

Date: 21<sup>st</sup> August 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: ASHIANA</b>
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**Sub: Transcript for Earnings Call held on 13<sup>th</sup> August 2024 for the quarter ended on 30<sup>th</sup> June 2024**

Dear Sir,

Please find attached the Transcript for Earnings Call for analysts and investors held on 13<sup>th</sup> August 2024 to discuss the performance of the company for the quarter on 30<sup>th</sup> June 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  
Q1 FY '25 Earnings Conference Call”  
August 13, 2024



**MANAGEMENT: MR. VARUN GUPTA – WHOLE-TIME DIRECTOR –  
ASHIANA HOUSING LIMITED  
MR. VIKASH DUGAR – CHIEF FINANCIAL  
OFFICER – ASHIANA HOUSING LIMITED**

**MODERATOR: MR. BINAY – ERNST & YOUNG**

**Moderator:** Ladies and gentlemen, good day, and welcome to Ashiana Housing Limited Q1 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 star, then zero on a touch-tone phone. Please note that this conference has been recorded.

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

**Binay:** Thanks, Sumeet. Welcome, everyone, and thanks for joining this Q1 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'll be happy to send it over to you.

To take us through the results of 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'll 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 uncertainties and risks that they face. These uncertainties and risks are included, but not limited to what we have mentioned in the prospectus filed at SEBI and subsequent annual reports, which you will find on our website.

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

**Vikash Dugar:** Good afternoon, everyone. I hope all of you and your families are keeping healthy. I welcome you to discuss the performance of the first quarter of FY '25 for Ashiana Housing. Thank you for joining us today.

Area booked was 4.43 lakhs square feet in first quarter of FY '25 vis-à-vis 10.60 lakhs square feet in the last quarter. Last quarter, we had sold 3.77 lakh square feet in Ashiana Amarah Phase 3, where currently there was no inventory left to sell. Third phase of Ashiana Ekansh Jaipur in premium home segment and second phase of Ashiana Advik Bhiwadi in senior living category, we have launched during the first quarter of FY '25.

Value of area booked recorded at INR 235.32 crores in first quarter vis-a-vis INR 862.54 crores in the last quarter FY '24. We constructed 4.91 lakhs square feet in the first quarter vis-a-vis 6.97 lakh square feet in the last quarter of FY '24. We handed over 2.14 lakh square feet in Q1 FY '25 out of which 2.07 lakh square feet was delivered in Ashiana Shubham Phase 4 in Chennai.

Total revenue at INR 128.51 crores in Q1 FY '25 vis-a-vis INR 129.29 crores in Q1 FY '24. PAT for Q1 FY '25 recorded a negative at INR 5.45 crores, vis-a-vis positive INR 10.87 crores in Q1 FY '24. Loss was attributable to revenue booking in lower-margin projects - Ashiana Shubham 4A, Chennai. And one-off costs in Q1 FY '25 like onetime incentive to staff INR 2.7 crores and interest paid to Shubham customers for delayed delivery INR 92 lakhs.

Other income in Q1 FY '24. This is the first quarter of last year also included profit on sale of school at Bhiwadi INR4.23 crores. We anticipate reporting of losses in second quarter of the current year as well due to lower deliveries planned. However, second half of the current financial year is expected to be healthy in terms of deliveries, leading to reported profits for full year FY '25.

We continue to maintain our guidance of INR 2,000 crores of pre-sales in FY '25. Further pre-tax operating cash flow recorded at INR 74.92 crores in the last quarter vis-a-vis INR 83.15 crores in Q1 FY '24, and INR 92.9 crores in Q4 FY '24. Moreover, we also received the completion certificate for Phase 4 Ashiana Utsav, Lavasa on 4, July.

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.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Harsh Beria, a Professional investor.

**Harsh Beria:** I have two questions. The first one is on Ashiana Shubham. In the presentation, you had mentioned that the Phase 4 delivery had lower gross margin at the project level. Well Ashiana Shubham is a senior living project. Why are you making lower gross margin in senior living projects?

**Varun Gupta:** Thank you, Harsh. That's a very pertinent question for three reasons. So, a) Shubham is an older project where we have signed off in 2015 and we had given a very high revenue share than we would usually to enter a new city because we were getting off in a sort of a developed land parcel, which was getting us a quicker start into a location as per us. So there the land cost in general are high. b) We have some unexpected cost overruns also in Ashiana Shubham, which has also been learning cost of a new city.

