

**CMP: INR 177**

**Rating: BUY**

**Target Price: INR 259**

Stock Info	
BSE	506194
NSE	ARIHANTSUP
Bloomberg	ARSU:IN
Reuters	ARIS.NS
Sector	Realty
Face Value (Rs)	10
Equity Capital (Rs cr)	41
Mkt Cap (Rs cr)	729
52w H/L (INR)	206 / 32.6
Avg Yearly Volume (in 000')	129

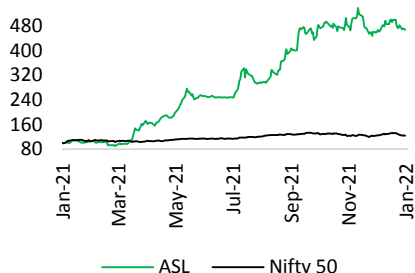
### Shareholding Pattern %

(As on Dec, 2021)

Promoters	74.31
DII	0.32
FII	1.38
Public & Others	23.99

Stock Performance (%)	3m	6m	12m
IGL	-3.2	88.5	366.4
NIFTY	-6.0	8.9	23.8

### ASL Vs Nifty



**Abhishek Jain**  
abhishek.jain@arihantcapital.com  
022-422548871

**Balasubramanian A**

**Arihant Superstructures Ltd (ASL)** is a real estate company focusing on the affordable housing with significant presence in the MMR region and Jodhpur, Rajasthan. The Arihant group has delivered 9,500+ homes measuring 8 Mn sq.ft. across 59 projects over the past 2 decades. As on Q3FY22, the affordable & mid income segment constitutes about ~96% of the Company's portfolio (affordable ~61% and mid income ~35%). The remaining ~4% comes from the high Income group. The company's projects are spread across the MMR Region (Maharashtra) and Jodhpur (Rajasthan). MMR Region regions accounts for ~78% - Taloja/ Khargar (~28%), Panvel (~26%), Vashi (~4%) and outer MMR ~20%. The remaining ~22% comes from Jodhpur-Rajasthan regions as on Q3FY22.

### Investment Rationale

**Large player in MMR Region:** ASL is predominantly focused on the MMR Region, which accounts for ~78% of portfolio. The Company has a very good brand recall in the region due to its execution track record and timely delivery. Due to the number of infrastructure projects in the MMR region, including the Navi Mumbai international airport, the company stands to benefit from increased traction by home buyers.

**Focused Residential Player:** ASL is primarily focused on the Affordable and Mid Income segment, ~61% of portfolio accounts for affordable and ~35% of portfolio accounts for the Mid income segment. The Central government has put good emphasis on affordable housing under its "Housing for All" target. The consistency in operations year on year, and timely delivery of projects for decades in spite of Industry slowdown, made affordable & mid income home buyers prefer ASL projects. The company entered multiple projects to meet the demand in affordable and mid income segment.

**Doubling the portfolio will lead to good earning visibility:** ASL has a portfolio of 11 mn sq.ft; out of this 11 mn sq.ft, 4 mn sq.ft is for ongoing projects and 7 mn sq.ft is for forthcoming projects. The Company intends to double its portfolio to 20 mn sq.ft in the next 1 to 1.5 years. Doubling the portfolio would lead to good earning visibility in going forward.

**Project's revenue pipeline of ~INR 7,000cr:** ASL's ongoing and upcoming projects have an ~INR 7,000 cr revenue potential over next 7 to 8 years. The projects achieved a cumulative sales booking of INR 1,372 cr as on H1FY22 and have a sales booking potential of INR 5,605 cr over next 7 to 8 years.

**Highest sales velocity in Jodhpur Markets:** The company is one of the pioneers in bringing township / apartment culture to Jodhpur. ASL Projects have been able to achieve highest sales velocity in the South West Jodhpur region. Arihant Adita Phase 3 achieved the highest sales velocity of 4.22%, which is higher than other projects in Jodhpur Market. The highest sales velocity ensures free cash flows in the future.

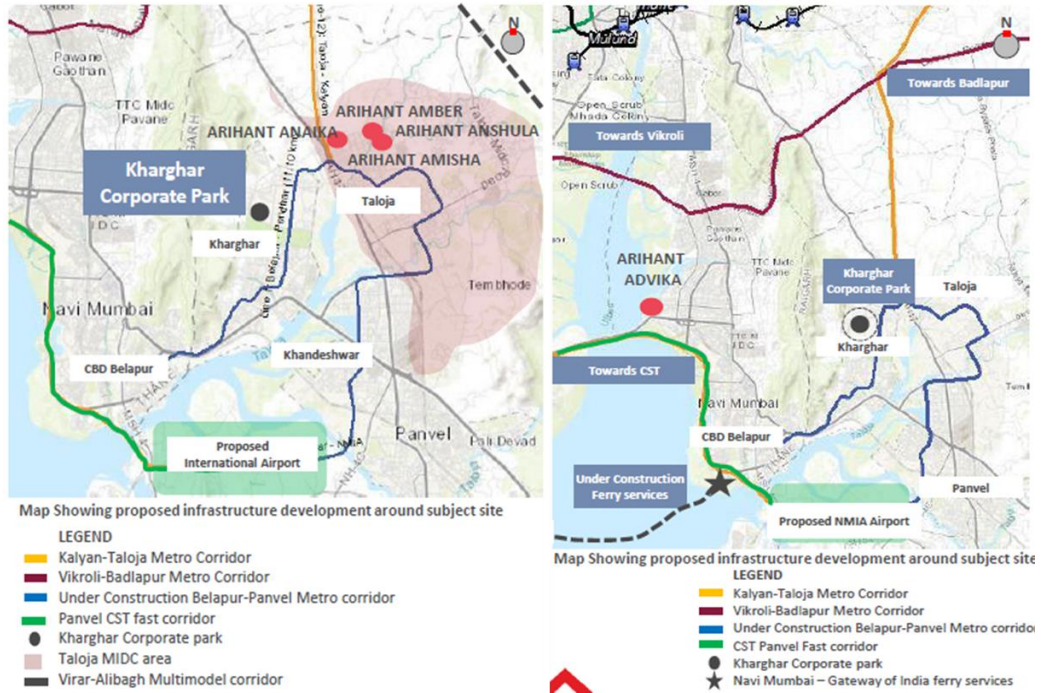
**Outlook & Valuation:** ASL has proven a strong track record, efficient quality management, and a strong & clean balance sheet. Strong growth potential in the MMR regions, rising demand in affordable & mid income segment and higher sales velocity will ensure free cash flows which is expected to create value in going forward. We have used DCF Model to value ASL, it has healthy and consistent cash flow generation over the forecasted period. We have discounted the cash flows using WACC and value the company at INR 259 per share. We initiate coverage with a BUY rating at a Target Price of INR 259 per share; an upside of 46.3%.

**Table of Contents**

Investment Rationale .....	3
Ongoing & Upcoming Projects .....	10
Industry Overview .....	26
Business Overview .....	36
Company Board .....	39
Q3FY22 Results update .....	40
Key Risks .....	41
Valuation & Outlook .....	42
Peer Comparison .....	44
Story in Charts .....	46
Financial Statements .....	48

Investment Rationale

**Large player in MMR Region:** ASL is predominantly focused on the MMR Region which accounts for ~78% of portfolio. The Company has a very good brand recall in the region due to its execution track record and timely delivery. Due to the number of infrastructure projects in MMR region including Navi Mumbai international airport, the company stands to benefit from increased traction by home buyers. The upcoming airport will boost the hospitality sector, which in turn encourages the commercial sector. The development of hospitality and commercial sector will lead to more demand in housing for walk- in work purposes. Hence, the residential sector will grow well, and the ASL projects nearby the upcoming international airport would gauge the preference of home buyers.



Source: Company, Arihant Capital Research

**Doubling the portfolio will lead to good earning visibility:** ASL has a portfolio of 11 mn sq.ft; out of this 11 mn sq.ft, 4 mn sq.ft for ongoing projects and 7 mn sq.ft for forthcoming projects. The Company intends to double its portfolio to 20 mn sq.ft in the next 1 to 1.5 years. Doubling the portfolio would lead to good earning visibility in going forward. The funds for the projects would be rise through Qualified Institutional Placement (QIP) and preferential share allotments. The expected rising funds up to INR 300cr; out of INR 300cr, INR 150 – 200cr planned to rise in Q4FY22. ASL has identified land parcels in outer MMR regions, having higher market share which is expected to provide growth in going forward.

## Investment Rationale

**Project's revenue pipeline of ~INR 7,000cr:** ASL's ongoing and upcoming projects have an ~INR 7,000 cr revenue potential over next 7 to 8 years. The projects achieved cumulative sales booking of INR 1,372 cr as on H1FY22 and have a sales booking potential of INR 5,605 cr over next 7 to 8 years.

## Sales Booking (INR cr)

Company	Projects	Till date	H2FYE22	FYE23	FYE24	FYE25	FYE26	FYE27	FYE28	FYE29	Total
ASL	4 Anaika	122	2	3	-	-	-	-	-	-	127
	Anchal	80	8	54	79	88	125	140	141	61	778
	Aarohi	13	10	15	-	-	-	-	-	-	38
	Adita	233	18	32	23	8	-	-	-	-	314
	Arshiya	158	39	40	53	65	52	48	29	14	498
	Akarshan	-	20	77	140	166	138	61	-	-	603
Vatika	5 Anaika	43	24	50	52	-	-	-	-	-	170
	Aalishan	298	85	165	132	99	74	-	-	-	852
	Anmol	77	7	26	27	21	15	-	-	-	175
Aashiyana	Advika	45	79	161	171	181	47	-	-	-	683
	Amisha	11	16	35	38	31	-	-	-	-	130
	Aloki	62	34	33	13	12	4	-	-	-	159
Adope	Aspire	229	96	293	433	498	446	291	146	18	2,449
<b>Total</b>		<b>1,372</b>	<b>438</b>	<b>984</b>	<b>1,162</b>	<b>1,170</b>	<b>902</b>	<b>539</b>	<b>316</b>	<b>93</b>	<b>6,976</b>

Source: Company, Arihant Capital Research

## Revenue (INR cr)

Company	Projects	Till date	H2FYE22	FYE23	FYE24	FYE25	FYE26	FYE27	FYE28	FYE29	Total
ASL	4 Anaika	39	41	47	-	-	-	-	-	-	127
	Anchal	66	13	47	81	76	118	138	142	97	778
	Aarohi	6	9	23	-	-	-	-	-	-	38
	Adita	228	14	29	29	14	-	-	-	-	314
	Arshiya	158	13	32	49	66	45	63	46	26	498
	Akarshan	-	-	30	103	153	169	122	26	-	603
Vatika	5 Anaika	-	13	61	96	-	-	-	-	-	170
	Aalishan	-	47	183	162	178	172	-	-	-	741
	Anmol	111	6	15	29	31	28	-	-	-	220
Aashiyana	Advika	66	-	81	207	305	90	-	-	-	749
	Amisha	-	-	22	51	56	-	-	-	-	130
	Aloki	45	11	35	37	22	8	-	-	-	159
Adope	Aspire	116	48	148	267	357	643	506	322	41	2,449
<b>Total</b>		<b>835</b>	<b>216</b>	<b>753</b>	<b>1,111</b>	<b>1,257</b>	<b>1,273</b>	<b>829</b>	<b>536</b>	<b>165</b>	<b>6,976</b>

Source: Company, Arihant Capital Research

### Investment Rationale

**Focused Residential Player:** ASL is primarily focused on Affordable and Mid Income segment, ~61% of portfolio accounts for affordable and ~35% of portfolio accounts for Mid come segments. The Central government has put good emphasis on affordable housing under its “Housing for All” target. The consistency in operations and timely delivery of projects, since decade year on year, in spite of Industry slowdown, affordable & mid income home buyers are preferring ASL projects. The company entered multiple projects to meet the demand in affordable and mid income segment.

ASL has completed ~3.5 mn sq.ft in last 5 years with strong a brand, and a distinguished track record, becoming a preferred developer in MMR and Jodhpur. On the cost efficient front, the company has strategically acquired lands in lower economic density regions at very low cost. These regions are expected to become potentially have a high economic density. The average cost of land acquisition is less than INR 500 per sq.ft. and the materials are procured at low costs backed by extensive sourcing capability.

On the execution front, ASL has enterprise resource planning and processes coupled with team members across all functions ensure to timely completion of projects. ASL has diversified presence in MMR and Jodhpur markets, and their projects are spread over 9 different micro markets in the MMR and Jodhpur regions. The ongoing and upcoming projects are 15, comprising of ~11 mn sq.ft and expected to launch further projects in going forward

**Cost efficiencies leads to Higher Margins:** ASL has continuing to enter into Joint Development Agreements (JDAs), Joint Ventures (JVs) and Development Management Agreements (DMAs) for the mid income segment. In the affordable segment, ASL prefers land acquisitions for projects over entering JDAs, JVs and DMAs since they are not feasible for efficient profitability in the affordable segment. Among the ongoing projects, 33.28% of them have an asset light model by entering into JDAs, JVs and DMAs. The company is also focused on redevelopment opportunities in Navi Mumbai for High income housing segments.

The company reaches directly to land owners, rather than acquiring via land aggregators which saves costs. The lower cost of the land is suitable for affordable housing. The average land cost of acquisition is less than INR 500 per sq.ft.

The in-house capabilities and strong execution contributes to cost efficiencies. The in-house acquisition planning, design construction and quality assurance teams integrated with their capabilities are utilized to complete projects. It will reduce dependency from external sources.

The input cost management contributes to cost efficiencies. ASL has an extensive sourcing network and tie-ups with leading manufacturers in various ancillary industries which helps them procure at competitive costs.

### Investment Rationale

**Focused on MMR & Jodhpur Regions:** ASL's portfolio is spread across MMR and Jodhpur regions. The company is currently executing 13 projects in MMR Regions and 3 projects in Jodhpur regions.



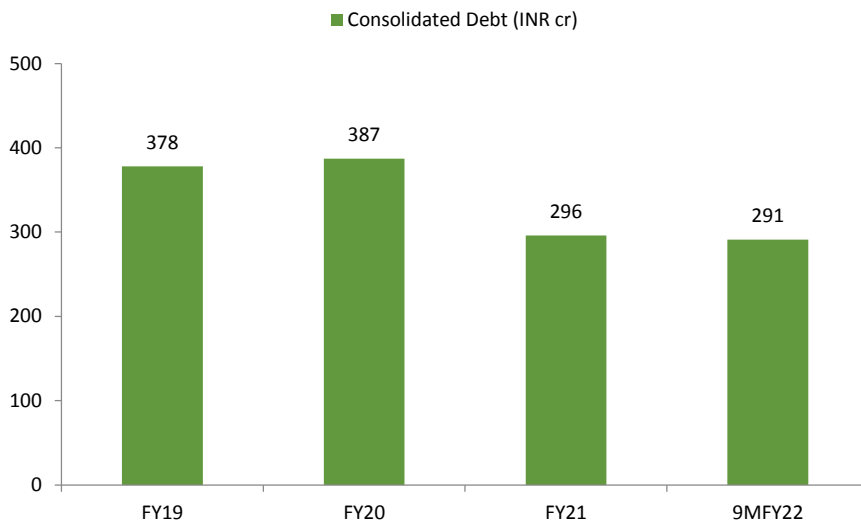
Source: Company Reports: Arihant Capital Research

**Captured Significant Market Share in MMR Region:** ASL's market share has increased from 5% to 13% during the period of FY19-H1FY22 in the Navi Mumbai Market. In extended suburbs, the market share increased 1% to 4% during the period of FY19-H1FY22. ASL is one of the top 10 developers in the Vashi, Karjat, Khopoli, Panvel, Dombivali (E) and Badlapur markets. The 30-60 Lakh segment share has increased last 4 years due to affordability and cost segmentation in the MMR residential market. ASL has a 34% share of supply in this segment. The affordable sector which is below INR 5,000 sq.ft is the best performing price bracket in the MMR Region. The affordable segment accounts for 54% sales share in the MMR Region in Q2FY22 and has increased to 55% in Q3FY22. ASL makes up 58% of supply in affordable segment in Q2FY22 and has increased to 61% in Q3FY22. High income segment which is above INR 10,000 sq.ft has a lower sales share and ASL has a supply of 7% in High Income segments in Q2FY22 which further decreased to 4% in Q3FY22.

**Highest sales velocity in Jodhpur Markets:** The company is one of the pioneers in bringing township / apartment culture to Jodhpur. ASL Projects has been able to achieve highest sales velocity in South West Jodhpur region. Arihant Adita Phase 3 achieved highest sales velocity of 4.22%, which is higher than other projects in Jodhpur Market. Arihant Adita Phase 3 project has sold 51,745 sq.ft with average monthly sales of 6,112 sq.ft which is higher than other projects as on Sep-21. The project has an unsold inventory of 93,230 sq.ft which is expected to sell at the same velocity or higher. The Arihant Anchal Phase 1, Arihant Aangan, Arihant Ayati and Arihant Adita II sales velocities are 1.08%, 1.07%, 0.91% and 0.86% respectively. The highest sales velocity ensures free cash flows in future.

## Investment Rationale

**Strong Balance Sheet enable to capital efficient growth:** The company has reduced debt by INR 91cr in FY21. The debt reduction has led to a reduction in weighted average cost of capital from 14.42% to 11.56% during the period of FY19 to FY21. The debt reduction leads to improvement in ratings. India Ratings and Research Private Ltd has assigned a Long Term Issuer Rating of "IND BBB-" with a stable outlook. The government schemes and incentives and fund rising through QIP's and Preferential Shares will further reduce the debt cost and lower interest rates also supporting to strengthen the balance sheet.



