



“Ganesh Housing Corporation Limited  
Q2 FY'25 Earnings Conference Call”

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**MANAGEMENT:** **MR. RAJENDRA SHAH – CHIEF FINANCIAL OFFICER –  
GANESH HOUSING CORPORATION LIMITED  
MR. NEERAJ KALAWATIA – 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 Ganesh Housing Corporation Limited Q2 FY'25 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, Jay. Good afternoon, everyone, and welcome to Ganesh Housing Corporation Limited's earnings call to discuss the Q2 FY'25 results. We have on the call with us today Mr. Rajendra Shah, Chief Financial Officer; Mr. Neeraj Kalawatia, 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-looking statements and must be, therefore, viewed in conjunction with the risks that the company faces.

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

**B. Ravi:**

Thank you, Rajat. Good noon, ladies and gentlemen, on the call. It's a pleasure to welcome you all once again to the earnings call of Ganesh Housing both for Q2 FY'25 and H1 FY'25. I'm sure you would have had a chance to go through the presentation, which was uploaded a couple of days back.

I'm excited to share that this first half of FY'25 has been one of the best periods in terms of performance for Ganesh Housing. We have been consistently building on the strong momentum of the past quarters. And based on that, H1 '25 has surpassed all previous quarters and H1, delivering the best robust results that reflect the strength of our strategy and execution.

India's real estate sector, to talk about it in the beginning, saw a robust performance in Q3 2024, that is this calendar, with institutional investments totaling to around \$1.1 billion, which is a 45% Y-o-Y. This brought the total investment into the real estate sector for the first 9 months of this calendar 2024 to about 4.7 billion, which is almost the entire last year's performance -- last year's investments.

Growth was driven by private equity partnerships, particularly in premium residential projects. Investor confidence remained high due to the expectations of interest rate cuts, which though, of course, has just been put on hold a couple of days back, but there is an expectation in the next 2 quarters, and also stable macroeconomic conditions and increased demand for high-end properties.

In Ahmedabad too, we have witnessed this kind of a growth. The residential sales grew by about 11% Y-o-Y with around 4,600 units sold. The new project launches did fall, but the demand for 3 BHK, which is a little higher than the mid-segment, actually remained very strong, and that accounted for 56% of the market, while homes priced between INR4,000 to INR6,000 per square

feet saw the highest demand. Notably, premium housing units about INR1 crores saw a 41% increase, reflecting the growing interest in larger luxury spaces.

Even on the commercial side, we saw very good momentum. In fact, recently, there was a deal in Ahmedabad, which was one of the highest ever in terms of -- the land transaction in terms of the price per square meter. The land was sold by Ahmedabad Municipal Corporation around the same place where we are trying to build up our new next commercial venture at a staggering INR3.07 lakhs per square meter, which is the highest ever seen.

In line with market momentum, Ganesh Housing is making notable contributions to the real estate sector's growth. We completed the Malabar Exotica project, as you know, well ahead of schedule, which resulted in substantial revenue recognition in Q4, but that continued to support the strong performance in H1 FY'25 also. The process of executing sale deed is currently underway and is expected to be completed this quarter, further strengthening the revenue visibility.

The Malabar Retreat project, launched in Q4 of FY'24, has received the expected strong response from the market. With 12% of the construction already completed, the project is doing very well in terms of bookings. The presale revenue is about INR100 crores in that project as of now.

Typically, demand for premium apartments increases once there is a sample house building and when the construction reaches for the first few floors when there is a visibility. Therefore, we do expect a significant rise in bookings during the second half of this financial year.

Our commercial venture, the Million Minds SEZ project is progressing well ahead of schedule with Phase 1 on track for completion. We have already initiated the marketing efforts targeting large IT companies, which began as planned. We should see some growth and some development in the coming half year on that.

The early response has been strong, and we are confident that this should be one of our most successful projects. In fact, the kind of development which is coming up, both in terms of the square feet and the type, will be better than what we had actually earlier planned.

The One Thaltej commercial project is currently in the final stages of approvals with plans expected to be submitted to the authorities soon. Spanning a saleable area of 1.8 million square feet, this project is set to generate estimated revenues of about INR2,100 crores, and we expect the construction to start in the next 3 to 5 months.

We are constantly searching for new development opportunities in and around the areas of our land bank and could come up with more news in the coming months. Overall, Ganesh Housing is poised to capitalize on a wide range of growth opportunities in Ahmedabad real estate market.

The ongoing projects such as Million Minds, Malabar Retreat, the Godhavi township, and the One Thaltej commercial venture are all strategically aligned with the city's growing demand for both residential and commercial spaces. Each project is advancing at a steady pace with several already seeing strong market response, particularly in the premium segment.

Now for the financial highlights for Q2 and H1 FY'25. It's very heartening that in Q2 FY'25, we have delivered a stellar performance with a revenue of INR250 crores, which is a significant 52% year-on-year.

