



“Puravankara Limited Q1 FY18 Earnings Conference
Call”

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PURAVANKARA LIMITED
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PURAVANKARA LIMITED
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MR. NEERAJ GAUTAM - VICE PRESIDENT,
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Moderator: Ladies and gentlemen, good day and welcome to Puravankara Limited Q1 FY18 Earnings Conference Call. We have with us today from the management, Mr. Ashish Puravankara, Managing Director; Mr. Kuldeep Chawla, Chief Financial Officer; Mr. Neeraj Gautam, Vice President. As a reminder, all participant lines will be in the listen-only mode. 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 touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Kuldeep Chawla, Chief Financial Officer, Puravankara Limited. Thank you, and over to you, sir.

Kuldeep Chawla: Thank you very much, and a very warm welcome and good evening to all the listeners. Thank you for taking time out of your schedule to participate in this call. What we would like to do is, to talk about not only Puravankara's quarter one earnings, but also spend a little bit of time early on in our call, talking about RERA and GST, the two transformational changes in the Indian real estate ecosystem. From a regulatory point of view, we are well-placed. Not only are we RERA-compliant, more importantly we are RERA-ready. We have filed for 6 projects in Karnataka and one in Maharashtra that are required to be filed under the RERA rules of the respective states. In no other state that has passed the rules do we need to file for RERA as our projects do not qualify for RERA filing. We have a good mix of projects in our basket that are under RERA and that are not under RERA. In all our projects, we have followed RERA to the letter and to the spirit. And customers will not suffer on account of transparency or other reasons in any of our projects, whether or not we are required to be filed under RERA. In the case of Karnataka, in no ongoing, we are required to deposit any money based on the amounts received and the amounts spent on these projects. In addition, in the case of Karnataka, there is another provision where at a later stage if there is any projective shortfall, you are required not to deposit 70%, but a 100% of the cash flows. In our case, given the stage of our projects, we do not even fall under that regulation.

Moving to GST, we have realigned all of our systems to assess GST requirements well in advance of the GST rollout date, and are charging our customers based on where the projects stands in relation to its execution as well as the demand notices.

Moving on to the business in general:

Whilst the demand environment continues to remain subdued, we believe that there is a demand build up based on the enquiries, phone calls, visits that we are receiving not only at our offices but also through other mediums including site visits. In addition, we believe that the affordable and value for money housing segment is expected to see improved sales across our markets. Another trend that we are seeing is that, the commercial space absorption, which has been good, is leading to a consequential demand for homes in many of our target markets. The recent

reduction in interest rates and the implementation of RERA, we believe, barring a little bit of uncertainty in the short-term, will result in decisions getting taken from the enquiries that we are seeing coming through various routes to our sites and to our sales staffs. In terms of overall sales momentum, we are seeing an improvement in our sales, a reduction in our debt levels, a reduction in our cost of debt, and an improvement in the delivery timing. All of this is resulting in an improved cash flow for our business.

Let me first begin first with sales – For the quarter ended June 30, 2017 whilst overall sales were flat at about 575,000 square feet, when we compare quarter one of 2018 versus quarter one of 2017, and you take away a large project launch that happened in April of 2017, in terms of volume, we see the 20% growth in the number of sales units. Sales from ready to move inventory and those that are nearing completion for the quarter ended June 30, 2017 were 250,000 square feet with a direct contribution to the operating cash flows. Sales from ongoing projects during the same quarter were also very healthy at 325,000 square feet.

