

Date: 19th February 2024

To The Secretary BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 Security Code No.: 523716	To The Secretary National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051 NSE Symbol: ASHIANA
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Sub: Transcript for Earnings Call held on 13th February 2024 for the quarter ended on 31st December 2023

Dear Sir,

Please find attached the Transcript for Earnings Call for analysts and investors held on 13th February 2024 to discuss the performance of the company for the quarter on 31st December 2023.

Kindly take the above information on record.

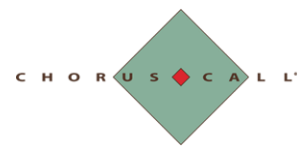
Thanking you,
For **Ashiana Housing Ltd.**

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

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“Ashiana Housing Limited
Q3 FY '24 Earnings Conference Call”
February 13, 2024



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

MODERATOR: MR. BINAY SARDA – ERNST & YOUNG

Moderator: Ladies and gentlemen, good day and welcome to Ashiana Housing Limited Q3 FY24 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 your touchtone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Binay Sarda. Thank you and over to you, sir.

Binay Sarda: Thanks, Viren. Welcome everyone and thanks for joining this Q3 FY24 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 for this quarter and answer your questions, we have today with us Mr. Varun Gupta, Whole-Time Director and Mr. Vikash Dugar, CFO. We'll be starting the call with a brief overview of the company's performance of this quarter and then we'll follow it up with a Q&A session.

I would like to remind you that everything said on this call that represents 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 file, SEBI and subsequent annual reports, which you'll find on our website.

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

Vikash Dugar: Good afternoon, everyone. Hope all of you and your families are keeping healthy. I welcome you to discuss the performance of the third quarter of FY24 for Ashiana Housing Limited. Thank you for joining us today. Area booked for Q3 FY24 was at 3.35 lakhs sq. ft. as compared to 5.92 lakhs sq. ft. in Q2 FY24 and 9.03 lakhs sq. ft. in the third quarter of the previous year. Value of area booked recorded at INR173.89 crores in the third quarter, vis-à-vis INR325.6 crores in the previous quarter. In the third quarter of the current year, we had limited inventory to sell in Chennai and Gurugram and did not launch any new project in the quarter.

We expect new launches in Q4 and as a result, improvement in value of area booked. Second phase of Ashiana Malhar Pune and Tarang Phase V Bhiwadi launched in November 23. Handover commenced in the following two projects. Phase V of Ashiana Umang in Jaipur and Phase IV of Ashiana Nirmay Bhiwadi. Area constructed at 4.77 lakhs sq. ft. in Q3 FY24 versus 4.59 lakhs sq. ft. in Q2 FY24.

Total revenue reported at INR189.25 crores in the third quarter, vis-à-vis INR351.02 crores in the previous quarter. Profit after Tax (PAT) increased to INR27.8 crores in Q3 versus INR27.35 crores in Q2. Improvement in PAT despite lower reported revenue due to : A, change in mix of projects with higher margin projects being delivered in Q3 and B, sale of Marine Plaza project in Jamshedpur which was a litigated non-core asset. The sale happened in Q2 with a loss at gross margin level.

Total comprehensive income also improved to INR28.08 crores in Q3 FY24 from INR27.52 crores in Q2 FY24. Pre-tax operating cash flows at INR53.83 crores in the third quarter vis-à-vis INR75.29 crores in the previous quarter. For the 9 months of the current financial year, pre-tax operating cash flows were at INR212.27 crores versus INR84.85 crores for the full year FY23. 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 have our first question from the line of Praveen Agarwal, an individual investor. Please go ahead.

Praveen Agarwal: Hi. My question is two-fold. One is, how are we looking at the next 2-3 years both, in terms of the area of sales booked and in terms of the construction which we are looking to do and which cities would it be? Are we going forward to look more at places like Gurugram or traditional areas where we are strong like in Jamshedpur, Jaipur, etc.?

Varun Gupta: Hi. Praveen, right?

Praveen Agarwal: Yes.