Our EBITDA has reached INR215 crores, representing a 76% growth year-on-year, with an outstanding EBITDA margin at 86%, up by 15.6 percentage points from the previous quarter. This highlights the company's ability to optimize costs and drive profitability.

Our profit after tax saw an impressive rise to INR159 crores, which is up 84% year-on-year. This resulted in a healthy PAT margin of 63.5%, up 11.1% year-on-year. Even in the first half year FY'25, we have achieved total revenues of INR470 crores, which is an 8% growth compared to same period in FY24. EBITDA stands at INR371 crores, which is a 9% increase Y-o-Y growth. EBITDA margins are maintained at 78.8%.

The PAT for the first half year reached INR272 crores, which is a 10% Y-o-Y, further supported by strong margins and operational efficiency. Our PAT for 6 months is almost 60% of the PAT for the full year FY'24, justifying our expected and projected growth in the bottom line by around 30% year-on-year.

This exceptional performance across all key metrics demonstrates our capacity to maintain strong margins and growth momentum, while efficiently managing operations and capital. Despite significant capital expenditure, as you can see all over, we have maintained very strong financial numbers in terms of cash flows. With 0 debt, our cash and bank balances as of 30th September '24 stands at around INR250 crores, which was around INR220 crores in FY'24 March. And this is further going to be strengthened in the months to come.

Looking ahead, our focus remains on delivering high-value developments with a clear road map for the next 5 to 7 years that ensures that we are well prepared to tap into any future market dynamics. By leveraging our land bank and focusing on mid- to high-end residential and commercial segments, we are confident that these will create substantial value for all the stakeholders while enhancing Ahmedabad's real estate landscape.

With this, I would request the floor to be open for questions. Thank you.

**Moderator:**

Thank you. The first question is from the line of Rishith Shah from Nuvama Wealth. Please go ahead.

**Rishith Shah:**

Congrats on a great set of results, again. So I had 3 questions really. So first question was actually around the competition and the land prices. So you highlighted that there was a record-breaking deal that happened in this quarter in Rajpath area. So that basically -- and that is more so, as per reports, for the commercial development. And secondly, we recently also saw a press release from one of the larger pan-India competitors that they are adding land parcels in Ahmedabad. So just wanted to understand how this record-breaking land prices as well as new entrants coming into the market will affect the land prices as well as the competition and the overall landscape in Ahmedabad?

**B. Ravi:** Would you want to ask all the 3 questions and we can take them together? Or are you on one by one?

**Rishith Shah:** Yes. So that was the first question. I'll ask all 3 questions together. So second part was on the costs that we see. So again impacting from the same increase in launches or increase in construction activity, do we foresee the labor prices being impacted? And thirdly, the question that I ask usually is the split between the revenue in terms of the land sale and project sales.

And lastly, fourth question, one more question, if I can add, regarding the Million Minds IT SEZ project, so the marketing efforts that are ongoing, can you elaborate a little bit on it, maybe how is it placed? Are we looking for an outright sale right now or thinking about leasing out the property? That's it.

**B. Ravi:** Sure. Okay. I'll take right from the beginning and all the 4 questions. The competition, the land price, it's a very important question. But this kind of a competition or the increase in the land prices and more and more people being interested in the land in Ahmedabad actually will lead to the land prices to increase, which actually affects positively for Ganesh Housing. Why I'm saying that is that we have had land banks at various areas in Ahmedabad at most strategic places, which are of very historical cost, very low cost historically.

And therefore, any such kind of an increase in price which a competitor will have, because they're buying the land now, will drive up their prices, ultimate sale price of the projects completed, which will have a perfect impact on Ganesh Housing, because their land price being the same, we will still be, on the final prices, still be much cheaper, if at all, if we choose to be, or we'll earn much more than a competitor can give in terms of the ultimate sale prices. So therefore, these things do help Ganesh Housing because of the large land bank they already sit on. That's one.

Even for the new ones, wherever any such kind of land deals do happen, any new projects prices will be determined as per the demand, and we will also -- even if we purchase on that, it will be driven through the similar kind of a demand and supply situation. There the positive for Ganesh is that we are in the brand of, as I recall, absolutely on the top in Ahmedabad.

Therefore, our side of prices normally have always had a premium to the general prices which are available in the market, also because of the kind of the premium construction and the facilities that we have been giving. So we do believe that with this kind of good development, I would call it, in Ahmedabad real estate sector, Ganesh also gets quite well placed to capitalize on both their brand as well as the land bank. That's one thing. Yes, Rajendra bhai will add.

**Rajendra Shah:** Apart from this, we can leverage our unutilized capacity. We can go for JVs and partnerships for development if pan-India players come to Ahmedabad. Meaning one can imagine what can happen to IRR of our projects because the investment generally is made by some pan-India players where they will require a local support to secure approvals and carry on with projects.

