

# Brigade Enterprises Limited

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9<sup>th</sup> February, 2024

Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai - 400 051

Department of Corporate Services - Listing  
BSE Limited  
P. J. Towers  
Dalal Street,  
Mumbai - 400 001

**Re.: Scrip Symbol: BRIGADE/Scrip Code: 532929**

Dear Sir,

**Sub: Transcript of Conference Call on the Company's Q3 FY-2024 Earnings - 7<sup>th</sup> February, 2024:**

We are enclosing herewith the transcript of the Conference Call on the financial and operational performance of the Company for Q3 FY24 held on Wednesday, 7<sup>th</sup> February, 2024.

Kindly take the same on your records.

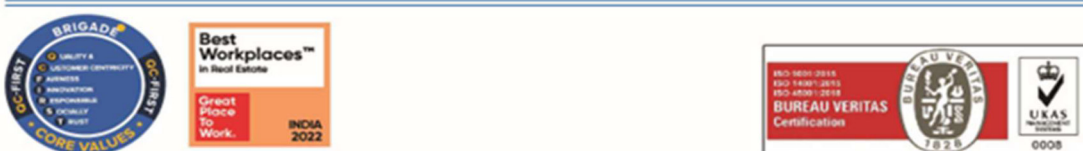
Thanking you,

Yours faithfully,

For **Brigade Enterprises Limited**

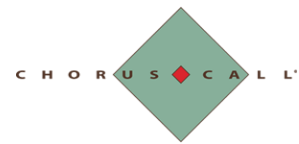
**P. Om Prakash**  
Company Secretary & Compliance Officer

Encl.: a/a





“Brigade Enterprises Limited  
Q3 FY24 Earnings Conference Call”  
February 07, 2024



**MANAGEMENT: MR. M.R JAISHANKAR – EXECUTIVE CHAIRMAN –  
BRIGADE ENTERPRISES LIMITED  
MS. PAVITRA SHANKAR – MANAGING DIRECTOR –  
BRIGADE ENTERPRISES LIMITED  
MS. NIRUPA SHANKAR – JOINT MANAGING DIRECTOR  
– BRIGADE ENTERPRISES LIMITED  
MR. ROSHIN MATHEW – WHOLE-TIME DIRECTOR –  
BRIGADE ENTERPRISES LIMITED  
MR. AMAR MYSORE – EXECUTIVE DIRECTOR –  
BRIGADE ENTERPRISES LIMITED  
MR. PRADYUMNA KRISHNAKUMAR – EXECUTIVE  
DIRECTOR – BRIGADE ENTERPRISES LIMITED  
MR. ATUL GOYAL – CHIEF FINANCIAL OFFICER –  
BRIGADE ENTERPRISES LIMITED**

**Moderator:**

Ladies and gentlemen, good day, and welcome to the Q3 FY24 Earnings Conference Call of Brigade Enterprises Limited. We have with us today on the call, the management of Brigade Enterprises Limited. As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. M.R. Jaishankar, Executive Chairman. Thank you, and over to you, sir.

**M R Jaishankar:**

Thank you. Good afternoon, ladies, and gentlemen. I welcome you all to the Brigade Enterprises Q3 financial year '24 earnings call. I'm joined by our Managing Director, Ms. Pavitra Shankar; and Joint Managing Director, Ms. Nirupa Shankar; our Executive Directors, Mr. Roshin Mathew; Mr. Amar Mysore, Mr. Pradyumna Krishnakumar; CFO, Atul Goyal, and members of the senior management team.

I'm happy to share the following highlights. We are happy to report that we have witnessed healthy growth across business verticals and have recorded the highest ever quarterly sales of INR1,524 crores. Our revenue has grown by 41%, and profit after tax is up by 31% in comparison with Q3, FY23.

The residential business is riding on a wave of favourable conditions, supported by a strong launch pipeline for the next four quarters. Our office business recorded the best leasing quarter post-COVID and aim to finish strong in the financial year. Furthermore, our commercial leasing business has seen good traction, and hospitality has continued to show very good traction.

With a robust pipeline of launches in Bengaluru, Hyderabad, and Chennai, we are confident that we will sustain the momentum. We have witnessed MoUs with the government of Tamil Nadu to invest INR3,400 crores in the state with a potential employment for around 25,000 people in our projects over the next three to four years.

