

# Ajmera Realty & Infra India Limited

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<b>The Bombay Stock Exchange Limited</b> Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001  <b>Script Code: 513349</b>	<b>National Stock Exchange of India Limited</b> 5 <sup>th</sup> Floor, Exchange Plaza, Bandra Kurla Complex Bandra (East) Mumbai - 400051  <b>Script Code: AJMERA</b>
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## Sub: Transcript of the Earnings Call

Dear Sir/ Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Transcript of Earnings Call held on November 1, 2023 on the Unaudited Financial Results of the Company for Quarter and Half Year ended September 30, 2023.

Kindly take the same on record.

Thanking You.

Yours faithfully,

**For AJMERA REALTY & INFRA INDIA LIMITED**

**KARTIK SHARMA**  
**COMPANY SECRETARY AND COMPLIANCE OFFICER**

**Enc.: As above**

Ajmera Realty & Infra India Limited  
Q2 FY24 Earnings Conference Call”

**November 1, 2023**



**MANAGEMENT:**      **MR. DHAVAL AJMERA - DIRECTOR**  
**MR. NITIN BAVISI – CFO**  
**MS. SONIA AGARWAL – SR. MANAGER - IR**

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**Moderator:**

Ladies and gentlemen, good evening and welcome to Ajmera Realty & Infra India Limited Q2 FY24 Earnings Conference Call.

We have with us today Mr. Dhaval Ajmera – the director of the company, Mr. Nitin Bavisi – the Chief Financial Officer and Ms. Sonia Agarwal – the Senior Manager for Investor Relations.

Please note, all participant lines will be in the listen-only mode and one can ask questions only after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” then “0” on your touchtone phone.

I now hand the conference over to Ms. Sonia Agarwal. Thank you and over to you, ma'am.

**Sonia Agarwal:**

Thank you. Good evening, everyone and a very warm welcome to all. On behalf of the company, I would like to thank you all for participating in Ajmera Realty & Infra India Limited Earning Call for second quarter of FY24.

The call will commence with the opening remarks by our Director – Mr. Dhaval Ajmera and will be followed by the business performance discussion by our CFO Mr. Nitin Bavisi.

We have already shared the operational updates of the quarter in the second week of October 2023. The investor presentation and the press release based on the financial results adopted by the Board have been uploaded on the Stock Exchange website and can be downloaded from our company website.

Please do note that some of the statements in today's discussion may be forward looking in nature reflecting the company's outlook and may involve certain risks and uncertainties that the company may face.

I would now like to hand over the call to our Director, Mr. Dhaval Ajmera. Thank you and over to you, sir.

**Dhaval Ajmera:**

Very good evening to everyone. I hope everyone is doing well. I just want to say that, India as an economy and we are looking very positive and in a great position. It's a very optimistic surrounding where the Indian economy currently looks like, this positive outlook is unpinned by several growth or catalyst which I can say which is really helping expand our country to very different level and propelling consumer spending.

This growth trajectory is projected to elevate India to the position of the second largest economy in the Asia Pacific region and surpassing Japan in the process. Real estate of course in all these means is also playing a very pivotal role to ensure that it continues its growth and its performance towards the expansion of the Indian economy. And with all these, the recent festive seasons and the economic output, I think the overall positive outflow of people buying real estate has been very good.

And we can definitely see that from the sales performance and also from the recent the registration data which also shows that the registrations in Mumbai specifically where we operate has been growing registering 10,000 plus units every month on month. And overall if you look at it where all these cities including Mumbai, Pune, Bangalore are looking at a good growth in the real estate sector.

Obviously, this sector has been driven by three-four factors which we perceive to be. #1 the biggest thing is that the recent decision of RBI where they have maintained the repo rate to be standard and same at the current levels, this is coming at the time of the upcoming festive season, which shall play a very big reason for people to buy. #2 The disposable income in the middle-class segment has been growing year on year plus the development and infrastructure of cities in Mumbai and different other cities has also been playing a key role for people to take opined decisions and investment decisions towards real estate. So overall, we are definitely very positive about the outcome and looking forward for a great year in the coming six months.

