



“Ganesh Housing Corporation Limited

Q1 FY '24 Earnings Conference Call”

July 18, 2023



MANAGEMENT: **MR. RAJENDRA SHAH – CHIEF FINANCIAL OFFICER –
GANESH HOUSING CORPORATION LIMITED
MR. NEERAJ KALAWATIYA – VICE PRESIDENT
FINANCE – GANESH HOUSING CORPORATION LIMITED
MR. B. RAVI – CORPORATE AND FINANCIAL ADVISORS
– GANESH HOUSING CORPORATION LIMITED**

MODERATOR: **MR. RAJAT GUPTA – GO INDIA ADVISORS**

Moderator:

Ladies and gentlemen, good day and welcome to the Ganesh Housing Corporation Limited Q1 FY '24 Earnings Conference Call, hosted by Go India Advisors. 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. Rajat Gupta from Go India Advisors. Thank you and over to you, sir.

Rajat Gupta:

Yes, thank you, Zico. Good afternoon, everyone, and welcome to Ganesh Housing Corporation Limited earnings call to discuss the Q1 FY '24 results. We have on the call with us today Mr. Rajendra Shah, Chief Financial Officer, Mr. Neeraj Kalawatiya, Vice President Finance and Mr. B Ravi, Corporate and Financial Advisor. We must remind you that the discussion on today's call may include certain forward statements and must be therefore viewed in conjunction with the risks that the company faces.

I now request Mr. Rajendra Shah to take us through the company's business outlook and financial highlights, subsequent to which we will open the floor for Q&A. Thank you and over to you, sir.

Rajendra Shah:

Thank you, Rajat. And good afternoon, ladies and gentlemen. We thank you all for joining us today on this call to discuss Q1 financial year 2024 performance of Ganesh Housing Corporation Limited. I hope, you had a chance to see our earning presentation uploaded on our website a few hours ago.

At the outset, let me proudly mention that quarter 1 of financial year 2024 is the company's best ever quarter in terms of financial performance, which I shall touch upon in a little later. First, a beat on outlook of Ahmedabad real estate market. The city continues to be the next big play on India's growth story. Given the continued infrastructure push in the city, various aspects like development in GIFT City and high degree of interest from IT and IT enabled Services have led to spurt in the growth of real estate activities.

Companies are moving towards technologically enabled construction and selling. Infrastructure projects being built in Ahmedabad like metros, road system and connectivity to major hubs through railways and international airport has led to a rapid urbanization. Ganesh housing has always been on the forefront of this in Ahmedabad. All sectors be it affordable housing, independent floors, both residential and commercial, plotted development, premium, luxury, condominiums and premium commercial spaces are looking up.

Coming to our quarterly update of quarter 1 of financial year 2024, we are very happy to announce that Million Minds Phase 1 commercial project, which is IT-SEZ Phase 1, has already reached about 7% of the construction level, and we are well on track to finish it within our slated completion time of March 2026. The company plans to launch various planned residential projects. Every quarter we will be launching a project in this financial year.

As mentioned previously, the entire SEZ project will be completed over a time frame of next eight years to nine years, which gives us clear visibility of uninterrupted cash flows to the company over the course of these eight years to nine years. Our ongoing projects, Malabar Exotica has been completed almost 90% and we are very confident of completing this project in this financial year. The project has started in July 2021 and we are very happy to announce that we will be finishing this project also well in advance, which shows our commitment towards our customers. This has been done with the use of technology. Earlier, we have already delivered residential project called Malabar County 3 in just 2.5 years.

Now I would like to discuss in brief about some of the key financial and operational highlights during quarter 1 of financial year 2024. Company has recorded a highest ever quarterly revenue of INR272 crores in Q1 of financial year 2024, which on year-on-year is 536% increase. We have registered a resounding 765% growth in EBITDA in Q1 of financial year 2024, with the amount being INR217 crores as compared to INR25 crores year-on-year. We have crossed the financial year 2023 profitability in just a single quarter in Q1 of financial year 2024 and the company has registered a profit after tax of INR161 crores, which is a rise of 1,131% year-on-year.

