

Date: 30.05.2024

To,

<b>The General Manager,</b> Listing Operations Department of Corporate Services <b>BSE Limited</b> P. J. Towers, Dalal Street, Fort, Mumbai- 400 001  <b>Stock Code: 532891</b>	<b>The Manager,</b> Listing Department, <b>National Stock Exchange of India Limited,</b> Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai- 400 051  <b>Stock Code: PURVA</b>
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**Sub: Transcript of Earnings Call**

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the earnings call held on Thursday, 23<sup>rd</sup> May, 2024, on audited Financial Results (Consolidated and Standalone) of the Company for the quarter and financial year ended 31<sup>st</sup> March 2024, is enclosed herein.

This is for your information and records.

Yours sincerely

For **Puravankara Limited**

**Sudip Chatterjee**  
**Company Secretary**  
**Membership No.: F11373**



“Puravankara Limited  
Q4 FY '24 Earnings Conference Call”  
May 23 2024



**MANAGEMENT: MR. ABHISHEK KAPOOR – EXECUTIVE DIRECTOR,  
GROUP CHIEF EXECUTIVE OFFICER AND CHIEF  
FINANCIAL OFFICER – PURAVANKARA LIMITED**

**MR. NIRAJ GAUTAM –PRESIDENT-FINANCE –  
PURAVANKARA LIMITED**

**MR. VISHNUMOORTHY H –SENIOR VICE PRESIDENT -  
RISK AND CONTROLS -- PURAVANKARA LIMITED**

**MODERATOR: MR. ASHUTOSH MITTAL -- AXIS CAPITAL**

**Moderator:** Ladies and gentlemen, good day, and welcome to Puravankara Limited Q4 FY '24 Earnings Conference Call hosted by Axis Capital Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ashutosh Mittal from Axis Capital. Thank you, and over to you, sir.

**Ashutosh Mittal:** Thank you, Neha, and good evening, everyone. Welcome again to the post result conference call of Puravankara Limited. We have with us the senior management of the company, led by Abhishek Kapoor, Executive Director, Group CEO and CFO; Mr. Vishnu Moorthi, Senior Vice President, Risk and Controls; and Neeraj Kumar Gautam, President Finance. I now hand over the call to the management for the initial comments. Thank you.

**Neeraj Gautam:** Thank you, Ashutosh. Good evening, ladies and gentlemen. Thank you for joining Puravankara Limited earnings call. I'm Neeraj Gautam, President of Finance at Puravankara Limited. We appreciate your time today as we present our financial results and quarter 4 ending March 31, 2024. The results and a comprehensive presentation are available on the stock exchanges for a review.

In FY '24, Puravankara Limited achieved exceptional performance, recording a presales of INR5,914 crores, marking a remarkable 90% year-on-year growth. We anticipate continued upward momentum in future, driven by our strong pipeline of launches and the unwavering trust of our customers. Our commitment to replenish the strength in all aspects of our operations beyond this financial metrics.

For FY '24, Puravankara led with sales of INR2,752 crores followed by Provident at INR2,041 crores and Purva Land at INR1,122 crores. In Q4 FY '24, we achieved an interested presales figure of INR1,947 crores, reflecting a 93% year-on-year growth. Collections were robust at INR1,094 crores for Q4 FY '24, representing a 66% year-on-year growth. For the entire FY '24, collection total increased to INR3,609 crores, demonstrating a 60% year-on-year growth.

Throughout this financial year, we launched 12 projects with a total saleable area of 9.47 million square feet to meet the preferences of our diverse clientele across various categories. We have given total possession for 2,614 units in FY '24 across Puravankara Group. In line with our strategic plan and commitment to expansion, we are excited to enter the Mumbai redevelopment market.

We are selected as a preferred developer for redeveloping a residential housing society in Pali Hill, Mumbai. The project has an estimated development potential of 0.4 million square feet

carpet area and our share of saleable area engaged is 0.21 million square feet and the potential gross development revenue of over INR2,100 crores.

There is strong response and numerous inquiries from the societies indicate a continuous expansion of our development portfolio. In the previous quarter, we were appointed as a developer for a redevelopment site in Lokhandwala, Mumbai. Salvable area of 0.6 million square feet with a GDV over INR1,500 crores.

Our launch pipeline is robust with approximately 14 million square feet of the new projects slated for the coming period, notably non-Bangalore projects now comprise 47% of our total launch pipeline. Additionally, Provident accounts for 52% of the launch pipeline, aligning with the market trends and our group's strategic progress.

Coming to our debt management. Our net debt increased from INR1,741 crores in Q3 FY '24 to INR2,151 crores in Q4 FY '24 and net debt-to-equity ratio from 0.85 to 1.14. I would like to update and highlight that the way the debt has increased its value of the price is increased. We have repaid IFC and ASK, 2 marquee investors who were with us and invested in 2 of our projects. And both the projects we have fully repaid them and by utilizing this increased debt. Our cash and bank balance stood at INR931 crores as on 31st March, 2024, which indicates the strong liquidity profile, ensuring stability and operational continuity.

The strong collection figures highlighted our commitment to execution excellence except for our effective collection strategy is evident in our net operating surplus reached to INR513 crores for FY 2024.

