



“Ashiana Housing Limited
Q3 FY '23 Earnings Conference Call”

February 15, 2023



**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 the Ashiana Housing Limited Q3 FY '23 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, 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 from Ernst & Young. Thank you, and over to you, sir.

Binay Sarda: Thanks, Melissa. Welcome, everyone, and thanks for joining this Q3 FY '23 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 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'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 FY '23 of Ashiana Housing. Thank you for joining us today. Ashiana Amarah, a central project in Gurugram was fully sold on launch. We also launched Ashiana Advik, a senior living project in Bhiwadi. Apart from these new projects, we also launched Phase 3 of Ashiana Anmol in Gurugram, and last phase of Ashiana Umang in Jaipur. Both of these are kid-centric projects. The last phase of Ashiana Dwarka Jodhpur was also launched in Q3 FY '23. We achieved an area booked of 9.03 lakhs sq. ft. for the quarter gone by. Value of area booked went up to ₹ 485.29 crores in Q3 FY '23 vis-a-vis ₹ 240.19 crores in Q2 FY '23. Average realization price improved to ₹ 5,373 per sq. ft. in Q3 FY '23 vis-a-vis ₹ 4,904 per sq. ft. in Q2 FY '23.

This improvement was driven both by increasing prices and projects and change in mix towards higher-priced projects. The total sales value reached to ₹ 877.62 crores for the period from April to December 2022. Deliveries commenced in Daksh with 2.99 lakhs sq. ft. delivered in Phase 1. A total of 3.6 lakhs sq. ft. was delivered in the third quarter. This was against a delivery of 2.07 lakhs sq. ft. in second quarter and 2.11 lakhs sq. ft. in the first quarter of the FY 2022-23.

Area constructed was 3.42 lakhs sq. ft. in Q3 FY '23 versus 4.38 lakhs sq. ft. in Q2 FY '23. Total revenue increased to ₹ 135.31 crores in Q3 FY '23 from ₹ 91.72 crores in Q2 FY 2023. Total Comprehensive Income (TCI) improved to positive ₹ 9.29 crores in the quarter gone by versus

negative ₹ 1.31 crores in Q2 FY '23. Pre-tax operating cash flows was positive at ₹ 35.6 crores in Q3 FY '23 versus negative ₹ 1.05 crores in Q2 FY '23.

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: We have the first question from the line of Ankit Shah from White Equity.

Ankit Shah: I have one question on transaction base. So, can you share the trajectory for construction over next 4-6 quarters? And also, if you can share the hurdles that are coming on the way of picking up construction?

Varun Gupta: Hi Ankit. You want to understand how the construction outlook looks over the next 4-5 quarters. And what are the hurdles in picking up construction, right? Construction outlook, I think we are in that 20 - 25 lakhs sq. ft. zone annually from next year onwards. We haven't set our annual targets for next year as of yet. But the trajectory that we have, I think we are in that 20 - 25 lakhs sq. ft. target. This year, in terms of construction volumes, particularly the third quarter was a little slower than we expected. We had particularly 3 hurdles that have come in this year.

One hurdle was the ban in NCR for construction. This happens every year, but it happens particularly in the third quarter. And also, second what has happened to us is that spread in NCR because of increasing work in Gurgaon and Bhiwadi has become a larger part of our portfolio, so the impact of the construction there in third quarter seems a little bit more to us. The second issue that came in, in terms of construction this year has been that our launches have gotten a little delayed than what we had planned. So that led to delay in construction in the volumes as we expected.

In sales, it's easier to catch up. In Amarah, we could sell on day one when we got the response that we did, but we can't build on day one. We need to take time for a delay as caution. And the third, some challenges on construction manpower and supply chain remain. But I think those challenges are the smallest of the challenges that I've said. So next year, I'm a lot more hopeful that constructions volumes would be better because projects have launched this year. We had planned to launch 5 projects this year out of which we have launched 3, 2 projects are getting launched in Q4. So we will have enough room to do construction next year.

Moderator: We have the next question from the line of Himanshu Upadhyay from O3 Capital.

Himanshu Upadhyay: I had one or two questions. First was on the project launches, especially in Gurugram in where we are seeing successes and next phases are to be launched. Are you replanning those projects? So in terms of larger size of next phase of those projects or anything you are re-evaluating or re-working? How are you thinking on that? Because the momentum is strong, why not slightly larger phase of the launches. This was one thing.

