

To,  
BSE Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001

Date: 18.02.2022

Scrip Code-523329

**Subject: Transcript of Earnings Conference Call held on Thursday, February 10, 2022**

Dear Sir/Madam,

This is with reference to the intimation dated February 1, 2022 made by the Company about the Earnings Conference Call scheduled for Thursday, February 10, 2022 at 12.00 P.M. IST. A copy of Transcript of the conference call held with the Investors/Analysts is enclosed herewith.

The aforesaid Transcript is also being made available on the Company's website at [www.eldecogroup.com](http://www.eldecogroup.com)

You are requested to take the above information on record.

Thanking you,  
For Eldeco Housing and Industries Limited

For Eldeco Housing & Industries Limited

  
Company Secretary

Chandni Vij  
Company Secretary  
Mem. No. : A46897

**Eldeco Housing & Industries Ltd.**



“Eldeco Housing & Industries Limited Q3 FY22  
Earnings Conference Call”

**February 10, 2022**



**MANAGEMENT: MR. PANKAJ BAJAJ – CHAIRMAN AND MANAGING  
DIRECTOR, ELDECO HOUSING & INDUSTRIES LIMITED  
MR. MANISH JAISWAL – GROUP COO, ELDECO  
HOUSING & INDUSTRIES LIMITED  
MR. ANIL DHANDA – GROUP CFO, ELDECO HOUSING  
& INDUSTRIES LIMITED**

**Moderator:** Ladies and Gentlemen, Good Day and welcome to the Eldeco Housing & Industries Limited Q3 FY22 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 '\*' and then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Kanav Khanna from Christensen Advisory. Thank you and over to you, Sir.

**Kanav Khanna:** Thank you. Good afternoon to all the participants on this call. Before we proceed to the call, let me remind you that the discussion may contain forward looking statements that may involve known and unknown risk, uncertainties and other factors. This must be viewed in conjunction with our business risk that could cause future result performance of achievement to differ significantly from what is expressed or implied from this forward-looking statements.

Please note that we have mailed the Results and the Presentation and the same will also be available on company's website. In case you have not received them, you can write it to us and we will be happy to send it over.

Now to take us through the results and answer all your queries today, we have the top management of Eldeco Housing and Industries Limited represented by Mr. Pankaj Bajaj – Chairman and Managing Director, Mr. Manish Jaiswal – Group COO and Mr. Anil Dhanda – Group CFO.

We will start the call with a brief overview of the Quarter gone past and then conduct the Q&A. Now with that said I would now hand over the call to Mr. Pankaj Bajaj. Over to you, Sir.

**Pankaj Bajaj:** Good afternoon everyone. I welcome all the participants to Eldeco Housing & Industries Limited Quarter 3 FY22 Earnings Call.

I hope all of you are healthy and safe. I am pleased to share with you that we have witnessed a strong booking and improved realizations in our ongoing and completed projects during the quarter.

We recorded booking worth Rs. 108 crores in this quarter which is a 29% growth vis-a-vis Quarter 3 FY21 making this our second successive quarter of the highest ever booking value. Our cash collections have also grown this quarter and indication of the fact that these are healthy bookings.

As announced in the last quarter, we have launched our villas in Eldeco Imperia project which saw impressive bookings of 52% of the total units available within the first few days of its launch. Due to the strong demand, we converted plots into villas in this project. With increased supply of villas in the project was also well-accepted and now this booking stands at 92% of the total number of units released.

Similarly, our Eldeco City Bareilly Project continues to see strong demand and price appreciation. During the quarter we sold about 76,000 square feet of area in this project as against 21,000 square feet in the last quarter with significantly improved realizations.

I would now like to move on to our recent financial and operating performance:

This quarter we registered operating revenues of Rs. 42.7 crores versus 40.1 crores in the last quarter. The average realization in this quarter has improved to Rs. 4,230 per square feet vis-a-vis Rs. 4,075 per square feet in Q2 FY22. The EBITDA for the quarter stood at Rs. 20.2 crore which would convert to a margin of 47.3% and net profit for the quarter was Rs. 14.9 crore which would in turn convert to a margin of 34.8%.

Our cash collections stood at Rs. 56.4 crores which translates to a growth of around 73% year-on-year and 49% quarter-on-quarter. In short we have been witnessing strong demand and to fulfill that we are trying to add more projects. Though there are challenges in sourcing new projects we are confident of growth on that front. The challenge which has emerged is the cost of construction which in our estimates has increase about 30% post pandemic. Thankfully, till now we have been able to pass on this increase cost to some extent to the market, but I do feel that our margins will come down due to inflationary pressure going forward.

We are now focused on timely execution over existing projects and sourcing new projects. We expect this demand environment to sustain in the coming quarters and translate to revenue growth as and when the projects get delivered.

With that I would now open the floor to question and answers.

**Moderator:**

Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press ‘\*’ and ‘1’ on their touchtone phone. We move on to the next question from the line of Priyank Gupta from Guardian Advisors. Please go ahead.

**Priyank Gupta:**

I have two questions the first one being can you give us a brief overview as to what is Eldeco Imperia and because in the presentation it says that Phase-2 will also be coming up and is under planning?

**Pankaj Bajaj:**

Imperia is a new project at Sisandi Road, Lucknow, it is in Phase-1 we acquired about and got licensed 17 acre the land it is a horizontal development, township development. So, it is that plot and some villas and school and local shopping the regular horizontal township format. Because of the strong demand as I mentioned in the opening remarks we have converted the plots into villas and we were able to sell almost all of them, more than 90% and that is what is reflected in the booking number in this quarter. We are also assembling in aggregative land in Phase-2 of this project and I think we have already aggregated another 12 acres and ultimately we plan to go up to 20 acres in Phase-2. So, 17 plus 20 should be 37 acres we could fall a little short, but that is our target and hopefully we should be able to get the approvals and launch it in the next two quarters Phase-2 of the project.

