



“Arihant Superstructures Limited
Q3 FY-17 Earnings Conference Call”

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MODERATOR: MR. PURVESH SHELATKAR – CENTRUM BROKING

Moderator: Ladies and gentlemen good day and welcome to the Arihant Superstructure Ltd. Q3 FY17 Earnings Conference Call hosted by Centrum Broking. As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘*’ and then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Purvesh Shelatkar from Centrum Broking. Thank you and over to you sir.

Purvesh Shelatkar: Thanks Janis. Welcome everyone and thank you for joining for the third quarter FY 17 Earning Call of Arihant Superstructures. I am Purevesh Shelatkar from Centrum Broking. Please note that results and presentations have been mailed you can view these on ASL’s website which is www.asl.net.in. To take us through the results and answer your questions today we have with us today Mr. Ashok Chhajer – Chairman and Managing Director of Superstructures Ltd. Mr. Manish Mehta – CFO, Mr. Umesh Jhavar – Vice President (Strategy & Investor Relations).

We will be starting this call with the brief presentation, giving an overview on the company’s performance followed by question and answer’s sessions. I would like to remind that everything said on these calls that reflects any outlook for the future and which can be construed as a forward-looking statement must be view in conjunction with uncertainties and the risk that ASL face. This uncertainties and risks are included but not limited to what ASL has, have mentioned in the prospectus filed with the SEBI and in subsequent annual reports you can find on ASL website. With that said I would now turn on the call to Mr. Ashok Chhajer, over to you sir.

Ashok Chhajer: Good afternoon everybody this is Ashok Chhajer from Arihant Superstructures’ Ltd. for Q3 and I will like to take you through the numbers of the Q3 first and then on the industry perspective. Manish you can put up the numbers.

Manish Mehta: Good afternoon everybody. Basically, if you have the slide on the income statement the revenue has been Rs. 369.9 million and the related EBITDA for this quarter has been Rs. 98.6 million and EBITDA percentage of 26.6%. This year we had higher cost on the interest because of the borrowing cumulation and that is resulting in a profit of Rs. 51.3 million which is a PAT margin of about 13.9%. We have done this quarter better than Q2 numbers, however compared to the YTD of Q3 2016 we are trailing. Couple of highlights which I would like to present. Because this quarter we had recognition of two of our projects which has higher cost and the revenue portion is to that extent not yet caught up and we have another effect on this is the selling and distribution cost which has been higher than compared to the last quarter.

Ashok Chhajer: With respective numbers as well as the industry perspective in this quarter, everyone has seen the demonetization effect due to which there was a big stagnancy in sales in November and

December. Though in October we did a sale of around 70 flats in Jodhpur and in Mumbai around 82, total 152 flats we sold in Q3 with the total of 153000 Sq. feet. Most of which happened in the month of October whereas November and December saw marginal sales due to demonetization. The average price that we got was of INR 3317/- per Sq. feet.

As the sales from the Jodhpur region were with the average price of Rs. 2986/- per Sq. feet. and Mumbai at Rs. 3661/- per sq. feet majorly catering to the affordable housing segment from the projects such as Arihant Aanchal at Jodhpur and Arihant Arohi and Anshula at Navi Mumbai. From an industry perspective though Q3 has seen a complete stall of activities, where whatever sales happened in November and December the cash flows would go beyond normal cycle of 90 days. So in Q4, the revenue from Q3 collections would see a drop. And from the existing sales which were done prior to demonetisation, those also saw a little less cash flows happening in November and December. Though here it was expected that the industry would take a long time, something around April to revive.

To a surprise to everybody as well as to the developer fraternity, January itself saw little bit of momentum and after the budget that is 1st of February where it could be seen that the whole budget was majorly for Real Estate and housing, which has now categorized the real estate in two sections - one is affordable housing and other is land as well as luxury housing. The Govt. major focus has been into affordable housing and “houses for all” agenda. That is why it has come up with direct incentives and benefits to the developers doing the construction as well as to the flat own buyer also.

We being in the same category of affordable housing since 2009 believe that the way forward could be of great advantage to us. 63% of our portfolio today forms part of this with a range of INR 2000 to 4000 per sq. feet which is in the category of affordable housing. And around 29% forms to be into the category of INR 4000 to 6000 housing that is upper middle income group housing. And we had a launch of project Arihant Ananika on 11th February just last week which has seen very good spurt of sales and we achieved 89 units of sales and 85000 Sq. feet in just seven days. So way forward we have very good days ahead and the project would see a good traction in terms of sales. We can open up question and answer session for knowing more about the sector. So I throw open the floor open for Q&A.