Revenues; if I move on to the consolidated performance for the Group, under the IndAS standards for the quarter ended June 30, 2017, revenues grew 11% to Rs.347 crores. The earnings before interest, taxes and depreciation and amortization grew by 16% to 87 crores for the quarter ended 30th June 2017. Consequently, the EBITDA margin saw an increase to 25% for this quarter. Profit before tax grew to Rs. 27 crores for the quarter ended June 30, 2017, with a margin on PBT to revenue of 8%. Profit after tax grew by 116% to Rs.17 crores. We have continued to execute on our projects over the last many quarters. We delivered 3.2 million square feet in this quarter. With a sharp focus on productivity and cost control measures that we have put in place, we had an operating surplus of Rs. 100 crores in this quarter, before payment of interest of Rs. 57 crores. Net of payment of interest and taxes, we still had an operating surplus. The balance collection from sold unit in all our launched projects is Rs. 1,163 crores as of the 30th of June 2017, and compares favorably against the balance cost to go on these projects of Rs. 994 crores. Combined with the unsold receivables from launched projects of Rs. 3,299 crores, the projected operating surplus of 3,029 crores on the launched portfolio compares favorably against the current outstanding net debt as of 30th June 2017, which stood at Rs. 1,997 crores. And if we look at our debt position of Rs. 1,997 crores, as of June 30th, 2017 compared to the corresponding date, which is June 30th, 2016, we have seen a net reduction in our net debt. Our net debt to equity, as a result, fell from 0.94 times as of June 30th, 2016, to 0.83times as of June 30th, 2017. In addition, our average cost of debt has come down to 11.36% as against 11.84%. Furthermore, we continue to evaluate opportunities to further reduce debt from these levels. I may add that the amount of Rs. 165 crores, which we received that was due from the sale of our Kochi project in July 2017, has not been included in these numbers. And if you were to take the impact of that, then our net debt to equity as well as our cost of debt would see a further significant reduction.

With this, I would like to open the floor for any questions.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question and answer session. We will take the first question from the line of Anubhav Gupta from Emkay Global. Please go ahead.

Anubhav Gupta: So I have basically 3 questions for you. In light of the IT slowdown in Bangalore, how is the demand for real estate panning out in Bangalore? So that is my first question. My second question is, are we planning to move out of Bangalore, expand beyond Bangalore? And if yes, what will be the revenue from non-Bangalore in the coming next 2-3 years? My third question is, how is Provident scaling up? So, we have been hearing that Mr. Modi, the Prime Minister Modi is supporting affordable housing a lot. So, what is your take on that?

Ashish Puravankara: The answer to your first question is that, so far we have not seen any serious reduction in terms of demand in the Bangalore market. So demand continues to be stable. In fact, I think it is only getting slightly better. The reason is I think a huge pent-up demand that has been created over the last couple of years. What we have been hearing in the IT sector is that, at a lower level, is where these jobs are being cut, but we have not seen any change in our demand so far. The second question was?

Kuldeep Chawla: Beyond Bangalore, I think the other point that might be worthwhile to mention is that, you know over the last 18 to 24 months, Bangalore has already accounted for 50% or less of our business. A, we believe that geographical diversification is important, and B, very importantly, both in Pune and Hyderabad which has been the major contributor to our non-Bangalore revenues, we have seen an excellent response in terms of sales, cash flows etc. You asked a question about, whether we are going to grow outside Bangalore. And I think the short answer to that is, we will continue to look at opportunities in West India, in Pune, we are starting in Mumbai shortly, in Hyderabad; but we will also look at opportunities in Bangalore and these will be our major markets. Wherever we see a good opportunity, we will grow. As an example, in Pune and Mumbai, we have seen some excellent opportunities and I think you will see the result of that in the coming quarters.

Ashish Puravankara: I think answer to your last question on Provident, I completely agree with you, I think Provident is in a position to really see some really fast exponential growth, especially with all the thoughts that the government is putting in. We have a fantastic lineup of new launches which are at various stages of expansion right now across micro markets of Bangalore, across Chennai, across Pune and across Mumbai.

Moderator: Thank you. The next question is from Rajiv Rupani, Individual Investor. Please go ahead.

