

November 05, 2024

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| To, BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 BSE Scrip Code: 543955 | To, National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 NSE Symbol: TREL |
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Dear Sir/Madam,

Subject: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Transcript of the Earnings/ Quarterly Conference Call

Pursuant to Regulation 30(6) read with clause 15 of Part A, Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith transcript of the Earnings/ Quarterly Conference Call held on Wednesday, October 30, 2024 at 12:00 noon (IST) for the Financial performance of the Company for the quarter and half-year ended September 30, 2024.

The transcript shall also be made available on the Company’s website and can be accessed through the following link:

<https://www.transindia.co.in/investors/>

Kindly take the above information on your records.

Thanking you.

Yours faithfully,

For **Transindia Real Estate Limited**
(Formerly *Transindia Realty & Logistics Parks Limited*)

Khushboo Mishra
Company Secretary and Compliance Officer

Encl.: a/a



“Transindia Real Estate Limited Q2 & H1 FY25
Earnings Conference Call”

October 30, 2024



**MANAGEMENT: MR. JATIN CHOKSHI – MANAGING DIRECTOR,
TRANSINDIA REAL ESTATE LIMITED
MR. RAM WALASE – CHIEF EXECUTIVE OFFICER,
TRANSINDIA REAL ESTATE LIMITED
MR. SUMIT BHAGWAT – FINANCE DEPARTMENT,
TRANSINDIA REAL ESTATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Q2 and H1 FY25 Earnings Conference Call of Transindia Real Estate Limited.

This conference call may contain forward-looking statements about the Company which are based on the beliefs, opinions and expectations of the Company as on the date of this call. These statements do not guarantee the future performance of the Company, and it may involve risks and uncertainties that are difficult to predict.

As a reminder, all participants' 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 "*" then "0" on your touch tone phone. Please note that this conference is being recorded.

We are pleased to have with us the Management Team represented by Mr. Jatin Chokshi – Managing Director; and Mr. Ram Walase – CEO.

We will have Opening Remarks from the Management, followed by a question-and-answer session.

I would now like to hand the conference over to Mr. Jatin Chokshi. Thank you and over to you, sir.

Jatin Chokshi: Thank you very much. Good afternoon and a very warm welcome to everyone on our Quarter 2 and H1 FY25 Earnings Conference Call to discuss the Company's Quarterly Performance.

As mentioned, along with me I have Mr. Ram Walase, Chief Executive Officer for Transindia Real Estate, and our finance and Investor Relations team.

We have uploaded Results, Press Release and Presentation on the Stock Exchanges and Company's website. I hope everyone has had an opportunity to go through the same.

I will share an overview of Economy, Industry and Business, after which we will open the floor for questions and answers.

The Indian economy continues to show resilience. It is one of the fastest growing economies globally, backed by local consumption and manufacturing growth. The International Monetary Fund, in its most recent World Economic Forum Outlook update, has maintained its projection for India. It expects India to grow at 7% in financial year 2025 and 6.5% in the financial year 2026.

The outlook for GDP growth has moderated from 8.2% growth in FY 2023 and 7% in FY 2024. The growth projected for India is in stark contrast to global growth, which is expected to be stable at 3.2% in 2024 and 2025. Logistics, especially warehousing, is bound to play a key role to support the economy's manufacturing-led growth. Key demand drivers for warehousing are

increased outsourcing of warehousing by the manufacturing sector, sustained growth in e-commerce, demand in Tier-2 and Tier-3 cities, and use of smart technology in the logistics sector.

Historically, India has been a Grade B dominant market. However, Grade A warehousing has witnessed a robust growth of over 20% between 2017 and 2024, especially due to demand in Tier-1 cities, which account for more than 70% absorption of Grade A warehousing. During the first half of the current financial year, the major sectors driving demand for Grade A warehouses in Tier-1 cities were 3PL players, FMCG, FMCD, and e-commerce segment.

Regarding the Company, Transindia was created to harness the opportunities in the industrial real estate and warehousing space. The Company has capabilities of developing fixed income annuity-based assets such as industrial and logistics park, commercial space and leasing developed land for CFS/ICD private freight terminal operations.

