

May 31, 2016

The BSE Limited (Bombay Stock Exchange)

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

National Stock Exchange of India Limited

'Exchange Plaza'
Bandra Kurla Complex,
Bandra (East)
Mumbai- 400 051

SUB: Transcript of Conference Call

Dear Sir/Madam,

Please find enclosed herewith the Transcript of Conference Call held on Wednesday, 25th day of May, 2016, with analysts on Financial Results of the Company for the Quarter and Year ended on March 31, 2016.

This is for your kind reference and records.

For Omaxe Ltd.



Venkat Rao
(Additional Vice President
& Company Secretary)

Encl: a/a

OMAXE LTD.

Corporate Office : 7, Local Shopping Centre, Kalkaji, New Delhi-110 019 (India)

Tel. : 91-11-41896680-85, 41893100. Fax : 91-11-41896653, 41896655, 41896799

Regd. Office : Shop No. 19-B, First Floor, Omaxe Celebration Mall, Sohna Road, Gurgaon - 122 001, (Haryana)

Website : www.omaxe.com CIN : L74899HR1989PLC051918

**Omaxe Limited Q4 & FY 16
Results Conference Call
May 25, 2016 – 12.00 pm IST**

Moderator: Good afternoon ladies and gentlemen, I am Mallika, the moderator for this conference. Welcome to the conference call of Omaxe Limited arranged by Concept Investor Relations to discuss its Q4 and full year FY16 Results. We have with us today Mr. Mohit Goel – CEO, Mr. Sudhangshu Biswal – President, Corporate Finance, Mr. Amit Mehta – Senior General Manager and Mr. Abhijit Diwan – General Manager Equity and Investor Relations. At this moment all participant lines 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 touch phone. Please note this conference is being recorded. I would now like to hand over the floor to Mr. Abhijit Diwan, thank you and over to you sir.

Abhijit Diwan: Thanks Mallika. Good afternoon everyone and thanks for joining us this afternoon. Without taking much time, I will now hand over the call to Mr. Mohit Goel who will brief you about the results of the company for Q4 and and full year FY16. Over to you Mohit Sir.

Mohit Goel: Good afternoon everyone. The results for the quarter ended March 2016 are like this:

The consolidated income from operation for this quarter was Rs. 484 crores as against Rs. 414 crores in the corresponding quarter last year, up by 17%. The EBITDA for the quarter stood at Rs. 67 crores against Rs. 62 crores in the same quarter previous year. The Profit after Tax for the quarter stood at Rs. 24 crores against Rs. 20 crores for the same period of the previous year, up by 21%.

For the year ended March 2016 the consolidated income from operation was at Rs. 1667 crores as against Rs. 1431 crores in the last year up by 17%. The EBITDA stood at Rs. 276 crores against Rs. 268 crores. The Profit after Tax for the year stood at Rs. 78 crores against Rs. 60 crores, up by 30%.

With respect to operational updates for the quarter, details are as follows: We sold around 1.32 mn sq. ft. of area consisting of

0.64 mn sq. ft. of residential development and 0.68 mn sq. ft. of commercial development. Total sales value of this area was around Rs. 313 crores with an average realization of approximately Rs. 2368 per sq. ft. Group Housing in Allahabad, Lucknow and floors at New Chandigarh were the major contributors to sales this quarter.

For the year ended March 2016 we sold a total of 4.89 mn sq.ft consisting of 3.74 mn sq.ft of residential spaces and 1.15 mn. Sq.ft of commercial spaces with a total sales value of Rs. 1,648 crores. The average realization for the year is Rs. 3,372 per sq.ft. Group Housing in New Chandigarh, Allahabad and Lucknow were the major contributors to sales for full year period.

During the quarter gone by we delivered ~ 0.80 mn. Sq.ft. of space at various projects including New Chandigarh and Greater Noida. For the year ended we delivered a total of 6.0 mn sq.ft of space at various projects including Lucknow, Faridabad, Indore, New Chandigarh and Noida taking the total area delivered in real estate to 69.29 mn sq.ft. Overall delivery of the group stands at 101 mn sq.ft.

I will now brief you on cash flow position for the quarter. Total inflows from operations were Rs. 380 crores. The same was utilized towards Construction, and approval charges to the tune of Rs. 214 crores, Selling, HR & Admin expenses of Rs. 174 crores, Interest payment and interest expenses of Rs. 49 crores. Net borrowings for the quarter were Rs. 46 crores.

For the year ended March 2016 Total inflows from operations were Rs. 1406 crores. The same was utilized towards Construction and approval charges to the tune of Rs. 847 crores, Selling, HR & Admin expenses of Rs. 569 crores, Interest payment and interest expenses of Rs. 180 crores and Dividend payout of Rs.9 crores. Net borrowings for the year were Rs.210 crores.

The company has declared 7% dividend for the year 2016 as compared to 5% in the preceding year.

The company has won special jury award for excellent contribution to real estate in Tier 2 & Tier 3 cities at the property

awards 2015 which was presented by Honorable Minister of State for Housing & Urban Poverty Alleviation.

