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08th February, 2023

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051, India

Symbol: MANINFRA

The Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

Scrip Code: 533169

Sub.: Intimation under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) – Transcript of Q3 FY23 Earnings Conference call

Dear Sir/Madam,

This is in furtherance to our letter dated 31st January 2023, intimating about the Q3 FY23 Earnings Conference call for Analysts and Investors.

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), the transcript of the Q3 FY23 Earnings Conference call held on Friday, February 3rd, 2023 is enclosed.

The aforesaid information is also being uploaded on the Company's website at https://www.maninfra.com/analyst-corner/.

Kindly take same on your records.

Yours faithfully,
For **Man Infraconstruction Limited**

Durgesh
Suhas
Dingankar

Digitally signed by Durgesh Suhas Dingankar
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MAN INFRACONSTRUCTION LTD.
MUMBAI

Durgesh Dingankar
Company Secretary
Membership No.: F7007

Encl: *As above*

"Man Infraconstruction Limited
Q3 FY23 Earnings Conference Call"

February 03, 2023

MANAGEMENT: **MR. PARAG SHAH - CHAIRMAN EMERITUS**

MR. MANAN SHAH – MANAGING DIRECTOR

MR. ASHOK MEHTA - GROUP CHIEF FINANCIAL OFFICER

MR. YASHESH PAREKH - A.G.M. - INVESTOR RELATIONS & CORPORATE FINANCE

Moderator: Ladies and gentlemen, good day and welcome to Man Infraconstruction Limited Q3 & 9M FY2023 Earnings Conference Call hosted by Go India Advisors. As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Yashesh Parekh, A.G.M. - Investor Relations & Corporate Finance. Thank you and over to you Sir!

Yashesh Parekh: Thank you Lizaan. Good afternoon everyone, a warm welcome to everyone attending the Q3 and nine months FY2023 earnings call of Man Infraconstruction Limited. We have on the call Mr. Parag Shah – the Chairman Emeritus of the Company; Mr. Manan Shah – the Managing Director of the Company; and Mr. Ashok Mehta - the Group CFO. We must remind you that the discussion on today's call may include certain forward-looking statements and must therefore viewed in conjunction with the risk that the company faces. I would request to refer the safe harbor statement shared in the investor presentation for the same. Since this is the first earnings conference call I would request Mr. Parag Shah to give background of the Company and the Group. Thank you and over to you Sir!

Parag Shah: Good afternoon everyone. This is Parag Shah - Chairman Emeritus in Man Infra Limited. The company is popularly known as MICL Group also and we are into this business since last 50 years, this is a third generation business. The company was formed by my father in 1964 subsequently I joined in 1991 and Manan has joined in 2012. The group is built on a solid foundation of trust, quality, excellence, innovation, and known as best ethical practice in the industry. We have two business verticals one is the EPC, which is the engineering, procurement and construction division, mainly now focus on the port sector, and some of the infrastructure projects, some of the government projects, and real estate projects where we are acting as an civil contractor also, we are a partner also, or we are a developer also. The EPC vertical has successfully executed complex structures, mass housing, and some of the tallest residential building in the metropolitan region, and have delivered till now I believe above 50 million square feet, and numerous landmark projects across India, mainly in the sector of ports, infrastructure, residential township, commercial projects, and institutional projects, IT projects, and futuristic lifestyle buildings. We are a one decade old in real estate development and are making a significant mark in this business through our quality and execution capability. Now I would like to hand over to Manan Shah, who is the Managing Director of MICL Group to take you through the business and the performance of the company.

Manan Shah: Good afternoon everyone. Thank you for being with us. So, we are a very successful third generation family owned business and over past one decade we have achieved multiple milestones as a company, as a team and as an industry leader. In last 10 years we have successfully diversified into real estate business, which now constitute approximately 60% of the revenue as on date. We have established 'MICL' as one of the fastest growing real estate developers in Mumbai region with a portfolio of about 3 million square feet of ongoing and upcoming projects. With organic marketing of first rate quality homes and timely delivery we have built a strong and reputed brand 'Aaradhya' under MICL banner, which is our real estate division and it stands for trust and quality. In such a short span, we have developed a goodwill among our customers, channel partners where more than 90% to 95% of our inventory and in some cases entire inventory is already sold out before even completing the entire project. The senior leadership is involved in all stages of business right from planning, liaising, designing, execution, sales, marketing, and we pay utmost attention for a customer satisfaction and we believe in after sales services as well. This has helped us to garner approximately a cumulative sales of more than Rs. 5,750 Crores that includes our group companies as of December 2022 within a short span in the real estate industry. In last 10 years we have delivered 10 real estate projects all being before time, and have 2.65 million square feet of carpet area delivered across Mumbai region. During this time we have built a robust business model, which is efficient and scalable as well.

