



“Bharat Agri Fert & Realty Limited Business Outlook Earnings Conference Call”

December 27, 2023



CAPITALSQUARE[®]
Teaming together to create value



S

**MANAGEMENT: MR. YOGENDRA PATEL – CHAIRMAN & MANAGING
DIRECTOR, BHARAT AGRIFERT & REALTY LIMITED
MR. VIJAL YOGENDRA PATEL – DIRECTOR, BHARAT
AGRI FERT & REALTY LIMITED**

**MODERATOR: MS. LAKSHMI CHALWADI – CAPITALSQUARE
FINANCIAL SERVICES**



*Bharat Agri Fert & Realty Limited
December 27, 2023*

Moderator: Ladies and gentlemen, good day and welcome to the Bharat Agri Fert & Realty Limited Business Outlook Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference, 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 Ms. Lakshmi Chalwadi from CapitalSquare Financial Services. Thank you and over to you, ma'am.

Lakshmi Chalwadi: Good evening, everyone. On behalf of Capital Square Financial Services, I welcome you all to Bharat Agri Fert & Realty Limited Business Outlook Earnings Call.

We have with us Mr. Yogendra Patel, Chairman – Managing Director and Mr. Vijal Yogendra Patel – Director from Bharat Agri Fert & Realty Limited.

Now, I hand over the floor to the “Management for the Opening Remarks and Outlook on Business.” Over to you, sir. Thank you.

Yogendra Patel: I will brief you about the Company initially. Bharat Agri Fert & Realty Limited is a listed Company and it was founded in 1962 and it was the first Company in India to make NPK fertilizers in India under the “Project Finance” from the NRI investors. Now, the Company is presently engaged in three divisions. First is a core sector fertilizer business, manufacturing single superphosphate fertilizers in powder and granulated form.

Second is, Company is engaged in the hospitality business where it has developed under the Anchaviyo Resort, a brand resort in Palghar district of Wada Taluka in Maharashtra state.

And the Company is also having realty division where we are acting as a developer or you can say a builder having its project completed six high rise towers in Majiwada, Thane and at present we are having one high rise building tower which is the tallest in Majiwada, for which the required permissions have been taken. So, Company is distributed in fertilizer manufacturing, hospitality business and the real estate business.

Moderator: We will now begin the question-and-answer session. We have the first question from the line of Yashwanthi Kelkar, an individual investor. Please go ahead.

Yashwanthi Kelkar: Just wanted to understand, like we have three business segments. So, how much revenue has been reported for FY23 under each segment and how much do they contribute to the overall revenue?



*Bharat Agri Fert & Realty Limited
December 27, 2023*

- Yogendra Patel:** Ma'am, your voice is not audible properly. Can you repeat it again?
- Yashwanthi Kelkar:** You mentioned that you have three business segments; one is the fertilizer, one is the hospitality; and one is your real estate. So, just wanted to understand what has been the revenue for FY23 from each of this segment and how much do they contribute to the total revenue percentage wise?
- Yogendra Patel:** You want this detail for which quarter -- 31st March or 30th June or 30th September, because everything is mentioned on the BSE website. Presently, I don't have that ready figure with me available, but since you are only interested in knowing future outlook of the business, we don't keep those things with us at the moment readily. Please excuse.
- Yashwanthi Kelkar:** No problem, sir. So, can you please give us the growth plan for each of this segment going forward?
- Yogendra Patel:** That's good. Now, growth plan, we have the capacity in fertilizer division to produce 1,32,000 SSP which is Single Super Phosphate and 1,00,000 tons of Granulated Single Super Phosphate. Presently, we are not in a position to operate the plant at full capacity utilizations because two years before there was a Ukraine war, and now the companies of fertilizers are not comfortable because of the ongoing war situation in near Egypt, Jordan and Syria, where the maximum raw material for fertilizers is coming from those countries and the prices have also gone up. So, we are in the process of offering our entire plant, machineries and assets to a bigger size manufacturing and trading Company like Indian Potash Limited, Chambal Fertilisers and Chemicals Limited like so many other companies who are on our wait list. So, we will offer our assets on lease-cum-conversion basis. So, we will concentrate much on our realty business and resort hospitality business in the near future which is from April '24 onwards. And also, there are some issues with the Government of India. Because this is totally administratively price controlled. Subsidy is also fixed by the government and the prices are also governed by the administrative ministry department of fertilizers. And therefore, there is a narrow margin for the companies who do not make higher productions and we want to tie up with the companies who has got multiple products like urea, DAP, NPK and other grade of fertilizers. So, we can add our fertilizer to their products so they can market better this thing in this Maharashtra state.
- Yashwanthi Kelkar:** It means that going forward your focus will be the hospitality and real estate and it seems you will be earning a good margin over there?
- Yogendra Patel:** Yes. I would also like to give details on the realty business. We have the approved plan from the Thane Municipal Corporation for building ground plus plinth plus 59 floors residential flats. On each floor there will be eight flats of two and three BHK. In total there will be 457 flats. We have got all the required permission from MoEF, Civil Aviation, commitment



*Bharat Agri Fert & Realty Limited
December 27, 2023*

certificate up to 23 floors and required permission from all the competing authority like chief fire officer or any permission from the collector office. And the work has already started last month, and we expect to complete the plinth work by April or May '24 and the project will be completed within the next three years or four years maximum. I will request my Director, Vijal Patel to brief you on hospitality business, Anchaviyo Resort.

