Ajmera Realty & Infra India Limited

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AJMERA
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Sub: Transcript of the Earnings Call

Sir,

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 19th May, 2022 on the Audited Financial Results (Standalone and Consolidate) of the Company for the Fourth Quarter and Financial Year ended March 31, 2022.

Kindly take the same on record.

Thanking You.

Yours faithfully,

For AJMERA REALTY & INFRA INDIA LIMITED

VINIT TANNA
COMPANY SECRETARY & COMPLIANCE OFFICER
A50504

Encl.: As above

Ajmera Realty & Infra India Limited
Q4 FY22 Earnings Conference Call
May 19, 2022

Moderator: Ladies and gentlemen, good afternoon and welcome to Ajmera Realty & Infra India Limited Q4 FY22 Earnings Conference Call. We have with us today, Mr. Dhaval Ajmera, the Director of the company and Mr. Nitin Bavisi, the Chief Financial Officer. Please note, all the 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 the 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. Nitin Bavisi, the Chief Financial Officer, Ajmera Realty & Infra India Limited. Thank you and over to you, sir.

Nitin Bavisi: Thank you ma'am. Good evening everyone. We hope all of you and your loved ones are safe and in good health. I thank you for joining us today on the conference call of Ajmera Realty & Infra India Limited to discuss company's results for the Q4 FY22. We would like to begin the call with brief opening remarks from the management followed by Q&A session.

Before we begin, I would like to state that some of the statements in today's discussion may be forward-looking in nature reflecting our future outlook and they involve certain risks and uncertainties the company may face. The investor presentation based on the financial results adopted by the board has been uploaded on the stock exchange website and can also be downloaded from the website of the company. I would like to now invite our Director, Mr. Dhaval Ajmera to begin the proceedings of this call. Over to Mr. Dhaval.

Dhaval Ajmera: Thank you Mr. Bavisi. Good afternoon everyone. I hope everyone is safe and sound. As we all know that we are here for the Q4 FY22 earnings call, firstly a big thank you and warm welcome to all of you for joining this call. We as Indians have seen a quiet and eventful year this FY22. As resilient we were, we got through this pandemic and while we were just coping up, we came through the hit of this geopolitical situation which is happening all around because of the Russian invasion of Ukraine. Primarily for us as real estate, this has given us probably a hope it is temporarily effect in terms of the supply chain disruptions, the crude oil prices which has gone up and obviously there has been a direct and indirect impact on the economies across the world.

While the COVID was responsible I would say for people to realize the importance of home and definitely its preference towards real estate to investors, buyers and everybody in India has definitely moved ahead and we can see that, over the amount of sales happening all across

India, be it affordable housing, be it villa plot, be it just a plot or a bigger house, everywhere, overall there has been a good growth. Home ownership has been top priority stated amongst the home buyers with housing demand shifting from whoever had probably a bedroom, they want to expand, so even if I have one bedroom, I would want to go to two, if I have two, I would like to go to three, etc., so we have seen that kind of demand growing and this is becoming a long-term investment asset.

With obviously the introduction of hybrid culture, work from home and now slowly moving back to offices also has been the culture which has coming in. We are seeing a good demand coming up even in the commercial space and overall with the kind of the economic impact and economic growth in India which is happening I think overall demand for offices also is looking positive in the coming years. The sector has also seen and benefited from the decade low interest rates which obviously over the last few months or the last few weeks, we had seen it increasing and we just hope this momentum continues and the government, I know it is a very difficult task, but if this interest rate continues, obviously it brings big momentum within the minds of the buyer, which actually impacts the overall significant sales in real estate which indirectly or directly contributes to 280 other industries. So overall, I think real estate plays a big role and we just hope that this impact is not as large and probably doing a further dent into the demand. Overall, as I said we see a great demand even from luxury, to affordable, to mid segment, every other segments of houses, we are seeing a good demand coming and even in the office sector. I would also like to mention a few highlights about the union budget which has also been optimistic for real estate although indirectly and not directly, but it gave an emphasis and overall benefit about the urban development allocating about Rs. 48,000 crores for the affordable housing and also ensuring that we have a control on the steel prices by reducing the antidumping duty, so we have seen that government is pro real estate and we just hope that more measures be taken to make this demand better.