The Company has the necessary capabilities and domain expertise and understands the local nuances specific to the industry sectors and regions. The Company has presence across major cities in India. It had successfully developed 5.5 million square feet and exited 4.8 million square feet of Grade A projects in Delhi NCR, that is the Farukhnagar, Bengaluru at Malur, Hyderabad at Patancheru, and Goa at Venkatpura.

As of today, the Company has over 100 plus acres of rent yielding assets, the details of which are shared in the investor presentation. Going forward, the Company has planned greenfield development of integrated industrial and logistics parks and other logistics sector real estate assets across India. The Company may also explore new opportunities in alternative asset class like MMLP, plotted development, etc. We have shared the details of our upcoming projects in the presentation, too.

On the financial front, I will ask Mr. Sumit Bhagwat from our finance team to speak about the highlights. Over to you, Sumit.

Sumit Bhagwat:

So, myself Sumit Bhagwat, I take this opportunity to go through our Financial Results. For Q2 Financial Year '25 our group level revenue stood at Rs. 20 crores as compared to Rs. 19 crores during the Q1 Financial Year '25, and Rs. 25 crores during the Q2 Financial Year '24. In the last year we have some revenue from the trailer business which have been deployed in the coal operations.

EBITDA excluding other income for Q2 Financial Year '25 stood at Rs. 12 crores as against Rs. 5 crores for Q1 Financial Year '25, and Rs. 16 crore for the Q2 Financial Year '24. For Q2 Financial Year '25, the Company reported a net profit of Rs. 7 crores as compared to Rs. 5 crores during Q1 Financial Year '25, and Rs. 79 crores for Q2 Financial Year '24. For Q2 Financial Year '24, the net profit includes a one-time gain of Rs. 97 crores on account of sale of our crane division.

We are now open to take the questions and answers from your end. Thank you.

Moderator: You very much, sir. We will now begin with the question-and-answer session. The first question is from the line of Sooraj, an individual investor. Please go ahead.

Sooraj: My question is regarding the excess land what you have, regarding those properties what your plan is there? And do you have any plans to enter into the data center?

Ram Walase: So, we have land parcels at different places, including in Jhajjar, at Bhiwandi, in Hoskote, near Bangalore. And we propose to develop warehousing parks, or as Mr. Jatin Chokshi mentioned, we could also explore alternate asset classes. Some of these land parcels are at the last stage of consolidation or getting ready for development or approvals. So, in the next six months, the picture will be more clearer and we probably will have some of these projects starting in the beginning of next year.

Jatin Chokshi: Yes. And the operational properties that we have. Currently, we do not have any plan to exit from those properties because these are all strategic properties. So, currently we do not have any such plan for exit.

Ram Walase: And regarding the data centers, yes, we are looking at all kinds of opportunities, but right now we do not have any specific plans.

Sooraj: Sir, what will be your rental yield on those properties?

Jatin Chokshi: Rental yields on the property is different for different locations, but blended yield you can say is close to 8.5% to 9% in the range, purely rental yield.

Moderator: Thank you. We'll take the next question from the line of Santosh who is an individual investor. Please go ahead.

Santosh: I have read in the press release that there is potential rental income of Rs. 65 crores that you can generate annually. So, is this like potential rental income already included in the Q1 numbers? Or is this something that you will see in the future?

Sumit Bhagwat: So, this is what we are saying is the annualized rental income based on the current run rate. Some of these assets have come into our portfolio just very recently in last couple of months. So, they may not necessarily reflect in the last quarter's results.

Jatin Chokshi: Yes. So, the rental yield from those assets will be reflecting for the full year next financial year. So, currently it is the part only kind of thing, so that has been factored already.

Santosh: Sir, one follow-up question. So, for March 2024, right, your revenue was around like Rs. 90 crores in March 2024. So, whatever the potential we are seeing, this will be most likely on top of that, like 90 + 65 in let's say March '25. At least some part of it will be in addition to what we were generating.

Sumit Bhagwat: So, last year, the revenue of Rs. 96 crores include the non-crane part of it also Our rental business, if you see, our segment, it stood at Rs. 60 crores. And currently in the current year we have some of the customers which have joined us whose full incremental effect and annualized impact will be reflected in our Financial year '25 results.