Vijal Y. Patel:

Hi, good evening, everyone. So, regarding Anchaviyo Resort, we started eight years back with only eight rooms and with little progress every year we have increased our room capacity to 51 right now. And there are more infrastructure development going in and around the resort itself, like we're building a new reception, we are building a new restaurant so that we can cater to more wedding destinations and corporate events because that is where more revenue will be generated looking into future. So, our main aim going forward for hospitality is, as we have a good land bank around the resort, we are planning to develop it in the same pattern because our main theme and the USP about Anchaviyo Resort is that it is conceptual living. So, we have 19 different categories in these 51 rooms. And every guest, whoever comes, we want to give them an experience that whenever they come to the resort, they stay in different conceptual rooms like I'll give you an example of the room names which we have. Like we have a stone room, we have a pyramid room, we have a barrel room. Then we have the first room in India or Maharashtra you can say that which has a slide from their room to the pool, like what people experience abroad and international, and we want to give them that experience in Bombay, sitting in India is what our main aim is looking into future as well. For any beddings or any destination wedding, we need at least a capacity or an inventory of 120 rooms. So, we are almost reaching half capacity right now because we have reached 51 rooms to 55 rooms. So, our plan is to go ahead because then only we can have a capacity of 200 to 250 people wedding. The main revenue which any hospitality or a hotel earns even in rural or maybe outside Maharashtra also like a lot of places like Jaipur and Udaipur where they do lot of weddings, the main revenue and the profit is only when weddings are happening. So, that is our main aim, which we have realized now. In normal FIT business which is called like normal travel agent business that is going on and the monthly occupancy is also going great because this is the season time right now from November onwards till March as the resort is situated on the bank of river, Vaitarna. So, the climatic condition right now in December to March is very favorable for couples or families to have their small events or an engagement event or a birthday party and stuff. So, right now our focus for the coming one year is to cater to all of them and try to close as many businesses as possible and at the same time every month or every quarterly we want to increase 10 to 15 rooms. So, that is on the hospitality sector.

Yashwanthi Kelkar:

What is the land bank you say which is around -?

Vijal Y. Patel:

So, currently we have 120 acres which is under the possession of the Company. And we have other few proposals in and around the Company land bank, which is almost 200 acres, which we are planning to buy once we go ahead in future.



*Bharat Agri Fert & Realty Limited
December 27, 2023*

Yashwanthi Kelkar: Eight to 10 rooms every month you wanted to expand?

Vijal Y. Patel: No, quarterly I said. Now, what we are planning is if we do basic rooms, building a basic room comes to around 12 lakhs to 13 lakhs. So, every month pumping 55 lakhs to 60 lakhs is not possible. So, what we are planning is we can easily manage around four, five rooms every quarter and we are planning to go in a specific design only with the number of rooms because the corporates and the wedding people, they don't want too many categories, they want similar categories. Like if I'm doing a corporate event for 100 people, if I give them 19 to 20 categories, they tell us that, sir, how do we bifurcate all our staff into different, different categories because then they have internal problems. So, that is why we are planning right now to have a number of our Bougainvillea rooms, there is one category of room which is called Bougainvillea which at the moment we have 15 rooms. So, we are planning to increase that 15 rooms to more numbers so that it can cater to corporates because lot of corporate events are also there, there are three corporate events already lined up in January, there are more coming in February. So, right now we are catering to small corporates which are 40 people and 50 people because of the room capacity. But once we grow into that number of rooms, we can then cater to the same Company, but we can have the larger groups like we can have 100, 150 people corporate events because we have a big lawn which can have 500 people at one stretch for an outdoor event. So, all the other infrastructure is done. Now, we are building a restaurant which is almost 5,000 to 6,000 square feet which can cater for a sitting, lunch or dinner or a sitting function for our weddings or any corporate events for almost 250 people. So, that's the plan. We have already done our reception, which will be opening in the 1st week of January, which is going to be for the long term. We have kept the reception size in our mind thinking about 120 to 150 rooms. So, the reception is already ticked off now and the only thing now left is the restaurant and then we go on with the rooms.

