



SH/XII/2024

24<sup>th</sup> January, 2025

Corporate Relationship Department  
**BSE Limited**  
1<sup>st</sup> Floor, Phiroze Jeejeebhoy Towers  
Dalal Street, Fort,  
Mumbai-400 001  
**Scrip Code: 500040**

Listing Department  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5<sup>th</sup> floor,  
Bandra-Kurla Complex  
Bandra (East), Mumbai-400 051.  
**Scrip Code: ABREL**

**Dear Sir/ Madam,**

**Sub: Transcript of Q3FY25 Earnings Conference Call of Aditya Birla Real Estate 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 Q3FY25 Earnings Conference Call conducted on 22<sup>nd</sup> January, 2025 at 12:00 noon IST after the meeting of the Board of Directors of the Company held on 21<sup>st</sup> January, 2025.

This is for your information and record.

The above information is also available on the website of the Company.

Thanking you,

Yours truly,  
For **ADITYA BIRLA REAL ESTATE LIMITED**  
(formerly Century Textiles and Industries Limited)

**ATUL K. KEDIA**  
**Jt. President (Legal) & Company Secretary**  
Encl: as above





“Aditya Birla Real Estate Limited  
Q3 FY '25 Earnings Conference Call”

January 22, 2025



**NOMURA**



**MANAGEMENT:** **MR. R.K. DALMIA – MANAGING DIRECTOR – ADITYA BIRLA REAL ESTATE LIMITED**  
**MR. K.T. JITHENDRAN – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – BIRLA ESTATES PRIVATE LIMITED**  
**MR. SNEHAL SHAH – CHIEF FINANCIAL OFFICER – ADITYA BIRLA REAL ESTATE LIMITED**

**MODERATOR:** **MR. AKASH GUPTA – EQUITY RESEARCH NOMURA**

**Moderator:** Ladies and gentlemen, good day, and welcome to Aditya Birla Real Estate Limited Q3 FY '25 Earnings Conference Call hosted by Nomura. 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 touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Akash Gupta from Equity Research Nomura. Thank you, and over to you, Mr. Gupta.

**Akash Gupta:** Thank you. Good afternoon, everyone. On behalf of Nomura, I welcome you all to the 3Q FY '25 Earnings Call for Aditya Birla Real Estate. We have with us from the management Mr. R.K. Dalmia, Managing Director, Aditya Birla Real Estate; K.T. Jithendran, MD and CEO; and Mr. Snehal Shah, CFO.

Sir, we will start with the call with opening remarks from the management, which will be followed by a Q&A. Over to you, sir.

**R.K. Dalmia:** Okay. Thank you. Good afternoon, everyone, and welcome to the earnings conference call for the third quarter and 9 months of financial year 2025. Let me now take you all through the financial highlights, followed by the business-wise operational highlights.

For the third quarter of financial year 2025, the consolidated turnover of continuing operations declined by 4% year-on-year to INR946 crores, EBITDA for the quarter was reported at INR18 crores. This EBITDA margin reported at 1.9%, while the net loss for the quarter was INR37 crores.

For 9 months of financial year 2025, the consolidated turnover of continuing operations grew by 18% year-on-year to INR3,206 crores. EBITDA for this period was INR241 crores with EBITDA margin reported at 7.5%. The net profit of continued operations for this period was INR3 crores.

Now let me take you through some of the key highlights across our business verticals, starting with the real estate business. During the quarter, the Indian real estate sector recorded a strong sales, with consistently growing appetite for new launches. The premium and agri residential housing segment continued to outperform, driven by factors such as a large space requirement, advanced amenities and the desire to secure and well-designed living spaces. Premiumization continue to remain the defining feature in the residential segment.

Q3 FY'25, the real estate business performed very well with booking value increasing by 257%. Year-on-year to INR675 crores at our already launched projects and collection increased by 175% year-on-year to INR501 crores. The revenue of Birla Estate grew by 117% year-on-year to INR184 crores, driven by continued deliveries at project Birla Alokya in Bengaluru, Birla Vanya in Kalyan and Birla Vanya Navya Phase 1 in Gurugram. Adhering to our commitment of

diversifying the portfolio while catering to demand for spacious homes, we acquired a 70 acres land parcel in Boisar for our first ever plotted development project.

In other updates, Birla Aurora has been awarded the prestigious Net Zero Energy-Existing Building certification by the Indian Green Building Council. Also Birla Anayu, Walkeshwar has received LEED Gold precertification, reaffirming our commitment to energy efficiency and global sustainability.

Let me also take this opportunity to provide some clarity regarding Honorable Supreme Court order on land bearing C.S. 1546 that appeared in media publication of Times of India. The Worli West land comprises of freehold and leased land. The lease land, which is under Supreme Court order measuring to 25,544 square meters or equivalent to 6.31 acres under the development potential of approximately 5 lakhs square feet to INR5,000 crores booking potential. This has no impact on Birla Niyaara project, as land parcel are different.

Additionally, there would not be an impact on our long-term plan of the company through this order as company had planned to develop this post 3 to 4 years. It is important to note that Birla Estate added a total of INR63,000 crores GDV till date and we have strong business pipelines across our key markets of MMR, NCR, Pune, Bengaluru. We plan to stay on course with our long-term growth plan.