Now, coming to our projects, I am very proud to say that a lot of our projects which were as of last year or during the year which were under construction has moved towards the OC stage. Primarily, one of our projects being Ajmera Greenfinity at Wadala and Mumbai has showcased ahead of scheduled execution of 22 storey superstructure which got completed in a span of just 14 months. Our commercial project, Sikova in Ghatkopar has also witnessed a great sale of about more than 50% of boutique offices of about 400 odd offices, we have seen 200 already been sold and that too given this pandemic period. From all the existing projects and estimated balance revenue is expected to be ~Rs. 800 odd crores.

As a move towards our 5x growth which we have announced and where we all as a team, everyone from management to our entire team is working rigorously day and night to envision and make our vision come true, a dream come true, we plan to launch 5 projects in Mumbai and one in Bangalore during the coming years of FY23 and 24. This will give us a total potential revenue of Rs. 4,000 plus crores with an estimated salable area of ~2.8 million square feet. Thus the total revenue from the existing plus the new launches will be in the tune of ~Rs. 4,800 crores in the next 3 to 5 years. We are also aggressively looking at inorganic growth within our company by doing some JV/JD and are in very advanced stages and we hope to have some few announcement and tie ups in the coming quarter. Also, in this direction to achieve 5x, we are delighted to inform you that we have progressed well in one of our flagship projects known as Ajmera Manhattan which is part of our 100 acres master layout development in Ajmera I-Land in Wadala.

Over the last decade, in this project at Ajmera I-Land we have done sales worth ~Rs. 2,000 crores with an estimated sales area of 1.3 million square feet. We have delivered Ajmera Aeon, Zeon and Treon and now Manhattan is progressing faster and already construction activities have started and very recently we have also launched this project. This project is complete in terms of all aspects be it permissions, be it approvals, be it environmental clearances and obviously with all of this the construction is going on in full swing. Other projects also where we are, just about to start in Juhu, Mumbai where we had acquired the high-end residential redevelopment project which has the topline of ~Rs. 150 crores. We are happy to say that all the tenants of that project has been vacated and the building is already under demolishing stage where we hope to start construction of the same in the next 2 months.

Also, our commercial project in Bangalore known as Ajmera Nucleus is almost ready which will give us great generation of revenues over the coming quarters because we moved our strategy from rental base to sale model, unlocking its value and bringing up our revenues by Rs. 100+ crores from that project which we hope to realize in the coming quarters. While we acknowledge our business activity, we had not forgotten our environmental activities our responsibilities towards the same in society. As Ajmera, we have been involved in various ESG activities such as our contribution to water management program, benefiting the entire population of about 2 villages within Maharashtra, improving nutritional status of malnourished children, providing education and medical assistance to name a few. Property price rise has been inevitable because of the rising inflationary trends which we see in the raw materials like steel, cement, etc., and we are seeing that there has been a lot of pressure from the input cost, this will affect and have an impact of incremental prices which we will see in the coming quarters for our project because the cost price increasing is inevitable. However, we don't see this momentum because of this price hike a bit low because overall inherently there is a good demand for real estate and I see this probably would be a temporary bid, but overall the demand is quite positive and we are looking at a great run in this coming year. I would like to thank all of our shareholders and everyone who is here, who have supported us and been with us all this while we are in our journey for this 5x growth in the coming year and we hope to see great results coming forward. I would now like to hand over the conference to our CFO, Mr. Nitin Bavisi to share with you the performance highlights and the financial highlights of this quarter and the year. Over to you, Mr. Nitin.

Nitin Bavisi: Thank you Mr. Dhaval. I would like to now take you through the operational and financial performance for the financial year and as well as the fourth quarter ending March 22. I will begin with the operational performance first. We sold 344 units, sale value of around Rs. 431 crores, admeasuring 3,45,000 plus square feet for the year ended 31st March 22. We collected Rs. 394 crores during this particular year and the average realization per square feet remained Rs. 12,400 plus per square feet.

In terms of our performance for the quarter ending March quarter, which is Q4 FY22, we sold 128 units with a sale value of Rs. 122 crores which is an increase of 12% on QoQ basis. The volume of area sold is 90,000 plus square feet which is an improvement of 4% over the previous quarter. Our collection remained stable during this particular quarter as well, Rs. 93 crores which is an increase of 11% on QoQ basis. Average realization increased Rs. 13,400 plus per square feet improving about 8% on a sequential quarter from ~Rs. 12,400 on a QoQ basis.

