Ashiana Housing Ltd — FY 2025 Annual Report Analysis

Annual Report Analysis (Consolidated)

Investor Snapshot

#	Analytical point	Sentiment
1	**Dominant niche player maintaining #1 rank in Senior Living for nine years, leveraging a service-led model with a successful pivot toward premiumization.**	—
2	***Reported revenue declined 44% YoY to 529 Cr, though this is a lagging indicator due to the timing of project completions and revenue recognition cycles.***	—
3	**Average realization improved to ₹7,179/sq. ft., validating strong pricing power and the market's acceptance of the premium project shift.**	—
4	**Customer advances surged 76% to ₹2,206 Cr, creating a massive unrecognized revenue pipeline and providing high visibility for future earnings.**	—
5	**Exceptional cash generation with CFO at ₹234 Cr (13x reported PAT), demonstrating robust liquidity despite accounting profit volatility.**	—
6	***Total debt increased to 276 Cr to fund inventory expansion, with 110.52 Cr in high-cost unsecured NCDs carrying a 14% interest rate.***	—
7	***Earnings quality is obscured by 56.70 Cr of interest capitalized into inventory, which masks the true debt servicing burden on the P&L.***	—
8	***Physical execution pace slowed as Equivalent Area Constructed (EAC) declined to 20.12 Lsft, signaling potential bottlenecks in construction momentum.***	—
9	***Severe governance concern as KMP compensation for the three promoters represents 51% of Operating Profit and over 50% of consolidated PAT.***	—
10	***Internal control weaknesses evidenced by a 5.00 Cr GST penalty and 100% of company loans (17.57 Cr) being directed to related parties or JVs.***	—
11	**Institutional validation provided by IFC partnership (₹100 Cr NCD), offering a counter-balance to governance concerns and providing lower-cost capital.**	—
12	**Stance: ACCUMULATE; focus on the unrecognized revenue moat while monitoring promoter pay thresholds and construction pace (EAC) below 18 Lsft.**	—

1. Business overview (In Bullet Points)

- **Business Segments:** Primarily engaged in real estate development with a niche focus on "Senior Living" and "Kid Centric Homes" (KCH). Supplementary segments include Hotel & Club Services (Treehouse brand) and Real Estate Support Operations (maintenance and community services).
- **Revenue Drivers:** Real estate sales (completed units) are the primary driver (84% of revenue), followed by maintenance services and hospitality. Average realization surged to **₹7,179/sq. ft.** (up 5.4% YoY) as the company pivots toward premiumization.
- **Cost Drivers:** Direct construction costs (materials, labor), land acquisition/development rights, and high-cost finance charges (14% on unsecured NCDs).
- **Industry Position:** Retains the #1 rank in Senior Living for 9 consecutive years. Successfully repositioning from "Affordable" to "Aspirational/Elite" with projects like *ONE44* and *Swarang*.

- **Expansion Plans:** Aggressive move into Bengaluru and Panvel via Joint Development Agreements (JDAs). Targeting a □2,000 Cr pre-sales milestone.
- **Acquisitions & Capacity:** Ongoing project pipeline of 66.63 Lsft. Partnership with **International Finance Corporation (IFC)** provides □100 Cr for the *Ashiana Aaroham* project.
- **Segment Performance:** Senior Living remains the "Crown Jewel" with high margins; KCH is the primary driver for high-velocity markets like Gurugram.
- **Geographical Presence:** Core strengths in Bhiwadi, Jaipur, and Gurugram; expanding footprint into Chennai, Pune, and Bengaluru.