Moderator:

Thank you. Ladies and Gentlemen, we will now begin with the question and answer session. We take the first question from the line of Sridher Chandrashekar who is an individual investor. Please go ahead.

Sridher Chandrashekar: My question is about the budget impact on companies like Arihant and other affordable housing players?

- Ashok Chhajer:** The budget has come out with an additional benefit to the end users in terms of housing loans and also in terms of direct incentives to the developer. The topmost was reducing the eligibility of the carpet area or the size of the house from 60 sq. meter built up area to 60 sq. meter of carpet area. And all the projects which would be falling below the size of 60 sq. meter carpet area will have the definition of carpet area by RERA which is defined in the act as those projects which has started off with this criteria A, B or projects which have got the first commencement certificate after June 2016, would have a benefit of no tax on all the incomes which have been generated from the project. So, more and more projects, more and more developers would be starting off into the affordable housing section and we ourselves as Arihant already have been there into affordable housing since 2009 and out of the total 14 projects almost 10 projects are falling into the same category of low cost housing and affordable housing, so we have an edge as we are already geared up and the constructions are in progress across all the sites at a very good pace.
- Moderator:** Thank you. Next question is from the line of Deepak Kaur who is an individual investor. Please go ahead.
- Deepak Kapur:** Good evening sir this is Deepak Kapur not Kaur. I have a question on your land bank, what kind of land bank do you own and what does it translates in terms of how many million sq. feet of affordable housing it could be developed in to overtime?
- Ashok Chhajer:** Projects which are ongoing which need approvals and which are on the shelf for sales to the tune 11 million sq. feet. Out of which into the category of low cost housing and affordable housing we have something around 7 million of sq. feet is in this category.
- Deepak Kapur:** So, these are the one's mentioned on your presentation?
- Ashok Chhajer:** Yes.
- Deepak Kapur:** Apart from this land bank that you own what I am referring to?
- Ashok Chhajer:** The Company does not have a huge land bank other than re-development projects which are already signed off which are on asset light model and which are into premium section in Navi Mumbai, vashi area.
- Deepak Kapur:** So any redevelopment projects which have been signed on and which are not shown on this presentation right now? Any big projects?
- Ashok Chhajer:** Yes. The re-development projects numbers have not been shown into the presentations as it is under approval and as per company policy the day, any of the land bought get in approval or sales are started off, that is the day that we put it into its potential and in the projections. Till that time it is treated as land banks or it is treated as value of the acquisition of the project.

- Deepak Kapur:** Okay. Could you give us some idea of how many millions sq. feet might be under approval right now?
- Ashok Chhajer:** Today under approval is around 2 million Sq. feet.
- Deepak Kapur:** I have another question since you have asset light model so assuming you are getting into largely joint ventures or redevelopment, in general are you finding land prices coming down in general?
- Ashok Chhajer:** Till the budget and till now yes there was a pressure of land prices going down and desperation in land filling – A) Through the Villagers who own the land. B) Also from developers who have taken up project but did not have the implementation capability in terms of engineering as well as sale. So today also many of the developers still have the pressure of not continuing with the project and those are the projects where deals can be at a very desirable business model or cost.
- Deepak Kapur:** Okay given the incentives given to affordable housing in the budget going forward do you expect your margins on this end of the business to improve?
- Ashok Chhajer:** With respect if there is no tax automatically straight away there is an increase of 25% of margin and leaving apart this subsidy or advantage or this incentive I don't think the margins are going to increase into large extent in affordable housing because it caters to retail end users and to people who do not have capability of buying an house if it is speculated to larger extent. I think the prices would be more stable. The approach towards affordable housing would be on the lines of the factory type model where more or less the total cost and margins would be fixed and faster the implementation better the IRR the company would get.
- Deepak Kapur:** Right. Just a clarification, this tax saver is 100% there is no tax on profits in the affordable housing segment?
- Ashok Chhajer:** Yes
- Moderator:** Thank you. Next question is from the line of Sudhir Padiyar from Consultant Capital Advisors. Please go ahead.
- Sudhir Padiyar:** Good afternoon and congratulations on good set of numbers despite the tough time that the industry is witnessing. In continuation with the earlier question I am a little confused with regards to budget incentives and impacts on our margin. If I am not mistaken we said that all affordable housing units will inclemently be exempt from tax.
- Management:** Yes.

