing on ground and your comments on how these different segments are looking from a customer's point of view and bookings.

Kamal Singal: You are spot-on on this observation that it's definitely skewed towards horizontal development and horizontal products that we have in our portfolio when it comes to configuration of our overall sales. But that's also a fact that as of now we are selling a lot of such projects and the proportion of verticals inventory competitively is little low at this point of time. It's a coincidence and also it's a little bit of a planned one because we thought a year back or so when we started kind of envious I think these projects that horizontal development makes a little more sense where the risk of construction is comparatively low because the proportionate cost in horizontal development is low and the cost of stack is majorly comprising of land cost which is difficult to depreciate and it obviously even if the sales velocities are low it more than just like made up by the higher value that it achieves in future time even if there is a delay. So we intentionally took this direction of having more horizontal portfolio in our overall scheme of things and today as we speak because we have more projects like that we are selling more of that, so that's obvious. We mainly have inventory in the form of apartments in Bangalore and there are only two projects which are actively selling or which have been selling in the last year which are Skyland, we just launched Bel Air, Oasis is big and Skyland has been big so we have seen decent amount of traction in Skyland now. we have been selling very healthy numbers there which is already ready and then this clocking a decent amount of sales every month for the last few months and Oasis is now seeing good traction. But of course in overall context horizontal development which includes Villas, luxury, small, medium size and also plotting they are contributing quite a bit into our portfolio and I think this portfolio, a little more horizontal portfolio is little less risky and is little better insulated from very high that one can see in terms of overall sales and returns, etc.

Ruchak Mehta: My second question is about our project Aavishkaar project in Ahmadabad, it's been a while that we are not seeing a lot of traction in that project, even pre-COVID we had really good launch, bookings and then that project has been very slow to move, so just wanted to understand what's happening over there and what we are doing about it?

Kamal Singal: Aavishkaar has been little slow in the last almost 6 months now. During COVID this was the least moving project, even now it obviously, I think Aavishkaar is a segment which has got most impacted by the pandemic because the lower strata of the income segment has got affected a little more than the more affluent people during the crisis and hence this is in our understanding getting impacted in the sales category little more impacted as compared with the rest of it. In fact you are right in this observation that Aavishkaar possibly is the least performing of all the segments that we have but fortunately this is the only project and product we have in this segment of sub-25 lakh house. Now but having said that last month I know we are reviewing only September here but the good news is that last month has been descent for Aavishkaar also we have taken certain promotion and other initiatives into the project to see some momentum happening there and it's a great news to share that this last month the momentum has been good and we have got some traction and deposit and we hope we do continue with that but having said that we are absolutely aware of the fact that this is the segment which has got most impacted by the pandemic.

Moderator: Next question is from the line of Jigar Shah from Negen Capital.

Jigar Shah: I want to know what is the project pipeline and how many project launches would happen in the H2 this year?

Kamal Singal: Sorry if you can repeat your question, how many projects will be launched in?

Jigar Shah: H2, second half of this year?

Kamal Singal: So as I just said I mean in the previous question, we are about to launch, it's just about launch Bel Air and we are about to launch phase 3 of Forreste, these are the hard numbers, these are the definitive ones and I as I just explained some time back the investment cycle has just restarted. There has been a fall in the last 6 months in terms of acquisition of new projects but then HDFC platform and otherwise we have just restarted the cycle. We have started taking next steps in some of the processes which were on hold due to COVID and we are hopeful that this cycle will be in the right earnest, restarting in next couple of months and within this financial year definitely hoping and targeting to achieve couple of more projects.

Moderator: The next question is from the line of from Deep Master from One-up Financial.

Deep Master: Just wanted to get medium-term sense from you on the pipeline as you see it coming through. So obviously we are doing really well on the projects that we have on hand so how do you look at the pipeline over the medium-term? You may be talk I guess just broadly across markets and what kind of projects could we expect to come up?

Kamal Singal: We have just restarted the investment side of the business and before COVID there were a couple of very interesting projects which were almost on the verge of getting finalized and everything went on hold due to the very-very unusual circumstances that we went through. But then we are always as well as company's balance sheet is concerned or the intent is concerned we are very-very positive about taking up new projects now and we waited enough and there are clear green shoots visible and there is nothing more to wait. We are all geared up to take up new projects, in fact the last few launches have given us even more confidence to move ahead and take up newer challenges and we have provided for enough and more working capital for the new launches which is a great thing to have. So if you got a portfolio where you add some 200-300 crores of sale and if you know that as far as construction money is concerned it's all secured because of sales, etc., then obviously you are in a much better position to take up the next step without really unnecessarily adding into disproportionate leveraging on distribution side. So that's a fairly, a decent situation to be in and we are aware of this. So we are right now evaluating more projects. Ahmadabad and Bangalore remain our focus for the time being. Bangalore as we speak at least three projects under consideration, two of them are horizontal, one is vertical but at least one of them is at a fairly advanced stage and it's going be a decent size of investment if it happens but at this point of time difficult to give you exact details, etc., because the process is still on but we are hopeful that at least one of them should be, will be ready to be announced in terms of the project having been finalized or some sort of a transition happening in next 1 month or 2 months. Idea is to complete at least two or if possible three project acquisitions this financial year service. And of course this also is a function of HDFC and HDFC as we speak shown quite a bit of interest in restarting the investment process and we are all geared. As far as our part of capital is concerned we have enough and more fuel to do that and we have all tied up our finances, our part of finances in the joint venture entity that we have with HDFC and hence from capital point of view we are all geared.

