

Ashiana Housing

12 August 2026

Operator: Ladies and gentlemen, good day and welcome to Ashiana Housing Ltd.'s Q1 FY27 earnings conference call. As a reminder, all participant lines will be in 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 and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Kunjal Agarwal from Arihant Capital Markets. Thank you, and over to you, ma'am.

Kunjal Agarwal – Arihant Capital Markets: Hello and good evening to everyone. On behalf of Arihant Capital Markets Limited, I thank you all for joining the Q1 FY27 earnings conference call of Ashiana Housing Ltd. Today, from the management, we have Mr. Varun Gupta, the Whole-time Director, and Mr. Vikash Dugar, the CFO of the company. Without any further delay, I will hand over the call to the management for their opening remarks. Over to you, sir.

Varun Gupta – Whole-time Director: Thank you. Good evening, everyone, and a warm welcome to all of you for joining our earnings conference call for the first quarter of FY27.

The real estate sector entered FY27 on a more moderated note after the strong momentum witnessed through FY26. Residential demand across key markets softened somewhat during the quarter, weighed down by global economic uncertainty and a cautious wait-and-watch approach among home buyers. At the same time, developers continued to remain confident in the medium-to long-term outlook, with new project launches holding firm and prices remaining resilient across most markets. Premiumization continued to be the prevalent trend, with buyers increasingly gravitating towards larger, well-designed homes from established and financially disciplined developers, reinforcing the ongoing shift towards organized and branded players.

The senior living segment continued to remain relatively insulated from these broader demand fluctuations, supported by structural, demographic-led growth drivers. Changing family structures, rising urbanization, and a growing preference for community-based living among senior citizens continue to strengthen the long-term case for this segment. With organized supply still limited relative to the size of India's aging population, the opportunity for established players in this space remains significant and largely unaffected by short-term cyclicity in the broader housing market.

I will now take you through our operating highlights for the quarter, followed by our financial performance.

Starting with our operational performance for the quarter, the company recorded a booking value of {? rupees 228 crores ?} during the quarter gone by, with {? 3.6 lakh square feet ?} of area sold across {? 234 units ?}. While bookings moderated compared to the exceptionally strong preceding quarter, our collections remained healthy at {? rupees 409 crores ?}, registering {? 6% ?} year-on-year growth, reflecting sustained customer confidence and strong collection efficiency. Average realization also improved significantly to {? rupees 9,923 per square foot ?}, representing a {? 37% ?} year-on-year increase, driven by a favorable product mix and continued pricing resilience across our portfolio.

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During the quarter, we made a significant investment towards our future growth pipeline through the acquisition of {? 28.55 acres ?} of land at {? Badgaon, Maval ?} in {? Pune ?}. This is the largest-ever land acquisition undertaken by the company for a senior living project, with an estimated saleable area of approximately {? 20 lakh square feet ?} and a potential sales value of around {? 1,800 crores ?}. On the execution front, we commenced handover for Phase 1 of Ashiana Nitara in Jaipur during the quarter, marking another important milestone in our project delivery. Overall, we continue to make meaningful progress across the key pillars of our long-term growth strategy by maintaining a diversified geographical presence, expanding our senior living portfolio, strengthening our development pipeline, and progressing steadily on project execution.

Coming to the financial performance, revenue from operations for the quarter stood at {? rupees 107 crores ?} compared to {? rupees 293 crores ?} in Q1 FY26. Revenue recognition in Q1 FY27 was primarily driven by handovers at Ashiana Nitara in Jaipur. Higher revenue in FY26 was attributable to more deliveries. PAT for Q1 FY27 was lower vis-à-vis Q1 FY26 due to lower deliveries.

Importantly, our operating cash generation remained healthy during the quarter at {? rupees 121 crores ?} compared to {? rupees 108 crores ?} in Q1 last year. This reflects the strength of our collections, disciplined execution, and efficient working capital management despite lower reported revenues. We also commenced the redemption of NCDs issued to ICICI Prudential Mutual Fund during the quarter. {? 31.25 crores ?}, representing {? 25% ?} of the original issue, was redeemed.