The company continues to remain debt free from a peak debt of INR650 crores in financial year 2019. In fact, the cash surplus ending on Q1 of financial year 2024 was at INR189 crores. Additionally, as we have stated in our last quarterly call, the company for the first time has a very clear blueprint where we are heading in next seven years to eight years with the largest ever upcoming project with about 30 million square feet of developable area with clear visibility of cash flows. Long term prospects of the company look very promising and we believe, there would be adequate business potential to sustain the growth momentum.

With this, I will request the floor to be open for questions and answers. Rajat, can you take over, please?

Moderator: Thank you very much. We will now begin the question-and-answer-session. Our first question is from the line of Rishith Shah from Nuvama Wealth. Please go ahead.

Rishith Shah: Yes, hi, thank you so much for the opportunity and congrats on a great set of numbers. Sir, I had three questions. Sir, firstly, on the exceptional revenue or exponential revenue growth that you have posted this quarter. So, I mean, what drove this growth? Is it because of the land sales or any projects that any project that has come in this quarter, that has come into the revenue this quarter?

Rajendra Shah: Yes, actually this quarter, we have sold some of the land, which was not a part of our township development in the vicinity of that land, which is going to be developed as a township. So basically that is the transaction which has given us revenue during this quarter. And part of revenue has also come from completed project Malabar 3.

Rishith Shah: Okay, so if you can give a rough split I mean, what percentage would be from Malabar 3 of the total revenue?

- Ravi:** Of the total revenue we can actually split it about 85% to 15% so about 15% to 20% is from Malabar 3 and about 80%, 85% is from that. So this land strategic sale, we keep doing that as you're aware and earlier also we have done such things when so we do have a vertical called land sale vertical as you know and whenever we get a good opportunity and a sweet deal we go ahead with that.
- Rishith Shah:** Perfect. Second question would be on the Malabar project that is coming due, I mean getting completed in the fourth quarter of this year. So what kind of revenues that we are expecting on this project along with what kind of margins would be realized on this project?
- Ravi:** The revenues are in the range of around 150 upwards of 150 and the margins, Rajendra bhai is about INR30 crores?
- Rajendra Shah:** INR30 crores. 30%.
- Ravi:** Around 30% is the margins on that.
- Rishith Shah:** 30% great. And 30%, so in the Million Minds residential project the revenue recognition would basically start from the second half of FY '26, is that correct?
- Ravi:** Yes, that's right. We have assumed about three years of completion of each phase and therefore the first, though, the cash flow would be from let's say, the next quarter itself, quarter 3 itself, but the actual revenue recognition from in terms of Ind AS would be from that time.
- Rishith Shah:** Yes, got it. I understand that. So for FY '25, we might see some suppression or maybe, Yes, kind of some suppression or some muted revenue growth, right?
- Ravi:** May not be. Looking to the fact that, we give a little longer period for actual execution, whereas we have seen in all our earlier projects that the execution is much faster. So you never know, it can all be preponed also. And plus, new projects will keep coming in and so each of these things will keep added. Some of them, not everything needs to be around three years to four years gestation, it can be earlier also and yes, strategic sale of land could always be there depending on when that kind of a deal comes up. So we don't really expect any dips in any of the years and frankly, these projects which are there, when we say three years, 3.5 years, many a times we have seen that it gets completed within 2.5 years. It can even be preponed which will ensure that these dips don't occur.
- Rishith Shah:** Great, that's great. That's good to hear. And lastly, a suggestion from my end, so as and when you start launching these projects, if you can, in the presentation, if you can just give a brief about the salability of the project launch as well as the inventory that is sold and unsold, that would be of great use.
- Ravi:** We shall. We shall do that from whenever we, you know, this is going to start from next quarter itself, as you know, we just said about the residential one. At that point in time, we will be able to give you the details because we have them. So we shall do that for sure in the presentation. Thank you.