**B. Ravi:** On the cost side, yes, the labor costs and all have increased, as you know, both the input costs had increased 1.5 years back. And they are only following the normal inflation. We don't see too much of upheavals in the labor cost at this point in time. The split between land and projects is

90:10, in favor of land that is. And as you know, we are following the completion method, and therefore, we'll only be able to book the projects once they are completed, the new ones which have already started.

The Million Minds marketing efforts, the way the whole thing has been growing and people are actually on their own, there are various interested parties, I'm unable to take the name at this point in time, at least till December, by which time we'll be actually finalizing everything. It's just a couple of months from now. We have seen extremely good interest in the building. There are about 12 floors which are supposed to be let out or even sold. And we have seen an interest in all the 12 floors as we stand at this point in time.

And we will see whether we need to continue to lease the way we have modeled ourselves at the earlier stages, or we need to sell it off. That will depend on some economics that we'll work out. So, I'm unable to say whether it will only follow the sale model or only follow the lease model at this point in time, but those aspects would be addressed in the coming 1 or 2 months maximum. I hope I've answered all your 4 questions. Yes, you want to add something?

**Rajendra Shah:**

Yes. See, on availability of labor and increase in labor costs, we have actually deployed our technology, which is we are going for precast slabs, vertical and horizontal, which will require -- meaning our dependence on labor is reduced drastically because of that.

**Rishith Shah:**

Great, got it sir. Thank you so much for the detailed reply. Just one follow-up, if I may. So, I understand that the market will be more structured as and when the Pan-India players come into the market, and we may also explore some joint development opportunities. But in terms of supply, will it potentially -- I mean, do you see the supply being potentially impacted or exceeding the demand in any case in the near term?

**B. Ravi:**

See, normally, the kind of interest which happens by various players is only when they see a huge demand coming up in the months -- years to come. And therefore, the very fact that such kind of prices are there and people are getting interested necessarily means that there are good growth opportunities and good demand coming up in the years to come. And therefore, I don't think that will have any such kind of an oversupply issue, if that's your question.

On the other hand, I would like to say that there could be a supply in certain pockets where whenever there is an oversupply, then the demand drops, there could be an oversupply, but not in the areas where we are operating, whether it is the kind of a commercial building that we are setting it up in the SEZ or the kind of the premium houses that we are setting up. In all these areas, we don't see any such kind of an oversupply situation coming up in the near future.

**Moderator:**

Next question is from the line of Eesha Shah from Axis Securities. Please go ahead.

**Eesha Shah:**

First of all, congratulations on excellent numbers. I basically have two questions. As for Malabar Retreat, I see that the construction completion is 12% this quarter, which is just up by 2% from the past quarter. So, is there a reason for the lag? And what is the expected time line for the project? And the second question is for the Ahmedabad market, we've seen a good price increase, I think, as we've already said in land, but as well as the overall realization level. Do we see the same kind of price hikes in the coming years? Or do we see them stabilizing now going forward?

**Neeraj Kalawatia:** See, in terms of Malabar Retreat, you see, the last quarter has been largely dominated because of the rainy season. And largely where most of the construction activity was happening for the basement. And you are well aware that the basement activity remains highly impacted whenever there is heavy rainfall. So, most of the period, you see the last quarter has been rainfall in Ahmedabad.

And this year, it has been comparatively one of the best years for the rainfall in Ahmedabad. Largely, it does not happen even during the rainy season. So, because of that, the construction activity has been impacted to a certain extent. But our schedule for the project is well in terms of time line, which we have scheduled on somewhere around March '27.

**B. Ravi:** And Eesha, what happens is that initial -- this was, as you know, launched in March, almost towards the end of March. The last quarter was April, May, June, where the maximum effort and maximum time goes in doing the foundation, the basement and all that. Once that is done, when it comes to the ground level, putting up the next few floors and all is not actually a very difficult task, which is what, when we talk to you again for December, you will see a substantial progress in that.

**Rajendra Shah:** And there was substantial progress in terms of cost being spent in that project. However, construction milestone is one which we measure the progress of project, and that's why you will see it is 2%.

**B. Ravi:** And you're talking about the price hike and all that in the future to come. I think we have projected our future one at the current prices. But you're right, whenever these kind of changes do happen, the prices are driven by -- slightly increases do happen. There may not be a sudden spike and all, unless, of course, it's a very good project like what we are doing with SEZ.

That kind of prices may be not comparable with the rest of the people in the vicinity. But that's one exception. But generally, this price hike and all that happens periodically, and especially for good premium projects, the prices can be quite different from the general projects.

