Ashiana Housing Ltd — Jun 2025 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

The punchline. Read this first — it frames everything below.

Result: Beat (Operational) | Miss (Financial) **One-line:** The long-term thesis is reinforced by a massive divergence between cash and accounting: AHL generated a record □429.90 Cr in pre-tax operating cash flow (23x reported PAT) while accounting revenue "missed" due to timing-based delivery slippages.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance / Prior Quarter	Operational Beat / Financial Miss	Presales □1,936.75 Cr (FY25) beat □1,800 Cr target; Revenue □557 Cr vs □966 Cr (YoY).	□
Earnings Quality	High (Cash Flow driven)	PAT of □18.24 Cr vs Pre-tax OCF of □429.90 Cr; cash collected but revenue not recognized.	□
Guidance Confidence	Strong	Management re-affirmed □2,000 Cr presales target for FY26 and □11,000 Cr cumulative revenue goal.	□
Management Credibility	Strong	Transparent about regulatory delays (OCs) and legacy margin drags in FY26.	□
Business Quality Signal	Improving	Massive pricing power in Gurgaon (Realizations up 150% from Ph-1 to Ph-5).	□
Key Q&A Exchange	Q# 3 + Senior Living	Pivot to Senior Living as a counter-cyclical stabilizer; targeting □1,000 Cr+ presales.	□
The Street's Primary Anxiety	Margin Timing	Concern over low FY25/26 margins; Mgmt clarified legacy project exits are the bottleneck.	□
Capital Cycle Stage	Reinvesting	Aggressive deal-making in Senior Living (Panvel, Bangalore, Jaipur).	□
Margin / Return Ratio Trajectory	Deteriorating (Temp)	FY25 PAT margin 3.27% (vs 8.63% YoY) due to delivery delays and legacy project mix.	□
Pricing Power	Expanding	Amarah Ph-5 selling at □15,000/sqft vs Ph-1 at □6,000/sqft.	□
FCF Conversion & Quality	Strong	Record OCF enables land acquisition without equity dilution.	□
Competitive Moat Signals	Widening	#1 Senior Living brand status; entering Mumbai (Panvel) and Bangalore.	□
Balance Sheet Strength	Strong	Debt/Equity at 0.34; collections from ongoing projects locked at □2,309.49 Cr.	□
Working Capital Efficiency	Improving	Customer advances fueling the construction of 83.94 Lakh sqft.	□
Mgmt Guidance Track Record	Reliable	Consistent operational execution; financial lumpiness is sector-specific.	□
Key Vulnerability / Red Flag	Regulatory/GRAP	Construction bans in NCR (NGT/GRAP) remain the primary risk to delivery schedules.	□
Management Tone	Confident & Action-Oriented	Focused on "pressing the pedal" for approvals rather than smoothing quarters.	□

Key Takeaways (Positives & Negatives): * **Positives:** Pre-sales momentum remains robust at ₹1,936.75 Cr for FY25, slightly exceeding the upper end of guidance. The pricing delta in Gurgaon is extraordinary—Amarah Phase-5 is selling at 2.5x the price of Phase-1 despite similar land costs, creating a "profit coil" that will release in FY27-28. Cash flow generation is at a historic peak (₹429.90 Cr), providing the ammunition needed for new land deals in Bangalore and Panvel. * **Negatives:** The P&L is currently "broken" by delivery timing. High-margin phases (Advik Ph-1) slipped into FY26 due to Occupancy Certificate (OC) delays and pollution-related construction bans. FY26 will continue to see "muted" margins as the final stages of low-margin legacy projects (Anmol, Shubham, Malhar) are cleared out. * **Street Concern:** Analysts are frustrated by the low reported PAT. Management's response: "Economic ROE has been crossed; accounting will catch up." They highlighted that FY27/28 will be the genuine breakout years when high-realization phases dominate the P&L. * **Forward Watchpoint:** The launch of *Aaroham* (Gurgaon) and *Amaya* (Jamshedpur) in Q3 FY26 are critical to maintaining the ₹2,000 Cr presales run-rate.

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2. BUSINESS PERFORMANCE

2A. KEY METRICS DATA SOURCE: PPT figures used as primary source.

