



“Ashiana Housing Limited Q1 FY 2018 Earnings Conference Call”

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ASHIANA HOUSING LIMITED**

Moderator: Ladies and Gentlemen, Good Day and Welcome to the Ashiana Housing Limited Q1 FY 2018 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing “*” then “0” on your Touchtone Phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Gaurav Sud. Thank you and over to you, sir!

Gaurav Sud: Thanks, Lizann. Welcome everyone and thanks for joining this Q1 FY 2018 Earnings Call for Ashiana Housing Limited. The Results and Investor Update have been mailed to you and it is also available on the Stock Exchange and at the Company’s Website. In case, anyone does not have a copy of the Press Release please do write to us and we will be happy to send to over to you.

To take us through the results of this quarter answer your questions we have today with us, Mr. Varun Gupta -- Whole Time Director of the Company; and Mr. Vikash Dugar -- who is the CFO.

We will be starting the call with a brief overview of the Company’s performance and then we will follow with a Q&A session.

I would like to remind you all that everything said on this call that reflect any outlook for the future which can be construed as a forward-looking statement must be viewed in conjunction with uncertainties and risks that we face. These uncertainties and risks are included but not limited to what we have mentioned in the prospectus filed with the SEBI and subsequent Annual Report which you will find on our Website.

With that said, I will now turn over the call to Mr. Vikash Dugar. Over to you Vikash!

Vikash Dugar: Good afternoon, everyone. Thank you for joining us to discuss performance of the first quarter of FY 2018 of Ashiana Housing. I extend a warm welcome to all of you.

With the impact of demonetization having been significantly reduced, the overall quarterly sales improved to 1.51 lakh square foot vis-à-vis 1.05 lakh square foot in the previous quarter. Despite this improvement, the markets continued to be sluggish with customer still showing tendency to defer their buying decisions.

We handed over 2.7 lakh square foot in Q1 out of which 2.1 lakh square foot was delivered in Ashiana Housing and 60,000 lakh square foot was delivered in partnerships. This was against a delivering of 8.86 lakh square foot in Q4 FY 2017. Deliveries commenced in Vrinda Garden Phase-II and Ashiana Umang Phase II both the projects in Jaipur.

Total comprehensive income was Rs. 6.24 crores versus Rs. 39.86 crores in quarter four FY 2017. Lower total comprehensive income resulted from lower area delivery during the first quarter.

Pre-tax operating cash flows for quarter one was positive at Rs. 9.4 crores after 8 successive quarters of negative cash flows at an operative level. This was due to better collection and also aided by lower construction. Pressure on collection continued due to lower sales. However, we continue to believe that given the receivable from total booked units, we do not see execution that is area to be constructed challenges. Positive cash flows will provide capital to do land transactions in the future providing a platform for growth.

Equivalent area constructed was lower at 2.46 lakh square foot versus 4.38 lakh square foot in Q4 of last year and 3.96 lakh square foot in Q1 of FY 2017. Sustainable momentum in area constructed on a year-on-year basis reflects that the company is generally on schedule for project deliveries as we grow. You will appreciate that in these sluggish markets we have maintained our construction pace as per plan which we hope will be advantageous to us when the overall economic cycle turns around for the reality sector which in turn, would also revive the cash flows from operations substantially.

In the wake of recent developments like RERA and GST we see volatility and challenges in the short-term and real estate sector. However, we are better positioned than rest of the industry. Our Company is fully geared to up adopt and ensure compliances with these new legislations. We remain optimistic in the long-term on the outlook of the sector.

On this note, I would like to conclude my remarks. We will now be happy to discuss any questions or suggestions that you may have.

Moderator: Thank you. Ladies and gentlemen, we will now begin with the Question-and-Answer Session. We will take the first question from the line of Ravi Purohit from Securities Investment. Please go ahead.

Ravi Purohit: If you could just begin with a little update on where do we stand on in terms of the various states in which we have projects and whether all of them have implemented RERA and whether we have registered all our projects? And we have already received approvals or the approvals are in process in terms of RERA?