Talking about our EPC vertical, the EPC vertical is into contracting of ports, infrastructure, government projects, and our own residential projects as well. It is a debt free business with surplus liquidity and minimum capex required on an annual basis. This business has been maintaining steady margins and generating positive cash flows in the business. Recently in April 2022 MICL has been awarded as one of the biggest EPC orders from the port of Singapore authority (PSA group) worth Rs. 1,300 Crores with a development area of more than 110 hectares of this prestigious project. Currently the order book of the EPC business comprises of more than Rs. 1,325 Crores as of December 2022 with 120 hectares of port and infra and remaining 4.5 million square feet of ongoing residential and government projects.

During the financial year of 2023, MICL has successfully delivered another project naming Aaradhya Highpark, which is comprising of 1.2 million square feet of construction area. Overall the construction of all the projects is going on as per schedule and we are proud to say in some of the stages we are even before schedule and we expect to complete all of them on time.

Adding some light about the real estate business vertical. The real estate business follows an asset light business model where the company is involved in joint venture, joint development agreement, or development and marketing kind of model to derisk in the project and leverage on partners capabilities as well. We have adapted this model as land prices have skyrocketed in the past 10 years, lack of clear title of land, witnessing pain among other builders, having long gestation period of approvals, taking toll on balance sheet and profitability. This strategy has helped us to grow as one of the fastest growing developers in the MMR and in the matter of one decade itself. We have also mastered the art of redevelopment projects where we are doing one cluster redevelopment naming Aaradhya One Earth, which comprises of 14 buildings. Currently our focus is to grow and expand in Mumbai MMR region with a well-diversified portfolio. Diversified customer group where we are targeting all the class where starting from the middle income group, the upper income group, the HNIs and even the ultra HNIs. We have always believed in diversification across categories as well. So we have always had projects, which are ranging in the mid-premium segment, the premium segment, and luxury segment, and now with the new projects, which we are about to launch adding the ultra-luxury portfolio as well. We have got diversified location as well across MMR region where we are based out of western suburb, central suburb, and now south Mumbai. In western suburb we are at Mira Bhayandar where we have got our middle income and premium mid segment group with the project name is 'Aaradhya Highpark' and 'Aaradhya Parkwood'. We are based out of Vile Parle as well, which is 'Insignia' project, which is our luxury project. We have also launched recently a project in Juhu which is our ultra-luxury project which is named 'Aaradhya Evoq'.

Talking about central suburb we are based out of Mulund where we have got high rise buildings and the project name is Atmosphere. This is in a joint development partnership. We have also got another project in Ghatkopar, which is a cluster redevelopment of more than 14 buildings clubbed in together making it one big gated community which is named 'Aaradhya One Earth'. We have also established in South Mumbai where we are coming up at Tardeo, which is going to be the ultra-luxury project of our company, which we are going to launch soon. In all we have got 3 million square feet of portfolio in ongoing, upcoming projects and have another 1.7 million square feet of projects in the pipeline.

I would like to add some highlights about our business regarding the ongoing projects performances where we have sold 2.65 million square feet of carpet area with a cumulative sales of approximately Rs. 5700 Crores as of December 2022. Over last few years real estate demand has been resilient and have maintained similar momentum in nine months FY2023 as well. We have been maintaining more than Rs. 1,000 Crores of sales run rate since the last two years and have achieved Rs. 742 Crores of sales in the nine months of FY2023.

During the financial year of FY2023 we have launched 3 new projects across different categories with a carpet area measuring of approximately more than 7 lakh square feet. This has been a record launch for MICL group in one year, we are only two months away from completing the year. We have got our recent launches of Dahisar, which is 'Aaradhya Parkwood' and another in Juhu which is 'Aaradhya Evoq', and 'Atmosphere' where we are adding another tower in the project. 'Aaradhya Parkwood' which is the middle income group project at Mira Bhayandar which we launched in December is already 40% sold out which is more than 1 lakh square foot in just 15 days and the Juhu project that we launched is also more than 60% sold out till date.

In terms of project completion and deliveries we have delivered more than 5.3 lakh square feet of carpet area all before time. Aaradhya Highpark project which is our Mira Bhayandar project has received OC recently for the phase one development, which comprises of four towers and a commercial tower, and we are very proud to say that this has also completed before time and in a record-breaking timeline which is more than 16 months. Aaradhya Eastwind project, which is our project based out of Vikhroli also has received OC in this financial year, and we have been proud to say that, that project is completely sold out and even this project is delivered before time which was 17 months before the schedule. So possession of both projects have been going on and it has been getting completed. We are also in receipt of OC for one of the towers in Aaradhya One Earth project where we are going to hand over and deliver three towers in Aaradhya One Earth, which is at Ghatkopar and that is in the progress.

Sharing some light about our upcoming projects. We expect to launch Tardeo project which is going to be one of its kind and first ultra-luxury project of MICL group measuring around 6.5 lakh square feet of carpet area, and it is due in probably in Q4 of FY2023. We are very excited to expand our footprint in South Mumbai and we are still looking out aggressively for a few more projects.