Lastly, our outlook on the sector continued to remain optimistic, driven by increasing urbanization trend, rising disposable income and government investment in infrastructure. With the ongoing reduction in unsold inventory, India's real estate sector is strategically positioned and resilient and dynamic future effectively addressing overhang concern.

Now moving to the Pulp and Paper segment. Q3 '25, paper, board and tissue prices continued to witness a downtrend due to weak domestic demand, rising finished goods inventory and rising input cost pressure from increasing wood and imported pulp cost. Average net sales realization for the quarter were down by 6% year-on-year and 3% vis-à-vis previous quarter. While production volume fell by around 15% year-on-year, sales volume decreased by 16% year-on-year. That resulted in EBITDA declining by 79% year-on-year.

Writing and printing paper segment witnessed a soft market demand in Q3 financial year '25. The board segment faced challenging market conditions in Q3 with price correction taken by domestic mills for machine coverage. The company continued to implement various cost reduction initiative to counter these market conditions, like trial of using bagasse pulp in middle layer of board without compromising on quality. Bamboo usage in Fiberline was increased from 14% in Q1 to 31% in Q3 to reduce cost of captive pulp. Additional capacity of chippers was utilized to store wood chips instead of wood logs thereby reducing downtime in pulp mills.

On the sustainability front, the company developed 138 nurseries in 13 districts to increase wood catchment area with about 110 lakh plantation completed till Q3 '25. The company generated around 44 metric ton of compressed methane gas, CMG, from wastewater and utilized the same instead of LPG in tissue machine. Company is also taking various strategic measures like

conducting a management leadership workshop, Mission Everest with a leading faculty. We also re-worked with the copier market strategy to revamp the product portfolio. Additionally, B2C strategic initiatives are also under development stage.

On the market outlook, prices have received in writing and printing paper segment at the end of Q3. On the market outlook prices have recovered in writing and printing paper segment at the end of Q3 and Q4, realizations are expected to be higher, while the operating environment in the tissue segment is expected to be challenging in Q4, given the disruption from entry of new players and adverse demand-supply balance in the domestic market.

In both segments, both volume and pricing outlook in Q4 remains subdued given market condition and competitive intensity from low-cost imports with rising domestic competition, we are making efforts to develop export market to obtain orders with a positive contribution margin and ensure machine coverage. Export in paper segment are expected to increase from Q4.

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

**Moderator:** The first question comes from the line of Akash Gupta from Nomura. Please go ahead.

**Akash Gupta:** Sir, we'll take the first question till the question queue assembles. So sir, we did not have any launches in the third quarter in the festive season. And now you are saying that we'll have roughly 6 launches in the fourth quarter. So I just wanted to understand like where are we with respect to RERA timelines for these 6 projects? And how confident are we that all these 6 projects will go through?

My second question is with respect to the loss in your real estate segment this quarter on the P&L. I just wanted to understand, could you give us a brief background as to why do we have a loss in the third quarter for the resi segment?

**K. T. Jithendran:** Yes. So our launch calendar for this quarter, largely based on our RERA clearances, we are expecting the Birla Trimaya and Birla in Sangamwadi, which is in Pune, we are expecting these 2 launches in February. Also, we are expecting to launch Sector 31 in Gurgaon, Barmalt project in February, and we're expecting 2 launches in March. One is in Sarjapur, Bangalore and the other one is the new phase of Navya in Gurugram. So together, we expect to launch about INR8,000 crores of new projects worth of inventory. So, with that, it's our confidence that we'll be able to achieve our guidance.

**Snehal Shah:** So, Akash, on the lost part of real estate, basically, the reason is, of course, our corporate overheads are going up and we were expected to realize some EBITDA from the handover of our completed properties in Kalyan, particularly. So that has not happened in this quarter, so we could not recognize that revenue as well as the profits from that, which will probably happen in this quarter.

- K. T. Jithendran:** Akash, I just want to assure you all our margins for these projects are all protected. We are running a margin of at least 25% to 32% in all the projects which we are handing over. And overall, it's close to about 30% to 35% margin. But just because the revenue number has not come in while our overheads is evenly distributed across this thing, we have blemishes there.
- Akash Gupta:** And sir, one more question for FY '26. What is our presales guidance? How are we looking at that?
- K. T. Jithendran:** So, we'll refrain from giving any guidance at this point of time. Let's see about the quarter 4.
- Snehal Shah:** Akash, essentially, as K.T. mentioned, that we have a few launches in this quarter, we have to see what is the performance of those launches. And based on that, we have to consider the sustenance sales of the balance, including our existing launched properties. And based on that, we will work on the number and probably end of quarter 4, we'll be able to give you a better guidance.
- Moderator:** Next question comes from the line of Dixit Doshi with Whitestone Financial Advisors Private Limited.
- Dixit Doshi:** So, my questions are related to this recent Supreme Court order. So some of the things you have already covered in the opening speech, but a few doubts regarding that. So firstly, is it only -- the litigation is only in the West part? Or is there any litigation on the East part of the land as well? Secondly, this West part is a 10-acre, so entire 10-acre is under litigation and only the judgment has come for 6-acre or only 6-acre was under litigation and 4 acres is absolutely clear? The next part is whether we will have to develop any units for the BMC? And if yes, then how much it will cost us? I have a few more if you want, I can cover entire thing.
- K. T. Jithendran:** So just to give a little more clarification on this litigation aspect, which is already covered by Mr. Dalmiaji in the opening statement. So, the litigation is clearly on restricted to that 10 acres of land on the Worli -- sorry, the litigation is restricted only to the Worli West land, not to the East land. East land is totally clear and has nothing to do with it. On the West land, which is approximately 10 acres, 3.5 acres was freehold, there is no problem, it's absolutely clear.
- If you remember a few years back, we had said that we have won in the high court, etcetera, on this 6.5-acre land, which is a long lease land from BMC. So that is where the order got reversed in the Supreme Court. So, the thing remains that only the 6.5 acres is where we have suffered a loss in this litigation. Otherwise, the rest remains intact. Also, it's pertinent to mention that there is a lot of obligation in terms of building the workers' colony there, etcetera. So if the land goes, obviously, the responsibility and the liability of redevelopment, etcetera, also moves to the owner of the land.
- Dixit Doshi:** So, in case this land goes, so we will not have to build anything?
- K. T. Jithendran:** Right. You're absolutely right.

