



CONTINUING STABILITY

**ARIHANT**  
SUPERSTRUCTURES LTD.  
CONTINUING STABILITY

15<sup>th</sup> June, 2019

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

Sir / Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached Transcript of Conference Call, organized on Tuesday, 04<sup>th</sup> June, 2019 at 04.00 P.M. by the Company to discuss the Audited Financial Result for the Quarter/Financial Year ended 31<sup>st</sup> March, 2019.

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

Thanking You

Yours Faithfully

**For Arihant Superstructures Limited**

**Govind Rao**  
Company Secretary



Enclosed: a/a

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**Arihant Superstructures Limited**  
**Q4 FY19 Earnings Conference Call**  
**June 04, 2019**

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- Moderator:** Good day, Ladies and gentlemen and welcome to the Arihant Superstructures Limited Q4 FY19 Results Conference Call. As a reminder, all participant lines will be in the listen-only-mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing '\*' and '0' on your touchtone phone. Please note that this conference is being recorded. I would now hand the conference over to Umesh Jhawar – VP for Strategy and Investor Relations for Arihant Superstructures Limited. Thank you and over to you, sir.
- Umesh Jhawar:** Welcome everyone and thank you for joining us for the Quarter 4 FY19 Result ended on 31<sup>st</sup> March, 2019 Earnings Call for Arihant Superstructures. I am Umesh Jhawar and I take care of Strategy and Investor Relations at Arihant Superstructures Limited. Please note that these results and presentations have been made and you can view on the website [www.asl.net.in](http://www.asl.net.in). To take us through the result and to answer your questions today we have Chairman Mr. Ashok Chhajera and Arihant Superstructures Limited – CFO Mr. Pradeep Mehta. We will be starting this call with a brief presentation giving an overview on the company's performance followed by a Q&A session. I would like to remind that everything said on this call that reflect any outlook for the future and which can be constituted as a forward-looking statement must be viewed in conjunction with certain uncertainties and the risks that we face. These uncertainties and risk are included, but not limited to what we have mentioned in the prospectus filed with SEBI and in subsequent annual reports you can find on our website. With that said I would now turn over the call to Mr. Pradeep Mehta – CFO. Over to you, Mr. Mehta.
- Pradeep Mehta:** Thanks Umesh ji. Dear ladies and gentlemen good afternoon. Let me apprise you on the financial performance of our company during financial year 2018-19 comparatively. So there is a revenue growth of 28% on YoY basis from Rs. 1,893 million to Rs. 2,422 million. This is ever highest in the history of our company. EBITDA reported growth of 48% on YoY basis from Rs. 385 million to Rs. 569 million. The margin has increased from 20.3% to 23.5%, PBT is up from 221 million to Rs. 227 million, PAT has increased by 25% from Rs. 146 million to Rs. 183 million. With this sum up I request Ashok ji to take us forward. Over to you Ashok ji.

**Ashok Chhajer:**

Good afternoon everybody. Welcome to the Q4 as well as annual year ending FY19 Results as stated by CFO. We have a good year here in terms of all revenues and EBITDA margins going up. The margins increased by around 3% on YoY. Real estate this year across we did an annual sales of 706 units unfortunately and which is less than the last previous year. Navi Mumbai we did a sale of 603 units and Jodhpur we did a sale of 103 units. In our total comparing to the last year it was little low we see going forward we would be able to do up better sales in this financial year. The teams have been revived and we could do up only one launch as on the Development Management Model where the assets and liabilities on the land owner side and we operated on fee-based method. This has resulted into good number of unit sales collectively also.

We have received occupancy certificate for three projects that is Arihant Aarohi, Arihant Anaika Phase 1 and Arihant Anshula. This reflects the completion of the projects also on a continuous basis. We gave possession of something around 723 and we did an acquisition the acquisition of land of 7 acres and for some lands we have given up advances in very potential areas such as Taloja and near Kharghar where we see that after the Panvel Municipal Corporation coming up with the development plan and with metro station it would be in good project with the better yields as there the costs are quite less even as of now.

I put up the question and answer session open to all the participant.

I will throw more light in terms of financials too. The company has been able to get the financial closures of two facilities which have been taken up till date and we have been paying up in time the interest as well as the capital repayment. So looking at the current liquidity crunch across the sector the company has been able to keep all its commitment in time and there is outstanding facility of around Rs. 175 crore which is ready for availing for the project Arihant Aspire which is at progressive stage.

**Moderator:**

Thank you very much. We will now begin with the question and answer session. We have the first question is from the line of Tirath Muchhala from Elusividya Advisory. Please go ahead.

**Tirath Muchhala:**

Sir you mentioned something about some advances for I think some land that we have made in Taloja is that correct?

**Ashok Chhajer:**

Yeah that is right.

**Tirath Muchhala:**

What kind of amount we are looking at?

**Ashok Chhajer:** We would have started off with total land payment across in the last year was to the tune of 20 to 21 crores for the land payment and in addition to it some additional payments have been given up for the earlier engagements in the development management model.