To underscore our strong financial position, I would like to emphasize that as of March 31, 2024, the balance receivable from sold units totalled approximately INR4,457 crores. This notable amount covers approximately 80% of the remaining costs needed to complete the inventory currently available for sale. It indicates that a substantial portion of the costs for completing the remaining inventory has already been secured through receivables, giving us a solid foundation to fulfill our financial obligations.

Moreover, our cash flow visibility is equally promising, with a projected amount of INR 7,455 Crores expected over the next 3-4 years. In addition to this, estimated surplus from 2 commercial projects is INR 1,356 crores. Estimated surplus from launch pipeline projects is INR 2696 crores totalling to surplus of 11507 crores.

Finally, turning to our financial performance. In Q4 FY '24, our total revenues grew by 112% year-on-year to INR947 crores. EBITDA for Q4 FY '24 was INR139 crores with a 15% EBITDA margin. There was a loss for the quarter of INR7 crores for FY '24. Our total revenue increased by 60% to INR2,260 crores. The EBITDA for FY '24 was INR531 crores with an EBITDA margin of 24%. PAT for the year was INR42 crores.

Our presale value. I would like to highlight that our presale value for FY '24 was INR5,914 crores. And in sales and marketing expenses related to the sales number and also the overhead

income to achieve these sales numbers has been charged to the P&L for the financial year. However, the revenue in the P&L has come only for 2,614 units, which were handed over during the financial year, which has a revenue value of INR2,260 crores.

In conclusion, FY '24 has been significant and eventful period for our company characterized by the remarkable achievements across all key performance indicators. We are poised to expedite the development of new residency projects across India, delivering exceptional value to our customers and fostering long term shareholder value. Thank you for listening, and we welcome your questions you may have.

**Abhishek Kapoor:** This is Abhishek here. Hello, everybody. Let me start with an apology for the delay. And sorry for late upload of the financials. Going forward, I'm assuring everybody here on the call that we will keep this call the next day and give sufficient time for everybody to study the financials and be comfortable with asking questions. Again, apologies, and we are happy to answer any questions you may have. Thank you.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Himanshu Jain from Tiger Assets. Please go ahead. Mr. Himanshu your line has been unmuted please go ahead with your question. As there is no response for the current participant, our next question is from the line of Deepak Purswani from Svan Investments. Please go ahead.

**Deepak Purswani:** Hi. Good evening to the management team. Congratulations for the excellent set of numbers and also for the HDFC platform deal. Sir, my first question is regarding the HDFC Capital platform deal only. We have mentioned in the PPT, there are some projects which are from the existing land bank to the extent GDV of INR9,400 crores. And there would be some new acquisition which we are looking at INR7,700-odd crores.

So could you please share further details in terms of, which are the projects which are being a part of the deal now? And also, since this deal will also incrementally monetize our cash projects at a faster pace, how should we look into that going ahead? And whether this would be predominantly for the low capital or there would be some part of the debt reduction from the incremental cash?

**Abhishek Kapoor:** Thank you, Deepak, for your wishes. So Deepak, just to give you a background, as you rightly mentioned, about INR17,000 crores of which about INR 9,400 crores from exiting. So what is happening is a part of the capital is getting deployed to unlock these lands where you have either some position or some settlement or some sanctions or something, some conversion costs like that to bring these projects to the launch.

Having said that, balance money that is available will get deployed in new projects, and that will create a further GDV of about INR7,700 crores at a conservative basis. Second thing is that which is –Provident Housing as a business is poised for growth, both in terms of bringing

capabilities to the market. And to add more land banks, which is currently in the pipeline where we are in advanced conversations in the marketplace.

So overall basis, I think this will add tremendous value to provident housing. The second part I must mention is that from within the focus of existing projects, and this is INR9,377 crores to INR9,400-odd crores of GDV if you tell we'll be able to repay the entire amount to HDFC so entire new investment then becomes free, completely that you deploy.

So in that sense, we already have a financial process to repay the entire money that is getting invested by HDFC Capital. And if you look at existing projects, we are looking at about saleable area of 14 million square foot coming from the existing projects and you're looking at a surplus of about INR1,200-plus crores -- sorry, INR2,600-plus crores coming from the existing projects.

**Deepak Purswani:**

Okay. And sir, secondly, on the Mumbai expansion plans in the second half, we have added 2 projects one in Lokhandwala and one in Pali Hill. If you can throw some light in terms of the profitability engine of these projects, also we have also mentioned there are certain few deals, which are at the advanced stage of negotiation in the MMR region.

If you can throw some light on that part as well, whether these would be continuously in the southern central market or this would be in the northern part of the market or in the western part of the Mumbai, if you can throw some light on that part that could be really helpful.

**Abhishek Kapoor:**

Right. So good question. One is as far as both these topics are concerned, like we have always mentioned, our EBITDA target is in the range of 30%. On an average, whatever investments we are making, some may be a little lesser, some maybe a little higher. But I must tell you that both these are marquee projects and the scale and size of these projects in these locations is just not available.

To have an excess of 2.5 acres in Bandra Pali Hill, I don't think that we have many plots or any plot which is of that size. So that obviously clearly commands a premium in that market. And we are already receiving calls for savings there, right? So we're very, very optimistic about what kind of realization we can make at Pali Hill, and of course, in Lokhandwala again, which is absolutely a prime Lokhandwala plot.

