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22nd July, 2024

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Scrip Code: CENTURYTEX

Dear Sir/ Madam,

Sub: Transcript of Q1FY25 Earnings Conference Call of Century Textiles and Industries Limited ('the Company')

Ref: Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Pursuant to Regulation 30 of Listing Regulations, please find attached transcript of the Q1FY25 Earnings Conference Call conducted on 16th July, 2024 at 04:00 pm IST after the meeting of the Board of Directors of the Company held on the same day itself.

This is for your information and record.

The above information is also available on the website of the Company: www.centurytextind.com.

Thanking you,

Yours truly
For **CENTURY TEXTILES AND INDUSTRIES LIMITED**

ATUL K. KEDIA
Sr. Vice President (Legal) & Company Secretary
Encl: as above





“Century Textiles and Industries Limited
Q1 FY’25 Earnings Conference Call”

July 16, 2024



MANAGEMENT: **MR. R.K. DALMIA – MANAGING DIRECTOR –
CENTURY TEXTILES AND INDUSTRIES LIMITED**
**MR. K.T. JITHENDRAN – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER – BIRLA ESTATE –
CENTURY TEXTILES AND INDUSTRIES LIMITED**
**MR. SNEHAL SHAH – CHIEF FINANCIAL OFFICER –
CENTURY TEXTILES AND INDUSTRIES LIMITED**

MODERATOR: **MR. MOHIT AGRAWAL – IIFL SECURITIES LIMITED**



Moderator: Ladies and gentlemen, good day and welcome to the Century Textiles and Industries Limited Q1 FY '25 Earnings Conference Call hosted by IIFL Securities Limited. 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. Mohit Agrawal from IIFL Securities Limited. Thank you and over to you, sir.

Mohit Agrawal: Thank you, Sagar. Good afternoon, everyone, and welcome to the First Quarter FY '25 Earnings Conference Call of Century Textiles and Industries hosted by IIFL Securities. Today, we have with us the senior management of the company represented by Mr. R. K. Dalmia, Managing Director; Mr. K.T. Jithendran, MD and CEO of Birla Estate; and Mr. Snehal Shah, CFO of Century Textiles. I now invite the management to share their opening remarks, which will be followed by a Q&A session. Over to you, sir. Over to you, Dalmia, sir.

R. K. Dalmia: Okay. Thank you. Good evening, everyone and welcome to the Earnings Conference Call for the first quarter of the financial year 2025. Let me first take you through the financial highlights, followed by the business and operational highlights. For the first quarter of financial year 2025, the consolidated turnover of continuing operations grew by 28% year-on-year to INR1,140 crores. The EBITDA for the quarter declined by 15% year-on-year to INR125 crores with EBITDA margin reported at 11%. The net profit on continued operation was INR28 crores for the quarter.

Now let me take you through some of the key highlights across our business verticals starting with the real estate business. During Q1 '25, the Indian real estate sector continued to flourish driven by positive indicators such as GDP growth, boosting investment and a strong consumer spending sustaining demand. Increasing urbanization and steady property value appreciation are also expected to propel the residential market forward. Within this market, the premium and luxury segments are experiencing rising demand with differences shifting towards enhanced amenities and luxurious spaces.

For Q1 '25, the revenue of Birla Estate grew by over 800% year-on-year to INR338 crores, driven by continued deliveries and projects Birla Alokya in Bengaluru; Birla Vanya in Kalyan; and Birla Navya Phase 1 in Gurugram.

We achieved booking of Rs.INR262 crores in Q1 '25 at our already launched project, representing a growth of 27% year-on-year. We maintained very strong collection of INR488 crores from all projects during the quarter. We did two major acquisitions during the quarter, wherein we acquired 13.27 acres of land parcel in Gurugram with a GDV of INR5,300 crores. And we also acquired 16.5 acres of land parcel in Manjri, Pune with GDV of INR2,500 crores.

In other updates, Birla Tisya, Bengaluru received a gold award at the 16th edition of the Confederation of Indian industry Southern region Environment, Health and Safety Excellence award 2023. Additionally, Birla Niyaara, Mumbai, Birla Navya, Gurugram received Silver award at the RoSPA Health and Safety Awards 2024.

In our outlook, we anticipate significant growth in the residential real estate market in the coming quarters, driven by a confluence of favourable factors and stable economic conditions, which have attracted robust investment from both domestic and international players. Additionally, infrastructure development and the expansion of smart cities presents a new opportunity for growth. Investors are increasingly viewing the Indian real estate sector as a secure and profitable long-term investment with the potential of substantial return.

Now moving on to the Pulp and Paper segment. In Q1 '25, paper, board and tissue prices continue to see a downturn trajectory with average net sales realization down by 14% year-on-year, although they were at par vis-a-vis previous quarter. This impacted sales turnover and EBITDA. Overall, product and sales volumes increased by 7% year-on-year and 12% year-on-year, respectively. Sales volume is lower by 8% Q-o-Q with general election impacting tender orders from government.

Sales turnover for the quarter decreased by 6% year on year to INR786 crores with EBITDA at INR65 crores, and EBITDA margin reported at 8.3%. Demand for writing and printing paper was subdued in Q1 '25 due to deferment of government tenders, seasonal closing of education institution and courts for summer vacation. Demand remains subdued for both segments as well. An order flow impacted in the first half of the quarter due to the price increase taken at the beginning of quarter.

While the tissue paper in the first half Q1, domestic demand experience an upward trend due to seasonal factors are supporting market sentiment with volume picking up. The company continued to take various cost reduction initiatives like the increased usage of bamboo and veneer chips to reduce raw material costs. Also, we use fiber plant pulp instead of imported pulp in tissue machine, added by suitable chemical program to reduce input costs.