Varun Gupta: On the front of RERA, I will go state-by-state, the most important state for us being Rajasthan. RERA has been notified and implemented. The website is up. We have applied for registration of all our ongoing projects, received registration across projects except for Gulmohar Gardens and Ashiana Dwarka, which we should be getting in the next week to two weeks. We filed sequentially, so projects have come in except for those two.

Ravi Purohit: Dwarka and the other one was which one? Sorry, I missed that.

Varun Gupta: Gulmohar Gardens.

Ravi Purohit: Gulmohar Gardens, okay.

- Varun Gupta:** That is in Rajasthan. There are projects which are outside of the ambit in Rajasthan because they have been completed and we have ready stock in those phases are outside the purview. In Haryana, RERA has been implemented. Our project Ashiana Anmol has been registered and we have received a registration over there. The other states in Tamil Nadu, RERA has been notified but our project falls outside of the ambit of RERA because it required structural completion to be outside of RERA. Project has the requisite completion certificate to be outside of the purview of RERA. So, therefore, Phase-I we have not done anything. Maharashtra has implemented RERA, project in Lavasa up till Phase-III is completed and outside of the ambit of RERA and Phase-IV which is ongoing in construction, we do not intend to sell the project till we complete construction that is what we have seen senior living in Lavasa that selling after construction. So, that has not been registered as of today.
- Ravi Purohit:** This is Phase-IV?
- Varun Gupta:** Yes, and Gujarat and Jharkhand have also implemented RERA, Jharkhand, we do not have an under construction project so it is outside of RERA. The one project which is going to be launched we have not got an approval yet. So, RERA registration will start once we have received full approvals in Ashiana Aditya in Jamshedpur. And in Gujarat, Ashiana Navrang, the ongoing phases were all complete and therefore, outside of the ambit of RERA the new phase that we are going to launch which is Phase-III, we have applied for RERA but have not received RERA registration yet, so we cannot go ahead and apply for it. We cannot go ahead and launch it, once we get RERA registration we will launch the new phase of Ashiana Navrang and all.
- Ravi Purohit:** Okay. And how has been the market sentiment because of GST and does it impact our economics in terms of input credit or, so if you could briefly touch upon the impact of GST? Sorry, I am asking this question, I miss the Analyst Meet this time.
- Varun Gupta:** Fair enough. The GST impact would be around depending on which project we are looking at and what the price point is. But somewhere around 4% to 5% of input tax credit we will get and Service Tax and VAT is around 5% to 5.5% depending on which state we are in. So, the impact of GST on our margins is now about close to 2% depending on whether we can, so between 1% and 2% depending on whether we can pass on the input tax credit or not that is the impact on the margin that will be. And ability pass through price increases will depend market-to-market and project-to-project.
- Ravi Purohit:** Yes. But in this market, I would assume most of the guys would just prefer to just pass it on, if it is a beneficial impact.
- Varun Gupta:** No, this is a negative impact.
- Ravi Purohit:** Negative impact, okay.

