

# CENTURY Textiles and Industries Limited

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OUR REF. : SH/XII/2022

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Dear Sir/ Madam,

**Sub: Transcript of Q2FY23 Earnings Conference Call of Century Textiles and Industries Limited ('the Company')**

**Ref: Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')**

Pursuant to Regulation 30 of Listing Regulations, please find attached transcript of the Q2FY23 Earnings Conference Call conducted on 27<sup>th</sup> October, 2022 after the meeting of the Board of Directors of the Company held on 26<sup>th</sup> October, 2022, for your information and record.

The above information is also available on the website of the Company: [www.centurytextind.com](http://www.centurytextind.com).

Thanking you,

Yours faithfully

For CENTURY TEXTILES AND INDUSTRIES LIMITED

**ATUL K. KEDIA**  
**Company Secretary**  
Encl: As above





**CENTURY TEXTILES AND  
INDUSTRIES LIMITED**

**“Century Textiles and Industries Ltd  
Q2 FY 23 Earnings Conference Call”**

**October 27, 2022**



**CENTURY TEXTILES AND  
INDUSTRIES LIMITED**



**MANAGEMENT:**

**MR. R. K. DALMIA - MANAGING DIRECTOR  
MR. VIJAY KAUL - CEO, CENTURY PULP &  
PAPER  
MR. K. T. JITHENDRAN - CEO, BIRLA ESTATES  
MR. SNEHAL SHAH - CFO**

**MODERATOR:**

**BIPLAB DEBBARMA - ANTIQUE STOCKBROKING  
LIMITED**



**Moderator:**

Good day, ladies and gentlemen, and welcome to Q2 FY'23 Earnings Conference Call of Century Textiles and Industries hosted by Antique Stockbroking 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 touch tone phone. Please note that this conference is being recorded

I now hand the conference over to Mr. Biplab Debbarma, from Antique Stockbroking Limited. Thank you and over to you, sir.

**Biplab Debbarma:**

Thank you, Mitchel. Hello everyone, and welcome to the post results conference call to discuss 2Q FY '23 earnings of Century Textiles and Industries Limited. Today we have with us, the management of Century Textiles and Industry represented by Mr. R. K. Dalmia, Managing Director; Mr. Vijay Kaul, CEO, Century Pulp & Paper; Mr. K. T. Jithendran, CEO, Birla Estates; and Mr. Snehal Shah, CFO. Without further ado, let me hand the call to Mr. Dalmia over to you, sir.

**Snehal Shah:**

Biplab, I will give the opening remarks. This is Snehal here. So, very good afternoon to everyone joining us today and first of all, wish you all a very happy Diwali. It is our pleasure to welcome you all to this earnings conference call for the second quarter and first half of the financial year 2023.

Let me quickly take you through the quarterly industry developments as well as our business highlights. The global economy, as you all know continues to face headwinds due to uncertain geopolitical situations and high inflation. The rising interest rates across the globe to fight inflationary pressures are weighing on the economic activities. Current situation in India, though has improved with Indian consumer demand remaining resilient. Coming to our company's performance for Q2 FY '23, well the good news is that, Q2 of this financial has been the best in the last so many quarters as far as memory goes. Given the VUCA environment, this is a commendable performance. The pulp and paper business has had a stellar performance with a lifetime high revenue and NSR in each of its segments. The real estate bookings were also buoyant. For the second quarter of financial year 2023, the consolidated turnover grew by 21% YoY to INR 1211 crore, the EBITDA for Q2 FY '23 grew by 42% YoY to INR 189 crore with consolidated EBITDA margins of 15.6% and the net profit after tax stood at INR 71 crore which grew by 122% YoY.

Now, let me take you through some of the key highlights across all our three business verticals. Starting with the real estate business, in Q2 FY '23 the real estate industry saw continued positive momentum. Despite increase in overall interest rates, residential real estate registered robust growth; due to a renewed thrust towards homeownership. A stable job market and steady infrastructure investments have further propped up demand for quality housing.

For the second quarter the real estate business revenue stood at INR 33 crore and INR 66 crore in H1 FY '23. Real Estate leasing income is steady, although there is a slight drop of 6% on YoY basis, primarily due to some old renewals at a lower rate, considering current market rates. EBITDA is lower due to higher corporate expenses due to growth in business.

Booking value for Q2 FY '23 was INR 561 crore and collections at INR 294 crore. On a YoY comparison, it is 180.5% and 286.1% up respectively. For H1 FY '23 the bookings stood at INR 995 crore versus INR 245 crore for H1 FY '22 representing a YoY change of 306%. Collections for H1 FY '23 stood at INR 428 crore, against INR 124 crore in H1 last year, registering a growth rate of 244% YoY.