Santosh: One small request, sir, if you can do this concall every quarter, that would be helpful. I think one got missed after the financial year this year, after March '24 we didn't have a concall. If you could do it like quarterly wise, that would be helpful for the investors.

Jatin Chokshi: Alright, noted.

Moderator: Thank you. The next question is from the line of Nitin Agarwal, who is a CA. Please go ahead.

Nitin Agarwal: Sir, two, three months back you had notified the stock exchanges that whatever monetization you did of Rs. 200 crores approximately, you had transferred the funds to your promoter owned entities to acquire some land. Also, you acquired three floors of your Allcargo Logistics office. So, just wanted to know whether the Company had obtained the Independent Valuer Report? And just wanted to know that it seemed like to a layman person that you simply diverted the funds of the Company to the promoter-owned entity. So, it would give us confidence whether if you can justify that what was the rationale behind transferring the funds to promoter-owned entities. Also, you bought the three floors of your office, so whether this Company requires three floors of office, how much stuff sits there, just wanted to know that?

Jatin Chokshi: Okay, let me clarify. I mean, it is not a diversion of the fund to the promoter kind of a thing, because the Company has purchased the properties and rights to buy the land at the locations like Bhiwandi, Hoskote and Jhajjar. So, it is not that kind of a thing. Please understand that the company exited certain assets with the Blackstone deal happening in the March 2023, and thereafter company realized the money. But company does not want to lose the opportunity of the business and buying the land during the meantime. Hence, the promoter helped Company to buy those land parcels in his personal name. And the promoter or, I mean, related party held those land and property until the liquidity in the company comes.

However, to avoid any conflict of the business or from the corporate governance point of view, promoter had never intended to construct or build any kind of similar business of Transindia. And hence, when the liquidity event happened, the rights to acquire all the three land parcels and three floor of this building, Allcargo House has been transferred to the company against the payment.

Now coming back to your valuation questions. Yes, company has followed all the due process of the law, including obtain the valuation from the two registered valuer of the repute. It has obtained, apart from Audit Committee and Board approval, it has also obtained the shareholders' approval for the transaction. And in the exchange filing, the Company has provided all the details and rationale for purchase of those properties.

Now, as far as the three floor of this building is concerned. Please understand that three floor is already with the Company and is 100% wholly owned subsidiaries. So, it makes sense to acquire this because it is an already operational asset. The company doesn't has to invest in a greenfield project and wait for the rental yield to come. So, right from day one of the acquisition, now the entire building belongs to the Company and is 100% SPV, and all assets are operational. So, there is no loss of any, I mean, due to the greenfield project or waiting period or those kind of things. So, this is the rationale behind purchase of those property, which is a core business of Transindia. And we do not want to have any kind of conflict with the promoter having a similar business. We have no intention of doing this. So, that was the reason for this purchase.

Ram Walase:

Just to add to what Jatin bhai said just now. That this building, half of it was owned by Transindia and its subsidiaries, the remaining half was owned by different entities. It made sense to acquire all the remaining floors because this plot has a lot of redevelopment potential in the future. And once the entire property is controlled by one entity, it's easier to undertake redevelopment of such projects. And that was one of the long term objectives of the Company.

Jatin Chokshi:

Yes, because of the change in the policy of the government, lot of potential of getting the FSI and expanding the building is there. So, we wanted to have all this benefit to the Company not only half of the benefit that was another reason for these transactions.

Nitin Agarwal:

Sir, that's right. But when the funds were transferred to the promoter entities, the Company did not file any Investor Presentation at all, and neither it got a concall. So, it gives a suspicion that when the company transferred the funds, approximately Rs. 200 crores to the promoter-owned entities, it didn't get any concall etc. So, that time I got excited with the prospects of logistics parks and warehousing and all, so that's why I purchased a substantial number of shares. But later on when the funds from Blackstone came, it was transferred. And of course, I will request your investor department to get me the valuation report because I am also into real estate industry only and I understand how valuers give the report, it's a very subjective thing.

