



“Ashiana Housing Ltd. Q3 FY-17 Earnings Conference Call”

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**MANAGEMENT: MR. VARUN GUPTA – FULL TIME DIRECTOR, ASHIANA HOUSING LIMITED.
MR. VIKASH DUGAR – CFO, ASHIANA HOUSING LIMITED.**

Moderator: Ladies and gentlemen good day and welcome to the Ashiana Housing Q3 FY17 Earnings Conference Call. As a remainder, all participant lines will be in the listen-only mode. 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 ‘*’ and 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, Janis, welcome everyone and thanks for joining this Q3 FY 17 Earnings Call for Ashiana Housing Ltd. The results and investor update have been mailed to you. And it is also available on the stock exchange, in case anyone does not have the copy of the press release please do write to us and we will be happy to send it over to you. To take us through the results of this quarter and to answer your question 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 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 they face. These uncertainties and risks are included but not limited to what we have mentioned in the prospectus filed with 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 the performance of third quarter of FY 17 of Ashiana Housing. I extend a warm welcome to all of you. The overall quarterly sales were adversely impacted post demonetization, with customers going into wait and watch mode deferring their buying decisions, and a few of them cancelling their earlier decisions to book with us. Well, October was a better month with booking the tune of 92K sq. feet, November and December sales dip to 36K sq. feet and 11K sq. feet respectively. For the similar reason, we saw a significant decline in the side visit post demonetization. As a result, booking area dropped to 1.39 lac sq. feet versus 2.63 lac sq. feet Q3 FY 16 a 47% decline. We handed over 4.46 lac sq. Feet in Q3 versus 3.76 lac sq. Feet in Q2. Out of these 0.78 lac Sq. Feet was delivered in AHL and 3.68 lac sq. Feet was delivered in partnerships. Deliveries are commenced in Vrinda Garden Phase-1 while deliveries are continued in Ashiana Navrang Phase-1 Halol, Ashiana Surbhi Phase-1, partially Ashiana Utsav Lavasa Phase-2 and Ashiana Dwarka Phase-1 in Jodhpur.

Profit after tax was at 15.93 crores versus 0.04 crores in Q3 FY 16. Higher PAT resulting from lower area delivered during the quarter. Pre-tax operating cash flows of Q3 were negative at 5.61 crores, due to lower collections. 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. Equivalent area constructed increased to 4.94 lac sq. Feet versus 4.81 lac sq. Feet in Q2 and 6.14 lac in Q3 FY 16. Sustainable momentum and area constructed on YOY reflect that the company is generally on schedule for the project deliveries as we grow. You will appreciate that in this sluggish market 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 real estate sector which in turn also revive the cash flows from the operations substantially.

In the wake of recent developments like RERA and demonetization and GST we see volatility and challenges in the short term in the real estate sector. However, we remain optimistic in the long run. The impetus further strengthens our belief in the real estate industry provided by the Indian Government in the Union Budget 2017 like

1. Granting infrastructure status for affordable housing projects
2. Relaxation in area requirements in time for completion of the project
3. Reduction of holding period to 24 months from 36 months, for long-term capital gains in immovable properties etc.

We will continue with our long-term core basics of prudent liquidity management, judicious allocation of capital, continue adoption of our theme of selling to helping while dealing with customers and keep nurturing customers joy through initiatives like "happy handover". On this note, I will like to conclude our remarks; we will now be glad 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 take the first question from the line of Shankar Dutt, who is the individual investor. Please go ahead.

Shankar Dutt: And sir my question is when will the RERA regulation will be applicable?

Varun Gupta: RERA regulation applicability is expected from the May 1st onwards. The applicability is three months from the date of notification of rules, so for 1st May to happen, the rules should have been notified, but as they have not been notified in multiple states yet, it might be deferred by a month or two months in different states.

Shankar Dutt: Okay so it is likely to be applicable by May 2017?

Varun Gupta: May 2017, yes.

Shankar Dutt: And sir the finished inventory is going up is there any taxation on that or any other course to hold them?