Yashwanthi Kelkar: What is the average room charge you would have that is a revenue per room?

Vijal Y. Patel: Sorry, I couldn't hear you properly.

Yashwanthi Kelkar: The average revenue per room.

Vijal Y. Patel: As I told you, we have different, different category of rooms. So, our basic category starts from around Rs.8,000 to Rs.9,000 a night and it goes up to almost Rs.45,000 a night. So, if I do an average for a monthly ADR like average room revenue which we can get per room, it comes to almost Rs.14,000 to Rs.15,000 a night.

Yashwanthi Kelkar: During the peak season, it is almost 75% to 80% occupied, right?

Vijal Y. Patel: If I tell you the numbers for November, we had done 60% to 63%. December, we are already working right now at 70% and few three, four days are still left. January, already bookings are



*Bharat Agri Fert & Realty Limited
December 27, 2023*

coming in because of corporates and all but then again it will not reach to 70%, it will be around 60% to 70% only, this 60%, 70% will continue till March, then April will be a little lesser. Then May will be almost 80% because May we always get good numbers is only because of the children summer holidays, vacations, so we get lot of bookings during May and the occupancy shoots up during May. Then again, we drop down in June, July because of monsoon season, then all the Indian festivals, it goes like how the hospitality norms is with all other boutique resorts in and around Maharashtra, it's a similar thing. The only thing is Lonavala has a plus point about monsoons because they have good greenery. But our plus point is that we have a river throughout the year, which is always full of water. So, our guests can enjoy a good, pleasant nature time at the resort, and we do a lot of activities as well.

Moderator: We have the next question from the line of Nipa Harya from Nipnal Consultancy. Please go ahead.

Nipa Harya: On this Majiwada project, I would like to know when this project will be completed, as per RERA, what is the date given?

Yogendra Patel: Yes, Majiwada project, the date of completion is given is December 31, 2028.

Nipa Harya: Has the work started?

Yogendra Patel: First, excavation started last month only, and the plinth will be completed by say 31st of May. It is a 60-high rise floor building. So, every month we will be able to complete three slabs so you can take, 20 months will go for erection of the slabs, six months for the excavations and another 12 months approximately will be completed for the finishing from first floor to 60th floor because you have to make all the lighting arrangements, flooring, tiles and everything. So, we are confident to complete this project within three to four years, but the RERA we have to ask for the extension, so for safer side we have taken 12 months, and our past record says, we completed six building on the same place which all buildings were completed and occupation certificate in time and we have already formed the society and handed over to the federation. So, first six towers which we completed were having 385 resident members and you will appreciate that there is not a single complaint from any of the customers with any of the court of law. That is a repetition what we are building in Majiwada, Thane. So, with this new tower also, we don't find any difficulties in construction. There's only one tower which is left out in the whole area of 6.5 land bank.

Nipa Harya: Have the booking started for this place?

Yogendra Patel: So, booking we will be starting only after we get the draft agreement of sale booklets, as per the RERA, we have to get the draft agreement of sale ready, whichever advocates and solicitors are preparing and by the next month the agreement of sale will be uploaded on the



*Bharat Agri Fert & Realty Limited
December 27, 2023*

RERA site, then only we will start the booking. As per the RERA, we have to take only 10%, then 20% at the time of registration. But before the registration, a few customers are asking to get the loan, so they want to know the clarity on the existing projects, earlier projects completion, earlier occupation certificate received. So, you can say by January end or February we will be able to open our marketing on any of pieces Gudi Padwa like that.

Moderator: The next question is from the line of Priyadarshi Srivastava, an individual investor. Please go ahead.

Priyadarshi Srivastava: Sir, in the previous questions, you answered that you have a land bank of the nearer resort of around 120 acres. So, that 120 acres is fully constructed and occupied, or you are talking about developing some part of that or the extra 100 acres you are going to develop?

Yogendra Patel: Total land bank which is Kharivali village, taluka of Palghar district in Wada taluka, the entire land is in the name of Company which is Bharat Agri Fert and Realty Limited. Out of 120 acres, 18 acres was built for fertilizer manufacturing division and 10 acres was built in Anchaviyo leaving 92 acres still balance as on date. So, we have 92 acres freehold land to be developed either by floating or expansion of the resort activity and other projects which we are planning in our business outlook we were to discuss that we will be also inviting for some good sports club and health SPA and so many other activities. So, we want to go step-by-step. After generating and settling out of our real estate business of Thane, the cash flow will be utilized for the development and building more assets in the Company by developing this land available with the Company.

Priyadarshi Srivastava: Sir, once this Thane project is completed in next three years, so you have any plans to develop any other projects or you have identified or you have land bank in any other parts of the Maharashtra or Mumbai?

