



# “Ashiana Housing Limited Q2 FY21 Earnings Conference Call”

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LIMITED**

**Moderator:** Ladies and Gentlemen, Good day and welcome to the Ashiana Housing Limited Q2 FY21 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 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. Diwakar Pingle from Christensen IR. Thank you and over to you, Sir.

**Diwakar Pingle:** Good evening to everyone who has joined the Q2 FY21 Earnings Call for Ashiana Housing Limited. Results and investor presentation have been mailed to you and it is also available on the stock exchanges and our website. In case anyone does not have the copy of the same 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 to answer your questions we have with us the top management of Ashiana represented by Mr. Varun Gupta – Whole Time Director of the company and Mr. Vikash Dugar who is the CFO. We will start the call with a brief overview of the company's performance and then we will follow it up with the Q&A session. As usual the standard safe harbor clause applies. With that said, I will quickly turnover the call to Vikash Dugar.

**Vikash Dugar:** Thank you Diwakar. Good afternoon everyone. Thank you for joining us to discuss performance of the second quarter of FY21 of Ashiana Housing. I extend a warm welcome to all of you. Area booked recorded in Q2 FY21 was 2.29 lakh square foot as compared to 0.81 lakh square foot in Q1 FY21. The booking in the quarter had significant contribution from launch of Phase-V of Vrinda Gardens in Jaipur and launch of one block opened for sale in Phase-III of Ashiana Niramay, Bhiwadi. Also, the bookings which were due for cancellation in Ashiana Amantran, Jaipur have been considered in this quarter post its updation in the system. Area booked as well as area constructed has recovered in this quarter as compared to previous quarter. We handed over 1.10 lakh square foot in Quarter 2 of FY21 out of which only 3,000 square foot was delivered in Partnership. The area delivered in AHL in Q2 FY21 was higher at 1.06 lakh square foot in comparison to area delivered in Q1 FY21 at 0.82 lakh square foot.

Revenue recognized from completed projects in Q2 FY21 was Rs. 36.22 crores versus Rs. 25.19 crores in Q1 FY21. Revenue recognized from completed projects was Rs. 58.59 crores in Q2 FY20. Total comprehensive income that is TCI in this quarter was negative at 1.74 crore vis-à-vis negative Rs. 2.30 crore in Q1 FY21. Margins are under pressure due to lower revenue resulting from lower deliveries. Pretax operating cash flows were positive at 30.04 crores increasing significantly from positive Rs. 10.56 crores in the previous quarter largely due to improved collections.

Equivalent area constructed was at 3.01 lakh square foot versus 1.21 lakh square foot in the previous quarter and was 2.04 lakh square foot in Q2 FY20. The construction activities is expected to improve going forward and we expect to achieve our targets for the year which is in line with our construction commitments. 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 very much. We will now begin the question and answer session. The first question is from the line of Avadhoot Joshi from Newberry Capital. Please go ahead.
- Avadhoot Joshi:** I would just like to know how was the pricing trend in Jaipur and Bhiwadi because there is no decrease in the numbers so I just want to know what is the pricing trend in these areas especially in Bhiwadi?
- Varun Gupta:** Pricing continues to remain stable across.
- Avadhoot Joshi:** And second thing in Lavasa also we have seen good sales trend, was it because Maharashtra has given cut in the stamp due to or was it the reason one of the reason?
- Varun Gupta:** It is hard to say Lavasa I do not think that is driven by the stamp duty again because there it is not the similar situation as other places. We put together a sort of a scheme which made a difference, and I would like to comment on Lavasa after one more quarter let us see how sustainably we are able to recover sales in Lavasa.
- Avadhoot Joshi:** I think the Q3 will be better for us because of the Diwali and festive?
- Varun Gupta:** I hope so.
- Moderator:** Thank you. The next question is from the line of Srivathsan Ramachandran from Spark Capital. Please go ahead.
- Srivathsan Ramachandran:** Just wanted to get your sense on three slides which the investor presentation has on the future projects and referring to Slide #24, 25 and 26, how should we read this? These are mutually exclusive project details that is driven or is there some overlap between them? Just wanted to get a sense on the future?
- Varun Gupta:** They are mutually exclusive projects that we have listed out. Typically Slide #24 are projects where they are typically future phases of existing projects except for Gama which is written there which is again sort of a future phase and phases between Ashiana Town, Nirmay and Gama form part of one chunk of land that was segregated during the approval process because of roads. But outside of that, the future projects inventory is typically future phases of existing projects. The land inventory are places where we have land either through joint developments or ownership where nothing has been launched and we have not launched any particular phase typically because approvals have yet not been received and these are new projects which are coming up and completed project having inventory has actually finished inventory, so they are mutually exclusive, all three.
- Srivathsan Ramachandran:** On Slide #25 which is land available for future development is it safe to assume that most of the land related cost should be incurred already or is it something that would be not yet incurred how should we look at that?

