

Date: **12.08.2025**

To,

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

Dear Sir / Madam,

Sub: Transcript of Earnings Call

Ref: Regulation 30 read with Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We write to inform you that the transcript of the earnings call held on Friday, August 08, 2025, on the Unaudited standalone and consolidated financial results for the quarter ended June 30, 2025, is enclosed herein.

This is for your information and records.

Thanking you,

Yours sincerely,

For Puravankara Limited

(Sudip Chatterjee)

Company Secretary & Compliance Officer

Membership No.: F11373

PURAVANKARA

**“Puravankara Limited Q1 FY ‘26 Earnings Conference
Call”**

August 08, 2025

PURAVANKARA



MANAGEMENT: **MR. ASHISH PURAVANKARA – MANAGING DIRECTOR,
PURAVANKARA LIMITED**
**MR. MALLANNA SASALU – CHIEF EXECUTIVE
OFFICER - SOUTH, PURAVANKARA LIMITED**
**MR. RAJAT RASTOGI – CHIEF EXECUTIVE OFFICER,
WEST AND COMMERCIAL ASSETS, PURAVANKARA
LIMITED**
**MR. DEEPAK RASTOGI – GROUP CHIEF FINANCIAL
OFFICER, PURAVANKARA LIMITED**
**MR. NIRAJ GAUTAM -- DEPUTY CHIEF FINANCIAL
OFFICER, PURAVANKARA LIMITED**
MODERATOR: **MR. HARSH PATHAK – EMKAY GLOBAL FINANCIAL
SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Puravankara Limited Q1 FY '26 Earnings Conference Call hosted by Emkay Global Financial Services 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 this conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Harsh Pathak from Emkay Global Financial Services Limited. Thank you. And over to you, Mr. Pathak.

Harsh Pathak: Yes. Thanks, Manav. Good evening. First of all, apologies for the delayed start of this con-call. We shall now begin. So, on the behalf of Emkay Global, I would like to welcome the Management and thank them for this opportunity.

We have with us today Mr. Ashish Puravankara – Managing Director, Mr. Mallanna Sasalu – Chief Executive Officer (South), Mr. Rajat Rastogi – Chief Executive Officer (West and Commercial Assets), Mr. Deepak Rastogi – Group Chief Financial Officer, and Mr. Neeraj Gautam – Deputy Chief Financial Officer.

I shall now hand over the call to the management for the opening remarks. Over to you gentlemen.

Deepak Rastogi: Good evening, everyone. I am Deepak Rastogi and I thank you for joining Puravankara’s Earnings Conference Call to discuss the performance for the 1st Quarter of this financial year. The Result and Investor Presentation are available on the Stock Exchanges, and we hope you have had a chance to review them. I would also like to thank our host for today’s earnings call, Emkay Global Financial Services.

Now, let me start with some brief highlights about the sector performance followed by our financial and operational performance for the quarter.

As you know, India’s economy continues to demonstrate strong Resilience despite persistent global uncertainties, geopolitical tensions, supply chain disruptions and evolving tariff policies in key markets such as US. Amid these external challenges, India’s macroeconomic fundamentals continue to remain robust. The RBI has maintained its GDP growth forecast at 6.5% for this year, financial year 2026, reaffirming India’s position as the fastest growing economy in the world.

In the first half of 2025, India’s Residential real estate sector benefited from supportive macroeconomic policies, especially from RBI rate cut of 100 basis points, which brought down the repo rate to 5.5%. This measure was aimed at stimulating credit growth and investment at the backdrop of global uncertainty. As a result, the inflation also pulled significantly with consumer price inflation easing to obviously the lowest in the last six years.

The Residential market remained steady during the period under review, with sales volume for the quarter stood at approximately 82,000 units across the top eight major cities. Chennai and Hyderabad led in terms of growth, recording impressive year-on-year increases of 16% and 6% respectively. Mumbai maintained consistent demand and remained the largest market by volumes during this quarter. India's Residential real estate market witnessed 9% quarter-on-quarter growth in new unit launches as sales remained largely stable during the Q2 of calendar year 2025.

The mid-end and high-end housing segments continued capturing the attention of Mumbai's constituting about 58% of the total sales across the top seven cities during the quarter. The office sector continued its strong momentum during Q2 of this calendar year with steady absorption observed across key markets. Office leasing during the quarter reached 20.3 million square feet while new office supply of approximately 17 million square feet became operational. Space was taken up by domestic corporates and GCC played a pivotal role in boosting the office absorption.

