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| 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 |
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Subject: Transcript of Q3 FY 2023-24 – Conference Call of Analyst / Institutional Investor meetings held on 15th February, 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 February 14, 2024, wherein we had informed about the uploading of audio transcript of Q3 FY 2023-24 Conference Call on the website of the Company, in this regard, please find enclosed herewith the transcript of the aforesaid Conference Call held on Thursday, February 15, 2024 from 11:00 A.M. (IST) onwards.

For Arihant Superstructures Limited

Ashokkumar Chhajer
Chairman & Managing Director
Date: 26th February, 2024
Place: Mumbai



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Arihant Superstructures Limited
Earnings Conference Call
February 14, 2024

Moderator: Ladies and gentlemen, Good day and welcome to the Q3 and 9 Months FY24 Earnings Conference Call of Arihant Superstructures 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. I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you and over to you, ma’am.

Purvangi Jain: Good evening, everyone and a very warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the Investor Relations of Arihant Superstructures Limited. On behalf of the company. I would like to thank you all for participating in the company's earnings call for the 3rd Quarter and 9 month of the Financial Year 2024.

Before we begin, let me mention a short cautionary statement. Some of the statements made in today's Earnings Call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ from those anticipated. Such statements are based on management beliefs as well as assumptions made by information currently available to management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions.

The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review. Now let me introduce you to the management participating with us in today's Earnings Call and hand it over to them for their opening remarks.

We have with us Mr. Parth Chhajer – Whole Time Director and Mr. Dhiraj Jopat – Chief Financial Officer. Without any further delay, I request Mr. Parth to start with his opening remarks. Thank you and over to you, sir.

Parth Chhajer: Good morning everyone and thank you for taking time to join Arihant Superstructures Limited Conference Call to discuss Q3 FY24 “Results” and “Business Updates”. We've 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 Navi Mumbai MMR region.

I guess most of you would have gone through the presentation which is filed with the stock exchanges.

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So, I'll just brief you all about the financial numbers for this quarter. In terms of the consolidated financials, the total consolidated revenue for Q3 FY24 was 119.5 crores against 109 crores in Q3 FY23 registering a growth of 9.6%.

The total consolidated EBITDA for Q3 FY24 stands at 26.3 crores as against 25.5 crores in Q2 FY24 registering 3.1% growth on the quarter-on-quarter basis. The EBITDA margin for Q3 FY24 stands at 22.01% versus 23.39% in Q2 FY24 registering a change of minus 1.38%. Profit before tax for Q3 FY24 stands at 18.8 crores against 18.8 crores in Q2 FY24 so indicating no change.

The profit after tax for Q3 FY24 stands at 15.6 crores against 16.1 crores in Q2 FY24 registering a change of minus 3.1%. The PAT margin for Q2 FY24 stands at 13.05% against 14.77% in Q2 FY24. Net worth of the company has increased to 301.8 crores in Q3 FY24 against 276.8 crores in Q2 FY24 registering a growth of 9%. When we compare the 9-month FY24 figures to 9 month FY23 figures the growth is as follows.

The revenue has grown by 7.3%, EBITDA has grown by 13%, EBITDA margin has increased by 1.12%, PBT has also grown by 12.4% and PAT has grown by 11.3% on a YoY basis. Now talking about the key operating highlights, the company has achieved sales booking of 483 units in the quarter equivalent to 4.1 lakh square feet amounting to 251 crores in sales value. The average price per square feet has increased to 6,148 per square foot for this quarter indicating that affordable and mid income segments have also contributed to the sales.

The average price per unit sold is close to 52 lakh in Q3 FY24 which has come down from 60 lakh in Q2 FY24. So, this is because of the higher sales coming from the affordable segments as well. Total collection for Q3 FY24 stands at 131 crores. Now coming to the business development front on the business development in this quarter we acquired a new project Arihant Anaika 7 which is adjoining to the existing township of Arihant Anaika wherein we have already delivered close to 1,500 odd apartments.