Rajiv Rupani: I am a shareholder of the company. Sir, my first question is regarding the sales and the PAT margin. Sir, for the financial year 2012-2013, our sales was about 1,250 crores and the PAT was 243 crores. Sir, the following three years, the sales improved but the PAT of the company

declined to 160, the next year 133, and 83 crores for the financial year 2015-2016. So, sir, the PAT margin of a company dropped from 20% in 2012-2013 to 5% in 2015-2016 even for the Q1 results, the PAT margin is 5%. So when do we see an improvement in the PAT margins?

Ashish Puravankara: Just a quick response to that is that, in those years that you referred to, the previous years, there was a huge benefit that came out of 80-IB, which was the tax benefit. So most of the projects were in fact tax free, where in cities like Bangalore, if you built an apartment under 1,500 square foot of built-up area and 1,000 square foot in Mumbai, those projects were not taxed. So that was one benefit. The second reason is the interest cost. The good news is that, the 80-IBA benefit is back around the corner. So if you see most projects that we are designing today, especially under the Provident brand, we are ensuring that the sizes comply to these norms of the income tax where we will start getting the tax benefits into those projects as well. So you should see the numbers of Provident definitely moving towards those same numbers. And the interest is well, on account of which the margins had come down, I think that interest is also on its way down.

Kuldeep Chawla: In fact, on the interest I would just like to make a point, because this is the result for the period ended 30th of June 2017, we have neither taken the benefit of cash flows of 165 crores that have come in, nor have we taken into account some benefits which we have already received letters from bankers and financial institutions for reduction of interest. If I were to take just those two aspects into account, our net debt to equity is already down to below 0.8, it is 0.796 to be precise. And as of the 31st of July 2017, in addition, our interest costs are already down to 11.1%. And if I were to take into account the proposals where we have already put up and are being actively considered for approval, we will be sub 11% before the end of the current quarter ending 30th of September 2017.

Rajiv Rupani: Okay. Sir, I have a follow-up question. Our net debt is Rs. 1,997 crores. So, going forward, can we see it coming down to, let us say, Rs. 1,500 crores?

Ashish Puravankara: So if you see our rate move in inventory, I think faster they sell, you will see the debt number sort of coming down.

Rajiv Rupani: Okay. And sir, my next question is regarding Provident. Sir, since we have a first-mover advantage in the low cost housing, so going forward, can we see a Provident doing sales of 1,000 crores to 1,500 crores?

Ashish Puravankara: Definitely over time and I think the goal that we have set internally is much higher than that. I think what will define that is, how fast we can get these projects out for launch. But, yes, the first-mover advantage is definitely there. You see in any location, for example, Hyderabad, the company Puravankara or Provident had not launched a single residential project, so fairly new brand in a city like Hyderabad. The location again was not a very, very good location. It was the action areas, Hitec City, Gachibowli etc., we were about 8-10 kilometers away from it. Our first

launch being a little conservative, we broke it up into 4 phases. The first phase sold out, the second phase also has sold very well. In fact, now we have combined Phase I and Phase II, and merged into Phase I, because we are almost about 75%, 80% sold of both phases put together. So, yes, as these launches come out, we strongly believe that Provident will really take a huge advantage out of the market.

Rajiv Rupani: Okay, sir. And my last question was regarding some land parcel we have in Colombo, what is the plan, sir?

Ashish Puravankara: So, we have about 24 acres in Ja-Ela, which is just on the outskirts of Colombo. This land was bought way back in 2006. Right now we are evaluating the best use for it, so we already got just so that we have some sanction in place, we have got a villa sanction. It is in the final stage of sanction, but we are also talking to the JLLs and other IPCs to understand the best optimum use for that land, would it be a villa, should it be a G+4 apartment. But having said that we should have our villa sanctioned in the next month or so.

Moderator: Thank you. We will take the next question from the line of Manoj Dua from Geometric Securities. Please go ahead.