Amidst a resounding response from the customers for our Gurugram project, we have launched the second phase of Birla Navya. We are pleased to inform you that we have already sold 67% in terms of value of the launch inventory worth INR 337 crore. For our already launched projects, namely Birla Niyaaara, Birla Vanya at



Kalyan, Birla Alokya and Birla Tisya at Bengaluru, we achieved sales worth INR 561 crore during Q2 FY '23. We have received robust collections of about INR 294 crore from all the projects during the quarter on the back of strong empathetic customer outreach. Our collection efficiency is over 95%

We continue to aggressively scale up our business development pipeline. We acquired about 10 acres of prime land in an upscale South Bengaluru location. The land is planned to be developed as a high-end Residential Complex. With estimated revenue potential worth INR 840 crore. This project will further strengthen our presence in Bengaluru. Our two commercial assets Birla Aurora and Birla Centurion continue to generate stable rentals. With the festive season in full swing, the industry outlook remains positive. There is a continuous surge in favorable homebuyer and investment sentiment towards real estate. Our differentiators of very high customer centricity, extreme focus on being designed driven, and being digitally enabled by offering superior project delivery will play a key role in making us one of the top real estate developers in the country.

Now moving on to the pulp and paper segment in the quarter gone by the paper industry demand was on recovery side and therefore positively impacted the growth of volumes and prices in all its segments. Paper demand was on an uptick due to opening of schools after summer breaks and upcoming festival seasons in October '22. The packaging board and tissue segment is witnessing strong demand with rise in packaging for E commerce, food and allied food products FMCG and pharmaceuticals and demand growth for hygienic tissues owing to urbanization in India and post COVID-19 triggers. The two main factors which are still affecting the global trade scenario are the Russia and Ukraine war and the aggressive pricing by China and Indonesia in the international market. The pulp and paper business has contributed significantly to this quarter's numbers on all accounts. It has crossed the 20% EBITDA margins after a very long time. The business achieved production of 1,15,032 metric tons with an overall capacity utilization of 96%, with sales volumes of 1,08,902 metric tons. In Q2 FY '23 our net sales grew by 37% YoY to INR 942 crore driven by better realizations. EBITDA grew by 44% to reach INR 193 crore with EBITDA margins improving to 20.5% primarily on account of operating efficiencies, which let me tell you is still work in progress.

In H1 FY '23, sales stood at INR 1,799 crore, EBITDA stood at INR 327 crore and EBITDA margin stands at 18.2%. With the ban in polystyrene foam base tableware products from 01, July '22, the demand for bagasse tableware product has increased substantially, and prices increase has been taken accordingly. The tissue segment is expected to perform better in Q3 with major tissue consumption centers be fully operational. The Board segment market is expected to be subdued due to lower demand and competitive low-priced imports.

With the reopening of most paper consumption centers and subsiding high input prices the short to medium outlook for the Indian paper industry appears to be positive.

Now moving on to the textile division performance, which is facing challenging times in global markets, however, apparel fabric demand has been stable in the domestic market. Export enquiries declined considerably due to rising interest rates, increased borrowing costs, along with high spike in gas charges weighing on economic activity of the final, textile end-use consumers in USA and European Union. Demand for printed segment was stable on account of long delivery period and high higher cost of yarn dyed fabrics. Sales for the second quarter stood at INR 224 crore while for H1 FY '23 sales stood at INR 491 crore. EBITDA loss is at INR 6 crore for the quarter as well as for H1. High volatility in raw material prices is making the customer cautious and most of the customers have kept orders on hold and are running at minimum inventory, without making any extra bookings considering expected decrease in raw cotton prices in next season.

Production in home textile across India is running at significantly lower capacities. Overall Indian economy is doing well. And as our main market is in the domestic apparel division, we expect steady demand and regular business from Q4. We are

also happy to release our FY '22 integrated report, showcasing our status on ESG as well as our roadmap for future. This is our first prepared on voluntary basis, but will be part of the BRSR report, which will be mandatory from FY '23. We urge are our investors to go through the report. In conclusion, we are happy that we had an overall strong performance this quarter, despite the macro challenges. The company will continue to pursue its goal of sustainable business and working on all controllables to lift its performance in an uncontrollable external environment. We can now open the floor for question-and-answer session. Thank you very much.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Nishith Shah from Aequitas Investment Consultancy Pvt. Ltd. Please go ahead.

