



CONTINUING STABILITY

**ARIHANT**  
SUPERSTRUCTURES LTD.  
CONTINUING STABILITY

21<sup>st</sup> July, 2021

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

**Sub: Investor Presentation of the Financial Results for the Quarter ended on 30<sup>th</sup> June, 2021:**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the attached herewith the Investor Presentation for the Quarter ended on 30<sup>th</sup> June, 2021.

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

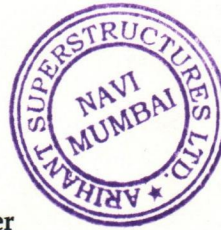
Thanking You

Yours Faithfully

For Arihant Superstructures Limited

Govind Rao

Company Secretary & Compliance Officer



Enclosed: a/a

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# INVESTOR PRESENTATION

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Q1 – FY 2022





# DISCLAIMER

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This presentation contains 'forward-looking statements' – that is, statements related to future, not past, events. In this context, forward-looking statements relating to our expected future business and financial performance and strategies, and often contain words such as 'expects,' 'anticipates,' 'intends,' 'plans,' 'believes,' 'seeks,' or 'will'. Forward-looking statements by their nature address matters that are, to different degrees, uncertain and are dependent on numerous factors including but not limited to macroeconomic conditions, local business environment, government policies etc. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements. We caution you that reliance on any forward-looking statement involves risk and uncertainties, and that, although we believe that the assumption on which our forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate and, as a result, the forward-looking statement based on those assumptions could be materially incorrect. The viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements and management estimates.

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# CMD'S MESSAGE

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*“First wave of COVID has taught us important lessons which has helped us navigate the second wave of COVID unscathed. As a result, we have achieved one of the best Q1 performance in our history in terms of Sales & Profitability. Our new launches have also helped us in achieving better overall performance ”*



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# KEY HIGHLIGHTS FOR Q1-FY22



# QUARTERLY HIGHLIGHTS – Q1 FY22

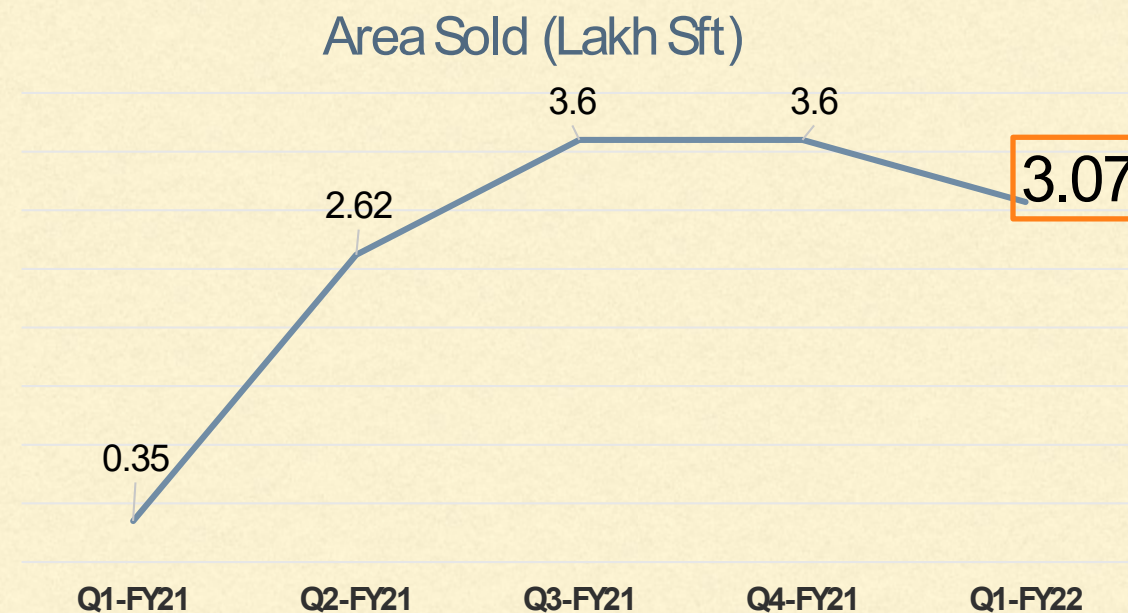
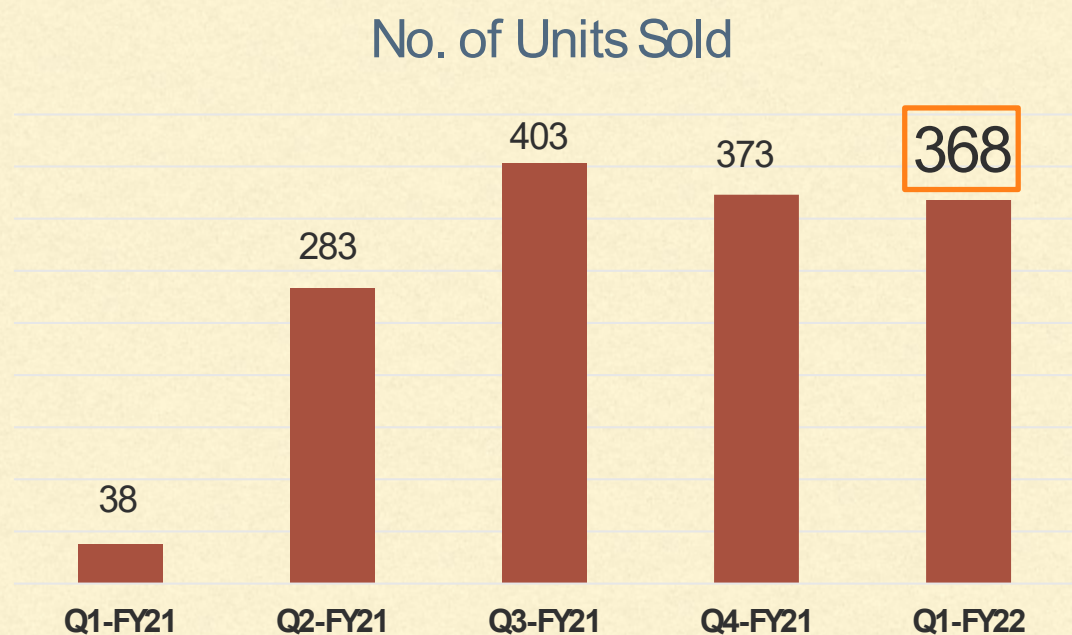
- Successful digital launches of two projects - Arihant Advika at Vashi, Navi Mumbai targeted at High Income Group and Arihant 5Anaika at Taloja, Navi Mumbai in the affordable category
- Sales bookings of **368 units** aggregating **3.07 lac sft** in Q1 FY22 owing to successful digital launches
- Collections sequentially **stood at INR 93.89** Cr in the current quarter despite covid restrictions
- **Delivered 280 units** in Q1FY22 totaling to 2.03 Lac sft
- No significant change in debt position

Particulars	Q1 FY22	Q4 FY21	%change
Units Sold (No.)	368	373	-1.3%
Value of Sales (INR Cr)	178.7	181.2	-1.4%
Total Collections (INR Cr)	93.9	112.5	-16.5%
Total Debt (INR Cr)	297.8	295.5	0.8%

Note: Prior period figures are not comparable as the same may be restated due to cancellations and/or reclassification.



# QUARTERLY SALES TREND











Particulars	Q1 FY22	Q4 FY21	Q1 FY21	Q1 FY20
Units Sold (No.)	368	373	38	149
Area Sold (Lakh Sft)	3.07	3.60	0.35	1.45
Value of Sales (INRCr)	178.7	181.2	12.9	64.1

Note: Prior period figures are not comparable as the same may be restated due to cancellations and/or reclassification.



# QUARTERLY RESULTS – Q1 FY22

Particulars (INR Cr)	Q1 FY22	Q1 FY21	% change		Q4 FY21	% change	
<b>Total Revenue</b>	<b>84.66</b>	<b>10.15</b>	<b>733.84%</b>		<b>124.26</b>	<b>31.86%</b>	
Total Operating Expenses	69.28	8.81			103.42		
<b>EBITDA</b>	<b>15.38</b>	<b>1.34</b>	<b>1043.88%</b>		<b>20.84</b>	<b>26.15%</b>	
Interest	5.35	7.90			6.49		
Depreciation	0.47	0.52			0.48		
<b>PBT</b>	<b>9.57</b>	<b>(7.08)</b>			<b>13.87</b>	<b>31.00%</b>	
Tax	1.28	0.04			0.40		
<b>PAT</b>	<b>8.28</b>	<b>(7.04)</b>			<b>13.47</b>	<b>38.46%</b>	



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# KEY HIGHLIGHTS FOR FY21



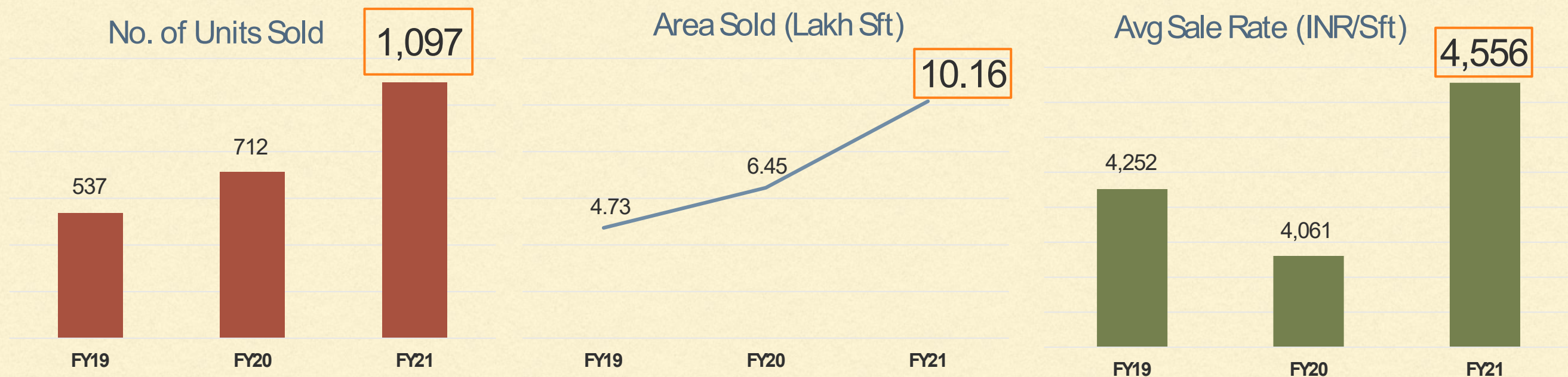
# OPERATIONAL HIGHLIGHTS

## Sales

- Sales bookings crossed **1,097 units** for the full year FY21 for the first time in Company's history showcasing strength of Brand Arihant
- In area terms, sales bookings crossed **1 million Sft**, a growth of ~59% over FY20 with an aggregate value of bookings rising to **INR 463 Cr**

## Collections

- Collections rose strongly by **24%** to **~INR 293 Cr** in FY21 despite the pandemic impact

