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Date: 22nd November 2023

To	To
The Secretary	**The Secretary**
BSE Ltd.	**National Stock Exchange of India Ltd.**
Phiroze Jeejeebhoy Towers	Exchange Plaza, Plot no. C/1, G Block
Dalal Street,	Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 001	Mumbai - 400 051
Security Code No.: 523716	**NSE Symbol: ASHIANA**

Sub: Transcript for Earnings Call held on 16th November 2023 for the quarter and half-year ended on 30th September 2023

Dear Sir,

Please find attached the Transcript for Earnings Call for analysts and investors held on 16th November 2023 to discuss the performance of the company for the quarter and half-year ended on 30th September 2023.

Kindly take the above information on record.

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

NITIN SHARMA
Digitally signed by NITIN SHARMA
Date: 2023.11.22 16:24:38 +05'30'

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

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“Ashiana Housing Limited
Q2 FY2024 Earnings Conference Call”

November 16, 2023

ANALYST: **MR. BINAY SARDA – ERNST & YOUNG**

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

Moderator: Ladies and gentlemen, good day, and welcome to Ashiana Housing Limited Q2 FY2024 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 touch 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, Anand. Welcome, everyone, and thanks for joining this Q2 FY2024 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 follow it up with a 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 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.

Varun Gupta: Varun here, good afternoon everyone, hope all of you and your families are keeping healthy. I welcome you to discuss the performance of the second quarter of FY2024 for Ashiana Housing. Thank you for joining us today.

Overall, it was a good quarter in terms of acquisitions, launches and delivery. We acquired one new land parcel in Jaisinghpura Road, Jaipur having a development potential of around 11 lakhs square foot. This parcel is very near to our current project, Ashiana Ekansh. We further strengthen our foray in the Pune market with the launch of Ashiana Amodh in Talegaon, it is a senior living project making it the seventh senior living project of the company. In the existing projects, we launched second phase of Ashiana Prakriti in Jamshedpur and last phase of Ashiana Shubham in Chennai.

The area booked in Q2 FY2024 was 5.92 lakhs square foot as compared to 6.53 lakhs square foot in Q1 of FY2024 and 4.9 lakhs square foot in the second quarter of the previous year. The value of area booked also went up to ₹325.60 Crores in the second quarter of

FY2024 vis-à-vis ₹240.19 Crores in the Q2 of last year. We continue to see improvement in average realization price aided both, by the change in mix of projects, and also secular increase in price across geographies in general. We recorded an average realization of around ₹5,500 per square foot for the last quarter.

Deliveries commenced in the following four projects, Ashiana Daksh Phase-III in Jaipur, Ashiana Amantran Phase-I in Jaipur, Ashiana Aditya Phase-I in Jamshedpur and Ashiana Tarang Phase-III in Bhiwadi. I hand over to Vikash Ji to give an update on the financials of the company.

Vikash Dugar: Thank you Varun Ji. As far as financial update is concerned, in the quarter gone by, we successfully completed our maiden buyback of shares worth ₹55 Crores. Pre-tax operating cash flows were recorded at ₹75.29 Crores vis-à-vis ₹83.15 Crores in the quarter one of FY2024. Total revenue reported at ₹351.02 Crores in the quarter gone by vis-à-vis ₹129.29 Crores in the previous quarter, increased due to high deliveries.

Profit after tax increased to ₹27.35 Crores in Q2 FY2024 from ₹10.87 Crores in Q1 FY2024. TCI also improved to ₹.27.52 Crores in Q2 FY2024 from ₹11.2 Crores in Q1 FY2024. Improvement in margins is due to higher revenue.

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 Harsh Beria, who is an individual investor. Please go ahead.

Harsh Beria: Hi, good numbers and it is great to see, as we can see on our reported P&L that we are maintaining a good healthy run rate of pre-sales. So, congrats for that. My question was the current pipeline including our ongoing projects, future projects and land excluding Milakpur and Kolkata is about 1.17 Crores square feet. How long pre-sales can we do from this pipeline?