The MoU with the CMDA, which is Chennai Metropolitan Development Authority, is for Brigade's expansion in Chennai and setting up two high-rise residential buildings in the IT belt of Sholinganallur with an investment of about INR2,000 crores. The second MoU with the government of Tamil Nadu, ELCOT agency, which entails an investment of around INR1,400 crores for high-rise commercial and residential developments across different micro markets, including Mount Road, which is now known as Anna Salai.

Coming to the residential business. In the residential market, we are pleased to report robust growth, both in terms of pricing and sales volumes. Next launches and under construction projects across all submarkets are witnessing good demand on ground with customer walk-ins and interest generated from digital leads despite more efficient marketing spends.

Customers are willing to spend for more comfortable floor plans, the extra bedrooms, and improved specifications, which has also contributed to acceptance of the price increases taken across the portfolio. Notably, Q3 FY24 stands out as a significant quarter, achieving our highest ever quarterly realization with a net average price realization of INR8,940. Our sales performance reaching 1.65 million square feet represents the strongest third quarter performance compared to previous financial year.

Looking forward, we are optimistic about maintaining this positive momentum. The new launches slated for the final quarter will contribute considerably to ending the financial year on a strong note. As regards Office segment, we achieved the best leasing quarter post-COVID leasing 0.5 million square feet in Q3 FY24, resulting in an impressive 95% occupancy rate across our portfolio, including our SEZ project.

Substantial leasing was done in Brigade Tech Gardens, which is an SEZ project, closing large-sized transactions with marquee tenants. The office leasing revenue also witnessed a substantial 52% year-on-year increase, rising from INR105 crores to INR160 crores, while maintaining a stable rental collection rate of 99%.

With sustained momentum in leasing inquiries, we have an active pipeline for Q4 FY24, positioning the company to conclude the financial year with robust leasing performance. The office sector's demand is expected to remain stable in Q4 FY24 and Q1 FY25 with a projected uptick in Q2 and Q3 in FY25, led by a clearer outlook on the global macroeconomic situation, return-to-office mandates by companies and an increase in business to Indian IT software companies.

Coming to retail. Q3 FY24 marked vibrant celebrations of Diwali and Christmas. Our malls saw an increase in footfalls by 8% over the same quarter last year, accompanied by the highest vehicular entries in December 2023 for two out of our three malls. Categories such as atleisure, jewellery, spa, and salon witnessed a substantial 25% growth. In the F&B category across all malls, there was a 10% growth in Q3 FY24 year-on-year despite a decline in the multiplex categories due to the lack of blockbuster releases.

As regards to hospitality, Q3 FY24 saw the hospitality SBU sustain its growth momentum. We have witnessed improvements across various performance metrics, surpassing both revenue and profit figures from the same period in FY 2023. Notably, revenues have surged by an impressive 22%, ARRs have shown a 7% increase and occupancy has experienced an 8% increase. As a result, adjusted gross operating profit has seen an 18% increase compared to Q3 FY23.

Looking ahead, we have a lineup of corporate travel conferences and social events in the coming period, which is expected to contribute to sustained overall business growth and a robust Q4. This brings me to the end of our operational highlights. Now, our CFO, Atul Goyal, will take you through the financial highlights. Thank you.

**Atul Goyal:**

Thank you, sir, and good afternoon, all. On behalf of the company, we welcome you to the Earnings Call of Q3 FY 2024. Chairman has already shared operational highlights. I'll be sharing some key financial highlights for the quarter and for nine months. All verticals, as Chairman said, has been doing very well, and there has been a steady performance in Q3. The Real Estate segment clocked a turnover of INR839 crores, which has grown by 50% from Q3 FY23.

EBITDA stood at INR73 crores. The Leasing segment clocked a turnover of INR247 crores, whereas the same for Q3 FY23 stood at INR199 crores, a 24% increase in leasing revenue. EBITDA stood at INR179 crores. The Hospitality segment clocked a turnover of INR123 crores, has increase of 22% from the same quarter last financial year. EBITDA was INR45 crores. EBITDA margin stood at 36% in Q3 FY24.

The consolidated revenue for Q3 FY24 stood at INR1,208 crores as against INR859 crores in Q3 FY23 with an EBITDA of INR296 crores. EBITDA margin stood at 25%. Consolidated PAT after minority interest for Q3 FY24 is INR74 crores. Total collections in Q3 FY24 stood at INR1,394 crores. Cash flow from operating activities stood at INR266 crores during Q3 FY24.