Deep Master: We have had this target of achieving 1000 crores of sales. Without putting an exact time to it but do you think we are now in a much better position to get there and broadly do you think again we could be in that range in the next say 3 to 5 years?

Kamal Singal: Definitely we are and we have to do it, there are no two-ways about it. Of course investment cycle has got delayed by maybe 6 to 8 months because of this pandemic. We could have taken 3 to 4 projects by now and now we are targeting to do the same thing by the end of this year. So to that extent we lost little bit of a time but then we have the reasons and we have all the intentions to cover up on that and by the end of this financial and by the middle of next financial we would have more than covered up when it comes to investment cycle and it's all about having a pipeline. It's not about sales happen but then the pipeline is very important and we are a very conservative company when it comes to choosing projects. So we take time and we do our homework, we do our analysis, etc., We are a little conservative when it comes to new acquisitions but we are very hopeful with the kind of response, with the kind of money, with the kind of spend that we have and the intent that we have that we should be able to cover up our investment cycle. On our investment cycle in next 6 months and latest by middle of next year I think we should be catching up on our investment targets.

Moderator: Next question is from the line of Jigar Shah from Negen Capital.

Jigar Shah: My question was related to the breakup of 156 crores sale which you could give project-wise if it's possible?

Kamal Singal: Yeah sure I will request Ankit if you can note down the number or the contact details. You can send the exact or maybe it is there in the investor presentation that we are uploading.

Ankit Jain: Yes it is already there in the investor presentation in the slide naming Quarterly Synopsis.

Jigar Shah: Would we be taking additional debt and what would the debt look like by the end of this year and probably next year if you have some idea?

Kamal Singal: It's a good question, in fact it's a very interesting data to share with all of you. It is there in the presentation I guess but during these pandemic times and last 6 months of turbulence, etc., in fact our debt levels have gone down. So despite having lower sales, collections, etc., but we could collect and spend enough to make sure that one, debt levels won't go up during these times which are little more unproductive as compared to normal times. So our debt, net debt position has actually grew from 218 crores total net debt to around 202 crores as we speak, as compared to the level that we had in the beginning of the year. So that is very much under control and it is around 0.7 debt equity that we have right now. We have kept a very stringent limit for ourselves where we say that the debt equity has to remain below 1 and we are at 0.7 at this point of time. As we progress and as we create more value and deliver profits obviously there will be some headroom available to increase debt in terms of absolute levels for growth, etc., most of our working capital cycles are positive. In fact the new projects have been positive and they are now having sold the vendors inventory when given positive hopefully in the times to come. But yes, for expansion we can increase absolute levels of debt marginally but in terms of debt equity it's going to remain well within control. We are at 0.7 and we are not trying to increase it any dramatic way in the near future.

Jigar Shah: Since we will have to catch up with our losses in the second half of this year. Can we see some revenue growth compared to the last year since we have….

Kamal Singal: What we are right now focusing is on the fresh sales As we are all aware the accounting standard acts and reacts in a very weird way these days because it is something that you did 2-3 years back that gets reflected into our books of accounts because it is based on the completion of the project rather than what you are doing currently. So the important indicator for us as management is how much can we sell fresh and if we are able to sell fresh and show some growth over that it will be great to do. While during the pandemic we thought that things are turning out to be quite bad and fresh sale is getting impacted significantly but with the kind of lunches we did in last 3-4 months we are now confident that we should be able to get into a very positive territory and we should be able to show healthy growth over the previous year's numbers.

Jigar Shah: Regarding the pipeline I had got disconnected…okay fine I will get it from Ankit.

Kamal Singal: Yeah, pipeline we just discussed in your absence but I think off-line we can give you more details about this.

Moderator: Thank you very much. As there are no further questions I now hand the conference over to Mr. Kamal Singal for closing remarks. Over to you sir.

Kamal Singal: As we discussed the company is quite geared and we are very happy with the kind of momentum that we have seen in the last couple of months, the new launches have gone right and we are all geared to do better, improve further and from a year it was looking quite depressing in the beginning and through the first quarter we are in a position to stay where we confidently can say that we will improve over our last year at least in terms of important numbers of sale, etc., Activity levels, perception levels have obviously come back to near normal already and hence lot of activity level is there in the projects. We are also now restarting the investment cycle, so all three plans construction, sales and new acquisitions in terms of pipeline, etc., I think everything is falling in place. There are challenges, there are still disruptions happening due to cases coming here and there, etc., but this is part of life now, it's not about feeling constrained about this. It's about how do we manage with the kind of constraint that we have and I think the company is learned its ways and we are evolving as a group which can take these challenges and improve upon our performances which we have shown in the last few years and it seem that we are pretty decently geared achieving that, doing that and the team is quite enthusiastic about moving on from here onwards. Thank you very much all of you for sparing time and it's always great to catch up with you and once again thanks a lot for joining and sparing time.

Moderator: Thank you very much members of management. Ladies and gentlemen on behalf of Arvind SmartSpaces Limited that concludes today's conference call. Thank you all for joining us and you may now disconnect your lines.