Varun Gupta: We will keep adding to the pipeline, but generally this kind of pipeline, is probably a five-year pipeline. We did 25 lakhs square foot of pre-sales last year and right now, we have 1.20 Crores square foot to sell, about 13-odd lakhs in ongoing projects, about 83 in future projects, and the land available for future development, I do not consider Bhiwadi and Calcutta because of the challenges there, but Gurugram and Jaipur, about 21 lakhs square foot is reasonably there. So, we have about 1.20 Crore square foot. So that is about a five year sales on the current run rate that we have. As and when run rate increases, you will need to add to the pipe, and we continue to add to the pipe. As I said, we remain wary of land prices, and we want to be very careful and how we add acquisition without overpaying for it. Till now whatever we have been doing, I am quite satisfied with how things are going so far.

Harsh Beria: How many greenfield launches will we see in FY2025 and what are the projects which will be launched next year?

Varun Gupta: So, we have about six fresh projects to launch. These are not phases, so we have three projects in Jaipur, project called 144, Nitara and a new project that we have taken in Jaisinghpura. We have the sector 80 land in Gurugram and two senior living projects in Chennai. I hope to launch four of these projects in the Q4 of next year, the two in Chennai and two in Jaipur and we hope to launch one in Jaipur and one in Gurugram in the next financial year.

Harsh Beria: So, all these six projects would be launched by the end of FY2025?

Varun Gupta: Yes, and phase wise launches will continue wherever we have stock to sell, and markets are good. We will keep launching phases as we go along.

Harsh Beria: So given a very healthy launch pipeline, will we see an improvement in our pre-sales quarterly run rate? I believe annually we are doing 25 lakhs which you talked about earlier. Can we see this going to 30-35 lakhs in the coming year?

Varun Gupta: Yes, that is the expectation. So, we expect to launch four of those projects 144, Nitara, Swarang and Vatsalya in the next quarter which is the Q4 of this financial year, if I got that wrong and two projects in the next financial year in sector 80 in Gurugram and the land in Jaisinghpura Road in Jaipur. We do expect this pre-sales number to move up further. So, I would expect this 25 lakhs square foot number to move up further. We are aiming to get to a higher run rate and cross the 30 lakhs square foot run rate, but that said, I think a large part of our focus now will be also increasing prices. So, we will focus more on value than volume. We believe there is room to increase prices, and we are also getting into higher price projects, and this is particularly the case in senior living. I think in senior living, we have got a new sense of confidence in pricing senior living that we did not have earlier, and I think that will continue as we go along.

Harsh Beria: That is great to hear. My next question is about our recent development, which is happening in real estate companies, which is of horizontal plotted development. You see a lot of real estate companies now adopting that model, which also gives a quicker turn-around time and very high EBITDA margins. Is it something that we have also considered?

Varun Gupta: No, we do not plan to do horizontal plotted development, we are not in the business as I said of just doing real estate development. I would say what we consider ourselves as home builders, we like to make homes, we like to see people live in our developments, enjoy our developments, create value through design and through services, and make a difference in people's lives, as and when we make profits as well. So, the only reason we ever evaluate plotted developments is an exit mechanism, in case, our plans to do built out developments fail, in that situation we might go ahead and do plotted development. This has happened once, maybe 20 years ago, we ended up doing that, but we do not evaluate horizontal plotted development and we do not intend to do it.

Harsh Beria: Great. Thanks for answering my questions.

Moderator: Thank you. The next question is from the line of Himanshu Upadhyay from O3 Capital. Please go ahead.

Himanshu Upadhyay: Hi, good afternoon and Happy Diwali to everyone in the organization. My first question as was I was going through the annual report and this year we have taken the theme of increasing execution capabilities and maintaining desired level of quality, which seems in line with our last 5 years where we had booked area of 8.5 million square feet, and the area constructed has been 6.2 million square feet. Even in the last two quarters, means Q1 and Q2 of FY 2024, we have seen the sales is much ahead of the area constructed. Can you tell what initiatives are you taking in FY2024 in line with our theme and what target have you kept for yourself for area construction in FY2024 and 2025? That was my first question and how worried should we be, as analysts or investors that the area sales is much ahead of area under construction?