Sudhir Padiyar: Alright in that view okay I mean what happens to our margins I mean FY 15 and FY 16 they reported net margins of close about 15% odd, so would these entire margins get translated into our bottom line would be passing on this incentive down to the customers because of which the end apartment prices would be coming down, how does it work out now?

Ashok Chhajer: Today Sudhir sales happen wherever there is a correct rate I will put. Correct rate means at the lower rate irrespective of incentives whether there is or not. So our customer today who is sitting on the fence, he is willing to wait till he finds the price right whatever there is in his mind. And the price is around 5 to 7 % lower from the prices which were in October 2016. So given the price right, there is good sales - that is what happened at Arihant Ananika, the prices in and around the other projects are 3850 and we started up at the average price of 3600 and that's all - no argument on the prices of the flats and people bought and the sales of the total project reach up to 89.

So, in short that yes the prices will be moderate, the scaling up of the projects can happen and implementation of the scaling can happen, only the quality money that is from sales precedes and we will be always be eager and we will be passing on that a little bit of 5-7, 10% more of the margin, more cost of the project to the end users and that will result in top line as well as good bottom line.

Sudhir Padiyar: Okay. I understand thank you so much. The next question is with regards to land bank and your developable area. Now if you can possibly give us some sense on off the percentage of affordable housing that you would be executing over the next couple of years right, just to get some sense?

Ashok Chhajer: It is in and around at least out of total 11 million in the next three years around 4 to 5 million of sq. feet would be delivered in the affordable housing segment.

Sudhir Padiyar: Alright. Okay. So out of 11 million close to 4-5 million is from affordable housing space.

Ashok Chhajer: Yeah and that will be delivered next 3 years.

Moderator: Thank you. Next question is from the line of Deepak Kapur who is an individual investor. Please go ahead.

Deepk Kapur: Sir if you could explain briefly the economics of redevelopment with the project how does that work? What share do you get typically redevelopment of the project?

Ashok Chhajer: Well that depends on project to project and with the project that we have already signed up an agreement are in place around 30 to 35% of the total area will come to kitty of Arihant for sales and out of 100% which is to be constructed.

- Deepak Kapur:** Okay so this is for what is already signed but it is project specific?
- Ashok Chhajer:** That will be always be project specific because on location and project specific there is an sale value of an product and relatively there is always an demand or give and take happens.
- Deepak Kapur:** So, the cost of construction is entirely on you?
- Ashok Chhajer:** Yes, always the cost of construction is always entirely on us, you also have to pay rentals to the flats who are vacating from the existing premises. So, implementation of the project needs to be at a very fast pace to time, say the best time within 48 months you should be through with the project or else rental will go on increasing.
- Deepak Kapur:** So you really have to have your approvals in place before you even start otherwise the risk is huge.
- Ashok Chhajer:** Always the project will start only after the approval is dealt with, we are under the process of approvals, so our outgoing will happen only after the approvals are in place.
- Deepak Kapur:** Are you planning to expand to other geographies beyond Jodhpur and Navi Mumbai?
- Ashok Chhajer:** No, the board has asked the management to focus on region of Panvel and on the category of affordable housing. A. Why only Navi Mumbai and Jodhpur? Because one Jodhpur happens to be the core central capital for Western Rajasthan where all the seven districts pour into Jodhpur for occupation and for career opportunities, it also houses Institutions for better education and modern culture of living. Navi Mumbai as of today also you must have read about Airport being awarded to GVK who will be constructing it within 5 years. Few days ago in the month of January the Honorable Prime Minister had come for the inauguration of Nhava Sheva-Sewri link which will reduce traveling time from South Bombay to Navi Mumbai within travel time of 45 minutes.
- And in addition to these two mega projects the employment growth center is coming up in and around Navi Mumbai, the major one is Navi Mumbai corporate park which the CIDCO has announced for design perspective which would house around 2 lakh more population. And which planned on BKC lines in addition to which it is opposite to existing Golf course in Central Park where there would be an amusement park also.
- So seeing all these developments of major projects including the road network and industrialization, expansion happening up on the Goa Road towards Nagothane, that is Mangaon and at Pheanpali that is Khopoli or Express Highway after the Toll Naka, the employment generation to a larger extent is in the region of Raigad district. And Govt. of Maharashtra is spending more than 1 lakh crores rupees on this infrastructure where it has announced even a new city adjoining the Navi Mumbai of 640 sq. km. The Naina which is