**Nishith Shah:** Good evening, sir, my question relates to paper division. So, first I would like to understand more on the imports part. So, you said that imports are coming in and that is creating pressure in terms of price. So, what is the kind of pricing differential of imported paper products and domestic prices?

**Vijay Kaul:** So, regarding import of paper and import of board products, mostly about the board products not too much on the paper front because there are certain varieties which are still not produced in India, that is what has been the basic import. And there have been one consignment which is only an import for writing and printing but that was done by a particular trader for a different purpose altogether. So, thereafter there is no import from that. Major imports have been on the you know, packing sides, board sides and there the difference in the prices is just about four to five rupees lower than our Indian price.

**Nishith Shah:** And Sir in terms of volumes, do we see imports now increasing?

**Vijay Kaul:** Yes, you see the earlier there was an anti dumping duty on certain products. So, you couldn't import. Now the anti-dumping duty has been removed, but the people have to get qualified under a scheme called BIS where they have to declare that what is the turnover what products we are making the company as a regular or that they are not in any run of the mill companies just rather important to this country. So, they have to mention all the figures and then only they can import for they're allowed to import only after they get the clearance. So, imports will come in because that was because the European market and the US market as on today is going through a recession. So, there will not be much of a demand in both segments. So, instead of supplying to the market has gone down to some extent. So, they will definitely there will be pressure on India to get these kinds of products from the market. But as the dollar is strengthening and rupee going down, maybe that may also have a lot of imports coming into the country. So, we have to watch now, starting from November, we have to keep a close watch on this kind of things.

**Nishith Shah:** And Sir I'm looking at this NSR movement and our NSR for export is significantly higher than domestic. Do you see this trend continuing or now because of pressure?

**Vijay Kaul:** Now, the NSR of exports will also come to our domestic market because earlier because of the higher freight costs, that's why the NSR was going high but no as the freight costs are coming down, it will be reasonable, equivalent to domestic.

**Nishith Shah:** How much percentage of our volumes do we export or not?

**Vijay Kaul:** Overall terms not more than 10 to 15%

**Nishith Shah:** Okay, Thank you. And lastly, I want to understand our input cost trajectory like are we saying our input cost now trending downwards?

**Vijay Kaul:** No not at all. Like the wood cost which is purely Indian, it is going up when the you know, bagasse we are also using for our making paper and paper products, for the bagasse cost is going up. So, the coal cost is already not come down from the figure of 14,000 - 15,000 per ton so it is still on the higher side and there is slight correction

in terms of pulp prices, It is \$25-\$30 correction in \$1,000 club there is \$30 correction but that is clarified with weakening of the rupee

- Nishith Shah:** This is soft wood pulp?
- Vijay Kaul:** Both hardwood and softwood.
- Nishith Shah:** So, what is the reason of Indian wood prices going up?
- Vijay Kaul:** Because they feel that everybody is increasing the prices so we should also increase the prices. So, today there's a trend in India that everybody should increase their prices to whatever extent they can and giving various reasons for that, you know, our coal is cheaper, my transportation is cheaper, my various other you know, things are costlier. So, because of that they are increasing the prices.
- Nishith Shah:** And so competing industries will be
- Snehal Shah:** Hello, can you provide some scope for others to ask question, we can come back to you later on. Biplab please control the number of questions people ask.
- Moderator:** The next question is from the line of Aditya Khairnar from Metaverse Equity Fund. Please go ahead.
- Aditya Khairnar:** First of all, congratulations for your stellar performance. So, basically my question is in textile business as the pat rises by 118% as compared to previous quarters and we are seeing declining in turnover of textile business. So, what is your take on this?
- Snehal Shah:** The declines if you see, there is no decline in the turnover on a year-on-year basis on the apparel fabrics, the basic decline is actually in the home textile business and a little bit on the yarn business. So, the apparel business which is mainly focused on a domestic is doing well it is growing, particularly on the realization front to cover up the input prices increase etc. But what is impacted us on the turnover side is the home textile business, which is actually slowed down which is mainly dependent on export and export to developed countries and their economic condition is not so good, there is a slowdown there is risk of inflation, etc. So, there is that is where we have actually lost our turnover in the textile business.
- Moderator:** Thank you. The next question is from the line of Viraj Parekh from Carnelian Asset Management. Please go ahead.
- Viraj Parekh:** Hi, thanks for the opportunity. Congratulations and great set of numbers. One question from my side. Just to follow up on the first participant question. I mean, you're talking about the input costs, not softening?
- Snehal Shah:** On pulp and paper, right.
- Viraj Parekh:** Yes, yes. So, this I mean, NSR has you know, moved really well from quarter four to INR 67 per kg to quarter to INR 84 per kg for a mainly talking from the domestic point of view. So, on the drawing board, I mean, what are the price hikes you have taken in in this year, from April till date and any other price hikes you've seen future coming in give me some idea?
- Vijay Kaul:** The price whatever cost to increase has been there, we have been able to pass on around 80% to 85% of that to the consumer and balance whatever we have achieved certain cost, you know, cost cutting measures which we are done in order to improve our efficiencies in the operations. Going forward. It looks a little difficult now to further increase the prices. But yes, we have a lot of scope in improving operational efficiencies and cutting down various costs and all that.
- Viraj Parekh:** Okay, thank you. Just one clarification. Can you give me a number as a percentage of how much approximate price rise, we have taken from April to as on date?

