



31st October, 2023



India's Best Performing and Most Customer Centric PMS

Ganesh Housing Corporation Limited (GHCL), formerly known as Ganesh Housing Finance Corporation Limited, is a formidable presence in the real estate sector, deeply rooted in the vibrant landscape of Ahmedabad. Established in 1991 as a part of the Ganesh Group, GHCL has consistently demonstrated its prowess in shaping the future of urban living. With a robust portfolio, strategic partnerships, and a debt-free status, GHCL stands as a promising investment opportunity. It is well-positioned for a prosperous future.

Business Highlights: GHCL boasts one of the largest developable land banks in Ahmedabad, encompassing an impressive 500 acres, promising a development potential of 36-40 million square feet. This ample land reserve positions GHCL as a prominent player with the capacity to deliver substantial real estate developments. While specializing in the residential sector, GHCL has strategically expanded its horizons into commercial, retail, and township formats, showcasing its adaptability and commitment to diversification.

Projects: The company's track record is testament to its capabilities. As of Q1FY24, GHCL has successfully completed 21 projects, comprising 17 residential and 4 commercial endeavors, covering a sprawling area of approximately 22.5 million square feet. Key projects such as Maple Tree, Maple Trade Centre, Magnet Corporate Park, Malabar County I & II, and Sundervan Epitome are shining examples of its commitment to excellence in real estate development. In the present, GHCL has two ongoing projects, namely Malabar County III and Malabar Exotica. Additionally, the company has ambitious plans for three upcoming projects, Million Minds Commercial, Million Minds Residential, and a Township.

Futuristic Focus: Looking ahead, GHCL is actively pursuing the establishment of a SEZ spanning 6 million square feet of space, demonstrating its commitment to innovation and creating new avenues for growth.

Strategic Partnership: GHCL has positioned itself strategically by entering into a partnership with Tishman Speyer, a renowned player in the US real estate market. This collaboration extends to IT SEZ development, encompassing property and lease management, all staged for future growth and expansion. Such partnerships strengthen GHCL's global outlook and its capacity to deliver high-value projects.

Subsidiaries: GHCL operates with three subsidiaries, each playing a distinct role in its business ecosystem. Madhukamal Infrastructure Private Limited is the primary revenue contributor, accounting for approximately 57% of the company's total revenue in FY23. Gatil Properties Private and Million Minds Techspace, while smaller contributors, are integral components of the company's overall strategy, adding to its growth potential.

Stock Data	
CMP (31-10-2023)	378.3
52 Week High/Low	492/262.1
Face Value	10
Market Cap (In Crs)	3069
NSE	GANESHHOUC
BSE	526367
Bloomberg	GHFC:IN
Sector	Real Estate Projects

Shareholding Pattern (in %)		
	SEP 23	JUN 23
Promoter	73.06%	73.06%
FII	0.92%	0.72%
DII	0.05%	0.00%
Public	25.96%	26.22%

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	-3.24%	5.19%	5.50%
GANESHHOUC	-17.71%	12.28%	6.60%

Key Ratios	
P/E	9.98
PEG	0.64
Debt to equity	0.02
ROE	10.50%
ROCE	23.00%
Dividend Yield	0.62%

Q2 FY 24 Result Update

Q2 FY24 Result Comparison (In Rs Cr)					
	Q2 FY24	Q1 FY24	Q2 FY23	QOQ	YOY
Sales	2002	1874	1696	6.8%	17.92%
EBITDA	352	294	271	19.7%	29.9%
EBIT	329	270	246	21.85%	33.7%
Net Profit	242	204	179	18.6%	35.2%
EPS	1.59	1.33	1.17	19.55%	13.67%

Result Highlights

In Q2 FY24, Ganesh Housing Corporation Ltd (GHCL) reported impressive financial results, marking significant growth compared to the previous quarters. The company achieved a total sales figure of INR 2,002 crores, demonstrating a 6.8% increase over Q1 FY24 and a substantial 17.92% growth YoY, highlighting its ability to capture market demand effectively. This growth was further substantiated by EBITDA, which stood at INR 352 crores, a 19.7% QoQ increase and a remarkable 29.9% YoY surge. The EBITDA growth underscores GHCL's operational efficiency and profitability enhancement. In terms of profitability, the company achieved a net profit of INR 242 crores, reflecting an 18.6% QoQ improvement and an impressive 35.2% YoY increase.