Varun Gupta: There are some taxation issues which this year's budget tries to resolve. For example, "imputed rent taxation" will happen only one year from the receipt of completion certificate. We have built unsold inventory, and we are trying our best to liquidate the same but markets continue to be a little challenging.

- Shankar Dutt:** Okay. Thank you.
- Moderator:** Thank you. Next question is from the line of Priyank Sanghvi from 5Y. Please go ahead.
- Priyank Sanghvi:** Can you tell about the increase in the booking in Ashiana Navrang in Halol and in Ashiana Nirmay in Bhiwadi like what happened what lead to the increase in bookings?
- Varun Gupta:** I think we are seeing the benefits of these projects reaching their completion. Ashiana Navrang particularly the project is phase one is completed and has got decent occupancy in the rentals. So, in the new markets otherwise as you know people did not have that much confidence in us, so I think that is now getting reflected over there and sales have been better.
- In Ashiana Nirmay we have some bookings which could not be concluded in October particularly. So, therefore, the reflection in October we had many fence sitters that we could conclude in the month of October. So that is what Nirmay and Navrang as I explained readiness impacted sales.
- Priyank Sanghvi:** Okay and on the same line what led to increase booking in Anantara in Jamshedpur?
- Varun Gupta:** Anantara had very negligible stock in the beginning as we had a lot of unfavourable locations units which moved slowly and we found takers for it in this quarter. Nothing, we have completely sold out in Ashiana Anantara. It was just the final stock which takes a little bit of time to sell and we could.
- Priyank Sanghvi:** Can you, regarding this new definition of affordable housing which unit size of 60 sq. meter carpet, can we re-plan Ashiana Gama for the new definition.
- Varun Gupta:** Priyank we are exploring whether there is a possibility or not. There are other stipulations in the law that we are seeking an opinion on and based on that view we will probably take another 3-4 weeks for final opinion to emerge as to what is possible in Ashiana Town Gama regarding profit link tax benefits over there.
- Priyank Sanghvi:** Okay fine. One last question, say for a project if we can say a project which is 100% according to affordable housing definition, that unit size is 60 sq. Meter, then what kind of approximately tax rates should we expect?
- Varun Gupta:** On that project, the tax rate will be effectively zero.
- Moderator:** Thank you. We take the next question from the line of Ankit. Please go ahead.
- Ankit:** So, demonetization has possibly become a past event now just wanted to check how it is going to affect us in the long run. Given the numbers , of course, they are not attractive, but is there any silver line coming up going ahead?

- Varun Gupta:** Ankit I have not seen any silver lining mainly coming up with demonetization from the longer-term perspective. Except for the budget announcement and interest subsidy announcements of the Prime Minister which will provide booster dose towards the sector and the wait and watch the impact of demonetization has started weaning, and things are picking up again as we said. Numbers in November and December were particularly weak, and January also continued to be weak. I think they have started picking up and it will be the next quarter before the negative impact of demonetization is entirely gone away. Moreover, in the long term I do not see any changes because of it.
- Moderator:** Thank you. Next question is from the line of Ravi Purohit from Securities Investment. Please go ahead.
- Ravi Purohit:** Hi Varun, my apologies I have missed your initial comments, so I do not know whether you had mentioned about the impact the announcements made in the budget. Moreover, we are going to make any foray into, given that the size of the apartments has been relaxed and there is a significant benefit available both to developers as well as the buyers of the house?
- Varun Gupta:** Ravi, we did not touch upon the specific provisions in the opening remarks. We are exploring what can be done and if there are possibilities to do some new projects within the provisions. None of our older projects will qualify for the profit-linked benefits so we are exploring in what could be done regarding the utilization of new provisions and planning projects around it. We are also looking at re-planning of any future projects like Ashiana Town Gama to understand the benefit but there are other stipulations in the provisions that we are seeking an opinion on. Other conditions were laid out last year which we didn't really go into because the size of the unit then didn't make sense to us.
- Ravi Purohit:** Right, so that was 60 sq. meter built up?
- Varun Gupta:** Yes, that was 60 Sq. meter built up. 60 Sq. meter of carpet suddenly makes sense to us because we will be able to design products that will appeal to our customers and audience.
- Ravi Purohit:** Just to get the sense right let's say I was looking at some of our houses like in Jodhpur or Jaipur or Halol, where typically super built up use to be 1140 sq. Feet for a 2BHK or a 2BHK with a store or whatever you call it. So, for 1100 sq. Feet to be super built up, what could be the carpet?
- Varun Gupta:** I don't have exact numbers
- Ravi Purohit:** Just rough ball park numbers, is it like we are already making 675 sq. feet or 725 sq. feet carpet area houses and all we need to do is to do a really tweaking about 50 to 100 sq. feet?
- Varun Gupta:** About 150 Sq. feet, like a 950- 975 sq. feet apartment we can fit in now.
- Ravi Purohit:** Okay you mean super built up?