Manoj Dua: My first question is regarding this ready to move inventory and the projects near the completion. As you know that the ready to move inventory does not attract any GST, and does this affect the projects which are nearing completion like we saw very less sale in Sunflower and Amaiti in Coimbatore, because if a project is approximately 80% complete, if this becomes sense of the buyer thinks, okay let the project get completion and I will buy without GST?

Ashish Puravankara: It need not be so. First of all, we have carefully observed, we have quite a few projects where we have works tax-free inventory for sale. Even in the case of newer inventory, an advantage is, we have been charging and we have been taking into credit. So therefore, from that perspective, GST is actually not affecting that, that is because we have been taking credit as such. So we do not think that customers will just wait for the project to complete, because our pricing is in such a manner that GST will not impact. And just for your information, even if let us say, project goes for completion, the market has to then correct the GST credit, because whatever input credit that has been taken, it will become our cost. So market will automatically factor at whatever Rs. 100 – Rs. 150 cost, traditional price. So therefore, there is no need for people to just wait like that.

Kuldeep Chawla: I think in terms of the sales we are seeing in Provident, ready to move inventory is moving pretty efficiently, as also nearing completion projects.

Ashish Puravankara: So we will be able to give quality to the customers. Once the enquiry comes in, you will be able to bring logic to whatever these kind of expectation or hope that there will not be GST, it does not seem like there is no GST, but the input credit cost otherwise we would have taken has to be

revised, so the cost will go up. So we are able to convince our customers that it is a position even before GST. Even earlier, there was clarity that once the project is completed, there is no service tax, there was no VAT. So it is not a new position that has suddenly come in. So we have been facing it.

- Kuldeep Chawla:** And we had realigned all the benefits that accrue to the customer to pass on the GST benefits.
- Manoj Dua:** Yes. So, any project which gets completion, do you believe that the builder will raise the price for these type of projects which will get the completion? Will you be able to increase the price?
- Ashish Puravankara:** Yes. Today, let us say, apartment which is 50 lakhs plus 12% GST is 56 lakhs. Now post completion, we will sell at 56 lakhs, no taxes or 55 lakhs, no taxes. It would realign like that, because builder will have that input credit which we have to reverse. So, therefore this we have been stating for the last two years, ever since the clarity came under the service tax that there is no service tax beyond OC (occupation certificate) and we have been successfully able to convince the customers.
- Manoj Dua:** Okay. In the annual report, our current liability has increased from 265 crores to 879 crores under the obligation to landowner in the joint development program. Have we added some project in last financial year for that the current liability has increased?
- Vishnu Moorthy:** No, because we have now gone into gross accounting for JD projects, when last year we changed the accounting standard, the joint development agreement wherever we had commitments, we have passed notional entry to recognizing land cost for JD projects. It is a notional entry.
- Kuldeep Chawla:** There is no increase in real liability.
- Ashish Puravankara:** There is no financial commitment, it is a notional entry what we have passed to recognize the value of the land which has been taken by us from joint development. And our obligation is actually to build and gear in the proportionate built-up area. And that liability has been recognized as a notional entry. That is all, it has no earlier cash flow implications.
- Manoj Dua:** Okay. In last con call you said, that the Provident pipeline would be around 11 million square feet. Still in the presentation that figure is far away. So, are we going to realign more Puravankara into Provident or we are going to adding more Provident in this new financial year?
- Ashish Puravankara:** No. Our focus is to onboard, so there is independent focus on Puravankara and there is an independent focus on Provident. But, yes, Provident will end up getting a lot more launches because I think the market in that space and in that ticket size is much better at this point, considering sentiment. So you see that number in terms of launches go up.

Manoj Dua: Okay. There is one mention regarding the selling strategy in the Annual Report that we will like to sell only something upfront and keep some inventory for the later stage for getting a better realization. If I take the last concall you said that, this is not a strategy going forward, we would like to sell as much as possible on the launch. Can you throw some light on that?