GHCL's financial performance in Q2 FY24 demonstrates its consistent growth trajectory. The company achieved substantial increases in sales, EBITDA, net profit, and EPS compared to both the previous quarter and the same quarter in the previous year. These figures showcase GHCL's ability to adapt and capture market opportunities efficiently. The notable YoY growth highlights its resilience and adaptability in a dynamic market. GHCL's prudent financial management, focus on operational efficiency, and strategic project planning have contributed to these impressive results, setting the stage for further success in the real estate sector.

Strategic Land Management: Ganesh Housing Corporation Ltd has adopted a strategic approach to land acquisition and sales. It continually assesses opportunities to acquire land for future development. It is well-positioned to execute its ongoing and planned projects. This strategic land management provides a foundation for future growth, ensuring a consistent pipeline of projects and revenue streams.

Market Resilience: The company's management is optimistic about the Ahmedabad real estate market's strength, largely driven by ongoing infrastructure development and factors like the GIFT City project and IT sector interest. This market resilience has allowed GHCL to increase property prices for both completed and ongoing projects. It has witnessed robust demand, with quick sales in various residential projects and plans to capitalize on the new CBD forming around Vaishno Devi Circle.

Diverse Portfolio: GHCL maintains a diverse portfolio, which encompasses both residential and commercial real estate. With a focus on the Million Minds project, which includes a significant IT-SEZ Phase 1 and other residential projects, the company balances its offerings to meet various market demands. The collaboration with Tishman for commercial development further enhances its market presence.

Financial Prudence: Despite rapid expansion and ongoing projects, GHCL has maintained a debt-free status. The company's strong financial performance in Q2 FY 24, which saw substantial YoY growth in revenue, EBITDA, and net profit, demonstrates a commitment to financial prudence. This prudent approach ensures the company's resilience in the face of market fluctuations and provides the flexibility to explore new opportunities.

Profit Margins and Future Prospects: GHCL's focus on achieving robust profit margins of around 30% across projects signifies an emphasis on sustained profitability. With plans to launch multiple residential projects and the ongoing Million Minds project, the company anticipates significant growth. The management's confidence in the sustained revenue and profitability growth underscores a positive outlook for future prospects.

Concall Highlights

Ahmedabad Real Estate Market Outlook: The Ahmedabad real estate market continues to thrive, thanks to a combination of factors. Ongoing infrastructure development projects play a crucial role in this sustained growth. Additionally, Ahmedabad's strategic location and excellent connectivity to other major cities contribute to its prominence in the real estate market.

GIFT City, the Gujarat International Finance Tec-City, is a significant driver of real estate development in the region. As one of India's first operational smart cities, GIFT City has attracted considerable attention from various industries, including finance and technology. The growth of GIFT City has a direct impact on the demand for real estate in and around Ahmedabad.

Ongoing and Planned Projects: The Million Minds Phase 1 commercial project, which is part of GHCL's IT-SEZ development, is progressing as planned. Currently, it stands at 7% completion. GHCL has ambitious plans to launch multiple residential projects during the current fiscal year, signaling a commitment to meet the growing demand in the market. The SEZ project, including the Million Minds development, is a long-term endeavor spanning eight to nine years. This ensures the company's ability to generate consistent and predictable cash flows.

Land Sales and Acquisitions: GHCL adopts a dynamic approach to land management. The company strategically acquires land with an eye toward future development opportunities. Land sales are conducted opportunistically and selectively, ensuring that the land acquired aligns with the company's strategic objectives. GHCL possesses a considerable land bank, currently owning approximately 550 acres of land. The company continues to evaluate and pursue strategic land acquisitions that fit its business goals.

Future Land and Development: GHCL emphasizes the efficient utilization of its existing land assets for both planned and ongoing projects, reflecting a commitment to maximizing returns on its land holdings.

Any surplus land not allocated for development may be strategically sold, aligning with the company's business strategy. The company anticipates a shift in the revenue mix, with an increasing focus on generating revenue from project development rather than land sales.