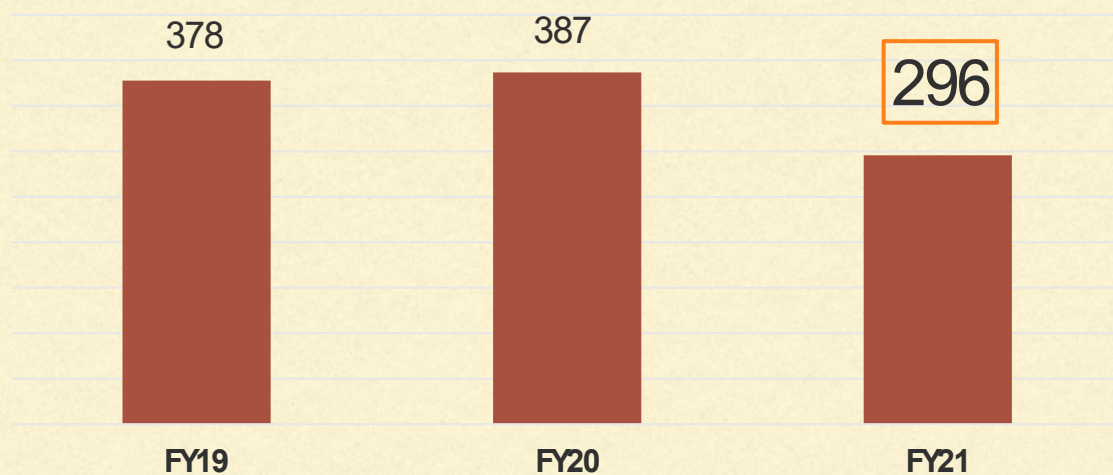




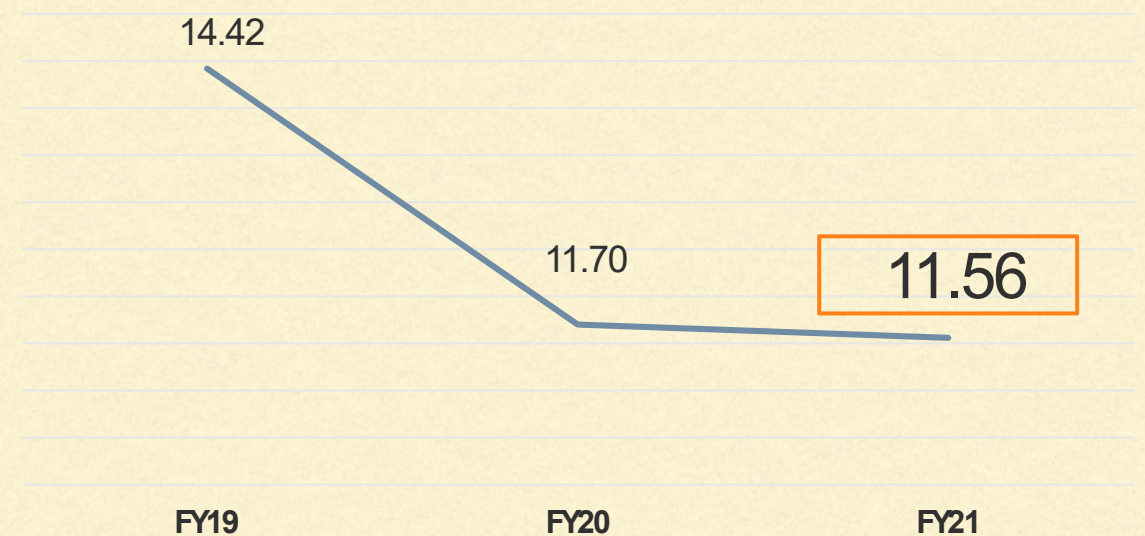
# FINANCIAL HIGHLIGHTS

- Strong all-round performance demonstrated by Arihant Superstructures Limited (ASL) in FY21
- With record sales & collections, ASL was able to **reduce its debt by INR 91 Cr** on a Y-o-Y basis which will enable us to reduce finance costs substantially
- The weighted average **cost of capital reduced from 14.42% in FY19 to 11.56% in FY21**
- Combined, this should result in stronger balance sheet and improved margins

Consolidated Debt Levels  
(INR Cr)



Weighted Average Cost of Capital (%)





# READINESS FOR THE UPCYCLE

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## Creating ready possession inventory

- Real Estate is characterized with 5-year cycles. With over 2 decades of experience, ASL's strategy incorporates such cyclical nature
- The slowdown experienced in the property markets provided an opportunity to consolidate
- ASL could envision the need for ready / near ready that would follow the RERA & NBFC crisis
- Even during toughest time, though our debt levels rose, we kept consistency of construction & completing projects in time
- This strategy led to creating a stock of ready possession inventory enabling us to capitalize on the opportunity we strongly believed the market would offer

## Strong construction momentum

- Strong collections have enabled us to significantly increase our engineering spends and expedite the construction activity on all its sites
- We believe that this will result in creating inventory in all categories (new launch to ready possession) and enter a virtuous cycle
- Hugely impact customer confidence in product and enhance the brand equity of the Company



# READINESS FOR THE UPCYCLE

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## Healthy & expanding project pipeline

- Two new projects were added in FY21 – one in affordable housing admeasuring ~24,130 sqm and one redevelopment project in upper mid income/luxury segment on a land area admeasuring 14,996 sqm
- These projects will add more than 1.1 mn sft to the overall portfolio
- The business development team is engaging with landowners for either a buyout or a majority in JV/JD structure as well as for development management opportunities
- Backed by strong financial position, the company is embarking on scaling up acquisitions significantly over next 6-8 quarters

## Team

- In the toughest lockdown months when the industry was laying off, ASL not only retained employee strength but also assured salaries winning the trust of the employees
- In the months to follow, sensing the opportunity to come, the company aggressively recruited and increased its team strength by more than 75 people including 50 in sales
- The strategy bore results as the company logged in good sales figures



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# COMPANY OVERVIEW



# OVERVIEW

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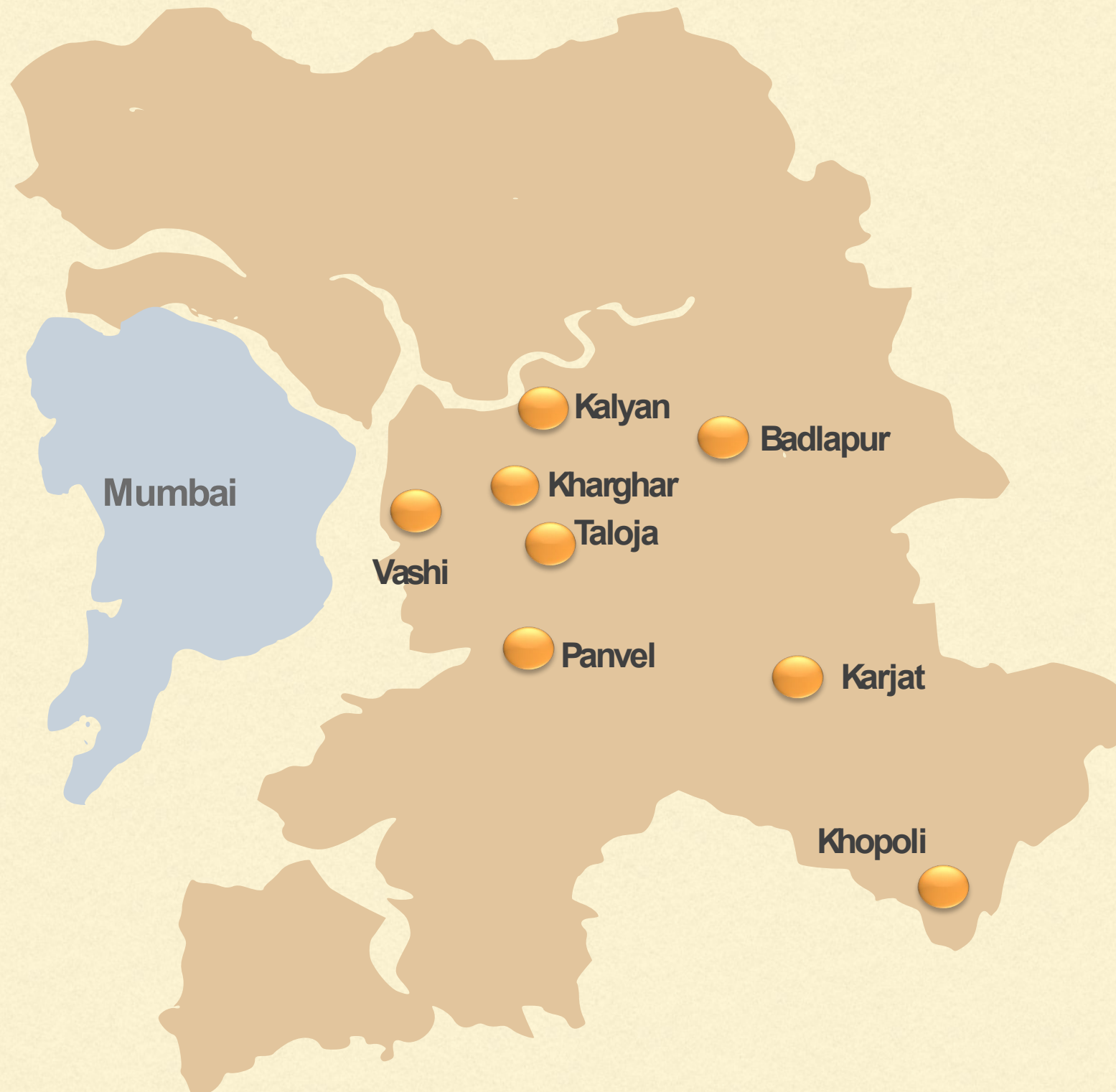
- Arihant Superstructures Limited (ASL) is one of the largest real estate player in affordable and mid-income housing consisting of **96% of its portfolio in affordable and mid-income housing**
- Geographically well diversified portfolio across Navi Mumbai, MMR and Jodhpur regions
- Ongoing & upcoming projects comprise of **~12,000+ homes** admeasuring **~11 Mn Sq. ft.** across **17+ projects** over next 7 years
- Well poised to embark on the next phase of growth with over 2 decades of operations across multiple real estate cycles



Delivered **9,500+ homes** admeasuring **8 Mn Sft** across **59 projects** over past **2 decades** by the Group



# GEOGRAPHICAL SPREAD - MMR



## 13 Lifestyle Defining Projects

Region	No of Projects
Vashi	1
Taloja	6
Kharghar	1
Panvel	1
Kalyan	1
Badlapur	1
Karjat	1
Khopoli	1



