29th June, 2021

Corporate Relations Department **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	**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
Scrip Code: **506194** Class of Security: **Equity**	Symbol: **ARIHANTSUP** Series: **EQ**

Sub: Transcript of Conference Call for Q4 & FY 2020-21:

Sir / Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached Transcript of Conference Call, organized on Wednesday, 23rd June, 2021 at 02: 00 P.M. by the Company to discuss the Audited Financial Result for the fourth Quarter & Financial Year ended 31st March, 2021.

Kindly take the same in your records and inform the Stakeholders accordingly.

Thanking You

Yours Faithfully

For Arihant Superstructures Limited

ARIHANT SUPERSTRUCTURES LTD. NAVI MUMBAI

Govind Rao
Company Secretary & Compliance Officer

Enclosed: a/a

"Arihant Superstructures Limited Q4 FY-21 Earnings Conference Call"

June 23, 2021

MANAGEMENT: **MR. ASHOK CHHAJER – CHAIRMAN & MANAGING DIRECTOR, ARIHANT SUPERSTRUCTURES LIMITED**

MR. ABHISHEK SHUKLA – CHIEF STRATEGY OFFICER, ARIHANT SUPERSTRUCTURES LIMITED

MR. DEEPAK LOHIA – CHIEF FINANCIAL OFFICER, ARIHANT SUPERSTRUCTURES LIMITED

MODERATOR: **MR. VASTUPAL SHAH – KIRIN ADVISORS PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Q4 and FY21 Annual Results Conference Call of Arihant Superstructures Limited hosted by Kirin Advisors Private 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. Vastupal Shah from Kirin Advisors Private Limited. Thank you and over to you sir.

Vastupal Shah: Thank you. Good afternoon everyone. I would like to welcome Mr. Ashok Chhajer – Chairman and Managing Director of Arihant Superstructures Limited, Mr. Abhishek Shukla – Chief Strategy Officer, Mr. Deepak Lohia – Chief Financial Officer. Ashok ji over to you sir.

Ashok Chhajer: Abhishek you would start.

Abhishek Shukla: Thank you sir. First of all, a very good afternoon to everybody who has joined in the call and I would hope that, everyone at home and office are all safe and sound and healthy. Thank you for joining us on the conference call for Quarter 4 FY21 results. I'll first take you to the quarterly highlights and the annual highlights and the operational highlights in that order and then we can have a Q&A session.

So, we have had a good Quarter 4 as well as a good FY2021 on annual perspective. The total income in Quarter 4 FY21 was 124 crores, which is up by 98% from Quarter 4 FY20 figures. EBITDA has risen by 35% from 15 crores to 20.84 crores and PAT has risen by 95% from 6.9 crores to 13.48 crores from Quarter 4 FY20 figures. On annual level, the total income has risen by 14% from 237.85 crores to 272.31 crores, despite COVID disruptions in Quarter 1 last year. EBITDA has also risen from 47.6 crores to 50 crores and PAT has increased by 43% from 10.98 crores to 15.74 crores.

The overall borrowings of the company has fallen from 387 crores to 296 crores, a decrease of 91 crores that is roughly about 23.6% down. The company has done very well operationally as well. The inventories of the company has reduced from 388 crores to 354 crores which is down by 33 crores. Finished goods inventory which was 102 crores at the end of FY2020 was down by 56 crores to 46 crores in FY2021. The work in progress which is a good indicator of increasing construction activity at the site has risen by 23 crores from 286 crores to 308 crores. Simultaneously the company has done well on account of trade receivables that is debtors are down by 9 crores from 35 crores to 26 crores roughly.

The company has also in spite of increasing the pace of construction activity, the creditors are down by 10 crores from 63.07 crores to 52.79 crores, a good indicator of a timely payment to all the creditors of the company despite of increasing construction activity. The advances from customers has also risen by 26 crores from 144 crores to 170 crores, which is an increase of 26% and it's also significant considering the increase in sales that has happened.