On the sustainability front, the company developed 80 nurseries in 11 districts to increase good catchment area and achieved around 7.5 lakh plantation in Q1, with a annual target of 1 crores plantation. It also implemented 5 water conservation schemes, approximately saving up 0.5 million cubic meters of water annually. And lastly, compressed methane gas generated from wastewater was utilized tissue paper machine in place of LPG.

On the market outlook, seasonal factors are expected to moderately revive pricing a printed paper demand in Q2. In Q2 '25, order flow in tissue segment is forecasted to be slightly lower in the initial months on account of lean season. However, demand is expected to pick up towards the end of quarter.

This upcoming festival season as well as FMCG and pharma segments picking up, more demand is likely to improve in Q2. Also imports are expected to remain subdued due to high ocean

freight and issue with container availability. Export demand with Europe, U.S. and U.K. market likely to be impacted by high ocean freight.

In conclusion, due to a lukewarm business performance, largely due to rising input costs and global supply chain disruption in the paper segment and customers postponed of delivery in the real estate segment. Despite these challenges, consolidated turnover for continuing business increased by a healthy 28% year-on-year. Looking ahead, we are confident that sustained demand and a strong public investment both globally and domestically, will drive robust performance in upcoming quarters.

With that, I now conclude our opening remarks, and we can start the question and answer session. Thank you.

Moderator: Thank you very much. The first question is from the line of Karan Khanna from Ambit Capital. Please go ahead.

Karan Khanna: I had a couple of questions on the real estate business. Firstly, if we consider the company has a GDV pipeline of about INR54,000 crores. Given where we are in terms of the cycle, how are you internally strategizing as far as launches are concerned? And if you could also reiterate the timeline around the launch of this INR54,000 crores of GDV pipeline?

K. T. Jithendran: Thank you, Karan, for your question. Yes, as you very rightly pointed out, we have an overall GDV of INR54,000 Crs. As you know, we have already launched about INR12,500 Cr out of that and we have clocked sales of about INR9,500 crores out of that. The balance will be distributed over the next few years. This year itself, we are planning to launch another INR12,000 crores of this, in the current financial year. And similarly, I think over the next few years, we will be distributing this. And also, we are looking at adding every year about INR15,000 crores, INR16,000 crores of in GDVs every year. And we are looking at a very positive and strong real estate cycle for the next few years.

Karan Khanna: So can you, just as a follow-up to this. If I look at slide number 17 of the presentation. So FY '20 to FY '24, we've seen launches of about two projects a year. But this year, you've laid out a fairly ambitious plan of about launching 9 projects in the rest of FY '25. So how confident are you about these launches as we've also observed delays in terms of launches such as RR Nagar project in Bangalore?

K. T. Jithendran: Yes, absolutely right. We were supposed to have launched RR Nagar in the last quarter. But because we didn't obtain the RERA, we had to postpone the launch, and we are quite hopeful that we will be able to launch it this quarter. Similarly, Walkeshwar also we are supposed to launch last quarter. However, again, we are waiting for RERA. So both these projects are waiting for RERA. Walkeshwar, I'm sure, we are more confident that we'll be getting in the next few days.

RR Nagar, I'm expecting it by the end of this month or early next month. But for that, I think we are pretty confident that we are well geared up for the other launches. And we are quite confident that we'll be able to launch all the ones that we had guided that we will be launching. We are making good progress in all of them. So this was a little unexpected.

The RERA person was not there. He resigned; the new person took time to join in Bengaluru. So I don't think this will be the normal course. This was a little unexpected. So, but I'm quite confident that we'll make up to this.

Karan Khanna: Sure. And lastly, on your Pune, Manjri Project, where you've considered a revenue potential of INR2,500 crores, and the total area of 3.2 million square feet. So this translates into an implied per square feet rate of around INR7,800. If you look at comparable projects in the similar vicinity that's at about 20% lower versus this. So the question is what type of product should we be expecting considering the higher revenue and the higher per square foot potential? And any guidance on margins that you will be targeting in this project?

K. T. Jithendran: So Karan, as our positioning is that we always aim for the most premium positioning in every micro market. Like in our past, we have shown that in Kalyan, in the market was a 11, 11.5, today, we are selling at INR15,000 per square foot. Similarly, we are pretty confident that here also will be creating a very premium product. We're looking at a margin of at least about 25% to 30% in terms of EBITDA margin. More importantly, we, as you know, we always look at very strong IRR – north to 20%. So our positioning is no different here. We are looking at the premium positioning, and we are looking at good margins.

Moderator: Our next question is from the line of Biplab Debbarma from Antique Stock Broking. Please go ahead.

Biplab Debbarma: So I have two, three questions. First question is the launches that you mentioned INR120 billion, INR12,000 crores of launches in FY '25, what are the projects? And how much GDV of each projects would be launched? Can you please give us a breakdown how INR120 billion would be launched in FY '25?

K. T. Jithendran: So Biplab, thank you for the question. So as I mentioned, this quarter, we are hoping to launch RR Nagar, and a new phase of Trimaya and Walkeshwar. Together, this must be about 1,000 plus 500, 1,500 plus 600, about INR2,000 crores. In Q3, we are planning to launch the project, which we have finalized in Bengaluru Sarjapur Road. And the last phase of Birla Navya in Gurugram, which is about INR1,000 crores. And Pune project, Sangamwadi. So that's in Q3. And in the final quarter, Q4, we are hoping to launch the projects which we have signed in Thane. Then the new project, which we have signed in Pune, we are quite confident that we're able to launch that also, which is in Manjri. And also the last the third phase from Trimaya. So these are the broad launches planned for the next coming 3 quarters.

Biplab Debbarma: And Delhi, we are not launching this financial year?

K. T. Jithendran: Delhi is difficult because the entire approval process takes a lot of time. There are more approvals than usual. So we are kind of planning it for the Q1 of next year.