Talking about our international portfolio, which is United States of America. We have expanded our footprint over there, and it has been in demand since then. We have expanded in the city of Miami which is in the state of Florida. The strategy is very simple where we have derisked ourselves by strategizing and tying up with a local partner named Location Ventures, which is a very reputed brand and based out of Miami, and one of our projects has also gained strategic partnership with 'Marriott' group and we are launching our 'Edition Residences' soon, which is the first project in that location of Florida. This project is on the waterfront and it is completely surrounded by natural surroundings and it has got more than 65 luxury residential units. The total area would comprise of approximately 175,000 square feet. Talking about another project in Miami, we have an upcoming project on Miami Beach named URBIN Miami, which is going to be a commercial leased model where the concept is unique of co-live, co-work, and an extended stay hotel alongside wellness amenities. All of these in one building at a very prime location of Miami Beach. This project is currently at an initial stage and it has gone for approvals. We have also taken up another project in the city of Coral Gables where we are coming up with a super luxury condominium apartments and it is going to have more than 80 units with a total sale area of more than 250,000 square feet. This project is also under the approval status. We have got another project in the city of Miami where we are building boutique residential bungalows, with the total area approximately would be around 6,000 square feet.

Overall if I share some light on the investments. The company has invested around $20 million in the US portfolio, and we see an excellent potential and expect very good margins coming out of these projects. The expected project timeline should vary between three to five years from now. We are open for questions now.

Moderator: Thank you. Ladies and gentlemen we will now begin with the question-and-answer session. The first question is from the line of Vipul Sanghvi from Systematix Shares. Please go ahead.

Vipul Sanghvi: Hi! Good afternoon Parag Bhai and Manan Bhai. Congratulations on a great set of numbers and congrats as well on the very detailed and exhaustive investor presentation. First time listening to the company's business so my basic question is around the share of business between real estate and EPC you mentioned that real estate currently is at 60% of the overall revenue and is growing very fast so how do we see say over next three to five years, will real estate have the dominant share of business, will it move to something like 75%, 80% of the total business and EPC will remain more like an execution part of the business?

Parag Shah: Basically, see we are into EPC business since 1964 and EPC business is still on. We are more focused on the EPC business where we are partnering into a project, we take up a project for various developers also, but now we are intending to take the projects only where we are having a partnership in a project or we are doing our own projects. We do every construction on our own, we have our own plant machinery & equipment, and we do not sublet anything except the labor contract. Port sector is a niche business for us and since 1997 onwards we are continuously doing the ports. This PSA port which is the second phase which we got, first phase also we constructed, and this is the 8th port till now which we are doing. We are much hopeful on our port sector. We are doing some of the reputed projects from government also. We are doing one of the large projects called Pimpri Chinchwad Municipal Corporation where 123 buildings which were handed over, and the second phase and third phase is under construction. The EPC business will also continue, but as in margin point of view or as in turnover point of view of course this real estate sector will be more.

Vipul Sanghvi: So you mean to say that share of real estate in overall revenue and profitability will steadily be going up from here that is what the summary?

Parag Shah: Yes. According to me like we have a pipeline of next five to seven years projects which we are already having in hands, because this Mira Bhayandar we had handed over the four building we got the OC and handed over the flats. The other two buildings are under construction, which we are expecting to complete in next around 15 months' time. We are launching another project – 'Aaradhya Parkwood', which we have already launched, the construction will start in next 10 to 15 days' time. There in the first two building there are 567 flats are there, out of that I think around 250 flats plus till date we have already sold, and we have a third phase also at Mira Bhayandar. So I think the Mira Bhayandar we are having a pipeline till at least 2027-2028. Juhu project we should be able to complete by next financial year. Vile Parle we are starting second phase, the first phase is nearer to completion, we are expecting the OC within a month's time and the second phase we will be able to start which is approximate 3.5 lakh square feet, which we are expecting to start in next two months' time. So that project will also go on for next four years where we are EPC contractor also and where we are a DM model partner also with the developer. The similar way we are doing the Tardeo projects, which is one of the high rise building and maybe one of the tallest building of Mumbai. We recently got the permission of 300 meter plus height. There also we are EPC contractor also and we are a DM model partner also. So that project will go on for at least next six to seven years' time. Ghatkopar project we were doing 14 buildings, out of that the five building, which we were supposed to construct for the tenants and nine building for sale. Out of that five tenant buildings and three sale buildings, we have received OC three days back. The balance construction will go on and by the end of this December I think we are expecting to complete that project. We are also a partner in Atmosphere project which is at Mulund where we have handed over three buildings of 44 storeys. The other two building of 48 storeys RCC work is completed and we are expecting to complete in the next 12 months' time. The other two buildings which we have started are also residential of 48 storeys and another one commercial building is under construction. This is of around 23-24 storeys building out of which some 17-18 storey construction is already completed. The Mulund project also we expect to complete in next three-and-a-half years. So we have an EPC pipeline of our in-house projects also or we are a partner or we are a DM model partner. So for next five years we have an EPC contract order book and we are definitely looking for a new project.