- Varun Gupta:** Yes, so it is about 2% negative impact of rather between 1% and 2% of negative impact. So, the negative impact is difficult to pass through in this market so that is going to have an impact on the margins to that extent.
- Ravi Purohit:** Right, fair enough. Any update on new land deals that we are kind of working on, at what stage are we in and how is the sentiment in the market right now for that?
- Varun Gupta:** So, 2 - 3 things. We had also gone very slow post demonetization, so we were actually back to square one in April where we started activities again on the land deal front and started looking at it. Our bandwidth has been consumed with RERA over the past let us say 45 days to 60 days where the intend has been to just get all our projects through with RERA because the disclosure requirements are quite heavy and those are through so we are back looking for active land deals, we should now according to me we should look to do 3 - 4 deals a year over the next 12 to 24 months so that is the kind of target we will look to do. Market sentiment I think is our deals have become a lot more conducive even JV transaction what we are looking at in a lot of markets where we were not able to get conducive transactions, transactions have standard making lot more making sense economically and we should have deals going forward now coming in. Probably in the next six months we should be announcing some transactions.
- Moderator:** Thank you. The next question is from the line of Prabhas Anand, an Individual Investor. Please go ahead.
- Prabhas Anand:** So, sir, has there been any improvement in sales month-on-month basis like how were our sales in July?
- Varun Gupta:** Not really on a month-on-month basis. So, the quarter was better than the previous quarter. This quarter probably will be similar. July is the number indication of the last quarter itself right now. I think also a lot of people have held their decisions with RERA and GST coming in, so some of them has been reflected in the July numbers, yes.
- Prabhas Anand:** Okay. So, how are you handling the sales of finished inventory?
- Varun Gupta:** So, what we are getting sales of is also a lot more of finished inventory right now. We are looking to go ahead and sell ready to move in inventory and find the customers, which is a little bit more difficult, who have a little bit more urgent need to move and have a different plan. So, we are looking to find more and more customers of that sort right now.
- Prabhas Anand:** Okay, fine. And what is your plan for Affordable Housing Scheme of Government like how you are going to target this?
- Varun Gupta:** Right now we do not have any projects within the Affordable Housing Scheme and there are multiple Affordable Housing Schemes, there is one of the State Specific Scheme, there is a Tax Scheme, there is Interest Subvention, PMAY, there is CLSS Scheme, RBI's Definition of Affordable Housing, there are multiple of those. Currently none qualify for tax advantages. For

that we are looking at opportunities but not very aggressively. So, we might have a project to come in that ambit. Otherwise all our projects qualify for the Interest Subvention Scheme, the Credit Link Subsidy Scheme so that continues. And we are not looking at any of the State Specific Affordable Housing Schemes which are more in the Rs. 10 lakhs - Rs. 20 lakhs a unit price brackets. Does that answer you, sir?

Moderator: As there is no response from the current participant. We will move on to the next Press participant that is from the line of V. P. Rajesh from Banyan Capital Advisors. Please go ahead.

V. P. Rajesh: So, question on Ashiana Town and I am sorry, I joined late, maybe you answered this. But there was a big spike in the sale number there. So, could you just give some comment around what worked to move that kind of comparatively large number?

Varun Gupta: Okay. Yes, well comparatively large number. So, 2 - 3 things, that have started working, so I think we will start seeing some more reflection going forward in Ashiana Town in the next few quarters as well. 2 - 3 things had happened; one the project is ready fully and well occupied. So, we worked hard on getting a lot of families to come in. So, we have more than 200 families residing and about 15 families moving-in in per month on average. So, that has helped sales by people coming in and seeing a lot of life, so that is impacting. Second, we started interest subvention program about 6 months ago in Ashiana Town whereby we are subventing interest for customers by 2.7% for 5 years which translates into a little bit of 18% reduction in EMI for 5 years which is helping them financially for those five years where it is a little bit of challenge, so that has worked. And third, there has been improvement in our sales process and how we are managing the individual customers. So, we worked hard on that and the sales process has been looked into where my middle brother Ankur he is spending a lot of time in Bhiwadi sales. So, all 3 things had started reflecting. And I think, hopefully the numbers will start looking even better going forward.

V. P. Rajesh: That sounds good. And then on Nirmay the numbers would have been almost twice of what you did last quarter. So, anything particular going on there?

Varun Gupta: Nothing. Some quarterly variations in Nirmay will be there also we have a little of skew because Nirmay gets sold around an event called Conclave. So, some of that whenever that event happen you will see a spike in a particular quarter and we do event every six months. So, alternate quarters might see a little bit of spike.

V. P. Rajesh: Okay. And then overall, what you say about the market in Bhiwadi right now, is it starting to move or you are still seeing it very sluggish?

Varun Gupta: No, the market continues to remain tough there. I think we have started outperforming the market now with the things that are happening. Bhiwadi market continues to be very-very slow.

V. P. Rajesh: I see. The other question is that we did about 1.5 lakhs this quarter. So, do you think this number is sustainable or what is your sense around this in the coming quarter?