Biplab Debbarma: That's great. And second question is in the Tower 1 Niyaara, how much cost yet to be incurred, because last I visited it was 22nd or 23rd floors levels that you have constructed. So how much more total cost to be incurred in Tower 1?



- K. T. Jithendran:** Yes. So construction costs, if you look at in tower 1, we are so far about close to INR300 crores. in terms of construction costs, yes.
- Biplab Debbarma:** Any other costs besides construction costs to be incurred in Tower 1?
- K. T. Jithendran:** Obviously, all this premium cost, the FSI costs, the marketing costs, the sales cost, the overhead costs, so many costs are there, Biplab. All of that will definitely will be incurred.
- Biplab Debbarma:** So how much to be incurred, sir, total for that?
- K. T. Jithendran:** Offline. Accounting numbers could be done offline. Okay?
- Biplab Debbarma:** And on the on the paper side, sir, what would be the steady state EBITDA margin for papers shall be in FY '25?
- Snehal Shah :** Biplab, you're asking for the entire year?
- Biplab Debbarma:** Yes, sir. What should be the -- because margin has been little bit...
- Snehal Shah:** Pretty bad, but we are hoping that with the pulp price increasing, we expect a rise in the NSR, which would contribute to our margin. But I think probably we are looking at right now around 12 per kg. So it's very difficult to give a margin because -- but I can say that our EBITDA will be roughly on average at the end of the year at about INR12 per kg.
- Moderator:** The next question is from the line of Amit Srivastava from B&K Securities. Please go ahead.
- Amit Srivastava:** So my first question is on the balance sheet to Snehal sir...
- Moderator:** Sorry to interrupt Mr. Srivastava, you're sounding a bit muffled.
- Snehal Shah:** Yes, Amit, tell me.
- Amit Srivastava:** Yes, sir, my first question is on our balance sheet. So basically, our net debt number has increased to INR29 billion this quarter. And...
- Snehal Shah :** There is a mistake. The net -- it is gross debt, net debt is INR2,500 crores.
- Amit Srivastava:** Okay. And second is that, sir, our OCF was negative this quarter of around INR700 crores. So basically, I just wanted to understand how this will play out for the FY '25, given we have three projects we have already signed. And going ahead also, we are going to sign the project. So effectively, if you can give that how the numbers will be on a net debt side and OCF generation for the year as a full year?
- Second, in terms of the working capital side, also, we have seen that paper division has significantly increased the working capital by INR2 billion. So effectively, at EBITDA of INR50 crores, so we have increased the working capital significantly. So if you can give the clarity on that.

- Snehal Shah:** Good question, Amit. Let me answer the last question first. Working capital right now is high because we have suddenly got a lot of linkage coal from Coal India and we cannot refuse that. So we -- I think this is a peak working capital and gradually, we have planned to reduce it. So working capital will be released in the next 3 quarters. So that's not a problem.
- But then market being subdued, we don't expect much cash flow coming from the paper business this year because they also have their own capex plan, and we cannot hold those capex plan because that will impact our profitability in the future year. So even if you consider, let's say, for a hypothetical case, zero cash flow coming from paper business, we are still comfortably placed because whatever debt the parent has raised, now future financing will come from the subsidiary because they have undrawn construction finance plans, which they have not used even in the parent side because the Niyaara project is on the parent's books. So we have not withdrawn construction finance for the Niyaara project also. So I don't see many major issues in terms of financing our future deals. Of course, the debt might go up a little bit by the end of the year. We may on a consolidated basis cross maybe INR4,000 crores, but that all depends on how many more projects that we sign. But raising that money is not a problem for us.
- Amit Srivastava:** Okay. How much is going to be -- we are going to invest for these three projects of INR9,000 crores GDV, which we have recently signed?
- K. T. Jithendran:** So Amit as I said, the biggest one of here is INR5,300 crores from Barmalt. It's a JDA with just about INR145 crores payment. So it's not a big deal. The other one, which is Manjri is a deferred outright deal. So we have paid only some INR200 crores right now. And we also signed a third project, which we announced yesterday, so there also INR170 crores. So it's fine.
- Amit Srivastava:** Okay. And second, sir, in terms of the project launch, which you have just outlined, that came at around INR12,000 crores, we are going to launch in FY'25. Whereas presentation effort on the 17th slide itself, you have mentioned around INR8,500 crores of GDV expected. I just wanted to clarify on that number, what is the difference between these two?
- K. T. Jithendran:** Yes. So here, I think we had a -- yes, whatever I'm telling you now, that's what we are aiming at.
- Amit Srivastava:** Okay. So any project -- like Birla Niyaara Phase 3 also we were planning earlier in Q4, but now it seems we have postponed.
- K. T. Jithendran:** Yes. We are not looking at this year, considering the size of it, I think we'll take it up in the next financial year.
- Amit Srivastava:** Okay. So basically, the one project which you recently we have signed maybe that will come into the picture, which is not happening.
- K. T. Jithendran:** Yes. The one in Manjri, that's moving very fast. So we are quite hopeful that we'll be able to launch that this year. We had even given that guidance also of Manjri, yes.
- Amit Srivastava:** Okay. Last question is, sir, on the Birla Estate numbers if you look at -- what is the kind of margins we are making in terms of the project which we are delivering now because whatever

the numbers we have looked at, the Birla Estate numbers, on our sales of around INR450 crores, our numbers on the EBITDA side is almost like zero. So effectively, and that is...

K. T. Jithendran:

Slightly mistaken there. I think we are already -- whatever we have delivered, so far we are giving a 27% plus margin. Don't look at those numbers because those are the numbers of including all the overheads and the kind of growth that we are currently doing, the marketing expenses of launch, everything includes that, that's not the right number.