Varun Gupta: Hi, Praveen. So, I would say, according to me, the next 2-3 years look bright. We are launching more projects. So, we have a project to launch in Gurugram. A new phase is to launch in Gurugram. We have 3 projects to launch in Jaipur, 2 in Chennai.

So, we have a few projects coming up all over the place. I would say Gurugram will, in terms of value of bookings, will become a much larger play within the company because of the sheer sales price compared to the rest of the stock that we have. But that said, we have also seen improvement in sales prices across the board.

We expect senior living to start contributing more. So, we will have more contributions from Chennai where we are launching 2 projects. We expect more contributions from Pune as well, more from the senior living in Bhiwadi.

So, I would say, and as I said, Jaipur, we are also launching projects. I think, secularly, we will see good sales, good construction to continue going forward. So, I think that will be across the board right now. And I see the next 2-3 years to be quite bright.

Praveen Agarwal: Would it be fair to estimate a 15%-20% type of growth in value of area booked per annum?

Varun Gupta: Yes, so I would just say that given lumpy nature of businesses, we might have very large growth in one year and then maybe a little less in the next year or maybe a little degrowth also in a year.

So, I wouldn't like to do a very straightforward 15%-20% increases. As you can see, we have had a great year overall this year right now, but we had a bad 3rd quarter because we didn't have enough launches. So, it could be a little bit lumpy here or there, but I think overall, from a three, four-year view, that kind of an annualized growth rate, I think we would be fair to assume, or at least that's what I would expect to do.

Praveen Agarwal: That's great. So, one other question is in the previous calls, you mentioned that we had certain low margin projects which you were including. So, are there still some projects which you are still to hand over on those lower margin projects?

Varun Gupta: Yes, Ashiana Anmol Phase II, III and Ashiana Malhar as a whole project. So, those two projects remain low margin and I would say even, Ashiana Aditya Phase II which is to be handed over this quarter and Amantran Phase II are some low margin projects.

But overall, we expect the gross margins expansion and particularly, from what we have sold this year and what we expect to sell going forward, we will see improving margins. So, lower margin projects are the ones I listed out there more or less.

Praveen Agarwal: Thank you. No other questions.

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

Shivam: Hello. I want to ask that what would be the amount of launches that you will be doing in Q4 and in FY'25?

Varun Gupta: Hi, Shivam. In Q4, we are looking to launch three fresh projects. Ashiana Nitara in Jaipur where Phase I is villas and which we have launched 144 in Jaipur which we plan to launch in a week.

Shivam: So, what would be the amount?

Varun Gupta: Yes. So, these projects put together, the six sizes might be bigger. The projects together would be about 24 -25 lakhs sq. foot put together. Of the 24-25 lakhs sq. foot, I think we will launch about 5 -6 lakhs sq. foot within this quarter.

There is Ashiana Amarah Phase III which is 3.77 lakhs sq. foot phase. And that phase we have applied for RERA. So, in case we get RERA within the next, let's say, couple of weeks, then we launch in this quarter. Otherwise, it will slip into the next financial year. In the next financial year, we have three projects tuning total about 30 lakhs sq. foot to be launched.

And we will not launch the whole thing. We will launch like few phases of that projects in FY'25 and existing phases of certain projects. We haven't planned out exactly how much we will launch in the next year yet. We will do that planning probably in March. So, when we have a May call, we can give you a sense of where we will be launching and how much we will be launching in the next financial year exactly.

Shivam: Okay. And sir, in your Slide 24, you have given the future project summary of 80 lakhs available sq. feet and the land available for future development. So, this comes out to be a total of 130 lakhs sq. feet if I add all the future projects include the land available for future development.

Varun Gupta: No, they are mutually exclusive.

Shivam: Okay. Both of them are different. So, can you tell any ballpark figure that how much value or sales can we get from future projects and from the land available for future development?