2. Management commentary & outlook

- Management has shifted strategy from "Volume" to "Premiumization," focusing on higher realizations over mass-market scale.
- The theme for the year is "Growth, Grit, Gravitas," emphasizing maturity and responsibility in execution.
- Growth guidance is centered on a capital-efficient, asset-light model using JDAs for new market entries like Bengaluru.
- Management acknowledges a need for "Learning & Development" to bridge middle-management execution gaps as physical construction pace (EAC) slowed slightly.
- The demand environment for niche residential products (Senior Living) remains robust, allowing for significant pricing power.
- Competitive intensity is being countered by a service-led differentiator (maintenance and community management) rather than just physical infrastructure.
- New launches like *Swarang* (Chennai) target a more "sophisticated" and higher-margin tier of the senior market.
- The partnership with IFC is viewed as institutional validation of AHL’s governance and ESG standards.
- Long-term vision involves unbundling "Assisted Living" into a recurring service-income stream through the new subsidiary, *Nitya Care Homes Pvt Ltd*.
- **Management Tone:** The narrative is highly strategic and confident regarding brand positioning and cash flow generation. However, there is a notable lack of correlation between executive compensation and accounting profitability. While the vision for "Senior Living" dominance is clear, the physical execution pace and aggressive value extraction via doubled promoter commissions create a tone of "Strategic Excellence coupled with Promoter-First Allocation." (LAST bullet point)

3. Financial analysis

3.1 Financial statements

P&L statement (□Cr)

Line item	Mar 2025	Mar 2024
Sales	529	944
Sales Growth %	-43.98	130.37
Expenses	511	847
Material Cost %	-50	22
Raw material cost	486	187
Change in inventory	-748	17
Manufacturing Cost %	120	55
Employee Cost %	14	7
Other Cost %	13	6
Operating Profit	18	97
OPM %	3	10
Other Income	24	23
Exceptional items	-3.98	4.98
Other income normal	27.71	17.74
Interest	2	2
Depreciation	13	9
Profit before tax	26	108
Tax %	30	23
Net Profit	18	83
Minority share	0	0
Exceptional items AT	-3	4
Profit excl Excep	21	80
Profit for PE	21	80
Profit for EPS	18	83
Profit Growth %	-74	194
EPS (□)	1.81	8.30
Dividend Payout %	83	18

Balance sheet (□Cr)

Line item	Mar 2025	Mar 2024
Equity Capital	20	20
Reserves	744	750
Borrowings	276	148
Long term Borrowings	245	128
Short term Borrowings	17	19
Lease Liabilities	15	1
Other Borrowings	0	0
Other Liabilities	2,448	1,484
Non controlling int	0	0
Trade Payables	74	53
Advance from Customers	2,206	1,251
Other liability items	168	180
Total Liabilities	3,488	2,402
Fixed Assets	128	101
Land	1.02	1.02
Building	25.58	23.21
Plant Machinery	79.76	66.67
Equipments	0	0
Computers	8.41	6.72
Furniture n fittings	8.84	6.83
Vehicles	7.39	6.32
Intangible Assets	0.87	0.87
Other fixed assets	49.61	34.03
Gross Block	181.48	145.67
Accumulated Depreciation	53.12	44.31
CWIP	0	0
Investments	206	108
Other Assets	3,153	2,192
Inventories	2,285	1,526
Trade receivables	40	40
Receivables over 6m	16.42	16.42
Receivables under 6m	28.78	26.40
Prov for Doubtful	-5.27	-2.77
Cash Equivalents	393	231
Loans n Advances	35	25
Other asset items	400	370

Line item	Mar 2025	Mar 2024
Total Assets	3,488	2,402

Cash flow statement (□Cr)

Line item	Mar 2025	Mar 2024
Cash from Operating Activity	234	212
Profit from operations	85	114
Receivables	-3	-11
Inventory	-758	3
Payables	22	18
Other WC items	904	110
Working capital changes	164	120
Direct taxes	-11	-22
Other operating items	-5	0
Exceptional CF items	0	0
Cash from Investing Activity	-123	-10
Fixed assets purchased	-40	-32
Fixed assets sold	2	2
Investments purchased	-101	0
Investments sold	9	16
Investment income	0	6
Interest received	16	7
Other investing items	-8	-9
Cash from Financing Activity	52	-128
Proceeds from shares	0	0
Proceeds from borrowings	128	0
Repayment of borrowings	0	-34
Interest paid fin	-60	-18
Dividends paid	-15	-5
Financial liabilities	-2	-1
Other financing items	1	-69
Net Cash Flow	163	75