## Total Debt - 9MFY22

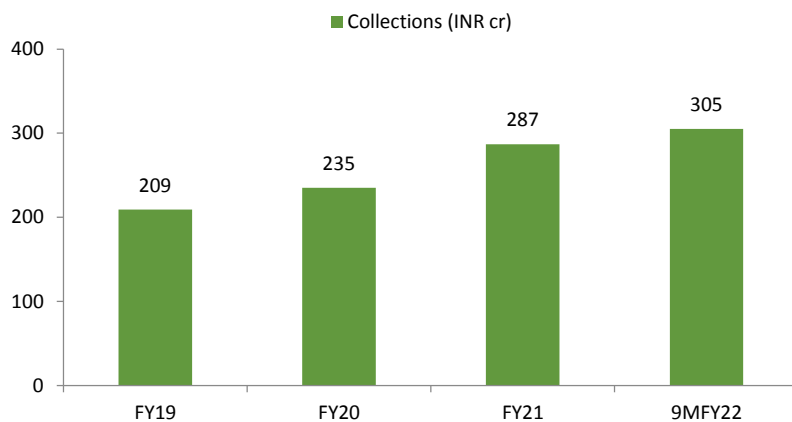
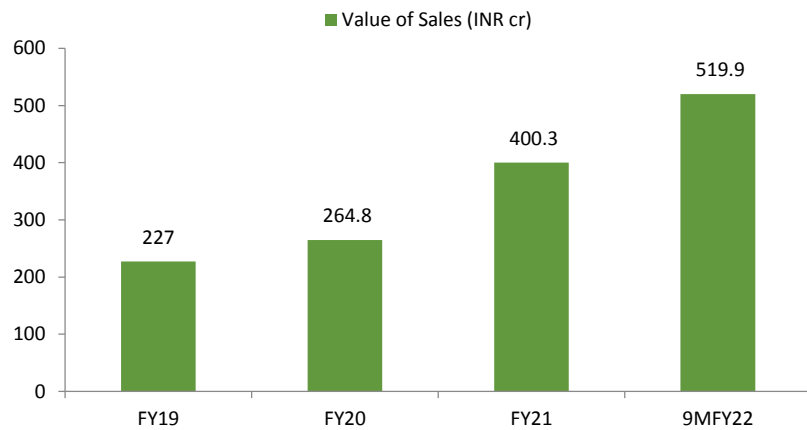
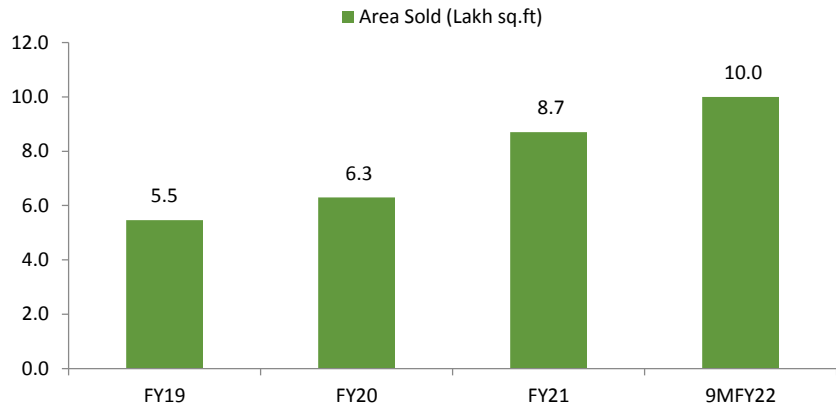
Entity	Entity Debt (INR cr)	% of Holding	Debt attributable as per % holding (INR Cr)
ASL	6	100%	6
Arihant Vatika	0	60%	0
Arihant Aashiyana	44	60%	26
Arihant Abode	251	60%	151
Arihant Gruhnirman	15	60%	9
Less: Intercompany Eliminations	-26	60%	-16
<b>Total Debt</b>	<b>291</b>		<b>177</b>

Source: Company, Arihant Capital Research

### Investment Rationale

**Healthy operations leads to better collections:** The bookings momentum continued in Q3FY22, with a demand for 3.7 Lakh sq.ft of area with an underlying sale value of INR 185cr. In 9MFY21, bookings stood at 10 lakh sq.ft with a sales value of INR 520cr which is better than the last year bookings of 8.7 lakh sq.ft with a value of INR 400cr.

Collections witnessed healthy improvement; In Q3FY22 collections stood at INR 100cr and 9MFY22 collections stood at INR 305cr which is better than the FY21 collections of INR 287cr. The continuing pace of execution and improvement of bookings and collections will lead to healthy growth in revenues.

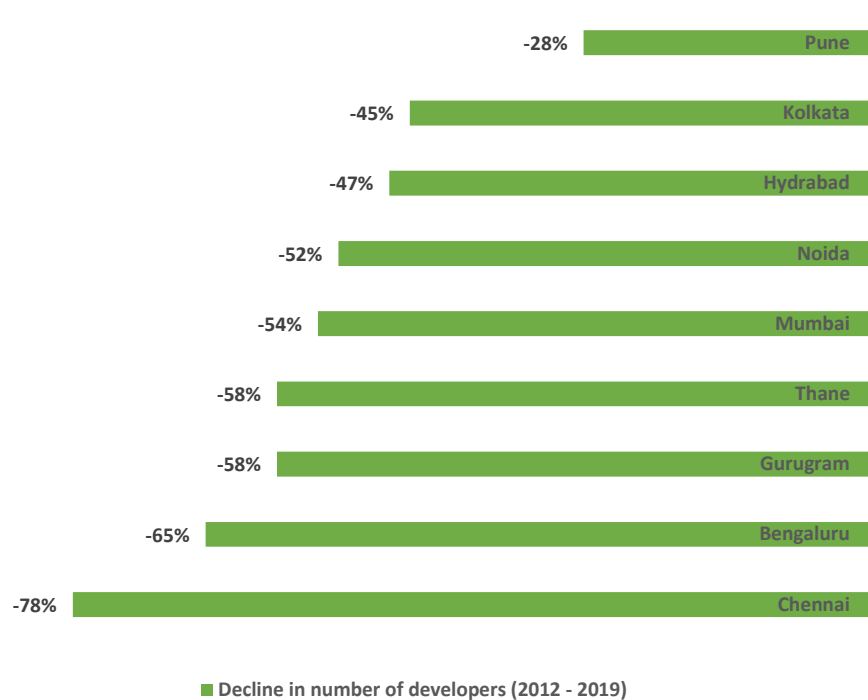


Source: Company Reports; Arihant Capital Research



### Investment Rationale

**Organized developers gaining market share:** Tightening regulatory norms, changing customer preferences and funding scarcity for weaker players led to an increased favor for organized developers. Small players exiting over the decade has and continues to create room for organized developers to gain market share. In the Mumbai region, more than 50% of small and unorganized developers exited from the period of 2012 to 2019. ASL is one of the organized players that benefitted and gained market share due to decline in number of developers.



Source: Anarock, Arihant Capital Research

Smaller developers with poor corporate governance and financial management practices are now partnering with large, reputed developers through joint developments and other arrangements. ASL is one of the listed established developers that has a long-standing presence in Navi Mumbai and extended suburbs of MMR

**Proven track record and high governance:** ASL has strong management with proven track records for timely execution, delivery of projects and sales velocity. The Management board inculcates the culture of accountability, transparency and Integrity. On the board, 4 out of 6 members are Non-Executive Members and Independent Directors.

## Ongoing &amp; Upcoming Projects

**4 Anaika:** The affordable housing project 4 Anaika located in Taloja, Navi Mumbai. The project consists of three buildings and 10 storeys. The project has 1 & 2 BHK apartments, and has features like- a community hall, health club & gym, swimming pool, indoor game area and landscape garden. The project is nearby CIDCO (a planned city Kharghar), and is well connected with railway stations, Airports and Hospitals etc.



Project's Connected Locations	Travel Time
Taloja Metro Railway Station	3 Mins
Mumbai Pune Expressway	7 Mins
Taloja-Navi Mumbai ST Bus Service	3 Mins
Prominent Schools, Market, Hospital	5 to 15 Mins
Proposed International Airport	15 Mins
CIDCO Planned City, Kharghar	5 Mins

Project	4 Anaika		
Total Saleable Area (Sq. ft)	2,69,672		
Area booked till now (Sq. ft)	2,58,267		
<b>Remaining Area for booking (Sq. ft)</b>	<b>11,405</b>		
Year	Till Date	H2FY22-E	FY23-E
<b>Sales (INR cr)</b>	<b>122</b>	<b>2</b>	<b>3</b>
Saleable Sq. ft	2,58,267	4,562	6,843
INR/ Sq. ft	4,710	4,750	4,750
Sales Achieved (INR cr)	122		
<b>Sales Potential (INR cr)</b>	<b>5</b>		
<b>Total Sales for the Project (INR cr)</b>	<b>127</b>		

Source: Company, Arihant Capital Research

## Ongoing &amp; Upcoming Projects

**5 Anaika:** The affordable housing project 5 Anaika located in Taloja, Navi Mumbai. The project consists of three towers – R, S & T which have fully planned 1 & 2 BHK apartments. It has features like- a community hall, gymnasium, swimming pool, indoor game area and children's play area. The project is nearby CIDCO (a planned city Kharghar) and is well connected with railway station, Airports and Hospitals etc.



Master Layout

Project's Connected Locations	Travel Time
Taloja Metro Railway Station	3 Mins
Mumbai Pune Expressway	7 Mins
Taloja-Navi Mumbai ST Bus Service	3 Mins
Prominent Schools, Market, Hospital	5 to 15 Mins
Proposed International Airport	15 Mins
CIDCO Planned City, Kharghar	5 Mins

Project	5 Anaika			
Total Saleable Area (Sq. ft)	3,62,672			
Area booked till now (Sq. ft)	95,798			
<b>Remaining Area for booking (Sq. ft)</b>	<b>2,66,874</b>			
Year	Till Date	H2FY22-E	FY23-E	FY24-E
<b>Sales (INR cr)</b>	<b>43</b>	<b>24</b>	<b>50</b>	<b>52</b>
Saleable Sq. ft	95,798	53,375	1,06,750	1,06,750
INR/ Sq. ft	4,526	4,550	4,700	4,900
Sales Achieved (INR cr)	43			
<b>Sales Potential (INR cr)</b>	<b>127</b>			
<b>Total Sales for the Project (INR cr)</b>	<b>170</b>			

Source: Company, Arihant Capital Research

### Ongoing & Upcoming Projects

**Aalishan:** The residential project Aalishan is situated at Kharghar Annex, Navi Mumbai. The project is one of the tallest project in Navi Mumbai, stilt +53 storied 3 magnificent towers consisting of 2BHK, 3BHK and 4BHK flats. The project features such as KOLUP – Grand Clubhouse, SUFIYANA – Lounge & Café in Clubhouse, JAZLAAN – Persian themed private mini theatre, PAIRI DAEZA – Persian Garden, HAMMAM SPA – Persian spa with Jacuzzi steam and Sauna and Rain dance area. The project is located amidst the green environments. The upcoming Navi Mumbai corporate park is approx. 1.5km from the project. The project is also connected with the Mumbai-Pune Highway. All in all, the project is well connected with a Railway Station, Central Park, Educational Institutes, Golf Course and Market Areas.

The projects saleable area stood at 12,75,997 sq.ft and ASL share stood at 78.46% (10,01,147 sq.ft). The project has four launches are KAVEH, BARAZ – I, BARAZ – II, ZEENAT.

The project already booked sales of INR 298 cr and having potential expected sales of INR 555cr.



Source: Company, Arihant Capital Research

#### Project Amenities:

- Yoga & Meditation Centre
- Aerobics Centre
- Hi-Tech Gymnasium
- Business Lounge
- Indoor Sports Club with Chess, Billiards & Cards Room
- Badminton & Squash Court
- Children's Outdoor Play Area
- Rain Dance Arena with Water Fountain
- Designer Landscape Garden with Herbal Boulevard
- Landscape Party Area
- Senior Citizen's Garden with Sit-outs
- Refreshing Swimming Pool with Separate Kids Pool. etc.

## Ongoing &amp; Upcoming Projects

Project	Alishan					
<b>1) KAVEH</b>						
Total Saleable Area (Sq. ft)	1,00,617					
Area booked till now (Sq. ft)	82,032					
<b>Remaining Area for booking (Sq. ft)</b>	<b>18,585</b>					
Year	Till Date	H2FY22-E	FY23-E	FY24-E	FY25-E	FY26-E
Sales (INR cr)	62.06	10.16	5.20			
Saleable Sq. ft	82,032	12,390	6,195			
INR/ Sq. ft	7,566	8,200	8,400			
<b>2) BARAZ - I</b>						
Total Saleable Area (Sq. ft)	3,84,120					
Area booked till now (Sq. ft)	2,29,960					
<b>Remaining Area for booking (Sq. ft)</b>	<b>1,54,160</b>					
Year	Till Date	H2FY22-E	FY23-E	FY24-E	FY25-E	FY26-E
Sales (INR cr)	178.80	31.60	67.18	33.99		
Saleable Sq. ft	2,29,960	38,540	77,080	38,540		
INR/ Sq. ft	7,775	8,200	8,715	8,820		
<b>3) BARAZ - II</b>						
Total Saleable Area (Sq. ft)	3,67,685					
Area booked till now (Sq. ft)	21,465					
<b>Remaining Area for booking (Sq. ft)</b>	<b>3,46,220</b>					
Year	Till Date	H2FY22-E	FY23-E	FY24-E	FY25-E	FY26-E
Sales (INR cr)	17	33	72	77	78	58
Saleable Sq. ft	21,465	40,732	81,464	81,464	81,464	61,098
INR/ Sq. ft	8,107	8,203	8,830	9,475	9,545	9,545
<b>4) ZEENATH</b>						
Total Saleable Area (Sq. ft)	1,48,725					
Area booked till now (Sq. ft)	50,200					
<b>Remaining Area for booking (Sq. ft)</b>	<b>98,525</b>					
Year	Till Date	H2FY22-E	FY23-E	FY24-E	FY25-E	FY26-E
Sales (INR cr)	40	10	20	21	21	16
Saleable Sq. ft	50,200	11,591	23,182	23,182	23,182	17,387
INR/ Sq. ft	7,899	8,200	8,781	9,085	9,085	9,085
<b>Total</b>	<b>298</b>	<b>85</b>	<b>165</b>	<b>132</b>	<b>99</b>	<b>74</b>
Sales Achieved (INR cr)	298					
Sales Potential (INR cr)	555					
<b>Total Sales for the Project (INR cr)</b>	<b>852</b>					

Source: Company, Arihant Capital Research

### Ongoing & Upcoming Projects

**Anchal:** Anchal is an affordable housing project situated in Jodhpur, Rajasthan. The project consists of stilt + 7 storey towers and spacious 2BHK residences with lift. Amenities such as super quality velvet touch paint, sanitary & electrical fittings, POP finished AAC brick walls, branded CP, moulded panel doors & aluminium sliding window, vitrified flooring & designer wall tiles, lifts and beautiful entrance with grand club house are available.

The project is featured with a Gymnasium, Swimming Pool, Library, Indoor Games, Landscape Garden and Kids Play Area.

Phases	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Phase 7
Buildings	A1 to A4, D1 to D5, B1 to B7	9 Buildings	7 Buildings	12 Buildings	14 Buildings	14 Buildings	13 Buildings
<b>Saleable Sq.ft</b>	<b>4,78,800</b>	<b>2,26,800</b>	<b>1,76,400</b>	<b>3,02,400</b>	<b>3,52,800</b>	<b>3,52,800</b>	<b>3,27,600</b>

Source: Company, Arihant Capital Research

Project's Connected Locations	Distance
Dali Bai Circle	0.5 Km
B.R Birla School	1.5 Km
Choupasani Housing Board	2.5 Km
Ashok Udhyan	3.5 Km
AIIMS Hospital	6 Km
Railway Station	10 Km
Airport	14 km

Source: Company, Arihant Capital Research

## Ongoing &amp; Upcoming Projects

## Anchal



MASTER LAYOUT PLAN

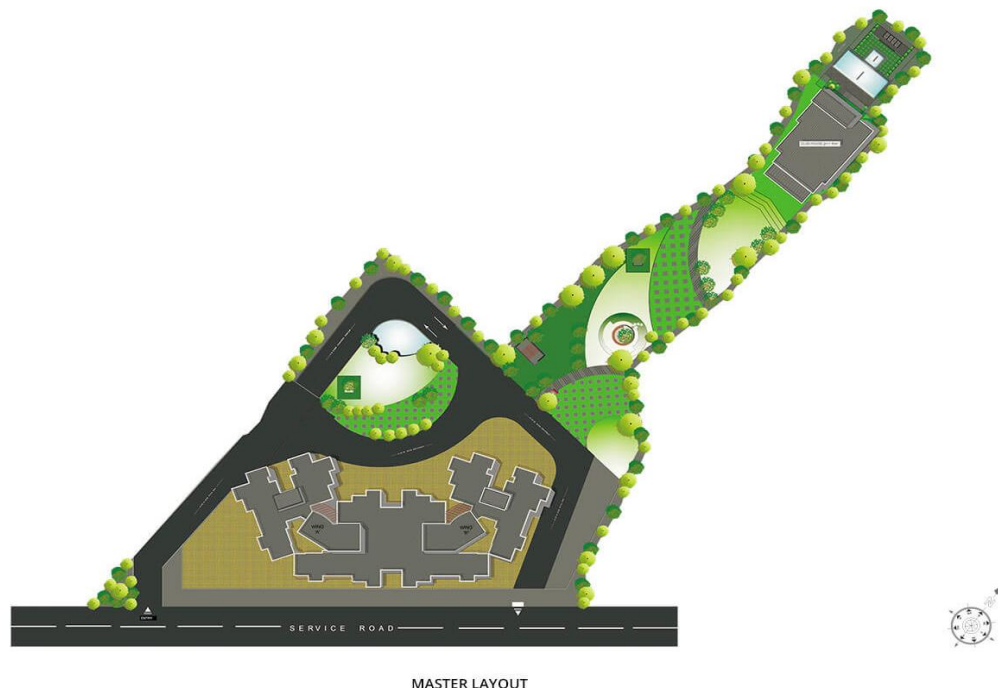
Project	Anchal									
Total Saleable Area (Sq. ft)	22,17,600									
Area booked till now (Sq. ft)	3,60,000									
Remaining Area for booking (Sq. ft)	18,57,600									
Year	Till Date	H2FY22-E	FY23-E	FY24-E	FY25-E	FY26-E	FY27-E	FY28-E	FY29-E	
Sales (INR cr)	80	8	54	79	88	125	140	141	61	
Saleable Sq. ft	3,60,000	29,700	1,76,040	2,40,660	2,48,400	3,31,200	3,52,800	3,38,400	1,40,400	
INR/ Sq. ft	2,233	2,850	3,063	3,302	3,562	3,764	3,964	4,165	4,375	
Sales Achieved (INR cr)	80									
Sales Potential (INR cr)	697									
Total Sales for the Project (INR cr)	778									

Source: Company, Arihant Capital Research

### Ongoing & Upcoming Projects

**Aarohi:** The mid income residential project Aarohi is situated in Thane. The project wings A & B sold out and occupied, currently the bookings are available for C-Wings 2 and 3BHK Flats. The project is stilt + 13 storey towers and well connected to 4 different cities. The project is featured with a Swimming Pool, Children's Play Area, Health Club & Gym, Steam Room, Library & Study Room and Indoor Games.

The project is near by proposed Usarghar railway station which is reachable within 15 minutes, close proximity to Navi Mumbai IT Millennium Park and close proximity to schools, Colleges, Temples, Reliance Corporate Cities and Business Hubs.