Varun Gupta: We do expect sales to be ahead of construction in general, that is a good sign if the lag is not too much because then, that is a sign that most construction will get financed through customer receipts instead of our capital getting deployed. So, we are looking for construction to follow sales. What we do not want is it to be really, really behind. So, this year we hope to cross 2 million square foot, which we did not do last year. So, we expect the area constructed to cross 2 million square foot. If you see that year in FY2022, actually we constructed more than we booked, but there has been a little bit of a lag and we hope to cross 2 million square foot anywhere between 2 to 2.2 million square foot is where I think we will hit this year, a little bit now with Gurugram and Bhiwadi we are little dependent on how the pollution here plays out and for what time frame the construction is banned for. So, depending on how that plays out, a little bit of it will vary. So it’s 2 to 2.2 million square foot that you would expect this year. The steps being taken have been a few. So, in terms of improving quality, we have reviewed a lot of our checklists that we had for quality, we have also reviewed the systems in place to ensure those checklists are implemented. So overall, we are taking steps on what I would say improving fundamental quality of construction. We have changed some of our shuttering systems as an experiment in a couple of projects and the overall governance mechanism that we have for how we manage construction, how we manage the other parts of the organization to improve discipline has also been taken up, some of it is through internal audit processes. Just overall improving discipline in the systems and to speed up construction, I think there has been a renewed focus on improving our practices around labor, that will allow us to get more workers available with us. So, our labor practices and their welfare, their safety and their upkeep. So, there is steps being taken to improve that further so that we are able to attract and retain workers better. Those are the two fundamental steps we have to take.

Himanshu Upadhyay: Second question was, last year we had around 33,000 leads and 6,515 visits and we sold somewhere around 1,700 units. So nearly 5% of leads, we were able to convert or 22% of site visit conversion happened. How would this number has changed in last 5 years? And what impacts this conversion ratio, and what further can we do to improve this conversion ratio? Can you give some thoughts on that.

Varun Gupta: Sorry, I do not have that data on me, and I am not able to connect with the data that you have as well fully myself.

Himanshu Upadhyay: See this data is in the annual report of this year, the one I stated.

Varun Gupta: I just do not have it in front of me. So, I will just call for it, I could not follow the exact data that you gave as well, and I do not remember it on top of my head. Can you tell me the data of leads, visits and bookings that you said?

Himanshu Upadhyay: In the annual report, it is stated that we had 33,000 leads and 6,515 site visits, and we sold 1,700 units in last year. So based on that, we have seen 5% lead conversion or 22% of site conversions have happened. I wanted to know that how has this number changed in last five years and what efforts are we making to improve it further and what impacts this conversion ratio? So, some thoughts on that. Does that mean our sales have become more effective? That is the base question.

Varun Gupta: Yes, so I think that the market has changed. I think the market that was five years ago, and the market today is very different. Peoples' confidence to book has improved, the amount of supply that is in the market has reduced. So, closing rates of a particular developer will be more because there is less supply chasing that demand as compared to earlier. So, the closing rates will improve, henceforth, in the market in general. Second, I think our closing rates this year in terms of conversion ratios were much higher than in general we would expect, because our closing rates, particularly in Amarah launch was very high and our launches was very high. So, the closing rates of this nature of 25% of visits is not a very common phenomenon to see, actually in a regular running project, a high single digit or a low double digit closing rates is I would something consider good. I know in the trough periods, closing rates were down to like 2%-3% of site visits were getting closed into bookings. Again, launches are very, very different. We had a very heavy launch last year, and we get a much higher closing rate at launches, so that also skewed this. But thirdly, I think overall, over the last five years our sales systems and our sales processes have changed significantly. The way a salesperson will handle a client today as compared to the same salesperson handling a client five years ago is dramatically different. It is hard to explain the process unless and until it is here, but we have changed the process significantly, and that has also made a difference.

Himanshu Upadhyay: Okay, thank you and one last question then I will join back in the queue. We stated in the annual report that there is a project under planning which is much bigger size than our traditional sizes in Jaipur. I wanted to understand what are the challenges which come up with bigger launches and how important it is to launch such projects in bull markets? and what type of percentage of sales will we expect at the time of launch of this project?

