Management Discussion & Analysis

Indian Economy

India's GDP growth in FY 19-20 has slowed down to a 11 year low of 4.2%. This is the lowest GDP growth since the Great Financial Crises of 2008. Driving this decline in GDP growth is a fall in private consumption, slowdown in CAPEX, overall contraction in global trade volumes and imposition of COVID-19 driven lockdown in March. Stress in the financial sector and weak rural demand have added to this slowdown.

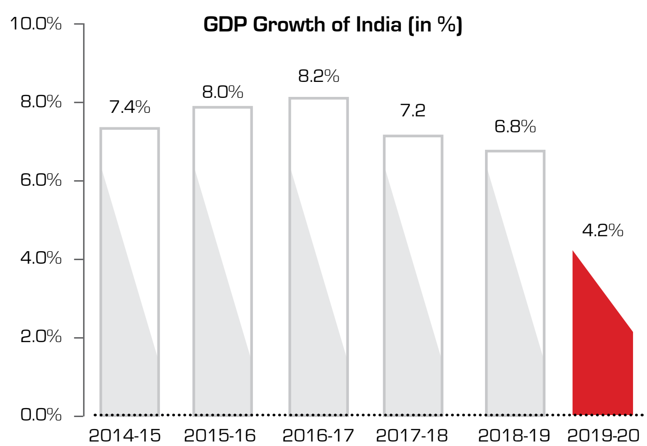
Though the government attempted a host of reforms like reduction in corporate income tax rates, ease of doing business, agri reforms and farmers income support, the short term growth has shown a declining trend, as both consumer and business sentiments declined during the year. Government has infused ₹ 70,000 Cr in Public Sector Banks to improve liquidity and drive lending activities but the liquidity crunch continued throughout the year.

The nationwide lockdown and the consequent suspension of economic activity, due to the COVID-19 pandemic will severely impact economic growth during the first quarter of FY 20-21. The COVID-19 pandemic shows no signs of abating, with India emerging as the new pandemic hotspot.

As on date, the government has started opening up the lockdown gradually, but economic activity being curtailed during the lockdown will need time to recover from the demand and supply shock given by COVID-19 situation.

Most of the sectors except Agriculture, Pharma, Information Technology and Telecom along with allied activities have been severely impacted and have had zero to very little activity during the lockdown. A prolonged impact of the COVID disease could impact global demand, with supply chains getting impacted and creating uncertainties for both consumers and businesses. There is also the danger of large scale unemployment if economic activity continues to remain subpar. The government revenues have been hit in a big way and that will have a big implications on the government capital spending. The outcome of stimulus given by the government will be a critical thing to monitor. Reduction of Repo rate by RBI, 4% in May 2020 and lowering of home loan rates, coupled with a lowering inflation should augur well for home buyers and developers.

Most of the Rating Agencies are forecasting a negative GDP growth for the current year. The scale of the decline will be function of how soon the lockdown is lifted completed and the economic activity returns to normal. But in the latest World Economic Outlook report, the IMF projects a rebound in the growth of the Indian economy in FY 20-21, at a rate of 6% and FY 19-20 growth at 4.2%, down from 4.8% as estimated in January 2020. India has been placed among the fastest-growing emerging economies of the world.



Industry

A critical sector like Real Estate (with construction being the 2nd largest employment generator, next to agriculture only), has witnessed several structural reforms over the last few years. The government has also supported the demands of the industry and announced several relief measures.

The COVID-19 pandemic has thrown up big challenges for India's real estate industry. The real estate sector, which has been facing a slowdown over the last five years, trying to come to terms with plethora of reforms and changes like RERA, GST, NBFC crisis was already struggling due to liquidity crisis, regulatory hurdles and weak consumer sentiment. Off late, real estate sector has been hit adversely by liquidity crisis post IL&FS default in 2018, and subsequent risk aversion of lenders.

The COVID-19 outbreak and the subsequent lockdown has led to a slump in sales, halt in construction at ongoing projects and considerable postponement of new project launches.

With threat of job losses keeping the consumer sentiment down, people are deferring their big-ticket purchases like homes. Given the current negative sentiment, it will take some time for the demand to revive in the residential real estate. The lockdown and the ensuing Work-From-Home (WFH) concept has the potential to negatively impact commercial real estate demand in the coming years. The social distancing concept will also reduce the demand for shared co-working spaces.

In face of such challenges, one emerging positive is the falling interest rates. The RBI has reduced Repo Rates from 6% in March, 2019 to 4% at present and that has been a cascading effect on the home loan interest rates. Effectively the reduced EMIs have made home mortgages more affordable.

To support the industry the government has initiated some measures like

1. Suo-moto enhancement of project completion dates by 6 months under RERA.
2. Setting up an Alternative Investment Fund [AIF] to lend money to stalled real estate projects.
3. Interest subvention schemes for middle income and affordable housing projects.

With the inventory overhang gradually reducing, over time the demand revival is expected with change in consumer sentiment.

Overall, the real estate sector may be headed for a major consolidation, coupled with big changes in business practices, product designing and consumer behaviour. The lockdown has impacted further the over-leveraged developers who were under stress anyway for quite some time now. Smaller players, without a good track record and brand will find the selling in this market extremely tough. By some estimates over 50 percent of realty firms may look for an exit route over time. As the leveraged players liquidate assets and square-off debt and avoid defaults, existing players with stronger balance sheets will look for acquisition opportunities at lucrative prices.

An overview of operations

Particulars		INR Crores Value of Area Booked	Lakhs Sq. ft. Area Booked	Lakhs Sq. ft. Equivalent Area Constructed	Lakhs Sq. ft. Area Delivered & Recognized for Revenue
FY20	AHL	592.74	17.32	6.65	6.98
	Partnership	78.89	2.50	3.20	1.78
	Total	671.63	19.82	9.85	8.76
FY20 Quarter 4	AHL	140.43	3.98	2.19	2.69
	Partnership	5.53	0.16	1.08	1.36
	Total	145.96	4.14	3.27	4.06
FY20 Quarter 3	AHL	306.79	9.16	1.40	1.45
	Partnership	20.83	0.62	0.99	0.05
	Total	327.63	9.78	2.39	1.50
FY20 Quarter 2	AHL	59.93	1.71	1.55	1.51
	Partnership	20.64	0.65	0.49	0.14
	Total	80.58	2.37	2.04	1.65
FY20 Quarter 1	AHL	85.59	2.47	1.50	1.33
	Partnership	31.88	1.06	0.64	0.22
	Total	117.47	3.54	2.14	1.55
FY19	AHL	231.21	7.19	5.31	9.44
	Partnership	101.41	3.60	2.37	2.34
	Total	332.62	10.79	7.68	11.78

During the year sales improved to 19.82 Lakhs sq. ft. vs 10.79 Lakhs sq. ft. in FY19, an improvement of 84%. Improvement was seen largely due to successful launch of green field projects namely Ashiana Daksh and Ashiana Amantaran in Jaipur and Ashiana Sehar and Ashiana Aditya in Jamshedpur having total saleable area of 5.91 Lakhs sq. ft., 4.27 Lakhs sq. ft., 3.44 Lakhs sq. ft. and 3.55 Lakhs sq. ft. respectively out of which area booked is 4.85 Lakhs sq. ft., 2.16 Lakhs sq. ft., 1.23 Lakhs sq. ft. and 3.55 Lakhs sq. ft. for the respective projects. The average realisation price was ₹ 3,388 in FY20 vs ₹ 3,082 in FY19, realisation have risen due to change in mix of projects as launches in FY20 were priced better than existing projects.

