

Transcript of Annual General Meeting of shareholders of the Company held on 28th September 2023 at 11:30 am, through Video Conference

Nitin Sharma

Good morning, members and welcome you to the 37th annual general meeting of Ashiana Housing Limited, which is being held today on 28th September 2023. I welcome Mr. Varun Gupta, our Whole-Time Director; Ms. Sonal Mattoo, our Independent Director and Chairperson of the Audit committee, Chairperson of the Nomination and Remuneration Committee; Chairperson of the Stakeholders Relationship committee, and Member of the CSR Committee. I also welcome Mr. Vikash Dugar, our Chief Financial Officer; Mr. Abhishek Gupta, Partner of B. Chhawchharia & Co.; our statutory auditors and Mr. Ashok Kumar Verma, our secretarial auditor. After seeing the strength of the members present who are logged in, it can be ascertained that a quorum for the meeting is present. And accordingly, I call this meeting in order. Now, I request members to elect Shri Varun Gupta Ji as Chairperson of the meeting. As per the Articles Of Association, Mr Varun Gupta is already Chairperson of the meeting, since he is a shareholder of the Company. Varun Ji, now I hand over the proceedings to you.

Varun Gupta

Good morning, everyone. Before I begin, I just want to say thank you to everyone who is here and from the side of the Company. In terms of directors, there is myself and Ms. Sonal Mattoo who is an Independent Director of the company and Chairman of the Audit committee, the Nomination and remuneration committee and also the Stakeholder Relationship Committee and a Member of this CSR committee. We also have Vikash Dugar with us, who is the CFO of the company. Abhishek Gupta, the partner at our statutory auditors, and Mr. AK Verma, secretarial auditor.

I would also just give a few words before we begin. I am pleased to share that the financial year 2023 was a landmark year for Ashiana as it recorded its best ever pre-sales bookings by crossing ₹1300 crores mark at the average realisation per square foot crossed ₹5000 for the first time. Also, there has been an increase in consumer preference for larger homes primarily attributed to improved affordability and positive buyer sentiments. Factors such as the option to relocate to peripheral areas of the city, availability of finance at affordable rates, return of workers to offices and improving rental yields have all contributed to the shift. Consequently, there has been a notable surge in demand for housing loans while the supply of ready-to-move-in homes has decreased, resulting in a significant increase in housing prices. We have taken a realistic target of ₹ 1100 crores of pre-sales for FY 2023 as against an achieved pre-sale for FY 2022. We ended the year with pre-sales of ₹1313.43 crore, a growth of 129%, 25% from 14.76 lakh square feet in FY 2022. Over the last few years, we have increased our focus on return on equity and aspire to achieve a 15% post-tax return on equity on a sustainable basis. The two key pillars to achieve our long-term ROE targets are geographical diversification and higher contribution to senior living. In terms of geographical diversification, we strengthened our presence in Gurgaon with the launch of Ashiana Amarah Phase 1 and sold all 224 units, totalling 3.95 lakhs square feet on launch. We also acquired a new land parcel in Gurgaon having a development of 10.3 lakh square feet. We are quite bullish on active senior living as a niche customer segment and is growing acceptance in India. We are also increasing this category in terms of contribution to overall sales. We sold 230 units in senior living in FY 2023 and our aspiration is to cross 6 lakh square feet of annual pre-sales in the near future.

FY 2024 will be an exciting year for senior living as we have lined up three launches, one in Pune and two in Chennai.

From a talent perspective, the employee strength grew to 953 employees distributed across 8 locations across PAN India. We continue to focus on building capability in teams through our homegrown leadership thrust there is impetus for initiatives like talent review, where we focus on the career progression of key seats, which includes curating individual development plans for the key seat occupants in the organization. The Ashiana Training Institute was also set up in 2006 with the twin objectives of improving the lives of labourers working on Ashiana sites as well as addressing the shortage of skilled workers in India. It has been instrumental in imparting free vocational training to unskilled and semi-skilled workers in the construction sector to improve and enhance their employability and help them earn higher wages. For this financial year, we trained 359 workers consisting of 275 males and 84 females under the National Urban Livelihood Mission Scheme and in-house training program bar bending and mason range. We hope to continue making a positive difference in the world by taking these actions. Ashiana's successful journey is made possible by the efforts and dedication of our talented team and their commitment towards a common purpose. I would also like to thank our Board for their unwavering support and guidance and express my appreciation to our customers for their confidence in trust in Ashiana. We are also grateful to our business partners and vendors who also contribute significantly to the success of Ashiana. Wishing you and your families a healthy and prosperous future.