And there is significant demand in that market. It's a very mature market, and we believe that we will be able to bring in the kind of quality that Puravankara will be able to command a premium in that market. So again, as I mentioned, we will target as per our company policy, the 30% EBITDA.

As far as the planning is concerned, as a business, when we look at the various geographies, for us, what we intend to do is we intend to have presence in Western suburbs and South Mumbai and Central suburb in terms of redevelopment. So if I were to break this down, redevelopment strategy will spread right from like Dadar, Mahim going up to Western Suburb to Borivali. And on the southern side, in the Highland city, and on the central side up to Chembur.

Beyond Chembur redevelopment opportunities, we may be very, very mindful and careful we may not evaluate because of the feasibility of the redevelopment opportunity. That is one. As far as development JDAs or acquisitions are concerned, we are looking at across the board, across the city. Clearly, we want to enter.

We already have a project in Dombivali, Shilphata. We are intending to add a project in Thane because Thane is a big market, and we believe that we want to be active participants in that market and bring in and get a piece of that market as well. So, Mumbai as a strategy, I think we are very clear that we are looking at presenting all of these markets. Of course, we are also evaluating the new airport area and opportunities thereof because we believe that at some point in time, that market will open up.

**Deepak Purswani:** And sir, just continuing on that part, what is the investment we have made in the Mumbai region so far in terms of the project acquisition? And what would be the investment we will be looking out to do incrementally? And when -- what would be the launch pipeline for the -- this Bandra project as well as for the other projects & Lokhandwala project?

**Abhishek Kapoor:** I frankly feel that Lokhandwala, we should definitely take it to market and -- Lokhandwala, we have said Q3, between Q3 and Q4 for sure. And Pali Hill, our target will be that we should take it to market in Q4 FY25 or Q1 of next year. And as far as investment is concerned, I think I can -- we can send that data to you separately.

**Moderator:** The next question is from the line of Sumit Kumar from JM Financial Institutional Securities.

**Sumit Kumar:** Congratulations on a great set of numbers as well as...

**Moderator:** Sorry to interrupt you, sir. May I request you to use the handset, please?

**Sumit Kumar:** Yes. So congratulations on a great set of numbers and also on conclusion of two marquee deals in the Mumbai market. My first question is on the land bank that the company has, which is sizable close to around 28 million square feet of, I think, development potential.

So in terms of BD, business development, how are you looking at it? How -- what is your target at least on an indicative basis for the next 2, 3 years? And as a follow-up to that, how much of the launches would come from the existing land bank monetization? And how much would be from the newer projects started?

**Abhishek Kapoor:** So for the next year, as we have published, we are looking at launching about 14 million square foot from within the current land bank, as you know that we've sold out about 7.35 million square foot last year. So the velocity at which we are selling, we need to replace our inventories. So our target will be to maintain our 40-plus million square foot of land bank at any point in time.

So therefore, there is a big gap in terms of acquisition now given that we are launching so much as well as we have sold the kind of sales that we have already done. So therefore, our goal will be to minimum maintain 40 million square foot. But at any point in time, our target is that from

a date of deployment, we take the product to market within 9 to 12 months outer limit, right? So that we're not sitting on any investment. It's just a matter of plan sanction and launching the project at any point in time. So in that sense -- and that's point number one. Point number two, in terms of -- I think you asked about geographies, isn't it?

**Sumit Kumar:** No. I mean what will be coming from the existing land bank of 28 and how much do you intend to add?

**Abhishek Kapoor:** So 14 million square foot will come from current land bank and whatever we add this year. So I think somewhere we have mentioned in the ICP that we have already paid INR300 crores of land advances, and we are expecting closure of some of these projects in next, say, you can assume within next one quarter, say, 90 days time frame. And as those get closed, our endeavour will be as much as possible, we can bring some of these projects to the market within the same financial year.

So we're not able to give a guidance right now on what we'll be able to bring to the market. Obviously, there is an internal target, and there is a bunch of stuff that is going on. But our goal will be to definitely bring in more inventory to the market so that we can continue to grow at a rapid pace and we are able to get the market growth rate. So to answer your question, 14 million secured, and it will be definitely about 14 million what we take to market.

**Sumit Kumar:** Sure. And in Mumbai, is it that you're only looking at redevelopment or in the newer markets like Thane and near the airport new airport area, we'll be looking at outright land acquisitions as well?

**Abhishek Kapoor:** We're looking at outright as well, JDA as well, both in Thane and the Navi Mumbai as in Panvel area because we see that also as a growth sector over time, but we are looking at good options.

**Moderator:** The next question is from the line of Shivang Joshi from Centrum PMS.

**Shivang Joshi:** Firstly, I want to understand, when I look at the presentation on your debt slide, so your net debt has lightly gone up, and consequently, your NCD OCD amount has gone down. Can you throw some light on this? And continuing to your borrowing costs, as highlighted in your cash flows, net interest cost has gone up on an average of INR80 crores to INR100 crores .

**Neeraj Gautam:** So if you're absolutely right, few of the NCD amount which we have been reporting as in NCD issued to the IFC and NCD issued to ASK hasn't come down because we have NCD repaid to them. And in slide number 14, we have given the detail about INR410 crores we have repaid to them, and we have repaid to them with a project which already launched, we have raised the money at a very competitive cost.