The Equivalent Area Constructed (EAC) in FY20 was at 9.85 Lakhs Sq. ft. (AHL: 6.65 Lakhs Sq. ft. and Partnerships: 3.20 Lakhs Sq. ft.). The area constructed was excluding the area built for EWS/LIG units, which is a statutory requirement and not a business activity of the company.

Completed Projects

During FY20, the company delivered and recognised revenue of Ashiana Anmol (Ph-I) in Gurgaon, Gulmohar Gardens (Ph-VIII) and Ashiana Umang (Ph-IV) in Jaipur, Ashiana Nirmay (Ph-II) in Bhiwadi, Ashiana Navrang (Ph-III) in Halol. Area delivered for revenue recognition was 6.98 Lakhs sq. ft. in AHL and 1.78 Lakhs sq. ft. in Partnerships.

Land acquisitions and Expansion Plans

We continued scouting for new land deals in line with our growth aspirations. We have identified Jaipur, Bhiwadi, Gurgaon, Pune and Chennai as our key focus markets.

Project Launches for sale

FY 19-20 was a launch heavy year witnessing a launch of many greenfield projects and new phases of existing projects The list of all the projects launched by us is given as under:

S.No.	Project	Project Location	Project Type	Phase	Saleable Area (Lakhs sq. ft.)	Area Booked (Lakhs sq. ft.)
1.	Ashiana Sehar	Jamshedpur, Jharkhand	Comfort Homes Project	Phase - I	3.44	1.23
2.	Ashiana Aditya	Jamshedpur, Jharkhand	Comfort Homes Project	Phase - I	3.55	3.55
3.	Ashiana Daksh	Jaipur, Rajasthan	Comfort Homes Project	Phase - I & Phase - II including Plaza	5.61	4.85
4.	Ashiana Amantaran	Jaipur, Rajasthan	Comfort Homes Project	Phase - I & Phase - II	4.27	2.16
5.	Ashiana Dwarka	Jodhpur, Rajasthan	Comfort Homes Project	Phase - III	0.86	0.35
6.	Ashiana Tarang	Bhiwadi, Rajasthan	Comfort Homes Project	Phase - II	0.66	0.17
7.	Ashiana Nirmay	Bhiwadi, Rajasthan	Senior Living	Phase - III	2.35	0.55
8.	Gulmohar Gardens	Jaipur, Rajasthan	Comfort Homes Project	Phase - IV & Villas	1.89	1.29
9.	Vrinda Gardens	Jaipur, Rajasthan	Comfort Homes Project	Phase - IV	1.61	0.20

Note: Projects stated from Serial No. 1 to 4 in the table above are Greenfield Projects launched during FY 19-20.

Project Pipeline

Ongoing Projects Overview

Ongoing projects are the projects in respect of which (i) all title, development rights or other interest in the land is held either directly by our Company and/or our Subsidiaries and/or other entities in which our Company and/or our Subsidiaries have a stake; (ii) wherever required, all land for the project has been converted for intended land use; and (iii) construction development activity has commenced.

As on 31st March, 2020, we had 31.17 Lakhs sq. ft (out of this 19.35 Lakhs sq. ft was booked) under ongoing projects:

The details of ongoing projects are tabulated hereunder:

Location	Project	Phase	Share in Project	Saleable Area (Lakhs sq. ft.)	Area Booked (Lakhs sq. ft.)	Expected Completion Date
Bhiwadi	Ashiana Nirmay	3	100%	2.35	0.55	Q3FY23
Bhiwadi	Ashiana Tarang	2	100%	0.66	0.17	Q1FY23
Chennai	Ashiana Shubham	2	73.75% of Revenue Share	1.47	1.28	Q4FY21
Chennai	Ashiana Shubham	3	73.75% of Revenue Share	1.78	1.13	Q3FY23
Jaipur	Gulmohar Gardens	4	50% of Profit Share	0.64	0.47	Q1FY23
Jaipur	Gulmohar Gardens	Extention	50% of Profit Share	1.25	0.82	Q3FY23
Jaipur	Vrinda Gardens	3B	50% of Profit Share	3.06	2.61	Q1FY22
Jaipur	Vrinda Gardens	4	50% of Profit Share	1.61	0.20	Q3FY23
Jaipur	Ashiana Daksh	1 & Plaza	100%	3.26	2.62	Q2FY24
Jaipur	Ashiana Daksh	2	100%	2.35	2.23	Q3FY24
Jaipur	Ashiana Amantran	1	75% of Revenue Share	3.24	1.49	Q3FY24
Jaipur	Ashiana Amantran	2	75% of Revenue Share	1.03	0.67	Q1FY25
Jodhpur	Ashiana Dwarka*	3	100%	0.86	0.35	Q1FY23
Jamshedpur	Ashiana Sehar	1	76.75% of Revenue Share	3.44	1.23	Q2FY24
Jamshedpur	Ashiana Aditya	1	74% of Revenue Share	3.55	3.55	Q3FY23
Pune	Ashiana Utsav - Lavasa**	4	100%	0.63	0.00	Q3FY20
Total				31.17	19.35	

*The saleable area was revised as per renegotiation with the Joint Development Agreement (JDA) Partner.

**Phase-4 Ashiana Utsav, Lavasa Construction is complete and OC has been applied for. The Phase is yet to be launched for sales

Future projects

These are projects wherein construction is yet to commence due to approvals under process or projects (or phases as a part of project) are yet to be launched. 60.76 Lakhs sq. ft. was the pipeline under future projects as on 31st March, 2020.

A summary of future projects is tabulated below:

Location	Project	Phase	Economic Interest	Saleable Area (Lakhs Sq. ft.)
Bhiwadi	Ashiana Tarang	3 & 4	100%	8.66
Bhiwadi	Ashiana Gamma	1	100%	18.45
Bhiwadi	Ashiana Nirmay	4 & 5	100%	2.41
Jaipur	Vrinda Gardens	5	50% of Profit Share	3.20
Jaipur	Ashiana Daksh	3	100%	1.17
Jaipur	Ashiana Amantran	3	75% of Revenue Share	3.52
Gurgaon	Ashiana Anmol	2 & 3	65% of Revenue Share	7.33
Chennai	Ashiana Shubham	4 & 5	73.75% of Revenue Share	4.79
Jamshedpur	Ashiana Aditya	2	74% of Revenue Share	2.75
Jodhpur	Ashiana Dwarka*	4 & 5	100%	3.28
Neemrana	Ashiana Angan	2	100%	4.37
Lavasa	Ashiana Utsav	5	100%	0.84
Total				60.76

* The terms have been renegotiated with the JDA Partner and our share in Phase 4 & 5 now stands at 100%.

A total area of 72.58 Lakhs sq. ft (net of booking) under ongoing/future projects across various locations highlighting a healthy pipeline for future development.