Overall, while the reported revenue for the quarter was impacted by the timing of project handovers, the company continued to demonstrate healthy operating cash flow generation, maintained a disciplined approach towards capital allocation, and strengthened its development pipeline, particularly in the senior living segment. With this, I would like to open the floor for the Q&A session. Thank you.

Operator: Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Rohan Joshi, an individual investor. Please go ahead.

Rohan Joshi: Hi, am I audible?

Management: Yes, you are audible, Rohan. Hello.

Rohan Joshi: Hello. Thank you for giving me the opportunity. My question was regarding the fact that Q1 bookings suggest a back-ended year versus the full-year target. I want to know which specific launches are expected to drive bookings in H2 and what gives you confidence in hitting the FY27 guidance that you provided in the previous conference call, given this soft start.

Varun Gupta – Whole-time Director: Vikash, are you there?

Vikash Dugar – CFO: Yes, I am here. Varun, why don't you take it up?

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Varun Gupta – Whole-time Director: You are right that the first quarter has been relatively softer, but we have launches lined up. There are a couple of launches lined up in Q2 itself, along with some of the launches that we have in the present year.

Vikash Dugar – CFO: Pune and—

Vikash Dugar – CFO: I will just come in, sorry. In July, we issued an operational update. In July, we had a great launch of a project called Ashiana Amarah. As of July 31, our full-year sales had reached about {? 859-odd crores ?}. The July month was actually better than the entire first quarter. I would say that by the end of the first half, September 30, we should be somewhere between {? 1,050 and 1,100 crores ?} of sales. The run rate will be maintained from thereon, and in the second half of the year, the big launch lined up is Ashiana Aroham Phase 3 in Gurgaon. That will be critical in taking us through to the guidance. That launch will be in either Q3 or Q4 of this year.

Rohan Joshi: Understood. My second question was regarding the pre-sales growth that we will have. Pre-sales grew very well last year, as we have seen. What is the sustainable pre-sales trajectory from here onwards for the next 3-5 years?

Management: On that front, we are not looking for sustained pre-sales growth in the near term. I think what we are planning is how to approach the long term. We might actually have a little bit of a dip in pre-sales this year or the next year, and then, let us say, get back to a certain number in FY28-29 and FY29-30.

A little bit of that is being driven by a lack of inventory to sell coming up in Gurgaon, Jaipur, and Bhiwadi, some of our key markets in the regular housing space. This is primarily happening because the company is shifting more and more capital towards the senior living space, where we see a much larger and deeper opportunity.

In the senior living space, we are looking for about {? 25% ?} CAGR to be maintained over the long term, though from a low base. We started at about {? 100 crores ?} five years ago and had pre-sales of about {? 570 crores ?} last year in senior living. We are looking to expand that at an even faster CAGR than that.

For a couple of years, we may not have very large pre-sales growth, but we are comfortable with that because we are seeing margin expansion and ROEs. As we had guided earlier, we are looking to get to at least {? 15% ?} ROE, and we can see {? 15% ?} ROE sustaining going forward. We have an increasing capital base because we do not intend to pay out most of the significant amounts of capital as dividends. Dividends will remain as they are, growing a little bit.

I think the company's focus would be on maintaining that ROE trajectory, ensuring that it does not fall below {? 15% ?} and sustains above {? 15% ?} year-on-year every year, even with a little fluctuation here or there in pre-sales, the top line, and so on. This will allow the net worth to compound over a long period of time. I think that is the intent.

That said, I think senior living, as I articulated, is expected to see strong momentum in sales going forward.

Rohan Joshi: Understood. That was some good insight. Thank you so much.

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Management: Thank you.

Operator: Thank you. Ladies and gentlemen, as a reminder, if you wish to ask a question, please press star and one on your touchtone telephone. Ladies and gentlemen, if you wish to ask a question, please press star and one on your touchtone telephone. The next question is from the line of Rohit from Ithought PMS. Please go ahead.

Rohit – Ithought PMS: Hi, good afternoon. I am sorry, I just joined when you were answering the question, Varun, so I am sorry if I missed it. When you were giving the update on the July month, was that for pre-sales?

