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ARIHANT SUPERSTRUCTURES LTD.
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Date: 07.02.2025

Corporate Relations Department **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: **506194** Class of Security: **Equity**	**Listing Compliance Department** **National Stock Exchange of India Limited** Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 Symbol: **ARIHANTSUP** Series: **EQ**

Sub: Earning conference call transcript.

Dear Sir/Madam,

Please find attached the Transcript in respect to the Earning Conference call for the quarter and nine months ended December 31, 2024, conducted on February 04, 2025 at 02:00 p.m.

The transcript of the conference call can also be accessed at the website of the Company at www.asl.net.in

This is for your information and records.

Thanking you,

Yours faithfully,

For and on behalf of the Board of Directors
Arihant Superstructures Limited

Parth Ashok Chhajer
Digitally signed by Parth Ashok Chhajer
Date: 2025.02.07 18:55:51 +05'30'

Parth Chhajer
Whole-time Director
DIN: 06646333

"Arihant Superstructures Limited

Q3 FY25 Earnings Conference Call"

February 04, 2025

MANAGEMENT: **MR. PARTH CHHAJER – WHOLE TIME DIRECTOR – ARIHANT SUPERSTRUCTURES LIMITED**
MR. DHIRAJ JOPAT – CHIEF FINANCIAL OFFICER – ARIHANT SUPERSTRUCTURES LIMITED
VALOREM ADVISORS - INVESTOR RELATIONS MANAGER – ARIHANT SUPERSTRUCTURES LIMITED

MODERATOR: **MS. KUNJAL AGARWAL – ARIHANT CAPITAL MARKETS**

Moderator: Ladies and gentlemen, good day and welcome to Arihant Superstructures Limited Q3 FY '25 Results Conference Call. 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 Ms. Kunjal Agarwal from Arihant Capital. Thank you. And over to you, ma'am.

Kunjal Agarwal: Hello, and good afternoon to everyone. On behalf of Arihant Capital Markets, I thank you all for joining into the Q3 FY '25 earning conference call of Arihant Superstructures. Today from the management we have Mr. Ashok Chhajer, the Chairman and Managing Director; Mr. Parth Chhajer, the Whole-Time Director; and Mr. Dhiraj Jopat, the CFO.

So, without any further delay, I would hand over the call to Mr. Parth Chhajer for the opening remark. Over to you, sir.

Parth Chhajer: Hello and welcome to Arihant Superstructure Limited conference call to discuss Q3 FY '25 results and business updates. We have uploaded the presentation on the exchanges as well.

I'll just brief you all about the financial numbers for the quarter. In terms of consolidated financials, the total consolidated revenue stands at INR151 crores against INR119 crores in Q3 FY '24, registering a year-on-year growth of 26%. The total EBITDA for Q3 FY '24 stands at INR43 crores against INR26 crores in FY '24, registering a growth of 66% on a year-on-year basis.

The EBITDA margin has been recorded at the highest for any particular quarter in the history of the company at 28% and the same was at 22% in the year prior. The profit before tax stands at INR33.34 crores against INR18.79 crores in Q3 FY '24, registering a growth of 77%. The profit after tax for Q3 FY '24 stands at INR25.4 crores against INR15.6 crores in Q3 FY '24, registering a year-on-year growth of 63%.

Now talking about the key operating highlights for the quarter. The company has achieved sales booking of 551 units, which is equivalent to 4.74 lakh square feet, amounting to INR265.5 crores in terms of value. The average price achieved for the quarter was INR5,594 per square foot.

The average price per unit sold is close to INR48 lakh. The total collection for the quarter stands at INR129.1 crores. With respect to the revenue mix of the sales done, 6% is from premium housing, 63% is from mid-income housing and 31% is from affordable housing. We would also like to highlight that we have been able to bring down our ready possession inventory from INR55 crores in April 2024 to INR17 crores in December 2024.