# GEOGRAPHICAL SPREAD – JODHPUR



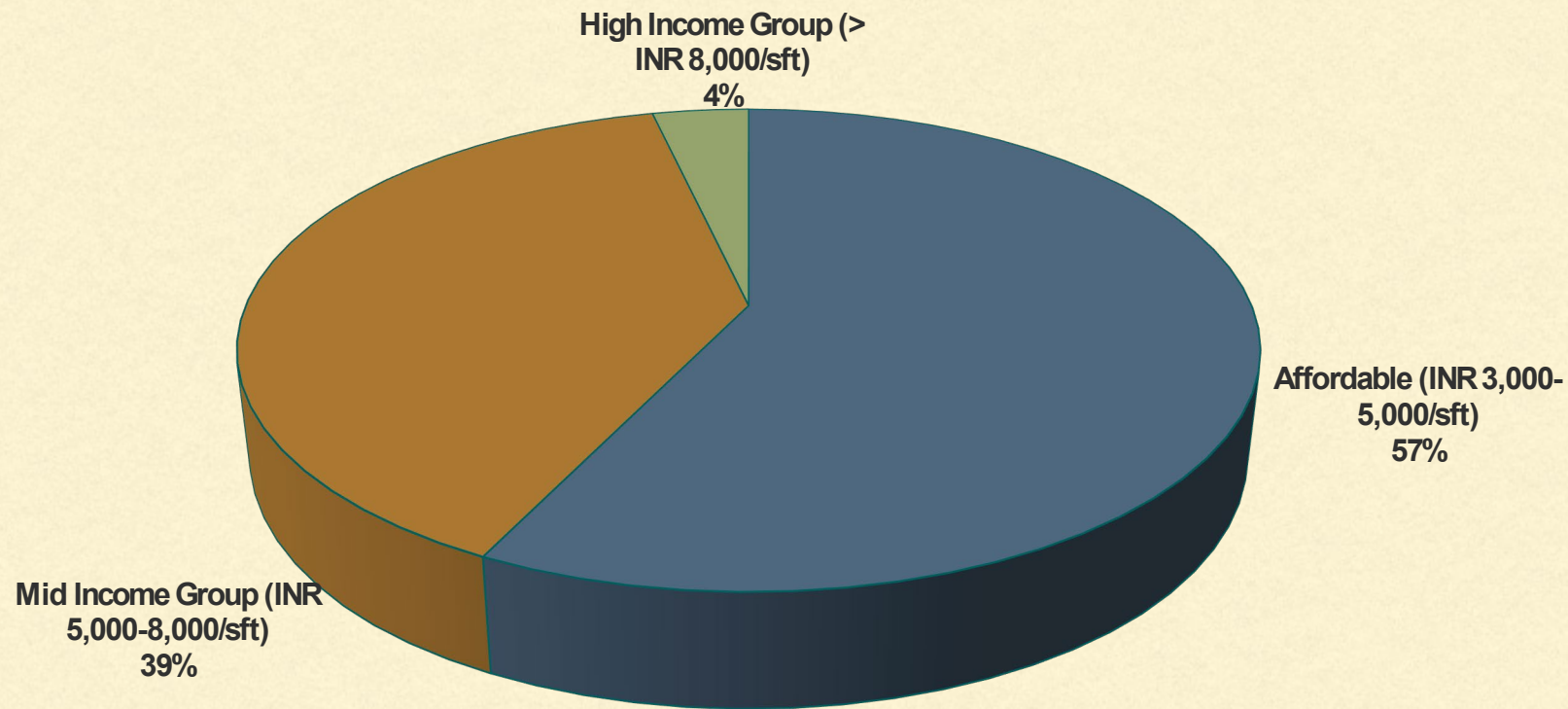
## 4 Market Defining Projects

Region	No of Projects
Dali Bai Circle	3
Pal Gangana Road	1



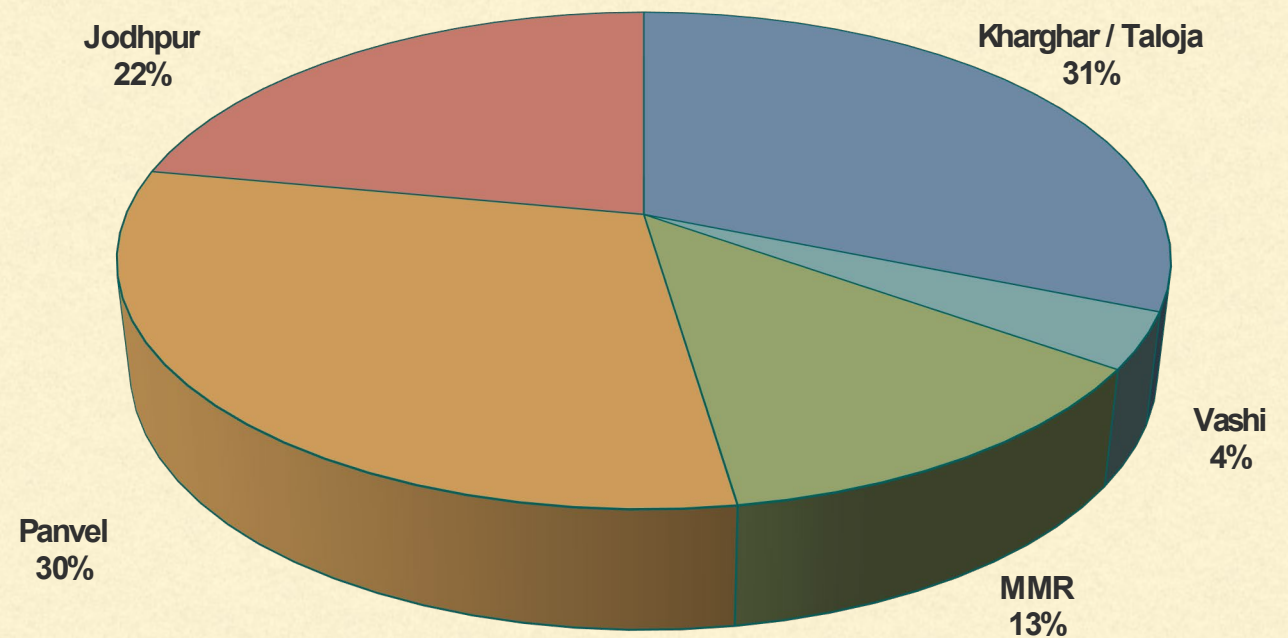
# PORTFOLIO MIX

## Category-wise portfolio mix



*Diversified portfolio mix across geographies with focus on affordable and mid income housing*

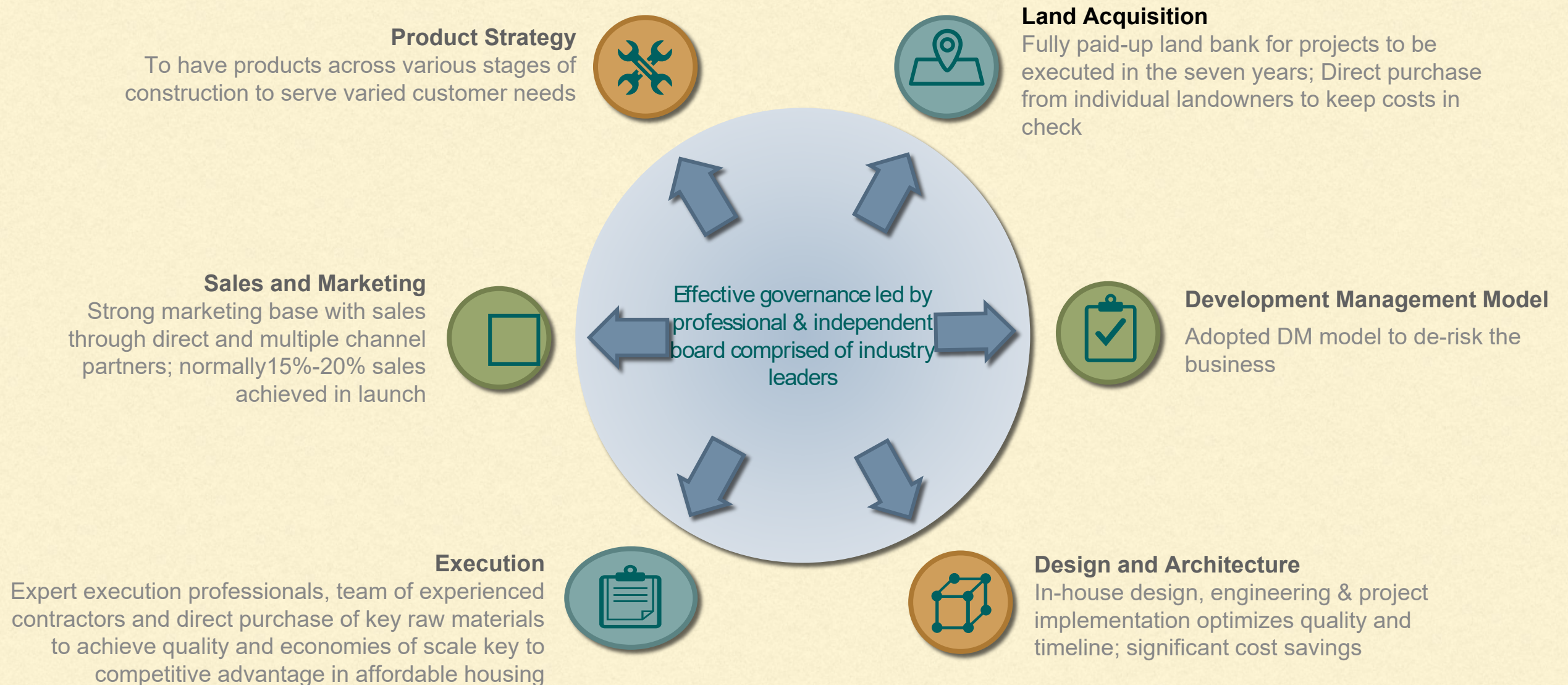
## Area-wise Portfolio Mix



*Established leadership position in the geographies and market segments by building capabilities and competitive advantage*

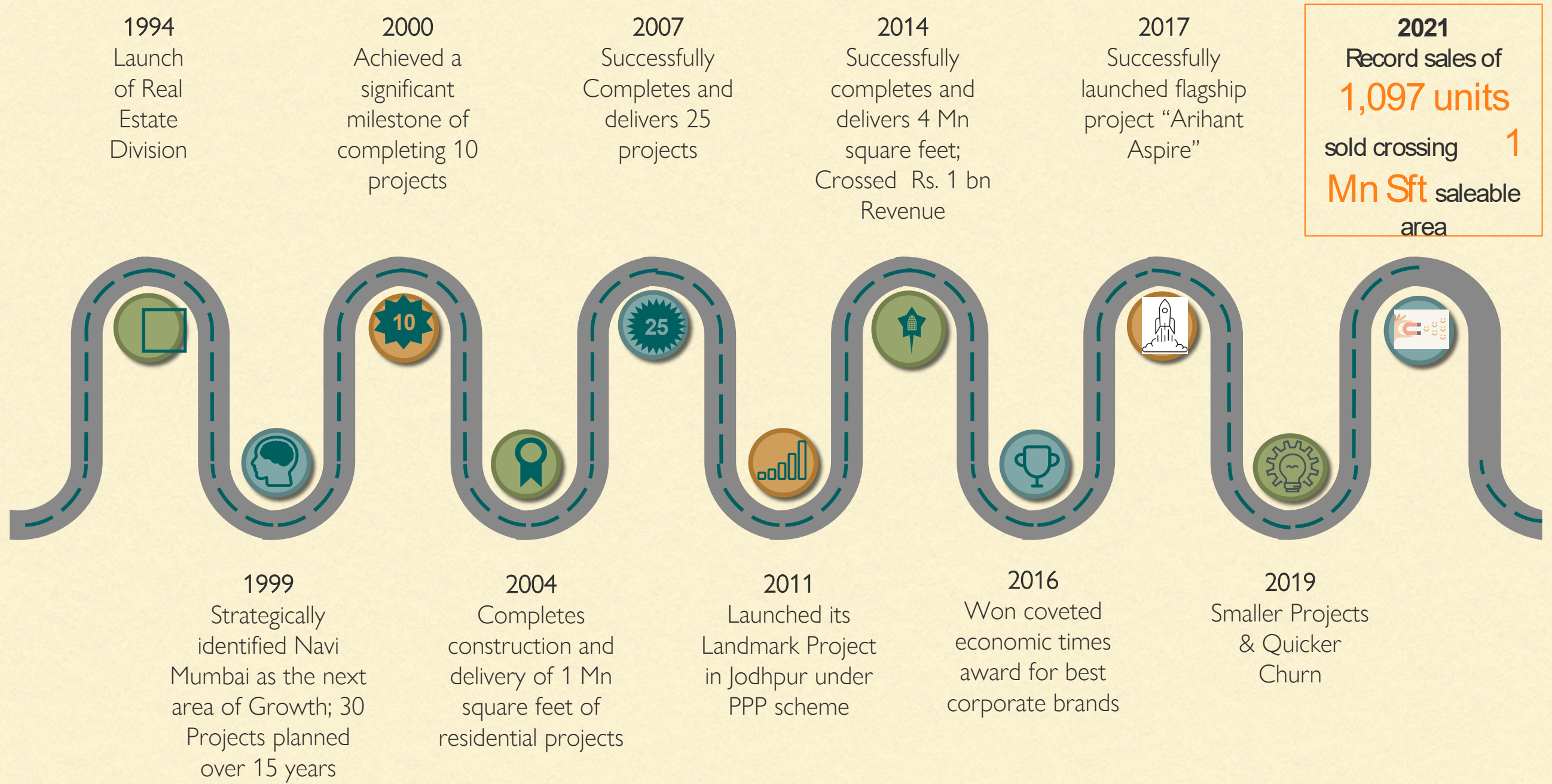


# STRENGTHS & BUSINESS MODEL





# VALUE CREATION JOURNEY





# BOARD OF DIRECTORS

## **Ashok Chhajer, *Promoter, CMD***

- Over 4 decades experience including 2 decades in the real estate business
- Prior experience ranging from textile, oil refinery to real estate financing
- At Arihant, he oversees corporate strategy, project design and land acquisition functions
- Works relentlessly towards, transparency, corporate governance and stakeholder management

## **Nimish Shah, *Whole-Time Director***

- A civil engineer with over 17 years experience in construction
- Actively involved in all the nuances of engineering including Planning and Execution, project estimation, contracts and site organization of projects
- Earlier associated with Hiranandani group and Soham Group, Thane

## **Virendra Mittal, *Independent Director***

- IIT Alumnus and a fellow chartered engineer
- Vast experience in construction, real estate, power plants, mining and highway projects
- Has been part of leadership team in ITC Ltd, The Leela Ventures, Ansal Properties,, Mukand Ltd etc.
- Has also held position with the Government of Rajasthan

## **Chandra Iyengar *Independent Director***

- 1973 batch IAS Officer
- Led several departments in GOM and GOI, such as Women & Child Development, Higher Technical Education, Rural Development and Health.
- Was Additional Chief Secretary-Home dept. for GOM. Served as Chairperson for the Maharashtra Energy Regulatory Commission.