And from there, the growth investment has been there. So that is the reason of these 2 NCDs going out of our debt slide and now the while we repay them it's not that debt has gone up. So for the quarter, if you compare the beginning to previous quarter, debt has gone up by INR519 crores. The end use also, we have given on slide 14, about INR410 crores is going towards



repayment of IFC and ASK. And we also invested about more than INR300 crores as advances in the acquiring new land parcels. So part of the loan has gone towards in funding those advances and part of the money was used from different accruals. I hope I've given the answer of all your questions. If there is anything more, I can answer it

- Shivang Joshi:** So okay. So largely, you've refinanced your NCDs through your interest bearing debt...
- Neeraj Gautam:** Those NCDs are equity in nature and thereby, there are a certain amount of IRR could have gone from the projected cash flows. However, paying them back then is actually in a sense reducing the implicit cost of capital. Today the borrowings are at bank rates and thereby the overall cost which is otherwise would have continued, which is not going to increase. And added to the bottom line.
- Shivang Joshi:** Okay. So the payout of interest of INR 200 crores is essentially of that nature and you see...
- Neeraj Gautam:** Yes. However, the return, which otherwise I would have given to IFC or ASK that will not go. That is even much more than the interest which may otherwise going to pay to the bank.
- Shivang Joshi:** Got it, because for the first time, we saw such interest payout.
- Abhishek Kapoor:** Abhishek here. We have great tailwinds and create volumes and velocity that is happening right now. So we want to take advantage of the cash flow coming in and making sure that we are able to bring as much value to the bottom line and to the value creation for the shareholders as possible. And therefore, it makes so much sense to say that what -- why don't you reduce your cost of capital and take it to the bottom line and pay this off so that's the basic thesis.
- I mean, the demand has been fantastic when we started. The cash flow has been fantastic and you're saying, why not impact the money taken for ASK, I think, should be over before December in this account because everything is sold out over there pretty much, it's selling pretty fast and the construction is happening to complete the project. Similarly, we'll have the other products which IFC invested in, we are expecting the surpluses coming in there and starting to repay pretty quickly on the money that we go down and then the cost to go. So in the businesses sense, it's fantastic.
- Shivang Joshi:** Okay. Great. Second, when -- on your launch pipeline, when you had 30 million square feet, 7 million is the phases that you would be opening and this would be from your land bank. So optically, should we expect -- I mean, last year, you closed at how much 9 million square feet of launches?
- Abhishek Kapoor:** We opened 7 million square foot of inventory for sale last year out of 13-odd million that we got for sanction, 10 million square foot, we opened about 7 million square foot.
- Shivang Joshi:** And this year, what you have mentioned in your slide 22, launched pipeline, 7.28 million square feet. What is the status of approval of these projects are these already at advanced stage of

approvals? And should we see a large part of or all of them coming in this year itself? Some -- something that you can highlight there?

**Abhishek Kapoor:** Absolutely. So I think a lot of momentum you will see starting from the end of second quarter and possibly make most of it -- a lot of it will come in the third and fourth quarter because they are all in approval stage. And as I mentioned earlier, our target will be to make sure that the goal will be that we make sure that we open higher than what we have opened in the last year. So while we have opened 7 million, we'd like to beat that. But this is what we have done here we give you visibility of what we already have in hand, which we have complete clarity on that this is definitely coming. Having said that, I mean, we will possibly and all likelihood add some more projects to it in next two quarters.

**Shivang Joshi:** Okay. Finally, on your cash flows when I look at the closing cash and cash balance is INR931 crores, could you give a broad spread between how much will be in escrow, which you cannot transfer to the other -- I mean, which has to be retained at the project level and how much would be free cash...?

**Neeraj Gautam:** About INR500 crores money is lying into different project escrow accounts, RERA accounts, etcetera, subject to submitting our certificate, withdrawal, etcetera. And about INR400 crores are the fixed deposits, money which we have raised or taken some loans and then money yet to be deployed, money for land purpose, that is money lying in the form of fixed deposits with the banks.

**Shivang Joshi:** If I may continue on a follow-up question on that. On the deployment please, the Mumbai...

**Moderator:** Sorry to interrupt you, sir. I request you to come back for a follow-up question. The next question is from the line of Abhisekh from Yes Securities. Please go ahead.

**Abhisekh:** My only question is that I just want to understand the structure of HDFC platform. So how -- I mean, what are the responsibilities? How equity would be infused, I mean, INR1,150 crores of total platform. So what could be our share in that? And how cash flow would be distributed?

**Neeraj Gautam:** First and foremost, I would like to update you the HDFC NCDs are zero coupon NCDs, zero coupon bond. So there is no interest servicing for those NCDs. And this money, they will be investing -- the NCDs will be issued by the Provident Housing Limited, 100% owned subsidiary of Puravankara Limited or subsidiary of Provident Housing Limited. In the first tranche, Provident Housing Limited will be using NCDs of INR550 crores. And those NCDs will be zero coupon bond.

That is the structure. And the money will be utilized out of the entire facility of INR1,150 crores. We will be investing about INR350-odd crores in existing projects, the remaining money will be going to acquiring new land parcels. And service will happen to this NCD by saving 7 percentage of cash flow surplus from the projects, and there is no fixed obligation.

