



Date: August 3, 2022

**Listing Department**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai - 400 001.

**Listing Department**  
**National Stock Exchange of India Limited**  
Bandra Kurla Complex  
Bandra East  
Mumbai – 400 051.

**BSE Script Code: 539289**

**NSE Symbol: AURUM**

Dear Sir/Madam,

**Sub: Transcript of Earnings Call held on July 29, 2022.**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Transcript of Earnings Call held on **July 29, 2022** to discuss the Un-audited Financial Results for quarter ended on June 30, 2022.

You are requested to take the same on record.

Thanking you.

Yours faithfully,  
For **Aurum PropTech Limited**

**Khushbu Rakhecha**  
Compliance Officer

Encl: As above



“Aurum PropTech Limited  
Q1 FY2023 Earnings Conference Call”

July 29, 2022



**MANAGEMENT:** **MR. ASHISH DEORA – FOUNDER AND CHIEF EXECUTIVE OFFICER – AURUM VENTURES**  
**MR. SRIRANG ATHALYE – PRESIDENT – AURUM VENTURES - DIRECTOR – AURUM PROPTech LIMITED**  
**MR. ONKAR SHETYE – EXECUTIVE DIRECTOR – AURUM PROPTech LIMITED**  
**MR. KUNAL KARAN – CHIEF FINANCIAL OFFICER – AURUM PROPTech LIMITED**  
**MR. HIREN LADVA – EXECUTIVE VICE PRESIDENT (INVESTMENT) – AURUM PROPTech LIMITED**

**MODERATOR:** **MS. ASHA GUPTA – INVESTOR RELATIONS, EY LLP**

**Moderator:** Ladies and gentlemen, good day and welcome to the Aurum PropTech Limited Q1 FY2023 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Asha Gupta from Investor Relations, EY. Thank you and over to you Madam!

**Asha Gupta:** Thank you Nirav. Welcome to the Aurum PropTech Limited Q1 FY2023 earnings call. It gives me great pleasure to welcome the management of the company represented by Mr. Ashish Deora – Founder and CEO of Aurum Ventures, Mr. Srirang Athalye – President – Aurum Ventures and Director – Aurum PropTech Limited; Mr. Onkar Shetye – Executive Director of Aurum PropTech Limited; Mr. Kunal Karan – CFO of Aurum PropTech Limited; Mr. Hiren Kumar Ladva – EVP – Investment of – Aurum PropTech Limited.

Before we start the call, I would like to remind you that anything that has been mentioned in the call which reflects any outlook for the future or which can be construed as forward-looking statements must be viewed in conjunction that the risk we face, this risk and uncertainties are included but not limited to what we have mentioned in the prospect of file with SEBI and subsequent annual report you can find it on our website. With that said, I now hand over the call to Mr. Ashish. Over to you Ashish!

**Ashish Deora:** Thank you, Asha. I am pleased to talk to the investor community in this fifth quarterly call under Aurum management. I am glad to state that within a period of 13 months Aurum has given a new purpose and management to Majesco which of course is now Aurum PropTech. Aurum’s shareholding in Aurum PropTech has evolved from acquiring promoter stake of around 14% to around 50% upon successful completion of rights issue in firstquarter.

As a group at Aurum, we have always focused on value creation through governance for all our stakeholders including our customers, capital allocators, society at large and our team. We believe that we are on the same path at Aurum PropTech here as well.

I would like to briefly talk about real estate and PropTech as a sector which is going through one of its best phase into my mind. We believe that these tailwinds that the sector is facing currently will continue for multiple years to come. I have tried to articulate this earlier as well that real estate is expected to become US \$1 trillion sector by 2032 and PropTech, the tech adaption within that will have 10% market share making it to be a US \$100 billion sector.

At Aurum PropTech we are amongst the first mover in this sector and we believe that we will grow in strength quarter-on-quarter, year-on-year. I will briefly touch upon the comparative journey of PropTech with Fintech. Few years ago, it was difficult to comprehend that finance would be experienced through technology. Fintech led behavioral change and had unprecedented growth. We believe that real estate being a similar asset class like finance is moving in the same direction. We see trends on PropTech as a sector emerging in a similar growth trajectory as Fintech sector. Our belief is that PropTech companies will help bring transparency, efficiency and seamless experience to this sector creating multiple homegrown unicorns in the near future.