**Rajendra Shah:** Just to add to what Raviji just said. I was talking to some experts in real estate. According to them, prices per square feet in Ahmedabad is one of the most affordable if you compare any Tier 2 city or some metro cities. Meaning, there is still a lot of hope for price to increase without affecting affordability.

**Moderator:** The next question is from the line of Puneet from HSBC.

**Puneet:** My first question is on your Million Minds project, you're targeting rental of almost INR70. Is there a discussion that you're seeing on those rentals with your prospective tenants? And any timeline for pre-leasing there?

**B. Ravi:** Yes. The timeline, I'll tell you, as I just said, we shall be talking about it maybe in the next 2, 3 months itself. There will be a lot of development in this, which we can very concretely tell you when, we talk about Q3 results. Because there's a lot of work going on in that direction, both on the prices that you talked about INR70 per lease for the rental charges, as well as any outright sale. A lot of traction is there in that, I would call it, at this point in time.

So interest being there, we are quite sure that the pre-leasing, what you are saying, because the project is likely to be completed in the early first quarter of FY'26, which is just about 5 to 6 months from now. So we do see that the pre-lease activities would happen in the next 3 months or maybe 5 months at the maximum, because we'll have to be giving them out for fit-outs and all that in the first quarter of FY'26, right? So we do believe that whatever development we are seeing on ground right now will be leading to good traction in the coming weeks.

**Rajendra Shah:** And coming to INR70 per square feet, what you said, we believe this is maintainable and sustainable rent, and we kind of stand by this.

**Neeraj Kalawatia:** These are, in fact, the current prevailing rental rates for a regular commercial property. So we are not charging any premium for the kind of the property we are making right now in terms of our provisioning.

**Puneet:** Okay. And similarly, on the construction cost side, the implied construction cost seems to be less than INR3,500 square feet. What is driving this low cost? I mean, the market seems to be at a much higher rate, at least in other cities.

**B. Ravi:** Yes. See, it is a basic cost that we have been talking about. It might change if there is a premiumness added to the building. So frankly, market to market, these kinds of differences can be there. Here, this is what we had estimated based on a particular plan about 1.5 years back. We are looking at the entire aspect of how the whole building is coming up.

We have added actually much more in terms of the square feet to this as we see, as well as the premiumness to that. So we will come back to you on the actual costs and all that maybe in the next 6 months. But we do believe that the basic cost will be well around this cost what we've mentioned. That's not very different from what we normally have for such kind of projects here.

**Puneet:** Understood. That's fair. And secondly, you also talked about potentially buying more land, even though you have 500 acres. How do you think about your land and business development strategy here?

**B. Ravi:** It is the raw material. Land has to be there in order to be continuing development project site in the future. So that being our raw material, we would want to continue to acquire, because then the future projects should not get affected. Normally, we have been developing on our own land, right? We're not just doing immediate buying and selling. That's the reason why we try to accumulate.

More importantly, the land buying has to happen in the areas where we believe the future redevelopment happens and where there will be a growth potential. Just to tell you in 30 seconds, the growth in Ahmedabad has been shifting westwards and northwards, as we always keep saying. So earlier, everything which was happening in the walled city then transferred to this part of it, which is called the Ashram Road, that is the western part of the river. Then it shifted to C. G. Road, then it shifted to SG Highway, then it's gone to the Ring Road, and it's now growing beyond.



So keeping in view the kind of development which happens in the city, the promoter being in the forefront of trying to take advantage of this kind of development, we always keep looking at the land which is available in and around the areas. So that will be a continuous exercise which will happen. Obviously, it will be keeping in view the prices versus the potential increases which will happen plus the potential development that can happen in the areas.

**Puneet:** And of the 500 acres, how much land would you have in the northern and the western part?

**B. Ravi:** At this point in time, almost 100%. There's hardly on the other side. So this is all the development which is happening now, both on the north as well as the west. It's not exactly north, it's northwest. And that is the Million Minds area. That's where even Adani's township is there, and various other. It's a new CBD. So that's where this entire 65 acres is coming up.

And the west part, most part of it is where the Godhavi land is there. There are a lot of other tractions happening as we told in the last quarter results also. There's a lot of development happening in that west part of it with a lot of line of acquisition for future growth. So we do have land at the places where it is just right for us to be at this point in time, having acquired it 10, 15 years back.

**Puneet:** Understood. And lastly, if I may. Any challenges you're facing on approvals front or availability of contractors, etcetera?

**B. Ravi:** That's one very good point of Ahmedabad, frankly, and Gujarat, both on the contractor side, there's nothing. We have been doing it seamlessly for so many years year-on-year, here on there, and we don't see any such problems. And even on the approvals side, probably one of the most progressive states, if you can call, in terms of understanding the growth and giving approvals is Gujarat.