As we get more scale and we start delivering more EBITDA, this number will go up. But I can assure you that at the project level, each of these projects are delivering at least 27%. Some projects like the NCR project, we are only accounted for the margin for Phase 1. But as you look at the other phases, it's going to be almost as high as 40% plus. So I don't think margin is a worry.

And as I mentioned, margin is, of course, important but the most important thing is IRR, how quickly we turn around projects. How quickly we bring in cash so that the growth cycle keeps continuing. And even if there is a -- even if we get caught in the wrong cycle, we are not left with too much unsold inventory. So IRR is the number one concept. Margin is also important, but margins are pretty safe with a margin that's at least about 25%.

Amit Srivastava:

That's what I just wanted to get clarified. On our existing project, whatever we are delivering around 25% plus we are getting it.

K. T. Jithendran:

Yes. At this point of time, whatever we have already accounted for is about 27.5%.

Amit Srivastava:

Okay. And sir, last, on Birla Navya, there was an FSI thing which was not getting clearance.

K. T. Jithendran:

That's clear now. Government has cleared it. It came in the newspapers. We are all set for the last phase launch now. This year, we'll be launching it.

Moderator:

The next question is from the line of Jojo Shaju from Alpha Invesco Research Services. Please go ahead.

Jojo Shaju:

Sir, I have three questions. First is regarding the real estate division. So in the last call, you have mentioned that our corporate overhead was around INR175 crores annually. So this is increased from INR100 crores, if I say a couple of quarters back. So I just want to understand what is the increase going forward? What is the steady state number of corporate overhead in the real estate division?

K. T. Jithendran:

So, Jojo, there's no steady state. As we keep growing, we'll keep increasing. Our corporate overhead will also increase as we are strengthening ourselves in many parts. It's difficult to give you a steady state number because in several areas, we're kind of strengthening as the scale increases, it's very important for us to strengthen our management team and our controls, mechanisms, etcetera. But largely, I could tell you that it will not exceed about 3% to 4% of our bookings. If that's the kind of a ballpark figure, 3% to 4% of bookings is what we should kind of consider as our overheads.

Jojo Shaju:

Okay. So 3% to 4% we can benchmark according to the premium.



- K. T. Jithendran:** Yes, I think that will be a good benchmark, yes.
- Jojo Shaju:** Okay, sir. And sir, what is the expected collections in the real estate division for this entire financial year? And for the collections part, where exactly is it reflecting in our financial statements?
- K. T. Jithendran:** Sorry for collections yes, of course, we give...
- Snehal Shah:** 1,500 is our target, right?
- K. T. Jithendran:** Yes, 2,900 is what we are targeting.
- Snehal Shah:** This is our expected target of collections is roughly around INR2,900 crores. In terms of reflection in the balance sheet, it comes into our inventory for the real estate business because we -- the amount that we spend on construction that is shown as an asset and the collections that we have is shown as a liability.
- Jojo Shaju:** Okay, sir, understood. And sir, what is the construction spending for the next, let's say, two financial years, next two financial years? What is the expectation?
- Snehal Shah:** Two financial years will be difficult, but I think it will be more or less in line of our collections -- a little less than our collections.
- Jojo Shaju:** Okay. And sir, my last question is, I just want to understand how is the JV with the Grasim performing? Will it have a turnaround in the current year? What is your views?
- Snehal Shah:** JV to Grasim?
- Jojo Shaju:** JD with Grasim, yes.
- Snehal Shah:** So we have no JD with Grasim. You're talking real estate business or something else?
- Jojo Shaju:** No. This is not on the real estate. This is I think on the...
- Snehal Shah:** No, that is a joint venture. It's a joint venture with Grasim in the textile side. So that is the only remaining textile part that we continue. And that is in the initial stage, Jojo. So it will take some time to generate profits. But it is not a significant ask on our balance sheet, it is more a new thing that we are developing in the country. So it will take some time to absorb. So hopefully, next -- this year also probably, we don't -- we might not see the light at the end of the tunnel. But certainly next year, we will be starting to show profits from that. Yes, we had INR8 crores loss in this quarter from that business, our share of profit.
- Moderator:** The next question is from the line of Dixit Doshi from Whitestone Financial Advisors Private Limited. Please go ahead.
- Dixit Doshi:** Sir, this quarter, we have recognized around INR338 crores of revenue in the real estate segment. So I think there's one portion which is the lease revenue and there's the revenue recognition from

various projects. So if you can break this up from -- for us, how much is the revenue from the lease and what are the project-wise revenue, which is booked in this INR338 crores?

Snehal Shah: So it is INR37 crores from lease rentals, INR68 crores from Vanya, our Kalyan project; INR196 crores from Gurugram project; and INR37 crores from our Bangalore project.

Dixit Doshi: Okay. And sir, since I think this INR34 crores EBIT which we have recognized, I think there is a portion of corporate expenses which is impacting this EBIT. So if you can tell us what is the corporate level expenses which is booked in this quarter? And also -- this EBIT also has a portion of lease income. So the lease revenue, how much is the EBIT of the lease revenue in this?

Snehal Shah: So let me -- I mean, you can probably work out everything else. On the revenue recognition of the projects from the revenue that I just now mentioned, Vanya, we have got about INR13-odd crores, Navya, we've got about INR60 crores and Alokya, we've got about INR11 crores. And balance it's a loss after providing for all corporate expenses. I don't have the exact numbers right now, but we can offline -- you can ask for this.

Dixit Doshi: Okay. And if you can just help us what would be the corporate level expenditure that was booked for this quarter in the real estate segment?

K. T. Jithendran: Yes. So we'll provide you offline those numbers, sir.

Dixit Doshi: Okay, definitely. I'll get in touch with you offline.

Moderator: The next question is from the line of Deep Mehta from Bank of India Mutual Fund. Please go ahead.

