

Date: 22<sup>nd</sup> November 2024

<b>To</b> <b>The Secretary</b> <b>BSE Ltd.</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 <b>Security Code No.: 523716</b>	<b>To</b> <b>The Secretary</b> <b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Plot no. C/1, G Block Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051 <b>NSE Symbol: ASHLANA</b>
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**Sub: Transcript for Earnings Call held on 15<sup>th</sup> November 2024 for the quarter ended on 30<sup>th</sup> September 2024**

Dear Sir,

Please find attached the Transcript for Earnings Call for analysts and investors held on 15<sup>th</sup> November 2024 to discuss the performance of the company for the quarter on 30<sup>th</sup> September 2024.

Kindly take the above information on record.

Thanking you,  
For **Ashiana Housing Ltd.**

**Nitin Sharma**  
**(Company Secretary & Compliance Officer)**  
**Membership No. 21191**

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## “Ashiana Housing Limited Q2 FY25 Earnings Conference Call”

**November 15, 2024**



**MANAGEMENT: MR. VARUN GUPTA – WHOLE-TIME DIRECTOR,  
ASHIANA HOUSING LIMITED  
MR. VIKASH DUGAR - CFO, ASHIANA HOUSING  
LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to Ashiana Housing Limited Q2 FY25 Earnings Conference Call.

As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “\*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Binay Sarda from E&Y Investor Relations. Thank you and over to you, sir.

**Binay Sarda:** Thank you. Welcome everyone and thanks for joining this Q2 FY25 Earnings Call for Ashiana Housing Limited.

The “Results” and the “Investor Presentation” have been mailed to you and it is also available on the Stock Exchange. In case if you have not received the same, please write to us and we will be happy to send it over to you.

To take us through the results for this quarter and answer your questions, we have today with us Mr. Varun Gupta - Whole-Time Director, and Mr. Vikash Dugar - CFO.

We will be starting the call with a brief “Overview” of the Company's Performance of this quarter, and then we will begin the Q&A session. I would like to remind you that everything said on this call that reflects any outlook for the future, which may be construed as a forward-looking statement, must be viewed in conjunction with the uncertainties and risks that they face. These uncertainties and risks are included, but not limited to what we have mentioned in the prospectus filed with SEBI and subsequent annual reports, which you will find on our website.

With that said, I will now hand over the call to Mr. Vikash Dugar. Over to you, sir.

**Vikash Dugar:** Thank you, Binay. Good afternoon, everyone. I hope all of you and your families are keeping healthy. I welcome you to discuss the performance of the 2nd Quarter of FY25 for Ashiana Housing Limited. Thank you for joining us today.

Area booked recorded at 7.29 lakh square feet in the 2nd Quarter of FY25 vis-à-vis 4.43 lakh square feet in the first quarter of current year. Increase in area booked was attributable primarily to launch of Ashiana Amarah Phase-4 in Gurugram wherein 2.95 lakh square feet was sold out of 4.79 lakh square foot. Value of area booked was recorded at Rs. 672.54 crores in the 2nd Quarter vis-a-vis Rs. 235.32 crores in the first quarter of FY25. Total pre-sales for H1 FY25 stood at Rs. 907.86 crores. We constructed 6 lakh square feet in the 2nd Quarter vis-à-vis 4.9 lakh square feet in the first quarter. Total construction for half year of the FY25 was at 10.92 lakh square foot. However, as anticipated, our total revenues are lower for the quarter at Rs. 59.53 crores vis-à-vis Rs. 128.51 crores in the first quarter reflecting the lack of product deliveries during Q2 FY25.

Likewise, our PAT for Q2 FY25 stood at negative Rs. 7.55 crores. This performance was mainly due to the fact that aside from one Phase-in Ashiana Shubham in Chennai, no new phases were delivered in the first 6 months of the current year. That said, we are optimistic about a strong second half with several key projects' delivery scheduled which would positively impact our full year earnings and profits. We continue to maintain our guidance of Rs. 2000 crores of pre-sales in the current year.