So, both of those combined has led to lower GP margins in Ashiana Shubham. Those learnings have been factored in already in our newer projects, which we have signed off. When we look at Ashiana Vatsalya, we would have, let's say, a much lower land cost proportion of top line as compared to Ashiana Shubham in our overall cost structure. And also, I think construction cost as a percentage of revenue will also be a little lower. I think it was a lot of learning that happened in the earlier parts of senior living that we had as this project, Ashiana Shubham was conceived in 2015 overall.

So a lot of those learnings have happened, but once you conceive a project from one way the cost structure remain in it and unexpected cost overruns for a new location. We had some unexpected cost overruns because of some environmental compliances that we have been expected to do and some delayed approvals, which had the project held up for a bit. So all of that sort of has come together into lower margins.

**Harsh Beria:** Got it. But this is now not a problem in other projects in Chennai? Or is this problem still there?

**Varun Gupta:** Okay. So according to us, this problem shouldn't be there in the new projects in Chennai, which is in Vatsalya and in the Swarang that we're going to launch. Ashiana Shubham Phase 4b and

Phase 5, should have a lower of this problem because we have been able to increase selling prices there substantially. So therefore, the overall percentage margins in Ashiana Shubham Phase 4B and in Ashiana Shubham Phase 5 should also be higher and a lot of learnings that would have taken into Vatsalya and Swarang as well.

So there are still some learnings going on in the cost structures a little bit, and we need to improve discipline. That is also we are cognizant of. Strategic structural issues that were there, those have been resolved. So majority of the issues have been covered, and we should see margin expansion going up forward.

**Harsh Beria:** And what is the realization that we are having in for Shubham for Phase 5?

**Varun Gupta:** So, in Shubham Phase 5, we are realizing about INR 6,000 a square foot as compared to about .I think, INR 4,700 in Phase 4A and Phase 4B is about INR 5,200. So those increasing sale prices will help margins in those 2 phases.

**Harsh Beria:** Got it. And my second question is on negative sales in projects I saw in Ashiana Surbhi and ONE44, there was about minus 22,000 square feet of sales. Can you tell why do we have negative sales in these two?

**Varun Gupta:** Okay. Yes. So in ONE44, we had launched in Q4. And it was at the far end of Q4, and we allow a 30-day cancellation in general to our customers if they book and they still want the cancel, they can. So some of those customers cancelled out in the next quarter, who had booked in Q4. So because of that, we've had negative sales in ONE44 and in ONE44 we are launching Phase 2, in the second quarter. So in the first quarter, we had stopped sales in Phase 1 altogether, and we wanted to redo the show flat and do some of that. Also the sales in that quarter was slow when we had cancellations from Q4. We expect things to be good now with the launch of Phase 2 there.

And in Ashiana Surbhi, we had a lot of old sales from investors who were not paying, but they had bought multiple units with us during the last boom time, this was sort of their fag end of their inventory left of a group of investors. So we cancelled that and sort of allowed them to transfer their money into other projects as well. So therefore, the cancellation there. Next, there were no cash outflows because the customers bought elsewhere, but value of area bookings declined because they used their paid amounts only to book units, that is what I understand overall. It is again a onetime event. I don't think we will have that repeating in the next quarter.

**Harsh Beria:** Got it. And finally, can you just give a brief commentary on the sales velocity in your different micro markets?

**Varun Gupta:** Sales velocity wasn't there in Gurugram in Q1. So, I would not comment on Q1. In Q2, we are launching Phase 4 of Amarah, which is ongoing at this point in time. And we'll get to know a little bit more sense as to velocity there in terms of how it goes by end of this month. The great part of velocity was Bhiwadi sales have picked up. If you see Ashiana Tarang and Ashiana Town, they've had the two best quarters in the longest time.

And that uptick has been the most comforting uptick because that was the one market that was not contributing as much as we expected it to do. Overall, in my opinion, without having a new project launch, we had some sales launches, but we did not have a new project launch and we also did not have anything to sell in Gurugram, so considering that and still achieving INR 235 crores of sales overall was very, very good.

If you look at the previous quarter comparable, something similar to this is the Q3 of FY '24 where we did not have any new project launches and where we did not have contribution from Gurugram, our sales figure at that time was INR173 crores only. So to me, overall, we see good velocities across the market. That said, I think, now the kind of momentum in increase in sale price, I think that momentum will reduce going forward. We expect prices to increase, but increase at a decreasing rate as compared to earlier.

