

ADITYA BIRLA



SH/XII/2023

07th February, 2024

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Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th floor,
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Bandra (East), Mumbai-400 051.
Scrip Code: CENTURYTEX

Dear Sir/ Madam,

Sub: Transcript of Q3FY24 Earnings Conference Call of Century Textiles and Industries Limited ('the Company')

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

Pursuant to Regulation 30 of Listing Regulations, please find attached transcript of the Q3FY24 Earnings Conference Call conducted on 02nd February, 2024 at 04:00 pm IST after the meeting of the Board of Directors of the Company held on the same day itself.

This is for your information and record.

The above information is also available on the website of the Company: www.centurytextind.com.

Thanking you,

Yours truly,
For **CENTURY TEXTILES AND INDUSTRIES LIMITED**

ATUL K. KEDIA
Sr. Vice President (Legal) & Company Secretary
Encl: as above





“Century Textiles and Industries Limited 3QFY24 Earnings Conference Call”

February 02, 2024



MANAGEMENT: **MR. R. K. DALMIA – MANAGING DIRECTOR, CENTURY TEXTILES AND INDUSTRIES LIMITED**
MR. VIJAY KAUL – CHIEF EXECUTIVE OFFICER, PULP AND PAPER DIVISION, CENTURY TEXTILES AND INDUSTRIES LIMITED
MR. K. T. JITHENDRAN – CHIEF EXECUTIVE OFFICER, REAL ESTATE DIVISION, CENTURY TEXTILES AND INDUSTRIES LIMITED
MR. SNEHAL SHAH – CHIEF FINANCIAL OFFICER, CENTURY TEXTILES AND INDUSTRIES LIMITED

MODERATORS: **MR. KARAN KHANNA – AMBIT CAPITAL**



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Moderator: Ladies and Gentlemen, Good day and welcome to Century Textiles and Industries Limited Q3FY24 Earnings Conference Call hosted by Ambit Capital.

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 this conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Karan Khanna from Ambit Capital. Thank you and over to you, sir.

Karan Khanna: Thank you and good afternoon, everyone. On behalf of Ambit Capital, I welcome you all to the Q3FY24 Earnings Call for Century Textiles and Industries Limited.

From the Management Team today we have Mr. R. K. Dalmia – Managing Director, Mr. Vijay Kaul – Chief Executive Officer of the Pulp and Paper Division, Mr. K. T. Jithendran – Chief Executive Officer of the Real Estate Division and Mr. Snehal Shah – Chief Financial Officer of the Company.

I will now hand over the call to the Management Team for the “Opening Remarks” post which we can start the Q&A session. Thank you and over to you.

R. K. Dalmia: I am R. K. Dalmia. Good evening everyone and welcome to the Earnings Conference Call for the 3rd Quarter of the Financial Year 2024.

Let me first take you all through the Financial Highlights followed by the business wise operational highlights:

For the 3rd Quarter of the Financial Year 2024 the consolidated turnover stood at Rs. 1,179 crores. The EBITDA for the quarter grew by 124% year-on-year to Rs. 204 crores with EBITDA margin reported at 17.3% while the net profit grew by over 10 times year-on-year to Indian rupees 80 crores.

The multifold increase in our EBITDA and net profit this quarter were driven by an excellent overall performance by the real estate and improved performance as significant cost savings measures by our Pulp and Paper division. For the 9-months period of the Financial Year 2024, the consolidated turnover stood at Rs. 3,373 crores, the EBITDA reported at Rs. 384 crores with EBITDA margin of 11.4% with a net profit of Rs. 40 crores.

Now let me take you through some of the “Key Highlights” across our three business verticals starting with the real estate business:



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During Q3 FY-24, the real estate sector continued to experience consistent growth owing to robust economic growth as enthusiastic consumer demand with a significant trend in rising demands for premium and luxury homes offering superior amenities and executive design.

The Q3 FY-24 the revenue of Birla Estates grew by 139% year-on-year and 115% quarter-on-quarter to Rs. 86 crores. The additional other income of Rs. 78 crores from sale of TDR have brought the EBITDA to Rs. 63 crores. We have achieved bookings worth Rs. 189 crores in Q3 FY24 at our already launched projects while collection were Rs. 182 crores from all projects during the quarter.