Coming to nine months performance, revenue for nine months was INR3,301 crores, an increase of 23% as compared to nine months FY23. EBITDA for nine months FY24 was INR869 crores, which has increased by 16% as compared to nine months FY23. Collections for nine months stood at INR4,078 crores with cash and operating activities of INR985 crores.

Coming to debt and liquidity position, we continue to have adequate liquidity and undrawn credit lines from financial institutions. Our average cost of debt has been at 8.73%, an increase of 108 bps, though repo rate has increased by 250 bps since May '22. Gross debt of the entity stood at INR4,337 crores.

The cash and cash equivalent was INR1,562 crores as on 31st December '23. Consequently, the company's net debt outstanding is INR2,775 crores, out of which BEL's share is INR2,115 crores. Almost 80% of the debt pertains to the commercial portion, which is backed by the rental income. Debt equity ratio stood at 0.69 as of December '23.

Thank you. I hand over back to the moderator for questions.

**Moderator:**

Thank you very much sir. We will now begin the question-and-answer session. The first question is from the line of Karan Khanna from Ambit Capital.

**Karan Khanna:**

Congrats on a record ASP for the quarter. My first question is on the success of your new launches. You launched Brigade Sanctuary two million square feet during the quarter. With volume presales at 1.7 million square feet in this quarter, I just wanted to understand the contribution of Brigade Sanctuaries in this number.

**Pavitra Shankar:**

Karan, yes, actually, from our total sales volume that we did at least 50% of it came from new launches, and Brigade Sanctuary was one of the highest contributors towards this.

**Karan Khanna:** Sure. So as a follow-up, how should one think of the 10.8 million square feet launches that you're targeting over the next 12 months, Pavitra? And what I'm trying to get to is the conversion of these launches into presales. How should one think about that?

**Pavitra Shankar:** Yes. So the 10.8 million, again, it is across Bengaluru, Chennai, and Hyderabad. Three of those projects are in Chennai, and one is in Hyderabad. So we're working into the pipeline as soon as possible. A couple of the Bengaluru launches will move into Q1 rather than Q4, but Q4 also we do have a good number of launches coming into the pipeline, and we already have RERA for some of them. So we should be able to see the numbers in Q4 itself.

As we launch, I think our turnaround time is to get not just from a sales perspective but also into bookings and agreements. So pretty quickly, you'll be able to see the cash flows coming into the numbers also.

**Karan Khanna:** Sure. And just as a follow-up, in the last call, you mentioned that by FY27, you're targeting roughly 10 million square feet sort of a run rate. So far in nine months, you've done 4.3 million square feet. So with the sort of tailwind that you're seeing, do you think that 10 million square feet could in fact have been sooner than FY27?

**Pavitra Shankar:** So in the first nine months, we've actually done around 4.8 million. And we have a substantial amount of the target assigned to Q4 because some of our launches were coming into Q4 itself. We are pretty confident that we'll be able to reach the number that we wanted for Q4 showing an expected increase over FY23 numbers for the whole year.

And yes, we're on track. I think a lot of the BD that we've done over the last 1.5 years or so is going to come into the pipeline, which is, again, why you're seeing the 10.8 million number for the next four quarters and over the following financial year as well. So as of now, I think we're on track. A couple of more acquisitions, where we can quickly get it into the pipeline, should help us reach that.

**Karan Khanna:** Sure. My second question, if I look at Slide number 27 of your investor presentation, you've spoken about the 1.06 million square feet of the hotel launch. So could you please reiterate the timeline for these launches? And as a follow-up, in terms of the sector, do you think that if this launch takes you another two or three years, perhaps that's the right time to come on board with I mean, you have 1,000-odd K's at that point in time?

**Nirupa Shankar:** Yes, Nirupa here. So we're looking to launch these projects in Q2 or Q3 of FY25. Because there's a lot of momentum with the hospitality space, it will take at least 2 to 3 years for the hotels to actually come into the market. And yes, we believe that this is the right time to continue to build on this portfolio.

**Karan Khanna:** Sure. And regarding the expansion plans, could you talk about potential partnerships that you're looking at in terms of the funding?