So now, coming to financial performance for the full year FY22, our revenue stood at Rs. 489 crores which is 39% jump on a YoY basis. Our EBITDA stood at Rs. 123 crores and EBITDA margin remained at 25%. PBT stood at Rs. 62 crores, an improvement of 51% while PAT stood at Rs. 45 crores which is also an improvement of 50% on a YoY basis. The PBT margin stood at 13% and PAT margin at 9%.

Coming to the quarter numbers for Q4 FY22, the revenue stood at Rs. 184 crores which is a massive jump of 130% on a YoY basis and 162% higher on a QoQ basis. EBITDA also has a very significant increase, Rs. 43 crores, an increase of 64% on YoY and 103% on a QoQ basis. Our PBT stood at Rs. 20 crores which is an improvement of 21% on YoY and 51% on QoQ basis. PAT which is the last indicator which is at Rs. 14 crores which is an improvement of 12% on YoY basis and 44% on QoQ. Along with the traction in the financial metrics, as I have mentioned, we also have a good traction in the average sale price realization which is also more than about Rs. 1,000 per square feet in both YoY and QoQ number basis. The EBITDA margin stood at 23% and PBT margin at 11% and PAT margin at 8%.

In our endeavor to bring furthermore efficiency on the secured debt side also, in the Q4, we have reduced our debt by ~Rs. 56 crores due to good momentum in our sales and collections front. As mentioned in the last quarter, our project level debt has increased due to frontloaded cost of approval payments which we paid by December 31st as a deadline which was the available concession of the 50% basis. The weighted average cost of debt also has come down which is 11.2% as compared to 12% as on last year FY21, and this is despite the rate increase by the lenders during last period in the financial year FY22. Our net debt equity ratio stood at 1.14:1 in FY22 compared to last year, 1.08:1. We have strong visibility of ~Rs. 800 crores plus from our existing portfolio which is from the ongoing projects. From our advanced stage projects, we do have the balance sold inventory revenue available which is Rs. 5 crores and balance of unsold inventory revenue which is at Rs. 161 crores. From our mid-stage projects, the balance of sold and unsold inventory revenue is Rs. 158 crores and Rs. 495 crores respectively. Ahead of schedule executed Greenfinity project and also the commercial project which is our Sikova project as Mr. Dhaval mentioned in the opening note, so both these projects have progressed well during this execution time. I am happy to share that Sikova project became the revenue recognition eligible project during Q4 FY22.

We have further enhanced our advanced stage project revenue visibility by moving commercial project development, which is Nucleus project at Bangalore, which initially we thought of annuity-based asset to retain into the balance sheet. However, now given the kind of indications which is post COVID and with the hiring trends and the office space reopening kind of a thing, we feel that the outright sell indications and the serious enquiries will fetch us good cash flow generation out of this particular sales. We have the balance receivables from existing portfolio which is Rs. 262 crores and the estimated unsold inventory value is Rs. 655 crores and balance cost to complete this ongoing project is ~Rs. 460 crores and outstanding debt of Rs. 107 crores on this portfolio. This leaves us an estimated surplus cash flow of Rs. 340 crores plus out of the existing portfolio. We will continue to work on further improving our performance in the coming quarters and in conjunction with our growth plans. On this note, I would like to conclude my remarks and would like to open the session for the Q&A, please.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Meet Desai from Desai Investments. Please go ahead.

Meet Desai: Sir, I had couple of questions, starting with, I see there is no change in completion percentage in Bangalore projects, Florenza and Lugaano, can you throw some light on this?

Nitin Bavisi: So Florenza and Lugaano is the projects where we have A, B wing which is under construction and C and D wing which has also just started , and we are contemplating to refinance the entire project through our A, B, C and D wing all put together and they have just moved this project from the revenue model with the landlord arrangement to area sale model, so that is how that particular project is going to see the entire A, B, C, and D wing at the project and start the revenue recognition based on the entire enhanced footprint of the project. That is how the numbers have remained at what it is.

Meet Desai: So this completion percentage should increase from Q1, is what the understanding is correct?