Yogendra Patel: In addition to 120 acres land, we have got an opportunity to either get the additional 30 acres land which is in the name of promoters only adjacent to the resort and fertilizer unit. So, that will be our first priority to increase the land bank from 120 to 30 acres. So, we can have the common infrastructure facilities of the existing facilities so the cost will be lesser. In addition to that, we have our Bharat Fertilizer House situated at Flora Fountain exactly opposite Mumbai High Court, or you must have seen the Sara shopping outlets on 12 Nana bylane where the news is metro is coming. We have now Bharat Fert House ready made available with us. With 35,000 square feet we can make the carpet sellable, and this is an FSI of 6.5. So, that will be also our another pipeline project for the commercial building in the port area. In addition to that, we have one proposal of joint venture of the promoters bungalow at Vile Parle East, very near to the Sahara Star Hotel and airport. There we have got good FSI of approximately 40,000 to 45,000 sq.ft. eligible for 13 floors, three and four residential luxurious flats we are going to plan, not the conventional one or two BHK three and four BHK luxurious



*Bharat Agri Fert & Realty Limited
December 27, 2023*

flats. That is also the projects in the pipeline. At the moment, which is in the hand of the promoters and the Company, we don't want to buy the additional land outside Maharashtra. We have not thought it over at the moment, but we can consider if proposals are coming.

Priyadarshi Srivastava: These projects you spoke about right now, they are still on the drawing board, or they will likely to be executed in what timeframe?

Yogendra Patel: First, land procurement of 30 acres is already in the pipeline. So, by another six months, we will be having that land possession in our hand for the 30 acres land for the expansion of the resource. #2 the Bombay office building at the moment we are on the drawing side, we are submitting the papers to the Bombay municipal corporation. Once we get all the clearance and IOD, then we will demolish that building and start construction, because it is not that big, 35,000 which may take 1.5 years, which will also start in another one-year time. And regarding Vile since this being a commercial building, it may take at least minimum one year to get on the stage pipeline. So, all projects are in the pipeline. At the moment we are concentrating, focusing on the completion of the field of the high rise building, which is the prestigious tallest building in the Majiwada, Thane.

Priyadarshi Srivastava: Next question is with regard to your fertilizer business. As you mentioned previously that because of the government subsidies, issues and control as well as Ukraine war situation your business is on the lower side? So, what is the current capacity utilization over there, sir?

Yogendra Patel: The present capacity utilization is in the range of 20% to 22% because we could not get the raw material imported from these countries from last six months or more. Now, we want to give these to the bigger companies who have got multiple products with them so that they can add our fertilizer to them. And they don't have these super phosphate products in their baskets. They have urea, DAP, NPK and other complex fertilizers but they don't have our product. So, we have made such an arrangement. So, we will give them our assets on a convergent basis so that they can pump the required material to import the raw material with the higher working capital facilities. So, we don't want to get ourselves into borrowing more funds for the fertilizer and get our funds stuck in the fertilizer subsidy. So, therefore we are planning to concentrate much on the realty business of Thane and the resource so that we don't come under the delay in subsidy or if season failures. Any operational problem which we experienced in last five, four to five years after the COVID-19 fertilizer is becoming more difficult day-by-day because we have no control over fuel price, rupee-dollar exchange has gone from Rs.75 to 84. Because of this whole situation we have got some fear factor that we may not get the raw material even if we have got the funds borrowed from the bank. So, therefore we thought it feasible to give these plants on the lease for the period of three years. After three years if the situation is stabilized and the election, then everything is being stabilized and the government policy is being revised to the benefit of the industry, we may discontinue after three years and start our own production.