Varun Gupta: I guess the new project is much bigger?

Himanshu Upadhyay: Yes, that is what is written and the previous comment I stated was also on page #89. This is page #47.

Varun Gupta: Okay, that is what I was getting. Project size itself is not bigger, the unit sizes of the projects are bigger. So, I was a little confused because we do not have the annual report handy. So, I read the annual report and just clarifying we are launching a project with bigger units, this is project 144 in Jaipur. This is the first time we are going into such big sizes of units. So, it does change the target audience that we have into a little bit more upper end customer as compared to our traditional customer. It is more expensive on a ticket size basis than what we have usually done in Jaipur. So, it does have its own challenges in terms of attracting consumers of that size, of that economic capability to our projects because we have not done that traditionally. So, I think that is the big challenge over there. That said I think we had a lot of time to prepare. I think overall for any challenge, the most critical thing for a management team to do is a lot of preparation. We had a lot of time to do preparation while designing the project, we have had a lot of time to think about how to sell the project, and we are excited about its launch, which is in the next quarter. Let us see how that goes.

Himanshu Upadhyay: So, such projects are important to be launched in bull market? Would that be the right thought because more easy to go with such projects or you think over the period of time such projects, we also like to do in bear markets?

Varun Gupta: I do not know, this is just coincided with bull markets right now. We were evaluating this for about three, four, five years. We were not getting appropriate land for it, the appropriate land came at this time. I think at the end of the day, as a company we need to keep trying some new things, no matter what the market. So, we are actually otherwise a very sort of a conservative company which tries in very close to its boundaries, like we push our boundaries little-by-little except probably when we did senior living which was a big try and changed into a different realm, but I think we need to keep pushing boundaries at different points of time. I think also it was more than the bull market, it was an evolution of the micro market that we are targeting, that micro market we had launched another project earlier and we have not done high-end units there because otherwise, the micro market ecosystem in terms of the quality of schools, the quality of shopping, the quality of restaurants, the quality of roads, the quality of gyms, whatever you would like the neighborhood was, at that point of time five years ago, not suitable for a higher end project. I think that micro market has evolved, and now suitable for this kind of a project. So, I do not think it is a bull market or a bear market thing for us. It is just finding a suitable location for it.

Himanshu Upadhyay: Okay. Thank you from my side. I will join back for further questions.

Moderator: Thank you. The next question is from the line of Piyush Goel from India Capital. Please go ahead.

Piyush Goel: Hi, my question is Varun and Vikash ji, can you talk a little bit about the supply dynamics in your key markets, particularly Gurugram and Jaipur? How has it changed since last one or two years:? Are you seeing a lot of new supply coming or it is still gradual?

Varun Gupta: The supply is coming, so the amount of supply, new launches last year vis-à-vis the year before that was substantially more. So, if I look at trailing 12 quarters of launches in Gurugram, Jaipur and I compare it to trailing let us say, the four quarters before that or four quarters before that, the quantum of launches is a lot more than that what was earlier. That said, right now the off take is more than launches, so absolute quantities of unsold inventory is actually still reducing because off take is still outphasing launches. From a launch and supply perspective, I am more comfortable with the dynamics in Jaipur overall as compared to Gurugram. In Gurugram, the increase in launches have been a lot faster than the increase in launches in Jaipur.

Piyush Goel: My second question is, do you have anything to share on your experience working a little bit now with channel partners, which I think you started doing with Amarah and I think Ashiana Anmol also, which was something you did not do earlier. So how is the experience been? Do you plan to work more with them and so on?

Varun Gupta: So, we plan to work more with them in markets where we think the markets are complex. So, I think a channel partner in Gurugram, Bhiwadi and Pune adds a lot of value. So basically, NCR and Pune adds a lot of value to the consumer because the consumer has so many options to explore. He is not able to even short list which projects to see, there are so many, and then he needs an advisor who tells him look at only these four to five projects and do not look at a whole host of projects. So, I think that does make a difference in these two markets. In Jaipur, or let us say in Jamshedpur, or in senior living it is not a very complex dynamic for the consumer and therefore, I do not think working with channel partners there is either required or of value to either us or to the consumer in those two aspects of what we do.