- Vijay Kaul:** It was about from April to September; it was almost about 15% around.
- Viraj Parekh:** Okay, so when if I'm not wrong the last price rise was around July August is that correct?
- Snehal Shah:** From 68,000 we have gone to 85,000 NSR. So, we can calculate the percentage is roughly what is it? 25%.
- Viraj Parekh:** I got that; I was asking when was the last price right date taken? Was it around July? August? When was the last price we've taken?
- Snehal Shah:** I think last was in August, but I probably it was on board so I don't know when was the price rise, there are three segments so I exactly Mr. Kaul would be knowing. When was the last price rise, you're taking in each of the segments?
- Vijay Kaul:** We took in in the month of September itself from first of September, right? We do correction in paper and tissue. We didn't do correction in board only in the month of September. That's on first of September.
- Moderator:** The next question is from the line of Alpesh Thacker from Antique Stock Broking Limited. Please go ahead.
- Alpesh Thacker:** Thank you for taking my questions and congratulations for a very good set of numbers. So, my first question is on the real estate business. Actually, you know, in your opening remarks, it was that you know, there was this releasing thing which happened in the leasing properties. So, just wanted to know in which tower this releasing happen, and you also mentioned that there was this you know, downward revision of the rate at which it was done. So, what was the rate earlier and what is the new rate at which the releasing happened?
- KT Jithendran:** Thank you Alpesh for your question. See, basically, because of the excess supply and re-organization of the commercial market in Worli, there has been a lot of rationalization happening. So, if Hindalco had taken about one and a half floors, which is sort of five, six years back, and they're after all their escalations, the current rent has gone up to about 220 210. Which was clearly much about the prevailing market rate. So, we rationalized it because they were getting much cheaper options in one international etc. So, we have, you know, recalibrated it to about INR 175, but it will go keep going up 5% every year. So, that's the rationalization we have.
- Alpesh Thacker:** Okay, and so in terms of like, percentage, how much would be their leasing costs, like out of...
- KT Jithendran:** It's about 50 or so over 50,000 square feet. Okay.
- Alpesh Thacker:** And second question is also again, on the real estate part, especially on the residential part. So, did we take any price hike in our Century Mills project.
- KT Jithendran:** Birla Niyaara, we have taken about 7.5% increase in prices. We did it in some time in September.
- Moderator:** Thank you. The next question is from the line of Ajit from Nirzar securities. Please go ahead.
- Ajit:** So, I have one question on real estate division and one on paper. The one real estate is the difference in EBIT at standalone and at consolidated level is predominantly due to losses in the real estate division at consolidated levels. So, could you please explain more on this as to from where these losses are coming and elaborate more about accounting of the same and how long these losses will be there?
- Snehal Shah:** Okay. As far as the numbers in the standalone goes, the two commercial buildings are actually on the books of the parent company, that is Birla Centurion and Birla Aurora as well as Century Bhavan. So, what you see in the standalone is basically the rental

income minus the manage what you call it, FMS expenses manage maintenance expenses, that is what is reflected in the standalone numbers, whereas the subsidiary is spending on the corporate overheads. So, those are all losses because maybe basically we cannot recognize EBITDA of our projects unless and until they are completed. So, till that time, which probably would be next year, we will be showing losses, which are mainly corporate expenses, like salaries and little bit of marketing, etc. that we incur. Does that help?

**Ajit:** Yes. And the next question is on our paper business, as we have seen the paper -- the EBIT margins for paper business has increased from 12% to 17% at console levels. So, how sustainable is this margin and what is your outlook for the margin for next two, three quarters or going forward.