So, would like to understand in that sense whether the fund transferred was on arm's length basis, the valuation obtained was on a reasonable basis for similar land parcels. Whatever the money was transferred to the promoter entities, valuation was reasonable. And I would like to know if the Company enquired for similar land parcels in the market, and after comparing the value owned by the promoter entities and the independent third-party land parcels were compared and then only the funds transferred to the promoter entity.

Jatin Chokshi:

But as I mentioned to you, I mean we have followed the complete due process. And if you already purchased the shares keeping in mind the Blackstone exist, I mean, everything is available including the shareholder approval, detailed resolution, detailed information about each and every land parcel, valuation. And as I told you, yes, you being a CA, like all CA, I am also a CA, yes, we always have eyes with a suspicion for any kind of thing. And it's good, I mean, most of the time to be a vigilant kind of a thing.

But let me assure you that we have followed all the due process because it is not only the promoter entity, it is an related party transactions as well. So, there is, I mean, a lot more compliance is required, okay. So, two independent report of the valuers like all international IPCs we obtained, it is not that I mean just a small valuer and you say how the valuation is subjective and kind of thing. Yes, everything is subjective, but end of the day we have to rely on the valuation by the reputed international valuers kind of thing, right? So, I mean, and all information are available in public domain, including shareholders' approval, rationale about the transaction, details of the property and land parcel, everything is available. So, I do not know, if you need any further information we can always discuss, I am happy to provide that.

- Nitin Agarwal:** Okay, Sir. Thanks a lot. All the best, sir. Thank you. I will contact your investor department.
- Jatin Chokshi:** You are most welcome.
- Moderator:** Thank you. The next question is from the line of Sujal from RV Investments. Please go ahead.
- Sujal:** Sir, I have a question regarding your revenue guidance and the margin for FY '25 and FY '26, can you like give information?
- Jatin Chokshi:** Anyway, we do not give any forward statement kind of thing. So, revenue for FY '25 we already, I mean, mentioned in the speech, but normally we do not issue any forward-looking statement. And it depends on the asset completions and so many other things are there. But, yes, for FY '25, the approximate revenue will be around Rs. 65 crores.
- Sujal:** And what about margins?
- Jatin Chokshi:** Margin is almost a kind of similar thing, because it is all rental asset so the real operational expenses would be in the nature of the insurance, property tax of those properties, and renewal of licenses. Those are only the thing. Rest is only the SG&A and kind of things. So, whatever the current margin is, we expect to continue with that.
- Sujal:** And any plans to enter into the data center like, whatever Company plans in the future?
- Ram Walase:** As I mentioned earlier, we are looking at alternate assets. But right now, there is no frozen plan on any particular land parcel or a location. We are evaluating options. The picture will be clearer on the other type of assets probably by the first quarter of next year.
- Moderator:** Thank you. The next question is from the line of Karunakar, an individual investor. Please go ahead.
- Karunakar:** I just wanted to ask about the business model going forward. Like you have land parcels, you will develop all the logistics, warehousing and everything. After the monetization you want to again buy the land or like you want to continue with the rental yield or what is the plan going forward?

- Ram Walase:** So, after exiting from part of our last portfolio, we have acquired land three land parcels, one in Dankuni in Kolkata, Hoskote in Bangalore, and we have acquired land parcel in Bhiwandi. And right now these land parcels are at the last stage of consolidation and we would be commencing the approval processes for some of these projects. So, this will be part of our new portfolio.
- Karunakar:** Like I want to ask about the future, like after you develop these lands you want to monetize it again and buy the new land, or you want to go on rental, something like that?
- Jatin Chokshi:** Yes, let me let me explain to you. Basically, the rental yield for the warehousing business or industries as such is around 9%, that is what kind of thing. Yes, so definitely any player or every Company would try to maximize the return for the investors and equity for all the stakeholders. So, certain strategic locations we may not exit, certain strategic locations or certain locations where Company has a good opportunity and makes a commercial sense, definitely we would explore the possibility of exiting, which ultimately will end up in maximizing the return to all the stakeholders.
- Besides, please understand that land is a raw material for this business, and normally the banks and institutions cannot fund for the land. So, land is nothing but an equity of the Company. So, unless and until the Company churns the assets at appropriate time, then there will be a limitation of the growth of the Company. So, that is also one of the business nuances. So, we are taking very careful decision of retaining, exiting or, I mean, continuing or buying new land or going for new initiative with the ultimate aim of maximizing the shareholder returns. That is the only thing. But yes, we have got all the options open.
- Karunakar:** And the follow-up question, sir. Will you do the services of warehousing like for another player also, like if he has land you can do it for a private thing also?
- Ram Walase:** So, so far all our parks' lands are owned by us, but we are open to doing joint developments with the land owners and we do explore opportunities of that nature also.
- Jatin Chokshi:** Yes, because we are in real estate, real estate is the core of the business. Of course, we will continue doing industrial logistics parks where we have the core expertise and leverage our experience and knowledge, continue to do that. But at the same time, we will explore all other real estate opportunities what is available and which is beneficial for all the stakeholders. We will continue to do that.
- Moderator:** Thank you. The next question is from the line of Deepak Poddar from Sapphire Capital. Please go ahead.
- Deepak Poddar:** Wish you very Happy Diwali.
- Jatin Chokshi:** Same to you. Thank you.