**Neeraj Kalawatia:** I have worked in Mumbai for almost like 25 years. My experience of working in Gujarat and Mumbai, if I were to mention in 2 lines, here, we know in Ahmedabad that these are the kind of things which will just not happen in government. So you better make plans which is approvable by government and then you will not have any problem. There are a lot of flexibilities and loopholes or, so to say, workarounds which are available in Mumbai, which is not the case in Gujarat.

**Operator:** The next question is from the line of Satyam Badera from Profitmart Securities.

**Satyam Badera:** Congratulations on good set of numbers. I have a question on IT SEZ. Can you please provide an update on the market response for SEZ Phase 1 so far? And along with it, how far we are in progress in construction process? Have we initiated a discussion with Tishman regarding the marketing strategies of this project? Additionally, can you outline any other phase of the IT SEZ that we are planning in current financial year?

**B. Ravi:** To answer the last question do you have any more questions? I'll take them all together.

**Satyam Badera:** No, I have one more question. What is the approximate inventory we are currently holding on the ongoing project, total inventory of all the projects, and can you share of the Malabar Retreat?

**B. Ravi:**

Okay, we'll take that later. Let me finish all the other questions. Now as of today, the progress, what you asked about SEZ, is very well, almost like a year ahead of schedule, if we can say so. And therefore, we are expected to complete that and hand it over for fit-outs and all that in Q1 FY'26. That means April to June of next year that is April, May, June '25. Now this is where we see -- which is almost like in 10, 12 months or more, well ahead of schedule. So it is progressing well. At this point in time, the roof and various activities are going on in full strength.

The discussion with Tishman in terms of the lease, yes, it's an ongoing process. We have had at least two rounds, and there is a full-fledged discussion happening even as we speak around the same day. And therefore, that's why we said -- I just told a couple of minutes back that we see a very good traction, very good interest in this kind of development. We can be -- I dare say, and I'm telling you this as a completely outsider that this will become one of the top buildings of India, leave alone Ahmedabad.

That's the way it is going. And therefore, we very strongly believe that the kind of interest which has been generated now and which will probably keep getting generated will not just completely lease this out in the shortest period of time, but also entuse us to go towards the second phase, which we have not yet started. We were planning to start the second phase. We're not going to do that in this financial year, because you asked that question, it's not going to be in FY'25.

But looking at the traction, we may say that we may have to constantly plan as projected. We said we will be doing that, in our earlier projection we are told. I think even that should start on schedule, even maybe well ahead of schedule, looking to the kind of traction that we are seeing right now. So Phase 2 might well begin soon. We don't know. Let's finish this. In the next three to four months, we should see a lot of traction in this.

Once we do that, we'll talk about Phase 2.

**Rajendra Shah:**

Coming to inventory what we have in hand. So we have roughly about 30,000 square feet of office space, which is available for sale in Maple Tree and Maple Trade Centre project. And there are a few residential units which are available like six units which are available in Malabar Exotica project, which are yet to be sold. However, meaning everything else is booked, but there are some customers who have not come forward for doing their final agreements, which is about 10 to 12 of them. Once they do final agreement with us, even that inventory we'll do off. Other than that, there is hardly any inventory which is there of any completed projects.

**Moderator:**

The next question is from the line of Ishita Lodha from SVAN Investment Managers.

**Ishita Lodha:**

Congratulations for the great quarter. So as per the previous participant's question, I understand that 90% of the sales were land sales. So is it possible to share the area of the land which we sold in this quarter?

**B. Ravi:**

Yes, it's about 23 acres.

**Ishita Lodha:**

And in the investor presentation, in Slide Number 20, I see that there is a target mentioned that the company wants to develop 33 million square feet in the next few years, having a total presales value of INR17,500 crores. And then if I come to Slide Number 8, I see the ongoing and planned

projects worth the same quantum. So I have a confusion here because I understand that the commercial and the township projects are on lease basis. So does this presales value -- is it just residential? Or does it include the commercial? And how does it..

**Neeraj Kalawatia:** For the ease of the calculation, we have considered the capitalized value of the lease asset also on a standard capex rate, which will give us the overall potential capital value of the total development, which will take place in around next 7 to 10 years.

**Ishita Lodha:** So is it possible to share the capitalization rate that we take?

**Neeraj Kalawatia:** That is around 7%.

**B. Ravi:** 7% to 8%.

**Ishita Lodha:** And in this 33 million square feet, how much is residential, how much is commercial, and how much is the township?

**Neeraj Kalawatia:** See, out of the 33 million, around 15.3 million is the asset, both processing and non-processing area, where largely you have a processing and non-processing in the ratio of 50:50. Then we have around 15.3 million square feet of development, which has been targeted for the township, which is largely the residential development. Then there is 1.8 million of the development is targeted for that One Thaltej project, which will be a pure commercial project.

**Ishita Lodha:** So the township is the residential one?

**Neeraj Kalawatia:** Yes, yes. Largely residential.

**Rajendra Shah:** Meaning, overall if one wants to see, about 25% of the development will be commercial and 75% will be resi.