Management: Yes, that is correct.

Rohit – Ithought PMS: Following on from there, are you confident this year of holding on to that {? 2,500 crore ?} kind of pre-sales for FY27? Is that correct? Because I think you said there could be a dip in the near term, so I am—

Management: Yes, I think {? 2,200 ?} is what we had—sorry, {? 2,200 ?}. I am sorry, {? 2,200 ?}. Yes, {? 2,200 ?} is what we are—

Varun: We are confident of holding {? 2,200 ?} in the future. At this moment, it looks good. As I indicated, we should exit H1 at about 1,100, or 1,050–1,100, given that we reached 860 by July.

Rohit – Ithought PMS: Understood. That is good to hear. One small thing: regarding the Bangalore CP that you were looking at, is there anything further on that which we have not heard? I just wanted to check.

Varun: There has been progress, Rohit, on the CPs being resolved in Bangalore. I am hoping that we should have the final definitive documentation signed off sooner than later. There has been progress there, and we have actually deployed a team of two people there who are gearing up to make things ready to get the project launched and operational. I am quite confident that South Bangalore should happen soon.

Rohit – Ithought PMS: This is in South Bangalore, correct? I just wanted to check where you are in Bangalore.

Varun: This is on Kanakapura Road.

Rohit – Ithought PMS: I thought so. I remembered the listing that you had posted when you had acquired this, when you had issued this notification. One more question, Varun: if we look at the presentation where you gave the quarterly delivery schedule—which can change somewhat here and there—it seems that, based on what you are saying, and given that margins can increase significantly from here because of the projects we have for delivery, these must have very good margins going forward due to the growth in realization and the operating leverage. Is it not fair to say that we will probably cross 20% ROE this year on a reported basis?

Varun: Yes, that is fair. When I say 15%, the goal of the company is to make 15% ROE the floor ROE on a long-term basis and have years higher than that. The first objective is to get to 15%, but the

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strategic objective is to make that the floor.

Rohit – Ithought PMS: That is a very good point and a very well-taken point. Given that it is a very cyclical industry, if you are able to do it, I think it will be a phenomenal achievement. Varun, I understand that we have spoken about this in the past few conference calls and that you are not so driven by the—

Varun: Yes, please go ahead, Rohit.

Rohit – Ithought PMS: I was saying that I understand your point that you are not so fixated on pre-sales growth, at least in the near term. Even if, let us say, for 1-2 years you are not going to grow because you do not have that much inventory—

Varun: We are not entirely comfortable, sir. Which department can you—there is one more connection here. I am not sure if it is—sorry. Can someone check if there is any other connection on the line, please?

Rohit – Ithought PMS: I understand your point that you are not going to increase pre-sales immediately and may not have the inventory. How do we balance the aspiration of maintaining a 15% ROE while also growing, because ultimately that is what all of us want for the company?

I am not saying that we should—of course, we do not have land. We will probably acquire land in the next 1-2 years and subsequently launch projects. I just want to understand your perspective, say, 3-4 years out. How do we prepare ourselves to grow from the 2,200-2,300 pre-sales that we will be at, given the inventory position? How do we move from that level to the next level whenever that happens, say, in 3-4 years? Do you have any thoughts on that?

Varun: Rohit, there are two things. If our capital base is not reducing, if we are not paying out our capital or doing buybacks, which we do not intend to do, and we are looking to increase our capital base, there is no way ROEs can sustain without earnings growth. That is pure mathematics. For ROE to sustain, we will have to have long-term earnings growth.

From a long-term perspective, we do want to get to, let us say, 3,000-4,000 crores of pre-sales in the medium term. We will need to reach that level. All I was saying was that we could go through a momentary challenge for some quarters if sustained momentum is required to get there.

The company's strategy is to invest more and more in senior living because we see that as a structural business. The change is less cyclical because it is a structural change resulting from changing demographics. It is also less cyclical because it is less competitive, with less supply available at present. We have a significant advantage of being a pioneer in this space and having established our brand there.