Ashish Puravankara: I will go back to the Annual Report and check that section how it is written. But you are right, what we expressed in our last con-call, where we do not want to hold inventory, we will use a dynamic pricing mechanism where we don't lose out and which we have successfully done in all our recent launches over the last 2-3 years. For example, even if you look at our Pune project, today we are getting a premium over our neighbors, which is also a listed branded player. Even in Hyderabad, we are getting a higher premium. This is simply through a very progressive dynamic pricing strategy that we have had. But the goal of the organization is to sell as fast as we can and not to hold inventory. I will just re-look at that section in the Annual Report and come back to you.

Manoj Dua: Okay. And you are more confident for the ready to move inventory going forward?

Ashish Puravankara: Yes, absolutely. So, if you go back to our investor presentation about a year, year and a half ago, and if you look at those older projects where we had large unsold inventory, and if you look at the position today, they have been selling quite well. And in fact, even the pace of sales in those projects have increased. Cochin for example, you specifically said, Cochin, right? Cochin, we had a project called Eternity, where a ballpark number, I don't have the exact number in front of me right now, but about a year and year and a half ago, we had almost 151, 160 units unsold. Today in the same project we have 35, 40 unsold.

Moderator: Thank you. The next question is from Ashwin, Individual Investor. Please go ahead.

Ashwin: Hi, Ashish, I have a question for you. With regards to Provident, the land acquisition side of things actually, are you looking at an asset-light model where having a joint venture, mainly for affordable housing, because finding a land for low cost housing that will be a major concern, isn't it?

Ashish Puravankara: So, you are right, I think in terms of our strategy, what we are essentially pushing is an asset-light model where we looked in more at JD. Unless and until we have something which is a distress sale where we see tremendous value and larger margins, and the land owner is only keen on selling it, very specifically we will look at very few transactions like that, but yes, broadly we will look at JD.

Ashwin: Okay. But I know it is a long call, but when you would go and prospect these kind of things, are you getting a lot of responses back of doing a joint venture for a low cost housing?

- Ashish Puravankara:** Yes, of course. So, if you look at the one that we have in Hyderabad that is ongoing right now, which is a new market for us, so Bangalore obviously we easily get joint developments, because the city knows us, landowners know us, they know our performance etc. But look at the new market that we have entered, Hyderabad. The first project for Provident, the first residential project for the entire Group was a joint development. Look at Pune, the first project for Provident is a joint development. Look at Bombay. So, we have now secured a land on Shil Road, which is close to Lodha Palava in terms of location, that is a joint development. So, even in new markets where we have not developed before, Provident, and that too not Puravankara and Provident, which is a fairly newer brand, we are able to secure joint development projects easily.
- Kuldeep Chawla:** Also to mention that in the RERA scenario, as a result of RERA, the more organized, the more established, the companies with good balance sheets, the ones with good brands, the ones with good referrals are receiving a lot more of such projects. So that is the other thing that is leading landowners to companies like Puravankara and brands like Provident.
- Ashwin:** Okay. Fair enough. Thanks for that. One more question is with regards to commercial development. I remember a year back with Colliers International, you were specifically saying that you were planning to allocate certain amount of funds for commercial development where annuity kind of model that you are looking, any development from those sides?
- Ashish Puravankara:** So, Yes, we have some commercial development which is currently in the sanction process. We have a commercial space coming out at the beginning of Kanakapura Road, we have something on the beginning of Old Madras road, where the sanctions are ongoing. We have also negotiated some on joint development, some commercial projects in Pune. So, the focus is still there on commercials.
- Ashwin:** Okay. But not actively pursuing this, because the huge opportunity lies in affordable housing and other on the Puravankara side, isn't it? Am I right in saying that?
- Ashish Puravankara:** No, so you are right. But the minute we do an asset-light model, I think you can have your focus on all three segments. On the luxury brand Puravankara, on Provident as well as the commercial space. Because again, if you look at the one in Hinjewadi that we have secured for commercial built-to-suit, at 16 acres it is a joint development. There is no huge upfront capital investment required any which ways.
- Moderator:** Thank you. We will take the next question from the line of Kunal Lakhan from Axis Capital. Please go ahead.
- Kunal Lakhan:** I just have two questions. Firstly, in terms of operating cash outflow, we have seen a sharp reduction of more than 40% actually in Q1. If you can break that up for us in terms of like what led to such, which particular line items where we basically optimized our costs?

