



“Ashiana Housing Limited Q3 FY25 Earnings Conference Call”

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**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 Q3 FY '25 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. Thank you, and over to you, sir.

Binay Sarda: Thanks, Muskaan. Welcome, everyone, and thanks for joining this Q3 FY '25 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 the quarter, and then we will follow it up with 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 3rd Quarter of FY '25 for Ashiana Housing Limited. Thank you for joining us today.

Area booked recorded at 6.77 lakhs square feet in 3rd Quarter of FY '25, vis-a-vis 3.35 lakhs square feet in 3rd Quarter last year and 7.29 lakh square feet in the second quarter of FY '25. Area booked in 2nd quarter was higher due to launch of Ashiana Amarah Phase-4 in Gurugram.

We had very good bookings across projects this quarter. Value of area booked at 454.16 crores in the 3rd Quarter, vis-a-vis 672.54 crores in the second FY '25. Total pre-sales for a 9 month FY '25 at around Rs. 1,362.02 crores, vis-à-vis 935.68 crores for 9 months previous year, an upside of 45.56%.

We constructed 5.19 lakh square feet in the 3rd Quarter vis-a-vis 4.77 lakh square feet in Q3 FY '24, vis-a-vis 6.01 lakh square feet in the second quarter of current year. The quarter-on-quarter decline of 13.64% majorly due to imposition of GRAP related restrictions in Delhi-NCR. Total construction for 9 months FY '25 was 16.11 lakh square feet, vis-a-vis 13.7 lakh square feet in the same period last year.

We continue to maintain our guidance of 2,000 crores of pre-sales in FY '25. However, this will depend on the velocity of bookings in the launch of Ashiana Amarah Phase-5 in the last quarter.

On financials, as anticipated, our total revenues were higher for the quarter at 139.93 crores, vis-a-vis 59.53 crores in second quarter, reflecting project deliveries during the 3rd Quarter.

Likewise, our PAT for Q3 FY '25 stood at positive 10.88 crores. It was mainly driven by two new Phase-deliveries, Tarang Phase-4A in Bhiwadi and Umang Phase-6 in Jaipur. That also had a onetime impact on Rs. 5 crores payout with respect to the GST matter of Treehouse Hotel. It has been shown as an exceptional line item in P&L. But delivery is expected in Anmol Phase-2 and Amantran Phase-3 in the last quarter, we are expecting a profitable Q4 FY '25.

Pre-tax operating cash flow recorded at 120.42 crores in Q3 FY '25, vis-a-vis 78.18 crores in Q2 FY '25. Pre-tax operating cash flows for 9 months ended FY '25 at 273.53 crores. Cash flows continue to be healthy due to higher collections driven by better sales across projects.

Third senior living project launched in Chennai by the name of 'Ashiana Swarang' located in Nemmeli. Apart from that, Ashiana Ekansh (Phase-4) in Jaipur and Ashiana Amodh (Phase-2) in Pune were also launched in Q3 FY '25.

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. Anyone who wishes to ask question may press "*" and "1" on their touchtone telephone. If you wish to remove yourself from question queue, you may press "*" and "2". Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Participants may press "*" and "1" to ask questions. The first question is from the line of Rohit from ithubought PMS. Please go ahead.

Rohit:

Good afternoon, Varun. Good afternoon, Vikash. So, sir, just a couple of questions. So, sir, we had in the last call talked about potential land use somewhere in Bangalore. Any update on that, sir? That was my first question.

Varun Gupta:

Okay, so we have, the deal is moving forward in Bangalore. But there are some conditions, CPs, that the landlords need to get done on the land in terms of land approval. So, once those are through, I think the deal is completely through.