Long-term earnings growth and pre-sales growth will be driven by how senior living performs. Right now, it is a small base, but as we increase the senior living component of the business and it becomes a larger part of the business, it will continue to drive the growth of the business.

Our target for FY29-30 is to look at 1,500 crores of pre-sales from senior living itself. Once that has taken effect, I think senior living, and then pre-sales growth, will follow.

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We are looking at a couple of quarters with perhaps not as much top-line growth. Through those quarters, however, we will continue to have earnings and reported earnings doing well. We will continue to have reported ROEs doing well, continue to generate positive cash, and deploy it into senior living.

We have already deployed into 4-5 projects—4 projects at present—with approximately 51 lakh square feet in the future pipeline, including the Bangalore project that is coming up. We are in active discussions for a few more projects.

I think the first step would perhaps be to reach about 10,000 crores of GDV in senior living. Once we have that, I think senior living alone can drive the company's momentum going forward. I think that is the basic key.

We will need to reach 3,000-4,000 crores of GDV, or pre-sales, probably closer to 4,000 crores in the medium term, to be able to sustain those ROEs. Instead of a straight-line path, there may be a little bit of a dip for a couple of years, and we can live with that, pick it up, and move forward. I think that is the basic point.

Rohit – Ithought PMS: Fair enough. All the very best to you. Thank you.

Varun: Thank you, Rohit.

Operator: Thank you. The next question is from the line of Chetan Thakkar from M3 Investment Private Limited. Please go ahead.

Chetan Thakkar – M3 Investment Private Limited: Good afternoon, sir. I have a question on ROE. Earlier, you were highlighting a 20% plus ROE, and today you have commented that it remains 15% in the long run. What has changed between those two assumptions?

Varun: Chetan, maybe I am wrong, but as far as I remember, we have been talking about getting to 15% for the longest time, and we reached 15% in reported earnings last year. I will perhaps go back and check the transcripts if I have said otherwise.

That said, as was discussed on the current call and in response to a previous question, I think this year we will reach 20% ROE, and we should reach 20% ROE for a few more years, given the planning that we have in place. I think that is something we can achieve.

However, as I said, 15% ROE has been the long-term goal. That is the minimum rate at which capital will compound going forward. That will be the intent at 15%.

Chetan Thakkar – M3 Investment Private Limited: Structurally, how should we look at ROEs when we build them up from a project to the ROE perspective? How does the project margin change for you over the longer term, not just for 1 or 2 years? How does the project margin change in a way that gets you to 15%?

Varun: I think if we are able to achieve about a 30% gross margin—

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Varun: Hi, am I audible?

Operator: No, sir, it is muffled.

Varun: Vikas, why don't you take this up? [muffled]

Vikas: This is better, this is better.

Varun: Yes, this is better. Should I continue, or will you—

Vikas: I will connect.

Vikas: As I said, we generally target about a 30% gross profit margin at the project level, about an 18% PBT margin, about 12% SG&A, and an 18% PBT margin and 13.5% PAT. If we are able to sustain that in any given year, I think our overall ROEs should generally translate into the teens. If we are able to improve the margin profile further from here, that takes us above 20%. That is the general view for me.

Chetan Thakkar – M3 Investment Private Limited: Would the levers to improve the margin be greater pricing power, given the brand and how we are positioned in the senior citizen market? Would that be one key lever, or are there any other levers as well?

Varun: One area where pricing power is definitely present is senior living, because we enjoy pricing power in senior living. We also intend to increase our product profile in senior living into a somewhat higher-end segment.

If you see, our pricing has been increasing on a ticket-size basis, and we are also moving towards more premiumized products, as Vikas mentioned in his opening remarks. Premiumization remains the theme. As we premiumize our products and enter higher categories of products, margins should also improve.

Vikas: Can I add to that, Varun? I think the other factor is operating leverage fully playing out over the long run. If we are talking about senior living, which is relatively more resilient towards cyclical fluctuations, and if it attains a critical mass of something like 1,500 crores of pre-sales, as Varun discussed, the operating leverage that flows through will also have a sustained impact on margins in the long run and, consequently, on ROEs as well.