- Deepak Poddar:** Yes, thank you. And just wanted to understand, I mean, you mentioned to the earlier participant, we are looking at Rs. 65 crores of revenue for this entire FY '25, right, on a consol basis?
- Jatin Chokshi:** Yes.
- Deepak Poddar:** But in the first half we are already through with Rs. 39 crores, then how come we are targeting? I mean, in the first half we already did about Rs. 39 crores, right?
- Sumit Bhagwat:** Rs. 39 also includes our trailer business income also. So, if you recall our segment --
- Moderator:** I am sorry, sir, you are sounding distant. We missed some words.
- Sumit Bhagwat:** So, Rs. 39 crores of revenue also include some part of the trailer business, which is around Rs. 4 cores. So, if you deduct that, it will become Rs. 34 crores, and annualized will be around --
- Jatin Chokshi:** Yes, so let me clarify that we had the legacy business of trailer and kind of thing which we have exited also like cranes in the last year. But still, some of the trailers are pending transfer and some of the earlier contracts are pending for novation. So, on behalf of the buyer, as per the terms of agreement, we are doing a back-to-back billing, so that has been reflected, but that is not our core business. And we expect that from this quarter onwards the complete handover to the buyer will happen and our pure rental revenue will be Rs. 65 crores, approximately, that is what has been shared with you.
- Deepak Poddar:** And what was the share of this legacy business in first half?
- Jatin Chokshi:** We will come back to you. Summit, you note down the question, we will come back with more detail to you. At this point we do not have the things ready at the moment, we will come back to you.
- Deepak Poddar:** Rs. 65 crores you are talking about, that is entirely your rental yield, right?
- Jatin Chokshi:** Yes, yes.
- Deepak Poddar:** And any thought process on data center, I mean, the work on data center, so any thought process on that?
- Ram Walase:** No, we are exploring other asset classes, as I said earlier. But we right now do not have any concrete plan to announce here saying that we are doing a data center. We are looking even residential plots or other types of asset classes along with data centers, but we do not have any specific proposal right now to disclose here.
- Deepak Poddar:** No specific, okay, fair enough, I got it. I think that would be it from my side. And all the very best to you. Thank you.