On the business development front, we have acquired 23 acres of additional land at Chowk for our second horizontal project, which will be named as Town Villas, which shall have a total GDV potential of INR2,500 crores. With this acquisition and also the 11-acre addition to the World Villas land, we have been able to increase our land bank from 220 acres in April 2024 to 307 acres in December 2024. So, we have achieved our guidance of crossing 300-plus acres of land in FY '25.

Now just talking on the company and market scenario. As we know, the Union Budget was announced 3 days ago, which provides a fillip to the real estate sector by exempting the second self-occupied property from annual value, thus simplifying tax compliance and offering great financial flexibility. This amendment will make the buying of the second home property more attractive while benefiting our projects, World Villas, and Town Villas.

As we all know, the Navi Mumbai Airport is slated to be inaugurated in the next 3 months to 4 months and the traffic is expected to increase exponentially with flights to the tune of 150-plus flights being taking off on a daily basis from the new airport, the areas on the periphery of the airport will progressively become the most sought-after location for commercial as well as residential use, which can be witnessed by the job creations from the largest business houses of the country, namely Reliance Industries and Adani, venturing into industrial parks and service sector growth businesses.

The company's strategies have worked out well, especially the last few years as we acquired new projects and lands to the tune of 175 acres in the peripheral areas of the new airport and the Atal Setu. The timely investment in these projects and lands have given the company the benefit of low investment cost. The brand positioning of the World Villas project has increased our share in premium offerings in Mumbai MMR.

The Club 10 Gymkhana and 5-star hotel will provide annuity income revenues in the forthcoming years, which will be in line with the changing trends focusing on leisure, sports as well as hospitality sector. Our share in the premium projects too has been increasing steadily. Our current GDV stands at INR12,500 crores.

To highlight, land prices have significantly increased in the Navi Mumbai Airport region across all geographies, with the huge infrastructure projects that have been taken under execution and are achieving the completion stage. And I think we believe we have an edge with our recent acquisitions, which will drive us good fruits in the coming quarters. If you see our presentation, Page 9, it will give you a geographical showcase of our portfolio. So 75% of the portfolio today is in Navi Mumbai area, wherein around 57% is in the airport Panvel Airport influential area. So, I think that looks good going forward.

We have commenced deliveries also this Q3 FY '25 for our projects at Kharghar, Arihant Aalishan and also Arihant Aarohi at Shilphata. And further deliveries are also lined up at Badlapur, Karjat and Arihant Aalishan, the second tower in the quarter 4. With collections remaining robust, we are geared up for faster execution of multiple projects.

With this, I will now open the floor for question-and-answers. Thank you.

Moderator: Thank you very much. First question comes from the line of Suyash Bhave from Wealth Guardian.

Suyash Bhave: Yes. Sir, my first question is on the World Villas. What is the status update on World Villas? It seems from the presentation that there has been no new bookings in this quarter.

Parth Chhajer: Yes, the World Villas launch began in August. This quarter, we have sold approximately five units, as the initial launch phase saw strong absorption in the first two months. With construction progressing, Q4 has also started well for the project.

Suyash Bhave: Okay, sir. Any target as such that we have for FY '25 for World Villas?

Parth Chhajer: I think we should be able to do another, say, sales of 25 to 35 units till the year-end.

Suyash Bhave: Okay, sir. And on our growth guidance of 20% to 25% for FY '25, are we still on track for that?

Parth Chhajer: Yes, I think we should be able to achieve around 20%, 25% growth guidance as we had mentioned out in the first quarter.

Suyash Bhave: Okay. Sir, one more question. For the average per square feet realization that we are getting, they seem to be trending down in FY '24. Almost in every quarter, we were at INR6,000 plus per square feet, but they seem to be trending down in this FY. Any insight on that considering that since with all the infra projects kicking in, the prices should have shot up?

Parth Chhajer: So, this quarter is a downtrend in Q3 in terms of per square foot realization because we have sold a good amount of inventory in our Jodhpur projects in this quarter. So, that's why the realization has come down at an overall company level. But in terms of per square feet pricing, we have been able to increase it across the entire MMR region, which will obviously be reflected in the P&L also going ahead. So, it's always a mix of what sells when in the quarter, which derives the average realization. But I think Q4 will go back, say, upwards of INR6,000.

Suyash Bhave: Okay. Glad to know that. Sir, on the debt part, I have a couple of questions on our debt side. So, of the unsecured debt of INR280 crores that we have, of course, some is from the promoters, but I'm guessing some other is from non-promoters as well. As in, who are these lenders and what kind of cost of debt are we incurring on that? Any insight?

Parth Chhajer: All majority of the funds are from promoters of ASL and then promoters of ASL and their subsidiaries. So, in the subsidiaries, we have Agarwal family who have put in their stake. So, it's a mix of Chhajer and Agarwal families who are -- who have put in all the money. And the average rates are at 13% per annum, which are accrued on a yearly basis. So, there's no monthly servicing on the debt.

Suyash Bhave: Okay. Okay. Understood. Heartening to know that it's all promoters putting in their own money, yes. And sir, on the secured debt part of it, since we have a whole host of quality lenders, HDFC, Bajaj, Tata, so on and so forth, just maybe there is a gap in my understanding, but any explanation on why there is no credit rating report of our company's secured loan facilities?

Parth Chhajer: So latest exercise we have done. We have been able to achieve a BBB- credit rating, which is a stable outlook. But yes, we are working on that, and we should be improving that going forward in the coming quarters.

Suyash Bhave: Sir, this credit rating is by which rating institute?

Parth Chhajer: This was by Acuite and India Ratings. These 2 institutes had done it.

Suyash Bhave: Okay. Understood. So, one last question I have. In the Q3, we had made an exchange filing about some INR25 crores equity infusion in our hotel subsidiary, Dwellcons. But in the result block, its net worth is shown as INR1 lakh. Has that infusion not taken place? Or was it just an enabling resolution? Any insight on that?

Parth Chhajer: So, that INR25 crores is an infusion of preference share capital, which would be converted, say, after 13 or 14 years. So, at that time, we can decide whether we want to convert the preference share into equity. As on Q3, we have not done any transaction. In Q4, company will be taking up a tranche of INR25 crores. So, say, INR5 crores would be converted into equity in the Q4 in this quarter.

Suyash Bhave: Okay. Understood. So, it must have been classified in the form of debt in their books and hence, not shown in net worth.

Moderator: Our next question comes from the line of Anisha, an Individual Investor.

Anisha: Congratulation for the good set of numbers. Sir, I have a couple of questions. What percentage of sales in Q3 FY '25 came from premium versus mid-income and affordable housing?

Parth Chhajer: So, in terms of revenue, 6% was from premium, affordable was 31% and mid-income housing was 63% in terms of revenue on the total sales.

Anisha: Okay, sir. And sir, what are your capex plans for FY '25, particularly for a luxury project like Arihant World Villas, the 5-star hotel and Club 10?

Parth Chhajer: So, World Villas, we have started work. Club 10 also, we have started the works. And for the hotel, we have started excavation work. So, works have started. But since we are at ground stage, the expenses are less. I think we will be doing a total expenditure of around INR25 crores, INR30 crores for these 3 projects in FY '25. But FY '26 onwards, it will gear up, and we have the credit facilities also available from SBI. So, we'll be looking at very good opex in the FY '26 and '27.

Anisha: Okay. So, the timeline is '27?

Parth Chhajer: Yes these are horizontal developments. So, it takes 2 years for the development. Timeline for Villas is 2 years. So, December '26, we should be starting with the first deliveries. And for FY '27, we should be able to complete the Gymkhana also in calendar year '27, sorry. And hotel will be taking more time. That will get ready, say, by March '28.

Anisha: Okay. Okay, sir. Sir, I have one more question. Like what impact does infrastructure projects like Navi Mumbai Airport and Metro expansion have on your project demand? And have you have any project demand and pricing for that?