- Varun Gupta:** Okay. So, in land available for future development, there is a 30 lakhs sq. foot project called Milakpur where it's under some sort of litigation. And excluding that, we have about 1 crore square foot. And right now, I would say the portfolio that we can have an average of 6.5 lakhs sq. foot according to me. So, about INR6.5 crores would be over that 1 crore square foot. And we have about 15-16 lakhs sq. foot to sell between ongoing projects and completed unsold inventory as well. So that would be probably another INR700-INR800 crores.
- Shivam:** So that's around INR7,200 crores over a period of how many years?
- Varun Gupta:** I would say about the overall life cycle, probably five years. From now, maybe five, maybe six. Some projects which shall finish within three as well. Some will probably finish a little earlier. The last odd project should be probably six years' time now.
- Shivam:** Okay. And will you be able to meet your guidance of INR1,500 crores of pre-sales in this fiscal year?
- Varun Gupta:** So, it's dependent on if we get the RERA for Ashiana Amarah in Gurugram. If we get that, then we will cross the INR1,500 crores number. If we don't get RERA and that flips into the next quarter, then we'll probably do about INR1,250 - 1,300 crores this year.
- Shivam:** And sir, how much revenue do you see in the top line being reflected in the next fiscal year as some projects are being completed and delivered?
- Varun Gupta:** So, that is provided to a large extent in the presentation. We have given a delivery schedule and the value of the bookings that has happened in that delivery schedule. I would urge you to look at the presentation over there, Shivam. That information is there.
- Shivam:** Okay. Any ballpark figure that you can give me for FY'25 of the P&L?
- Varun Gupta:** I wouldn't like to give a profit estimation, if that's okay.
- Shivam:** Okay.
- Varun Gupta:** So, the revenue estimation is provided, the value of area booked, and the delivery schedule is provided in the presentation. I would urge you put a margin there. And as I said earlier, I would expect margin profiles to improve now. And I think, hopefully, GP margins of 30% should apply next year.
- Shivam:** Okay. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Shrey. Please go ahead. As there is no response from the participant, I would like to take the next question. The next question is from the line of Prathibha Doraiswamy, an individual investor. Please go ahead.
- Prathibha Doraiswamy:** Hi. Congratulations on the results. My question was on the senior living space. I think Ashiana has been in this space for a few years now. And we have also now, I think, doing it in Pune. Right here in Chennai, now we have gone to Pune. I just wanted to understand, you know, how you are seeing the demand.

Do you see a demand picking up now? Do you see it picking up over the last few years? And how do you see the demand in Pune right now? That is my first question. And my second question was, are there plans to move into other cities as well with senior living? Thank you.

Varun Gupta:

So, we see good demand for senior living. And I would see improving demand for senior living as we move forward. Because I think two things is happening. One, the concept is getting more established and people are more informed, educated and aware of the concept and the services being provided. And second, I think we are seeing more financially independent retirees in India as what we were seeing a few years ago. And I think both of those are playing well into demand.

If you were asking specifically for Pune, yes, we are seeing good demand there and I would say it's just not Pune actually. The location is in Talegaon which is between Mumbai and Pune. And we consider that to be actually servicing both markets. So, we are getting customers from Mumbai and as well Pune. And demands continue and we see good progress there. We are actively looking at Bangalore as well. So hopefully, we will be able to get something going there in the next couple of years.

Getting a project going there takes a while. We haven't even closed a transaction yet. But we are actively looking for land transactions in Bangalore at this moment.

Prathibha Doraiswamy:

Great. That's great to hear. Thank you so much, sir. And very best wishes.

Moderator:

Thank you. The next question is from the line of Himanshu Dugar from SafeGainz. Please go ahead.

Himanshu Dugar:

Yes, two questions for me. First question was - you just talked about the pricing trends in Jaipur and Chennai. How you are seeing that on a year-over-year or a two-three years period. What do you expect going ahead? And secondly in that, could you also talk about gross margins? Because when I see some of your JVs are now coming at 80% profit share. Does that indicate that the gross margins are expected to go ahead in some of these projects?

Varun Gupta:

Okay. So I couldn't hear your questions clearly. I will repeat them and you can confirm whether I got them right. So one is, you asked how do I see pricing in Chennai and in Jaipur? And second, how do we see margins going forward? And you were talking about the transaction structures that we have done. We haven't done a profit share transaction with anyone.