So, this project also will be comprising 10,000 square meter of land area wherein we would be developing 549 units spread across 3.73 lakh square feet which will have a gross development potential of 185 crores. We also signed a term sheet for 118 acres of land at Chowk near the Chowk railway station where we'll be planning to develop plots and villas.

Apart from this, we've also received additional land for development in Arihant Aspire project which will add an additional saleable area of 5 lakh square feet increasing the revenue potential by 350 crores and we'll also like to update everyone on the positive development of Arihant Aakarshan which is now being renamed as Arihant Adarsh. We have received the commencement certificate from Panvel



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Municipal Corporation the sales and construction would begin from March, April onwards this project would be comprising of now 778 apartments spread across 5.4 lakh square feet of salable area having revenue potential of 270 crores. So, this was all about the business development front.

Now just to brief you all about the company and market scenario at company level, we've seen demand for residential homes to increase in the quarter across affordable and mid income and premium housing despite of inflation and price hikes to the tune of 3% to 5% across all the projects in Navi Mumbai area in this quarter. The Navi Mumbai Metro has finally been inaugurated and has begun operations in this quarter which has seen a tremendous boost in demand for homes especially in Kharghar and Taloja micro markets wherein Arihant has a leading position.

FY24 will also mark the inauguration of the Navi Mumbai International Airport along with the surrounding infrastructure. We've also witnessed that in January the Atul Setu has been inaugurated by the Honorable Prime Minister, which is also led to a great increase in demand for homes in project especially in the Panvel and the Airport Authority region. So, that has just started off with the spike and I think it will continue to grow as the time passes by.

We also focused a lot on the sustenance and activations in projects across all categories in this Q3 quarter. We started the launch of the fifth Tower of Arihant Aspire in December, and it is continuing in this quarter as well and we've seen a tremendous response from it. We are also geared up for more new launches in the coming quarters across segments, which is highlighted in our presentation on page 13 with the estimated forthcoming launch pipeline being showcased across all the segments.

Commencement certificates are awaited for Arihant World Villas at Chowk, Arihant Avanti at Shilphata and Arihant Anaika 7 which will boost the sales figures from FY25 onwards. We are expecting the commencement certificates to come for all these three projects by Q4 FY24. Already, the portfolio is well diversified, and I think we are in a good strong position to cater to all the major demands that would be there in the housing space.

Being presented across 11 different micro markets will give us a good micro market share across various geographies also which is one of the largest geographical spread by any developer in MMR region and a good offering coming from Rs. 20 lakh to Rs. 3 crore of an apartment. So, the business model that the company has is quite unique, sustainable and scalable. With this now I open the floor for questions and answers. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Jojo Shaju from Alpha Invesco Research Service. Please go ahead.

Jojo Shaju:

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Sir. I need the break up for the pre sales number. So out of this 252 crores which we have done in Q3

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how much is coming from this as per your Aspire, Aalishan and Advika, Aneja projects?

Management:

I'll have to share that separately with you don't have it just right now, but just to give you a rough ballpark figure in the amounts I think around Aspire was close to because of the launch that we started Aspire was close to 90 crores, Aalishan was around 43 crores, Advika in this quarter was around 9 crores. So, ballpark these are the figures for these three projects.

Jojo Shaju:

And what about the 9 months if you have the data with you I mean 9 months if you have for the same?

Management:

Yes. We'll get back to you on that and we'll share it project wise also separately offline.

Jojo Shaju:

Sir coming to the Aspire project can you share some more data like how is the sales movement going over there, how is the demand shaping up and is there any new phase expected to launch in FY25 there?

Management:

Yes, so Aspire project we launched the four tower in the beginning in the month of April and we've launched the fifth tower now in December, January. So, I think the demand is very good in that location. It's very close to the upcoming International airport. It's just a 10 minute to 12-minute drive from the Atal Setu Bridge which connects you to South Mumbai. So, within 30 minutes from that location you can reach Fort area it's a fantastic connectivity that has come in place and that is we're going to see a great influx of demand coming in for this project especially. We have also added like I said another 5 lakh square feet in this project only, which will be maybe another two more towers. So we had 8 towers. We'll be doing approximately now 10 towers total around 36 lakh square feet of development salable area. It looks very positive. We have gone back to the drawing boards and are submitting the plans for the 5 towers as well and we should expect the commencement certificates in 3 months to 4 months and we will be having another launch for this project in the coming financial year as well. So it looks quite positive. It's going to add a lot to the top line and the bottom line of the company's numbers and as a location it is I think the hottest location in the entire Navi Mumbai today.