Chetan Thakkar – M3 Investment Private Limited: Understood. Thank you, sir. That is helpful. All the best.

Operator: Thank you. The next question is from the line of Ankit Shah from White Whale Equity Investment Advisors. Please go ahead.

Ankit Shah – White Whale Equity Investment Advisors: Thank you for taking my question. Apart from Bangalore, is any other business development nearing closure, particularly in Jaipur or Gurgaon, that you can share something about?

Varun: We are—

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Operator: Sorry to interrupt, but sir, your voice is not audible.

Varun: Okay.

Operator: No, sir, we are not able to hear you. Hello? Yes, sir, please continue. The Varun line has been disconnected.

Vikas: He is there, he is there. Just give him a moment. Just a moment.

Varun: On the business development front, we have active conversations going on in Jamshedpur, Chennai, Mumbai, Pune, and the NCR. I think we should get something done in Jamshedpur—a small project in Jamshedpur—hopefully sooner than later.

Outside of that, in Bangalore, things are at an advanced stage of discussion, but they are still under discussion. I do not think we will have any announcement in the coming quarter, but hopefully in the third quarter of this year we should announce some transactions there.

Ankit Shah – White Whale Equity Investment Advisors: That is all from my side. Thank you.

Operator: Thank you. The next question is from the line of Aditya Banerjee, an individual investor. Please go ahead.

Aditya Banerjee: Thank you for the opportunity. I have a few questions regarding revenue quality. My first question is: what is the underlying run rate for bookings? Is Q1 FY27's 358 crores closer to the steady state, or is there a major launch due later in FY27 to normalize the numbers?

Varun: Aditya, one thing—

Management: Deliveries are not driven by launches. When we talk about quarters, that depends on handovers, and handovers are driven by the receipt of the OC. For this year, I think we gave a delivery schedule and a revenue schedule that are in line with what you are talking about. Pre-sales are what launches are about.

Aditya Banerjee: Are you talking about pre-sales when you said 50 crores for the quarter, or are you talking about revenue in the financial statement?

Management: You are talking about the financial statement. You are talking about the reported revenue, right?

Aditya Banerjee: Yes.

Management: Sorry. Yes, reported revenue. On slide 15 of the deck, we have given an indication of how much we expect to report this year, and approximately 2,000 crores of revenue is expected this year.

Q1 was definitely not normal, as that number was not at all normal. I would also say that quarterly revenues and quarterly profits for a real estate company are not as valuable because revenue keeps fluctuating depending on deliveries.

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Two projects, Ashiana Anmol Phase 3 and Ashiana Amara Phase 1, together account for about 532 crores of revenue. We received the OCs for those projects in the middle of July, so that revenue is coming in July, August, and September. We gave that update.

If the occupancy certificate had come on, let us say, June 25, we would have been able to recognize that entire revenue in June itself. But since it came on July 15—or in the middle of July, not July 15—everything is coming in the second quarter.

That kind of fluctuation is not something I have any ability to control in our business, and that will remain. Q1 is not reflective, and I would say Q2 may not be reflective either. We should look at revenues and reported profits on a year-on-year basis.

Therefore, in our slide deck, we have given a sense of the kind of annual revenue we should expect. What we are trying to do is ensure that those figures are achieved during the year and do not slip from one year to another. I think that will help the company as well.

Aditya Banerjee: Understood. My other question is that, according to my understanding, the units sold fell from 407 to 234 year-on-year even as ticket sizes rose. Is this deliberate or a genuine volume slowdown?

Management: Again, it is difficult to say that it is deliberate. However, as I indicated earlier, we have relatively less inventory in some markets, and that had an impact on the launch in July.

As I clarified earlier, by July 31, our overall pre-sales for the year were 859 crores. We have guided for about 2,200 crores this year, and I think we are on track to meet that guidance as of now. As I indicated, we should probably reach 1,000, 1,050, or 1,100 crores of pre-sales in H1. Things are going well.