As far as this quarter is concerned, I will like to share our excitement with all of you as this is a landmark quarter for us. We have grown significantly in this quarter and expect similar growth rate for next quarter. We are gearing up to achieve our targeted revenue of Rs.50 Crores by 4Q of this year as our very first pit stop. Efficient capital allocation, working closely with our investing companies, smartly rolling out our in-house products and solutions continuously strengthening on team, focusing on revenue growth, strong governance and being customer obsessed are few mantras that has kept us busy in past and will continue to be our focus in future in order to fuel the integrated PropTech ecosystem that we are creating.

I will now like to hand over to Kunal, our CFO to talk about financial performance of the company.

**Kunal Karan:**

Thank you everyone for joining this call. Yesterday the board has approved the results for the quarter ended June 30, 2022. I will take this opportunity to take you through some of the numbers of this quarter.

Our revenue from operations for the quarter has increased by 79% to Rs.1464 lakhs as compared to Rs.818 lakhs in the previous quarter. The company had no revenue from operations in the corresponding quarter of the previous year. The growth in revenue is mainly attributable to performance of all our subsidiaries performing better under the umbrella of Aurum PropTech.

We are hopeful for similar growth percentage of revenue performance in Q2 also. Revenue from both our SaaS and RaaS business has seen growth in the current quarter as compared to the previous quarter. Our total income for the quarter has increased by 64% to Rs. 1,572 lakhs as compared to Rs. 959 lakhs in the previous quarter. We had a negative EBITDA for the quarter at Rs. 569 lakhs as compared to negative Rs. 622 lakhs in the previous quarter.

Now I will hand over the call to Mr. Onkar Shetye – Executive Director of Aurum PropTech to elaborate more on journey of product and services. Over to Onkar!

**Onkar Shetye:**

Thank you Kunal. Welcome everyone and thank you for your continued interest and commitment to Aurum PropTech. Talking about Aurum PropTech our focus areas for PropTech are four business segments, invest and finance, enterprise efficiency, customer experience and connected living that shadowed the real estate value chain. We continue to build SaaS and RaaS products and businesses with a mix of inorganic and organic strategy. As a part of our inorganic strategy we have acquired and consolidated four companies over the past 13 months.

The product portfolio now includes real estate CRM Sell.do and broker aggregation platform BeyondWalls. They target the real estate purchase value chain and rental management platform TheHouseMonk and co-living company HelloWorld that focuses on rental real estate value chain. Sell.Do continues to provide PropTech solution in the enterprise efficiency segment.

When we acquired K2V2 their ARR from Sell.Do was Rs. 13 Crores post acquisition we have added a new product BeyondWalls and fine tuned their business model which has effectively raised their ARR to Rs. 40 Crores. BeyondWalls was launched in Pune and has been able to secure a 3% market share of the primary residential transaction business. With this we have now launched BeyondWalls in Mumbai and Bangalore and we expect the ARR to grow with these additions. TheHouseMonk with its rental management solution business is at an ARR of Rs. 3.29 Crores with a gross transaction value of Rs. 1,278 Crores.

We are evaluating various possibilities of leveraging this product for the rental industry. The latest addition to the inorganic product line HelloWorld, a co-living company provides a solution for the first instance of any consumer's real estate consumption journey. HelloWorld has an ARR of Rs. 51 Crores with presence across 15 cities. We believe that HelloWorld will soon become market leader in at least three 15 cities under Aurum Management.

The focus of the team is to closely work on management of all these companies and at the same time launch our products and solutions which are built in house. Our tech team has built two unique products, Aurum Live, our real estate transaction platform and Aurum Infinity, our real estate fractional ownership platform.

Aurum Infinity shall be launched in Q2 and Aurum Live will be launched in Q3. A key strategy to our business is governance, risk, and compliance framework. All our investments and in house developments are started to be governed through GRC. This framework has been essential in deciding the behavior of capital, human resource, sustainability and intellectual rights.

The progress through this framework is starting to be closely monitored by management representative of Aurum PropTech to ensure best governance practices in the group. I will like to conclude by saying that our businesses are built with an eye for profitable growth rolled with strong governance, risk, and compliance practices creating value for all stakeholders of Aurum PropTech. I will now pass on the call to the operator to open the floor for questions and answers. Thank you very much and we appreciate your continue interest in Aurum PropTech Limited.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Vimal Panchal from Vimal Panchal and associates. Please go ahead.

**Vimal Panchal:** Good evening. My name is Vimal Panchal. We have done four or five acquisitions so how is the integration and total how much number of employees in the consolidated basis and we have changed the name from Majesco to Aurum and we have changed the website also and e-mail ID also. Everything we have changed but on the BSE website, our industry segment comes under the old software information and technology and earlier also written but I think nothing has been done to get it changed. Another question is when are we looking for call money rights issue?