**Snehal Shah:** So, basically, what you're seeing is right, actually in this quarter, the margins are about 20%. And see even if the -- basically the realizations have gone up in terms in line with the increase in input prices. And as Mr. Kaul said that, you know, we could only pass 85% of those rises to the market. So, technically we are actually lost a little bit on that, where the margins have improved is in the last six months, we have done a lot of efficiencies, which is actually reducing a lot of our cost and I said in my speech also that this is work in progress. So, we are expecting a lot of savings going forward in the second half as well as in the next year. So, most likely, I can't give you exact guidance as to where we will reach but our target is to match the competitors that we have.

**Ajit:** Okay and could you please explain a little bit about which costs you know; we have got efficiency.

**Snehal Shah:** So, major cost is in our chemicals that we use, in the packaging that we use, anything you want to add Mr. Kaul?

**Vijay Kaul:** Yes. Other than chemicals and I think we've also improved a little bit on our capacity as well as chemicals and packaging and also the, what you call the consumption ratio of different.

**Snehal Shah:** I think on the lime sludge.

**Vijay Kaul:** Yes, on that chemical and you know, different chemical which we are using on that also on the ratio front also. Suppose we are using one kg we are now using 0.75 kg. So, majorly is on chemical front, on the packaging front,

**Ajit:** Can you just quantify the percentage of, you know, chemical costs as percentage of sales before and now and the same for packaging?

**Vijay Kaul:** I don't think that we should quantify right now, because the work is still going on. So, it is very difficult to quantify at this stage.

**Moderator:** Thank you. The next question is from the line of Ashish Kumar from Infinity Alternatives. Please go ahead.

**Ashish Kumar:** Thank you. So, a couple of questions, which I had one was in terms of the revenue booking on the real estate side. When do you expect to start booking on the Worli project revenues and our P&L? And also, in terms of cash flows? When do you expect the cash flows to start becoming positive on that project?

**KT Jithendran:** Ashish, thanks for your question. So, as far as you know, revenue recognition is concerned, this will happen only when the project or the phase is completed, as per the policy of, completion method that we are following. So, for projects like Birla Vanyaa in Kalyan, Birla Alokya in Bangalore, and one phase of the Birla Navyaa in NCR, we expect the revenues to be recognized and kicking in from next year onwards, because you're expected to complete certain phases of each of these projects. As far as Birla Niyaara is concerned, we just started the construction and when we first launched the project in Feb, and we started the construction in June.





So, we expect to take another five, five and a half years for us to actually completion of tower A and the revenue recognition will kick in only then.

**Ashish Kumar:** Okay. And in terms of the cash flows, when do we expect the Niyaara which is the largest project? When do we expect it to become?

**KT Jithendran:** Cash flow we expect it to do because our sales velocity has been at a much faster pace than what is expected. So, in a couple of years of, on phase one, we should be cash positive on tower one by two and a half years. As of now, we already collected about more than INR 300 crore there. In Birla Niyaara, we have collected almost INR 340 crore. So, yes, so we are pretty sitting pretty comfortable there. And I expect the project to become cash neutral at a much faster pace. We've done about close to INR 1,800 crore of sales now. And collected 20% of that.

**Ashish Kumar:** So, in terms of the peak debt maybe would be INR 2000 crore peak debt for us before it starts coming down.

**Snehal Shah:** No, not really. Ashish, basically I'll give you a bigger picture. Essentially, the real estate business with its existing projects, that which is it has launched, you know, whatever, whichever projects that it has launched, is expected to be cashflow positive in FY '24 itself. Okay, but then, of course, they were they're not gonna sit on the existing projects, they will be still doing more getting in more projects, so on the new deals, etc, they might have to spend about which I mean, if you consider something like INR 1000 crore every year, that is what probably you can consider that they will be spending. So, I am looking at a total kind of debt, position would be somewhere close to INR 2000 crore in FY '24, max peak debt.

**Ashish Kumar:** That's very helpful. So, there was one other question which I had, which is now that your paper business also being very well, as well as the real estate business also seems to have now got it's gotten gone off, but the business analysts for the two businesses are completely different. So, any thought process in terms of demerging the two businesses because otherwise, if you want to do a pure pro real estate business and then a large portion of the value comes from the paper business or vice versa?