Now, moving on to the Company's financial and operational highlights for this quarter:

We achieved a pre-sales value of Rs. 1,124 crores reflecting a 6% year-on-year growth. The sales value of West region increased by 58% Y-o-Y primarily due to the new launch of Purva Panorama in Thane, Mumbai. Sales volume for the quarter stood at 1.25 million square feet. The customer collections for the quarter stood at Rs. 857 crores. The average realisation also improved by 9% Y-o-Y to 8,988 per square feet, underscoring sustained demand and strong pricing traction across our portfolio.

In terms of geographical sales contribution:

Q1 of this year, financial year 50% was contributed by Bengaluru followed by Mumbai and Pune were at 24%; Chennai at 15%; and Kochi at 8%, respectively. Increase of sales from Mumbai and Pune from 15% to 24% during this quarter, indicating growing presence in Western region.

Our launch pipeline for the year remains robust with approximately 12.32 million square feet of planned development, which includes 9.22 million square feet new project launches and 3.1 million square feet of new phase launches. Notably, non-Bengaluru projects now account for more than 50% of ongoing and planned projects. Reflecting our strategic geographic diversification, Mumbai and Pune together represents 21% of the planned pipeline, underscoring our strong focus and expanding presence in West India.

On the commercial front:

We are on track to complete 2 million square feet during Q1 of 2026. In 2026, we have signed LOI with IKEA for 80,000 square feet of carpet area at Rs. 150 per square feet on carpet area for Purva Zentech. The building will be ready by January 2026 with handover expected one months – two months later post their custom modifications.

With regulatory changes such as e-Khata have impacted handovers and revenue recognition timelines. We remain on track for planned delivery of more than 4500 plus units during this financial year. Out of the planned handovers, 3000 plus units, 3015 units, approximately 3.65 million square feet have been completed and the OC has been received already. These are currently awaiting e-Khata issuance for handover possession. During the quarter, we handed over 667 units covering 0.68 million square feet, generating revenue of Rs. 539 crores.

On the business development front:

We have been selected as the preferred developer for the redevelopment of 8 housing societies in Chembur, Mumbai with an estimated GDV of Rs. 2,100 crores with developer area of 1.2 million square feet. This forms part of our broader redevelopment portfolio in the city with four key redevelopment projects collectively with a developer area of 3.63 million square feet, which is expected to generate a GDV of approximately Rs. 7,700 crores, further reinforcing our strategic presence and growth momentum in the Mumbai market.

Further strengthening our presence in key micro markets, we have entered into a JDA for 5.5 acres land parcel in East Bengaluru with an estimated GDV potential of over Rs. 1,000 crores. Earlier this quarter, Puravankara partnered with KVN Property Holdings LLP for a 24.59 acres land parcel with 3.48 billion saleable area with an estimated GDV of 3,300 crores. The project is located in North Bengaluru near the airport and is expected to launch within six months. These strategic initiatives underscore our focused approach towards expanding in high opportunity locations and driving long-term value creation.

Coming to the financials of this quarter:

Our revenue was Rs. 539 crores, EBITDA margin for the quarter was 15% while we reported a loss of Rs. 69 crores. The sales and marketing expenses and overheads incurred for the pre sales have been entirely charged to P&L as per Ind AS Standard 115. On our debt position, our net debt stands at around Rs. 2,825 crores which is at a net debt equity ratio of 1.68 with a cash balance of Rs. 718 crores, indicating a strong liquidity profile ensuring stability and operational continuity.

Gross debt during this quarter actually reduced by Rs. 138 crores with major debt coming down on the Resi side, but because of the changes or the increase in the commercial, the net increase, sorry reduction was Rs. 138 crores. Cost of debt has reduced to 11.35% driven by continued focus on improving funding efficiencies. We remain committed to optimize financial resources by continuously working on reducing the debt per square feet for under construction projects.

In the next couple of quarters, we will see increased acquisition and new launches in the line of growth plans of the Company. We want to highlight our strong growth trajectory over the last three years and the sales growth continues to be at CAGR of 28% while the collections have increased at a CAGR of 37% reflecting our commitment to execution excellence.

To conclude:

We continue to be optimistic about the sector considering the demand supply gap and rapidly growing economy. We are strategically launching the projects in our focus markets with a strong pipeline of already launched projects and further planned launches as well as ongoing business development activities. Thank you for patiently listening. We will now open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. We have a first question from the line of Harsh Pathak from Emkay Global. Please go ahead.

Harsh Pathak: Yeah, hi, sir. Thanks for the opportunity. So, first of all, on the upcoming launches, especially in the West region. So, since there is the NGT order has come, and I guess, there has been some clearance in, taking clearance from the state government. So, how do we see launches in the West region? And I see in the presentation, most of them are lined up in Q3 and Q4. Now, where are we on the approval stage? And when can we expect progressively the launches to come in?

