

Ajmera Realty & Infra India Limited

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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 26th May, 2021 on the Audited Standalone and Consolidated Financial Results of the Company for the last quarter and financial year ended 31st March. 2021.

Kindly take the same on record.

Thanking You.

Yours faithfully,

For AJMERA REALTY & INFRA INDIA LIMITED

HARSHINI D. AJMERA
COMPLIANCE OFFICER
Encl: As above



AJMERA REALTY & INFRA INDIA LIMITED

Q4-FY21 & FY21 Earnings Conference Call

May 26, 2021

Management: MR.DHAVAL AJMERA - DIRECTOR,

MR. NITIN BAVISI - CHIEF FINANCIAL OFFICER



Moderator: Ladies and gentlemen, Good day and welcome to Ajmera Realty & Infra India Limited Q4 and FY2020-21 Earnings Conference Call. 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. For any unanswered question we request you to write to us on investors@ajmera.com. Kindly note that this conference is being recorded. I now hand the conference over to Ms. Harshini Ajmera – Company Secretary and Compliance Officer of Ajmera Realty & Infra India Limited. Thank you and over to you ma’am.

Harshini Ajmera: Thank you. Good evening everyone and thank you all for joining us today to discuss our company’s earnings conference call for the last quarter and financial year ended 31st March 2021. The financial statement press release and the investor presentation are available in our filing to the stock exchanges as well as on the investor relation section of our website www.aril.co.in.

Today on call we have with us our Director Mr. Dhaval Ajmera and Chief Financial Officer – Mr. Nitin Bavisi. Mr. Dhaval Ajmera and Mr. Nitin Bavisi will give you a brief overview of the financial performance which will be followed by the question-and-answer session.

Before we further proceed kindly note any specific revenue or earning guidance and anything said on this call which reflect our outlook for future, or which can be construed as a forward-looking statements must be reviewed in conjunction with the risks that the company faces. So, now let me invite Mr. Dhaval Ajmera to talk about our results. Thank you over to you Dhaval.



Dhaval Ajmera:

Hi, Good evening everyone. This is Dhaval Ajmera here. Firstly, thank you very much for joining our earnings call for the last quarter 2021 and the year ended 2021. Before I start my presentation and speech I would just hope and pray that all of you are safe and sound in your family and everyone around in your near and dear ones. Obviously this has been a very unprecedented times for our country and the world at large for the pandemic which we all are facing but God has been kind and with the kind of recovery which at least Mumbai and Maharashtra and now slowly all-around India is happening, which is giving us encouraging sign.

So, we feel, and we hope that we continue to fight this COVID in all togetherness and with everyone. While we as our company have been very active in ensuring that we fight this battle of COVID internally and externally. We have setup COVID centers with the help of the municipal corporation of Mumbai in Andheri and also helped a few at Dahisar. And also internally within our organizations, we have made sure that all our employees and workers whoever are working with us have been properly taken care -- a regular RT PCR test and whatever the norms guided by the Government of India and Government of Maharashtra and Ministry of Health has been followed to the T, to ensure that there is no spread of COVID. This has really helped us move in the direction which the company wanted to move. With the migration of labors being installed, we ensure that all our labors which are there today, have been taken care properly with their food, their sanitization and other necessary needs. We have been instrumental and wanting to see that with the new drive of vaccination, we have been requesting the government and I am sure as the things move forward we will ensure that the vaccination drive is also done for all our labors and employees at site and offices.



Coming to our company, I would like to give a small brief about what has been journey so far. Ajmera group has been in this real estate business for over 52 years. It has been struck and it has been stood on very, very knowledgeable and trust commitment and together along with a lot of family values which we believe that has been our core for the growth. The journey has been started as a family-owned enterprise which over the years have grown into venture which is now having 31,000 shareholders and 200 plus employees. We are very proud to say that especially in the region of Mumbai and in and around like Pune, Bangalore, Ahmadabad, Surat, Gujarat we have helped and delivered 45,000 homes to the families in all these cities.

As we speak today, we have delivered more than 3.05 crore square feet of real estate projects, with around 36 lakh square feet of projects which are under advance stages and about 45 lakh square feet of projects which we are sure that we will launch in the coming few years. During this incredible journey the company has done and achieved great milestones be it the largest township of Mumbai and Asia during the 80s that is Mira road of delivering 15,000 apartments or giving the largest garden of Mumbai in a private development and Bhakti Park Udyaan which is handed over to the municipal corporation and also giving being one of the instrumentals to ensure that the IMAX Dome Theater the world largest dome theater has been come to our project. While we focus and we have always been a focus and working towards large township and that has been our forte all these while and our current flagship project that is Ajmera Island at Wadala is one of our core township project which we all are working and working hard on the same.