**Harsh Beria:** This is really good to hear that the Bhiwadi market volumes are picking up. Is there also price increase in Bhiwadi that you are seeing?

**Varun Gupta:** Yes. We have been able to increase prices in Bhiwadi, both in senior living and in regular housing and that is also very comforting. Not substantial in premium homes and kid centric homes. But very comforting now, and we are very positive on the market now, going forward.

**Moderator:** The next question is from the line of Manu Rishi Guptha from MRG Capital.

**Manu Rishi Guptha:** Yes. Just a couple of questions. None of them quantitative since I know that the corporate governance and it's a very efficiently and a very well-managed company, but more philosophical and qualitative questions. number one, so while I do understand that the declared revenues are based on delivery, considering that the booking pace has been so healthy, and we are a very, very efficient company, why are our revenues quite inconsistent quarter after quarter?

**Varun Gupta:** So Manu, we are efficient on generally delivering on schedule. But depending on the life cycle of a particular project, when it is launched, deliveries do tend to get bunched up in a few quarters as compared to some other quarters. And that quarterly variation in deliveries, unfortunately, is a part of our business.

We give a quarter-wise delivery schedule, expected delivery schedule. If you see, Q3 and Q4 of this year are bunched up in terms of delivery and we've also given a sense that Q2 would be also a loss-making quarter in terms of reported loses because, again, we have only one delivery planned there and that's also a very small amount.

So unfortunately, that's the reality of the business, but it doesn't impact the economics of the business. As I said, we tend to look at year-on-year numbers internally, we look at economic profit numbers instead of reported revenues because the reported revenues are also sort of reflecting operating decisions that were made about 2-3 years ago. But that said, quarterly variations will remain a part of this business.

**Manu Rishi Guptha:** If I may, would you like to share with us the aspirational pipeline of new launches, please?

**Varun Gupta:** So, Manu, we don't have an aspirational pipeline as such of launches. What we have if I exclude Milakpur, have about 84 - 85 lakhs square foot to launch, about 14 lakhs square foot to sell in unsold area today, operating some more 3 lakhs in a quarter in completed stock, and that's about a crore square foot.

Aspirationally, we would like to complete this cycle in 5 financial years starting the first April of this year, i.e. FY'25 and outside can go to 6 financial years. So, the aspirational piece is to consume this in 5 financial years and outside go up to 6 financial years and add projects along the way that we do, we are doing business development as well. So add that along and take that up. Obviously, projects will get launched in phases.

So this quarter, we are launching Ashiana Amarah Phase 4, Ashiana Malhar Phase 3 and ONE44 Phase 2. Next quarter, we hope to launch Ashiana Swarang as a new project completely and also Ashiana Ekansh Phase 4. So quarter on quarter, we'll keep launching, but the aspiration is to grab these projects up in that time frame and add more to the stock as well as you go on.

**Manu Rishi Guptha:** So my next question is that obviously, markets are peaking out and stock markets are also peaking out. And there are some sort of dark clouds in a distant horizon. So could there be a situation that during the next downturn, we could be saddled with a large inventory, something that we saw in the previous decade just before COVID with prominent builders. So how is the game plan where we are not saddled with a large inventory and which obviously creates a lot of stress on the balance sheet?

**Varun Gupta:** So Manu last time, we peaked at about 11 lakhs square foot of completed stock and that was a big drag on the balance sheet for the longest time. This time, so whatever things we report now is the saleable area that we've launched, unsold areas compared to that saleable area. So if you look, we launched 68 lakhs square foot and we sold 54 lakhs out of this, so we have only 14 to sell and of that 9 lakhs square foot is of projects that will get completed in FY '27.

So there is enough sort of time lines to sell off the inventory that we have in under construction because the percentage of launch per unsold inventory is overall less. And I think that gives me confidence. And the second is, as a policy, we don't allow resale before possession. I don't think we have a lot of customers who will refuse taking possession.

So that risk is also not there as that was the other risk we had. So overall, those were things we used to allow earlier in our last up cycle. I think so the quality of customers that we have also is better this time. But that said, I think it was the most problematic piece on our balance sheet during stress in the last cycle. And I think even now after having a few years of good cycle, that stress we have not forgotten.