Piyush Goel: Understood that is helpful. My last question is that it seems like the senior living market is suddenly getting to a stage where it is having a critical scale in the country as a whole. I see like living in Pune, I see a lot of new advertisements around me, there was this India Today report also on senior living which prominently featured Ashiana. So are you seeing that as well? Do you think there from 25%-30% of your business, senior living could become 50% of your business in 3 to 5 years? Are you headed in that direction?

Varun Gupta: We are definitely headed in that direction. So, in terms of our acquisition senior living is probably a much bigger pie of our acquisitions than earlier, let us say over whatever we have acquired in the last, say 36 months, and the proportion that senior living is forming of those acquisitions would not have been true, let's say 36 or 72 months prior to that time frame. We see senior living to become a much bigger pie of our business and I think even though senior living a lot of people are coming, I do not think people are committing to senior living the way we are committing to it in terms of the size and scale of the projects we are doing. So, we find it an interesting space to be in.

Piyush Goel: Understood, sorry I can either come back into the question queue or I can just add a very small question also. Does the pricing cycle or demand cycle in senior living also move a little bit in tandem with broader real estate cycle, which seems to be moving upwards in pricing or you think they operate independently of each other?

Varun Gupta: I think we operate independently of each other. So, there is some sync, it is not like that they are completely out of sync, but in the past, it has been less cyclical than the regular residential real estate sector primarily because of lack of supply. With so many people showing interest, will that change? I do not know. In the current stage, I still think it will be less cyclical than the current business. So let us say, senior living prices in NCR have not gone up in the same proportion that regular residential prices have gone up. So, Gurugram residential prices would have doubled in the last two years, senior living prices would have gone up by in Biwadi about 20%, but that said senior living prices went up by 20% in the seven years when Gurugram land prices decreased by 50%. So, it is a little less driven, but there is benchmarking right and there are some linkages.

Piyush Goel: Understood. Thank you.

Moderator: Thank you. The next question is from the line of Abhishek Singh from Deloitte. Please go ahead.

Abhishek Singh: Hi, good evening, sir. Wishing you and your team a very happy Diwali first of all. My first question being sir, we have recently seen some news surfacing around where the cement companies have recently taken a price hike of around 10% plus. So can you add some flavor on the building materials, if you can see some kind of a pressure when you are going out for these materials, like, are you seeing some kind of a margin pressure take over there?

Varun Gupta: Happy Diwali to you as well Abhishek. We know right now overall, I think, 18 months ago we were seeing a significant run up in our input cost, and construction cost ramped up by about 20%-30% in a time frame of about 12 to 18 months. That run up in cost has not stopped, I think overall increase in construction cost now would generally mimic inflation. I do not see a very differential increase in construction cost as compared to the general inflation in the cost.

Abhishek Singh: Second one is a very quick question. So, in the last call also you said that the land prices also soaring like anything. So, are we planning to sign more JVs or profit-sharing models going forward? Or this will keep the same ratio as to what we were doing before, like doing most of the development on lands what we buy and less of the JVs?

Varun Gupta: Mostly we prefer to do revenue share transactions. So, we will continue to do mostly revenue share transactions, even the transaction in Jaipur we closed right now, is revenue share. I think the last five transactions in Jaipur have been all revenue share transactions. Our transactions in Pune and Chennai are generally revenue share transactions, earlier, on and one profit share. We did an outright transaction in Chennai for senior living on the IFC platform, but I think going forward, mostly we will do revenue share transactions in general, or area share transactions. Some outright purchases we will do depending on the market particularly Gurugram, as a market seems where it is difficult to find JV partners for revenue share, but outside of Gurugram, I think mostly everywhere else we are able to find JD partner. We will continue to focus on that as much as we can.

Abhishek Singh: So that being said, Will we keep on treating land as raw material and not like other companies where they keep on holding the lands?

