



ELDECO

Eldeco Housing & Industries Limited

On a Firm Foundation

Annual Report 2022-23

On a Firm Foundation

“A strong foundation is the base for building great businesses”

As we reflect on the journey of Eldeco through the last year and the strides we took, we stand proud of the foundation we have laid for a promising future. As the world emerged from the challenges of the pandemic, FY23 showcased a resurgent demand for residential real estate in India, although supply shortages persisted in various micro-markets.

At Eldeco, our continued focus on building a strong core business and a trusted brand has been the cornerstone of our success. Our foundation is fortified by the trust we have earned and the consistent delivery of exceptional projects over the years, supported by a disciplined balance sheet and robust financials.

FOCUS ON BUILDING SUPPLY:

During FY23, the focus was on active Business Development to cater to the increased demand

ADDED ADDITIONAL LAND BANK IN FY23:

Added land bank of 20.91 acres between April '22 to March '23

INCREASED SHARE IN BAREILLY PROJECT:

During FY23, the Company increased its share from 40% to 50%

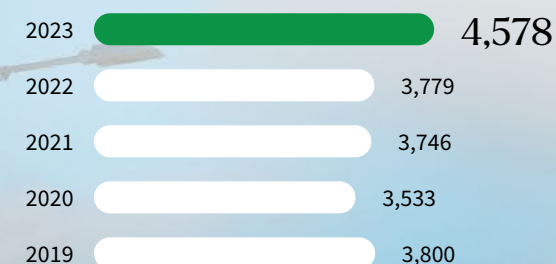
NEW LAUNCHES:

New launches of two residential projects underway and creating a healthy future pipeline

With this strong foundation firmly in place, Eldeco stands poised for growth in the years ahead. Our commitment to quality, customer satisfaction, and innovation remains steadfast as we continue to launch new projects and expand our presence. We are confident that our strategic vision, combined with the dedication and expertise of our team, will enable us to achieve sustainable growth and create enduring value for our stakeholders.

As you explore this report, you will gain insights into our achievements, our ongoing initiatives, and the exciting opportunities that lie ahead. Eldeco is focused on building a firm foundation for a prosperous future in the Indian real estate market.

Average realization (₹ per sq. ft.)