**Nirupa Shankar:** Yes. So with regards to the funding, we are exploring various options. We are talking to various parties to determine what is the best course and way forward.

**Karan Khanna:** Sure. And lastly, Pavitra, if you could also speak about aspirationally in three to five years' time, what sort of market share are you looking at in markets outside of Bengaluru, say, in Hyderabad and Chennai?

**Pavitra Shankar:** Yes. So I think in the next three to five years, we are looking our position in Bengaluru naturally to increase our market share in Chennai and Hyderabad. We have the potential to do around 12 million to 15 million square feet in Chennai itself in terms of the land bank. So that should start coming into our sales pipeline as well.

In Hyderabad, as you know, we acquired the Neopolis land parcel, and that's a big project for us. It's about two million square feet of residential, and mixed use for the remaining part of the project. So Hyderabad, Chennai are both key aspects of the market. We are still reiterating our commitment to focusing on these markets to give us the kind of depth across domains, whether it's residential, office, retail, and hotel and to build on the presence that we have from a BD standpoint.

That said, after reaching where we would like in each of these markets, I think we will start at least thinking about where else we can potentially examine, but Brigade has always been very clear, we'll make sure that we have the kind of presence in Chennai and Hyderabad that we do in Bengaluru before we really start branching out substantially into any other markets.

Naturally, we're also there in smaller markets, like, say, Mysore and GIFT City, Kochi, etcetera, across the domains. But the focus will be on Chennai and Hyderabad to expand them similar to Bengaluru.

**Karan Khanna:** Sure. This is helpful, Pavitra and Nirupa.

**Moderator:** The next question is from the line of Adhidev Chattopadhyay from ICICI Securities.

**Adhidev Chattopadhyay:** So actually congratulations on the great performance for the quarter. I have a few questions. Firstly, on the commercial leasing we have done for this quarter actually in Tech Gardens, so when do the rentals start now flowing in considering the rent-free period and other which tenants would have? And now would you say that we are on track to lease this entire portion in another couple of quarters, whatever vacant area we have in the other buildings? Yes, that's the first question.

**Nirupa Shankar:** Adhidev, Nirupa here. For the large transactions that we did in this past quarter, about...

**Moderator:** Excuse me, ma'am. I'm sorry to interrupt, there is some kind of breakage. Would you mind if I call you back on the same number? The line is breaking. I mean like there is a breakage while you're talking. So we are -- a lot of things are inaudible. So I'll connect you back.

- M R Jaishankar:** Is it at your end or what?
- Moderator:** Sir, there is some problem in the line connection, probably the carrier.
- Nirupa Shankar:** Okay. Just reconnect.
- M R Jaishankar:** Okay. Please reconnect.
- Moderator:** I'll just reconnect. Thank you. Ladies and gentlemen, kindly stay connected while I try to reconnect the management. Ladies and gentlemen, thank you for patiently holding. The line for the management has been reconnected. Over to you, ma'am.
- Nirupa Shankar:** Yes. Adhidev, just to continue the response, I would say about 55% of the new leases, we should expect to get the rentals starting from Q1 of FY25. There is some portion that is a hard option, so which we will get clarity on, but there is full intention for the client to take the space. So the hard option will be valid till Q3 of FY25. And in regards with vacancy of 5% on the portfolio, yes, there's full efforts to ensure that we try to lease it this quarter. But within the next one to two quarters, it should be fully leased.
- Adhidev Chattopadhyay:** Okay. Fine. The second question, now you have unveiled this plan of this commercial and hotel projects, right, almost 6 million square feet of total area. Just help us understand which would be the larger projects among these. What would be our strategy in terms of lease and strata? And what is the capex you would require? What is the sort of funding plan? Would you look for strategic partnerships like we have done in the past? And what would be the indicator of rental yield or if you could just help us guide us on this entire, whatever, say, probably the next 3, four years? Yes.
- Nirupa Shankar:** Yes. I think our big projects are in Padmini Tech Valley and Brigade Tech Boulevard and of course, Brigade Neopolis in Hyderabad. So Padmini Tech Valley is in Bengaluru, Brigade Tech Boulevard is in Chennai and Brigade Neopolis is in Hyderabad. There are some smaller projects which are also part of larger mixed-use developments.
- In terms of retail also, as you know, we will be setting up a mall, a lifestyle destination mall in Brigade Neopolis in Hyderabad. And with regards to the hotels, they will be spread across Hyderabad, Chennai, and Bengaluru as well. With regards to hospitality, as discussed earlier, we are internally discussing what is the best way forward for the growth capital that we might need.
- And with regards to office, we are always open to discussing with people. But as of now, we are able to handle the requirements through internal accruals. As you know, most of our capex is 80% LRD. And as we continue to lease, some of those funds will become available to us. And, yes, so I think I answered most of your questions.