**Manu Rishi Guptha:** So I'm glad to hear that.

**Varun Gupta:** So one more thing. Other piece is also that we are pivoting more and more towards senior living as a segment. I think more and more Business Development (BD) will happen in senior living. We find senior living to be less cyclical because there are less players, higher entry barriers, less competition, less chances of oversupply, less speculative buying. All of the ingredients, which create up more cyclicity in the premium residential category are either missing or less active

in the senior living category. So as and which the balance sheet pivots more and more towards senior living, the balance sheet book should become less prone to cycles in general. So I think that's the other piece that we are doing.

**Manu Rishi Guptha:** So quick 2 more questions. I've taken a bit of your time, so I appreciate that.

**Varun Gupta:** We have one more person in the queue and you can come back after that. One more question, and if I could request you to come back in the queue on the next question, if that's okay.

**Manu Rishi Guptha:** Yes please. So, considering that the percentage of end users and the percentage of repeat client has been consistently high with Ashiana, how do we leverage it to ensure that our game plan and our risk mitigation is always in place?

**Varun Gupta:** We continue to do what we do. We service them well and hope for them to give us references. I think that's the basic thing we have been doing. Just continue to do the same.

**Moderator:** The next question is from the line of Shivam an individual investor.

**Shivam:** Ashiana Amarah Phase 4 is launching by the end of this month, right?

**Varun Gupta:** Shivam, Ashiana Amarah Phase 4, the launch is already on. We are collecting Expression of Interest. We have RERA and either end of this month or beginning of September, before Shradh, we should convert for bookings. So we haven't yet concluded on the exact date of conversion, we should conclude that. Probably by 20th of August, we'll know exactly when we will start allotting units.

**Shivam:** And sir, the realization this time are better from the previous phase launches?

**Varun Gupta:** The realization would be about 25% higher than phase 3 as well. Now with most of the projects sold out, we are gunning for higher realizations. We'll be willing to live with a little lower velocity as compared to previous phases and look to maximize pricing as we go forward in this project.

**Shivam:** And any ballpark on booking value that you're expecting from Phase 4?

**Varun Gupta:** So it's about, I would say, 25% higher on pricing, and Phase 4 is about 1 lakhs square foot more than Phase 3. But Phase 4 of Ashiana Amarah might not necessarily be a complete sellout at launch, because we're trying to maximize value. We are comfortable to live with having a few unsold stock in Phase 4 as compared to Phase 3. We are hoping that we'll sell out completely, but we have done it in a manner, we are okay to now sell it over a few quarters if required as well or a few months, not a few quarters. We would like to launch Phase 5 at the end of this year as well.

**Shivam:** You want to keep some inventory for higher price realization in the coming quarters?

**Varun Gupta:** It's not saying I want to keep, I am ambivalent to whether it getting sold out or not. Like in the first 3 Phases, we had the strategy that we want to sell it out at launch because we had a lot of



stock in this project. We want to maximize price. So we are okay with a few inventory spilling over from the launch.

**Moderator:** The next question is the line of Manu Rishi Guptha from MRG Capital.

**Manu Rishi Guptha:** And I'm glad that I'm getting the time since I'm attending this first call in spite of being a shareholder for the last 15 years.

**Management:** Sorry Manu. Yes, please.

**Manu Rishi Guptha:** That's great. Well, slightly selfish question. I live in Bengaluru. When are you planning to actually break ground in Bengaluru? The premium markets, you'll get all the premium.

**Varun Gupta:** So Manu, we have been actively searching for senior living land parcels in Bengaluru, we executed 2 term sheets. Unfortunately, one of the term sheets fell through at the stage of diligence. We have one more active term sheet going on. We hope to conclude that transaction and then launch the project, then apply for approvals and take the project up. We believe Bengaluru will be a great market for senior living, and we are in active search for the same.

**Manu Rishi Guptha:** Awesome. So, we've seen a rapid premiumization of dwelling units, INR 5 crores – INR 50 crores apartments sounds reasonably normal these days. Why are we still in the INR 1 crores - INR 1.5 crores category? And do we have a plan to enter the premium segment at all? And if not, why?

**Varun Gupta:** So we have entered the luxury segment with something called Elite Homes, which is ONE44 in Jaipur, which we launched last financial year, which was about INR1.75 crores plus for Jaipur, which was in the elite category of homes. My view is that at this point of time, the INR5 crores-plus segment has become overcrowded. We have also premiumized as a company from having average ticket size of about INR 30 lakhs – INR 50 lakhs to average ticket size of now about INR 1 crores.