- Varun Gupta:** I really hope this is very much sustainable. Except for events like demonetization this is probably what we feel is the bottom. Thing should start improving, some transition orientation in this quarter will be a little bit of challenge in the current Q2 because both of RERA and GST there is a lot of transition but thing should start improving and getting better.
- V. P. Rajesh:** Okay. And I am looking at your completed projects having inventory. So, that went up but my sense is it is only because Umang and Vrinda Garden you launched Phase-II in each of those project is that generally the good way to think about it?
- Varun Gupta:** Yes. Not that we launched Umang Phase-I and Vrinda Garden Phase-II, we completed Umang Phase-II and Vrinda Garden Phase-II that is why the impact, yes.
- V. P. Rajesh:** Yes, that is right. I stand corrected. So, what is the value on the cost basis and on your market price for the current inventory of 11 lakhs?
- Varun Gupta:** You can look at about cost price of about Rs. 200 odd crores, maybe a little less, we do not have the exact number but like Rs. 1,600 - Rs. 1,700 per square foot on average would be a good number to look at on a cost basis and a sale value basis about Rs. 3,200 square foot on average would be a good number to look at. So, that would translate into about Rs. 3,050 odd crores at about Rs. 3,200 a square foot. So, this is our biggest opportunity and our biggest liability at this point of time, it depends on which way you look at it.
- V. P. Rajesh:** Right. And Ashiana Town being the largest of the lots, right?
- Varun Gupta:** Yes, absolutely.
- V. P. Rajesh:** And what are the cash and the debt numbers as of June end?
- Varun Gupta:** So, debt numbers are about Rs. 82 crores for the liabilities and the cash numbers would be around Rs. 185 crores - Rs. 190 odd crores.
- V. P. Rajesh:** Okay. And any plans to increase debt more in the next 6 months or so to support this inventory?
- Varun Gupta:** We are trying to understand if we can utilize debt to free up some of our capital that is blocked in completed inventory. So, some working is going on in that and then we will take a call whether we can look at raising more debt there is some work going on whereby we see now, we see in the next 12 to 24 months is a good time to look at transactions and freeing up some of our capital from the ready to move-in inventory would be something that we will look to do.
- Moderator:** Thank you. We will take the next question from the line of Ashutosh Garud from Reliance Portfolio Management. Please go ahead.
- Ashutosh Garud:** So, in the Analyst Meet you had mentioned about the pressure you as a company and industry is facing from the demonetization, GST, and RERA front. And today, you are mentioning how

the demonetization effect has been slightly reduced. So, has this happened between this last one month or so or you are talking on...

Varun Gupta: So, demonetization impact effectively went away by April.

Ashutosh Garud: Okay. But how do you see this year panning out, given the fact that now GST and RERA are already in process to get implemented. So, do you see this year on a financial metrics from coming out in the similar way of 2017 or would you see more pain kind of thing and it would get prolonged that is what your expectations are?

Varun Gupta: Yes. So, 2 - 4 things, one, the operating cash flows has turned positive this quarter after 8 quarters of negative operating cash flows. So, from a cash flows perspective I think this year is going to start becoming better. Second, we will start looking to do more deals and do some transactions and look for growth going forward. I think overall, impact on sales numbers and therefore, ramping up of construction going after that will probably start happening next year. Sales numbers probably improving slightly every quarter this financial year is what we look at. Again, very difficult to say, but I see overall things becoming better. GST is a small impact. I think RERA will have a large impact on the industry and will be very-very good for developers like us. But that impact on benefit will accrue in 6 to 9 months may be 12 months going forward.

Moderator: Thank you. The next question is from the line of Priyank Sanghvi from EY. Please go ahead.

Priyank Sanghvi: With respect to RERA registration how is the competition doing in the Bhiwadi region do you track about the registration on the website?