**Onkar Shetye:** I have taken note of four questions. Let me start by answering the first question which is integration of these four acquired companies. One is the acquisition of these four companies has been scanned through a lot of due diligence where we kept primary importance on acquiring mature companies with established products, processes and business in the PropTech segment. To make sure that these companies are integrated into our eco system and also are governed with the right favor. We have a comprehensive governance risk and compliance framework that is implanted across all these companies in addition to our company. This includes various aspects of people, processes, compliance, regulatory framework, taxation, and also product and brand integration as the umbrella brand of PropTech. There are now 550 employees put together between these four companies spread in 15 cities with major presence in Pune, Mumbai, Bangalore, and Delhi. With respect to the third question the team has changed from Majesco Limited to Aurum PropTech. The segment remains the same. We are a technology company and information technology and software remains to be our business. The sector that we provide this solution and services to is real estate. With respect to the call money information, I will hand it over to Mr. Kunal Karan CFO of the company.

**Kunal Karan:** Look regarding the call money our plan is definitely to use the money that we are having in hand right now which is more than Rs. 100 Crores and we also have some asset in the form of building inherited from Majesco so monetization of those asset is our second priority

then we like to go for the next chance of the call money so to answer we do not have plan to call for the next round approximately till end of March 2023.

**Vimal Panchal:** Thank you very much for all the answer. Thank you very much Sir and wish you all the best.

**Moderator:** The next question is from the line of Faisal Hawa from HG Hawa & Company. Please go ahead.

**Faisal Hawa:** So there was this blockchain based solution which you were attempting to really solve the problem of financing as well to have the smaller units which could be leased out or rented out in form of smaller deals, so where do we stand on that have we been able to crack that software or the product.

**Onkar Shetye:** The blockchain based fraction ownership platform as a technology product has been cracked and has been developed. There are two MVPs in which we have developed this and are rolling it out. The first MVP is rolled out as a listing platform for commercial real estate where the assets that want to be fractionalized and further tokenized are listed on the platform and the second MVP is investor dashboard where investors can actually manage their portfolio of these investments or co ownership is to be pulled out. There is another layer of regulation and taxation that the team is working out to close out presently which is with respect in this coming under the SEBI regulation, what is this taxation structure when we are looking at very forms of fractionalization and what is the framework or what is the guidance on the investment firm that we need to take approvals under so this is the present status of the development. I will also hand it over to Hiren Ladva to add further details.

**Hiren Ladva:** Thank you Faisal Ji for your continued interest in the company and valuable questions over the time. This particular technology is something that we feel is something that could transform investment and democratize investments into real estate sector and we are looking eagerly to develop our capabilities in that from a tech point of view as Onkar has already elaborated. We are nearly there in terms of our readiness to take the product to the market. We want to be very cautious in terms of how we navigate the regulation and taxation before we launch the product into the market that is where this product is right now.

**Faisal Hawa:** So am I right to believe that the product is ready but we are worried about regulations and who our regulator will be itself and whether this is allowed even.

**Hiren Ladva:** So actually if you see in the market there are few ways and means in which other models have come into fractional ownership, what we want to do is yes not only be on the right side of the regulation but also have a scalable model at the same time. Right now you might be

compliant with regulation but then the model might not be scalable. If you do a scalable then the regulation clarity is not there. We are not saying people are not abiding by the regulation but the clarity is not there and that is where we want the regulators and authorities to help us and clarify in terms of this would be dealt both in terms of taxation as well as how we treat the financial instrument that is behind this.

**Faisal Hawa:** So we acquired a company which was into advisory in tier 2, tier 3 towns we were looking at acquiring large stakes in this property how is that company doing and out of the Rs. 15 Crores revenue that we have made for the quarter which of the four company that we have acquired has contributed most of it. Which of this in the next two years at least will contribute most to revenue and what do you feel could be the revenue of our company in 2023 and that without holding you to any figure around, I mean, without even asking but what on current run rate do you feel that we will able to grow sequentially also quarter on quarter.

**Kunal Karan:** This is Kunal. I will just answer your first part of question that which subsidiary is contributing how much.

**Faisal Hawa:** If you could refer to the subsidiaries by name also because I have generally followed the acquisitions one by one.

