To, Date: - 24/05/2024

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

Subject: Transcript of Year ended/ Half year/ Year Ended 31st March, 2024– Conference Call of Analyst / Institutional Investor meetings held on 17th May, 2024

Dear Sirs/ Ma'am,

Pursuant to Regulation 30 read with Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to our communication dated May 17, 2024, wherein we had informed about the uploading of audio transcript of Year ended/ Half year/ Year Ended 31st March, 2024 Conference Call on the website of the Company, in this regard, please find enclosed herewith the transcript of the aforesaid Conference Call held on Friday, May 17, 2024 from 11:00 A.M. (IST)
onwards.

For Arihant Superstructures Limited

Ashokkumar Bhanwarlal Chhajer
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Date: 2024.05.24 13:53:59 +05'30'

Ashokkumar Chhajer
Chairman & Managing Director
Date: 24th May, 2024
Place: Navi Mumbai

Arihant Superstructure Limited
Q4 FY24 Earnings Conference Call

Event Date / Time : 17/05/2024, 11:00 Hrs.
Event Duration : 45 mins 50 secs

CORPORATE PARTICIPANTS:

Mr. Parth Chhajer
Whole-Time Director

Mr. Dhiraj Jopat
Chief Financial Officer

Mr. Ashok Chhajer
Chairman and Managing Director

Mr. Tushar Pendharkar
Ventura Securities Limited

Q&A PARTICIPANTS:

1. **Jojo Shaju** : Alpha Invesco Research Services
2. **Pruthul Shah** : Anubhuti Advisors LLP
3. **Ameya Gawde** : Individual Investor
4. **Heman Tugli** : Monarch Group
5. **Manan Shah** : Moneybee
6. **Anurag Agrawal** : Agrawal Analytical Investments
7. **Girish Gulathi** : Individual Investor
8. **Rahil Shah** : Crown Capital

Moderator

Ladies and gentlemen, good day, and welcome to the Arihant Superstructures Limited Q4 and FY24 Earnings Conference Call hosted by Ventura Securities Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing *and then 0 on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Tushar from Ventura Securities Limited. Thank you. And over to you, Tushar.

Tushar Pendharkar

Thank you. Good day, ladies and gentlemen. On behalf of Ventura Securities Limited, I welcome you all to Arihant Superstructures Q4 and FY24 earnings conference call. The company is today represented by Mr. Parth Chhajer, Whole-Time Director, and Mr. Dhiraj Jopat, Chief Financial Officer. I would now like to hand over the call to Mr. Parth Chhajer for his opening remarks. Thank you and over to you, sir.

Parth Chhajer

Yeah, good morning, everyone. Along with Dhiraj, we also have CMD Mr. Ashok Chhajer with us on the call. Yeah, so good morning, and thank you all for taking time to join Arihant Superstructures Limited conference call for Q4 FY24 to discuss the results and business updates. We have seen that the Indian real estate sector continues its momentum across major metro cities in India and we are excited to be part of this journey and have a leading position in the MMR region. I guess most of you would have gone through the presentation which is filed on the stock exchanges. So, I'll just brief you all about the financial numbers of this quarter.

In terms of the consolidated financial, the total consolidated revenue for Q4 FY24 was INR 162 crores against INR 120 crores in Q3 FY24, registering a growth of 35%. The total consolidated EBITDA for Q4 FY24 stands at INR 36 crores as against INR 26 crores in Q3 FY24, registering a 37% growth on a QoQ basis. The EBITDA margin for Q4 FY24 stands at 22.36% versus 21.94% in Q3 FY24, registering a change of 42 basis points. The profit after tax for Q4 FY24 stands at INR 22 crores against INR 16 crores in Q3 FY24, registering a 40.9% growth on a QoQ basis. The PAT margin for Q4 FY24 stands at 13.55% against 13.02% in Q3 FY24. When we compare the FY24 figures to FY23 figures, the growth is as follows. Total consolidated revenue for FY24 was INR 511 crores against INR 391 crores in FY23, registering a growth of 30%.

The total consolidated EBITDA for FY24 stands at INR 114 crores as against INR 79.8 crores in FY23, registering a growth of 43% on a YoY basis. The EBITDA margin for FY24 stands at 22.37% versus 20.41% in FY23, registering a change of 196 basis points. Profit after tax for FY24 stands at INR 69 crores against INR 43 crores at FY23, registering a growth of 62% on a YoY basis. The PAT margin for FY24 stands at 13.54% against 10.89% in FY23. Net worth of the company has increased from INR 245 crores in FY23 to INR 323 crores in FY24, registering a growth of 31%. Now we'll just talk about the key operating highlights for the quarter.