As far as our projects are concerned, I'm pleased to share that that all the progress and all the projects which we are currently under development have been progressing well. Ajmera Eden I'll start with, which is the Ghatkopar project has been doing strong. It is continuing to have a strong launch momentum. Remarkably we sold 32% of the inventory in the last four from its launch, and construction also has been progressing steadily, we have reached the ground level.

Second project, Ajmera Manhattan. The flagship project of ours has been doing steadily well. The tower B of the two towers, construction has come up to the mezzanine level and tower A is also following the suite. Notably, we've also sold 54% of its inventory. So as far as sales and construction, both are going it is doing really nice.

We are very pleased and proud to announce that we have gotten occupation certificate on completion of Ajmera Greenfinity and Ajmera Sikova way earlier than the RERA timelines. These both projects have done commendably well. We have sold almost more than 90% in both of these projects and have completed it within 36 months for both of these projects. So as far as sales and as far as constructions is concerned, for Ajmera Greenfinity and Ajmera Sikova, completed way below time & sold also well. So overall it has been a successful run.

Ajmera Prive, our premium project in Juhu has also seen great progress towards construction where we have done about 8 floors of construction already out of 12 floors. And impressively, we have in the micro market of Juhu, we've achieved construction of every slab on an average of 14 days. And with this also we have seen markets and momentum moving, where we've seen about 31% of our inventory already being sold in this particular project. Usually, these projects sell post construction or nearing completion but selling at this stage also has been great.

If we come to Bangalore now our mid luxury project Ajmera Nucleus, C Wing has been almost finished. We are 99% sold in terms of its inventory. And our commercial project has also started catching the momentum of leasing where

we initiated some leases, and we are hoping to have more in the coming quarters.

Our affordable segment project which is Ajmera Lugaano and Ajmera Florenza has been progressing rapidly with 68% of its inventory already being sold. And also, we are seeing a great momentum in terms of strong demand for quality homes in these areas and we are hoping to have the balance inventory being sold quicker as well.

In the first half of FY24, our business development has made great efforts. To further strengthen our footprints in Mumbai, we've acquired a valuable piece of land in Vikhroli as we had earlier announced with the GDV of Rs. 550 crores.

And over and above this we have acquired few redevelopment projects in Mumbai, one being at Versova which is in the prime area of Andheri, which is having a GDV of Rs. 360 crore; second redevelopment project is Yogi Nagar, which is a redevelopment of four societies in Borivali with the GDV of about Rs. 330 crores; and we've acquired an SRA project in Bhandup where the entire slum has been vacated and we have started the development and construction of the same where the development potential is about 1.7 lakh square feet with the GDV of Rs. 320 crores. This is talking about Mumbai.

When we look at Bangalore, we also have acquired one more project or one more land in Electronic city phase-2 with under a joint development agreement with a value of a GDV of about Rs. 150 odd crores.

So with all of these above, we are progressing great towards our growth trajectory, with all these projects which I just said and plus the other projects which we already have in our kitty, we are looking at Rs. 2,750 crores of sales revenue coming in with the potential of 1.3 million square feet to sell. These projects are being started now or will start soon. Over the next 3-4 years we shall see these projects being completed one by one. These projects firmly demonstrate our growth progress and dedication towards creating value for our stakeholders.

The recent announcement firmly aligns with our goal of achieving 5X as they bolster our portfolio and further our presence in these promising micro markets. We remain resolute in our commitment in achieving Rs. 1,000 crores of sales in FY24, backed by strong sales momentum that has already carried us halfway towards realising our 5X growth vision in H1.