Jojo Shaju:

Sir, one question on the guidance per se so looking at the sales velocity you're doing at the launch pipeline, is it possible to do like 1300 crores presales by FY25 or let's say 1800 crore by FY27. Is it possible to do such pre sales number?

Management:

Yes, we are confident that this year we should be doing close to 1,000 crores and 25%, 30% CAGR on that in the forthcoming years. So, markets are also supportive, the infrastructure is in place. Finally, the real dreams of infra projects which were imagined maybe 5, 10:15, 20, 30 years ago are coming live to the city through the push of the Prime Minister and the entire government, and that is the going to be a big game changer for Navi Mumbai and for us as well wherein we have a very large market share.

So, company today also has more than 1 crore square feet just in the radius of 7 to 10 kilometers from

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the in Navi Mumbai Airport area. So that is going to add a lot going forward as well.

Moderator:

Thank you very much. The next question is from the line of Shri Gandhi from Mangal Keshav Financial Services. Please go ahead.

Shri Gandhi:

So, my question was on the basis of on the World Villa like when we can expect the commencement certificate for that and where can we I cannot delivered so that is first question. The second question was on the basis of like what kind of IRR we are expecting from the resort and gymkhana that we are planning to build at Panvel?

Management:

I'll take your first question. So commencement certificate is expected in this quarter Q4 before March and post that we'll be going and submitting our documents for the RERA registration and the launch should be expected in mid of April or end of April onwards and even construction on site will be beginning in full swing along with this.

So, we are quite ready, our architects and everyone is geared up for the same and we've planned the entire construction cycle also for the next 2 years. We'll be launching around 75, 80 villas in the first phase which should be completed in a span of 15 months from the date of start of construction.

In terms of the IRR expected from the Gymkhana and the hotel properties that would be to the tune of 15% on the investments that we make which is around Rs. 250 crore that would be going as investments to make the 2 lakh square feet of gymkhana and 221 key hotel.

Shri Gandhi:

One more question from my side is that we are normally operating at a margin of around 20%, 22%. So, going ahead also we are expecting the same margins to EBITDA margin I'm talking about and what's your plan for the debt reduction going ahead?

Management:

See EBITDA margin we are confident it will increase going further to the range of 25%, 28% and even 30% after a couple of years. So the EBITDA margin is going to increase. Debt reduction since you know we are already in the phase of expanding the business of the company and our core focus is to ensure that we get the best lands at the best cost before prices increase very drastically because of the several developments happening across the micro markets where we want to be in place.

So, our focus is that we will be adding on some more debt for the next 5 to 7 to 9 months and we'll be starting off those projects and those projects will then yield good cash flows to repay the debt over the span of next 3 years to 4 years. So, debt is going to increase going further, but the business is going to increase even more the size of the company is going to grow from where we were in 2021 to where we want to be in 2025.



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I think there's a big sea change in the portfolio of the company which will also be very positive going forward to the growth of the company and its numbers and everything.

Moderator:

Thank you very much. Next question is from the line of Vignesh Iyer from Sequent Investment. Please go ahead.

Vignesh Iyer:

Few questions from my side. Firstly, I want to know what is the land parcel size that is available for us today in Kharghar, Taloja and Panvel except for the World Villa project that we are going to start. Do we have any land parcel that is we have any plan or commencement of business is not happened yet?

Management:

No, as of now only Arihant Anaika Phase 7 is the land parcel which is whereas the commencement certification has not come in place other projects have already started off. Some phases of those projects would be going for commencement certificates, but whatever lands we have there we have already started off with all the projects apart from Anaika 7.