Aditya Banerjee: Understood. On the portfolio mix, the ongoing portfolio mix has shifted to elite and premium homes at 36% versus senior living at only 23%. Given that Ashiana's brand is built on senior living leadership, is this a deliberate strategic pivot towards higher-ticket premium homes?

Management: No. If you look at our company, even though we were known for senior living, senior living was probably 10% of our business 5 years ago. Let us say that in FY22 or FY23, it would have been 10% of our business, which has now become 23%.

Regarding a deliberate pivot, I would again urge you to look at slide 20, or perhaps slide 19, of the deck, which shows our land available for future development. If you see, the entire 5 million square feet is senior living.

Bangalore, which I just discussed on the call and which will hopefully be added to this land available for future development soon, is also senior living. Therefore, a large part of the pivot is towards senior living.

Even on slide 15, regarding future projects, the phases of existing development amount to about 44-45, and approximately 40-45% of that is also senior living. This mix will change decisively in favor of senior living over the next 2-3 years.

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Aditya Banerjee: Understood. I have one last question. Kid-centric homes are concentrated almost entirely in Gurugram. How are you thinking about the geographic concentration risk there versus diversifying into other cities?

Management: We have done kid-centric homes in Jaipur and Bhiwadi as well. We have also done them in Gurugram.

As a concept, we are still fine-tuning the recipe, if that is the way to put it. We are learning how to differentiate the concept better as we progress. We differentiated the senior living concept, understood the model, and are now in the process of scaling it up.

Our first 2 truly differentiated kid-centric homes projects are in Gurugram. One is in Amara, which has just delivered Phase 1, and we have just launched it. I think it will take us a few more years—2–3 more years, I would say—to understand kid-centric homes better.

Once we have understood it better, I think we will take the path of scaling it up significantly and taking it to more and more cities as we move forward.

Aditya Banerjee: Thank you so much.

Operator: Thank you. Ladies and gentlemen, as a reminder, if you wish to ask a question, please press star and one on your touchtone telephone. Ladies and gentlemen, if you wish to ask a question, please press star and one on your touchtone telephone. The next question is from the line of Khushi Solanki, an individual investor. Please go ahead.

Khushi Solanki – Individual Investor: Hello, am I audible?

Management: Yes.

Khushi Solanki – Individual Investor: I wanted to ask about the Wadgaon Pune acquisition. Can you walk us through the sales absorption assumptions for the 1,800 crore Wadgaon project? What type of square-foot realization and absorption pace are you assuming?

Management: Khushi, I could not understand you fully. The sound was a little muffled. Can you repeat that, please?

Khushi Solanki – Individual Investor: Hello, am I audible now?

Management: Yes, you are.

Khushi Solanki – Individual Investor: I wanted to ask about the Wadgaon Pune acquisition. Can you walk us through the sales absorption assumptions for the 1,800 crore Wadgaon project? What type of square-foot realization and absorption pace are you assuming?

Management: Khushi, I will say what I understood. Please say yes or no if I understood the question correctly. You said that for the new Wadgaon parcel that we have taken up, you were asking what our assumptions are for achieving 1,800 crores of revenue and what kind of annual absorption we expect in that project. Is my understanding correct?

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Khushi Solanki – Individual Investor: Yes, that is correct.

Management: It is a 20 lakh square-foot project. We are estimating revenue of about 9,000–10,000 rupees per square foot on the saleable area. That translates into about 1,800–2,000 crores. That is our estimated underwriting for the project.

We expect to sell about 2 lakh square feet a year. That translates into a 10-year development timeframe. It is therefore a somewhat longer development timeframe, but we hope to enjoy good margins here. That should take care of the overall returns from that perspective.

If things go better than expected, I would say we could probably sell 3 lakh square feet a year and complete the project in about 7 years.

Khushi Solanki – Individual Investor: Understood. Another question: why is the NCD funding being used specifically for this land parcel instead of internal cash accruals, given our 785 crore net cash position at FY27?

Management: The NCD financing was actually arranged by the landlords themselves. The landlords wanted to retain a partial revenue-share position in the project rather than sell it fully. They were keeping a very small minority stake overall.