**Varun Gupta:** So, we have not specified the type of transaction here, next time we would specify. There are four lands, I will just walk you through it. Milakpur land and Ashiana Umang Extension are fully paid for and they are outright owned by Ashiana and there is no future payments, Ashiana Malhar in Pune and Ashiana Maitri and Nitya in Kolkata are joint development projects. And Ashiana Malhar in Pune in this quarter got fully funded in terms of deposits, stamp duties and everything and whatever remaining payment that have to go to the land owners now will go through as a revenue share structure. Similarly in Ashiana Maitri and Nitya in Kolkata, we have funded part of the land cost already which is committed now rest of it is structured as a revenue share, but with some guaranteed revenues over a period of time where the timeline for that start has not started yet. So, there is no pending liabilities as of this moment towards any of these parcels.

**Srivathsan Ramachandran:** As per the presentation this will be your first project in Kolkata, just wanted to get a sense how do you see the opportunity there? And are there some profitability differences between cities where you run single project vis-à-vis multiple projects and what is the roadmap there? Would you want to kind of expand more in Pune, Jamshedpur, Jodhpur where you are having one or two projects now to may be 3-4, like you have it in Bhiwadi?

**Varun Gupta:** Longer term focus Mr. Ramachandran is on the NCR region i.e. Bhiwadi and Gurgaon, where we have done one project in the Gurgaon area and we were looking for another, continue to do more in Jaipur. This will be our first project in Pune which one is here Ashiana Malhar outside of Lavasa and we have been waiting for a bit to get project kicked off in Pune and now in this quarter we paid off significant part of the deposit because those were linked to zone conversion which is a statutory hurdle issue. So those have been to a large extent have been resolved and remaining approvals of building plan and environmental clearance still remain, but there are smaller hurdles to go through. So, Pune would be the other and Chennai would be the other places were of focus. So, Jodhpur, Jamshedpur and Kolkata do not remain focus areas. In Kolkata, we are having difficulties in even getting the project off the ground right now so I would not comment on that. Jodhpur and Jamshedpur are going to remain smaller markets with one or two projects going on simultaneously, nothing really more.

**Srivathsan Ramachandran:** My last question pertains to some state government announcing stamp duty cuts like in Maharashtra and yesterday there was something by Karnataka government for small ticket houses. I am sure you are speaking to multiple regulators across states, so what is your thought in this regard, do you see few more states joining the bandwagon and cutting stamp duty or circle rates?