*Bharat Agri Fert & Realty Limited
December 27, 2023*

- Priyadarshi Srivastava:** Your plant has been already given to them or it is yet to be given?
- Yogendra Patel:** The prime condition of the receiver point of view is that you have to make your factory assets debt-free in respect of the stocks. They have told us to remove our old stocks of raw materials, sell this product by March and by April when the new policy comes so the contract will be from 1st April till March 31st, 2027.
- Priyadarshi Srivastava:** My next question is related to subsidy only. So, I just wanted to understand once this subsidy part is calculated or received in what way, once the goods are sent to the dealers or once the goods are sold to the customers, sir?
- Yogendra Patel:** The subsidy mechanism comes under DBT, which is Direct Benefit Transfer and all fertilizer companies in India comes under NBA scheme Nutrient-based Subsidy. Now when you talk about super phosphate, it contains sulphur 11% and the phosphates 16%. So, the Government of India on every six monthly and yearly, they calculate the normative cost of the nutrients and then they declare the subsidy on all the phosphatic fertilizers and nitrogenous fertilizers. Now, your question on when you get the subsidy, first you have to distribute your fertilizer to the dealer or a wholesaler. When the farmer purchase from the from their shop, at that time they have to proceed for the Aadhaar card, PAN card and put their thumb impression, that is called point of sale. The moment that the actual users or consumer buy the fertilizer from the respective dealer shop, you get the subsidy on weekly basis from the Department of Fertilizers. Subsidy is not at all an issue. The only thing seasonal wise, the demand and supply plays a very important role. In Maharashtra, the consumption of SSP fertilizer is 10 to 11 lakh per year and we have the capacity of 1,32,000. So, we are operating at very low capacity at the moment. So, we want a good partner who can support us in producing and marketing the products. Production is our key factor. So, that is what we are worried about production and purchase and the planning of production.
- Priyadarshi Srivastava:** Before I end, just one more request, sir. If you can put up your updated Investor Presentation on your website or that gets uploaded in the BSE it will be very helpful for investors like us.
- Yogendra Patel:** Surely, sir, we will definitely consider, and we will put as requested by you, sir.
- Moderator:** The next question is from the line of Padmaja Ambekar from Parmeshwari Advisors. Please go ahead.
- Padmaja Ambekar:** Sir, I would like to know who are your competitors in the fertilizer segment?
- Yogendra Patel:** The main competitor in our fertilizer, what we make is Ramaphosphates Limited, then another is Khaitan Chemicals and Fertilizers, Coromandel International Limited, Aarti Fertilizers Limited, Jubilant Life Sciences and Shiva Fertilizers, Agro and Pushkar Chemicals and



*Bharat Agri Fert & Realty Limited
December 27, 2023*

Fertilizers. These are the major players in the state of Maharashtra. They're all multinational companies and very big companies. So, we want to tie up with big companies who can distribute our fertilizers on conversion basis. So, that is why this decision has been taken by the board to engage bigger fertilizer companies, like we will be discussing with the Indian Potash Limited who is the India's largest potash fertilizer importer and the Chambal Fertilizers is also a well-known fertilizer Company who are also our distributor once upon a time before three, four years. So, we want to restart that kind of business. Presently, Greenstar Fertilizers, a subsidiary of Southern Petrochemical Industries Corporation, a Chennai-based Company is our wholesaler distributor who is distributing our fertilizer in the state of Maharashtra.

Moderator: We have the next question from the line of Amog Diwakar from Ekdant Traders. Please go ahead.

Amog Diwakar: What is the CAPEX that we are looking for growth and how will we fund it?

Yogendra Patel: Regarding fertilizer unit, we don't need any CAPEX at the moment because the existing plant is well built and checked by the receiver side, the Company who is going to take lease on this plant. So, we don't need much CAPEX on our fertilizer unit. As regards real estate business of Majiwada, Thane, we have 29 crores loan sanctioned by Saraswat Co-operative Bank. But we have hardly used that fund at the moment, because we will be using the funds which is being received by way of 10% and 20% after once agreement of sale is ready. Another, our contractors are all under partner trade. So, that means there will be a partner trade arrangement with the contractors. So, there will not be much funds needed for this new project. And in the past also, the six towers which we have raised and built as a developer, we have never borrowed any money for the construction of the real estate because it is freehold land. So, we don't have to pay 50% or 55% cost of the land to the projects and the rest of the area is as per the government TMC policies of the FSI. And resort, we will be using our funds on our cash flow basis because we are only developing four to five rooms as our director said. So, that is manageable. So, we don't want to borrow any extra and excess money for this development of our forthcoming projects which are in the pipeline except the purchase of the land and the development of port office and the Vile Parle East residential tower, which is in the pipeline. But today we don't have any projects for borrowing the money.

Amog Diwakar: In financial year '23, balance sheet borrowing of the Company is around Rs.18 crores. Do you see an increase in the borrowings into expansion plans?

Yogendra Patel: Can you repeat, sir, please?

Amog Diwakar: In financial year '23 balance sheet borrowing of the Company is around Rs.18 crores. Do you see an increase in these borrowings due to the expansion plan?



*Bharat Agri Fert & Realty Limited
December 27, 2023*

Yogendra Patel: No, no, no, no. From April till December, we have reduced the banking working capital limit because we have to handover the freehold plants to the leasing Company. So, today if you say our bank borrowing has come to only 10 crores from 31st March, as on 27th December, it is round about 10 crores maximum of fertilizer division and Rs.4 crores of the resort for working capital, so 14 crores. So, out of 18 crores, we already reduced four crores. And once Thane project starts and after the plinth is completed we will be able to make the total nil liability of all the bankers. We don't want to burden the Company for the interest borrowing after the Thane project plinth work is completed because we will be getting almost 40%, 45% from the Thane residential where we don't have to pay anything for the land and for the construction also it is on the partner trade.

Amog Diwakar: What is per square feet rate going on in the current Majiwada location in Thane?