Debt is more or less zero. We were having some loan at Mira Bhayandar approximate Rs.274 Crores out of that Rs.100 Crores has been paid in this quarter already, and we are expecting to pay off the balance Rs.174 Crores also by this month end. We believe that by the end of this March, Man Infra as a Group company also or a subsidy companies also will become a debt free company.

Vipul Sanghvi: Alright Parag Bhai thank you for a detailed answer and wish you all the best.

Moderator: Thank you. The next question is from the line of Parth Gupta from Ambit Capital. Please go ahead.

Parth Gupta: Hi! Good afternoon, and thank you for the opportunity. Firstly I would like to ask about your strategy in real estate. So as you pointed out multiple points in doing own land projects about the negatives that it has and why you chose to go with an asset light model, but in a market where demand is picking up post COVID and the projects are doing well so don't you think that the absolute return could be more maximized through projects done on own land because recently a lot of developers have been taking up land in Mumbai, so just wanted to get your take on that?

Parag Shah: See the Mulund project which we are doing, which is the own land where we have three partners are there and that land is belongs to us. Mira Bhayandar project is the joint venture model where we are sharing the topline with the landlord and we are doing some of the redevelopment projects in Mumbai and the DM model, but we strongly believe that rather than purchasing the land and investing a huge amount of money in a land we are more focused on DM model and such type of opportunity, ample of opportunities are available we have the less investments are there, but the same type of margins you have been able to get.

Parth Gupta: So going forward it will continue to be more of an asset light approach?

Parag Shah: That is what we are targeting, but if we are getting some land at the cheaper price we are open to do that also because we will become a debt free and we do not have a loan of any institute, any bank, or any individuals so we are free to change our model also as and when required, but as on today I believe that this model is the perfect model for us.

Parth Gupta: Understood and Sir just to understand if you were to go on a land acquisition project so what kind of debt levels are you comfortable with for your balance sheet to acquire such lands?

Parag Shah: There is no such norms for a debt level, but practically our company was always a debt free and historically debt free. We just took a loan in one of the projects actually it was not a loan it was a partnership arrangement, but arrangement was in the terms of loan which we are clearing up. So we do not have a limitation we would not go for a debt, but as on today we do not think we will require a debt. So we are not looking, we are just tying up with the banks for always the construction finance, just for the smooth process of the work, that is all. Otherwise we are not taking the loans for purchasing the land.

Parth Gupta: Sir, secondly on the competitive outlook so being a resident of Mumbai we are seeing more and more developers coming up, and adding project in Mumbai. So what kind of pressure is that putting on acquiring new deals especially under JV or asset light model?

Parag Shah: So in our case competition we do not believe because most of the developers are not EPC contractor. If you see 100 developers in Mumbai out of these 100, 98 developers are outsourcing the work to some of the contractor and they are looking for a company like Man Infra somewhere, where we have in-house construction facility, we have our own plant machinery, we have our own shuttering, and we are fully equipped with manpower also. So I believe that we are one of the most competitive in that terms. Also, Man Infra has gained that much marketability that we are getting premium rates compared to the surrounding properties in every location whether it is Mira Bhayandar, whether it is Ghatkopar, whether it is Mulund, whether it is Juhu. We have been able to govern our premium.

Parth Gupta: Understood. So sort of a one stop shop for anyone looking to put up a new project, so it becomes an advantage to partner for them as well. Understood your point Sir and lastly on a project specific question so the Evoq project and Parkwood so both of these have seen great traction on launch; however, the Atmosphere project in Mulund, so there the sales are lagging a bit in terms of launch in April 2022 and around one sixth of the project is sold as of now whereas I think another phase of the project was launched last year which is now 80% sold so could you please comment on that situation?

Manan Shah: So Atmosphere project that you are talking about see Mulund being a very, very competitive market. Every year there are tons of developers coming and launching multiple projects on it. Now we have launched Atmosphere phase one successfully sold out, OC received handed over everything is done then we launched Atmosphere O2 out of which two towers were launched where we are successfully sold, we have launched a third tower and now it is the final tower that we have launched which is the G tower. There also the traction has just begun, but when we are comparing suburbs like when we compare western to eastern suburb or central to eastern there is a difference in the absorption rate which we have always observed. But I do not see it as a challenge, it is just Mulund takes slightly more time because availability of inventory is too much in the market whereas in the central and the western suburbs the inventory is slightly lesser available which makes the sales much more faster as well.

Parth Gupta: Got your point. Thank you so much for answering my questions. That is all from my side.