Apart from Mumbai our presence has expanded in Pune where we have a project about 9 lakh square feet plant, and we also have done good



amount of projects in Ahmedabad and Bangalore and these has been our consistent market and steadily we have been growing in these markets over the last 10 to 15 years specifically in Ahmedabad and Bangalore. The group has also ventured internationally in London where we have about 4 projects and in Bahrain. All of these projects which are under maturity and we will start seeing strong cash flows from these regions coming in the next financial year after that. The aim for us is to continue to solidify our position in the existing market and explore new opportunities and markets as we go along. The real estate industry has been one of the top employers in the country and it gives us a sense of pride to be able to contribute positively to the industry and to the community at large.

Our passion and determination to excel remains as strong today as it was when a company started about 52 years back. From a business perspective all key domestic regions of us like Mumbai, Bangalore, Ahmedabad have recorded healthy sales. This pandemic has assured and given the kind of importance what we require to that home, the importance of home has suddenly been realized by each and every Indian specifically and this has been seen an unprecedented demand for real estate and specifically homes in all over the country and that has been the same witness for us in our projects in all our cities like Pune, Mumbai, Bangalore, Ahmedabad. During this year we are proud that towards the last quarter of 2021, we are proud to announce three projects which we did in the region of Mumbai and Bangalore and the projects is worth about 500 odd crores and we have seen good amount of sales coming from that as well. For further financial details I would now like to invite our CFO Mr. Nitin Bavisi to give more details on the financial figures.



Nitin Bavisi:

Thank you Mr. Ajmera and good evening to everybody. Now I turn to financial performance of the company based on consolidated numbers for FY2021. Our financial performance for FY2021 is a reflection of our commitment of creating value for all our stakeholders. In terms of consolidated numbers, we were able to match our pre COVID pandemic annual numbers. We continued our stride for dealing business even in challenging times that arrive as a result of COVID related lockdowns. Our total revenue for FY2021 stood at Rs. 352 crores as against Rs. 350 crores in FY2020. Along with winning business, we were able to sustain profitability even in difficult times that showcases robustness of our business model. The company reported EBITDA at Rs. 101 crore in FY2021 as compared to Rs. 111 crore in FY2020. Profitability at EBITDA level was impacted due to spike in raw material cost as we all know due to rise in input cost due to commodity price cycle. Our PAT still stood at Rs. 31 crore in FY2021 as compared to Rs. 33 crores in FY2020. Coming to quarter results, the company witnessed revenue at Rs. 80 crore as compared to Rs. 99 crores in Quarter 4 FY2020.

However, on profitability front we have outperformed and that too significantly at all three levels, which is EBITDA at Rs. 26 crore, PBT at Rs. 16 crore and PAT at Rs. 12 crore as against Rs. 22, Rs. 7, and Rs. 4 crores last year same period respectively. On the business front we have further let down good performance. At the sales value front by clocking about 80% jump in sales value from Rs. 339 crores in FY2020 to Rs. 617 crores in FY2021. This is backed by 27% jump in sales velocity in square footage terms from 401,000 SFT in FY2020 to about 509,000 SFT in FY2021. This really demonstrate the clear customer preference for ready to move in inventory and of course with help of stamp duty concession and lower housing loan interest rates basically thank government and regulators for much needed steps for the factor. Very natural consequence of such a buoyant sales numbers translated even



better performance in sales advances. I mean collection from customers which recorded 36% jump from Rs. 382 crores in FY2020 to Rs. 521 crores in FY2021.

Coming to our balance sheet health, we have reduced our total debt in our books which is on a declining trend from Rs. 943 crores as on March 2020 to Rs. 745 crore, it is almost about 200 crore downsizing which we have done in terms of debt which translates to 27% reduction in or debt book. I would like to highlight that we were able to reduce this set far ahead of its schedule repayment due to robust sales and collection during the year. I wish to thank all our financial partners at this point in time for believing in our project portfolio credentials. I am very optimistic about future outlook of the financial performance of the company based on such a robust sales number which may result in revenue recognition over period of time that means progress of the projects. Even on much liner size of debt position now, we believe that we are at much better position to see opportunities business opportunities which comes on our way. As it disclosed from time-to-time the company which is from the main ARIL balance sheet, we have demerged 6.5 acres of commercial undertaking project Wadala into our wholly owned subsidiary Radharaman Dev Ventures Private Limited. We have received SEBI and stock exchange permissions in this regard.

We are in the process of filing our NCLT applications and we await NCLT approvals which is a regulatory process for the demerger. Resultantly the commercial undertaking which is of the size of around 3 million square feet development, will be now going forward post demerger approval will be in the SPV level and as we know real estate operates very smartly at SPV level. So, we believe that it will definitely help us in prospective investor strategic partnership model going forward in this particular project. Lastly, I would like to mention that board of directors



of the company has recommended dividend at Rs. 1.40 paisa per share which is 14% for FY21 similar to that last year as our remote to our shareholders despite challenges of COVID-19. I would now request Mr. Ajmera to give some outlook on our business for the new financial year to medium term period and Debt. Over to Mr. Ajmera.