Now I am moving to operational highlights; the sales for the whole year stands at 1097 in terms of units sold. In terms of amount or value terms, the sales have risen by 78% from 260 crores to 463 crores. The collections have also simultaneously risen by 24% from 236 crores in FY20 to 292 crores in FY21 for the full year. The company has done very well on sales unit terms, value terms as well as collection terms and all this has resulted into decreasing debt by 24%, 91 crores. Simultaneously we have also been able to reduce our weighted average cost of capital in last 2 years from 14.42% to 11.56% in FY21. Now I handover to Mr. Ashok Chhajer for briefing about the company strategy going forward.

Ashok Chhajer: Thank you Abhishek and everybody on the board. COVID first wave started off and then there were many opinions that how would the whole Indian economy do or the world economy do and most of us had very frightened views about real estate and will get a revival or what time cycles it will take. As a strategy we had Zoom meetings with the trade people in the real estate sector sales.

We launched a small project in the month of May '20 also when it was in national lockdown and to sense that what digitally it plays to reach out to the customers, we found it favorable. We brought out good policies, good cash flows to the channel partners and brokers where we gain their loyalty for working for the company Arihant and its sales. It was a time when on HR part, people where the companies had decided to either have a haircut to the salaries or laying off people. We as management took a different route and did not give up haircut to anybody and that gained us again bigger loyalty for the employees to work for company. We started recruiting on the contrary even during the national lockdown where partially the office was open with 10-15 people. By June 8 when it was announced to be open for all, the whole workforce was there in place. We started very aggressively and the team was very much united to take it forward.

We could see that both the government state government as well as the central government brought in favorable policies for the sector knowing that without giving up an extraordinary support the Indian economy may not revive because after agriculture it is a real estate which is the largest employer also and that got great favorable across all the 8 major cities as well as 2 Tier cities. That helped us out in terms of the ready stock which we had, the piled-up stock which we had. That resulted in that numbers which we have been told right now by Abhishek also.

We recruited around 75 people in the financial year 2021. The recruitment is still going on. We did small business development also in the year 2021, brought in small projects which could be favorable for the numbers to be there. It started off 2017-18 when the first IL&FS whistleblower was there and the announcements came of the real estate sector being dried up in terms of finances available. And that is where we found out the major players also either being at the fence in terms of financial institutions, the lenders and many of the developers also. It was a time where we as a two decade and plus time given to the real estate sector when we started off in 1994, this type of cycles we have always adopted one single agenda and strategy that we will complete the projects, we will give the delivery of the products. So right from financial year '17-18, '18-19, '19-20, we have been completing the projects, giving delivery of 700-800 units year-on-year basis, just giving, customers should be delivered in time and then the RERA came where again it was to be adhered. So that paid off undoubtedly, the debt was increasing in that in those years as doing a building construction, part of the flats are sold part not sold. So, either a ready inventory was increasing or the WIP was increasing. This in terms of balance sheets was ready with major stock and that when the time came in the year 2021 after COVID, we could have this material in hand as a brand, as a great belief of and preferred developer the stocks really took great sales happened.

This is where the whole and we talked about how the journey was. When we look backwards, we find that the sector was and we ourselves were also almost walking on the edge of a cliff. We didn't see down; we were just keeping walking across. In the year 2021, now when we see backwards, we find that 'okay' we could see a deep valley below also. The strategies paid well, the board took up good calls, supported the management in terms of the debts rising in the year '18-19 and '19-20. After 2021 when we found out that was the time, the cash flows increased and we could decrease our debt by 91 crores in one financial year.