- Dixit Doshi:** And is there any space where we can appeal against this order or it's full and final done?
- K. T. Jithendran:** These legal options we are exploring at this point of time.
- Dixit Doshi:** And just regarding this, if we surrender this land, I mean whether we will be getting any additional FSI, TDR or anything? And is there any option where we can give them this land somewhere else and keep this land?
- Snehal Shah:** This 6 acres, you clearly understand Worli East is 30 acres now because we also acquired the Wadia land. So that is completely a separate story. There are no issues on that. This is a 10-acre property of which partly 4 acres roughly is our own leasehold land. So, there is no litigation or any encumbrances or anything on that land. So that is free for us to develop. And we maintain that we will develop that. The issue is only on the 6 acres land. 6 acres land belongs to BMC. So, BMC has leased it to us. And we wanted to take possession of that, which the Supreme Court has said now you can't get it.
- So therefore, now everything related to that is BMC. So, we don't have to surrender because it is not our land that we have to surrender. It is their land now at the moment. I hope I'm clear about that. So, anything they have to do on that land is their liability. We have absolutely no liability on that land.
- Dixit Doshi:** And my second question is regarding the Niyara project. So how much units are unsold in the first tower and the second tower?
- K. T. Jithendran:** Yes, so in the first tower, about 400 units are sold out of 414. Second tower, about 86 units are sold out of 148.
- Dixit Doshi:** And any thoughts on tower 3?
- K. T. Jithendran:** Yes, that we are planning to bring it in this coming year.
- Dixit Doshi:** FY '26?
- K. T. Jithendran:** Yes.
- Moderator:** Next question comes from the line of Siddhant Chhabra with Minerva Asset Advisors.
- Siddhant Chhabra:** Just had a couple of questions on the paper and pulp segment. Firstly, if possible, can you give me a split of wood procurement between Subabul, Casuarina and Eucalyptus, the 3 types of wood?
- Snehal Shah:** Siddhant, I don't have that breakup at the moment. You can drop an email; I'll send it to you.
- Siddhant Chhabra:** Okay. And when I drop the email offline, could you also tell me how it's changed over the last year. That's also possible?



- Snehal Shah:** Okay. I'll try to send you this trend or whatever. You want to know Eucalyptus and Poplar, right, the breakup?
- Siddhant Chhabra:** No. So Subabul, Casuarina and Eucalyptus, what the split is of wood procurement between these 3.
- Snehal Shah:** Okay. Fine.
- Siddhant Chhabra:** Okay. So my second question now is regarding wood prices. If you can give me an idea that how do you see domestic and imported wood prices moving over the rest of the year?
- Snehal Shah:** I think the cost pressures will continue. The wood prices have gone up by close to around 6.5% from last year and imported pulp has gone up close to almost 17-odd percent up. So that pressure will continue, particularly imported pulp because of the dollar -- rupee depreciation also would impact the pricing of that. So that is one thing. And there is the demand-supply part, probably it will also continue because there are new capacities that have come up in the market and all that. So those cost pressures will certainly continue in the near future. There is a possibility that slowly as the demand picks up, we can pass on some of it in the pricing.
- Siddhant Chhabra:** So are you saying that the domestic wood prices, you expect them stay stable or increase or...?
- Snehal Shah:** Mostly, we expect them to be at least sustained. But we don't expect it to considerably go down.
- Siddhant Chhabra:** So domestic wood prices, you don't expect a decline over the rest of this year, say, by December end of the year.
- Snehal Shah:** Correct.
- Siddhant Chhabra:** Okay, right. And on imported wood, you told me imported pulp, what about imported wood?
- Snehal Shah:** We don't import wood.
- Siddhant Chhabra:** Then my last question would be on Shandong Chenming, the Chinese paper company, they had a significant part of their capacity shut down in this last December quarter. So, first thing would be, have you heard any update on that, if it's come back or to any extent? And secondly, because of that, have you seen that the competitive intensity in paperboard has come down due to their capacities being shut off in the last quarter because they're quite a large player in the paperboard segment?
- Snehal Shah:** So, I absolutely don't have any update on that part. But you have to understand that we were facing pressures, both from imports as well as from new capacities coming up in the market. So, imports probably are slowing down, that is what we are seeing, but the pressure is still up because of the new capacities in the domestic market.
- Siddhant Chhabra:** Okay. So you're saying that in paperboard, import pressure has been slowing down?