**Abhisekh:** Understood, sir. And sir, another part is when we are adding up to -- when we are transferring our projects, right, which already we have, so are we going to get something out of that or that is a part of structure only?

**Neeraj Gautam:** We are not transferring any of our assets. Those assets are there where they are. In Puravankara Limited, assets are there and Provident Housing, assets are there. The money which we are utilizing towards unlocking those assets, either land parcel on existing projects and the surplus of these projects will go towards servicing the debt. Our plan is that service or repay -- fully repaid this NDCs from the existing project itself. And new projects which we're going to acquire from the investment will be a digital assets for the company.

**Abhisekh:** So grossly, what kind of cash flow or the percentage of cash flow will be diverted to us in general?

**Neeraj Gautam:** There's no fixed capital that will be diverted to them. If these projects, which are part of the platform, there will be escrow mechanism and basis the business plan, if there is any surplus left in the month, then out of that surplus, certain percentage will go towards servicing of the NCD. In a manner, that NCD will decide fully the actual repayment of NCD, also NCD gets a great return.

**Abhishek Kapoor:** So if you look at it, Abhishek, I'll just add to this. So total from within the existing projects where the capital is getting deployed, which Neeraj was talking about, we are looking at about INR2,600-plus crores of surplus. Now that INR2,600-plus crores of surplus will be more than sufficient not just to repay HDFC, give their return, but leave surplus for us.

Other than that, what this will do is it will add further, we are estimating about INR1,900-plus crores of surplus for us on the new investments. So with this, our ability to scale Provident Housing and almost develop 21 million square foot, which is what we are targeting from this platform, will be possible and adding significant value to the business and the organization.

**Moderator:** The next question is from the line of Ranodeep Sen from MAS Capital. Please go ahead.

**Ranodeep Sen:** Congratulations on a great set of numbers for FY'24. My question is at a strategy level, like how we have a sub-brand provident under Puravankara? Is there a pool of thought for having another sub-brand...

**Moderator:** Sorry to interrupt you, sir. May I request you to use the handset, please?

**Ranodeep Sen:** My question was on the strategy level, like how we have a sub-brand in the affordable housing space, which is Provident. Is there a school of thought of having an ultra-luxury brand, given the premiumization theme in India is picking up loud and clear, and we've seen success stories of some of the listed players? Some of the great projects that they have launched and it's sold like in record days. So is there a thought on those lines?

**Abhishek Kapoor:**

See, as a strategy, I'm sure you're aware that Puravankara is clearly the luxury brand. And from the way we present or we will present the product, as far as ultra-luxury is concerned, it will be obviously a much higher -- many notches higher and, therefore, the whole approach and model that we are looking at is different. But to answer the question, will we look at a new brand? We don't need to look at a new brand because Puravankara itself is known for luxury homes, so -- and the kind of quality and the product that we bring on the table. I'll give you an example.

For example, all of these development projects that we have won and a bunch of them, which is currently we are closely engaging with, all of these customers are already living in these ultra-luxury homes, right? And of course, the project is being developed long back, and they may go into redevelopment. But having said that, they all come from very wealthy positions. And they have visited our projects, and they have said, we think your quality and your brand is fantastic and it's brilliant. So we don't need another brand.

I think brand over the last 50 years has gained so much respect in the marketplace. I mean, if you go out there and we see this every day, especially in the Mumbai and Pune market, which is relatively people say it's a new market, but then every time I'm out there talking to people and the team is out there, we realize that the brand has a phenomenal recognition in that market. So we don't need another brand as a strategy. What we will do clearly is take the product several notches up and be extremely competitive in the kind of products we bring in the market.

**Ranodeep Sen:**

Sure. A connected question on similar lines. Our average realization seems to have kind of stabilized very nicely around that INR7,900 mark. With our foray into Mumbai and with the luxury brand that you spoke about, do you see it tracking the INR10,000 mark in the next coming year?

**Abhishek Kapoor:**

Look, I definitely see -- if you just look at Puravankara in isolation, without Purva Land and Provident, our average realization is already above INR10,000 per square foot, INR10,229. Provident Housing is at INR7,800 and Purva Land is at INR5,444. Now see, what's happening is now if you look at Purva Land, like last quarter, we had launched a project in Chennai, where our average realization was INR3,000 per square foot. That dragged down the overall average realization.

But are we making money at INR3,000? Of course, we are making money on INR3,000, right? But your average is smaller. But if you break this down -- we've already crossed INR10,000 in Puravankara. And I can tell you for sure that once we -- and which we are already in Mumbai, we will definitely -- average realizations will go up, and Puravankara average realization will relatively go up much higher. That's clearly going to happen.

**Ranodeep Sen:**

Sure. So, and my last question, I think great set of numbers in terms of the sales value, not almost touching INR6,000 crores. And I understand, as per Ind AS, the realizations will happen at the time of delivery. So tentatively, can you give me a sense when do we see the peak EPS that we've seen in 2012, 2014 levels of around INR6, INR6.5? When do we see that coming back?