Parth Chhajer: Yes. So, there are multiple infra projects, which have already reached the advanced stage. MTHL, the Atal Setu is ready. Airport is also going to start operations in 3 months to 4 months. Multiple road corridors, flyovers, coastal roads, bridges are being created to connect people from across the city to the airport and the surroundings of it.

So, those good infra projects are going to lead to good demand for residential and commercial housing. But majority big developments where job creations are coming, that is going to be from the Reliance Industries, the industrial park, which is on, say, 5,000 acres, which was all over the news in January. Then, obviously, data centers being brought in by MIDC as well as the Adani Group are going to yield a lot of jobs.

Kharghar Corporate Park, which is on the similar lines of BKC-2, that will also yield another 2 lakh jobs in the coming decade. We see job creation of multiple categories across blue collar, white collar to the tune of 10 lakh jobs over the next 7 years to 10 years, which will indirectly mean an increase in population of 40 lakhs. So, current population is also around 40 lakhs existing, and that is going to double in the next 10 years.

And when the population is doubling in 10 years, the demand for residential housing is going to increase significantly. So, I think we are in a good position. We have the sizable inventories. We have the correct locations. The land bank is in place. Projects are there, and our brand positioning is the tallest in this region, which will also help us achieve good numbers over the next 5 years to 7 years.

Anisha: So, sir, what is your expected price hike because of this development?

Parth Chhajer: It will vary from location-to-location, but on an average minimum price rise we can expect is INR500 per square foot on salable area.

Moderator: The next question comes from Parikshit Kandpal from HDFC Securities.

Parikshit Kandpal: Parth, congratulations on a great quarter. So, Parth, my first question is on again on the airport. So, what portion of your current GDV of INR12,500 crores would be in the airport area?

Parth Chhajer: The Panvel and airport area is 57%. So, almost you can say INR7,000 crores is in the airport area. And then Kharghar Taloja, which is, say, 7, 10 kilometers from the airport, happens to be another INR800 crores in the GDV and Vashi is around INR575 crores.

Parikshit Kandpal: So right now...

Parth Chhajer: So, INR7,500 crores to INR8,000 crores.

Parikshit Kandpal: Okay. Sorry, how much?

Parth Chhajer: Around INR7,500 crores to INR8,000 crores.

Parikshit Kandpal: Okay. So, once this airport comes in, the current realization would be in ballpark, how much right now in that airport area for you?

Parth Chhajer: So, Arihant Aspire, we are now achieving around INR7,000 per square foot on salable area. And I think we can expect a INR500 jump over the next 1 year easily.

Parikshit Kandpal: You're talking about almost 6%, 7% kind of a jump, so which increases your GDV almost INR500 crores, INR600 crores, 6%, 7%. So, about INR500 crores GDV will increase because of the pricing?

Parth Chhajer: Yes. I think that's the minimum that should happen. It could go higher, but we expect this much.

Parikshit Kandpal: If I have to see on the cash flow point of view, so this GDV of INR7,000 crores, INR8,000 will give you approximately how much 15%, 16% cash flows, right?

Parth Chhajer: Free cash flows, we should be able to do 20%.

Parikshit Kandpal: So, 20% means 20% of INR8,000 that would be 1,600 crores. So, the INR500 crores get added, so almost 30% increase in your free cash flow because of this price hike of…

Parth Chhajer: Right.

Parikshit Kandpal: Okay. So, that's a big variable, I mean. And if that is you're talking minimum and in that area, I mean, we have seen in airport area, the prices can be significantly higher also moving forward?

Parth Chhajer: Could be.

Parikshit Kandpal: Yes. And just on the new land business development, so how are you looking at it now given that you have already substantial GDV with you? So, first of all, how much time do you think you'll be able to launch this entire GDV? And then beyond that, over the next couple of years, how do you think business development will pan out for us?