- Varun Gupta:** Yes, super built up.
- Ravi Purohit:** Built up you already had 940 for 1140 super built up?
- Varun Gupta:** Correct. So, I mean ~950 super built up. So, we have done products in the range of 850 sq. feet and 950 we can look at, between 900 to 975 sq. feet.
- Ravi Purohit:** Because if this category comes up, it can attract much buying over the next few years, given the kind of incentives that developers and buyers have. Moreover, developers who have strong execution capabilities should stand to benefit because of the stipulation that you must finish that project in five years. Is that, right?
- Varun Gupta:** Yes, that is correct. So, execution capabilities and the balance sheet to manage a construction both will be key, so again we understand the stipulation, at the end of the day first we want to do is what the customer wants and what the law mandates from the tax benefit perspective. So, we also want to understand whether demand for these kinds of homes will be there in the markets that we are operating in and what kind of markets will be may be possible yet. So, we will understand the aspect and then take a call. So, we can look at utilizing the stipulations for the incentives in new projects for sure, and we understand what can be done.
- Ravi Purohit:** Moreover, about interest subvention now they have clarified that it applies even to middle-income group, a category of the first-time buyer and middle-income group category as per Government definition is between 12 lacs and 18 lacs of household income. So, our target customer fits into that range, right?
- Varun Gupta:** Yes very well.
- Ravi Purohit:** Also, that holds true for our existing projects because that is not subject to any projects being launched fresh or it has got no conditions attached, right? Except for the fact that you should be the first buyer and you should have that household income. That is correct?
- Varun Gupta:** That is my understanding as well, but specific stipulations have not come out yet. We would stipulate particular condition the process, and it will be routed probably through the national housing bank and down through the HFC in the banking system. So that clarity has not come in. Some clarity emerged as some newspaper also carried that it will apply to all those homes purchased 1st January onwards. However, all that is right now based on newspaper reports. The banking system does not have distinct clarity yet. So, we are waiting for the clarity, but the way the press is reporting is what it seems like what you said is correct.
- Ravi Purohit:** Venkaiah Naidu wrote an editorial in one of the newspapers where he mentioned about this middle-income group category; I think none of the bankers has the official communication?