Vignesh Iyer:

Just to understand, I mean I've, I've been following the companies for few quarters now and I understand that as a management your internal decision making as to purchase the land whenever you have a plan to start up a project or there is some vision in a year or two that you can start of the project, but the area we operate that is primarily Navi Mumbai now due to MTHL and Navi Mumbai Airport has seen a spike in the prices when it comes to the land price.

So, going ahead having the policy unlike many other real estate players who have a land parcel lying with them for few years for us acquiring the land parcel going ahead is going to become costly. So, I am trying to understand in more like a 5 years to 6 years down the line how are we planning on to maintain the kind of numbers we are maintaining now or the numbers that we are delivering in the next 2 years, 3 weeks?

Management:

So see this has been the speciality of the company that the company identifies the new geographies and enters into virgin markets where there is no developments or no large developments have taken place and we go there and make a market and then everybody follows us.

So even if you see we've developed Taloja as a micro market from 2016 onwards where nobody used to go there, land prices used to be Rs. 4,000 a meter which has changed to Rs. 40,000 a meter today and obviously the company has done well over there. Today also Arihant Anaika Phase 7 I think we've acquired it at a very, very good cost even though marketing maybe at Rs. 30,000, Rs. 34,000, Rs. 40,000 a meter we've got the same land at around Rs. 22,500 a meter.

So, the specialty is that we buy directly from the sellers or the land owners and don't buy it through any aggregators and that reduces our cost of acquisition and our ability to develop new micro markets and

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enter into virgin areas is going to put us in a niche position going forward and then obviously in very highly developed micro markets we could go in for a JV model or do something like what we are doing in Vashi society redevelopments wherein capital required at the initial levels is not very high and the goodwill of the company is already there in the market to capture good business and beat the competition when it comes to any tenders or any sale of land.

So, goodwill is always going to play a big role going forward down the line even 5 years, 6 years, 10 years down from today and I think it will not be a big issue if the projects that we have taken now are going to yield us good cash flows. So, we'll be having good cash flow or coming into the company over the next 3 years, 4 years, 5 years which will put us in an even healthier position to acquire any sort of land that we want to do going forward.

As of now, the business in hand is good enough for the next 6 years to 7 years and obviously we are keen on adding on to that also and our business development team is on the hunt even today for any kind of good opportunities which are viable to the company in the long run.

Vignesh Iyer:

And exactly the idea behind me asking the question was entirely because we were the one of the early players few players that entered in Navi Mumbai market went very early stages and we have been developing the properties over the last few years when the price was quite tepid.

So, just to the idea behind me asking this is because when the point comes where the price hits the premium it's just a point from my side because if the price hits the premium and we are at a sweet spot at that point of time, wouldn't it be a much better idea to develop the business that way rather than identifying a new micro market where the price is tepid.

I mean we as a company who started one of the few companies who have started out the construction and etcetera part of the micro market at early stage don't we deserve to get rewarded whether the price hits the most premium part of it?

Management:

No, so that has not been the ideology of the company to buy lands and hold on to them for 5 years, 10 years and then develop. We are not a land banking company. We are more of a manufacturing company which is playing on a very sustainable business model and we don't want to keep lands in the kitty for a very long run wherein we just buy for the sake of buying it today and wait for the opportunities to come going ahead.

Some micro markets may perform well, some may not perform well. So, it's a high risk to put all eggs in one basket also at the same time and land is available at something slightly 4 kilometers from the developed market also. So, it's not a very difficult task. Obviously prices of land will be as per the present value on the day that you buy, but the business also has to be viable and that is where we put

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our heads into and that's where we select our land parcels very carefully.

Today also company gets many, many offers, many deals, many opportunities across the entire zone of MMR from Thane till Raigarh district. So, we are very, very selective in the business that we do. We have a fixed policy philosophy that we follow through. We obviously cater to the population matrix of a particular city and I think the ideology and foundation is very strong. So it will not be a hurdle For us even going forward.

Like you see even in Vashi we've got a project in a very highly developed micro market where land is not available for anybody. Arihant has got an opportunity to work on 15,000 square meter of land area. So, that's the goodwill that has put us into this position and that will keep on adding going ahead as well.