Dhaval Ajmera:

Ladies and gentlemen, I would like to say only one thing that we as a company are very excited with this great numbers which has happened in the last financial year. We are really looking for a robust FY2022. The management has placed a great deal of importance on what we call the 5 pillars of our growth and for the year FY2022. We are following this to the T, to ensure that we want to achieve and where we want to grow we will definitely be there. Firstly, and foremostly the most important is execution and that is the key mantra in real estate and we at Ajmera, I believe that execution is the key and we will ensure that whatever projects we start we do not stop and we will ensure that we will finish even though pandemic comes, pandemic go, but execution will not stop. As a group the second one is what we see as a group we want to evaluate and acquire new lands and projects which is in the lines of our fundamental principles and the lines what we think is suitable for the project, for the market and for a company at large. So, definitely new acquisitions are in our minds. Debt reduction this is also one of our prime and foremost focus although as a company the debt size may not be that big, but we still feel that we do not want to have we want to reduce our debt to the maximum and this we have demonstrated in this year that even though being a pandemic year even though being lockdowns we still reduce our debt to 27% from what we were last year and we continue to focus to further reduce this in the coming years and to ensure that we have a very healthy cash flow and balance sheet in the coming years.



Also with all these executions and focus on reduction debt, we also aim at launching at least 3 to 4 projects in this FY22 because our belief is that real estate is the future for India and we fundamentally believe that this is the economic driver and we are very proud as a developer that we want to participate in this economic drive of India and we will definitely launch 3 to 4 projects in the coming future and in this year which will be about 1.5 to 1.7 lakh square feet in size wise about this much size in Bangalore, Pune and Mumbai. Lastly, but for mostly sustainability is the mantra for us where we will always be the key aspect for our management outlook and ARIL looks to build a very strong last year improve this year and keep creating long term value for all our stakeholders and customers. We aim and will always wish to sustain and ensure that the right value to our shareholders always come in time.

While we have spoken on our groups growth in numbers and performance we are continuously striving to grow our organization in values and new ways of evolving or keep evolving is what our new philosophy is and we believe in constantly growing towards that and making our company grow and prosper in right directions, along with the fundamental values which was started by our predecessor our family and we continue to do so even now. With all this coming in place we are Ajmera has come up with a new mantra known as “RISE”. Rise is a word which we have looked upon as an internal objective for our company to grow, and growth ladies and gentlemen is going to be our foremost mantra and foremost target to ensure that where our company is today we continue to sustainably grow at manifolds from where we are today, to be one of the foremost real estate developer in the country and specifically in Mumbai where we operate from the last 52 years.



While we say what “RISE” is we have identified each and every word of the word “RISE”. So let us take “R”. “R” is to reinvent the wheel and keep evolving is our key business practices that maybe internal, that maybe technology, that maybe construction, that maybe sales, that maybe anything which helps us get new challenges and new ways to satisfy our stakeholders, to satisfy our customers. We hope to inspire that is the “I” of “RISE” and lead by example in the way we adopt and find ways to thrive in this new world which is evolved after pandemic. “S” is going to be the supply creation which we always want to do that is develop and construct more and more projects in Mumbai, in Bangalore, in Pune, in Ahmedabad in all our micro markets where we are operating maybe internationally also and ensure that our supply chain never stops and our growth will be when we have more real estate projects in our hand. We at Ajmera would like to be the shining “E”, example and exemplified strength of family and unity just as our founders did 50 years ago and we are very proud that we continue to do this even after 50 years this unity stands forever and we will always ensure that because this is our pillar and we will never let it go down.

We are very upbeat that the coming future and has geared up to continue the momentum going ahead. I am confident that even under these circumstances of a low business visibility in the first quarter of financial year 2021-22, we still believe that our numbers going forward in the coming year and even in the quarter one of financial year 2022 will be robust and healthy because of the advance sales and the numbers which we have done already. So, while we do so and while we believe the year looks very promising for us and even though even with all the numbers and everything what we have seen, we see that our at least our advance sales and the unsold inventory stock which we have withstand amount to about Rs. 350 odd crore which we are very sure of clocking it in the financial year 21-22. Beyond that the Rs. 500 crore



project which we launched in the last quarter of last year is also going to give us a great revenues and over and above that the 4 projects which we just told you about 1.5 to 1.6 million square feet which we are going to launch in Mumbai, Pune and Bangalore which also help us in our balance sheet.