- Snehal Shah:** Yes.
- Siddhant Chhabra:** Okay. And do you expect that to remain the trend going forward? Or do you expect the competitiveness to increase again?
- Snehal Shah:** Well, I think it would probably always be there. And now with particularly rupee depreciating also would probably slow it down a bit in my opinion. So, the pressure may be there, but it won't be as intense it was in this financial year.
- Siddhant Chhabra:** Okay. So again, like the decline has happened and you expect it to be slow -- the pressure from imported paperboard to be slow as well, not pick up again?
- Snehal Shah:** Yes.
- Siddhant Chhabra:** Right. Okay, I'll reach out to you regarding the split between the 3 types of wood procurement.
- Moderator:** Next question comes from the line of Harsh Pathak with Emkay Global.
- Harsh Pathak:** So K.T., with regards to your remarks that in fourth quarter, we'll be launching INR8,000 crores of new inventory. But to meet our original guidance of INR7,000 crores to INR8,000 crores of presales for the year, I think the ask rate is close to around INR5,000 crores to INR5,500 crores. So how confident are we that we'll be able to achieve this high sales from whatever we are launching in the last quarter?
- K. T. Jithendran:** Harsh, so apart from the launches, there are also sustenance sales. So, with a combination of both that we are pretty reasonably confident that we will be able to achieve this promised target.
- Harsh Pathak:** Sure. So that INR7,000 crores to INR8,000 crores remains intact, the guidance.
- K. T. Jithendran:** Yes, with the help of new launches and sustenance support.
- Harsh Pathak:** Sure. But in the sustenance launch, I was looking at the Q3 performance. So, I think the third quarter was mainly driven by Niyaara sales. I think 55% came from Birla Niyaara Phase 1, Phase 2 combined. But now again, Walkeshwar, we have not seen any sales during the quarter. So first is, how is the traction in the luxury and premium segment and the sustenance inventory is also low. So, my question was more around that.
- K. T. Jithendran:** Yes. So I'm not expecting huge listing because we don't have much of sustenance except whatever is leftover inventory from Silas and Walkeshwar, which is Birla Anayu. But I can be confident in saying that we are getting a lot of traction in both these projects, a lot of interest is being shown, people are coming and going.
- But as we know in this luxury sales, once the launch is done, it takes its own time for deals to be concluded. And usually, most times you have noticed that Q4 is a high action period for these very high-end values units, luxury sales are now about INR10 crores is -- usually seen pretty strong traction in that final quarter.

- Harsh Pathak:** Right. But are we seeing footfalls, good footfall still at our projects at the luxury side?
- K. T. Jithendran:** Yes. It's pretty strong.
- Harsh Pathak:** Sure. And my next question was regarding this Boisar land parcel. So what kind of development are we eyeing there? And when do we expect the launch of this particular project?
- K. T. Jithendran:** Yes. So it should be a pretty quick launch. It's a plotted development that we are planning there. So it's very well located, very close to the bullet train station, which is coming up from Ahmedabad to Mumbai. The location is very strategic. We've got a very good deal. So, it's largely a plotted development. So, I expect this to be launched in the next financial year.
- Harsh Pathak:** So, in the first half, we can expect this launch?
- K. T. Jithendran:** Yes, I don't like to guide so sharply. But I can, at this point of time, confidently say that should be in the next financial year.
- Harsh Pathak:** Sure. And what would be the GDV of this particular project?
- K. T. Jithendran:** Roughly about INR500 crores being a plotted development.
- Harsh Pathak:** For the entire project and this is completed our share, right? I think it's an outright purchase.
- K. T. Jithendran:** Right.
- Harsh Pathak:** And regarding the BD pipeline, I think in this year, we have already done a very good business development. So how does the pipeline look for the future acquisitions?
- K. T. Jithendran:** Yes. So, we have already done about INR23,000 crores. So, pipeline looks pretty robust, still very strong deals, both JDA and outright, we are pursuing at this point of time.
- Moderator:** Next question comes from the line of Pritesh Sheth with Axis Capital.
- Pritesh Sheth:** Just one question or actually a couple of them. One, first is on Sarjapur, since it's a big project, we would get approvals for the whole project, and we would launch 1 or 2 phase out of it? Or what's the plan there?
- K. T. Jithendran:** Yes, considering the market demand and the land structure, etcetera, we are actually planning for a single-phase launch.
- Pritesh Sheth:** Okay. So whole of projects will get launched at one go. Okay. That's good to hear. And secondly, on the debt part, INR4,000 crores, which is like close to 1:1 in terms of equity. How are we looking ahead in terms of managing the leverage? Is there some comfortable ratio that we have in mind?
- And from the trajectory perspective, is this going to go down from here on? And if yes, then how are you planning to bring this leverage down? I know, I mean, we have a good pipeline,

expecting a good cash flow from it, but it will take probably a couple of years for us to scale up to that cash flows, but in between how are we going to manage it and keeping the growth also in mind.