Key ratios

Line item	Mar 2025	Mar 2024
Debtor Days	28	15
Inventory Days	0	2,736
Days Payable	0	95
Cash Conversion Cycle	28	2,656
Working Capital Days	226	190
ROCE %	3	11

3.2 Financial analysis summary

- **Revenue** from operations declined by 43.98% to 529.00 Cr, primarily due to the "point in time" recognition policy where revenue is only booked upon possession; however, Advance from Customers surged 76.34% to 2,206.00 Cr, signaling a massive unrecognized revenue pipeline.
- **OPM %** contracted severely to 3.00% from 10.00% as Direct Construction Cost of 540.12 Cr exceeded recognized Revenue, reflecting a heavy execution phase where costs are recognized ahead of the "possession" milestone.
- **Net Profit** fell 74% to 18.00 Cr, further impacted by an Exceptional GST Expense of 5.00 Cr related to a tax investigation at the Treehouse Hotel unit, reducing the PAT Margin % to 3.40%.
- **Finance Cost** reported on the P&L was only 2.00 Cr, but Interest paid in the CFO was 60.00 Cr; the company capitalized 56.70 Cr of interest into Inventory, masking the true debt servicing burden on the income statement.
- **Total Debt** increased to 276.00 Cr from 148.00 Cr, raising the Debt / Equity to 0.36; while new debt was raised at 9.95%, 110.52 Cr remains in high-cost Unsecured NCDs at a 14.00% interest rate.
- **Inventory** swelled by 49.68% to 2,285.00 Cr, with Project Development WIP rising to 906.66 Cr, acting as a 758.00 Cr drain on cash, which was offset by the 904.00 Cr inflow from customer advances.
- **CFO** of 234.00 Cr significantly outperformed PAT of 18.00 Cr (CFO/PAT of 13.0), proving the business generates substantial liquidity from bookings despite the cyclical P&L downturn.
- **Working Capital Days** deteriorated to 226 days, and Trade Payables rose to 74.00 Cr with a doubling of dues to MSMEs (17.58 Cr), indicating a strategy of stretching the vendor cycle to fund construction.
- **ROCE** and ROE diluted to 3.00% and 2.36% respectively, reflecting the temporary mismatch between a growing asset base (Total Assets up 45%) and deferred revenue recognition.
- **Loans n Advances** increased to 35.00 Cr, with 100% of loans (17.57 Cr) granted to related parties/JVs, suggesting the parent is increasingly funding joint venture operations.
- **Fixed Assets** grew to 128.00 Cr supported by 40.00 Cr in Capex, while Lease Liabilities jumped to 15.00 Cr due to new "Right to Use" assets for construction machinery.
- **Other Assets** were impacted by a sharp drop in Statutory Charges Recoverable (9.37 Cr vs 20.13 Cr), while Other Liabilities include a 17.99 Cr Water Supply Infrastructure Fund; Other Expenses were pressured by a 2.88 Cr provision for doubtful debts.
- The dominant financial theme of the year is a technical P&L contraction masked by exceptionally strong cash generation from customer advances and an aggressive expansion of the construction pipeline.

3.3 Contingent liabilities & commitments

- **GST, Service Tax & VAT Disputes:** □22.62 Cr (nearly doubled from □11.54 Cr in FY24).

- **Bank Guarantees:** ₹21.77 Cr.
- **Capital Commitments:** ₹4.91 Cr (net of advances).
- **Income Tax Demands:** ₹0.79 Cr.
- **Provident Fund Disputes:** ₹2.36 Cr.
- **Land Acquisition Risk:** 15.02 hectares in Bhiwadi under government acquisition proceedings; currently stayed by Rajasthan High Court.
- **RERA Liability:** 5-year structural defect liability for all handed-over units (standard industry commitment).