Deep Mehta: Congratulations for aggressive BDs for the year. My first question is regarding our organization capabilities. We are planning to significantly increase our launches as well as presales for the year. So how have we already developed and trying to develop further our organization capabilities in terms of hiring new people for different roles, different geographies and also solidifying some of our processes, if you can talk about that?

K. T. Jithendran: So, Deep thank you for the question. So, yes as we keep growing, we have been creating a decentralized organization. Each region will have their own teams which will be responsible for their P&L of the regions. So, Bangalore has their regional team. NCR has their regional team. Pune, we are now developing our regional team. Bombay and Western -- I mean Bombay has has its own regional team and there is an HO.

So, as we keep growing, we keep enhancing our operational capabilities, sales capabilities. We already have a very strong BD team which is doing its job very well. We have a very strong sales team which is powering the sales performance of the company. Similarly, we have had pretty strong operations team as we keep on scaling up at each region.

We recruit the right kind of people and we have a very strong process of orientation in terms of Birla Estates way of selling or Birla Estate's we have customer centricity or our operations, construction, etc. largely construction is outsourced. We go with the best of construction

partners. So, it's largely -- mostly management monitoring and control systems where we very strongly do our review mechanisms and we give a lot of research backed ideas on to the design and we have very strong budgeting and quality control system.

Execution is our core strength and the deliveries that we are doing, we have got NPS score of almost 85% which is one of the highest in the industry. So -- and we keep monitoring these parameters to make sure that the delivery and quality and cost and returns are the most efficient. Does that answer your question, Deep?

Deep Mehta: Yes, sir. This is very helpful. And my second question is regarding our unsold inventory if you can give the value of unsold inventory as at the end of the quarter of this year?

K. T. Jithendran: Unsold inventory is very little. Also, the inventory that we have launched is sold out. If you look at NCR it's almost 100% sold out. If you look at Bangalore it's almost 95% sold out. Mumbai is also. So overall I think about 87% of the launch inventory is sold. So, what we are now -- what we have -- the sales performance is a little muted in the first quarter is largely because of lack of inventory number one and also lack of new launches. So, we hope to make it up in the coming quarters.

Deep Mehta: Sure sir. Can you help me with the absolute amount of unsold inventory, rough number will also work?

K. T. Jithendran: Yes. So, the numbers of this I think we can help you offline all these numbers. Yes, about INR12,849 crores is what we have launched and what we have kind of booked so far is about INR9,428 crores.

Deep Mehta: So roughly INR3,000 crores?

K. T. Jithendran: Yes.

Deep Shah: Sure sir. That's all from me. Thank you.

Moderator: Thank you. The next question is from the line of Abhinav Sinha from Jefferies. Please go ahead.

Abhinav Sinha: K. T sir couple of questions for you. So firstly, on GDV the projects that we are adding, is there a target in mind for the year? So that's question one.

K. T. Jithendran: Yes. So, as I mentioned, largely we are looking at about INR15,000 crores to INR20,000 crores this year and would like to continue to look at that sort of number so that we can keep growing and can do full justice to our sales process also and cash turnaround also.

Abhinav Sinha: And how does it break between various markets or nothing specific there?

K. T. Jithendran: No, I don't we have not put a number on. Wherever we get the right opportunities, the most attractive ideally a JDA etc., if not a JDA than in a great location and premium locations at we're aiming at. As I said, we are not taking risk in terms of title or location or in terms of speculative future locations where the markets might emerge. We're not looking at those ones. We're only looking at well-established locations. So, from that point of view, I don't want to put a number



to each region wherever we get the most attractive options will go there. I think all four markets are equally attractive.

Abhinav Sinha: Okay. And I presume the opportunities are still fairly attractive and we still don't have too much competition out there.

K. T. Jithendran: That's right. The competition is definitely there. It's increased. So yes, so wherever we think it's the right deal that we are getting it we are going for that.

Abhinav Sinha: Got it. Sir secondly and this is a bit of a market question. I mean we have heard in the last quarter like for example in NCR we are seeing a couple of projects which have underperformed say either in terms of pricing or volumes. I wanted to hear your take on that?

K. T. Jithendran: See I think if you price it right, I think you will be able to get the volumes. Market real demand is there. Supply is very few. If the design is right, the product is right, the ticket size is right I think we should be able to -- at the right locations I think there should be no issue with the moving inventory. If you overprice it or under-design it then there could be. It's important to get the product right in every market and the price is also right. I think those combinations one has to get it right. If that is right, I'm pretty confident that there should be good traction.

Abhinav Sinha: Right. And broadly so you wouldn't be overly worried or look to change your sales guidance for the year?

K. T. Jithendran: No. At this point in time, we are pretty confident.

Abhinav Sinha: Sure. Great and all the best to the team sir. Thank you.

K. T. Jithendran: Thanks Abhinav. I appreciate that.

Moderator: Thank you. The next question is from the line of Raj Rishi from Dhan Group. Please go ahead.

Raj Rishi: Can you give a perspective as to what kind of quantum of group properties you can develop over the next 3 years to 5 years?

K. T. Jithendran: I think pretty limited and not much then in the markets that we have chosen. I think we are kind of maxed out in terms of group properties because largely the properties are in Mumbai. And I think all of that we have counted. Maybe in Pune we have about 45 acres in Talegaon. So that kind of develops and the broader the town planning rules changed then we may launch that. But apart from that, I can't envisage any more launches from the -- or any more kind of tie-ups to the group plans.

Raj Rishi: In a previous call, in fact, I had only asked a question and you had talked about other than the present focus geographies, a lot of like a huge number of group properties there which can come into the Century Textiles fold?