Varun Gupta: Okay. Himanshu, I think we made a mistake like this of launching the very high side phases earlier when market momentum was high. And then we got stuck with unsold build inventory, which took a bit. So we just want to be careful around that. To us, like a 4 lakhs sq. ft. size is

quite large itself. And as we see momentum, one is always free to launch another phase instead of increasing the size of the existing phase.

So as we sold Phase 1 out faster than we expected in Amarah Phase 1 launch, we have received RERA for Phase 2, and we should launch Amarah Phase 2 also hopefully soon and then take that up as we go along. I think that's the thought process that we have right now.

Himanshu Upadhyay: And on the launch, what are the top launches or priorities in the next 12- 15 months now? Can you give some idea?

Varun Gupta: We have two launches in Q4, which are fresh projects. So, from a project perspective, we are launching Ashiana Ekansh in Jaipur and Ashiana Prakriti in Jamshedpur. These are two big launches in this quarter. And in the next financial year, we have five launches planned, two in Jaipur, which is the land in Bhankrota and the land in Murlipura, Jagatpura. We have also planned launches of Senior Living in Chennai, one at Mahindra World City and other at Nemili. And another, namely, Ashiana Amodh in Pune, which is also a Senior Living project that we plan to launch. And that's the main new five project launches that we are planning. Phase launches will be over and above this.

Himanshu Upadhyay: And one thing, in terms of deliveries, we had a certain phases where we said it may take more time, okay, like 1-2 quarters. Are we running on time? Is there any probability that we can do faster or what's the progress on that side?

Varun Gupta: So, we have put expected customer handover dates in our presentation, okay. So the thing is slippage of a quarter could happen because we get bulk thing, like something that is planned in March, if it goes to April, there is a quarter slippage in this technically, but it's really a slippage of maybe 15 or 20-30 days. We are generally on track, but something might go from one quarter to the other a little bit when it's closing, but generally, schedule of construction is on track to what we have reported.

Himanshu Upadhyay: And on business development lastly, what are we doing right now?

Varun Gupta: On business development, our focus is to get more work in Gurugram and in Jaipur. And to look at senior living projects elsewhere in the country wherever we can expand to. Senior living is something we want to take to more locations. So that's the sort of the way we are looking at how to go about doing this in terms of business development. That said, right now, the land markets have been frothy for a bit.

I think good news is that on the land front, I can sense some signs of corrections are there. One clear sign is that the plotting markets in Gurugram has slowed down considerably. Prices have flattened and plateaued volumes have started reducing the oversupply situation on the plot side that I see coming, which I think should help land markets cool off a little bit. So that's where we are at, in our perspective.

Moderator: We have the next question from the line of Rohit from ithought PMS.

Rohit: So my question was on these 5 launches that you have talked about that you see in the next couple of quarters. In terms of square footage what you see?

Varun Gupta: So in terms of the future next year project that we are going to launch?

Rohit: Yes. So these 5 launches that you just spoke about, these are going to be FY '24 or this quarter and next quarter?

Varun Gupta: In Q4, we are launching 2 projects. These 2 projects put together are about 14 lakhs sq. ft. They are not launching the entire project because we launch phases. I would say the phase launches of these put together would be about 7-odd lakhs sq. ft., half of which should get launched in these 2 projects. And next year, all the projects put together that we have is about 45 lakhs sq. ft. of total in projects, of which Phase 1s of all those projects put together will be around 9- 10 lakhs sq. ft., like about 20-25%. With phases of existing projects, we plan to launch a total of 3 million sq. ft. in FY '24 i.e. 30 lakhs sq. ft.. So maybe about 10-15 lakhs sq. ft. will get launched in new projects and about 10-15 lakhs sq. ft. will get launched in new phases of existing projects.

Rohit: So just to summarize, you're saying that this quarter, you'll see about 7 lakhs sq. ft. of launches, which will have another 7 lakhs sq. ft. of other phases. And overall, in FY '24, you're looking at around 10 -15 lakhs sq. ft. of new launches and a similar number for existing phases getting launched, correct?

Varun Gupta: Correct. In this quarter also, we will have an existing phase of another 2-3 lakhs sq. ft. also coming, yes.

Rohit: So you'll launch close to about a million in this quarter in Q4, correct?

Varun Gupta: Yes, and about 3 million next year.

