



Ganesh Housing Corporation Ltd

Q1FY19 Investor Presentation

*“ Significant wealth creation potential by monetization of low cost land bank;
focus shifting to affordable housing and free cash flow generation ”*

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Company Overview

Company Overview

- ❑ GHCL is engaged in the business of construction and real estate development in Ahmedabad. The Group is one of the largest real estate developers in Gujarat with developable land bank of about 590 acres in prominent parts of Ahmadabad.
- ❑ **Promoters:** The Company is promoted by Mr. Dipak. G. Patel & Mr. Shekhar G. Patel. Chairman Mr. Dipak Patel looks after the new projects, quality control amongst other business area. Managing Director Mr. Shekhar G. Patel, a civil engineer by qualification, possess wide experience of 24 years in the field of Execution, Design, Planning & finance and oversees the day to day management of the company.
- ❑ **Project Profile:** 1) GHCL has constructed around 22 million square feet of residential cum commercial space in Ahmedabad till date (7.4 mn in last 15 years). 2) Currently the company has 2.7 million sq. ft. of residential cum commercial cum retail project is underway with total sales value of around Rs 1109 Crore.
- ❑ **Positioning:** While GHCL already has a strong presence and brand recall in middle and premium category residential segment, the company is increasingly focusing on the affordable housing category for its large land bank situated in and around Ahmedabad city. Besides, Commercial offices, SEZ (IT&ITES) and Townships are the areas where GHCL is steadily increasing it's footsteps. Projects IT-SEZ 'Million Minds' and a Township 'Smile City' – are its two mega projects for GHCL in coming years.
- ❑ **Financials:** The Company has completed FY18 with ~Rs 508 crore revenues, ~Rs 203 crore EBITDA (40%) and ~Rs 51 crore PAT (10%) .
- ❑ **Dividend History:** The company is consistently paying dividend for last 14 years to its shareholders. The dividend yield currently stands at 1.5% (on market price as on 31st march,18) .

How the company has evolved since incorporation?

1991-2004

2004-2009

2009-2014

2014 & Beyond

Early Phase & IPO

Fund Raising

Robust Execution

Scaling Up...

- Incorporated in June 1991 with a principal focus on development of residential and commercial projects.
- Raised Rs 2.1 Cr. through IPO in 1993.
- Amalgamation with another listed group company in 1998.
- Started Real estate development business (1999)

- Bonus issue 2:1 (2006)
- NSE listing in 2007.
- Qualified Institutional Placement (QIP) in 2007 of Rs 227.50 cr.
- Crossed Rs 100 cr. Turnover (2008)
- ISO and OHAS certification received
- Crossed delivery of 15 mn sqft real estate space
- Amalgamation with 5 group companies in 2007.

- Crossed delivery of 17 mn sqft real estate space.
- Crossed Turnover of Rs 200 cr and PAT of Rs 50 cr (2012)
- Crossed Net worth of Rs 500 cr (2010)
- CREDAI Real Estate Award 2012 for MAHALAYA-II, Best Individual Dwelling Row House
- GIHED Award for GCP Business Center, Ahmedabad – Best Commercial Project 2013

- Highest ever cash flow of Rs 280 cr. (2016)
- Total delivery crosses 22 mn sqft real estate space (2016)
- Crossed Turnover of Rs 300 cr (2016)
- CREDAI CSR award 2015 for Public Awareness Campaigns for Shatayu - an organ donation awareness initiative.
- CNBC award for Best Residential Project (MID) for Malabar County 2016.
- Setting the base for upcoming projects with clear focus for next 7 years development.

Ganesh Housing has built on a solid foundation and execution capabilities to reach a net-worth of ~890 Cr., & market cap of ~470 Cr. in last 2 decades.