Deepak Rastogi: Rajat, do you want to take it?

Rajat Rastogi: Yes, I will answer it. Hi. Good evening to everyone. So, as you rightly said, a couple of our launches were stuck because of the NGT reason. But now with the favorable order, we have started putting our applications for the MOFA approval. Understanding there is a long queue for all the cases that have been pending for the last one year. We hope that our Andheri project and our Thane project, they both will be available for launch in quarter four or maybe end of Q3.

So, from an approval perspective, I think our files, our approvals, our files are moving in the right direction. They are moving swiftly. And I think in a matter of two to three months, we should start getting approvals. But I think the launches, as you said, will happen either in the end of Q3 or in the early of Q4.

Harsh Pathak: Sure. And I guess this would be phase-wise launches so you know, what is the quantum will be opening, maybe phase-wise, if you can highlight some part of that.

Rajat Rastogi: Yeah, I think amongst the three launches that we intend to do in the West region, the total inventory that we open for sale will be in the range of around Rs. 3,000 crores.

Harsh Pathak: Sure. And so any, I mean, in terms of hierarchy, so which project can we see first coming? Maybe would it be Bandra, the Breach Candy, and maybe down the line we will go for Apna Ghar, because we see there are a lot of launches lined up in those clusters. So, how do we see the launches there in terms of the timeline?

Rajat Rastogi: So, in terms of timeline, of course, not 100% accurate, but in terms of timeline that we predict, I think it is going to be Thane, followed by Andheri, then Pali Hill and Miami. Yeah, that is how we are planning.

- Harsh Pathak:** Sure, sir. And the Chembur projects, which we recently secured redevelopment rights., when do we plan to launch this project?
- Rajat Rastogi:** So, typically, I mean, the approval process takes time, we just started working on the design and the prospects of it. So, from a launch perspective, we are expecting it only in the next financial year, maybe in the quarter two of next financial year.
- Harsh Pathak:** Sure, sir. I will come back in the queue. Thank you.
- Rajat Rastogi:** Thank you.
- Moderator:** Thank you. We have a next question from the lineup, Deepak Purswani from Svan Investments. Please go ahead.
- Deepak Purswani:** Good evening to everyone. Thank you for the opportunity. Yes. So, firstly, just wanted to get the sense in terms of the launch pipeline in the Bangalore. I mean, if you can give the broader sense about the approval process there, I mean, how should we see the approval? I do understand in the presentation, there is a timeline is given for each of the projects. But in terms of the at what stage of approval, if you can give the broader sense for the project like Grand Hills, Bellandur, Hebbagodi, Kanakapura and Westend.
- Mallanna Sasalu:** Yeah, this is Mallanna here. So, I think in the document that what we provided, we have already said that, Bellandur is going to come in Q3 and the other one in Kochi, there is a project called Winworth Phase 2, we said it is going to come in for Q4, Grand Hills in Q4 and Hebbagodi in Q3, Westend in Q3, Hennur Road, probably Q4 or Q3, Mallasandra, that is our one of our project in Kanakapura Road that should be coming up in Q3 and another Kanakapura Road project which is called Vajrahalli, it should be coming in Q4. Also, a small part of development, this is that supposed to come in Q3.
- The issue here has been that the Bangalore Development Authority and BBMP were revising the bylaws for the setbacks. So, which what it did, what it did do for us is we went on revising it and there were several couple of revisions that was brought in by the authorities themselves while we did our thing and when we went for the approvals and the approval got delayed further revision and further revision. And I do not see any challenges in bringing these things within this year.
- Within the timelines, we have said maybe one or two projects may go one or two quarters this way or that way but we are committed to probably launch all these projects within this year.
- Deepak Purswani:** Okay. Got it.
- Mallanna Sasalu:** So, as far as where are these approvals and all NOCs received on all properties that now we have got the NOCs, it is just a matter of authority approvals is what is pending now.

Deepak Purswani: Okay. And sir, I mean in terms of the demand in environment in both of the regions, I mean firstly on the Bangalore side and secondly on the western region side, I mean what is the kind of the absorption based on the current traction in the launches we are seeing? I mean what should be the broader absorption trend we are observing? I mean we are expecting in terms of the launch pipeline and in terms of the getting the new sales from these and for the upcoming projects.

Mallanna Sasalu: Rajat, do you want to talk about it from Mumbai and Pune and then I will talk about Bangalore and South India?