## **Raj Narain Bharadwaj, *Independent Director***

- Over 38 years of experience in economics, banking, finance and portfolio management
- Former Chairman and Managing Director of Life Insurance Corporation of India
- Also a former Member of the Securities Appellate Tribunal

## **Divya Momaya, *Women independent Director***

- Over 16 years of experience and has been into whole time Company Secretarial Practice for more than 12 years.
- She was IPO team member of Bombay Stock Exchange.



# MANAGEMENT TEAM

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## **Akshay Agarwal,** *Director - Procurement*

- Young and dynamic leader, he oversees operations, post sales and procurement functions
- Dual specialization in Marketing and Logistics from Ohio State University, Columbus USA

## **Abhishek Shukla,** *Chief Strategy Officer*

- Seasoned business and finance professional with over 15 years experience in P&L Management, Corporate Finance, Business Development and Investment Banking.
- Leads the strategy function - Investor Relations, Strategic Finance ,new acquisitions etc.
- He is a CFA charter holder (CFA Institute, USA), MBA (Finance) and a Bachelor of Engineering

## **Deepak Lohia,** *Chief Financial Officer*

- CA having 23 years of experience in the areas of Taxation, Accounts & Finance.
- Responsible for Corporate Finance, Internal Controls, Budgeting & Forecasting
- Has earlier worked with ABG Shipyard and Runwal Group to name a few

## **Kapil Sengar,** *VP Sales*

- 17 Years of experience in sales across industries such as Real Estate, Finance & Insurance
- Prior to joining ASL, Kapil has worked with reputed brands like Reliance, Kotak Mahindra, HSBC and Adhijraj Constructions,
- Kapil has an MBA from DAVV, Indore

## **Ravindra Parakh** *Head – Accounts*

- CA, having 11 years experience in areas of Taxation, Accounts & Finance.
- Responsible for Accounts and taxation – both direct and indirect of the group

## **Govind Rao,** *Company Secretary*

- A Company Secretary with experience in corporate affairs and legal framework
- Specialization in corporate law, corporate governance and SEBI related matters .



# AWARDS & ACCOLADES (SINCE 2017)

Over **25** Awards & Recognitions over the last decade



2019

Zee Business Award – Developer of the Year ( Affordable Housing)



Iconic Award by Radio City for Arihant Aspire, Panvel



2018

IGBC Pre-certified Platinum Rating for Aspire project



Affordable Housing Project of the Year for Arihant Arshiya



2018

Arihant Adita – Jodhpur's no.1 Housing Society Award, Red FM



Dainik Bhaskar (94.3 MYFM) – Award for Excellence in Quality Construction



Award for Quality construction in affordable housing by The Economic Times, ET Realty award



Arihant Adita 'India's Top 100 projects' by CRISIL



Mumbai Hot 50 Brands by HT



Corporate Excellence award



Best Business Practices award in Real Estate



# SELECT PROJECT ELEVATIONS

*Arihant Advika, Vashi*



*Arihant Aspire, Panvel*



*Arihant Anaika, Talaja*



*Arihant Aalishan, Kharghar*





# SELECT PROJECT ELEVATIONS

*Arihant Aoki, Karjat*



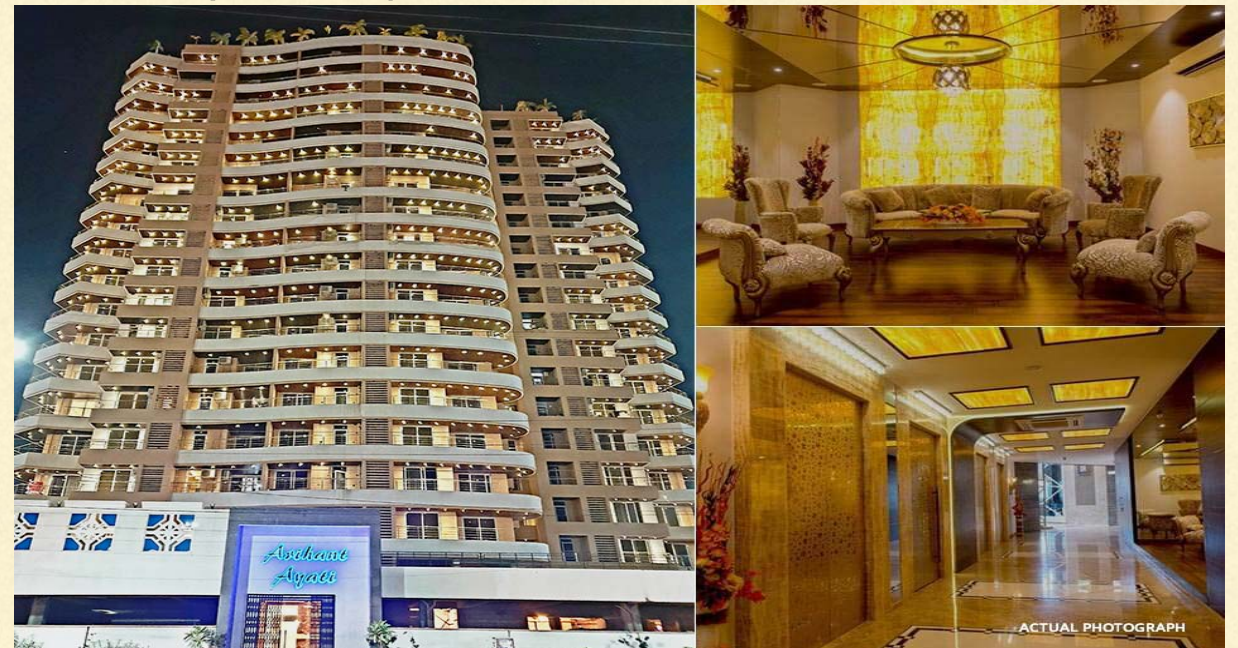
*Arihant Adita, Jodhpur*



*Arihant Arshiya, Khopdi*



*Arihant Ayati, Jodhpur*





# SUSTAINABLE DEVELOPMENT

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Social development by supporting rural infrastructure, school etc.

Water preservation by rain water harvesting & STP and energy conservation measures

Solar water heating system, energy efficient lighting and use of low VOC paints & adhesives

Economic development by working with SME vendors & employing local people

Participation in Government policy formulation for sustainable urban development

Eco-friendly construction practices, waste segregation & composite wood



# CSR INITIATIVES

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- Providing Ration to all laborers & their families staying at the sites during the Lockdown
- Grant to Shri Maruti Mandir Trust (Palaspe) for education & livelihood enhancement projects
- Construction of Road at Ekatpada village
- Construction of Road at Koynaville village