**Abhishek Kapoor:** Yeah. I think the journey is between next -- I would say, between next 3 to 4 years' timeframe. But you will start seeing green shoots possibly in the early third year from now. So, I would say, this is '24-'25, '25-'26, so '27-'28, we will start seeing the green shoots. Because, see, the thing is that you are expanding so rapidly and your -- these sales have happened in the past, which you are delivering now, and that is causing-- as per the accounting standard, what we slightly said, the way it is looking on paper.

But as you start to deliver more and more projects and newer projects and the pace of delivery starts catching up with the pace of sales. Closer, if you'd ever catch up, obviously, because you will continue to grow. But it starts becoming better and better. You will see better and better gross profits, and therefore -- and some of these older investments will start making capital.

Like, for example, a large amount of G&A may have been spent in the Western region. But you've added or you will continue to add significant top and bottom line to the business in the next 9 to 12 months' time frame. So, I think, I would say, the answer is, I would say, third year and fourth year will be significant. You will start seeing green shoots possibly in the 24 to 28 months.

**Moderator:** The next question is from the line of Rishikesh from RoboCapital.

**Rishikesh:** So, my question is with regards to the launches for FY '25 that we have mentioned around 14, 15 msf could you please also mention what's the value of the launches that you are going to do?

**Abhishek Kapoor:** So, we are looking at a total top line -- estimated top line is about INR7,443 crores, presales value, and you're looking at a surplus from these projects of about INR2,696 crores.

**Rishikesh:** Okay. And we have delivered around 2,614 units for FY '24 as per our PPT. How many units could we target to deliver in FY '25 and '26?

**Abhishek Kapoor:** Look, I mean, last quarter itself, we delivered about 1,188 units, and we have received OC for total of 4.57msft for the year and 2.26 msft which is pending to be recognized, is about 1,714 units, right? Out of 3,600 units for which we have already received the OC, we have handed over 1,700. We will be handing over at least 1,700 from the OC, which is already received.

Our target for the year is about 4,000 approximately between 3,500 to 4,000 units because what may also happen, as it happened last year, is when you get the OC to the time over here, the customer, really, to take possession sometimes there is a worry. But our target will be to deliver, like we delivered last year, about 2,200-plus units to 2,600-plus units. In the next year, our target will be to deliver anywhere between 3,500 to 4,000 units.

**Rishikesh:** Okay. And would it be fair to say that, likewise are reported, on a reported basis, our revenue growth would also be upwards of 50% for FY '25?

**Abhishek Kapoor:** If you do the math, clearly, from 2,600 units, it will go up to 4,000. Obviously, you will see the international growth. As far as the revenue recognition is concerned, we'll have to just see the

mix of inventory, whether it will be exactly proportion with that. Because, obviously, there will be a certain amount of land and a certain amount of plotted development is also capable to get developed and get delivered. So we have to just look at the realization and come back to you with a specific answer. But having said that, I think, yes, we can expect that revenue growth will be impacted.

**Rishikesh:** Okay. And lastly, on a reported basis, again, then what would be our sustainable EBITDA margins?

**Abhishek Kapoor:** Look, EBITDA margin, as I mentioned earlier, is also factoring into my marketing costs and my G&A for expansion. I will leave that disclaimer on the table because a business that is growing very rapidly, we will have to make investments ahead of getting the return on the investment in terms of GDP and surpluses, where that G&A is concerned.

As far as marketing is concerned, clearly, we are extremely aggressive in the marketplace. And with the quantum of presales that we will look at, as it goes up, we'll definitely look at increasing cost, which will clearly get booked as expenses. So to that extent, leaving that disclaimer, I would think that our target is pretty much intact. In fact, if I look at the project-level EBITDA margin, they're absolutely intact.

But what's happening at the corporate level is that when you put back gross margin and then you put in your marketing cost of new launches that have increased sales and you look at your G&A, and that's where it starts to look different. So that is what earlier conversation was as to when do you see the books reflecting really the kind of value we are creating in the organization. And I think the brand will start seeing that reflecting on paper, I would say, the third and fourth years quite steadily and then possibly grow pretty rapidly.

**Moderator:** The next question is from the line of Sushil Jaiswal from Bajaj Capital.

**Sushil Jaiswal:** Based on the existing growing sales and good collection, what is your going-forward trajectory? Do you think that it will sustain the same in the next couple of quarters, too?

**Neeraj Gautam:** If you look at -- if you're asking about the overall, we fixed some market yes, we believe that taking in sustained. That market is good and demand is well there in -- well, and it will sustain.

**Abhishek Kapoor:** See, I think what may happen is that we have pulled a lot of launches in the last quarter in the last year. We may see some of our launches to lower to the second, third and the fourth quarter. We will see a lot more presale, I would think, in the second, third and fourth quarter. A lot of it will happen in the third and fourth quarter, specifically.

So in the first 2 quarters, I think we have plan sizes. We are waiting for -- they are all in advanced stages, but elections are around the corner. Elections are ongoing across the country, then there are some state elections happening. So keeping those in mind, you may see some of these launches come in the third and fourth quarter. So I mean, keeping that disclaimer in mind, I think everything else is on track. I would see a lot more presales in the third and the fourth quarter.

**Sushil Jaiswal:** Okay. And my second question is, so as the real estate sector has begun to rise, so do you think this scenario is in every part of the country or just some specific parts? Also, a majority of the business comes from southern part and some from western side also. So do you have any plans to expand your presence in northern side like Delhi NCR region also?