Project Portfolio

Ganesh Housing

Completed Projects

- No of projects-16 (last 15 years)
- Type of projects – Residential (13) & Commercial (3)
- Area in mn Sqft-7.4
- Sales Value in Rs Cr-1233
- Sold Value in Rs Cr-1185
- Unsold Inventory in Rs cr-48
- Free Cash Flow in Rs cr-38
- Names of key projects:
 - Maple county I & II
 - Malabar County I
 - Sundervan Epitome
 - Magnet corporate Park
 - International Pharma & Bio tech Park
 - Shangrila 1 & 2

Ongoing Projects

- No of projects-2
- Type of projects –Residential (2)
- Area in mn Sqft-2.7
- Sales Value in Rs Cr-1109
- Amount received in Rs cr-390
- To be received in Rs Cr-719
- Cost to be incurred in Rs Cr-129
- Expected Free Cash Flows-Rs 464 cr
- Names of key projects
 - Malabar County II
 - Maple Tree & Maple Trade Centre

Upcoming Projects

- No of projects-4
- Type of projects-Residential (3) & commercial (1)
- Area in mn Sqft-1.3
- Sales Value in Rs Cr-484
- Cost to be incurred in Rs Cr-237
- Expected Free Cash Flows-Rs 194 cr
- Names of key projects
 - Malabar County III
 - Malabar County IV
 - Malabar County V
 - Magnet Trade Center

***Note-** Expected Free Cash Flow is considered net of taxation outflow.

GHCL has delivered more than 7mn sqft in last 15 years, emerging as a key player in the value / affordable housing segment

Name of Project	Location	Nos of Units	Saleable area (mn sq. ft.)	Sales Value (Rs. In Cr.)	Type of Project
Ratnam	Vasna	216	0.20	11	Residential
Maniratnam	Vasna	51	0.08	8	Residential
Maniratnam II	Vasna	92	0.12	10	Residential
Mahalaya	Thaltej	70	0.16	14	Residential
Mahalaya II	Sola	56	0.14	33	Residential
Shangri-La (Phase I & II)	Thaltej	115	0.26	87	Residential
Shangri-La II	Thaltej	31	0.08	17	Residential
Satva	Paldi	221	0.36	85	Residential Cum Retail
Suyojan	Sola	96	0.23	50	Residential
GCP Business Centre*	Memnagar	32	0.11	58	Retail Cum Commercial
Maple County	Shilaj	192	0.43	114	Residential
Maple County II*	Shilaj	192	0.43	130	Residential
Magnet Corporate Park*	S.G. Road	23	0.63	290	Commercial
Sundervan Epitome*	Satellite	46	0.23	116	Residential
Malabar County I*	Chharodi	600	0.75	193	Residential
Total – A			4.20	1215	
Sale of Plotted Land (Pharma & Bio-Tech Park) – B	Matoda & Sari	48	3.23	18	Industrial
Total – C (A+B)			7.44	1233	

- GHCL has delivered >7mn sqft in last 15 years, including ~2.1 mn sqft currently is completed (highlighted above)
- The execution has accelerated with time, in line with company's enhanced capabilities to take on bigger projects and more number of projects simultaneously
- *These are completed projects. However, there are unsold inventory of around Rs 48 crore, which will be monetized during FY19.

GHCL has a strong pipeline of new launches scheduled in FY19/20, which gives visibility for earnings and cash generation over next 3 years

Project name	Location	Project Type	Area (mn sq ft)	Cost of Project (Rs. Crore)	Sale value (Rs. Crore)	Project Start	Project End
Malabar County 3	B/h Nirma University, Off S.G. Road	Residential	0.7	116	208	Jan-19	Dec-21
Malabar County 4	B/h Nirma University, Off S.G. Road	Residential	0.2	39	74	Mar-19	Feb-21
Malabar County 5	B/h Nirma University, Off S.G. Road	Residential	0.2	33	69	Mar-19	Feb-21
Magnet Trade Centre	Satellite	Retail Cum Commercial	0.2	50	133	Apr-19	Mar-21
Total			1.3	237	484		

1. Gross development Value of upcoming projects is ~Rs 484 Cr.
2. The land is already acquired for the project and fully paid up.
3. Malabar County series falls under central government scheme of Affordable housing to avail lower interest rate benefit to buyers. Also, these projects will fall under scheme, where no income tax liability will arise. As a result, the EBDITA & Net margin will be higher.

Financial Profile

Ganesh Housing Group Key Metrics

Ganesh Housing Group has witnessed steady growth in last 6 years, notwithstanding the challenging external environment.