Nitin Bavisi: The reconfiguration of the A, B, C and D as a project to go under the POCM method will definitely change the entire dynamics of the project completion percentage and then accordingly based on the revised enhanced project level, it would be undergoing the change and accordingly given the A, B, C and D wing, all four put together will be the POCM as per the revenue process.

Meet Desai: Sir, my next question is, how do you see the increasing competition in Mumbai sir, now that we are seeing players like Prestige Group entering in Mumbai, so what is your take on this, sir?

Dhaval Ajmera: See, basically any competition is healthy and our belief is that real estate now is going to be a lot into projects and developers who have already shown development and project delivered, so while we at Ajmera have delivered 45,000 homes and we have been established in this area and in this field of construction over the last 52 years. We are fairly confident in terms of the demand which is coming, so even that can be seen in projects where we are today. So just to give you an example like area like Wadala, although there is maximum amount of competition in and around, but we see a good demand coming and in the recent Manhattan launch, there has been a good traction of sales and enquiries coming in. So this in fact shows the impact of the brand which has been in this project or it is seen since the long time and showing results.

Moderator: Thank you. We take the next question from the line of Ankita Mehta from RC Capital. Please go ahead.

Ankita Mehta: I have a couple of questions, I just wanted to know about the margins, margins have gone in a lower end this time, so just assuming that inflationary pressure was there, so like, I just wanted to know what are the other reasons that could be there for this and would this be the further play for lower margins or how are this bouncing back from there and is there any strategy that the management is taking for this?

Nitin Bavisi: So firstly, I will give basis the numbers, we have sequentially from Q3 versus Q2 and as well Q4 versus Q3 in FY22, we have the per square feet realization which has gone up ~ 5% and as well ~8% in the last quarter. So that has remained kind of given us some kind of a support, however, the inflationary pressure because we are on the fast track execution of all our projects, be it advanced stage to bring it back to almost at OC stage or the case study like Greenfinity which is a very super-fast track, like 22 storey completion in 14 months. So significant part of the cost and the execution time remained in FY22, so is the case with Sikova because that particular project also seen fast track execution and almost now 90% of the superstructure is completed by around March FY22. So good amount of cost has gone into the spending side and as we know that good amount of the time in this financial year where the inflationary pressure has always been putting good amount of challenging environment for the real estate as such, however, since we have gone ahead with the fast track execution, those ones we believe that we have witnessed those challenges and we could witness the price increase and hence almost the PAT level kind of a thing, that margin has remained almost ~9%, so going forward if the inflationary pressure still remains and sustainable kind of a thing as Mr. Dhaval mentioned in the opening note, we do have to further go under the price increase as a path.

Ankita Mehta: The total unsold inventory that is there from all the projects?

Nitin Bavisi: So in terms of all the projects unsold inventory, we have value of about Rs. 655 crores as I was mentioning regarding the existing project portfolio, so that is the total valuation about the unsold inventory as well the balance revenue to come into the income statement.

Ankita Mehta: And sir, just last question, I wanted to check your status on the demerger, it has been a while it is still pending, so is there any update on it or have you expected any movement on that too?

Nitin Bavisi: Yes, there is quite a significant update that during this FY22, we await the shareholders approval which was the last stage at which the approval required and now the final petition is at the NCLT level and last couple of hearings we could not have the hearing or the petition came on board kind of a thing, so we are also awaiting to have the petition hearing and take the demerger process completion by way of NCLT which is the final stage of the approval.

Moderator: Thank you. We take the next question from the line of Aditya Mehta from Dynamic Investments. Please go ahead.

Aditya Mehta: Sir, I had few questions, so first one I have on the Manhattan projects, it would be really helpful if you could share some details on Ajmera Manhattan project and would also like to know what are your expectations for the revenue recognition and the sales velocity for this project?

Dhaval Ajmera: As far as Ajmera Manhattan is concerned, this is a residential 3-4 BHK in Wadala which we have started, over at the topline of this, we see in the range of around Rs. 1,400 to Rs. 1,500 crores and the work of the same has already as I said in terms of permissions, approvals, environment out of that are being secured and the work is already started. So we are hopeful to finish the construction of this 3.5 to 4 years, and while we just launched this project about 2-3 weeks ago and there has been a good traction in terms of sales and we hope to see great numbers coming in the coming quarters which we are very confident and it will be really like, I am just waiting for the final check to be summarizing already deposit on our way, but the numbers are looking very encouraging.