So going forward, the company would have a strategy in terms of increasing the portfolio and their size of businesses to almost nearing to double the fold which the company has today, that is something company has today around 9.5 million square feet in hand of projects being carried out in phases for the next 5 years. The targets would be to at least close down to 20 million square feet of projects being undertaken. So, 10 million we'd like to add up within 12 to 15 months from now and accordingly we would be increasing our sales, so that the internal cash flows can support all these new purchases. We are confident that the opportunities are coming good. The brand has established more better than each day going past in the last almost one decade or so. Today when consolidation is happening, we can find out ourselves that the market is responding. The real estate sales sector market is responding to the company and the brand as an established, as a more stable developer which is what customers look across. As you could see that was on the exchanges, we have been reporting all the business transactions well in time. It was for the sake that there should be no insider information available and all the information has to be very much public. That's why we reported out in the first week of April what the numbers were for the whole year balance sheet to the exchanges as preliminary information being given. April and May also information, the updates were given to the exchanges and the shareholders in the first week of June what the company has done in April and May where we sold around 250 units. We launched out 2 new projects, almost 700 flats and one of higher ticket size and one of affordable housing.

Looking forward as all these years you have been, the company has taken up every segment of project with respect to the population metrics available in the cities of operation. So, we do affordable housing, we do middle-income group housing MIG, we do HIG also. So, the Vashi is an HIG project which is around 1.5 to 2 cores plus of flat size. But it increases the margin, it will add on to the numbers of the company largely. Still as we see we always keep our portfolio mix in terms of percentages where the 65% of the population lies into MIG and LIG and accordingly the product designs and product category also, in fact the company we have kept up to the same percentage of 65% to 75% in LIG and MIG-A and 10% to 15% in MIG-B and HIG and 1% or 2% in the richer class. We have never ventured into economic weaker section which is sub Rs. 10 lakhs of house, largely that is generally where all these state governments participate, developers do not majorly other than in some 2 Tier cities.

Coming to Jodhpur; Jodhpur also saw spring back in sales after COVID. Though still today also we are not doing so good as we have done in Navi Mumbai. I think the market would respond out in the coming years and months more favorably. We are maintaining that the major cash is not deployed into that city for the sake of completing of the project as the margins as well as the returns either are slow or low. We are maintaining it out and we will again wait for an opportunity where we could get both the things good in that city also. So, still all the projects are under construction, all the projects are nearing completion also as targeted. So, nothing has stopped but as a management call, the major deployment of the funds is in the main city of MMR region, Navi Mumbai and Mumbai peripheral areas. This is what is on the business side. I open up the forum for question and answers to everybody.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Apurva Mehta, an individual investor.

Apurva Mehta: Hello, Good Afternoon. First of all congratulations for the good set of numbers. I have few questions related to debt level of company. My first question is our company has paid 91crores during the year, so wanted to know it was paid from operational cash flow or swap between low cost and high-cost loan?

Ashok Chhajer: All from internal accruals. There was no new facility taken in the last financial year. The existing facilities were paid through the sales proceeds which have been received. So, it was nicely around Rs. 460 crores of sale where collections were around 230-240 crores if I'm right, Abhishek and that helped out to repay. So, we have not swapped anything.

Apurva Mehta: Similar question is, there is increase in finance cost when we have repaid the loan of 91 crores.

Ashok Chhajer: The cost of finances not increased on the contrary. The average cost borrowings have been lowered from 14.5% to 11.5%. The size of debt on the year was around (400+) crores. So, the servicing to the 400 crores is the difference where you find out that the interest payments, the value changes and with the total amount of debt less it would be relatively low in the coming financial year.

Apurva Mehta: My last question is what is the average cost of remaining debt?

Ashok Chhajer: Around 11.54 was for the financial year ending 2021.

Moderator: The next question is from the line of Nilesh Gandhi from Meta design.

Nilesh Gandhi: My question is for the 10 million square feet that we are planning to add, are these on our self-owned lands or these are joint ventures or how is our plan of the proposed 10 million square feet of future development?

Ashok Chhajer: Around out of 10 million approximately 3 to 4 million, 3 million approximately would come from the land bank which is existing and 7 million would be new acquisitions. We always have kept open opportunities on asset light model also and some on direct purchases. So as a project report we see what gives the company the best margins as well as the cycle of project can be efficiently handled. You can take around 3 million would be from the existing land banks which we have and 7 million we will be acquiring new.

Nilesh Gandhi: Is this the best way like the Godrej properties of the world where they enter into a JV model, what is your views on that kind of a model?