This growth trajectory is anchored in a well-balanced mix of redevelopment, joint ventures, strategic acquisitions and unlocking of potential of our land banks. So, in all fields of development at Ajmera we are progressing well, and we are looking forward for a great year in the coming balance half.

I would now hand it over to our CFO – Mr. Nitin Bavisi who will take you through the performance highlights for the quarter. Thank you.

**Nitin Bavisi:**

Very good evening, ladies and gentlemen. I appreciate your presence and I would like to share some of the key performance highlights before opening the floor for questions and answers and more interactions from both the sides.

In the second quarter FY24 we observed a remarkable 50% plus growth numbers YoY basis in terms of sales area and as well on the value basis. So in terms of sales value, we have clocked the sales of about Rs. 252 crore during the Q2 FY24. Further, we maintain the momentum of our collections as well at Rs. 111 crore in Q2 FY24. The sales growth was primarily driven by the sustained launch momentum of Ajmera Eden and the significant contribution from Manhattan and as well on other ongoing projects as well.

Coming to financial numbers, performance remains stable compared to same period last year due to very high base effect of the last year. Let me clarify upfront that last year similar period Q2 FY23 we had Manhattan as a project which got had the revenue recognition eligibility for the first time. So on YoY basis, the financial numbers are to that extent on a limited purpose is not comparable. So with that clarification, let me dwell down onto the quarter-on-quarter numbers.

On QoQ basis, revenue jumped by 26% to Rs. 148 crore. EBITDA and PBT stood at Rs. 40 crore and 29 crore respectively with EBITDA margin at 27%. We believe that we will be able to maintain this margin levels going forward with well balanced mix of projects company is executing currently. PAT stood at Rs. 23 crore with a 7% jump from Q1 FY24 trailing quarter and with a PAT margin at 15%.

As you all know, one of our ongoing focus areas is to have financial stability. Keeping this in mind, we were able to maintain or rather sustain our debt equity ratio to below 1x since FY24, the financial year when we started. And this particular endeavour is going to be on a continuous basis give and take because of the aggressive business development activity. Weighted average cost on the debt side has been 12.1% marginally higher because of RBI CRR requirements and couple of loans which had the annual reset of the floating rate basis.

We are delighted to report strong revenue visibility of approximately Rs. 4,750 crores encompassing our existing project as well as upcoming launches. In the next 6 to 12 months, projects at advanced age and those for which we have received OC is expected to contribute Rs. 190 crore to our revenue. And our mid stage project portfolio is expected to contribute about Rs. 1,800 crores to our project portfolio on the revenue within the period of about 30 months from here on. The estimated net cash flows from our existing portfolio is expected to be about estimated of Rs. 960 crores, reinforcing our strong financial position and ensuring successful completion and execution of our growth strategy. This robust revenue visibility provides good confidence in our ability to deliver sustained growth and value to all our stakeholders.

With this brief on the financial and the important business highlights, I would like to open the floor for the question and answers and further interactions. Thank you.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Jeevan Patwa from Sahasrar Capital. Please go ahead.

**Jeevan Patwa:** I've just few questions. So during this quarter I think we have handed over some thousand keys. So that revenue should come in Q3. We'll build that revenue in Q3, right?

**Nitin Bavisi:** So basically that particular endeavour was to club few of the projects and to hand over a remarkable number of 1,000 possessions in a given time frame of about 24 hours. So, we pulled our few of the projects like Nucleus, Greenfinity, Sikova and wherein the occupation certificate has been received and we handed over this commendable, and we bolstered this achievement as well.

**Jeevan Patwa:** So that revenue will be booked in Q3?

**Nitin Bavisi:** As we follow the revenue on a progressive basis. So Sikova, Greenfinity projects has already been participating and as well Nucleus participating into revenue cycle as we move forward on the execution.

**Dhaval Ajmera:** So to answer your question, most of it would have been done and we will continue to do so while we have the OC coming or whatever is balance is left.