Metric	Current Qtr (Q4FY25)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Presales (₹Cr)	574.72	↓ 33.4%	↑ 26.5%	↓	YoY decline vs Q4FY24's record Gurgaon launch; FY25 total ₹1,936.75 Cr (up 7.7%).
Equiv. Area Constructed (L-sqft)	4.00	↓ 42.6%	↓ 22.9%	↓	Impacted by construction bans in NCR during winter months.
Pre-tax Operating Cash Flow (₹Cr)	156.37	↑ 69.6%	↑ 29.9%	↑	**Record High:** FY25 total ₹429.90 Cr driven by strong collections across all regions.
Realization/sqft (₹)	6,774	↓ 16.7%	↑ 1.0%	↓	YoY decrease due to mix (Q4FY24 was Gurgaon heavy); underlying prices rising.
Revenue Potential Locked (₹Cr)	4,364.29	N/A	↑ 107.9%	↑	Value of area booked to be recognized over the next 3 years.
Revenue (₹Cr)	229.48	↓ 22.7%	↑ 64.0%	↓	Lower YoY due to delivery delays in Advik and Anmol shifting to FY26.
PAT (₹Cr)	20.34	↑ 17.0%	↑ 86.8%	↑	FY25 total ₹18.24 Cr vs ₹83.40 Cr YoY; hit by lower deliveries.
Land Bank (Acres)	73.53	N/A	→	→	Includes 63.60 L-sqft estimated saleable area; excludes 36.79 L-sqft future phases.
D/E Ratio	0.34	↑ 100%	→	↓	Increased to 0.34 from 0.17 YoY due to funding for new land acquisitions.

2B. SEGMENT BREAKDOWN (Q4FY25 Presales) | Segment (Region) | Area Booked (L-sqft) | % of Mix | Margin (Qualitative) | Trend | vs Co. Avg | Key Development | | :--- | :--- | :--- | :--- | :--- | :--- | :--- | | Jaipur | 5.01 | 59% | Moderate | ↑ | +1,000 bps | Nitara Ph-2/3 & Ekansh Ph-4 driving volume. | | Gurugram | 1.23 | 14% | High | ↓ | +10,000 bps | Amarah Ph-5 launched; volume constrained by inventory. | | Pune | 0.76 | 9% | Moderate | ↓ | Inline | Amodh Ph-2 and Malhar sustaining sales. | | Chennai | 0.73 | 9% | High | ↑ | Inline | Swarang Ph-1 and Vatsalya contributing well. | | Others | 0.75 | 9% | Moderate | → | Inline | Jodhpur, Jamshedpur providing steady base. |

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3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	Presales	₹2,000 Cr for FY26	₹500 Cr / quarter. Highly feasible given ₹1,500 Cr unsold launch stock + new launches.	Met FY25 target of ₹1,800-1,900 Cr.	Low
Guidance	Revenue	₹1,200 Cr for FY26	Needs 2x FY25 run-rate. Feasible as delayed Ph-1 of Advik and Anmol hit P&L.	Missed FY25 due to OC delays.	Moderate
Guidance	Margins	18-19% (FY27 onwards)	Requires delivery of high-realization Gurgaon/Senior Living phases.	Low FY25/26 due to legacy projects.	Moderate
Guidance	Capex / Land	Refill land bank	Ongoing deals in Panvel, Bangalore, Jaipur (MWC).	Strong deal pipeline.	Low
Strategy	Senior Living	₹1,000 Cr annual presales	Requires scale-up to multiple projects per city.	Segment grew 25% to ₹360 Cr in FY25.	Low
Macro	Regulatory	GRAP impact buffered	Assumes 3-4 month delay for all NCR projects due to NGT.	Accurate impact in FY25.	High
Balance	Leverage	Internal Accrual focus	CFO/PAT of 23.5x ensures no equity dilution needed.	Consistent.	Low

4. ANALYST Q&A

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility	Verdict
1	4.0	Himanshu / BugleRock	Project Strategy	Business Overview	What led to the 90% sell-through in Nitara Phase-2/3 compared to Phase-1?	Management explained that Ph-1 was high-ticket villas while Ph-2/3 were apartments, meeting broader demand. Successful diversification into higher-volume apartment formats in Jaipur derisks the revenue pipeline.	None	5.0	Clear and quantified
2	5.0	Himanshu / BugleRock	Pricing Power	Management Outlook	Are people who bought Gurgaon Ph-1/2 at □6k going to compete with our Ph-5 at □15k?	Management admitted competition is possible but noted ready-to-move-in demand in Gurgaon is so "squeezed" that secondary sales won't hamper primary pricing. High realization gap creates a massive profit cushion for future deliveries.	None	4.0	Directional with evidence
3	4.5	Ravi / SIM	Strategy	Business Overview	How is demand and geographic expansion progressing	Management is targeting □450 Cr presales in Senior Living for FY26, with a long-term goal of	None	4.5	Specific timeline given