Ashok Chhajer: Generally, it should be a mix and even the most respected company Godrej also has a mix proportion, you will find that they had bought up a small land parcel of land in Navi Mumbai on tender by CIDCO for around 200 crores of outright buy. They also have always a mix of it because it is not necessary that you get a good proposal or a workable proposal or a proposal where that demand lies where the operations are easy to be done always on an asset light model. The approach that our company would be putting it across, we keep an eye on the margins which we will get rather than on asset light or an only outright but generally there would be a mix of it.

Nilesh Gandhi: How do we factor for (a) an older existing land parcel which has an historical value versus a new which will be a recent buy which will, so the margins will drastically vary. So how do we handle that?

Ashok Chhajer: All the lands which are in the books of the companies are nothing which is of a great historical value because when we talk about historical, it should be you can call it more than 1 decade. I think whatever purchases which we have as we see in our IR presentation in the last 5 years also. After '17 we have kept on our business development at a slower pace of acquisitions. The lands are not at any great historical value where due to old purchases there would be an increase in margin. Yes, the lands which have been taken and which we as a strategy or as a principle what we look into which we have been telling in our investor presentation from years and ages that the company generally eyes for a land with a cost to the sale price, cost of land to the sale price to an extent of 10% to 15%. Generally, our lands are around Rs. 500 a square foot for a product selling for Rs. 4000 a square foot or Rs. 4500 a square foot. That has helped out the company even earlier also and I know there is a substance and it could be always favorable for the business side of company as well as the margins and that secures a lot because always asset light model is not a product which has no liabilities because though there is less cash payout but the contingent liability is very high in an asset light model because you are committing the landowners to deliver X percentage of revenue or area within prescribed times. This contingent liability within a prescribed time irrespective of market behaving good or bad, as per the agreement you have to deliver and that amounts to a very larger portion. So, in outright buys it is very comfortable. When you give our example like two projects Arihant Arshiya at Khopoli and Arihant Anchal at Jodhpur, they are around 2 million square feet each and we would have done something around 0.7 million square feet completed in Arshiya. We know that the demand is less in that particular region. We completed all our started buildings, we have not started with new today but that helps out, that okay fine, the land is there, we are not liable to pay anybody anything. If there would have been land owner, he would have told that irrespective of marketing conditions you have to deliver me this much, please deliver. Always asset light models are not favorable or good when the project sizes are very big.

Nilesh Gandhi: From an execution point of view what is the model that we adopt for execution on the ground? We enter into an EPC where in material plus labor or we prefer to have a lock and key kind of a scenario?

Ashok Chhajer: We do not give on a lock and key basis. We always give specific contracts to specific agencies. The material is majorly procured by the company. And it's done on labor work by the sub-contractors and some of the contracts where the materials are not easy to handle like plumbing or electricals that is given with material and major sub-structures etc. are always done on material supplied by the company and labor job being done by the contractors.

Nilesh Gandhi: That is a great impact on the margins, the EBIT margin and the margins. So, 20% or something, what range are we in EBITDA margin?

Ashok Chhajer: For?

Nilesh Gandhi: For the EBITDA margin we are in the 20% range or what is the range if I have missed out.

Ashok Chhajer: For the projects which we are having right now?

Nilesh Gandhi: Yes.

Ashok Chhajer: Right now, existing projects are with EBITDA margins of 17%-18%-20% and we see that with the momentum of real estate sector going into a positive note, there can be an increase of around 10%-15% more.

Nilesh Gandhi: Do we have any thumb rules on the customer acquisition cost?

Ashok Chhajer: Yes, it is always a cost of 4%-4.5% to the sale price.

Nilesh Gandhi: Have you also explored online sale models and something of that, providing some experience to the buyer with our great branding to explore online. Have you seen that?