**Vikash Dugar:** I hope that they do but I do not think there is anything coming in right now.

**Moderator:** Thank you. The next question is from the line of Rohit Kotti from Marshmallow Capital. Please go ahead.

- Rohit Kotti:** Thanks for the opportunity and it was really good set of numbers. My first question is, do you think this is a pent-up demand and do you see the momentum continuing into this quarter as well?
- Varun Gupta:** Yes, I would see the momentum continuing in this quarter. So, the second quarter momentum should continue, hopefully it will improve going forward. So, things seems to be alright right now.
- Rohit Kotti:** The second question I have is how does the land pipeline/land deal pipeline look because I think it has been quite some time since our last land deal which I believe was in Jaipur if I am not wrong?
- Varun Gupta:** As of March we were in lot of active conversation, we had four term sheets as on the date of the lockdown thinking of taking those through and then post lockdown, we also became a little conservative just to hold on how things are. Now with sales momentum continuing forward right now and our expectation that they continue to like. Yes we are now looking to take some of those land transactions through on those term sheets that we had executed. So provided diligence and financial closures happen, we have few transactions in the pipe and we actively look for more. One thing that happened in this quarter, as I said earlier, Ashiana Malhar in Pune which we were signed up earlier, but we were not able to take through because of some statutory hurdles and that has gotten cleared and document concluded finally, fully registered and deposit done with that project looking forward. So, we are looking on that line actively right now and more confident of taking things now.
- Rohit Kotti:** So just a follow up does it mean that you expect to hopefully sign a few deals this financial year or do you think it can spill over to the next?
- Varun Gupta:** I am hoping that we should be able to do about three transactions this financial year is what we hope, it might spill over to April, May, but we are looking to close out three transactions in this financial year.
- Rohit Kotti:** On Pune I mean it is very nice to know that the progress has been good, so are you looking at launch in this financial year?
- Varun Gupta:** Launch will be in the next financial year again depending on the approval process as it will take that kind of time, and before we were having a lot of uncertainty on that but I think we have a lot more certainty now that things should come true in the next financial year.
- Rohit Kotti:** So we have three broad segments that we operate in the Comfort Homes, the Kid Centric and the Senior Living, so any particular segment that you are more confident about today than let us say pre-COVID or something? Because for example I was hearing your brother giving interview or discussion on senior living and he seemed really excited about the space and he indicated that we get around one third of our enquiries in senior living and enquiries in this segment has gone

up really high and we are looking to add a lot more projects in that going forward, so a little more color on that will be helpful?

**Varun Gupta:**

So senior living is something that we think will drive larger part of the profitability of the organization going forward. So, the share in profits and in projects and in other things should increase going forward & we are actively looking for transactions. I think it is less to do with COVID more due to the fact that it is a less competitive space with differentiation and therefore less susceptible to cycles being driven by more competition coming in and excess supply coming in and those and with that sort of realization I think strategically we made a view that we want to get in there and slowly and slowly we have also been able to get a market going for it. I think a lot of time was spend in creating a market for it and that is the right way to put it, in educating people, getting people to come in and then get references and all that and so I think overall we are enjoying good volumes and pricing both in our project in Ashiana Nirmay, Bhiwadi and Ashiana Shubham in Chennai so therefore we would continue to look for more projects in senior living.

**Rohit Kotti:**

In terms of total houses constructed would I right be in thinking that you are among the top three in the country right now in senior living?

**Varun Gupta:**

In senior living yes, I would say if not the top, definitely in the top three in terms of number of houses constructed in senior living till date.

**Rohit Kotti:**

And the last question from my end is in Ashiana Anmol, so your thoughts here because I think the momentum is not picking up still, is the connectivity issue is still the big issue there?

**Varun Gupta:**

It was not really a connectivity issue that way, it is little further away. But there is a connectivity opportunity that is coming on board going forward they are building an elevated corridor I think about 14 to 18 kilometer, but there is a highway, that highway is getting elevated from center of Gurgaon to our project and that is going to make a difference, that is still under construction but the speed on that is rapid that said that will take about 6 to 12 months. But we are also working on ways to find momentum in Ashiana Anmol going forward. I am hoping that in this financial year itself we will start seeing some improvement, we have seen an improvement in October and November already very tad bit and if that momentum that is there if it continues and builds up I think Anmol will start doing better in this financial year itself.

**Moderator:**

Thank you. The next question is from the line of Rohan Advant from Multi-Act Equity. Please go ahead.