Rajat Rastogi: Sure. I can give him a gist. So I think the market remains very favorable especially on any product which is above Rs. 2 crores and that is the segment primarily that we are catering in the west especially in Mumbai. All the products that we have in the launch pipeline be it Andheri, Bandra or Breach Candy and the Thane Phase 2, they are actually in phenomenal locations. Their locations that customers are really, really looking for, we already have started getting a lot of inquiries. So, we remain to be very positive and the market is also very supportive in the segments that we are currently catering to. Mallanna, you want to?

Mallanna Sasalu: Yes. So, and if you really look at what is happening across I think in Deepak's introduction, opening remarks, he said about how the markets are doing. Nevertheless, see if you look at all over India 66,300 units were sold in Q2 of 2025. Units launched were 72,200, which means that it is a very balanced market at this point of time. That is the number of units that are coming in versus number of units that are getting sold are almost in tandem.

So, if you look at 58% of these things are coming from Mumbai, Pune, Bangalore and South India. So, which is exactly where we are operating, and particularly in Bangalore and in Chennai and in Kochi, what we are seeing is the demand is quite stable. And I would say that between stable and robust because any of the projects that have been launched and the offtake is very good. The number of players have come down and whoever is the larger players, listed people, players like us, we are really taking a premium out of that.

So, it is a great market and maybe my thing is that we had a good run over the last two years on the pricing side as well. Maybe pricing might have achieved its target and maybe it is going to be there. Prices cannot go at the same rate as which went up in the last two year, three years. Nevertheless, it will beat the inflationary numbers is my opinion. So, it is a great market to be in.

Deepak Purswani: Okay. So, I think Thane project, actually we launched Phase 1 at the 2nd of the March and early update. So, if you can give the broader sense, what was the total launch pipeline inventory, launch inventory during that time and how much has been sold and how has been the response for that project?

Rajat Rastogi: So, for the Thane launch, we launched close to around inventory around Rs. 300 odd crores. We have already sold around 70% - 75% of all the inventories at the launch. The launch was very, very successful. The price that we received was about Rs. 20,000 as a realization at the launch,

which probably is one of the highest in that micro market. So, most of the people who bought with us were keen on the quality that Puravankara provides and we continue.

We are very, very hopeful that in the Phase 2 and the new inventory that we get post these recent approvals, I think this launch can be a much, much more bigger launch in the numbers perspective.

Deepak Purswani: Okay. And so, if I understand correctly, earlier in the presentation, we were giving that the total GDV for this project would be around Rs. 3,500 crores. So, eventually, what would be the timeline where we would be looking out to monetize this complete project? And also, is there going to be purely a Residential development or is there going to be the mixed use development of this project?

Rajat Rastogi: Yeah. So, let us break up the question into two. So, one is the overall, you are right, it is overall a Rs. 3,700 odd crores GDV project. We are looking at launching the entire project over a period of 1.5 years. As I said earlier, it got a bit delayed because of the NGT issues and now with that issue being over, we are quickly working on the approval. So, within a matter of 1.5 years, we should be able to launch all the towers in the project. Number one.

Number two, yes, it is a mixed use. We have a sizable retail because it is right on the Ghodbunder Road, one of the most premium locations in Thane and we are developing close to 3 lakh square feet of retail in this project.

Deepak Purswani: Okay. And I mean, what would be the timeline for the next project and what would be the GDV we would be looking at out? And in terms of, and second question to it, what would be the retail area which we would be launching? And when would be the, we would be looking out to launch that project?

Rajat Rastogi: So, as I said, I think this is a composite project with five towers. We have joined the first phase which was around half of a tower as per the current last approval. So, now we are going to be launching another two towers and hence over a period of 1.5 years, we would be launching all the five towers. In terms of the retail area, we are not launching, we intend to hold the retail area. We are not looking at selling the retail area. As of now, we will try and build a product which can lead to annuity income in the future. So, right now, I think we are not opening any retail area.

Deepak Purswani: Okay. And on the commercial side of the development, I mean, Zentech, we were looking to monetize that project. I mean, if we can give this broader update at what stage we are in, where has been the progress about the monetization of that deal?

Rajat Rastogi: So, as Deepak mentioned in his presentation, just now that we will be able to lease the entire retail area to IKEA. That is one of the most significant deals that happened in the last quarter at a rental of close to Rs. 150. Apart from that, as you rightly said, we are monetizing the asset. We have already sold close to 15% of the asset so far and right now, as we speak, I think there is a

business which is going on. So, we hope by the end of this financial year, we will be able to monetize the substantial part of the asset.