Land Bank:

A summary of the land available for development is as under:

Location	Land	Estimated Land	Estimated Saleable Area
Bhiwadi	Milakpur Land	40.63	31.00
Jaipur	Umang Extension	7.20	6.50
Pune	Marunji	19.27	15.50
Kolkata	Ashiana Maitri/Nitya	19.72	14.88
Total		**86.82**	**67.88**

Note: Milkapaur Land is under acquisition and company's writ petition is pending before the Hon'ble High Court of Rajasthan against acquisition.

RERA Compliance

Real Estate (Regulation & Development) Act 2016 (RERA) along with its rules was fully implemented in May, 2017. During the Financial Year 2019-20, we have registered 12 of our projects under RERA in the states we are operating in. A detailed status of the projects registered is given as under:

Location	Status of RERA Registration	
	RERA Registration Applied & Received for projects	Total Saleable Area (Lakhs Sq. ft.)
Bhiwadi	2	3.01
Jaipur	8	16.58
Jamshedpur	2	6.99
Total	12	**26.58**

Note: The RERA registration for EWS/LIG units and shops were also applied in this period but the same are not included in the table above.

Facility Management

The Year gone by was a year of varied learning and deep understanding of areas we need to focus to live upto the motto of "Forever Care". In addition, restructuring of organization also helped in bringing in new leadership hailing from different backgrounds and new thought process in maintenance Operations. We tried setting new benchmarks by rallying behind:

1. Making life of residents convenient, safe and a value for money proposition.
2. Making vibrant communities with enhanced quality of life to provide a safe and secure living environment.
3. Maintain newness of project all year round.
4. To provide return on investment(s) to existing customers through timely rental and resale services.

Financial Year 2019-20 was closed with the total area under maintenance as 2,03,10,465 sq. ft. with a customer base of 14,310 customers.

Our communities came together, and all age groups participated, showcased their talents and celebrated festivals in various events organized during the year. We did total 12,562 events with participation of 4,93,778 residents and their families. These events were of varied types i.e. Cultural, Sports, Educative and competitive.

Our Supermoms continued their contribution towards vibrancy by showcasing and sharing their immense talent and gain recognition. Even during these trying times of lockdown, Supermoms kept everyone spirits uplifted with their creative activities. 1,200 Supermoms across 7 cities have organised more than 800 expert sessions in this season. These include

1. Legal Awareness
2. Online Payment and basic apps
3. Meditation and Mental Immunity
4. Waste management

Supermoms have shown keen enthusiasm in welcoming new resident moms in the society and helped them settle in the new environment. They Also helped our phoolwari kids with teaching and coaching sessions related to general knowledge, art and craft, yoga through Over 400 Phoolwari sessions.

In Kids Centric Homes another feather was added to the cap and "**THE LEARNING HUB**" of Ashiana Anmol was unveiled to the Kids on 2nd Oct 2019. The learning hub has provided great opportunities to the Kids to explore more on Reading, Dance, Music, Art and lot more. Team has structured and implemented activity plans for the kids keeping in view their holistic development.

Along with the maintenance services property services also contributed immensely in building vibrant communities by helping 1,300 residents to move-in into our projects throughout the year also strengthened investor's confidence by providing safe exit through 180 resales.

One the major initiatives we took during the year was a change our observation handling system. We graduated to a centralized help desk system wherein we started managing all customer observations from PAN India centrally with the aim of registering, assigning, tracking, and closing all observations thus improve our response manifolds. As a result, we achieved a C-SAT of 88% when we took customer feedback on the new system.

Financial Review

Income

Revenue from Operations

Our revenue from operations include: a) Revenue from completed projects (residential/commercial); b) Revenue from other real estate operations include maintenance and hospitality services.

Revenue from Operations decreased by ₹ 3,128 Lakhs or 9.48% from ₹ 32,978 Lakhs in FY19 to ₹ 29,851 Lakhs in FY20. Out of this, revenue from completed projects decreased from ₹ 28,138 Lakhs (FY19) to ₹ 24,915 Lakhs (FY20), a fall of 11.45%. Decrease in revenue was attributable to lower deliveries (8.76 Lakhs sq. ft. in FY20 vs 9.44 Lakhs sq. ft. in FY19)

Revenue from other real estate operations increased from ₹ 4,841 Lakhs in FY19 to ₹ 4,935 Lakhs in FY20, an increase of 1.95%. This represents income from maintenance and hospitality. Increase in maintenance income in line with increase in projects under maintenance.

Income from Partnership

Income from Partnership includes income earned from projects which are executed in a separate Special Purpose Vehicle (only Partnership firms in our case)

There was a decrease of ₹ 242.99 Lakhs or 31.34% from ₹ 775.24 Lakhs in FY19 to 532.24 Lakhs in FY20. Decline in partnership income mainly attributable to lower deliveries. (1.78 Lakhs sq. ft. in FY20 vs 2.34 Lakhs sq. ft. in FY19)

Other Income

Other Income increased by ₹ 33 Lakhs or 2.50% from ₹ 1,309 Lakhs in FY19 to 1,342 Lakhs in FY20. Other income included Interest Income, income from investments, profit from sale of investments, Other charges collected from customers like documentation and cancellation charges, etc.

Expenses

Total expenses increased from ₹ 32,668 Lakhs to ₹ 33,955 Lakhs, an increase of ₹ 1,286 Lakhs (3.94%).

Purchases

Purchases fell by 29.35% from ₹ 5,781 Lakhs to ₹ 4,085 Lakhs. Higher purchases were attributable to buying of Ashiana Daksh's Land amounting to ₹ 37.76 Crores. Purchases also include amount attributable to development rights from JDA partners, payable as revenue share on collection from customers. Purchase also include cost of land booked corresponding to deliveries for which all revenues and costs are booked in line with our revenue recognition policy.

Project Expenses

An increase of ₹ 2,906 Lakhs (25.85% increase), ₹ 14,148 Lakhs in FY20 vs ₹ 11,242 Lakhs in FY19, in line with higher construction under AHL projects (6.65 Lakh sq. ft. vs 5.31 Lakh sq. ft.). Our construction has been generally in line with our commitment.

Real Estate Support Operations Expenses

Real Estate Support Operations Expenses increased from ₹ 2,711 Lakhs in FY19 to ₹ 3,122 Lakhs in FY20, in line with increase in area handed over for maintenance with the addition of new project deliveries.

Employee benefit expenses

The Employee benefit expenses at ₹ 3,633 Lakhs in FY20 was lower than previous year expense of ₹ 3,707 Lakhs.

Advertising and Business Promotion

Advertising and Business Promotion expenses were higher at ₹ 2,828 Lakhs vs. ₹ 2,559 Lakhs in FY19, an increase of 10.5%. Higher expenses incurred at a corporate level and the marketing cost pertaining to Ashiana Anmol spent at launch of the project were quite high which has been recorded in the books at delivery in this year.

Financial costs

Interest cost decreased by ₹ 161 Lakhs from ₹ 1,517 Lakhs in FY19 to ₹ 1,356 Lakhs in FY20 in line with reduction in debt. We repaid debt of ₹ 4,135 Lakhs during the year reducing the debt to ₹ 10,352 Lakhs from ₹ 14,487 Lakhs.

Depreciation and Amortisation

Depreciation increased from ₹ 815 Lakhs in FY19 to ₹ 915 Lakhs in FY20.