**Snehal Shah:**

So yes, the comfortable level for us will be somewhere around 1.1 of the equity. And I know we are very close to it. But then the thing you have to understand is we have these launches. So a lot of cash is expected to come roughly to -- even if you take 20% of what we are going to launch, that would be about INR1,000-odd crores at least that will come. That will help in reducing the net debt to us. The cash may not be available, but it will reduce the net debt. Therefore, we can access additional borrowings against that.

Plus, if you look at the launches that we have already done and the amount of bookings that we've done and you net off the balance expenditure and the balance cash that we have to receive from our launch project, we are much more comfortable, roughly around INR5,000 crores of cash is in the bank right now to be received in the next 2, 3 years based on that. Is it clear or you want some more clarification?

**Pritesh Sheth:**

I was on mute, sorry. I got that answer. Just one more follow-up there. In terms of land investments, we have some target in terms of how much we are going to invest to acquire projects considering we have already built a reasonable pipeline. So, what's the target there for next year?

**K. T. Jithendran:**

So as we said, we have exceeded this year's target by more than 25%. But as we mentioned in the past also, we keep looking for good value-adding projects at good locations, which will further enhance our brand and we'll be able to do justice to the business. So, whenever we get such opportunities, we are at this point of time chasing up quite a few with no particular timelines. So, whatever we get, if it's a good deal within our parameters, within our broad guidelines, we will be happy to acquire it.

**Moderator:**

Next question comes from the line of Saksham with Ambit Capital.

**Saksham:**

My first question is related to the presentation. On Slide 17 for the MMR region, saleable area is increased by 0.5 million square feet compared to the previous presentation, while the GDV decreased approximately by INR5,000 crores. So, can you please explain the disconnect over here?

**K. T. Jithendran:**

Yes. So, we had just kind of kept the litigation part, whatever, that we kept it aside.

**Saksham:**

But if you would observe that your saleable area has increased by 0.5 million square feet. So it is now 10.6. It was earlier 10.1.

**K. T. Jithendran:**

The MMR. I will just check that and come back to you.

- Saksham:** Sure. And my next question is related to the Noida update. So, we haven't got any update on Noida currently. Any potential timeline or the GDV potential of that project, if you could highlight that as well?
- K. T. Jithendran:** Yes. So, Noida is still work in progress. As I mentioned last time, there are a few conditions precedent, which still is being handled by the land JV partner, the landowner. So, unless that is complied with, we are in no position to declare or talk about it.
- Saksham:** So no timelines on that as of now?
- K. T. Jithendran:** Yes, difficult to guess, wager a guess there. We'll be able to tell you once we do it.
- Saksham:** Sure. And my last question is related to the Worli land. So, what about the potential launches for FY '26, as you mentioned that you would be launching for Niyara for Phase 3. What about the Wadia family land that we have bought and the Century Bhavan, if you could highlight that as well?
- K. T. Jithendran:** Yes. It's too early to kind of give a guidance at this point of time. We are right now focusing on our launches for current quarter. Once we kind of make progress on this, we will be maybe in a better position to assess the situation. For sure, we are pretty confident of launching Tower C, this is the third tower. As far as the rest of the parcel is concerned, that we are in the process of market assessment, etcetera. So difficult to wager a guess now.
- Moderator:** Next question comes from the line of Siddhant Chhabra with Minerva Asset Advisors.
- Siddhant Chhabra:** I just wanted a re-clarification on the paperboard part I asked, because in the IP, it says that the Q4 outlook, both volume and pricing remains subdued in the board segment due to competitive intensity from low-cost imports. But when I asked the question earlier, we had discussed that pressures from import is slowing down. So I just wanted a clarification, am I misunderstanding something?
- Snehal Shah:** We are not saying that the pressure is off. I have just mentioned that the intensity might kind of reduce because we've seen some good -- I wouldn't say good on the rupee-dollar side. So that makes imports a bit competitive. That's all I'm trying to say.
- Siddhant Chhabra:** Okay. You had mentioned about domestic capacity also coming on within board. So could you...?
- Snehal Shah:** It's come in board, it's come in tissue also.
- Siddhant Chhabra:** Okay. Is it possible to disclose some names of the players where it's come up?
- Snehal Shah:** I think in our presentation on the tissue, we have already discussed. And in terms of board, you -- they are all big players like ITC, JK, etcetera.
- Moderator:** Next question comes from the line of Chetan Shewami with Accenture.

**Chetan Shewami:** I had a question that what kind of revenue split do you think between pulp and paper and real estate segment going forward? I understand that you are cautious about the performance of the upcoming launches in Q4, but still I would like to know like what kind of split do you think going forward because we are seeing consistent decline in pulp and paper segment, because of economic headwinds also, but we have also seen aggressive increase in the real estate segment in terms of revenue. So how do you expect the split? Yes, that's my first question.

**Snehal Shah:** So yes. I mean our focus in terms of revenue growth is going to be in the real estate sector, because we have no plans to add any capacities in our pulp and paper business. So gradually, you will see the turnover amount increasing in favor of the real estate business. And the pulp and paper business may just marginally improve its turnover, which would depend slightly on the volumes that we have planned in terms of better capacity utilization. And in case the NSR of the products improve.

**Chetan Shewami:** My second question is you would have expected some kind of EBITDA margin for the new launches or for the real estate segment for just quarter 4, so I understand that there is a lot of uncertainty about how the projects will perform. But still, can you give guidance about what do you expect EBITDA margin for the Q4?