Nitin Bavisi: Just to add on to your question, the second part about the revenue visibility or revenue recognition visibility on to that, so as you know that this particular project was also part of the project where we paid this approval cost by December 31st, so significant part of the cost which is on the account of approval which has already been paid upfront kind of a thing, and as we know that POCM follows the cost incurred versus the total budget, so having spent good amount of frontloaded cost on approvals and as well further execution cost which we are going to incur because I have entire financial closure available on this particular project which is also at a competitive pricing of about sub 10% in terms of the cost of debt. So given the initial response on the sales side is also very buoyant, so given all the factors, we will go completely fast track on the execution and bring this particular project on the revenue on a very ASAP basis.

Aditya Mehta: Sir and my next question is, it would be really helpful if you could share some details on the Ghatkopar project as it is mentioned it will be launched in December 22 if I am not wrong?

Nitin Bavisi: That particular project which is under acquisition and we have almost completed the entire documentation stage of that particular project because there is a blended like, while acquisition because of the MHADA NOC and such procedures involved into that, so where we got completion of that particular thing as we speak now. So we should be coming back and announcing the launch of that project very soon and also this project has the credential of the first private equity bill closing also simultaneously while we are acquiring.

Aditya Mehta: And sir, my last question, if I can squeeze in one, with the current rising input cost, what is your take on the same, as in have you planned as we have already hiked the prices due to this?

Dhaval Ajmera: Yes, we have already hiked the prices because the current input cost is evidently we all can see that it is increasing and it would be having a bigger impact in our margin and obviously the input costs have been drastically increasing in terms of our steel, cement, etc., everything, so we are increasing the prices as and how where we can see, but definitely it is in the range of 8 to 10%, but depending on project to project, but overall if you see there has been an incremental and we hope that these prices don't increase further because cost of construction is becoming a little expensive and we hope that it will be sustaining, coming to the sustenance level in the coming quarter.

Moderator: Thank you. We take the next question from the line of Mr. Jeevan Patwa from Sahasrar Capital. Please go ahead.

Jeevan Patwa: Dhaval bhai, actually only one question I have, so can you just give the breakup of the cost in the Manhattan project, so how much you expect the construction cost would be in the Manhattan? Per square feet cost I am asking?

Dhaval Ajmera: Per square feet cost only purely construction I have to say because we have the residential area to livable area versus the non-livable area is almost 1:1.5, in terms of podium etc. and all of that. So if I look at these total area of construction or the total area which is ~13 lakh square feet, it will be ~4000 to 4500.

Nitin Bavisi: On a salable basis, it is ~6000 plus.

Jeevan Patwa: And if you have to load the approval cost and everything on that done?

Nitin Bavisi: There are different cost components as I mentioned the sub 10% finance cost, so important components is that being the approval cost which we have paid upfront under the 50% concession scheme kind of a thing and plus there would be selling and marketing because of the overall kind of marketing.

Jeevan Patwa: I am not asking about selling and marketing cost, I am asking about if you have to add the approval cost, then how much would be the approval cost per salable?

Dhaval Ajmera: ~2,500.

Moderator: Thank you. We take the next question from the line of Mr. Jayant Menon. Please go ahead.

Jayant Menon: Since we all have been speaking about Manhattan, I just wanted to understand what kind of sale visibility do you envisage in the coming year from the project because this seems like a larger project in the portfolio and this is officially launched, so just wanted to understand on that?

Dhaval Ajmera: We are looking at, as usually the real estate cycle we have experienced that it seems that there has been launch phase and then there is the sustenance phase and then there is again a relaunch or other jump which will come to take the project ahead. While we are in the launched phase, we are expecting this to have at least 20% to 25% of our sales to happen in the next the launch phase over the next one quarter or something like that. Then it will move onto the sustained phase, but we are seeing this 20-25% jump coming and then probably it will be a sustenance phase for the next 2 years which will continue with the cash flows coming in and the sales happening at the same time, so that is where we are targeting today.

Jayant Menon: I will just take one more question, since you spoke ~25% and the estimated topline was ~Rs.1500 crores so assuming that there is a sales visibility of say Rs. 350 to 400 crores from this project, the presentation talks about Rs. 650 crores of visibility from your existing projects which are in the mid stage and then it also talked about the few launches, so just on an overall basis, what kind of number is the management targeting on sales over the next 12-month period, are we looking at a 4-digit number?