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					for Senior Living?	□1,000 Cr+ via expansion in Bangalore and Mumbai. This pivot shifts AHL toward a higher-margin, less cyclical niche.			
4	3.5	Anubhav / Cosma	Land Pipeline	Capex and Allocation	What is the status of the Mahindra World City (Jaipur) and Bangalore land deals?	Management noted all three deals (Bangalore, Panvel, Jaipur) are under Conditions Precedent (CPs) awaiting landlord fulfillment. Successful closure is vital for hitting the FY30 revenue targets.	Specific CP details	3.0	Vague but consistent
5	5.0	Rohit / ithought	Execution	Financials	How do you bridge the gap from □6,000 Cr existing revenue to the □11,000 Cr target?	Management detailed that unlaunched phases (□2,500 Cr) and future land bank (□2,500 Cr) will fill the gap, provided launches happen in FY26. Timing is tight; any launch slippage beyond Q4FY26 threatens the FY30 target.	None	4.5	Quantified and verified

Q#	Relevance	Analyst / Firm	Theme Cluster	Category	Underlying Concern	Management Response & Investment Implication	Evaded / Not Addressed	Credibility	Verdict
6	4.0	Rohit / ithought	Profitability	Financials	What is the top-line and profitability outlook for FY26?	Management expects ₹1,200 Cr revenue but warned margins will remain "muted" due to legacy project deliveries (Anmol, Shubham). FY27/28 are the "true" margin breakout years.	Exact PAT guidance	3.5	Vague but consistent
7	4.5	Anubhav / Cosma	Operations	Management Outlook	Why the frequent delays in deliveries (Amarah Ph-1 pushed to FY27)?	Management cited Occupancy Certificate (OC) timing and annual NGT construction bans as external drags. Investors must discount Q4 delivery targets to account for "predictable" winter pollution bans.	None	4.0	Honest on delays

PATTERN FLAGS & SENTIMENT * **Theme 1: The Accounting vs. Reality Gap.** Analysts (Rohit, Anubhav) were focused on the weak FY25 PAT. Management's posture was one of disciplined refusal to smooth earnings; they are comfortable showing a "loss" or low profit if it means sticking to their delivery-based recognition policy while the cash (OCF) tells the real story. * **Theme 2: Land Price "Insanity."** Management expressed significant concern over land prices in Jaipur and Gurgaon, stating they need price hikes of 30% just to make sense of new land deals. This confirms AHL will remain a "value" buyer, potentially slowing land acquisition if market exuberance continues.

Analyst Sentiment Verdict: □Positive. While financial results were weak, analysts were reassured by the record operating cash flow and the transparent "roadmap" to ₹11,000 Cr revenue. The credibility of the Gurgaon pricing power (150% appreciation) was the standout highlight that convinced the Street of the embedded value.

GUIDANCE GAPS REVEALED IN Q&A | Topic | What Mgmt Claimed (Prior Q3 Context) | What Q4 Q&A Revealed | Gap / Walk-back | Risk to Thesis | | :--- | :--- | :--- | :--- | :--- | | Amarah Ph-1 Delivery | Expected FY26 | Pushed to FY27 | Shifted due to NGT construction ban buffers. | Low; revenue is secure, just delayed. | | Advik Ph-1 Margin | High-margin breakout in Q4 | Slipped to Q1 FY26 | Delay in OC and GRAP bans pushed recognition. | Timing only; FY26 P&L will benefit. | | Aaroham Launch | Potential Q1 FY26 | Q3 FY26 | Delayed due to building plan regulation changes. | Moderate; delay in Gurgaon pipeline. |

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5. WHAT CHANGED vs PRIOR QUARTER

What Changed	Prior Quarter (Q3FY25)	This Quarter (Q4FY25)	Direction
Cash Flow Profile	□120.42 Cr OCF	□156.37 Cr OCF	↑ (Record FY)
Accounting PAT	□10.89 Cr	□20.34 Cr	↑ (QoQ)
Realization (FY Avg)	□6,705/sqft	□7,179/sqft	↑ (Full Year)
Leverage (D/E)	0.17	0.34	↓ (Debt for land)
Gurgaon Pricing	Amarah sustainance	Ph-5 at □15,000/sqft	↑ (Pricing Power)
Delivery Schedule	Advik Ph-1 in Q4	Advik Ph-1 in Q1FY26	↓ (Delay)
Land Bank Status	Jaipur Agreement	Panvel/Bangalore in CP stage	↑ (Pipeline)

Investor Notes: * **CFO/PAT Divergence:** The FY25 divergence (□430 Cr OCF vs □18 Cr PAT) is primarily due to customer advances from the massive Amarah and Ekansh sales not yet meeting the revenue recognition threshold (delivery). * **The "Profit Coil":** Management highlighted that Amarah Ph-1 (□6k) is being built alongside Ph-5 (□15k). Once Ph-5 hits the P&L in FY28, margins will undergo a structural re-rating. * **GRAP is the new "Normal":** Investors must now assume 3 months of zero construction in NCR every year. AHL has officially buffered this into its future delivery dates. * **Capital Allocation:** Debt increased to 0.34 to fund outright land purchases (Panvel). This is a departure from their "asset-light" JV focus but justified by the high IRR of Senior Living projects.