Karda Constructions Limited
Q2 FY19 Earnings Conference Call
November 20, 2018

MANAGEMENT: MR. NARESH KARDA, CHAIRMAN AND MANAGING DIRECTOR

MR. SHEKHAR MAHADIK, FINANCE MANAGER

Moderator: Good afternoon, ladies and gentlemen. I am Ali, moderator for this conference call. Welcome to the conference call of Karda Constructions Limited arranged by Concept Investor Relations to discuss its Q2 FY19 results. We have with us today on the call, Mr. Naresh Karda – Chairman and Managing Director and Mr. Shekhar Mahadik–Finance Manager. At this moment all participants are in listen-only mode. Later we will conduct a question and answer session. At that time, if you have a question please press "*" and "1" on your telephone keypad. Please note that this conference is being recorded. I now hand the conference over to Mr. Gaurav Girdhar of Concept IR. Thank you and over to you, sir.

Gaurav Girdhar: Good afternoon, everyone. Thank you for taking time out for the Q2 FY19 conference call of Karda Constructions Limited. We have with us Mr. Naresh Karda – Chairman and Managing Director and Mr. Shekhar Mahadik– Finance Manager. We shall begin the call with opening remarks by Naresh Karda sir and then we will have the question and answer session. Over to you, sir.

Naresh Karda: Good afternoon, everyone. On behalf of board of the Karda Constructions Limited, I welcome you all. Karda Constructions Limited is a real estate company from Nashik. The group started its real estate business in 1994 and since then in the journey of the last 25 years we have proved ourselves as a prominent brand in the real estate in and around Nashik. The company is primarily focused in the residential real estate. The strength of the Karda Constructions has been our geographical spread in Nashik. Our projects cover around 70% of the Nashik area. We are almost present across all segments that is affordable, comfortable, luxury and some commercial areas also, giving a wide range of real estate to offer our customers.

Karda Constructions has total 13 ongoing projects at various stages. The total saleable area of these projects is about 16,81,330 square feet. We have launched a new project in the last quarter Hari Nisarg. We have been working on the launch of 2 more projects in last quarter in the name of Hari Laxmi and Hari Vriddhi, which today as we speak has been launched on the eve of Diwali. The total revenue from the operation is Rs.16.98 crore for the quarter ended September 2018 as compared to Rs. 29.19 crore in previous quarter. The drop in the revenue from real estate operation is because it depends on the number of possessions in the quarter which further depends on number of projects completed in recent past. The revenue from contracting segment has been improved to Rs. 6 crore from Rs. 3.11 crore in last quarter. We have tied up sales for 135 units in the September quarter with tie up value of about Rs. 38 crore as compared to 75 units of Rs. 21.8 crore in last quarter. A PAT for quarter is Rs. 1.9 crore as compared to Rs. 4.22 crore in last quarter. We will be launching 2 more projects Hari Laxmi and Hari Vriddhi in third quarter and expect to launch 2 more projects in the name of Hari Kunj and Hari Krishna Phase-4 in last quarter. Thank you.

Moderator: Can we start the Q&A session now?

Naresh Karda: Yes.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question and answer session. First question is from the line of Shrey Jain from NVS Brokerage. Please go ahead.

Shrey Jain: Sir, first of all can you please elaborate on the, like results side what are the reasons for this? Are this are like low results for this year this quarter?

Naresh Karda: Actually, we are in real estate and the results depend upon the possession. When the projects come nearing possession the revenue increases and during under construction it may decrease in some quarters, it will increase in next quarters. Because at the time of possession, we are getting more revenue and during hand over of the flats we are getting more revenue. That is why there is a variation in different quarters.

Shrey Jain: And sir, what is the average per square feet realization that you get , I mean?

Naresh Karda: Average is Rs. 3,500 to Rs. 4,000 in Nashik. All these projects are in Nasik Rs. 3,400 to 4,000 depending upon the location for residential and for commercial it varies from location to location.

Shrey Jain: And sir, like what are the growth prospects in Nashik and Sinnar do you see in the coming quarters in coming year?

Naresh Karda: Growth prospects in terms of?

Shrey Jain: In terms of like the new projects which you will be setting up and other things?

Naresh Karda: Yes, we are having projects in different locations with different budgets and out of these projects around 40% to 45% inventory is in affordable housing. So, this we are getting the benefit of Pradhan Mantri Awas Yojana and another benefit to the company is 80-IB(10) Income Tax free Scheme, we are getting that benefit also. We are going to launch that projects in that particular scheme. And with the customer base and is from Nashik is from different segments and we are getting and the projects are in different locations. We are getting customers from different areas in and around Nashik only but.

Shrey Jain: Sir, like how do you perceive the FY19 and FY20 like can you give some guidance on topline, profitability going forward?

Naresh Karda: Topline for 2019 and?

Shrey Jain: FY19-FY20, any guidance?

Naresh Karda: Expected is Rs. 125 crore and growth will be minimum of 15%.

Shrey Jain Minimum of 15% growth in like Rs. 125 crore expected topline this for the FY19.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to the management for their closing comments.

Shekhar Mahadik: On behalf of Karda Construction, I thank all of you for participating in today's event. And I also thank the management for taking out time for today's call. Thank you and good day.

Moderator: Thank you all for being a part of this conference call. If you need any further information or clarification please e-mail at priya@conceptpr.com or gaurav.g@conceptpr.com. Ladies and gentlemen, this concludes your conference call for today. Thank you all for using the Chorus Call Conferencing Service,you may now disconnect your lines. Thank you and have a pleasant day.

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