So, putting all these three things together we are very sure that our balance sheet is going to have a very significant growth in the coming year and the coming quarters. So, thank you ladies and gentlemen for patiently hearing for us and we hope you all are together with us in this part of our growth and we wish to answer take further question and answers from you. Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. The first question is from the line of Ritesh Sheth from Edelweiss Wealth. Please go ahead.

Ritesh Sheth: So, just trying to look into your inventory pipeline and what if you have in terms of upcoming launches and the landline you have, so current inventory is around Rs. 800 crore is that right?

Dhaval Ajmera: Yeah.

Ritesh Sheth: And what would be the pending receivables from the inventory you have already sold?

Nitin Bavisi: Its Rs. 170 crores kind of a thing which is a balance receivables from the money which we are to receive.

Ritesh Sheth: And what would be the pending construction cost on the project already you have launched?



- Nitin Bavisi:** It depends on the various nature of the project. The ongoing project basket which is at Mumbai and Bangalore, we have around 560 crore worth of balance cost to complete.
- Ritesh Sheth:** And you have a pipeline of around 1.5, 1.6 million square feet to be launched in FY22 apart from that any other land banks you hold that will be up for launch over the next two, three years and what could be the revenue potential for that?
- Dhaval Ajmera:** We at Ajmera's believe in acquiring. We already have the land bank. So, if you go to see at our presentation we have said that we have projects totally into about 5.5 crore square feet wherein which are completed under construction, under planning and future. So, we have around in terms of FSAI point of view we would be having around 1.5 to 1.6 crore square feet of projects to be launched in the near future apart from what we are currently doing.
- Ritesh Sheth:** Okay 1.5, 1.6 crores square feet you are saying?
- Dhaval Ajmera:** Yeah.
- Ritesh Sheth:** And that includes the upcoming 1.5, 1.6 million square feet?
- Dhaval Ajmera:** Over and above that.
- Ritesh Sheth:** And you are also looking at the acquisition, so would it be outright land acquisitions or how are you planning, do you look at JV JDA kind of a model to make it asset like?
- Dhaval Ajmera:** Definitely our priority is JV JDA because asset light and cash inflow is going to be the main mantra. So, priority is going to be JV JDA, but outright it depends on the nature of the land and the proposal coming forward if it is very exciting we will look at taking that, but our main focus would be on JV JDA.



- Ritesh Sheth:** So, what would be your priority in terms of since you have around 750 crore of debt in a balance sheet and you already have quite a huge land bank to be executed which maybe at current phase, I mean gives us the visibility of around 8 to 10 years, so would your priority be to first pay your debt and then look for acquisitions or it will go simultaneously?
- Dhaval Ajmera:** See real estate cycle is always a function of cash flow and when we see it is more of a working capital requirement with most of our debts is more on those lines. So, it will be an ongoing cycle. So it is not that I will first finish off the entire debt and then look at new acquisition. It is going to be an ongoing thing. So, once the project ask the debt is taken care the CFs from that project takes care of the debt and cash flows and everything. So, it always going to be the function for the project to continue taking that and repaying from that as well.
- Ritesh Sheth:** Any schedule repayment up for payment over the next one year or two year, so how should we look at your debt trajectory from here on, will it continue to I mean will you continue to repay over 200 crore of debt year-on-year?
- Nitin Bavisi:** So, that is the traction of you know or rather the function of accelerated sales in the collection which has happened in last financial year. We believe and based on the sales estimate we believe that we will continue this momentum. However as Mr. Ajmera explained it is always the need for working capital and the new launches which are in pipeline those ones will see the construction level or construction finance level debt further on to the project kind of a thing.
- Ritesh Sheth:** So, if I understand correctly most of the debt you have is the working capital kind of a debt used for construction financing nothing on long term debt kind of a number?



- Nitin Bavisi:** We have mix of that, we have construction finance as well as the long term debt which has helped us in creating the good amount of investment and going forward this investments will mature and turned out into a developable projects going forward.
- Moderator:** Thank you. The next question is from the line of Deepak Agarwal from Impetus Advisors. Please go ahead.
- Deepak Agarwal:** Sir, the company has given a Rs. 450 crore of loans to related parties could you please tell us which are the related parties and why has the loan been given?
- Nitin Bavisi:** See I will tell you that real estate typically operates on a SPV and the subsidiary and maybe modern kind of a thing. So, at SPV levels we have few projects and JV levels and associate companies kind of a thing. So, these are the related parties because ultimately the economic interest and the control remains with that of the management kind of a thing. So, these are the transactions which are very at arm length and which is part of the project portfolio as a consolidated balance sheet.
- Deepak Agarwal:** These are to subsidiary or JV in SPVs and you already have stake into your JV and SPV, so they will not appear in consolidated they will not appear, but they are appearing in consolidating balance sheet so that means they are not even associates?
- Nitin Bavisi:** Can you please guide which are the specific ones which you are speaking?
- Deepak Agarwal:** Rs. 464 crore in the balance sheet asset side you have loans which are two related parties, had these been to subsidiary or JV then we will not appear on the consolidated balance sheet. So, they are not to associate JV or SPVs?