- Rohit:** Any timeline on this, sir?
- Varun Gupta:** I am hoping this quarter, but you know, they have issues, they are regulatory in nature issues. So, sometimes it's not just on the landlord, it's also on the government. But I am hoping this quarter we should be able to get through. If not this quarter, the next quarter.
- Rohit:** Got it. And, sir, from a generally beady point of view, I mean, you have been saying that we will go slow given the elevated nature of the land prices. There is a huge amount of land available, so it's down to around 25 lakh square feet now, so I am removing that too. So, this is, of course, does not include Bangalore in this if that closes. But just generally if you can give us a sense on what is going to happen probably in this year? Are there anything that can sort of fill it up back to, let's say, 40-50 lakh that we were sort of saying that we will probably finish, I mean, refill whatever we are selling every year sort of that kind of run rate? So, if you can probably help us on that point.
- Varun Gupta:** Sure. We have also disclosed an agreement that we have executed for a 20 acre parcel in Jaipur. Okay. So, that agreement has been done, that would be another 20 lakhs plus square foot overall.
- Rohit:** That's not there in this, right?
- Varun Gupta:** That is not there in this because again it's only in an agreement stage, and we have not concluded and there are CPs for the landlord to perform. This was disclosed probably in the last quarter sometime we would have given a special, you know, announcement to the stock exchange that this has happened. We are waiting for the landlords to get some regulatory clearances there for us to move forward. And so that will add. And we are in talks for one more parcel of about 7 to 8 lakh square foot, and those talks are also ongoing. So, there is a thing. And over and above that 25 lakh square foot, we have about 50 odd lakh square foot to launch in existing projects as well.
- Rohit:** Right.
- Varun Gupta:** Yes.
- Varun Gupta:** 48 Lakhs. So, there is some, you know, we still have 3 years' worth of stock. It's not completely off, right? So, I thought I would just clarify that as well.
- Rohit:** No, no, no, fair. I was just trying to say that, I mean, let's say 50 and 25, 75 and then another. So, I will not worry about this Jaipur. So, Jaipur and Bangalore, if they close, that would be implemented 20 lakhs each?
- Varun Gupta:** No, so Bangalore would be incremental probably between 10 and 12 and Jaipur would be about 20 plus only.
- Rohit:** And with 7-8 lakh which you said is also which we are pursuing, that's also in Jaipur or?

- Varun Gupta:** No, this is elsewhere. This is a senior living project elsewhere. But again, very early stages, I am hoping that we can do.
- Rohit:** Right. And sir, Amarah has been launched this quarter.
- Varun Gupta:** Amarah Phase-5 has not been launched. We should be launching in two weeks, two weekends from now probably.
- Rohit:** Two weekends, okay. And, sir, any, I mean, what are you hearing on the ground in the micro-market that you are in there in Gurgaon?
- Varun Gupta:** In Gurgaon? So, markets are softer than what they were probably 8, 9 months ago. Okay. But that said, we have not, so we are positive that we should get a good launch. And to me, let me put it this way, markets are more normal. They are not weak. But the extraordinary exuberance that the market had probably nine months ago, that is not there anymore. And which is fair, you know, normal markets are probably the best places to be in. Exuberance on either side is not very good. So, I think the market is in a good space. But we get to know how the launch goes in 7-8 days. We start and then probably in a month we will know how things are actually with real evidence.
- Rohit:** Right. So, this 2,000 crores is fairly contingent on that, right? I mean Amarah.
- Varun Gupta:** It is contingent on that. It is contingent on how that goes. Yes, absolutely.
- Rohit:** And sir, just one last question. I mean, any early thoughts on how the next year would be in terms of launches and anything on resale that you would like to sort of share?
- Varun Gupta:** So, we do our planning in early March, so that's mid-March, that's where we will exactly plan. What I hope to do is get some new projects going. So, we have Aaroham in Gurgaon. We have another land in Jaisingpura and Jaipur. We have this Jamshedpur parcel. The objective of the company would be to get all these three projects launched in the next financial year. And maybe at least one of the three that we hope to take up this year, that we are in talks of, that we have spoken Bangalore, Jaipur and one more, try and get one more of those launched in the next financial year.
- Rohit:** Got it. I will join back in the queue. Thank you. All the best.
- Varun Gupta:** Thank you.
- Moderator:** Thank you. A reminder to all participants, you may press "*" and "1" to ask questions. The next question is from the line of Himanshu Upadhyay from BugleRock PMS. Please go ahead.

Himanshu Upadhyay: Yes, hi, good afternoon. I had a question about what we have written in the annual report on page 46 where we have spoken about acquiring 7 to 8 million square feet in next 5 years and expecting sales of Rs. 11,000-12,000 crores and profits of Rs 2,000 crores.