So, we're not scared that opportunities may not be there. We know how to develop new micro markets and to take that kind of bid there has to be that much capital available with the company also today to take very sizable and very high bid. So, we have to be cautious on that as well. Don't want to go overboard with anything and we have to ensure that the ongoing business does not suffer just for the sake of more acquisitions.

Vignesh Iyer:

Sir, just one more question. So it would it be safe to say that to leverage our goodwill in MMR market especially in Navi Mumbai we would be looking more into JDA and JV type structure going ahead over buying over online?

Management:

So next 2 years, 3 years our idea is to majorly buy. So, buying also we do wherever the selling prices are around Rs. 5,000, Rs. 6,000 or Rs. 8,000 maximum per square foot anything above that is always a JV, JDA model or area sharing or society redevelopment.

So, if you see even Shilphata we will be selling at around 6,000 per square foot that's JV, Arihant Aalishan an ongoing project selling around 8,500 is a JV project, Arihant Advika at Vashi is also a JV project.

So very highly intensive capital projects require very big investments. We prefer to do JV and we prefer to buy also because buying has its own beauty compared to JV, JDAs as well.

Vignesh Iyer:

Sir, if you if I could add one more question. So, just to understand the micro market of Shilphata. So, we already have three major builders, one from Navi Mumbai, one is Runwal and Lodha operating and it's all good part of the construction has been completed and handed over and we have to start with.

So, I mean pricing it anywhere near 6,000 per square feet doesn't it feel a bit premium on the side or is

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there something that our housing side is offering something separate or unique that too over the other three builders. I mean Runwal has been facing their own problems for last 1 year in Shilphata market?

Management:

No, Runwal, Lodha their projects are I think 6 kilometers away from our location 5 to 6 kilometers. So they are in the Dombivli area and we are at the Shilphata main junction area just 700 meters, 800 meters from the main junction of Shilphata. So, our target audience is going to be more who are living in Navi Mumbai area like Kopargaon, Ghansoli, Airoli, etc., and Thane as well.

So, major of our audience is going to be people who are living on rent over here and working in the MIDC IT zone. So, for them to travel till our projects location is still viable on a daily basis it will take around 25 minutes to 35 minutes on an average door-to-door, but for anybody to go to Runwal or Lodha it is at least 60 minutes from the MIDC zone in this part of the city.

So, their offerings are different our offerings will be different. We will be positioning our project very differently as well to ensure that we are justifying the price that we want to sell at and we'll be delivering a very unique and fantastic product which is not being given by the other big boys also. So, that is where we'll have our niche going into this micro market and we are quite confident that we can sell at Rs. 6,000 square foot.

Vignesh Iyer:

Sir just to understand what is what would be our IRR that when it comes to a project that is on our own land versus something as unique as a world Villa project that you have been offering in Panvel. I mean, just to understand with something like a Villa project have higher IRR?

Management:

As of now we are expecting better IRR on the Villa projects and better margins also and EBITDA and PAT levels because the villa and the Clotted development market is very unique even today for MMR. We've seen hardly maybe a handful of projects only coming up in this product type, obviously more people are now venturing into it, but I think there's still a big market for it which can help us get a better pricing in the initial days and obviously it always depends on the design of the product.

It is never just that you have to sell at this price, the location, design, developer, they all matter to the client and the client looks at that and makes his decision on the basis of that. So, people are actually focusing on the product, the brand, the location, rather than just buying on a particular price tag.

Moderator:

Thank you very much. The next question is from the line of Abhishek Getam from Alpha Invesco. Please go ahead.

Abhishek Getam:

Sir I wanted to know about Q4 guidance on pre-sale, so what value do we expect to close FY24?

Management:

Pre sales we are targeting to close at 1,000 crores by Q4.