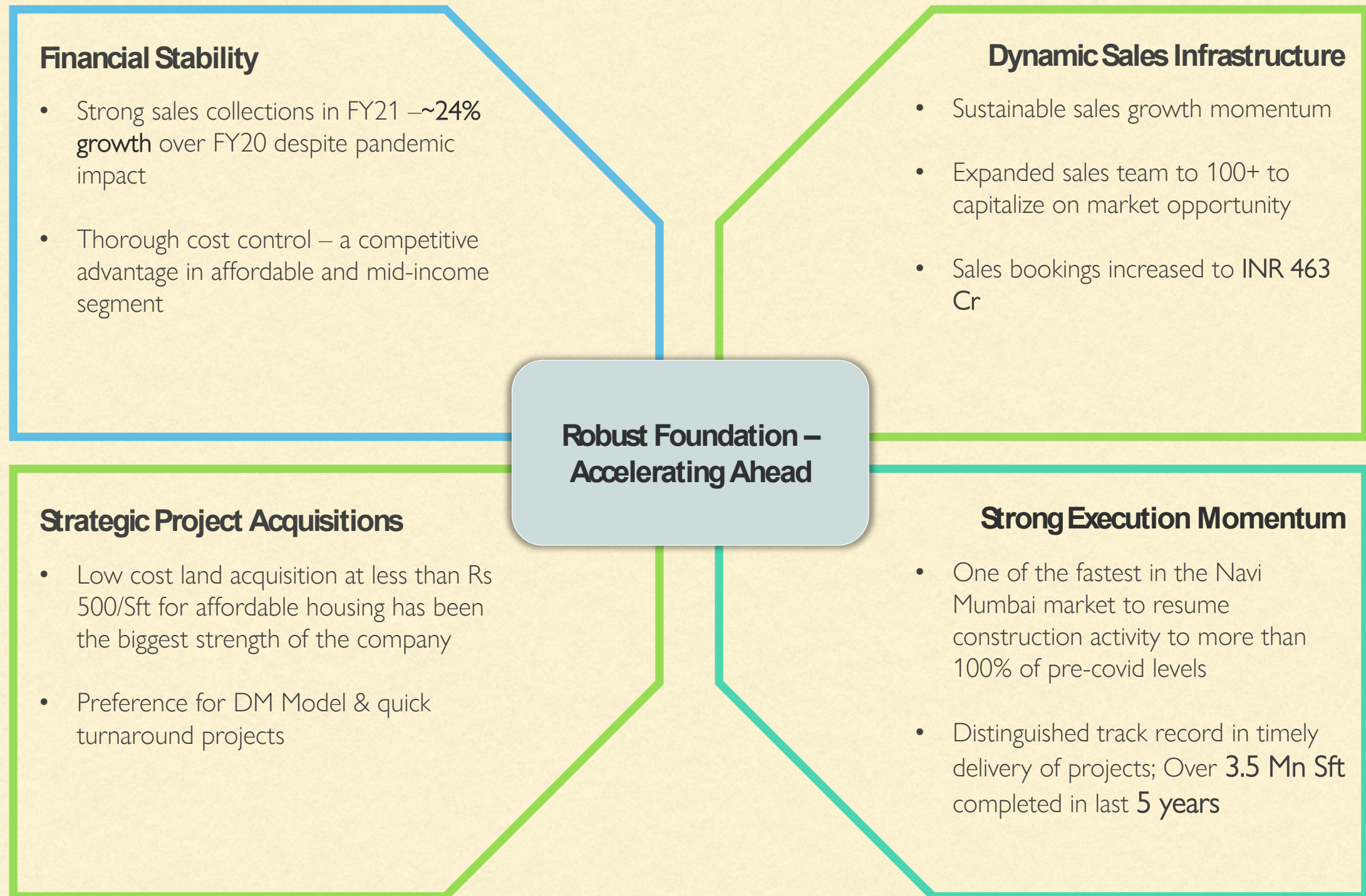


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# GROWTH DRIVERS



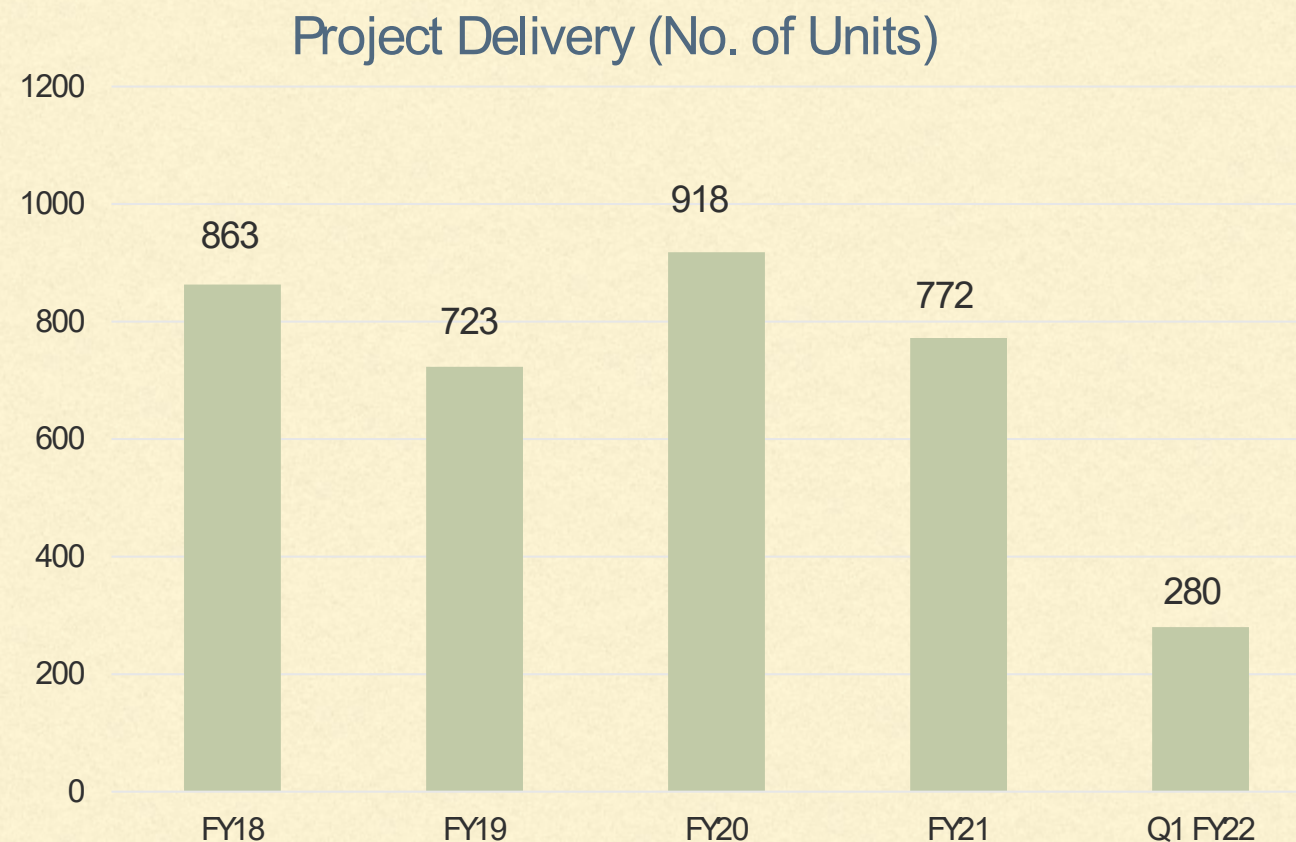
# ROBUST FOUNDATION





# CONSISTENT PACE OF DELIVERY

- We move forward with a strong belief that timely delivery with superior quality will be the key differentiator in the future
- ASL has consistently delivered 700-900 units year on year since past many years and is working towards improving the pace
- While construction activity in 2020-21 was affected significantly due to Covid-19 pandemic, ASL continued its focus on construction and delivery





# ACQUISITIONS IN LAST 5 YEARS

Year	Location	Project	Type of Acquisition	Land Area (Sqm)	Saleable Area Potential (Sft)	Est. Revenue Potential (INR Cr)
2016-17	Rohinjan, Kharghar, Navi Mumbai	Aalishan	Land purchase	20,470	10,01,432	820
2017-18	Taloja	Amber	Land purchase	1,560	32,547	15
2018-19	Panvel	Future Project	Land purchase	21,800	3,92,400	274
	Taloja	Amber	Land purchase	1,050	21,925	10
	Taloja	Amisha - Phase II	Land purchase	13,920	4,17,600	188
	Taloja	Future Project	Land purchase	1,830	54,900	25
2019-20	Taloja	Anaika – Phase IV	Land purchase	9,740	2,04,140	96
	Taloja	Anaika – Phase V	Land purchase	8,160	2,80,000	126
	Taloja	Akarshan	Land purchase	9,400	3,85,617	154
	Kalyan	Aarohi	Land purchase	3,690	72,378	40
2020-21	Taloja	Akarshan	Land purchase	24,130	9,89,888	325
	Vashi	Advika	Redevelopment	14,996	4,21,260	632
<b>Total</b>				<b>1,30,746</b>	<b>42,74,087</b>	<b>2,776</b>



# ONGOING PROJECTS

Project	Location	No. of units	Area (Sft)	Est. Sale Potential (INR Cr)	Category
2Anaika	Taloja	279	2,03,384	92	Affordable
4Anaika	Taloja	396	2,69,694	121	Affordable
Aarohi	Kalyan	37	72,381	38	Affordable
Aloki Ph 2	Karjat	297	1,96,003	68	Affordable
Aalishan Ph 1	Kharghar	542	6,32,047	506	Mid-Income
Aspire Ph 1	Panvel	658	7,41,368	482	Mid-Income
Anmol Ph 3	Badlapur	119	84,938	30	Affordable
Amber	Taloja	82	54,491	22	Affordable
Adita*	Jodhpur	81	1,44,975	43	Affordable
Anchal	Jodhpur	532	4,78,800	134	Affordable
Ayati*	Jodhpur	10	20,000	10	Mid-Income
<b>Total</b>		<b>3,033</b>	<b>28,98,081</b>	<b>1,545</b>	

\* Represents current inventory in hand



# NEW LAUNCHES

Project	Location	Timeline	No. of units	Area (Sft)	Est. Sale Potential (INR Cr)	Category
5Anaika	Taloja	Q1 FY22	433	3,62,272	167	Affordable
Advika	Vashi	Q1 FY22	327	4,21,260	632	Upper Mid-Income
Anmol Ph 4	Badlapur	Q2 FY22	31	22,412	8	Affordable
Aalishan Ph 2	Kharghar	Q2 FY22	271	3,69,385	299	Affordable
Amisha Ph 2	Taloja	Q2 FY22	452	2,95,578	112	Affordable
Aloki	Karjat	Q3 FY22	345	2,06,380	72	Affordable
Aspire Ph 2	Panvel	Q3 FY22	494	4,31,376	280	Mid-Income
Arshiya	Khopoli	Q3 FY22	150	1,19,842	40	Affordable
Akarshan	Taloja	Q4 FY22	390	2,50,000	100	Affordable
Adita	Jodhpur	Q2 FY22	84	1,51,200	45	Affordable
<b>Total</b>			<b>2,977</b>	<b>26,29,705</b>	<b>1,756</b>	



# FUTURE PROJECTS

Project	Location	No. of units	Area (Sft)	Est. Sale Potential (INR Cr)	Category
Aloki	Karjat	265	1,72,769	60	Affordable
Arshiya	Khopoli	985	7,88,500	260	Affordable
Aspire	Panvel	1,648	19,53,599	1,368	Mid-Income
Akarshan	Taloja	1,756	11,25,505	450	Affordable
Anchal	Jodhpur	1848	16,63,200	466	Affordable
Ashray	Jodhpur	200	1,00,000	30	Affordable
<b>Total</b>		<b>6,702</b>	<b>58,03,573</b>	<b>2,633</b>	

<b>Grand Total (Ongoing + New Launches + Future Projects)</b>	<b>12,712</b>	<b>1,13,31,359</b>	<b>5,934</b>	
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# INFRASTRUCTURE DEVELOPMENT



## Navi Mumbai International Airport

- The 16,000-crore Navi Mumbai airport is touted to be one of the world's largest Greenfield airports with a capacity to handle 20 Mn passengers per annum in the first phase and 90 Mn final capacity
- Takeover by Adani Group recently is expected to expedite the delivery of the project
- CIDCO recently kicked off Aerocity project spread across 300 hectares



## Mumbai Trans Harbor Link (MTHL)

- Longest sea bridge measuring 21.8 km connecting Sewri in Mumbai to Nhava Sheva in Navi Mumbai at a project cost of Rs 18,000 Cr
- Financed by Japan International Cooperation Agency and executed by L&T, IHI Corporation (Japan), Daewoo and Tata Projects
- As per reports 35% of the works have been completed and is scheduled to be completed in 2023

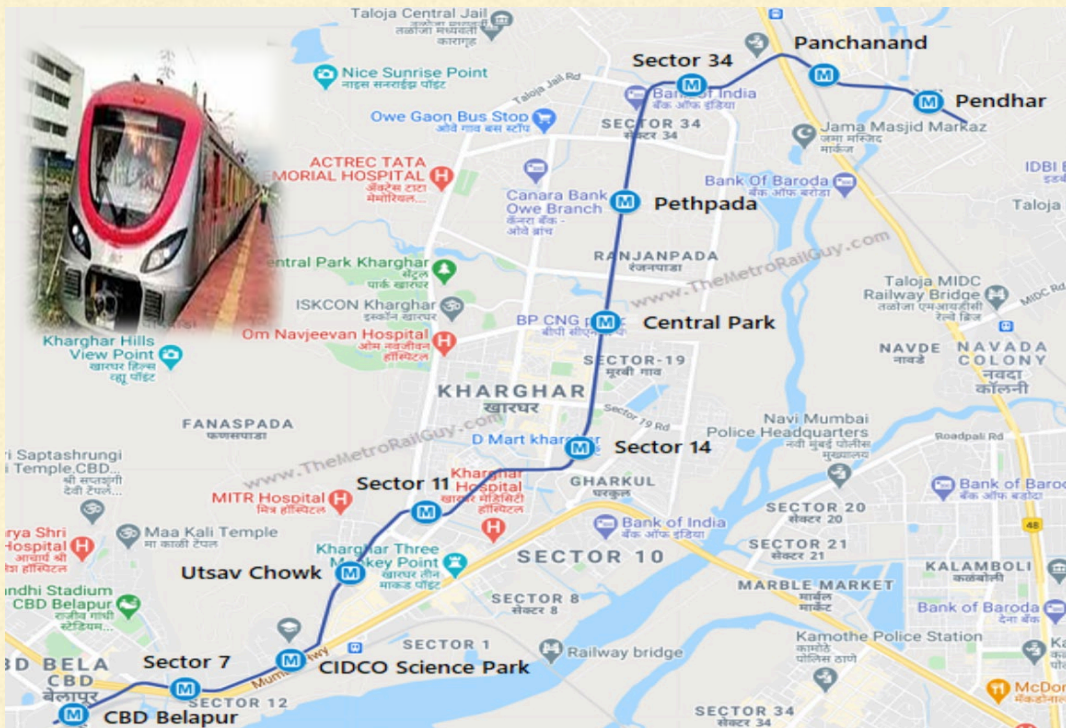


# INFRASTRUCTURE DEVELOPMENT



## Multi Modal Corridor

- Virar-Alibaug Multi Modal Corridor is a 126 kms road network connecting NH-8, Bhiwandi bypass, NH-3, NH-4 and NH-4B, Mumbai-Pune Expressway, NH-17, etc.
- Designed to promote 7 growth centers in MMR such as Virar, Bhiwandi, Kalyan, Dombivali, Panvel, Taloja and Uran.