Varun Gupta: Yes.

Himanshu Upadhyay: What it effectively yields to 18-19% of PAT margins and again, nearly 30% of EBITDA margins, okay.

Varun Gupta: Yes.

Himanshu Upadhyay: Generally we have seen some of such high margins are only when price of land is increasing and sales value per square feet is also improving. Okay. Are we believing, are we assuming that such prices are continuing or will continue to rise in the near future and the sales velocity will remain good?

Varun Gupta: Okay, so a bunch of assumptions are that we will consume the entire stock that we have right now within the next five years. So, we have some 11-lakh square foot of unsold stock in the ongoing projects, about 48 lakh square foot in future phases, and about 25 lakh square foot of land bank. And we are assuming by 2030 we should consume all of this, and that consumption is what we will report as revenues probably including the ongoing projects.

Two things have happened. One, the operating leverage is kicking in. So, margins are improving. If you can see, we are giving a sense of also how future revenue, delivery revenue would look like and we see an increasing trend next year, 1,300 plus, the year after that 1,700 plus, and the year after that, again, 1,700 plus as compared to the revenues now. And fixed costs will not increase. So, an operating leverage will kick in, in terms of margin improvement.

And second thing is, a lot of that increasing land prices and apartment prices have already happened. Some of the projects that we have picked up in great times in 2021, in 2022, those projects as and when they kick in, we will have good margins on those projects as they are expected. So, I think that an increase in margin profile should happen in that because of that.

So, we are not factoring in significant price increases going forward in future projects. We are assuming that, you know, now prices maybe will probably inch up as per inflation and not anything more than inflation at this point of time. But in these projects, we have already seen that kind of change. Like, you know, Ashiana Amarah, what we had assumed when we picked up the land price and what we are selling at is very different, which is a large kicker.

Similarly, Ashiana Ekansh or 144 or Swarang or Amodh, you know, all of these projects we have seen price increases. We have also improved our mix to moving more and more to senior living. We expect to enjoy better margins in senior living because it's a more specialized product which has taken a lot of time for us to refine. So, we have suffered earlier, but now we see improvements there.

So, there is a whole host of things that is playing out, and I expect to average high teen margins on the PAT level over the next five years and that we definitely expect to happen.

Himanshu Upadhyay: So, what has the price appreciation which has happened that in the traditional land what we had, okay, so that is giving us the confidence that we should get that much margin.

Varun Gupta: Yes.

Himanshu Upadhyay: That is the understanding.

Varun Gupta: Yes.

Himanshu Upadhyay: Okay. And one thing what we, are we seeing any footfalls or lease getting generated, reduced or the conversion of leads is taking more time and or the prices are, people are more negotiative in the market when you say that the market is much more stable, at least in Gurgaon and Northern India?

Varun Gupta: No, not in Northern India. In Gurgaon only, Himanshu, across the board. Otherwise, if you look at the last quarter, we had secular sales across projects. This was a quarter which was not very heavy, like if you look at Gurgaon's contribution in Q2, excluding Gurgaon, we had done probably about 4,30,000 odd square foot, 4,35,000 square foot. This year, excluding Gurgaon, we have done 5,50,000 square foot, and that 5,50,000 square foot is more than all of Q1 which is 440,000 square foot and no Gurgaon in that in Q1.

And so, if you look at what is happening, I think in general markets are robust and continue to do well. Only in Gurgaon, where I think the markets are a little bit more stable, closing rates are a little lower, visits are a little lower, but It isn't a weak market. We are seeing that in Gurgaon, it's more normal because Gurgaon was in a different exuberance 9 months ago which none of the other parts of the country were in. Okay. So, I think Gurgaon is normalized to how other parts of the country are behaving in general whichever way we see it. So, that is what I meant.

Himanshu Upadhyay: Okay. And this Ashiana Aaroham, can we expect launch in Q1 FY '26?

Varun Gupta: No, it will go to Q2 or Q3 of the next financial year. Some last-minute regulatory changes happened by which we have gone back on the drawing board of our building plans. And therefore, we will take some more time to get regulatory clearances than we expected.