**Jeevan Patwa :** Well, if I actually look at the numbers for the half year, then in the top line in the bottom line, there has been degrowth actually. So just wondering, is second half going to be much better than the first half?

**Dhaval Ajmera:** So I think to compare year on year is a little challenging in real estate segment because some projects or some segment when we have a great sales and when it has been and while we follow the project completion, progressive recognition for taxation purpose it is different for different projects.

So while we had a great run over Manhattan sales last year and which had a higher volume and higher sales, so that actually gave a great numbers to our books. And while this year it is more on sustained mode and the velocity or the volume of projects which we have announced are not as bigger as compared to Manhattan. Hence, we probably see here and there. But overall, we towards the growth of the project and if you look at the momentum where last year, we were at around total sales of Rs. 800 crore where we are very positive about and looking at Rs. 1,000 odd crores of sales this year. So obviously we are progressing and not moving back.

**Nitin Bavisi:** And just to support your question on the number basis, if you read the slide #14 in the investor presentation, we have already sold position of about Rs. 780 crore and where from the revenue is still unrecognised, so that those revenues is going to be recognised on a progressive basis on the execution of the project. Just to specify a particular project as Mr. Dhaval mentioned about the Manhattan, Rs. 782 crore worth of the sales has clocked into Manhattan out of these Rs. 275 crore worth of the revenue recognised. So Rs. 507 crore of the revenue yet to be recognised based on the presales numbers. So, these kinds of numbers will keep on coming into income statement on the execution and progress of the project.

**Jeevan Patwa:** OK. And is there any big launch in the second half. So are you thinking of launching Manhattan 2 or any other big launch.

**Dhaval Ajmera:** Well, we are planning, we are looking at all things, subject to some approval coming in place, we have a few projects already been tied up. So hopefully if all permissions come in place, we will definitely do some launches.

**Jeevan Patwa:** Perfect. And anything on the repatriation of the money from outside, so we were about to get some Rs. 200-250 crores from outside. So, is there any progress in that or not?

**Dhaval Ajmera:** Nothing as of this quarter or this half of the year, but we are expecting some part of it to come by the balance and majority of it will be coming later part of the next year because of the Bahrain project which is anyway expected in FY24-25.

**Moderator:** The next question is from the line of Ronit Kapoor from Systematics. Please go ahead.

**Ronit Kapoor:** So, I want to know going forward what would be your mix between affordable and luxury housing and mid income be.

**Dhaval Ajmera:** So, it depends on the market to market, but primarily we are focusing a lot with all our current projects which we have, or we've acquired is some are mid-luxury, and some are luxury, but some are also affordable. So, it's a mixed bag but there is no percentage that we will only do 20% of affordable and 50% of mixed luxury or something, but it depends on the project. It depends on the opportunity, and we are not averse to any one thing. But if I really look at Mumbai as a micro market it makes more sense for us to do mid segment and a little luxury as compared to affordable. But if I look at Bangalore as a market, then again over there is also affordable or mid segment to that range which may be Rs. 50-75 lakh bracket which is in a mid-luxury in Bangalore micro market. So overall wherever there is an opportunity, we would look into it and take it forward.

**Ronit Kapoor:** And are you looking to expand into any new micro markets like?

**Dhaval Ajmera:** No, we are currently with whatever projects or what we are conceiving is more into Mumbai, MMR, Bangalore, and Pune.

**Ronit Kapoor:** OK. And in this last question, so a lot of developers have started this development management model that is a service model where they are taking fees. So are you all networking to enter into that.

**Dhaval Ajmera:** Well, we are exploring a few, but nothing has been tied up for now, but it depends on viability, visibility and in a way how it works. But as of now we are not part of it.

**Moderator:** Thank you. The next question is from the line of Dev Ajmera an Investor. Please go ahead.

**Dev Ajmera:** Why is there a delay in the demerger process?

**Nitin Bavisi:** So, typically as we clarified that we are at the last leg, but petition unfortunately is not coming on the board for the hearing. Otherwise, we are very hopeful it's a plain vanilla travel of the assets from the holding company to 100% subsidiary.