- Adhidev Chattopadhyay:** Okay. So just from my end, so around the INR3,000 crores capex for the 6 million square feet is a reasonable number to go with for the total area?
- Nirupa Shankar:** Yes. Yes. It's around that.
- Adhidev Chattopadhyay:** And this is over a period of around four years, right, is...
- Nirupa Shankar:** That's right. That's right. Yes. I think it will require about a year for design development and approvals and then about 2.5, 3.5 years for construction.
- Adhidev Chattopadhyay:** Okay. And just one final housekeeping question. The Chennai launch on the Mount Road that is slated for this quarter or it may spill over to next year?
- Pradyumna Kumar:** Adhidev, Pradyumna here. So it is expected to be launched by Q1.
- Adhidev Chattopadhyay:** Q1 FY25. Okay. Fine. Fine.
- Moderator:** The next question is from the line of Pritesh Sheth from Motilal Oswal.
- Pritesh Sheth:** Yes. So first question is on the launches slated for the fourth quarter. What's the size and the value of launches which are planned in fourth quarter considering Chennai is now delayed by a quarter?
- Pavitra Shankar:** Yes. So for the upcoming quarter, we have around 2.6 million square feet that is expected to be launched. The entire launch will be based in Bengaluru. It's part of two existing projects in the sense that we've already launched and sold out of the plotted project, which is one of them. We already have RERA for that, and that's underway. And another two blocks in our Brigade El Dorado township. So we're really confident of the demand that's on ground for these 2.
- And as I mentioned earlier, the contribution from these projects should help us achieve our sales target for FY24. As Pradyumna mentioned, the ikonsorry, the Mount Road launch will actually move into Q1, although we have very good visibility of the approvals and so on. But I think that's going to slip into April also.
- Pritesh Sheth:** Sure. The value of this 2.6 million square feet should be INR1,500 crores to INR2,000 crores...
- Pavitra Shankar:** Yes. That's I mean it could be a little bit more.
- Pritesh Sheth:** Okay.
- Pavitra Shankar:** Yes. I mean you said INR1,500 crores. It's I have around INR1,800 crores to INR1,850 crores or so.
- Pritesh Sheth:** Sure. Yes. Got it. Second question is on your residential gross margins, which have been tepid in last two, three quarters. When can we expect that improvement to come? This is regards to

gross margins and not EBITDA margins. So where do you see where should we see the improvement coming in? Because earlier, we had clocked like over 30% kind of gross margins.

**Atul Goyal:** Atul here. So definitely from next quarter, you will see that increase in EBITDA margins. And this is also an aberration because we had finished one of the projects where it was a mixed-use project where there was a commercial as well as residential and construction cost was higher. That's why it's showing a lower margin. But going forward, definitely, this will go up to 20%, 25%, what we were discussing earlier.

**Pritesh Sheth:** Sure. Got it. And just one last bookkeeping, if you can provide a breakup of collections between residential and the commercial that you always do?

**Atul Goyal:** Yes, just note down. Residential is around INR933 crores, commercial sale is INR41 crores, so that combines the real estate collections. Commercial lease is INR161 crores, retail is INR55 crores, hospitality is INR142 crores and maintenance and PMS is around INR62 crores, total INR1,394 crores.

**Pritesh Sheth:** Sure. And sir, just one last before I move on. Now, on the capital raise plans, INR1,500 crores, what is the kind of mix you're looking at between debt and equity? Is it largely for the capex that is coming up or you are looking to build some residential pipeline and hence meet this capital raise? So if you can elaborate on that.

**Atul Goyal:** So see, it will be definitely both mix of equity and debt. Of course, as you were seeing, Nirupa was talking about INR3,000 crores of investment. We have got lot of LRDs which we can take right now, more than INR1,000 crores. So that is there, and of course, we can raise construction finance. So it is only enabling resolution. We will see as to when the money is required, and then, we will see as to what is to be done.