Yogendra Patel: Per square feet rate in the Majiwada Thane area is presently in the range of Rs.20,000 to Rs.21,000 per square feet on a RERA carpet basis including GST and stamp duty and one compulsory free parking. So, you can say 21,500 is the average price going in and around the area at the moment. And we have 3,75,000 RERA carpet available as per the permissions which have been received at the moment.

Moderator: The next question is from the line of Vaishali Parkar from Vihaan Investments. Please go ahead.

Vaishali Parkar: So, a few things I wanted to understand from the call. Earlier, our main business was a fertilizer business. So, now we are moving from fertilizer business to the resort and realty business. Am I right in understanding?

Yogendra Patel: No, madam. Fertilizer business because of this war situation and we don't want to borrow more funds for the working capital, we are taking a break for some time and to concentrate much more on our bigger projects of Thane real estate. After the three years when the subsidy policy and the government decisions and everything is being stable, we will again come to fertilizer business because that is our core sector business from 1962. Presently, since we are facing difficulties in availing this raw material from the war zone countries and also there is marketing issues of season failure and monsoon failure, we will come back after three years. Within that three years, we will have our own funds for import of raw material and sufficient working capital. In real estate and realty business, we are going ahead because that is not going to cost much from borrowing the funds point of view.

Vaishali Parkar: What is our plan for this coming three years for the fertilizer business?

Yogendra Patel: To take an example, if we go on the plant on the lease of 1,32,000 tons capacity, even if we take 50,000, which is 50% of the capacities, the revenue will be approximately 75 lakhs to 80



*Bharat Agri Fert & Realty Limited
December 27, 2023*

lakhs per month. So, you can generate 9 to 10 crores from the conversion and the lease basis which will have better profit margin because the Company does not have any working capital and the term loan liabilities and the plant is totally depreciated and we have the additional benefit of our plants can partly run the solar heating systems so that will be an added benefit to our Company, and with reduced cost of productions of the labors and repair and maintenance, because it is already set plant at the moment.

Vaishali Parkar: So, the plant total capacity is 1,32,000 tons per year and now for time being we are going to give it on leave where we can get a continuous revenue from this particular plant?

Yogendra Patel: Yes. From the same asset which is not put into operation. So, this is what I have given the smallest example of 50,000. But if the -

Vaishali Parkar: What about the Anchaviyo Resort? Right now we have I think 55 rooms available. By end of this year or maybe in next two years, how many rooms we are expecting to come into the capacity?

Yogendra Patel: So, basically right now we have completed 51 rooms and by January 31st we will be having an inventory of 55 rooms and our new reception will be done and we will be also focusing on making our new restaurant because as I said earlier also, the main focus out here for us is to get weddings and corporates. So, to have weddings and corporates, we need to increase our inventory and also we need to have a bigger space for restaurant, better banquets for their corporate events, sit down events, presentation, their functions and fairs and everything. So, our focus is because right now it's the current season, we don't want to disturb our current infrastructure or create issues or any disturbances for the current guests who are coming right now. So, our focus right now is to increase few, few rooms like as I told you by 31st March we will be having 55 rooms, our plan is also by 31st of March after this year-by-year ending, we should have almost 60 to 62 rooms. So, we are increasing gradually. We are also considering maybe once the Thane project kicks off and we start getting the amounts for bookings and everything and the revenue starts coming in and the cash flow increases, our plan is to create another 45 rooms in a civil structure, which is like ground, first and second, which is again as a Bougainvillea category like a base degree, but do it in a civil structure because civil structure, like if I do it in the same resort manner but in a civil way, it goes with the theme as well and the maintenance and the operation cost is more lesser than what we have on individual theme rooms. So, we will be creating a few theme rooms in and out just to create the buzz of Anchaviyo because our USP is conceptual living and theme resort. So, we have a few themes in our mind which we will be putting every six months. So, those rooms will be only one, one room. But we need to at the same time increase the number of base category rooms so that we can cater to weddings and corporates.

Vaishali Parkar: So, what is per night average room price at this point of time?



*Bharat Agri Fert & Realty Limited
December 27, 2023*

Yogendra Patel: Our room pricing starts from 8,000 to 9,000, which is for a basic category and it goes up to 40,000 to 45,000. Our basic average room rate, which we can generate is around 15,000 to 16,000 a night. This includes only breakfast. If you do all other things like lunch, dinner, all included, it changes. But this is like an ADR you can say is 14,000 to 15,000.

Vaishali Parkar: What kind of occupancy rate do we get over a year? I understand this business is more of cyclical or seasonal for that matter.