**Tirath Muchhala:** Are we looking at a similar amount this year or nothing on the annual?

**Ashok Chhajer:** Come again please.

**Tirath Muchhala:** Are we looking at a similar kind of amount this year also for expansion?

**Ashok Chhajer:** Land payments given the things in hand it would be something to the tune of maybe around 8 to 10 crores for the part payment which has already been made and the balance payment will have to be made in due course.

**Tirath Muchhala:** And on Arihant Abode or Arihant Aspire what is the total facility available to us for borrowing and what is the total facility?

**Ashok Chhajer:** Total is 250 crores out of which we have taken up 70 crore so 180 crores will be taken up in small tranches for the next two years.

**Tirath Muchhala:** So right now the current drawing is 180 correct?

**Ashok Chhajer:** 70 we have already drawn from this facility.

**Tirath Muchhala:** So when I say the 181 crore number that is some other facility also like on slide 37 there is a 181 crore NCD debt from Arihant Abode?

**Ashok Chhajer:** This is in million.

**Tirath Muchhala:** So it is 181 crores.

**Ashok Chhajer:** Unsecured loans are also included which has been the contribution from the promoter side when the land was taken earlier also in addition to the requirement for the construction. Again from 180 HDFC has put in 70 crores and 110 crore is put in as unsecured loans from the directors and the promoters.

**Tirath Muchhala:** So on Aspire knowing that this is one of our largest projects right now, could you give us more details on the sales momentum because I have been seeing year-on-year some increase in sales and also on the new housing finance funding environment are you seeing any problems now or is it okay now?

**Ashok Chhajer:** There was a big turmoil after October 2018 the NBFCs and the housing finance has been slowed down, but we had facilities being taken from lead bankers we did not feel much constraint – Also in terms of housing loans coming from customers.

**Tirath Muchhala:** And on opening up the Arihant Aspire sales like are we expecting those sales this year or are we not launching it yet?

**Ashok Chhajer:** We are not going to launch any new building in the project. Two buildings are already under construction and we should be able to do up a total unit sale of around 200 in this financial year for the project Arihant Aspire.

**Tirath Muchhala:** And even now the Arihant Aspire project is still quite a good property for people to buy knowing how the Navi Mumbai thing is developing?

**Ashok Chhajer:** It is one of the hottest property locations across Panvel area as on a distance it just 3 kilometers from the airport as a crow flies and as per tachometer road distance is 4.5 to 5 kilometers. So it is at a very prominent location and it is a life system project, so it is not an ordinary project, it is inorganic theme you have great facilities. I would propose you to do up an investment it would give good returns in the coming years once the airport is done.

**Tirath Muchhala:** The number of unsold inventory that we have is a project that we have completed I see quite a few limits in Arshiya, so when can we expect those to get sold?

**Ashok Chhajer:** We are taking all the efforts to get it as fast as possible and the rates have been kept at more comfortable and flexible also. Though the traction is not very fast so there is a good inventory for Arihant Aspire, for Arihant Arshiya it is around 150 flats across and we should be able to do it up total sale in this financial year. Similarly, there is inventory at Jodhpur project, Arihant Adita around 80 to 90 flats and which is also ready possession and this year after Arihant Anshula we are getting occupancy certificate where we are having 200 flats would be ready procession. So ready possession inventory across the company is around 400 - 450 which means a value of something around 200 crores.

**Tirath Muchhala:** And apart from that I think we have been mulling some kind of equity range at the entity level or maybe as a parent level, so any reaction on that or do we need equity capital?

**Ashok Chhajer:** For the holding company yes, equity will be required to get the exponential growth and to get the current projects also into a different pace of momentum thought over, we would wait for appropriate time and interest from the investors so looking forward for this yes may be this financial year.

**Tirath Muchhala:** And you are paying that in terms of future potential is it because a lot of other projects are becoming available on the JV model or what is the plan there?

**Ashok Chhajer:** As a strategy you would be mostly opting for either outright sale of land for the project or development management fee-based model, larger size of project we would not be opting for JD projects and it is a big commitment to get the land owner to be committed for total quantity. So the Navi Mumbai has a good potential if we see today's DNA also it tells that Navi Mumbai has been surpassed in terms of rates perspective also how stable the rates are when compared to region. So given the infrastructure as well as the region I think all the operators, all the developers are trying to come up with one other large projects and it is a place where we would see employment growth as well as demand for real estate.

**Moderator:** The next question is from the line of Rahul Jagwani from SKS Capital. Please go ahead.

**Rahul Jagwani:** Can you just give me the breakup of the debt what is the current debt and how much is that is promoters and how much is from others also?

**Ashok Chhajer:** Secured debt from bankers and from NBFC to a total of 171 crores and unsecured debt is to the tune of 207 crores from the promoters and the directors. So in our total debt of 378 crores.

**Moderator:** As there are no further questions, I would like to hand the conference back to Mr. Umesh Jhawar for closing comments.

**Umesh Jhawar:** Thanks Stephen. I would like to thank everybody on behalf of Arihant Superstructures Limited and the management for joining us on the concall. Thank you so much.

**Moderator:** Thank you very much. On behalf of Arihant Superstructures Limited that concludes this conference. Thank you for joining us ladies and gentlemen you may now disconnect your lines.