**Moderator:** The next question is from the line of Ankur Kumar from Alpha Capital.

**Ankur Kumar:** Congrats for a very good set of numbers. Sir, I wanted to ask regarding guidance. In the last call, we talked about 30% to 35% of growth in bottom line. So given 1H is strong, do we still stick to it, or how should we look at second half on that front, sir?

**B. Ravi:** I think, looking to the performance, 60% of last year is already achieved right now. And the second quarter has generally been a little better than first quarter in the last year if you have seen. So I think we are well on course to achieve that 30% growth year-on-year.

**Ankur Kumar:** And sir, you said 90% of sales is land sales and 23 acres. So how much can we expect in second half? And how much is the total land bank that we will be selling in, say, next one to two years?

**B. Ravi:** That has not been -- what will be the amount of sale in the next one, two years, that is not really quantifiable right now, because we see an opportunity, whether it is better to sell or whether it's better to hold, that's what drives it. And therefore, it's difficult to say that at this point in time. But the next half year, I think the pattern of the land sale versus project sale, it could be the same as the first half year.

- Ankur Kumar:** Got it, sir. And sir in the PPT, we are saying this 9-month land prices have stopped going up in Ahmadabad region. Is that right estimate? I think in the Slide number 7 we talked about INR per square feet, that kind of has stabilized in 9M '24 versus CY '23. So how should we look at in going forward?
- Neeraj Kalawatia:** Definitely, that has actually not stabilized. If you see on an year-on-year it is somewhere around 8% of the growth in terms of the pricing. So the price as such is going upward year-on-year.
- Ankur Kumar:** Got it, sir. And we expect this trend to grow -- to continue in this line?
- Neeraj Kalawatia:** Yes, the trend is showing that way only.
- B. Ravi:** Trend is very strong.
- Ankur Kumar:** Got it sir. Thank you and all the best.
- Moderator:** Thank you. The next question is from the line of Rajesh Jain from RK Capital. Please go ahead.
- Rajesh Jain:** Hi sir. Good afternoon. Congrats on extremely good set of numbers. I was going through your presentation and you have projected the sales value of around INR17,500 crores cumulative till FY'34 over the next 8 years to 10 years. So I just wanted some clarification like this projected sales value is at the current rate of the land and the constructed flats or have you factored in the increase in prices also over the years?
- B. Ravi:** Current rate.
- Rajesh Jain:** Okay. Great. So then keeping in mind the future acquisition that is inevitable. So can the company grow at a CAGR of 24%, 25% over the next, I mean, almost 10 years?
- Rajendra Shah:** So Rajesh one correction. All these INR17,500 crores what we are saying we will achieve is going to happen on land which is already acquired and paid for.
- Rajesh Jain:** Right.
- Rajendra Shah:** So it is only question of whether there can be any increase in construction cost. Yes, there may be any increase in construction costs. Again, there will be increase in matching or higher increase in sale prices. We believe that we will be able to maintain this 25% to 30% growth year-on-year which is sustainable.
- Rajesh Jain:** For almost a decade, for almost 8 years to 10 years. I mean these numbers work out to almost that rate for 8 years to 10 years?
- B. Ravi:** Yes. The way the land prices are going, as we just discussed for the last 40 minute. We do believe that our historical land prices would be able to -- we will be able to sell it at increased rates as we go by. And therefore sustaining this 20%, 25% CAGR looks to be definitely done. Now this is where we see at this point in time looking to all the parameters which are available for our consumption.

And I'm sure nothing is going to happen, nothing wrong is going to happen in the years to come and we are planning for 1 trillion economy and all that and a very stable government, both in the center and the state. So all this gives us the confidence that we can achieve that. And rest is, of course, leave it to the almighty.

**Rajesh Jain:** Yes, sir. Also, like as investors we have the visibility for the current year and we have the visibility for the long term 8 years to 10 years. But what I'm lacking is the visibility for FY'26 in terms of your reported numbers because of the way the accounting is done for your business, for your industry like how much revenue do you think you can report next year? So this year we are through, I mean, it is a done deal that you will be doing 30%, 35% growth. What about the next year in terms of reported numbers?

**B. Ravi:** See, there are various projects which we have planned for the next year also and that is including the kind of the Godavari township project. Now the revenues from that is such that it will be a completed project. So whatever we do in Godavari will actually go to the top line and bottom line in the same year as and when we start monetizing that land parcel. And therefore, that project will continue to add to the top line.

So we believe that the kind of development which is happening in and around the Godavari township area, which will lead to good sales in township for the next year, which will ensure the kind of revenue which will happen. Now this situation has been the same for the last couple of years wherein we have maintained our revenue and profitability in spite of having lesser projects on hand.