**Rohan Advant:**

My first question was on the cancellations that have been accounted for in this quarter, so what are the gross cancellations there because I see negative 45,000 square feet in Amantran, but that might be a net number so if you could just give the gross cancellations, that was one. Secondly if you could talk about the launch pipeline for second half and maybe for FY22. Like FY20 we almost did a 2 million square feet so when can we get back to 2 million square feet of sales will it be FY22 or will it take more time beyond that? And lastly Pune land I bought what you are

saying. But on Kolkata land, you said that you are finding it difficult to get it started so I mean what is the outlook on that?

**Varun Gupta:** Three things. First was on cancellations in Ashiana Amantran I do not have exact numbers of gross cancellations there. But I think and this is not a 3 month figure, but it is 6 month figure between April and September. I think we had a cancellation of about 80,000 odd to 85,000 odd square foot and most of these cancellations because we cancelled about 55 units and average unit sizes are here largest I do not have the exact figure. These were pertaining to bookings because Ashiana Amantran was launched in a week before lockdown came in and we got about 124 odd bookings or 125 odd bookings out of which 55 cancelled and cancellations had happened in the first quarter itself. Large part of that recognition happened in the second quarter because some of the paper works and documentation for cancellations processes did not get done in time. That is what is there bit we had a lot of bookings also during the six months and expect Amantran to be now doing well going forward.

**Rohan Advant:** You said 80,000 square feet is it?

**Varun Gupta:** Yeah about 80-85,000. Vikash ji if we can give out an exact gross cancellation number out in a couple of days' time post Diwali, if you can set that out?

**Rohan Advant:** Actually, if you exclude that, we are already at 3 lakh square feet because this is a sort of non-recurring number all the cancellations that were to happen has happened.

**Varun Gupta:** Also, the point was the cancellations effectively happened in April, May, June also if I remove the Ashiana Amantran number if it had been posted in April-June quarter we would actually have 3 lakh square feet quarter, you are absolutely correct. So, where we track bookings not from a software perspective, I think we had about 215-220 odd bookings net of cancellations in July to September quarter. So, an average unit, typically for us is about 1,300-1,330 square foot odd. That is where the numbers would be, so yes, I would say that we are closer to 3 lakh square foot.

**Rohan Advant:** If you can please elaborate on the launch pipeline and 2 million square feet time, when can we expect to reach?

**Varun Gupta:** On the launch pipeline, we have launches planned of the four that we have in terms of project, Ashiana Umang Extension which will now typically become Ashiana Umang Phase-V because it is part of Ashiana Umang project itself and basically was a land added to the project about five years ago that is going to get launch. We have approvals in place except for RERA and we should be launching that within this financial year itself and Ashiana Malhar, Pune expect to launch next year. On the Kolkata project, it is difficult to get color. We are having a tough time with approvals over there and I cannot give color because it's a little bit of maze that we are having difficulty in navigating it overall. But I would expect that we should start hitting close to 2 million square foot next year. We are on term sheet stages of projects also that we can launch next year, we have phases of existing projects which we could launch next year. So in my opinion

we want to get back to 2 million square foot again next year as well and that momentum and basically with bookings remaining good this financial year and cash flow coming in the way they have been coming in right now then we are overall on a good wicket because we can move cash from existing projects to fund new projects and get the pipeline going and that is the situation.

**Moderator:** Thank you. The next question is from the line of Anuj Sharma from M3 Investments. Please go ahead.

**Anuj Sharma:** My question is on the land deals, so the deals or the term sheets we have signed in March and we had been conservative since then, what keeping us from not closing them now given that our confidence in business would have improved and if we do not close it why would seller be willing to sell you at the same price, they would want to charge you a bit more as even they would have more clarity?

**Varun Gupta:** We are now in the process of closure. Of the four deals we have decided to drop one after the lockdown; we are going to continue with the rest three. All three are now waiting, we have put them in hold so certain conditions precedent that the land owner had to perform they were going slow on this, they have been put into throttle again over the last three months and we are waiting for land owners to perform their part of obligations and then we will put those transactions through. They are basically subject to land owners being able to perform their obligations and sometimes they do not happen or some time they take longer than what is anticipated. Like in the Pune project, as I said it took them about 21 months to perform on something that we thought will take 12 months. We do not have those kind of obligations for each projects, but there are obligations which can take 6 months instead of 3 and run into some difficulties as well that is what we are waiting for to conclude on the topic.

**Anuj Sharma:** So again if you are finding this challenging from the part of the land owner or the seller for them to comply are we also looking at other opportunities and what is your sense in terms of land prices and are they closer to your expectations or they are still far away, how do you think about it and also your thoughts on accumulative land for the next two, three years may be if prices are good and then may be build them over the long term rather than do the JIT approach which we have been doing for a long time?

**Varun Gupta:** So we do not need calls on whether land prices are very interesting from a land price perspective, we look for more the price and the product we are able to do; does that leave value on the table for us and we find that right now available. We are preferring joint ventures over acquisitions or outright acquisitions in general except for one where we are looking at outside acquisition, but mostly at this point of time we are preferring to do joint ventures and in joint ventures we are getting terms on offer, some places reasonable, some places are not so reasonable. So, on the first point we are actively looking for more parcels and we continue to look. Unfortunately COVID also stopped a little bit of travel for us which is a little bit of critical to do these things, I think that part is also we are slowly and slowly getting more comfortable and starting with and

we have been quoting on land. Anyways we will look for more transactions going forward right now and we are looking to close a few.

**Anuj Sharma:** And one more on this you know in your understanding or expectation do you think the land opportunities will remain for some more time or you think this might not remain the prices might possibly come back to where there were, just your thought on land prices?

**Varun Gupta:** In my opinion, land opportunities will remain for a decent period of time primarily because the concern on the balance sheet of real estate developers continue to remain. Overall, in terms of buyers in the market continue to remain lesser because of the sheer stress that the balance sheet most developers have had, and I do not know if that stress is as of now there has not been any relief on that stress. My gut feel says that the stress continues to be there. So therefore, in my opinion land prices should remain weaker than for a little bit of time and but again it will depend market-to-market, depending on the quality of the balance sheet of the real estate developers in that particular market.

**Anuj Sharma:** One more point, of those three lands deals you are pursuing what would be the average size of these?

**Varun Gupta:** In terms of?

**Anuj Sharma:** Whatever you can quantify whether amount?

**Varun Gupta:** They are varying between 8 lakh to 20 lakh square foot of scalable area.

**Anuj Sharma:** Each?

**Varun Gupta:** Between 8 and 20 that is what we are typically looking and depending on being outright or joint venture, capital requirement can be very significant.

**Moderator:** Thank you. The next question is from the line of VP Rajesh from Banyan Capital. Please go ahead.

**VP Rajesh:** So, Varun question on the cost side are you starting to see inflation creeping into the cement prices, steel prices etcetera?

**Varun Gupta:** Not yet VP, our overall purchase pricing would be very similar to Pre COVID levels may be 1.5% lower on an average depending on item some items are more expensive, but some item has been cheaper. We have not seen any inflation creep in as compared to Pre COVID levels price.

**VP Rajesh:** And I saw that we have very good sales in Ashiana Town this quarter so what changed or is it just pent up demand there?

**Varun Gupta:** It is just the demand coming back I think we have been getting more and more of the market because supply continues to consolidate further.

**Moderator:** Thank you. The next question is from the line of Harsh Baria an Individual Investor. Please go ahead.

**Harsh Baria:** I had a question about your Noida project as you had earlier announced that you are looking for a senior citizen housing project in Noida, is that included in like three or four term sheets that you signed in March?

**Varun Gupta:** We have signed a term sheet in Noida and we are actively looking there; it was not signed in March, but yes we have a term sheet signed on Noida senior living, but it is a very preliminary term sheet like there is nothing really to take from there it is still a long way before we come to any sense of a deal conclusion in Noida. It is probably the most complex land market that I have seen till now - very complex. Again, we are evaluating really like Noida as a senior living market, we want to do senior living development there from a sale perspective, from a land cost risk and civil perspectives and Noida is a little challenging market.

**Harsh Baria:** I have another question about like long term plans of the company so let us say five, six years down the line what is the kind of bookings that you kind of envisage and what are the kind of markets that you want to expand in and what are the kind of projects that you want to be in?