3.9 Earnings quality & forensic checks

#	Check	Impact	Status	Notes detail
1	PAT vs CFO trend	Profit ↑ — earnings understate cash; □234 Cr CFO vs □18 Cr PAT driven by customer advances.	—	CFO is 13x PAT due to massive buildup in contract liabilities/ advances.
2	Receivables & channel-stuffing signal	Revenue ↑↓ — execution phase; inventory grew 49.7% while revenue fell 44% due to recognition timing.	—	Point-in-time recognition causes revenue lag despite high construction activity.
3	Revenue timing (deferred revenue / advances)	Revenue ↑ — strong pipeline; customer advances surged 76% to □2,206 Cr, signaling future revenue recognition.	—	Contract liabilities represent unrecognized revenue to be booked upon possession.
4	Revenue from related parties %	Neutral — low direct revenue risk; revenue is primarily from external customers (completed units).	—	Customer concentration is low; no single customer >10% of total revenue.
5	Inventory vs revenue growth	Profit ↑↓ — cyclicality; inventory growth of 49.7% reflects heavy execution vs 43.9% revenue decline.	—	Sharp rise in "Completed Units" inventory to □303.86 Cr suggests imminent revenue triggers.
6	Inventory valuation method change	Neutral — consistent policy; valued at lower of cost or NRV including capitalized borrowing costs.	—	Policy includes pro-rata unrealized costs from EWS/LIG units into main project costs.
7	Exceptional items in operating profit	Profit ↓ — non-recurring hit; □5 Cr GST penalty reduced PAT by approximately 21%.	—	DGGI Jaipur investigation regarding incorrect tax rates at Treehouse Hotel unit.
8	Depreciation rate vs useful life policy	Profit ↓ — conservative charge; depreciation increased 44% following a 27% increase in gross block.	—	Increase driven by additions to Plant & Machinery and new Right of Use assets.
9	Provision reversals boosting PAT	Profit ↓ — conservative provisioning; provision for doubtful debts increased, reducing PAT by □2.88 Cr.	—	Provisioning covers old dues >3 years; determined via Expected Credit Loss model.
10	Tax rate consistency + cash tax vs P&L tax	Profit ↓ — higher tax incidence; effective tax rate rose to 30% vs 23% YoY.	—	Cash tax (□11 Cr) is lower than P&L tax provision due to timing differences and DTA.
11	CWIP age and stalling projects	Neutral — execution focus; CWIP is zero as costs are captured in Project WIP inventory.	—	Project development WIP increased to □906.66 Cr, reflecting active construction.
12	Deferred tax asset recognition adequacy	Profit ↑ — management optimism; DTA on unabsorbed losses increased to □2.70 Cr.	—	Recognized based on "reasonable certainty" of future taxable profits from project deliveries.
13	RPT quantum and trend	Profit ↓ — liquidity drain; 100% of loans (□17.57 Cr) are to related parties/JVs.	—	Rising trend of using parent balance sheet to support JVs; JVs are currently net consumers.
14	Dividend paid vs FCF adequacy	Neutral — high payout; 83% payout despite negative FCF after heavy inventory investment.	—	Dividend of □15 Cr is well-covered by CFO (□234 Cr) but high relative to reported PAT.
15	Interest Capitalization	Profit ↑ — masks interest burden; □56.70 Cr of interest capitalized into inventory.	—	Capitalization artificially sustains margins during periods of low revenue recognition.
16	Auditor KAM: Revenue Recognition		—	Conservative "Point in Time" method prevents premature profit booking.

#	Check	Impact	Status	Notes detail
		Neutral — timing risk; auditor verified "Offer of Possession" letters to ensure control transfer.		
17	Title Deed Deficiency	Neutral — administrative risk; Saket office title not in company name due to developer defaults.	—	Asset at risk due to third-party developer dues to DDA.
18	Exceptional GST Investigation	Profit ↓ — compliance risk; DGGI Jaipur investigation into hotel unit tax rates.	—	Signals past internal control weakness in tax compliance.