Rohit: Sir, just wanted to understand that you have given a pre-sales number of about ₹ 1,000 crores to ₹ 1,100 crores, which seems now fairly doable on books. So I mean, how are you thinking next year we are also looking at you said 3 million sq. ft. kind of launches. And then obviously, the bigger question then is that how are we sort of trying to backfill the launches and the phases that we will launch in terms of our overall land inventory. So if you can just maybe share some perspective there.

Varun Gupta: So right now, we have about ₹15 crores and 20 lakhs sq. ft. to sell as of 31st December. There's some future projects in terms of land available for future development, I'm knocking off 2, which in Bhiwadi, in Milakpur, in Kolkata, because in Kolkata, I don't have light on those projects when they'll get launched or what will happen on those. Outside of that, we still have a ₹ 1 crores about 50 lakh square foot to sell. So we have enough to sell for a bit.

It's not that we don't have anything going. We have enough for around 3- 4 years as the pace keeps. We will need to add more inventory to manage that for future. That shared, according to us right now, land markets are a little frothy, and we will continue to keep quoting in the market, but not be very aggressive on pricing. I think that's the only thing that we are looking at from a

strategic perspective. And in my opinion, the land markets are showing signs of collection and plateauing and flattening out. And hopefully, over the next maybe 12 months, we'll be able to conclude some transactions.

Rohit: And in FY '24 now, what are you thinking in terms of pre-sales, will you be able to maintain or grow?

Varun Gupta: We don't have a pre-sale number target, Rohit, for the next year. We'll get to know that over the next month. But presales will be a little volatile as we go along. It's not necessarily going to be consistent in one trajectory depending on how launches are planned. But right now, FY '24 to me looks good.

Moderator: We have the next question from the line of Priyank Sanghavi from 5Y.

Priyank Sanghavi: So Varun and Vikash, good numbers. Since we provide rental and retail services in our existing projects with the resident. Do we track the rental yields at the major locations of our projects?

Varun Gupta: We don't track rental yields Priyank, but we do track rental values. So I wouldn't know the percentage, you'll have to do the math, but we do track rental value.

Priyank Sanghavi: So what do you mean by rental value?

Varun Gupta: It means how much rent will you pay per month to rent a flat.

Priyank Sanghavi: So can you share those current numbers for, say, Gurugram, Jaipur, Chennai and Bhiwadi?

Varun Gupta: Yes, can you write separately to Radhika and mail to it at Investor Relations, we'll get that information across to you. We'll collate it from the different teams and have it sent that across to you.

Priyank Sanghavi: Yes, I'll do that. So when I write for the information, then can you give the necessary information that I can calculate the rental yield as well?

Varun Gupta: We'll see what we can organize, but rental yields are typically in the 3% plus/minus 0.5% to 1%. So, let's say, 2% - 4% is the rental yield ranges across the bid. We'll try and share more information with you.

Priyank Sanghavi: Yes. I understand the rental yields don't vary much, but then even between, say, 2% and 4%, I think so the number -- it doesn't sound big difference, but I think so on a practical basis, that can tilt a person from buying versus renting at 4% along with depreciation, people may move from buying to renting.

Varun Gupta: We'll share that information with you as much as we can. Whatever we can, we'll share.

Moderator: We have the next question from the line of Avadhoot Joshi from Newberry Capital.