Himanshu Upadhyay: Okay. So, has there been change in asset size is huge or just some?

Varun Gupta: No, no, some, it doesn't impact all projects, but we had designed the project in a certain form or fashion and regulation around that specific design changed. There are no changes in asset size.

Himanshu Upadhyay: Okay. Thank you so much.

- Varun Gupta:** Thank you, Himanshu.
- Moderator:** Thank you. A reminder you to all participants, you may press "*" and "1" to ask questions. The next question is from the line of Saket Shah from RBS Advisors. Please go ahead.
- Saket Shah:** So, I wanted to ask, what will be the Quarter 4 numbers you can foresee for the FY '25 ending?
- Varun Gupta:** Can you repeat that, Saket, please?
- Saket Shah:** For the January, February, March 2025, what numbers we can foresee in terms of revenue and in terms of EBITDA margins?
- Varun Gupta:** Okay, so we don't give out the EBITDA margin.
- Saket Shah:** Roughly. Yes, roughly revenue, what will be the expected revenue or EBITDA in terms of Quarter 4?
- Varun Gupta:** Roughly it was expected revenue in slide 15 of our deck, if you have a look at that, and we should end up around 550 odd crores for the year if I maybe including other income 575 crores for the year. So, you are looking at about a 300 crores revenue to be reported from the last quarter.
- Saket Shah:** 300 crores would be reported for the last quarter of this year.
- Varun Gupta:** Yes, that's what we are expecting. We need to deliver a couple of projects. They are in OC stages. There are two big projects getting delivered. Anmol in Gurgaon and Amantran in Jaipur. And Ashiana Anmol in Gurgaon, we are in stages of OC. So, OC should come in. They are complete in terms of development and construction. As soon as OC comes in, we deliver. So, we are waiting on that. Amantran, even I think we are ready to deliver all stock. So, that's what we are expecting.
- However, Q4 is going to be very, very muted on margins largely because Ashiana Anmol Phase-2 is effectively on after selling cost effectively very low margin or no margin at all kind of a project which has hangover from the over or last cycle I think is one of the few projects that we are still left with which still have some drag on the balance sheet for us. So that and Ashiana Amantran also are not very heavy in margin. So, we expect margins to be very muted in FY '25.
- However, with FY '26, as I was talking to Himanshu earlier, FY '26 onwards, we expect the game to start changing significantly as we have better margin projects getting delivered FY '26 onwards.
- Saket Shah:** Thank you.
- Varun Gupta:** Thank you.

- Moderator:** Thank you. The next question is from the line of Rohit from ithubought PMS. Please go ahead.
- Rohit:** Yes, thanks for the follow-up. Just again, two, three questions. So, one was, sir, I think, I mean we had in the last call and mentioned that I think this was also discussed just back, just a while back about this 2,000 crore cumulative profit that we are kind of hopeful of over the next five years over FY '30.
- So, if I see in your slide that you have already sold, like you have inventory, I mean you have launched projects worth 5,500 crores and of which you like sold close to 4,400 crores which will get sort of recognized over the next three years including this year, right? So, the next four years rather including FY '25.
- So, sir, from here on, right, so to get the incremental like 5-6,000 crores of projects to be launched, I mean to sell them and then recognize them in the ensuing four years, I mean, wouldn't FY '26 be very heavy in terms of launches?
- Varun Gupta:** Well, so to me, we need to launch all the three projects outside of Milakpur that is in our future project list, which is Aaroham, Amaya and Jaisingpura, and we need to get one of the three projects that we are in talks with. If we get those in, in the next financial year, I think we will be on track.
- Rohit:** So, existing three plus one of the ones that you either Jaipur or Bangalore.
- Varun Gupta:** Yes, if we get that, we will be good.
- Rohit:** Okay. So, okay, so this year that should be one thing you should keep tracking in terms of launches. So, the existing three ones that you said, right, excluding Milakpur, so any timeline on the launches? Will it be H1 or H2, like any thoughts?
- Varun Gupta:** They should be H2, early H2. So, then we will get about 4.5 years to get them in. So, we will have enough time to get them in there.
- Rohit:** Okay. And sir, the other question was, sir, in terms of like last quarter, I think you mentioned that this year profitability on a reported basis would be very similar to what last year was and which would essentially make, yes.
- Varun Gupta:** Yes, sorry, I will just cut you if there was, we did guide on that. And so, one particular project which is Ashiana Advik Phase-1, which was to deliver bulk of the profits, even though it's low on revenue, it's a very high GP margin project. Historically, we are missing the delivery period by a quarter there. So, it was to come in Q4. It's gone to Q1 of next year. So, some of the things were under our control, we executed, but this year the GRAP regulations in NCR were heightened. Basically, the threshold of pollution where they stopped construction was reduced, and we lost probably 20-25 extra days in the construction period because of it this year than our estimates, and that which we were expecting in March has now gone to May.