- Rishith Shah:** Thank you. Thank you so much.
- Moderator:** Thank you. Our next question is from the line of Jay Shah from Dolat Capital. Please go ahead.
- Jay Shah:** Hi, sir. So there are a couple of questions. First, what's the construction update on phase 1 of residential project in Million Minds? We were planning to launch it in first half of this fiscal. So just wanted to take that update. And additionally on that if you can brief a little on the township project we are planning to launch in second half in Godavi. What are our launch plans there and how have residential prices moved in the region in last one year also.
- Ravi:** So, the SEZ residential was always planned for the third quarter and that is absolutely on schedule. In fact, we are actually going to do one more residential project in the fourth quarter also of SEZ, which wasn't planned this year. We earlier had planned that we will be doing one residential in each year. As against that, we are planning to have the first phase of residential project in SEZ in Q3 as already planned, which was -- that was earlier planned too.
- Plus, we'll also do the second one in Q4. That's because the kind of traction we see in the residential premises looks to be really good and that's the reason why we believe that we can prepone that. That also actually partially answers the question that in terms of the pricing and all that is really been going well. We have not seen a dip. The demand for it as well as the price in that region, in the resident region has always been very good.
- Jay Shah:** Okay. And secondly, just wanted to know that will we continue to do more land sales in coming quarters? Like, how much of land area do we have currently versus what we had in last quarter? So just wanted to understand how much we have sold outright basis in last one year and any other addition in land parcel?
- Ravi:** So, the business of Ganesh Housing is in real estate right, so it includes buying of land on a continuous basis. So, this buying happens almost whenever there is a strategic opportunity available. On similar basis, whenever a strategic opportunity for sale is available, when there are good deals available, we would like to do the sales also.
- Now, that doesn't really would -- we wouldn't be able to say, whether on -- in which quarter what kind of a land parcel would be sold, because that actually goes as per a deal availability and the strategy which would be developed in that particular when the opportunity arises. Having said that, yes, this has been a part of our vertical and has been a part of our continuous land sale happening along with the development and that is likely to continue whenever that comes up. And even at this point in time, we must be having around 550 acres of give or take a few acres because that's a continuous process of buying, which keeps continuing.
- Jay Shah:** Okay. So you are saying that currently the land area that we have would be around 550 acres of landbank?
- Ravi:** Yes, maybe. Round about there was because -- thereabouts, because some of them would have been just sold or some would have been acquired. So it's around that size, around 550 acres, Yes.
- Jay Shah:** Okay, Understood. Yes. Thank you so much. That's it from my side.

- Ravi:** Thank you.
- Moderator:** Thank you. Our next question is from the line of Anupama Luthra from Ahrihant Capital. Please go ahead.
- Anupama Luthra:** Yes, thanks. Can you a little bit more elaborate on your land business like buying and selling?
- Ravi:** In addition to what I just said?
- Anupama Luthra:** Yes. Like you have just mentioned that you've got 550 acres of land. So how does it work? And if you can also give us a split like, split as far as revenue is concerned, this land to the other construction activities.
- Ravi:** Both these things I had just covered. I'll just repeat that and I'll give it to Mr. Rajendra Shah for the next. 85%, this particular quarter around 80%, 85% is from the land, around 15%, 20% is from the finished project of Malabar 3. And land acquisition and land sale, both happened strategically. Not every land which is bought is for development alone, and similarly, not every land which is there is to be sold outright.
- So whenever an opportunity comes up in terms of a good deal, the land which has been bought not for development or we believe that it is it's a better deal than to develop at that point in time, the land sale happens. So it can always be lumpy. The land sale need not necessarily be on a very continuous basis. It can be lumpy.
- So this is the strategy of -- so actually the development which happens is always going to be a predominantly larger portion of it as we go by whenever all these projects which we already have announced have been already on-stream and continuously will be announced and starting construction. All that will become a significant part of the entire revenues going forward, but off and on this opportunity can come and we'll do the land sale. I hope that answers the question, Anupama.
- Anupama Luthra:** Yes.
- Rajendra Shah:** Just to add to whatever Ravi ji said, like on modus operandi or on land sale, I would like to add only a few lines which goes like, see as a business model, our target acquisition is that land which is going to become potentially future very strategic land in future. So we are as a business model, we try and acquire such land, which is right now on outskirts of the city. However in next seven years to eight years which will become part of development of city and in the natural course of expansion of cities' horizons, if this becomes part of city's development, then naturally that value of that land will increase and we will get benefited from that value appreciation. I hope this answers your query.
- Can we take the next question?
- Moderator:** Yes, sir. Our next question is from the line of Gaurav Somani from Korman Capital. Please go ahead.