During the quarter, we received OC of two blocks of Birla Alokya Bengaluru. While we have initiated our first set of handovers marking a major milestone in our journey, we have received excellent feedback on the product from customers who have already taken up the possession. We have also received OC in January 24 for 4 buildings at 'Birla Vanya Kalyan and at Birla Navya Gurgaon and the hand over can commence shortly in both the projects.

The new phased launch of Birla Niyaara at Worli Mumbai is slated for launch in Q4. In other update Birla Tisya Bengaluru was honored "5 Golden Star Awards by National Safety Council" recognizing the excellence and exceptional performance in "Occupational Safety and Health Management System". Additionally, Birla Navya Gurgaon received the "National EHS Award" from Global Safety Summit, hosted by World Safety Forum London UK.

Lastly, our commercial project Birla Aurora completed a 100% transition to Green Energy, reiterating our commitment to a more environmentally sustainable future. Overall, the premium of luxury residential market is witnessing a remarkable surge in demand, steady interest rates and positive consumer sentiments towards upgrading the bigger configuration and better lifestyle is poised to drive sales to new heights in Q4.

Our endeavor of building a superior brand with focus on the premium and luxury segment perfectly aligned with the escalating interest of buyers in premium housing.

Now moving on to the Pulp and Paper segment:

The Paper board and tissue prices are more or less stable. However, imported Pulp prices, wood and coal prices are showing an increasing trend. For Q3 FY-24, the overall capacity utilization was 104% as compared to 89% in Q2 FY-24, both production and sales volumes increased by 16% and 11% respectively over the previous quarters. While sales turnover increased by 10% to Rs. 881 crores over the last quarter despite marginal reduction in NSR, EBITDA increased by around 74% to Rs. 132 crores with EBITDA margin reported at 15% vis-a-vis 9.5% last quarter.



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Segment-wise Paper EBITDA remained almost constant at Rs. 12 per kg, Board turned positive to Rs. 6 per kg after being negative in the last four quarters and tissue improved to Rs. 25 per kg from 20 in the last quarter. Overall, EBITDA was Rs. 11 per kg from Rs. 7 per kg in the last quarter. We hope to achieve more than Rs. 11 per kg in the last quarter. Various measures like technology upgradation, production enhancement and other cost reduction initiative have been taken to improve sales and reduce cost of production for the quarter leading to healthy financial performance.

Export volumes in both writing and printing Paper and copier Paper increased towards the end of Q3. Export demand in tissue segment remains subdued due to crashing price in UAE, while export demand from Europe, USA was showing an increasing trend. Although disturbances in that Suez canal or cost concern about supply chain disruption resulted in increased price of raw materials.

The Company set up a new QSC at Bhiwandito further strengthen service to West zone customer, and we also signed a declaration for providing direct wood to CPP by farmers to secure raw material supply. There were 5.2 million plantation of eucalyptus and poplar seedling and clones carried out in this financial year till date.

Our market outlook:

Writing and printing demand is expected to stabilize due to a government tender in Q4 FY-24. While copier demand is expected to increase in Q4 due to seasonality, we expect consistent demand in the tissue segment in Q4 although imports are foreseen. Due to lower import prices our focus will be more on domestic sales for better realization. In the board segment despite rise in lower price import, demand is expected to remain stable due to rise in pharma, FMCG and F&B demand in Q4.

Lastly, talking about the textile division for the 3rd Quarter under review net sales were at Rs. 197 crore with the EBITDA loss of Rs. 19 crores. Q3 FY- 24 overall production and sales volume decreased by 4% and 11% respectively over previous quarters. Sale turnover also decreased by 14% over the previous quarter.

The apparel fabric segment experienced a subdued demand with downward shift in consumer spending on garment and textiles even during festive season. Home textile segment has only seen marginal improvement in the US market with retailers demanding replacement and new products for the upcoming season.

Inventory have reduced significantly on account of Black Friday and Christmas sales. Our collaboration with UK based textile organization focusing on sustainable product range had been



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successful and may likely result in the bulk order in near future. On the sustainability front we conducted an awareness program on women health and hygiene in 5 villages of Jhagadia Taluka.

The change in consumer spending dynamics have impacted the entire value chain of Indian organized production house leading to high inventory eventually causing financial crunch. We have restructured our operation by increasing outsource fabric activity while keeping the important final processing and finishing activity in house. We have also shifted our focus on new technical collaboration for NPD and VAP.

With that, I now conclude the opening remarks and we can start the question-and-answer session. Thank you sir. Over to you, Karan.