- Rohit:** Understood. Got it.
- Varun Gupta:** So, unfortunately that's what happened.
- Rohit:** So, basically next year in terms of delivery, there will be a bunching up that will happen, maybe not so much on the revenue side, but more on the profitability side.
- Varun Gupta:** Yes, there would be a little bit of bunching up, yes.
- Rohit:** Understood. Okay. And sir, I mean, we don't have anything major in terms of unsold inventory. Only I can see these two projects which out of the 2.65 lakh square feet, one in Bhiwadi and one in Jaipur. So, I mean, in terms of the sample rate, by when do you think these two will get over? So Surbhi, I am talking about Surbhi in Bhiwadi and Umang, the Phase-2, 5 and 6. It's not very high but just wanted to get because those two are like 50% unsold inventory which is very low, but just wanted to get your sense.
- Varun Gupta:** Yes, so one thing, yes. So, Umang we continue to sell. I think Umang will be get done in the first half of the next financial year, maybe the full financial year. That's the large context. Utsav Lavasa I don't have any comment on. And our third one being Surbhi.
- So, Surbhi, so the way we have set up sort of a crack team in Bhiwadi to get going with a lot of ready unsold stock and they were targeting Ashiana Town. Ashiana Town has now basically now we cleared. It was our heaviest piece. So, they had gone after that first. Now with that done, that team will move to Surbhi, and they are probably going to get active.
- So, first quarter of next year is when we start getting to get a sense of whether we are able to get results. If our strategy works in Surbhi in the first quarter of next year, then we will be done in the next financial year. If the strategy does not work, go back to the drawing board and find something else in the quarter after that. I think that's where we are at in Surbhi.
- Rohit:** Got it, sir. Okay. That is it from my side, sir. Thank you very much and all the very best for the coming year.
- Varun Gupta:** Thank you, Rohit. Yes.
- Moderator:** Thank you. A reminder to all participants, you may press "*" and "1" to ask questions. The next question is from the line of Rahul Jain, an individual investor. Please go ahead. Hello, Mr. Rahul, you can go with the question, please. Hello, Mr. Rahul? As there is no response from the participant, we will move to the next. A reminder to all participants, you may press "*" and "1" to ask questions. Participants may press "*" and "1" to ask questions. The next question is from the line of Nitin Khandelwal, an individual investor. Please go ahead.

- Nitin Khandelwal:** Hi. I just wanted to ask, the saleable area in Amarah has increased by around lakh square feet in this quarter's presentation compared to last. So, like, are you adding an extra tower or is it commercial?
- Varun Gupta:** No, just there was a calculation error in the way the totaling was done. Some parts of the area were missed out in our saving chart which we sort of review internally. And so, it was an error that was corrected because our phasing plans were revised.
- Nitin Khandelwal:** Okay. So, it will be 5.3 lakh square feet.
- Varun Gupta:** Yes.
- Nitin Khandelwal:** That one will be definite.
- Varun Gupta:** Yes.
- Nitin Khandelwal:** Thank you. Thank you, sir.
- Varun Gupta:** Thank you, Nitin.
- Moderator:** Thank you. A reminder to all participants, you may press "*" and "1" to ask questions. As there are no further questions from the participants, I now hand the conference over to the management for closing comments. Over to you, sir.
- 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 clarifications. Thank you once again for taking the time to join us on this call. Thank you.
- Moderator:** Thank you. On behalf of Ashiana Housing Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.