- Gaurav Somani:** Yes. Thank you for the opportunity. Sir, in the planned projects which you have, what proportion of the land we already own?
- Rajendra Shah:** 100%.
- Gaurav Somani:** So if I take the ongoing projects, plus planned projects, we own 100% of the land and what would be the sum total excess area of the land which we need for it?
- Ravi:** Are you talking about in terms of the acreage?
- Gaurav Somani:** Yes, sir.
- Ravi:** The development which is happening in the acres is, let's say, 60 acres, only in one place. That is the development which is happening, which is fully paid for. And that, there are several phases for residential and several phases for commercial. Apart from that, the township project that we have talked about, that's about 450 acres. So just these two specific areas itself is around 500 acres, 530 acres.
- Gaurav Somani:** So in total, you said, you own around 550 acres of land and this ongoing plan for this constitutes roughly 500 acres. So does that even it out or how do you possibly look at it?
- Ravi:** Yes, that's right. So there is always excess land which need not be developed immediately and on which maybe some plans will be announced in the coming quarter, which we are just waiting for certain things. We will be probably announcing something which is already not yet announced. One more announcement can come in the next quarter itself, which will come again in one of these land parcels of the 40 acres, 50 acres balance, which is not yet been announced for development.
- And plus, it can mean that some of this could be also a strategic sale of land. And plus, as I said earlier, there could be addition to this land wherever an opportunity comes up for buying more land because that's a continuous exercise.
- Gaurav Somani:** Understood. Sir, essentially, what I was coming to is like, the current land parcel which we have is more or less going to suffice for our planned ongoing and planned projects for the next 10 years, leave apart the 50 acre addition which we have. is that the right way to look into it?
- Ravi:** Very right, you have absolutely understood it correctly. All the planned projects which are there, which will be there for let's say all the cash flows coming in the next seven years to eight years or even maybe nine years, the entire cash flow for that, the entire land for that is already been paid for.
- Gaurav Somani:** So the incremental land sales in the next, say, immediate future are going to be less in our revenue sector.
- Ravi:** Right. Absolutely. That's what I had said a little while earlier, I think to Anupama's question, the answer, saying that yes, the proportion of land sale going forward could be lesser and the development of those projects will be more. You know, whenever we do some, let us say, plotter development or villa development, that also will be, it can roughly classify as a, say, a land sale,

but actually that is not a land sale, that would be a development project which is there. So there could be a little thin line somewhere or the other, but otherwise yes, going forward as we see all these announcements which are made will lead to the other development project revenues being much higher than the land sale revenue.

Gaurav Somani: Got it. Thank you, sir. Thank you and all the best.

Ravi: Thank you.

Moderator: Thank you. Our next question is from the line of Deepak Purswani from Svan Investments. Please go ahead.

Deepak Purswani: Hi, congratulations.

Ravi: Thank you.

Deepak Purswani: Sir, I just wanted to check out two things. One, regarding Million Minds project, firstly, since it's a part of the SEZ component, how should we look into in terms of the absorption there? Secondly, how is the micro market in terms of the total absorption capacity there? And absorption in terms of the residential as well as the commercial market, if you can throw some light on both part? And since we are launching at a faster pace, how do we see this micro market in terms of the pricing and everything from the next one or two year perspective?