Project	Aarohi		
Total Saleable Area (Sq. ft)	72,381		
Area booked till now (Sq. ft)	26,657		
<b>Remaining Area for booking (Sq. ft)</b>	<b>45,724</b>		
Year	Till Date	H2FY22-E	FY23-E
<b>Sales (INR cr)</b>	<b>13</b>	<b>10</b>	<b>15</b>
Saleable Sq. ft	26,657	18,290	27,434
INR/ Sq. ft	4,991	5,500	5,500
Sales Achieved (INR cr)	13		
<b>Sales Potential (INR cr)</b>	<b>25</b>		
<b>Total Sales for the Project (INR cr)</b>	<b>38</b>		

Source: Company, Arihant Capital Research



## Ongoing &amp; Upcoming Projects

**Adita:** The residential project Adita is situated in Jodhpur, Rajasthan. The project is located just 1 km from the National Highway. The project consists of 3 phases which have 12 buildings equivalent to saleable area of 1.1mn sq.ft. The project has amenities such as a badminton court, swimming pool, basketball court, kids play room, amphitheatre, garden lawn, steam room and gymnasium, etc.

Phases	Phase 1	Phase 2	Phase 3
Buildings	10 Building	Juana	Gracia
<b>Saleable Sq.ft</b>	<b>8,76,236</b>	<b>1,44,975</b>	<b>1,30,730</b>

Source: Company, Arihant Capital Research

Project	Adita				
Total Saleable Area (Sq. ft)	11,51,941				
Area booked till now (Sq. ft)	9,12,546				
<b>Remaining Area for booking (Sq. ft)</b>	<b>2,39,395</b>				
Year	Till Date	H2FY22-E	FY23-E	FY24-E	FY25-E
<b>Sales (INR cr)</b>	<b>233</b>	<b>18</b>	<b>32</b>	<b>23</b>	<b>8</b>
Saleable Sq. ft	9,12,546	55,386	95,337	66,884	21,788
INR/ Sq. ft	2,554	3,186	3,316	3,508	3,675
Sales Achieved (INR cr)	233				
<b>Sales Potential (INR cr)</b>	<b>81</b>				
<b>Total Sales for the Project (INR cr)</b>	<b>314</b>				

Source: Company, Arihant Capital Research

### Ongoing & Upcoming Projects

**Advika:** Advika is a residential project located in Vashi, Navi Mumbai. The luxury project has 2 towers with 26 storeys each. The project has spacious 2, 3, 4BHKs with podium amenities. The amenities offered are party lawn, open gym, heated swimming pool, jogging track, mini theatre, yoga deck, business centre, banquet hall, and kids play area. The project boasts some top class infrastructure like thermostat bath fittings, Italian marble flooring and security system.

The project is well connected with facilities such as Railway station, Airports, Highways, Malls, Schools and Colleges etc.

The project is Luxuries and per sq.ft saleable area is more than INR 15,000. The project has already booked 28,465 sq.ft and 3,92,795 sq.ft area is remaining for booking. The project achieved sales of INR 45cr and has sales potential of INR 638cr.

Project	Advika					
Total Saleable Area (Sq. ft)	4,21,260					
Area booked till now (Sq. ft)	28,465					
<b>Remaining Area for booking (Sq. ft)</b>	<b>3,92,795</b>					
Year	Till Date	H2FY22-E	FY23-E	FY24-E	FY25-E	FY26-E
<b>Sales (INR cr)</b>	<b>45</b>	<b>79</b>	<b>161</b>	<b>171</b>	<b>181</b>	<b>47</b>
Saleable Sq. ft	28,465	52,373	1,04,745	1,04,745	1,04,745	26,186
INR/ Sq. ft	15,754	15,000	15,341	16,282	17,281	17,935
Sales Achieved (INR cr)	45					
<b>Sales Potential (INR cr)</b>	<b>638</b>					
<b>Total Sales for the Project (INR cr)</b>	<b>683</b>					

Source: Company, Arihant Capital Research

## Ongoing &amp; Upcoming Projects

**Amisha:** The residential project Amisha is situated at Taloja, Panvel. The project has 7 acres of land area. The project has stilt + 7 Storeys and spacious for 1 & 2BHK Flats. The 1 BHK Flats start from INR 24.5+ Lakhs onwards. The project has various amenities such as a Community Hall, Children's Play Area, Indoor Games Area, Swimming Pool and Landscape Garden etc. The project is located near Schools, Markets, and Hospitals etc. The project has direct NMMT bus service from Mumbai to Taloja.

The project constructible area stood at 2,95,908 sq.ft . The area booked till now 27,785 sq.ft and 2,68,123 sq.ft area is available for booking. The project already achieved sales of INR 11cr and has a sales potential of INR 119cr.

<b>Project</b>	<b>Amisha</b>				
Total Saleable Area (Sq. ft)	2,95,908				
Area booked till now (Sq. ft)	27,785				
<b>Remaining Area for booking (Sq. ft)</b>	<b>2,68,123</b>				
<b>Year</b>	<b>Till Date</b>	<b>H2FY22-E</b>	<b>FY23-E</b>	<b>FY24-E</b>	<b>FY25-E</b>
<b>Sales (INR cr)</b>	<b>11</b>	<b>16</b>	<b>35</b>	<b>38</b>	<b>31</b>
Saleable Sq. ft	27,785	41,250	82,499	82,499	61,875
INR/ Sq. ft	3,918	3,900	4,200	4,600	4,967
Sales Achieved (INR cr)	11				
<b>Sales Potential (INR cr)</b>	<b>119</b>				
<b>Total Sales for the Project (INR cr)</b>	<b>130</b>				

Source: Company, Arihant Capital Research

## Ongoing &amp; Upcoming Projects

**Anmol:** The residential project Anmol is situated in Jouveli Badlapur (E). The project has 7 acres of land area. The project has a D Wing still + 15 Storey Towers with spacious 1 & 2BHK Flats. The project is featured with a Health Club, Indoor Games Room, Temple, Children's Play Area, Library and swimming Pool etc. The project well connected with locale, 10 minutes from Badlapur railway station, 45 minutes from Thane railway station, and 55 minutes from Dadar railway station. Also, closely connected with schools & colleges, Hospitals and Markets etc.

The project is scheduled with four units of constructible area consisting of 4,77,605 sq.ft.

Units	B	D	E	F
<b>Constructable Sq.ft</b>	<b>1,93,861</b>	<b>84,938</b>	<b>22,412</b>	<b>1,76,394</b>

Source: Company, Arihant Capital Research

The Project saleable area stood at 4,77,605 sq.ft; 2,28,095 sq.ft already booked and remaining 2,49,510 sq.ft is available for booking. The project already achieved sales revenue of INR 77cr and having sales potential of INR 98cr.

Project	Anmol					
Total Saleable Area (Sq. ft)	4,77,605					
Area booked till now (Sq. ft)	2,28,095					
<b>Remaining Area for booking (Sq. ft)</b>	<b>2,49,510</b>					
Year	Till Date	H2FY22-E	FY23-E	FY24-E	FY25-E	FY26-E
<b>Sales (INR cr)</b>	<b>77</b>	<b>7</b>	<b>26</b>	<b>27</b>	<b>21</b>	<b>15</b>
Saleable Sq. ft	2,28,095	20,231	70,826	69,681	52,692	36,081
INR/ Sq. ft	3,382	3,543	3,721	3,877	4,075	4,294
Sales Achieved (INR cr)	77					
<b>Sales Potential (INR cr)</b>	<b>98</b>					
<b>Total Sales for the Project (INR cr)</b>	<b>175</b>					

Source: Company, Arihant Capital Research

## Ongoing &amp; Upcoming Projects

**Arshiya:** The residential project Arshiya is situated in Khalapur, Khopoli. The project has 20 acres of land area, apart stilt + 8 Storied Towers comprising elegant 1RK, 1BHK, 2BHK flats. The project is featured with a Meditation Area, Gymnasium, Indoor Games, Children's Play Area, Jogging Track and Temple etc. The project has internal & external amenities such as a Party Hall, Amphitheatre, Health Club, Steam Room, Landscape Garden, Children's Game Room, Activity Area, Indoor Games and Kids Day Care Centre etc.

The Project is well connected with the market place, 25 minutes from proposed Navi Mumbai Airport, is in close proximity with educational institutes, hospitals, petrol pumps and market places. The project is directly connected with KMT bus service from Navi Mumbai to Khopoli and Train connectivity to Khopoli from CST. The project also has easy access to Mumbai City.

The project has scheduled 6 phases with constructible areas consisting of 14,27,055 sq.ft.

Phases	A1 to A7, B1 to B22, C1-C2, D1, E1, Shop	Catalina	Katia/Jonas/Ivan	Lorena/Macario	Patricia/Nadolo	Rodas 1 & 2
<b>Saleable Sq.ft</b>	<b>5,70,386</b>	<b>79,013</b>	<b>2,68,872</b>	<b>1,52,298</b>	<b>1,97,606</b>	<b>1,58,880</b>

Source: Company, Arihant Capital Research

The Project saleable area stands at 14,27,055 sq.ft; 5,12,273 sq.ft of which is already booked and the remaining 9,14,782 sq.ft is available for booking. The project has already achieved sales revenue of INR 158cr and has sales potential of INR 498cr.

Project	Arshiya									
Total Saleable Area (Sq. ft)	14,27,055									
Area booked till now (Sq. ft)	5,12,273									
<b>Remaining Area for booking (Sq. ft)</b>	<b>9,14,782</b>									
Year	Till Date	H2FY22-E	FY23-E	FY24-E	FY25-E	FY26-E	FY27-E	FY28-E	FY29-E	
<b>Sales (INR cr)</b>	<b>158</b>	<b>39</b>	<b>40</b>	<b>53</b>	<b>65</b>	<b>52</b>	<b>48</b>	<b>29</b>	<b>14</b>	
Saleable Sq. ft	5,12,273	1,21,248	1,17,701	1,46,788	1,73,130	1,35,148	1,17,991	70,277	32,498	
INR/ Sq. ft	3,080	3,226	3,372	3,620	3,760	3,884	4,029	4,163	4,300	
Sales Achieved (INR cr)	158									
<b>Sales Potential (INR cr)</b>	<b>340</b>									
<b>Total Sales for the Project (INR cr)</b>	<b>498</b>									

Source: Company, Arihant Capital Research

## Ongoing &amp; Upcoming Projects

**Aspire:** The residential project Aspire situated in Panvel, Navi Mumbai. The project consists of 16 acre gated community development, 2 acre of designer landscaped garden, 6 level car parking spaces, 8 magnificent towers and 42 storied towers comprising elegant studio and 2 BHK apartments. The project has featured with organic garden, Ozone Pool & Jacuzzi, Organic Retail store, Organic Beauty Store, Organic Spa, Steam & Sauna and Salad & Juice Bar.

The amenities are spread across 16 acres such as Clubhouse with Health, Entertainment, Mini Theatre, Temple, Spa, Clubhouse Lobby, Amphitheatre, Kid's Play Area, Pet Garden, Jogging & Cycling Track, Innovative Wi-Fi Pods besides water fountains etc.

The project has located centre of next Navi Mumbai. The project is closely connected with upcoming Navi Mumbai International Airport, Panvel Railway Station, Panvel City & Bus Terminus, Dmart, Banks, Schools, Colleges, Malls, Hospitals etc.

The project is scheduled 8 units with Constructible areas. The constructible area consists of 31,26,343 sq.ft.

Units	HORTENSIA	ILIANA INC. RETAIL	KARMEN	JOVITA	CATALINA	BENITA	GALENIA	ALETA
Saleable Sq.ft	3,40,355	4,01,283	5,04,145	4,50,340	3,40,355	3,74,755	3,74,755	3,40,355

Source: Company, Arihant Capital Research

The Project saleable area stood at 31,26,343 sq.ft; 4,00,541 sq.ft already booked and remaining 27,25,802 sq.ft is available for booking. The project already achieved sales revenue of INR 229cr and having sales potential of INR 2,220cr.

Project	Aspire									
Total Saleable Area (Sq. ft)	31,26,343									
Area booked till now (Sq. ft)	4,00,541									
<b>Remaining Area for booking (Sq. ft)</b>	<b>27,25,802</b>									
Year	Till Date	H2FY22-E	FY23-E	FY24-E	FY25-E	FY26-E	FY27-E	FY28-E	FY29-E	
Sales (INR cr)	229	96	293	433	498	446	291	146	18	
Saleable Sq. ft	4,00,541	1,36,176	3,89,086	6,14,063	5,94,944	5,03,438	3,17,385	1,52,557	18,152	
INR/ Sq. ft	5,722	7,040	7,525	7,046	8,370	8,860	9,178	9,549	9,877	
Sales Achieved (INR cr)	229									
<b>Sales Potential (INR cr)</b>	<b>2,220</b>									
<b>Total Sales for the Project (INR cr)</b>	<b>2,449</b>									

Source: Company, Arihant Capital Research

## Ongoing &amp; Upcoming Projects

**Aloki:** The residential project Aloki is situated at Bhisegaon, Kajat (E). The project has 16 acres of land which consists of a G+11 Storey Tower & a 12 Storey Tower. The project comprises of 1BHK, 2BHK and 3BHK Flats. It has features like- a Health Club, Designer Pathway, Swimming Pool, Landscape Garden, Children's Play Area and Temple. The amenities comprise of- 2 x 2 vitrified flooring in all rooms, granite top kitchen platform, lustre paint, aluminium powder coated sliding windows, Gymnasium, Steam Room, Community Hall, Ample Car Parking, Indoor Games Area, Senior Citizen Corner and Social Activity Centre etc. The project is well located with conveniences are nearby; 3minutes from Karjat railway station, Direct train service to CST, etc.

The project has scheduled 6 phases with a constructible area consisting of 5,35,720 sq.ft.

Phases	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6	Total
Constructable Sq.ft	1,37,492	45,538	90,353	90,353	85,992	85,992	5,35,720
Saleable Sq.ft	1,37,492	45,538	90,353	90,353	85,992	85,992	5,35,720
<b>Saleable Sq.ft - Arihant Share</b>	<b>1,09,884</b>	<b>34,867</b>	<b>82,256</b>	<b>78,880</b>	<b>75,342</b>	<b>77,427</b>	<b>4,58,656</b>

Source: Company, Arihant Capital Research

The Project saleable area stood at 5,35,720 sq.ft and ASL share accounts for 4,58,656 sq.ft (85.6%). Out of this, 1,89,698 sq.ft is already booked and the remaining 2,68,958 sq.ft is available for booking. The project has already achieved sales of INR 62cr and has a sales potential of INR 159cr.

Project	Aloki					
Total Saleable Area (Sq. ft)	4,58,656					
Area booked till now (Sq. ft)	1,89,698					
<b>Remaining Area for booking (Sq. ft)</b>	<b>2,68,958</b>					
Year	Till Date	H2FY22-E	FY23-E	FY24-E	FY25-E	FY26-E
<b>Sales (INR cr)</b>	<b>62</b>	<b>34</b>	<b>33</b>	<b>13</b>	<b>12</b>	<b>4</b>
Saleable Sq. ft	1,89,698	98,079	94,115	34,815	31,390	10,558
INR/ Sq. ft	3,271	3,500	3,556	3,745	3,767	3,800
Sales Achieved (INR cr)	62					
<b>Sales Potential (INR cr)</b>	<b>97</b>					
<b>Total Revenue for the Project (INR cr)</b>	<b>159</b>					

Source: Company, Arihant Capital Research

## Ongoing &amp; Upcoming Projects

**Akarshan:** The affordable housing project Akarshan situated in Taloja.

The project has scheduled 4 phases with a constructible consisting of 13,67,490 sq.ft.

Phases	Phase 1	Phase 2	Phase 3	Phase 4	Total
Saleable Sq.ft	2,50,000	3,72,497	3,72,497	3,72,497	13,67,490

Source: Company, Arihant Capital Research

The Project saleable area stood at 13,67,490 sq.ft, and has a sales potential of INR 603cr.