I believe Ashiana can create a lot of value in the sub-INR 3 crores space, even though we'll do premium apartments. And it's more premiumized than what we are doing. But generally, to say premium midmarket housing, we like to continue playing there. We see a good competitive space for us and in my opinion, the luxury end of the spectrum is getting over crowded with most developers shifting back to that unit sizes and ticket sizes. So we would like the place where there is less competition and therefore less pressure on pricing and land and inputs as well.

**Manu Rishi Guptha:** And, this is last one, if I may. So obviously, our balance sheet has been one of the healthiest when we compare to the entire peer group in the rest of the country with very, very healthy cash flows and the least amount of debt on the balance sheet. But going forward, do you see the same philosophy and the same quality of balance sheet and cash being maintained in the books without debt becoming an issue as we are seeing in some of the other listed real estate companies now?

**Varun Gupta:** So Manu, we are comfortable with taking a little bit more leverage than we have today. But I said we'll continue to be cash rich, keep low debt to equity as compared to industry. The comfort

on taking more debt is basically coming from the fact that we have about INR 1,700 crores to collect from ongoing projects itself. And only 35 lakhs square foot of construction to do, plus 14 lakhs square foot of unsold area in the launch pipeline itself only to sell.

All of that gives us good visibility of cash flows over the next 3 years. Since we have good visibility of cash flows over the next 3 years, we might be willing to take a little bit more leverage than what we have been comfortable with earlier. But that said, our temperament, as I've always said, our temperament is conservative and will remain to be conservative as compared to others.

**Manu Rishi Gupta:** Awesome. I think that's great. Thank you for your time, Varun and Mr. Dugar. Thank you very much. Very, very nice to be here.

**Varun Gupta:** Thank you, Manu, for joining the call once in the 15 years that you have been a shareholder. Thank you.

**Moderator:** The next question is from the line of Rishi Singhal an Individual Investor.

**Rishi Singhal:** Hello. I was saying that the rate of change of the price will start to decline but the upside will keep on increasing, right?

**Varun Gupta:** Correct.

**Rishi Singhal:** For example, year-end we will exhaust Ashiana Amarah. After this, our second land parcel in Gurugram, because Gurugram is basically moving the needle right now for us. So, you think that in the next land parcel, we will be able to reach the bracket of INR 3 crores- INR 3.5 crores?

**Varun Gupta:** Again, we have hope to reach there. We will see what will happen. We will reach in phase 1, phase 2, in which phase we will reach. When we will launch that project, we will accordingly take call on it. Like Ashiana Amarah in every phase, including Phase 4, we have consciously left money on the table for our buyers. We knew we could have charged a little bit more if we wanted to. But we have left it on the table for the buyers that we have a long-term view to build a reputation and a customer base in any location we get to till our brand gets established to charge the premium it should for the kind of product and service we deliver.

In that next project, we will have to decide given the market conditions at that point of time and our views and how much money we want to leave on the table, how will we sell it, how are we positioning? We'll get to know when it launches but still have hope. One thing I want to say is that I hope that right now it looks like Gurugram is moving the needle for us but the way the organization is traveling, I think all locations will contribute and incrementally senior living segment will contribute a lot to move the needle. And I think after Gurugram, our biggest bets are our senior living projects – Vatsalaya, Amodh and Advik, all three of these really are the large contributors and I see more and more senior living coming to move the needle for us, going forward.

**Rishi Singhal:** Okay so our focus on senior living is on premium projects in Pune and Chennai, right?

**Varun Gupta:** Premium projects are in Pune and Chennai. We have also deposited earnest money for some auctions in Greater Noida. When the auction takes place, we will hopefully get something. We will see what happens. We are actively in premium discussions in Panvel, Gurugram, Bengaluru. I think Senior Living will contribute more in the future.

We have refined our model in the way it should be done. And one in Chennai, Ashiana Swarang, which we are calling sophisticated senior living, we are going to launch which are even more premium position than our current senior living offerings. So that launch will be in Q3 and accordingly, we are also refining our business model.

**Rishi Singhal:** I have a feeling that for example, you are a pioneer in this industry but Max Antara or anyone else, they do positioning at a very high level. There is a very big gap in between. Ashiana can easily fill that gap and you have mastered the volume to execute all of this.