- Varun Gupta:** So, we are waiting for the communication and what it seems like the communications will not be available until the end of the state elections that are going on. So, I think another month to go.
- Ravi Purohit:** Okay. But if it is what it is then basically applying to our existing projects and everything right now. We don't have to launch afresh.
- Varun Gupta:** Yes, it does we will not have to launch fresh. It will cater for all our projects.
- Ravi Purohit:** Another provision that was made in this budget was about this JDA rules being relaxed on capital gain incidence if you could just throw some light how does it help whether expedites your project execution or how does it basically in the long term assist you in?
- Varun Gupta:** The JDA taxation provisions have been subject to much litigation, how capital gains will be charged when it will be charged, and this was subject to much drafting in the agreement. To me, it kept away some risk averse owners from going around a JDA route which would go you know, we just rather sell we do not want to take this you know taxation charge. Alternatively, if we did not take the tax structuring, there were many incidences of Capital gains earlier. We should make the transaction inefficient from the perspective of a landowner because you would get tax receiving without receiving fund flow.
- Also, most people are doing the land deal to generate funds. If they had funds, then there is no reason for people generally to enter into the land transaction. They would rather just sit on it and will enjoy the appreciation of the parcel. So, I think it will solve all that anomaly a little bit, by giving the clarity. The only issue that has come in is that the capital gains norms which have been clarified are applicable to only individuals and HUFs. So, in case the land owner is a company or partnership firm then the new stipulations do not apply. So that is a little bit fine print over there. However, that said it would ease doing JV significantly.
- Ravi Purohit:** And this infra status does it help the companies like us, I mean we don't have too much debt but if we borrow does it help?
- Varun Gupta:** It doesn't really help us directly but it helps the industry.
- Ravi Purohit:** What do this provision and these announcements do to existing unsold inventories, let say there is unsold inventory of house which is probably 70 sq. meter in size in the market unsold and executed as we speak and here is the government announcement says that 60 sq. Meter house you make, and you will get it cheaper, right? It affects the existing inventory significantly, or they could be pressure on prices?
- Varun Gupta:** I do not know I am not so sure about it. So, pricing pressure has existed whatever pricing discounts should come in had already come in pre-8th November, if there were any room for pricing to fall further then they would have fallen in the last three months which they have not. So, I do not see prices correcting any further because there is little room for them to correct. I

think overall what the budget has done is change the mood and the sentiment for the industry to be positive. Where the home buyers being very risk averse and were deferring the decisions, I expect that it will enhance home buying overall in general just not an affordable housing segment because people will become more positively oriented in investing in homes more. On a sentiment perspective, so that was one thing.

The second is if the interest subsidy I think will apply to even larger homes, the 60-sq. Meter of RERA is applicable tweaking becomes relevant only from the 80-IB perspective. If you look at what was credit link subsidy scheme earlier was already 60 sq. Meter of carpet I think which they have increased to 80 sq. Meter of carpet also in between. So, the area requirement for the interest subsidy will be different from the area requirements from the 80-IB profit in benefit. Two distinct situations altogether so I do not see any significant impact, it overall seems to be beneficial. The intend of the government also appears to push first home buying and owner occupier and owning your home as an overall thought. Not as much in the investment demand.

Ravi Purohit: One last final question from my side. Another provision, which to my mind, was a negative provision is that to restrict loss on the second home. You know investment house property to 2 lac per annum so you can carry forward the losses, but you own like a, so does it negatively impact an investment demand and real estate especially in metros, maybe not our target market but if the ticket sizes are.

Varun Gupta: It should negatively impact the investment demand in the metros for larger homes. Fortunately for us in our homes, if our home is the second home for a buyer our typical units the amount of rent you get and the amount of interest you would pay the loss will be around 2 lac maybe 2.5 in some cases and 1.5 in some cases. So, the impact would not be as impactful in our homes so that way we would not have that much of a challenge, but bigger most expensive property investment demand should come off over there if home loans are financing there. So, one also should figure out how much is the investment market is getting financed. I do not know, but generally, it is a negative impact.

Ravi Purohit: Okay. Thanks so much.

Moderator: Thank you. We take the next question from the line of Siddhart Agarwal who is an individual investor.

Siddhart Agarwal: Sir you just mentioned on the infra status, so was it the benefits of getting these infra status for real estate players and general?

Varun Gupta: Generally, the benefit would be a lower cost of financing.

Siddhart Agarwal: Okay, so would that have a competitive advantage to our competitors? Because we really do not have a lot of debt so how would that affect us?

Varun Gupta: So that's what I said negligible impact to us, overall positive impact for the industry.