**Snehal Shah:** So, this question comes many every almost every earnings call, and the answer is very simple for that. We will, right now, you know, you asked the question about peak debt, whereas to keep up our debt, at minimal level, we are depended on the cash flows of the pulp and paper business where the capex is not as much as what we require in the real estate business. So, unless we have demonstrated and you know, executed a few projects, and delivered etc. And we feel comfortable that, the real estate business can stand on its own, that probably would be the time when we will start thinking about it. Besides, I mean, I'm not saying that it's not at the back of our mind, but it is not an immediate priority for us at the moment.

**Ashish Kumar:** And if I can ask maybe one more question the paper business, if we look at some of the leaders in that some of your peer group, right, they are operating at the June numbers which are out for some of them there were at 20 - 22 rupees a kg as EBITDA of 20,000 or 22,000 rupees a ton. Whereas this quarter we still reach 16,000. Do you think that in the next three to four quarters, we can start hitting the number which is comparable to the peers and I'm taking industry because industry I understand can be quite volatile.

**Snehal Shah:** So, Ashish I mean, before Mr. Kaul answers when you compare ourselves with competitors, it depends on which competitor, you are comparing it to us. And then based on that you have to understand what is their product mix? And what is our product mix? What is the raw material they use? And what is the raw material we use? So, based on that if you do a little bit of comparison, then probably you will have a better idea of what should be our margin as compared to their markets, because the capital employed is also to be considered when you consider all the all the factors, you just can't look at the margins.

- Ashish Kumar:** Right, right. Right. I was talking about the two large listed players independent paper guys. And I agree with you, one has a almost 100% integration into pulp and that is an 85% - 90% integration.
- Snehal Shah:** Yes. So, we are, as I said mentioned earlier, we are also on the trajectory of doing some efficiencies, etc. As we said, we are work in progress, probably a better time for you to compare us with them. Will be probably somewhere next year.
- Ashish Kumar:** Okay, that sounds good. And wish you all the best. Thank you.
- Moderator:** Thank you. The next question is from the line of Harsh Pathak from B&K Securities, please go ahead.
- Harsh Pathak:** Yes, hi, sir. Good evening. So, first of all, my first question is on Birla Navya Gurugram. So, we see that the sales are encouraging since 67%, of phase two have been sold in the second quarter itself. And now from the presentation, it seems that there are only 60 units remaining to be sold between phase one and two. But still, there is half of the inventory yet to be launched. So, when can we expect more launches there? And also, other launch pipeline in other markets? If you can please discuss.
- KT Jithendran:** I didn't catch the last part of your question. But we'll come to that as for the first part of your question on Birla Navya, you are right first phase is 100% sold out. Second phase is 67%, sold out, between the first phase and second phase, there has been a huge increase in prices, we started first phase with about 10,500, finished at 12,000. Now we are selling at 16,000 rupees per square foot phase two. So, there has been a huge upside there. Phase three, which is largely about you know, roughly as you mentioned about half of the inventory, which is block A, which first part of that will start, we are planning to launch sometime in February, which is Q4. By that time, hopefully we would have done bulk with the sales of you know, balanced inventory on Phase Two also. So, that's the position there. I didn't catch the last part of the question.
- Harsh Pathak:** Sorry, yes, I was asking on the launch pipeline in other micro markets as well in Kalyan and second phase of Niyaara since 50% - 60% is already sold out now and also Bangalore to market your sign some days there. So, you can please discuss that too.
- KT Jithendran:** Sure. So, we have two new projects in Bangalore. One is 52-acre parcel near the airport and another now 10.5 acres or 10.25 acres in Rajarajeshwari Nagar. Both these launches are slated to be in the next financial year. We just acquired these parcels one in April and one last month. So, we are working on it. But hopefully by Q2, Q3 of next year, we should be launching it as concerned a Birla Niyaara the second phase, which is tower B that we are expecting in December of next year. And Navya as I mentioned, which is in Gurugram. We'll be launching phase three in February of this financial year, that is Q4 and maybe part of it in April May June, the rest of it. As far as Kalyan is concerned all phases have been launched. And now we are you know nearing completion of the project. And similarly, the other projects in Bangalore and all phases are launched.
- Harsh Pathak:** Right. So, first of all, in phase three, what is the size that we are expecting to launch in Gurugram?
- KT Jithendran:** May be slightly similar sizes of slightly small, I think more or less similar sizes of what we have launched now. There will not be much changes in size because the density is more or less the same. Gurugram works on the density formula, so the density remains the same. So, the sizes would be the same. I mean, I'm assuming you're asking the size of the apartments.
- Harsh Pathak:** Not the size, I mean the size of launch in terms of...