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- Abhishek Getam:** So we're expecting another 290 odd crores for Q4?
- Management:** Yes 280 we are targeting that.
- Abhishek Getam:** And major of that will come from sir Aspire itself?
- Management:** Yes, so Aspire obviously Aalishan Aspire will contribute very well to that. Some will come from Advika and we are about to launch Arihant Adarsh also in this month. So, that will also contribute to the numbers and values as well and obviously ongoing projects are there and they're also contributing to the sales of the company.
- Abhishek Getam:** So as per FY25 and FY26 what sort of pre sales are we envisaging?
- Management:** So 25 we are targeting around 1,300 crores and FY26 we should be doing around 1,600, 1,700 anywhere between that. So, 25 we expect to be good and in terms of pre sales and other numbers also for the company and with the airport also being expected to open by the end of FY25 pre sales would definitely pick up in FY26.
- Abhishek Getam:** Can you please provide some broader project wise split for FY25 and 26, what would be the major contributors for this?
- Management:** So, major contribution in terms of values will come from Arihant Advika at Vashi, Arihant Aspire the World Villas Project, Arihant Avanti then the Taloja projects of Arihant Adarsh and Arihant Anaika 7, Aaradhya these are the 6 key projects which will contribute heavily to the value sales of the company.
- Abhishek Getam:** So 1% of FY25, is it fair to assume that Advika will contribute around 200 crores and same for Aspire?
- Management:** Yes Advika should do 200 crores, for FY25 we should do that. The current stage is also going well, construction is happening at a good speed. Every 15 days we are doing one slab in each tower and we are on the 9th or 10th floor right now. This is a micro market wherein the quality home buyers would like to see the advanced stage of construction with the structures being complete and then they make their decision to buy. So, we'll also be getting a better pricing for this project and the sales velocity will also increase in the coming financial year.
- Abhishek Getam:** And from Aspire from the existing inventory and new launches 300 crores sort of a doable target ther?
- Management:** No, total inventory after this launch may be around 350 units. So, the average is 60 lakh per unit that would be around 200 crores of value. So, the stock is not there for 300 crore also.
- Abhishek Getam:** So, around 200 crores from Aspire for FY25?

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- Management:** Once that we do maybe around 200 crores would be left as the stock in inventory.
- Abhishek Getam:** I think World Villa do we expect 150 crores crores pre sales in FY25?
- Management:** See that would be forward-looking. Let the project start off for projects which are already ongoing I can give you a decent comment, but for projects that are about to start off we also want to test the markets and see maybe there could be surprises, but let's wait for it.
- Moderator:** Thank you very much. The next question is from the line of Hemang Dagli from Monarch Capital. Please go ahead.
- Hemang Dagli:** I have got two questions. One is on the debt our gross debt is 440 crore and whereas our serviceability debt is 121 crore. Can you explain in some more detail the brief and plus what is the debt equity ratio that as a principle we are going to follow going ahead?
- Management:** So gross that is 440 and net debt after intercompany eliminations comes to 413 crores and the 121 crores is the adjustable debt to ASL. So, the debt that is there in the subsidiaries ASL liability is only 60% of that debt and the balances of the other minority shareholders.
- So, that's why we've written it as adjusted net debt 121 crores which is from the institutions which has to be served on a monthly basis. So, this is the debt coming in from the Tata Capital, the ICICI Ventures and the SPCI 3 debts that are ongoing for the company. So that's how it is adjusted 221 crores which is the liability of Arihant Superstructures Limited the main company of the group.
- Going forward, obviously a business is expanding we are increasing our portfolio size. So, debt would be required to fund these acquisitions. So, debt could increase to another you can say 125 crores from where we are today, but the repayments are also starting off for the ICICI Ventures 45 crores and even the Tata Capital has started off their escrow mechanism.
- So, the payments will happen smoothly to that account as well already it was 95 it has come down to 92. So, I think cash flows of the company through the ongoing operating business will help in repayments of the debt and whatever debt we are taking on now is to grow the business, add on more business to the company and increase the size of the company. So, that's the total use of the debt.
- Hemang Dagli:** My second question is on the competitive landscape, this particular Panvel and Navi Mumbai area we have developed and a lot of new developers have now started coming in which is an acknowledgement that the area is developing and bigger builders like Godrej Hiranandani have been actively looking at this area in last 2 years to 3 years. So, could you give some more color on the competitive landscape and our projects price compared to their projects and things like that?