We have done revenue share transactions. So I will clarify both. Is my understanding of the questions correct?

Himanshu Dugar:

No, just on the margin part, the question was when you are doing this revenue share of 80% ,that is adjusting for the land cost, right? Would that imply that your gross margins are higher in these projects? Like in Jaipur, Nitara?

Varun Gupta:

Okay, all right. So we give revenue share to the landlords towards the land. So depending on the location, depending on the sale price and the construction cost and the revenue share given, different transactions have different margin profiles. Some projects have it a little better, some projects don't have it as well. But overall as I said, projects that have been signed off in the last

2-3 years can display good margins because sale prices are higher than what we had underwritten the projects at.

And therefore margin profiles have improved across these projects. And interlinked in Chennai and Jaipur, both places we see better sales pricing as compared to before. New projects are getting launched at higher prices than what we had underwritten the projects at. And we've been able to increase prices over the last 24 odd months. So pricing remains good there.

Himanshu Dugar:

Could you quantify what kind of price realization improvement has happened?

Varun Gupta:

It's difficult to say because a lot of the increase has happened in newer projects as compared to what we thought we would launch the project at. But let's say a project that we took up, signed off two years ago, we are launching at prices 20%-30% higher than what we thought would be two years ago. So let's say, 30% over a two-year period could be something what we are doing right now.

Himanshu Dugar:

Got it. The last question for me was, more structurally, or a future strategic view is what my question is. So now that you are doing 20 lakhs per feet on an annual basis, and I think your previous peak was around 23 lakhs back in FY15-16, do you see yourself going towards that 30 lakhs and for that, do you see any headwinds or some strategic things that you are doing? Because the land bank kind of continues at that INR1 crores number. But are you seeing a faster churn to say that inventory turnover goes up to say 4x or something like that?

Varun Gupta:

Yes. So we are seeing a higher churn and we want to operate at a lower inventory, if we can to get a higher throughput. We are looking to get to that 30 lakhs per sq. foot number. That's definitely something we are aspiring to do and working towards getting there. The only headwinds that I see right now, if I see any, are increasing land prices. And those can become a barrier to getting more and more projects.

But right now, from a 30 lakhs per sq. foot perspective, we have enough stock. We have about 1 crores and 16 crores per square foot between land bank and future development, if I exclude Milakpur. And we have about 16 lakhs odd per sq. foot between ongoing projects to sell and in completed stock. From a sales perspective, we would have similar area to construct as well.

So 30 lakhs per sq. foot annually, right now we can do with the kind of inventory that we have. Challenges would be replacing the inventory and growing the inventory to even grow faster. And in that situation, the land costs right now in various markets are a little bit of a concern.

Himanshu Dugar:

Just a follow up on this question, if you could just touch upon the pipeline on the land acquisition?

Varun Gupta:

So on the land acquisition front, we have active term sheets in a few locations. We are looking to acquire and actively in acquisition mode for senior living in Bangalore as we spoke. We are looking at closer to Mumbai as well on the Mumbai-Pune access, one more senior living project closer to Mumbai.

We are in talks for lands in Jaipur, in Jamshedpur, in Gurugram. So we are in conversations in a lot of places. And we have some active term sheets also. But nothing is done till it's done and dusted. So that's the progress right now.

Himanshu Dugar: Got it. Thank you.

Varun Gupta: Thank you.

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

Himanshu Upadhyay: Hi. Good afternoon. I have a question on this HSIIDC land. We heard the payments were pending. How is the payment and do we think this land closure will happen in the next 2-6 months now? Or do you think it may take time? What is the progress on that?

Varun Gupta: Hi, Himanshu. We have time till June to make the payment. And we will close the payments before that. So in the next 3-4 months, we should conclude all payments for HSIIDC sector-80 land.

Moderator: As Mr. Himanshu has left the queue, I would like to take the next question. The next question is from the line of Pravin Agarwal, an Individual Investor. Please go ahead.