In the quarter the company achieved sales bookings of 759 units equivalent to 6.49 lakh square feet of area amounting to INR 404 crores. So, this is one of the highest numbers that we have achieved in a particular quarter. Also, the average price in the quarter was INR 6,237 per square foot, so that indicates that the affordable mid-income and premium housing contribution has been there across the total sales. The collection for Q4 FY24 stood at INR 129.5 crores. This financial year we also achieved record sales bookings of 1,755 units equivalent to 15.49 lakh square feet of area which was valued at INR 970 crores.

We recorded total collections of INR 503 crores in terms of distribution by value for the sales done, 30% of the sales happened in the affordable housing segment, 50% of the sales was part of the mid-income housing segment and 20% of the sales was part of the premium housing segment for this financial year. This financial year has also been a highlight for our business development activities. We have added approximately INR 2,435 crores of new business which have received approvals and the launches for these projects are lined up in phase-wise manner in FY25. And just to speak something about the company and the market scenario.

We've seen demand for residential homes increase in the quarter and a price hike of up to 7% was achieved in the financial year across all the sites, and obviously the infra projects such as the Navi Mumbai Metro and Atal Setu were inaugurated in this financial year which will see a good uprise in the markets going forward. Land prices have doubled in majority of the micro markets over the last two years. Also, FY25, we are expecting that the Navi Mumbai International Airport gets the Terminal 1 inaugurated by March 2025. We did a few new phase launches in FY24 at Arihant Aspire and witnessed a tremendous response.

We also launched Arihant Adarsh in the month of March where we were able to sell 145 units till March and the momentum is continuing as we speak. A detailed list of the projects to be launched have been laid out on page 14 of the IR presentation wherein we have indicated the tentative launches for the first half of FY25. We have received commencement certificates for World Villas at Chowk, Arihant Avanti at Shilphata, and Arihant 7 Anaika at Taloja in the FY24. And the sales of these projects would begin in FY25. With the widest geographical spread and variety of products from 1 BHK to villas, we have positioned ourselves as one of the most unique developers in Navi Mumbai and MMR region with respect to the product mix, ticket sizes and the multiple geographies we cater to. With this, I will now open the floor for Q&A. Thank you.

Q&A

Moderator

Thank you, sir. Ladies and gentlemen, we will now begin the Q&A session. If you have a question, please press * and 1 on your telephone keypad and wait for your turn to ask the question. If you would like to withdraw your request, you may do so by pressing one again. Our first question comes from the line of Jojo Shaju from Alpha Invesco Research Services. Please go ahead, sir.

Jojo Shaju

Yeah. Thanks for this opportunity. Sir, you have reported INR 970 crores presales for this year. But I believe most of the total presales is coming from the projects. But in most of the projects you have only 60% economic interest. So, out of this INR 970 crores, what would be the Arihant share of presales?

Parth Chhajer

So, this is spread across the entire company, including the subsidiaries. So, I mean, we don't account 60% separately when we record our sales. But to give you a ballpark figure, I think something around INR 600 crores or INR 650 crores will be from the subsidiary companies which have performed in this financial year.

Jojo Shaju

INR 650 crores from the subsidiary companies. Okay. And the previous calls you have guided for 30% pre-sales growth for the next two financial years. So roughly presales of INR 1,300 crores and INR 1,650 crores for financial year FY25 and FY26. So, are you still holding on to this guidance? How do you see the demand of it now?

Parth Chhajer

So, we are confident of this guidance and our target for pre-sales is INR 1,300 crores for FY25. Obviously, this is a conservative number. There could be some surprises. But yeah, we are holding on to our guidance for this year as well as the year going forward.

Jojo Shaju

Okay. And sir, coming to the sales strategy. Do you have your entire team in-house for the sales team, or are you associated with any popped-up companies for your project sales?

Parth Chhajer

Today we have a sales team of approximately 285 members. And everything is managed in-house with respect to the pre-sales, the sales, and the post-sales. So, we don't have any tie-ups with any mandated companies as of date.

Jojo Shaju

Okay, sir. Thank you. And that's it from my side.