So that's the reason. But we are hopeful on the first opportunity we are hopeful of getting this through.

**Moderator:** The next question is from the line of Harish Shah from IShare capital. Please go ahead.

**Harish Shah:** I would just like to know from the management that we are aiming for close to Rs. 1,000 crore sales by FY24. So, could you just help us know that what would be the specific launches, that would be help us to attain those numbers and how would be the growth been seeing in the coming years and any ballpark number for the FY25?

**Nitin Bavisi:** So as we have given the breakup of the inventory available which is about Rs. 1,500 crores of inventory available to sale kind of a thing. So that is going to be definitely the ongoing projects will help us clocking this. Plus, we are very hopeful that kind of experience which we have in about four months, Eden has given us a sales of about 30% plus. So that's the kind of case study or the performance is giving us a good confidence.

So, if you refer the slide 15, we have given the seven projects' launch timelines. So, couple of projects which are into FY24 the Greenfinity, Electronic City II and as well as the Central Mumbai II. So, these are the projects which we expect, and we are on track to have the launch in time and keeping the confidence index high on to the launch velocity of sales. So coupled with the existing inventory of the project portfolio plus these launches which we are already halfway. We should be having the thousand plus cores as we have guided.

**Harish Shah:** OK. And if you can share something about FY25, your goals for that and, any estimation would be also working?

**Nitin Bavisi:** So typically if you read the last two years numbers Rs. 430 crores odd from FY22 we travelled to Rs. 840 crores plus. Now we are giving the Rs. 1,000 crores in FY24, which is our estimation. So that's the kind of base effect on which we are progressing kind of the thing and the launches which are there beyond FY24 which also will be participating as per our list.

Overall Rs. 2,750 crore is the estimation from these 7 projects plus the ongoing inventory of the existing portfolio. So, we are very hopeful of clocking Rs. 1,000 crore and then after the on a higher base of that Rs. 1,000 crores to have the numbers in FY25 as well.

**Harish Shah:** And with regards to our debt, so we I think in H1FY24 there was some marginal increase in that, so if you can clarify the same and what would be your debt reduction plan for the coming couple of years?

**Nitin Bavisi:** Sure. So, if you have noticed the last paragraph on my brief, we have about Rs. 900 plus crores of unlocking cash flow from the existing portfolio, which is having the life cycle of about 30 months as we have given the guidance of the revenue recognition. So that particular operating cash flow is going to help us and if you notice this 7 projects acquisition which are of low Capex except one we have, other six projects which are of the nature of society redevelopment or SRA projects and such kind of a thing which doesn't require the investment upfront.

So, we are keeping our debt management from that standpoint. And yes, it is marginal, from March basis to September, it is just a Rs. 10 crore which we have increased.

**Moderator:** Thank you so much. The next question is from the line of Vignesh Iyer from Sequent Investments. Please go ahead.

**Vignesh Iyer:** Thank you for the opportunity. So, I just wanted to ask we are focused, I mean out of the total business mainly in MMR area of Mumbai as in. So, I just wanted to know with the increase in pollution and the government bringing in strong regulation how has it affected our project? Because recently we heard that a prominent builder in Mulund, they had to close their business for few days as they were issued notice. So could you explain us what regulations, how it is going to pan out because even elections are ending so probably, they were strict, very strict on it.

**Dhaval Ajmera:** So, the government and BMC has already issued us guidelines of to how we have to tackle or look at pollution levels and what do we really need to take as precautions. As a company we were majorly doing that, but however there were few guidelines which have come in. We are already implementing that, and we are trying to maintain whatever best is possible in terms of water fogging, in terms of cleaning the tyres of the trucks before it moves out and covering the entire building with the net into some certain extent and increasing what do you call the peripheral surrounding walls to a different height. So, all that precautions have already been given to us. We are working towards it, and we are ensuring that we follow those guidelines and do not try to stop work.