Pravin Agarwal: Hi. Just on the land question. So I just wanted to get some colour from you in terms of when we are underwriting a project now versus to 3 years ago, does the unit economics still hold? Like I understand, let's take Gurugram for an example. I understand between COVID and now prices have moved up by 75%-80% on a land basis.

So are there the actual end prices of flats also moved in tandem as in consumer rate with that? So, if you were to buy a plot land parcel today, our returns would be similar to what it was when we were underwriting the project six years ago?

Varun Gupta: So, Pravin, what some places, they have gone up. Land prices have gone out of whack as compared to apartment prices and they don't make sense. In Gurugram, that's my view. There have been some recent transactions where land prices have been transacted at prices that make me very uncomfortable given the sale price of apartments that I expect in those locations. So, finding land today is harder than where unit economics makes sense than before.

So therefore, we'll have to work a little harder. So the land acquisition team will have to work harder to be able to find transactions where we can see earnings. But different geographical markets, different micro markets are behaving differently at this point of time. So, I guess our job will be to find those particular spots where it still makes sense to do work.

Pravin Agarwal: And we will be very disciplined in terms of our unit economics? In terms of whenever we are looking to buy a project at that point in time?

Varun Gupta: So, we want to be disciplined. We want to be reasonably conservative. But sometimes we might also go off track a little bit. I can't guarantee about the future completely. But the intent is to be disciplined and reasonably conservative in our initiatives.

- Moderator:** Thank you. The next question is from the line of Shrey. Please go ahead.
- Shrey:** Hi, first of all. I want to know about our debentures. We have brought in more issues. Are we planning to do some aggressive projects first of all?
- Varun Gupta:** I couldn't get your question completely. Can I request you to speak a little louder please and repeat the question?
- Shrey:** Basically, I want to know, we are issuing some debentures and making some amendments in AOA and making some private issues. Are we planning to do some aggressive projects that do require a capital cost of induction?
- Varun Gupta:** So, one, we have a large payment coming up for Sector 80 in Gurugram. So, we have to make a payment for something that we have gotten into a transaction about 8-10 months ago. So some proceeds will be utilized for that. And second, we want to have money available to be able to do transactions.
- I think that's the secondary aspect of it. So we don't want to be very aggressive on pricing. But that said, we want to have the funds available to do transactions at this point. If the unit economics of a location makes sense to us, if a land makes sense to us, we are looking at doing transactions. And it can be outright, it could be joint venture, it could be anything as long as the unit economics makes sense.
- Shrey:** As in past conversations, you recorded that you are going to update some projects in Mumbai. So what category of projects will it be? It should be kids-centric, premium or elite?
- Varun Gupta:** In Panvel, we will be doing senior living projects around Mumbai. We are looking for senior living units.
- Shrey:** Okay. Third thing is, as we have a mole, we are planning some projects for some special kids. And we are also, at present, we are working with that. Are we planning that on with other kids-centric homes?
- Varun Gupta:** I am not able to get your questions completely. If you are on a speaker, can I ask you to be on a headset?
- Shrey:** Basically, I think there is some network issue. I will call back.
- Vikash Dugar:** I think what he was asking that they are doing some projects related to specially-abled kids. In our kids-centric piece, do we have any such kind of related plan? If I picked the question correctly. Shrey, if you can confirm. Or maybe we can move to the next question.
- Varun Gupta:** If that question is there, we haven't made any specific plans for specially-abled children. And we can move to the next question.
- Moderator:** Thank you. The next question is from the line of Rajeev Agrawal from Sterling Capital. Please go ahead.

Rajeev Agrawal: Thanks for the opportunity. I just want to know that what are the current realizations in the senior living projects? And what are the realizations in premium homes and kids-centric homes in various markets right now? And my second question is, whatever pre-sales we are doing, we have done in FY24. When can we expect the handovers to be completed?

Varun Gupta: So, on handovers, we provide a complete handing over schedule in our investor presentation along with phases and what yours and the value of the stock that's booked there, what's the unsold stock in terms of square feet.

And I would urge you to look at that because my memories could be weaker. And it would be better if you can look at that. From a price point perspective, our senior living projects are ranging anywhere between INR5,000 -7000 a sq. foot depending on the micro market and the unit type that we pick. Maybe INR4,700-4,800 onwards. And up to INR7,000 a sq. foot at this point in time.