- Kuldeep Chawla:** So, I think, Neeraj will answer that.
- Neeraj Gautam:** In our case if you look at our Income Statement, we have spent 205 crores on material and construction cost. However, considering GST and consequent changes thereof, our operating outflow has been of Rs. 178 crores during the quarter. This is purely a timing issue and there will be cash outflow in coming quarter.
- Ashish Puravankara:** Because of the GST, there is timing issue. That is otherwise no big significant change here.
- Kuldeep Chawla:** From last year, where we had already effected a reduction in our overhead costs, both on account of staff costs as well as on account of general, administration and marketing costs, specifically on marketing costs, we are actually doing a lot of digital and other mechanisms, whereby we are getting higher productivity for every rupee spent on marketing. So, in summary, we are seeing reduction continuing. Not new, on account of marketing, on account of staff costs, on account of rates and some benefits that we are able to get on account of GST, so that is at the gross level. At a subsequent level, which is the interest cost level you will see some benefit in Q1 and in Q2 and going forward Q3, Q4 you will see much more meaningful benefits, because our operating cash flows are now stronger. We have got that Rs. 165 crores that we recently received in July, so on and so forth.
- Kunal Lakhan:** Okay. But in terms of our gross cash flows like the larger costs being on the construction spend and if that was lower because of the timing issue should we expect this to reverse in the subsequent quarters and be returning back to cash outflows of closer to like 250 crores to 300 crores a quarter?
- Kuldeep Chawla:** So I think there are two parts to this. Part one is that some of it is a timing issue, But I think there is another aspect that you should consider very importantly is that, as more and more of our projects get completed, the amount of money we need to spend goes down. Let me articulate this in a different way. If you look at us compared to our peers, we have, for example, Rs. 1,163 crores to receive from sold stock receivables. Against that, we only have some Rs. 994 crores to spend to not only finish the launched units, but also for the unlaunched units. If you go back 3-4 quarters, this was not the case. So as we come to the end of a project, see, if you look at it, now let us look at it from a longer period of point of view. If you look at the last 3 years ended March 2017, we had spent somewhere in the region of about Rs. 2,800 crores to Rs. 2,900 crores over that 3-year period or about close to Rs.900 crores to Rs.1000 crores a year.
- Ashish Puravankara:** On an average, we will be around 250 crores is what our spending because of the development pace at which we are going.
- Kuldeep Chawla:** The other thing you should look at is that, the more ready-to-move inventory we sell, the greater the contribution to our bottom line and that is seeing a good pick up.