Our Net Worth as on March 31, 2016 stands at Rs. 2290 crores. Gross Debt as on March 31, 2016 stands at Rs. 1306 crores, while the Net Debt stood at Rs. 1070 crores. As on March 2016, the gross debt equity ratio of the company stood at 0.57, while the net debt equity ratio for the company stood at 0.46

Now we are open for all the questions.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question and answer session. We will take the first question from the line of S. Sharma from CRISIL. Please go ahead.

S. Sharma: My first question is on the launch, you have basically launched around 0.3 million square feet in Q4 and you have sold around 1.3 million. So just wanted to understand how much of the sales volumes is from these new launches?

Mohit Goel: Around 77 crores.

Mohit Goel: All these are new launches only mostly because we have launched a project in Bhatinda and one commercial project in Faridabad and another floor project in Vrindavan. So basically in all these cities we have townships. So in township we keep launching new projects. So we don't consider the newly launched projects as a part of the old project. All these information which we are giving is completely new launches.

S. Sharma: Was there any plotted sales this quarter?

Mohit Goel: We did plotted sales in Indore and Bhatinda of around 40-50 crores.

S. Sharma: Is that the reason why your average rate per square feet has come down just a little?

Mohit Goel: Absolutely, I was just about to tell you that only because I was discussing with my team that why this is come down. So it is actually because of the plots which we have launched because the cost of it comes around Rs.1000 per square feet.

S. Sharma: Sir I was talking to some of the NCR developers so what I understand is that there is a slight pricing pressure, I will not call it pricing pressure but the rates have corrected just a little so are you witnessing something similar in your areas which is tier-2 and tier-3 cities of northern market?

Mohit Goel: So wherever we are present we are not witnessing, at least for our projects. Yes, if you talk about the areas, if you talk about Lucknow or Chandigarh, or Ludhiana where we are present in terms of the whole industry so there is a correction of prices of 10-15%. Now it is not affecting our projects because I have always been telling if you are the #1 player of that city your rates will go up and you will be able to sell because all the buyers they shift to your company.

S. Sharma: What is the kind of new launches that you are looking at in FY17, if you could share some details, some insight?

Mohit Goel: So two major new launches which we have not talked about yet is one project we will be launching in Surajkund, Haryana. We are waiting for the approvals. Approvals are a little slow in Haryana. So this project is going to be in JV with another company. 50% land will be ours and 50% will be theirs. And there is a new policy which has come up in Haryana where you need 25 acres minimum to launch this project. So we have got 28 crores. So let us see as this is going to be a new project with the sales realization of around 800-1000 crores including both the land. So this is the new one and second big announcement which will come in this year would be launch of Hi-Tech Lucknow. Also we will be launching say affordable plots in Yamuna Nagar, Rohtak, and Bahadurgarh. So there is another new scheme which has come in Haryana wherein you can launch plots of 100 square yards, which was not allowed before. So that's why we as a strategy are launching affordable plotted projects in these cities.

S. Sharma: Will it be possible for you to share figure in terms of million square feet how much we are looking at in FY17? I understand that in terms of sales it is around 1000 crores for that plot?

Mohit Goel: No, 1000 crores we are just talking about Surajkund project. Lucknow Hi-Tech would contribute I think this year in terms of

sales of around 400-500 crores, just Lucknow Hi-tech. These are all new launches. Integrated Lucknow is different and the Yamuna Nagar, Rohtak and Bahadurgarh plots which I was talking about they will contribute around 150 crores.

S. Sharma: In terms of square feet sir is it possible to share a number for you?

Mohit Goel: I will not be able to give you any number in terms of square feet but my team will provide you a number. It is going to be a very approximate number.

Moderator: Next question from the line of Nilesh Karani from Magnum Equity. Please go ahead.

Nilesh Karani: Our residential is down this quarter and commercial is improving, just a rough idea how this is panning out and way forward what you feel?

Mohit Goel: You will be seeing in the news that commercial activities are actually going up and particularly in commercial we are talking about office space absorption has gone up on the retail side of it. So in the previous quarter if you see that we sold 50% commercial and 50% residential that just happened for that particular quarter so yes, if I was saying earlier that we will be selling 90% residential and 10% commercial, I would now say our ratios would be 80-20 now because the project which we are doing in Faridabad, we will be launching majorly commercial and it is going to be one of the major contributor to our revenues as well. So you will see much of commercial contribution to our top line in near future in this year as well.

Nilesh Karani: And on your launch in Lucknow Hi-Tech, what timeframe you are looking at?

Mohit Goel: I think we will be launching in next quarter. We are waiting for the approvals. They have sent an approval right now, we have got one major approval and we are just waiting for the building plan of the group housing which we are thinking of launching and we will be launching it in the next quarter.

Nilesh Karani: This will be all commercial?

Mohit Goel: No, hi-tech township is 2700 acres out of which we will be launching phase-1 of 720 acres. And out of 720 acres we will be launching one group housing of 15 acres.

Nilesh Karani: What type of realization we are looking there?