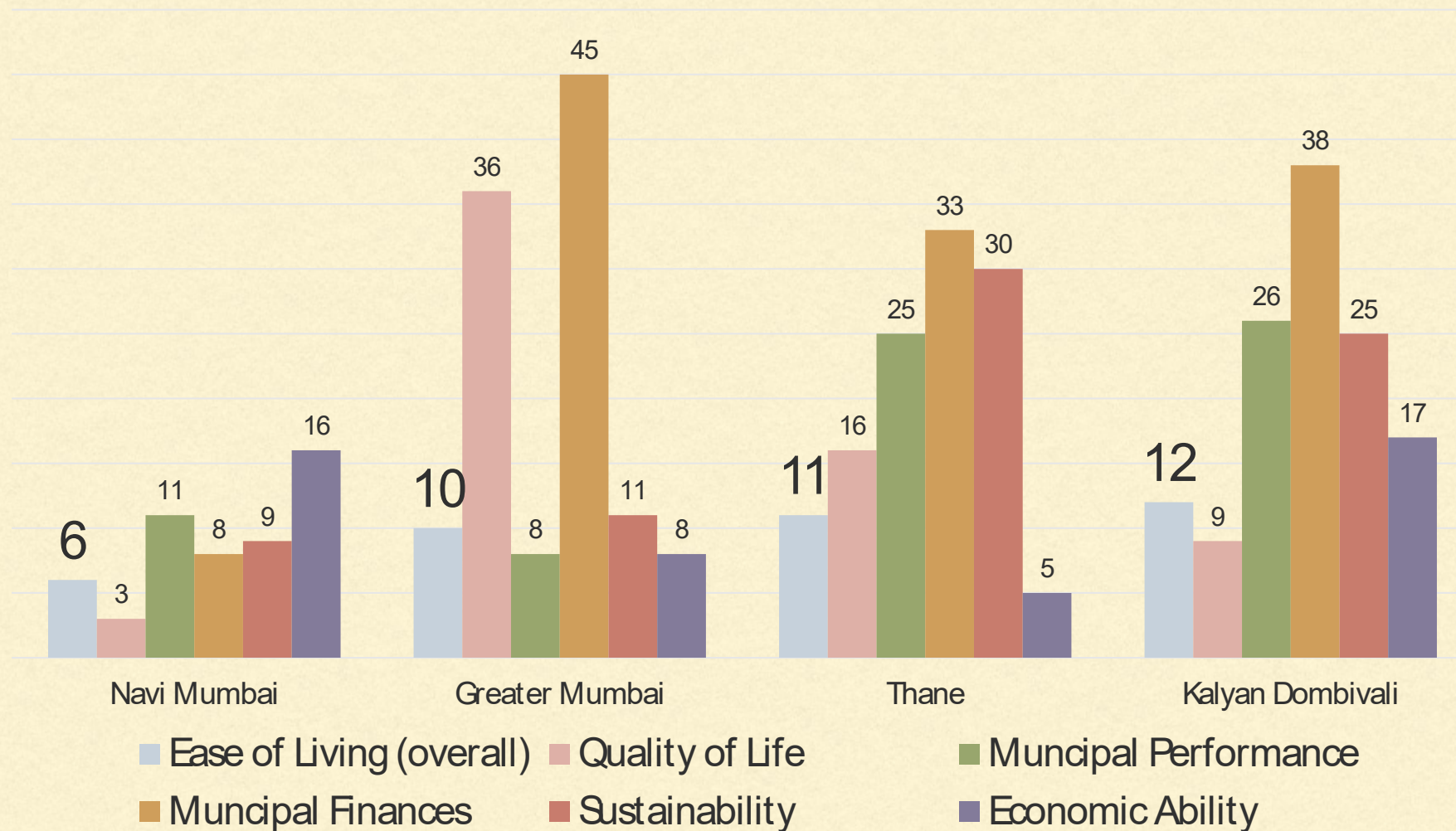
## Navi Mumbai Metro

- The Navi Mumbai Metro, implemented by CIDCO spans across 106.4 kms
- The 23 kms phase I will consist of 20 stations and link CBD Belapur, Kharghar, Taloja, Taloja MIDC, Kalamboli and the Khandeshwar and eventually terminate at Navi Mumbai Airport
- Services between Kharghar to Taloja is planned to be operational by Dec-21 with the remaining sections at the route likely to be started by Dec-22



# MARKET ATTRACTIVENESS

Ranking among 111 cities – Ministry of Housing and Urban Affairs (2020)



- *Navi Mumbai has consistently ranked in top 10 out of a total of 111 cities ranked through the Ease of Living Index*
- *It is also ranked in top 15 for all the key parameters*



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# CONSTRUCTION PROGRESS



# PROJECT STATUS – AALISHAN (KHARGHAR)

**Kaveh**



**Baraz-I**





# PROJECT STATUS – ASPIRE (PANVEL)

Iliana

Hortensia



**22<sup>nd</sup> floor completed in Iliana**

**22<sup>nd</sup> floor completed in Hortensia**



# PROJECT STATUS – 3 ANAIKA (TALOJA)

M Wing



Internal finishing in progress

KWing



External painting and finishing in progress



# PROJECT STATUS – 4 ANAIKA (TALOJA)

O Wing



P Wing



**10, 8, 7 and 9 floors completed in N, O, P & Q Wings respectively; Internal works in progress**



# PROJECT STATUS – AMBER & ALOKI

Amber, Taloja



Painting, flooring, firefighting works in progress

Aloki, Karjat



Internal finishing work in progress in Wing-B2



# PROJECT STATUS – AROHI & ANMOL

Arohi, Kalyan



14<sup>th</sup> floor completed

Anmol, Badlapur





# PROJECT STATUS – ANCHAL (JODHPUR)



**A1 to A4, B1 to B7, C1 to C3, D1 to D5 under construction**



# PROJECT STATUS – ADITA (JODHPUR)

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**RCC nearing completion & Internal finishing works in progress**



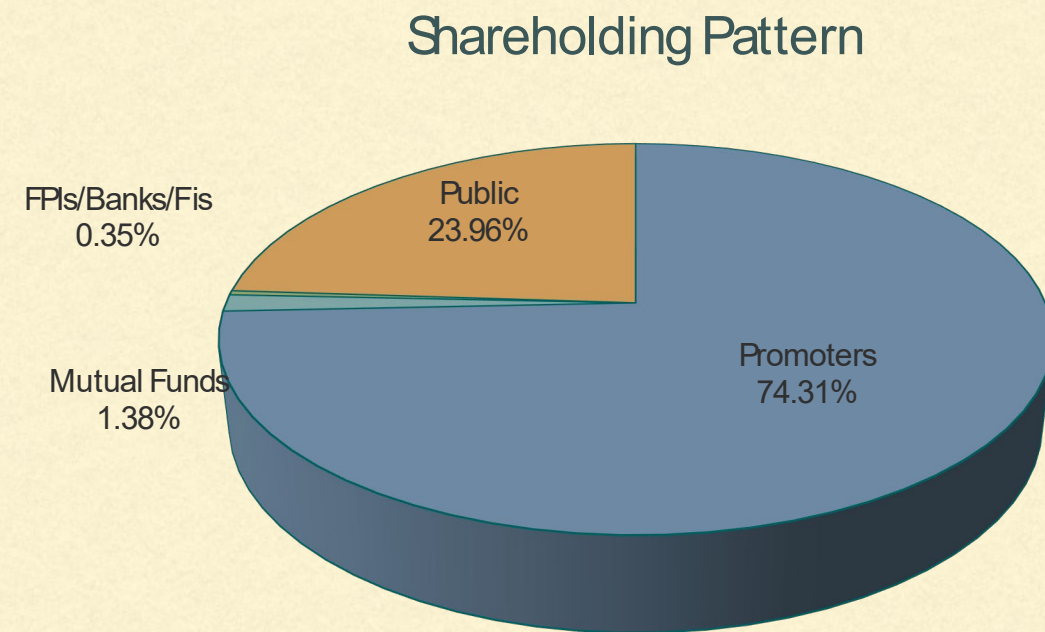
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# FINANCIAL SNAPSHOT



# CAPITAL MARKET DATA

BSE Scrip Code	506194
NSE Trading Symbol	ARIHANTSUP
Bloomberg Code	ARSU:IN
GICS Sector	Real Estate
Market Cap as on 18 <sup>th</sup> June 2021	INR 3,733 Mn
52 Week High	INR 102.4
52 Week Low	INR 18.5





# CONSOLIDATED INCOME STATEMENT

Particulars (INR Cr)	FY18	FY19	FY20	FY21
<b>Total Revenue</b>	<b>189.3</b>	<b>242.2</b>	<b>237.6</b>	<b>272.3</b>
Cost of Construction, Land & Development	128.5	195.5	119.2	149.2
Changes in Inventories	-16.1	-51.1	33.6	33.4
Employee Benefits Expense	12.7	13.8	12.1	11.9
Other Expenses	25.6	27.1	25.2	27.6
Total Expenses	150.7	185.3	190.1	222.1
<b>EBITDA</b>	<b>38.6</b>	<b>56.9</b>	<b>47.5</b>	<b>50.2</b>
Depreciation	1.3	1.9	2.0	2.0
Interest & Finance Charges	15.0	32.4	30.0	28.1
PBT	22.3	22.6	15.5	20.1
Total Taxes	7.5	4.4	4.5	4.3
PAT	<b>14.8</b>	<b>18.2</b>	<b>11.0</b>	<b>15.8</b>
Less: Non-controlling Interest	2.1	4.6	5.4	4.6
<b>Net Profit (after Non-controlling Interest)</b>	<b>12.7</b>	<b>13.6</b>	<b>5.6</b>	<b>11.2</b>
EPS (Basic) (Rs)	3.05	3.32	1.37	2.71



# CONSOLIDATED BALANCE SHEET

<b>Equity and Liabilities (INR Cr)</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>
Share Capital	41.2	41.2	41.2	41.2
Reserves and Surplus	76.4	80.7	85.6	97.5
Net worth	117.6	121.9	126.8	138.7
Non-Controlling Interest	9.8	13.9	20.0	24.6
Long Term Borrowings	171.9	237.7	316.8	249.9
Short Term Borrowings	104.8	140.1	69.8	45.6
Advance from Customers	200.3	143.8	144.5	170.0
Other Liabilities	34.1	31.5	9.0	7.2
Trade Payables	37.6	40.4	63.0	52.8
<b>Total Liabilities</b>	<b>676.1</b>	<b>729.2</b>	<b>749.9</b>	<b>688.8</b>
<b>Assets</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>
Fixed Assets	9.8	10.6	9.5	9.0
Investment in Property	0.0	0.0	9.8	11.4
Non - Current Investment	17.6	1.5	0.0	0.0
Long Term Loans & Advances	34.0	40.2	47.3	31.7
Current Investment	0.2	0.2	0.2	0.0
Inventories	361.3	421.7	381.7	350.4
Trade Receivables	50.8	28.3	35.1	26.0
Cash and Cash Equivalents	12.3	14.9	11.5	12.0
Short Term Loans & Advances	10.9	28.9	23.2	4.9
Land	158.1	155.1	189.8	199.8
Other Assets	21.1	27.8	41.8	43.5
<b>Total Assets</b>	<b>676.1</b>	<b>729.2</b>	<b>749.9</b>	<b>688.8</b>



# CONSOLIDATED DEBT - 30<sup>TH</sup> JUNE 2021

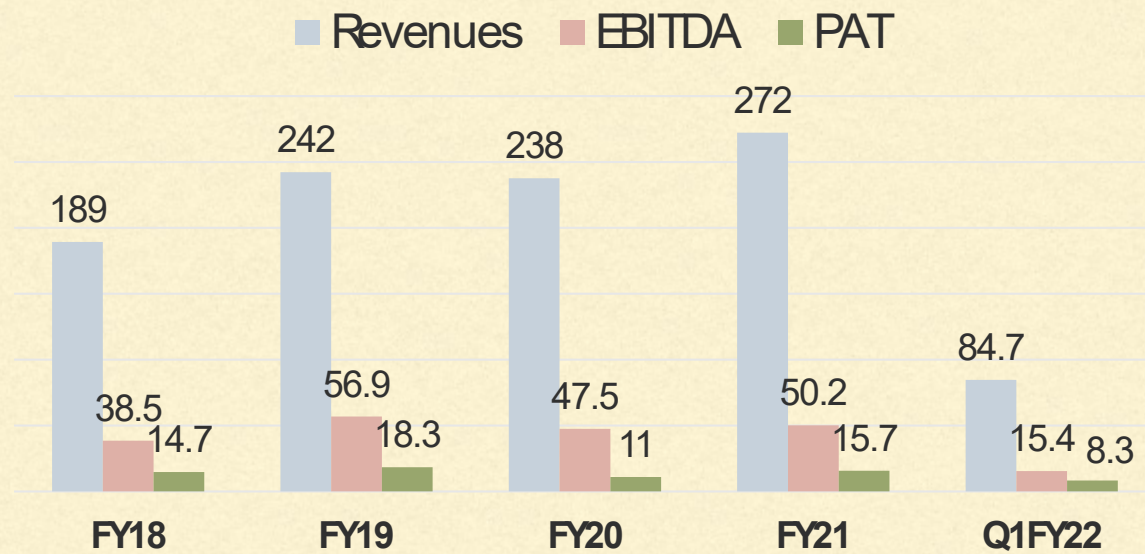
Entity	Entity Debt (INR Cr)	% holding	Debt attributable as per % holding (INR Cr)*
ASL	14.70	100%	14.70
Arihant Vatika	1.25	60%	0.75
Arihant Aashiyana	39.18	60%	23.51
Arihant Abode	243.90	60%	146.34
Arihant Gruhnirman	15.00	60%	9.00
Less: Intercompany Eliminations	16.17		16.17
	<b>297.85</b>		<b>178.12</b>