**Pritesh Sheth:** Sure. That's very helpful. And all the best, and thanks for elaborating your growth plans across all the segments. All the best for future.

**Moderator:** We'll take the next question from the line of Rakesh from Monarch AIF.

**Rakesh:** Sir, a couple of questions from my side. First, coming to the debt part that is under leasing segment, has increased from INR3,200 crores in Q4 FY23 to INR3,800 crores. Just wanted to know any reason for increase in debt.

**Atul Goyal:** So a lot of money is going into construction and land banks, so the money we have used is mainly there in there.

**Rakesh:** Okay. Construction as well as the land bank -- new purchase of land bank.

**Atul Goyal:** Yes, yes. And this is also mostly LRD.

- Rakesh:** Yes. Yes. And sir, second question, in the books -- in the PPT, you have shown you have got INR1,562 crores cash in the books. I just wanted to know the bifurcation of the cash. How much cash we can use for the new land acquisition in the coming years or coming quarters?
- Atul Goyal:** So see, the maximum cash is in RERA account, so it has to be used in the construction of properties around. Out of INR1,500 crores, INR1,000 crores to INR1,100 crores are lying in RERA account, which is being used in construction. Rest, around INR200 crores to INR300 crores, is what we can use for land bank. But this is a regular cash generation, you'll just see we'll be crossing around INR5,500 crores of collection this year. And so there will be a lot of free cash flows, which will be there from the lease, which will be used for the land bank.
- Rakesh:** Okay. Okay, sir. And sir, we have talked about the 10 million square feet launch in the coming fourth quarter. It will be great if you can share the GDV of those 10 million as well and share of Brigade's, that will be helpful.
- Pavitra Shankar:** Yes. So we communicated around 10.8 million square feet of residential launch, that GDV should be about INR10,000 crores, and predominantly at least INR9,000 crores of that is Brigade's share.
- Rakesh:** Just confirming the amount, INR9,000 crores?
- Pavitra Shankar:** Yes. INR9,000 crores will be Brigade's share.
- Rakesh:** Okay. Okay.
- Pavitra Shankar:** A substantial number of properties are opened by Brigade and not in JV. So that's why you see a higher share.
- Rakesh:** Okay. Okay. One last question from my side. With respect to the new business development, so how are you getting the land parcels? How the deals with respect to land parcel are happening? Because whatever we are reading in the newspaper or the articles, they are showing the land because of an increase in demand for the land, it's very difficult or the land prices are coming at higher prices, your view on that?
- Pradyumna Kumar:** Pradyumna here. So as far as land itself goes, naturally Brigade is a very reputed developer, therefore, there is automatic traction to us. So whether it's landowners, whether it is IPC, agents, they naturally gravitate towards us to offer land. As you know, about 50% to 60% of our land is acquired either by way of joint developments or a way of purchase.
- So typically being a preferred partner, we do get most of our lands directly at our doorstep. But at the same time, we are focusing on certain micro markets that we want to be, whether it's in Bengaluru, Chennai, or Hyderabad, and we then go out with that kind of a focused approach.
- Rakesh:** And the capex that is planned for the full commercial towers that is around the range of INR2,500 crores to INR3,000 crores will be through debt only, like LDR?