Project	Akarshan						
Total Saleable Area (Sq. ft)	13,67,490						
Area booked till now (Sq. ft)	-						
Remaining Area for booking (Sq. ft)	<b>13,67,490</b>						
Year	Till Date	H2FY22-E	FY23-E	FY24-E	FY25-E	FY26-E	FY27-E
<b>Sales (INR cr)</b>	-	<b>20</b>	<b>77</b>	<b>140</b>	<b>166</b>	<b>138</b>	<b>61</b>
Saleable Sq. ft	-	50,000	1,88,785	3,30,498	3,72,497	2,97,997	1,27,713
INR/ Sq. ft	-	4,000	4,099	4,242	4,464	4,643	4,750
Sales Achieved (INR cr)	-						
<b>Sales Potential (INR cr)</b>	<b>603</b>						
<b>Total Sales for the Project (INR cr)</b>	<b>603</b>						

Source: Company, Arihant Capital Research



## Ongoing &amp; Upcoming Projects

## Projects - Consolidated

Project	Company	Saleable Area	Location	Category
4 Anaika	ASL	2,69,672	Taloja	Affordable
5 Anaika	Vatika	3,62,672	Taloja	Affordable
Aalishan	Vatika	10,01,147	Kharghar	Mid Income
Anchal	ASL	22,17,600	Jothpur	Affordable
Aarohi	ASL	72,381	Karjat	Mid Income
Adita	ASL	11,51,941	Jothpur	Affordable
Advika	Aashiyana	4,21,260	Vashi	High Income
Amisha	Aashiyana	2,95,908	Taloja	Affordable
Anmol	Vatika	4,77,605	Badlapur	Affordable
Arshiya	ASL	14,27,055	Khopoli	Affordable
Aspire	Abode	31,26,343	Panvel	Mid Income
Aloki	Aashiyana	4,58,656	Karjat	Affordable
Akarshan	ASL	13,67,490	Taloja	Affordable
<b>Total</b>		<b>126,49,730</b>		

Source: Company Reports, Arihant Capital Research

## Projects - Consolidated

Project	Area booked till now (Sq.ft)	Remaining Area (Sq.ft)	Sales Achieved (INR cr)	Estimated Sales Potential (INR cr)
4 Anaika	2,58,267	11,405	122	5
5 Anaika	95,798	2,66,874	43	127
Aalishan	3,83,657	6,17,490	298	555
Anchal	3,60,000	18,57,600	80	697
Aarohi	26,657	45,724	13	25
Adita	9,12,546	2,39,395	233	81
Advika	28,465	3,92,795	45	638
Amisha	27,785	2,68,123	11	119
Anmol	2,28,095	2,49,510	77	98
Arshiya	5,12,273	9,14,782	158	340
Aspire	4,00,541	27,25,802	229	2,220
Aloki	1,89,698	2,68,958	62	97
Akarshan	-	13,67,490	-	603
<b>Total</b>	<b>34,23,782</b>	<b>92,25,948</b>	<b>1,372</b>	<b>5,605</b>

Source: Company Reports, Arihant Capital Research

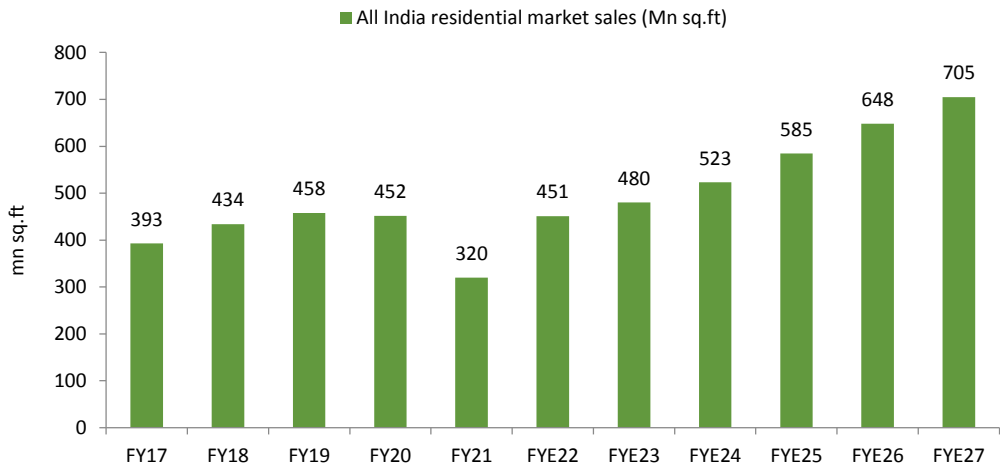
Year	Till Date	H2FY22-E	FY23-E	FY24-E	FY25-E	FY26-E	FY27-E	FY28-E	FY29-E	Total
Total Sales Bookings (INR cr)	1,372	438	984	1,162	1,170	902	539	316	93	6,976
Revenue Recognition (INR cr)	835	216	753	1,111	1,257	1,273	829	536	165	6,976
Revenue recognition/ Bookings	61%	49%	77%	96%	108%	141%	154%	170%	177%	100%

Source: Company Reports, Arihant Capital Research

Industry Overview

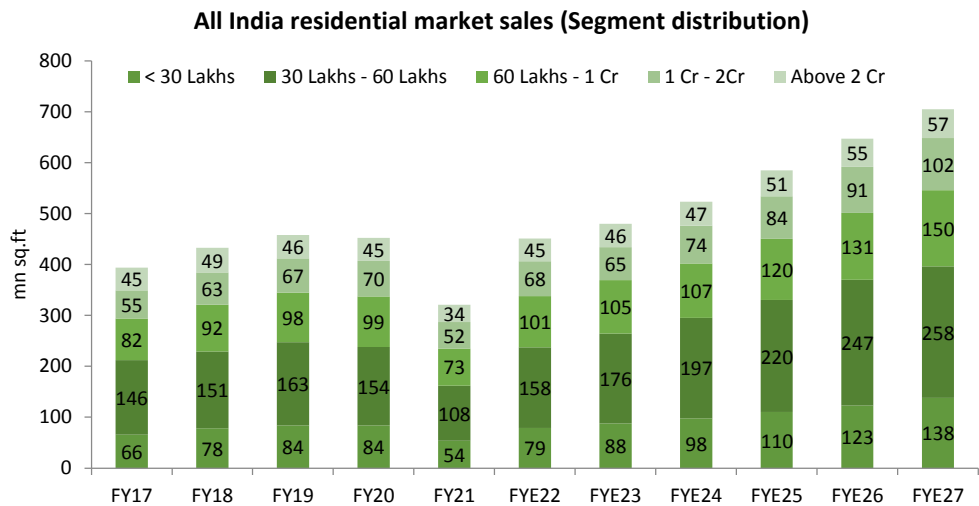
**production with new supply completion in the market:** In 2006, The introduction of FDI in real estate markets led to an accumulation of land parcels amongst developers. The FDI was marked with speculation, and a growth in prices with limited growth in production. Going forward, the developers will introduce more new supply and construct more real estate projects. The price of the real estate is expected to grow at a 3-4% CAGR, however pressures will always be there due to new supply and unsold inventory.

The government schemes and policies are favouring affordable projects, so higher sales are expected from the affordable segment followed by mid income projects. All over India, the residential market stood at 320 mn sq.ft as on FY21 and is expected to grow 14.1% CAGR to reach 705 Mn sq.ft over the period of FYE22-FYE27.



Source: Liasis Foras, Arihant Capital Research

**Affordable Segment is expected to grow at faster rate:** The affordable segment (30-60 Lakh segment) is expected to grow at a CAGR of 15.6% to reach 258 mn sq.ft over the period of FY21-FYE27. The below 30 Lakh segment is expected to grow at a CAGR of 16.9% to reach 138 mn sq.ft over the period of FY21-FYE27.

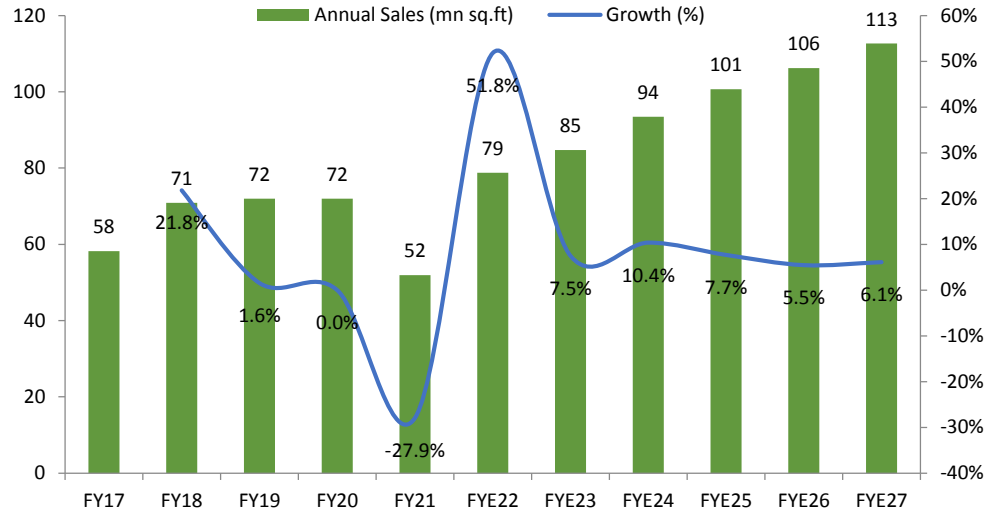


Source: Liasis Foras, Arihant Capital Research

Industry Overview

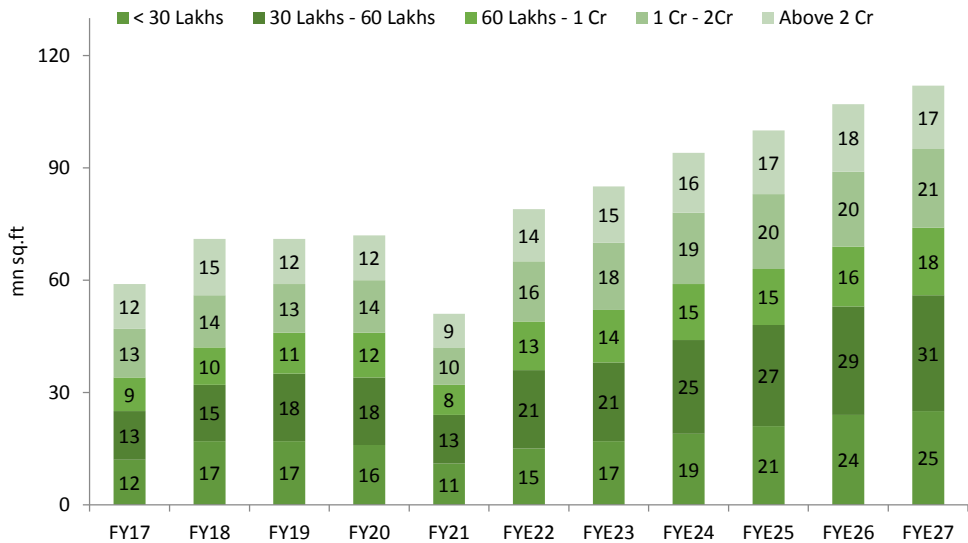
**MMR + outer MMR Resident Market:** The Market sales volume stood at 52 mn sq.ft and is expected to grow at a CAGR of 13.8% to reach 113 mn sq.ft during the forecasted period of FY21-FYE27. The 30-60 Lakh segment is expected to grow at a CAGR of 15.6% to reach 31 mn sq.ft during the forecasted period of FY21-FYE27.

MMR+Outer MMR Residential Market Sales Forecast



Source: Liases Foras, Arihant Capital Research

MMR+Outer MMR Residential Market Sales Forecast



Source: Liases Foras, Arihant Capital Research

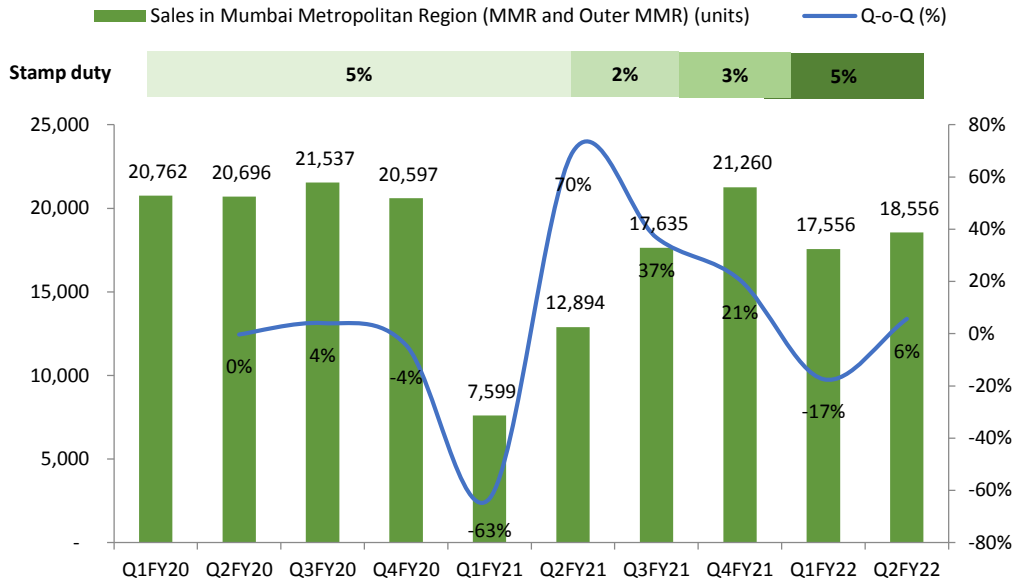
MMR+Outer MMR Residential Market Sales Forecast

Segment	< 30 Lakhs	30 Lakhs - 60 Lakhs	60 Lakhs - 1 Cr	1 Cr - 2Cr	Above 2 Cr
CAGR (FY21-FYE27)	14.7%	15.6%	14.5%	13.2%	11.2%

Source: Liases Foras, Arihant Capital Research

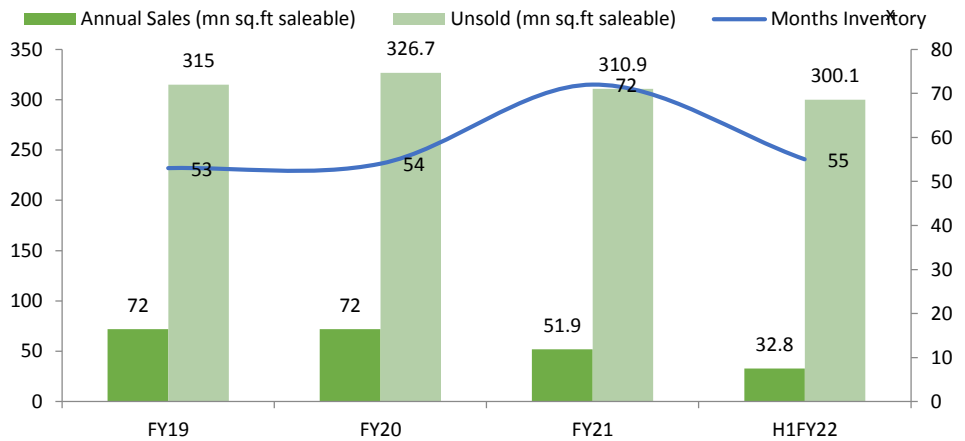
**Industry Overview**

**Stamp duty reduction leads to higher property registrations:** In August, 2020, the Maharashtra government brought down stamp duty from 5% to 2% till December 2020. It was further increased to 3% till 31<sup>st</sup> March, 2021. During the period of Aug-Dec, 2020, the property registration spiked, with 30,529 units sold in the two quarters.



Source: Liases Foras, Arihant Capital Research

**MMR Residential Market:** MMR Market witnessed the highest supply addition in FY19, resulting in oversupply that worsened during the 1<sup>st</sup> wave of Covid-19. The inventory months increased from 53 to 72 during the period of FY19-21. There has been sales recovery in H1FY22 with high activity in the Central Extended Suburb, also inventory months dropped by 17 months, settling to 55 months. The unsold inventory levels slightly reduced from 310.9 mn sq.ft to 300.1 mn sq.ft in H1FY22.



Source: Liases Foras, Arihant Capital Research

## Industry Overview

**Central & Western Suburb accounted for 40% Market in MMR:** Central Extended Suburb accounts for 23% of the sales followed by Western Extended Suburbs which accounted for a 17% share in the MMR Sales. Navi Mumbai inventory months is 42, which is less compared to other regions in MMR Markets and indicates balanced demand – supply ratio. ASL Group presents in Central Extended Suburbs, Navi Mumbai, Panvel, Karjat, and Khopoli markets, suburbs make up for 40% of the MMR total sales volume.

Region	Suburbs/Location	Total Sales in FY21 (mn sqft)	% Share of annual sales	Unsold Stock on Mar-21 (mn sqft)	% Share of Unsold	Months Inventory (Months)	Price (per saleable sqft)
MMR	Island City	2.8	5%	34.8	11%	148	15,268
	Western Suburb	8.6	17%	50	16%	70	15,590
	Central Suburb	5.6	11%	49	16%	106	13,520
	Thane	5.7	11%	29.7	10%	63	9,200
	Central Suburb Extended	12.1	23%	60.7	20%	60	4,830
	Navi Mumbai	5.1	10%	18.1	6%	42	7,888
	Panvel	1.6	3%	12.2	4%	93	5,754
	Western Suburb (Beyond Dahisar)	4.8	9%	29.6	10%	75	5,822
	Palghar & Boisar	2.3	4%	8.3	3%	43	3,059
	Outer MMR	Karjat	1.7	3%	8.7	3%	61
Khopoli		0.7	1%	3.6	1%	64	3,668
Shahapur		0.5	1%	3.6	1%	85	2,929
Rasayani		0.3	1%	1.9	1%	79	3,375
Alibaug		0.1	0%	0.3	0%	41	4,514
Pen		0.1	0%	0.2	0%	23	3,555
Khardi		0	0%	0	0%	24	2,856
Roha		0	0%	0.1	0%	350	2,700
<b>Total MMR +Outer MMR</b>		<b>51.9</b>	<b>100%</b>	<b>310.9</b>	<b>100%</b>	<b>72</b>	<b>11,331</b>

Source: Liases Foras, Arihant Capital Research

**ASL Group has 13% Market Share in Navi Mumbai Market:** Navi Mumbai Markets accounts for 10% of the sales in the MMR Region and inventory months stood at 42 which is less compared to MMR Regions. ASL Group has a 13% Market share in Navi Mumbai Markets which will lead to better sales realization in going forward.

Year	FY19	FY20	FY21	H1FY22
Navi Mumbai Annual Sales (mn sqft saleable)	6.2	7.1	5.1	3
ASL Group's Share (%)	5%	5%	8%	13%

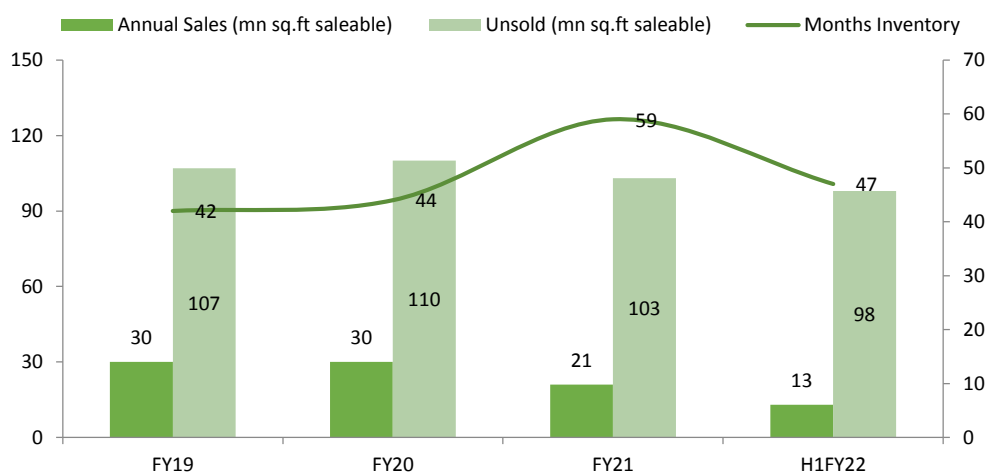
Source: Liases Foras, Arihant Capital Research

## Industry Overview

**4% Market Share in Extended suburbs:** Extended suburbs has a recorded absorption of 34 mn sqft during the pandemic. In FY21-H1FY22, ASL had 4% of the market share in extended suburbs. The extended suburbs include Navi Mumbai, Central Extended Suburbs, Karjat, Khopoli, Panvel, Uran.

Year	FY19	FY20	FY21	H1FY22
Annual Sales in ASL projects (mn sq.ft saleable)	0.4	0.5	0.7	0.5
ASL Group's Share	1%	2%	3%	4%

Source: Liasis Foras, Arihant Capital Research



Source: Liasis Foras, Arihant Capital Research

**30-60 lakh segment share has increased in the last four years:** 30-60 Lakh segment share stood at 25% in MMR and Outer MMR Regions. The annual sales share increased from 44% to 47% from the period of FY19 to H1FY22 in Navi Mumbai, Panvel, Central Extended suburbs and Khopoli regions. ASL has 34% supply in this segment.