- Kunal Lakhan:** Great. My second question was on the CLSS finance. So in most of our projects, the customers should be able to avail benefits of CLSS, right?
- Kuldeep Chawla:** CLSS, correct. Credit Linked Subsidy Schemes.
- Kunal Lakhan:** Right. So how has been the traction so far in terms of, have we seen a marked improvement in interaction in projects where the customer can get these benefits in the last 6 months?
- Kuldeep Chawla:** No, I think most of the increase that we have seen, earlier in the call, I mentioned that we have seen a lot of increase in our footfalls, we are seeing a lot of enquiries. We are seeing a lot of customer visits to sites, to our offices, a large part of this is benefiting from A, the product; and B, the Credit Linked Subsidy Schemes. But if I were to say that we have seen a huge benefit already, no, I think it is evolving. We are seeing greater enquires, we are seeing greater closures. I think it will continue to improve. We have seen some traction, but we have a lot more to see.
- Moderator:** Thank you. We will take the next question from the line of Manoj Dua from Geometric Securities. Please go ahead.
- Manoj Dua:** Sir, as you explained earlier the first question that because profit margin have reduced due to the debt as well as tax benefit not being there. Now going forward, our debt is going to reduce, debt cost is going to reduce and the projects of Provident are going to increase shares there. So what normalized profit margin we should aim at after 2-3 years?
- Kuldeep Chawla:** I think, so we would not like to, in the light of the current state of the market, we would not like to give any guidance going forward, but I think the thing that has been mentioned earlier, Provident will continue to accelerate. The benefits of 80-IB are there and we will continue to get them for our projects. And the benefits of lower interest rates signaled by a 0.25 cut already implemented even post 30th June 2017 will continue. I think that is what we would like to say at this stage, and not give a guidance.
- Moderator:** Thank you. We will take the next question from the line of Preet Nagar Sheth from Wealth Finvisor. Please go ahead.
- Preet Nagar Sheth:** An excellent set of numbers. My question is more around REIT. Could you throw some light on what your take is on this measure? And are you seeing any REIT-based enquiries?
- Kuldeep Chawla:** Okay. So as of now, we are still about building our portfolios in the commercial space. Like I mentioned, we have few commercial projects that are at the design stage and we are also negotiating a few. So I think the true benefit or experience for us will come maybe 2-3 years down the line when we have build a significant portfolio of some sites which can be taken to the REIT market and then sort of it sets in.

Ashish Puravankara: And we are actually seeing investors looking at buying individual and commercial units and so without REIT I think there is a demand for that segment.

Moderator: Thank you. The next question is from Rajiv Rupani, Individual Investor. Please go ahead.

Rajiv Rupani: Yes, sir. I have a follow-up question. In the March quarter, we had sold 19 acre land parcel in Hyderabad and the proceeds was used to repay debt. So, sir, I would like to know, do we have any further surplus land which can be sold to reduce the debt, please let me know? Thank you.

Ashish Puravankara: Not really. I mean, there are few in cities like Coimbatore where we have a land parcel, right, which we may consider doing that. We also have some other parcel in Cochin, other than the Marina parcel, where we may evaluate doing because it is about 18 odd acres. So, we may consider launching 9 acres out of that and the balance we may look at monetization.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for their closing comments.

Kuldeep Chawla: Thank you so much for taking the time out to participate in Puravankara's Quarter One earnings Call. I would like to summarize some things. Before that, I would like to also take the opportunity to answer perhaps a little bit more on a question that one of you had asked earlier and that was related to the overall profitability of the Company. I think, Provident will be the growth engine for Puravankara. That is very clear, both from a market point of view and opportunity point of view, a Credit Linked Subsidy point of view. So therefore, from a customer, from a regulator, from a capital finance and from a mortgage point of view. So that is the context. The opportunity for us is, we have got a brand, the brand is well accepted in Bangalore, in Pune, in Hyderabad, in other markets, we will grow that opportunity dramatically over the next few quarters and we believe it is a multi-decadal opportunity. We will take the benefit of taxes, of lower interest costs in addition to the benefits that accrue on all the aspects that I mentioned. That said, we believe that the real estate market is currently in a stage of transition and is at an interesting inflection point. Whilst there are some regulatory challenges in the immediate term, we believe that we are well positioned to take advantage of the consolidation and the benefits that would accrue to the organized players. As the uncertainty reduces, and we see an acceleration, we believe both in the sector as well as at Puravankara through both its brands, as well as through the commercial development would receive the benefits of this growth. We thank you for participating in our earnings call and wish you all a good evening.

Moderator: Thank you. Ladies and gentlemen, on behalf of Puravankara Limited, that concludes this conference call for today. Thank you for joining us. And you may now disconnect your lines.

(This document has been edited for readability.)