Other expenses

Increase in other expenses was marginal at ₹ 45 Lakhs from ₹ 2,346 in FY19 Lakhs to ₹ 2,391 Lakhs in FY20.

Exceptional and Extraordinary Items

Exceptional item pertains to an impairment charge of ₹ 1,739 Lakhs of Unaccrued Selling Expenses in the books in the current year. Unaccrued Selling Expenses are basically marketing costs related to projects to be charged off when corresponding revenue in those projects is recognised. This expense had become excessively high in a few projects as we spent money without getting adequate sales in last few years. The management has estimated the standard marketing cost relating to all such projects and impaired the excess charge being carried forward in the books.

Gross Profit

At a total delivered area of 6.98 Lakhs sq.ft. [completed projects in Ashiana Housing Limited (AHL)], the GP per sq.ft. was ₹ 853, 23.90% [FY19: ₹ 1,049, 35.19%].

Particulars	Area recognized as Sales (in Lakhs Sq. Ft)	Sales (In ₹ Lakhs)	Cost of Goods Sold (In ₹ Lakhs)	Gross Profit (GP)	Amount (In ₹ Lakhs)
Revenue from Real Estate and Support Operations					
Completed Projects	6.98	24,915	18,961	5,954	
Other Real Estate operations	-	4,935	3,870	1,065	
Gross Profit	6.98	29,851	22,831	7,019	7,019
Add : Partnership firms (Area recognized as sales and Profit Share)	1.78				532
Add : Other Income					1,373
Less : Indirect Expenses					11,124
Less : Exceptional Items					1,739
Profit Before Tax					(3,939)
Less : Tax Expenses					(915)
Profit After Tax					(3,024)
Other comprehensive income					129
Total Comprehensive Income					**(2,895)**
Less : Minority Interest					(1)
Profit after Minority Interest					(2,895)

Decline in GP per sq. ft. was due to delivery of Ashiana Anmol, our project in Sohna, Gurgaon which has a lower GP margin than rest of our projects. It contributed around 47% of the revenues recognized this year.

Partnership Profit was at ₹ 300 Per sq. ft. [FY19: ₹ 331] for total area of 1.78 Lakhs sq. ft. delivered in partnership firms.

Profit Before Tax (PBT)

Our PBT decreased from positive ₹ 2,395 Lakhs to negative ₹ 3,939 Lakhs due to lower gross margin (resulting from mix of projects in AHL), lower Income from Partnership (due to lower deliveries) and increase in costs like Selling and Project Related Finance costs and due to one-time impairment expenses of ₹ 1,739 Lakhs in this year.

Tax Expense

Our tax expense for the year was lower at negative ₹ 915 Lakhs in FY 20 as compared to positive ₹ 1,017 Lakhs in FY19 largely due to deferred tax creation on loss booked in the year.

Profit After Tax and Total Comprehensive Income (TCI)

As a result of the foregoing, our PAT decreased from positive ₹ 1,378 Lakhs in FY19 Lakhs to negative ₹ 3,024 Lakhs in FY20. And TCI stood at negative ₹ 2,895 Lakhs in FY20 vs positive ₹ 1,910 Lakhs in FY19.

Transfer to General Reserves

₹ 15 Crores were transferred from General Reserves to Profit & Loss Account in FY20. Overall General Reserves stand at ₹ 500 Crores at the end of FY20.

Cash Flow (From Modified Cash Flow Statement)

The Pre-tax operating Cash flow (before new land acquisition) for AHL improved during the year vis a vis previous year, on a consolidated basis, and was positive at ₹ 3,422 Lakhs against positive at ₹ 1,641 Lakhs in FY19. Positive cash flow from operations was due to better collections resulting from improvement in booking.

Collection

Collection for the year improved to ₹ 35,310 Lakhs [AHL: ₹ 26,464 Lakhs and Partnerships: ₹ 8,846 Lakhs] from ₹ 29,236 Lakhs [AHL: ₹ 21,493 Lakhs and Partnerships: ₹ 7,743 Lakhs] for FY19, a rise of 20.77% primarily due to higher booking.

Project Expenses

Project Expenses for AHL projects increased from ₹ 11,242 Lakhs in FY19 to ₹ 14,148 Lakhs in FY20 [increase of 25.85%] due to higher construction. Out of this, construction cost increased from ₹ 8,542 to ₹ 10,349 Lakhs in FY20 due to increase in area constructed in AHL projects from 5.31 Lakhs sq.ft. to 6.65 Lakhs sq.ft., an increase of 25.33%. Our construction has been generally in line with our commitment.

Note: Construction cost means Project expenses excluding project overheads like approvals, architecture fees, statutory levies like Construction cess, insurance, etc.

Modified Cash Flow Statement

for the year ended 31st March, 2020

₹ in Lakhs

Particulars	2019-20	2018-19
Net Profit before tax and extraordinary items	(2,200)	2,395
Adjusted for :		
Depreciation	915	815
Interest Income (other than from customers)	(473)	(522)
Income from Long Terms Investment	(417)	(346)
Irrecoverable Balances Written Off	53	95
Liabilities Written Back	(102)	(68)
Interest Paid	1,703	1,695
Fixed Assets Written Off	28	12
Minority Interest	(0)	1
(Profit) / Loss on sale of Fixed Assets	3	(10)
Provision for Employee Benefits (incl. remeasurement through OCI)	51	(53)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**(439)**	**4,013**
Adjusted for :		
Trade Receivables	(974)	267
Other Assets	(159)	(187)
EWS/LIG Units	245	(121)
Inventories	626	5,413
Trade Payables	1,033	(300)
Advances from customers	1,890	(7,607)
Other financial Liabilities	827	(108)
Withdrawal/(Deployment) in Operating Partnership firms (Project launched)	373	270
CASH GENERATED FROM OPERATIONS BEFORE NEW LAND ACQUISITION	**3,422**	**1,642**
Adjusted for :		
Advance Against Land	1,447	2,257
Purchase of Land	(119)	(4,606)
CASH GENERATED FROM OPERATIONS	**4,750**	**(707)**
Direct Taxes paid / adjusted	(224)	(619)
Cash flow before extra ordinary items	**4,526**	**(1,326)**
Extra Ordinary items	(1,739)	-
Net cash from Operating activities (A)	**2,787**	**(1,326)**
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(602)	(893)
Sale of Fixed Assets	143	26
Net Purchase/ sale of Investments	244	440
Interest Income	473	522
Other Income from Long Term Investments	417	346
Net Cash from investing activities (B)	**675**	**440**
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from long term and other borrowings	(3,751)	2,759
Payment of Lease Liabilities	(127)	-
Interest on Lease Liabilities	(154)	-
Interest and Financial Charges paid	(1,549)	(1,695)
Dividend paid	(308)	(308)
Change in Minority Interest	(0)	(4)
Net Cash used in Financing activities (C)	**(5,890)**	**752**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+ B+ C)	**(2,428)**	**(134)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**17,828**	**17,963**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**15,400**	**17,828**

Cash flow position in ongoing projects (status as on 31st March, 2020)

Entity	Saleable Area (Lakhs sq.ft)	Area Booked (Lakhs sq.ft)	Sale Value of Area Booked (INR Crores)	Amount Received (INR Crores)	Equivalent Area Constructed (Lakhs sq.ft)
AHL	24.61	15.25	528.79	128.97	6.20
Partnership	6.56	4.10	122.20	85.99	4.22
Grand Total	**31.17**	**19.35**	**650.99**	**214.96**	**10.42**

Note:

1. Projects in AHL include Ashiana Nirmay, Ashiana Tarang, Ashiana Dwarka, Ashiana Daksh, Ashiana Amantran, Ashiana Sehar, Ashiana Aditya, Ashiana Utsav (Lavasa) and Ashiana Shubham.
2. Projects in Partnership include Vrinda Gardens & Gulmohar Gardens.