K. T. Jithendran: Yes. But as I said in the next 2 years, we are not looking at expanding into any other region. I think we have got a job cut out in kind of consolidating in these four markets that we have chosen. I think we'll be focusing on these markets.

- Raj Rishi:** Okay. And I believe you had an aspiration to be in the top three or top five in the next coming years that would entail a huge quantum jump in your business. So how -- can you comment on that like what kind of aspiration, how do you plan to reach there?
- K. T. Jithendran:** Yes. So, we are very confident and we are aspiring to be among the top three. But more important, I mean, as we scale up it's also important for us to be as the most reputed player in terms of customer centricity and in terms of quality. We are willing to give up scale for these two parameters. What's most important is to give high-quality products in the right within the specified time and give the best of customer-centric service.
- Scale is important. As a group we have always been the top three in every business that the group has entered. So, we are pretty confident that we'll be aiming for that too, but not at the cost of the other more important parameters. So, it will be kind of a balanced approach in terms of scale, in terms of quality, in term customer centricity.
- Raj Rishi:** Okay. Any plans for fund raising on the equity side?
- K. T. Jithendran:** We always are looking for raising platform funding for our private funding, private equity funding for scaling up our residential portfolio, maybe at some point of time even the commercial portfolio, but not in the near future for any public sort of funding.
- Raj Rishi:** This wouldn't be in the parent -- in Century Textiles, it will be a particular project?
- K. T. Jithendran:** Yes, it will be at the project level.
- Raj Rishi:** Okay. Thanks a lot.
- K. T. Jithendran:** Yes.
- Moderator:** Thank you. The next question is from the line of Vivek Ramakrishnan from DSP Mutual Fund. Please go ahead.
- Vivek Ramakrishnan:** Congratulations KT. So, my question was on Niyaara Phase I and Phase II. If you see in the last quarter the percentage sold has gone up from 68% to 71% and it had like a big bang launch. So, what is the ebb and flow of this business? I mean is this going to take a little more time to dispose off the property and how does it happen in Phase I and Phase II because they're entirely different customer bases?
- K. T. Jithendran:** Yes. So, thank you Vivek. So, Niyaara Tower A is now in terms of units almost 90% sold out. We also increased the price to now above INR1 lakh per square foot. And I think we will be happy to now sort of really look at the rest of the apartments more towards completion. I think makes sense also, it's more than 90% gone. There's hardly 20, 25 apartments left. As far as the sellers the Tower 2 is concerned we have sold more than 50%, 52% in terms of area or units.
- So -- and the traction has been very strong in last quarter and after that the election year coming there has been a slowdown. I think the initial demand has been sucked out. Given that I think a new round of intergeneration is going on and we expect to do about 3 to 4 apartments every month from here onwards. So that's the kind of velocity we are aiming at.



- Vivek Ramakrishnan:** Okay, thank you very much. That is my question. Thanks a lot.
- Moderator:** Thank you. Next follow-up question is from the line of Biplab Debbarma from Antique Stock Broking. Please go ahead.
- Biplab Debbarma:** Sir, on the -- you mentioned about Manjri and Sector 71 that we acquired, The INR200 crores and INR170 crores that you mentioned are these the cost of acquisition total cost of acquisition or these are the initial payments?
- K. T. Jithendran:** No. I think Sector 71, which we kind of concluded yesterday I think that's a full payment -- full cost of acquisition.
- Biplab Debbarma:** So INR170 crores cost of acquisition we have paid, right?
- K. T. Jithendran:** That's right. Yes, it's an outright payment.
- Biplab Debbarma:** And for Manjri, what would be the total cost of acquisition?
- K. T. Jithendran:** Manjri is about INR340 crores but it's a deferred sort of payment.
- Biplab Debbarma:** Out of INR340 crores, you have paid so far, INR200 crores. Am I correct, sir?
- K. T. Jithendran:** Yes, okay.
- Biplab Debbarma:** And my second question is for FY '25 remainder of FY '25, any more projects, residential projects that could be recognized?
- K. T. Jithendran:** Recognized? whatever is the balance of the Kalyan and Alokya and a bit of Navya. So, I don't - - so the unrecognized once that part is there in terms of handing over is going on. Beyond that I'm not expecting any new projects to be handed over or any new phase to be handed over this year.
- Biplab Debbarma:** And in FY '26, any new projects that could be handed over?
- K. T. Jithendran:** In FY '26, maybe another phase of Navya will come up.
- Biplab Debbarma:** Thank you, sir. That's all.
- Moderator:** Thank you. The next question is from the line of Amith Sanghavi from Investor. Please go ahead.
- Amith Sanghavi:** My first question is related to the inventory left out for these 3 completed projects, which is left out for the purpose of revenue recognition in terms of square feet. And another question is regarding is infact a suggestion that if we can put one more slide in our presentation for the land, which we have acquired but which are yet to be developed. That is my second question, sir.
- K. T. Jithendran:** Sure, we can do that, Amith. We can do it. Yes. And what is the first question is whatever is recognized and unrecognized?