4. Management & governance

A. Auditor Report & Key Audit Matters * **Audit opinion type:** Unqualified. The auditor states the consolidated financial statements give a true and fair view in conformity with Ind AS. * **KAM 1: Revenue Recognition:** Auditor focused on the "Point in Time" method under Ind AS 115. Verified "Offer of Possession" letters and ensured control transfer. * **KAM 2: Inventory Valuation:** Auditor reviewed the NRV of □2,284.52 Cr. Concern lies in management's subjective estimates of future selling prices and completion costs. Auditor performed sensitivity analysis on these estimates. * **KAM 3: Expected Credit Loss (ECL):** Auditor evaluated the adequacy of the □5.27 Cr provision against trade receivables, focusing on balances due for more than 3 years. * **Emphasis of Matter:** Note 23.J highlights that the title deed for the Saket office (Gross Value □3.76 Cr) is not in the company's name due to pending ground rent dues by the developer to the DDA. * **Auditor Details:** M/s. B. Chhawchharia & Co. is in the 3rd year of a 5-year term. Prior year fee was □0.53 Cr.

B. Related Party Transactions | Party | Relationship | Nature | Amount (□Cr) | Concern | | :--- | :--- | :--- | :--- | :--- | | Related Parties (Total) | JVs/Associates | Loans Provided | 17.57 Cr | 93.5% YoY increase; 100% of company loans are to related parties. | | KMP Remuneration | Management | Compensation | 9.24 Cr | Represents 50.66% of Consolidated PAT. | | Joint Ventures | JVs | Interest Income | 3.53 Cr | Accrued income from entities currently consuming parent liquidity. | | Related Parties | Various | Purchase of Material | 2.43 Cr | Significant increase from 0.52 Cr in FY24. | | Joint Ventures | JVs | Year-end Receivables | 19.80 Cr | Cumulative liquidity exposure to JV partners. |

C. Shareholding | Shareholding pattern | Mar 2025 | Mar 2024 | | :--- | ---: | ---: | | Promoter | 61.22% | 61.22% | | FII | 4.54% | 4.54% | | DII | 14.86% | 14.86% | | Public | 19.38% | 19.38% |

- **Pledged Shares:** 0.00% of promoter holding is pledged.

D. Board Composition + KMP Compensation * **Total Directors:** 7 | **Independent:** 57.14% | **Women Directors:** 1 (Dr. Piyul Mukherjee). * **KMP Compensation:** * **Vishal Gupta (MD):** □3.08 Cr (+21.26% YoY) * **Ankur Gupta (Jt. MD):** □3.08 Cr (+21.26% YoY) * **Varun Gupta (WTD):** □3.08 Cr (+21.26% YoY) * **Family Correlation:** The three brothers (Vishal, Ankur, Varun) receive identical compensation totaling □9.24 Cr. * **Analysis:** Total KMP pay for the brothers grew 21.26% while Operating Profit (EBITDA) crashed by 81.44%. Special resolutions were passed to increase profit-linked commissions to **2% of net profits each (total 6%)**, up from 1% each. The ratio of ED remuneration to median employee pay is 60.46:1.

F. Capital Allocation & Capex | Action | FY current (□Cr) | FY prior (□Cr) | % of CFO | Signal | | :--- | :--- | :--- | :--- | :--- | | Dividends | 25.13 Cr | 5.00 Cr | 10.74% | — | | Capex (Fixed Assets) | 40.00 Cr | 32.00 Cr | 17.09% | — | | Net Debt Change | 128.00 Cr | -34.00 Cr | 54.70% | — | | Working Capital Investment | 164.00 Cr | 120.00 Cr | 70.09% | — | | Investments (Financial) | 101.00 Cr | 0.00 Cr | 43.16% | — | | Interest Paid (Financing) | 60.00 Cr | 18.00 Cr | 25.64% | — |

- **CFO Coverage of Capex:** Ratio is **5.85x**. CFO (234.00 Cr) covers Capex (40.00 Cr), but the massive debt raise (128 Cr) suggests external funding is being used for land banking.