Therefore, in our view, we wanted to take title to the whole land. We did not want to do a part JDA. We said we would do a full acquisition and issue debentures to them to replicate that arrangement.

They wanted to retain 25% equity, so they contributed 25% of the purchase value back through the debentures. We agreed on a 6% revenue share for the remaining portion. They are receiving a 6% revenue share, which is how the transaction was structured.

Khushi Solanki – Individual Investor: What is the expected launch time for this?

Management: About 18 months. Let us say H2 of the next financial year is when this is expected to launch.

Khushi Solanki – Individual Investor: Thank you, sir.

Management: Thank you, Khushi.

Operator: Thank you. The next question is from the line of Himanshu from Stairfort. Please go ahead.

Himanshu – Stairfort: I have a small query. For the 5–6 projects that we are trying to acquire, what type of capex are we expecting in FY27 or FY27–28 on the projects that are very near completion or near acquisition and going through acquisition?

Management: We have a total budget of deploying about 800 crores in this financial year, including the approximately 180 crores that was deployed in the last quarter. We are therefore looking to deploy a total of 800 crores for the year.

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Himanshu – Stairfort: Does this include all the deals we are discussing currently, or could there be additional deals that go through?

Management: It includes the deals we completed in the last quarter and all the deals with which we are in active and serious discussions.

Himanshu – Stairfort: One more thing: historically, IFC also used to participate in some of the projects, or we had an agreement with IFC. Were those agreements with IFC only for residential projects? Can IFC also be a partner in senior living, or will it always be on the other side? Do those agreements still continue, or are they over?

Management: They are partners in senior living. They are actually a partner in Ashiana Vatsalya, where they have also provided capital.

We have fully exhausted their first platform. In the second platform, we were only able to deploy approximately 100 crores into Aroham. However, the platform timeline has ended. We were not able to deploy the remaining amount because, by the time we finalized the timing of some of the projects, we were unable to meet their investment criteria for these other cities outside Gurugram.

They have an upper cap on the ticket size they can finance for a unit. In Gurugram, we had some relaxations in place, but in projects such as Lavanya in Chennai or Tatvam in Panvel, where we could have deployed capital, we were not able to meet the ticket-size requirements. Unfortunately, because of that, we were not able to proceed.

Himanshu – Stairfort: So there are no more funds or agreements with them?

Management: There is no active agreement with them. We are discussing with them how we can work together in the future. It is a partnership that both of us have enjoyed, and we are open to continuing it.

We value the kind of capital that IFC brings to the table, and I think it works very well for an organization like ours. I think they have also enjoyed good returns on the projects that we have undertaken. We are therefore actively discussing whether we can undertake further capital deployment together.

Himanshu – Stairfort: Thank you from my side.

Management: Thank you.

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

Nikhil – Individual Investor: Thank you. I have 2 questions. First, you said that you are trying to make the business less cyclical. I wanted to have a broad understanding of what the low and high of year-on-year pre-sales could be. I would appreciate a broad understanding.

Second, in the case of multiple projects, how does operating leverage work? I got a sense that if it is a large project, operating leverage would work, but you operate across so many geographies. How would operating leverage work? That is all.

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Management: Nikhil, there are 2 things. First, I do not know what the high and low of a cycle would be. A couple of years ago, we were looking at this number, and the idea was to achieve a higher top and a higher bottom, which is what we typically call it in the case of a capital market cycle as well. However, that was some time ago.

We looked at a figure of something like 10 lakh square feet as the minimum that we need to break even. Since then, our product portfolio has changed, and the component of senior living has been increasing. Therefore, I think we need to take a fresh look at the minimum number we should target in any kind of cycle and the maximum number we can reach.

In any case, the intent has become to reach a point where we can make 15% ROE a floor for the organization. Initially, it was an aspiration to get there. We achieved it on an economic basis 2-3 years ago and on a reported basis last year.

What we are looking to do is create a floor in the business of a 15% return on equity. Therefore, we are trying to get more structural products into the portfolio, where we believe senior living has structural tailwinds behind it as India's demographics change. I would also say that the first real private-sector children of the 1991 liberalization are now beginning to retire. Economic liberalization began in 1991, and that is what we are building on.