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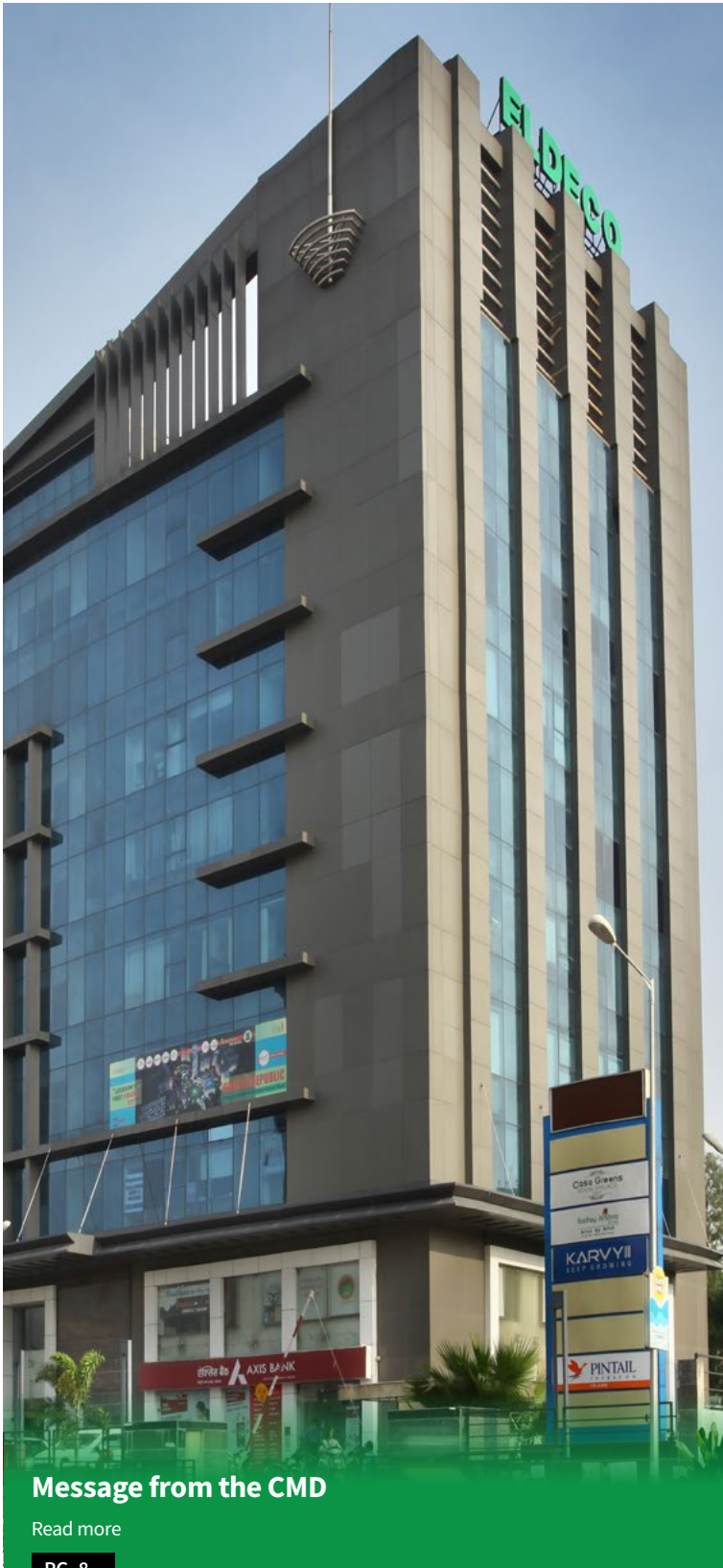
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For more Details:
eldecogroup.com



Message from the CMD

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Company at a glance

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Management Discussion & Analysis

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Highlights of the Year

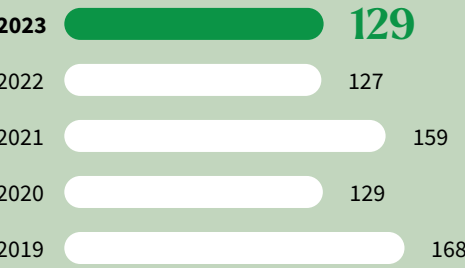
REVENUE FOR FY23

₹129 Crore

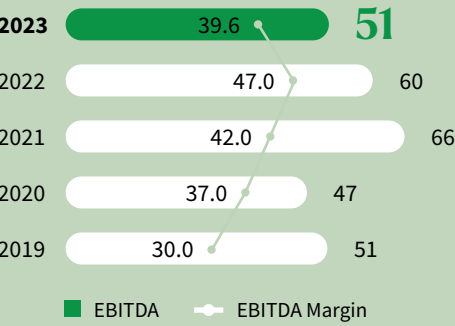
PAT Margin

34.4%

Revenue (₹ in Crore)



EBITDA and EBITDA Margin (₹ in Crore & %)



PG. 10

Disclaimer

Certain statements in this communication may be 'forward looking statements' within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Important developments that could affect the Company's operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations. Eldeco Housing and Industries Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Company at a glance

Eldeco Group

Marching towards growth on a strong foundation

For over three decades, the Eldeco Group has been at the forefront of real estate development in North India, fulfilling homebuyers' dreams of owning exceptional living spaces. Since its inception in 1985, the group has delivered over 175 large-format integrated townships, high-rise condominiums, industrial estates, malls and office buildings across 15 cities in the country.