**Kunal Karan:** I will just give the breakup, K2V2 which was our first acquisition gave around Rs. 9.8 Crores out of the Rs. 14.64 that we have declared now. Then HelloWorld which actually has considered for only 15 days for the quarter because we could complete the acquisition on June 15 so it has given Rs. 2.34 Crores out of the Rs. 14.64 Crores and then HouseMonk which we acquired at the beginning of March 23 has given around Rs. 80 lakhs of Rupees.

**Faisal Hawa:** What did you say the name of the company Sir?

**Kunal Karan:** HouseMonk.

**Faisal Hawa:** HouseMonk.

**Kunal Karan:** Yes that Singapore entity that we acquired in March 2022.

**Faisal Hawa:** So that is Rs. 80 lakhs.

**Kunal Karan:** Yes.

**Faisal Hawa:** But that I think we have acquired mainly for the product rather than revenue.



- Kunal Karan:** Yes, it is a SaaS based product company.
- Faisal Hawa:** And Sir the fourth company which has contributed.
- Kunal Karan:** The balance is our internal accrual from our Crex business which has given around Rs.1.2 Crores. You can consider HelloWorld to be almost equivalent of more than K2V2.
- Faisal Hawa:** But is this something seasonal which is coming these Rs. 2.34 Crores.
- Kunal Karan:** No it is not seasonal. Seasonal in the sense Rs. 2.34 has come only for 15 days because Rs. 2.34 is from June 15<sup>th</sup> to June 30<sup>th</sup>
- Faisal Hawa:** Would I be right in making a conclusion that for the next quarter it will contribute almost like Rs. 15 Crores revenue itself on its own.
- Kunal Karan:** You can decide it.
- Faisal Hawa:** And which of these companies is burning cash most out of the four.
- Kunal Karan:** Out of the four I think Aurum PropTech will be burning because it has got the product expense which our in house product expense we are not capitalizing. We are charging the income statement and K2V2 has one product which is still in the development stage so that is also burning some cash so these two will definitely continue to burn some cash in the next two quarters.
- Faisal Hawa:** And have we added any marquee developers like top 10 like Lodha, Mahindra LiveSpace, Godrej in any of these companies as a client?
- Onkar Shetye:** Yes, Faisal Ji both K2V2 and the newly announced acquisition CareerSocially cater to the topmost developers in the country right from Shapoorji Pallonji to Mahindra to Hiranandani, Tata and so on The list is really elaborate and large and in fact they serve micro markets right from Delhi to Mumbai to Pune to Bangalore so that is really their spread across the country, Tier 1 and tier 2 developer.
- Faisal Hawa:** Which company is catering to these developers? I missed the name Sir. I am so sorry.
- Onkar Shetye:** K2V2 and CareerSocially both combined so K2V2 is the Pune based company that we had acquired and CS is the new acquisition that we had announced last quarter between both these they cater to tier 1 and tier 2 developers both.
- Faisal Hawa:** And Sir we had acquired one company which was in this youth housing and college going is there any progress in that company that is also a very good sector.

- Onkar Shetye:** We have completed acquisition of one company in the co living segment which does cater to the student housing solution which is HelloWorld. There was another company that we had looked at however we found certain questions in their model and we are still evaluating this further.
- Faisal Hawa:** At present safe to assume that you would be evaluating another four to five deals that we would probably acquire another three companies going forward?
- Onkar Shetye:** So, the strategy was a mix of inorganic and organic last year we focused on building this inorganically where the idea was to cover the buy, sell and rent side and in both we have got products and businesses, tech products and teams and solutions. This year we are going to really focus on consolidating this, integrating this and rolling out our own products in both the segments.
- Hiren Ladva:** Faisal, Hiren here. Adding to Onkar having looked at the acquisition that also we have made, we are in actually discussions with them to actually deep dive and grow our market presence and customer presence much deeper and then will be actually focusing on much higher growth from this investment for the next one or two quarters.
- Faisal Hawa:** Sir if you could give some kind of ballpark on what the revenue figures for 2023 look like.
- Onkar Shetye:** As of now we will not be able to give any committed or any numbers or any forecast on that, having said that we have talked about the annual run rates that we have. For example if you look at March 31 we were at around Rs. 95 Crores of annual run rate, from a revenue run rate point of view. Within the three months i.e. first quarter of FY2023 we have taken that number to almost Rs. 130 Crores now so this is like to like comparison across different acquisitions as well as in house products that we have. So that is the growth on a quarterly basis that we can talk about right now.
- Faisal Hawa:** You mean to say the run rate for 2023 is Rs. 130 Crores for the entire year.
- Onkar Shetye:** This is a revenue run rate as on June 30<sup>th</sup> multiplied by 12 so that is the revenue run rate that we are talking about of the invested companies as well as our in house products that we have.
- Faisal Hawa:** Basically per month revenue you have multiplied by 12 so that is coming to around Rs. 130 Crores ballpark approximately.
- Onkar Shetye:** Yes. Having said that just to clarify that is not the revenue guidance because that is just a revenue run rate.