Moderator: Thank you very much. We will now begin with the question-and-answer session. We take the first question from the line of Dixit Doshi from Whitestone Financial Advisors. Please go ahead.

Dixit Doshi: I have two questions. First, on the real estate side, so earlier we were mentioning that in the H2 there will be delivery of three projects, and we would be recording almost 1,700, 1,800 crore kind of revenue. So, has that been delayed because nothing has come in the Q3 and will everything come in the Q4?

K. T. Jithendran: So, there's been a slight delay in some of the projects, but we have got OC's for few of the phases of all the three projects is supposed to deliver. So, we're pretty hopeful of clocking this in current quarter Q4.

Dixit Doshi: So, entire will come in Q4 or you expect that some might go into the Q1 next year as well?

K. T. Jithendran: There may be a slight possibility of a spillover, but most of it should come in this quarter.

Dixit Doshi: And what kind of margins we are expecting there?

K. T. Jithendran: So, usually our margins are close to about 30% plus.

Dixit Doshi: Like the EBITDA margin you are speaking?

K. T. Jithendran: Yes.

Dixit Doshi: Now my second question is regarding the new launches. So, just the confirmation to this Niyara Tower 2 we have already launched, or we are going to launch in next couple of months and there were two, three more launches we were planning, I think the RR Nagar, Bangalore, Walkeshwar and new phase in Gurgaon. So, any update on that?



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K. T. Jithendran: So, we are in the process of launching Niyara Tower B. We got the RERA the market warming up is going on. Before the end of this month itself I think we will be launching it. As far as RR Nagar is concerned, we are waiting for RERA. Pretty confident that we should get the RERA this month and we're launching it late Feb or early March.

Walkeshwar is touch and go we have hoping to get it and maybe we'll try to launch it in March again in the last stages. Delhi, I think it is still stuck in that process. So, Delhi will not happen this quarter. Delhi looks like next year. I mean Delhi means what I meant is Gurgaon the last phase of Gurgaon.

Moderator: Thank you sir. The next question is from the line of Amit Srivastava from B&K Securities. Please go ahead.

Amit Srivastava: Couple of questions on real estate. One is that sir you have booked the TDR sales this quarter. So, just wanted to understand what is this regarding in the past also we have booked this kind of revenue so how much more opportunity we will have on our TDR?

K. T. Jithendran: So, Amit in a textile mill policy you have to give this one-third to the government and MHADA etcetera to BMC etcetera. So, we had some opportunity here and there was a huge deficit in the TDR market. So, we just took an opportunity to take off some of the TDR which was surplus with us. This will keep coming on and off, it's really difficult to put a number on that. So, we just took care of the market demand supply opportunity.

Amit Srivastava: Second sir in terms of the project pipeline which we have shown, one is that we have shown the Birla Niyara Phase-3 in FY25. So, just wanted to understand what is the kind of response you are looking at on our Phase-2 will you go for the Phase-3 or will it be delayed. Second is that in terms of the Thane project we have not disclosed the pipeline even in FY25. So, where we are going delay in that project if you can explain?

K. T. Jithendran: So, Amit, as far as Tower B is concerned now how we perform in Tower B we'll know in a couple of months by March should be pretty clear. So, based on that if we get a pretty strong response to sell 70% of inventory, then of course we'll look very aggressively at launching Tower C also.

Otherwise, we will see to calibrate it maybe in the last quarter of next financial year or we should push it beyond that we'll take a call once the performance on Tower B is assessed, and we get to know about that.

As far as Thane is concerned it's a land, it's a raw industrial land there's a lot of work required to clean it up and so that is in progress, it's progressing well. It's a large piece of land industrial land, conversion and all that has to happen. So, therefore we are a little more circumspect there



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though we may try to launch it next financial year, but it's a touch and go. we may spill over. So, that's why we're not given a very strong guidance on it for next year. It could happen in next year, but more likely to happen in the year after that.

Amit Srivastava: So, basically, we'll have to pay all these charges also in terms of the clearances and everything into that other than the revenue clearances?

K. T. Jithendran: Yes those are some of those expenses that we'll start bearing whatever is required to regularize the land.

Moderator: Thank you. The next question is from the line of Sourav Dutta from Minerva Asset Advisors. Please go ahead.

Sourav Dutta: So, sir according to Slide 23 around 47% of the Pulp and Paper revenue came from Paper. Could you please brief it into copier versus writing and printing?