Moderator

Thank you, sir. Our next question comes from the line of Pruthul Shah from Anubhuti Advisors LLP. Please go ahead, sir.

Pruthul Shah

Yeah. Thank you. Am I audible?

Parth Chhajer

Yes.

Pruthul Shah

Yeah. Congrats for great set of numbers for the FY24. My question is respect to the GDV that we have mentioned in our press release. So, INR 8,800 crore is the number that is the GDV for the current projects that are in pipeline. I just wanted to know whether this GDV is for the total projects, or it is only for the share of Arihant? Like, we do JDA so, this INR 8,800 crore is for combined or only our share of that project?

Parth Chhajer

No. So this GDV is obviously total of the projects that we are developing. And whatever area we mention, wherever we have JV like the Shilphata, Arihant Avanti or Arihant Aalishan, we mentioned the area which is belonging to us for our revenue records. So, we don't add the landowner portion in the presentations or in the projected revenues. So whatever incomes are to come are being showcased. Whatever incomes are to come to the company at the company levels, the company and the subsidiaries those are being showcased in the presentation.

Pruthul Shah

So, this INR 8,800 crore is purely of Arihant, right? And the total amount might be like INR 10,000 crore or INR 11,000 crore.

Parth Chhajer

Maybe. I am not concerned about the landowner's revenue potential.

Pruthul Shah

Second question is with respect to the club membership that we have announced some time back. So just wanted to understand how the economics of this club would be there. So, like what would be the legal form of that club first, second, when we would be selling the membership to the clients, whether that money would be remain in the club itself, or it would be coming back to Arihant Superstructure as a reimbursement or something like that? If you can better clarify on the economics that how it will work. So, here we have initially given INR 250 crore as the CAPEX. But is it CAPEX to be done by the company and we might get some reimbursement in the form of membership fees? How that economics will work?

Ashok Chhajer

Well. Hi. Ashok Chhajer here. The Club 10 Gymkhana is an asset to the company on annuity-based income from the club. So, it is an asset-building exercise, where generally what we have seen is like Gymkhanas are never built by an individual in the city of Mumbai, the Bombay Gymkhana, the MCA Gymkhana, the Valentine Gymkhanas are all which were managed and built by some trust, and hence the membership and the format was of an body incorporate and the membership is to rely with the individual entity of a trust. Here the property is of company, and it provides up a living standard and living platform of lifestyle. So, the income and expenditure all lies with Arihant Superstructure Limited as the Club 10 Gymkhana is not into any separate entity.

So, all the income would be of the company and all the expenses towards asset building would be of the company which would have its own valuation in the days to come as an asset. The format of membership is for a period of what schemes right now are for life membership. And the business plan is there for its monthly inflow and outflows. So yes, the membership fees would be and part of income as an income as like in income in any other project.

Pruthul Shah

So, basically just wanted to know, say if we are selling a membership at say INR 10 lakh. So that INR 10 lakh would somehow be like a reimbursement from the INR 250 crores or that will remain in that different estimate?

Ashok Chhajer

Right. You can tell it is in reimbursement to the investments. So, the word reimbursement is not the right word. It is an income to the investments.

Pruthul Shah

Okay, got it.

Ashok Chhajer

In fact, the Club 10 Gymkhana the cost is around INR 125 crore, INR 150 crore of Gymkhana. It is not INR 250 crores of investment. The company's total investment would be to a tune of budgeted INR 150 crores.

Pruthul Shah

Got it. And sir, when we are saying that the member, we are giving lifetime membership to the client. So typically, normally it happens that when there is a club and there is a member, lifetime member added to that club, they are also a kind of owner to that entity for which they are buying the membership.

Ashok Chhajer

That is what I told you. Excuse me. But that is what I told you. It is not a trust. They are not the members; they are not the owners. Here the ownership 100% lies with the company only. We can get back to you from our sales team details about it and going forward about the strategies of each individual nitty-gritties of sales, etcetera. We can focus on the company's numbers and performance.

Pruthul Shah

Got it. That is from my side.

Ashok Chhajer

Anyone can come at any time and we will explain everything to you. No issues. There are no Trust or Managing Committee elections here. This is 100% ownership, right? This is the property of the company that owns the shell. They are providing you with lifestyle opportunities where there are going to be income. It's as simple as that.

Pruthul Shah

Okay, got it, sir. Thank you so much.