Moderator: Thank you. The next question is from the line of Manish Ostwal from Nirmal Bang. Please go ahead.

Manish Ostwal: Thank you for the opportunity. My question on the order book movement on the quarter-to-quarter basis it has declined so what is our outlook on the order inflow in the coming quarter or 12 month perspective on the order inflow side, on the EPC side of the business?

Ashok Mehta: On the EPC front and all that the order book which we are seeing now is from the port project and the real estate development project what we are doing. As far as the ongoing thing is concerned as Parag Bhai mentioned we have our internal work as well lot of work and big construction area wherein it does not come up in the order book, but these are the projects which are executed in house that is one thing. We are also working on some of the infra projects where things are in pipeline and all that, but we cannot discuss and disclose at this point of time. So focus as we mentioned as Parag Bhai mentioned is in both, but we will be definitely selective it is not that we want to take each and every order or go for each and every order.

Manish Ostwal: Second question from May 4, 2022 when we saw the interest rate increase in the system how much price increase we have taken on our key real estate projects, what percentage of price increase we have taken from that timeframe basically?

Ashok Mehta: Interest rate on our borrowing?

Manish Ostwal: No, my question is in the market the interest rate has increased so the question is from a demand perspective the interest rate has increased the EMI of the consumer has increased and in that period how much price realization we have gained against our like-to-like basis on those projects which we are currently operating?

Manan Shah: Because of the interest rate going nominally high it has frankly not affected the demand much neither the pricing segment in the market. Prices have been stable enough and absorption has also been constant because post that also we launched this project, which is at Mira Bhayandar where home loan plays a very key important factor, but people are very comfortable with the interest rate that is going on and the price that we have launched at. So it has not impacted our pricing where we had to discount because their pricing of the home loans went up.

Manish Ostwal: No, the question is other way around the question is like are we able to increase the price the way we were doing before or the pace of the increase has decreased or not so can you comment on that piece?

Manan Shah: Comparing project-to-project yes we have been increasing the price like earlier where if I give you an example of Mira Bhayandar project the pricing was x when we launched the phase one then we increase the price by certain percentage and when we launched phase two the price is even further more and now since the project is ready position the pricing is almost gone significantly higher than the under construction project.

Manish Ostwal: Thank you Sir and all the very best and excellent set of numbers for the quarter and the nine month. Thank you.

Moderator: Thank you. We will move on to the next question that is in the line of Jay Shah from Dolat Capital. Please go ahead.

Jay Shah: Thank you for the opportunity. I have a couple of questions. First is we do not see any land bank mentioned in your presentation can you please elaborate on your approach towards the real estate segment on that?

Parag Shah: I had already mentioned that we are either working on redevelopment projects, majorly in Mumbai or we are on a DM model except the Mulund project where we own the land. We do not own the land in any of the projects, so there would not be a land bank you will be able to show it in a balance sheet.

Jay Shah: Second would be working on asset light model what is our approach in some of the ongoing projects where we have 100% stake, also can you provide some insight into the cost structure and your operating model in these projects?

Ashok Mehta: See basically in redevelopment projects and when you buy a land the biggest difference is the investment in the land which we do. Rest of the construction cost, premium, and rest are same in line with any other project. So initial capital outlay which you do not have to do anywhere because of that you save on lot of finance cost and finance burden as well that is how it helps improve the project. Secondly the redevelopment project one of the good part about that is we are not worried about the title of the land and all that especially when there are MHADA redevelopment and all that. So these are absolutely clear title project. So the number wise the biggest difference comes in terms of initial outlay, and finance cost associated with that, rest of the cost in terms of construction, premium are all the same.

Jay Shah: Lastly your nine months FY2023 revenue have grown significantly so what is your outlook going forward in terms of your revenue visibility and what would be the key projects driving growth going forward?

Ashok Mehta: See because all the projects are already launched they are all achieved good sales as well and the revenue recognition has already started, so we are definitely seeing to maintain the growth and the pace and everything in the coming few years as well based on the projects what we already have in hand. So the projects which are because all the projects have started, approvals are in place, construction is going at full pace, sales has also happened so we are definitely positive about the future sales, and the increase in the sales as well.

Jay Shah: Okay, thank you.

Moderator: Thank you. We will move onto the next question that is from the line of Hardik Gori from Alpha Plus Capital. Please go ahead.

Hardik Gori: Thank you for the opportunity. I have two questions. You have been shifting your focus towards real estate segment, but if you look at it from Q3 FY2022 and Q3 FY2020 revenue has declined on a year-on-year basis so some light on that would be helpful?

Parag Shah: Actually the revenue has not been declined. Last year we were having a onetime income. In last financial we were having one large claim from a government which we got settled after five years. So last year in the second quarter we got almost it was more than Rs.100 Crores PBT was added because of that project at PAT level.