Million Minds Project Micro Market Analysis: The Million Minds project is strategically located near Vaishno Devi Circle, a prime residential and commercial hub in Ahmedabad. GHCL's substantial land bank in this area positions it to benefit from the strong demand in both residential and commercial real estate. The company enjoys premium pricing in this vicinity due to its established brand reputation and has experienced rapid sales in previous projects.

Commercial Segment in Million Minds: GHCL is collaborating with Tishman for the commercial segment of the Million Minds project. This partnership aims to attract premium tenants and leverage Tishman's expertise in delivering high-quality commercial spaces.

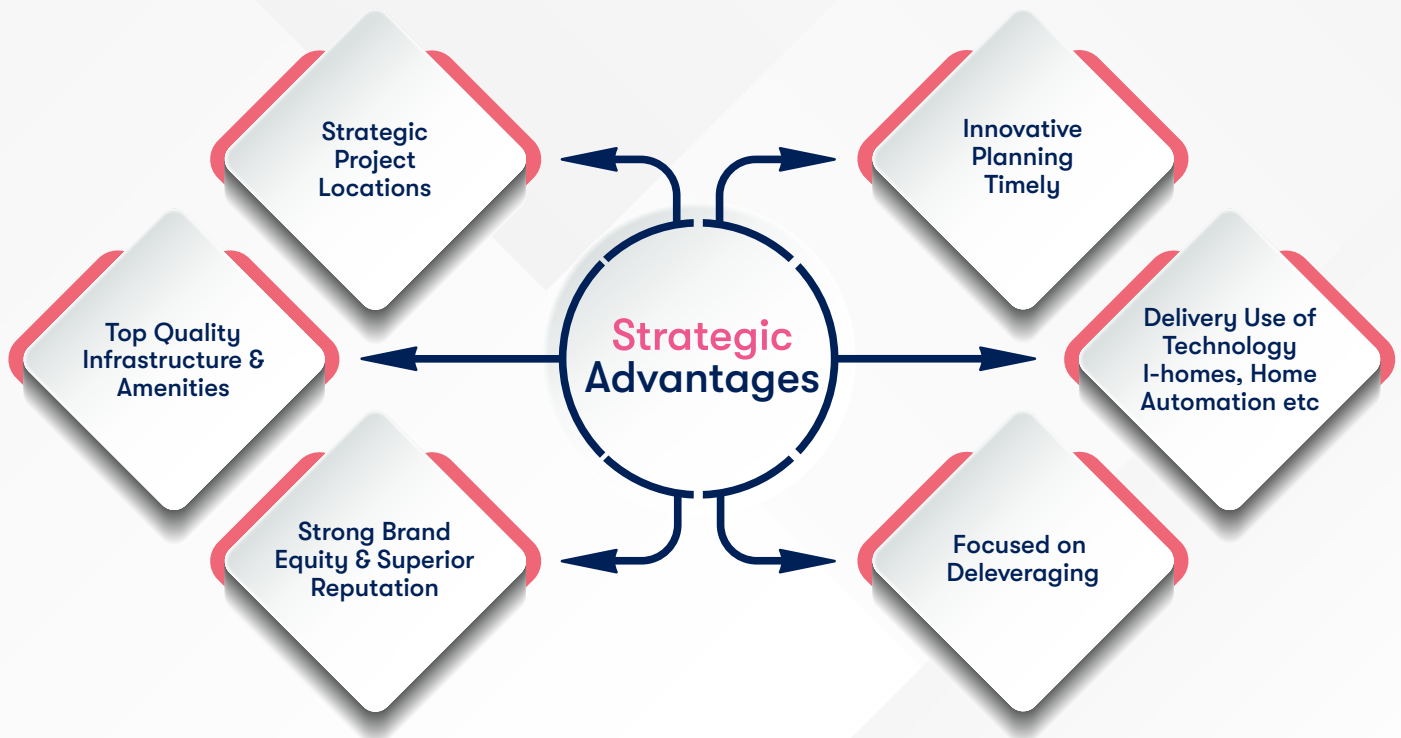
Future Growth in the Commercial Segment: Vaishno Devi Circle is rapidly evolving into the new Central Business District (CBD) of Ahmedabad. The influx of large offices and major corporations in this area bodes well for the commercial real estate segment. Management anticipates significant demand and a fast absorption rate in the commercial segment, especially as it capitalizes on the developing CBD.