**Faisal Hawa:** You have just multiplied per month by 12 so we are assuming that no growth happens in this so during the year at least. You are saying the run rate growth in the first few months and the same run rate will continue. Further the growth percentage cannot be more. It is still a good growth 30% also over last year.

**Onkar Shetye:** The way we see it that fundamentally our businesses have grown in this manner is what we are trying to call out here. We leave it to your analysis and intelligence to see how that can over the next few quarters but we are committed to go in the same pace is what we are trying to call out here.

**Faisal Hawa:** I mean can you just elaborate more on how this co-living space is being looked at and what is our vision for it because the way our urbanization is moving in India so with this space to my mind has not been actually break the perfect model for it.

**Onkar Shetye:** That is a very fair observation, Faisal. Actually these are segments which had probably taken a back seat because of the lockdown initiated migration back to the towns but now that offices have started opening, people have started coming back to offices and also started staying away from their homes. So once the economy in itself has been growing within that the younger generation which is just out of the campuses till the next 6 to 7 years of work lies and a bit of student community which stays in educational hubs so those are the key segments which have started coming back or rather going away from their homes and staying in rented living so that gives us opportunity in two major segments which is the student living segment and the younger generation which is staying in the co living segment and predominantly this co-living segment we are seeing very active in metro cities like Bangalore, in Pune, in Mumbai as well as NCR and other cities like Hyderabad and Chennai. Now if you see where we have invested, we have invested in a company which is very focused on staying profitable, very selective about the kind of supply that we have, very focused on getting high occupancy rate and hence growing in a profitable way. HelloWorld which is the company that we acquired was generating an annual revenue of Rs. 38 Crores on March 31<sup>st</sup> this year. As we speak their monthly run rate or monthly revenue run rate is around Rs. 4.5 Crores amounting to around Rs. 56 odd Crores of annual run rate just within a span of three months they have gone there. Our strategy to your question about how do we want to build this further, HelloWorld is present in 15 cities right now. We intent to be market leader in three or four of the critical cities that we want to play in and that is one of the strategies and we would achieve that by supply acquisition, by focusing on the customer experience, the co-living experience both for the student as well as the young working population in the Gen Z segment. So that is on two pronged basis both on the demand side as well as supply side we have our strategy well marked there and so that would help us grow there.

**Faisal Hawa:** Thank you Sir.

- Ashish Deora:** Faisal bhai it is Ashish here and I am glad that you have always been on call asking us very, very pertinent questions and your questions are getting more and even more pertinent in terms of interest and we are very happy for that. Thank you so much.
- Faisal Hawa:** Thanks for your kind words but I totally believe you are actually solving a very difficult problem with what looks the right team members, kudos to you for taking on something which is so difficult. A lot of people have attempted this, but no one has done 360 degrees on it, so well done.
- Ashish Deora:** Thank you so much.
- Moderator:** Thank you. The next question is from the line of Deepak Poddar from Sapphire Capital Partners. Please go ahead.
- Deepak Poddar:** Thank you very much Sir for the opportunity. Sir I just wanted to understand you did mention that by 4Q we are looking at Rs. 50 Crores of revenue targets. Am I correct is that on quarterly basis we are kind of targeting?
- Ashish Deora:** I will pass on to Kunal to detail this out. The point that we are trying to make here is that as a first pit stop our internal target is to get to quarterly run rate at Rs. 50 Crores by Q4 and that is where we are gearing all our internal products, our services, solutions and investee companies to do that. If you see the current growth and the kind of tail winds that we are seeing in the existing quarter as well that is where we are aiming to take the company. That is where we are targeting to take the company as a first target.
- Kunal Karan:** As you understand we are acquiring a few companies and those companies come into this calculation umbrella over a period of time like I said this HelloWorld we could just calculate only for 15 days this quarter then definitely it will come for the full quarter going ahead and similarly if we can close another one in between the second and third so those companies will start again contributing on proportionate basis over the period in that way our target as we say we will be Rs. 50 Crores at the end of fourth quarter that is what our internal target is.
- Deepak Poddar:** So that is largely driven by an inorganic growth right.
- Kunal Karan:** So, when these inorganic things come in and as Onkar in the previous question answered, I do not know whether you could catch that one. Our products will go live also at the end of Q2 and again another at end of Q3 so those products will also start contributing. Our own percentage is 12 to 13% of the total so that also we will try to definite contribute more internally and contribute to the number in totality.