- KT Jithendran:** That's what as I mentioned, what is We are launched till now, it is similar size close to 1000 crore
- Harsh Pathak:** Okay sure and any reasons why we are keeping the Niyaara phase two launch in December because I think significant inventory is already sold out in the first hour. So, any reasons that
- KT Jithendran:** I mean primarily because we wanted to do take the learnings of Tower One incorporate into tower two make some changes and flexibilities amendments and design and finally the you know; the entire approval cycle takes its own time. Bombay takes good 12 to 15 months so, we are making some amendments etc. So, the right size and all, approvals can be because usually, we launched 100% approvals so that within environment clearance and all is going to take its time so that's why we're planning to bring in -- we'll try to bring it if approval gets faster earlier, but looks likely that will come up by December.
- Harsh Pathak:** In the Navya project that you indicated, that the price increases that you're taken from 10,000 to 12,000, now it's 16,000 rupees per square foot. So, what is I mean this is like very, very encouraging but what is leading to this price increase is it better demand or you know very less launch is happening in the micro markets. So, what is leading to this trend sir
- KT Jithendran:** Yes, a couple of reasons one is that land parcels are very scarce there's hardly any land parcels left in Gurugram and especially in the location which is another golf course extension market we are talking about, number two as you mentioned the number of launches has been extremely rare the number of players have reduced huge amount of consolidation has happened. So, the strong stable, reliable players are very few. So, therefore, there has been a lesser supply and the demand remains strong I gather that must be the reasons.
- Harsh Pathak:** And in terms of revenue potential in this Gurugram project as compared to the previous quarter presentation, there is a 5% increase in the revenue potential and same in Niyaara there is a 12% increase. So, is this mainly because of the price increases that we have?
- KT Jithendran:** Absolutely right, absolutely right.
- Harsh Pathak:** Okay, so just last question, if I may squeeze in, in the leasing business, what is the average realization, per square foot.
- KT Jithendran:** So, at Birla Aurora, we are currently the average leasing is about INR 200 bucks, and in the Birla Centurion is INR 168 bucks.
- Harsh Pathak:** Okay, and on a blended basis,
- KT Jithendran:** Take roughly an average of this maybe about 170 or 180 or so.
- Moderator:** Thank you. The next question is from the line of Hitesh Doshi an individual investor.
- Hitesh Doshi:** Yes, good afternoon to all and congratulation on very good numbers. So, just carry on from the last participant. So, what kind of size we launch over next, say up to next December like what kind of project size, like you know, you said Gurugram will be INR 1,000 crore. So, approximately what kind of inventory we will launch including the Worli part by December which you said.
- KT Jithendran:** Yes, thank you Hitesh. Yes. So, as I mentioned INR 1,000 crore will happen sometime in between February June, partly in Feb and partly in June. So, as far as the Navya is concerned, and Niyaara as I mentioned, this is another INR 3,000 crore of launch and other roughly INR 3,000 crore in December probably a little earlier. We'll have to figure that out. There will be new first phase launches in Bangalore to two projects. Both will be roughly about INR 500 crore each, INR 1,000 plus 3,000, 4000. And hopefully we'll have many more new projects by that time and a few more

launches must happen. And of course, the sustained sales from the earlier inventory unsold inventories like Kalyan phase two of the other unsold inventories of the launch project. All of that should be happening.

**Snehal Shah:** So, is your question related to the size of the launch or the booking value that we will do in the next year.

**Hitesh Doshi:** I'm just asking the size and I think it is INR 6,000 to 7,000 Crore kind of projects we can launch by next December but that is what I'm getting. Instead of just one question on paper, then are we expecting any price hikes from here or price reduction from here on because I'm reading new paper prices are going down internationally. So, just about the pricing part nothing about margins or anything.

**Vijay Kaul:** No prices? Definitely, Doshi ji. The prices will be there will be some correction on prices. But what an extent we don't know as on today, we'll have to wait till 15th of November before we do any corrections.

**Hitesh Doshi:** So, that means we may have little lower margins or we can't have...

**Vijay Kaul:** Not necessarily. Pricing correction does not mean that the margins will be lower.

**Moderator:** Thank you. The next question is from the line of Vishal Ghai from Abercrombie and Kent. Please go ahead.

**Vishal Ghai:** I have only one question. And this is regarding the frivolous advertisement, which appeared in the newspapers. Now since I'm an individual shareholder, it's not clear to me whether you will be developing only 14 acres of land in Worli or would you be developing 30 acres of land?