- Avadhoot Joshi:** Congrats on the good set of numbers, area booked has increased and the realizations have also increased. Just 2 questions. Major of the realization increase, whether it is contributed by Gurugram and whether we have able to increase the realization in Bhiwadi also?
- Varun Gupta:** Avadhoot, so a large contribution is coming from Gurugram this quarter because A, Gurugram has made a very large role in the area booking in the first place and also in value of area booked overall. So that had a very large contribution this quarter overall. So more than half the total square footage sold in the quarter came in from Gurugram.
- So that made a difference. Second, in Bhiwadi, we have been able to increase prices, not significantly in the premium home segment, but still some upward movements. However, the project Ashiana Advik in senior living that was newly launched, has been launched at a higher price than Ashiana Nirmay. And we are seeing about a 7% - 8% bump up there.
- Avadhoot Joshi:** Right. On the land parcel that we will be looking, the preference would be again to Gurugram and Jaipur then?
- Varun Gupta:** Yes, the land parcels you are looking at are for Gurugram and Jaipur and we are exploring other big cities for senior living as well. So those are the 2 places where we are concentrating.
- Avadhoot Joshi:** Okay. And finally, any progress over there in Pune because I think the portion is very little, I understand, so how is the response? any progress over there?
- Varun Gupta:** Pune, we are fairly satisfied with the launch of Ashiana Malhar that had happened, selling 1.20 lakhs sq. ft. till now, we have launched in the second quarter. I'm fairly happy with how Ashiana Malhar is done. Obviously, the second quarter was very heavy because of the launch. But if we keep this pace, I think we are on track in Pune. I think the bigger game in Pune is also going to be senior living for us. Ashiana Amodh is in like the final leg to get launched. We have planned sanctions. We have environmental clearances. We are in the in the process of obtaining RERA. So I think that will also have a much bigger dent on for us in terms of Pune.
- Moderator:** We have the next question from the line of Ankur Kumar from Alpha Capital.
- Ankur Kumar:** Sir, my question was on the revenue recognition. So if I know correctly, we recognize when we give the project to the final consumer, which is the buyer. So in terms of this quarter, we see there is a good jump in revenue. So what are the key projects that we have handed over to the customers in this quarter?
- Vikash Dugar:** Hi, Vikash here. The key projects on which deliveries happened in this quarter was Ashiana Daksh. So the bulk of the revenue was blocked due to Ashiana Daksh. It's a project in Jaipur.
- Ankur Kumar:** But this was supposed to be handed over to customers in the Q1 of FY '24 as per the presentation.
- Vikash Dugar:** Yes. But we were in a position to complete it timely, issue our intimation position and deliver, so we did that.

- Ankur Kumar:** Okay. Sure, sir. And now if I look at the ongoing project pipeline, we have 2 projects in Jamshedpur, which we are supposed to hand it over in this quarter, Sehar and Aditya. So they are on time?
- Varun Gupta:** So Ashiana Sehar is on schedule. We have received occupancy certificate in Ashiana Sehar. Ashiana Aditya, we have applied for occupancy certificate. If occupancy certificate comes soon, then we will be on track for this quarter. Otherwise, it might slip a month like it might slip into April as well. But as of now, I think it's on track for March, it's not as easy to predict these deliveries as we would like to.
- Vikash Dugar:** Although every quarter, we do revisit and if we see any kind of indication that there might be a change, we do make the changes in the information that we share.
- Varun Gupta:** And just one more correction on Ashiana Daksh. If you're looking at the presentation, Ashiana Daksh Phase 2 and 3 are in the presentation for Q1 FY '24. Ashiana Daksh Phase 1 has been delivered and therefore, it's not in the ongoing project summary at all, and it's in the completed project summary, it will be there.
- Ankur Kumar:** And sir, what is your thoughts on the margins? What kind of margins should we expect on all these projects?
- Varun Gupta:** So, 2- 3 things. One is, what I would say, our gross profit margins. Gross profit margins, typically, we have underwritten 30%, However, in the older projects, average gross profits are a little lower, maybe 27% - 28% is what we are getting. Our selling costs right now would be across onboard, so in Aditya and Sehar and Daksh, the selling costs are lower. We are averaging about 4% selling costs and selling costs vary between 2% to 7% or 2% to 8%, depending on the projects.
- Some outliers might be there from that range also, but that's typically what we are experiencing. But I would say on average, selling cost is about 4% - 4.25% is what we are looking at. And general and administrative costs are somewhat fixed in nature. So they are on a fixed quantum. So that's the kind of margins we are looking at right now. My view and expectations are that we are in a margin expansion zone. And gross profit margins have started improving and will, I think, continue to improve and we should break that 30% barrier on a blended average basis. Not now, but it may be 2 - 3 years from now when we deliver some of the projects which have been launched in this year.
- Moderator:** We have the next question from the line of Harsh Beria, a Professional Investor.
- Harsh Beria:** Congratulations for the very good performance this quarter. I have a question on the Ashiana Prakriti project in Jamshedpur. It seems that our share of revenue has increased from 73.6% to 76.6%. I think in the last presentation, it was mentioned at 73.6% and in this one, it's mentioned at 76.6%. Is there something to call out there?
- Varun Gupta:** We'll have that corrected as there is a typo on this from our end. We'll get that data corrected. The first one was correct i.e. 73.6% - it's not exactly a typo, the structure is a little complicated. So sometimes we give a blended rate there, there are some aspects of that we can recover from,

we have some recoveries in the revenue share, as and when the expected revenues varies a little bit. We'll have this corrected. This was an error at our end.

Harsh Beria: If I look at deliveries pipeline for FY '24, a number of our Jaipur projects should get delivered, such as Daksh, Amantran, Umang. What are the kind of gross profit margins at which these projects were underwritten at?