- Siddhart Agarwal:** Okay. And this interest subvention scheme that has been introduced so how would this benefit our customers?
- Varun Gupta:** So again, they have not announced the exact details yet. We have this same question come up before you, and it will have a positive impact on our buyer because they should fall within the middle-income criteria as announced. We are waiting for specific details to make sense of what can be done based on the same. General expectations are positive because it should subsidize their purchasing of homes and therefore the increase in affordability. However, let's wait on some details which probably will come out after the elections.
- Siddhart Agarwal:** And what are sales target for the next financial year?
- Varun Gupta:** We haven't set any targets for the next financial year yet.
- Siddhart Agarwal:** And how is our launch in Chennai doing?
- Varun Gupta:** The numbers are out for you to see and take a call according to you what it is, in my opinion, we are getting a good response, for entering a new city and I have overall very positive expectations from the project.
- Moderator:** Thank you. We take the next question from the line of Priyank Sanghvi from 5 Y. Please go ahead.
- Priyank Sanghvi:** Some sectors will form part of the decision whether we want to go for the resizing of units for the definition, so what all sectors becomes the part of that decision?
- Varun Gupta:** One certainty is of getting the tax benefit, and understanding of how it fits into those stipulations. Second would be our knowledge of whether there is a real demand for those unit sizes and whether there will be real off taking so that the other piece. So, if both of those fit together those are the two real calls we want to make, and if they fit then, we will go ahead and do it.
- Priyank Sanghvi:** And you said that there were some conditions that were mentioned in this like last year when they were originally noticed mention so can you mention what all additional conditions are there that can stop us?
- Varun Gupta:** There are dates of when the plan should have been sanctioned, then what date should be considered, certain stipulation of utilization of FAR minimum utilization of FAR, those kinds of stipulations will be there. So those are the only thing which we need to confirm.
- Priyank Sanghvi:** Okay fine. Regarding Jaipur all the three projects in Jaipur like our individual as well as the partnership. There is some decrease in bookings in all the 3 Jaipur projects, can it be linked with demonetization and it is just the matter of time when demand would come back. How do you see it?

- Varun Gupta:** October was a great month we were looking at a very positive quarter and then post demonetization the impact has been quite significantly disturbing. Jaipur also had the cancellations particularly because of demonetization, things are already improving, and I think that April to June quarter onwards we will be back to being where we were in October at least.
- Priyank Sanghvi:** One last question this is a general question like we have a policy at Ashiana of having 7 to 8 years of land requirement like based on the current absorption rate so can you tell how to reach this number of like 7 to 8 years, it was probably set long back.
- Varun Gupta:** A project cycle is about seven years from acquisition to approvals to complete execution of the project it takes between five and seven years and therefore that the basis, about a year or two for approvals and about 4 to 6 years for execution.
- Moderator:** Thank you. We take the next question from the line of Dhruvesh Sanghvi from Prosperity. Please go ahead.
- Dhruvesh Sanghvi:** I am on the call for the first time. I just wanted to understand the broad philosophy. Suppose when the demand is not there or is a little weak, how do we go on the pricing do we respond concerning price cuts or we wait and maintain the pricing. Because most of the time we see builders keeping the price and not giving discounts on it. Your thoughts on it?
- Varun Gupta:** We wait and maintain pricing.
- Dhruvesh Sanghvi:** Okay. However, why is this a normal phenomenon? I mean in the overall industry is it that we are so confident all the time as an industry that price cuts are never a good option. I mean how this can be managed all the time without so much worry about the demand that is being there for the last many years?
- Varun Gupta:** I don't know why but it is what it is. That's how the industry behaves and that's how we behave, I don't have a real explanation of why it is so it is.
- Dhruvesh Sanghvi:** Sir one more. From the peak of the pricing periods what would be the typical correction I mean in the cities where you are operating if you can? Can we say that from the peak times we are already down by 20% and already I mean just before the demonetization also and as you said that demonetization has hardly affected the pricing? I mean across the companies we have seen the similar answer that it hardly does change, but from the peak how much it is down, I mean if it all?
- Varun Gupta:** It is down from a peak in multiple markets, so pricing has come off in most markets depending on location product, between 10 to 25%, particularly in the higher price markets they have come off. However, you can see it in resale pricing that is available, markets which had run off – too fast have also come down a little too quickly.