Management: See, coming back to your question in terms of the residential part, that entire area falls in a vicinity of Vaishno Devi Circle, which is the prime habitat of the residential and commercial section under development in Ahmedabad. Now apart from the SEZ, we have a sizable land bank in that area. We have already delivered and sold multiple projects in the range of 600 flats to 700 flats with each phase, and they are fully occupied.

So in terms of absorption and demand side, that market is completely in our control. And in fact, in each of the projects, we have commanded some premium pricing also because of our brand name. So already, in fact, if you see the last two residential projects, which was the Malabar 3 and Malabar Exotica, these two projects was also in the same vicinity, where the first project we have fully sold within two months of the launch, and second project we have sold within six months of the launch itself.

So roughly, there is a huge demand in that area and the supply is currently not available in terms of residential part. And people have -- we already have a wait list and in the inquiry of around 300 people, who wanted us to launch a project in that area. So that way, we don't see any sort of challenge in terms of the absorption of those residential portion.

In terms of commercial side, coming back to your point, the precisely one of the biggest reason, why we have actually gone with the collaboration with Tishman was that we wanted to command a better and premium tenant, that's why that Tishman has come on board and they are actually coming up with their expertise and they are the lead partner for majority of the blue chip company across the globe. So that way, that will also be taken care on the commercial side also.

Ravi: And that coming up at a place, where, which is the current and more so in the future CBD. That entire area around where this SEZ is there is the new place where all these large offices and large corporates have got their offices. So that's the new CBD. The whole city is moving towards that Vaishno Devi Circle site. And therefore, we do see a lot of traction coming up in the commercial side. We already see certain other projects also coming up. And if we do a project of this nature that we have panned out with Tishman's collaboration, I'm certain that the absorption of that will be very fast, especially on the rental side which we are now planning.

Deepak Purswani: Okay. And what would be the size of phase 1 and phase 2 for the Millennium Minds?

Ravi: 1.3 million square feet is the commercial one. That is the phase 1. And 0.6 million square is the residential one.

Deepak Purswani: And this 0.6 million square is for the phase 1 for the residential?

Ravi: Yes, correct. Each phase is of 0.6 million square.

Deepak Purswani: Okay. And secondly, from the cash flow point of view since we are looking out for the development over the next seven years or eight years and the way we are trying to ramp it up and we already have a huge land parcel of 550 acres, which we would be developing and there would not be any cash flow requirement cash outflow requirement for the land. How should we looking out in terms of the free cash flow utilization going ahead?

And secondly, we also have the commercial expansion. Would that be fair to assume this cash flow would be moved towards commercial development there and there would not be incremental debt going ahead in the balance sheet?

Ravi: Well, I would really congratulate you. You actually asked the question and each of those questions have been answered by you also in the same way because everything what you said is exactly what is the truth and so I'll just repeat what you said. We have free cash flows and all the cash flows which is coming up from our residential one would be used for this new debt, there as well as the surpluses towards the Million Minds commercial because commercial is being constructed by us and will be on a lease rental model for the, at least for the first few phases that we have planned.

So the entire land being paid for, the excesses would be used for the construction, therefore there would not be any need at this point as we see of any debt going forward. Plus, there should be cash surpluses being generated, which will shore up our free cash flow position and maybe it will translate into business growing in the future as well as in the dividend payouts.

Deepak Purswani: And in terms of the augmentation of the residential land bank, any thoughts on that part?

Ravi: Yes. At this point in time, we have six phases of residential development coming in, only in that SEZ, non-commercial, non-processing area. And plus, other than that, we do have a few other land parcels where we are thinking of a very unique residential process. We have not yet got to that, but very soon you'll be hearing one more project coming up for residential, other than already announced once.