Varun Gupta: Daksh, Sehar and Aditya, correct?

Harsh Beria: Yes, but I think in the slides, you've also mentioned that some phases of Amantran and Umang would also get delivered.

Varun Gupta: Amantran and Umang okay, so again, these would have a blended average of about 27%. They vary between 25% - 29%, I would say. Aditya is a little lower actually what we are expecting. So this will vary a little bit and future phases of most of these projects will have a better gross profit because prices in the later phases have been higher. So, in Ashiana Amantran Phase 3, our gross profit margins would be higher than Ashiana Amantran Phase 1. Similarly, Ashiana Umang Phase 6 would be better than Ashiana Umang Phase 5 because we've been able to check better prices in future projects. So even the gross profit margin will vary across phases.

Harsh Beria: Okay. So on a reported basis, I think our EBITDA margins would still or our reported ROE would still be single digits in FY '24. Is that understanding correct? Just on the reporting basis.

Varun Gupta: We missed out on some deliveries and therefore, our ROE on a reported basis would still be high single digits is what I would expect where we are at right now. A little bit of depending on what deliveries we get in.

Harsh Beria: And my last question is, it seems now we have enough pipeline that we have built over the last few years, that we are set for pre-sales of ₹ 1,000 crores to ₹1,200 crores. And this is also the number which we reached in the past. Do we see a scope for expansion of this by 20%- 25% each year, given that we have enough pipeline and we also have much more ground in markets, such as Gurugram now.

Varun Gupta: So two things. The best we have done reported ₹ 671 crores, okay. We never reached the ₹ 1,000 crores threshold.

Harsh Beria: Sorry about that. I meant the volumes. We have reached about 2.3 million.

Varun Gupta: A little bit of change in the company in the first preferred pricing has also happened because we've gone into markets which are higher priced, right? More than also just increasing, we are also what I would say our business is cyclical.

So how to increase the base revenues that we would have if that's the way to put it, is something that what we are also considering and seeing what to do around that. And I think one of the strategies that will play out is we will look to expand senior living. So as we do senior living more and more, I think overall base case numbers should increase. And hopefully, that will start playing out and as you said, 20-25% pre-sales increase etc., those things will be imported.

We are also looking to dig deeper into Gurugram. We've started seeing success there after a lot of work. We also believe that Jaipur also we can do more work than what we are doing today. So both opportunities for growth there remain. And we are looking for higher numbers. That shared, as I said, land prices were worrying me and still worry me. My sense is started coming that land prices have started plateauing and stabilizing, and it might be an opportune time to start looking at transactions again. And if that happens, we can scale that up further. So that's the way we are looking at things. Overall, I'm excited about the business right now.

Harsh Beria: Just a follow-up on this is, what is the current proportion of our business coming from senior living? How do you envisage this?

Varun Gupta: On an annual basis, it varies anywhere between 10% - 20%. We had a little higher number this year as a percentage of senior living has become lower because we launched other projects and the base became larger. So Vikash-ji is here, suggesting to me on senior living instead of tracking percentages, what we want to track is what kind of an absolute base case scenario in senior living are we able to hit.

Vikash Dugar: Just as an example, if suppose we clocked 15 lakhs sq. ft., and out of that, we did 3 lakhs sq. ft. of senior living the percentage looks like a good healthy 20%. But then if suppose the overall base goes up to say 20-25 lakhs sq. ft., that same 3 lakhs sq. ft. looks like a smaller percentage. So it's the absolute number that we should ideally target that how do we go from 3 lakhs to 5 lakhs or 6 lakhs sq. ft. or even more than that.

Varun Gupta: So right now, I think this year we will do ₹ 150 crores of value area booked in senior living this year. This is what my expectations are. I think we have a 3-4 year view to get this north of ₹ 300 crores - ₹ 400 crores is where at least we would like it to get to, if not more and with higher overall margins as compared to what we would experience in non-senior living. So we will get a little higher profit margin and better returns on our capital.

Harsh Beria: So just to simplify this, if we are doing ₹ 150 crores, I would imagine you would at least be doing profit margins of 15% on a senior living. So going ahead, the idea is to kind of try to get this profit pool like to expand this profit pool and make that the base?

Varun Gupta: Correct. It's to expand this profit pool and make it a bigger part of it. Yes, absolutely.

Harsh Beria: And that would hopefully reduce the cyclicity in our numbers.

Varun Gupta: Can you say that again, please?

Harsh Beria: And this would hopefully reduce the cyclicity in the reported numbers going forward?

Varun Gupta: Absolutely, we would like to reduce - more than the cyclicity in the reported numbers, cyclicity in the operations. Reported numbers have some cyclicity driven by accounting norms. That's not the bigger worry. The bigger thing is the cyclicity in the real estate cycle itself and how we can protect ourselves from it.

- Harsh Beria:** I appreciate that point. Also, is my understanding correct that we would at least be doing the 15% profit margins in senior living housing?
- Varun Gupta:** So, we don't do after-tax profit margins on project-by-project scenario or segmented. We locate it only at the gross profit level. Again, these margins vary project to project. But what we are aiming for in senior living gross profit margins to be about 3% to 5% points higher than general housing.
- Harsh Beria:** And is the selling cost also lower in the senior citizen projects?
- Varun Gupta:** No, senior living selling costs are similar as in general housing - higher as the launch of a new location, new project and then trend downwards as and when we build a brand in the location.
- Harsh Beria:** So, it follows a normal cycle as across the projects. That's it from my side.
- Moderator:** We have the next question from the line of Jimit Shah from Investore.
- Jimit Shah:** Sir, can you give any guidance on deliveries for Q4 and for FY '24? And what about profitability, when can we achieve consistent profitability?
- Varun Gupta:** So, in terms of delivery, guidance is provided in the 17th slide of the deck that we have uploaded. It says in which year we expect to hand over to the customer. That's the quarter for delivery, you can expect that we'll take.
- Jimit Shah:** So if I'm right, we'll deliver 6 lakhs sq. ft. in Q4?
- Varun Gupta:** Q4, I would expect that, yes, we should have about 6 - 6.5 lakhs sq. ft. is what we are looking at.
- Jimit Shah:** And 10 -12 lakhs sq. ft. in Q1?
- Varun Gupta:** So, I don't see those numbers as 10 -12 lakhs sq. ft. If I total up the sheet, it's more like 6.5 lakhs sq.ft.
- Jimit Shah:** 6.5 lakhs sq. ft. in Q4 you are expecting?
- Varun Gupta:** Q1 of FY '24. If you look at, there are 3 deliveries in Q1 of FY '24. These deliveries can go 1 quarter here or there a little bit. Ashiana Daksh Phase 2 is slated for Q1, but there is a potential of delivering it in Q4 of FY '23 itself. Similarly, Ashiana Aditya which is slated for Q4 of FY '23, it could go to Q1 of FY '24. We deliver on getting occupancy certificates from the governments, which can sometimes get delayed more than we expect and sometimes come in faster than we expect. So I would just say that keep that in mind.
- Jimit Shah:** So when can we expect consistent profitability?
- Varun Gupta:** Consistent profitability, from a reported perspective, I think, is a difficult thing because our deliveries can get bunched up. What we have had, though, over the last actually 2-3 years now

consistently a positive good operating cash flows. From a metric to see whether the operations are positive, that's what we look at.

If you have seen FY 2020-21 and FY 2021-22, both had great cash flows. FY 2022-23, we were a little slow because of one blip in a quarter, where we front-loaded some cash flows for construction before launches and for advertising. But if you see that, that's the consistent number that we would like to track from an operational perspective. Reported profits can vary a little bit here and there.

Moderator: We have the next question from the line of Harsh Beria, a Professional Investor. Please go ahead.

Harsh Beria: I think in the last call or in the call before that we were discussing about some -- return policies such as buybacks and maybe a dividend. Has there been more discussions about this by the board?

Varun Gupta: So, on buybacks and dividend and capital return thought processes, we have had a few discussions at least at the Executive Board member levels, if not at the full Board level. We are discussing and deliberating and trying to wrap up our heads around it. I think it's a process that we are understanding whether we should do it or not.

Harsh Beria: And one question because half is about the number of units that we have sold. So we have given numbers in terms of presales volumes and presales value - how much units have we sold so far this sir?

Varun Gupta: Harsh, it would be hard to share, but I would say 1,200 something. I think we're averaging about ₹ 70 lakhs a unit as a ticket size somewhere around that. I wouldn't have the number right now, but, if you write to Investor Relations, we'll send that data out to you.

Moderator: As there are no further questions, I would like to hand the conference back 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 the call. Thank you.

Moderator: Thank you, members of the management. Ladies and gentlemen, on behalf of Ashiana Housing Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.