Yogendra Patel: November starts with the Diwali, November, December, January, February, March, it goes up to around 65% to 70%, but then May it goes up again, but April is a little slack because there is the school openings and year ending has happened and everything. So, a lot of corporates also don't come in April, it's the new start of a year and everything, so April is a little slow. May again it kick off because of summer holidays, exams are over. And then June, July is again little down because of monsoon and Ganpati and all this season because people don't step out of their house till Dussehra I'm saying. So, June, July, August, September, the occupancy drops up to almost 45%, 50% also sometimes. But on average if you say completely throughout the year we can get around 55% to 65%.

Vaishali Parkar: Earlier in your presentation you said that the Thane land is a freehold land. So, am I right in understanding that this has been owned by the Company and we do not have to pay anything for the land parcel?

Yogendra Patel: Out of 120 acres, it is all under Company's name, it is all -

Vaishali Parkar: No, I'm asking about the Thane land.

Yogendra Patel: Thane land we purchased in 1962 at a cost of 2,65,000 and today also we have nothing to pay on land cost. Only what we have to pay for the higher floor is the extra TDR which will come only after 34th floor onwards. Till that time, we have our own free FSI available for 50% of the area.

Vaishali Parkar: So, we are saying that till 34th floor we can build without paying anything for extra FSI and once we have to build more than 34th floor we have to buy TDR. How we are going to schedule you, give a little bit math on that TDR how much money you have to spend?

Yogendra Patel: TDR can be purchased from the TMC directly nowadays. Either on the premium FSI or ancillary, there is a scheme available in the Thane Municipal Corporation. You have to make only 20% of the down payment in the initial stage. The 80% that you get the loan from the Thane municipal itself at 8.5% rate of interest for a period of five years. Suppose you complete the occupation certificate before four years, then you have to make 80% to the Thane. Municipal Corporation and the rest some 20%, 25% TDR you can buy from the open market,



*Bharat Agri Fert & Realty Limited
December 27, 2023*

which is plentifully available at the moment. But we don't want to put all our money at the moment in the upper floor land investment because we want to concentrate on the completion of the plinth. So, we need our funds, but also we have got the backup plan with the 29 crores of the sanctioned loan from the Saraswat Bank. So, we are comfortable only from the finance point of view or construction point of view. We are confident to complete within 3 to 3.5 years this full building with the occupation certificate.

Vaishali Parkar:

How do you see the Thane market because if I'm not wrong, many projects are coming and that is also many organized players are also coming like Godrej and already there are a few organized players having this project in the same location. So, how do you see that competition?

Yogendra Patel:

I fully agree. In and around our area, there are two bigger players. One is Kalpataru and another is Lodha Complex. But now the Lodha entire project is likely to be finished in a couple of months or you can say maximum one year and Kalpataru which are planning they have completed the residential, but the rest of the things they have converted into commercial, and they have given that area for the Amazon Company. So, the commercial doesn't make any competition. As regards what you said, Godrej and other projects are very far from our place which is on the Ghodbunder Road and Kolshet Road, while ours in the heart of the city, Thane, which is called Majiwada. So, we have certain salient features of USP of having upper, middle-class family staying in and around our area and having all the facilities like Big Bazaar, hotels, restaurants, hospitals, temples, police station, petrol station, everything within half a kilometer area, not even one kilometer and you are away from the noise of the pollution, and another big project is also there, but that is on the highway of Thane-Nasik. So, generally people do not want to stay on the highways where there is a continuous noise of trucking in the night. So, ours is in the city area, which is very prominent, and we have over six towers already completed, and we expect 20% to 30% of the buyer will come from our own existing building only, the 385 flats. We expect one-third you can say people will come from our existing federation society. So, we don't anticipate any marketing issues at the moment. The only thing is we are going slow and steady. So, after completion of the plinth, the people will have more confidence and we can execute the agreement of sale, so can get 45% at the time of agreement of sale.

Vaishali Parkar:

We have all the required registrations and licenses with us and we are associated with all the banks for loans and everything?

Yogendra Patel:

Yes, we already complied with all our registration formalities and also we have some seven reputed bankers on our payroll or on our site, who has approved our housing loan finance like Canara Bank, Punjab National Bank, Bank of India, Bank of Baroda and State Bank of India is the largest public sector bank, who has already approved our projects to give the loan to the



*Bharat Agri Fert & Realty Limited
December 27, 2023*

buyer who wants to book the flats after executing the agreement of sale. They will give loan to 80% to 85% or subject to the young age people they can go loan up to 90% for 25-years.

Moderator: We have the next question from the line of Bhakti Ojha from Ganesh Enterprise. Please go ahead.

Bhakti Ojha: Sir, can you tell me the contribution of the Anchaviyo Resort in this quarter?

Yogendra Patel: We have almost given 4.5 to 5 crores is what we are looking at our contribution for this quarter turnover. Overall, for the for the whole year, we might reach up to 18 crores.