Mohit Goel: Realization will be low. It will be around Rs.2200 to 2300 per square feet.

Moderator: Next question from the line of Siddharth Khemka from Centrum Wealth.

Siddharth Khemka: Just wanted to understand the overall real estate market especially in the regions that we are and the impact of the new real estate regulation bill on our business?

Mohit Goel: I would say it is fantastic markets for people who are doing a good job, who are delivering and who are delivering whatever they promise. No problem in terms of market because the end user is coming and end user is buying so it is a bonanza for end user to come and to buy home right now so that's where we are concentrating on. And if we talk about RERA, RERA I think was supposed to come since last two to three years and I am really happy that it has come at least now people know who is a good developer and bad developer. For them five years back everybody was good. You market yourself well and you are good but he can differentiate between the two. RERA differentiated further and it is a good thing that it will flush out all bad fishes of a pond and overall the industry respect and industry trust will go up. It is a very good move and I am really happy with the move.

Moderator: The next question is from the line of Abhishek Anand from JM Financials. Please go ahead.

Abhishek Anand: Just a couple of things, firstly we had some announcement during the budget regarding the tax waiver for particular size of apartments. So just wanted to understand is Omaxe specifically targeting that segment? Do we have the formal notification from the government, are we working towards it? And secondly also government had announced interest subvention scheme where I think a fix percent for a particular loan amount? So are

we seeing traction in those schemes for the projects we have or there is a limited development there?

Mohit Goel: Whatever knowledge I have Abhishek I don't think this is a single developer who has launched the project in that space because of various reasons let's not go into the reasons but in our townships we have EWS flats and LIG flats and there is a possibility that EWS flats can come under this scheme and we may go in this scheme for those EWS flats but we are not concentrating on this particular segment because it is just not viable as of now.

Abhishek Anand: Because I thought that the tax break which the government had given it is lucrative enough. Three years I think the construction time horizon plus tax waiver and all made it a bit more attractive for both buyers as well as sellers? So just wanted to understand what's the concern? Why is not taking off?

Mohit Goel: I will give you three points – #1. FSI cost, #2. Density of any state government. They don't allow us more than 60 houses in an acre so you cannot make a house lesser than 1000 square feet. Otherwise you make house of 500 square feet but now you have to make house of 5000 square feet just to be in that density ratio. And #3, is the execution. These three reasons I don't think so any developer is able to exploit this particular opportunity. People are trying to go into say not even tier-2, tier-3 going into tier-4, and try to do this but it is just an execution play. It becomes very difficult for any national developer to go into tier-4 and execute this very well. Because the profit margins are not huge and execution is just tremendous.

Abhishek Anand: Is the formal notification out yet?

Mohit Goel: Notification for this policy has been out.

Moderator: The next question is from the line of Sayan Sharma from CRISIL. Please go ahead.

Sayan Sharma: Just a quick follow up I understand that your realizations have come down because of higher plotted development but if I look at your raw material cost as a percentage of net sales that has actually increased a little bit, so why is that? Margins have

expanded why your employee cost come down a little bit just wanted to understand the reason?

Mohit Goel: The major reason is because we have been automizing our construction division and in fact many places we have reduced our cost and you know real estate margins is not going to go up and we are just optimizing our cost very well and in construction we have reduced our cost very well.

Moderator: Next question is from Surbhi Lohiya from Dynamic Equities. Please go ahead.

Surbhi Lohiya: We have been seeing realty sector facing a lot of stress but post budget we are seeing some buying coming in that sector and the share prices reflect that. So I just wanted to understand your future prospects as in how you place yourself because I was seeing that your debt-equity ratio is low compare to industry, your profitability numbers are good. What are your expansion plans? How do you place yourself in the coming years like probably a year or two?

Mohit Goel: I am not going to be too aggressive in giving the answer. I will just say that we will be expanding and we will be improving our numbers by 10-15%. It might bump up to 20% in the next one to two years because of these two launches which we are doing this year.

Surbhi Lohiya: Because I was checking that you are mostly present in residential and your presence in commercial compared to your residential is less. So do you also plan to enter more into commercial or you want to stick to residential. I mean focus more on residential?

Mohit Goel: See the commercial project is majorly is a by-product because we do a township and in a township you generally sell houses first, residential first and once there are 1000 families, 2000 families staying in township and then there is a requirement of commercial and that is going to be time to sell commercial. But in this year and coming years we will be concentrating majorly on commercial as well only in one area that is Faridabad because over there we are doing a 50 acres mixed development project so there we will be launching more commercial project.

Moderator: As there are no further questions in the queue I now hand the conference over to Management for their closing comments.

Abhijit Diwan: Thank you all for attending the call. Details of the investor presentation and results release are on the stock exchange and company website. If you have any further queries, always drop in a message at abhijitdiwan@omaxe.com. Thank you again for attending the call.

Moderator: Thank you very much members of the management and thank you all for being a part of conference call. If you need any further information or clarification, please mail at parin@conceptir.com. Thank you for using Corus Call Service you may disconnect your lines now. Have a pleasant day.