## Total annual sales in MMR and Outer MMR combined

Segment	Below 30 lakhs	30-60 Lakhs	60 Lakhs - 1 Cr	1-2 Cr	Above 2 Cr
FY19	23%	25%	21%	19%	12%
FY20	21%	25%	21%	22%	12%
FY21	21%	26%	20%	21%	13%
H1FY22	17%	25%	20%	22%	15%

Source: Liasis Foras, Arihant Capital Research

## Total annual sales in Navi Mumbai, Panvel, Central Extended suburbs and Khopoli combined

Segment	Below 30 lakhs	30-60 Lakhs	60 Lakhs - 1 Cr	1-2 Cr	Above 2 Cr
FY19	39%	44%	10%	6%	0%
FY20	35%	44%	13%	7%	2%
FY21	36%	45%	10%	8%	1%
H1FY22	31%	47%	13%	6%	2%

Source: Liasis Foras, Arihant Capital Research

## Industry Overview

**30-60 Lakh segment has 45% sales share in FY21:** The 30-60 Lakh segment share has increased over the last 4 years due to affordability and cost segmentation in the MMR residential market. ASL has a 34% share of supply in this segment.

Category	Cost Segment	Total Sales in FY21	% sales share	% Distribution of ASL total supply	
Priority Sector	1 lakh to 30 lakh	7.5	36%	25%	
<b>Affordable</b>	<b>30 to 60 lakh</b>	<b>9.6</b>	<b>45%</b>	<b>34%</b>	
Mid Income	60 Lacs 1 Cr	2.2	10%	17%	
High Income	Above 1 Cr	1.8	9%	24%	
<b>Grand Total</b>		<b>21.1</b>	<b>100%</b>	<b>100%</b>	

Source: Liases Foras, Arihant Capital Research

**Affordable Segment accounts for 54% of sales share:** The affordable sector which is below INR 5,000/sq.ft, is the best performing price bracket in the MMR Region. The affordable segment accounts for 54% sales share in MMR Region. ASL has a 58% share of supply in the affordable segment in Q2FY22 and it has increased to 61% in Q3FY22. The high income segment which is above INR 10,000/sq.ft, has a lower sales share and ASL has a supply of 7% in the High Income segments in Q2FY22 which further reduced to 4% in Q3FY22.

Category	Price Range (saleable PSF)	Total Sales in FY21	% sales share	% Distribution of ASL total supply (Q2FY22)	% Distribution of ASL total supply (Q3FY22)
Affordable	Below 5,000	11.5	54%	58%	61%
Mid Income	5,000-10,000	8.6	41%	35%	35%
High Income	Above 10,000	1	5%	7%	4%
<b>Grand Total</b>		<b>21.1</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Liases Foras, Arihant Capital Research

**Land prices across micro markets:** Generally, Land cost has a share of 30-35% in apartment sales. Higher density economic markets have higher land prices, Vashi Region has a derived land price of INR 4,000 – 4,500 per sq.ft which is 30% of sales price of Flats ~INR 14,338 per sq.ft. Lower Economic density markets have lower land prices, Karjat Region have land prices derived in a range of INR 500 – 550 per sq.ft.

Location	Land Rate on saleable (INR/sqft)
Taloja	800-900
Badlapur	850-900
Karjat	500-550
Khopoli	950-1050
Panvel	1000-1200
Kharghar	1150-1250
Vashi	4000-4500
Dombivali	900-1000
Kalyan	1100-1200
Pal Gangana Road	1000-1100

Source: Liases Foras, Arihant Capital Research

## Industry Overview

## MMR Micro Market

Micro Market	Taloja	Vashi	Karjat	Khopoli	Panvel	Dombivali (€)	Badlapur (€)
Project Count	116	27	95	89	200	128	85
Builder Count	91	23	90	77	162	110	74
Unsold as on Sep 21 (mn sqft)	3.1	1.5	2.2	3.3	11.6	19.6	4.4
Sales in FY 21-22 (mn sqft)	0.7	0.2	0.2	0.4	1.2	2.4	0.6
Arihant Group's share during FY 21-22	51.0%	16%	20%	9%	4%	<1%	5%
Months Inventory(months)	26	58	61	55	59	50	46
Sales Velocity(Monthly sales/Total supply)	1.24%	1.07%	0.53%	1%	1%	1%	1%
Wtd Avg Price on Saleable (INR/sq.ft)	5,291	14,338	3,561	3,663	5,680	5,164	3,662

Source: Liasis Foras, Arihant Capital Research

Micro Market	Taloja	Vashi	Karjat	Khopoli
Top 10 developers share in FY 22	69%	69%	43%	44%
Top 5 Performing Developers	1. Arihant Group, Pvt. Ltd, 2. Siddhivinayak Homes Developers, 3. Hex Corp, R.V. Group, 4. Kamdhenu Realities	1. Arihant Group, Construction Co., 2. Kukreja Developers, 3. Satyam, KT Realty, 4. Akshar	1. Sheltrex , Soft Corner, 2. Arihant Group, Pvt. Ltd., 3. Rajnir Enterprise	1. Indiabulls, Arihant Group, Wellwisher Group (Pune), 2. Garnet Construction & Mount Hills Realty, 3. Lakhani Builder
Arihant in Top 10 (Yes/No)	Yes	Yes	Yes	Yes

Source: Liasis Foras, Arihant Capital Research

Micro Market	Panvel	Dombivali (€)	Badlapur (€)
Top 10 developers share in FY 22	47%	73%	43%
Top 5 Performing Developers	1. Wadhwa Group, 2. Godrej Properties, 3. Indiabulls, 4. Marathon Group, 5. Niranjani Hiranandani Group	1. Lodha Group, 2. Runwal Group, 3. Regency Group , 4. Dosti Group, 5. Marathon Group	1. Poddar Developers Ltd, 2. Panvelkar Group, 3. Raj Group , 4. Mohan Group, 5. Godrej Properties
Arihant in Top 10 (Yes/No)	Yes	Yes	Yes

Source: Liasis Foras, Arihant Capital Research



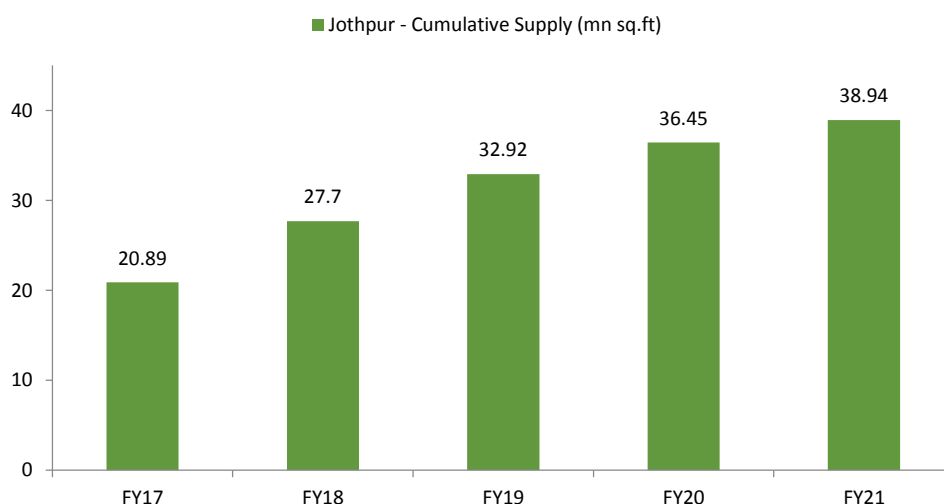
## Industry Overview

**Jodhpur Market Overview:** The Market has a total supply of 38.94 mn sq.ft; out of this supply, 7.12 mn sq.ft are sold out and 31.82 mn sq.ft is unsold inventory. 18.06 mn sq.ft of new supply has been registered in RERA over the past 4 years. The Jodhpur market has a total 31.82 mn sq.ft of unsold inventory till date with a weighted average price of INR 2,895 per sq.ft. There was a steady rise in supply witnessed from 2017 which continued during Covid-19.

## Market Snapshot - Sep 2021

Project Count	87
Builder Count	50
Cumulative Supply (mn sqft)	38.94
Sold till Date (mn sqft)	7.12
Unsold as on Sep 21 (mn sqft)	31.82
<u>Weighted average price (INR/sq.ft)</u>	<u>2,895</u>

Source: Liases Foras, Arihant Capital Research



Source: Liases Foras, Arihant Capital Research

**South West Jodhpur Market:** The south west Jodhpur market has projects with a total of 2.48 mn sq.ft sold and 5.61 mn sq.ft unsold. South West Jodhpur market has sold 31% of its inventory till date. The average price per sq.ft stood at INR 3,102. In FY21, the new launches were lower compared to FY20. 2.07 mn sq.ft of new supply has been registered in RERA, over the past 4 years.

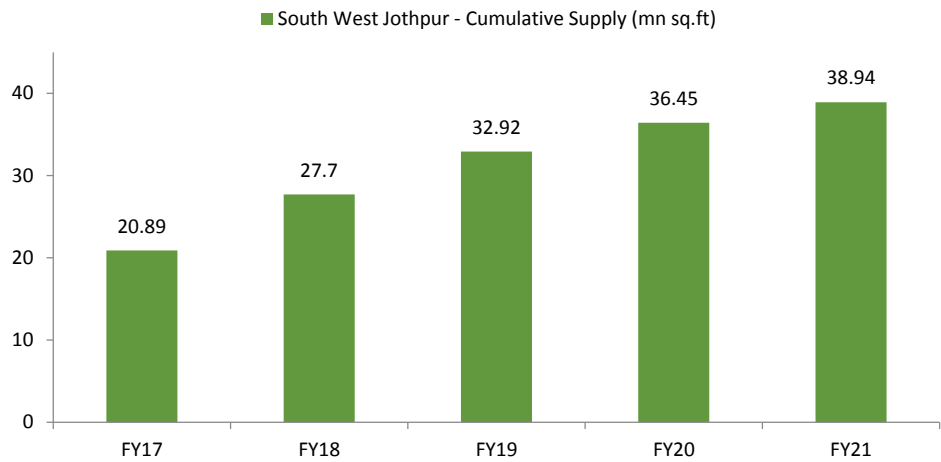
## Market Snapshot - Sep 2021

Project Count	27
Builder Count	20
Cumulative Supply (mn sqft)	8.10
Sold till Date (mn sqft)	2.48
Unsold as on Sep 21 (mn sqft)	5.61
<u>Weighted average price (INR PSF)</u>	<u>3,102</u>

Source: Liases Foras, Arihant Capital Research

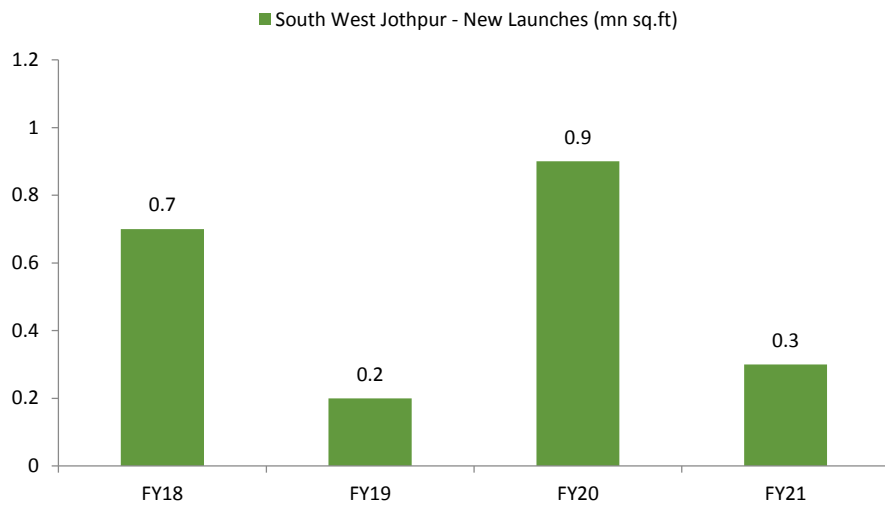
## Industry Overview

## South West Jodhpur Market:



Source: Liases Foras, Arihant Capital Research

~1.2 mn sqft new supply entered during the past 2 years into the south west jodhpur market. In FY20, Most of the projects launched by the government agencies for EWS and LIG segment.



Source: Liases Foras, Arihant Capital Research

## Industry Overview

## South West Jodhpur Market

Project Name	Developer	Launch Date	Total Supply (sq.ft)
Arihant Adita Phase 3	Arihant Group	Feb-14	1,44,975
Ayodhyapuram	Rambhadeep Buildcon Pvt Ltd	May-18	73,106
Arihant Anchal Phase 1	Arihant Group	Feb-16	4,78,800
Arihant Aangan	Arihant Group	Jan-16	45,600
Unique Golf Estate Phase 4	Skypeer Infra Build LLP	Aug-17	2,94,472
Arihant Ayati	Arihant Group	Mar-13	2,11,283
Arihant Adita II	Arihant Group	Jul-12	1,81,420
Unique Green Acres	Royal Buildsquare Pvt Ltd	Apr-15	7,27,813
Ashiana Dwarka Phase iv	Ashiana Housing Ltd	May-21	1,41,745
R. B. Heights	Jawaharsons Enterprise Pvt Ltd	Oct-16	93,712
Ashiana Dwarka Phase II	Ashiana Housing Ltd	Apr-16	1,42,758
City Home Bhakrasni	Jai Infratech Pvt Ltd	Apr-17	1,82,763
Victorian Palace	Fifth Planet Developers	May-15	4,59,976
Ashiana Dwarka Phase III	Ashiana Housing Ltd	Feb-19	1,41,945

Source: Liasis Foras, Arihant Capital Research

Project Name	Sold as on Sep-21 in sq.ft	Unsold Inventory - Sep-21 (sq.ft)	Average Monthly Sales in sq.ft	Sales Velocity (%)
Arihant Adita Phase 3	51,745	93,230	6,112	4.22%
Ayodhyapuram	46,238	26,868	1,118	1.53%
Arihant Anchal Phase 1	3,60,000	1,18,800	5,158	1.08%
Arihant Aangan	34,580	11,020	488	1.07%
Unique Golf Estate Phase 4	1,46,050	1,48,422	2,883	0.98%
Arihant Ayati	2,02,378	8,905	1,921	0.91%
Arihant Adita II	1,77,010	4,410	1,560	0.86%
Unique Green Acres	3,97,504	3,30,309	5,055	0.69%
Ashiana Dwarka Phase iv	4,959	1,36,786	979	0.69%
R. B. Heights	37,407	56,305	615	0.66%
Ashiana Dwarka Phase II	55,160	87,597	824	0.58%
City Home Bhakrasni	39,984	1,42,779	738	0.40%
Victorian Palace	75,386	3,84,590	971	0.21%
Ashiana Dwarka Phase III	1,653	1,40,092	51	0.04%

Source: Liasis Foras, Arihant Capital Research

ASL Projects have been able to achieve the highest sales velocity in the south west Jodhpur markets. Arihant Adita Phase 3 achieved highest sales velocity of 4.22%.

### Business Overview

**Arihant Superstructures Ltd (ASL)** is a real estate company focusing on the affordable housing with significant presence in the MMR region and Jodhpur, Rajasthan. The Arihant group has delivered 9,500+ homes measuring 8 Mn sq.ft. across 59 projects over the past 2 decades. As on Q3FY22, the affordable & mid income segment constitutes about ~96% of the Company's portfolio (affordable ~61% and mid income ~35%). The remaining ~4% comes from the high Income group. The company's projects are spread across MMR Region (Maharashtra) and Jodhpur (Rajasthan). The MMR Region regions accounts for ~78% - Talaja/ Khargar (~28%), Panvel (~26%), Vashi (~4%) and outer MMR ~20%. The remaining ~22% comes from Jodhpur-Rajasthan regions as on Q3FY22.

The company sold 1,097 units for a total consideration of INR 463cr. Out of the 1,097 units, 981 units (89%) are sold in the MMR Region and the remaining 116 units (11%) are sold in Jodhpur in FY21. The area of 10.16 lakh sq.ft sold with a weighted average sale rate of INR 4,556 per sq.ft in FY21. ASL has delivered 772 units from the projects of Anmol (238 units), Anchal (119 units), Aangan (37 units) and Agrima (378 units) in FY21. The company has ongoing & upcoming projects comprising of ~12,000+ homes measuring ~11 mn sq.ft across 15 projects to be executed over next 7 years.

In FY21, The company acquired ~24,130 sq.metres of land parcel in Talaja, Navi Mumbai and redeveloping a project on ~14,996 sq.metres land parcels in Vashi, Navi Mumbai. The company sold land parcels for a consideration of ~INR 22cr to Adinath Buidwell Pvt Ltd.

The company has good operational efficiency due to its in-house design, engineering & project implementation which optimizes quality, time, and results in significant cost savings. Over the last 5 years, ASL has delivered ~3.5 mn sq.ft on time which implies a distinguished track record with timely delivery of projects.