- Effective debt of ASL is worked out based on ASL's shareholding in subsidiaries
- Any liability of the holding company is attributable at 100% and that of the subsidiaries is attributable at its shareholding i.e. 60% to the Holdco

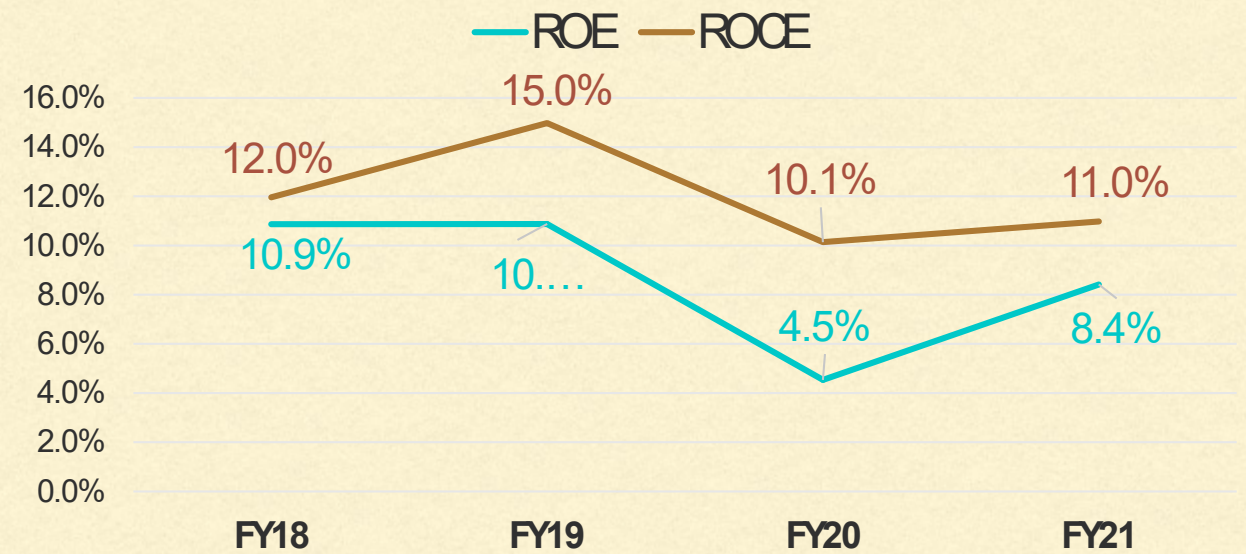


# FINANCIAL PERFORMANCE

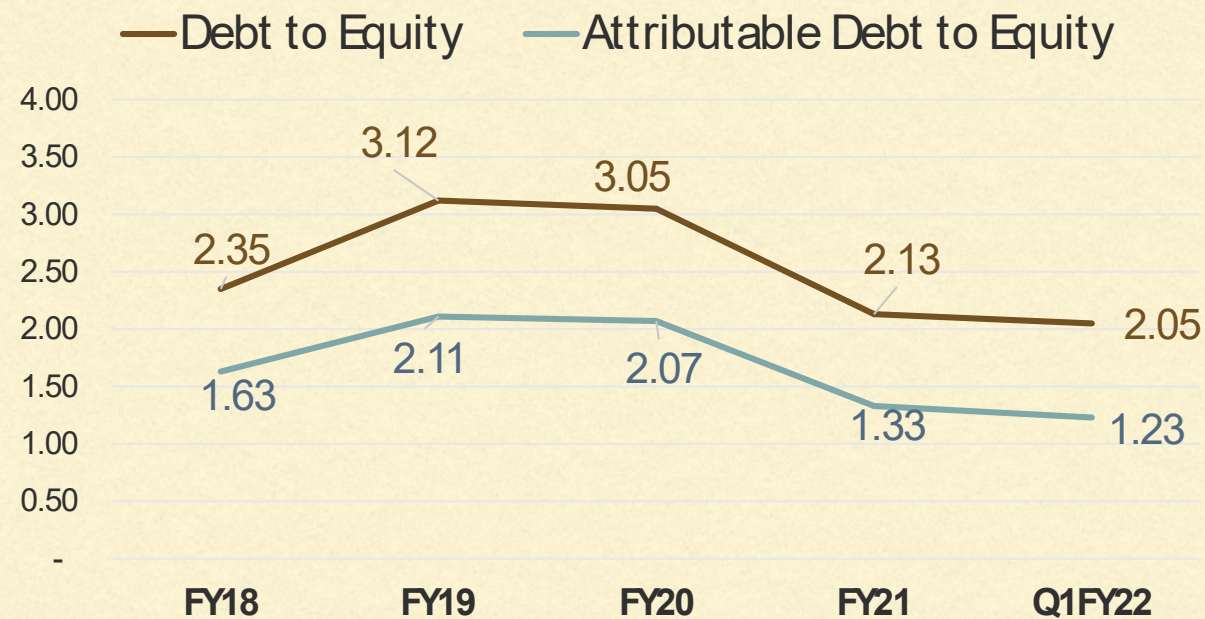
## Income Statement (INR Cr)



## Return Ratios



## Debt to Equity





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# INDUSTRY OUTLOOK



# MACRO-ECONOMIC INDICATORS

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- **Negative real rates pushing preference towards physical assets** - India is witnessing negative real rates after many years which boosts the attractiveness of owning physical assets over the financial assets. As per an analysis by Jefferies, 1 year G-Sec yields less CPI is pegged at negative 3-4% for the first time in 6 years.
- **Uptick in real estate credit** - No. of loans sanctioned to real estate developers grew 81% y-o-y and the sanctioned loan amount grew at 180% y-o-y to ~INR 38,000 Cr during the December quarter of 2020 as per Propstack indicating uptick in demand, customer confidence and developer outlook.
- **Favourable yield gap** - With reduction in interest rates the gap between the rental yield and deposit rates have narrowed resulting in improved investor appetite for real estate resulting in investors coming back to the market since demonetization.
- **All time high property registrations** - Registration of residential sales in Mumbai rose 192% from a year ago in December 2020 to touch an all time high of over 18,500 transactions. In Sep 20-Feb-21 period, Mumbai recorded registration of over 61,000 units.



# KEY REFORMS & INTERVENTIONS

## 2017 RERA & GST

RERA & GST are arguably the most important landmark structural reforms post the opening of economy in 1991. RERA has hugely pushed the hitherto unorganized sector towards transparency increasing consumer confidence.

## 2019 GST Reduction

GST reduction to 5% for under-construction housing and 1% for affordable housing provided a big relief to homebuyers especially in the affordable housing category. Low transaction costs have added to the affordability.

## 2021 Structural Upcycle

The last 5 years have laid the foundation for a structural upcycle contributed by the demand pickup, industry consolidation, improved affordability, government support and lower interest rate regime.

## 2016 Demonetization

Resulted in a fundamental shift in focus of real estate towards the end-user as investors dried out in the market. The product, delivery and financial stability of the developers came to the fore starting the phase of consolidation.

## 2018 NBFC Crisis

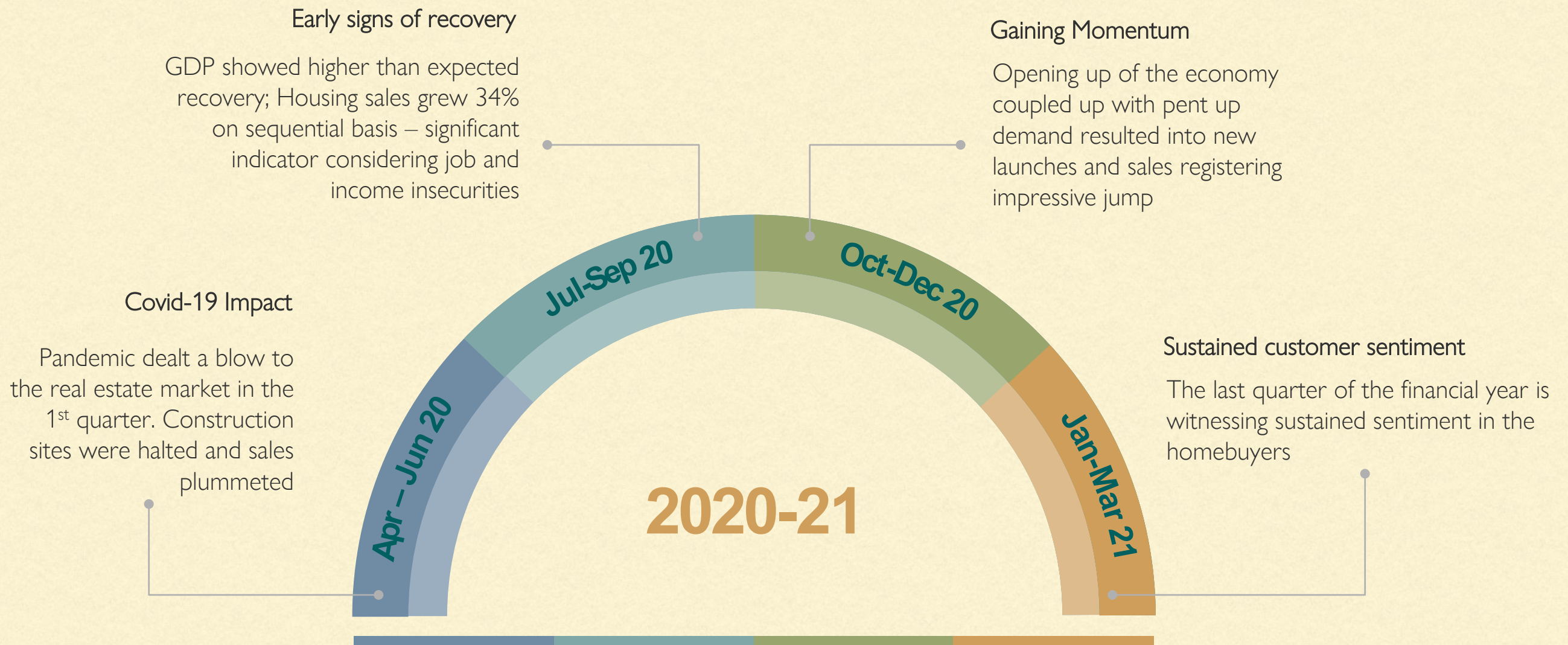
NBFCs' developer loan book grew ~7x between 2009-2018 and contributing over 60% of the new sanctions. With the door closing, most developers found it difficult to complete projects and only financially sound companies survived

## 2020 Covid-19

While the pandemic resulted in contraction of the economy and uncertainty about the future, the frontline real estate developers responded to the challenge and capitalized on the renewed buyer vigor in property purchases