Vijay Kaul: 30% is about copier. Balance is a non-copier.

Sourav Dutta: Secondly your EBITDA margin in Pulp and Paper rose around 500 bps sequentially and this came at a time when your competitors have faced higher volatility in the prices, they also reported declines in FPV realizations because of the imports which doesn't seem to be the case with you, so I'm just wondering if you could take me through how have you seen increase in board prices sequentially and what specific margin drivers within copy or tissue helped in expanding margins?

Vijay Kaul: I think earlier also during the investor conference call I have said that we have been totally working on the cost reductions and we have had a lot of cost reductions in terms of chemicals and in fact on the packing materials, in fact on the various power. I was telling you that we have been working on the cost reductions and that has been our strength in the last one year and that's why you will find that we have performed slightly better than others in the present circumstances.

Sourav Dutta: But still if I were to calculate the net sales realization for Paperboard specifically it is higher while the usual market reports say that import prices have moved lower. So, is there any particular reason why this increase happened for you?

xVijay Kaul: As I said we have worked on cost reduction everywhere. No realization has not increased to that extent it is just about Rs. 1,000 per ton so that's not an increase at all. It is basically the overall cost reductions in the board which have taken place. For example, Our power consumption earlier used to be about 525 KWH per ton of board production. Today it has



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come down to 435. I'm just giving you one example to show as to how much cost saving has been there in board alone.

Similarly, in case of steam, similarly in case of the productivity, the question is that if you see our quarter average it is more than 16,000 tons every month that means we have produced around 48,000 tons of board which was never produced earlier.

So, the efficiencies in the cost of production and the cost of chemicals and the cost of packing, we made some changes in packing which was unnecessarily a burden to the customer also and to us also. So, both are happy.

Sourav Dutta: Quickly last question, has the wood supply situation improved in Uttarakhand and newer areas for you in the last couple of quarters?

Vijay Kaul: The last quarter our wood supply situation has been quite good, and we have got a good stock of wood now and actually January to March quarter is generally that the wood supply is generally there, but from April to June it's the bad month because it's the harvesting month.

So, the wood supply reduces. So, that's why I have built a stock in such a manner that from April to June I will not have any problems of wood and also we have done certain changes in the Pulping process where I can use different types of woods and I can increase the percentage of certain types of woods which are available in the marketplace. So, that's also a cost reduction element in that.

Sourav Dutta: And how would prices have moved sequentially for you on board and apart from eucalyptus what are the varieties would you be looking at roughly?

Vijay Kaul: We have been using even the poplar, we have started using even the bamboo which earlier the percentage of bamboo was lesser, but now we can go up to 25%, 30% which earlier it was only 15%.

Moderator: Thank you. We take the next question from the line of Mithun Soni from GC Holdings. Please go ahead.

Mithun Soni: Just I wanted to understand on this TDR part. So, like this TDR we are generating from our Worli project and from what I would understand that lot of what we generate we can use in house itself. So, if you can just explain how do we generate that and after using it how much we are left with to sell?

K. T. Jithendran: So, this TDR is basically the land that we have surrendered as part of the mill land development policy to the MCGM. That TDR is generated which you had surplus and we found an opportunity



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in the market there was a huge demand supply gap. So, we sold it to the market to other developers, so we got a good margin and that is the reason why we have sold this TDR. So, it is over and above what we require in our project.

- Mithun Soni:** What you sold is over and above for the tower?
- K. T. Jithendran:** That's right that's correct.
- Mithun Soni:** But sir just to understand when you will make say Tower C, so will you have to rebuy?
- K. T. Jithendran:** No, we don't have to rebuy.
- Mithun Soni:** So, this is over and above the required for Tower B and C put together?
- K. T. Jithendran:** You are right.
- Mithun Soni:** Are we still left with any surplus or more or less?
- K. T. Jithendran:** When it gets generated, here and there we may have a little more surplus so it's difficult to quantify at this point of time. So, often and when we get these generated, accessing the market demand etcetera will take that call.
- Mithun Soni:** We should not build it as a part of the model or the project as such?
- K. T. Jithendran:** No not at all.
- Mithun Soni:** Sir second on the Tower B have you in fact like finalized the price at which you're looking to launch?
- K. T. Jithendran:** No, not yet.
- Moderator:** Thank you. The next question is from the line of Dixit Doshi from Whitestone Financial Advisors. Please go ahead.
- Dixit Doshi:** The question is regarding the real estate division. So, what kind of launches we are planning in FY25?
- K. T. Jithendran:** Plenty of launches Dixit apart from the projects which we are launching currently we have Sarjapur coming up in Bangalore, Wellesley Road coming up in Pune, IHP land coming up in Delhi, Walkeshwar we're trying this quarter if it doesn't, then it may spill over, newer phases of Birla, Trimaya all these are lined up for next financial year from our existing projects and also hoping to finalize.