Varun Gupta: It is difficult to track every bit of competition, okay. The last update I had about 4 - 5 days ago that in Rajasthan about 250 registration applications were there out of which 100 were brokers and 150 were projects. And if Rajasthan has had only 150 projects up for registration you can now estimate how the competition is doing based on that number. My guess is there would probably 120 - 130 projects in Bhiwadi itself, probably 400 - 500 projects in Jaipur itself. So, depending now I do not know if they were outside of the ambit of RERA and having registered but things are still have not happened in terms of registration applications by a lot of developer. Some have applied; some are still going through the motion. It is complicated to register; it is not simple. It took a lot of bandwidth at our table also over the last month, month and 10 days to put the registrations through because a lot of disclosures and there is a lot of requirements and the Government also not having clarity as to exactly what needs to be done. So, a lot of things were just slow.

Priyank Sanghvi: In the Bhiwadi region we have probably 10 to 20 good competitors, do we know how many of them have already got registration?

Varun Gupta: We have not looked at that Priyank. Bhiwadi region, I think there is very little competition for the market that we look forward and the service for Bhiwadi are very upscale market over there, right. There, we are the most premium builder. So, we were less worried about competition and

more worried about getting more upscale customers to come to Bhiwadi or if they were in Bhiwadi to make Bhiwadi their permanent home. I think that is where our energies have been focused. I think we will start track our competitors may be in a 30 to 60 days' time more to look at exactly what kind of disclosures what they have given on the RERA website to learn from their rather than looking at because too many things are still in motion on the RERA piece.

Priyank Sanghvi: Yes, sure. We can assume a few and we can assume the registration to improve, the numbers of registration to increase as the time goes by.

Varun Gupta: Yes.

Priyank Sanghvi: Other question I had was about this for the equivalent area constructive, you guys mentioned about the economically weaker section and LIG, Lower Income Group area that is not part of the business activities of the company. So, what is that about?

Varun Gupta: So, both area booked and equivalent area constructed we remove this figure and started giving disclosure, we have to build a lot of units in our projects which are between 5% to 7.5% of the total area which we have to sell at nominal rates like Rs. 1,100 a square foot as part of our cross subsidy program of the Government. And since that is outside of FAR, outside of our sellable area, outside of our core business, we keep it outside of equivalent area constructed and outside of area booked as well. So, therefore, that disclosure comes in.

Priyank Sanghvi: Okay, fine. And this is all across the country? This requirement?

Varun Gupta: This is all across the country unless and until we are allowed to sell the EWS area at free pricing. If we get free pricing, then it becomes both a part of equivalent area constructed and area booked. But if you have to sell it at subsidized pricing through the Government it is kept outside of the ambit of both.

Priyank Sanghvi: Okay, fine. Okay. And it is about what 5% you said

Varun Gupta: Yes, 5% to 7%; between 5% and 7% on average.

Moderator: Thank you. The next question is from the line of Ravi Purohit from Securities Investment Private Limited. Please go ahead.

Ravi Purohit: Two questions. One is how is Chennai market looking like? That has been one market which has consistently given you like 15,000 square foot - 20,000 square foot every quarter. So, when are we launching the next phase and what are the broader long-term plans for the Southern market? And you also have a partnership with these Arihant Housing people there. If we look at their financial, they seem to be struggling quite a bit, is there a chance you can kind of take over few of their larger projects? I am just thinking out loud here in the sense of how do you really look at growing your business over the next few years in geographies where you not had very strong presence in the past?

Varun Gupta:

So, I will take that in to smaller little pieces. Chennai continues to do well. Next phase launch will be after a certain cut-off of units sold being met which I think we are about 3 to 6 months away. So, Phase-II launch will happen then. We are excited by the Senior Living sales that we have got in Chennai and we see a good market there. As I have said before we have got wonderful partners there. Arihant has been an incredible partnership over there where we have found a good equation and we would like to do more work with them. Their financials I do not know and I would not be able to comment. I do not think we are in the zone of discussing of taking over the projects of theirs that is not something that we will do. But what we would like to do with them and we discuss is do more projects together. So, as partners we can get into fresh projects like how Ashiana Shubham was where we took up a fresh development and clean slate development with them. So, that we are in discussions with. And Chennai is a market we want to grow in. We are just doing some more homework, we had some homework around Senior Living. For regular housing, we are doing homework around the Chennai market and we will discuss around that homework, first we will have to get clarity of thoughts based on our homework and then look at doing more projects there. So, that is the stage we are in but again promising market.