Dhruvesh Sanghvi: Sure. And I have not seen the numbers in details, 'sorry', this is the kind of question, what is the number of apartments we typically sale, is that right question to ask and if you can answer this?

Varun Gupta: Yes sure, we report the quarterly sales figure, and there isn't a typical YoY number that's been happening over the 10 – 11 quarters. To quote a typical number would be incorrect at my end. So, last quarter has been weak in which we have sold 139000 sq. feet.

Dhruvesh Sanghvi: I was talking more in term of number of units and again I understand ...

Varun Gupta: Typical unit size average is 1200-1300 sq. feet. You can look at it you know divide that in and understand the number of units we would be selling. We report the annual number of units being sold also and quarterly number of units sold in the annual report sold you can have a look at it.

Dhruvesh Sanghvi: One more part you said the affordable housing site the taxation would be zero and in that case, we will be attracting our MAT or not even that?

Varun Gupta: Well, that will depend on how many profitable projects we have that can be taxed. So, MAT will apply to the company as a whole. So, I have one project which has full taxation and one project which has complete 80-IB benefits. You will take the two together and then apply MAT on it and full rate of tax on the fully taxable project and pay whichever is higher. So, it is dependent. So SPV will be not as conducive to do this development as compared to doing it in the Vehicles which have otherwise taxable projects.

Moderator: Next question is from the line of Shankar Dutt who is an individual Investor. Please go ahead.

Shankar Dutt: What are your current sq. feet costs of construction and how is the trend?

Varun Gupta: Construction costs are going up particularly because labour cost minimum wages are being revised upwards and some regulatory costs are also coming in as you move forward every time. So, construction costs are trending up right now our construction cost varies between about INR 1250 to 1850 to 1900 sq. Feet depending on the depending on the project location and structure sometimes it even goes up 2300-2400 sq. Feet in the case of Lavasa where the costs are significantly high, but otherwise my guess would be averaging about on the rated basis around INR 1500 sq. feet.

Shankar Dutt: What would be the changes in our company post RERA in terms of the cost and other changes?

Varun Gupta: I do not think RERA would have a substantial cost impact on us. A, we are generally equity funded. B, we do not divert customer advances to new projects, so we will not be financing for that as well. Moreover, most of the things that RERA requires we already do, so I do not see a large structural cost angle coming to us, but I see it coming into the industry. So that way we will have a competitive benefit on a competition side because we already absorbed those costs that RERA requires developers to absorb.

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

Dhruvesh Sanghvi: One more question on the regulatory side generally what is the timing I think you said one to two years, if you can explain little bit in more detail why does it take that long I mean in general.

Varun Gupta: It takes because there are multiple approvals to get from various authorities which sometimes are sequential and sometimes parallel, and therefore sometimes there are lots of different stipulations that are changing, so time varies how things work in India.

Dhruvesh Sanghvi: Over the last 10 years even the regulatory side has been responding comparatively better than whatever slow pace they are doing, has there been those kinds of changes happening?

Varun Gupta: Unfortunately, I do not think the state has kept the growth of the country, and the requirements concerning state capacity and institutional capacity have kept paces. I am not going to say the Government is not doing anything. There are not enough people, and there are not sufficient process like when companies grow, scales becomes a very challenging issue to handle.right?

Similarly, what I would say in the country the number of approvals that are to be given now RERA is coming it is the law. We have all the freedom; we will appoint fresh ratios to structure ourselves, do the same. Will Government create escape capacity to handle those extra approvals that they will have to give or is it the same individual who is just now pressured with another legal issue that he should handle. So, unfortunately, the government has not, the state capacity is not keep paced with both the scale of the economy and just too sure the number of projects happening. If you take real estate industry and the shifting obligations in law and regulatory requirements that are coming as we become more and more complex. Like ten years ago, there was an environmental care and what so ever. 2006 it came in. So, in fact, it has become more challenging over the last ten years.