**Abhishek Kapoor:** So look, we are seeing demand across the country and we see tailwinds and consolidation across the country, across the segments, which is a great advantage for a brand like Puravankara. To answer the second question, yes, we are looking at NCR. We are evaluating opportunities. We have already started to put a team on ground.

And we will definitely look at -- I mean, our intent is clear that we will be a national player and we will rapidly expand in new geographies and that is obviously something which is maturing as we are already seeing. And enter to first while we do the acquisitions and look at new acquisitions in NCR, Gurgaon, Delhi to started. Our first endeavour will be to make sure that we get our launches in the western region. So this year, I think this financial year, western region will be a big one for us.

**Moderator:** The next question is from the line of Shivang Joshi from Centrum PMS.

**Shivang Joshi:** I wanted to understand what is your take on the amount to be spent on BD in FY '25 and '26, considering that you have got decent free cash and good collection run rate. And on the 2 Mumbai projects, what is the capital that would be different. So if you can quantify this in both the Lokhandwala and Pali Hill.

**Abhishek Kapoor:** So as far as, look, BD is concerned, as I mentioned earlier, we're not looking at a capital target, but we're looking at a replacement target. In the sense that we have already sold last year about 7.35 million square feet and this year, we are looking at launching another 14 million square feet. Clearly, we are looking at replacing that inventory and staying about 40 million square feet land bank at any point in time.

And the second thing that you asked about debt, our total cost to launch for these projects is about INR900 crores. And as I mentioned earlier, we will be looking at about INR650 crores land costs plus cost to launch will be about INR650 crores. So these 2 projects, specifically, which you asked about. And as we mentioned earlier, between these 2 projects, we will be able to generate more than INR3,800 crores.

**Shivang Joshi:** Okay. Any specific number you have in mind or any strategies? What amount you will be putting as a capital or the rest into your land banking, you'll have to start a fresh in the western region. Operations relatively, you have a higher land bank in the South versus the West.

**Abhishek Kapoor:** Look, as I mentioned, so one of the things which I mentioned in the previous call is that a market like Kochi, we are sitting with a significant surplus of about INR1,800 crores. What we are really looking at doing and, hence, you will see some amount of capital churn and debt churn and is that we see at reallocating this capital into the Western region, which is Mumbai and Pune. And that is significant capital.

I mean even if I discount it and say that I will take out a certain amount of capital from this region and reallocate that capital in the Western region. Clearly, the number eventually is there, right? So I think we have enough and more within our portfolio to look at in terms of equity to be able to deploy in the actual retail.

And as I mentioned, Mumbai in the past also, Mumbai is going to be a significant part of our portfolio. I mean, I've been saying this for a long time. We intend to get back to at least 40% to 50% of our value-wise square footage would be lesser. But value-wise, we'll definitely look at getting at least 40% to 50% of our presales from the Mumbai region. So we continue to deploy in that market.

**Moderator:** Thank you. The next question is from the line of Sourabh Gilda from Motilal Oswal Financial Services. Please go ahead.

**Sourabh Gilda:** Congrats on the good set of numbers. And most of my questions are answered, I just have 1 question on your trajectory for presales, doing it. I know you don't give exact guidance, but I just wanted to understand what sort of presales do you want to achieve? What sort of growth that you intend to achieve for at least for the next 2, 3 years?

**Abhishek Kapoor:** Look, I think I've mentioned this in the past. As we burn the guidance, you're already seeing what we give guidance on is the number of projects and strategies we've been able to bring to the market and have also indicated that we'll definitely try and win more than what we bought in the last year. Having said that, our goal is definitely to beat last year's number and to beat the average market growth rate.

So if we are assuming that somewhere in the mid-teens will be the market, we will definitely beat that growth rate in terms of our presale number. And our plan is to ensure that we are able to achieve that number.

To answer it in another format, we are definitely part of the consolidation in the sense that we are going to make sure that we gain a lot more market share in the process of this consolidation. What will be the extent of market share? I think that is yet to be seen. It's also a factor of how much supply we are able to bring into the market, which we are working on an ongoing basis. So we'll see where we land in the end of the year, but obviously, we're not looking at just growing at a market rate.

**Moderator:** Thank you. The next follow-up question is from the line of Deepak Purswani from Svan Investments. Please go ahead.

**Deepak Purswani:** Sir, firstly, on the launch pipeline, on the launches front, how much was the same contribution from the new launch projects in FY '24?

**Abhishek Kapoor:** In FY '24 from new launches, Let me come back to you with the exact data. I can share with you. We'll try and see if you can give it while you ask your next question. I'm sure you'll have



more. Otherwise, we'll contact you on the, at a later date. You can write to us and we'll respond to it, for sure.

**Deepak Purswani:** Sure. And sir, just hopping again on the interest expense. If I were to look on the cash flow statement point of view, our interest outflow was INR443 crores against a net debt of 2150. Just wanted to understand, when we say repayment of the NCD of ASK and other investors, was there any premium component, which was late payment was made for that during this quarter? And if yes, then what will be the sustainable kind of intersections outflow, which we will be looking over the current deficit?