It would be difficult to give a bottom or a top. In terms of operating leverage, I think it plays out in 2 ways. One is at the company level. Vikas, when you talk about operating leverage, you are talking about it at the company level. There are a lot of fixed costs at the company level.

The second way it plays out is at the location level. For any developer, there is considerable location strength and location brand. For us as well, as we undertake more products in a location, our marketing costs fall. For example, in Chennai, marketing costs used to be around 8% in Ananya Shubham, and we are now down to about 4-5% of sales in marketing costs.

As we become more established in a location, those costs also come down. Larger projects also benefit because approvals are obtained once and design is completed once. As later phases are delivered, we should increasingly capture some of the value that we have created in the product through higher prices.

There are therefore 3 different levels of operating leverage that play out at different points in time. That is what is happening.

Management: Thank you.

Management: Thank you.

Operator: Thank you. Ladies and gentlemen, if you wish to ask a question, please press star and one on your touchtone telephone. Ladies and gentlemen, if you wish to ask a question, please press star and one on your touchtone telephone. The next question is from the line of Varun Yadav, an individual investor. Please go ahead.

Varun Yadav – Individual Investor: Hello.

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Management: Yes, Varun.

Varun Yadav – Individual Investor: I wanted to know approximately what the net margins are in Anmol Phase 3 and Amara Phase 1.

Management: I am not sure, but there will be individual margins for the projects, and both projects have lower margins. Anmol Phase 3 also has lower margins, and Amara Phase 1 also has relatively lower margins, because Amara as a project has very good margins, but margins from Phase 3 onwards are substantially better than in Amara.

It would be difficult to comment because I do not know how to define a project-level net margin. However, the gross profit margin blended between Anmol and Amara should be in the mid-20s. That is before selling costs and general and administrative expenses. We should be in the mid-20s. I do not think we are at the 30% level, although that is where we expect to get. Blended across both projects, we should be in the mid-20s.

Management: Regarding Anmol Phase 3, what we can tell you is that our margin gradually improved from phase to phase. Compared with Q1, pricing became somewhat better and improved in Q2 and then in Q3. I am talking about Anmol Phases 1, 2, and 3. The margin in Phase 3 was better than in the earlier phases, but it was still lower overall.

Varun Yadav – Individual Investor: Now that possession of Amara Phase 1 has been handed over, we still have inventory remaining in Phases 4 and 5. Will that have any impact on those phases?

Management: In what way?

Varun Yadav – Individual Investor: I mean, will selling become difficult if resale inventory comes into Phase 1?

Management: However, there is another aspect to it. Since Phase 1 is ready, our visits have actually increased. Our club is ready to show, our clubhouse is ready to show, and our learning hub is ready to show. Earlier, we were selling only on plans and models; now we are selling based on reality.

The second thing is that we have more end users because we did not allow resale without GST or without possession in the Gurgaon market. Therefore, at the beginning, there were fewer investors who came in with the intention of selling through resale. Some came, but there were fewer of them.

Overall, resale stock as a proportion of Phase 1 should not be more than 20%, I would say, compared with the situation where 80–90% of Gurgaon sales by other developers used to be traders who sold later. Therefore, I do not feel that much pressure, actually.

Varun Yadav – Individual Investor: Thank you, sir.

Management: Thank you, Varun.

Operator: Thank you. Ladies and gentlemen, if you wish to ask a question, please press star and one on your touchtone telephone. Ladies and gentlemen, that was the last question. I would now like to hand the conference over to the management for closing comments.

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Management: Thank you all for participating in this earnings conference call. We remain focused on timely handovers in FY27 and on building long-term value through disciplined execution and customer-centric development.

If you have any further questions or would like to know more about the company, please feel free to reach out to us directly. Alternatively, you can reach out to our investor relations partner at Valorim Advisors. The investor presentation and relevant materials are available on our website, and we will be happy to provide any further clarifications you may need.

Wishing you all good health and a productive year ahead. Thank you.

Operator: Thank you. On behalf of Arihant Capital Markets, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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