Hardik Gori: Second question pertains to you expanding in markets like Miami, but there is still scope of expanding in other geographies in India so just wanted to understand your thoughts on the same?

Parag Shah: We are definitely doing the work in Mumbai and we believe that at present our business model will not permit us to go outside Mumbai because the Mumbai market is such that whatever product you are constructing ultimately there is a sale, it is not such type of sale you will ever see in two tier cities. Miami is another focus which we did with the local partners over there and my younger son is also over there who is looking after the projects from there. So, basically in Miami we are doing 2 projects in Miami one at Fort Lauderdale and another one at Coral Gables but all of these projects are in Florida. Definitely we have started looking after the other geographies in US also maybe in New York also but that is under negotiation and that is under the discussion as it has not yet materialized.

Hardik Gori: Thank you and that is all from my side.

Moderator: Thank you. We will move onto the next question that is from the line of Tushar Sarda from Athena Investments. Please go ahead.

Tushar Sarda: Thank you for the opportunity. I wanted to know what is your revenue recognition do you follow percentage of completion or you follow projectcompletion method?

Ashok Mehta: We follow percentage completion.

Tushar Sarda: Is there some way to estimate the NPV of real estate projects that are going on the current value discounted?

Ashok Mehta: That can be done yes.

Tushar Sarda: Can I get in touch with your team offline to understand that?

Ashok Mehta: Yes, sure.

Tushar Sarda: Thank you very much and congratulations on good set of number. Thank you.

Moderator: Thank you. The next question is from the line of Dhruvesh Sanghvi from Prospero Tree. Please go ahead.

Dhruvesh Sanghvi: I just wanted to understand on two areas that because we are doing projects in Mumbai and generally we have higher margins in Mumbai can we say that broadly the margin profile of the future projects will increase to maybe 30% or 40% over time or this 25% to 27% is the reasonable number to expect?

Parag Shah: Sir, that depends every project-to-project, if you ask me offline I can say you yes, but I would not like to commit any such type of commitment. This all depends on the project and all depends on the market. There will always be a market risk also, and demand and supply will also be there, but depending on the projects wherever we are doing the project like we are doing the project in South Mumbai where we are our investment is very low because of DM model, but we are getting a DM fees on our topline so again the investment the margins will look much higher.

Dhruvesh Sanghvi: Parag Bhai one more part in terms of presales. So generally most of the real estate companies talk in terms of presales that they would like to achieve ex-amount of presales per year is there something on that kind of lines that you can suggest that?

Parag Shah: No, we do not believe in that. We are a hardworking people, we work from morning to evening, and we believe in God. So like everyone wants to become a top man, but that is only to talk basically collect this will be my presale, if I will be able to achieve you will say good, if I will not be able to achieve what you will be able to do. So rather than doing that we do not give such type of commitments to anyone.

Dhruvesh Sanghvi: In terms of number of projects, which probably as a company we can undertake at a point in time can we say that in Mumbai alone we can do 10 projects, 15 projects of decent size not very small individual buildings of redevelopment, but let us say the cluster development that we are doing in Dahisar, Ghatkopar something like that can be achieved or in micro market location possibility?

Parag Shah: Few years ago when we were doing only EPC contracting and we were not a developer, at that time we used to do 18-20 projects also at that time. So we have a capacity as I mentioned earlier, that we have all the machinery, plant, equipment, shuttering, manpower and luckily we have a team trained under the EPC business. So we are very cost conscious also because we used to work under Rs.200 and Rs.300 margin before as a contractor. Because my contract size was Rs.2000 a square feet. If I was making 10%, 15% profit out of that so the margin was Rs.200 to Rs.300 a square feet so my team is trained accordingly. We have a capacity to increase four, five projects also very smoothly and easily, but we always take up the projects not only in terms of execution capability, a finance capacity also, and we would like to maintain our balance sheet. We would not like to go on a heavy debts and all. It is a dividend paying company, every year we pay dividend. My house, Manan house runs on a dividend. We believe that we should make a current money also as well as future money. We do not believe only in future.

Dhruvesh Sanghvi: Thanks a lot. I will join back in the queue. Thank you.

Moderator: Thank you. The next question is from the line of Megh Shah from Prospero Tree. Please go ahead.

Megh Shah: I had a few questions about Maitri project in Chembur park redevelopment project, you have mentioned that project in Q1 investor presentation, but there has been no mention of it in Q2 or Q3 so why is it that way and what is the current status?

Parag Shah: We are almost on the sign of merge of DA, there are some dispute among some of the members of the redevelopment and we are trying to sort it out that issue, but that project is yet not materialized.

Megh Shah: So when are we expecting it to materialize?

Parag Shah: It was supposed to be expected before six months so we are struggling on that.

Megh Shah: Another question about the Tardeo project what exactly is the DM model?