**Vignesh Iyer:** With respect to the stop work notice that is being sent apparently, they want those 35 feet height in or metal sheets to be erected etc, right or else the notice is coming. So, can you tell me if it is a significant expense that is coming in for all our projects or is very small for all the equipment and whatever is needed for the same?

**Dhaval Ajmera:** Technically speaking, there will be expense coming out. It's not that it is going to be easy task. However, there is a lot of monitoring and uploading to be done which is going to be a little more tedious where we started pulling our team to ensure to do that. There are some AQI monitors, pollution sensor monitors and stuff like that in the water portal mist systems to be provided that all we are doing now we cannot really move away from this and it's a responsibility which has been given to us as developers by the government and in order to ensure that if we can properly provide some bit to reduce the pollution, we should do it and that's what we are doing.

**Vignesh Iyer:** Another question from my side is on part of the revenue booking. So, revenue that booked in P&L, what is our estimate for FY24 and FY25, roughly if you could give us some ballpark number.

**Nitin Bavisi:** So, if you have noticed on the base of FY23 where revenue top line was Rs. 440 crore, we are already at Rs. 261 crore level in the first half. So, on our equation basis like we are ahead of the curve, and we are getting newer projects like Bangalore and few ongoing projects Manhattan and Prive which is the high margin project. So, these are the projects continue to participate into revenue

recognition cycle. So those ones help us to give a good significant jump over the base of about FY23.

**Vignesh Iyer:**

Okay. But Sir, if you could give a number to it may be 15-20% more than what it is in FY23 will be a fair presumption.

**Nitin Bavisi:**

So, progressive accounting, definitely this is the function of the execution of the project. So, as I briefed on the earlier question, we have revenue unrecognised out of the sale position which is Rs. 780 crore. The faster we execute and bring this progressive revenue to income statement would be the earlier business kind of thing.

**Moderator:**

Thank you so much. The next question is from the line of Aditya Sen from Robo Capital. Please go ahead.

**Aditya Sen:**

Sir. In the earlier calls like in the past four or five conference calls, we have been guiding about 30% EBITDA margin. So, are we still sticking around this 30% range?

**Nitin Bavisi:**

So, we are in that range only and let me clarify that EBITDA, for that matter top line right from the revenue up to PAT is always a function of the composition of the projects which are coming into the revenue cycle at given point in time at a reporting date. So that always be the reason year on year is clarified by Mr. Dhaval, it is not that comparable kind of a thing, but we are very hopeful of maintaining our margins to this level.

**Aditya Sen:**

Alright. Also, the previous participant asked about debt. I couldn't get that point. Can you please give any ballpark number with respect to debt servicing in the coming years?

**Nitin Bavisi:**

So basically, we have the debt level which is almost 1X of the debt equity right from FY24, which we have entered and despite having the business development activity. However, six projects out of seven is low Capex or the redevelopment or the SRA wherein you know the investment is not upfront, but it is over period in terms of the corpus and rent and transit accommodation and things of that sort kind of a thing. So those kinds of a thing don't require investment upfront. So that is going to conserve our cash flow, plus on the completion & the fast-track execution and as well on the launch of the new projects which will generate cash flow for us. So those kinds of things will help us on the debt management as well.

**Moderator:**

The next question is from the line of Utkarsh Somaiya an Individual Investor. Please go ahead.

**Utkarsh Somaiya:**

I just wanted to clarify one thing out of your current project portfolio, the revenue potential is Rs. 4,750 crores, am I right? Including all the inventory in different stages of completion.

**Nitin Bavisi:**

So, if you refer to the slide 14, it is Rs. 1,216 crores on the inventory to sell and Rs. 780 crore of the revenue which is on the basis of the already pre-sold position. So, both put together it is a Rs. 2,000 plus crore of the revenue, which is yet to come from the ongoing project portfolio.