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- Dixit Doshi:** Roughly can you quantify the value of launch in FY25?
- K. T. Jithendran:** Difficult to quantify at this point of time roughly about 8,000 crores to 9,000 crores from your existing one and some newer projects which may happen in the coming quarter and next quarter we may get another about 4,000 crores, 5,000 crores.
- Dixit Doshi:** Whatever new launches you are targeting in FY25 is it 8,000 to 9,000 crores?
- K. T. Jithendran:** From our existing ones plus, we are all continuously looking for new projects. So, some of them may come from there to an addition. This is without taking Tower C into consideration. If based on the performance of Tower B then if Tower C comes that is over and above this there will be another 5,000 crores, 6,000 crores around roughly 5,000 crores.
- Moderator:** Thank you sir. The next question is from the line of Ritwik Sheth from One-Up Financial. Please go ahead.
- Ritwik Sheth:** Sir just one question on the Worli Prabhadevi micro market, what is the kind of absorption on an annual basis you are seeing and what is the kind of growth rate is there in that micro market where our flagship product is there?
- K. T. Jithendran:** As of now there are no immediate launches coming up. In this particular micro market, we are there. Most of the products are either it is nearing completion or with OC, but maybe in the longer term there may be some launches coming up in Worli Sea Face. There are two or three projects slated to come there prestige projects closer to the racecourse etcetera, but of this stature, of this kind of size that we have I don't see any serious competition to this project.
- Ritwik Sheth:** Any sense on the annual absorption in that micro market Prabhadevi, Worli towards near the race course that particular thing?
- K. T. Jithendran:** I don't have any ready numbers as of now, but I can get back to you on that.
- Moderator:** Thank you. The next question is from the line of Himanshu Zaveri from Dhruv Gems. Please go ahead. We take the next question from the line of Deep Mehta from Bank of India Mutual Funds. Please go ahead.
- Deep Mehta:** One quick question, how is our BD pipeline shaping up and what can be the target for FY24 and FY25 for real estate project?
- K. T. Jithendran:** So, far in FY24 we have finalized projects worth about gross development value of 16,000 crores. We have again very strong pipeline and we are hoping that we will be able to conclude a few more projects. I mean, it may happen in Q4 or may spill over to Q1, but very strong proposals



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are there in each of these micro markets that we have chosen. So, our target will continue to strike deals in the range of about 20,000 crores per annum going forward also.

Deep Mehta: So, FY25 also we are targeting 20,000 crores?

K. T. Jithendran: Yes sure.

Moderator: Thank you. The next question is from the line of Nirav Savai from Abakkus AMC. Please go ahead.

Nirav Savai: Most of my questions have been answered. Just one thing in terms of the BD pipeline you said so what would be the quantum of deals which you are looking out for would it be 500,1,000, 2,000, 5,000 crores or any color if you can just give on that?

K. T. Jithendran: Largely we're looking at deals in the range of 1,500 crores and above unless some very specific location specific high visibility trophy projects are there, but typically would look at 1,500 plus GDV projects.

Nirav Savai: This would be largely joint development, or would we be buying land or how do we see this?

K. T. Jithendran: Both mix of JDA and we are flexible there, JDA or outright, we'll look at a judicious mix of both.

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

Abhinav Bhandari: Just two questions. One is how much is the pending payment relating to the land of the various projects that we acquired thus far?

And the second question is how much should be the construction spent for this fiscal and next fiscal if you could give some direction on that?

K. T. Jithendran: So, pending land I think most of the land we are fully paid for except Thane. So, that will happen over 4 years, 5 years. We haven't even started paying for that, that will start paying once we start the regularization of the land right now the spend is largely on the regularization of the land. So, that's about 600 crores balance.

Abhinav Bhandari: Is it equal tranches or typically the bulk amount goes out first just trying to understand that?