- Pradyumna Kumar:** I'm sorry to interrupt, but can you be a little clearer? I'm not able to hear you clearly.
- Rakesh:** Okay. So I'll repeat the question. So the amount of INR2,500 crores to INR3,000 crores capex that is aligned for the upcoming commercial development as well as the hotel development that will be done via debt or through LRD loans?
- Atul Goyal:** So I think Nirupa has already replied to that, that these are all combination of factors that were of course, we have our LRD potential, which I said around INR1,000 crores or more. There will be a construction loan, which will be taken. At least 50% of cost you can take as a construction loan, which will be used during the time of construction.
- And of course, she has said that there'll be -- we are looking for partners, if there are good partners, willing partner, then maybe we can do a joint venture also in any of these. So that is the way which we are going to.
- Moderator:** The next question is from the line of Parvez Qazi from Nuvama Group.
- Parvez Qazi:** Congratulations for a great set of numbers. So my first question is regarding the prices, and obviously, you as well as all of your peers have seen significant increase in ASPs over the last couple of years, partly due to the demand and supply scenario and partly also the premiumization that we are seeing in the industry.
- Now I know -- I mean, it would be difficult to say it in data terms, but in your sense, what contribution of price increase over the last couple of years would have come due to the premiumization of sales or basically due to customers moving towards higher-value different items?
- Pavitra Shankar:** Yes. So there's a lot of reasons as you mentioned. Generally, even going through a few years back, the movement of projects from the 12% to 5% GST regime itself resulted in our inherent price increase. And then over the last, I would say, 18 to 24 months, specifically in Bengaluru, we have seen the dramatic price increase for the same kind of product.
- So we have not necessarily made our product -- more premium, but due to customer demand and what I -- what we feel is probably the -- Bengaluru, I think, has been significantly priced less than certain other markets despite the growth of the city. So I think that has actually been coming through over the last two years, and you've seen that grow dramatically.
- Also, we moved into Chennai and Hyderabad with some launches over the last couple of years, that has also increased our average price realization in the portfolio. And very recently, in this past quarter, we launched Brigade Sanctuary. That is actually one of a premiumized projects that we have. Premiumized in the sense that it's slightly better specs than the mid-segment products. So I think from there, we have also seen a dramatic price increase in the ATR. So hope that answers the question.

Going forward also, given the kind of product mix that we have, we will continue to see just a price -- average selling price generally to be higher. That said, if we do have plotted products that are getting full, you could see a temporary decrease in the average number.

**Parvez Qazi:** Sure. My second question is on the business development. Now, over the last 1-1.5 years, we have added substantial amount of projects to our pipeline, etcetera. So what are our thoughts on the BD front going ahead? Do we see these trends moderating or considering the improvement in sales trajectory, we expect that this will continue on the same run rate?

**Pradyumna Krishnakumar:** The momentum will continue, Parvez, because -- actually, as we acquire land, we are also launching various parcels like Pavitra also mentioned 10.8 million square feet in just residential and then 5 million square feet in office retail and 1 million square feet of hotels. So we will be replenishing the land bank certainly. But over and above that, one has to grow. So we will focus on all three markets, Bengaluru, Chennai, and Hyderabad, and we expect the momentum on BD to continue as we are witnessing for the last year or so.

**Parvez Qazi:** And two questions for Atul, sir. Sir, what were the rentals in BTG and WTC this quarter? And what is the pending land payments that we need to make?

**Atul Goyal:** So it -- you want leasing revenue? So in Tech Garden, it was INR49 crores.

**Parvez Qazi:** This quarter.

**Atul Goyal:** Yes, in Q3. And in Chennai, PREPL, it was INR38 crores. And the pending land payments are around INR1,194 crores.

**Parvez Qazi:** Sure, sir.

**Moderator:** We'll take the next question from the line of Rakesh from Monarch AIF.

**Rakesh:** One question regarding the commercial leasing segment. In FY25, we are supposed to launch the Brigade Twin Tower with an area of 1.3 million square feet. Any updates with respect to the pre-leasing of this project, like how much leasing has been done in this project?

**Nirupa Shankar:** Yes. We will be launching that in Q1 or Q2 of FY25. We've already started showing the project around to large corporates. So it will take its natural progression because the project still needs to get NOC. So we are putting in a lot of effort to ensure that we try and get it leased as fast as possible.

**Rakesh:** Any guidance like -- any timeline that we are looking to, to lease out this project, maybe next one year or anything?

