

Ajmera Realty & Infra

₹ 171

Your Dream Home Awaits...!!! Accumulate

Feb 08, 2019

Company Background

Ajmera Realty & Infra India Ltd is engaged in real estate business. Now it has the projects, Mumbai, Bengaluru, Ahmedabad & Pune in India along with this it has two International projects in London & Bahrain. The Company's projects include Ajmera i-Land, Ajmera Exotica, Ajmera Stone Park, Ajmera Heritage City and Casa Vyoma. The Ajmera i-Safe offers traditional safe deposit vaults. It's residential projects include Ajmera Aeon, Ajmera Zeon, Ajmera Treon and Ajmera Regalia; commercial projects include Ajmera Summit, and township projects include Yogidham and Ajmera i-Land. It has extensive presence in Wadala, Mumbai with its large land bank at Ajmera i-lands. The project has three Hi-rise towers, Aeon, Zeon & Treon. The full occupancy certificate (OC) for Zeon tower and part OC for Aeon tower has been received, while the work for Treon tower is in progress. Also, Company will launch new tower project in Wadala shortly. It acquired 5.5 acres of land at the Electronic City-2 through it's wholly owned subsidiary. The total area under development in Bengaluru, along with the existing projects is approximately 14 Lakh sq. ft. It has received the OC of Ajmera Stone Park while the Ajmera Annex project is nearing to the final stage of completion. Ajmera Lugaano is located at Yehlanka, North Bengaluru, with potential development of 11 acres of land, having 1,2 & 3 BHK. The project has received all approvals and shall be launched soon. The estimated time for the completion of project will be 3 to 4 years.

Key Highlights

- ➔ Net sales increased by 14.9% to ₹ 2,890.7 million, the EBITDA grew by 20.2% to ₹ 1,367.7 million & Net profit also rose by 23.1% to ₹ 755.8 million for FY18.
- ➔ Real estate firm Ajmera Realty is set to invest over ₹ 5,700 crore this year across 14 projects and eyes up to ₹ 15,000 crore revenue over the next 3-4 years. Most of the investment will be equity infusion and internal accruals, which will be used mainly for acquiring land.
- ➔ The total saleable area till date is approx. 34.39 Lakh sq.ft. in Mumbai, Bengaluru & Ahmedabad projects.

Key Financials

Year Ended 31 st	Mar 16	Mar 17	Mar 18
Revenue (INR mn)	2,223.5	2,657.6	3,022.1
Rev. growth (%)	54.50	19.52	13.72
EBITDA (INR mn)	726.3	1,138.2	1,367.7
Net profit (INR mn)	339.3	614.0	755.8
Shares outstanding (mn)	35.5	35.5	35.5
EPS (INR)	9.6	17.2	21.2
EPS growth (%)	52.96	79.39	0.00
P/E (x)	14.41	0.00	11.35
RONW (%)	9.01	14.80	16.00
ROCE (%)	7.69	10.87	11.49

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Info Codes

Reuters	: AJME.BO
Bloomberg	: AREAL IN
NSE	: AJMERA
BSE	: 513349

Market Data

52 Wk Range (₹)	: 131/312
Shares in Issue (mn)	: 35.5
Market. Cap (bn)	: 6.07
BSE 2 Wk Avg Vol	: 20000

Share Holding Pattern (%)

Promoters Holding	: 67.46
Public & Others	: 32.23
Corporate Holding	: 00.00
Foreign Institution	: 00.00
Institutions	: 00.31
Govt Holding	: 00.00

Investment Theme

Indian real estate industry is being the second largest employer after the agriculture, there are several reforms planned by the Government to increase investment in this sector. The real estate market is estimated to \$ 180 billion by FY 2019-20. During the recent years real estate sector has witnessed two major reforms come into force-the Real Estate Regulatory Authority (RERA) & Goods and Services Tax (GST)-which are important steps towards making the economy more strong & organised. Ajmera launched project of 7 lakh Sq.ft. now the total area under development in Bengaluru, along with the existing projects is approx. 14 lakh sq. ft. which will generate revenue of ₹ 700 crores approx, over a period of 3-4 years. It has already submitted the plan for approval & planning to launch the project in the next year in Bahrain.