   Out of a total saleable area of 31.17 Lakhs sq. ft., 10.42 Lakhs sq. ft. (33.4%) has already been constructed. Out of the total area booked so far, ₹ 436.03 Crores are future receivables.

Net worth/Borrowing/ Dividend and Some important Financial Ratios

Net worth decreased by 4.58% from ₹ 78,181 Lakhs (as on 31st March, 2019) to ₹ 74,598 Lakhs (as on 31st March, 2020) due to losses during the year.

We continued to be net cash/cash equivalent positive (net cash/cash equivalent less debts) at ₹ 3,056 Lakhs. The total borrowings at the end of FY20 were ₹ 12,372 Lakhs (including overdraft of ₹ 2,020 Lakhs and ₹ 1,874 Lakhs NCDs issued to IFC).

The Board of Directors approved a dividend of Re. 0.30 (15%) in their meeting held on 16th June, 2020.

S. No.	Ratio	2019-20	2018-19	Variance	Comments
1	Debtor Turnover Ratio	-	-		This ratio is not relevant for us as we handover the possession of the unit only after realisation of all dues.
2	Inventory Turnover Ratio	0.30	0.29	5%	The movement in this ratio is not material for comments.
3	Interest Coverage Ratio	(0.15)	2.59	-144%	As losses were reported during the period, this ratio has turned negative.
4	Current Ratio	3.88	4.91	-21%	Increase in current liabilities vis a vis last year, due to receipt of higher customer advances.
5	Debt-Equity Ratio	0.16	0.20	-20%	Repayment of ₹ 41 Crores of debt in the last year has led to this favourable movement.
6	Operating Profit Margin Ratio	(0.07)	0.14	-152%	Decline in profitability (Reasons explained in sections preceeding this table).
7	Net Profit Margin Ratio	(0.10)	0.06	-282%	
8	Return on Avg. Networth	2.47%	6.21%	-60%	

Credit Rating

External Rating Agencies have also reposed faith in our financial strength as CARE, ICRA & Brickwork Ratings have reaffirmed the credit rating of our company for the FY20-21.

CARE Ratings re- affirmed our issuer rating of "CARE A (Is) (Stable)" for FY20-21. ICRA has also reaffirmed our long-term rating at ICRA (A) (Stable) for the ₹ 100 Crores NCDs issued in April 2018 (Current dues: ₹ 65.20 Crores as on 31st March, 2020) to ICICI Prudential Mutual Fund as well as for ₹ 18.74 Crores NCDs issued to IFC. For the series of ₹ 50 Crores NCDs (Current dues: ₹ 17 Crores as on 31st March, 2020) issued in FY17, Brickwork Ratings has once again reaffirmed the rating of "BWR (A+) (Stable)" for the outstanding debentures of the said ₹ 17 Crores.

Opportunities and Strengths

Opportunities

The demand for real estate in a country like India should remain strong in the medium to long run. Our strengths in terms of high brand recall, design and maintenance, quality execution and a strong Balance Sheet makes us a preferred choice for our customers and shareholders.

Our newly launched segment of Kid Centric Homes (KCH) along with our segment of Senior Living Homes gives us an opportunity to differentiate in the market and work according to our strengths.

The larger formalisation of the sector due to the introduction of RERA and GST has led to consolidation in the market and the share of organised market players is expected to go up in the medium to long term which is huge opportunity for long term serious players in the sector and those who have a strong financial and liquidity position in addition to sound execution track record. The opportunities for organised players with healthy Balance Sheets have also increased with tightening of liquidity for the real estate sector, in general, due to the prevailing NBFC crisis.

Recent monetary easing, specially as a support measure post COVID 19 crisis in the form of reduction in repo rate by RBI and lowering of home loan rate augurs well for the potential home buying customers and developers once economic situation starts improving.

Strengths

- Strong brand built over 40 years having an impeccable track record. We enjoy higher brand recall resulting in strong customer connect which leads to majority of our sales from word of mouth.
- Unique asset light business model coupled with in house sales and construction capabilities.
- Robust financial position with conservative debt practice, low debt equity ratio of 0.16:1 coupled with healthy balance liquidity position which provides a significant leveraging opportunity for further expansion.
- Healthy pipeline with 60.76 Lakhs sq. ft. land available for future projects and 67.88 Lakhs sq. ft. of land available for future development.
- High quality maintenance at affordable rates, has helped us in keeping our customers happy and high resale rates compared to similar projects. This is in line with our brand promise of 'Forever Care' which also acts as a catalyst for generating referral bookings.
- Strong teams deployed across locations helping in effective execution and implementation with contemporary architecture.
- Upholding high Corporate Governance standards and ensuring transparency and high levels of business ethics.

Threats, Risks and Concerns

Risk is inherent to almost every form of business. We have appropriate risk management systems in place for identification and evaluation of risks, measures to mitigate them and processes in place to ensure their timely and proper reporting.

Following are the risks as perceived by the company accompanied with its mitigation measures:

Economic Risk

The real estate sector is cyclical in nature and is impacted by macro-economic factors such as GDP growth, change in government schemes, inflation levels, availability of consumer financing and interest rates causing fluctuations in market. These factors are beyond the control of any one entity, but it affects the ability to sell our projects at the anticipated price which adversely affects our revenues and earnings, consequent realisations and increase project cost thereby impacting our margins.

Mitigating Measure

Ashiana has a prudent capital allocation policy which ensures that it has a strong Balance Sheet. It preserves cash during up cycles which helps it ride down cycles. Due to strength in Balance Sheet owing to adequate cash and low gearing, company is able to hold inventory of projects through cyclical down turns. The company is also geographically diversified which leads to avoidance of concentration risk. The company prudently selects projects after diligent understanding of demand, location and market conditions. Further, the company has three categories of products Kid Centric Homes, Comfort Homes and Senior Living offered according to the location's demands, to counter regional economic risk.

Capital intensive business

The capital intensive nature of our business needs huge investments in land and working capital which might otherwise hamper smooth continuity of business.

Artistic view of Ashiana Daksh, Jaipur

Mitigating Measure

Asset light model with land being considered as the key raw material and hence warranting relatively lesser investment.

Models like Joint Development with partners to curtail capital requirements gives us the freedom to lower the level of capital requirement.

Low debt to equity ratio of 0.16:1 (Standalone) as on 31st March, 2020 due to lower debt implies lower borrowing cost. Favourable debt equity ratio with a credit rating of 'A' with stable outlook leaves enough headroom to borrow critical capital as and when required. Company has long term healthy relationship with major suppliers for timely supply of quality raw material and competitive prices.