K. T. Jithendran: More or less is like spread first branch is 200 crores, the rest is spread and there is a 1% at the end of a developed share. So, it's largely unequal proportion and construction cost spend I think. I mean that's the number we need to compute. So, we can get back to you on that.



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Abhinav, just one point mostly we are cash neutral in all our projects. There is nothing as of required largely it is funded by our customer receipts except Kalyan where there is a little bit of the funding required, but otherwise almost all our projects are largely funded through customer receipts.

Moderator: Thank you. We take the next question from the line of Jeet from Pinpoint Asset Management. Please go ahead.

Jeet Shah: Sir, if I listen properly you mentioned you expect business development of about 20,000 crore this year and next year. So, on the back of this what kind of pre sales ramp up do you expect because you've done around 1,100 crore for 9-months this fiscal. So, how should this move up assuming you're able to launch your projects on the timeline that you're envisaging?

K. T. Jithendran: We are crossing more than 3000 crores of sales this year and looking at more doing close to 5,000 crores to 6000 crores next year.

Jeet Shah: And on a portfolio level what kind of EBITDA margins do you expect from these projects?

K. T. Jithendran: 30% to 35%.

Jeet Shah: On average?

K. T. Jithendran: Yes.

Moderator: Thank you. The next question is from the line of Karan Mehta an Individual Investor. Please go ahead.

Karan Mehta: I just have one question on Paper business. So, what would be our full year margins in the Paper segment and our margin outlook in this business for FY25?

Vijay Kaul: Well, this year it will be around 15% or so, for the next year we are still working out the numbers and I think it will take another one month before we can comment on that.

Snehal Shah: Every time people keep on asking about the margins. Quite honestly, we don't look at the margins because if you're calculating percentage on the selling price and generally the cost also moves along with the selling price. So, the right thing to look at is the EBITDA that you get per kg of Paper. So, our aspiration is to be somewhere close to Rs. 15 per kg which is what we feel we should get in the next year. Right now, we are at Rs. 11 per kg.

Moderator: Thank you. The next question is from the line of Saksham Mongia from Ambit Capital. Please go ahead.



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- Saksham Mongia:** My question is related to the real estate sector in the previous call it was mentioned that our leasing rental is about Rs. 190 per square feet. As per the latest reported news at Barclays rented a space in Worli for Rs. 320 per square feet. Do you anticipate the possibility of a steep rental hike in our leasing portfolio considering the potential mark-to-market opportunities?
- K. T. Jithendran:** I mean the rentals have gone up, the vacancies have drastically reduced. We are at 100% occupancy, no immediate releasing or closure is coming up 320 that's a steep thing. I'm not very sure that headline rentals or is there effective rental is what that we need to go into the details. I don't have the details, but generally it's looking pretty good the way the market is pretty strong the demand for leasing.
- Moderator:** Thank you. The next question is from the line of Depesh Kashyap from Invesco. Please go ahead.
- Depesh Kashyap:** Sir, I just wanted to be sure if I heard correctly you're still maintaining your pre sales guidance of 3,000 crore this year?
- K. T. Jithendran:** Yes.
- Depesh Kashyap:** So, in 9-months you have done just 1,100 crores so in next 2 months you are expecting around 2,000 crores further sales?
- K. T. Jithendran:** Depesh you are well aware that most of the real estate sales happened during launch. Even if you look at our 1,100 crores, it mostly happened in Q2 when we launched Trimaya Phase 1 where we did 550 crores.
- So, I'm hoping that when we do Niyaara Tower B, and we will do the RR Nagar together there are about 6,000 crores. If we do reasonably well we should be able to strike this target.
- Depesh Kashyap:** So, till now you have a RERA approval only for Niyaara 2, right for RR Nagar and for Walkeshwar the RERA is still awaited?
- K. T. Jithendran:** You are absolutely right, but we are hoping to get the RR Nagar RERA this month.
- Depesh Kashyap:** And sir any color you can give on Niyaara Phase-2 like what price point are you looking at because I think the Niyaara 1 is showing at around 80,000 per square feet if I am correct?
- K. T. Jithendran:** Yes 80,000, 85,000 we are selling now in the last we sold at 85. Yes similar range because it is at launch so around similar range is what we are expecting.
- Depesh Kashyap:** And sir how much units are there in Niyaara Phase-2?
- K. T. Jithendran:** 149 units.