Premium homes, again depending on the micro market, is operating anywhere between INR3,500 – 7,000 sq. foot. And kids-centric homes are operating around, if I exclude Ashana Town in Bhiwadi which is a completed project, between INR4,500- 4,000 a sq. foot now. And currently, like last probably would have been INR8,000 a sq. foot.

But what we plan to launch in Amara Phase 3 will be substantially higher than this. So, I would expect kids-centric homes now to go really higher because of the virtue of it being in Gurugram. And pricing changing in Gurugram substantially.

Moderator: The next question is from the line of Rishi Singhal, an individual investor. Please go ahead.

Rishi Singhal: Yes, I have two-three questions. The first question is that in Amara Phase 3, how much pricing do you expect to go up compared to Phase 2?

Varun Gupta: I think it will be very differential. I would say north of 40% increase.

Rishi Singhal: Okay, so as I was listening to you, you said that because of the sharp rally of land prices, we are having difficulty in making transactions. So, in banking, there is a point of net interest margin. Are our margins starting to plateau off or are there still slight expansions in margins?

Varun Gupta: The inventory that we have now, the one that we will sell, there is margin expansion in it. So the land inventory that we have now, because their prices have increased, so we are selling. So now we have not sold Amara Phase 3 yet, so its margins are there.

Because the land cost is the same, but the sale price will be very high. So in the new sales, there should be margin expansion in general. Not everywhere, but in general, we should have margin expansion. The new projects that we are taking, and we will take, I see some difficulty in that.

Rishi Singhal: I get your point. And from a long-term perspective as a layman I am asking, do you think we can do 10% additional volume every year with a roughly 10% additional price, that is price increase, so that we can easily reach 20%? Is this possible?

Varun Gupta: I don't know if you were on the call. See, in the next 2-3 years, I have an annualized growth rate of 15%-20%, inclusive of price and volumes. I don't see a problem with what you are saying. But it won't grow every year. We will have lumpiness. One year, there can be a lot of growth. Sometimes, there can be a little degrowth as well. We are quite dependent on our launches.

Sometimes, we launch more inventory, sometimes we launch less inventory. Depending on when approvals come in, how it behaves. I think it will be different a little bit year-on-year in that. So, there will be a little lumpiness, but going forward, I would say, we expect to see good growth over the next 2-3 years.

Rishi Singhal: Okay. I had asked you 2-3 conferences ago. You said, the road is empty, the accelerator is empty, and everyone is just going ahead. So, do you think there is a shortfall in demand anywhere, or is it still healthy overall? Not just in Gurugram, but overall?

Varun Gupta: Overall, I think the demand is healthy. As I said earlier, there was a little problem in our premium homes and kids-centric homes in Bhiwadi. That problem has reduced a little, but it's not doing as well as everywhere else. But in other places, I have seen demand.

Demand in senior living, demand in Jaipur, demand in Jamshedpur, demand in Pune's premium homes, demand in senior living across the board, demand in Gurugram, I have not seen any problem. Overall, it's a good demand.

Rishi Singhal: Okay. You guys are so experienced in this line. In general, the cycles you have seen, how many years do they go up and down?

Varun Gupta: I am not that old. But generally, cycles of 6-7 years is what I would expect, but cycles in real estate is supply-driven. So, it takes time to make supplies in our business. It takes a lot of time to be ready to supply. You buy land, get approval, start construction, complete it. So, that is one supply.

The second is the supply of blueprint, which takes a little less time. But still, I don't think that across the board, it seems that there is so much supply, that the cycle will overturn. In some markets, there may be more supply in the pockets.

Like in Bhiwadi, the supply overhang was so much that it is still over-supplying, even though the other markets have recovered. There, the supply is decreasing because there are no launches. And given the lack of liquidity still in the market, the funds available to the developers, the number of developers in the market, I see less supply problems in markets in general.