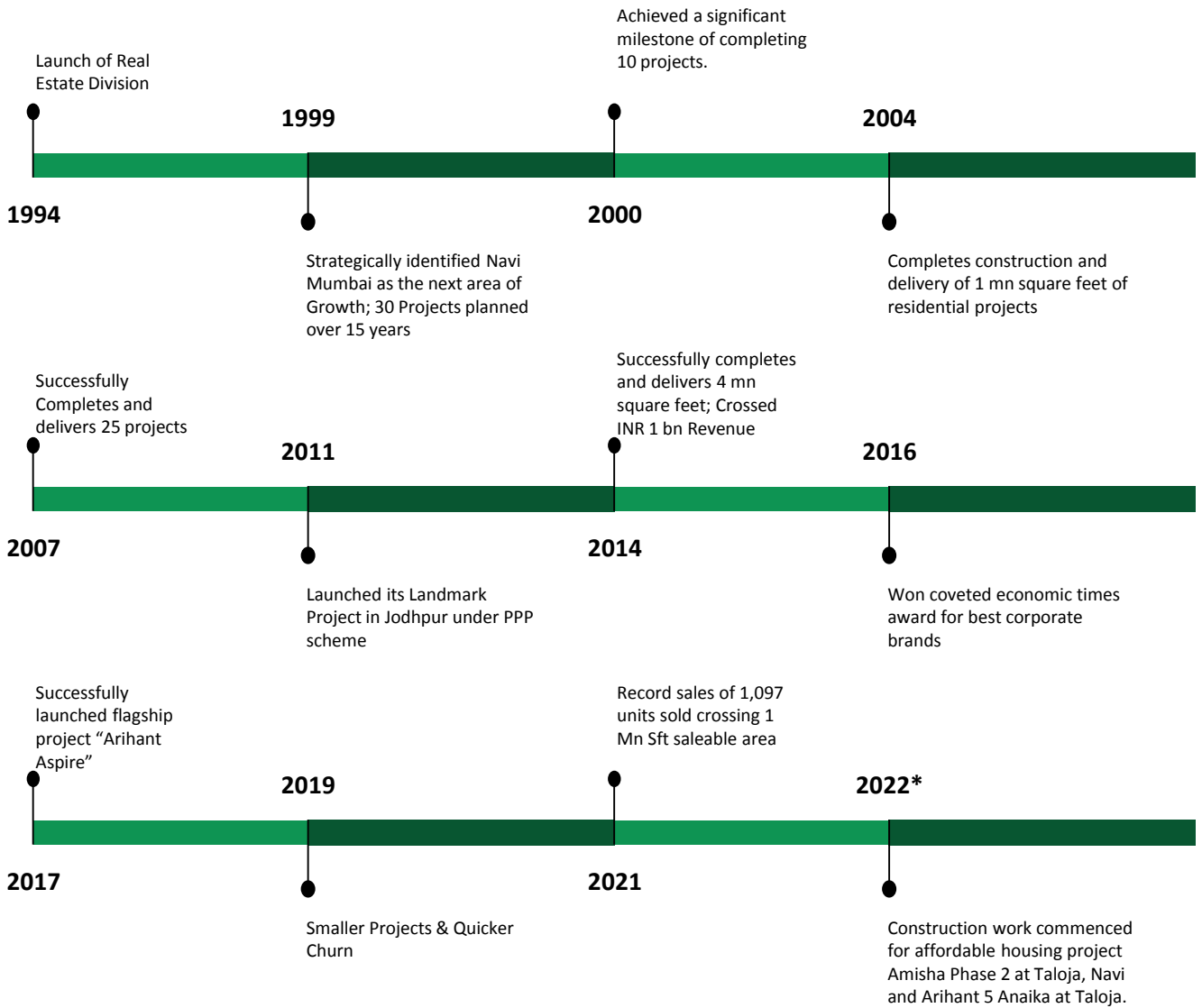
ASL strives to provide best in class features and amenities which are further standardized across projects, enabling them to become the preferred developer for customers. ASL has won the awards like the 'Business Excellence Award' by Adsync and Zee Business for 'Affordable Housing Project of the Year' and 'Best Developer for Green Buildings' by CIA World.

ASL has engaged sustainable development of the Environment, Society and Governance. It has been involved in rainwater harvesting, solar power & heating, and green cover, etc. for environmental responsibility. The company has been engaged in supporting rural developments, rural infrastructure and livelihood enhancement projects for social responsibility. On the Governance front, the board inculcates a culture of accountability, transparency and integrity.

ASL aims to increase multifold and consistently deliver growth across business development, sales, collections, constructions and possessions in the years ahead. It is focused on the affordable and mid income segment to meet the growing demand in the country.

Business Overview

ASL's Key Milestones

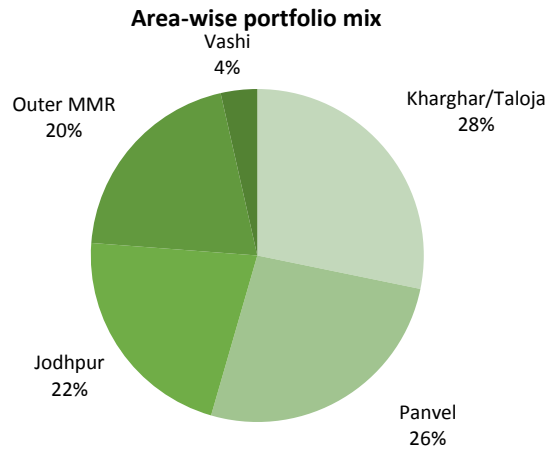
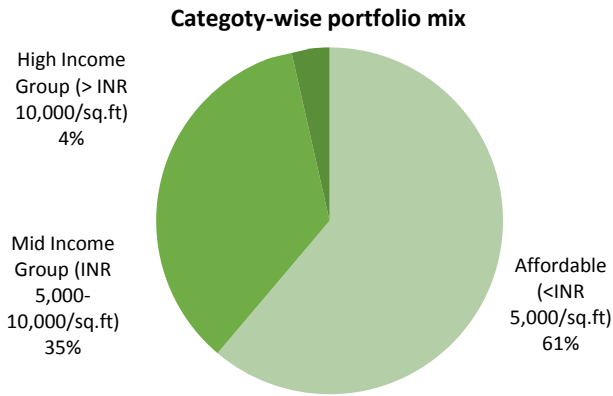


\* As on Dec, 2021

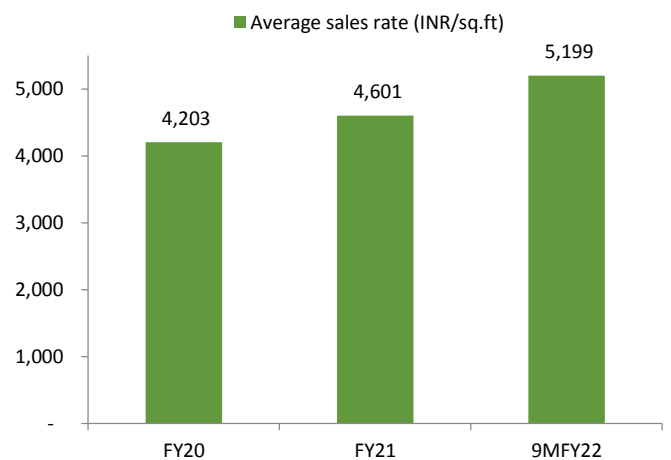
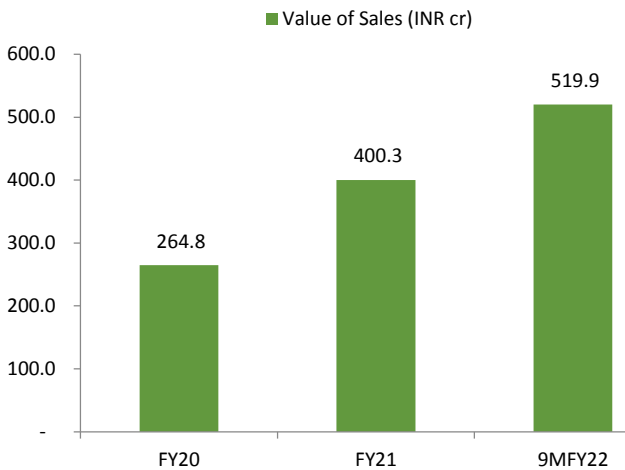
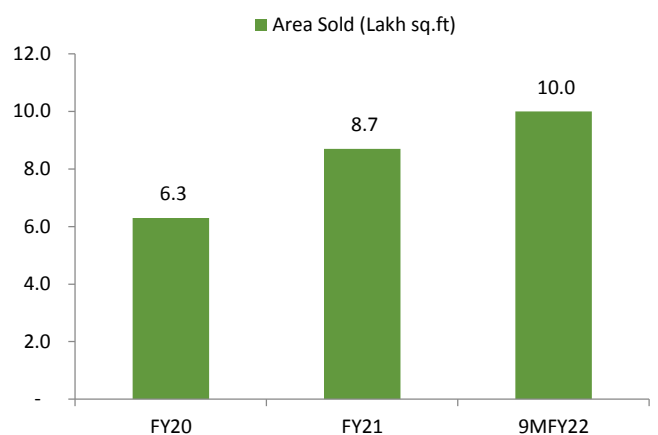
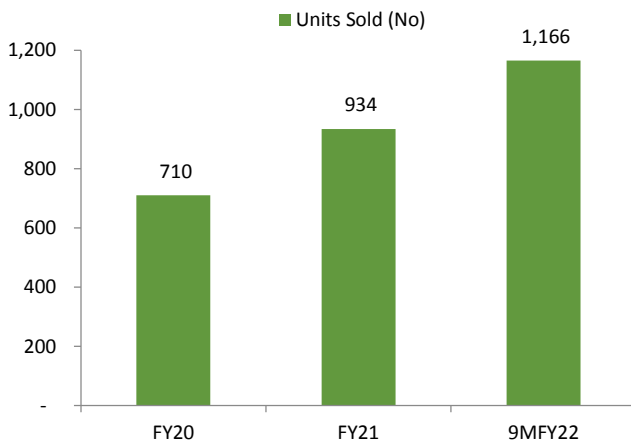
Source: Company, Arihant Capital Research

Business Overview

Portfolio Mix



Revenue Matrix



Source: Company, Arihant Capital Research

## Company Board

Personnel	Designation	Description
Mr Ashok Chhajer	Promoter, CMD	Mr Ashok Chhajer is the promoter of the company. He has an exposure of over 2 decades in the real estate business. He has prior experience in textiles, oil refinery as well. He oversees corporate strategy, project design and land acquisition functions.
Mr Nimish Shah	Whole-Time Director	Mr Nimish Shah is the Whole-Time Director of the company. He is a civil engineer, having 19 years of experience in construction and related activities. Prior to ASL, he was a government registered contractor in Maharashtra and is also associated with several entities in real estate sector. In ASL, He is actively involved in engineering including planning & Execution, Project estimation, Contracts and site organization of projects.
Mr Virendra Mittal	Independent Director	Mr Virendra Mittal is the Independent Director of the company. He was IIT Alumnus and a fellow chartered engineer. He has experience in construction, real estate, power plants, mining and highways. Mr Virendra has been part of leadership team in ITC, Ansal Properties & Industries, J.K Synthetics Ltd, Renusagar Power Company Ltd and Mukand Ltd.
Mrs Chandra Iyengar	Independent Director	Mrs Chandra Iyengar is the Independent Director of the Company. She was 1973 batch IAS Officer and additional secretary- Home dept for Government of Maharashtra (GOM). She has led several departments in GOM & GOI including public health, Industries, women & child development, Finance and Higher Education etc.
Mrs Raj Narain Bharadwaj	Independent Director	Mr Raj Narain Bharadwaj is the Independent Director of the company. He has vast experience in Economics and BFSI. He was the former chairman and managing director of LIC, and also a former member of the securities appellate tribunal, GOI and Ministry of Finance.
Mrs Divya Momaya	Independent Director	Mrs Divya Momaya is the Independent Director of the company. She has 18 years of experience in the company secretarial practice. She is the practicing company secretary and the founder of D S Momaya & Co. She is also the promoter of MMB Advisors Pvt Ltd which trains and grooms Independent directors, women directors and executive directors.
Mr Deepak Lohia	CFO	Mr Deepak Lohia is the Chief Financial Officer (CFO) of the company. He has over 20 years of experience in finance. He was joined at ASL in Sep-19. Prior to ASL, he was associated with ABG Shipyard, Runwal Group, Parak Agro Industries Ltd etc.
Mr Abhishek Shukla	Chief Strategy Officer	Mr Abhishek Shukla is the Chief Strategy Officer of the company. He has over 16 years experience in Real Estate Sector. He joined ASL in Jan-2021. Prior to ASL, He was associated with Sandu Developers, Ahuja Group, Cushman & Wakefield Capital Asia and Aterstone Group.
Mrs Teji Ghosh	VP Marketing & brand management	Mrs Teji Ghosh is the VP - Marketing & brand management of the company. She has over 17 years of experience in marketing. She joined ASL in May-2019. Prior to ASL, she was associated with Concept Communications.
Mr Govind Rao	Company Secretary	Mr Govind Rao is the Company Secretary of the Company. He has over 5 years of experience across corporate secretarial functions. He joined ASL in Sep-2018. Prior to ASL, he was associated with Libas Designs Ltd and D.A.Kamat & Co.

Source: Company, Arihant Capital Research

## Q3FY22 Results update

## Income statement summary

Particular (INR cr)	Q3FY21	Q2FY22	Q3FY22	YoY (%)	QoQ(%)
<b>Revenue</b>	<b>73</b>	<b>88</b>	<b>88</b>	21.2%	0.7%
Net Raw Materials	46	54	54		
Employee Cost	3	4	4		
Other Expenses	9	10	12		
<b>EBITDA</b>	<b>15</b>	<b>20</b>	<b>18</b>	25.3%	-8.0%
<b>EBITDA (%)</b>	<b>19.9%</b>	<b>22.6%</b>	<b>20.6%</b>	70bps	-200 bps
Depreciation	1	0	0		
Interest expense	6	5	5		
Other income	0	0	0		
Exceptional Items	-	-	-		
<b>Profit before tax</b>	<b>8</b>	<b>15</b>	<b>13</b>		
Taxes	3	3	1		
<b>PAT</b>	<b>5</b>	<b>12</b>	<b>12</b>	124.7%	-0.5%
<b>PAT Margin (%)</b>	<b>7.1%</b>	<b>13.3%</b>	<b>13.1%</b>	600 bps	-20bps
Minorities and other	3	(0)	(1)		
Other Comprehensive income	-	-	-		
<b>Net profit</b>	<b>2</b>	<b>12</b>	<b>12</b>	523.1%	1.0%
<b>Net Profit Margin (%)</b>	<b>2.7%</b>	<b>13.7%</b>	<b>13.7%</b>		
EPS (INR)	1	3	3		

Source: Company Reports, Arihant Capital Research

## Key Highlights:

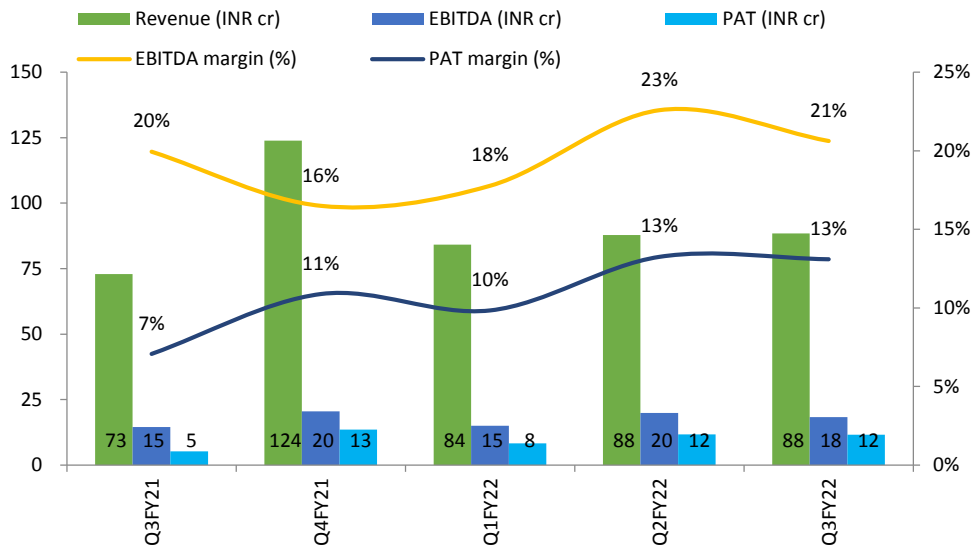
- ASL has commenced the construction of the affordable housing project Amisha Phase 2 at Taloja, Navi and Arihant 5 Anaika at Taloja.
- In 9MFY22, Sales booking stood at 1,116 units with a booking value of INR 520 Cr, surpassing the FY21 bookings of 934 units with booking value of INR 400 Cr. Collections for Q3FY22 and 9MFY22 stood at INR 101 Cr and INR 305 Cr respectively as compared to FY21 collection of INR 287 Cr.
- Total Debt reduced to INR 291 Cr in Q3FY22 from INR 300 Cr in Q2FY22
- Units sold increased from 934 in FY21 to 1,166 in 9MFY22. Area sold increased from 8.7 lakh sq.ft in FY21 to 10 lakh sq.ft in 9MFY22.
- The company has a diversified portfolio with a focus on Affordable and mid income housing. Around 96% of the portfolio consists of the Affordable and Mid income group, and 4% consists of the High income group.
- The collection amount yet to be received is INR 415cr.
- The ongoing & upcoming projects revenue potential estimated to ~INR 7,000cr over next 7 to 8 years. The breakup of revenue; INR 2,100cr from ongoing projects and ~INR 4,800cr from forthcoming projects.
- 5 to 6 projects would follow an asset light model and 3-4 projects would be outright basis in going forward.
- ASL is expected to commence 5 Lakh sq.ft work in Q4FY22 and 15-20 Lakh sq.ft work is expected to commence in FY23.



## Q3FY22 Result update

## Key Highlights:

- Below INR 1cr apartment projects account for 92% of the portfolio, the land costs for those projects range at around 15% of the apartment sales.
- In the real estate sector, property prices are increasing at 5-6% YoY, ASL has implemented a price hike averaging at 7.5% across all projects.
- The interest rates are affordable for home buyers, and looking forward more benefits will come to the home buyers from the government.
- ASL has hired 106 new members across all functions.
- The company is focused on affordable housing to ride the sector upcycle.



Source: Company Reports, Arihant Capital Research

## Key Risks

**Concentration Risk:** ASL's majority of portfolio concentrated in MMR and Jodhpur Regions. The current oversupply in these regions may slowdown the demand and affect ASL sales.

**Interest rate Risk:** Currently, Interest rates are affordable and convenient for home buyers. Changes in macro economic environments may lead to increase in Interest rates. The increase in Interest rates will reduce the demand for real estate.

**Execution Risk:** ASL is currently working on multiple projects. Any disruption or unnatural events may delay them. It will subsequently lead to a delay in delivery of the apartments to homebuyers.

**Competition:** Currently, ASL sales velocity is robustly increasing due to its significant market share in MMR and Jodhpur regions. However, the affordable segment is an attractive segment to home buyers. ASL could face significant level of competitions from existing and new players.

**Commodity Prices Risk:** The rise in commodity price levels may affect the business margins. The company may not able to maintain price hikes (due to competition) to manage commodity price inflation.

## Valuation &amp; Outlook

Arihant Superstructure Ltd (ASL) is one the largest real estate players in the affordable and mid-income housing segment. It has has an order book of 11 mn Sq feet; out of which, 4 mn sq feet are from ongoing projects and 7 mn from forthcoming projects. The projects have an estimated revenue potential of ~INR 7,000 cr over next 7 to 8 years. The breakup of revenue; INR ~2,100 cr from ongoing projects and ~INR 4,800 cr from forthcoming projects. ASL has captured significant market share in the MMR and Jodhpur regions, which will enable them to achieve sales. The higher sales velocity in Jodhpur markets will lead to free cash flows in future.

The company is focused on the affordable segment for own/acquired land and mid income segment for JDAs, JVs and DMAs to meet efficient profitability. In the MMR region, ASL has focused on redevelopment opportunities for High income housing segments. The strong track record, efficient quality management, booming real estate sector cycle, rising demand in the affordable & mid income segment, strong execution capability to deliver projects, strong & clean balance sheet, Strong growth potential in MMR regions, Gaining market share in MMR regions, Higher sales velocity will ensure free cash flows and create value in going forward.