The notice of the AGM was circulated to members of the company on 4th September 2023. I would read the first and last paragraph of the AGM notice, the first paragraph notice is hereby given that the 37th annual general meeting of the members of Ashiana Housing Limited will be held on Thursday, 28th September 2023 at 11:30am through video conference or other audio-visual means for which purpose the registered office of the company situated at 5F Everest, 46/C Chowringhee Road, Kolkata shall be deemed as the venue for the meeting and the proceedings of the AGM shall be deemed to be made there at to transact the following business. And the last paragraph, therefore the resolution at item number six is recommended for approval of the members by means of ordinary resolution as required under the Companies Act 2013. I request the shareholders that the notice convening the annual general meeting to be take as read. The auditor's report as submitted by M/s. B. Chhawchharia & Co., and the Company on standalone and consolidated financials accounts for the financial year 2022-2023, can be taken as considered and read. There are no adverse remarks or any reservations or qualifications either by the statutory auditors of the company or by the secretarial auditor in the report for the year under review. I request that the auditor's report be taken as read. I would like to update all the members about the e-voting facility available to shareholders to cast their votes on the resolution in the AGM notice. For conducting this e-voting, Mr. AK Verma has been appointed as scrutinizer, he is a Practicing Company Secretary of A.K Verma and Company; e-voting facility was available through remote e-voting starting 25th September from 9am and ending on 27th September at 5pm. The members can also cast their vote through e-voting during this meeting, for which the facility shall last up to 30 minutes after the conclusion of the meeting. The results of the E-voting along with the scrutinizer's report will be declared within 48 hours of the conclusion of this meeting. Any members who have not cast their votes, so I would request you to cast their votes on the following resolutions. I will go ahead and read the resolutions.

1. To consider and adopt the audited standalone and consolidated financial statements as of 31st March 2023, and report of the Board of Directors and Auditors thereon.

2. To declare dividend of 50 paise per equity share of ₹2 each, i.e., 25%.
3. To reappoint Mr. Ankur Gupta, who retires by rotation and being eligible for re-appointment, offers himself to be re-appointed.
4. The appointment of Mr. Suraj Krishna Moraje as Independent Director of the Company and approve payment of remuneration to him in terms of the provisions of the Companies Act 2013.
5. To provide security against loans including the issue of secure non-convertible debentures and bonds on a private placement basis.
6. To consider ratification of remuneration of the cost auditors.

I again reiterate that members can also cast their votes through e-voting during the meeting, and the facility shall be available for 30 minutes after the conclusion of the meeting. Now we move on to the question-and-answer session. Nitin, I request you to share questions as per the shareholders if there are any.

Nitin Sharma

Sir, no such live questions are asked by the shareholders. However, there are 14 shareholders who are joined to ask questions. They have requested to make them panelist to ask these questions. I am making the list visible. I am asking NSDL to please allow Mr. Ashit Kumar Pathak to ask his question.

Ashit Kumar Pathak

Good morning, respected Chairman, Board of Directors, MD, fellow members, Company Secretary joining us at the 37th AGM of Ashiana Housing Limited. My name is Ashit Kumar Pathak joining from Dumdum Kolkata. At first my extreme gratitude, our Company Secretary, respected Mr. Nitin Sharma and the entire secretarial team for sending me the notice of the AGM and annual report by email very well in advance and allow me to speak. Sir, beginning your opening remarks is very optimistic for the current financial performance of my company and future strategies and roadmap. The financial year 2023, our performance is very nicely achieved, this year's sales mentioned ₹40,000.13 crores and average price revelation is nicely achieved near about ₹5080 against ₹3883 previous financial year; EPS also nicely achieved positive 2.81, and also NIP was nicely achieved ₹760 crores and also consolidated sales ₹425crores and profit after tax achieved ₹29 crores and EBITDA nicely achieved ₹46 crore. Thanks to my company's management team for this prospective financial performance in the financial year 2023. Regarding the dividend last year, you also rewarded a dividend of 90% per equity share this year only 50%. Throw some highlights on dividend distribution policies, also nicely you rewarded buyback of shares aggregating ₹301 near about 18, 27,242 equity shares. Thank you for this, please throw some highlights we have some NCD we raised near about ₹26.40 cores. What is this coupon rate, if possible, throw some highlights this from IFC and throw some highlights or present our net operation cash flow and any new project in our business pipelines. Also, you mentioned kids centric project consultant our management team to throw some highlights about this. Our registered office is at Kolkata. So, any plan for new projects in West Bengal because the housing sector is very nicely going under PMAY and NPLS scheme and also Government-initiated Alternative Investment Funds and High Priority Sector Lending, how we are taking this opportunity?