- Deepak Purswani:** Okay, thank you. Thanks a lot.
- Ravi:** Thank you.
- Moderator:** Thank you. Our next question is from the line of Prit Nagersheth from Wealth Finvisor. Please go ahead.
- Prit Nagersheth:** Right, good afternoon. My question is that what kind of sustained revenue and profitability should we anticipate for at least FY '24 and FY '25?
- Ravi:** This, we had last quarter also said this. We do believe that we have a CAGR of around 25%, 30% in our bottom line year-on-year and that should be a sustained one, not just for FY '24 or FY '25 but even going forward. The revenues can vary because revenues are not a matter of the cash flows, as you know, and the revenues can also be a little, in the sense lumpiness and some quarters. But year-on-year, we do believe that the revenue and the cash flow growth can be in that kind of growth percentage
- Prit Nagersheth:** Sir, if you look into already delivered numbers for quarter 1, they are already above that guidance for from last year.
- Ravi:** True, Yes.
- Prit Nagersheth:** So how does one read the format...
- Ravi:** This particular quarter and this particular year could be an exception but when I said CAGR, I was looking at even further five years down the line. So right now FY '24, yes, what you said is true, it can be far more than that. But then to sustain that, FY '25 could be different. So if you look at from FY '23 to FY '25, probably that could be 40% also CAGR. But year-on-year, it will be around 30% is what we look at.
- Prit Nagersheth:** So the 15% that you sold, that's a sustainable number that's coming?
- Ravi:** Yes, that's actually, Yes, in this whole year, there are two projects which will be delivered, partially which was done last year itself, which is Malabar 3, and Malabar Exotica is going to be completed and delivered this year. So that revenue of upwards of INR150 crores that should be coming in and of course of the completed ones whatever is the inventory that revenue booking would happen, not inventory but the actual documentation. The revenue booking which has happened partially in Q1 will continue in Q2 also. So this will be a substantial part of our revenue this year.
- Prit Nagersheth:** Any other land parcel? So have you received the full payment for the land parcel that has been sold or should we anticipate any further booking in the future?
- Ravi:** We have got it in our cash box.
- Prit Nagersheth:** Okay, so all the entire payment has been received?
- Ravi:** Yes. Thank you. I will go back to the queue for any further question.

Ravi: Thank you.

Moderator: Thank you. Our next question is from the line of Aditya Sen from Robo Capital. Please go ahead.

Aditya Sen: Hi, thank you for the opportunity. The market is very strong there...

Ravi: Aditya, you are not very clear to me. Can you just say? No. Is it working?

Moderator: No sir, your line seems to be -- disturbances in the line, sir.

Aditya Sen: Then I'll call back in the case that I need.

Moderator: Thank you. Our next question is from the line of Sidharth Bhandari from Mehta Equities Limited. Please go ahead.

Sidharth Bhandari: Good afternoon, sir. Firstly, congratulations on the great set of results. So my question is out of 550 acres of land that you mentioned, how much of the percentage is in Ahmedabad and outskirts like, outside of Gujarat?

Management: 100% is the Ahmedabad and outskirts. There is our level of our area of operation is restricted to Ahmedabad and Gujarat only.

Sidharth Bhandari: So sir, do you have any plans of expansion in other parts of India?

Management: Not in near future. As of now, we don't have anything. However, if there is any such opportunity, we will definitely look in to that.

Sidharth Bhandari: Okay, sir. Thank you.

Moderator: Thank you. Our next question is from the line of Prit Nagersheth from Wealth Finvisor. Please go ahead.

Prit Nagersheth: Yes. So one follow-up question was related to the launch of the villa development scheme, I think at Godavari. So, can we expect a revenue recognition to happen in FY '24 itself, or given that it's more like a land sale as part of Phase 1 and then plotting would -- then development would come in?

Ravi: Yes, it's likely to happen from FY '24 itself.

Prit Nagersheth: What could be the potential size of that revenue?

Ravi: Difficult at this point to say. What we have planned is that we should be able to at least have a total of about 25 acres or so which we may be able to complete this year. But I think, we will be able to tell you more clearly when we launch it, when we actually start that in the second quarter. We may have to wait till that point in time to give you more numbers.

Prit Nagersheth: Got it. Thank you.

Ravi: Thank you.