Statutory Approvals

The real estate sector in India is heavily regulated. Large number of statutory and regulatory approvals and permits are required to execute projects, and applications are required to be made at appropriate stages for such approvals. We also require sanction from local municipalities, local bodies, pollution control boards as well as clearance from airport authorities. These laws vary from state to state. Timely launch of projects is always subject to getting these approvals in time. The introduction of GST and RERA have also increased regulatory costs and challenges for the sector.

Mitigating Measure

These risks are mitigated by taking a thorough and diligent approach towards land acquisition and also by following transparent processes in developing the projects.

Further, the company tries to minimize such delays by investing in land parcels or Joint Developments which already have approvals in place or the investments in such projects & JDAs are linked to the approval milestones. This reduces our upfront capital commitment. The company has strong legal, regulatory and tax teams to ensure timely and effective compliances.

Execution Risk

Project execution depends on several factors like regulatory clearances, raw material prices, labour availability and access to utilities like water and electricity and absence of litigations. Delays experienced in terms of regulatory clearances lead to cost overruns, which further lead to delays / stalling of project launches.

Mitigation Measure

Company manages the adversities with cautious approach and meticulous planning at the time of conceiving the project. We enjoy a positive record of completing our projects on time. We have a strong in-house team commensurate with robust systems ensuring timely completion of projects. Frequent and regular review of the projects internally by the senior management and project teams take stock of the project progress, followed by remedial measures required, if any, from time to time ensure projects are completed well within the time limits.

Liquidity Risk

Slow sales and delayed payments from customers might lead to liquidity crunch. Moreover, the time required to liquidate a real estate property can vary depending on the quality and location of the property. Inability to promptly liquidate its build unsold inventory, without any loss of capital in the process, might be a concern at times. The recent NBFC crisis has also created a liquidity crunch in the market.

Mitigation Measure

Company ensures that all projects are completed on time. Being a well-known brand, our new launches generally witness a good response. Special sales and marketing efforts are made to ensure movement of unsold build stock. For e.g. launch of 'Kids Centric Homes' concept in Ashiana Town, Bhiwadi, Ashiana Anmol, Gurugram and Ashiana Umang in Jaipur.

The company has strong system to ensure timely identification of liquidity risk. We monitor and control liquidity through tools such as business-specific liquidity indicators, cash flow forecasting and monitoring of key financial ratios. We also maintain ample credit lines from banks to fall back upon if required, to address our working capital requirements. With a strong balance sheet and adequate cash reserves, we are suitably placed to handle any liquidity related challenges.

Information Technology Dept. (IT)

The extraordinary circumstances presented by the COVID-19 situation made us put great reliance on a robust technological and IT infrastructure to keep on the system running and facilitate a conducive Work from Home Environment. Some of our initiatives and achievements are listed as under:

1. Automation in Maintenance Software & implementation of Online BRS system. Automation is expected to save a lot of time and efforts by reducing redundancies for the people involved. And process has been made easy for the reconciliation of payment cheques from bank with respective customers ledgers.
2. Implementation of second Payment Gateway with HDFC Bank. This implementation of payment gateway will add to our payment processing capabilities at reduced transaction cost. We have integrated our maintenance services billing to the Paytm App wherein we have tried to offer our customers the best possible payment experience and ease of use. We expect to better our customer services and cashflow management with this integration.
3. We have upgraded our all old 40C firewalls with new 50E higher version firewalls in our endeavour to keep the systems security at its peak. In these times where network security is a critical requirement for the businesses to continue, this step will improve our gateway level network security.
4. The company has initiated the implementation of FARVISION ERP in Engineering and Purchase department. We are on track to complete this transition in this year and the pilot project is also running successfully. This will result in the increase of efficiency of engineering processes and also help in improving inventory management and monitoring.

5. "Salesforce" CRM implementation is currently in progress, presales process and customer lead management have been migrated, resulting in better customer follow-ups and better analysis of customer interactions.

Internal Control

The internal control system of the company is wider in scope which includes internal controls on financial reporting, operational controls and anti fraud controls. The Company has an adequate system of internal controls, commensurate with the size and nature of its business. As part of the Internal Financial Control, the Company is maintaining function wise policies and procedures called Standard Operating Procedures (SOP). The SOP ensure that business of the company is conducted orderly and efficiently, policies and procedures are adhered to, assets are safeguarded, frauds and errors are detected, if there are any, accounting records are accurate and complete and financial information is prepared timely.

Internal controls cover all fields across all financial and operating functions ranging from procurement of land to smooth execution of projects in time. Intent of the internal controls is to have control framework beyond financial reporting. Accordingly, independent audit firms appointed by the Company conduct periodical audits encompassing various functions, at various projects, branches and Head Office to ensure adequacy of internal control systems, adherence to management policies and compliance with the applicable laws and regulations. Their scope of work also includes internal controls on accounting, efficiency and economy of operations. The key findings of their audit along with implementation plan of their recommendations are discussed with the senior management and also the Audit Committee. The Audit Committee of the Board reviews the adequacy and effectiveness of the internal control systems and suggests improvements for strengthening them. Board also gives a statement in the Board's Report about the adequacy and effectiveness of internal control systems.

Under the internal control system, the company also has Vigil Mechanism as part of the Whistle Blower Policy. The directors and employees of the company, across all the branches and Head Office, have the right to report whether in writing or by email any unethical behaviour, actual or suspected fraud or violation of the company's Code of Conduct or ethics policy, directly to the Managing Director of the company. However, in exceptional circumstances they may directly report to the Chairman of the Audit Committee and in the absence of such Chairman then directly to any member of the Audit Committee. Details of vigil mechanism are also given in the annual report under the section Corporate Governance Report.

Health and Safety

At Ashiana, we focus on health and safety of our employees and environment, and our past record too shows the progressive improvement. Over the years in the past, we have taken several conscious efforts to inculcate a safer environment within place of work. As a result, number of injuries at workplace has reduced substantially.

Health Care & Safety is our priority at every stage of work. Therefore, our focus is to concentrate on actions which will deliver meaningful health and safety outcomes.

During the year, we have focused on addressing the most important factor of health and safety, priorities directing our activities to reduce ill health and workplace injuries. We have concentrated on adopting procedures in our construction, which is safer for the workers and also have conducted timely inspections and audits for safe implementation procedures. Our performance measures demonstrate the excellent progress made so far.

We will continue to take a sensible and appropriate approach towards health and safety management and keep developing and training our human-assets related to safer environment.

Plan

Our aim is to set and maintain sensible and robust standards of health and safety management to ensure the welfare of our human resources and others who may be affected by our activities, and to minimise the losses (financial and reputational) to our business from ill health and injury.

Framework

1. Safety team – Three teams are formed at every construction site. Team is formed considering capacity, strength and interpersonal skill of individuals. Every team members are given training to handle any arising situations. They are empowered to take decisions on the spot and interact with company's local higher authority. Team is alerted of any disaster, grievance or accident and can handle all such situations.

2. Safety Audit – A quarterly safety audit is conducted with stress over the points of concern. These points are shared by the whole team with focus on the seriousness regarding compliances of the audit and are spread throughout the organization to the last man working. Apart from this, a weekly audit is also conducted on site by engineers, on rotation basis so that everyone is involved in the process. It has been reflected by reduction in incidents/accidents over the period.

3. Safety related changes in design/drawings – In a typical residential building, there are several hazardous places with high risk. We have identified and properly designed them and have taken necessary precautions to make them safer for the users. Areas such as maintenance duct, plumbing shafts, lift openings, cut outs, etc have been reduced in risk aversion positions with appropriate designs and is followed throughout Ashiana.

4. Awareness/Training – Every worker who enters an Ashiana site is made aware of the inherent risks and hazards of construction work, and the precautions they must follow to avoid the risks. We have implemented daily tool box talk and training on various activities to avoid any hazards. They are also made aware about the assembly points in case of an emergency.

5. Mock drills – Fire safety mock drills are conducted at site periodically and workers are made aware of the protocols to follow in case of a fire occurring at site.

6. Health – Routine site visits are conducted by a certified and licensed doctor to monitor the health of our human resources.

Further, regular visits to the houses of the labourers are conducted to ensure the proper living conditions of our workers.

Senior Living

Our journey in the senior living space from 2003 till now has been a journey of bringing smiles to our customer faces. This is a journey filled with lot of learnings, continuous evolution and continuous improvement. We presently have 05 Senior Living communities (Two in Bhiwadi, one each in Jaipur, Lavasa and Chennai). Year 2019 -20 has been a great year for us as we have been able to make some good progress in terms of sales, innovative marketing strategies and maintenance services

- **Sales**
    - o **Ashiana Nirmay:-** We have been able to increase sales from 70 to 99 Units. Phase 2 got ready for handing over in March, 2020 but due to lockdown occupancy has been delayed. We launched Phase 3 in November, 2019 and for the first time we tried registration/pre-booking model and got 34 registrations. We also did registration opening and closing event which went well with the customers and got us good traction.
    - o **Ashiana Shubham:-** This was our first century in terms of booking in a single Senior Living project and we got 129 bookings in 2019-20. In February 20, we conducted a **Senior Living Conclave** with 'The Hindu' for the first time and got a great response from people. We achieved 209 reference site visits this year whereas it was 160 last year. All the executives have achieved their yearly realistic target.
- **Marketing**
    - o **Partnership with The Hindu:** This is a very first time that we partnered with The Hindu newspaper in Chennai. 'The Hindu' being a well-known brand in Chennai, we harnessed its brand name and tried to create maximum awareness about the concept of Senior Living Communities. To achieve maximum coverage, Print Ads, Digital Communication, Leaflets, Radio all mediums were tapped. The total database collected was 2,192 and gathering in the conclave was 350.

    - o **Leveraging Jashn Celebrations:** During our 6th edition of Jashn, our annual Inter Senior-Living Sports and Cultural festival, we asked Next of Kin's (NOK) to write something about how they feel about their parents/relatives staying in Ashiana Senior Living community. We received around 53 stories and the content received was heart-warming. We already have converted some of the content into videos and are using it for confidence building.
    - o **Senior Living Research Report:** To differentiate between the quality of life at Senior Living Communities vs. Seniors in Delhi-NCR we did a survey, in association with VIMHANS. Around 150 seniors from each segment were surveyed. The quality of life at Senior Living Community came out to be far better as compared with other places where Seniors reside in Delhi-NCR.
- **Maintenance services**
    a. **Synergia activities festival:** We started a special and unique festival in senior living communities called "**SYNERGIA**" in which activity executives of all senior living projects assemble at one project for a period of 4 days and conduct day long activities of various types – brain gym, health and fitness, fun, cultural, art and craft etc. We organised this festival in our projects in Lavasa (Pune) and Jaipur during FY 19-20.
    b. **Pilot on Emergency Response System:** We started pilot projects on Emergency Response System based on google

home at our project Ashiana Nirmay in Bhiwadi. The project also has interactive platform which our residents use for medication schedule reminders, current news, music etc.

c. **Wellness programs:** We conducted an average of two wellness related activities per month in each project ranging from health talks, preventive health camps, group yoga, therapeutic yoga, mindfulness sessions etc.

d. **Remote Health Monitoring:** We started remote monitoring of health of care home residents in Bhiwadi in association with 'Dozee' We can now monitor vitals like heart-beat, sleep, respiration rate etc., and utilize the analytics to predict health changes for our residents.

Jashn 6

It is an annual sports and cultural event organized at any given Project location and it was the 6th year in which the event was conducted at Utsav Bhiwadi, Rajasthan. Our residents from all 5 senior living communities participated in large number in various sports competitions such as Table tennis, Chess, Carom, Walking Competitions along with various cultural competitions such as dance, song, stand-up comedy, drama, etc. Another milestone in terms of marketing is that we achieved on social media – Facebook has garnered a very good response. More than 1,500 posts were uploaded and shared by our Senior Living residents.

Sales and Marketing

Sales (Learning and Development)

Learning & development (L&D) is an integral part of working at Ashiana. Constant upskilling enables our employees to grow and add value. In the modern competitive environment, employees need to replenish their knowledge and acquire new skills to do their jobs better. This benefits both the employee and the company. From an employee' s point of view, L&D plays a critical role in honing their skills, attaining new skills.

With the vision of continuous learning & improvement, in 2019-20, we initiated & implemented the following initiatives for our sales team;

- **Implementation of new Induction plan**
  - It helps the new joinees to get aligned with the customer's journey starting from enquiry generation to possession of the house
  - Classroom and practical training is also being provided to the new joinees to make them well versed with the real estate with in-depth knowledge
  - The outcome for this induction plan is that executive should make their first booking within 100 days of joining. All the trainees made their 1st booking approximately between 49 and 103 days
  - By giving specific direction and coaching during the nesting period, this plan helps in reducing the time of learning curve of the new joinees
  - Detailed training on Product, Construction, Design, Maintenance & Concepts training via PPTs and through field training
  - Concept Selling – Senior Living, Kid Centric and Comfort Home
  - Detailed Pre-sales & Post sales along with CRM training also provided to new joinees
  - We make the new joinees listen to some customer conversations with executives from different projects to give them the flavour. Organising mock calls to build their confidence to speak with the customers on enquiry calls

- **Implementation of Site visit processes at all sites**
  - o We have concept-based projects. So, we have standardised the definition of all the concepts across the company so that there is uniformity in explaining the same to the customer
  - o We have defined and scripted the USPs of all the projects
  - o After mystery audit, we made the changes in Site Visit form as well as Site Visit process flow
  - o Various mock Site Visits are being conducted to give them the better understanding of how dealings are being done with actual customers
- **Training sessions on Call handling and Call evaluation processes**
  - o We have given refresher training to all the Team Leaders and Managers to make sure that they have clear understanding of each and every parameter so that can coach and groom their team members
  - o Team Leader audits the calls and uploads the same in salesforce so that we can use it later for training purpose
  - o Call calibration is being done to keep everyone on the same page and this helps us in understanding the importance of each parameter on which the call would be rated/gauged
  - o Regular feedback given to executive helps them to work on the area of improvement
- **Implementation of the training, examination and certification ceremony**
  - o Detailed written and implementation exams are conducted in order to assess the learning levels of the new joinees and certificates are provided only when they pass these tests
  - o During the current year 2019-20, 100% of the new joinees successfully completed the training and got their completion certificates
- **Implementation of new Induction plan for Transferred Executives**
  - o The transfer could be to different location or different project. Depending on the scenario, we design the induction plan for the executives
  - o Proper on-job & off-job training is being provided to transferred executives in order to build their efficiency at their new workplace
  - o The outcome for this induction plan is that a transferred executive shall be productive in a month's time and come at par with the executives who were already there in that location
  - o We provide in-depth product knowledge and market knowledge. In market knowledge, the executive is supposed to be well versed with the location, competitors, distances, near by areas, schools, malls etc so that when he starts attending enquiries, he/she doesn't sound new to the place and customer would take him/her as an expert
- **Implementation of new Induction plan for Newly Promoted Team Leader through IJP**
  - o A 7 days proper on-job & off-job training is provided to newly promoted Team Leaders so that when they go back to their assigned project, they are ready to face all the challenges and handle the team in a better manner
  - o As it is a new role which comes with lot of responsibilities and challenges, we spend quality time with them in order to set the expectations and guide them how to manage the role
  - o We provide in depth knowledge as how their daily routine should look like, what are the different important reports that they should look at, what can they do to improve their team's performance, how to give honest and direct feedback, how to coach and groom the team, how to prepare themselves before attending any meetings etc.

Our endeavour is to make the Best Direct Sales team by 2021, by focusing on the following areas:

- Maximisation of referrals enquiry generation and increase the referral enquiry to sales conversion ratios
- To make our team leaders a better coach, we provide regular training sessions so that we can have best sales team
- Defined High Performance Attributes (HPAs) for the team so that we can enhance the productivity
- Back office optimization

  Glimpse of some of the trainings that have been provided to the sales team:
  - o Unit Cost, Loan & Tax calculation
  - o Objection Handling
  - o Basic Excel training
  - o Deal closure
  - o Discipline & how to plan your day
  - o Call handling & Call calibration
  - o Refresher on Six Principles
  - o Leadership Skills
  - o Legal & Its Importance

Marketing

Customer engagement

In continuation of last year, 2019-20 has also been a holistic deployment of an improved customer engagement journey by marketing at Ashiana. There was increased focus on providing customer utmost delight at each and every level from enquiry to visit and then from booking to forever care. The idea was to engage our customer with a 360-degree proposition. The tools which helped us achieve our desired objectives were: Videos, Mass SMS's and Email Campaign, Whatsapp nudges, timely complaint handling and other initiatives.

- **SMILES:** Last year we tried to engage as many smile members as we could. Our aim was to provide tools to the Smiles members which could help them further in a better communication with their friends and family. Update on new launches, any offers, project updates or videos has been instrumental in helping the members. As on 31st March, 2020, the status of members was as under:

Total Reference Bookings	Silver Members	Gold Members	Platinum members
940	484	49	37

- **CONCLAVE:** This has been another area of exploration. For the first time, we partnered with "The Hindu" newspaper in Chennai. "The Hindu" being a well-known brand in Chennai, we harnessed its brand name and tried to create maximum awareness about the concept of Senior Living Communities. To achieve maximum coverage, Print Ads, Digital Communication, Leaflets, Radio all mediums were tapped. The number of leads and new contacts gathered were:

Total database	Gathering at the Conclave
2,192	350

- **SENIOR LIVING RESEARCH REPORT:** VIMHANS in association with Ashiana Senior conducted a survey to differentiate between the quality of life at Senior Living Communities vs. Seniors in Delhi-NCR, around 150 seniors from each segment were surveyed. The measuring parameters were meaningful life, safety in daily life, support of friends, need for medical treatment and so on. There was double the difference in the quality of life at Senior Living Community vs. other places where Seniors reside in Delhi-NCR.

- **SENSATIONAL SENIORS:** There has been lot of talks and discussions about how ageing should be and how senior's life looks like after retirement. We at Ashiana felt the need to break the myth of ageing and show to the world life is different of our residents at Ashiana Senior Living. To try to break this myth we launched a YouTube channel for seniors wherein they can upload videos of what they do at our communities.

Videos Uploaded	Subscribers
280	182

- **QUORA** – It is one of the renowned platforms for discussions on various topics and where questions are asked and answered. We started building content on this platform to answer to the various queries consumers might have. The efforts were well appreciated, and we became the No.1 Most viewed writer in Senior Living and Care homes on Quora.

- **VIDEOS:** There has been many videos we released last year. The purpose of these videos was to reach out to maximum people. While increasing the reach we have been able to reduce cost per full view by 72% on Facebook and by 40% on YouTube.

Platform	2018-19			2019-20			Cost Reduced by
	Total Videos	Reach	Cost/Full View	Total Videos	Reach	Cost/Full View	
Facebook	38	3,87,114	5.26	35	5,63,596	1.46	72%
Youtube	26	36,42,645	0.91	42	44,14,389	0.54	40%

- **SEO:** Search Engine Optimisation (SEO) has been another area which was in marketing focus last year. Lot of content was created, posted on the website, creating backlinks, regular updation has helped in a great way. An increase of more than 100% has been seen. Though a long way to go, the numbers are motivating.

2018-19	2019-20
4,700	9,433

- **INFLUENCER MAREKTING:** Influencer marketing is a form of social media marketing involving endorsements and product placement from influencers, people and organizations who have a purported expert level of knowledge or social influence in their field. In order to promote importance of Kid Centric Homes, though not directly, we did influencer campaign with 4 influencers. They wrote 4 different blogs and promoted it on their own social media accounts. The target taken for the views was 40,000.

Total Reach	Total views
3,38,751	45,700

- **KID CENTRIC NEW CAMPAIGN:** To take our campaign "Behtar Parvarish Ka Pata" to the next level, we launched another campaign for our Kid Centric Homes "**Bachhe Jo Seekhenge Wohi Seekhayenge**". We released two videos to spread the message of this campaign. One was 'Eve-Teasing' video and another 'Mere Bhavishya Ke Liye Time Nahi Hai.'

Video Released	Video Served	Video Views	100% View	Cost/ Full View
Eve-Teasing	45,44,314	16,93,585	2,99,418	0.91
Mere Bhavishya Ke Liye Time Nahi Hai.	21,26,843	9,80,014	2,39,297	0.71

Next year plan:

Next year our substantial focus will be on consumer engagement in Ashiana Smiles – Reference & Loyalty programme.

Aim is to increase our referral sale numbers in alignment with our annual sales theme – Make It Double. To achieve that goal our efforts will be on increasing the engagement level of our smiles members through nudges, relevant videos and blogs.

Survey will be conducted to comprehend the problems of our inactive customers. Also, we want to understand the reason why silver members couldn't succeed in getting gold memberships. Hence, we would target towards moving the silver level members to gold level.

Outlook

The sector is expected to face major headwinds amidst the challenges posed by COVID-19 which is likely to put the consolidation in this sector at an accelerated pace. Only high-quality players with a long-term view and proven track record of delivery are posed to weather this storm. This disruption has come after the sector was gaining stability post demonetization, GST, RERA, IBC and NBFC crisis and cost rationalisation and customer referrals will be the way forward atleast in the short term. We believe that we will survive this pandemic and all these developments will create a strong business development opportunity for us in the medium to long term. The next year FY 20-21 has been dedicated to "Customer Delight" and all our energies would be concentrated on timely delivering the homes booked by our customers.