**Deepak Poddar:** So that is Aurum Live and Aurum Infinity right that product is expected to be launched in second quarter and third quarter.

**Kunal Karan:** Yes.

**Deepak Poddar:** But initially we do not expect much contribution from these products right.

**Kunal Karan:** Look initially it will take at least two quarters to pick up the revenue because the business are all new as compared to our acquisition where the business are happening at least for the last three years minimum. These businesses will be totally new and it will be start of the operation.

**Deepak Poddar:** On the cost side, I think currently we are doing a revenue last quarter about Rs. 14 to Rs. 15 Crores and that operating profit was minus Rs. 6 Crores so ideally our expenses was close to about Rs. 20 to Rs. 21 Crores a quarter right so how that we expect to shape up going forward. How will our cost escalation happen?

**Kunal Karan:** Out of this Rs. 20 or Rs. 21 Crores, Rs. 10 Crores is manpower cost which according to me will not go because the annual increments and everything has come up so at least till March we do not see much addition to the cost in terms of our existing manpower plus the addition of manpower is more or less as per plan and it is a very marginal increase over there. Then the other cost definitely will vary proportionately to the revenue to some extent because some of the costs are directly proportional to the revenue so you can consider 50% of the cost to be constant and balance 50% to move based on the revenue.

**Deepak Poddar:** Out of this Rs. 20 Crores cost 50% employment cost will largely remain constant whereas that other cost 50% will be proportional to your revenue right.

**Kunal Karan:** It is not directly proportional but it will just go up marginally as revenue grows.

**Deepak Poddar:** So at what revenue level do we see our P&L breaking even I mean either at the EBITDA level or at the PAT level?

**Ashish Deora:** This is Ashish, here Deepak. We are very conscious of growing but not losing cash for this growth. This has recently been the trend over last two or three years with new age companies, with tech companies where growth is led by losses and not the other way round. If you see right from the very beginning, we have been very, very conservative in ensuring that the cash burn is not at all tolerated by the company. Going further it is very difficult to say what quarter we will become EBITDA positive but definitely I can say this is keen eye on growing with profitability and not just growing mindlessly. We are very, very conservative about that. To the other point of yours where Kunal was talking about our

organic products I think the way I look at this is year one was about focusing more on creating the company around in organic strategy and we did acquire four five fabulous companies. We took some strategic stake in these companies. This gave us a very good understanding of how the market is, what is the market is and in this year two we are in a way kind of focusing more and more internal we are focusing more and more organic. We know what to build, how to build, why to build so you will see lot of development happening on in house products in the next I would say four to six quarters. This year will be about revenue from what we have done in year one which is investee companies but in the next quarter this percentage will keep changing where organic products, the in-house products and services will start contributing more and more, although we think that the inorganic products which are through the investee companies are also our products itself.

**Deepak Poddar:** Yes, that is from my side. Thank you and all the best.

**Moderator:** Thank you. The next question is from the line of Mukesh Kothari, an individual investor. Please go ahead.

**Mukesh Kothari:** In the opening remarks I heard about the total addressable market to be quite a huge figure. I just want to understand what your attainable market is and what is obtainable market? See given that India is largely unorganized at this space I think the figure that you referred is quite huge and even 1% market share in the 50 is quite huge but I think that is not totally obtainable what do you think about and what is the basis of the 10% of the real estate market to be total addressable market.

**Onkar Shetye:** Very key question here. The sector is usually unorganized and it is always difficult to find the right data point to get the total adjustable market however we look at the sector has Pan India tier 1 city, you have close to six cities where most of the major inventory sale, primary and secondary happens. The total size of the real estate industry is supposed to grow to US \$1 trillion by 2030 as per a report published IBEF and the real estate industry itself will be contributing from 13% to the entire GDP. If we look at the residential real estate market, there is a report published by Knight Frank which talks about 2 lakh 50 odd thousand units launched in the country on the supply side and close to 2 lakh 40 odd thousand units sold in the country on the demand side, majorly in Mumbai, Pune, NCR, Bangalore, Chennai, and Hyderabad. We talked about BeyondWalls our broker aggregation tech platform which has been launched in Pune. In Pune 40,500 units were launched last year and around 38,000 units were sold last year both in primary and secondary real estate out of which with BeyondWalls, the broker aggregation tech that has been rolled out, has been able to sell close to 12% to 15% of the market share on its platform and on basis of that we are now launching in other cities so yes it is a large market, total addressable market to be looked at so that is on the primary and secondary real estate from a buy sell side. The rental living industry is also a large industry. We will give you one small example of a