Nitin Sharma

May I request you to please keep your questions very short and crisp.

Ashit Kumar Pathak

Just 30 seconds, please give me time. How are we mitigating the challenges as economic volatility and regularity hurdles and taking this option and I think cost of raw materials and changing consumer preferences and high depending workforce and hybrid work and inflation, how we manage this because GDP in real estate is 10%-13% by 2024. And finally, Sir, I noticed the expenses reduced by 16% and also purchases you reduced from 16%. So, how we compete with other players, throw some highlights. Nothing to say more. I pray to God for the good health of everyone. Thank you.

Varun Gupta

Thank you for your question Ashit Ji, there were a lot of questions in there, but I was not able to note all the points there. So, what I remember, one was with respect to dividends, our dividend policy for the company remains to give stable dividends year on year. So, we have been generally given 50 Paise dividends every year. Last year, we had an interim dividend in the financial year 2021-2022 as well and therefore, dividends went up. And this year, we gave 50 Paise dividend, and I think one of the reasons to keep it at 50 Paise and not do the same dividend as last year was we did a large share buyback in the company this year, which was a way to distribute cash back to shareholders and therefore, the dividends were capital lower the last year. But however, the policy of the company will continue to keep dividends stable going forward. And the second perspective that I remember was asking about operating cash flows, operating cash flows of the company remain healthy and positive. This year, particularly 2023-2024 seems even better than the years before that. We continue to invest in getting more projects and are quite positive about the future.

Nitin Sharma

Sir, there is more than one shareholder. NSDL, please allow Mr. Bimal Krishna Sarkar to ask his question. Bimal Ji, please ask your question.

Bimal Krishna Sarkar

Very good morning, very noon bi bol skta h. Sir me Bimal Krishna Sarkar, equity shareholder of the company. *Mera residence Kolkata se bol raha hoon, Chairman Sir main aapko dhanyavad deta hoon. Apne company ka performance ke baarein mein sab saamne rakha hain, isse clear ho gaya hain. Aapka result iss baar bahut achi hui hain, islie aapko aur apki puri team ko dhanyavad deta hoon. Sir aapne pehle 3 question raise kia, main bhi bol raha hoon ye dividend bahut poor hain, 0.20, main request karunga iss saal mein interim dividend aap declare karein. Aapki CSR activities bhi bahut achi hain, islie main puri CSR committee ko dhanyavad deta hoon. Aapke Company secretary ko dhanyavad deta hoon unhone bahut pehle hi annual report bhej dia tha. The relations are very good, aapne bahut acha relations hum logo se rakha hain, islie bahut bahut dhanyavad. Aap or aapka pura team aur Company secretary department ko dhanyavad deta hoon aur ishwar se ye prathna karta hoon ki aap swasath rahein aur humare company ko iss tarah se aage lekar chaliye.*

Mereko bolne ka mauka dia hain, islie bahut bahut dhanyavad. Aur logo ki meeting hain usme jana hain islie jaldi jaldi khatam kar dia. Thank you very much, Sir.

Nitin Sharma-

Thank you Bimal Ji. NSDL, please allow Lily Pradhan to ask his question. Another speaker is Subhash Kar, NSDL, please allow him.