**Varun Gupta:** We are trying to fill that gap sir, we are coming up with products that will fill the gap there and Ashiana Swarang, in Chennai is the first one in that direction.

**Rishi Singhal:** Okay, so in business development you have told that you are seeing senior living in Gurugram, Bengaluru, Noida, are there any other particular cities? Like we haven't heard of Jamshedpur since long or something like that?

**Varun Gupta:** We are looking in Panvel, in Jamshedpur we are not looking for senior living.

**Rishi Singhal:** No, not particularly senior living but other products like kid centric type as your reputation is very good in Jamshedpur. You can get a premium there.

**Varun Gupta:** We have signed a project in Jamshedpur. We have also given the disclosure of the project in Jamshedpur. But we have not captured it on the table in the deck. We have signed a project and we will capture it in the table as well.

**Rishi Singhal:** Okay, so for example, when Armani's t-shirt is launched in New York, then it goes down one step, then comes to Mumbai, Delhi, then comes down to Bhiwadi. Likewise if we say the situation in real estate first hits Delhi NCR or is seen here, then it enters tier-2, tier-3 cities. Are you watching the wave this way, more downwards, the more backside city, the increase over there is coming and then halts later?

**Varun Gupta:** Sir from what I have seen, our cycles are decoupled. When whole market of NCR was in trouble Ahmedabad was peaking. And Bhiwadi was in a bad situation, even though Bhiwadi is further out. Today, Bhiwadi is moving, after the price differential with Gurugram has increased. So, Gurugram and Bhiwadi is up and running. We are hearing in Ahmedabad that there is a little delay.

As a market, we don't participate in Ahmedabad but we are listening. Jaipur is behaving very differently as compared to Jamshedpur in some pockets. So, I will not judge in that way because our product is not tradable, if you don't sell Armani t-shirt in one place then you can shift it to another place to sell but you can't move our product/asset from one place to another. So, one has

to see the local supply side, how this is behaving, local demand side, how it is behaving before we get into all this. I personally wouldn't make general categorizations like that.

**Rishi Singhal:** Okay. Like if you say that our selling price point is increasing but the speed is decreasing, then can we say that the input cost is falling faster than the previous. Input prices must be down. The margins should be better in my opinion. Can you tell us more about this?

**Varun Gupta:** Sir, our input costs are not down but they have not increased substantially in the construction end. The thing that is there the input cost that had gone up the most was land. So for new projects that was becoming a little bit of a challenge and is a little bit of a challenge right now. But I see land prices now stabilizing. I don't think that kind of increase in land price going forward which will be good news.

**Rishi Singhal:** Okay, that's good. And the last question is that whenever you feel that the cycle is peaking out or something like that like last time you had taken out QIP. So do you have such a thought that to cut the debt, we should prepare for QIP?

**Varun Gupta:** No, we don't have to do QIP right now. There is no need to manage the debt and so we don't need to do QIP. We are very comfortable but last time when we did QIP, I didn't know that it was the peak of the market and I still don't know the peak of the market. I am giving you a commentary on what happened when we bought our land. I didn't know that it was the bottom of the market, when we bought land in Amarah. If you had asked me when we launched our Amarah phase 1, that how the price would move for phase 4, I had no clue. And therefore, my humble thing is don't credit us with more knowledge and more forecasting power than we have. Unfortunately, we don't. All I could share was what I was seeing in the market a little bit as to what I hear immediately. What will happen in the future, I really don't know.

**Rishi Singhal:** Okay, Varunji. Thank you very much. Nice talking to you. Thank you.

**Moderator:** The next question is from the line of Lavanya Sharma, an individual investor.

**Lavanya Sharma:** I had a question. You recently launched the next phase of ONE44 in Jaipur with a slight price hike. Can you comment a little bit on the kind of responses you got from Jaipur because the ticket size in Jaipur is, as far as I'm aware, people are not comfortable spending that much money. So can you comment a little bit on the kind of response you have gotten?

**Varun Gupta:** So, Lavanya, we just launched Phase 2 during the weekend. So we are on Tuesday today, right? We launched it on Sunday. We will get a better sense a little later. Unfortunately, Sunday in Jaipur was also a day where the government alert on flooding came in. So the day was a little off in terms of business because if you see some of the photos of Jaipur, I was also shocked. So some of those things happened. That said, given that situation, what the response we got, we are comfortable with it.