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- Depesh Kashyap:** And lastly sir any color on the collection that you are looking at in this year till now you have done 800 odd crores, what is the expectation?
- K. T. Jithendran:** Looking around 1,500 crores.
- Moderator:** Thank you. The next question is from the line of Himanshu Zaveri from Dhruv Gems. Please go ahead.
- Himanshu Zaveri:** So, in the presentation we have shown a booking potential of around 45,000 crores. So, that includes all the projects shown in the presentation along with the commercial projects of Niyara?
- K. T. Jithendran:** Not commercial.
- Himanshu Zaveri:** Niyara means the whole project of the 40 mega plot what we are building on right?
- K. T. Jithendran:** Yes.
- Himanshu Zaveri:** So, that doesn't include the west plot which you have shown in the presentation on the first week of January which you have shown right, 1.5 million square feet?
- K. T. Jithendran:** Right.
- Himanshu Zaveri:** That is separate right?
- K. T. Jithendran:** Yes.
- Himanshu Zaveri:** So, that is also a residential one which is going to come out?
- K. T. Jithendran:** As of now it is yes.
- Himanshu Zaveri:** Residential right?
- K. T. Jithendran:** Yes.
- Himanshu Zaveri:** And my line got disconnected so I just want to know what is the news on the business development front like I haven't heard anything in a while, so we can expect this year like any update or next year 20,000 crores like what is the update?
- K. T. Jithendran:** I was just mentioning a while before the Depesh we have already finalized in this financial year projects worth 16,000 crore GDV. We have several proposals in all geographies Bombay, Delhi and Bangalore and Pune. Now negotiations are going on, due-diligence are going on. We expect



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few of them to happen this quarter maybe some of them may spill over to next quarter, but we are quite hopeful that we will be doing some very good deals in the next few months.

Himanshu Zaveri: And one more question. So, if I see a GDV it's around 45,000 crores and we are supposed to sign another 20,000, 25,000 crores according to what we are projecting, right?

K. T. Jithendran: Yes.

Himanshu Zaveri: The West plot and etcetera what we have. The other one is separate.

K. T. Jithendran: As I mentioned 16,000 we have already signed. So, we're expecting another 3,000, 4,000. I mean as per our target with the 20 we have done 16 and maybe another 20,000 next year.

Himanshu Zaveri: So, what of my question is that sir if we are like 65,000, 70,000 crores of GDV we have on hand. So, shouldn't we like now going at the rate of slowly at the rate of 10,0000, 15,000 crores a year in the next 2 years, 3 years because now we have a huge GDV which is there in our hands, right?

K. T. Jithendran: See the idea is that we should constantly have inventory to sell. So, if I have a GDV which I can't launch now, but is it 3 years, 5 years down the line that GDV is not effective GDV for me. I would like to launch projects worth 15,000, 20,000, 25,000 every year. So, that's what I'm looking at.

So, the project which I am going to have sequential. I'm going to launch it because of managing supply. I have like in Thane I can't launch if I have even let's say 5 million, but I can't launch all of 5 million tomorrow.

So, I would like to have many projects which I can launch simultaneously so that my annual sales can go up. So, just saying GDV is 45, 50, 60 that doesn't mean much to me. I should have enough projects to launch every year simultaneously.

Himanshu Zaveri: So, what I heard sir is that next year you're projecting 5,000, 6000 crores of sales. So, in the next 2 years to 3 years should we be there around 10,000 crores sales a year?

K. T. Jithendran: Yes absolutely.

Himanshu Zaveri: Couple of years or next 3 years?

K. T. Jithendran: Yes absolutely.

Himanshu Zaveri: And the Niyara project you said Phase-2, you said only 149 units, so from what I assume you are going to make only 4 bed rooms, 5 bed rooms, 6 bed rooms is it because the first phase had 2 bed rooms, 3 bed rooms?