- Nitin Bavisi:** As I explained at SPV level these are the project SPVs, asset SPVs kind of a thing so which we carry out this transactions. However, we would be very happy to discuss further operational detailing on this particular aspect offline and you can write to us we are happy to give you the clarification.
- Deepak Agarwal:** 60% of the total loans that you have taken is the big amount how can you not know this, and you want to take it offline. 450 crore you have given to related parties which are neither SPV nor JV nor subsidiary because had it been given to them then they will not appear there and do not charge a single rupee of interest to them, sir there is no interest you are not charging any interest to this amount which is to related parties from where you are not earning anything?
- Dhaval Ajmera:** As I mentioned these are all the business interest which we have created for this asset SPV.
- Deepak Agarwal:** What is your stake in your business interest for SPV what those are?
- Dhaval Ajmera:** Just to explain to you all the money which we have paid is paid to all our subsidiary only which are part of our business. So, these are maybe different projects which we are about to launch or we have paid some land or whatever. So, these are all part of our project which is going to be paid. So, if they had not charged interest or whatever, but it is mostly paid to all our subsidiaries only which where the projects are.....
- Deepak Agarwal:** That is what I am saying it cannot be two subsidiaries if you lend to subsidiary it will not appear on your balance sheet as a loan to them?
- Dhaval Ajmera:** Sorry I did not get you what.
- Deepak Agarwal:** If it is a loan to subsidiary it does not appear on the consolidated balance sheet, while it is appearing on your consolidated balance sheet



- Dhaval Ajmera:** So, but I will get back, but usually this is all the money which we have paid for all our investments in different projects and where we have bought land and we have done so that is where it is.
- Deepak Agarwal:** And I think if you have even 25% stake there then it will appear as an associate and it will not appear in the balance sheet. The fact that it is appearing on the balance sheet that means you have lend to parties where you have less than 25% interest?
- Umesh Bhawsar:** Basically it's the loan, what is your question can you repeat please?
- Deepak Agarwal:** Can you name the parties to whom you have given because Rs. 450 crore is a big amount as compared to your balance sheet can you name a few parties in the larger ones?
- Umesh Bhawsar:** It is basically to all subsidiary. It is our wholly-owned subsidiary we have given the loans.
- Deepak Agarwal:** So, any loan given to wholly owned subsidiaries does not come in the consolidated balance sheet, it gets nullified?
- Umesh Bhawsar:** Yeah, if it is the time for the consolidation it will get nullified.
- Deepak Agarwal:** So, I am looking at consolidated balance sheet it is not nullified every year it appears last year even if I look at your annual report 387 crore is to related parties as a loan. How is it appearing on consolidated balance sheet?
- Umesh Bhawsar:** It does not appear but let me please write to us we will definitely check to it.
- Dhaval Ajmera:** There is some confusion what we are trying to say that these monies which we have given to a related parties of the project are the project which is about to mature or which are about to come.



- Deepak Agarwal:** Sir, can you name a few of them, can you name a 3 or 4 or 5 parties to whom these loans have been given?
- Umesh Bhawsar:** Ajmera it is at Karnataka it is the only one company then there is Ajmera Corporation UK Limited then we have Sana Builders, Sana Pro then we have Ajmera Realty Ventures Private Limited, Ajmera Realcon Private Limited.
- Deepak Agarwal:** Sir, these are wholly owned subsidiary and I failed to understand how they appear in the balance sheet okay I will take it offline.
- Moderator:** Thank you. The next question is from the line of Samar Singh from CDS Capital. Please go ahead.
- Samar Singh:** **Thank you for the opportunity.** Can you please tell me what exactly is this demerger with just demerger 6.5 acres of land or is there some construction on it as well and why is this tax efficient as you mentioned in your presentation?
- Nitin Bavisi:** It is a 6.5 acre of land the potential development will be around square feet of commercial development on this particular thing and Wadala being known for its residential township project and this particular carved out to wholly owned subsidiary through a demerger arrangement is because at SPV level we will be able to focus on this project, bring the strategic investor or the partners and help us into unlocking the value into this particular land development which is a commercial nature and as we know that commercial development is also have the potential of going down to the level of retaining the asset through least models and such kind of a thing. So, we are exploring all the possible unlocking and value enriching options in this particular development.
- Samar Singh:** Is there any construction ongoing right now or right now it is just?



- Dhaval Ajmera:** No, there is no construction which is going on right now it is just a land as how it stands. So, the whole idea for doing this is because we believe that Wadala in Mumbai per se is going to be the most developed and is going to be hottest suburb of Mumbai. Primarily being all the infrastructure facilities which are available for the city of Mumbai are available in Wadala today be it Monorail, be it metro, be it freeway, be it Sewri Nhava Sheva link road, be it the BKC connector everything. So, unlocking that value of that land to the right time and the right value is very important. So, we believe that the future at Wadala there will be as government of Maharashtra also is bringing up like BKC 2 in Wadala. We believe that to have a nice commercial path which can be an annuity income for the company, and which can have a sustainable growth that is where we believe in having it as a separate venture where probably somebody can come together we can participate and really unlock the value at what we want.
- Samar Singh:** And is there going to be any transfer of debt or cash along with the land?
- Dhaval Ajmera:** No, it is just the transferred without any debt or anything only the land obviously which is gone along which it goes, but nothing otherwise.
- Samar Singh:** The demerge entity shares will be listed separately right?
- Nitin Bavisi:** The structure is such that it is the transfer of land parcel from the main balance sheet to demerge wholly owned subsidiary balance sheet or the book value which is the carrying value of around Rs. 27 crore and there would be 1 is to 50 basis there are swap ratio for the existing shareholders of ARIIL that is the shares going to be issued by ARIIL to its own shareholder as a part of the consideration to make it section 2 19 AA compliant of the income tax act to make all the conditions laid out for the demerger under the income tax act 1961.



- Samar Singh:** So, my question will the subsidiary then we separately listed or no?
- Dhaval Ajmera:** No, it would not be separately listed if you just have the shares as decided and told, but it would not be separately listed.
- Samar Singh:** Ajmera your listed entity will be continue to be a whole owner of this demerger?
- Dhaval Ajmera:** Correct.
- Nitin Bavisi:** Essentially the same economic position as that of pre demerger, I mean to say. Which is the economics stake and the entitlement to avail directly through its own balance sheet, which will be post demerger it will be through wholly owned subsidiary.
- Moderator:** Thank you. The next question is from the line of Sudharshan an Individual Investor. Please go ahead.
- Sudharshan:** Just I think the first time I am attending the investor conference and are you planning to keep these calls after every quarter results in the future?
- Dhaval Ajmera:** Yes our endeavor is to remain connected with the investor fraternity and this is we have taken this new initiative and as well as we continue to do so.
- Sudharshan:** The second question is of your Kanjurmarg land that has been under litigation for long time, could you give us the status of the same?
- Dhaval Ajmera:** The kanjurmarg land is not under litigation. There was some regulatory issues which were there, which has been sorted and the project is under, we are doing necessary planning and all of that with current status we would announce at the right time.



- Sudharshan:** No, that is the 90 acres consumer land Jolly Brothers?
- Dhaval Ajmera:** Yes.
- Sudharshan:** And any timeline because I have not seen that in the next 12 months you are trying to launch that?
- Dhaval Ajmera:** As you know that real estate land is our raw material, and we believe in ensuring that every possible regulatory requirement is met and thereafter we launch because that is the requirement of RERA authorities and that is what we are doing. So, we are working on it and at the right time we will announce the launch.
- Sudharshan:** But there is no issue with the land because there was lot of collector issues and it is in the high court and all these things have been resolved?
- Dhaval Ajmera:** So, there were issues with regards to the permission, but right now it is a normal regulatory issues which are going on, but nothing related to our land.
- Sudharshan:** The other thing is for Mr. Ajmera I think this your group has been one of the pioneer in the real estate in Bombay, obviously the other new developers have come up and they have become bigger than what Ajmera has been, is any aggressive plan for the future or how you would like to take it forward?
- Dhaval Ajmera:** As I told you sir in our presentation, if you have seen we are very excited so over the last so many years there has been different, different issues which had cropped up in the real estate cycle, be it demonetization, be it is GST, be it RERA, be it everything. While all these there were lot of uncertainties and everything which is now what we see as a clear path and we are very robust about our next few years and that is where we



plan to grow and that is why you have seen that we have started with this investor calls so that we stay connected to the market and we kindly inform of what we are doing and we are definitely on the verge of growing and launching new and new projects in the coming future.

Sudharshan: I think it is the great initiative because actually I have been the investor for many years and what I used to get is only yearly that I have to get information I have to go to AGM and there so actually I was really very tired and I think seeing this initiative is really very exciting to me because I always feel that you are very unvalued company per se, so hope to hear you more in the future and all the best?

Dhaval Ajmera: As I told you keep evolving is our mantra and we will definitely evolve to see to it that we get the right value to each and every shareholders for us.

Moderator: Thank you. The next question is from the line of Mitesh Sheth from Mata Securities. Please go ahead.

Ritesh Sheth: Just wanted to have an update on for international project. if you can please entail or throw some more light on the international project that would be great, are there any project from which we are expecting cash flows and by when?

Dhaval Ajmera: So, as I told you the international projects are under maturity. The London projects of us which we have finished and London market typically in a market where the sales happened when the project is nearing ready or almost complete. So, we are currently under a position most of our projects in London, we have currently four projects in London and all four are almost under maturity and getting ready. So, we will see a healthy cash flow from the London market coming this year.



- Ritesh Sheth:** And any other project apart from this that we foresee?
- Dhaval Ajmera:** As of now no, but as we said that we are looking at opportunities and if there is any new projects which we feel is adding value to our business ethos we will probably acquire it, but for now our focus is to get the sales of these projects and get the cash flow and revenues from these four project this year.
- Moderator:** Thank you. The next question is from the line of Sanjay Gupta from SGN Company. Please go ahead.
- Sanjay Gupta:** I just wanted to know what do you see the profitability, the bottom line looking to the new accounting norms, how many projects would you be completing so that you can recognize revenue from the profits?
- Nitin Bavisi:** As Mr. Ajmera explained that we have good amount of sales which is still to be recognized into the income statement. So, from the Mumbai market we have yearly four projects which are under completion. We have the committed sales of Rs. 140 crores which is yet to be recognized in the income statement. We have inventory to sell into this particular book at Rs. 213 crore of estimated value. So, both put together around Rs. 350 crore which is slightly to be recognized as per the progress of the projects. Apart from that we have Bangalore market also wherein we have around Rs. 66 crore worth of unrecognized balance revenue from the presales and we have inventory to sell which is around estimated value of Rs. 270 crore kind of a thing. So, both put together around Rs. 340 odd crores kind of a thing. So, this is like on the ongoing project portfolio. As Mr. Ajmera explained, we have plans to launch around 1.5 million square feet which will be having the estimated sale value of around Rs. 2,100 crore, which will also be recognized as per the lifecycle of the projects. So, this both numbers put together ongoing and to be launched projects apart from the third



market it is already launch project in FY2021. There also we have around Rs. 90 crore worth of sales already done which is still unrecognized in the books because of the construction at a below threshold limit for the revenue recognition norms. So, that also will participate into revenue recognition and as well the unsold inventory worth of around 300 odd crores kind of thing. So, these are the set of performances still sitting and waiting to come to the income statement and we see a good significant rise from here.

Sanjay Gupta: Second question is that you exited your Bahrain project it was because you could not comply with the regulatory appliance or some other reason you have to exit that project?

Dhaval Ajmera: Well so Bahrain project when the lockdown started last year, obviously the market is anyways is very small over there and with the pandemic and the lockdown being, although Bahrain country was not under lockdown, but obviously with the world over the pandemic which was there the sales have started becoming slow. And fortunately at that point of time, we got a proposal from an existing developer over there who would wanted to retain the asset and keep it for themselves and will they gave us the valuation at a better valuation they were helping us. So, then we thought it is better to exit rather than continuing and to be under uncertainty.

Sanjay Gupta: It will take around 2 to 3 years revenue to come?

Dhaval Ajmera: It will take around 2 to 3 years because the recognition of our revenues is going to be on completion, where the construction of the same has already started and we see in the next 2 to 3 years it will start flowing in the balance sheet.

Moderator: Thank you. The next question is from the line of Jayant Menon an Individual Investor. Please go ahead.



Jayant Menon: I have been over the call and even in the investor presentation we have been hearing about the confidence on the growth, but the real estate sector is seeing a depression in the market especially in Bombay post 31st March concession that the government has given, so what is your outlook and what is making you so confident about the Quarter 1 or even the next financial year I would want to understand that?

Dhaval Ajmera: As Mr. Nitin was just explaining that you know we have unsold inventory Rs. 170 crores of stock which is already sold, and those revenues are to be recognized in the coming years. So, this sales have already been done. Point number two we have around Rs. 200 odd crores of unsold inventory which we see that obviously currently with this lockdown of the last 2 months it has seen a slow growth, but not as a growth we expected but which is understandable with the lockdown situation all around the country, but even while we speak to our customers to the people whom we are doing regular sales follow up, we are seeing a good amount of demand coming from there and obviously they all want to touch and feel which they are waiting for this lockdown to open. So, putting together at least in Wadala per se we are saying Rs. 300 odd crores of stock which will mature, and which will come over the next 12 to 15 months. Secondly, even the project which we launched in the last quarter which are worth about Rs. 500 odd crores. We have already done sales of Rs. 90 crores and we are very confident that in this coming year we will see more sales happening from then that size also because the demand is quite good and it has been very, very optimistic from whatever sales we have done so far and we speak to our customers and thirdly with the new launches which we are going to do where I explained about 1.5 million square feet to 1.6 million square feet that will also help us because any real estate projects the initial boost of sales is quite healthy in terms of the customer, in terms of the scheme and everything what we procure to



make the sales happen. So, that also we see as a good healthy number coming in. So, putting all these three baskets we are very confident because of our unsold stock sales already done, the money to be recognized for the new project launches which we done last year and the new launches which we are going to do. So, all this will help us in a very, very healthy balance sheet in the year 2022.