- Moderator:** Thank you. Our next question is from the line of Ajay Surya from Niveshaay. Please go ahead.
- Ajay Surya:** Yes, so I wanted to ask out of the 550 acres of land we have, how much do you classify currently as land in vertical?
- Ravi:** As we have just said, about 500 acres and 510 acres of that is already under development or to be announced under the planned projects. And therefore, a majority of that is already as a development project, which is what that leaves around 40 acres at this point in time, approximately again, 40 acres. So there's nothing like, of those 40 acres, something will be up for sale or some will be for their own. It's a mixed bag. So we would be able to pinpoint any specific numbers on that.
- Ajay Surya:** And for the current quarter, how much acre of land would we have sold approximately?
- Ravi:** Sorry, please repeat the question, couldn't get that.
- Ajay Surya:** So currently, you said that 80% to 85% of -- for the quarter or revenues from land sale vertical. So I wanted to ask, how much acre of land would we have sold for the current quarter?
- Ravi:** Yes, about 40 acres.
- Ajay Surya:** Okay, about 40 acres.
- Ravi:** Yes.
- Ajay Surya:** Okay, that's it from my side. Thank you.
- Ravi:** Thank you, thank you.
- Moderator:** Thank you. Our next question is from the line of Abhishek Agarwal from Naredi Investment. Please go ahead.
- Abhishek Agarwal:** Good afternoon, sir. Thanks for giving me the opportunity. Sir, my question is regarding tax rate. What is the effective tax rate for FY '24?
- Ravi:** Can you just repeat your question? It is not very clear to me.
- Abhishek Agarwal:** What kind of effective tax rate for FY '24?
- Ravi:** Tax rate you said?
- Abhishek Agarwal:** Yes.
- Ravi:** Yes, we will be subjected to about 26% tax, including surcharge and everything.
- Abhishek Agarwal:** Okay, thank you. Thank you so much.
- Moderator:** Thank you. Our next question is from the line of Aditya Sen from Robo Capital. Please go ahead.

- Aditya Sen:** So the market appears to be very strong there. So, in this regard, do we have a plan to increase the price of our existing inventory?
- Rajendra Shah:** Yes, as we go along, we have been increasing the price of completed projects and ongoing projects. And that is well received and absorbed by market. That has been our experience. Just to give you an example, when we started selling our ongoing project which is Malabar Exotica, we started booking at around INR4,800 a square feet. And the last sell which we contracted was northwards of INR6,000 a square feet.
- Aditya Sen:** So, this will be in the similar fashion going forward also?
- Rajendra Shah:** Yes, we expect it to continue.
- Aditya Sen:** All right. And I believe you have answered this question, but can you please come back again on the ongoing unsold inventory that we have?
- Management:** See, roughly around, if you see, we have a potential of INR200 crores of sales from the ongoing and completed project for maybe in this year or maybe in the first quarter of the next year. There are four to five projects, which consist of this INR200 crores of the inventory.
- Aditya Sen:** All right. And what will be the value of launches in FY '24?
- Management:** That is around INR750 crores is roughly around one on the residential side and then there is one SEZ phase one which is already undergoing, that we have already announced as a launch project.
- Ravi:** So the value of the ongoing project other than what he just explained to you, would be the residential and the commercial, which could be upwards of INR1,000 crores.
- Aditya Sen:** All right. And the margin will be around 30%, right?
- Ravi:** Yes. It varies from some place it could be even higher, but yes, you can take that.
- Aditya Sen:** All right. Thanks a lot.
- Ravi:** Thank you.
- Moderator:** Thank you. That was the last question of our question-and-answer-session. I would now like to hand the conference over to the management for closing comments.
- Rajendra Shah:** Thank you all for taking interest in our quarterly conference call. In conclusion, let me mention that this is just the beginning in the momentum in the real estate sector which has started on the back of strong affordability, household income growth, consolidated supply. It is only at this time that GHCL, with its excellent track record of execution, has put its best performance ever, is debt-free and is sitting on a cash surplus with very promising projects on ground. We continue to believe there is only one way movement for GHCL and that is upwards. Thank you all.
- Moderator:** Thank you on behalf of Go India Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines.