ARVIND
SMARTSPACES

9th November, 2023

BSE Limited
Listing Dept. / Dept. of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

Security Code : 539301
Security ID : ARVSMART

National Stock Exchange of India Ltd.
Listing Dept., Exchange Plaza, 5th Floor,
Plot No. C/1, G. Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051.

Symbol : ARVSMART

Dear Sir / Madam,

Sub: Transcript of conference call with Analysts / Investors.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are attaching herewith transcript of the conference call with analysts / investors held on Thursday, 2nd November, 2023 to discuss Q2 FY 24 Results of the Company.

The same is being uploaded on the website of the Company.

Thanking you,

Yours faithfully,
For Arvind SmartSpaces Limited

Prakash Bhogilal Makwana
Digitally signed by Prakash Bhogilal Makwana
Date: 2023.11.09 18:40:59 +05'30'

Prakash Makwana
Company Secretary

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Arvind SmartSpaces Limited

Q2 & H1 FY2024 Results Conference Call
November 02, 2023

Moderator: Ladies and gentlemen, good day and welcome to Q2 FY2024 Earnings Conference Call of Arvind SmartSpaces 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Amit Sharma from Adfactors PR. Thank you and over to you.

Amit Sharma: Thank you very much. Good morning everyone and thank you for joining us on the Q2 and H1 FY2024 results conference call of Arvind SmartSpaces Limited. We have with us here today on the call Mr. Kamal Singal, Managing Director and CEO; Mr. Ankit Jain, the Chief Financial Officer; Mr. Avinash Suresh, Chief Operating Officer; Mr. Prakash Makwana, Company Secretary; and Mr. Vikram Rajput, Head Investor Relations.

Please note that a copy of the disclosure is available on the investors section of the website of Arvind SmartSpaces Limited as well as on stock exchanges. Please do note that anything said on this call that reflects the outlook towards the future, which would be construed as forward-looking statement must be reviewed in conjunction with the risk that the company faces. I like to now hand over the call to Mr. Kamal Singal for his opening remarks. Over to you Sir! Thank you.

Kamal Singal: Thanks a lot and a very good morning to all of you who are present on this call. Thank you for joining us today to discuss operating and financial performance of Arvind SmartSpaces for the second quarter and also for the half year ending September 30, 2023.

Diwali is around the corner and I wish you all a very, very happy Diwali and a prosperous New Year. My wishes also are there for the Indian cricket team. I hope the boys lift the trophy once again in the second half of this month post Diwali.

I would like to begin by sharing my thoughts on the real estate environment and broad highlights for the quarter and then we will look forward to your questions on anything that you wanted to ask.

The Indian real estate industry's path is filled with promise and potential, projections indicate the industry will touch a trillion-dollar mark by 2030 and thus strengthening its role as a major contributor to the nation's economy. The industry is harvesting the power of technology, embracing sustainable practices and adapting to the ever-evolving market dynamics.

The Indian real estate market has entered a secular upcycle driven by factors like increased affordability, rise in salaries, stabilizing of mortgage rates, etc., and this trend is expected to persist over the next few years which is expected to then sustain a healthy level of demand across various segments. Every major city across the country is experiencing very, very robust demand and high volumes of sales affirming the industry's improving outlook in general. This is especially true for progressive and branded players in the industry with very good business practices and governance structures in place. Both government and the real estate developers are taking proactive measures to expand availability of quality living spaces to the consumers in general.

Consolidation, scaling up, etc., are some of the features of this upcycle which is separating the wheat from the chaff. And leaders like Arvind SmartSpaces are driving very robust business development, seeing a pickup in launches, growing cash flows, diversifying across products and markets and witnessing market share gains, etc., and delivering sustainable growth in the medium to long term.

At Arvind SmartSpaces, our transformative approach goes beyond peripheral shifts, it goes deeper into design aspects, facilitation of changing living habits to create an optimum experience for our customers. This has in-turn supported our objective to bridge the gap between what the customer wants and what the developers are looking to supply. As a result, our business model is driving sustainable growth while using organizational resources optimally to generate healthy returns and cash flows.

Coming to the quarter in Q2 2024 we have indeed witnessed outstanding results, our sales has surged to new heights registering a remarkable 95% year-on-year growth for the quarter reaching an impressive Rs. 369 Crores for this quarter. This substantial growth can be largely attributed to successful launches during the quarter. These new launches have not only strengthened our sales momentum but have also set a new milestone for us with quarterly sales crossing Rs. 300 Crores mark for the very first time.

One of the standout achievements of this quarter was the introduction of Uplands 2.0 and Uplands 3.0 at village called Adroda in South Ahmedabad. We have been doing quite a bit of work in west and north Ahmedabad, but this is our first project in south and hence it is all the more important. The response from our customers is nothing short of exception. We managed to secure sales of around Rs. 300 Crores, selling out the entire phase one of this project in 3 days, which encompasses approximately more than 4 million square feet of plotted development. This is a clear indication of the trust and confidence our customers have in our brand and the quality of our offerings.

We are also happy to report that our collections during the quarter reached a new milestone. We recorded highest ever quarterly collections with a substantial 133% year-on-year growth amounting to Rs. 263 Crores for the quarter. This achievement is especially significant as it marks the highest ever quarterly collection for the fourth consecutive quarter. This trend underscores our ability to maintain a strong operating cycle, aligning our sales, construction, and delivery process effectively.

Furthermore when we look at the overall performance for the first half of this fiscal year, we have achieved a record-breaking half yearly sales which exceeds Rs. 500 Crores and to be precise Rs. 504 Crores which represents a remarkable 64% year-on-year growth, additionally half yearly collections have also reached an all time high standing at Rs. 467 Crores and showing a substantial year-on-year growth of 90%.

We have also achieved an important milestone by successfully concluding first platform with HDFC Capital Advisors through HCARE- 1 fund. The platform delivered strong returns in the two and half years of its operations and we're delighted about the positive impact this has had on all our stakeholders.

In addition from the operating standpoint we have expanded our footprint by acquiring a new residential high rise project in Bengaluru. The project is located at Bannerghatta Road and marks our geographical expansion into the city in this key market of south Bengaluru. This project comes with a topline of around Rs. 400 Crores further enhancing our business development potential. With this addition our total business development potential for the financial year now stands at an impressive Rs. 2,800 Crores for the year. We remain on track to meet our goal of investing Rs.1,000 Crores making this a record year for our new project pipeline.

Now moving from operational updates to the financial highlights, H1 we have reported revenue of around Rs. 140 Crores up 26% on a year-on-year basis. EBITDA for H1 grew by 73% to Rs. 36 Crores, PAT for H1 grew 38

% to Rs. 17 Crores and in Q2 we reported a revenue of Rs. 73 Crores up 44% year-on-year and EBITDA grew by 177% to Rs. 20 Crores, PAT for the quarter grew 79% to Rs. 9 Crores for the quarter.

Our balance sheet position remains very strong despite expanding operations, our net debt decreased to Rs. (141) Crores means we had surplus of Rs. 141 Crores in the balance sheet as on September 30, 2023 from a net debt of around Rs. (87) Crores which existed as on June 30, 2023. A crucial parameter in real estate reflecting the underlying business performance quite well is the operating cash flows. During the quarter operating cash flows amounted to Rs. 160 Crores and we closed the quarter with a net cash position of Rs. 26 Crores. Operating cash flows during the first half stood at Rs. 271 Crores this means Rs. 160 Crores for this current quarter and Rs. 111 Crores for the previous quarter and put together the number stands at Rs. 271 Crores of operating cash surplus that we generated for this year as a whole in the first 6 months. We estimate an unrealized operating cash flow exceeding Rs. 2,205 Crores from the completed, ongoing, and yet-to-be-launched projects.

As you would have noticed in our presentation we have very recently pre-launched Sarjapur project, this project we have been talking about in the last few calls. The project is named Forest Trails. This is a premium villa project with 1.2 km of forest trail for walking and jogging and some of the finest of amenities for the micro market and in general. We look forward to deliver an exceptional experience to our customers in Bengaluru and this is going to be our biggest villa project in Bengaluru thus far.

To conclude real estate industry’s demand supply dynamics remains very robust. The ongoing trends of consolidation and corporatization are further enhancing the outlook for branded players. Our diversification efforts spanning both horizontal and vertical developments in Bengaluru and Ahmedabad are making very, very good progress. We expect to extend these same attributes to Pune and MMR as well with a focus on growing presence in these newer markets. With a strong brand, expanding geographical footprint, innovative product portfolio, prudent capital allocation, a very strong balance sheet with a very significant headroom to raise capital further and a commitment to operating excellence along with governance structures that we have in place already Arvind SmartSpaces is well positioned to sustain its path of profitable growth. We are progressing well to end the year on a very strong note with a slew of launches in pipeline.

On that note I will conclude my opening remarks and I would now like to ask the moderator to take over and open the Q&A session.

Moderator: Thank you very much. We will now begin the question and answer session. We have our first question from the line of Biplab Debbarma from Antique Stock Broking. Please go ahead.

Biplab Debbarma: Sir my first question is on the launch pipeline and business development pipeline can you give us some colour on where are we in terms of launch pipeline in the second half and what is the business development pipeline for us?

Kamal Singal: I guess I could still hear the question and understand what exactly is expected here if I may rephrase the question for everybody Biplab is basically asking for the launch plan from here onwards for the rest of the year. So Biplab thanks for joining and very good morning. Our launch plan is very strong. We are hoping that anything between four to five projects will be launched within this financial year and these four to five projects should carry a topline potential of around Rs. 1700 to Rs. 1800 Crores in total, so this is the launch that we are very hopeful that we should be able to bring to the market in next 6 months' time.

Biplab Debbarma: Sir in terms of business development I believe in the platform 2 with HDFC, we have significant like around Rs. 600 -Rs 700 Crores to be deployed do you think in the second half of this financial year we will be able to deploy the entire amount?

Kamal Singal: The second part of the question obviously was related to the BD side of it. This year has been a very, very strong year in terms of BD and we have almost touched Rs. 2,800 Crores of new project pipeline already but then many of the projects that we have taken of this Rs. 2,800 Crores of pipeline has come through JD route and hence that means that we have not really consumed our reserves, our surpluses, and our platform money significantly. As we speak we are yet to deploy Rs. 750 Crores which is available kind of on tap for the rest of this year and we are very hopeful that within next 6 months or 5 months which are left in this financial year this additional Rs. 750 Crores will be invested and that marks the completion of our Rs.1,000 Crores overall investment plan that we had in the beginning of the year so we are very well on track and we very hopeful that this remaining Rs. 750 Crores will be deployed in the remaining part of this year.

Biplab Debbarma: That is great. My final question is on the collection and strong operating cash flow, the trend is really very strong this growing quarter-after-quarter Sir just trying to understand is this strong cash flow and collection definitely you have a good sales number but is it because also that so far all projects have been predominantly horizontal and had these project been vertical, can we expect similar velocity in sales and collections or it would have been bit more moderate?

Kamal Singal: So very good question. If I have understood the question right and your audio remains a little problematic but the question essentially is what is the trend going forward in terms of these strong cash flows and is these very strong cash flows also a function of product mix and is horizontal strategy helping the cause of cash flows. Yes cash flows have been very, very healthy. For the first time last quarter we touched more than Rs. 100 Crores of net cash coming from operations and then this quarter is even better and it is Rs. 160 Crores for the current quarter so that means almost Rs. 270 plus Crores have been generated from the operations. Now where this cash comes from obviously it is a function of how the products are launched and how well is your selling velocities, so these are obviously always the prime drivers and they have come out right. We have sold quite healthy in various project categories that we are operating. There are also healthy cash flows coming from established projects like Uplands, etc., where sales is happening or the realizations are happening consistently out of the sales that happened in the past, but as you also very rightly mentioned a significant portion of cash flows and improved cash flows is also a result of a strategy of horizontal development and last three to four projects which we launched not only they sell very well but also because of the very nature of the project cash flows were frontloaded and they always are frontloaded and that has helped the cause as well, but horizontal does not mean only plotting, horizontal means plotting, horizontal means small villas, row houses, and luxury villas, and luxury row houses, etc., for example post this quarter we have just pre-launched our Sarjapur villa project which was long awaited. A very large one when it comes to this kind of a project with quite dense construction in the form of row houses, etc., and there also we are hoping that the way we structured our payments, the way we structured our overall offering, the cash flows initially and throughout the project will be pretty healthy. We obviously need good velocities to come in and that is what we are hopeful of, once that is done of course that remains a prime driver. Our cash flows are supposed to be healthy there as well so overall velocity, product mix, everything else is contributed and of course construction you still have to achieve certain milestones to get these kind of cash flow that we are talking about, so I think everything is fired, product mix is the right product mix as well and these three, four factors are helping cash flow for us.

Biplab Debbarma: Thank you Sir and Happy Diwali in advance.

Moderator: Thank you. We have our next question from the line of from Dhananjay Kumar Mishra from Sunidhi Securities. Please go ahead.

Dhananjay Mishra: Yes good morning Sir and congratulations on very excellent set of numbers as well as operating performance. Sir my question is we have done very well in terms of launching very quickly of the current project we have acquired and that is about 4 million we could sell immediately so how long it will take to complete because at this momentum I guess because this is plotted development so is it possible the entire thing in terms of cash flow will be happening within one year from this project and secondly you have indicated that Sarjapur is already pre-launched state so what is the response in terms of booking and all?

Kamal Singal: Normally if it is a pure plotting project it takes anywhere like one-and-a-half years and thereabouts to realize the money and that is what is expected as far as this project is concerned. Of course this project has multiple phases all we have sold is phase one of it but there is still a very significant potential left and we are right now preparing to launch more phases and sell more out of the same project but generally speaking a plotting project will have a lifespan of around 15 to 18 months maybe 20 months of time to realize the cash flows, so this is a very large project. We are talking about a 200 plus acres of plotting and golf course and a very large resort is coming up there, so quite a bit of development work is required. These are very, very highly amenitized, world class infrastructure with resort and golf, etc., things so they will take to complete, it will take two-and-a-half, three years' time but to realize whatever we are selling right now most of it maybe 85 to 90% money is received within 15 odd months to 18 odd months time that we sell these products so that is how it is shaping up. Forest Trail we just announced, we just pre-launched after this quarter. We just started building the market meeting with the channel partners, etc., initial response has been absolutely great and the early signs are quite good and we are very happy about what we are seeing right now but we will very soon come out with the numbers and that will happen sooner than later.

Dhananjay Mishra: Ideally it should come in Q3 Sarjapur?

Kamal Singal: You will see numbers coming in Q3 for Sarjapur. It is already kind of pre-launched and market building and selling has started just now it is not a formal sales but at least on EOI basis sales have started already. As we speak there is a very hectic activity and lot of rush on the site happening so yes definitely you will see some numbers coming in Q3 for this project.

Dhananjay Mishra: Secondly with HDFC platform investment as you said that Rs. 750 Crores had to be deployed so what could be the revenue potential because we are having just four, five months so you must have identified in terms of horizontal or vertical what kind of projects are there so what could be the revenue potential you can create from this Rs. 750 Crores?

Kamal Singal: So generally as a thumb rule we can talk and it really varies from product-to-product and category-to-category, investment to topline ratios change dramatically between say a plotting project and a built up high rise apartment project, but nevertheless if you were to just average quite a few things out ~Rs. 700 Crores should mean ~Rs. 3500 Crores of topline on a very, very broad average basis taking both these products of two extreme sites together and you would know that Rs. 3500 Crores will mean what kind of EBITDA, etc., that is a trend out there. So this is what it is from the fresh investment standpoint but obviously our investment or rather our pipeline will have two components one is the outright purchase projects which is these numbers Rs. 700 Crores means ~Rs. 3500 Crores of topline, but in addition to that we should also be adding a healthy component of JDs which require significantly less money in proportion to the topline and bottomline that it generates. In fact as I just mentioned the first ~Rs. 3000 Crores of BD that happened this year Rs. 2800 Crores to be more precise, a very significant component of that has come from the JDs and that means we still have a lot of money to invest and that is why we are still talking about despite adding ~Rs. 3000 Crores of BD we are still talking about Rs. 750 Crores being still there to invest out of Rs. 1000 Crores that we had so depending on how much we do the JDs going forward and continue to do the JDs to that extent the overall pipeline will change dramatically but the limited answer to the question you have is Rs. 700 Crores should result into ~Rs. 3500 Crores of topline.

Dhananjay Mishra: You mentioned this four, five project we are going to launch so of course we would have included Sarjapur so which other project you are going to launch is it Doddaballapur and any other you want to name?

Kamal Singal: So yes these are projects which are already declared. Sarjapur is obviously the first one then we have a project declared at Doddaballapur and then we have the last phase of Arvind Greatlands coming up very soon and Uplands Adroda we have launched already phase one but then there are two more projects coming as extension of this project which are called Uplands 2.0 and Uplands 3.0, so these are the five that we are planning to launch, so together these five will have a topline potential of around Rs. 1700 to Rs. 1800 Crores.

Dhananjay Mishra: Yes that I got and lastly just one clarification you are saying that operating cash flow for the first half is Rs. 270 Crores while in the result cash flow I am looking at it is showing Rs. 177 Crores?

Ankit Jain: Accounting methodology of cash flows works in a different manner. They are based on indirect method of computation of cash flows and even the land cost is part of the operating cash flow because finally land is not an investing activity from accounting perspective it is more of operating activity.

Dhananjay Mishra: Got it.

Kamal Singal: So if you take out the land investment which essentially is investment in new projects if you to not assume that as operating cash flow negative then the business has really generated Rs. 271 Crores but of course ~Rs. 100 Crores has gone into the land already in the new projects out of that.

Dhananjay Mishra: Thanks a lot and all the best.

Moderator: Thank you. We have our next question from the line of Abhishek Lodhia from Yes Securities. Please go ahead.

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Abhishek Lodhia: Good morning Sir two questions basically. First thing is we have posted a robust pre-sales of Rs. 390 Crores roughly big chunk of it came from the launch right and we still have four, five odd million square feet and from the rest of the projects we have done only Rs. 90 Crores whether this number is little more skewed towards launches and we have maybe scored little lesser in the ongoing project first thing is that, second thing is you said about deployment of Rs. 750 Crores for BD and of that roughly Rs. 600 Crores is from the HDFC platform and additionally you keep on saying that we would be doing most of the projects in JD model right then how that economics works on the HDFC platform because then 67% odd is HDFC and I understand the waterfall structure and the readier partner taking the bit of it then what would be left for us and how does that work out for us those are my two questions and sorry one more question we as a company right now having a launch pipeline of roughly 28 odd million square foot and we aspire to exhaust that launch pipeline in the next one-and-a-half year so how we should see that with the deployment of this Rs. 750 Crores we need to keep on doing BD at a maybe better pace or lot more BD we need to do to keep the momentum going those are my questions?

Kamal Singal: One data that you talked about is about Rs. 750 Crores of fresh investment and a very broad breakup which comes to my mind about the components of the Rs. 750 Crores is around Rs. 500 to 525 Crores coming from HDFC platform and our own money to the extent of Rs. 275 Crores or thereabouts, so that means maybe Rs. 225 Crores, so that means this is a very healthy mix of our own funds coming into the play here and they are maybe more than 33% or thereabouts of the investment that we have planned and a lot of money has already been invested from our own internal accruals in the past few quarters, Bannerghatta Road for example is one such example at least for the time being it is all funded through our internal accruals. Now when it comes to what is our skin in the game from the bottomline sharing point of view that in the new platform anyway we start with our investment to the extent of 33% and obviously our share in profits and cash flows is significantly more than that and on top of that our development management fee from the platform, so all put together it is a very, very thick skin that we have in the overall business in general but just to add a little more additional layer into the whole thing. JDs generally are not kept under the platform in fact till date not even a single JD is such where HDFC co-invest with us. JDs are all funded and invested. Anyway investment levels there are small comparatively and whatever they are we end up investing JDs ourselves from our internal accruals only so there is nothing to be shared as far as JD surpluses are concerned between us and HDFC and that is the reason why our overall margins, overall profitability and overall percentages in terms of EBITDA to sales, etc., remain at a mix pretty healthy and safe.

Abhishek Lodhia: Sir that means HDFC platform will only have the outright buy?

Kamal Singal: Correct that is what has been happening and that is what the intention is. We do not want to share a project with three people in general sense for example in a JD there is already a third party called the land partner and then we are there obviously land partner gets appreciation on his land because he is there to wait it out and take the risk with us but to have one more partner through platform in a JD structure will mean a little thinner skin for us and that is what we will not generally prefer unless the investment in JD itself is very big because if the underlying project is supposed to be very big even under JD and those exceptions are going to be rare and they have not happened yet so all the JD projects the large ones including the Kalyan Gadh one, the Adroda one or even the Sarjapur project that we talking about right now just got launched this month itself they are all funded 100% by us and nothing is to be shared with platform or HDFC.

Abhishek Lodhia: About the mix of your sales from launch and new launch and the ongoing one?

Kamal Singal: From quarter-to-quarter you will see these numbers going up and down. As a company we are still at an early stage of our growth in terms of absolute numbers and hence from quarter-to-quarter you will definitely see some peaks and troughs coming into these two segments generally our presale and sale too is pretty healthy, this quarter we have sold significantly more in the form of new launches, as such going forward because we have been selling pretty well the existing inventory value is not that high in any case. The leftovers in most of the projects are very, very manageable and sustenance sales is happening and that is where we also want to squeeze them out in the leftover bits and price accordingly, so going forward I see a trend that is significant or rather majority of the sales that you will see will keep coming from new launches and of course it will be backed by some healthy and strong momentum in sustenance sales. I do not have the ready number in terms of what is going to be the percentage of new launch versus sustenance sales on a quarter-on-quarter basis but I am sure this will be more like a two third coming from new launches and one third coming from sustenance as a thumb rule which we expect for the year as a whole and even going forward.

Abhishek Lodhia: Thank you Sir.

Moderator: We will take our next question from the line of Ritwik Sheth from One Up Financial. Please go ahead.

Ritwik Sheth: Good morning Sir. Sir few questions from my end firstly Sir if you can share some updates on the progress to enter MMR and also in Pune we have had one project and how do we go from here in Pune as well?

Kamal Singal: So generally in our scheme of things we are treating Pune and outskirts of Mumbai which we call as MMR. We treat these two markets as one market from investment priority standpoint and hence we are very actively looking at projects at both these places MMR and Pune simultaneously with a lot of rigor and vigor. As we speak there is a very strong team of people out there in the ground and evaluating quite a few options. We have a little finer lens as compared to the average developer would be having when it comes to selection of a land parcel from many standpoints which includes obviously the title risk and the regulatory risk and also the profitability benchmarks that we have for ourselves but we are very confident that with all these efforts by the end of this year we should be having at least one or two projects in our portfolio coming from MMR in Pune.

Ritwik Sheth: Great. The second question on the investments of Rs. 750 Crores which you have mentioned to be spent over the next few quarters will this be more or less own projects since the first Rs. 2800 Crores is JD so will this be more of own project so that could give us a better balance of JD and own projects is that a fair understanding?

Ankit Jain: Out of the Rs. 750 Crores as Kamal Bhai mentioned earlier around Rs. 500 to Rs. 550 Crores is yet to be deployed from the platform so all the platform money which is deployed is deployed in outright purchases only. Now we are left with another Rs. 200 to Rs. 250 Crores which is our investment. Our investment will definitely go more in JD as well as we are anyways open for scouting for our own outright purchases as well, so all together we have put in a target of deploying Rs. 1000 Crores of which we have significantly deployed and there is again further significant portion which is yet to be deployed and of course we would like to first leverage the platform because that platform exhaustion is first thing which we are targeting and post that also of course the running has to continue, the show has to continue so we will continue to invest.

Ritwik Sheth: Great and Sir just one more question the projects that we have acquired in H1 and the projects which we acquire in the coming quarters would that be a fair understanding that these projects can be launched in FY2025?

Ankit Jain: FY2025 will be too far I would say.

Kamal Singal: In one way it will be faster than that so whatever we acquire are normally a plotting and a horizontal project takes anything like 4 to 8 months' time, 9 months' time to launch and hence anything acquired this year will definitely be launched next year but then depending on when during this year we acquire something gets acquired in December for example should be launched by Q3 of next year itself so mostly we are looking at launching quite a few of these in fact all of these before the end of next year.

Ritwik Sheth: So basically if we acquire a project then we are looking at less than one year to launch the project?

Kamal Singal: Yes surely yes and if it is a built up project like the Bannerghatta Road project we have told about this project. Bannerghatta project for example there is a timeline internally that we keep is anything between 6 to 8 months only.

Moderator: Thank you. We will take our next question from the line of Naysar Parikh from Native Capital. Please go ahead.

Naysar Parikh: Hi thanks for taking the question. Most of the questions are answered. One question I had was on the finance cost so I think it is around Rs. 19 Crores or something this quarter so can you just talk what all is part of it?

Ankit Jain: Finance cost typically relates to interest. While you look at our balance sheet and the debt statement our gross debt is very, very minimal. This significantly represents the portion which we have paid out to HDFC because the HDFC structure works on redemption premium as well as the interest component on the OCD which we had issued as part of platform one, further whatever OCDs have been issued as part of platform two on a fair value basis the interest cost gets accounted as a part of interest cost.

Kamal Singal: Simple answer from the business standpoint is that essentially this is the platform money which is getting repaid in one form or the other as per the waterfall mechanism. The way it gets accounted is more like an interest on instrument way it is structured but this is definitely a long-term money which needs to be paid on a payable renewable basis and hence it is not a debt in that sense and we pay if we earn and we pay when we earn but essentially this outflow is getting accounted as an interest component in the overall balance sheet and numbers point of view but otherwise bank interest or the fund that we would have taken as debt that number is minimal in fact overall we have surpluses lying in the books of account to be very precise this quarter we have ended at a number of around Rs. 141 Crores being the surplus funds waiting to be deployed and hence interest obviously is next to negligible and this represents outflows to the platform which is a structured payment happening to the platform based on the actual cash flows.

Naysar Parikh: Understood so there was a growth of around 20% versus last quarter so going forward is this the number we should consider the Rs. 19-20 Crores per quarter is the number?

Ankit Jain: This was one time again because the platform one was paid off completely during the quarter and hence these numbers are looking at the levels where they are. On ongoing basis we need to consider with the outstanding OCDs so that is that statement is there as a part of our debt statement. The outstanding OCDs as on date are Rs. 52 Crores on that you can definitely assume. On a quarter-on-quarter basis the numbers will keep growing as we draw from the platform.

Moderator: We have our next question from the line of Ashish from Infinity Alternatives. Please go ahead.

Ashish: Thank you Sir. Just taking from the last speaker Sir just wanted to understand because this interest is effectively a cost of providing the end product, what is the long-term PBT margin that you think that we can target across different models that we have JDA, etc.,?

Kamal Singal: Difficult to predict the future and give you any guidelines is a little bit of something that we avoid but if you look at the numbers historically we are hovering anything between 11% to 12% of PAT margins and 26% to 27% of EBITDA margin. Obviously PBT is a little bit higher than the PAT and lower than EBITDA. We do not have any significant component of interest coming in between but yes 26% to 27% of EBITDA and 12% odd and thereabouts odd of PAT is something that we have been achieving and

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going forward we are hoping that this is the trend that we should be witnessing.

Ashish: The second question was that while we have seen a very significant growth in the bookings and assuming an 18 to 24 months time for completion so if I look at FY2022 we still had Rs. 500 Crores of bookings but the revenue run rate in terms of recognition seems to be significantly lower but do you think that we should look at a T plus two or T plus three for estimating the reported revenue number from the booking time?

Kamal Singal: I can again give you little more insights on how it works obviously it also got a lot to do with the product mix that you sell in individual quarters and individual years, etc. For example a plotting scheme or horizontal project will get recognized a little earlier. Plotting scheme possibly after 15 months to 18 months or maybe maximum of 24 months time you start getting into execution of sale leads and accordingly proportionately you start recognizing the revenues in the books of account but high rise product which is say 20 floors, 25 floors, etc., will take at least three-and-a-half years to complete and start getting into a sale deed mode, so depending on which project we sell when the time varies between two years to three-and-a-half years before we start booking from the launch date and that is how it will pan out and that is how it is logically supposed to be panning out. Right now quite a bit of sales has happened in the last two quarters at least from horizontal launches and hence these launches should start getting reflected in books of account in next two years' time.

Ashish: So Sir if I were to look at FY2023 we had Rs. 800 Crores of bookings and a large percentage of that was horizontal so would it be fair to assume that in FY2026 that should get reflected in our P&L by FY2026 end?

Kamal Singal: I do not think you are very off on this so broadly yes logically yes broadly yes and it should happen that way, yes.

Ashish: So basically what we are booking this year probably will hit us in our P&L in FY2027 so basically that will be a three year average cycle is what we should assume?

Kamal Singal: **A**bsolutely right yes.

Ashish: Thanks a lot Sir and I have a few more questions but I will come back in the queue.

Moderator: Thank you. We have our next question from the line of Deepak Purswani from Svan Investments. Please go ahead.

Deepak Purswani: Sir just wanted to check it out on the strategic direction and as you highlighted we would be looking on to invest Rs. 1000 Crores over the next six months including HDFC platform and our own money, would you also share directionally what would be the breakup in terms of horizontal and vertical development and also any broader guidelines in terms of investment or broader metrics in terms of the city level development maybe in Bengaluru what would be the amount we are looking to allocate towards the Bengaluru and also Ahmedabad and Pune region as a whole?

Kamal Singal: The first question essentially relates to the geographical for example mix so essentially we want to invest 40% Bengaluru, 40% Ahmedabad when I say Ahmedabad it is the Ahmedabad and Gandhi Nagar so 40-40 between these two major cities where we will go deeper and maybe 20% going into MMR and Pune put together so that is how it is. Between horizontal and vertical we have invested little more in horizontal in the past few quarters. As on date it is significantly skewed to the extent of 75% and 25%, etc., but going forward I think the skew will change a little and it will become 50-50 between horizontal and vertical. In fact we are putting a lot of focus back on vertical at this point in time that is why we just close one project few weeks back which is Bannerghatta Road in Bengaluru and so going forward this the mix should be more like a 50-50 between horizontal and vertical. At the same time between cities Bengaluru 40, Ahmedabad 40, and Pune MMR 20 is what we are looking at.

Deepak Purswani: Any targeted IRR we are looking out from this investment over a period of time?

Kamal Singal: IRR obviously again depends upon the structure, the product, the mix, etc., and there are significantly higher IRRs that we witnessing in horizontal, plotting and villa projects as compared to a high rise project but generally our lens says and tells that we take projects only when they exceed anything between 23% to 25% of IRRs when it comes to outright buy of the land. In JDs IRRs are much higher obviously because underlying investment is low so that is not that relevant of parameter but nevertheless it will be significantly higher than 25% general benchmark we have for the rest of it.

Deepak Purswani: That is it from me. Thank you.

Moderator: Thank you. We have our next question from the line of Faisal Hawa from HG Hawa And Company. Please go ahead.

Faisal Hawa: Sir what kind of digital initiatives we are taking to have a better hang of the customers who are visiting and of getting probably more footfalls into the sample flats for our projects and can you just enumerate some initiatives you have taken to speed up the construction and even the approvals part of your business and are we finding it difficult to find more business development executives with the real estate generally booming and falling into more organized hand that is one, second question is Sir that is there anything in mind of the management that how much we will do on the bungalows or the row houses kind of development and how much will be the vertical development because horizontal does like kind of sound to be a very big USP or a very good short cycle construction advantage for our company as opposed to other real estate majors?

Kamal Singal: I did not really understand the question related to the digital piece so are you basically asking how we are ramping up our digital infrastructure.

Faisal Hawa: There are now several platforms which can help you in selling your inventory very fast and even understanding your customer and really targeting that is one part where you just build the brand and there is another part where you have a targeted advertising.

Kamal Singal: So I get your question. Digital is something which is very close to our heart. This is a company or a group which essentially is driven by retail, fashion, etc., and digital piece there also has done great and it is in our DNA to have systems and mechanisms in place both in terms of people and software, etc., so we have a very, very evolved digital strategy under execution and if I have to just tell you some of the numbers our digital sale is possibly one of the highest in the industry. It is more than one third of our sales that we keep clocking over and over again through digital medium and loyalty sale which is a direct sale. In fact our direct plus digital component which is essentially driven by technology in both these cases is as high as 40% to 45% put together and obviously at the scale and size this possibly is the highest in the industry and these are the numbers to say that yes we are doing something great out there but behind this there is a whole piece of hardware and software and people and professionals who are working. We have got a disproportionate setup of digital piece here. In fact this also helps us keep our overall cost of goods sold within very, very manageable limit. This is possibly again one of those companies where the COGS is less than 3% consistently throughout even when you are Rs. 100 Crores this was the case and today we are at Rs. 1000 plus Crores it is the same and this is possibly one of the lowest industry put together for the mix that we have, so when coming back to the technology and how we do it, a very, very strong, very, very well organized call center operations exist. They are integrated back end and front end to a very significant extent. We run on SAP/Salesforce which are seamlessly integrated for example we will know which caller, which customer called when, responded when, how many impressions created, what is our funnel looking like, what were the total impressions, what were total clicks, what were the total walk-in ratios to the click, etc., so those are very, very closely monitored. We have hired some of the best talents in industry. For example at a very small scale we were able to hire or we rather hired a person who was heading this function for an organization which is possibly 50 times bigger than us and we invested that kind of money very, very early not only in people and even in software we have invested very, very heavily and hence this piece is clicking. This is reflecting in our numbers. Today as we speak I can even tell you which hoarding is doing what, whether this hoarding at Hebbal is making more sense or the hoarding at Sarjapur is making more sense and that is told and appreciated by the system. I can also kind of tell you that if I am running a campaign on a Facebook or on a Insta then for a project for the same dates which creative is making more sense so if I showing a club house for Sarjapur Villa project what is the efficiency of that creative vis-à-vis a villa elevation that I am showing, so if a villa elevation is resulting in more clicks per impression that we are trying to create and every impression obviously cost us then we know that it is time that we put more focus on a villa creative than a clubhouse creative for example. So these are inbuilt AI enabled initiatives which are already up and running, on ground not now but for the last several quarters and that is why almost like a third of our sales is coming from digital and this will obviously means that there is no intermediary and hence the COGS is very, very manageable maybe one third of the normal cost that one does in case channel partners are to be. There are several other cases, this is one of those call center and followups and this and that, etc., efficiency of the funnel but then we also have technology pieces now at least on beta levels implemented where you could just buy a house like you go on Amazon and buy without interactions at all so you could go, climb up go to the specific floor virtually and see the specific unit virtually and see various angles, see down look, left look, right look, up or whatever and see how the views are on this particular floor, so the whole drone technology comes into play and shows you actual views from your apartment, your balcony, your bedroom, etc., and you also on a runtime basis get to know what is the inventory available if it is showing it is available you could just go and swipe Rs.50,000 so we do not take lot of money through digital direct impersonal sales but still the customer can at least go click few buttons and say that I have paid Rs. 50000 that means the inventory is blocked for him and then the physical process will start from there onwards where people will go, talk to him, explain everything so that there is no ambiguity or no misunderstanding about the project and the product and the offering, etc., and the process move from there onwards, so at least you are able to block an inventory online without interacting with any individual and the experience of buying a house will actually be better than you going personally and not being able to climb the same floor and the same flat because it is under construction still virtually you get actually a little better sense than that for example, so technology is something very interesting and digital piece is definitely clicking for us.

Your next question was related to making construction better, etc., of course this is a complicated question put simply. I think India as a market is growing and the entire supply chain piece of houses is also improving in proportion in tandem. There are some very good quality contractors who shaped up well and you will see a lot of growth coming into the contractor balance sheet numbers as well. It is about selecting the right guys and having your own systems of controls, etc., in place. We have invested there as well in terms of various softwares and monitoring mechanism that is there. This company is driven by system, this company is driven by IT and we are very passionate about our systems and processes and IT specifically I personally look into it and this department directly reports to me and I would know what is happening on technology piece. One more example I can talk hours and hours on this because this is my favorite subject but just to tell you one more example of this is that we detail our entire records and document management from 10 years back 100% digitalized. We have a system of ticketing there if a smallest level of supervisor has some hurdles in his system or in his execution piece he can just raise a ticket against the Vice President of some other department saying that look your contractor has not turned up he was supposed to turn up today and hence my work is getting hampered and I am not able to start something that I should have started otherwise so that ticket is visible to everybody and the Vice

President is supposed or forced to be responding to the supervisor and make sure that this ticket specifically is not overdue and it is kind of acted upon and these kind of systems are very, very visible and being lived every day so yes these kind of initiatives are helping us. We have delivered most of our projects well in time and hopefully we will continue to do that. Of course challenge is growing and that is where we investing as a company and people etc., upfront and we are hopeful that we will be ready when the next orbital change comes in our operations and size and scale.

Faisal Hawa: My question will be finding it difficult to find like really quality business development executives and all with the overall real estate boom and also the corporatization of the real estate?

Kamal Singal: Every business essentially is a business of people only. If you got good people you succeed if you do not have good people you do not succeed, it is not about machine, it is not about bricks, and it is not about mortars, it is always about finding the right people so this is one challenge which is consistent being faced by everybody not only in this industry in our industry across industry this is the key and this is the mantra so it is about trying and investing upfront. At the runtime in a life situation to expect that you will find right people all the time is very difficult and of course it is becoming more difficult as economy grows etc., but it is about realizing and understanding your path and investing upfront so what we are doing is that we are keeping margins of the work volume, etc., which we are anticipating for ourselves and trying to put teams ahead of our requirements at least three to six months time ahead of our volumes and orbits that we are wanting to operate so that is one mantra we are following. We have hired some very impressive talent across industries, across functions, etc., in this business upfront and that is why we are what we are and we will continue to invest there. This is a challenge but obviously there is no option but to appreciate this challenge and act on this challenge.

Moderator: Thank you. We have our next question from the line of Bajrang Bafna from Sunidhi Securities. Please go ahead.

Bajrang Bafna: Congratulations for not good only it is a great set of numbers during the quarter so Sir my first question seriously pertains to the trajectory that perhaps as an analyst we were looking at seems like changing for our company and where we have created almost now visible pipeline of Rs. 4000 to Rs. 5000 Crores and this quarter numbers is really soothe to the eyes for our company where we are almost in the first half inching towards Rs. 500 Crores kind of pre-sales and we have guided that we will be growing 25-30% during the year so looks like the way my sense is that Sarjapur is also on the block which is going to be launched soon so is there any possibility of any upward revision of this thought process of let us say Rs. 1000 Crores pre-sales in FY2024 and the kind of pipeline that we have created in the last quarter any thought process that by FY2025 what is the kind of growth that we are looking at or is there any change for our community to see the company slightly superlative in terms of growth parameters maybe not 20-25% could be 30-35% so that matters a lot for us while analyzing or building the models and all, so if you could guide in that sense it will be really good for us and purely from a P&L perspective how do we see next year in terms of delivery of the projects that we have entered in last let us say two years so how that P&L purely is going to look like for FY2025 some sense on that will be really helpful? Thank you Sir. That is all from my side.