**K. T. Jithendran:** So largely, it's between 25% to 35% of margins.

I also wanted to give a clarification because the question raised by Saksham from Ambit Capital that how the MMR, GDV increased from 10.1 million to 10.5 million. There has been a reduction in the overall Worli portfolio because of this Worli West land, where the litigation results have come. But there has been an increase because of Boisar land acquisition, which is in the tune of about 1.4 million square feet. So netted off, it comes from 10.1 million to 10.5 million square feet. Just wanted to give that clarification.

**Moderator:** Next question comes from the line of Amit Srivastava with B&K Securities.

**Amit Srivastava:** My first question is what is the plan for the construction cost in Birla Estates this year FY '25 and next year FY '26? And what is the collection we are looking at in this overall business?

**K. T. Jithendran:** Hi, Amit. So collections, of course, we have collected INR1,600-plus crores last quarter, which is already higher than what we collected the whole of last year. And through all these launches and further handovers, etcetera, we are reasonably confident of adding another INR1,000 to INR1,200 crores in that range. And we are having a good net cash flow from these operating projects of almost plus INR500 crores. So, construction is not a challenge. We're already running at a positive cash flow from our operating projects at INR500-plus crores.

**Amit Srivastava:** Any ballpark number, sir, on our construction cost?

**K. T. Jithendran:** Construction cost moves from project to project, depending on percentage...

**Amit Srivastava:** Overall total for the FY '25, sir.

- K. T. Jithendran:** We can come back to you on that number. Around INR1,800 crores is our construction spend going to be this year, roughly.
- Amit Srivastava:** And in terms of the project pipeline you have given 5, 6 projects which you're going to launch. If you can give us the breakup in terms of the GDV because the Thane project is large, but what is the kind of value we are launching in first phase in terms of Sangamwadi, what is the value you are going to launch?
- K. T. Jithendran:** So Sangamwadi, we are launching in the range of about INR400 crores.
- Amit Srivastava:** How much, sir?
- K. T. Jithendran:** INR400 crores Sangamwadi Phase 1. Trimaya, we are launching the new phase of INR800 crores. Sarjapur, we are aiming for a launch of almost INR3,000 crores. Birla Navya, about INR1,000 crores. Barmalt in Gurugram about INR3,000 crores.
- Amit Srivastava:** And in terms of the Birla Niyaara, have we seen any kind of price increase over the last 1 quarter, sir, particularly in Silas?
- K. T. Jithendran:** Sorry, what is that, Amit?
- Amit Srivastava:** So in the second phase, Birla Niyaara, have we seen a price increase?
- K. T. Jithendran:** Price increase, no. We haven't done any.
- Amit Srivastava:** Okay. And in terms of, sir, balance sheet you have already clarified, but just wanted to understand that this cash flow, which we are looking at in the collection will be seen in terms of the project, but that cannot be utilized for getting a newer project on a BD. So looking at the current balance sheet, it looks like that next year, getting a new pipeline and adding is becoming a challenge from the balance sheet perspective.
- Snehal Shah:** So Amit, what I meant was this money which comes gets into our RERA account. But that balance I have ends up reducing my net debt. I have, therefore, more leverage to borrow against that. Did you understand what I'm saying?
- Amit Srivastava:** Yes, yes. So basically a stand-alone business will keep on raising the fund.
- Snehal Shah:** Exactly, yes.
- Amit Srivastava:** Any thought process on the paper business, sir, because we are working since last 3, 4 years to improve on our operational efficiency, but we are not getting any results, though the market conditions are also not very conducive, but what is the long-term plan? So are we planning to continue this business or we have a plan to do something to release the fund from there to...?
- Snehal Shah:** At the moment, I will not comment on the second part. In terms, of course, this year has been not so good for the entire industry, you know very well. And we certainly faced that situation

more. And our capex that is happening is continuing to happen. But then if the cash flows are not in because of the business situation, then we postpone our capex also and that impacts our - - this about increasing our capacity and reducing our costs. But we are pretty hopeful that till the time we continue this business, I mean going forward, it will start producing the required cash flows. And at the moment, of course, the business will continue.

**Amit Srivastava:** Okay. Sir, last question is that when are we going to develop the Century Bazaar and adding it into our GDP, any thought process?

**K. T. Jithendran:** So Amit, on Century Bazaar, we have some plans, but with the acquisition of this additional land, we are rethinking on the entire strategy. Because we have enough of supply in this micro market, so we need to strategize and plan this properly. So that's work in progress.

**Amit Srivastava:** So it will be resi plus commercial, or how will be the mix? Any comment?

**K. T. Jithendran:** Both options are open. We are largely inclined at this point towards resi, but both options are open. Now we have enough of inventories. So we're exploring, yes.

**Moderator:** Next question comes from the line of Dixit Doshi from Whitestone Financial Advisors Private Limited.

**Dixit Doshi:** So, Birla Vanya, Alokya and Navya are under the delivery phase. So how much revenue recognition would be pending still?

**K. T. Jithendran:** So largely, I think Navya and Alokya is done, it's 100% done, except some customer receipts. People are taking their time to take possession, etcetera. As far as Vanya is concerned, we have done about half of it and the rest half of it will be partly for this year.