- Amith Sanghavi:** Yes. We have completed 3 projects, right? Vanya, Alokya and Navya. In these 3 projects, what is the total inventory left out as on 1st July, which is yet to be recognized in the books of accounts in terms of square feet?
- K. T. Jithendran:** Yes. So, there is -- I mean, if you want to go into the detail, we can go offline. So, I think we have about Navya is about 228 units of which we have done about 200 and around 28 units are to be recognized. Alokya about another I think about 76 units have to be recognized. Vanya is a major portion about 700 units as we have to be recognized.
- Amith Sanghavi:** Okay. And it is going to be recognized this year itself, right? Because the project is completed.
- K. T. Jithendran:** Yes. So Vanya, I think we have 7 towers of it. We have got OC for 5. There were 2 more towers which we are expecting the OC in the next -- this quarter and next quarter.
- Amith Sanghavi:** Okay. So, what you said is in Vanya 700 units in Alokya about 76 units and in Navya about 220...
- K. T. Jithendran:** Yes. Ballpark figures these numbers, we can always...
- Amith Sanghavi:** I can understand it. Okay. Ballpark number.
- Snehal Shah :** Amith, you can go on Slide 16 of the earnings presentation you will get the details between the GDV for what we have launched and what is upcoming.
- Amith Sanghavi:** Okay. I will do that. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Harsh Pathak from B&K Securities. Please go ahead.
- Harsh Pathak:** My question is on the Sector 31 Gurugram that we just acquired in the first quarter. So what would be our share in the JV.
- K. T. Jithendran:** So it's a 40% rev share, 40% to the partner and 60% to us.
- Harsh Pathak:** Sure. And so the indicative GDV of INR5,000 pertains to just us or its at the project level?
- K. T. Jithendran:** Sorry, I didn't get you. What was that indicate? 5,300.
- Harsh Pathak:** Yes. So is it at the project level or our share?
- K. T. Jithendran:** Sorry.
- Harsh Pathak:** Is it our share or is it pertain to the overall project?
- K. T. Jithendran:** Total is a gross. That's a gross, 5,300 is a gross number.
- Harsh Pathak:** That's gross. Okay. Yes. And sir, my second question is regarding the land availability in NCR. So, I think we now have total 4 projects in the NCR market in the NCR region in our portfolio. But this quarter, we have done our first outright purchase in that market. So how is the land

availability? And how is our thought process regarding going ahead for outright purchases? What kind of margin profile can we expect, what's your take sir?

K. T. Jithendran: So, as I mentioned margin profile, you're always looking at 30% plus margins. What we have - what we are more focused on is 20%+ for our IRRs for JDA projects and 16%, 17% IRRs for our outright projects. So, we are working well within those parameters and those guidance. Of course, land is very very scarce in NCR. Very few lands are there. And all the lands that we have kind of finalized is very, very prime properties. Excellent locations. All should be selling above 15,000. Of course, Sector 31 is extreme premium. I think we expect at least INR6 crores, INR7 crores per apartment or more per apartment there. So, all at very high premiums. And it's very difficult to get land in NCR today. Supply is very little. And we are very happy to have done these acquisitions.

Harsh Pathak: Sure. So, can you explain more kind of an outright purchases or our preference will be more towards JV/JD?

K. T. Jithendran: Harsh, we're on the lookout for the right kind of lucrative deal. Very difficult to come by. But yes. And as I said, we'll keep looking for the good deal. So, it's possible that for a long period of time, we may not do any deals. And suddenly, we may get the right deals. We may do quite a number of deals. So, depending on the quality of the deal, we keep looking for it in the right markets in the right location. So, we have been fortunate that we got this deal at Sector 31. It's a very, very attractive deal. And what we kind of acquired that 71% is also an extremely favorable location at a very good attractive price. So, that is why we went ahead and did it.

Harsh Pathak: All right, sir. I think that answers the question. Thanks a lot, sir.

Moderator: Thank you. The next question is from the line of Dixit Doshi from Whitestone Financial Advisers Private Limited. Please go ahead.

Dixit Doshi: I had similar questions on the Gurugram projects. But one more question, sir, in Niyaara Tower 2 I think the last quarter, we had sold around 68 units. So how many more units did we sell in this quarter?

K. T. Jithendran: We are at 75 but there have been a few cancellations of that 68 later on. Some people did not go ahead with, they withdrew. Not many, handful of them. And now today we are at 75.

Dixit Doshi: Okay. And sir, the sales of 70,000 square feet and INR262 crores value, if you can break it up project wise for us.

K. T. Jithendran: Roughly 225 of that is Niyaara.

Dixit Doshi: Okay, that's it. Thank you, sir.

Moderator: Thank you. The next question is from the line of Himanshu Jhaveri who is an individual investor. Please go ahead.

- Himanshu Jhaveri:** I just wanted to ask what do we aspire as a company? And can we expect to a top line of around INR20,000 crores, INR15,000 crores-INR20,000 crores in the next 3 years? And what do you plan to do differently to make Birla Estates a niche and a premium brand in the market?
- K. T. Jithendran:** Yes. So, I think the next 3 to 5 years I think it's reasonable to expect a top line of INR20,000 crores. I think we can easily reach there. We have very strong presence in each of these chosen 4 markets and I think we could be the dominant player in each of these markets. That's our aspiration.
- How we want to differentiate ourselves, as I have mentioned is through superior quality, delivery, extreme focus on execution, extreme focus on design, customer-centric design, these are the most customer-centric organization. We are very kind of experiential driven company who gives a very superior experience to our customers taking care of them, doing the -- making sure that even after customers move into our projects, they get a very different experience of living, community building.
- Our aspiration is to create happy Birla communities, make them a very differently engaged community, enhanced living experience, et cetera. So that's how we want to sort of differentiate our projects in the very long term. I think so our endeavour is to get there while building scale through very strong processes and focus and execution.
- Himanshu Jhaveri:** And do we also plan to have a huge workforce and machinery to launch projects simultaneously across different states every quarter? Because if we want to reach that INR20,000 crores mark, we'll have to have a big -- machinery should be very...
- K. T. Jithendran:** If you are meaning machinery in terms of processes and team, yes, we are all for it. Having a hardware machinery, we are an outsourced company, we are looking at...
- Himanshu Jhaveri:** Machinery in terms of the teams and sales force?
- K. T. Jithendran:** Yes, of course. We are in the process of building every year. We add about 40%, 50% more employees. We were at 200 last year. We are at 350 now. We may go up to 500, 550 as the demand for people are there. The only thing is that look a very high-quality team and there's a lot of training orientation process within the company, create a very strong culture of high performance and customer centricity. It's very service-oriented. That is the building blocks of the company. And we are also creating a decentralized system which can move very swiftly, quickly, empowered sort of teams.
- Himanshu Jhaveri:** That's great. And I read an Article KT in the newspaper of the Century Bhavan being demolished. So, are we planning a project over there?
- K. T. Jithendran:** We are very seriously evaluating it.
- Himanshu Jhaveri:** So, not still fixed anything, right?
- K. T. Jithendran:** No. It's under evaluation.