We will find your Ideal Home...!!!

Financial Statements

Income Statement

(₹ mn)

Year end	Mar 16	Mar 17	% Chg	Mar 18	% Chg
Net Sales	2,132.3	2,515.6	18.0	2,890.7	14.9
Other Income	91.2	142.0	55.7	131.4	(7.5)
Material Consumed	0.0	0.0	0.0	0.0	0.0
Employee Exp.	0.0	166.3	0.0	230.2	38.4
Power & Fuel	21.4	19	(11.2)	25.4	33.7
Other Manufacturing Exp	875.8	931.0	6.3	1,006.5	8.1
SG&A Exp	599.3	397.0	(33.8)	384.2	(3.2)
Misc.Exp	0.7	6.1	771.4	8.1	32.8
Operating Profit	726.3	1,138.2	56.7	1,367.7	20.2
Total Interest	286.3	352.2	23.0	406.6	15.4
Gross Profit	440.0	786.0	78.6	961.1	22.3
Net Dep.	24.3	19.6	(19.3)	16.3	(16.8)
Total Taxation	76.4	152.4	99.5	189.0	24.0
Net Profit/Loss	339.3	614.0	81.0	755.8	23.1

4 Years Balance Sheet

(₹ mn)

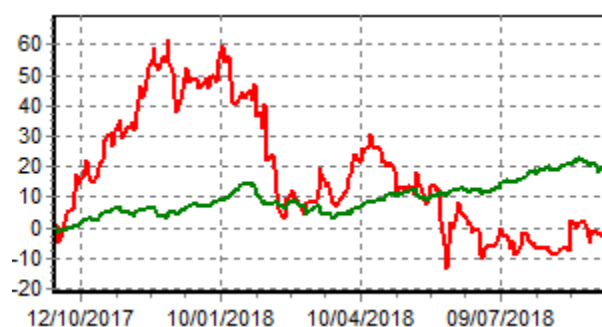
Balance Sheet as on 31 st	Mar 15	Mar 16	Mar 17	Mar 18
SOURCES OF FUNDS	8,775.3	9,479.4	11,095.9	12,424.2
Equity Share capital	354.8	354.8	354.8	354.8
Equity Application Money	0.0	0.0	0.0	0.0
Equity Share Warrants	0.0	0.0	0.0	0.0
Reserves & Surplus	3,287.0	3,537.6	4,049.7	4,689.8
Secured Loans	2,139.7	0.0	0.0	0.0
Unsecured Loans	2,993.8	5,587.0	6,691.4	7,379.6
USES OF FUNDS	8,775.3	9,479.4	11,095.9	12,424.2
Gross Block	184.4	189.5	180.1	192.9
Less : Revaluation Reserves	0.0	0.0	0.0	0.0
Less : Accumulated Depreciation	64.8	85.3	94.6	110.5
Net Block	119.6	104.2	85.5	82.4
Capital Work in Progress	0.0	0.0	0.0	0.0
Investments	919.7	919.2	983.8	1,172.9
Current Assets	4,595.3	5,000.3	6,437.7	7,515.6
Less : Current Liabilities	345.2	264.6	440.0	803.3
Total Net Current Assets	4,250.1	4,735.7	5,997.7	6,712.3
Misc. Expenses not writtenoff	3,485.9	3,720.3	4,028.9	4,456.6
NOTE				
Book Value of Unquoted Investments	919.2	919.2	983.8	1,172.9
Market Value of Quoted Investments	0.5	0.0	0.0	0.0
Contingent Liabilities	303.4	355.1	441.9	441.9
Dividend (%)	17.0	25.0	30.0	33.0

Quarterly Income Sheets

(₹ mn)