Ashok Chhajer: As a marketing approach like all the best companies and when the mass scale is there, we do a 360-degree approach and 360 means we adopt all the branches to reach out to information. Where now digital forms out to be the bigger part, only what we could experience out in the last 1 decade or last one quarter was that we could sell around 15 to 16 flats where the client has not visited the site, he doesn't know about the site. Our sales executive could show him on live video camera the site, the plans and keeping the brand and thus 100% assurance of getting a product delivery in time and with the quality which people have built. So, inching it up, we find that real estate is going towards digital sales where we found out like on online media where even merchandise materials are being sold on brand product or on photographs also. Similarly, we find it out that with the great brands coming across in the coming years and time that would be online sales which will pick up more better than every month-on-month basis. Though it cannot take up the whole 100% share of the media marketing type but it is inching very fast on the upside.

Nilesh Gandhi: You did mention that all disclosures were always made and nicely so of course from a compliance point of view also but it was good to see a good dream run in the stock market. What was it probably that the markets missed that they are analyzing and reviewing now?

Ashok Chhajer: I think it is the shareholders who find out that this is the price of each share, it is the price of the share at every time and we respect their analysis and we respect their pricing for all the years and all the time and all the periods which they have gone behind. If we talked as a chairman and as a main promoter of the company, I see that there is a value in company. It is far above than what we see today also.

Nilesh Gandhi: We also saw L&T reduced its stake as a company in our, do they have a substantial stake in our company?

Ashok Chhajer: No, today they may have around 1.25%. They reduced it from 5% to 1.25%.

Nilesh Gandhi: Any thoughts on why would that could be?

Ashok Chhajer: Finally, it's an equity and it is to be tradable. That's in time where person finds it out that okay fine, it is a time either he books up the profit or he finds out a better opportunity in something else and this is how the investments should and do behave. So not necessary that an investor would stand for a lifelong and just be happy with the valuation. That is what the market should be. It is how I would say it's good that people come in and go out.

Moderator: The next question is from the line of Nilesh Karani from Magnum Equity Broking.

Nilesh Karani: Just wanted to understand how many new launches we will be making in this year means FY22?

Ashok Chhajer: I think we would be doing it up something around 1500 flats and 4 to 5 new launches from the existing phases also and from some new launches of new lands also. 5 to 6 new launches are scheduled. Two of them already done in the month of April and May and we have received a construction permission for one project which was pending and we see that at least 3 to 4 which are already in the process of approvals should see a daylight very soon within a quarter or so. And that is where we see that in the third quarter, we will be able to get everything on the flight mode.

Nilesh Karani: Just one more like Jodhpur, how much is our inventory sales still left and are we planning some other similar projects in micro-markets or will stop that and just to understand.

Ashok Chhajer: With the Jodhpur market we have something around 30 to 45 which are ready possession and rest of the inventory in under construction which would be completing this financial year itself that would account for another 100 flats. So approximately 150 flats are there which is in under construction and ready possession stage both collectively. We have started with one more new building which we have not launched but we have started construction. That one last building of the project Arihant Adita you would see up and there are registration and launch maybe around 3 to 4 months from now. That would add on again 122 flats more.

Nilesh Karani: How we are seeing this Jodhpur market now, like before it was little bit dull but now how are we seeing this?

Ashok Chhajer: The response is there it is increased on year-on-year basis in terms of sales and collections both. But when we compare about Navi Mumbai, Navi Mumbai is steering hard very fast and we are able to acquire a larger market share in the city of Navi Mumbai. I think today maybe with the amounts the existing developer we may have a largest market sharing in terms of units sold. We keep around 6.5% to 7% for the complete Navi Mumbai region market. So, we find it out that the current response is more better than it will always better because finally it's a Metro city and Jodhpur is not. Jodhpur still having 20 lakh of population and the second largest city of Rajasthan with some most strategical and operational changes we should be able to perform better.

Nilesh Karani: One more last question really like in FY21 I think we had done around 1100 apartments, correct? Overall, we have sold that much.

Ashok Chhajer: Yes.

Nilesh Karani: So basically, how much was from the new one and how much was from the existing of that thing like, Aalishan and Aspire, I know two projects but how much was from existing one?