**KT Jithendran:** So, thank you, Vishal, for the question. So, we have about, you know, undisputed, 30 acres of land, 14 Acres is on the parcel, where we are currently developing. And adjacent to it. There's another parcel which we own, which has about 10 acres of that. And in these 14 acres also there is a commercial parcel, etc, with another six acres. So, overall, we'll be developing about 30 acres of land.

**Moderator:** Thank you. The next question is from the line of Abhinav Bhandari from Soham Asset Managers. Please go ahead.

**Abhinav Bhandari:** Yes, thanks for the opportunity. Or the one question on the business development side, while you highlighted the launch pipeline for the next 15 months. How's the pipeline on the business development side?

**KT Jithendran:** Thanks, every now. So, as I mentioned, just before, we have signed two projects in Bangalore, new projects, and we have signed several term sheets in Mumbai, NCR Bengaluru, and a couple of them in Pune. Also, we are hoping that we'll be able to close several more deals before the end of this financial year. I think we are pretty excited with the opportunities available. And we're also quite excited with the kinds of performances given and the kind of brand reception we're getting in the market. So, hopefully, we'll have several more projects before the end of this financial year.

**Abhinav Bhandari:** Sure, sure. for that. The second one was for in one of your earlier statements. I think you mentioned Kalyan all the phases have been launched. We were under the impression that we land parcel there is much larger than what we've launched so far. So, how should one understand?

**KT Jithendran:** So, Kalyan has the character of the land parcel where we have the current project is in progress with about 22.5 acres where we are the potential is 1.3 million This is divided into three phases, where we have launched now on three phases and this will come up for delivery in the next year. We have some other parcels in Kalyan for example, you know there is another 70-acre parcel which is likely at a different location not suited for you know real estate exploitation as of today and it was an agricultural parcel. So, that we have now leased out to on a long lease to a company



for development for our own sister company, the BITS Pilani for making their Management Institute and we are receiving an annual lease for that, we have more parcels in Kalyan but these are all futuristic parcels. Now the 45 acres is there. So, which is also a futuristic, so those will not come up with development today. And all these parcels are different in different locations. Right so Yes, so the 22 Acres is where the development was currently in progress and has been doing very well. So, therefore so that is where we have to but I was talking about

**Abhinav Bhandari:** A couple of parcels which we had our own I think if I'm not wrong somewhere in Talegaon and Pune and the one in Prabhadevi any progress on those?

**KT Jithendran:** Those are the right time we will pick them up at this point of time they're not ripe enough for the development very future potential parcels we will bring them up and for development in due course.

**Abhinav Bhandari:** Sure, and just one last bit on the standalone balance sheet, where the inventory has gone up by about 300 crores versus March so, just to get some sense on that?

**Snehal Shah:** Essentially, as you as we said you know, we can't do any revenue recognition. So, all that expenditure as well as our collections stand either in the liabilities or assets. So, the inventory is essentially of the construction work that has happened and also, we purchased land just now in Bangalore for one study on that. So, standalone again standalone with two sales inventories have increased at Birla Niyaara whatever we have is spent that is coming in in standalone only apart from that there is some working capital increase in textiles and paper also.

**Abhinav Bhandari:** Okay, so, would you be able to quantify these two numbers the increase out of the INR 300 crore because of Niyaara and just to understand why Niyaara is getting?

**Snehal Shah:** So, Niyaara is being built on the land which belongs to Century so, Century is the land owner and all the revenues are booked in the book of Century and all the expenditure is booked in the book of Century and developer that is Birla estate is only getting management fee that is what is known as DM fees for all those inventories of Niyaara is booked in the Century balance sheet. So, that is why the inventories are going up.

**Abhinav Bhandari:** And all the rest of the projects would be in the subsidiary.

**Snehal Shah:** Those are all JVs. Only Kalyan for example, but Kalyan was a JDA but Niyaara DM. Otherwise, Kalyan and also would have been in our books because the land belongs to us.

**Moderator:** Thank you. Further questions, I would now like to hand the conference over to Mr. Snehal Shah for closing comments.

**Snehal Shah:** So, thank you all for participating in this earnings call. I hope we have been able to answer your question satisfactorily. If you have any further questions or would like to know more about the company. Please reach out to our IR managers at Valorem Advisors. We are very thankful to all our investors who stand by us and have the confidence in the company's growth plans. And with this I wish everyone a great evening and Happy Diwali and Happy new year, thank you very much.

**Moderator:** Thank you. On behalf of antique stock broking limited concludes this conference. Thank you for joining us and you may now disconnect your line.