Quarter Ended	Mar 18	Jun 18	Sep 18	Dec 18
Net Sales	1,043.7	324.9	1,089.5	1,084.7
Cost Of Sales	637.9	153.9	762.7	681.0
Operating Profit	405.8	171.0	326.8	403.7
Other Income	110.9	8.1	7.8	5.0
Adjusted PBDIT	516.7	179.1	334.6	408.7
Financial Expenses	127.1	43.7	148.5	178.4
Depreciation	4.1	4.2	5.0	4.9
Other Write Offs	0.0	0.0	0.0	0.0
Adjusted PBT	385.5	131.2	181.1	225.4
Tax Charges	79.0	26.2	36.2	45.1
Reported Profit	306.5	105.0	144.9	180.3
Extra Ordinary Items	0.0	0.0	0.0	0.0
Other Non Cash Adjust	0.0	0.0	0.0	0.0
Adjusted Net Profit	306.5	105.0	144.9	180.3

52 Week Index Relative Percentage Appreciation



Ajmera Realty vs SENSEX

Risks Associated

- Net sales declined by 68.87% to ₹ 324.9 million, EBITDA decreased by 65.33% to ₹ 179.1 million and finally net profit also down by 65.74% to ₹ 105 million on quarterly basis.

Scope of Growth

- The current housing deficit in India stands at 19 million units, it will be double to 38 million units by 2030. Hence the demand for Housing is high, the government was collaborating with private builders to make affordable housing a reality.
- Sectors such as IT, ITeS, retail, consulting & e-commerce have registered high demand for office space in recent times. Office space demand in the country increased by 23% on YoY basis, office space absorption at 11.4 million square feet.
- Indian real estate sector has witnessed high growth in recent times with the rise in demand for office & residential spaces. Private equity investments in the sector are estimated to grow to \$ 100 billion by 2026 with tier 1 & 2 cities. New housing launches across top seven cities in India increased 27% year on year in January-March 2018.
- It has entered into joint venture for development of luxurious project of 4,50,000 sq.ft. at Market Yard, Pune. The Project is spread across approx. 4 acres of land to develop the land into residential complex.
- The London project is a joint venture between the Ajmera and the local developer of UK through its wholly owned subsidiary known as Ajmera Corporation UK Ltd. Plans to construct 14 complex houses which are in the initial stage of development, catering to Mid Income Segment in housing residential zones. These are small projects with low investments, high returns along with low gestation period.
- It is also looking forward to add more residential mix in cities like Hyderabad, Rajkot, Surat & other prominent 2&3 tier cities especially in Western India.

In a Nutshell

Ajmera Realty is involved in real estate business. It has the presence in the Mumbai, Bengaluru, Ahmedabad and Pune in India, apart from this it has two International projects in London & Bahrain. It has twelve subsidiaries and three Associate companies. The Mumbai project has three Hi-rise towers, AEON, ZEON & TREON. The occupancy certificate (OC) for ZEON tower and part OC for AEON tower has been received, while the work for TREON tower is in progress. Also, Ajmera will launch new tower project in Wadala. In Bangalore project it acquired 5.5 acres of land at the Electronic City-2 through its wholly owned subsidiary. The total area under development in Bengaluru, along with the existing projects is approximately 14 lakh sq. ft. Ajmera Lugaano is located at Yehlanka, North Bengaluru, with development of 11 acres of land, having 1,2 & 3 BHK. The project has received all approvals and shall be launched soon. The estimated time for the completion of project will be 3-4 years. Enigma & Casa Vyoma are the two benchmark projects at Ahmedabad. Ajmera Enigma has been completed. The Casa Vyoma, spread across 6 acres of Vastrapur, is nearing to possession. In Pune it is developing in approx 4 acres of land into residential complex. It looking out for land bank acquisition in and around Pune for development of affordable housing. It has invested in Kingston area in the UK. The London project is a joint venture between the company & the local developer of United Kingdom. Plans to construct 14 complex houses which are in the initial stage of development, catering to Mid Income Segment in housing residential zones. Ajmera planning to add more residential mix in cities like Hyderabad, Rajkot, Surat & other tier 2&3 cities in western region.

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Rating Interpretation

Buy : Expected to appreciate 20% or more over 12-months

Accumulate : Expected to appreciate 10% to 20% over 12-months

Trade Buy : Expected to appreciate more than 10% over 45-days

Reduce : Expected to depreciate up to 10% over 12-months

Sell : Expected to depreciate 10% or more over 12-months

Trade Sell : Expected to depreciate more than 10% over 45-days

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