Bhakti Ojha: And also, sir, what is your view on fertilizer segment and how do you see growth happening in this segment as I believe it is a very regulated industry?

Yogendra Patel: I already explained to a few members. Again, I will say. Fertilizer is highly regulated by the rules of the Department of Fertilizers, restricting the sale of the area, restricting the price, and there is a fixed return on investment which is only 11% return on capital investment of the Company. And there are a lot of administrative problems in the present situation importing of raw material which is coming 100% from Egypt, Syria and Jordan which is now at the moment is a war zone. So, therefore we are not going to invest or use more working capital by burdening the Company and therefore we have decided to offer our plant assets on rent, or you can say lease on conversion basis from which we can have better profitability being a lower production cost of our unit in the present situation.

Moderator: The next question is from the line of Indresh Malik, an individual investor. Please go ahead.

Indresh Malik: Sir, in your Thane project, we will roughly get Rs.800 crores from the project. What will be the cost of construction?

Yogendra Patel: Sir construction cost you can say around Rs.300 crores to Rs.350 crores maximum because the land cost is not there for the 50% of our area. So, the maximum cost is Rs.300 crores to Rs.350 crores including of buying TDR and the construction cost approximately, which is the outer limit, Rs.350 crores is the maximum.

Indresh Malik: Sir, we will have a profit of Rs.400 crores to Rs.500 crores we can say in the next four years?

Yogendra Patel: Yes, three to four years you can say. And the said profit after paying the required tax to the government, we will be reinvesting the same on our resort development and other land purchase of 30 acres in and around the resort area, and also we will be going for the joint venture with any reliable reputed Company developing our Bharat House which is at port which I told you, and we have got another JV project in Vile Parle East for residential project.



*Bharat Agri Fert & Realty Limited
December 27, 2023*

And we keep our fingers crossed and keep the money reserved with us till three years. So, once the situation is all better, we can come again in the fertilizer manufacturing and produce the same from our own in-house working capital, sir.

Indresh Malik: For the financial year, which will end in March '24, will the Company be at break even as resort is picking up?

Yogendra Patel: No, sir. As far as the fertilizer division, we don't want to give you any wrong picture because most of the companies in India are going to have a difficult time for the '23 and '24 years or not a single Company who can make the profit on the super phosphate because of the government policies decisions at the moment and there is a restriction. However, the resort as an individual capacity will make profit definitely. And real estate, since we have not started the booking, I think April to September or April-June quarter '24 will be a better quarter, '24-25 will be the profit making for the complete three divisions.

Indresh Malik: And sir, around a year back there was some talk of a tie up with some educational institutions and some foreign collaboration.

Yogendra Patel: We were having the proposals, but somehow those proposals did not click, so we have kept those proposals on hold. Now, once we start our real estate projects, we will again call for a fresh application from all such foreign buyers and collaborations for redevelopment of the Anchaviyo Resort at Wada and also some sports club or you can say any educational or institutional, these things, that project will be declared on the BSE website once it is being finalized.

Indresh Malik: Which contractor have you finalized, or you are going with any big Company?

Yogendra Patel: For Thane you mean to say?

Indresh Malik: Yes, sir.

Yogendra Patel: Thane, we have continued with the existing contractor who has built our previous six towers because there is no point in engaging the new contractor because he knows all the earlier infrastructures like piping and connections and gas connections and civil, drainage and everything. So, we have continued with that contractor who is reliable and there is no complaint from the existing members of the 385 occupants regarding waterproofing or some poor workmanship or inferior quality. So, we don't want to experiment on such issues when it is the prestigious towers. So, we are going to continue with them only because we are comfortable with the existing contractor. Regarding the Mumbai office, we have not yet finalized, but we will be going with the reputed reliable Company under JV because that is



*Bharat Agri Fert & Realty Limited
December 27, 2023*

also a prime location at the port. So, we may go for some reputable reliable Company for those contractors.

Indresh Malik: Our Company was paying dividend till 2015. So, if we say in March 2025, will you again like to be paying dividend?

Yogendra Patel: Dividend naturally we will consider after wiping out all our previous losses and everything. We want to reward our shareholders. There is no issue for that. So, we will see the situation once the half yearly results of '24 is completed. Because next year is the election year, we don't know clear government policies at the moment, but we assure you that we will reward our shareholders in time, sir, no issue.

Moderator: We have no further questions from the participants at this time. I would now like to hand the conference over to Ms. Lakshmi Chalwadi for closing comments. Over to you ma'am.

Lakshmi Chalwadi: Thank you everyone for joining the call on behalf of Bharat Agri Fert & Realty Limited and CapitalSquare Financial Services.

Yogendra Patel: Thank you very much, sir.

Vijal Y. Patel: Thank you.

Moderator: On behalf of CapitalSquare, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.