Moderator

Thank you, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad. Our next question comes from the line of Ameya Gawde, an individual investor. Please go ahead.

Ameya Gawde

Hello.

Ashok Chhajer

Yeah, please come in.

Ameya Gawde

Can you just explain us how the joint development and joint venture partnership are structured and operationalized by the company?

Ashok Chhajer

See, whenever a land is being bought by a landowner and where the company does not or the entity does not pay for land that is called a joint development, where the landowner gets either in the form of area or in form of revenue sharing. We, as a company, whatever joint development we have entered are in terms of areas, we have yet not entered into any revenue sharing. Joint venture is where two people come into an entity at the inception of the project and infuse capital and buy the land.

So that is what the subsidiaries, joint ventures are there. Where two groups came in, they put in capital to buy the lands. So, the lands are owned by the entity which where you which is a joint venture entity. Our subsidiary can be termed as joint ventures. A few of the projects like Arihant Alishan or Arihant Aloki, Arihant Avanti are three which are joint development where company has not paid for land payments, but in view of it, it is sharing with the buildable areas.

Moderator

Ameya's line got disconnected, sir. Shall we move on to the next question?

Ashok Chhajer

Yes.

Moderator

Our next question comes from the line of Vidisha Shetty, an individual investor. Please go ahead.

Vidisha Shetty

Hi. Good morning. My question is that what is the company strategy related to the land acquisition and the joint ventures?

Ashok Chhajer

We are open to both. Wherever we find out that the CAPEX towards buying of land is less, we buy the lands. Wherever we find out developed and matured markets, we do redevelopments, we do joint ventures where we don't pay for the lands. So, we are open to it. And going forward as on today, we see that at least a mix of 75% places is where we own the land as an owner of 100%, and 20-25% of the projects are into asset-light model which is called as joint developments.

So, the business development which is being looked again at the 20-25% of CAGR this year also and where the company's acreage of land from 200 acres would be reaching up to 300 acres. So, we see that given any opportunity which gives EBITDA and which gives the profitability and where we are confident of executing and selling the project, we will go forward with it.

Vidisha Shetty

Okay. Got it. Thank you so much.

Moderator

Thank you, sir. Our next question comes from Hemang Tugli from Monarch Group. Please go ahead.

Hemang Tugli

Hello.

Ashok Chhajer

Yeah.

Hemang Tugli

Good morning and congratulations on very strong set of numbers from Arihant team. Sir, two questions. One is, the strong revenue growth and guidance going forward is quite encouraging. Can you elaborate further on what will be the key factors that would lead to this 25%, 30% growth that you have guided? We do understand that you are one of the leading players in MMR Navi Mumbai region and the government focuses there. Along with that, what is our strategy to tap the market going forward? That is number one.

The second is on the EBITDA margin. Now, would you like to guide some ballpark number on the EBITDA margin going forward? We have seen a good improvement in EBITDA margin from 21.43% to 22.37%. And I do understand that we have moved from affordable housing to mid-income to high-income and that percentage has changed. Would you further help us to understand how good FY25 look on the percentage terms in all the three segments?

Ashok Chhajer

Yeah. The company had a total unsold inventory from the ongoing projects at the start of the year at INR 6,500 crores and in this financial year, last financial year, we have added up INR 2,300 crores as new projects. So, what we see numbers are from the ongoing projects, that is from the INR 6,500 crore splatter. The INR 2,300 crore new projects that is Arihant Villas at Chowk, Arihant Avanti, a larger project at Shilphata, Arihant 7 Anaika at Taloja, Arihant Adarsh at Taloja, new phases of Arihant Aloki at Karjat, new phases of Arihant Aspire at Palaspe, and new phase of Arihant Anmol at Badlapur. So, seven projects we have got the commencement certificate in the last days of March and April and which would be seeing up launches on month-on-month basis in this financial year.

So, in addition to the ongoing projects which has contributed to the sales number of INR 970 crores of the year under 2024, for the year under 2025, there would be an infusion of sales from these numbers. And hence we find it out very much confident that given this, given the size of new projects being coming into the market and the launch we would be able to do up. This is ongoing terms of 30% growth. With respect to EBITDA, the older projects which already had started off in the year 2010, 2012 that today had an EBITDA of around 10-12%, 13%. After the Atal Setu and Sea Link, we find that there would be a little spurt into it. The new projects we work with an EBITDA of 30-35% blended, we are today getting 22% which would inch up YoY basis as we are seeing it from the last three years.