- **Nature of Capex:** Primarily **Plant & Machinery (79.76 Cr gross block)** and Lease Assets (11.83 Cr), supporting the 66.63 Lsft ongoing project pipeline.
- **Deployment Efficiency:** Revenue fell 43.98% while Capex rose 25%, reflecting the "Point in Time" accounting lag.
- **Key Takeaway:** The company has pivoted to aggressive expansion, raising **128 Cr in new debt** to fund a 49.68% surge in inventory.

H. Risks * **Indirect Tax Disputes:** ₹22.62 Cr potential outflow; doubled YoY. High severity. * **Interest Capitalization:** ₹56.70 Cr capitalized; masks true interest coverage and inflates PAT. High severity. * **High-Cost Debt:** Unsecured NCDs at 14% interest rate; high burden relative to 3% OPM. High severity. * **Land Acquisition:** 15.02 hectares in Bhiwadi under govt acquisition; loss of future development potential. Medium severity. * **GST Investigation:** ₹5.00 Cr exceptional hit; signals internal control weakness. Medium severity. * **Title Deed Risk:** Saket office title not in company name; ₹3.76 Cr asset at risk. Medium severity.

5. Scorecard & verdict

Part a: scorecard

Dimension	Rating (1–5)	Delta	Key evidence	One-line rationale
Business quality	5	→	#1 in Senior Living; Realization ₹7,179/sqft	Strong niche moat with significant pricing power and scalable service-led model.
Financial health	4	↓	D/E 0.36x; CFO ₹234 Cr > PAT ₹18 Cr	Strong cash generation from advances, though debt increased to fund inventory.
Earnings quality	3	↓	CFO/PAT 13x; ₹56.7 Cr Interest Capitalized	Excellent cash flow but P&L is highly volatile and masked by interest capitalization.
Management & governance	2	↓	KMP Pay 51% of Op Profit; 6% Profit Commission	Aggressive value extraction by promoters despite declining accounting profits.
Capital allocation & earnings visibility	4	→	Customer Advances ₹2,206 Cr; IFC Partnership	Massive revenue visibility from advances; disciplined capex for future growth.

Business positives (for this company this year) * **Strong Cash Generation:** CFO of ₹234 Cr is 13x the reported PAT, driven by massive customer collections. * **Revenue Visibility:** Customer advances surged 76% to ₹2,206 Cr, ensuring a strong future revenue pipeline. * **Pricing Power:** Average realization increased to ₹7,179/sq. ft., validating the premiumization strategy. * **Institutional Validation:** Partnership with IFC (₹100 Cr NCD) acts as a proxy for governance and operational quality. * **Niche Moat:** Retained #1 rank in Senior Living for 9 years, a formidable barrier to entry.

Business negatives / concerns (for this company this year) * **Governance Red Flag:** KMP compensation for the three brothers represents over 50% of consolidated PAT and 51% of Operating Profit. * **Interest Capitalization:** ₹56.70 Cr of interest was capitalized into inventory, masking the true debt servicing burden. * **High-Cost Debt:** ₹110.52 Cr in unsecured NCDs carries a high 14% interest rate. * **Execution Stagnation:** Equivalent Area Constructed (EAC) declined to 20.12 Lsft despite higher sales ambitions. * **Exceptional Tax Hit:** ₹5.00 Cr GST penalty due to investigation signals past internal control weaknesses.

Overall scorecard summary Ashiana Housing exhibits a dual personality: a high-quality niche business with exceptional cash generation and a strong market moat, contrasted by aggressive promoter compensation and complex accounting (interest capitalization). While the financial health is robust due to massive customer advances, the governance posture is weakening due to the doubling of promoter commissions during a cyclical

P&L downturn. The business is on a stable-to-improving operational trajectory but requires close monitoring of capital allocation and promoter-first biases.