Kamal Singal: Sure thanks Bajrang very, very good questions from an analyst standpoint. We would still like to remain a little conservative when it comes to guiding the future but having said that we have been always telling that 25 to 30% growth is something which should be very much achievable. Of course if you look at last 3 years it is much more than 25-30% that we are talking about all the time and the trajectory today if we see I can throw a little more light in terms of the building blocks we have and then it can be left to the imagination and calculations, etc., for the analyst to do. In fact our blocks are very strong. The blocks are stronger than 20-25%, 30%

expectation. Our major investment is still to hit the market Rs. 750 Crores will mean Rs. 3500 Crores of fresh inventory coming only from the outright projects through internal accruals and this itself we are already at Rs. 5500 Crores of pipeline sitting today and this Rs. 3500 will mean Rs. 8000 to Rs. 9000 Crores of total pipeline that we are looking at by the end of this year. This year itself we have added almost like Rs. 3000 Crores of fresh BD and hence 25-30% is something which is a number we have been maintaining but there is a good chance that we could exceed that in the coming years and on top of that our strategy of keeping overall mix a little lean in terms of a mix between outright and JD is also clicking significantly. In fact one of the major strength that I would like to talk about here is about the brand and the brand when I say it is not in the context of selling our product to the consumer but it is also about our brand in the eyes of land partners. I see a great traction coming to this company where lot of great land partners are wanting to partner with us and they are willing to take bets on us on some very, very large land parcels take an example of this Adroda project Uplands 2.0, 3.0 and even Kalyan Gadh, these are like 700 acres coming to us with very, very minimal investments, every risk in that sense being taken by the landlord including conversion, ownership, etc., and guaranteeing the titles for the entire life cycle of the project, etc. I think these kind of large deals have started flowing in and people expect and people hope that we will do a better job than they doing it themselves or they are doing it from other kind of competitors, etc., that is where the brand is clicking very significantly and a mix of JD and this investment cycle coming back to your question means that in all likelihood one should hope that we should be able to exceed this 25-30% benchmark that we are always working but having said today we always say that our target is to continue on this trajectory of 25 to 30% growth in all the major parameters that one counts.

Bajrang Bafna: Got it and Sir on the P&L CFO Side if you can give some thought process that how we are going to see next year in terms of delivering the projects that we have launched in last two years?

Kamal Singal: Project delivery is happening and because we are little heavy today on horizontal obviously our completion cycles are shorter on average basis horizontal should be getting completed between two and two-and-a-half years and thereabouts and the vertical ones get completed in three-and-a-half, four years cycle to that extent our recognition will improve quite a bit in the coming quarters and years for sure. In the overall context how it will pan out I do not have the ready numbers. Generally speaking maybe I am more focused on creating the business in the sense of creating fresh pipeline and fresh sales, etc. Obviously accounting standard will work its own way and numbers have to come sooner or later but thankfully we have a product mix that these numbers will start getting reflected in the books of account faster than the industry average because we are more tilted than the industry average towards horizontal at this point at least so to that extent we can be a little more aggressive in our assumptions but having said that accounting standard will work the way it is supposed to be working and we are clearly focused on creating the pipelines and creating the fresh sales and momentum in fresh sales, etc., because we know that once that piece is done and taken care there is no way but for those numbers to enter into books of account sooner than later.

Bajrang Bafna: I totally understand Kamal Sir but the thing is that now the query was that how the pipeline is going to be created, how the presales pipeline will be built up so I think we have delivered more than what we have said in last let us say year or so or maybe two years, now we are building an expectation we want to see the real P&L because that is something maybe out of 100 of analysts only five or six will work with maybe the presales and all but 90% of your janta which is there in the market only understands what you have shown in your P&L, probably couple of more you can say seasoned investors would be able to understand the cash flow and maybe the pipeline that we have created but P&L is end of the day something which is again a soothe to the eyes that how much profit that Arvind has made during this year so this is something which is also a curiosity and now we are building an expectation that we also want to see the pipeline or the sales that we have done in last two years, now it should flow into P&L

so some guidance on that may not be in this quarter but some guidance purely from next year perspective if you could guide that will be really helpful for the entire community that was the whole purpose to just give you this kind of point.

Kamal Singal: So Bajrang the point is very well taken and I really appreciate what you are saying and absolutely it makes sense, fresh sales and pipeline, they are all very important parameters unless nothing is going to be happening that is for sure but then obviously the actual delivery of numbers in the books of account is equally important for a lot of people as you mentioned. Fortunately quite a few people have become aware of this nuance of when and how it gets reflected and what is more important is etc., but having said that as you said it is important to know the number and the trajectory I leave this question to Ankit. Maybe we can connect offline to get whatever information we could share with you which is as it is already available in the form of investor presentation at the website, but we will see what is the best analysis that one could achieve within the constraints and realm of compliances that we have in our system and take this forward from there onwards.

Bajrang Bafna: Thank you and all the very best Sir. Thank you very much.

Moderator: Thank you. We have our next question from the line of Rishikesh from RoboCapital. Please go ahead.

Rishikesh: Yes hi thank you for the opportunity. Sir I am just touching upon what the previous participant had asked about recognition so we are currently at around Rs. 280 Crores annual recognition run rate and if I see for last three years back we were doing around Rs. 600 Crores of bookings so would it be fair to say that we should be starting with Rs. 600 Crores of annual run rate, revenue run rate in H2 or at least in FY2025 would that be a fair assumption?

Ankit Jain: To be fair I think there are multiple questions on revenue recognition, it cannot mean that generally if we have sold Rs. 600 two years back it will come in this year or next year exactly because the product mix is equally important and the product completion and delivery is equally important so for certain projects we have already given indicative completion dates in our project portfolio schedule and those are the RERA defined schedules. They are our internal estimates only that these are the best estimates for project completion. Now applying the project completion method one can easily achieve in terms of what numbers you can expect from each of the projects because for each of the projects we have already given how much are the bookings as on date and how much revenue has been recognized as on date also for each of the projects individually so someone probably can work it out at a project level, it cannot be generalized to overall Rs. 600 Crores or Rs. 800 Crores number.

Kamal Singal: The information which is already made available in the investors presentation one can easily derive this broad projection number but you are right in saying that average lifecycle of our project completion is around three years putting horizontal and vertical put into together, bring together and more tilted towards horizontal and hence a quarter or two here and there this trajectory should be like that. There is no reason to believe that it will be very different from what we are talking about here. If three years is the number I think on an average in three years for any specific project we should start seeing some numbers coming into the books of account as a general principle and for the project and product mix that we are talking about here.

Rishikesh: Got it. That was helpful. Thank you very much.

Moderator: Thank you. The next question is from the line of Akshay Kothari JHP Securities. Please go ahead.