**Nirupa Shankar:** Yes. Ideally within the next one year, ideally in FY25.

- Rakesh:** Okay. And regarding the -- you have guided, we will be launching 10 million square feet in the next four quarters. And the upcoming next four quarters, we'll be launching in the range of 10 million to 11 million square feet. Can we assume that GDV will be remaining same, like INR10,000 crores to INR9,000 crores in the coming years also?
- Pavitra Shankar:** Sorry?
- Rakesh:** So we have...
- Pavitra Shankar:** Can you repeat that?
- Rakesh:** Yes. So for the next four quarters, we know the GDV of the project that we are going to launch will be...
- Moderator:** Sorry to interrupt. Maybe we request you to kindly use your handset if you're using your Bluetooth headphones. Please use your handset.
- Rakesh:** Am I audible, better?
- Moderator:** Yes, sir, please proceed.
- Pavitra Shankar:** Much better.
- Rakesh:** So for the next four quarters, we know the GDV of the project is INR10,000 crores. Just wanted to know what will be the GDV in the coming years because we have guided that we will be launching around 9 million to 10-million square feet in new lands -- new area for the upcoming years also. So can we assume that GDV will be also similar or it will be higher?
- Pavitra Shankar:** So yes, it should be higher or t-- but again, if you're -- it's depending on the kind of product that is being released. So if we -- it's based on that and in the markets that we have as well. We always mention the GDV for the next four quarters because we have absolute clarity as to pricing and what the product is. But other than that -- I mean, we have the overall land bank that we have, which could get into the pipeline over the next four to five years.
- Moderator:** The next question is from the line of Adhidev Chattopadhyay from ICICI Securities.
- Adhidev Chattopadhyay:** Question is on the pending land bank payments of around INR1,100 crores or how much is due in the fourth quarter?
- Atul Goyal:** Fourth quarter, I think out of this INR1,194 crores, we should be -- we should do around INR200 crores to INR250 crores with -- of the land bank.
- Adhidev Chattopadhyay:** INR200 crores, INR250 crores. Okay. And sir...
- Atul Goyal:** INR200 crores to INR250 crores. Yes.

**Adhidev Chattopadhyay:** Okay. Sir, on the balance payments, which we'll have for next year, it's for which project majorly, the INR1,000-odd crores, which should spill over to probably next year?

**Atul Goyal:** See I'll not specify the project because -- but I can tell you that around Chennai, it should be in the range of INR600 crores and Bengaluru around INR500 crores. This is the overall breakup of this.

**Adhidev Chattopadhyay:** Okay. Okay, fine. And sir, just referring to your presentation again, where you give the debt breakup segmental, is there a typo in the SPV partner share of the net debt? This is what it shows, going up from INR637 crores to INR935 crores in September and again falling to INR663 crores in this quarter.

**Atul Goyal:** No, it's okay. It's right only.

**Adhidev Chattopadhyay:** Sir, could you just explain like why this has happened? Slide 20.

**Atul Goyal:** See because of the PREPL, they have been taken, both LRD and cash flow.

**Atul Goyal:** It's majorly due to increase of the RERA money -- significantly. So it has been more allocated to the SPV. There's no reason for reduction in SPV partners.

**Atul Goyal:** Yes.

**Adhidev Chattopadhyay:** That is the thing. Okay. Fine. Got it.

**Moderator:** Ladies and gentlemen, as that was the last question, I would now like to hand the conference over to Ms. Pavitra Shankar, Managing Director, for closing comments. Over to you, ma'am.

**Pavitra Shankar:** Thanks. Before we close, I just wanted to share a few of our highlights. Our not-for-profit trust Brigade Foundation has taken up renovation work on the Venkatappa Art Gallery in Bengaluru. This is in collaboration with the Government of Karnataka, Department of Archeology, Museums and Heritage. This is to renovate the renowned gallery and contribute to enhancing the existing rich history of art and culture in Karnataka.

Our not-for-profit 100-bed St. John's Medical College and Hospital at the 60-acre Brigade Meadows township is nearing completion. The state-of-the-art hospital is a INR35 crores project, an initiative of the Brigade Foundation and will be one of the largest integrated healthcare providers in Bangalore, contributing significantly to the healthcare needs of South Bangalore.

Pavitra Shankar received the Woman Achiever in the Real Estate Sector Award at the Ace Alpha Awards 2023, while Nirupa Shankar was recognized as the Woman Leader in Commercial Real Estate at Commercial Design Awards 2023. Brigade won four awards at the 15th Realty+ Excellence Awards 2023 - South, for various differentiated marketing campaigns.



*Brigade Enterprises Limited*  
*February 07, 2024*

Brigade's REAP, Asia's first PropTech Accelerator program, posted its annual flagship summit of Propagate 2023. It brought together industry thought leaders, key influencers, and start-ups from across the country to share knowledge and best practices through deliberations and panel discussions.

With that, we now wrap up our Q3 FY24 analyst call. Thank you all for taking the time to hear from us today.

**Moderator:**

Thank you, members of the management. On behalf of Brigade Enterprises Limited, that concludes this conference. We thank you for joining us, and you may now disconnect your lines. Thank you.

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