Parth Chhajer: So, the entire GDV, we expect to launch and sell in the next 4 years to 6 years and complete it in 5 years to 7 years from now. That's the timeline. And business development, we've added good amount of land already in this financial year. Maybe some more parcels are being evaluated. And if the opportunities are good, we will grab them as well. But yes, we have a decent amount of inventory now with respect to our company size. And I think we can build on it from this going forward.

Parikshit Kandpal: Okay. Just lastly so what is the guidance of pre-sales for FY '25 and '26 now?

Parth Chhajer: FY '25, we should do around INR1,200 crores in terms of pre-sales. FY '26 will be around INR1,550 crores to INR1,600 crores of pre-sales.

Moderator: The next question comes from the line of Anirudh from Veer Capital. Please go ahead.

Anirudh: Yes. Am I audible?

Moderator: Sir, your voice is echoing a little bit. If you're using the speaker phone, maybe just request to use the handset, please.

Anirudh: Sir, just wanted to understand with multiple projects in the pipeline, how do you plan to manage the debt profile in this year?

Parth Chhajer: This financial year, debt will increase slightly from the existing. We're not looking at any decrease in debt. Debt, because majority of the debt is now secured. So, there are obviously moratoriums offered by the banks for 2 years, 3 years and then the repayment starts. So, debt repayment for our company will majorly begin in FY '27.

Anirudh: Okay. Okay. Understood, sir. Sir, and also one on the broader perspective, I wanted to just understand, so how has the sentiment in the real estate industry evolved recently and particularly in the affordable and mid-income housing segments?

Parth Chhajer: Sentiments are very good. I mean, we launched a project at Shilphata in this quarter, it has done very good amount of sales also. Somewhere close to 250 units have been sold already in the project. We've got a very good response in terms of pricing, have been able to achieve a 20% higher price than majority of the neighbouring developers, which include multiple grade A companies also, some companies much bigger in size than us as well.

And still because of our uniqueness in products and the location and the right design, we have been able to achieve very good velocity along with higher pricing. And I think the markets are looking good.

Even when we talk of mid-income and affordable housing, the demand is increasing. And since the majority of the people are in this category with respect to income groups, the demand will always be there across this product line of affordable and mid-income housing going forward for the next 1, 1.5 decade.

And I think we have really mastered this portfolio very well. We are able to deliver good profits, execute projects rightly at good efficiencies. And obviously, our land procurement has been a great strength in helping us make affordable housing and mid-income housing our forte. So, it's a matter of quick churn, which is essential to execute it rightly to achieve the correct numbers.

Anirudh: Okay. Sir, understood. Sir, just one last question on Town Villas project. So, if you could throw some light on where will the project be situated and what is the launching timelines? And if you could also explain what is the vision behind this project?

Parth Chhajer: We don't want to reveal a lot today. It is located before World Villas, 4, 4.5 kilometers before our World Villas site of the old Bombay-Pune highway. We don't want to reveal our product today because we are still in the design phase. So, designs are being made and the drawing board scheme is not yet developed, but it will be something which will help us achieve very good velocity, and we will be able to distinguish ourselves very largely with the other neighbouring apartment developments and by offering a very unique proposition in a similar price range.

Moderator: The next question comes from the line of Raaj from Arjav Partners.

Raaj: Sir, out of INR12,000 crores of GDV, what would be the completion timelines on it?

Parth Chhajer: We will take 5 years to 7 years. So, in 5 years, we should complete around 75% to 80% of it, and then the balance in the 2 years after fifth year.

Raaj: 20%, 25% in next 2 years' time. All right. And sir, what would be the margins on this GDV?

Parth Chhajer: I didn't get you.

Raaj: How much would be our embedded EBITDA and PBT on this GDV?

Parth Chhajer: We should do an EBITDA of around 30% average, so around INR3,700 crores.

Raaj: And sir, how much cost will we incur to develop this GDV?

Parth Chhajer: Total cost of the development will be around INR6,500 crores.

Raaj: And it will be funded majorly via debt?