developed by three SPAs that is Panvel Municipal Corporation, Naina and MSRDC, so our experience comes handy as we are already two decades and above in this region and in Navi Mumbai. And Navi Mumbai will top the infrastructure development across India as this is being done with great political will. As you see Amravati by Chandra Babu Naidu and Naya Raipur by Raman Singh Ji. So this the only third city which can be said to be driven by Chief Minister's political will. And so our company has plans to expand only in this region of Panvel and Raigad.

Deepak Kapur: Great sir that was very useful information it sounds very positive. Would you therefore need to raise equity in few years' time or in the next couple of years to take advantage of this opportunity?

Ashok Chhajer: Given the new business has to be enrolled out may be after around 12-15, 18 months, yes there can be an opening up for raising equity.

Moderator: Thank you. Next question is from the line of Varshit Shah from Centrum Broking. Please go ahead.

Varshit Shah: Sir I would like to understand what is the internal IRR benchmark to bid up for the project for our Company when we go do either go for JV or any tie ups or even for any project which you undertake?

Ashok Chhajer: We the Company generally look at an IRR of 20% PAT margins on all the investments which it has done.

Varshit Shah: Okay. And this is typically spread over the period of 48 months let's say?

Ashok Chhajer: Average cycle of a phase of a project is 36 months.

Varshit Shah: Okay, so this 26% target is based on 36 months?

Ashok Chhajer: No this will be year-on-year basis.

Varshit Shah: No of course IRR I mean typically a project will be of 36 months I am saying.

Ashok Chhajer: Yeah the project will be around 36 months on quoting price if you talk across what could be the mark up profit which the company looks at whenever company is taking a project then it boils down to something around 25%.

Varshit Shah: And sir in the affordable housing segment does the IRR remain same or is it near to this benchmark level?

- Ashok Chhajer:** IRR remains same but the difference is that it requires lot of acumen in terms of efficiency for implementing the project, on all the grounds of engineering, overheads and management. So affordable housing it is a mass game where the prices will generally not rise to a larger extent because it is for an end user and so the management skills as well as the approach towards the housing would have to be taken in a very different manner and we have already been practicing since 2009 with the professional management and systems in place, we are geared up to scale it up to even 2x level in the coming years.
- Varshit Shah:** So what I am understanding as far company has to generate (+20%) IRR even from an affordable housing project which might be difficult for any ordinary player who is not so professional or doesn't have the capability for speed execution.
- Ashok Chhajer:** True. Even bigger companies may have to rethink and revisit their expenditure part, because they generally have very large expenditure than company of our level. For developers who are small scale developers for them to scale up to this level also would require different approach and acumen.
- Varshit Shah:** So what I understand is that we are in sort of sweet spot in between?
- Ashok Chhajer:** Yeah.
- Varshit Shah:** Okay sir and one more if I could just squeeze in can you throw some light on IRR of non-affordable segment I mean going forwards all currently as per the market condition what do you think the non-affordable segment. What are the typical IRR ranging currently?
- Ashok Chhajer:** The sector today would be having a return on investment to a developer to same percentage of 18% to 20% and for an investor it may be something around 15% something not more than 15% for a flat buyer.
- Varshit Shah:** Okay, that's a typical IRR books in project initially that what it means?
- Ashok Chhajer:** That is what we are into and that is what we look into. Now it depends on developer-to-developer and it is personal take that what returns he wants to function at.
- Varshit Shah:** But giving the risk associated I mean typically the real estate business...
- Ashok Chhajer:** But to be safe and to have a sustainable development and continuous development, I think the company should eye for an IRR of 24% something between 20% to 24% because there are some risk involved into this business of real estate as there are risks in other business also.
- Moderator:** Thank you. We take the next question from the line of Purvesh Shelatkar. Please go ahead.

Purvesh Shelatkar: Sir I have been tracking your company at least for last six quarters and I see a constant year-on-year growth and quarter-on-quarter growth and the most surprising thing is that in the most difficult time of real estate faced in last probably two-three years, you guys have really done well in terms of coming out in transparent way and doing good, because generally the impression is that real estate means something shady, but you it is every time getting better and better. So what is it this that you are doing different from these other builders that is basically make you come clean on it. So this one thing probably is which is going to make you very, very attractive in terms of institutional interest sooner or later.