**Varun Gupta:** We do not have a six-year view, we have a three-year view. Three year view right now as I have been reiterating from earlier, Bhiwadi, Gurgaon, Jaipur, Pune and Chennai is where we look at core, we look at in senior living in NCR, in Chennai as an important driver of that. So, in Bhiwadi also, our mix I think now will start moving more and more towards senior living as a component of the Bhiwadi sales. In Chennai we have been looking for one more senior living project which we continue to look for and finding it avenues to do that. So I think from a three-year perspective, senior living in Bhiwadi and Chennai and hopefully would do something in Noida and Pune as well will be an important driver. We are looking for one more project in Gurgaon as I said there probably will be a Kid Centric Home development and continuing with more Comfort Home mid-income development in Jaipur. I think that is the sort of strategy we will have, from a perspective of a three to four years period. Right now, basic thinking in the short term is to get back to profitability and in the three to four year term, get to mid-teen return on equity levels. I think that is sort of the financial goal right now.

**Harsh Baria:** One last question about long term price realization you guys started, like what is the long term growth in realizations of flats sold in India over the 20 year cycle, like what is the CAGR growth in realizations? Currently we have been stuck at around 3,300 from the last five years?

**Varun Gupta:** I do not have a full 20-year number; let us say about 13, 14 years that I have been around it is roughly doubled, a little bit more doubled. So I think it has been basically adding at about CPI is my guess, 6%, 7%, 8% anywhere between 6% to 8% is where we have looked at CAGR

pricing over the last 13 years and I get up doing a rough math of taking two, three of my projects and what they were selling at in 2008 and what they are selling at now so that is pretty much

**Moderator:** Thank you. The next question is from Amay Kulkarni from Chandor Investing. Please go ahead.

**Amay Kulkarni:** I had one question - we launched two projects in Jaipur last year in Q3 and Q4 we sold amazingly well, Daksh and Amantran. Somehow I observed from your Slide #12 that Vrinda Gardens seems to be not be selling much and it is also located in Jaipur somewhere near our existing projects, so is there some slow moving inventory these in this project or what is it could you shed some more light?

**Varun Gupta:** So, Vrinda Gardens has generally been overall been a slower project for us to sell of all our projects in Jaipur in the recent past, we do not know exactly what has been the challenge. Over the last couple of quarters one thing was there we did not have a lot of stock available for sale in Vrinda and when we were launching Daksh and Amantran we were also holding Vrinda launch we did not want the flood the market with all sorts of projects. We launched a phase in Vrinda in this quarter, it has not gone extremely well, but for a phase launch I do not think it was awful, as we got 72,000 square foot sold in this quarter. So, it has been a little bit more challenging than the other project in Jaipur.

**Amay Kulkarni:** I mean is there a difference in size, is there a difference in the sale price?

**Varun Gupta:** The unit sizes there are typically very similar to the sizes in Umang. Pricing is 6%, 7% higher than Umang not very different, closer to the city, something we just do not know and something we do not realize, but that said over 400 families residing in the project, we are getting sales and its not that it is not selling at all. Q4 and Q1 were aberrations because lack of product to sell in Q4 & Q1 and we were preparing for the launch in Q2. So that aberration is a separate one, but I do not see it is as a very significant challenge like how we struggled in a few projects in Bhiwadi that pain I do not envisage from Vrinda Gardens.

**Moderator:** Thank you. The next question is from the line of Srivathsan Ramachandran from Spark Capital. Please go ahead.

**Srivathsan Ramachandran:** Just a quick question, if you look at the CAPEX vis-a-vis the equivalent area constructed that means we had been averaging 3,500 last year whereas it come off substantially, is there a large land component in this?

**Varun Gupta:** Can you repeat the question again please?

**Srivathsan Ramachandran:** I was asking if you look at the total operating expenditure for the year of FY20 or FY19 and divided by the equivalent of square feet constructed and do the same math for first half of this year there seems to be a steep drop in OPEX per square feet of constructed area, is there a large land component as the part of the operating expenditure that you will typically account for?