Varun Gupta: Yes, so we have a fundamental world view which other companies do not hold. My fundamental world view is the appreciation in land prices in long-term is below the cost of capital. So therefore, one would like to hold as little land as one can to keep the operating business kicking up to improve returns. So given the approval environment, given a project life cycle, given the time it takes to do a deal, you keep a sense of how much inventory you can work with at any point of time with really no intent to hold on to land from an appreciation perspective.

Abhishek Singh: Got it sir, and the last question from my side. Currently we are more of a premium brand with a very strong customer trust, but are we planning or doing something extra to migrate towards the luxury segment like developing more of villa projects or something else?

Varun Gupta: We do not intend to go into the luxury segment, that is not where our capability lies. We will play in this premium housing segment where we believe we have an edge competitively in our design, in our quality of construction, our customer service, in our maintenance, in all of that we believe we add a lot of value there and we want to continue to be in that segment.

Abhishek Singh: Sir, just a very quick last question. Actually, I was going through some twitter feeds, and I saw a few of the open problems like in looking few of the delivered projects what we have. Somehow, I am not sure a few of the places I have seen, people from your team reaching out but looks like some are long pending like from more than two years or so like some kind of a society issue. So just want to understand like these things, does your team get to know about it? Or there is like a social media kind of a team which you have dedicated and they kind of reach out to these people and get some materials there?

Varun Gupta: So, there is a social media team which reaches out and responds on social media. There is a team which listens to the consumers as well, and works on in the society, but some of these comments are part and parcel of the maintenance business. We also have a customer care team with a unified single email address who also addresses consumer concerns, some of these concerns have always been there when we do maintenance of a project and I think it will continue to be there. Social media has just provided another voice to the consumer, which is rightly so, they should have more voice than they usually have, but some of the problems are also such that we cannot solve them on ground because at the end of the day, you cannot make every consumer happy in a society completely. But that said, I think we are endeavoring to further improve how are the satisfaction levels of our consumer base in general. I think we are working to improve that as we go along all the time, and we measure that through net promoter score as well within the company and so that is about it.

Abhishek Singh: Thank you sir, that was the last question.

Moderator: Thank you. The next question is from the line of VP Rajesh from Banyan Capital. Please go ahead.

VP Rajesh: Hi, thanks for the opportunity. One question was regarding senior living. If you can just comment about what you have seen in the senior living side over there and how confident you are to think or at least indicate that it is becoming a core market for us?

Varun Gupta: Where?

VP Rajesh: Senior living in Pune.

Varun Gupta: I want to correct that. Actually it is Bombay and Pune both. Talegaon has been chosen because it services Bombay as well. So, I am very happy with the kind of response we have gotten at launch in our first project there and I think I am very confident that it will become a core senior living market for us.

VP Rajesh: Excellent. My second question is on the inflation side. So, if you look at from the last peak whatever you consider it to be whether 2014, 2015, 2016 from there on if you see in the projects that you have sold, has the price increases per square foot caught up with the cost inflation in the last whatever 7-8 years, any sense from that?

Varun Gupta: I would say actually the peak was 2013 so about a 10 year peak. In 10 years, probably prices in most micro markets would have gone up by 50%-70% of our 2013 peak. At Ashiana we were selling in 2015 at ₹3,000 we are now at about ₹5,500. So, we are up by 80%, but we have changed in mix because Gurugram was a much smaller proportion, it has moved and pricing power in senior living has gone up and I would say 10 years on an inflation index, inflation index would have doubled, if I look at it. So, it is mostly we are making the same thing maybe not double if I look at my construction cost as a proportion of my selling price, they remain in a very similar kind of range right now.

VP Rajesh: So, there is no room for more pricing hikes in the near future, which can catch up to the cost? Is that what you are trying to say or there is?