I am comfortable with the target of sales that we have to meet in Phase 2 overall launch, I'm very confident we'll meet that sale given the pipe that we're seeing. And in my opinion, the ticket size that we have done in ONE44, we have left a lot of money on the table for the customer. We left

it on Phase 1, and we are leaving in Phase 2. The product that we're doing in ONE44 is a monopolistic product in the kind of less than INR 8 crores bracket.

If you have less than INR8 crores bracket and you want a great product, which has amenities, greenery, big sizes, good specifications, good layouts, you really don't have a choice except for ONE44. And ONE44 Phase 1 hit the nail on the head and I think Phase 2 will also do the same. That project, I think, has already been successful according to us.

**Moderator:** The next question is from the line of Prathibha Doraiswamy, an individual investor.

**Prathibha Doraiswamy:** I joined the call a bit late, so I apologize if this has already been addressed. Sir, I just wanted to understand, I think we've seen a lot of launches by a lot of builders happening. Just wanted to understand how you see the supply and are you seeing any kind of stagnation or from what you see in the market, you don't observe any such supply issues and business is normal?

**Varun Gupta:** Prathibha right now, I don't see supply issues. And I think the single reason why supply issues are not there because not enough developers have good balance sheets, access to funding, the tap of NBFC money is not there, tap of FDI money is not there. The AIF money is very small in its size right now, there are very few financiers around. So till a lot of developers don't have access to a lot of funds, supply will, according to me, remain constrained. And therefore, right now, the supply side dynamics are good.

**Moderator:** The next question is from the line of Prem Khurana from Anand Rathi Shares and Stock Brokers Limited.

**Prem Khurana:** So I had 2 questions. One was with respect to HSIIDC land parcel. So I'm not sure if it is already answered, sorry, I mean I joined a little late. When do we expect that to come live, it's been some time and I think we're supposed to have it go live in this year. So are we on track to kind of have that come through in this year or?

**Varun Gupta:** Prem, we are a little off track. I think it will slip to the first quarter of the next financial year. We've been stuck in a bit of approval there. So I think it will go to the Q1 of next financial year i.e. FY'26.

**Prem Khurana:** And the way it's been with I mean Gurugram in terms of real estate prices, I mean, when you underwrote that project and the realization that you would have assumed I mean it would have changed meaningfully?

**Varun Gupta:** Yes, it has changed meaningfully. Few people at current prices have paid 2x the land price that we paid, right? Yes, there is a meaningful change.

**Prem Khurana:** I mean, if we could talk about competition, I mean the reason that you saw in Greater Noida or let's say, I mean, some of your peers from Mumbai and Bengaluru seem to kind of trying to make it big in Gurugram real estate. So I mean not necessarily in your category. But generally, I mean, we've seen some people come from Mumbai and try and take up projects. Bengaluru, I mean, SOBHA seems to be kind of trying to kind of build more potential. So I mean, how do

you see this to kind of have an impact on the overall market, I mean, in general, do you see where this would lead to?

**Varun Gupta:**

So all of this really concerns me more on the land market side and if land prices will get overbid in any direction. So as I said earlier, like now we have also put in a couple of bids in Greater Noida. Those options are going to come up. Some of the biddings that has happened in Greater Noida recently and the price points that they have gone at to me seem a little out of whack that people have paid for that. Again, because I think we apply different lenses to all this, but that's my sort of view on the same.

So with more players entering the real worry is on the land price, Fortunately, land prices are, to me, started plateauing a bit, particularly the alternative use of the land was in plotted layouts. The plotted layout market, I think has become irrationally exuberant if I would like to use the term.

And because of that, I think land prices have gone up a little bit off the charts. I'm hoping that land prices will remain places where we can make fundamentally good decisions. Let's see how it goes and until then, our job is hard, we'll keep looking for what I would say pockets of value, pockets of opportunities. So work doubly hard and see where we can see that.

Right now, we see that opportunity in senior living substantially where I think we can add value to markets where regular housing might not do as well, and we will continue to focus on senior living lines. But that said, if more people end up from other markets into any other market, land prices are what will be the major concern to that market.

**Moderator:**

Thank you. As there are no further questions, I would now like to hand the conference over to the management for the closing remarks.

**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 you 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 materials 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.

**Moderator:**

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