Cash Flow Utilization Strategy:

GHCL is strategically planning its cash flow utilization. Free cash flows generated from residential projects will play a crucial role in funding new developments and repaying debt. The commercial segment is structured with a lease rental model for initial phases, ensuring it is self-sustaining and reducing the company's need for incremental debt.

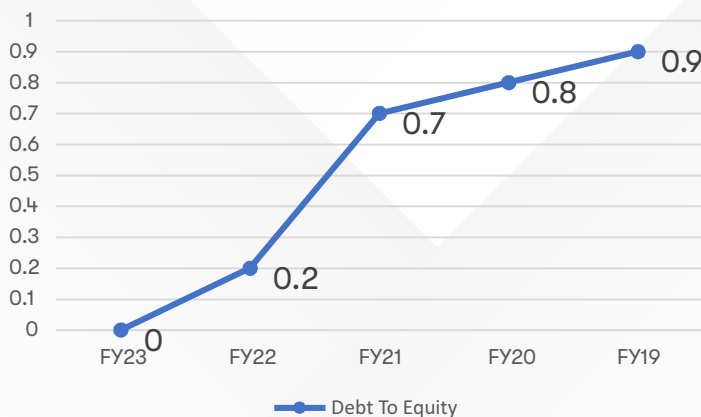
Residential Expansion Plans: GHCL has extensive residential expansion plans within the SEZ. Six phases of residential development are already in the pipeline. Beyond the existing projects, the company is considering additional unique residential developments, enhancing its offerings in the market.

Revenue and Profitability Outlook: GHCL's management is optimistic about the company's revenue and profitability outlook. They anticipate a sustained growth rate of 25% to 30% in the bottom line year-on-year. While revenue figures may exhibit some variability from quarter to quarter, the company expects to maintain a consistent long-term growth trajectory, reinforcing its financial stability and market presence.