Pre-tax operating cash flow was recorded at Rs. 78.18 crores for second quarter vis-a-vis Rs. 75.29 crores in Q2FY24 and Rs. 74.92 crores in Q1 FY25. Pre-tax operating cash flows for the H1FY24 was at Rs. 153.11 crores. Cash flows continue to be healthy due to higher collections driven by better sales across projects in general.

On this note, I would like to conclude my remarks. We will now be happy to discuss any questions or suggestions that you may have. Thank you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Shivam Prashar who is an Individual Investor. Please go ahead.

**Shivam Prashar:** I just want to ask that is there any plans of buying land in Gurgaon as you don't have any other land other than the Sector 80, HSIIDC 1?

**Varun Gupta:** Shivam, as of now we don't have any active ongoing negotiations in Gurgaon. We continue to look for parcels, but in our opinion, the Gurgaon market has become very expensive on the land side and at these prices, we are finding very hard to find commercially viable transactions in Gurgaon at this moment of time. So, we are in conversations, but very slow overall in the off take there. We are focusing more on other neighborhoods where we find commercial viability.

**Shivam Prashar:** So, sir, like this, we have been listening from past couple of quarters that you are finding Gurgaon expensive. But if we look at your peers, everyone is buying land in Gurgaon, so is there any specific reason that we are not able to find the land at good prices or the peers are getting it at a higher price?

**Varun Gupta:** Well, that is a matter of relative perspectives. Whatever the peers have paid for lands in auction, which I am aware of prices, they were significantly above the price I would have been willing to pay in some of those auctions and we looked at in NCR, we participated in two of those auctions and the final closing price was significantly ahead of our walk-away price and so in our opinion, those prices are expensive, but this is all relative right. So, they might have a different lens to apply to the market and that is their view.

**Shivam Prashar:** And sir, what will be the price realization per square feet in the Sector 80 land that you are having as compared to the Amarah? Will it be lower or higher because it is far from Amarah, I guess?

- Varun Gupta:** Hard to comment on it Shivam, it could be either higher or lower but not going to be too further away from each other, so it is going to be similar price points, a tad bit lower or a tad bit higher will depend at the time we launch the project and at that market scenario at that specific moment of time. But we expect them to be not very divergent in price .
- Shivam Prashar:** And sir, any update for the balance units of Phase-4 and Phase-5 of Amarah?
- Varun Gupta:** So, there is, in the sense of Ashiana Amarah Phase-5, that launch is expected in the fourth quarter of this financial year. We are working on RERA application there which we hope to post soon and then after RERA go ahead and launch. And Phase-4 of Amarah, we continue to sell Phase-4 Amarah and the total units sold in the quarter and as on date in the project are updated in the deck that we have given and the launch sales were anyways given out separately. So, we have sold a few units since launch and October sales were also good in Amarah Phase-4 from a sustainable sales perspective.
- Shivam Prashar:** Sir, what is the pricing on the balance Phase-4, even like it is higher than the previous one or it is lower?
- Varun Gupta:** Yes, the unit pricing is higher because the launch discounts have been taken off the units and I hope to continue to increase pricing as well. So, I don't know when the next price increase will come, but the launch discounts have been taken off. So, effective pricing is done.
- Moderator:** Thank you very much. The next question is from the line of Himanshu Upadhyay from BugleRock PMS. Please go ahead.
- Himanshu Upadhyay:** Sir, my one question was, we did a premium housing project, Rs. 140 crores in Jaipur. What are our key learnings and what is the potential for such projects in Jaipur? Can it be a 3-4 lakh square feet product every year in Jaipur, which can be higher margin mass? Any thoughts on that pricing product, 8000-9,000, is it possible?
- Varun Gupta:** We call them Elite Homes, Himanshu, so a good question over there. So, one learning on that is that the audience here that comes in is very different from some of the audience that we have been regular catering to, some of it is what we have catered to earlier, maybe they had invested in other projects and now buying to live here because now they suit their requirements. So, one learning was that there are customers who are searching for this kind of offering from Ashiana. So, there were a customer pool, so the hypothesis which went correctly that there was a customer pool which wanted Ashiana kind of projects in Jaipur, but in bigger sort of size and a little bit closer proximity to the city which One44 provides. And I think that has been our biggest sort of learning that there is a market for this, and we have learned how to sort of a little bit position this, how do we sort of cater to their needs so there have been some sales learnings also along the way that we have gone ahead and done. And yes, I see about 2-4 lakh square foot annual market for Elite Homes in Jaipur for Ashiana to play out. It will take some time to build out because we will need to do a couple of more projects before we can start doing this sort of an annual basis. Maybe take another project of 4-5 lakh square foot and then take it from there into

the next step and then take it from there would be the ideal way to go about doing this. But definitely seems like there is a good market for this in Jaipur.