Ashok Chhajer: All are from the existing because all were ongoing projects. I don't think we launched more than one project in the last financial year. It was only one launch which we did in the month of May during COVID when it was closed. There we did an extension launch for a small portion of project which is under 80IB and in the holding company Arihant 4 Anaika, in that we did a launch and in new launches last year was not, it was all ongoing projects.

Nilesh Karani: How much is the inventory now left there. We have sold 1100, so how much the remaining in both the projects?

Ashok Chhajer: For the ongoing phases and of all the projects, it should be around 2000 flats and plus new launches which was asked by somebody around 1500, so on the shelf it would be 3500 for the sales team and we hope that they would reach up to the expectations of the management by growing their sales to a more better levels in the last financial year.

Nilesh Karani: Do you see this real estate market performing good for next 2 years or 3 years down the line?

Ashok Chhajer: The industry gurus tells that and the best of the analysts like from Glassdoor etc. Pankaj Kapoor and the next 5 years it would be a good steady market for the real estate sector in terms of demand and supply both. Undoubtedly, we may not see a position like what happened in the historical era of 2005 to 2014 where the prices increased multifold. It would be now mostly like a real industry or in factory model product where the first square feet and the last square feet will not affect your price rise other than an inflation of the country. We are not into a speculation mode and we will keep on selling all these years also we have been and ahead also we will keep on selling the product even if sells very fast still we don't increase our prices. We'll be happy with the margin which we have arrived in the day one of the project.

Moderator: The next question is from the line of Apurva from Square Capital.

Apurva: I want to know what is a realization for FY21 and FY20?

Ashok Chhajer: The realization in terms of average selling price, average cost of one flat was around 42 lakhs.

Apurva: For FY21?

Ashok Chhajer: It should be a little higher because the high-ticket size project of Vashi is also on the shelf which is selling good. So maybe around I don't know but must be something around 60-65 or 70 an average selling price, depending upon how would we sell on the bigger ticket size product and how much quantity of sales are done in the affordable housing which is a major launch of the company. So, which is 25 lakhs and 50 lakhs so sub 45 lakhs on the contrary. So, 25 to 45 would take up maybe 80%-85% of the sales of this financial year. Maybe around roughly 50-60 lakhs of business would be enough itself.

Apurva: What would be the lowest one and what would be the highest one?

Ashok Chhajer: The lowest is 20 lakhs and the highest is around 2-2.5 crores at the premium range. So, we can categorize like this for our three segments one is a premium range which goes to around 2 crores and around, there is an HIG range or MIG-A range which is Arihant Aalishan and Arihant Aspire which goes to around 1 crore and the rest of the all projects in terms of quantum which is 75% to 80% which is generally categorized as affordable. That is sub 50 lakhs. So, 25 to 50 lakhs is one segment which the company operates 1 crores (+/-25) lakhs is the second segment and 2+ crores is the third segment.

Apurva: What is the focus area now as a percentage wise like premium segment represents or the 25 lakhs segment or the medium segment?

Ashok Chhajer: As an internal strategy we always have and we will be maintaining the project, so it would be around 65% to 70% would be the affordable housing segment around 20% to 25% would be the middle-income group and around 5% would be the HIG or the richer class. So, we will never increase the big-ticket size or the premium segment above 5%.

Moderator: The next question is from the line of Samiksha, an individual investor.

Samiksha: My question is on macro side so with the recent demand kind we have seen which is mainly due to the stamp duty. How much of this demand do you think is cyclic and then how much of this demand you can sustain in future?

Ashok Chhajer: We are seeing the growth in terms of demand wave because when talk about the time period where the stamp duty ended was 31st of March 2021 and we could see that from 1st of April 2021 where the stamp duty reduction or the holidays are not being granted by the government. In spite of that we have sold around 250 in the month of April and May. So, this tells that the trend towards buying is not being stopped for the sake of stamp duty not being there, undoubtedly, it’s the stamp duty decision made the start the sales engines to a larger speed and now it's continuing people are not looking at if there is no stamp duty deduction will not buy, people are buying.