We have used a DCF Model and P/E to value ASL, it has healthy and consistent cash flow generation over the forecasted period. We have discounted the cash flows using WACC and value the company at INR 259 per share. We initiate coverage with a "BUY" rating at a Target Price of INR 259 per share; an upside of 46.3%.

## DCF Valuation

Valuation Assumptions		Valuation Data		WACC	
g (World Economic Growth)	3%			We	72.6%
Rf	6%	Total Debt (long term borrowings) (2021)	274	Wd	27.4%
Rm	11%	Cash & Cash Equivalents (2021)	12	Ke	10.8%
Beta	1.01	Number of Diluted Shares (2022)	4	Kd	7.4%
CMP	177	Tax Rate (2022)	26%	<b>WACC</b>	<b>9.9%</b>
		Interest Expense Rate (2022)	10%		
		MV of Equity	729		
		Total Debt	274		
		<b>Total Capital</b>	<b>1,003</b>		

FCFF & Target Price													
FCFF & Target Price	Explicit Forecast Period						Linear Decline Phase					Terminal Yr	
Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
EBIT * (1-Tax Rate)	58	126	196	215	210	131	90	69	57	51	49	50	
Dep	2	3	3	3	3	3	2	1	1	1	1	1	
Purchase of Assets	(2)	(2)	(2)	(2)	(2)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	
Changes in Working Capital	41	(34)	(69)	(234)	87	160	74	56	46	42	40	41	
FCFF	99	92	128	(18)	298	292	165	125	104	93	89	92	
FCFF	99	92	128	(18)	298	292	165	125	104	93	89		
Terminal Value												1,330	
<b>Total Cash Flow</b>	<b>99</b>	<b>92</b>	<b>128</b>	<b>(18)</b>	<b>298</b>	<b>292</b>	<b>165</b>	<b>125</b>	<b>104</b>	<b>93</b>	<b>1,419</b>		

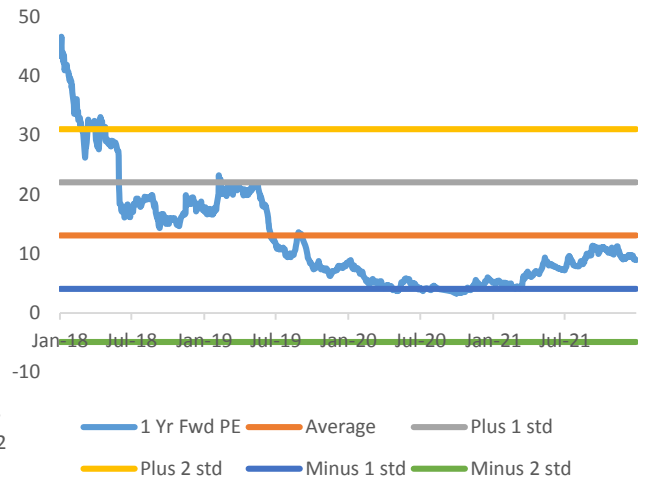
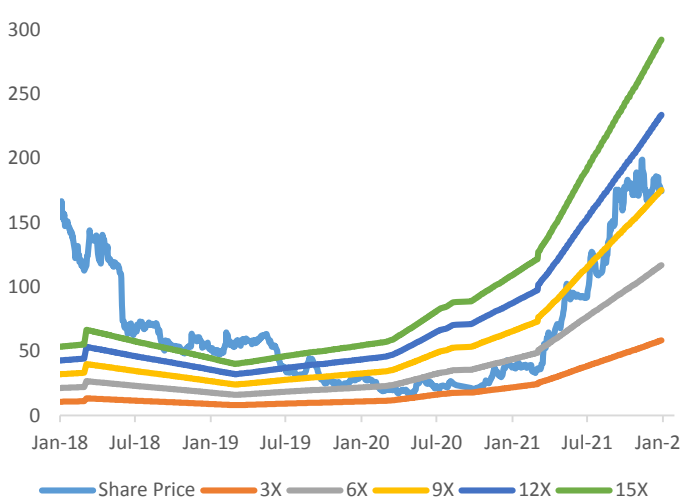
Enterprise Value (EV)	1,328
Less: Debt	(274)
Add: Cash	12
Equity Value	1,066
<b>Equity Value per share (INR)</b>	<b>259</b>

Source: Company, Arihant Capital Research

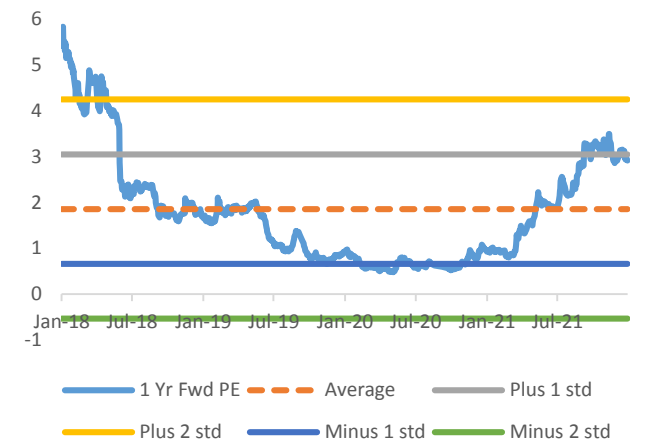
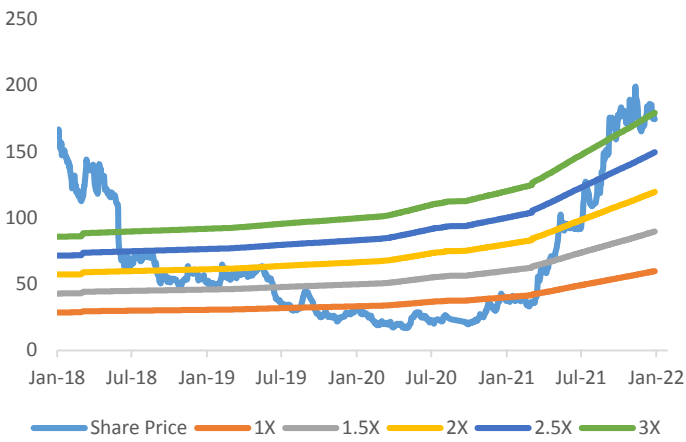
		Sensitivity Analysis										
		Terminal Growth (%)										
		2.0%	2.3%	2.5%	2.8%	3.0%	3.3%	3.5%	3.8%	4.0%		
WACC	259											
	8.9%	276	282	289	296	303	311	320	330	341		
	9.2%	266	272	278	284	291	298	307	315	325		
	9.4%	257	262	268	273	280	286	<b>294</b>	302	310		
	9.7%	248	253	258	263	269	<b>275</b>	282	289	297		
	9.9%	240	244	249	254	<b>259</b>	265	271	277	285		
	10.2%	232	236	241	<b>245</b>	250	255	261	267	273		
	10.4%	225	229	<b>233</b>	237	241	246	251	257	262		
	10.7%	218	222	225	229	233	237	242	247	252		
	10.9%	212	215	218	222	225	229	234	238	243		

Valuation Plot

PE Valuation Plot



P/BV Valuation Plot



Source: Company, Arihant Capital Research

## Peer Comparison

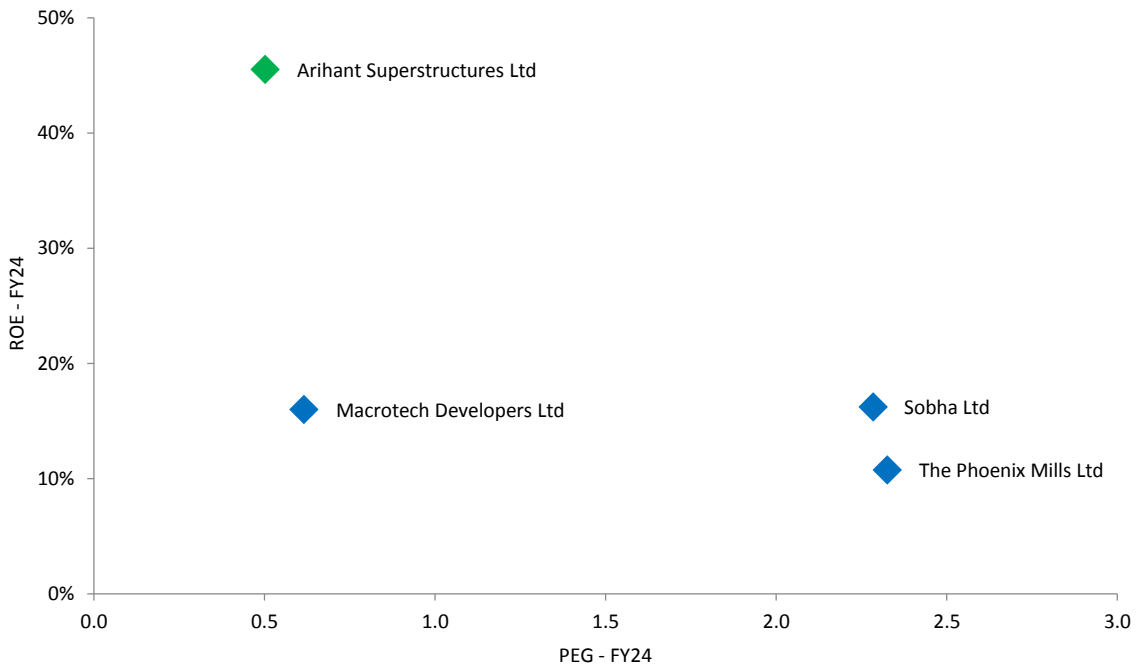
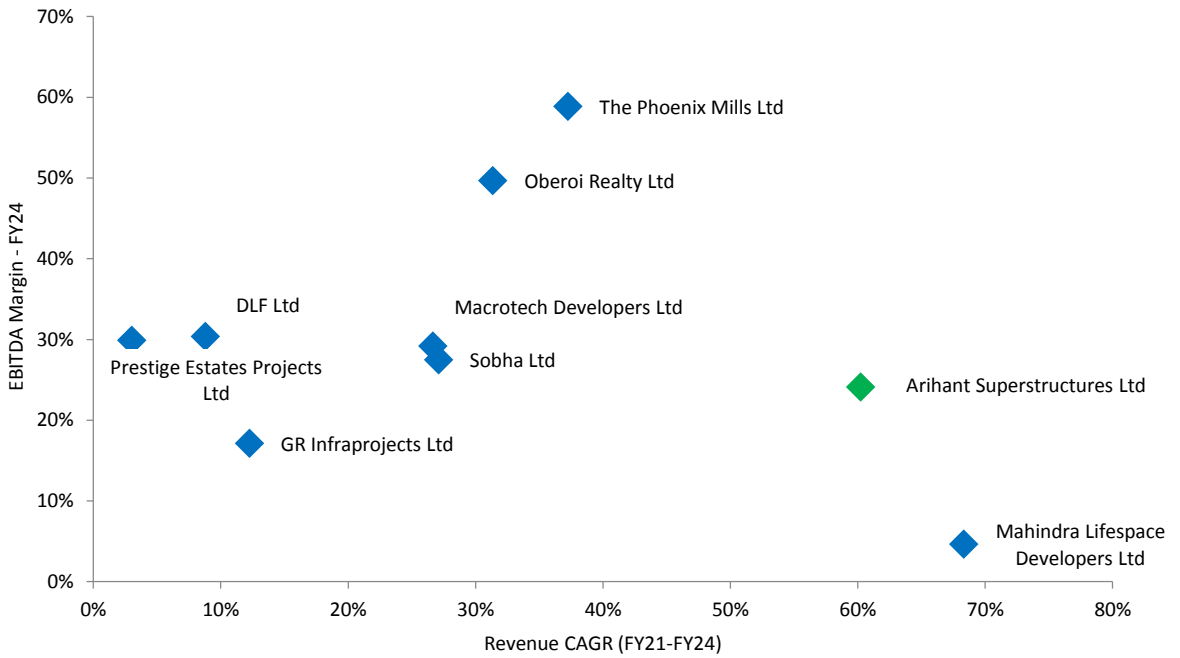
Particular	CMP (INR)	M.Cap (INR cr)	Revenue (INR cr)		EBITDA (INR cr)		EBITDA Margin (%)		PAT (INR cr)		PAT Margin (%)	
	as on 25-01-22	as on 25-01-22	FY20	FY21	FY20	FY21	FY20	FY21	FY20	FY21	FY20	FY21
Arihant Superstructures Ltd	175	718	233	270	43	48	18.4%	17.8%	11	16	4.7%	5.8%
DLF Ltd	380	94,124	6,083	5,414	1,135	1,418	18.7%	26.2%	(1,479)	477	-24.3%	8.8%
GR Infraprojects Ltd	1,846	17,846	6,373	7,844	1,534	1,850	24.1%	23.6%	762	955	12.0%	12.2%
Indiabulls Real Estate Ltd	150	6,862	3,271	1,521	801	180	24.5%	11.8%	123	5	3.8%	0.3%
Macrotech Developers Ltd	1,284	61,830	12,443	5,449	(8,332)	1,139	-67.0%	20.9%	742	48	6.0%	0.9%
Mahindra Lifespace Developers Ltd	244	3,772	611	166	(57)	(94)	-9.3%	-56.2%	(170)	(84)	-27.8%	-50.3%
Oberoi Realty Ltd	902	32,790	2,238	2,053	1,048	1,000	46.8%	48.7%	683	736	30.5%	35.9%
Prestige Estates Projects Ltd	500	20,057	8,125	7,264	2,356	1,972	29.0%	27.1%	544	1,577	6.7%	21.7%
Sobha Ltd	860	8,159	3,754	2,110	1,115	675	29.7%	32.0%	282	62	7.5%	3.0%
The Phoenix Mills Ltd	950	16,947	1,941	1,073	967	494	49.8%	46.1%	356	34	18.3%	3.2%

Source: Ace Equity, Arihant Capital Research

Particular	ROE (%)		ROCE (%)		P/BV (x)		EV/EBITDA (x)		PE (x)		D/E (x)	
	FY20	FY21	FY20	FY21	FY20	FY21	FY20	FY21	FY20	FY21	FY20	FY21
Arihant Superstructures Ltd	8.9%	11.9%	9.0%	10.2%	0.7	1.0	9.7	8.6	16.1	13.0	3.1	2.1
DLF Ltd	-4.4%	1.4%	4.5%	4.0%	1.0	2.0	20.5	39.2	-	65.0	0.2	0.2
GR Infraprojects Ltd	28.8%	27.3%	26.4%	23.1%	-	-	1.4	1.9	-	-	1.1	1.1
Indiabulls Real Estate Ltd	4.1%	0.2%	10.9%	5.5%	0.6	1.2	4.7	16.0	15.4	852.6	0.8	0.4
Macrotech Developers Ltd	19.7%	1.2%	6.8%	5.2%	-	-	9.2	10.7	-	-	4.5	4.4
Mahindra Lifespace Developers Ltd	-9.4%	-5.0%	-8.0%	-4.1%	0.6	1.8	(49.4)	(42.2)	-	-	0.1	0.2
Oberoi Realty Ltd	8.2%	8.2%	10.6%	9.5%	1.4	2.2	12.4	21.5	17.6	28.3	0.2	0.2
Prestige Estates Projects Ltd	11.4%	26.2%	13.5%	24.4%	1.3	1.8	6.1	6.3	16.7	8.4	1.7	0.6
Sobha Ltd	12.1%	2.6%	21.5%	12.3%	0.5	1.7	3.6	9.2	4.6	66.4	1.3	1.3
The Phoenix Mills Ltd	10.0%	0.8%	10.5%	4.4%	2.4	2.8	12.6	29.0	26.2	255.6	1.2	0.8

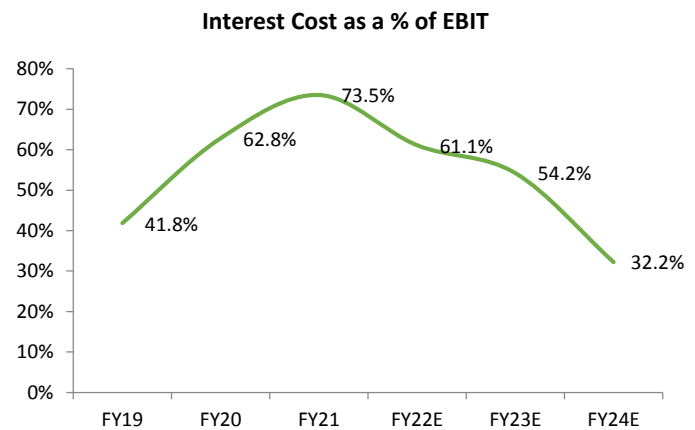
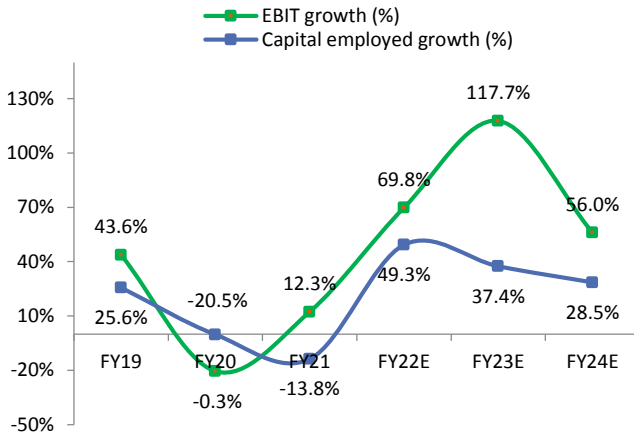
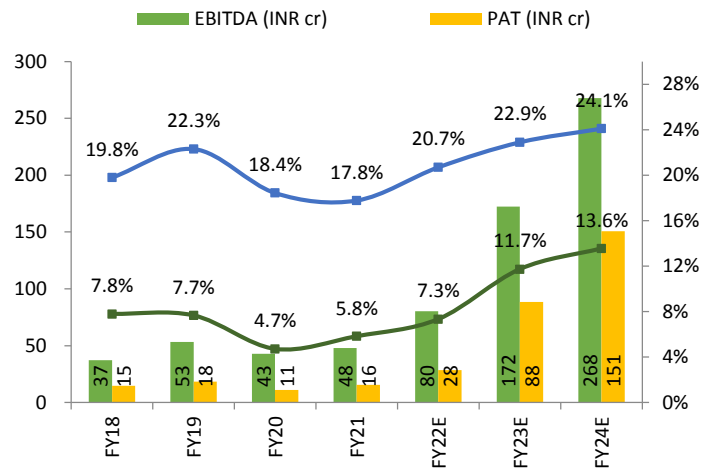
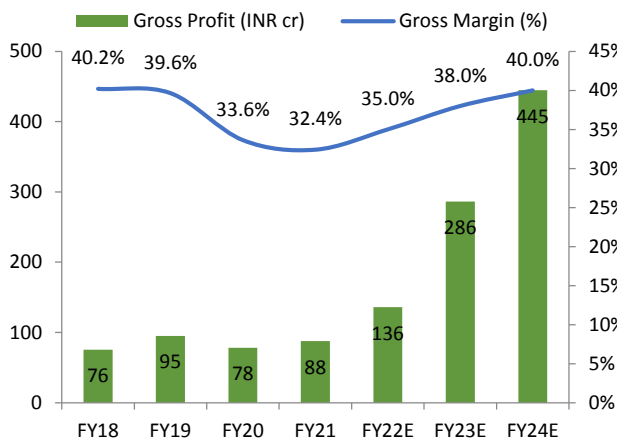
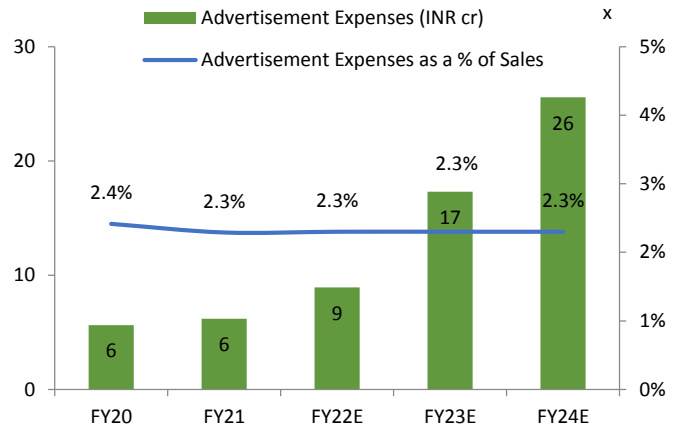
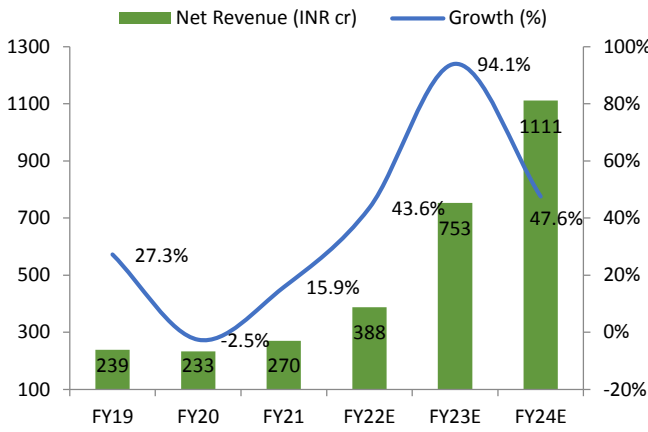
Source: Ace Equity, Arihant Capital Research