Key Parameters (Rs cr.)	FY12	FY18	FY18 over FY12 (X)
Revenue	209	508	2.4 X
PAT	45	51	1.1 X
Dividend Paid	5	11	2.3 X
Networth	612	890	1.4 X
Debt	261	707	2.7 X

- In last 6 years Ganesh Housing Group's revenues have grown 2.4 times from Rs. 209 Cr. in FY12 to Rs. 508 Cr. in FY18
- Profitability (PAT) has grown by ~1.1 times in the same period, from Rs 45 Cr. to Rs 51 Cr.
- Also, the annual distribution of wealth in terms of dividends to shareholders has also gone up by 2.3 times to ~11 Cr. (incl. tax on dividend).
- Shareholding of existing holders increased through Bonus issuance @ 1:2 for FY16 financial year.
- Debt has grown by ~2.7 times in the same period from Rs 261 cr to Rs 707 Cr. The debt have been majorly utilized towards land accumulation.

Financial highlights- Q1FY19-Standalone

Rs in Lacs

PARTICULARS	Q1-FY19 (Unaudited)	Q4-FY18 (Audited)	Q1-FY18 (Audited)	Year Ended FY18
(I) Revenue from Operations	3630.19	3916.51	5276.46	19784.10
(II) Other Income	276.37	674.79	121.34	1246.66
(III) Total Income (I+II)	3906.56	4591.30	5397.80	21030.76
(IV) Expenses				
Cost of Materials Consumed	68.91	604.03	473.25	1956.72
Purchase of Stock in Trade	0.00	0.00	0.00	0.00
Changes in inventories of finished goods, Work-in-Progress and Stock-in-Trade	4.65	488.51	642.71	3057.17
Employees benefit expenses	374.65	526.38	319.00	1533.15
Finance Costs	1439.59	1461.07	1321.02	5737.60
Depreciation and amortisation expenses	49.97	65.65	62.52	255.03
Other Expenses	202.80	687.86	527.89	1786.83
Total Expenses (IV)	2140.57	3833.50	3346.39	14326.50
(V) Profit/(Loss) before Exceptional Items and Tax (III-IV)	1765.99	757.80	2051.41	6704.26
(VI) Exceptional Items	0.00	0.00	0.00	0.00
(VII) Profit/(Loss) before Tax (V-VI)	1765.99	757.80	2051.41	6704.26
(VIII) Tax Expenses				
(1) Current Tax	(700.00)	(400.00)	(1008.68)	(2958.68)
(2) Deferred Tax	(70.76)	150.06	127.50	161.09
(IX) Profit/(Loss) from continuing operation (VII-VIII)	995.22	507.86	1170.23	3906.67
(X) Share of Profit/(Loss) of associates	0.00	0.00	0.00	0.00
(XI) Non-controlling Interest	0.00	0.00	0.00	0.00
(XII) Net Profit/(Loss) after taxes, Non-controlling interest and share of Profit/(Loss) of associates (IX+X+XI)	995.22	507.86	1170.23	3906.67

PARTICULARS	Q1-FY19 (Unaudited)	Q4-FY18 (Audited)	Q1-FY18 (Audited)	Year Ended FY18
(XIII) Other Comprehensive Income	0.00	0.00	0.00	0.00
(XIV)(A) Total comprehensive income for the period(XII+XIII)	995.22	507.86	1170.23	3906.67
(XIV)(B) Non-controlling Interest of Other Comprehensive Income	0.00	0.00	0.00	0.00
(XV)Total comprehensive income for the period after taxes, Non-controlling interest and share of Profit /(Loss) of associates (A+B)	995.22	507.86	1170.23	3906.67
Paid up Equity Share Capital (Face Value of Rs.10/- per share)	4922.71	4922.71	4900.28	4922.71
Other Equity excluding Revaluation Reserve				71780.62
(XVI) Earning per share (of Rs.10 each) (not annualized) (for continuing operations)				
(a) Basic	2.02	1.03	2.39	7.95
(b) Diluted	2.02	1.03	2.39	7.95