**Utkarsh Somaiya:** So, I am looking at slide #21, which says that you've received OC for projects for Rs. 2,000 crores. And potential launches are Rs.2,750 crore, so that sums up to Rs. 4,750 crores.

**Nitin Bavisi:** Yeah, as I clarified that Rs. 190 crore of the sales revenue from the OC received or advanced completion of the project and Rs. 1800 crore of the revenue to from the mid stage project. That's how the breakup of overall Rs. 2,000 crore, which I explained slide 14, and plus we have the sales potential of the launches which is having Rs. 2,750 crore over 7 projects of 1.3 million sq.ft.. So, both put together will have the revenue visibility of Rs. 4,750 crore.

**Utkarsh Somaiya:** And if I'm right, you expect to realise all of this from now until FY28. Right.

**Nitin Bavisi:** So, we are already in FY24 and Rs. 1,800 crores worth of the revenue, which is the largest chunk from the ongoing project portfolio for which we have given the guidance of 2 and half year which is 30 months and Rs. 2,750 crore as Mr. Dhaval explained is the launches having the life cycle of about 3 to maximum 3 and half years, 4 years kind of thing. So that's the kind of timelines on which this entire revenue gets recognised upon sales and execution.

**Utkarsh Somaiya:** So is it fair to say that if you complete all the sales until FY28, you will probably realise around Rs. 1,200 crores of average sales per year may not be in one particular year, but I just mean to say average sales, is that a fair?

**Nitin Bavisi:** Yeah. On a mathematical basis, yes, on the four-year Rs. 4,750 crores. So Rs. 1,200 crore is what you are arriving in the number right?

**Utkarsh Somaiya:** Yes. And since accounting for real estate is different as far as investors are concerned, our presales and collections are what we must focus on instead of looking at the P&L sales, is that right?

**Nitin Bavisi:** Very appreciative. Yes. And that's the reason the sales numbers, which is the guidance of Rs. 1,000 crore and having the sales clocked of Rs. 840 crore on the base of Rs. 430 crore last year kind of a thing. So that gives the good confidence about the yes, revenue will follow into the income statement having sold aggressively.

**Utkarsh Somaiya:** So it would be incorrect to say that if sales have de grown because that is just the P&L and not the pre-sales. Is that right?

**Nitin Bavisi:** So typically, revenue recognition will be having the lag of sales kind of a thing. So, once you have a good performance on the sales side, income statement will definitely follow accordingly.

**Utkarsh Somaiya:** But it can always or be that the income statement follows after one year, right? Or maybe more but if I talk about first half.

**Nitin Bavisi:** Typically not because execution of the project faster, you execute and incur your cost that will accelerate the progress of the measurement of the revenue or the progress of the project and accordingly the revenue gets recognised.

**Moderator:** Thank you so much. The next question is from the line of Mihir Desai from Desai Investments. Please go.

**Mihir Desai:** First of all, I wanted to ask you macro questions. So currently what is your take on redevelopment landscape especially in MMR region? And would you prefer to buy a new land and develop, or redevelopment would be a better option in MMR region. Just wanted your take.

**Dhaval Ajmera:** So primarily our take is that redevelopment is a good opportunity in the city of Mumbai, or the suburb of Mumbai, because where the land costs are really high and honestly there is not too much of land available. So obviously redevelopment is the option. #2 we are not averse to not buying land, but we particularly feel that if we do a JV, JDA or we do a redevelopment where the capital investment is less, we can probably do 4-5 projects versus doing 1 project and buying the entire land. But obviously it depends on opportunity to opportunity while like just giving an example of one we bought a few months back in Vikhroli is an outright buy. We've done a few redevelopments. We've done a slum redevelopment. So, it's on the opportunity and the IRR returns which we feel is great and helps us get a better top line is what we look at.