So, the majority of the projects which have been acquired and which are going for acquisition now, we aim for an EBITDA of around 30% plus which would mean PAT of something around 20% plus. And with respect to the mix, we have been having all the category of product lines. So out of the total INR 8,800 crore in terms of value terms, not in terms of square feet, almost 35% of the value of the sales are in the affordable housing which means INR 50 lakhs and below and flat size and 35% of the total sales value is from a mid-income group which means from INR 50 lakhs to INR 1.5 crore, INR 2 crores. And 30% is from the premium segment which is above INR 1.5 crore to INR 3.5 crores.

So, we have a presence in each of the three segments equally in terms of middle-income group luxury as well as affordable. In terms of square feet, the ratios are different. And we have a spread of 17 projects to cater to these INR 8,800 crores of sales to be done which would get revenue recognition in the coming five years, an average of five years of time. And this derisks ourselves being spread out and having market share across the MMR right from Thane up to Panvel.

Hemang Tugli

Right. Sir, one more question if I can ask. On the cash flow front, on the operation side, you see cash flows getting generated, a healthy cash flow being generated this year FY25, which will help us to acquire land and things like that?

Ashok Chhajer

Majorly free cash flows would get utilized in the self-projects as a possessor of bigger site. Though the cash flows also has increased up in YoY basis and we would see up the same type of 30% growth in terms of collections also. But the project sizes would consume the free cash flows also or the increased cash flows. There may be 10% of cash flows of the total cash flows it can be utilized for land payments less land acquisitions or business development we will have to source funds for itself. And we have great opportunities in this region. We are able to being the leading developer, the key developer, has the best business development proposals on the tables, on the office. And we are able to still acquire with the resources and with the generation of funds which we can do on the project acquisition deals.

Hemang Tugli

Thank you, sir. That's all from my side. I will join the queue.

Moderator

Thank you, sir. Our next question comes from the line of Manan Shah from Moneybee. Please go ahead.

Manan Shah

Yeah. Hi. Am I audible?

Parth Chhajer

Yeah.

Manan Shah

Yeah. Hi. Thanks for the opportunity. I was not able to reconcile the pre-sales numbers, what we have been reported quarterly basis and versus what has been reported on annual basis. Because in H1, we reported around INR 466 crores of pre-sales, and in Q3, we reported around INR 250 crores of pre-sales. And if you are saying on annual basis, you reported INR 970 crores then that does not add up for the Q4 number of INR 404 crores.

Parth Chhajer

Yes. So, we have also factored in the cancellations which have happened in Q4 or Q3 and the numbers of INR 970 crores are net after the cancellations recorded till the 31st March.

Manan Shah

So, in that would mean that there have been cancellations of almost INR 150 crores? This is purely based on what has been reported on a quarterly basis.

Parth Chhajer

Yes. There we have cancellations of between 10-15% across all the sites generally. And that is a general trend in the high-volume sales markets and high-volume businesses also across all the developers.

Manan Shah

Okay. And generally, what is the reason, primary reason for these cancellations?

Parth Chhajer

At our end, I think a majority of the cancellations are due to the loan eligibility. So, the clients are unable to reach up to the loan eligibility criteria, which lead to the cancellations.

Manan Shah

Okay, understood. My next question was on the collections. INR 130 crore collection against INR 400 crore pre-sales would translate into an efficiency of almost just 30%, 32% versus in the previous quarters we have been reporting 40%, 50% sort of an efficiency. So, what led to a lower collection efficiency?

Parth Chhajer

This quarter Q4, we had launched two projects, Arihant Aspire one tower which was Catalina and Arihant Adarsh. So, the launches happened in the month of Feb and March. So, the collections are going to come from Q1 onwards because it is a minimum, I would say 60 to 90-day tenure for the customer to book and then get the sanctions done and then for the disbursements to happen. So, at our end, we have a cycle which ranges from, you can say 30 days to 120 days depending on the customers profile and criteria.

Manan Shah

Okay.

Parth Chhajer

Plus, it comes in portion. We don’t ask for 50% on day one, it comes in schedules as per the construction progress.

Manan Shah

No, I understand. But it would also -- our collection would also be from our earlier sales, right, from earlier quarters. So ideally, the velocity of collection also should keep going up as we keep constructing and as the project progresses.