student living community in Kota. In Kota there are 2 lakh students that come every year for preparation of various entrance exams and tuitions etc and these two lakh student end up staying in rental living or co-living premise which has a potential of Rs. 1,500 Crores of annual revenue just in one market and then we can imagine the size of Bangalore and other cities and there are various reports published on that area also. In Kota, there is presence of HelloWorld, the co-living company that we have acquired. They have captured a 4% market share and with only 4% market share they are a market leader there and the potential to be disrupted is immensely large so this is how we are taking one step at a time, one city at a time, one micro market at a time and then we are expanding to other cities to make sure that others are also serviced by us.

**Mukesh Kothari:**

I understand that but in the whole value chain the PropTech demand or the share of the PropTech services would be quite minuscule. If you take across the four segments that you are talking about so few are presales or postpaid and few are post sales and renting so if just look at the two segments of the four business segment if I segregate them into B2B and B2C I mean their dynamics are totally different. I mean B2B would have one time acquisition cost, B2C would have recurring acquisition cost, B2B life time value will be quite high, B2C life time value will be quite low so I am just trying to understand?

**Onkar Shetye:**

You are very right. This is a very complex industry with multiple stakeholders across these four business segments but what PropTech really does is, it allows you to make sure that any retail asset through its entire value chain right from invest and finance where you are for the first time seeking a wholesale investment and acquiring a property to further going to build a property and then monetize that property to further going on to handover that property, live in that property, you are thus able to service the same real estate to consumers on a integrated platform which allows you to single dip, double dip, triple dip your business model on the same real estate. When you start with an invest and finance segment you come in with a wholesale or a retail fashion of the investment model where there is an opportunity to get around 2% to 5% of the investment size and then further you go on to sell that real estate asset on the transaction platform, again you have an opportunity size of 2% to 6% further you go on to service that consumer who is staying in that real estate again giving them opportunity to dip into the real estate asset so that is on the asset side journey. On the consumption side journey you are able to take care of the customer at the first instance of consumption when you are taking care of his first usage in the form of student living and once you have given him a taste of your consumer experience that is then further crystallized in your tech platform then you are able to churn that and sweat that customer for multiple products probably for his rental living requirement, for his first apartment sale requirement, for his secondary apartment sale or purchase requirement and so on and so forth.

**Mukesh Kothari:** See I understand it is a very complex and disaggregated segment we are looking at. There have been attempts in the past by other players in terms of getting into service apartment, getting into reverse mortgage and even this co-living space but it is very, very difficult to track so how do you intent to have a unifying business model which will enable you to track these segments.

**Onkar Shetye:** Tech actually has the capability to first bank the asset and then service it and further to bank the customer and then sweat it through multiple trials, this is not just the power of integrated ecosystem that we have been gone. If you look at some parallels in the established market you see the total size of the USPropTech sector has got a 10% market share in the US economy. If we do the right things and if we are able to extrapolate that here with a US \$1 trillion India real estate by 2030, we feel that the PropTech size will be at 10% which will be at US \$10 billion. We believe that there will only be three or four established players who are running right sizes for the business, having the right product that is servicing both the demand and supply side. This is how we are seeing this industry and that is why the segmentation in these four segments and that is how we are building our products and services around it.

**Mukesh Kothari:** Just couple of suggestions. One is like in whatever presentation or press release that you are making, if you can just classify the whole real estate value chain and what parts of that real estate value chain you are trying to add flavor of tech and offering solutions that will be great because there are too many segments and the specific gaps that you are looking to fill. If you can highlight that it will be great.

**Onkar Shetye:** We will definitely bring that out as an illustration in the investor presentation as to how the real estate value chain is falling (a) from investment to construction to sale on the enterprise side, (b) to purchase, to utilization, to resale, to services around that on a consumption side and these are four segments that we have factored in, invest and finance, enterprise efficiency, customer experience and connected living that is how we mapped the entire real estate value chain into.

**Mukesh Kothari:** And the second suggestion is on fractional ownership. I mean within the framework of the current loss what is that possible and what is it that is stopping you because see cars are never built in anticipation of roads being built if you are able to highlight what are the impact because this is a big segment to crack?