Peer Comparison



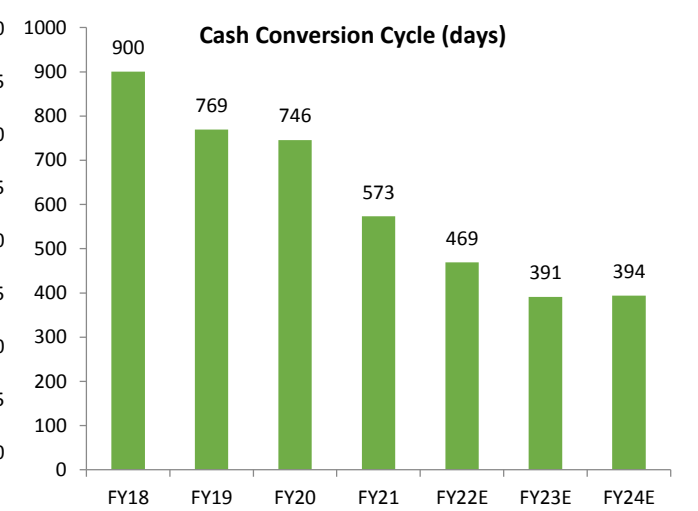
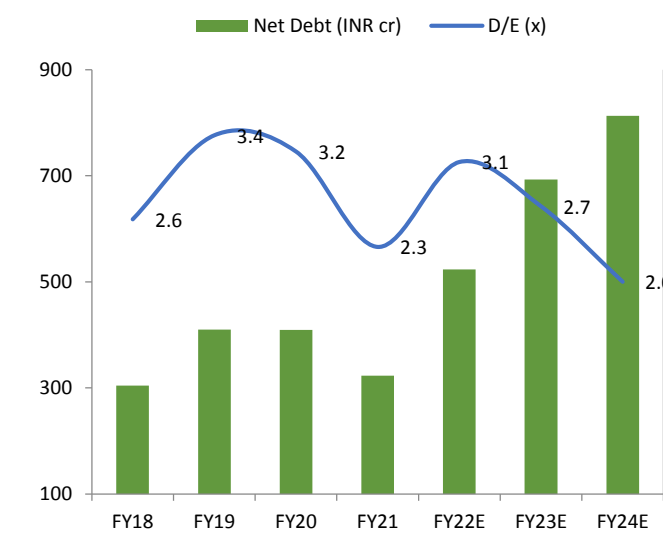
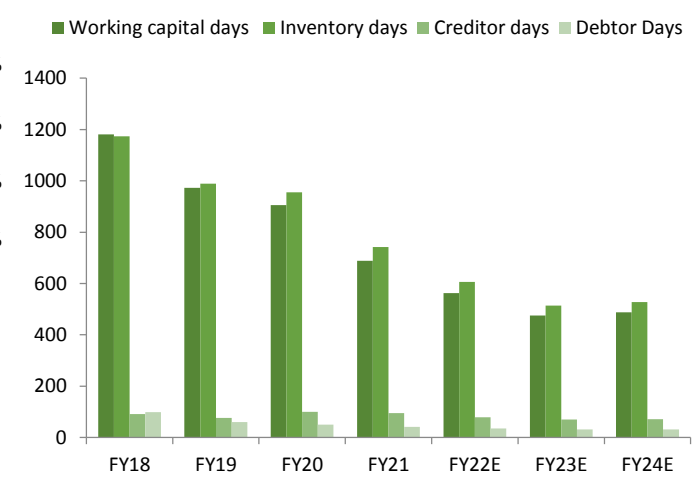
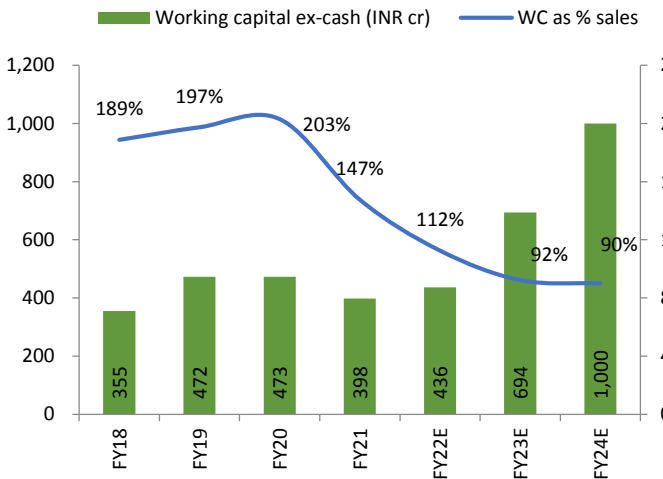
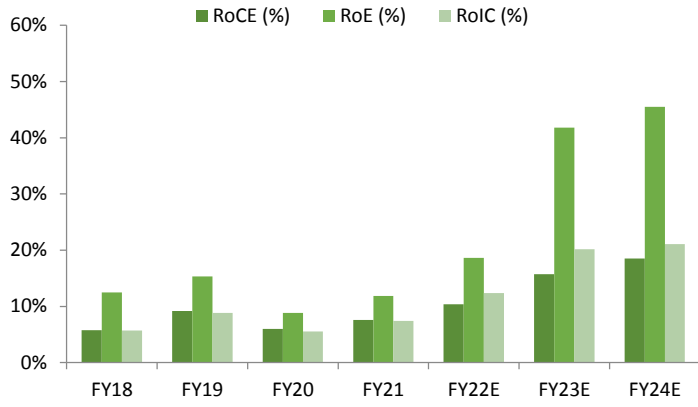
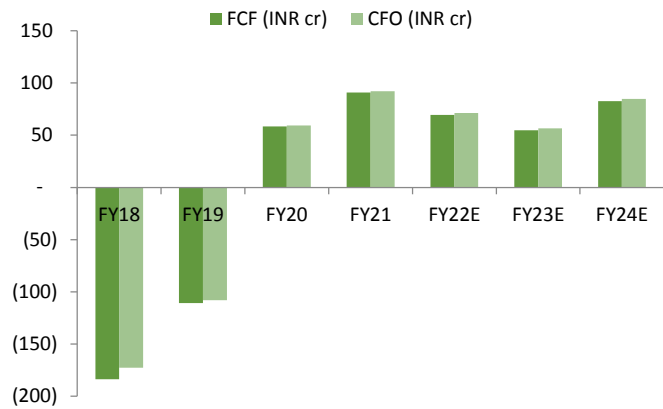
Source: Bloomberg, Arihant Capital Research

Story In Charts



Source: Company, Arihant Capital Research

Story In Charts



Source: Company, Arihant Capital Research

## Financial Statements

## Income statement summary

Y/e 31 Mar (INR cr)	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Revenue</b>	<b>188</b>	<b>239</b>	<b>233</b>	<b>270</b>	<b>388</b>	<b>753</b>	<b>1,111</b>
Net Raw Materials	112	144	155	183	252	467	667
Advertisement Expenses	-	-	6	6	9	17	26
Employee Cost	13	14	13	12	17	35	54
Other Expenses	26	28	17	21	29	61	97
<b>EBITDA</b>	<b>37</b>	<b>53</b>	<b>43</b>	<b>48</b>	<b>80</b>	<b>172</b>	<b>268</b>
<b>EBITDA %</b>	<b>19.8%</b>	<b>22.3%</b>	<b>18.4%</b>	<b>17.8%</b>	<b>20.7%</b>	<b>22.9%</b>	<b>24.1%</b>
Depreciation	(1)	(2)	(2)	(2)	(2)	(3)	(3)
Interest expense	(15)	(32)	(30)	(28)	(42)	(55)	(68)
Other income	1	4	5	2	3	4	6
Share of profits associate & JV	-	-	-	-	-	-	-
<b>Profit before tax</b>	<b>22</b>	<b>23</b>	<b>16</b>	<b>20</b>	<b>38</b>	<b>119</b>	<b>204</b>
Taxes	(7)	(4)	(5)	(4)	(10)	(31)	(53)
<b>PAT</b>	<b>15</b>	<b>18</b>	<b>11</b>	<b>16</b>	<b>28</b>	<b>88</b>	<b>151</b>
Minorities and other	(2)	(5)	(6)	(5)	-	-	-
<b>Net profit</b>	<b>13</b>	<b>13</b>	<b>5</b>	<b>11</b>	<b>28</b>	<b>88</b>	<b>151</b>
<b>EPS</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>7</b>	<b>21</b>	<b>37</b>

Source: Company reports, Arihant Capital Research

## Balance sheet summary

Y/e 31 Mar (INR cr)	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Equity capital	41	41	41	41	41	41	41
Reserves	76	80	86	98	126	214	365
<b>Net worth</b>	<b>118</b>	<b>121</b>	<b>127</b>	<b>139</b>	<b>167</b>	<b>256</b>	<b>406</b>
Provisions	6	7	1	1	0	1	1
Debt	305	410	409	323	523	693	813
Other non-current liabilities	0.1	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>428</b>	<b>538</b>	<b>537</b>	<b>463</b>	<b>691</b>	<b>949</b>	<b>1,220</b>
Fixed assets	10	11	9	9	9	8	7
Other Intangible assets	0.1	0.1	0.0	0.1	0.1	0.1	0.1
Investments	52	40	42	43	39	60	89
Other non current assets	-	0.0	0.1	0.2	0.4	0.8	1.1
<b>Net working capital</b>	<b>189</b>	<b>317</b>	<b>270</b>	<b>196</b>	<b>155</b>	<b>190</b>	<b>258</b>
Inventories	361	422	388	355	484	831	1,096
Sundry debtors	51	28	35	26	48	83	107
Loans & Advances	3	20	25	5	8	15	22
Other current assets	21	34	33	37	53	93	122
Sundry creditors	(38)	(40)	(63)	(53)	(80)	(143)	(185)
Advance from Customers	(200)	(144)	(144)	(170)	(349)	(678)	(889)
Other current liabilities & Prov	(10)	(3)	(3)	(3)	(8)	(11)	(14)
Cash	12	15	11	12	206	186	123
Other Financial Assets	8	0	10	3	9	15	19
Land	158	155	193	200	272	489	722
<b>Total Assets</b>	<b>428</b>	<b>538</b>	<b>537</b>	<b>463</b>	<b>691</b>	<b>949</b>	<b>1,220</b>

Source: Company reports, Arihant Capital Research



## Financial Statements

## Cashflow summary

Y/e 31 Mar (INR cr)	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Profit before tax	22	23	16	20	38	119	204
Depreciation	1	2	2	2	2	3	3
Tax paid	(7)	(4)	(5)	(4)	(10)	(31)	(53)
Working capital Δ	(189)	(128)	46	74	41	(34)	(69)
Change in Goodwill	-	-	-	-	-	-	-
<b>Operating cashflow</b>	<b>(173)</b>	<b>(108)</b>	<b>59</b>	<b>92</b>	<b>71</b>	<b>57</b>	<b>85</b>
Capital expenditure	(11)	(3)	(1)	(1)	(2)	(2)	(2)
<b>Free cash flow</b>	<b>(184)</b>	<b>(111)</b>	<b>58</b>	<b>91</b>	<b>69</b>	<b>55</b>	<b>83</b>
Equity raised	108	(12)	(5)	(4)	(0)	-	-
Investments	(52)	11	(2)	(1)	4	(21)	(29)
Others	(166)	11	(47)	0	(79)	(224)	(237)
Debt financing/disposal	305	105	(0)	(86)	200	170	120
Dividends paid	(5)	(2)	-	-	-	-	-
Other items	6	1	(7)	0	(0)	0	0
<b>Net Δ in cash</b>	<b>12</b>	<b>3</b>	<b>(3)</b>	<b>1</b>	<b>194</b>	<b>(20)</b>	<b>(63)</b>
<b>Opening Cash Flow</b>	<b>-</b>	<b>12</b>	<b>15</b>	<b>11</b>	<b>12</b>	<b>206</b>	<b>186</b>
<b>Closing Cash Flow</b>	<b>12</b>	<b>15</b>	<b>11</b>	<b>12</b>	<b>206</b>	<b>186</b>	<b>123</b>

Source: Company reports, Arihant Capital Research

## Ratio analysis

Y/e 31 Mar (INR cr)	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Growth matrix (%)</b>							
Revenue growth	27.3%	-2.5%	15.9%	43.6%	94.1%	47.6%	
Op profit growth	43.5%	-19.5%	11.7%	67.3%	114.7%	55.3%	
<b>Profitability ratios (%)</b>							
OPM	19.8%	22.3%	18.4%	17.8%	20.7%	22.9%	
RoCE	5.7%	9.2%	6.0%	7.6%	10.4%	15.7%	18.5%
RoNW	12.5%	15.4%	8.9%	11.9%	18.6%	41.8%	45.5%
RoA	3.4%	3.4%	2.0%	3.4%	4.1%	9.3%	12.3%
<b>Per share ratios (INR)</b>							
EPS	3.6	4.5	2.7	3.8	6.9	21.5	36.6
Dividend per share	1.2	0.6	-	-	-	-	-
Cash EPS	3.9	4.9	3.2	4.3	7.5	22.1	37.3
Book value per share	28.6	29.4	30.8	33.7	40.6	62.1	98.7
<b>Valuation ratios (x)</b>							
P/E	49.7	39.8	66.3	46.3	25.6	8.2	4.8
P/CEPS	45.6	36.1	55.9	41.0	23.7	8.0	4.8
P/B	6.2	6.0	5.7	5.3	4.4	2.9	1.8
EV/EBIDTA	26.1	20.3	25.2	20.8	12.5	6.8	5.0
<b>Payout (%)</b>							
Dividend payout	33.8%	13.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Tax payout	33.9%	19.3%	29.2%	21.4%	26.0%	26.0%	26.0%
<b>Liquidity ratios (days)</b>							
Debtor days	99	60	50	41	35	32	31
Inventory days	1,173	990	955	742	607	514	528
Creditor days	91	77	99	95	79	70	71
<b>Leverage ratios</b>							
Interest coverage	2.4	1.6	1.4	1.6	1.8	3.1	3.9
Net debt / equity	2.49	3.26	3.14	2.24	1.90	1.99	1.70
Net debt / op. profit	7.86	7.40	9.25	6.48	3.94	2.94	2.58

Source: Company reports, Arihant Capital Research

## Arihant Research Desk

Email: [instresearch@arihantcapital.com](mailto:instresearch@arihantcapital.com)

Tel. : 022-42254800

Head Office	Registered Office
#1011, Solitaire Corporate Park Building No. 10, 1 <sup>st</sup> Floor Andheri Ghatkopar Link Road Chakala, Andheri (E) Mumbai – 400093 Tel: (91-22) 42254800 Fax: (91-22) 42254880	Arihant House E-5 Ratlam Kothi Indore - 452003, (M.P.) Tel: (91-731) 3016100 Fax: (91-731) 3016199

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Research Analyst Registration No.	Contact	Website	Email Id
INH000002764	SMS: 'Arihant' to 56677	<a href="http://www.arihantcapital.com">www.arihantcapital.com</a>	<a href="mailto:instresearch@arihantcapital.com">instresearch@arihantcapital.com</a>

**Disclaimer:** This document has been prepared by Arihant Capital Markets Ltd. This document does not constitute an offer or solicitation for the purchase and sale of any financial instrument by Arihant. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of our company is in any way is responsible for its contents and nor is its accuracy or completeness guaranteed. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Arihant may trade in investments, which are the subject of this document or in related investments and may have acted upon or used the information contained in this document or the research or the analysis on which it is based, before its publication. This is just a suggestion and Arihant will not be responsible for any profit or loss arising out of the decision taken by the reader of this document. Affiliates of Arihant may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. No matter contained in this document may be reproduced or copied without the consent of the firm.

Arihant Capital Markets Ltd.  
1011, Solitaire Corporate park, Building No. 10, 1st Floor,  
Andheri Ghatkopar Link Road, Chakala, Andheri (E)  
Tel. 022-42254800 Fax. 022-42254880