**Priyank Gupta:** The Phase-2 of the project will also be villas and plotted development or do you have any other plans?

**Pankaj Bajaj:** We will decide that closer to the date of the launch. In approval process it does not make a difference because you have to get the integrated township plan pass so you will get the master level passed and it is flexible that is the beauty of our model. Closer to the date of the launch you can decide the mix of the product that you want to sell you can sell it as plotted development or you can get individual villa plans pass on each one of those plots and sell them as villas or a mix of two. So, we will finish that close to the date of the launch depending on how we read the market at that stage. To give you an update of the project, work on all the villas have started and it is an active project as of now and it will be a debt free project and most we have done the financial closure in terms of all the booking we have done. So, everything is tied up here for the first 17 acres.

**Priyank Gupta:** And my second question is related to Bareilly, we just wanted to know how is the revenue recognized for the Bareilly project in the listed entity?

**Pankaj Bajaj:** So, the revenue will not be recognized in the listed entity only the profits will accrue because it is not a 50% owned company of Eldeco Housing. So, the way it is structured it is if the project is 100, 40% belongs to the beneficial interest, belongs to the local partner, 60% is the Eldeco group and two-third of that two-third of 60% which is 40% is beneficial interest with the Eldeco Housing, the listed entity. Since it is less than 50% the revenues will not get consolidated, but of course our income to that extent will accrue as investment income.

**Priyank Gupta:** So, whatever booking figures we can see here the profit out of that would be added to the profit of the company?

**Pankaj Bajaj:** Correct.

**Priyank Gupta:** As I can see that it is getting a very good response to the Bareilly project, is the company looking at any follow up project in Bareilly or the Bareilly project?

**Pankaj Bajaj:** If you remember you have been a regular on these calls Priyank, this was an experiment that EHIL had done to venture out and do a kind of joint venture with the Eldeco Infrastructure. Since it has worked out well and we had given our 8% guarantee and I think EHIL is going to make much more than that. I think the EIPL already has land parcels tied up in Bareilly we will look at extending the partnership to those, but whenever that thing emerges we will take into board and to probably shareholders, if required.

**Moderator:** Thank you. The next question is from the line of Ankur Gupta from Safe Enterprises. Please go ahead.

**Ankur Gupta:** I just have one question. I have heard and rather saw in one of the document, we were planning to get ourselves listed into the NSE so do we have some plans and what are the timelines

because we all know that it gives a lot of liquidity and the visibility option for the investor per se?

**Pankaj Bajaj:** We do have plans and it is a really complicated procedure and our secretarial team is filling up all the forms and trying to do all the compliances. I do not know if you have already formerly applied or we are about to apply if Dhanda ji is on the call he can answer that question.

**Anil Dhanda:** We are already doing the preparations and I think within this month we are going to file our application with NSE for listing. Again some queries may come from NSE, some question may come, but our first application will be submitted by the end of this month.

**Ankur Gupta:** Normally what are the timelines of getting the approval, if you file within this month?

**Anil Dhanda:** It depends, if everything is okay in the first go itself then we might get approval within this financial year. But if there are some queries or if some clarifications are required then again we have to reply, then it might go after March also.

**Moderator:** Thank you. The next question is from the line of Arjun Individual Investor. Please go ahead.

**Arjun:** I just had two queries at the cost of reputation I will ask these questions again what is the total sales guidance that we are giving for say this year and probably next year for bookings I am talking about and that would be my primary question if you could just throw some light and how much cash is on the balance sheet of the company today?

**Pankaj Bajaj:** This year it is already in the presentation 9 months have gone this current financial year and we clocked a 250 crore of fresh booking which is the highest ever that we ever done. In fact we had two consecutive quarters as we have broken our historical quarterly record so we are pretty happy with what has happened this year. We do not expect with no new launches now in the balance one and half months for this financial year. So, it is going to be in that region maybe it is just the shade below 300 for the current year. Next year it depends on the new launches primarily Imperia Phase-2 so it depends on that is going to be a big launch for us. There are also couple of new projects which we are tying up, but I would not like to because we have not taken over a title etcetera I would not like to disclose them at this stage, but we hope that it should not be a number less than the current year.

**Arjun:** So, what we understand is that the market is absorbing most of the supply from credible builders that is coming on to the market and it is a supply side problem not a demand side problem for most builders now going forward at least at this state of growth.

**Pankaj Bajaj:** That exactly the issue Arjun you will get the nail on the head it is not a different side issue the growth is a supply side issue and since there is a shortage of launchable projects in the market that is why we are looking at extending up Bareilly model that would get and maybe opening up follow up market in Bareilly or maybe some other market because we do need forest to fill out pipeline demand is not as an issue right now.

- Arjun:** As long as we can maintain a 300 crores clip I think that is an ambitious enough target and we have delivered at least this year and I think now like you said if we can tie up the projects I mean this is a problem, but it is a good problem to have, nonetheless.
- Pankaj Bajaj:** And the second question was I think about the cash and the balance sheet I think I could be of the 4%, 5%, but it is around 150 crores.
- Moderator:** Thank you. As there are no further questions from the participants I now hand the conference over to the management for closing comments. Thank you and over to you, Sir.
- Management:** Thank you. I think I have nothing more to add. Thank you for all your support and we hope that we continue to give steady performance and deliver returns for our shareholders. Thanks a lot for participating.
- Moderator:** Thank you. Ladies and gentlemen on behalf of Eldeco Housing & Industries Limited that concludes this conference call. Thank you for joining us and you may now disconnect your lines.