Parth Chhajer

Yes. Yes**.** So, the construction of the new launches done in Q4 is taking up shape in this quarter onwards, Q1 onwards. And I think for this financial year, we are targeting collections to be in the range of INR 650-700 crores across the entire financial year.

Manan Shah

Understood. My next question was on the launch pipeline. So, as I was just reconciling, we pushed a couple of launches by a quarter or so. So, what is the cause of the delay or pushing back the launches, if I may ask?

Parth Chhajer

So, yeah, the World Villas were initially lined up for Q4, but the approvals have been received in the end of March and mid of April. So now we are just processing the RERA registrations and we should have those in hand by, say, the 15th of June and World Villas is scheduled for launch in the end of June or mid of June because that's when the monsoon season kicks in and that area has more footfalls during that peak season. Arihant Avanti is scheduled to be launched somewhere around Q2. So, we have to keep a buffer because RERA registrations take anywhere between 15-30 days nowadays.

Manan Shah

Okay. And in World Villas, we've also increased the launch size, right? Earlier, were planning a 75 unit launch versus now around the 180-unit launch.

Parth Chhajer

Yes. Yes. So, we want to offer more inventory because many people have their own choices, their own criteria when it comes to the property selection. And since it's a very large layout, we don't want people to go back just for the reasons that this inventory is not opened here and we'll come after two years. So, we're keeping one of the good inventories also open today so that we can capitalize on that and that will help on the progress of the project.

Manan Shah

Okay, thanks. I'll get back in the queue.

Moderator

Thank you, sir. Our next question comes from the line of Anurag Agrawal from Agrawal Analytical Investments. Please go ahead.

Anurag Agrawal

Hi, sir. I wanted one clarity in the related party transaction table. We had taken an unsecured loan by the company, whereas the particular shows the director's name. So, I was a bit confused. Could you just throw some light on that?

Parth Chhajer

So which company are you referring to?

Anurag Agrawal

It's the consolidated related party transaction. It shows Ashok Chhajer and Parth Ashok Chhajer as Directors and taken loan. But in the remarks column it is shown as unsecured loan taken by company.

Ashok Chhajer

Yeah. So, the directors have put in their own funds as unsecured loans for the company. So, what's the confusion about?

Anurag Agrawal

Okay. I just wanted that clarity. Okay, got it.

Ashok Chhajer

That is how the acquisition happened for the project World Villas.

Anurag Agrawal

Got it. Got it. Apart from that, sir. Yeah. Sir, apart from that, I wanted to also understand, like, what would be the land remaining with us, land bank remaining with us, which for which we haven't planned any projects?

Ashok Chhajer

Most of them are already done, not unutilized or unplanned lands or something to a size of 15-20 acres only.

Anurag Agrawal

Okay, got it. That's it from my end. Thank you, sir.

Moderator

Thank you, sir. Our next question comes from the line of Girish Gulathi, an individual investor. Please go ahead.

Girish Gulathi

Congratulations for great set of numbers. So, just wanted to ask one thing, like, what separates Arihant from the rest of the players? Because we are in the league where our ASP is not very high, like close to INR 5,000, INR 6,000 per square feet. But at the same time, our profitability is very high compared to similar players. And what helps us in keeping such kind of a high profitability margin and such kind of capital efficiency, if you can throw some light on that? Thank you.

Ashok Chhajer

So, vis-à-vis is comparatively, Girishji, that is what the company has been doing here since last whole one decade. In terms of time efficiency, which reduces the administration cost, the contracts efficiency, which are awarded at very accurate prices. The technical specifications, which where the best of the quality is achieved with the best document material, also in terms of purchases with the brand value. And that is what we have been louding, that we are very consistent. We have a stable progress of businesses. The company has been able to bring in new projects every quarter of time of every year of business, and also do construction as well as give deliveries. So, the efficiency is due to the good man resources and the people with the office. And they have been able to put in more than 100%. That helps out in terms of getting the margins high.

The major aspect also happens up in terms of land cost. Our land cost, that is where the real zinc thing is that our acquisition prices have been far, very accurate, very low cost, which has helped the company to even go through bad phases were given the finance cost due to capitalization, also has not disturbed the viability of the project at every one given day in the whole last one decade also. And this is all put together in terms of monitoring, in terms of hard work, et cetera, that we have been able to generate better margins, better profits, even given an average selling price of INR 6,500 as on this year also. And going forward also, we would be able to do it because that is the culture. The whole of the office is under that culture of spending right and not spending high.