Subhash Kar

Very good morning, everyone; respected Chairman and other Board members, myself Subhash Kar, joining from Kolkata. My special thanks to the respected Company Secretary, Mr. Nitin Sharma and his full team. They always maintain a cordial relationship with the shareholders and register my name as a speaker. Our Company announced excellent results for the current financial year, congratulations to the Board members. Our Company is debt-free and also paying dividend, very good promoter holding and has strong annual EPS growth. Sir, our Company's balance sheet is very good, but the share price does not reflect in the stock market. It should have been 500 to 600. I strongly support all the resolutions. Sir, high inflation and interest rate circle is moving up in this context. How are you facing the challenges? If you can talk about the pricing across the rest of the key geographies, like Jaipur, Bhiwadi and Jamshedpur, what is the kind of CAPEX that we are looking to do for the financial year 2024 and 2025? Next, Sir, are we including another income of ₹24.6 Crore? Give your valuable comments. Ashiana Maintenance Service LLP, Latest Developer Advisory Limited, Topwell Project Consultant Limited, and Ashiana Amarah Developers, four of our subsidiaries, give some light on their business data. Sir, I hope you consider rewarding attending shareholders for the coming festive season. Thank you, and I wish you all the best.

Nitin Sharma

Thank you, Sir. Varun Ji, would you like to answer, or should I take another shoulder before you answer?

Varun Gupta

Take one more shareholder, and then I will answer all together Nitin.

Nitin Sharma

NSDL, please allow Dipayan Pradhan. Dipayan ji please ask your question.

Dipayan Pradhan

Good morning, all. Thank you for having me over here in the meeting. And thank you for having the meeting on virtual network. It's very helpful since I am joining from overseas and can't be there physically. I wanted to just suggest that you have housing plans for elder and kids and families. Have you thought about the entry-level employees like fresh graduates and students like us who would like to have affordable and small apartments for living near the city centers, that would be very helpful for us. And due to a network problem, my mom, Lily Pradhan couldn't join. If you would give her another chance that would be very helpful. Thank you.

Nitin Sharma

Thank you, Sir. NSDL, please allow Mr. Manas Banerjee, can you please ask your question.

Manas Banerjee

Present board members and my co-shareholders, I am Manas Banerjee, joining the VC AGM from Kolkata. First of all, I convey my sincere thanks to our company secretary, Mr. Nitin Sharma and his full team for rendering a very good industrial service. In all respects, the financial year 2022-2023 was a remarkable year. Both the top line and bottom line registered positive growth and our company proposed a 25% dividend for the current year. Congratulations to the board members for this. Now I have some queries. Number one, Sir, our Company did 2.6 million square feet of sales in FY2023. So, what are we expecting in FY2024. Second question: how do you see our realisation over the next two to three years? And finally, Sir, can you give an idea of the HSIIDC land deal? When the project work will be launched, give some light on this. I strongly and wholeheartedly support it all your resolutions by remote e-voting. Before I conclude, I repose my full confidence on the functionary of this Board of Directors of this Company. Thank you for your patience hearing, and have a nice day.

Nitin Sharma

Thank you, Sir. NSDL, please allow Mr. Sudipta Chakraborty for her question. Please ask your question.

Sudipta Chakraborty

Sir, I am Sudipta Chakraborty, attending VC from Kolkata, a small shareholder of Ashiana Housing Limited. I believe my company is in a strong hand and it will perform better to better in coming future. In our chairman's leadership, his honesty, dedication, devotion and determination. Sir Corona period share price was around ₹35. Today onwards, more than ₹ 200, six achievements in three years, nothing is comparable with it. It's only possible with the hard work of our secretarial team, the Chairman, and the member of our company, and the staff of our company. I casted vote in favour of you. I just want to know, next 2-3 roadmap of my Company? Best of luck and our secretarial team, especially Nitin Ji, is always cooperative with each shareholder and hats off to you. Thank you, everybody.

Nitin Sharma

NSDL, please allow Sunil Kumar Chakraborty.

Sunil Kumar Chakraborty

My son Sudipta, he said that he is fully confident with our management, and best of luck, and he casted his vote in favour of our Company. Thank you, Sir.

Nitin Sharma

I think we are all done. Varun Ji, you can answer their queries.