Akshay Kothari: Thanks for the opportunity. Sir just one question. Retrenchment in the Pune Market the project Elan, has there been any retrenchment because when I look at from the last quarter the area sold has reduced how come that is possible is there any return which has happened?

Ankit Jain: Yes in Elan there were two cancellations which were there and hence the area would have got reduced.

Akshay Kothari: We have not sold anything in Elan?

Kamal Singal: What we are doing in Elan is that it is about to be completed. It is a wonderful project which is about to be delivered and stuff and because this is only one project happening right now obviously the effort is to add at least two more projects in MMR and Pune going forward. We thought that we will slow paddle the sales for the time being couple of cancellations could be just any other event in the project lifecycle per se but our idea and the understanding was that we could realize significantly higher and better once the project is ready which is about to get ready next maybe three months, six months time this is absolutely done project. We are putting more than proportionate efforts in this yet to showcase this project and hence we thought that these 15-20 units which are left will be sold better when we are done with it rather than burning money today to promote it at a very small scale and then sell and try to do anything which is extraordinary so that is part of the strategy. Couple of cancellations could be part of the lifecycle of the project and can happen any point in time there is nothing specific and more to it but once the project is ready we should be able to liquidate this very fast because we know what product is coming out. It is just about three to four months away and I am very confident that once people see this project and product will be very happy about it and sales should not be a problem.

Akshay Kothari: Sir second question is on south Bavla Adroda project which we have taken, the price per square feet is around Rs. 777 currently so if I look at the second phase it comes to be around Rs. 1125 per square feet so is the second phase going to be much more premium than the first phase because the differential is huge as such?

Kamal Singal: This project in terms of realization has done wonders for us and there were some four or five if I can recollect price hikes which we took in a matter of three, four, five days that we sold this project in. Obviously as we progress prices will keep increasing even area is changing a little bit, these are large horizontal ones and we always have opportunity to add and subtract a few numbers. The numbers that you have seen do not include PLCs in my understanding. These are preference location charges and they are also pretty healthy in terms of overall realizations once that are also added into the phase one sales numbers then obviously the delta will not be as high as you are looking at between the phase two and phase one but yes realization has been great and they are improving.

Akshay Kothari: Because the competitors in the same area if I look at Glade one and Alaya by Zaveri group they are priced much, much higher?

Kamal Singal: So Glade One is not exactly the same location. It is very different in terms of its location Glade One is more like a southwest and this is extreme south as we are talking about. The road themselves are very, very different. The approach is very, very different, in fact on this road if you were to count and measure our velocity possibly is 3 to 400 times better than any other competitor and our realization will be at least 30% to 35% higher than the next door competition, the right comparison will be one of the projects called Pacifica Forrest Trails, Kings Villa another but this is a villa project but if you to take plotting as a benchmark then that is what it is. Glade One is a very different location, very different road it is like Sanand and thereabouts and it is a villa project in that general sense with golf and other things, so quite different in terms of location and the basic land price. If I have to tell you the land price difference between Adroda and where Glade One is it is like more like a Rs. 30 to 40 lakhs in Adroda on a per square feet basis and more like a Rs. 2 Crores in case of Glade One, six times.

Akshay Kothari: Alaya is much more premium?

Kamal Singal: I have not heard of this name Alaya yet maybe it is something small by a small developer in the vicinity.

Akshay Kothari: No it is by Zaveri group Alaya.

Kamal Singal: Zaveri Alaya I have not really come across maybe it is not on Adroda Road. It is not on Glade One road in my understanding, so I do not recall really what Alaya is. Zaveri also I am not sure.

Akshay Kothari: Yes I think that is it from my side. Thanks a lot.

Moderator: Thank you. Ladies and gentlemen we will be taking the last question that is from the line of Harshil Kothari from RV Investments. Please go ahead.

Harshil Kothari: So my question is on the line of Ahmedabad area so basically we have seen that Ahmedabad is a growing major IT hub so are we planning to take on corporate offices or data center project coming in the Ahmedabad area?

Kamal Singal: Here the answer is pretty straightforward we remain focused on residential in all the markets we are talking about in Ahmedabad, Gandhi Nagar, Bengaluru, Pune, MMR, etc., so at this point we do not have any specific focus on commercial or IT spaces and that is something which is going to remain like this in the medium term so as of now no, no IT and data center, etc, for that matter no yield business for the time being except for the cases where it is an adjacency so if you got 10 acres something going on where one-and-a-half acre, one acre was good for commercial and hence it was adding disproportionate value yes such things are always welcome and we have been doing those in bits and pieces here and there in a few projects in our portfolio but generally speaking to do a standalone IT, commercial, data center project the answer is no at least for the medium term.

Harshil Kothari: I wanted to ask you that do you have any unused lands for any upcoming projects if comes at a very good district?

Kamal Singal: So every large project especially in the horizontal side we always have leftover it will be a big tail in terms of value, it might be a small tail in terms of area left but it will be a very big tail possibly when it comes to valuation of the tail and we keep doing that. We did that in Uplands, we did that in Highgrove, we did that in Chirping Woods so hopefully Kalyan Gadh, Adroda, Uplands 2.0, 3.0, even Greatlands for example and even

Doddaballapur will have long value tails left and we keep exploiting on those things but otherwise it is a business model we do not do any land banking at all. The idea is to very, very quickly at the quickest possible timelines we want to hit the market once the land is invested in and exit at the quickest possible time. In fact in between entering and exit also we say we have a benchmark called the autopilot mode, autopilot mode in a project means that we have sold enough and more to ensure that the project becomes cash positive at least in terms of its expenditures, construction, overhead, selling expenses, etc., and that should be more like our first burst of sale which takes care of all these things so we have been achieving this very quick possible entry means launch of a project then the quickest possible autopilot mode and then the third to exit the project the fastest possible time and that means that we do not have any significant inventory or unused land left except for the LTVC project as we call them as the long-term value creation projects like Greatlands or Uplands, etc., where we will have a longer tail with very high values.

Harshil Kothari: Thank you so much.

Moderator: Thank you. Ladies and gentlemen that was the last question. I now hand the conference over to Mr. Kamal Singal, MD & CEO for his closing comments.

Kamal Singal: On behalf of the management thank you everybody for participating in the earning calls of Arvind SmartSpaces and for your continued support. I hope we have been able to address most of your queries; however, if we have missed out on any of your questions kindly reach out to Vikram and he will be able to answer whatever is left and you can connect him offline anytime. I look forward to interacting with you once again next quarter and once again I wish all of you a very, very happy Diwali, stay blessed and thanks a lot for sparing time for this call.

Moderator: Thank you members of the management team. Ladies and gentlemen on behalf of Arvind SmartSpaces Limited that concludes this conference call. We thank you for joining us. You may now disconnect your lines.

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