Dhruvesh Sanghvi: Then, thus this not point out to the drastic squeeze in the supply and therefore a strong case for increasing prices in certain pockets?

Varun Gupta: I wouldn't speculate on that.

Dhruvesh Sanghvi: But I think on the supply side we can speculate maybe not on the price, on the supply do you see it is coming drastically lower?

Varun Gupta: Supply has been reducing over the last 6-7 quarters already. If you think launches have reduced even more than offtake, have we have now quarters in the most markets where off take has more been than launches and probably in October-December quarter where sales have actually been hit after 8th November. Still, launches have been lower. So, supply has been crunched in many ways given the cyclical nature of the industry plus there were delays. I think our expectation is that RERA should need to check reduction and supply for sure.

- Moderator:** Thank you. We take the next question from the line of Ravi Purohit from Securities Investments. Please go ahead.
- Ravi Purohit:** Varun two questions one is we know how does this use of existing land parcel we should qualify for the affordable housing in a sense. Let's say Ashiana for A town, we have a large parcel over there, so how does it happen do we launch for the vacated land parcel, we register it at a separate name, separate drawing separate project everything so you should treat it as a separate project altogether is it?
- Varun Gupta:** We are just seeking opinions from our tax consultants I think it will take 3-4 weeks before we get proper opinion on that.
- Ravi Purohit:** So this will be basically for the projects where we already have phases launched, but we have significant land parcel remaining. We are seeking an opinion to identify those lands, let's say, the new land that you have bought over the last one year or so; one is in Jaipur Umang extension and one near Ajmer road. Both of which have I think about a million and half saleable area, there again the same thing applies or because you have not launched anything you can just file it is as under affordable housing.
- Varun Gupta:** We need to assess if that product right for that location. In our opinion a smaller size unit will not work in this place, then you know we will have to do the study of that area to know what the market wants and if the tax benefits accrue on that
- Ravi Purohit:** Any update on the Milakpur land?
- Varun Gupta:** No updates on it.
- Ravi Purohit:** And Kolkata?
- Varun Gupta:** In Kolkata we get some movement and then we get stopped again some movement and then we get stopped again, so again challenging over there. We are not able to get an approval due to some issues on the township approvals that we are, basically we need more Bengal Shriram to do activities before our approvals come in our place. So, we are awaiting the same.
- Ravi Purohit:** So, any new projects that we were likely to launch in this quarter which we are going to launch or going to push Neemrana let's say phase 2 or let's say Jamshedpur?
- Varun Gupta:** Nothing in this quarter the land that we are pushing to get approval is the one is Jamshedpur.
- Ravi Purohit:** Is it the Ananda Project, is it?
- Varun Gupta:** Yes, Ashiana Ananda. We are in the final leg of approvals there. There has been a certain complication as the government did not finalise the building by-laws, now that got finalised. The competent Authority officer has changed, and the new one has come in. Also, there was no

Environmental Committee earlier. These conditions in Jamshedpur are finally sorting out, and I am very hopeful that we will get approval in the next three to six months.

Ravi Purohit: And when does the launch of Phase two in Shubham gets triggered? You're almost close to on like completing selling 50% of your saleable area?

Varun Gupta: Probably it will be closer to when we have sold 75% to 80 % of the stock. Phase-2 has full approvals.

Ravi Purohit: So that's the only matter of launching it basically?

Varun Gupta: Yes, it's only a matter of launching it.

Moderator: Thank you. That was the last question now I hand over the floor over to the management for their closing comments.

Vikash Dugar: I would like to thank all of you for being on this conference call and for being patient with all questions. I hope we have been able to answer your questions satisfactorily. We aim to be more transparent and proactive in our communications, and we will strive to increase our level of disclosures on the basis of your feedback. If you have any further questions, or would you like to know more about the company we would be happy to assist you. With that, I would like to conclude the call. Most of the material that we have talked about is also available on our website and you can also 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 the behalf of Ashiana Housing this concludes the conference. Thank you for joining you may now disconnect your lines.