Parag Shah: In a DM model we invest the money. If any debt is required the debt will be taken on a land or on a balance sheet of a developer. It will be the responsibility of a developer. We will be only a co-guarantor. Whatever money we invest on that we charge them 14% interest, plus on our topline sale whatever the sale will happen on that we charge them 12.6% DM fees. Over and above that whatever the EPC contract work will be there on cost plus 10% will be charged. So there will be three types of money we will be getting. On our investment we are getting 14% interest, on our topline we are getting 12.6%, and on our EPC contract we are getting 10%.

Megh Shah: Continuing on the Tardeo project is the entire 6.5 lakh square feet saleable because it is a redevelopment project so is the entire salable to new customers or what portion of it is to be given to the old tenant?

Parag Shah: As far as the EPC contracting will be there it is a 14 lakh square feet because it will require a tenant construction also there are three buildings one is a tenant building and two is a sale building plus the parking portion. So total construction area will be 14 lakh square feet, the carpet sellable area is around 654,000 square feet.

Megh Shah: What are the revenue and margin potential for the Tardeo project?

Parag Shah: On 14 lakh square feet we estimate approximate cost of construction is Rs.5000 a square feet so on that will be earning 10% so around Rs.500 per square feet on a 14 lakh square feet. We have invested somewhere around 200 Crores plus on that 14% interest is payable. Whenever the cash flow will be available we will take out our money first and final money will go to the developer. First we will take out our EPC contracting money, second we will be charging them interest, third we will be charging them DM fees, and then whatever the left out will be there that will go to the developer.

Megh Shah: Okay, got it. That was it from my side. Thank you.

Moderator: Thank you. The next question is from the line of Niraj Vijay Kamtekar an individual investor. Please go ahead.

Niraj Vijay Kamtekar: Thank you for the opportunity. Sir, do we have any inventory on completed project?

Parag Shah: Luckily in most of the projects, we have sold 100%. We got the OC before three days for our Ghatkopar project 3 building, which was the sale building, all three buildings are 100% sold. We got the OC of our Vikhroli project called ‘Aaradhya Eastwind’ before three months that was also 100% sold before OC. We got the OC of ‘Atmosphere’ project 3 building before a year and I think two flats are left over there, balance all was sold. We got the OC of Dahisar project before two months, Dahisar means we are calling Mira Bhayandar as Dahisar only, as it adjoining Dahisar. There also everything has been sold. In past whichever the projects we completed we do not have any inventory.

Niraj Vijay Kamtekar: Will the current run rate of 200 Crores plus revenue recognition from real estate is to be maintained?

Parag Shah: We believe yes, it is easy to be able to achieve that.

Niraj Vijay Kamtekar: Thank you.

Moderator: Thank you. The next question is from the line of Dhruvesh Sanghvi from Prospero Tree. Please go ahead.

Dhruvesh Sanghvi: Just generally asking from an industry perspective with the interest rate increase in the recent times what is your feeling in terms of overall market change because there is almost 200 basis points or 2% increase in the overall interest?

Parag Shah: Luckily according to my understanding or whatever we discussed with among various developers. No one has got any hit because of the interest increase because the demand is there since last one-and-a-half year of post COVID. The size of the flat is also increased and salability has also been increased. So because of the interest rate has gone up we have not seen anywhere where the sale has slow down.

Dhruvesh Sanghvi: Again this is broadly again to do with a broader language of the industry. Let us say you said use the words Rs.5000 per square feet as the cost is this the pure labor construction material cost or does it also include the premium when the general language of per square feet is more?

Parag Shah: No it does not include the premium, it is EPC contract.

Dhruvesh Sanghvi: So when we use things let us say cities like Ahmedabad or Hyderabad or Bengaluru where most of the people use language as 2000 or Rs.2000 per square feet of cost because generally in the past we used to hear that for a 25, 30, 40 storey building this is the broad range of cost. Has the cost overall for the industry has increased so much that it reaches now 4000, 5000 per square feet or this is the ultra-premium and therefore it is 5000?

Parag Shah: No, generally it is the thumb rule, so we cannot take its norms, but by the thumb rule. Generally between till 20 storey building now because there is a cost of GST also has been added of almost Rs.300 per square feet the cost has shot up, so up to 20 storey building normal cost Rs.2500 to Rs.3000 a square feet cost of construction is there in Mumbai. If you are constructing between 40, 45 storey building the cost comes between Rs.4000 to Rs.4800 a square feet depending on your specification and the high rise building there are few buildings in Mumbai where the cost of construction is going more than Rs.20000 a square feet also, but a thumb rule is Rs.5000 to Rs.6000 a square feet the cost can be fitted. Because most of the developers in EPC contracting when 'Man' is doing the EPC contract the lift does not come under the money. Any developer we would like to take directly a lift from 'Schindler' or 'Otis' or 'Mitsubishi' or any other company. The cost of the lift where in some of the bought out items, some of the garden items, that generally developer does on their own, but in a high rise building the cost of construction to a developer where the 50 storey plus buildings are there the cost of the developer would be somewhere around Rs.6000 square feet.