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CONTINUING STABILITY



Management:

So, everyone is in a different geography, so we can't just compare ourselves to Godrej to Hiranandani although we are selling our Arihant Aspire project at a much better price than their projects Wadwa, Godrej and Hiranandani also because the location matters, but if you see the landscape once you get off the MTHL link that is the area which is going to see great development over the next decade and it is not just going to be housing, but even commercial, retail, hospitality. Industrial parks, JNPT is doing their SEZ.

So, these other forms of real estate are also going to take up big shape and very big size with big groups like Reliance and Adani already starting off their ventures and other groups will also follow. So, it's going to become a very good sustainable city for the globe, and it will be recognized individually going ahead as well after the airport and not be a satellite city.

It is a satellite city, but it will not be recognized just as a satellite city. This area of Panvel is going to have a great boom because of all the infra and the other real estate projects coming in, housing is going to be a key requirement for the people who are planning to come here. We expect at least 10 lakh jobs to be created over the next 7 years that would yield a requirement of minimum 10 lakh houses in this area and even there is a great pull coming in from retail investors who want to buy one or two apartments over the last 3 months, 4 months in the geographies of Kharghar, Panvel, Taloja and in that area of Navi Mumbai even Vashi for that sake.

So, retail. Investors are also getting pulled to this area because they have now realized that this Infra project is finally coming up. So because of that the conviction is high for everyone and we are also very confident on that.

Hemang Dagli:

So, if I look at that particular Panvel area and now Mumbai area there would be very few handful of developers who have got a very reputed name and whose focus is only Navi Mumbai area compared to a bigger builder who would have a focus across the Mumbai, would I be right in that assessment?

Management:

Yes. I mean in terms of Navi Mumbai developers there's very handful who are having sizable business in the MMR region. So, we are one of them and obviously there are other developers like the Godrej and Hiranandani whoever spread across the entire city and across the country also.

So, there scale is different, but in this micro market we are able to beat or beat their skill or beat them in many competitive numbers. So, we have an competitive advantage and we'll continue to do that even going ahead. So, that is going to be a key factor to our growth in the coming 3 years to 4 years.

Moderator:

Thank you very much. The next question is from the line of Vignesh Iyer from Sequent Investment. Please go ahead.



CONTINUING STABILITY



- Vignesh Iyer:** And I just wanted to know what would be your revenue recognition going forward, where do you think I mean what is the internal estimate for FY24 and FY25?
- Management:** So, we cannot just highlight any number that would be very forward-looking, but as a company we are planning to go at a 25% CAGR from the FY23 numbers across all verticals.
- Vignesh Iyer:** Just let me put it this way for FY25 which project we are expecting to get OCs for?
- Management:** OC would be coming for Arihant Aalishan, Arihant Aspire. So, these are two big projects wherein we'll be delivering substantial inventory, Arihant Anaika 5 at Taloja also would be getting completed in FY25, Arihant Aloki as well. Some OCs are expected before March also for Arihant Anmol at Badlapur and Aalishan 1 building out of the two.
- So, there's a good lineup of deliveries in this in the next 12 months to 13 months. So, projects are reaching that final completion stage and that is good for the company which will help in the forthcoming phases also of those projects especially Aspire.
- Vignesh Iyer:** I mean is there any specific timeline of OC I mean most of this project will come the first part of H1 FY25 or H2 FY25 how it is, what is the expected timeline?
- Management:** For H1 you can expect Aalishan to get completed, H2 will be Aspire and Anaika 5.
- Moderator:** Thank you very much. As there are no further questions, I now hand the conference over to management from Arihant Superstructures Limited for closing comments. Thank you and over to you, sir.
- Management:** Thank you everyone for taking time out to join on this call and we always learn a lot with the discussions that we have over here and we are keen to interact with you all separately. Also, if anybody has more questions we can get connected, you can contact our Investor Relations team or contact us directly also in the finance department and we'll be happy to connect. Thank you so much.
- Moderator:** On behalf of Arihant Superstructures Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.