But the project of Godavari which will be starting next year is a pure project sales which will happen in FY'26 itself. And that's the reason we believe that the projection that we have given can be maintained.

**Rajesh Jain:** So even in FY'26, you are saying that there will be a good growth over FY'25 base in terms of reported numbers?

**B. Ravi:** Yes.

**Rajesh Jain:** Okay sir. That's very helpful. And sir, just one request. If you can start publishing or even during the concall if you can give out your booking numbers or collection numbers or the numbers which have not yet flown to your reported numbers that will be helpful?

**B. Ravi:** In my speech -- the one which we had given for Retreat. We have the presales of INR100 crores which I just mentioned. So yes, we'll continue to give that kind of numbers quarter-on-quarter. Thank you for the suggestion.

**Rajesh Jain:** Thank you.

**Moderator:** Thank you. The next question is from the line of Rutul Shah, an Advisor. Please go ahead.

**Rutul Shah:** Yes sir. Thank you for the opportunity. Sir, I was actually referring to your last quarter's presentation in which we have given the slide for the upcoming residential project and the

commercial project, but we have discontinued that in the current quarter's presentation. So just wanted to know that why we have followed this practice from current quarter. Is there any change that we are looking into?

**B. Ravi:** No. See, what happened we had been giving it all this while. I mean, it was so repeated and just increasing, there's no particular reason. I think the better thing would be that once this quarter of Q3 also done, when we are planning for the next year we'll bring that back in terms of the timelines and all that in the updated stuff. We just were waiting for the Phase 1 to be getting over and all that.

There's nothing in particular. I think we'll soon get it back in a quarter or 2 with an updated time lines and also price, because when we see a good traction we might have to revise that also. So we're just waiting for that.

**Rutul Shah:** Okay. Got it. Sir, second was one bookkeeping question. So currently in 6 months period if we see, our sales is around INR450 crores, and corresponding sales last year 6 months was around INR435 crores, but the trade receivables currently as on September are INR300 crores which in the last September were hardly INR30 crores. So why is this huge bump in trade receivable as on September 21st?

**B. Ravi:** The trade receivables follow the sales. And some land -- it is always a timing difference. And some land which might have been sold, let's say, early quarter of the quarter, then funds might have come in. And sometimes the sales happen towards the later part of the quarter, wherein the funds are yet to come in, only certain parts of the funds have come in. But overall, if you see that it is following the same pattern as it has been year-to-year also. So that is the only difference, I would say, but nothing much to read into it.

**Rutul Shah:** And sir, another question. So you just mentioned that this quarter, we sold around 23 acres of land. And in another quarter, we have -- I mean, you conveyed that it is an ongoing process to sell and buy the land because it's a raw material for the business. So have we bought some land in this quarter? And if yes, how much acre it would be?

**Neeraj Kalawatia:** It is somewhere around 25 acres of land which has been bought during this quarter.

**Rutul Shah:** And sir, just one last question, this 23 acres that we have sold, it would be in the vicinity of the -- I mean, it would include the township or in the vicinity of the township where it will be located, probably it is the same bit?

**B. Ravi:** If you're asking the question, where are we buying it? That's...

**Rajendra Shah:** Yes, vicinity of township...

**B. Ravi:** It's all places. Like we see a township, there could be some other development, or some future development which we are seeing, we'll be buying land around that area. So it's not necessarily -- we're not looking at only certain pockets of land. We are looking at land which is available for future development growth from a projection perspective. We are not restricted in that case. We are quite open. We keep scouting around, in fact.

- Rutul Shah:** And which area are we selling, the 23 acres that we sold?
- Neeraj Kalawatia:** This is again largely the land parcel which we are not keeping targeted for any potential development. These are also the land which are there in the western part, but not in our targeted development areas.
- Rutul Shah:** Okay, thank you, sir.
- Moderator:** Thank you. The next question is from the line of Krishna from Ashika Stock Broking. Please go ahead.
- Krishna:** I have one quick question to understand the consumer or the customer mix that we have. So how much percentage has been booked by the end user or first-time buyers versus the investment purposes?
- Neeraj Kalawatia:** We have hardly any investors. In fact, majority of the booking, bulk of the booking is done by actual land users, but base of determining this is kind of home loans, which are as a percentage of your total booking, which is very high in our case.
- Krishna:** Okay. And what would be that percentage, if you could just mention?
- Neeraj Kalawatia:** Almost 90% of our sales, they are backed by the home loan.
- Krishna:** Okay, thank you.
- Moderator:** Thank you. The next question is from the line of Yasmin Shah from Antique Stock Broking. Please go ahead.
- Yasmin Shah:** Just wanted to ask you, what's your current land bank, and what amount, or in terms of probably acres, you don't want to kind of explore the land bank in terms of development, which can be added to your sales of land in the coming years of the total land bank available?
- Neeraj Kalawatia:** See, the total land bank we have in holding and subsidiary taken together is somewhere around 535 acres. And this keeps on, I'm saying, adding and reduction depending on what is the business activity and the targeted sale and purchase happening. So as such, there is no fixed policy where we are saying that this is the land which we will keep it permanently or which we will keep it purely for selling purpose. It is largely how the development is happening all around the places as well as how the government is responding on different areas. How they want the development to take place in those areas, accordingly, we take those decisions.
- Yasmin Shah:** And any plans to move out of Ahmedabad into any other city?
- B. Ravi:** Well, at this point in time, no, not immediately. You will see, if there is something which comes up -- we are not averse to that, but we do believe that the opportunities we are being given in Ahmedabad is so good that we are not yet lured into any other city with similar kind of ROEs.
- Yasmin Shah:** And within Ahmedabad, I don't think you all do any JDAs, right?