Supply will continue to be favourable for at least 1-1.5 years. And after that, we can assess again. But for 1-1.5 years, supply on blueprint will be favourable. And delivered supply will remain favourable for a longer time because possession is not heavily expected in any micro-market.

Rishi Singhal: Next, at the overall balance sheet level, if you get opportunities, what is the debt-equity ratio you are willing to go?

- Varun Gupta:** 0.3-0.4 of Debt-equity ratio if I exclude capital provided by IFC, because it's more project-level capital which are linked to project cash flows and project returns, non-defined repayment obligations. For defined repayment obligation debt, we will be comfortable with 0.3-0.5.
- Rishi Singhal:** Not something like 1:1 or something like that?
- Varun Gupta:** No, it's out of our temperament.
- Rishi Singhal:** Okay, last question. As our focus is on senior living, so in senior living, sale price is definitely better than a normal kids-centric home, etc. So after sale, do we generate any annuity-type income? Because we have to pay more subsidy.
- Varun Gupta:** No, sir. we get annuity revenue but not annuity profits. There is revenue in maintenance, but it is spent accordingly.
- Rishi Singhal:** Okay. Thank you very much.
- Varun Gupta:** Thank you, Rishi.
- Moderator:** Thank you. The next question is from the line of Shrey. Please go ahead.
- Shrey:** Hi, I hope my voice is now clear, first of all.
- Varun Gupta:** Yes, Shrey.
- Shrey:** Yes, I wanted to know, the category you are launching in Mumbai, which category is it being launched in? It will be premium category or kids centric or something like that?
- Varun Gupta:** We are not launching anything in Mumbai yet. The area we have already launched for Mumbai is in Talegaon, where we have launched senior living.
- And we are looking for more senior living in Mumbai-Pune access. So, whatever we want to do around Mumbai, we want to do it in senior living.
- Shrey:** Okay. Second is, we checked in Anmol that you provide kid-centric facilities in maintenance, that includes some special category of kids also. Are we going to communicate or proceed that in further projects over India for kid-centric homes or some other sector?
- Varun Gupta:** I didn't understand the special category of kids, but we will do more kid-centric homes in Gurugram and Jaipur.
- Shrey:** Okay. Are we going to expand that towards Chennai and other regions?
- Varun Gupta:** Not, the intent is to do senior living in Chennai.
- Shrey:** Okay. In respect of elite homes, we are launching it in Jaipur 144. Are we planning to extend it over India, some other regions?

- Varun Gupta:** Elite homes are our larger, bigger flats, better specs, more luxury oriented units. We are launching it in 144 for the first time. It will depend on its success, how many more locations we take it to, how many more we do in Jaipur. Right now, we are very hopeful for it to be a very good success. And once that happens, we will expand it further.
- Shrey:** Okay, so like in Gurugram, as per the prices are rising, can we expect it to be in the near future with some acquisitions?
- Varun Gupta:** We haven't done any acquisitions yet. We will start acquisitions only once we launch it.
- Shrey:** Okay. And in respect of some maintenance margins, are we expecting to rise? Because as far as I see, these are very limited over a period of time with regular consistency of limited percentage hikes. Are we expecting to have some increase so that we can communicate it further?
- Varun Gupta:** Are you saying that we are expecting a hike in maintenance charges?
- Shrey:** Yes.
- Varun Gupta:** In maintenance charges, we are going to do hikes what we generally do year on year depending on inflation and budget. But nothing that will move the needle in terms of profitability at all. It will continue to be this very low profit, nearly no profit- no loss kind of a business.
- Shrey:** Okay. That's all I have. Thank you.
- Moderator:** Thank you. That was the last question for today. I would now like to hand the conference over to the management for closing comments. Over to you, sir.
- Vikash Dugar:** Thank you. We would like to thank all of you for being on this call and being so patient with all the questions and answers. If we were unable to take any questions, please feel free to write to us directly or reach out to us directly.
- And with that, we would like to conclude the call. A lot of the material we have spoken about is posted on our website and you can also email your queries for any further clarification. Thank you once again for taking the time to join us on this call. Thank you.
- Moderator:** On behalf of Ashiana Housing Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.