Eldeco's strength lies in its professional and experienced workforce, sound leadership and a robust mechanism of value-creation. Apart from in-house capabilities, Eldeco collaborates with best-in-class consultants and contractors, bringing life to bespoke, premium projects. The Group's business activities rest on the principles of high quality, superior construction, and high consumer satisfaction. Over the years, the Group has won numerous awards and accolades for various projects.

With an aggregate delivered area of more than 30 million sq.ft. and a thriving community of more than 30,000 satisfied customers, Eldeco has built a solid foundation of success.

ELDECO HOUSING AND INDUSTRIES LIMITED (EHIL)

Incorporated in 1985, EHIL has been a trailblazer in real estate in Lucknow, Uttar Pradesh's capital and the fastest growing city, for over three decades. The Company has delivered 15.5 million sq ft since inception.

Networth Growth

17.0%

CAGR
(FY19-FY23)

LAYING THE GROUNDWORK FOR A SUCCESSFUL BRAND

Building a strong foundation for sustained growth requires hard work, patience, and persistence. With over four decades of experience, Eldeco has forged a strong brand recall in North India, especially in Lucknow. Renowned for its quality and exceptional execution capabilities, Eldeco has earned a reputation of delivering projects within stipulated timelines. A strong foundation is fortified with prudent financial management, along with strong profitability and consistent growth trajectory. As of the financial year 2022-23, the Company has successfully delivered 59 projects in Lucknow. To address the burgeoning demand, the Company has focused on bolstering supply by acquiring land banks and increasing its share of existing projects, thereby laying the groundwork for future growth.

ELDECO HOMES – BUILT ON THE FOUNDATION OF QUALITY AND COMFORT

At Eldeco, we believe that a home is more than just a place to live – it is a source of comfort, a place to build memories. This is why we build our homes on the foundation of security, unmatched services and comfort.

Every Eldeco home is meticulously built with top quality materials, ensuring longevity and resilience. Our gated projects are equipped with all the amenities required in quality community living.

Recognising the evolving needs of our modern customers, our homes reflect contemporary and functional designs. Collaborating with the best architects and designers, we create efficient home layouts that exude aesthetics and grandeur.

We select projects with access to a functional infrastructure and neighbourhood conveniences of public transport, educational institutions, healthcare, local markets. With our commitment to building holistic living spaces, we choose projects that are surrounded by a thriving biodiversity and those which provide a fresh, green cover to our homeowners. Our properties have the latest amenities including clubs, pools, gymnasiums, in-house stores, children's play areas and spacious garden cover, elevating the living experiences for our residents.

With a foundation built on thoughtful design and comfort, Eldeco remains committed to creating homes that fulfil aspirations of our customers.

History and Milestones

Corporate Timeline

The Eldeco Growth Story Across Decades

1975-1985

1975

Group set up by S.K. Garg

1985

Got listed on BSE

1986-1995

1. Strengthened its market position
2. O.P. Bajaj joined as co-promoter
3. Best Builder Excellence award and Best Entrepreneur of the Decade Award

1996-2005

1. Pankaj Bajaj joined as a Promoter Director of the Company
2. Expanded operations in Lucknow & Kanpur
3. Pride of India Gold Medal for International Excellence

2006-2015

1. Launched Eldeco City, exclusive 133 acres township project
2. S.K. Garg exits as a Promoter
3. Large scale deliveries achieved in Lucknow

2016-2022

2018

Brand Leadership Award By World Marketing Congress

2021

Awarded Best Value for Money Project for Eldeco Saubhagya

2022

Got listed on National Stock Exchange of India Limited

2022

1. Highest ever annual booking of ₹ 265 Crore
2. Highest ever annual collections of ₹ 152 Crore

Driving Growth and Expansion, on a Firm Footing

Our pursuit of knowledge, commitment, and brand value have catalysed our portfolio to deliver value, reinforce our foothold, expand, and remain positive in this dynamic industry environment.



Riding the Real Estate Wave:

Emerging from a prolonged stagnation of housing demand in the country, we anticipate a promising upswing in the coming year. Factors such as affordable real estate prices, reasonable interest rates, job growth, urbanization, and pent-up demand contribute to this positive trajectory. Although short-term supply challenges exist, we remain confident in the long-term demand outlook.