**Dixit Doshi:** So, around INR400 crores, INR450 crores of revenue.

**Snehal Shah:** Roughly that is the number. Yes.

**Dixit Doshi:** And it will happen in Q4 only or some will...

**K. T. Jithendran:** Bulk of it will happen in Q4, there may be some spill over to the next year.

**Moderator:** Next question comes from the line of Raj with Arjav Partners.

**Raj:** Sir, out of the INR14,980 crores of the ongoing projects, what will be the timeline for completion?

**K. T. Jithendran:** Time lines will range. It may go all the way up to 2029. We keep adding projects phases will keep extending. And we're going to launch new phases this year. So that will run for another 4, 4.5 years from here.

**Raj:** Understood. And sir, how much would be the EBITDA on this ongoing part?



- K.T.jithendran:** Ongoing, it roughly takes 30% to 35%.
- Raj:** 30%, 35% EBITDA?
- K.T.jithendran:** Yes.
- Raj:** And sir, then on the upcoming part, which is around INR48,000?
- K. T. Jithendran:** Yes, I think at this point of time, we should assume similar EBITDA. That's what we are doing. But largely, as I've always tried to guide the analysts that we look for IRRs, we're focused on IRRs. So, we'll keep selling inventory and convert inventory into cash and move into new projects. So that is constantly our model being very capital efficient and also trying to convert inventory into cash and keep turning over cash because in a business which is essentially cyclical.
- I think it's very important to focus on return on equity, return on capital employed rather than purely on EBITDA. So, EBITDA may guide you to keep on sitting on inventory to achieve your targeted margins. So, we are more about cash turnover.
- Moderator:** Next question comes from the line of Hardik Jain with ISJ Securities.
- Hardik Jain:** Yes. I think most of my questions are answered. Just 2 things. Any thoughts on Prabhadevi, I think last time once it was asked, I think it's answered that it's in distant future...
- K. T. Jithendran:** Not at the moment Hardik.
- Hardik Jain:** Okay. And is there a chance or are we thinking on redeveloping Century Bhavan?
- Snehal Shah:** That will come before Prabhadevi.
- Hardik Jain:** So how big is that portion Century Bhavan?
- K. T. Jithendran:** So, Century Bhavan is situated in a plot of about an acre roughly, and it has a potential of about roughly 4 lakh square feet. We also have to be careful how to schedule the entire launch phases of Worli. Worli, we have plenty of inventory, positioning, planning, pricing, all of that is required. So accordingly, we will. That plan is work in progress at this point of time.
- Moderator:** Next question comes from the line of Isha Shah with Nirzar Enterprise.
- Isha Shah:** My first question is, in last con call, you had mentioned that for project Mathura road, Delhi, there were few approvals that were pending. So, I would like to know what's the status on that? And are we planning to launch that? Or what's the status over there? The second question is related to the Pulp and Paper business. Sir, what would be the NSR and operating cost per ton as compared to our competitors?
- K. T. Jithendran:** So, on the Indian Hume Pipe project in Delhi, there has not been much progress on the approvals. We are expecting after the elections, things will improve. There will be more responsible people

taking charge. At this time, committee is not in place, etcetera. So definitely, that's not going to be launched this year. If at all, it will happen only in the next financial year. We haven't made much progress there, as of now. We're waiting for the new establishment to come, post elections and then take charge.

**Snehal Shah:** On the Pulp and Paper business question, I mean I would not like to comment on the NSR comparison because it's not just one single product. There are different kinds of products. And within those products segment also, there are different varieties of products. So, there will be some places where our NSR is better than the competitors or maybe equal or maybe lower. What is important is on the cost factor roughly on an overall aggregate basis. Usually, we have a little bit of a cost disadvantage of close to about 5% to 6% vis-a-vis our premier competitors.

**Moderator:** Next question comes from the line of Siddhant Dand with Goodwill.

**Siddhant Dand:** You said you had a 4% to 5% cost disadvantage to your competitors. So, any reason why?

**Snehal Shah:** See, there are a couple of reasons. One is some competitors have certain subsidies available. We have just slightly older plant, etcetera. And we have a locational disadvantage also where if you want to go out of north, it becomes a little challenging for us in terms of logistics. And there are a few competitors with higher capacity could afford to put some captive plants for processing mechanical pulp which for us, it doesn't make sense. So, we have to import them.

So based on the pricing of the imported pulp, sometimes it becomes our disadvantage. So, there are a variety of reasons. But broadly, we have estimated that we kind of more or less at any given time, would range between 5% to 6% of the competitors cost. So, our EBITDA margins are not as -- would be if they are 20% competitors -- I'm just talking about the major competitors, they would be probably about 25%, 26%.

**Siddhant Dand:** My second question was on the antidumping duty. So, are we working with the government?

**Snehal Shah:** We are constantly -- paper body, IPMA which is there, is constantly in dialogue with the ministry, etcetera, to ensure that. But the case is not very strong as we feel, I mean, from what we understand.

**Moderator:** Next question comes from the line of Akshay Ajmera with Nizar Securities LLP.

**Akshay Ajmera:** Just a quick question on the Worli West land litigation, you mentioned that how much GDV is revised downward because of adverse Supreme Court ruling?