Varun Gupta: Yes, there is, but all we would just want to be careful is that the market does not start out pricing the affordability of the consumer. So, I think a lot of the pricing will depend on what kind of a Gentry gets attracted to a particular location or a particular project. So, I would just like to add that in Gurugram, we have seen incredible price increases in new Gurugram. So let us say where our Ashiana Amarah project is, prices in that neighborhood have gone probably 2x to 3x of what prices were about five years ago and that is not just catching up to inflation. I think what has happened is that the Gentry of Gurugram which was unwilling to come to New Gurugram earlier, now suddenly become willing to come to that location. So, the social infrastructure, so again the kind of restaurants that are there, the kind of shops that are available, the kind of schools that are available, the kind of external environment field that is there has become conducive for a Gentry which was unwilling to move. So now suddenly this Gentry moves, this Gentry is willing to pay more, is able to pay more, and is demanding better products in return. I think that needs to happen for prices to increase in any real estate market substantially. So, for a micro market that should apply, for a project that should apply. So, we have seen that in Senior Living, the kind of socio-economic Gentry that was coming to senior living in our first project in Bhiwadi 20 years ago and the kind of senior living cliental gentry that is coming to my project now, in Bhiwadi 20 years later, is a different Gentry altogether. So, in these 20 years, probably prices would have gone up on a inflation index maybe 4x, but our sale prices have probably gone up 6x-7x because there has been a delta of the Gentry also that kicked in. I think that is a very important piece for price increases to happen as and when we go along. And I do not mean that we need to go from premium to luxury, we just need a certain kind of gentry in because our social economics strata is very wide, in that one particular strata, you getting the middle level of that strata, the top level of that strata or the bottom, is a very important piece. So, if you are transcending that, things change significantly. We have seen this across projects where significant price increases happened when this has kicked in.

VP Rajesh: Understood and my last question is on the ROE journey. So, if you could just comment on where you are in terms of getting up to 15%? How you feel about it? and what it looks like after this first half?

Varun Gupta: On an economic basis I think we are well on track to now cross 15% this year. So, in an economic ROE basis, I think, we will be in high teens hopefully this year and the way things are progressing I think 15% plus ROE on economic basis seems sustainable for the near future, if not higher, but yes looks sustainable going forward.

VP Rajesh: Excellent, all the best and that is all I have. Thank you.

Moderator: Thank you. The next question is from the line of Shivam, who is an individual investor. Please go ahead.

Shivam: Hello, can you just guide on the pre-sales target for the FY2024 and FY2025 according to what you have told about the launches in the first part of the call?

Varun Gupta: So, this year FY2024 we have a 1,500 Crores pre-sales target, we are right now on track to get those. I think a large dependence is on the Phase-III launch of Ashiana Amarah. Phase I and II went very well, but we decided to make some slight changes in the plans to capture some customer feedback that we got. We are in the final leg of the plan approval stage and then there also, we are we are hoping to get the launch in the fourth quarter. If we get that, I think I am very confident that we will hit the 1500 Crores number and if we do not, I think we will hit probably about a 1,250 Crores-1,300 Crores number this year. So, I think overall this year, 1500 Crores, right now seems to be on track. Next year we have not done the numbers yet, but I hope that it should be higher than 1,500 for sure. We will have more projects to sell, but that number, we will get a sense on that probably in the fourth quarter this year when we go ahead and plan next year.

Shivam: Any numbers that you have done on the P&L that will be reflected in the revenue and because you have given us a list of deliveries that are mentioned in the next fiscal year and that is a lot of deliveries in the presentation.

Varun Gupta: Yes, let us say if I exclude FY2024, FY2024 we are looking at about 26 lakhs square foot of deliveries and we seem to be mostly on track for them, we have handed over substantially and completed. The next three years, I think we are looking at about between FY2025 to FY2027 cumulatively put together, we will be looking at about 50-55 lakhs square foot of deliveries. There has been a little bit of a typo error here in FY2027, it is about 13 something instead of 9.72 lakhs square foot because we made a totaling error there. So, we have about 45-46 lakhs square foot planned between FY2025 and FY2027 already. We plan to launch more projects in the next quarter and in this quarter Q3 and Q4, which we should deliver by FY2027, and my expectations are that this 50-55 lakhs square foot will translate anywhere between 2,600-2,700 Crores to 3,000 Crores of revenue in that three years block i.e. from FY2025 to FY 2027.We have given year wise delivery expectations here but in our business we have seen like last year also, one quarter movement here or there is very much possible, if building is ready, but OC does not come in and then 3-4 months delay can move it from one year to the other, and sometimes you can get it couple of months earlier and moves it from one year to the year before. So let us say the three years total, I am quite hopeful to get to about 3,000 Crores of revenues in FY2025 to FY2027 put together.