Ashok Chhajer: A) As on management and approach which the company has towards the end user or the flat buyer is about no hardship to the end buyer. We in bold letters print and give in writing to a flat buyer that there will be no transfer charges, there will be no lock-in period, and there is no escalation to whatever price the company has sold to them. In addition to it we have maintained our quality and we have been able to do the same quality in all the segments right from INR15 lakh up to almost 80-90 lakhs of the flat so the standard operating process which have been adopted and which have been infused into the system enables it to maintain the standards of these product to deliver to the client and which is utmost importance because of the referrals or the continuous business happens only if your product is good. That reflects that why 20% of the sales come from referral sales for the company so if around 100 flats are being sold 20 comes from reference where we don't have to spend a penny for advertisement, we don't have to spend any penny for brokerage or channel partner commissions also.

And board is also very much vigilant looking in the micro level from when the board meeting happens from independent Directors perspective also. Me being the only person from the promoter side on the board, I have a lot of questions being asked by them. And that keeps us on our toes. And the risk alert system which we have developed we do not have to do risk management to a larger extent. Because of alerts we are able to analyze or visualize it may be a little more in advance and we believe in risk alert rather than risk management.

Purvesh Shelatkar: Okay and one more thing you know with this new budget showing lights on the affordable housing and at the same time probably thanks to demonetization everybody's income whether it is typically vada pav walas or pav wala who were earlier not getting recorded would get recorded in the system, so per se the income level in the income tax terms or visibility terms is going to go up. So how do you see that getting impacted positively on your sector? Because that is something which is definitely going to make banks also process the loans easily probably because there will be more...

Ashok Chhajer: Banks are probably flooded up with the huge amount of money which is to be lent out and more particularly through housing loan also and demonetization has helped up in their lending process and arriving into the eligibility criteria of an individual home loan buyer. So demonetization coupled up with the RERA coming into place the regulator strictly getting the

adherence to be done, the GST coming into place may be a quarter or two quarters later on and the interest rate dropping down even for the developers and business fraternity, I think that overall it would be an very good advantageous phase for real estate investors. And with the infrastructure status, the approach from the foreign institutions, from the multinationals coming into it whenever there had been regulator in any sector even in the previous decades and years it has found that those sectors have done very well as understanding of the businesses and as understanding of the books and the processes have been more transparent. And this will help out more of the foreign institutions to also to come in at the real estate at equity level.

Purvesh Shelatkar: Sir thus I mean you answer only if you can but this question I cannot stop myself from asking, where do you see know Arihant Super in five years from now? Do you see a billion dollar company?

Ashok Chhajer: I cannot put in numbers but yes with the CAGR growth in terms of the people at the office, with the allocation of the budget for the systems and processes we know we can scale up to a very good exponential level in the next five years.

Moderator: Thank you. We take the next question from the line of Deepak Kapur, who is an individual investor. Please go ahead.

Deepak Kapur: Sir, couple of quick question, number one, as a developer how much of the construction activity is done by your own resources and staff and how much you outsource for subcontract?

Ashok Chhajer: A. We do not deploy labors on our account. The labors or the job part of the construction is immediately carried out by the contractors and the sub-contractors. The materials are procured from the company and handed over them for construction. So this is the largest model of construction. A) We do not give it lock and key to any of the company where they are having no engineering section in place. So we do our own engineering where we add up value also and we save by the value engineering. So majorly it is on this model of labor is outsourced and materials are procured from the company to the contractors.

Deepak Kapur: So during demonetization one of the industry's most hit was the construction one because cash payment to labors and there was stock that they will also have to come into the system and therefore the payment, PAF and everything. Do you think the subcontracting outsourcing costs are going to go up for you?

Ashok Chhajer: They have already come into place I think labors etc., are very much fine as the contractors have adopted the E- transfer payments to their accounts. So what I have checked out with our contractors nowadays they are not even willing to pay in cash and they have set up an office on the site itself where there is an person from account section who transfers the money to the

labors account and gets the passbook which records that the payment is being there in the bank account and labors are fine with that.

Deepak Kapur: Fantastic great to hear. Quick question currently around the Navi Mumbai area as you hunt for new projects how competitive is it getting into the JV, there are lot of people chasing low cost housing a project which might interest you?