Dhruvesh Sanghvi: Again connected to the same thing because just as an example let us say when you said that there is a 15 lakh or approximately that number as a square feet to be built for that entire Tardeo project, so again is this the carpet area that we generally speak or this is a salable equivalent area that we speak?

Parag Shah: No it is a construction area and these are all is different. The saleable area is different, carpet area is different, construction area is different. Construction area means out-to-out measurement of the building which includes the basement, which includes the parking, which includes the amenities, which includes that if there is a tenant building.

Dhruvesh Sanghvi: Then when we say 650000 a square feet which is salable again this might not be carpet this is salable?

Parag Shah: No, that is a carpet salable.

Dhruvesh Sanghvi: Thank you Parag Bhai. Thanks a lot.

Moderator: Thank you. Ladies and gentlemen we will be taking the last question that is from the line of Niraj Vijay Kamtekar, an individual investor. Please go ahead.

Niraj Vijay Kamtekar: What is the broad guideline on real estate margin on ongoing project?

Parag Shah: We have been able to maintain generally this 27%, 28% till now we have been able to maintain, but as I answered already this question before also, that there cannot be any thumb rule on that. It is always case-to-case which type of properties are there because see some of the building in South Mumbai where the per square feet area the rate is going on Rs.150,000, Rs.125,000 per square feet, where the cost of construction will shot up maybe by Rs.3000 a square feet, so all depends on where we have purchased the land, what is the cost of your land, what is the premiums you had paid. So there cannot be any thumb rule. Because the cost will always be vary between developer-to-developer, site-to-site, and location-to-location.

Niraj Vijay Kamtekar: Thank you and all the best Sir.

Moderator: Thank you. The next question is from the line of Yash Jhaveri from Meridian Capital. Please go ahead.

Yash Jhaveri: Hi! Sir. Just to follow up to the question on cost the numbers that you mentioned is just the civil construction cost or it includes finishing like painting, tiling, bathroom, etc.?

Parag Shah: When I am talking say around Rs.4000 to Rs.5000 a square feet cost that includes everything. It is also depending on one what you are asking if you are asking the question on EPC contract side then it would not cross Rs.3000, but if you are asking the cost on the developer side it can go to Rs.5000 to Rs.6000 because in the EPC contract everything does not come under the same contract many developers give plumbing contract to someone else, electrical contract to someone else, lift someone else.

Yash Jhaveri: I am asking from a developer point of view.

Parag Shah: The developer point of view as I mentioned you have to consider in Mumbai a good quality construction between 30 to 40 storey building you should count around Rs.4000 to Rs.4500 a square feet on a construction area.

Yash Jhaveri: Construction area is generally higher than carpet area?

Parag Shah: It is generally 1.5 times to 2.5 times depending on the planning, depending on how much high rise is that because if there is a building is high rise you may require two lifts or a more lift, 2 staircase, your passage width will be minimum 6 feet, your staircase width will be minimum 5 feet so this all depends on the norm which building you are constructing, how many storey building you are constructing, but in tall buildings like 40 storey plus the thumb rule is 2.4 times excluding any tenant.

Yash Jhaveri: So effectively for Man's portfolio in Mumbai the cost as a developer would range from 2000 to maybe 5000, 6000 is that right?

Parag Shah: Yes.

Yash Jhaveri: For like say ultra-luxury like Tardeo it would be higher amongst it may or not?

Parag Shah: Tardeo one if you want to consider the cost on only carpet saleable areas then it will cost around Rs.14000 a square feet, but if you talk about the cost of construction area then it will be somewhere around Rs.5000 to Rs.6000 a square feet.

Yash Jhaveri: This is plus premium, so that is separate?

Parag Shah: Yes. Plus premium, plus land cost, plus architect cost, plus the various consultant cost, plus out of pocket expense.

Yash Jhaveri: Thank you. Thank you for clarifying Sir.

Moderator: Thank you. Ladies and gentlemen as there are no further questions I now hand the conference over to the management for their closing comments.

Parag Shah: Ashok Bhai would you like to say anything.

Ashok Mehta: No, Parag Bhai it is fine just basically just to mention that the way the company has been managing the balance sheet even through thick and thin from the beginning, maintaining the liquidity, maintaining the profitability, maintaining the dividend distribution, and growing, and performing, and executing all the projects before time. So we definitely would like to also thank the management for this and all the team and the staff member. And any questions to anybody further they can connect us directly, we have given the contact number of IR Mr. Yashesh as well, and we will be more than happy to answer all your questions. Thank you very much and thank you for joining us.

Parag Shah: Thank you all of you.

Moderator: Thank you. Ladies and gentlemen on behalf of Go India Advisors that concludes this conference call. We thank you for joining us. You may now disconnect your lines.