**Varun Gupta:** Operating expenditure will typically have land also in purchase so if you look at from an annual perspective we report annually something called project expenses and taking that project expenses and dividing it by the equivalent area constructed of the company excluding the partnership firm, would probably be the right thing to do instead of taking the overall operating expenditure. The operating expenditure is actually more linked to sales, project expenses on equivalent area constructed comes in and then it goes to inventory, so if you really want to map out construction cost it is best to take project expenses and divide that by the area constructed and only at the Ashiana Housing Limited levels.

**Moderator:** Thank you. The next question is from the line of Rohit Shimpi from SBI Funds Management. Please go ahead.

**Rohit Shimpi:** Varun, you mentioned in an earlier question that Ashiana Town performance was also bit of return of demand, so how are you seeing Bhiwadi as a market now for the group housing project. I mean are you getting any tailwind of work from home etcetera, people wanting to buy larger homes there as a satellite market or any trends if you can share also in terms of buyer preferences on buying and renting etcetera?

**Varun Gupta:** We have called a lot of buyers right now over the last few weeks probably and been speaking to about three buyers a week on average at the executive level and coming out and so would have called about probably 65-70 buyers in total. I have not come out at a very specific trend why people are buying. I do not think it is just work from home or anything like that. I think people are making a decision, which they have delayed for 2-3 months and now are getting back to decisions. They are feeling comfortable in their earning, their income and they are going ahead and buying. I think that is the only thing that we got a sense of. I think one thing that is helping and that will probably drive larger sizes more than work from home to me is the fall in interest rates. The reduced interest rates increased the affordability of any buyer and then everybody wants a larger home. It's a natural instinct to want a larger home that too in a better location, so people make that trade off and lower interest rate to me would typically get people to buy larger homes till per square foot prices increase and sort of cover that out, but till then I would say that the trend would probably hold for that.

**Rohit Shimpi:** Any trend of customers let us say is there an age difference is the customer getting younger who is buying in the last few months or anything like that or it is pretty much the same?

**Varun Gupta:** Pretty much the same, then again, we have not been able to extrapolate any trend. Only thing I could say is that the one thing that has happened in at least in the visits, the proportion of end users or buyers as compared to buy to let or buy to rent out investors that we have. The proportion is shifted more towards end users of the last three to four months.

**Rohit Shimpi:** Last one is in for me in terms of, are you seeing larger consolidation in the smaller markets where we are dominant or are you seeing pretty much in line with let us say top four, five markets of the country?

**Varun Gupta:** Even in top four, five market I would say consolidation in NCR and Bangalore might be very different. So, it is hard to generalize on it. It is more driven with the quantum of leverage and the quality of the balance sheet. In which every city, there is more leverage and more pain and therefore more consolidation. Smaller cities also have a particular problem - in general also have not had so much supply as compared to other cities as the access to capital is much more limited in the way India financial system funds. I think it funds Bombay first then it funds the rest of the larger cities and then the smaller cities really come in last in terms of access and that is also I think prevented the kind of excess supply that is there. I think Bhiwadi got a lot more excess supply than lets say a Jaipur, because it was Delhi developers which went in and developed Bhiwadi and therefore they had more access to capital both informal, institutional and that is the underlying driver of consolidation according to me.

**Moderator:** Thank you very much. That was the last question in queue. I would now like to hand the conference back to the management team for closing comments.

**Vikash Dugar:** We would like to thank all of you for being in this call and being so patient with all the questions and answers. If you are unable to take any question, please feel free to write to us directly or reach out to us directly and with that we would like to conclude the call. A lot of material we have spoken about is posted on our website and you can also email your queries for any further clarification. Thank you once again for taking the time to join us on this call. Wishing all of you a very happy, healthy and safe Diwali. Thank you.

**Moderator:** Thank you very much. On behalf of Ashiana Housing that concludes this conference. Thank you for joining us ladies and gentlemen, you may now disconnect your lines.