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In interaction with Dhaval Ajmera, Director, Ajmera Realty & Infra India Ltd.

Ajmera Realty & Infra has placed its accelerated growth strategy on five pillars namely focus on execution, new acquisitions, deleveraging existing projects, new launches, and sustainable operating performance.

"We have set ourselves a vision 2025 under the purview of the 'RISE to Shine' framework. The RISE framework includes Re-inventing the wheel through business practices; be Inspired to adopt & adapt to the new world order, Supply creation to meet demands of end-users, and be an Example to the community exemplified by Ajmera family values" says Dhaval Ajmera, Director, Ajmera Realty & Infra India Ltd.

What is the demand outlook for residential property versus commercial property in India?

As a player focussed on catering to evolving needs of both residential as well as commercial segments, we remain upbeat about the long-term growth prospects of these categories. Our recently-announced Q4FY21 and FY21 financial performance is a testimony to this fact as we recorded over 80 per cent rise in sales value to Rs 615 crore. Our sales advances too increased at a healthy rate of 40 per cent to Rs 521 crore on a YoY comparison and so did units sold, which grew by 50 per cent to 380 units.

This spurt in demand is because of redefined needs of customers in a new normal world, where they are looking for bigger spaces. And to complement this evolved need of customers factors/consumer factors such as availability of ready-to-move (RTM) homes with OC, stamp duty concessions, and record low housing loan interest rates are playing up very well. Importantly, this is not a one-off trend and is evidently visible across the key markets of Mumbai, Bengaluru and Ahmedabad.

Similarly, while the general perception around commercial properties is one of wait & watch, the on-ground reality reflects a different story. With hybrid work model expected to be the norm under the new work order, corporates are exploring newer models of in-office operations. Towards this, one new-age trend that has come into prominence is that of walk-to-work, where corporates are arranging for small office set-ups at a location close to the place of stay of a group of employees. Finance professionals, senior-level IT professionals, and entrepreneurs are increasingly opening up to this facility.

Moreover, for the commercial segment, although the demand is presently low; however, long-term plans for many corporates and entrepreneurs are promising and will definitely bring back the demand for offices. Today, customers are preferring to move in ready-to-move offices; hence, enterprise offices and co-working will be in demand. India is a socially-driven economy and hence, in the long-term, office demand will stay and in fact, grow with the growth of the country.

Thus, overall, the long-term prospects continue to remain strong. It is mainly a matter of real estate players being able to reimagine themselves and evolve to the changed needs of the customers.

In your view, which geographies of India are showing maximum price appreciation and demand?

The urban areas continue to present promising avenues of investment as is evident from our own financial performance, where all the key markets of Mumbai, Bengaluru, Pune, and Ahmedabad have registered healthy results. This is a reflection of investor confidence in the organised real estate sector in these markets.

Further to this, it is also observed that the market is showing more preference to townships as it offers a more holistic lifestyle experience while the demand on this front outweighs other avenues overwhelmingly.

What are your top three strategic initiatives at this point in time?

For FY22, we have placed our accelerated growth strategy on five pillars namely focus on execution, new acquisitions, deleveraging existing projects, new launches, and sustainable operating performance. Focussed execution will involve the conclusion of near completion projects and booking strong sales while new acquisitions will encompass both businesses as well as land & project acquisitions to fuel growth. Further to this are the plans to launch 2-3 new projects and pursue robust cash flows with a committed resolve for long-term value creation. Lastly, our approach will continue to be work/approach will be to continue working towards the reduction of project-level debt by efficient execution and robust sales collection.

With the above-mentioned points as our strategic framework, we are confident of another year of northward march on the financial performance parameters in FY22.

What are the key demand drivers for your company?

In over five decades of legacy & trust, Ajmera Realty & Infra India Ltd continues to enjoy customer faith, which has passed on from one generation to the other. We have delivered on this customer faith by placing our value position on planks of quality-driven, customer-centric and timely delivery approach/on-time delivery approach. What started as our ability to develop pin codes in the early 1980s is now being associated with our ability to develop state-of-the-art townships, offering integrated lifestyle experiences to customers.

With the above as our inherent DNA, we are well-placed to serve as real estate player of choice in the regions we serve.

What is the outlook for the real estate industry in India?

Multiple industry reports published in recent days, point towards an accelerated revival in the real estate sector. With vaccinations around and normal life expected to resume in the coming months, it is expected to positively impact the real estate domain as well with access to a wider raw material ecosystem along with easy availability of manpower. The short-term hiccups might stay for some time but the long-term growth bet remains intact.

What is the growth outlook for Ajmera Realty in the coming 3 years?

We have set ourselves a vision 2025 under the purview of the 'RISE to Shine' framework. The RISE framework includes Re-inventing the wheel through business practices; be Inspired to adopt & adapt to the new world order, Supply creation to meet demands of end-users, and be an Example to the community exemplified by Ajmera family values. With this framework as our guiding principle, we are aiming to 'rise' from the existing Rs 350 odd crore to Rs 1,200 crore by 2025.