- Moderator:** Thank you. The next question is from the line of Anand Mundra from MyTemple Capital. Please go ahead.
- Anand Mundra:** Sir, following up with the previous participant's question, if I see your segmental revenues, the logistic park segment is doing about Rs. 18 crores revenue, has done about Rs. 18 crores revenue this quarter. If I annualize that figure, it comes to about Rs. 72 crores. So, why is it that we are guiding for only Rs. 65 crores of rental income? Is it that we are expecting some vacancies in H2?
- Sumit Bhagwat:** So, it's a combination of both actually, because some of the parties may have exited and some of the new parties have come, okay. So, straight away we cannot analyze the quarter revenue at this point in time.
- Jatin Chokshi:** And let me clarify further that there is, I mean, within the segment of the rental, there is an industrial logistics warehouse and there is other rental income. As we mentioned earlier, three floors of this building we have acquired, which is a purely rental bearing office kind of a thing. So, that also gets added in the Rs. 65 crores. That is the reason in the current kind of thing. So, that is the reason we are talking of a pure industrial park which is slightly less than, because there are other components of the rental as well for the commercial office.
- Anand Mundra:** So, I did not understand this part, sir. So, you are saying that the commercial premises has been acquired recently and that has not been added, so shouldn't that number go up then?
- Jatin Chokshi:** Yes, three floors of the building of Allcargo House, where the Company's registered office is there, that has been acquired or purchased by the Company in the month of September only. So, the full revenue for the now seven months and for the next financial year, full revenue will be reflected in the Company's revenue.
- Anand Mundra:** But sir, that will increase the revenue further, right? So, from Rs. 18 crores probably that number will go up. And if I annualize that, that will be a larger number as compared to the Rs. 65 crores that you are guiding for. Why that disconnect, sir, I am not able to understand that?
- Ram Walase:** So, the Q1 revenue was slightly higher, and part of that asset was handed over to Blackstone when we exited last year some of the assets. So, it is not a uniform picture. As I said earlier, our completed assets have a potential of annualized revenue of Rs. 65 crores. But some of the assets are getting added and some of the assets we have exited, and that is why it is not a straightforward extrapolation saying that if Rs. 18 crores was first quarter revenue, it should be Rs. 72 crores for the year. It's a combination of some exits and also a combination of some of the new additions getting added.
- Sumit Bhagwat:** So, if you just refer the corresponding quarter, it is just Rs. 16 crores. And you can make it out from that that around annualized income will be around Rs. 65 crores, because this quarter includes the impact of the new customer and exit of old customer.

- Anand Mundra:** Okay, got it. And sir, if I see there's a difference between, like the standalone profit is higher as compared to the consolidated profit. So, which entity among our subsidiaries is loss making right now?
- Sumit Bhagwat:** So, the difference between the standalone results and the consol results, mainly because of the interest which we have in our standalone results. So, that gets eliminated at the consolidated level, okay. So, the results purely reflect our group's strength towards the logistic parks and the real estate business.
- Anand Mundra:** So, all the operating properties as well as the land bank that we have is sitting under investment property in the balance sheet?
- Sumit Bhagwat:** Yes, that's right.
- Ram Walase:** The lands will be in the capital work in progress, and the completed properties will be in invested properties.
- Anand Mundra:** And sir, how much would be the cash and liquid investments on the balance sheet as at the end of September '24?
- Jatin Chokshi:** I mean, Rs. 150 crores as on the September balance sheet we have got cash.
- Moderator:** Thank you. The next question is from the line of Santosh who is an individual investor. Please go ahead.
- Santosh:** Thank you. I think this question was partially answered or maybe I am getting confused. So, your revenues excluding the hiring, like non crane business which will go away is what it's almost like this, but in Q1 it was Rs. 16 crores, in Q2 it is Rs. 18 crores. Trying to understand like are we anticipating the revenues to go up, at least slightly, going forward in Q3, Q4? Or is it like because it's stagnant right now, so kind of literally going from Rs. 16 crores to Rs. 18 crores? Can you throw some light on that sir, like is it possible to grow some light? Are we anticipating growing the revenues from the logistics business for the rest of the year?
- Ram Walase:** All our existing projects are fully operational, and we have now a monthly run rate of revenues. We do not have any projects getting completed between now and March, so we do not expect any change from our monthly rentals. And it will be at a steady state going forward. Our new projects will be operational mostly in FY '26 or '27 and that is when there will be a significant change in revenue. We do not expect any material changes happening in our revenue profile.
- Moderator:** Thank you. Ladies and gentlemen, as there are no further questions from the participants, I would now like to hand the conference over to the management for closing comments. Over to you, sir.

Jatin Chokshi: Okay. Thank you very much all the participants to our earnings call and Wish you all the Season's Greeting, Happy Diwali, and Happy New Year. And thank you for showing interest in our Company. That's all from my side. Thank you very much, everyone.

Moderator: Thank you members of the management. On behalf of Transindia Real Estate Limited, that concludes this conference. We thank you for joining us. And you may now disconnect your lines.