**Mihir Desai:** Sure, Sir. Are there any projects in pipeline which we are looking or any targets in this segment?

**Dhaval Ajmera:** So, our team is constantly evaluating in different portfolios, be it slum, be it society or be it outright sale, as and how the opportunity unfolds, we probably bring it on the table and make an announcement. But for now, if you really look at this year, we've majorly done most of the acquisitions, I don't think we'll have any more coming in very recent, but otherwise we already have done the acquisitions and now we are also concentrating on getting approvals and getting these projects started.

**Mihir Desai:** Sure. So, for a follow-up question on new launches. So, as we see there are lots of new launches in current quarter and half yearly. But I just wanted to check with you that how much confident are you on executing the projects and delivering it on the expected timelines?

**Dhaval Ajmera:** So, if you really look at our history, we've always been great in execution. We've always had a good record for delivery. Very recently we've also just got, as I said in my brief, that we've got occupation certificate of two of our projects, Ajmera Greenfinity and Sikova, way before the RERA timeline committed, at least on an average nine months to one year before. So, we are very confident with our team and that is when we are making announcements, we make sure that we will be able to execute, and we'll be able to deliver. So that's how we are moving ahead with these projects.

**Moderator:** The next question is from the line of Harish Shah from IShares. Please go ahead.

**Harish Shah:** So, this is again a kind of continuation from the previous participant and a kind of macro outlook on the sector. So, what is your expectation on how would the real estate sector perform in the coming couple of years? Seeing that we have been seeing traction all over the nation in this sector and what are the potential challenges like and how we would be able to mitigate that?

**Dhaval Ajmera:**

So, if you really look at the real estate market has been doing really nice and it has been progressing well over the last 2-3 years post COVID importance of home has always been there and with COVID it just multiplied and it made multi fold interest in different sectors of people, be young aspirants, be it mid aged or be it old. Everyone is looking at larger apartments. Everyone is looking at good apartments with amenities, people's expectation for spending have also been increased.

People are spending good amount of money in their day-to-day life. So overall, the economy is doing well. If you really look at the world economy, which is suffering from some of the other wars here and there, but still India is progressing well and because of its current or inherited growth or inheritance requirements. And our take is the real estate market will continue to grow. The market is looking buoyant at least next few years, definitely looks good. There may not be great price hikes which is okay and understandable.

But if the momentum continues, I think it is a very good sign. The government is also helping it well. The only problem which we foresee, and we really hope the government does not take such kind of steps, is maintaining the interest rates at these levels are probably reducing it from what it is. I think if that continues, this momentum will continue to grow. And overall I think I really don't see too much of an oversupply coming in. But if the infrastructure projects which are moving around in major cities like Mumbai and Bangalore or other cities or where wherever I think they are progressing well. If this continue, I think overall the progress of the nation and those cities will grow and with that, real estate will definitely take the momentum.

**Harish Shah:**

So just one continuation, you just mentioned that if the interest rates support remain stagnant or decline a bit this would add momentum to the current growth that is what you mentioned.

**Dhaval Ajmera:**

Yes, definitely. The momentum will continue if there is a decline in interest rate, obviously liquidity will be there in the market, which will boost up the sales is what our feeling is, but definitely with the current state, even if it's being stable, I think there has been a steady progress.

**Moderator:**

Thank you so much. As there is no further question, I now hand the conference over to Mr. Nitin Bavisi for closing comments.

**Nitin Bavisi:**

Thank you everybody, I would like to express my sincere appreciation for your interest and taking out time for joining us and hearing our credentials and we look forward to any further questions or interaction which you have to our IR team or to EY our Investor Relations consultant and we look forward to interacting with you all and till then I wish very good greetings for the upcoming festivity season and stay safe. Stay happy. Thank you.

**Moderator:**

Thank you so much on behalf of Ajmera Reality & Infra India Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.