**Neeraj Gautam:** So, these NCDs have been paid at agreed IRR. There's no additional premium. However, whatever IRR was agreed to the investment, that IRR, it has been paid. And the second question, while repaying these NCDs of IFC and ASK, we have taken the debt at competitive rates. So, to that extent, interest will go up by servicing those debts.

However, what, in the beginning of the conversation, Mr. Abhishek mentioned about it, these are both the debts for ASK as well as the IFC investment which we have returned, repayment which we have given from the existing project, which project is doing very good. And we are estimating that from the project cash flow itself can be used for repayment mechanism, substantial amount of debt will be repaid in this financial year itself.

**Abhishek Kapoor:** Plus, there are surplus from the next phase of the project. Significant surplus in that project. I mean significant surplus in the project which Neeraj is talking about

**Deepak Purswani:** Okay. But from the cash flow perspective, I mean, from the next year versus what would be the interest outlook we'll be looking?

**Neeraj Gautam:** INR3,000 crores IRR at 11.5% is the average cost of this.

**Deepak Purswani:** Okay. So roughly INR350-odd crores, 350, or INR360-odd crores?

**Abhishek Kapoor:** INR 350-odd crores as well as we're not adding more debt to...

**Neeraj Gautam:** To our existing houses.

**Abhishek Kapoor:** Yes. Correct. Okay.

**Neeraj Gautam:** We also have over INR900 crores repayment in next 12 months.

**Abhishek Kapoor:** Does that answer your question?

**Deepak Purswani:** Yes.

**Moderator:** Thank you. The next follow-up question is from the line of Abhishek from Yes Securities. Please go ahead.

**Abhishek:** Sir, just one question. We have invested roughly upwards of INR750 crores towards land in last 2 quarters. So basically, we are taking care of BD. So how much more capital is -- are we allocating towards BD? Or how we are going to -- how much of BD we are targeting to maintain the growth, which we have seen in last 1 years, 2 years. So that is one. And secondly, with that growth, how we are going to maintain the balance between growth and debt?

**Abhishek Kapoor:** So let me break this down for you in 2 parts. One is -- as I mentioned earlier, our growth -- we are always going to go towards outperforming the market and gain market share. And we are expanding in new geographies to ensure that our portfolio is diversified, wider and deeper. Now having said that, as I mentioned earlier, we want to first get to make sure that whatever our original land bank, which is expected to be about 40 million square foot, is secured back in our book.

We want to maintain at least that much land bank at any point in time. And the target is that we are able to move efficiently to scale launches and do their launches within 90 to 10 months. Because we don't want to sit on any assets, you don't want to buy and wait, we will buy and deploy and launch.

So between these 2 things, the fact is that we have about INR11,500 crores of surplus within the accruals -- within the business, internal accruals. At this point in time, from projects which are already launched and from the project which we launched in the current financial year, we would like to assume it's going to take a 4 years' time frame.

Now as that capital comes in and we are reallocating that. So we can't necessarily wait for that capital to come in. We will, say, for example, Kochi, I mentioned on earlier on the same call, we have got significant surplus. I would estimate it would be about INR1,800 crores is surplus sitting in cost and for not even including line end profit.

So what we want to say is that and obviously, that means that to bridge that unit draw some money against that and take some cash out from there and put that money in Mumbai because we believe that you'll be able to pay a lot more value in Mumbai. So in that sense, first priority will be to create growth from rebalancing and reallocating capital within regions. That is priority number one.

Priority number two for us is to look at opportunities where we can raise equity. So for example, we are working towards now we are evaluating the next area. The first is almost deployed. The money is starting to enhance the next quarter, in fact to return because the project is still launched. So look at AIF as an opportunity.

Third, you will go and create another platform, where like in asset return platform and trade-level platform where we will look at deploying capital. Other than, for example, the first priority is we take money out of the region include in the new region. So this will be a constant term of capital to create a growth opportunity that ensure that your lead is robust and you are able to

plan not for this year, but for the next year and the year after. Because whatever we do this year will have an impact on the next year and then the next year, right?

So that's how we're looking at the business. And look, as I mentioned earlier also, that we are very comfortable with debt numbers on a per square basis being under about 1,000 in square meter. So we will keep these parameters in mind. And the other factor that we must first for in our operating surplus.

Now last year, if you see, net operating surplus was more than INR500 crores, INR513 crores. Obviously, like Neeraj mentioned earlier, we have paid out about INR300 crores of land advance. So the target will be to stay focused on cash flows within collections, continue to spend money on your operations, value operations aggressively and efficiently.

And with that, you create. So for example, if you look at total operating, not net operating but operating surplus was INR1,298 crores. So what I'm trying to say here is that between internal approvals, reallocation of capital, AIF equity platform, you will be able to manage the entire BD that you are working towards. Special requirement for the BD.

**Neeraj Gautam:** And to just get to it in the first question, when you asked about the HDFC structure, there, INR750 crores is committed for BD only. It's part of the structure.

**Abhishek:** Thanks, that's all from my side. And best of luck.

**Moderator:** Thank you. Ladies and gentlemen, we'll take this as the last question. I would now like to hand the conference over to the management for closing comments.

**Abhishek Kapoor:** Thank you, ladies and gentlemen, for joining our call. I hope we have been able to answer all your questions. Me and my colleagues are available if you have any further questions. You write to us, and we'll answer your questions.

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