Samiksha: And secondly, we have seen consolidation happening in the sector, I believe most of the large developers are now in doing efficiencies to new and efficient technologies. What are we doing in this stage?

Ashok Chhajer: Yes, consolidation is there that is why we see that the brands are selling good and gone are the days where around two decades ago it was where the biggest brands used to tell that they demand a premium of somebody 15%-20%, somebody even 30%-40%-50% to the adjoining projects. Today the best of the brands are of an opinion that we will give better services, a good product and at par margin price. This is how they are increasing their market share and our company is also on the same lines of engaging the market share.

Samiksha: You are seeing rise in input cost and do you see the price increase is possible or is there any resistance to the price hike?

Ashok Chhajer: The price increase due to input cost is around 8%-10% and for the new projects that has been incorporated in the project calculations. So, the effective sale prices have increased by 5% which can easily take care of the input cost. But that doesn't mean that there is a speculation or there will be increased in prices on every tranch of time interval. So, till approximately around inflation and input cost that has been taken care in the newer projects, in the old projects maybe a marginal increase was possible about which is around 2%-3%, rest of all has to be absorbed or would be catered till the end. So, which will be marginally seen in terms of sale prices because it would be very small trances of increase. But I think when we talk about the business of the company, we are surely keeping an eye on the cost versus revenues and it's not only the numbers which we look into in terms of sales and clear instructions are there for the team in operations. The profit is more important rather than only sale numbers.

Samiksha: One last question, how much of pending receivables are from projects under construction?

Ashok Chhajer: Something around 40-45 crores.

Moderator: The next question is from the line of Krishna Raj from News Print.

Krishna Raj: I like details about your new projects, your margin and how the demand is shaping up, maybe compared to April and how is it looking now?

Ashok Chhajer: Ongoing projects if name it out, it is Arihant Advika at Vashi which is around 350 flats, 600 crores which has been launched, Arihant 5Anaika 350 flats which is around 150 crores which is launched, Arihant Amisha around 500 flats where CC is received last week that would be something around again 150 crores which would start seeing sales and construction activities in the coming time. The company has also engaged into some fees model and DM model projects so that it can secure its operational cost also and projects which are in pipeline in terms of phases and approvals are 350-400 flats in Arihant Aspire, Palaspe that is something which is coming around 200 flats in Badlapur, more extended portion that we have just bought land in the last month. So, a small parcel not a very big parcel of it and from the land bank Arihant Akanksha at Taloja and that would again see around 15 lakhs square feet of approval process being initiated. So maybe around 3 months-6 months we should be good to start with that also that is again with the same range of 25 to 45 lakhs. That would be what 500 crores of new launch which would be carried out in phases in 5 years.

Krishna Raj: How is the demand looking like?

Ashok Chhajer: Demand is looking good. That’s what, when the sales are better, demand is looking good.

Moderator: The next question is from the line of Nilesh Gandhi from Metadesign.

Nilesh Gandhi: Sorry I missed one thing. We have taken an approval for raising of funds can you throw light on the deployment of those funds and how much are we planning to raise?

Ashok Chhajer: The enabling resolution has been there with the company since 2017 on year-on-year basis. We the company had been to the markets in the year 2017 for adding up the institutional as well as the institutional ratios in terms of equity, could not happen up for some of the other reasons. So, the enabling resolution is always taken though the enabling resolution for 300 crores but with an appropriate position and the performances we expect that there can be an expansion of equity and participation by the leading institutions or the fund houses who is looking at the real estate sector and that can help the company to grow more faster. The utilization of funds would be revealed during the disclosures but major would go towards growth of the company and new projects.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to Mr. Vastupal Shah from Kirin Advisors Private Limited for closing comments.

Vastupal Shah: Thank you everyone for joining the conference call of Arihant Superstructure Limited, if you have any queries you can write us at vastupal@kirinadvisors.com and once more many thanks to everyone for joining the conference.

Moderator: Thank you. On behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you for joining us and you may now disconnect line.