Nitin Bavisi: Very interesting question, as you rightly mapped, Manhattan is going to give the good jump on the launch and as well on the sustainable basis on the balanced part of the financial year. Another project which is the Nucleus commercial which we have brought in into outright sale model which is also Rs. 100 plus crores going to be sale revenue and this project has reached to OC stage project and few of the projects where we have marginal inventory which is going to be sold out during immediate basis kind of a thing in this FY23. Also, Greenfinity and Sikova as I explained the project has almost gone into the superstructure completion on the Greenfinity, and Sikova also almost 90% superstructure completion. So we are targeting to complete these two projects also during the FY23. So all these summation put together like existing inventory, Nucleus Commercial, Manhattan launch plus sustainable sales during the FY23 and this Greenfinity and Sikova balance inventory because of the execution way ahead of the schedule. So we are very confident that we should be surpassing this number which you have put forward as the aspiration.

Moderator: Thank you. We take the next question from the line of Mr. Varun, an Individual Investor. Please go ahead.

Varun: I have just one question, this is regarding your new launches that are coming up over the next couple of years that is where you have projected a revenue of close to around Rs. 4,000 crores, there was an investor earlier like who had asked about the construction and the approval related cost on Manhattan and I think you had roughly guided to around 7,000 to 7,500 on the total area, so since most of your new projects are in Bombay, wanted to get a sense that would this be the rough cost range for the entire portfolio or the new launches like around 7,000-7,500 including our approval cost on the total area?

Dhaval Ajmera: No, it will be different. So basically if I have to see because every project is in a different area, in case our approval costs are linked to the ready reckoner rate of a particular area or town, but if I have to look at different projects and different areas, this 2,500 is going to salable because if I convert it into carpet it will come to about roughly Rs. 4,000. To answer your question, if I have to say the range, if I look carpet to carpet basis, it will be between 3,000 to 5,000, but obviously it depends if I am in different cities where the ready reckoners rates are higher, it will be little higher.

Varun: So this is 3,000 to 5,000 on the salable area or on the total area that you are talking about?

Dhaval Ajmera: On the carpet area.

Varun: That will be like, I would say like roughly it will be close to two times your salable area, right and plus, minus if I have to?

Dhaval Ajmera: It will be lower, carpet areas are usually lower because this is construction area as I said is higher, it is 1:1.5 times, so the construction area is higher versus the carpet area which I am saying. Usually if I have to give an example in Manhattan, your carpet area versus your construction area ; if 1 is my carpet area, my construction area is 1.5 plus. 1 plus 1.5, so it is 2.5. So construction area is higher than the carpet area.

Varun: So what you have denoted in your presentation as the salable area, so that is the carpet area or?

Dhaval Ajmera: That is the carpet area, certain areas, it is a different angle we used in different places, so Bangalore is a salable area, Bombay is a carpet area, it is different for different but it is almost on the same line, what we are saying is it is basis the carpet area.

Varun: So this 3000 to 5000 is including your construction cost and your approval and development cost, right?

Dhaval Ajmera: It is the purely approval cost.

Varun: And your construction cost would be, that would be standard, that I am assuming would be close to around like 5000 or something basically?

Dhaval Ajmera: Over, little over 5000.

Moderator: Thank you. We take the next question from the line of Shashank from Value Educator. Please go ahead.

Shashank: I have two questions, so first if you can give some update about our Kanjurmarg like any future guidance or like from when we can like monetize this plan or anything on a legal front, so that would be my first question?

Dhaval Ajmera: Kanjurmarg is in the beginning process, while we are at it what we need to do, but there are certain government and the judiciary purposes which are not in our hand, but we expect this to get cleared and happening over this financial year and hoping to launch soon, but in my best estimate, it should be this year or probably next year somewhere around.

Shashank: And my second question is any update from the international projects, are we expecting anything in this financial year 2023, any revenues?

Nitin Bavisi: Yes, we do expect from the UK market as we have been guiding that market is where the sale traction happens when almost ready to move in stage of the inventory and the project, so which is the stage at which we have almost reached to and we are saying the sales traction, we should be looking at the repatriation from the UK market somewhere between 1 or max 2 quarters within this financial year and then after sequentially on a monthly or such kind of a basis.