- B. Ravi:** Not as of now. But again, we are not averse of that. We are quite open to that also. But at this point in time, we don't have a JV project. It might come up.
- Yasmin Shah:** And lastly, what was your -- I think in the previous quarter's call, you had given some guidance in terms of top line and bottom line growth for the next 1 or 2 years. Can I have that number again, please?
- Neeraj Kalawatia:** See, those numbers we have already given in terms of 20% to 30% growth in the bottom line. The top line we say might not be the certain thing, but bottom line, we are pretty sure that we will be targeting in those areas.
- Yasmin Shah:** Thank you very much and all the best.
- Moderator:** Thank you. The next question is from the line of Rajesh Jain from RK Capital. Please go ahead.
- Rajesh Jain:** Sir, I just wanted to understand, like it could be an accounting question, and pardon my ignorance for this. So just wanted to understand how much time lag is there between your presales numbers and the reported numbers? As per the accounting standards, what is the norm here? If you can just help me.
- Neeraj Kalawatia:** See, if you see, Ind AS 115 talks about you can book the revenue only when that project is completed, you got the occupancy certificate, as well as sale deed is happening. And generally, if you take a time line of 3 years period of time for a project to get completed, so your presales would get converted into the reported number after that BU number.
- And largely, it depends on how the sales deeds are happening, how the customers are responding. So after the BU certificate, you get 2 to 3 quarters where the entire revenue of the project gets booked into the books. This is what is happening in all last 3, 4 projects, what we are expecting.
- Rajendra Shah:** And just to answer your question generally, meaning there could be an average time gap of about 1 year to 1.5 years for prebooking to get reflected into revenue from project.
- Rajesh Jain:** But your average projects will get completed in 3 years' time. So I mean for a particular project, it will get reflected in revenue numbers after 3 years, you're saying? For a particular project?
- B. Ravi:** Yes. Unless we achieve the closure much faster, like what we did in Exotica, it was completed well ahead of schedule. So if that happens, then the revenue comes in faster also, because it all depends on the completion of project.
- Neeraj Kalawatia:** Right. In case of Exotica, this project got completed 1 year ahead of the schedule. So instead of 4 year, the revenue started recognizing in books in 3 year. Same is with Malabar 3 also, the project got completed well ahead of the schedule. So accordingly, those revenue recognition got preponed.
- Rajesh Jain:** Okay. And you're saying as per the accounting norms, this will be recognized only on 100% completion, not even on certain milestones like 25% completion or...
- Neeraj Kalawatia:** No, that practice is no longer...



**Rajendra Shah:** Now not allowed.

**Rajesh Jain:** Okay, understood. Thank you.

**Moderator:** Thank you. The next question is from the line of Rutul Shah from Advisor. Please go ahead.

**Rutul Shah:** Sir, as you just mentioned that this quarter, we have bought around 25 acres of land. So just can you let us know what is the total buy value of this new land?

**Neeraj Kalawatia:** Sorry, I could not get your question.

**Rajendra Shah:** No, we are yet to ascertain. Right now, we are not aware. 25 acres cost.

**Neeraj Kalawatia:** Okay. Yes.

**B. Ravi:** We shall get back out the moment it's booked. So at this point in time, it's not ascertainable is what Rajendra ji has said, but we'll get it out in the coming months.

**Rutul Shah:** Okay. Thank you.

**Moderator:** Thank you. Ladies and gentlemen, that is the last question for today. We have reached the end of our question-and-answer session. I would now like to hand the conference over to the management for closing comments.

**B. Ravi:** Thank you, everyone, for the continued interest being shown in Ganesh Housing's numbers. I think we have been delivering on all the promises made year-on-year, and sometimes even better. We are hopeful that we'll continue to do that in the times to come, too, and look forward to your interest being sustained just as our numbers have been sustained. Thank you very much.

**Moderator:** Thank you. On behalf of Go India Advisors, that concludes this conference. Thank you for joining us. You may now disconnect your lines.