**Himanshu Upadhyay:**

And one more question on Jaipur only. The land we are leasing in Jaipur for residential development of 20 acres, can it be possible that the other developer from whom we are buying this land or not buying but leasing also launches the project if they see success in our launches and can lead to increased competition in that micro market as they have a huge land bank? Or is there some exclusivity that for next 3 years, we will have the first rate of launches and selling that market and then the other person can come up, any thoughts here or because it is a residential housing or a jungle purpose housing, not senior living what we did with them in Chennai?

**Varun Gupta:**

So, two-three things, Himanshu, A, even though it is a lease, it is effectively a buyout because that is the structure in Rajasthan. Even though all our regular projects earlier have been leasehold, freehold came in very later in any way so it has been a sort of a generally, it is a very long tenure, 90-year lease kind of a structure, so they are not, they are effective in commercial substance they are sale of land. And we are going to develop and do that. That is from a commercial substance perspective. And yes, the landlord is free to go ahead and develop themselves. They are free to sell other parcels to other developers who can also come in. At this moment of time, I think more development there would actually be good for the neighborhood because actually it will develop the neighborhood. And second, having done Ashiana Umang with the size and scale it is there in that micro market and our brand name in Jaipur in general. In my opinion, we are market leaders there and we will set the tone in the market, so we don't worry about competition so much coming in that perspective because our products are very differentiated as of now and we do enjoy decent cost structures as well. So, I would be actually happy if few more developments came because they will perk up the market and therefore create a different level of activity in that neighborhood as compared to here, right and it will not create an oversupply situation to me even if two-three more developments came in at the same larger developments.

**Himanshu Upadhyay:**

We have got a CC for Ashiana Utsav in Lavasa. Any thoughts on when we want to launch it because the CC we got in July, and it is nearly 4-5 months, we have not launched it, so any thoughts here?

**Varun Gupta:**

Yes, we have not put a specific thought to that yet, Himanshu. We have been trying something alternative with it to see if we can find one single buyer or some other thought process of leasing it out in between. So, there have been some alternative options being explored. So, it is hard to comment exactly when we will take that up.

**Moderator:**

Thank you very much. The next question is from the line of Rohit from iThought PMS. Please go ahead.

**Rohit:**

So, sir, based on your slide 16 on the presentation, is it correct that, you sold, in terms of deliveries for this year, you have a delivery of at least Rs. 657 crores in this year. So, based on

that around Rs. 480 crores would be in the coming H2. Is that understanding correct, sir? And this would increase as well?

**Varun Gupta:** Yes, that understanding is correct. Rs. 666 is what we expect to deliver if things go as per plan. And if you remove the first half, whatever is left should come in the H2. That is correct. And another Rs. 90 odd crores of unsold stock in those projects are remaining depending on how the pace of sales on those projects continue, that should also come up for delivery. And there is some completed unsold inventory like Ashiana Town where we have sold which will come up a little bit more over and above in top of this.

**Rohit:** And sir, it was good to see that you have done two land deals, one in Jaipur which you briefly spoke about just now and then also in Bangalore. So, both are sort of expected to be complete by when? I think there are some CPs left, so just wanted to get a sense?

**Varun Gupta:** We think the Jaipur-1 as a 90-day period is expectations from the date of the agreement. So, let us say early next quarter is when we hope that it will get concluded. And about 4 months for CPs in general is what we would expect in Bangalore from the date of the agreement. So, again, middle of next quarter is what we would sort of expect those CPs to get completed and for us to do this forward on the same.

**Rohit:** And once done, then how long would be the launch specifically in Bangalore because it is a new market for us? So, how long would you take to sort of get to a launch kind of level?

**Varun Gupta:** 12 to 18 months is what my general expectations are. I am hoping we can move things faster, but yes, that is what I would say would be, 18 odd months is what I would take in back overall.

**Rohit:** And sir, you are still maintaining your Rs. 2,000 crores of presales guidance. So, that would mean that we need to do Rs. 1,100 crores in the second half. So, what are the key new launches that you have in the second half?

**Varun Gupta:** So, we have Amarah Phase-5, we will be launching Phase-2 of Nitara, Ekansh Phase-4, Ashiana Swarang, Ashiana Amodh Phase-2. There is some more in Tarang as well. Of this, the biggest piece would definitely be Ashiana Amarah.

**Rohit:** And, sir, in the ones that we have launched already, if I am looking at your slide 15, so I think in most of the projects, so we have about 75 lakhs of saleable area, and you have booked about 58 already. Between the ones which are significantly, there is some bit of unsold and I think some of this is launched recently also. So, but just wanted to get a sense of there is this Advik Phase-2 that seems a bit slow. Is that correct or we have quite a bit of portion unsold, so is that slowly moving or my understanding is wrong?

**Varun Gupta:** What Ashiana Advik if you look at it has been doing about 30,000-40,000 square foot on average a quarter and that is fine. Ashiana Advik Phase-2 was launched in the first quarter of this year. And senior living projects are not that we get a rush of sales at launch. We generally sell the

project through the life. So, at 40,000 Square feet a quarter, we will be okay with it. There is no challenge. And so I am not uncomfortable at all with Advik's sale volume.

**Rohit:** And on similar lines, sir, on Malhar and Pune, Phase-3?

**Varun Gupta:** Yes, again Phase-3 was launched in Q2 actually. So, Phase-3 the sale volume is at completely at launch. We have also wanted to move in Ashiana Malhar from selling very quickly at launch to be more comfortable with selling progressively as long as we get a better price. Pune, our pricing was a little bit of a concern to us. And Phase-1, 2, we wanted to sell a lot of volume to get the project going. In future phases, we are okay with a little slower sales because you still have time in the project, so cash will anyways come in as when the project will get built, but the project has gotten a sense of financial security now to get through and get going and put that together. So, pricing will definitely move up and with that in mind I think Malhar was also considered the same way. If you look at even it is Amarah Phase-4, we didn't sell as well in terms of square foot volume as Amarah Phase-3. But we nearly achieved as much sale price in total revenue terms because we up the sale prices and we want to continue to sort of get some pricing there as you go forward because we are in the later phases of the project.

**Rohit:** Sir, just two questions here. Any sense on what kind of profitability will you see?

**Varun Gupta:** I think profitability for this year would probably be very similar to last year except for Ashiana Advik which is a high profit margin project, cheaper land and all. It is FY26 onwards where I see our overall profit profile changing significantly 26, 27, 28, those will be higher margin projects in general. This year, again, similar to last year kind of profit margins, last year, I believe we did a 9% PAT margin if I am correct, so somewhere probably around there, maybe a tad bit better than that.

**Rohit:** And sir, just last question is, so from here on, this year FY25, I think we do close to Rs. 2,000 crores, we don't have a lot of surplus land now less to really continue with the growth rate that we would want given the upcycle. And like you mentioned, obviously, the land prices are going up. So, 2-3 years out, how do you see, of course, next 2-3 years, the deliveries are going to be up, so your reported numbers will be better and at better profitability also. But from a pre-sales point of view and scale of our business, how do you see that we have scaled up a couple of cities, Gurgaon, Pune, also now, hopefully entering Bangalore now, so would be glad to hear some of your thoughts?

**Varun Gupta:** From a management perspective, this challenge comes in right now is to should we deploy capital at these times in the market largely, we find the lands overpriced, but sales velocity is good, should we keep speeding the sales pipeline to improve pre-sales and is that the only thing we should look at or should we be a little bit more fearful that if things turn off and if we have overpaid for land, where will we get stuck and how will the markets behave? Unfortunately, there is no sort of straight-line answer to this.



My view though has been that let us worry about annual pre-sales a little less. Our objective is to create the capacity to do those, have the brand, have the sales machinery, the construction capacity and do that. Can we live with a little bit of aberration here or there, we probably could. So, first of all, yes, pre-sales couple of years might be out, but for me, whatever we have on stock right now, if we sell this, build this out, we can recognize close to Rs. 2,000 crores of profits from it. And if we can get that in the next 5-6 years, from an earnings and its growth perspective I think will be solid from the kind of base we are at and let us say we realize these entire profits by 31st March 30 which we intend to do between this kind of number from our total revenue cash flow earnings, return on equity, return on capital employed, we are sort of doing very well compared to the current net worth, current profitability and we do out there. But then the question of pre-sales comes in and stays with us.

So, the way we have looked at it is this that we will allocate capital from a ROE lens and where we find capital line very expensive, we will see what we can do to ensure that our return on equity remains good. So, one is either lower the capital employed through joint ventures, second, look at smaller scale projects like we had taken up One 44 in Jaipur which is 4 lakhs square foot, we have taken up another small project in Jamshedpur, again, very little capital employed but can you buy small amounts of stock that we can turn around a little faster and quicker. So, even if we have risk on the stock becoming too expensively priced, my risk is limited to a smaller number. So, that is second.

Third, can we find pockets of value where people are not looking, where I can still see to make good margins and numbers? So, we saw this opportunity in Jaipur, so we have gone ahead and done a large transaction. Again, these are things where I can be completely wrong, right, future might tell me otherwise. But that said, we saw that in Jaipur we have delivered a project, which also we do something larger. So, we are looking at it from that lens and to do and see senior living is another way we want, where we can find opportunities to do more scale and continue to increase that number. So, that is the way we are chipping away at this problem right now, slowly and slowly and get there. Right now, we have good stock from another couple of year's perspective for the next 2 years. After that a little bit of challenge might come in, but we have made up our mind if we might be like in Gurgaon, I would rather live with the problem of not having something to sell for a year or two rather than having the problem of having such an expensive land that selling it at profits or even a regular return just becomes very difficult and we don't have the flexibility of having the liquidity available to respond to it as well. Between those two errors, I would rather make the error of not having enough stock to sell. That is according to me which side we will err on because having cash does provide flexibility in that aspect. So, that is where we are coming from and I can tell you this much in my opinion now we can see some signs of frothiness in a few markets, sales are not going as well for some developers that we are hearing some slight reduction in prices, oversized units and some of that will start getting talked more and more about in some micro markets.

And I am sort of kind of glad in some of the places where we did not do transactions, like in some auctions where somebody paid a lot more than usual. And you feel bad at that point in

time, like, why didn't I get a deal that I want? But we look at it now and we are like, yes, that was a good thing we did not. We shouldn't have paid that. So, that is how I am thinking about this, that rather err on that side that we had rather not have stock to sell than having overpaid for stock.

**Moderator:** Thank you very much. The next question is from the line of Saket Shah who is an Individual Investor. Please go ahead.

**Saket Shah:** Sir, my question was, how are we planning to raise the funds for expansion and is there any roadmap for its utilization and improvements in margins in our projects?

**Varun Gupta:** So, 2-3 different things. So, first, if we are going to raise money, we will raise money by way of debentures or loans. We have a platform tied up with IFC to invest in our funds and that is Rs. 225 crores platform. We will be utilizing some of that platform for some of our projects. We have also probably taken up approval to raise secured debentures. In case, we need to do some secured debentures like we did two ICICI approved earlier on in the year, we can do that and take some construction finance if needed. But construction finance will be a small piece because most of the funding we will need probably will be for land acquisition. But we will do that at that time when it comes to acquire more lands and as and when we go ahead and do that. And operating cash flows remain very robust and strong. We have had over Rs. 150 crores of pre-tax cash flows from current projects in this half year already, and they seem to be robust.

And on margins, as I elaborated earlier, from FY26 onwards, I would see margin expansion to start happening for us because the higher margin projects will come up for delivery like Ashiana Amarah, Ashiana Ekansh, these are higher delivery projects, margin projects, Nitara, Prakriti, Advik, basically things we have launched over the last 3 odd years are the ones which are higher margin projects. And as and when they come for delivery, you will see better reported margins.

**Saket Shah:** And in terms of current ongoing projects, do we see any cost overruns and environmental compliance costs or cancellations with respect to any projects and will they affect our other half of FY25 sales?

**Varun Gupta:** Right now, we continue to have a guidance of Rs. 2,000 crores of pre-sales for this year. I don't know what the future will look like, things change or events come in. I honestly don't know, Saket, to comment on the same. From a cost perspective, costs in general have been increasing and we will continue to increase because of compliance, the environment and construction costs therefore, will go up in that regard. But that said, I expect even after that margins to continue to improve because the kind of pricing we have sold some of these units at, I think we will have good margins, FY26 onwards.

**Moderator:** Thank you very much. The next question is from the line of Saurabh Goel from R Systems. Please go ahead.

- Saurabh Goel:** I had a question related to profitability. However, I already got the answer from Himanshu's questions. But still, I have a question related to profit margin. So, how much profit margin we are expecting for upcoming years, 25, 26, and 27, if we are talking about some estimation?
- Varun Gupta:** In FY26, we should hit low teens, or maybe 12%-13% and FY27 onwards, I would expect to have 20% net profit margin. So, we see two things are happening, degree of operating leverage is going to come into play as you can see the expected revenues are increasing at a different levels of fixed costs will get spread over a sort of a much higher revenue base. And secondly, as I said earlier, the projects which we have launched in the last 3 years, pricing has been on the upswing, so you will see gross profit margin expansion as well at the project level. Both in that combination will lead to improved margin.
- Saurabh Goel:** And it means profit margin will be doubled from 9%-20% in 2026, right in 2027?
- Varun Gupta:** So, 26 should be, according to me, around 12%-13%, is where I would expect FY26 profit margin.
- Moderator:** Thank you very much. The next question is from the line of Shivam Prashar, who is an Individual Investor. Please go ahead.
- Shivam Prashar:** Sir, any price band that you have decided for the Amarah Phase-5 right now?
- Varun Gupta:** Shivam, no, we haven't decided the exact Amarah Phase-5 price bracket yet. Again, that will be done closer to the launch time. In Gurgaon, and any project right now, the market is such that all pricing decisions are made like 4-5 days, a week, maybe 2 weeks prior to launch.
- Shivam Prashar:** And can you just tell that why will the Bangalore launch take 18 months from now? And also that when are you expecting the Sector 80 launch in Gurgaon?
- Varun Gupta:** So, Sector 80, I would expect either in the first quarter or the 2nd Quarter of the next financial year. So, Sector 80, we have sort of now gotten some clearances, some clearances are going on. And Bangalore will just take longer because we don't know the city, so we don't know the approval methodology. We will take longer to set up a team, we will take longer to set up a show flat and a sales office and do all of that. It will take 6 months more than what usually it would take 4 months more than what it would take.
- Shivam Prashar:** Any other city also you are exploring?
- Varun Gupta:** No, nothing else, nothing outside of Bangalore, as the new city we are exploring. Panvel we are looking at, but we see it more as an extension of Talegaon already where we are servicing Bombay.
- Moderator:** Thank you very much. The next question is from the line of Rishi Singhal, who is an Individual Investor. Please go ahead.

- Rishi Singhal:** As I joined late, so please tell me what is the position of Lavasa? I heard that inventory is all ready, but not launched. So, overall has Lavasa untangled or not? And how much of our stuff is stuck there?
- Varun Gupta:** Our goods worth of Rs. 50 crores are stuck there and not have been untangled yet.
- Rishi Singhal:** How much time do you think court proceedings will take?
- Varun Gupta:** I don't know how much time it will take.
- Rishi Singhal:** Even after this phase, if there is any phase left in it if the schedule opens up immediately and you tomorrow and you would able to sell.
- Varun Gupta:** We have some land with us in which we can build.
- Rishi Singhal:** More land is there?
- Varun Gupta:** But that land doesn't cost too much. So, relatively, the balance sheet is not stressed because the major cost is for construction hence the balance sheet is stressed by the stock which has already been created. Little land is left there which is very miniscule in terms of impact to the balance sheet in terms of Rupee value.
- Rishi Singhal:** But people are living there, right?
- Varun Gupta:** People are living there, correct. They are living there and they are living there happily. It is not like that people who are living there are not happy. The people or customers who are living there are happy.
- Rishi Singhal:** I am saying that even if the worst-case scenario happens, even then also slowly it can be sold by the word of mouth.
- Varun Gupta:** Let us see. I agree with that, the worst-case scenario. We are looking for some other solutions which can be easier on the management bandwidth. Selling it slowly, takes a lot of managerial bandwidth.
- Rishi Singhal:** The second is regarding Milakpur land, I understand that Milakpur land is under acquisition. So, roughly, what will be its present value plus by doing an out-of-court settlement or something like that if a substantial amount of money can be released, is there any chance?
- Varun Gupta:** It is like that if the government is ready to gives us the money then we can take the money. I don't think they would have that much budget because they are not just acquiring our land, they will acquire a lot of other lands too. They will acquire the whole scheme they don't have the budget really to finance it and acquire it, so it is in limbo in that way. So, whether we get the land or the money I am happy in either ways, but it will take time.

- Rishi Singhal:** They want to make a housing colony out of there or what else do they want to do there I mean why are they acquiring?
- Varun Gupta:** They want to make housing colonies, but they don't have the money what is required. So, I think the government is also in a double mind as to what to do now.
- Rishi Singhal:** It is a very good news. Third, the general trend like I was listening to the last 2 questions, 3 questions, what we can see on fields plus from your words it seems like as we used to say earlier like it is a green light, with few players, hence press the accelerator, but it seems it started coming out from your words and the market conditions are also showing. So, the work that we used to do by purchasing some outright land and now we want to do like land is yours, but I will construct it, 25:75 whatever we used to do earlier usually called as JDA, so what will we do?
- Varun Gupta:** We will do either way both JDA and outright. We have been doing both and will do both like we have announced two transactions one in Bangalore, where we did JDA, that is the way and in Jaipur we are buying outright. Project-to-project, market-to-market, we will make decisions as they fit the bill of our risk appetite, our return requirements, and then the way we operate, so it depends on these, we will do both.
- Rishi Singhal:** I am asking you a hypothetical question, that you will say that we don't know. If for example, the critical markets like Gurgaon, Jaipur, I don't know about Jaipur if it is flat, that every year the price is same for 3 years, or it is minus 5%, generally it is not expected to go more than this, then also on a sustained basis can we continue to do the business if we are able to sell the quantity?
- Varun Gupta:** Yes, we can do it. Definitely in Jaipur, in Gurgaon, the land is a bit expensive, but I think the Gurgaon land markets will also sort of taper off a little bit then we will be able to do it. The price of the land in Gurgaon does not suit the current sale price. So, the rate of land in Gurgaon should be reduced if we want to sell our goods at the current sale price.
- Rishi Singhal:** So, for example, the sector 80 which was purchased then in it if the project cost is reduced by 5%-10% in retail price, then also is there a healthy margin?
- Varun Gupta:** Yes, there will be healthy margins. The last auction took place 6 months -8 months ago after a year, land would have been sold more than twice the price of the land what we bought, so I have a very good buffer room.
- Rishi Singhal:** That is very good to hear. That is a very good thing. And in general, to reduce the long-term cycle we would focus more on senior living and apart from senior living anything new what you are thinking, any new thing from which more sustainable type of profits come because long cycles come and go as I am seeing you for a long time like an investor?
- Varun Gupta:** Currently, we are not seeing anything outside of senior living. The other thing is though as we get scale in a few more markets sort of Jaipur, on Bhiwadi earlier what will happen is different

markets will be in different stages of a cycle at different moments of time. So, it will bring some stability in that nature. So, I hope that also happens as we go along. Right now I hear some relatives of mine in Ahmedabad telling me that, in Ahmedabad's real estate cycle, there is a crisis going on. So, I said that there is a crisis because in 2018 when there was a crisis in rest of the country, there was a boom here similarly, in Hyderabad also, it was boom. But now, there is a crisis there. So, being in fewer markets, I think one of the other things that India will not have one sort of continuous real estate cycle across all markets, across all regions at the same time. So, that will bring some stability as well that we will be participating across a few miles.

**Rishi Singhal:** So, one more question if there is time?

**Varun Gupta:** One last question and after that you join in queue. The queue is not very big, but that would be good. You can ask one last question.

**Rishi Singhal:** Whenever you see whether we should launch our project here or not, 2-3 years visibility, rather I think you see the visibility of 5 years, what is the most important criteria that here in this city may be it big or small, how many new people, how many new jobs are being created on total? Is this the only criteria or anything else is there like Gurgaon is the fastest city?

**Varun Gupta:** Earlier we used to see demand for new jobs, now we see the supply side that how much supply is there of home, how many launches have happened over the last 12 months -24 months, do we see a lot of supply coming into the market.

**Moderator:** Thank you very much. The next question is from the line of Saket Shah, who is an individual investor. Please go ahead.

**Saket Shah:** I just wanted to ask one or two questions. How we see the FY25 revenue on totality basis and at what percentage it would be rising for FY26 and FY27 and same for EBITDA margins?

**Varun Gupta:** So, do you have slide? Do you have the deck?

**Saket Shah:** No, sir I don't have.

**Varun Gupta:** So, if you look at our slide 16 of our deck gives you a sense of the expected revenues in each financial year. These are obviously subject to us delivering the projects on time to meet those expectations. So, in FY25, we are looking at probably a total revenue around Rs. 700-750 crores, and that rising to probably about Rs. 1,100 odd crores in FY26 and going up to Rs. 1,700 crores in FY27. And EBITDA we don't track as a number, so I don't know the margins on that as I said on margin we are looking at about 9% this year going up to 12% -13% next year and then expanding to probably 20% after that. And over the cumulative period of 1<sup>st</sup> April 24 to 31<sup>st</sup> March 30 where we expect to consume most of our ongoing projects and future projects. These are excluding land deals which have been done in the let us say 12 odd months whatsoever 1<sup>st</sup> April, we expect to generate about Rs. 2,000 crores of profits from these projects over this 6

years. That is the kind of basic thought process that we have. And average profit margins should be in the high-teens over this life cycle.

**Saket Shah:** And with respect to inventory, so I guess old hanging inventory is only of Lavasa, so rest all the inventory whichever is there it is of that the newly completed projects am I right?

**Varun Gupta:** There is some inventory left from some other projects which is covered in slide 26 of our deck again. Bhiwadi still contributes majority of this with Ashiana Town and Ashiana Surbhi leading the pack. Of this Ashiana Town we have been selling consistently well and now we have come very down to like 53,000 square foot as compared to I believe 5.5 lakh square foot at one point of time and should be cleared out in the next 3-4 quarters, we should be able to clear out Ashiana Town and we will pick up Ashiana Surbhi after that to clear out in Bhiwadi.

**Moderator:** Thank you very much. The next question is from the line of Rishi Singhal who is an Individual Investor. Please go ahead.

**Rishi Singhal:** I wanted to come to the question related to Bhiwadi itself, which you told that both inventory are moving towards clearing. How is the overall position of Bhiwadi? What do you think ahead?

**Varun Gupta:** I think the future of Bhiwadi is bright. In Bhiwadi new builders have not come, so the supply situation is fine. The sale price is increasing. Price delta from Gurgaon is good, so investors are coming, people are also coming to stay. We have seen good volumes in Bhiwadi, and I think Bhiwadi will continue to do well for us going into the future. We are finally actually looking at deploying money there also, so we are looking for land in Bhiwadi. Hopefully, we will do one project there as well one more land there. We are excited about Bhiwadi going forward.

**Rishi Singhal:** Once again I want to come back to Milakpur, how much money of ours which is invested in it is stuck?

**Varun Gupta:** I think it is less than Rs. 4 crores. It is between Rs. 3 crores to Rs. 4 crores. I don't know the exact number, but Rs. 3 crores – Rs. 4 crores land on a book value basis.

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

**Vikash Dugar:** We would like to thank all of you for being on this call and being so patient with all the questions and answers. If we were unable to take any questions, please feel free to write to us directly or reach out to us directly. And with that, we would like to conclude the call. A lot of the material we have spoken about is posted on our website. And you can also email your queries for any further clarification. Thank you once again for taking the time to join us on this call. Thank you.

**Moderator:** On behalf of Ashiana Housing Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.