**Onkar Shetye:** It is definitely a big segment and as Hiren earlier mentioned that we need to build it in a way that is scalable. The present form of fractional ownership allows investment in the form of financial instruments up to Rs. 1 Crores or in the form of equity up to Rs. 25 lakhs. If we look at pure form of co-ownership which is real estate co-ownership you can definitely have a lesser amount of investment size but all these three models need to be



really scalable and appeal to a larger retail audience where the investment size is reaching out to a retail audience and also that helps you increase the velocity of investment and makes the entire model scalable. There will be only a limited pool of investors who will attract a Rs. 25 lakh investment. There will be only a limited pool of investors who will be attracted to Rs. 1 Crores investment but if you look at a smaller ticket which is governed with the right regulations then we are looking at completely scalable model and our tech built is from that angle. The technology and the platform is being built from that angle. Our go to market will be with the available regulations at hand so we might start with what is available under the AIF instrument. We also will look at the equity structures which are presently available models and then further once we have clarity on the regulation, we will look at smaller ticket sizes.

**Mukesh Kothari:** Do you think that REITs would be competitor for this fractional ownership kind of structure from investor's point of view just limiting your addressable market.

**Onkar Shetye:** So, REIT is definitely an evolved and mature model. REIT however is control model presently. Time to come out with a public REIT has a gestation time of around 3 to 5 years. You have to do a private REIT to get a public REIT which means that the asset size that will come out to the REIT market will have its own gestation time. Second is that the investor is not able to control the asset that he is purchasing into because REIT is a combination of multiple real estate assets combined into one pool where you get a blended return of the yield from these multiple assets whereas fractional form of ownership will make sure that you are able to control the asset that you are investing into that is one key differentiator between both models.

**Mukesh Kothari:** Who do you think are your competitors and how different you are from them across all these four segments?

**Onkar Shetye:** I think the PropTech industry in India has evolved quite a bit in the last two years. We have seen investments between 2018 and 2020 there was US \$1.5 billion of investment that has flown in 2021 US \$750 odd million of investment has flown in. Some key players in the market are now announced in the private space as unicorn. Nobroker for example is taking care of the rental industry as they have been on that space. LiveSpace who are looking at the furniture rental industry at that space then there are also companies like 99 acres and housing.com who have been this space for a long time but these are also classified. One key differentiator between all these companies and ours is that everyone has a single business model where they are only looking at listing space or classified space or rental industry or the furniture rental space, whereas our objective is to build integrated suite for the enterprises and also for the consumer and that is what increases our ability to build into these multiple times with multiple customers with the same asset.

- Mukesh Kothari:** Got it Thanks a lot. All the best.
- Moderator:** Thank you. The next question is from the line of Devang Chokani from Devang Management Limited. Please go ahead
- Devang Chokani:** Good evening. I had a question that we had acquired two buildings from Majesco limited so how well we have mobilized that.
- Kunal Karan:** We have not acquired. The buildings are in the books of Majesco Limited so we have just got it so when the current management got it both the buildings were vacant. One was under progress, its construction was under progress. We had just completed construction of that building. We have got OC and everything is there. The building is still unoccupied. The bigger building was unoccupied at the beginning of the current calendar year January, so as on date 40% of the building is already put on rent and maybe by the end of this fiscal year 100% of it will be occupied.
- Onkar Shetye:** To add to Kunal when we acquired Majesco these buildings came in as part of the acquisition. Like you said the first building was already there. It was being utilized for their own consumption of their team. The earlier teams that were sitting out that space and the other building was under construction. After we acquired it, we worked out a path to monetization because Aurum PropTech Limited is clearly an asset light model where we do not intent to keep asset heavy structure. We do not intent to keep assets in the portfolio and towards that model we have gone to the lease the first building, 75% of the leasing is complete now with some marquee names in the building. There are two financial institutions, one is a national bank and other one is a financial institution that has taken space which covers up to 60 odd percent. There is another balance area leased out to another team. We will make sure that by the next quarter we have some visibility on the balance leasing and then the asset is up for monetization along with the new asset which has got constructed. That also adds to the liquidity of the company which can be further deployed for the PropTech business. I hope we have been able to answer that question.
- Devang Chokani:** Thank you so much.
- Moderator:** As there are no further questions, I now hand the conference over to the management for closing comments.
- Onkar Shetye:** We thank you all for your continued interest in Aurum PropTech. We intend to build up a very robust integrated ecosystem for the real estate industry and as part of that we will make sure that all the right moves have been done in the last year and we further intend to consolidate and build on this further. We will look forward to hear from you and build this further together with you.

**Moderator:** Thank you very much. On behalf of Aurum PropTech Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.