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- K. T. Jithendran:** We are largely having 4 and 5 here and it's a few large 3 bed rooms.
- Himanshu Zaveri:** In the second phase, is it?
- K. T. Jithendran:** That's correct.
- Himanshu Zaveri:** So, we'll be having premium you are targeting a premium segment which is hot right now?
- K. T. Jithendran:** Totally luxury ultra luxury.
- Himanshu Zaveri:** And any response like pre-launch or anything has happened or nothing is such right now?
- K. T. Jithendran:** No, we got the RERA. We started warming the market. It's an extremely strong response, but fingers crossed.
- Moderator:** Thank you. We take the next question from the line of Jeet Shah from PinPoint Asset Management. Please go ahead.
- Jeet Shah:** Sir, out of the 7,500 crore of ongoing projects how much is sold and what would be the inventory in hand right now?
- K. T. Jithendran:** We have sold about 6,300.
- Jeet Shah:** So, existing inventory is only 800 odd crores?
- K. T. Jithendran:** Hardly any inventory left except the Kalyan we have about 2,00 crores otherwise most of the places the percentage inventory is in single digits.
- Jeet Shah:** And sir based on the new launch that you're expecting this quarter broad basis how much percentage would you expect to get sold?
- K. T. Jithendran:** Sorry, you're saying what percentage of the new launch do you expect to sell?
- Jeet Shah:** Yes.
- K. T. Jithendran:** I am hoping depending on when we get the RERA for RR Nagar, if you have enough time then I think 50% of these should not be a big challenge in today's market considering the locations and the product that we have.
- Jeet Shah:** And sir more long-term question on strategies. So, now you have presence across multiple cities. So, do you intend to try and scale up and win more market share in any particular city or would



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you want to be opportunistic in terms of business development and like have a fair presence everywhere kind of?

K. T. Jithendran:

As of now we are very clearly focused to increase and establish and to rather consolidate our footprint in these four markets. I think these four markets still have the largest amount of opportunities among all other cities in India.

So, we want to really establish ourselves. I think that's the clear short-to-medium term strategy and we will keep reviewing this every couple of years and also we wonder how the market evolves. We're also looking at entering the commercial market in a much bigger way at the opportune time when we have enough of fund flow or tie ups with large platforms etcetera. So, that's the medium-term strategy for us.

Jeet Shah:

And one last question is for the textile business. So, it's been EBITDA negative for a few quarters. So, any thoughts there in the sense that should one expect a reversal in margins per se?

R. K. Dalmia:

It depends on the market how the market improves. So, this quarter, running quarter we hope market should improve. So, we may do better, but all depend on the markets and demand supply.

Jeet Shah:

But sir does it make sense running the business when you're burning cash there?

Snehal Shah:

So, the thing is I'm sorry I didn't get your name Jeet. So, Jeet I don't know how much you're following the Company, but in the last second quarter we decided to get rid of our spinning and weaving units and move to a completely outsource model so that we could at least save costs etcetera and all that and we were going for 100% outsourcing model.

So, now over the next the last quarter and the quarter before that we have seen that we have not been able to really scale up to 100%, markets are not so good etcetera. So, we are doing a wait and watch approach and probably so Jeet yes so in continuing so we are keeping a wait and watch I mean because we are not reaching our entire full capacity plus we are also spending money on providing VRS etcetera to the people that we are reducing.

So, the losses are mounting. We are keeping a wait and watch if the markets we feel that unless it improves and if it doesn't improve probably somewhere down the line we may take some other calls.

Moderator:

Thank you. The next question is from the line of Himanshu Zaveri from Dhruv Gems. Please go ahead.



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Himanshu Zaveri: I just wanted to ask now the real estate business is when it stands up on its own feet maybe in a couple of years down the line. So, the real value for the shareholders should be when we would demerge the business. So, are we looking at doing anything 2 years, 3 years down the road?

Snehal Shah: Every quarter this question comes up and you yourself mentioned that it has to stand on its own feet in the next 2 years, 3 years. So, once that happens so right now it is on its feet with respect to the projects that it has launched, but it is not on its feet yet in terms of growth capital as K.T was mentioning he has plans for 20,000 crores GDV every year which will require substantial cash and support from the parent Company as well as the cashcow that is the Paper business.

So, yes 2 years, 3 years down the line when we see them perfectly on their own we will certainly look at unlocking value of both the business.

K. T. Jithendran: Yes. I just wanted to make one clarification which was the response to Depesh Kashyap's question on the GDV was 45,000 that includes Worli West also 1.5 million square feet from Worli West.

Moderator: Thank you, sir. As there are no further questions. I would now like to hand the conference over to the management for closing comments.

R. K. Dalmia: Thank you all for participating in this earning concall. If you have any further questions or would like to know more about the Company, please reach out to our IR manager at Valorem Advisors. Thank you for your support and confidence in the Company.

Moderator: Thank you, sir. On behalf of Ambit Capital that concludes this conference. Thank you for joining us and you may now disconnect your lines.