Shashank: Sir, total, any number can you guide us like for the whole year on the international front, how much revenue are we expecting, any ballpark number if you can?

Nitin Bavisi: So from UK market, as we have been saying that that is the matter and the sales traction and the cash flow from the sales kind of a thing, but conservatively speaking we should be getting at least Rs. 80 crores plus kind of a thing from the UK market and as well on the Bahrain, as we have exited that project last year and we do have the inventory entitlement which is about 10,268 square meter which is going to be constructed because it is an under-construction property as of now, so the sale of inventory and as well the construction will be timelines will be about 2.5-3 years.

Moderator: Thank you. We take the next question from the line of Gaurav Sharda from VB Advisors. Please go ahead.

Gaurav Sarda: Sir, my first question is on the Bangalore Nucleus project, since you mentioned that you have moved this project from cash flow generating revenue model to an outright sale model, can you share some light on that?

Nitin Bavisi: Basically, this is about 1,27,000 or 1,30,000 square feet area project and which is we have sales potential of about Rs. 100 plus crores which is going to be expected out of this particular sales of Nucleus Commercial project.

Gaurav Sarda: And my second question is related to your Pune project Market Yard, so you have mentioned that estimated revenue is around Rs. 340 crores, so is it the total revenue of the project or the share of Ajmera?

Nitin Bavisi: This is the total revenue of the project kind of a thing and we do have the share of 23% into it, so that is how the stake is going to be calculated based on the revenue recognition.

Gaurav Sarda: And one last question, what would be your visibility on the existing portfolio, in terms of timelines, what are you expecting for the same?

Nitin Bavisi: So as we spoke all the advanced stage project has been brought to OC, so those once the marginal inventory left out is going to be the sold out on an immediate basis. The mid-stage project which is where Greenfinity and Sikova where the execution has reached very ahead of its schedule, so those projects also we do expect to complete in fast-track basis and complete with delivery in FY23 basis and few of the projects like Nucleus C wing which is the second part of the Bangalore project and as well as Florenza and Lugaano project in Bangalore, so those ones will be the life cycle of about 2.5-3 years.

Gaurav Sarda: And do we see any delay in any of these projects?

Nitin Bavisi: No, in fact on the A and B wing, we have brought in this particular project to a OC stage along with the commercial development and as well on the Lugaano side as I explained, the entire arrangement which has undergone change with the landlord and as well we are going to enhance the entire project base from A and B wing along to A, B, C, and D. so that is how the entire execution of this A, B, C, and D will be taken care of.

Moderator: Thank you. We take the next question from the line of Mayuri Sinha from LKP Securities. Please go ahead.

Mayuri Sinha: We are seeing that commercial projects on the portfolio are increasing, so what is the expected mix between residential and commercial sales in 2 or 3 years down the line?

Dhaval Ajmera: You are right, we are slowly increasing our commercial portfolio, but there is no such thing. But from what we intent to do is that at least rise it to minimum 10 – 15% or at least 20% and going forward to about one third. That is where we intent to make it forward in the coming future once we have all lines coming in. The commercial projects are primarily depending upon the location of the project of the plot and its demand supply analysis, but overall we see this is increasing to about 20% to 30%.

Mayuri Sinha: What is your take on ESG and have you published any ESG or sustainability report?

Nitin Bavisi: As I mentioned in the investor presentation also on all the three fronts of ESG, environment, social and governance. From the environment, at the site level we do take care of the environment friendly materials, STP and the solar power, water waste management. At our governance, of course we do take entire thing regarding the governance, SEBI-compliances, dissemination of information, Unpublished Price Sensitive Information (UPSI). Coming to the social side, through our CSR spending we have spent most ~Rs. 31 lakhs in Q4 of FY22 and ~Rs. 94 lakhs during the entire FY22, and the water management program for the two villages and as well taking care of the malnourished children program, woman empowerment, education, medical assistance and free health checkup and other programs of those kind. So on all the three fronts, we do take care of the compliances and as well going above the requirements of the society.

Mayuri Sinha: And one last question if I may ask, are we looking at any strategic partnerships for development opportunities with any of our projects?