Shivam: Okay sir, thank you so much.

Moderator: Thank you. The next question is from the line of Harsh Beria who is an individual investor. Please go ahead.

Harsh Beria: Hi, thanks for this follow-up opportunity. My next question is about a kid centric projects I think Ashiana Umang was the first one where we did not off-take, and we designed from scratch and Ashiana Amarah was another successful one where we designed from scratch. Can you talk more about how a product offering is getting accepted in this market and are we at a stage where we are able to get a premium because of offerings?

Varun Gupta: I will just correct you, Amarah is the first one we have designed from scratch off take in this market is good Amarah has sold well, Umang is going well, we are planning two more kids centric projects one in Gurugram one in Jaipur to be launched. We are excited about the future, but on the premium pricing, it is a little early to say as to where we are. I think the first signs of it in Ashiana Umang are evident now, where we are increasing prices, we are seeing consumers, choose Umang as compared to a couple of a superior located projects even though they had buying capacity to buy those superior located projects because they preferred the kid centric communities and that differentiator is kicking in, but I think it will take a lot more sustained work from us before that real pricing power kicks in the kind, we are seeing in senior living.

Harsh Beria: Great, and my last question is about our longer-term focus, so we have been able to create a differentiated offering in senior level and I think we want to maintain about a 30% or a 35% profit share coming from this, which hopefully will not depend on real estate cycles. Have we tried to make another product of similar scale where the offerings are not completely related to real estate cycles but are more annuity in nature?

Varun Gupta: It is not annuity where senior living is differentiated. I do not think we are looking for annuity kind of business, but we look for things which are differentiated. Unfortunately kids centric homes has not kicked in that differentiation yet, but that is an attempt also in that direction where we differentiate away from the market and our view is that the real estate dynamics are supply cycle driven dynamics and not demand side driven dynamics, that is the world view we have. So senior living is not as cyclical because it is not as heavily supplied, it is not as easy to get into, it is not like we woke up one day, we have a piece of land and we have chosen to become residential real estate developers, which a lot of people do and start off with the project. Senior living requires a little bit more knowledge. It requires a different kind of capability. We also believe senior living projects need to be larger in scale, maintenance capabilities which creates a sort of a mode, if that is the right word to use, and protect it from excess supply coming into the business. I think that is the largest part of it and I hope senior living not just become 30%-35% of our profit shares, it goes closer to 50% and therefore provides a lot more stability to the company. I think that is the intent and that is the direction we are going in by deploying more and more funds and more and more resources toward senior living in the future.

Harsh Beria: Apart from experience, is there anything else that differentiates developers who are into senior living development?

Varun Gupta: Yes, the offerings are different. So, the offerings in terms of care, the offerings in terms of services, the offerings in terms of size, in terms of amenities. So, Ashiana's projects are typically bigger, have more amenities because we are bigger, we can afford to have more amenities. We are geared towards more active living, there are developers who focus on more assisted living, we are geared towards companionship and activities and also a lot of open spaces, lot of greenery whereas are developers who are focused more on care and the services that will allow seniors to do less of themself if that is the way. So different companies have different offerings, some are offering two towers in a large development, some are doing more closer to the city development. There are different kinds of developments. There are some people who are doing work in let us say Coimbatore and targeting the same Chennai cliental that we have, and they have weather as an offering. We have a closer proximity to Chennai as an offering. So, there are different kinds of offerings available overall in the market.

Harsh Beria: This premium that we realize is only when we sell the project and not over the life cycle of the project. So, the services that offered to the community, we do not charge a profit on that. Is that understanding, correct?

Varun Gupta: No, we do charge a profit on over and above what we cost out in terms of direct cost, but effectively, yes, in maintenance we are on the net basis after other costs of maintenance or corporate maintenance cost across a portfolio of projects, we are effectively in a no profit or loses, sight losses actually.

Harsh Beria: Thanks for answering my questions.

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