Ravi Purohit:

Okay. And the second question, is more general at the overall company level. In terms of how do you guys think of taking the company to the next level now because in terms of last 4 - 5 years I think there has been a significant stagnation and then of course, we have come of a lot of in terms of area bookings and all because of our concentration in Bhiwadi. So, now going forward how do you really see yourself because your competition like companies like Prestige, Shobha, Godrej, Tata's, a lot them have become more aggressive, a lot of them are also getting the same kind of deals that you guys are getting, they are probably looking at larger deals, bigger deals, trying to get into more and more geographies aggressively. So, in this kind of environment where of course, a lot of industry fly by night, small single project operators will go out and vanish. But you have these very large companies with deep pockets and strong brand equity. How do you really look at competing against them? This is more like 3 to 5-year question not immediately.

Varun Gupta:

Okay. So, 3 to 5 years' view is that we want to become large in 4 - 5 geographies, okay. We have been large in two I think adding another 2 or 3 geographies where we become large is going to be the first key piece while at the same time consolidating our position in the markets we are large in. So, that is a longer-term thought. I think there are 2 or 3 we will compete. One our basically differentiation of our product and our services is going to be key, so whether it is Senior Living or regular homes, we will look to differentiate our product significantly. And piece I think is going to play a key in important role are 3. One is our quality of development in terms of design and construction our very large service orientation of the organization, direct sales, overall being with the customer through and through and then thirdly on the maintenance front, which is going to be again a key differentiator, a lot of the companies, big guys do not do maintenance and maintenance is going to be a key differentiator as we go forward like Senior Living has happened because we do maintenance. There is a lot of service element that comes in after we hand over the project and doing that is absolutely key. So, using maintenance is way

to differentiate ourselves and the market is also going to be a key perspective. So, those are the two things that we think we are going to do. We are working on differentiating ourselves further in the regular home space and let us see how that comes about.

Ravi Purohit: Yes, this regular home increasingly is like commoditize product in a sense and essentially brand. So, if tomorrow let us say Godrej Properties or let us say Tata Housing comes in your geography and let us say Bhiwadi or Jaipur and they launch a 2 million square foot project that will be like a serious problem, right? In that sense, so I think one area which we have very strong USP is clearly senior living. So, is there any plan to kind of aggressively push it, aggressively grow it before you have lot more competition in that space because you already have a big learning curve behind you in that space?

Varun Gupta: So, we are going to push Senior Living also going forward, I think Chennai has given a lot of confidence in that regard and we will go ahead. And even on the regular homes front, how do we differentiate ourselves is going to be a key aspect of it which we have started working on. I do not have much concrete things to say right now but over the next 3 to 5 years we will have a definite view to differentiate our product from the regular product and I believe it is going to be around the service and maintenance orientation which even you know the big guys will have some difficulty in mastering or learning and doing it. It is one thing to design and sell and to build with the contractor. It is another thing to be with the customer every day right through.

Moderator: Thank you. The next question is from the line of V. P. Rajesh from Banyan Capital Advisors. Please go ahead.

V. P. Rajesh: Just one more question, could you comment on the Gurugram (Gurgaon) market what are you seeing over there?

Varun Gupta: I would say tough times right now overall in Gurugram (Gurgaon). But I am getting a sense of that though, however, ready to move-in stock in Gurugram (Gurgaon) is moving well, okay. That is what we are hearing from the markets, I do not have enough primary information right now that is something that we are going to study and think through. So, otherwise the under-construction property market is sort of dead if that word to be used and having a very-very difficult time today.