Girish Gulathi

Okay. Okay. And so, what would be the interest outgo in this financial year, current financial year, roughly?

Ashok Chhajer

In the coming financial year?

Girish Gulathi

The coming financial, FY25, sir.

Ashok Chhajer

FY25, see the institutional funds would take it around INR 30-35 crore as cash outflows. The promoters fund may take out to another INR 20 crore as financial outgoes. So, we see that from cash flows it would be INR 50 crore as financial outgoes, though the unsecured loans where interest would not be paid and still be accrued to the accounts would range to another INR 20 crores, INR 25 crores. So, we see in INR 70 crore, INR 75 crore as an interest in the books of account in this financial year. But cash flows, we are good that the arrangement with the institutions are where we are having a moratorium period also.

Girish Gulathi

Okay. But anything further sir, on getting company to the next league where we get some funds via another round of preferential in the company and getting some more projects and kick starting them as soon as possible. Is there anything on that over there as well?

Ashok Chhajer

As an aspiration to grow and the business plan and the projection and the intent to have retain the position of the highest numbers top position in the region, the business development has to take place on a better way. And undoubtedly, for real estate, every project requires that capital and hence any capital which comes in will help out the growth of the company. As we have seen that the company started off with just INR 40 crore of paid-up capital in the year 2010. And thereon till today with is a net worth of around INR 325 crore in 10 years in spite of around INR 350 crore to INR 375 crore of interest payment. So that does that from INR 40 crores of initial feed capital we could do up an EBITDA of INR 600 crores in the 10 years. So going forward also in the same style and where we see opportunities we see things coming up to the company and given the ease of finance, yes. So, we are open to it at a very appropriate time in terms of inviting investors to be a part of the company.

Girish Gulathi

Thank you very much, sir, for the detailed answer and all the best. As a shareholder it is very heartening to see such a capital efficiency comprehends to see such a good numbers and wishing all the best for the future. Thank you. Thank you to the board as well. Thank you.

Ashok Chhajer

Thank you, Girish-ji.

Moderator

Thank you, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad. Our next question comes from the line of Rahil Shah from Crown Capital. Please go ahead.

Rahil Shah

Hi, sir. Good morning. So, just revisiting on our guidance. Can you please repeat it for the sake of clearing the confusion? So, are we just guiding 30% growth in pre-sales, or you're also saying the same for the revenue? So, what is the outlook there? And you explain margins for different segments, but like so, on a blended basis, what can we expect FY25, sir?

Parth Chhajer

See, we are expecting growth of 25-30% across the pre-sales, as well as the revenues, EBITDAs and PAT level. So, accordingly, we expect the margins of EBITDA margins as well as PAT margins to increase along with.

Rahil Shah

You expect the margins to increase by that number, not the absolute?

Parth Chhajer

Even the absolute numbers would be increasing. The revenues should be increasing, the EBITDA should be increasing, the PAT also should be increasing by 30%.

Rahil Shah

Okay. Okay. And this will be led by like because your attention is equal among the segments, or you have like a specific focus on a certain segment which will drive, let's say, premium will drive the margins, or something like that?

Parth Chhajer

Yes. So premium is going to contribute more going forward to the revenues and EBITDAs. So that is going to lead to an increase in the margin, which will also lead to the growth. So premium housing is obviously on the charts for this financial year, which is going to contribute more to the P&L.

Rahil Shah

Okay. All right. Thank you and all the best.

Moderator

Thank you, sir. Ladies and gentlemen, if you have any questions, please press * and 1 on your telephone keypad. There are no further questions for the day. Now I hand over the floor to the management for closing comments.

Parth Chhajer

Thank you, everyone, for taking time out to join this call. And we always learn a lot with the discussion that we have over here, and we are keen to interact with you all separately as well. Also, if anybody has more questions, we can get connected and you can contact our investor relations team, Valorem Advisors, or contact us directly also in the finance department and we'll be happy to connect. Thank you so much.

Moderator

Thank you so much, members of the management. Ladies and gentlemen, on behalf of Ventura Securities, that concludes this conference. Thank you for joining us and you may all disconnect your lines now. Thank you so much.

Note: 1. This document has been edited to improve readability