Varun Gupta

Thank you, Nitin. I will go by these queries one by one; I was able to note down a few of them. So, some queries were around dividends and dividends not being sufficient. As I said this year, we had not declared as much dividends as last year primarily because we also decided to do a share buyback, too. And that was a way to return back significant cash to our shareholders, and that kept dividends in check this year as compared to the previous year. Another question was on breakup other income of about ₹24 crores of other income was mentioned of ₹24 crores, ₹10 crores of other income in the standalone balance sheet is from a share in the profit of partnership firms, which are in the nature of operating partnership shall where either we have a partnership from doing real estate maintenance operations, or we have partnership firms executing projects. So, I wouldn't comment further on the same, and the remaining other income was of ₹14 crores. This other income is mostly interest and investment income in nature or income from miscellaneous sources and the majority of it is through basically interest income or investment income that comes in various forms either through rent on assets or through investment into financial assets that generate returns. Another shareholder mentioned to do city centre developments and considering that, I would like to revert that we are not really a city-centre development organization as a company as the talent pool in the organization we don't have capabilities to do city-centric developments. We have built capabilities to actually do large scale suburban developments at lower price points as compared to city center developments in terms of cheaper land and larger scale projects, which provide a lot of value through common amenities which are again not really possible in city-centre because of the paucity of large scale that is available. Another shareholder asked about expected sales this year in terms of area and what kind of prices we are achieving, so this year, we are targeting a ₹1500 crore sale value for the entire financial year in terms of presales bookings. And we are a little flexible on whether how much area we achieve or how much pricing we achieve as long as we target and get to ₹1500 crores of sale value. That said, we expect the pricing to be achieved this year to be significantly higher than the pricing achieved last year of ₹5080 per square foot. Another shareholder asked us to give colour on the sector at HSIIDC land that we acquired. This land is in Gurgaon, with a little bit more than 10 lakh square feet of saleable area potential. We plan to do kid-centric homes here, and we expect to launch the project in the next financial year, 2024-2025. And another shareholder asked for a roadmap of the next two to three years for the company, I think the next two to three years of the company generally look good. We have lots of projects to execute. We have about a Crore and 15 lakh square foot in future projects and some more in already existing launch projects. They have a very healthy sales volume that we can achieve. So, we expect the next 2-3 years for the company to be solid for us to grow as we go along this year. With basic again, reiterating the company's targeting to figure out how to do a sustainable return on equity of 15% Plus, I think that's the financial target that we have, and I hope to achieve that over the next 2-3 years, that's it on the questions.

Nitin Sharma

Varun there is only one shareholder left who has been requesting Mr. Sujan Modak. Can I take up his question?

Varun Gupta

Yes. Please.

Nitin Sharma

NSDL, please allow Mr. Sujan Modak to ask his question.

Sujan Modak

Namaskar. Respected Chairman, other Board of Directors, I am Sujan Modak. Sir, I am attending this meeting from a residence in Kolkata. Sir, if we see the performance of our company this year, it was a very good performance. Your sales profit before and after tax has gone up. I have few questions; however, many questions have been asked by so many shareholders. So, my questions are already they have asked. So, I don't want to repeat it. Ongoing projects, I can see that 62.9 lakh square feet is saleable and 47.32 lakh square feet is already booked. So, what is the remaining that one he wanted to project, and how long may it take to get the sale quantity? Since interest rates are staying high, EMIs are also definitely staying up. So, in that context, do you think there will be any slowdown in our business? What is your take on this? Please, if you can, tell us. And Sir, before I finish, I would like to definitely thank our company secretary Nitin Sharma Ji and his whole team for doing very good investor services to the investor's community and definitely Sir, I have been a shareholder of this company for quite a long and I am seeing Nitin Sharma Ji is one of the best officers of our company. Absolutely no doubt of it, Sir, he way he handles things and all, doing very honestly his jobs and all. So, Nitin Ji, thank you very much. Please accept my thanks. Yesterday, I got this one email that you have sent the link but today you did not call me. So, I was wondering what happened, so many speakers but maybe you forgot to call me. Anyway, over to you, Sir, for further proceedings. Nitin Ji, *sahi rahiye Sir, Durga Pooja hai*, if possible, please come to Kolkata. We can celebrate all together, if at all possible, for you, Sir. Over to you, Sir, for the proceedings. Thank you.

Varun Gupta

Thank you Sujan Ji. So, in terms of the saleable area that we have left, I think majority of it we should be able to sell within the two financial years of 2023-2024 and 2024-2025 and majority of the projects should be realized within that.

Nitin Sharma

Thank you, Sir. And question and answer session is over.

I would request you to conclude this meeting by a vote of thanks to the joining partners.

Varun Gupta

Thank you to all the shareholders, the Independent Directors, Statutory Auditors and Secretarial Auditors for attending this meeting. Thank you. And I would like to say the meeting is concluded. Thank you everyone.

Nitin Sharma

Thank you very much.