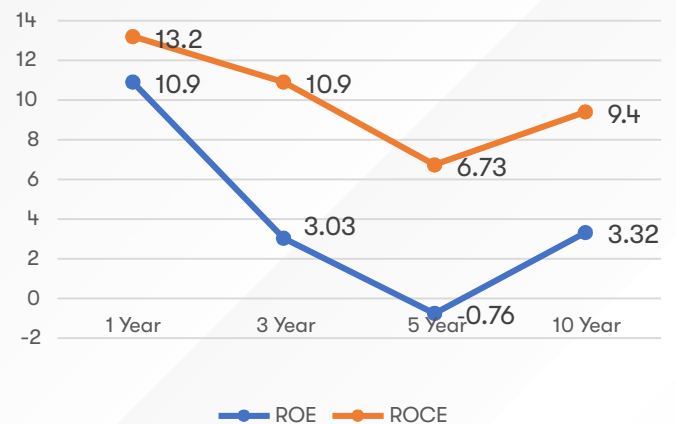


Story Through Charts

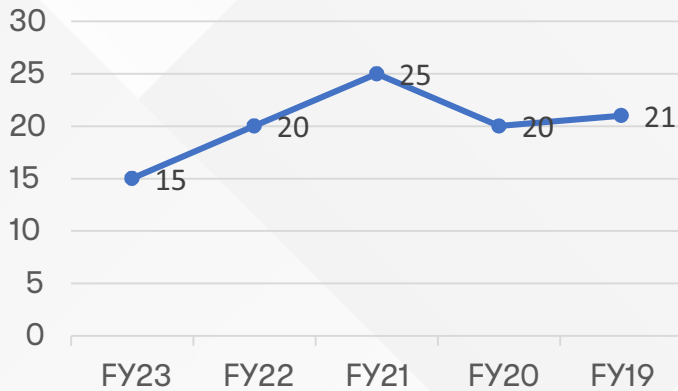
Debt to Equity



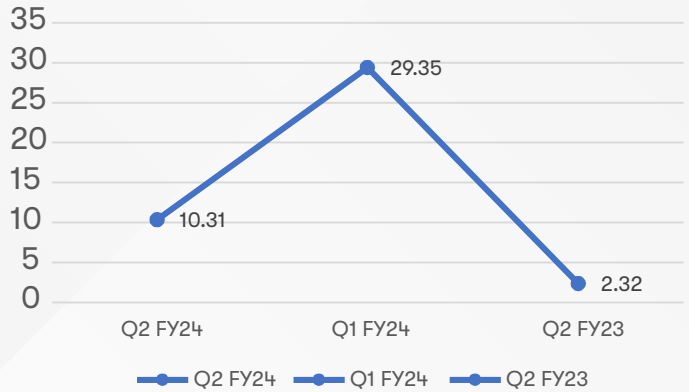
Return Ratios



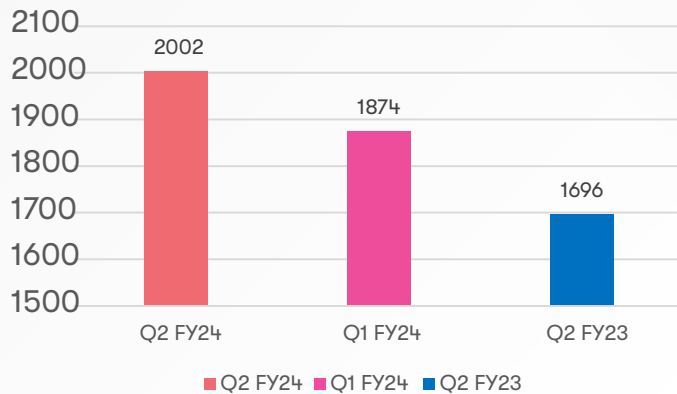
Inventory Overhang (in Months)



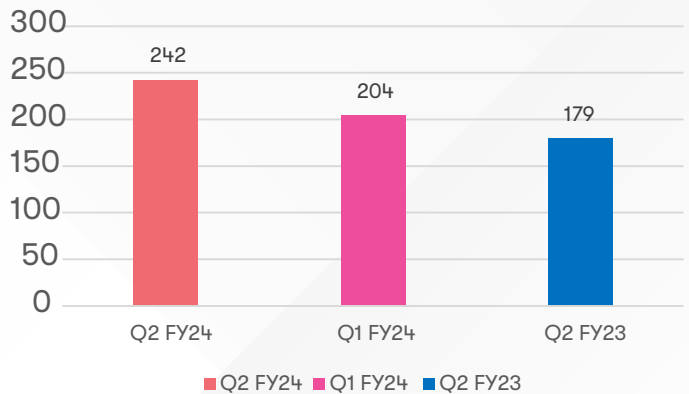
EPS



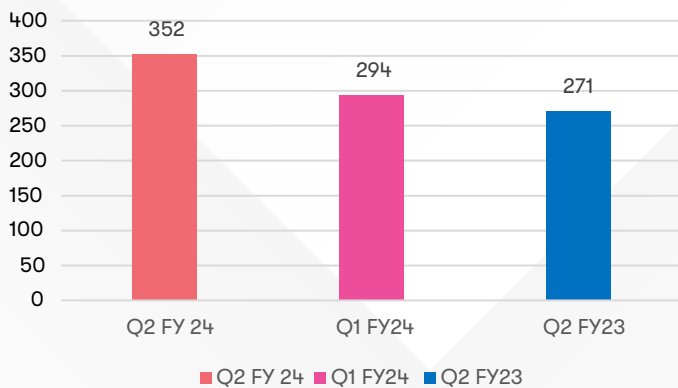
Revenue (In Cr)