Parth Chhajer: No. The funding will be through customers' accruals, internal accruals from sales. Debt is something, which we will not be taking going ahead because already debt was taken to acquire these lands. So, our model is very simple. We don't put in a lot of capital post-acquisition of the project and approvals are received. So, after that, it's the sales, which drives the operating cash flows and the working capital for the company.

Raaj: Understood. And sir, as you had commented earlier, if there's a INR500 per square feet increase, then what would be our revised GDV?

Parth Chhajer: Our portfolio is around, 18 million square feet today. INR500 means around INR100 crores -- INR90 crores, INR100 crores.

Raaj: INR900 crores, I think.

Parth Chhajer: Sorry, yes, INR900 crores, yes. INR18 million, correct.

Raaj: INR900 crores. And sir, after like 5 months to 7 months of completion -- sorry, 5 years to 7 years of the entire completion, what would be our free cash flow from this entire thing?

Parth Chhajer: We should be able to generate a free cash flow of around INR3,000 crores from the total portfolio.

Raaj: Sir, total portfolio of INR12,000 crores, yes.

Moderator: Our next question comes from Kunjal Agarwal.

Kunjal Agarwal: Sir, I had few questions. So, how much of your ongoing and forthcoming projects are on the asset-light model?

Parth Chhajer: 16% of our portfolio is the asset-light model, which we term as JV, JDA, or redevelopment. So that is 16%, 1-6 percent.

Kunjal Agarwal: So, sir, any new land acquisition that we are planning? As you mentioned that the Navi Mumbai area will be more prominent after the airport and the Atal Setu, so any new land acquisition we can, see?

Parth Chhajer: Yes. Already this financial year, we've acquired close to 87 acres of new land and some more parcels are being identified. So as there is more capital available, we can look at more opportunities.

Kunjal Agarwal: Okay. And sir, like given the increasing demand for the premium housing, how do you see that the affordable dynamic playing out in the coming months? Or are we going more towards the premium housing, anything like that?

Parth Chhajer: So, the recent acquisitions are focusing on the premium housing development, which is basically Villas is always a premium development. It's never an affordable development, especially for Mumbai. But we see a great demand across all the segments. They're not only for premium housing. We are doing all, we will continue to do all types of houses. And we are seeing good sales and demand in the INR30 lakh of a 1-bedroom hall kitchen product also, and we are seeing good demand for INR2 crores of a 2-bedroom hall kitchen also.

So, demand is good across all segments since MMR Navi Mumbai is the first choice for anybody who is migrating from any other state across the country. The affordability, the ease of living and the quality of life that is being offered at a very lucrative price, you can say, for any resident, that's where it creates a uniqueness for them to go ahead and buy a good property.

And I think that's where the focus will be for us as a group to target all segments and in a distributed manner. So even if you see our ongoing portfolio today, 25%, we categorize in the premium housing, 37% is in the mid-income housing, 38% is in the affordable housing. So, we are doing almost equally every type of product, and we'll continue to do so going ahead also.

Kunjal Agarwal: Okay, sir. And like the MMR market is increasing like in competition point of view. So, what is your strategy to differentiate yourself and maintain the market share?

Parth Chhajer: Yes. Our strategies are to identify more locations, which will obviously, which have not been fully developed yet and to enter those markets at the right time where we are able to acquire land at good cost. So, that's the strategy. And in terms of project identification, we always look at the connectivity for any end user to reach to the site or the location while doing any kind of acquisitions. Going forward, we are also focusing on more redevelopment projects in the coming quarters. And I think we should be able to build on that also.

Kunjal Agarwal: Understood, sir. So, do you see that any competition, like competition from the large developers impacting your price or the sales volume?

Parth Chhajer: No, I think competition is good. It does not impact anyone's price or volumes. I think it only increases the size of the market. And I think if we are able to compete with the best of the players across the city, we are also one of them. So, I don't think we are shying -- we will not shy away from the competition. I think we'll instead create new trends with our uniqueness and achieve very different results like how we have done at Shilphata.

Moderator: Our next question comes from the line of Anisha Bharati, an Individual Investor.