Financial highlights- Q1FY19-Consolidated

Rs in Lacs

PARTICULARS	Q1-FY19 (Unaudited)	Q4-FY18 (Audited)	Q1-FY18 (Audited)	Year Ended FY18
(I) Revenue from Operations	3603.82	13032.09	13140.44	47604.03
(II) Other Income	298.99	1912.82	81.84	3220.49
(III) Total Income (I+II)	3902.81	14944.91	13222.28	50824.52
(IV) Expenses				
Cost of Materials Consumed	1744.07	3479.50	1389.30	8290.56
Purchase of Stock in Trade	0.00	0.00	0.00	0.00
Changes in inventories of finished goods, Work-in-Progress and Stock-in-Trade	(2513.05)	4844.62	4788.48	18386.02
Employees benefit expenses	382.97	534.19	326.88	1564.87
Finance Costs	2288.01	2675.78	2429.44	10052.00
Depreciation and amortisation expenses	49.99	65.68	65.53	258.15
Other Expenses	277.92	594.54	812.43	2275.19
Total Expenses (IV)	2229.92	12194.31	9812.06	40826.79
(V) Profit/(Loss) before Exceptional Items and Tax (III-IV)	1672.89	2750.60	3410.22	9997.73
(VI) Exceptional Items	0.00	0.00	0.00	0.00
(VII) Profit/(Loss) before Tax (V-VI)	1672.89	2750.60	3410.22	9997.73
(VIII) Tax Expenses				
(1) Current Tax	(700.00)	(1669.84)	(2178.73)	(5146.70)
(2) Deferred Tax	809.87	127.49	103.65	228.85
(IX) Profit/(Loss) from continuing operation (VII-VIII)	1782.76	1208.25	1335.14	5079.88
(X) Share of Profit/(Loss) of associates	0.00	0.00	0.00	0.00
(XI) Non-controlling Interest	2.33	0.90	(25.83)	7.02
(XII) Net Profit/(Loss) after taxes, Non-controlling interest and share of Profit/(Loss) of associates (IX+X+XI)	1785.09	1209.15	1309.31	5086.90

Financial highlights- Q1FY19-Consolidated

Rs in Lacs

PARTICULARS	Q1-FY19 (Unaudited)	Q4-FY18 (Audited)	Q1-FY18 (Audited)	Year Ended FY18
(XIII) Other Comprehensive Income	0.00	0.00	0.00	0.00
(XIV)(A) Total comprehensive income for the period(XII+XIII)	1785.09	1209.15	1309.31	5086.90
(XIV)(B) Non-controlling Interest of Other Comprehensive Income	0.00	0.00	0.00	0.00
(XV)Total comprehensive income for the period after taxes, Non-controlling interest and share of Profit /(Loss) of associates (A+B)	1785.09	1209.15	1309.31	5086.90
Paid up Equity Share Capital (Face Value of Rs.10/- per share)	4922.71	4922.71	4900.28	4922.71
Other Equity excluding Revaluation Reserve				83996.31
(XVI) Earning per share (of Rs.10 each) (not annualised) (for continuing operations)				
(a) Basic	3.63	2.46	2.67	10.36
(b) Diluted	3.63	2.46	2.67	10.36

- ❑ IND AS 115 – Revenue from Contract with Customer has been notified by the Ministry of Corporate Affairs (MCA) on 28th March, 2018, and is effective from accounting period beginning on or after 1st April, 2018, replaces existing revenue recognition standards. The application of IND AS 115 has impacted the groups accounting for recognition of revenue from real estate residential projects.
- ❑ The group has applied the modified retrospective approach to its real estate residential contracts that were not completed as on 1st April, 2018 and has given impact of adoption of IND AS 115 by debiting retain earnings as at the said date by Rs. 11,055 lakhs. Accordingly, the comparatives have not been restated and hence, the current period figures are not comparable to the previous period figures. Due to the application of IND AS 115, in the current period, the revenue from operation is lower by Rs. 362.11 lakhs and net profit after tax is higher by Rs. 2,777.58 lakhs than what it would have been if the replaced standards were applicable.
- ❑ During the quarter and year under review, Maheshwari (Thaltej) Complex Private Limited, a Wholly-owned Subsidiary of the Company ceased to be subsidiary of the Company w.e.f. 29th June, 2018.

Thank You!!