Robust Pipeline:

Upcoming projects are a foundation for future growth. We have obtained RERA registration for our new residential project, Latitude 27, which was launched in June 2023. Eldeco Imperia Phase II, with a launch plan around H2FY24 along with two new projects where land assembly and approvals are under process, are significant drivers for growth.



In-Roads into Newer Markets:

Our successful entry in the Bareilly market has proved successful. Increasing our stake from 40% to 50% during the financial year 2022-23 is a commitment to our expansion in other geographies. Leveraging the Eldeco brand value of quality with affordability, we are poised to spearhead expansion in other geographies.



Elevated Brand Perception:

Translates into a higher price premium and faster sales velocity. With rising GDP and urbanisation, the demand for real estate is here to stay. With a proficient team and extensive experience, Eldeco is poised to capitalize on the opportunities in years to come.

On a firm foundation and with foresight, we remain steadfast in our commitment to create value for our stakeholders.



Chairman's message

From the CMD's Desk

A solid foundation is the first step towards unlocking growth and transformation.

Pankaj Bajaj, Chairman & Managing Director, Eldeco Housing & Industries Limited



With our successful acquisition of land bank and strong launch pipeline, we are poised to unlock substantial potential and build a foundation for future growth.”



Dear Shareholders,

I am pleased to present the Eldeco Housing & Industries Ltd's (EHIL) Annual Report for the fiscal year ending March 31, 2023. As we reflect on the year's accomplishments, we find ourselves on a strong foundation towards value creation. With demand for real estate rebounding post the prolonged slump in the sector, Eldeco's agility and market position put us in pole position to acquire and deliver great projects.

MARKET OUTLOOK – A PROMISING PATH

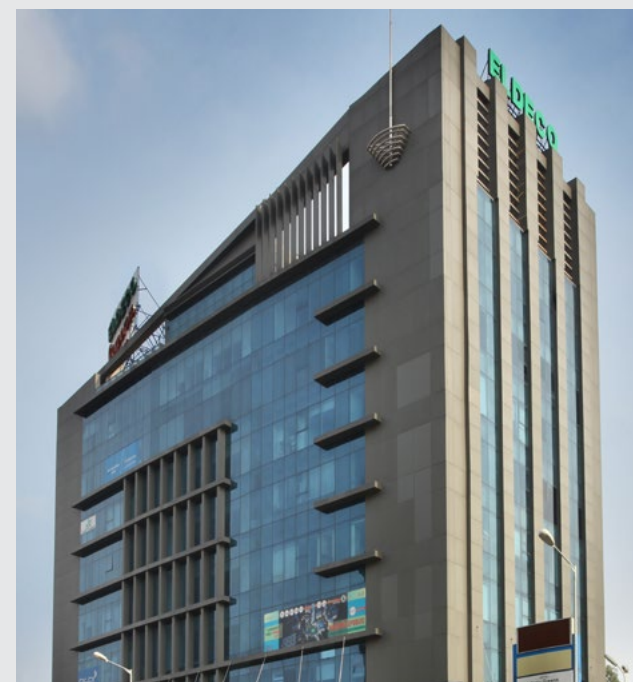
Post the opening up of the economy after pandemic, the residential real estate sector in particular, maintained its robust growth trajectory in FY23. Despite several macroeconomic challenges impacting global real estate demand in the second half of the fiscal year, India's real estate sector remained buoyant with minimal impact of these headwinds. We expect the industry to grow significantly over the next ten years, backed by rising incomes, favourable demographics, and rapid urbanisation. The customer demand, particularly in non-metro towns, remains inelastic with respect to interest rate swings, which is likely due to generally low mortgage levels.

OPERATIONAL REVIEW – NAVIGATING CHALLENGES

In FY23, the Company successfully delivered ~4.15 lakh sq. ft and registered 322 homes with collections at ₹ 158 Crore. While new sales faced challenges due to delayed launches, we expect these concerns to be resolved in the upcoming quarters. On a positive note, our micro markets have witnessed firming up of prices, promising higher launch prices than our initial underwriting. The consolidated revenue from operations in FY23 stood at ₹ 129.1 Crore compared to ₹ 126.9 Crore in FY22. The consolidated EBITDA for the entire year was ₹ 51.2 Crore. EBITDA margins stood at 39.6% in FY23. The Company's consolidated profit after tax stood at ₹ 44.4 Crore in FY23. The Board considered and recommended a final dividend for financial year ended March 31, 2023, at the rate of 400% i.e. ₹ 8/- per equity share of face value of ₹ 2/- each.

NEW LAUNCHES – THE KEY GROWTH DRIVER

The Company received RERA registration for our new residential project, Latitude 27, during the fiscal year 2022-23, and the project is underway. The Company anticipates high sales from Imperia Phase 2, which will be launched in the second half of fiscal year



2023-24. Additionally, we have signed two more projects for which land acquisition and approvals are in process. We are working on developing a robust project pipeline for the next 5 years, with financing sourced through a combination of external financing and internal accruals. We believe it is an opportune time to invest in real estate cycle.

CAUTIOUS APPROACH – NAVIGATING MACRO-ECONOMIC DEVELOPMENTS

Amid macroeconomic developments such as continuing geopolitical tensions and inflation, we remain vigilant of potential impact on industrial demand. The scarcity of raw materials and increased input costs pose additional challenges on developers' construction costs. The Reserve Bank of India's increase in interest rates to battle rising inflation may affect the consumers' purchasing power. We are constantly evaluating the situation on the ground for any adverse effect on demand and calibrating our purchase price for land accordingly as we go about building a project pipeline.

EXPANDING HORIZONS – INCREASED STAKE IN PROJECTS OUTSIDE LUCKNOW

With an eye on expanding our presence beyond Lucknow, our project in Bareilly, Eldeco City, has continued to perform well. During the fiscal year, we successfully grew our beneficial share from 40% to 50%. We will continue to explore similar possibilities to diversify and expand our project portfolio.

LOOKING AHEAD – MARCHING TOWARDS GROWTH

Despite supply constraints affecting our performance in the financial year 2022-23, the demand for residential real estate remains robust. With our successful acquisition of land bank and strong launch pipeline, we are poised to unlock substantial potential and build a foundation for future growth.

Eldeco's townships and group housing initiatives in Lucknow are capitalizing on the swift urbanization and high demand for luxury residences. We are working on developing a robust project pipeline for the next 5 years, with financing sourced through a combination of external financing and internal accruals. We believe it is an opportune time to invest in the real estate cycle.

GRATITUDE – A COLLABORATIVE JOURNEY

I extend my heartfelt gratitude to our shareholders for their trust and support. I thank the government's regulators and stakeholders in fostering a conducive environment for real estate growth. Our excellent supplier network has constantly stood by us, allowing us to accomplish our projects on time while maintaining the highest standards of quality and safety. Finally, I want to express my gratitude to all Eldeco employees who are invaluable pillars of our success, driving our expansion and accomplishments.

In conclusion, I encourage everyone to acknowledge the transformative era we are in. In our own small way, through dedication, hard work, discipline and passion, we look forward to being a part of this historic journey !

Regards

Pankaj Bajaj

Chairman & Managing Director,
Eldeco Housing and Industries Ltd.