Anisha Bharati: Sir, I have just one question, like the company as in to bring down its cost of debt from 13%?

Parth Chhajer: Earlier, the cost was around 14% 2 years ago. And I think with the new signings, with the new banks of HDFC and SBI, those debts are at around 10% to 10.5%. So, we have been able to bring it down substantially. And I think we should be able to bring it down more by another 50 basis points in the coming financial year because debt is of different types and different uses. So, the use of the debt will also determine the cost of it.

Anisha Bharati: Okay, sir. Sir, the company has been guiding 25% pre-sales growth and 20% to 33% EBITDA margin. Do you maintain this outlook for '25? And can you also give like for '26?

Parth Chhajer: Yes. I mean, overall, at a project level, we target 30%, 33% EBITDA margin. And obviously, when it comes to revenue recognition, it's a mix of multiple projects at one time. So sometimes there are products, which are at the price of INR15,000 square feet contributing and being mixed with a product, which is of INR3,000 square feet.

So, margins are derived accordingly. But if we see project standalone margins, we are able to make around 30% EBITDA at a standalone project level. And I think we should be able to improve on that. This quarter has been good on that front. We have been able to achieve a 28% EBITDA margin in this Q3 FY '25. And we'll obviously look forward to maintaining and growing it.

Anisha Bharati: So, sir, this 30% is for '25 or '26 EBITDA margin?

Parth Chhajer: So, that is at a project level. 30%, 33% is EBITDA that we look at a project level.

Moderator: The next question comes from Rishikesh from RoboCapital.

Rishikesh: Sir, the first question is with respect to the revenue and EBITDA on a reported basis. So, what is our guidance for FY '25? How we would be closing that? And going ahead FY '26 and FY '27, what would be our revenues and EBITDA margins on a reported level basically?

Parth Chhajer: So last financial year, our revenue was INR511 crores. I think we should be able to do 20% growth on that. And for FY '26 also, we look to grow at a CAGR of 26%.

Rishikesh: Okay. So, it should mean that Q4 would have to be around INR250 crores of deliveries, if I'm not wrong, right?

Parth Chhajer: Yes, you can predict that because multiple projects will reach the threshold of revenue recognition. If you see our Page number 10, so you can identify that multiple projects are still not reaching the 10% project completion threshold. So once those are at 10%, then obviously, the revenues will trigger in the P&L.

Rishikesh: Okay. And on a reported basis, we expect the EBITDA margins to be in the current rate, which in current quarter is around 28%?

Parth Chhajer: I don't know about that. I'll have to work on that, and we'll get back to you. But yes, last year, we did around 23%. So, we should be able to grow on that.

Rishikesh: Okay. Also, our interest expense looks relatively lower compared to the debt. Is it because of the moratorium that you mentioned to the previous participant and most of it would be starting from FY '27, the interest expense as well?

Parth Chhajer: No. So, the projects which are not triggering in the revenue, the interest for those projects is also capitalized. That's why it does not hit the P&L.

Rishikesh: But once they get...

Parth Chhajer: So once those hit, expenses will also trigger with respect to the direct expenses and the interest expenses.

Rishikesh: Okay. And when would that be?

Parth Chhajer: It depends. Whenever the project reaches 10% project completion status, that's when the project hits the P&L. So, the revenues and the expenses hit at that time.

Moderator: As there are no further questions, I now hand the conference over to Ms. Kunjal Agarwal for closing comments.

Kunjal Agarwal: Thank you to the management and the participants for joining the Q3 FY '25 conference call of Arihant Superstructures Limited. I would now hand over the call to the management for the closing remarks. Thank you.

Parth Chhajer: Thank you, everyone, for joining the earnings call. I hope we were able to answer the questions to your satisfaction. If you have any further questions or would like to know more about the company, then feel free to reach out our Investor Relations Manager at Valorem Advisors and our finance team as well.

Moderator: Thank you. On behalf of Arihant Capital Markets, that concludes this conference. Thank you all for joining us. You may now disconnect your lines.