Dhaval Ajmera: Primarily, we are looking at any opportunities coming our way, we have brand value and has the value to be overall project and the topline, definitely we are open for strategic partnerships. We are in talks with few as Mr. Nitin said for our Ghatkopar project which we are doing. Having said that in the coming future, if there is an opportunity which is coming which will add value to the topline and the overall salability for the project, we are open to take it forward.

Moderator: Thank you. We take the next question from the line of Vinay Khattar from Edelweisss Financial Services Limited. Please go ahead.

Vinay Khattar: Sir, my question was regarding the sales velocity for first month of the next quarter, if you look at last 4-5 months, especially in Wadala area and will be even in other projects, how do you see the queries and closure of deals, is there some kind of a slowdown that you are witnessing in last 2 months vis-a-vis what it was 4-5 months ago?

Dhaval Ajmera: To answer the question, as I said, we are seeing like, if I have to compare any launches I could simply say that the launches, but overall probably this month because of what you call slowdown in 2-3 factors because of the stock purchase also with vacations around, there has been a bit slowdown, not I would expect it to be there usually in the cases, but as compared to probably January, February, yes I would say May would be a little slow. But if I have to look earlier months, January-February-March was good, April was also good sustainable, probably we are seeing a dip now in May, but there are factors for it and which are taken into consideration, so while probably we should bounce back hopefully by June-July.

Vinay Khattar: So Dhaval, given the overall sentiment portion to the market and in residential market, especially once you look at 8-10% hike which is across the broad phenomena, all companies are close to data because of input cost, so our combined impact of sentiment and price hike to your mind, can that be at some degree of pressure over coming couple of quarters and this is more from an industry perspective is what I would request you to answer?

Dhaval Ajmera: It would have an impact on the pressure for sure because if you see overall everywhere we have seen price hike happening, not only us, but every developer across India, everyone is forced to increase the price, while none of the developers would want to, but it is the external cycles which are forcing it to be done. While I say so at the same time if I look overall there has been overall look at cost hike and also cost of salary, cost of living, everything is going higher, so while I would say this may mitigate to big property, there will be a dip down for a pressure, may be for a certain period, but overall I still see a positive sentiment for home buying So it may, somebody psychologically may see that I may have looked something at an x and today is x+10% or 15%, so it may take the time for it to digest, but overall I still see a positive impact coming.

Vinay Khattar: Second question was just in terms of bookkeeping what is the cash flow that is due from already sold inventory and same number from ongoing project the unsold inventory?

Nitin Bavisi: So if I want to give you the overall existing cash flow position from the existing portfolio, so we do have ~Rs. 260 crores balance receivables out of the existing sales position kind of a thing and as well ~Rs. 650 crores available inventory to sell on a conservative price point. We do have the balance cost to complete ~Rs. 460 crore and the outstanding debt of ~Rs. 107 crores. So that all put together should give us the good chunk of the cash flow Rs. 340 crores plus out of the existing portfolio on the life cycle completion and as well on the sales collection.

Moderator: Thank you. We have the next question from the line of Shashank from Value Educator. Please go ahead.

Shashank: So as we have mentioned in our investor presentation that we have about 18.2 million square feet of land, so out of that how much land do we have in Mumbai specifically if you can share that number, please?

Dhaval Ajmera: So Bombay contributes to about 80-85% of that and there are other areas, but to answer your question, it will be around 80% - 85% of that should be Bombay.

Shashank: And any like further details about the Codename 1 in Mumbai and 2, so what are the locations if you can reveal or give some details about it and when you are planning to launch any quarter or any month if you can share something to? Mumbai Codename 1 and Mumbai Codename 2.

Nitin Bavisi: So Codename Central Mumbai 1 and 2 are the different locations in Mumbai and we are working towards bringing this project to particular stage of the launch and we should be divulging the information as we announce the launch of those projects through corporate governance standards, so definitely we should be coming back and divulging the relevant information in appropriate time.

Moderator: Thank you. As there are no further questions, I now hand the conference over to Mr. Nitin for closing comments.

Nitin Bavisi: I am really thankful to all of the participants for putting us a good set of insightful questions and as well your questions will definitely guide us to improvise further and we have promised we will come back with better numbers and better performance as we move forward. Thank you and till then stay safe, stay happy. Thank you.

Moderator: Thank you. On behalf of Ajmera Realty and Infra India Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

(This document has been edited for readability purpose)

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