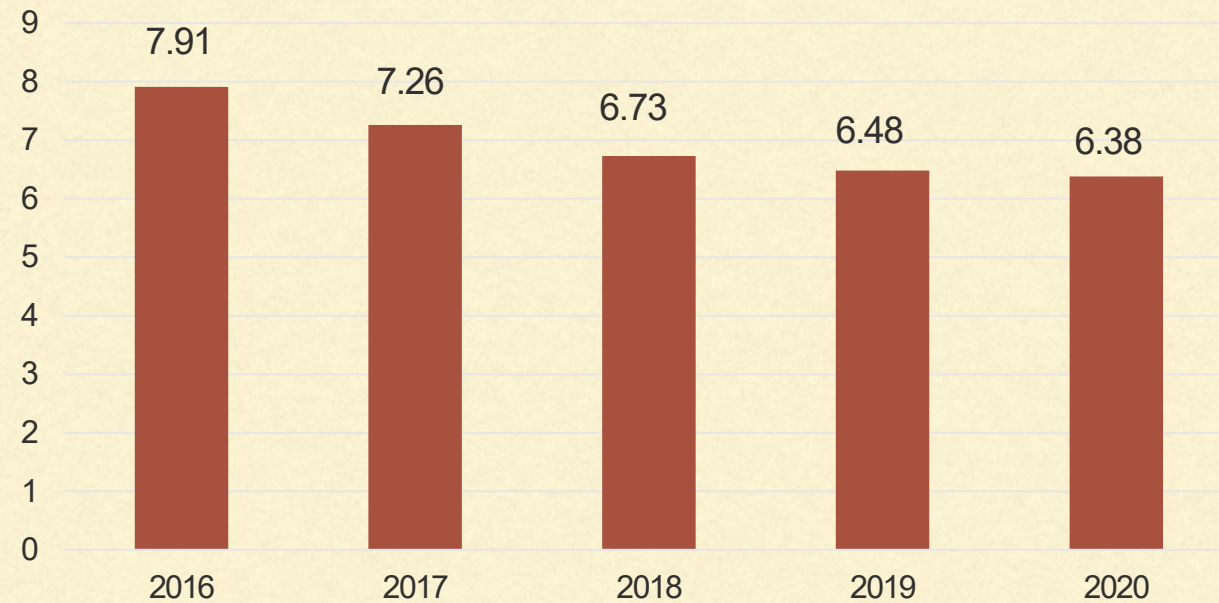
# RESIDENTIAL MARKET





# DECLINING INVENTORY LEVELS

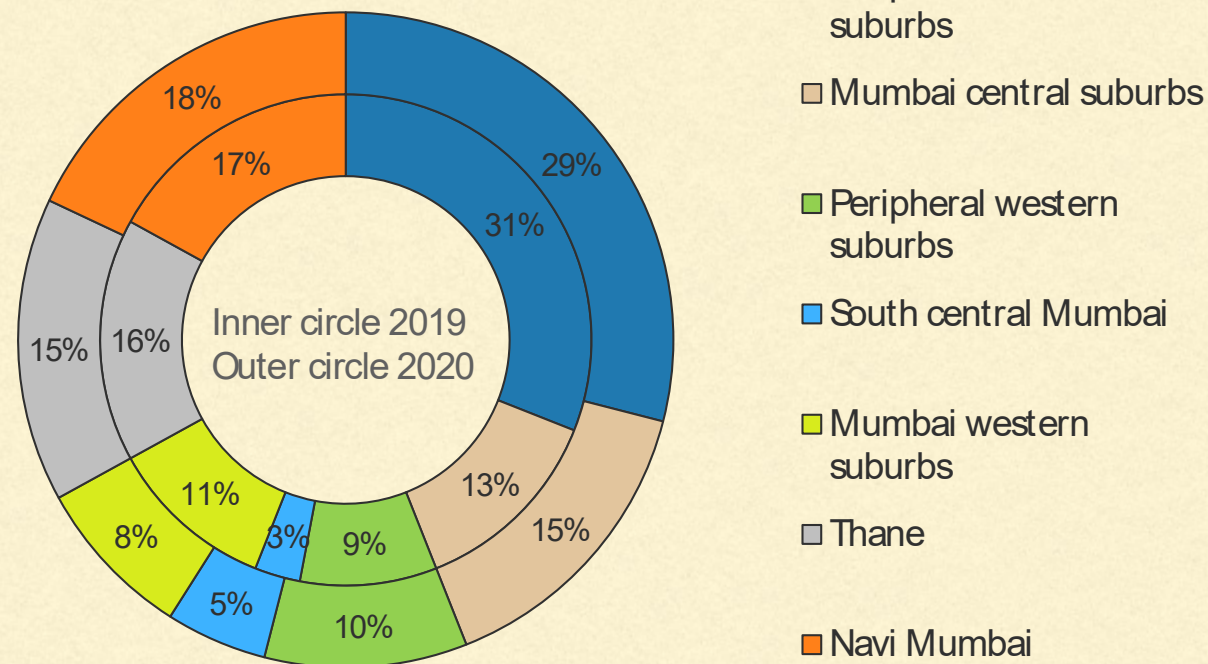
Unsold Inventory (units in lakhs)



- Limited launches in last two years and sales pickup has resulted in unsold inventory declining ~20% since 2016 at 6.38 lakh units in top 7 cities.

- Unsold inventory in MMR at 2 lakh units is down 6% in 2019 alone.

Supply & Absorption break-up



- As per Anarock, ~53% of the transactions were under INR 80 lakhs ticket-size and ~76% transactions were under INR 1.5 Cr showing clear preference for affordable and mid-income housing

Source: Anarock Research

Inner circle: Supply, Outer circle: Absorption



# KEY TRENDS

1

## Ownership vs Rent

Lockdown reinforced the need of owning the house

Work from home pushed the idea of increased size of the apartments

Preference for large complexes with healthy living amenities & open spaces

2

## Historically low interest rates

Central bank continues to hold the low interest rate regime

Mortgage rates at all time low of 6.65-6.7%

With prices being stagnant over last few years, the affordability index has jumped

3

## Government Initiatives

Stamp duty reduction of 2-3% in states like Maharashtra, Rajasthan and others

Extension of additional interest deduction for affordable housing

Interest rate subsidy under CLSS widened to include middle-income groups

4

## Accelerating Consolidation

The crisis precipitated by the pandemic has resulted in a clear preference of buyers towards branded and reputed developers

The financial stability of the developers is a key parameter of the buyer today



# KEY TRENDS

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**5**

**Peripheral markets**

As many companies embrace remote working model, the peripheral markets and satellite towns will gain ground due to its ability to offer better product at affordable rates



**6**

**Affordable Housing**

80% of the new launches were in the sub INR 10 Mn category\*

Government has also extended tax holiday on profits from affordable housing projects till Mar122

Infrastructure status accorded to affordable housing



**7**

**Technology Adoption**

The success of digital adoption among the market leaders as reflected in the sales has shown the way for the future

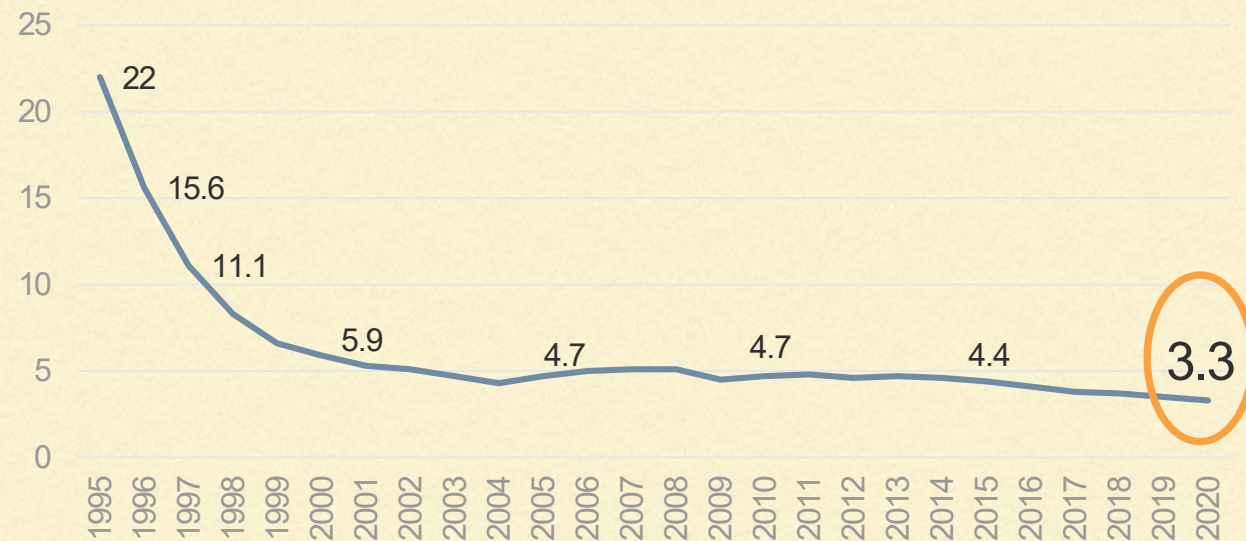
The share of traditional channels of marketing and selling is expected to reduce

\*Source: Jones Lang Lasalle



# BEST EVER AFFORDABILITY

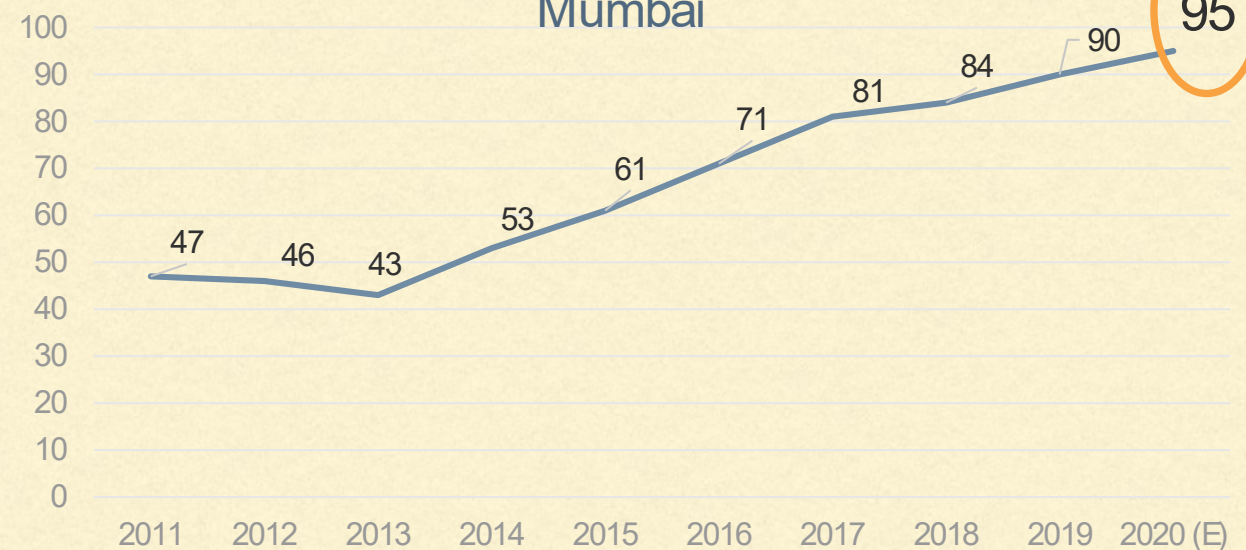
Best affordability in **25** years



Affordability = Property prices / Annual Income

Source: HDFC Limited

Home Purchase Affordability Index (HPAI) - Mumbai



HPAI (%) = Avg household income / Income required to avail home loan for 1000 sft unit

Source: Jones Lang LaSalle

- Stable Property prices and **all-time low** mortgage rates have resulted in the best affordability in past two and a half decades.
- It is expected to be even more favourable in satellite cities established peripheral micro markets
- The affordability in Mumbai has doubled as compared to a decade ago period.
- Navi Mumbai HPAI is expected to be closer to Pune and Bangalore (in the range of 150-200) meaning an average home buyer has more than sufficient income to buy a 1,000 Sft apartment.
- The interest subsidy under Credit Linked Subsidy Scheme (CLSS), paid upfront, further benefits affordable housing projects.



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# Thank you!

*For further information please contact:*

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**Abhishek Shukla**

*Chief Strategy Officer*

Tel: +91 22 6249 3333

Cell: +91 9619195775

Email: [abhishek.shukla@asl.net.in](mailto:abhishek.shukla@asl.net.in)

*Corporate Office:* Arihant Aura, Floor No. 25, B wing, Plot no 13/1, TTC Industrial Area, Thane Belapur Road, Turbhe, Navi Mumbai – 400705, Maharashtra