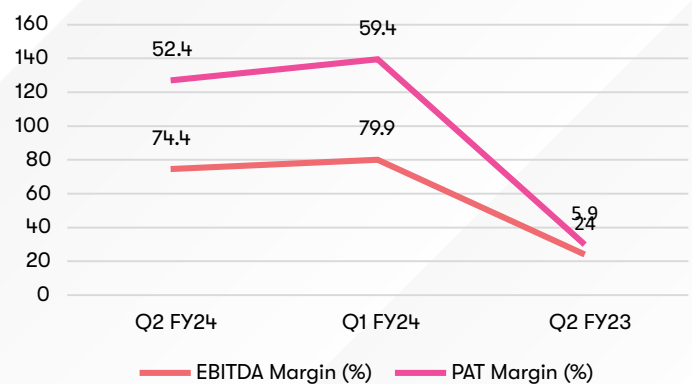
PAT (In Cr)



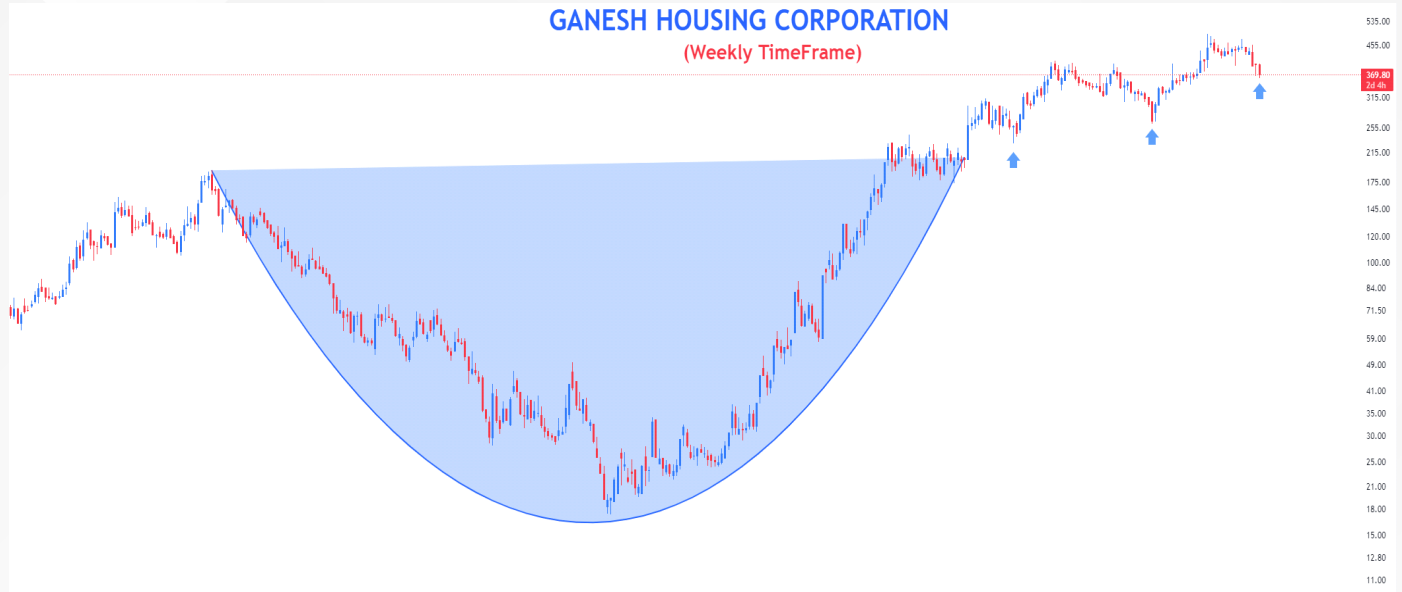
EBITDA (In Cr)



EBITDA & PAT Margin (In %)



Technical Outlook



Ganesh Housing Corporation gave a breakout on weekly time frame after forming a rounding bottom pattern after which it has been making Higher Highs and Higher Lows.

Also, there is a 50 DMA and 200 DMA crossover also known as the golden crossover, this signifies bullishness and further upward momentum in the stock.

Moving Averages Days	Simple Moving Average	Exponential Moving Average
5	383.47	386.55
10	403.88	398.70
20	420.69	412.77
50	430.37	422.54
100	418.80	412.80
200	377.37	387.56

Pivot Levels : FIBONACCI

R1 438.41	Pivot 413.72	S1 389.02
R2 453.67		S2 373.76
R3 478.37		S3 349.07

Relative Strength Index (RSI)	Daily	Weekly
	32.27	40.07

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