Part b: governance check matrix

#	Check	Status
1	Audit opinion clean?	—
2	Promoter pledge = 0?	—
3	KMP pay < 5% of PAT?	—
4	RPT quantum < 5% of revenue?	—
5	Board > 50% independent?	—
6	At least 1 woman director?	—
7	No statutory dues outstanding?	—
8	No fraud reported?	—
9	Audit trail enabled?	—
10	Frequent Auditor change	—

Final line: "Total: 7/10 — Governance Rating: 3"

Part c: investor verdict

Thesis: A niche specialist in Senior Living successfully pivoting to a premium, service-led model with massive unrecognized revenue visibility.

Overall stance: ACCUMULATE

Rationale: Strong operating cash flows and a □2,206 Cr advance pipeline outweigh temporary P&L volatility and governance frictions. Re-evaluate when: KMP compensation exceeds 10% of net profits or EAC (construction pace) falls below 15 Lsft. BULL CASE: Successful execution in Bengaluru and Gurugram leads to revenue recognition of □1,500 Cr+ in a single FY. BEAR CASE: Regulatory hurdles in Gurugram or a sustained 14% interest burden on stalled projects erodes equity value. Key monitorable: Equivalent Area Constructed (EAC): 20.12 Lsft → Watch threshold: <18 Lsft.

7. Year-over-year analysis

7.1 Changes

Metric / theme	Summary a status	Summary b status	Forensic takeaway
Capital Allocation	Shift to "cash-harvesting" with ₹36 Cr debt reduction and a ₹55 Cr share buyback.	Pivot back to aggressive expansion, raising ₹128 Cr in new debt to fund a 50% surge in inventory.	Management has abandoned the short-lived deleveraging phase to aggressively leverage the balance sheet for a massive new construction cycle.
Margin Trajectory	OPM at 10% driven by a 34% surge in average realization to ₹6,811/sq. ft.	OPM collapsed to 3% as direct construction costs exceeded recognized revenue due to "point-in-time" accounting.	Reported margins are currently decoupled from operational reality, masking underlying pricing power with temporary execution-cost mismatches.
Working Capital	Robust; CFO (₹212 Cr) was 2.5x PAT, fueled by customer advances of ₹1,251 Cr.	Extreme; CFO (₹234 Cr) is now 13x PAT as customer advances surged 76% to ₹2,206 Cr.	The company is increasingly operating as a financial float business, using record-high customer prepayments to fund its entire operational and capital footprint.
Management Tone	Focused on "strategic aggression" and a long-term 15% post-tax ROE target.	Focused on "Premiumization" and "Gravitas," while doubling promoter profit commissions.	The narrative has shifted from shareholder-aligned ROE targets to a "promoter-first" allocation model despite a cyclical downturn in accounting profits.

7.2 Persistent patterns

- **Systemic Interest Capitalization** remains the primary accounting tool used to inflate P&L health, with capitalized interest surging from ₹16.37 Cr to ₹56.70 Cr to mask the true cost of debt.
- **Aggressive KMP Compensation** is a structural governance friction, with the three promoter brothers maintaining identical pay scales that now consume over 50% of consolidated PAT.
- **The Negative Working Capital Model** is the core engine of the business, consistently utilizing massive customer advances (now >₹2,200 Cr) as interest-free capital to fund land and construction.
- **Specific Asset Ownership Risks** remain unresolved and neglected, specifically the Saket Office title deed discrepancy which has persisted across both periods without resolution.
- **High Brand Equity in Niche Segments** is a sustained competitive advantage, evidenced by the #1 rank in Senior Living for 9 consecutive years and the ability to push realizations above ₹7,000/sq. ft.
- **Lending to Joint Ventures** is a recurring liquidity drain, with loans to related parties nearly doubling YoY (₹9.08 Cr to ₹17.57 Cr), signaling the parent's role as a captive financier for JV partners.
- **The Execution-Sales Gap** persists as a primary risk, as the pace of physical construction (EAC) continues to lag behind aggressive sales bookings and advance collections.