Ashok Chhajer: We would be mostly eyeing on JV models where there will be no requirement of purchase of land and for the segment of Rs. 2500 per Sq. feet and below we will not be opting for JV model because it does not gives business which could give any propensity, larger pie is given in terms of revenue sharing or area sharing to the land owner. So the prices are ranging below Rs. 2500 – 3000 sq. feet the company will always buy the land and prices about 4000 sq. feet the company will go for JV models with the land owners.

Deepak Kapur: I was just saying that I am just trying to understand you are operating over a particular geography and you are comfortable there right now, but given all the incentives to low cost housing, given the potential of Navi Mumbai and that region years ahead a lot more competition is going to come in?

Ashok Chhajer: Yes.

Deepak Kapur: So will that make it more difficult for you to get land at reasonable price or do joint venture agreements at a reasonable and maintain this IRR?

Ashok Chhajer: I think we have good kitty already. And the acumen I can tell that we have good penetration in terms of options of land deals coming towards to us so we can pick up the best one which suits our model.

Moderator: Thank you. We have the next question from the line of Moiz Ambawala from Florentree Advisors. Please go ahead.

Moiz Ambawala: Just the question on number of flats sold for the quarter?

Ashok Chhajer: We sold around 152 flats in this quarter 70 came from Jodhpur and 82 came from Navi Mumbai.

Moiz Ambawala: And how many did we manage to sell in Aalishaan this quarter?

Ashok Chhajer: This quarter Aalishaan sold only two flats.

Moiz Ambawala: So the total inventory of the Aalishaan sold so far would be at about?

- Ashok Chhajer:** Around 225 units. 225. This is out 970 units of company. So we are 25% up.
- Moiz Ambawala:** Because your presentation actually shows a different number that you have sent out this quarter?
- Ashok Chhajer:** I will get back to you. I will ask the team to get back to you with the correct numbers in fact.
- Moderator:** Thank you. The next question is from the line of Tushar Sarda from the Athena Investment. Please go ahead.
- Tushar Sarda:** I wanted to know if you have target in terms of how many Sq. feet should be built and delivered every year. It happens in either manufacturing companies....
- Ashok Chhajer:** In 2017-18 we target around 25 lakh sq. feet to be sold and around 18 lakh sq. feet to be delivered.
- Tushar Sarda:** So 18 lakh sq. feet turnover will come in the books?
- Ashok Chhajer:** Turnover is top line which is done by revenue recognition method of 25% of the total cost of the estimated cost being occurred, and 25% of the total sales being done. so that is a totally different math's in terms of flats I told you that this year we have given possession to 1200 flats, next we would be 100% ready with 1800 flats to be given as possession, so 1800 flats boils down to 18 lakh sq. feet. and the sales happen in day one but the cycle of the project or the flat buyer is for an 2-2.5, three years so 25 lakhs sales so that we are ready to deliver 25 lakhs sq. feet on the year '18-19 and then on each year we would be around able to maintain it or with a small CAGR I think company would be able to do 25 lakh sq. feet deliver year-on-year basis from year '18-19, '19-20, '20-21.
- Tushar Sarda:** So from '18-19 onwards you will have a revenue recognition and sales almost similar right?
- Ashok Chhajer:** Yes.
- Tushar Sarda:** What is your average selling price?
- Ashok Chhajer:** In Mumbai, the average selling price works out to be 5000 sq. feet and in Jodhpur it works out to be around Rs. 2500 per sq. feet.
- Tushar Sarda:** So this 25 lakh how is it divided between Bombay and Jodhpur?
- Ashok Chhajer:** The metrix has a ratio of 70% from Mumbai and 30% from Jodhpur.
- Tushar Sarda:** Okay and what will be your EBITDA margins?

- Ashok Chhajer:** EBITDA margins would be something around 36% to 38% average on all the project levels.
- Moderator:** Thank you. Well that was the last question now I hand over the floor over to Mr. Purvesh Shelatkar for the closing comments. Over to you sir.
- Purvesh Shelatkar:** Thanks Janis on the behalf of Centrum Broking I would like to thank Mr. Ashok Chhajer and his team for taking out time and patiently answering all the question of investors. Thank you all the participants for being there on the call. Wish you all a very great day. Thank you.
- Moderator:** Thank you ladies and gentlemen. On the behalf of Arihant Superstructures Ltd. this concludes the conference. Thank you for joining us. You may now disconnect your lines.