Jayant Menon:

I mean it is encouraging to hear that, but on the same line, I have a follow up question then are you not feeling any pricing pressure on sales and what will be the impact on the bottom line?

Dhaval Ajmera:

See pricing pressure on sales is understandable because customers are definitely going to ask, but at the same time we also have to understand that with the current input cost which has been steadily growing with all these steel, cement and other factors which are making it. So, definitely this cost is going to rise, and we see that this cost the rising trend which is happening for the input cost stops or declines as soon as possible which will help not only us, but every real estate developer to make their balance sheet stronger and more be more so definitely on the bottom line probably we might see some pressure, but we are still very confident we will overcome this with the kind of sales which we have already done. So, for us few of our projects has already been matured and most of the construction has happened. So, for few projects which we are going to launch and the ones which we have just launched may be there may be a little bit of it, but majority of the project which we have already launched and where the sales have to be recognized and money needs to come in there we do not much too much of a construction cost left. So, that will secure us better that is what I am trying to say.

Moderator:

Thank you. The next question is from the line of Pranay Jhaveri from JMJ Holdings. Please go ahead.



Pranay Jhaveri:

I missed certain number since we are tracking this company for the first time if you can just on an overall basis tell us what is the amount that you said you have sold and unrealized and unsold as a company as a whole if you can just simplify that number for us and the cost of punctuation that is pending?

Nitin Bavisi:

So, as I explained on the earlier question I will reiterate. On the nearly completion projects at Mumbai market we have already committed sales worth of Rs. 140 crore which is yet to be recognized in the income statement and we have unsold inventory worth estimated value of around Rs. 213 crore both put together is Rs. 350 crore which is going to come to income statement as per the progress of the project. I said it is already a very completed stage kind of a thing. The second one which is launch project wherein we have around Rs. 90 crore worth of already sales made and that particular sales is still unrecognized in the income statement because of below threshold limit for the revenue recognition norms and unsold inventory worth of Rs. 315 crore estimated value. So, that put together will be coming into the income statement as per the progress of the project. There are few projects which is at Bangalore market also wherein the presales the committed sales position, unrecognized revenue of around 66 crore and unsold inventory worth of around Rs. 270 crore. So, that put to us around Rs. 340 crore worth of potential revenue out of the Bangalore market and as we have the plans to launch few rather 4 projects 2 in Mumbai market, 1 at Pune and 1 at Bangalore around 1.5 million square feet estimated value of around Rs. 2,100 crore. So, this entire as per the progress and lifecycle of the project will be recognized till the completion of the project. So, these are the entire set of balance potential which is yet to come to the results going forward on going quarters and years to come.



- Pranay Jhaveri:** Sir, this 4 projects of 1.5 million square feet what would be our cost as on this point of time this Rs. 2,100 crore is your recognizable income over a period of time?
- Nitin Bavisi:** Yes as I have mentioned, it is a 1.5 million which are the projects to launch kind of a thing. These are the project which is already identified at the different geographies 2 in Mumbai market, 1 at Pune and Bangalore and definitely at an appropriate time we will be making the launch and making the disclosures about the project eventually.
- Pranay Jhaveri:** And if I exclude that number, you're 3 other numbers you gave was 350, 400 and 340 for that projects to crystallize what is the cost of completion that will be required over there?
- Nitin Bavisi:** In those projects the cost to complete is around Rs. 560 crore worth of estimate value as we have estimated now.
- Pranay Jhaveri:** Rs. 560 crores?
- Nitin Bavisi:** Yes.
- Moderator:** Thank you. That was the last question. I would now like to hand the conference over to the management for closing comments.
- Dhaval Ajmera:** Thank you very much everybody for coming for our first investor call. It was great interacting and knowing each and every one of us. Like we said we will ensure that we add value to all our stakeholders and the company and overall and we will strive to grow more and more from where we are today. So, looking forward for a great new FY2022 and praying for everyone safety and security. Please stay safe and I am looking forward for a great year. Thank you very much and have a great day.



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

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This is a transcription and may contain transcription error. The transcript has been edited for clarity. The Company takes no responsibility of such errors, although an effort has been made to ensure high level of accuracy

Note: The queries of participant, Mr. Deepak Agrawal was solved offline thereafter to his satisfaction.