V. P. Rajesh: I see. And what is our timeline to finish Phase-I over there?

Varun Gupta: FY 2020 it would I think be in the quarter 3 of FY 2020 as per RERA there and we build in about a 6 months' buffer. Yes, Q3 FY 2020 is what we have committed in the Real Estate Regulatory Authority, so we build in 6-month buffer. So, I would say Q1 of FY 2020 is where we are looking to be ready for delivery so in April of 2019.

V. P. Rajesh: Okay. April of 2019. But it says Q3 of fiscal year 2020, so you are saying that...

- Varun Gupta:** Yes, so Q3 fiscal year 2020 has a 6 months' buffer. We have aligned all our expected completion dates to what we have given in RERA and we build in a 6-month buffer.
- V. P. Rajesh:** Okay. And any other new markets that you are looking at apart from the ones where you are already present?
- Varun Gupta:** Noting as of now.
- Moderator:** Thank you. We will take the next question from the line of Ravi Purohit from Securities Investment. Please go ahead.
- Ravi Purohit:** One house keeping question on Kolkata (Calcutta) project, any update on Milakpur or the other two land parcels which we have mentioned in the Presentation for future development? So, anything that can move this year from those four?
- Varun Gupta:** Milakpur and Kolkata (Calcutta) seen far away, the Jaipur and Jamshedpur land parcels we are very close but far away still as to put it in terms of launch. So, the launch can happen probably in the next 9 to 12 months in both those projects, we are very close.
- Ravi Purohit:** So, unlikely that FY 2018 will have any significant launches fresh launches from our side?
- Varun Gupta:** Yes, correct. Right now, the concentration Ravi also of the organization is to get the completed inventory moving and getting generating cash flows because that is our biggest opportunity as well and use that money to do some deals and prepare for better launches 12 months hence from here. So, that is the strategy today.
- Ravi Purohit:** Okay. And in terms of number if you could share how many flats would you have sold as all geographies put together under this CLSS MIG-I and MIG-II and whether people have received money in their bank accounts?
- Varun Gupta:** So, I know one person has received money in his money account in the Halol project. I am not sure exactly how many people have received money in total. I think we would have sold about 40 - 45 units in the first quarter in the CLSS Scheme. We sold about 112 units in the first quarter and out of that about 40 - 45 units were within the CLSS Scheme.
- Ravi Purohit:** MIG-I, MIG-II?
- Varun Gupta:** Yes.
- Moderator:** Thank you. The next question is from the line of Prabhas Anand, an Individual Investor. Please go ahead.
- Prabhas Anand:** Sir, as you said to previous participant, so are you suggesting that this positive cash flows will continue going forward?

Varun Gupta: I am not so sure exactly but I think the cash flows should continue to remain positive. Maybe we might have blip for a quarter or two quarters but going seems positive because construction has come off and if we sell ready to move-in stock which we are looking at to sell cash flows on that front accelerated and we should come in quickly, so that is the assumption that there is.

Prabhas Anand: Okay. And how are our retirement projects doing?

Varun Gupta: So, quarterly sales of all the projects are listed out, you can look at it. Of the 3 retirement projects we are most bullish in Chennai.

Prabhas Anand: Chennai, okay. And do you think interest subvention that you offer reduce margin in Kolkata (Calcutta) business?

Varun Gupta: The interest subvention is offered in Ashiana Town in Bhiwadi it is reducing our margins because it cost about 8% of the sale value for us to subvent.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to the management for their closing comments.

Vikash Dugar: I would like to thank all of you for being on this call and being so patient with all the questions. I hope, we have been able to answer your question satisfactorily. We aim to be more transparent and proactive in our communications and will strive to increase our level of disclosures. On the basis of your feedback if you have any further questions or would like to know more about the company, we would be happy to assist. With that, I would like to conclude the call. A lot material we have talked about is posted on our website and you can also e-mail your queries for any further clarification. Thank you once again for taking the time to join us on this call.

Moderator: Thank you. Ladies and gentlemen, on behalf of Ashiana Housing Limited, that concludes today's conference. Thank you for joining us and you may now disconnect your lines.