Financial Highlights

REVENUE FOR FY23

₹**129** Crore

EBITDA

₹**51** Crore

EBITDA Margin

39.6%

PAT

₹**44** Crore

PAT Margin

34.4%

APPRECIATION AND RECOGNITIONS



Eldeco has been awarded the 'Stalwarts of the North Delhi NCR' for contribution towards strengthening the built environment



Eldeco has been awarded the 'Construction & World Architecture & Builders (CWAB) Awards 2021' in the category – 'India's Top Builders 2021 in the North'



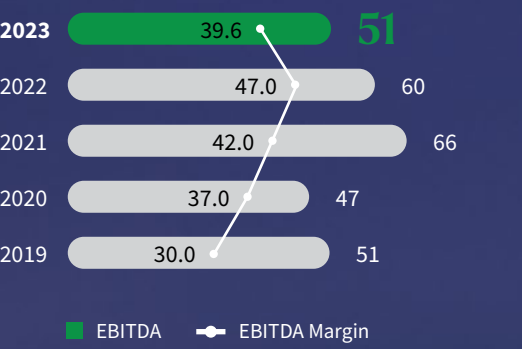
Eldeco has been awarded the 'Business Leadership Awards 2021' under the category 'Developer of The Year (Residential)'

Steady Performance

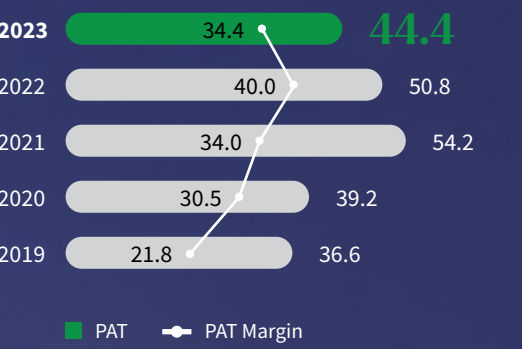
Revenue (₹ in Crore)



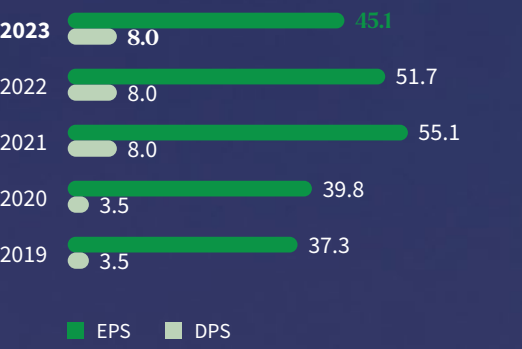
EBITDA and EBITDA Margin (₹ in Crore & %)



PAT and PAT Margin (₹ in Crore & %)



EPS and DPS (In ₹)



Historical Financial Performance (Consolidated)

(₹ in Crore)

Particulars	FY19	FY20	FY21	FY22	FY23
Revenue	168.2	128.5	159.4	126.9	129.1
Other income	5.6	7.0	8.3	10.3	11.5
Total Revenue	173.8	135.5	167.7	137.2	140.6
EBITDA	56.2	54.1	74.5	69.9	62.7
Depreciation	0.2	0.6	0.6	0.7	0.7
EBIT	56.0	53.5	73.9	69.2	62.0
Finance Cost	1.9	0.9	0.9	1.0	1.7
Profit Before Tax	54.1	52.6	73.0	68.2	60.3
Profit After Tax(PAT)	36.6	39.2	54.2	50.8	44.4
Equity Share Capital	2.0	2.0	2.0	2.0	2.0
Networth	183.7	210.7	265.0	308.0	344.5
Total Debt (including current maturities)	0.5	0.5	0.5	0.5	0.5
Current Liabilities	252.8	253.3	192.3	198.6	208.6
Net Fixed Assets (including intangible and goodwill)	12.9	15.5	-	18.1	17.2
Cash and Cash Equivalents	64.0	88.3	118.5	131.6	141.6
Current Assets	420.8	445	439.5	447.3	479.7
Total Assets	438.9	468.9	462.8	515.7	557.3
Earning per Equity Share	186.3	199.2	275.7	51.7	46.1
Book value per Equity Share	934.0	1,071.0	1,348.0	313.2	357.9
Dividend per Equity Share	17.5	17.5	40.0	8.0	8.0
Equity Dividend (%)	175.0	175.0	400.0	400.0	400.0