**Snehal Shah:** Roughly INR5,000 crores.

**Akshay Ajmera:** INR5,000 crores. And in area, it would be how much, sir?

**K. T. Jithendran:** About 6.8 lakhs.

**Akshay Ajmera:** 6.8?

- K. T. Jithendran:** FSI potential.
- Akshay Ajmera:** Okay.
- K. T. Jithendran:** But we must also remember that along with this, also, there is a lot of rehabilitation liabilities also. So, the margins of this will be much lower than the usual margins. It is expected 4 to 5 years down the line. So the NAV will not be significant here, the NPV of this.
- Akshay Ajmera:** So there are no thoughts of procuring this land from BMC going forward?
- K. T. Jithendran:** So, we are exploring all options. Too early to come to a conclusion.
- Moderator:** Next question comes from the line of Prashant Gaikwad, an Individual Investor.
- Prashant Gaikwad:** I would just like to ask you one question with respect to the Century Bhavan. So what would be the revenue potential for that?
- K. T. Jithendran:** Century Bhavan, roughly about INR4,000 crores.
- Moderator:** Next question comes from the line of Himanshu Jhaveri, an Individual Investor.
- Himanshu Jhaveri:** What launches are we expecting in this quarter? And do we expect around INR3,000 crores to INR4,000 crores of presales this quarter to meet our guidance for the full year?
- K. T. Jithendran:** Himanshu, I have already explained the entire launch calendar, month-wise, project-wise, area-wise, value-wise right in the beginning and also, we are reasonably confident of achieving our guidance.
- Himanshu Jhaveri:** Okay. And are we seeing some slowdown in prices as in the end, the real estate is connected to the stock market and there their prices are down like 30%, 40%. So just to know for the knowledge?
- K. T. Jithendran:** So Himanshu, to what we are saying that we are coming up for launches also is that the inventory overhang continues to be very low, far lower than what it used to be in the past when the markets are not so great. Demand has been strong. Overall, if you look at year-to-year, there has been a higher intake compared to last year, the sales have been much higher than what it has been last year.
- So, it's too early to predict that there is going to be a slowdown any of that. So, there's been no let down in pricing. We had a launch in Q2 in Bengaluru. And we sold Phase 1 of Trimaya last year at INR6,800 crores sold out and at INR8,200 crores last quarter, and again, a full sell-out. So that is what the data tells you.
- Himanshu Jhaveri:** But as of now, we are not seeing any kind of slowdown?
- Snehal Shah:** No, not to my knowledge.

- Moderator:** Next question comes from the line of Sidhant Chhabra with Minerva Asset Advisors.
- Sidhant Chhabra:** So, you mentioned in your investor presentation that the writing and printing segment has witnessed soft demand in Q3. So within that segment, specifically copier paper, if you can give me an idea how the pricing has been over the last 2 quarters, so sequentially and how import intensity has been, you said it's increased, and how do you expect import intensity to be going forward within copier paper only?
- Snehal Shah:** Right now, I don't have the numbers. So just drop an e-mail, I'll answer your questions.
- Moderator:** Next question comes from the line of Raj from Arjav Partners.
- Raj:** On the upcoming launches part, which is around INR48,000 crores, right?
- K. T. Jithendran:** Upcoming launches of the future.
- K. T. Jithendran:** Yes, as of now, it's INR48,000 crores because 14 we have launched, which will happen over the next 5 to 6 years.
- Raj:** It will launch over the next 5 to 6 years, all right. And how much is our share from this whole amount?
- Snehal Shah:** See, apart from 4 or 5, I think there are only 2 revenue shares. So out of 63 about 47 is ours. Roughly 90%, this is ours.
- Raj:** Understood. And how much would be the EBITDA on this upcoming project?
- K. T. Jithendran:** Yes. So for projects like Worli, which is about 50%, our EBITDA is expected to the margin about 45%, 45% and the others we have acquired and the JDA, etcetera, range from about 25% to 35%.
- Raj:** And how much would be the overall cost in constructing all the INR63,000 crores of portfolio?
- Snehal Shah:** So we take out the margin, and that's what it says minus land cost is up. So if you look at INR63,000 crores, and we say that the EBITDA margin is 35%, rest is all cost, right? So that is the cost you calculate it.
- Raj:** I think it comes to around 10% PAT. Am I right, after including the PAT part?
- Snehal Shah:** Anyway, so this detailed accounting, this thing we can discuss outside. Our EBITDA margins is, as I told you in the range of about 25% to 35%. Projects like Worli and land around, which is about 45%, that is in broad guidance. The rest of the calculations you can figure out or we can talk about it offline.
- Raj:** All right. I will just drop in an email to your IR team.



*Aditya Birla Real Estate Limited*  
*January 22, 2025*

**Moderator:** Ladies and gentlemen, as there are no further questions, we have reached the end of question-and-answer session. I would now like to hand the conference over to Aditya Birla Real Estate Limited management for closing comments.

**R.K. Dalmia:** Thank you all for participating in this earnings call. If you have any further questions, or would like to know more about the company, please reach out to our IR manager at Valorem Advisors. Thank you so much for all your participation and interest in our company. Thank you so much.

**Moderator:** Thank you. On behalf of Aditya Birla Real Estate Limited management and Nomura, that concludes this conference. Thank you for joining us. You may now disconnect your lines.