- Himanshu Jhaveri:** No. Because just next to that, the Oberoi 360 and all are selling at very well and good premium prices. There's a huge scope to...
- K. T. Jithendran:** Yes, we are pretty aware of that. Yes, we're very aware of that, and we're looking at the opportunity.
- Himanshu Jhaveri:** So, in future, we might do it, right?
- K. T. Jithendran:** Possibilities are there.
- Himanshu Jhaveri:** Thank you.
- Moderator:** Thank you. The next follow-up question is from the line of Biplab Debbarma from Antique Stock Broking. Please go ahead.
- Biplab Debbarma:** So, on the outright purchases, we have been seeing that last years also, when we compare with the cost divided by the GDV, it is less than 15% and around 12%, 13%. We see also both Manjri and the Sector 71 they are less than 14% of the GDV acquisition cost. So, is this a normal rate for outside acquisition like 13%, 14% of the GDV? It seems very on the lower side. So it's a good thing. So, I'm just trying to understand whether we can continue to do such excellent outside purchase is going forward. That was my question?
- K. T. Jithendran:** Yes, Biplab. So, we keep looking for the right opportunities, but it's not just the price, it's also the location, the other factors, how quickly we can launch it, how it will add to the overall brand value of Birla, how we access the other parameters, development potential, growth potential, etc. And also, of course, the price. So, all those factors together, we look into it. So that's why we are a little patient and take our time to do the BD.
- So, these are the two ones which we got into after prolonged negotiations, we were able to conclude it. Yes, but we can't take that 13% is a benchmark. As we said, there may be properties where may have to pay a higher price, but the location is great, and it makes sense for us. Overall, we try to look at that. We don't have more than 20%, 25% of the overall GDV to the landowner.
- Biplab Debbarma:** Yes, that's great. Because so far, you have been doing 13%, 14% of that GDV, that's viewed as excellent. And my final question is on the Thane project. What would be the -- if you launch a project this year, what would be the estimated rate that you expect to launch the project in terms of rupees per square feet carpet area?
- K. T. Jithendran:** So, it's too early Biplab, to kind of give a guidance on prices. I know that on a saleable area, we've been looking at least 11,000 plus in that market. It's a very strong, very attractive market. We are catering to both Navi Mumbai and Thane, and the location is fantastic. It's two pieces of land on adjacent both sides of the road. Huge opportunity, but a little early on the -- to give a guidance on price, but at least that's the kind of you're looking at about INR11,000 to INR12,000 per square foot on saleable area.
- Biplab Debbarma:** Thank you, Sir.



- Moderator:** Thank you. The next question is from the line of Deepak Purswani from SVAN Investments. Please go ahead.
- Deepak Purswani:** Sir, my question is related to FY'25 presales. As we have mentioned in the previous call, we would be looking out to double it up the presales. If I were to look in the overall scheme of things, the Worli, we said on a monthly basis, we would be looking 3 units to 4 units. That would be an annual run rate of approximately INR2,000-odd crores, which means remaining INR6,000 crores out of the total launch pipeline of INR8,500 crores GDV.
- So, my first question is, if you can throw some light, how confident are we in terms of quickly turning around the project in terms of the approval and launching project? And secondly, on the sales momentum because it is implying 70% presales of the launch pipeline?
- K. T. Jithendran:** So, if you look at our past, we have been kind of doing about whatever inventory is left, we have only bought sold at a national level, about 87%, what left is -- only 13%. So, that is one part in sustainable sales. The rest, as I mentioned, have given you overall in the number of launches which we are planning. On the back of it, what we have planned is almost about INR8,000 crores, all of which will have to happen mostly all of it in the next 3 quarters.
- And we are pretty reasonably confident of doing this given our kind of performance in each of these markets and each of these -- whether it is Bangalore, Bombay or NCR. So, from that point of view, I think we are pretty confident we were able to achieve this target.
- Biplab Debbarma:** And secondly, sir, from the -- as we also mentioned about the aspirational target of achieving the presales of INR20,000-odd crores over the next 3 years. Now with that figure from the business development front...
- K. T. Jithendran:** Yes. I did not mention, I said in the next 3 years to 5 years.
- Biplab Debbarma:** yes, 3 years to 5 years. With that regard, we also mentioned about the business development activity of INR15,000 to INR20,000-odd crores every year. So just wanted to get a sense in terms of what would be the investment we would require for the land for that part every year?
- K. T. Jithendran:** So, if you -- it depends on what kind of projects come to us. If you look at last years, we invested about INR1,000 crores to add a portfolio of INR16,000 crores. So even if you do some escalation, that's about INR3,000-INR4,000 crores is what we're looking at. But of course, we are on the back of very strong collections also. We are collecting stronger as all that internally, we hope to have the gunpowder to kind of create that kind of capability to acquire projects. We are also looking for, as I mentioned, the platform funding, private equity platform funding. So, all of that should kind of give us the firepower to go for more acquisitions and achieve our targets.
- Biplab Debbarma:** Thank you.
- Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.



R. K. Dalmia:

Thank you all for participating in this earnings con-call. If you have any further questions, I would like to know more about the company, please reach out to our IR manager at Valorem Advisor. Thank you, and have a great evening ahead.

Moderator:

Thank you. On behalf of IIFL Securities Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.