Deepak Purswani:

Okay. And just final question from my part. If I were to look on the cash flow slide, on the Slide #23, couple of things. One, on the collection side, I mean, year-on-year, I have been flattish, I do understand because this time there was only the sustenance sales and there has been no launches. But if you can also give the broader perspective, once the launch pipeline opened, how should we see this collection number going ahead? And second part of the question, second part of the question is in terms there is also the line item exit or investment equity in nature to the extent of Rs. 322 crores. If you can give the broader reason of what this amount pertains to what?

Niraj Gautam:

Yes. So, your question has two parts. A is you said that collections or operating surplus is little less compared to the previous quarter. What are the reason and how it will going forward looks like? So, current quarter as we have mentioned that there is less launches and that impacted our collection a bit. However, the second question's answer lies in Slide #24. If you look at Slide #24, we have balanced collection to receive from the sold units itself Rs. 4,643 crores. So, that means we have sold the inventory and collections will be coming as we construct faster, the collection will come.

So, going forward, we see there is increase in collection as we build faster and the collection will come in. The third point which we ask about the cash flow, which is Rs. 322 crores, which is investment in equity in nature. So, we are referring about the drawdown which we have done from HDFC capital, which is Rs. 282 crores, which is payable and enable structure and zero-coupon bond. And we utilize this money in acquiring one of our, which we announced Hardware Park property. And another Rs. 50 crores we have drawn from 361. That facility is also payable and enable in nature. And that is a basis of surplus sharing and IRR based, again, a zero coupon bond. And that money we have utilized for our Deccan redevelopment project in Mumbai. That is why it has been classified as a separate line item.

Deepak Purswani:

Okay. Just continuing --

Ashish Puravankara:

One addition to the first point in terms of the cash flow reduction, obviously, it is, I think the contribution that would have come from new launches. Also, if you notice the handover, while the projects are complete, the balance 10% that we get on possession, right those have gotten delayed on account of that e-Khata. So, the projects are ready as and when that e-Khata comes and we start doing the registration, because most of these apartments are funded by banks.

So, they pay that balance 10% only on registration. So, which have gotten delayed because of some change in government rules and this whole e-Khata business. So, if we had handed over, for example, what we had targeted for this quarter, while on the business side, the project is complete, but from a handover point of view, because of the e-Khata, that possession has gotten delayed. So, that is the second reason why you see that smaller number.

Deepak Purswani:

Okay.

- Mallanna Sasalu:** And that also answers the question why the comparatively the revenue is lower. And that is one of the reasons why the revenue is lower as well. While the expenses remaining constant on the future project, the marketing and general expenditures going up and the revenue not recognized despite the project is completed because of this e-Khata business. And that is the reason why you see that the revenue numbers being low.
- Deepak Purswani:** So, would it be fair to say now this e-Khata issue would be behind us and incrementally one on the sustenance part of this collection should improve. Second, with the launch of new project, there would be a substantial increase in the collection going ahead. And secondly, this balance collection from sold units of Rs. 4,643 crores, what would be the timeframe where we would be looking out for this collection of sold units?
- Deepak Rastogi:** So, that is for coming from our current ongoing project, which is two years to three years, we will be able to achieve this collection.
- Deepak Rastogi:** From a first question perspective, Deepak, we are expecting next, mostly from Q3, Q4, you will have very, very strong collections. Q2 also will have something more. But Q3, Q4 will be the higher collections is what we expect because what Mallanna just suggested on the e-Khata thing, with the glitches there, if everything goes right, obviously, everything will fall in place in the current quarter. Else, it will actually get into the next quarter. But let me assure the team here that we are very confident that whatever we think we should be able to do it, we will be able to achieve it during this year.
- Deepak Purswani:** Okay, thank you. Thank you and wish you all the best.
- Moderator:** Thank you. We have our next question from the line of Chintan Mehta from Puniska Family Office. Please go ahead.
- Chintan Mehta:** Hi, sir. Thanks for the opportunity. I just want clarification. In press release, we mentioned about the surplus cash flow. This surplus cash flow also include the redevelopment project, all of the redevelopment project?
- Deepak Rastogi:** This surplus includes all our ongoing projects, plus also our projects, phases of the existing project which are yet to open for sale. And also the launch guidance which we are given, which is there in our launch guidance in this ICP, Slide #16. It does not include any business development, new business development or which we are signing. It is precisely from our inventory open for sale, plus inventory not open for sale, plus the launch guidance which we are given, which is on Slide #16. Nothing more than that.
- Mallanna Sasalu:** So, redevelopment is actually included in this, is what I can confirm, basically, which is your, Apna Ghar, which is, you know, Rajat was mentioning, we just got the NGT clearance, Miami, and for Deccan. So, those are the three redevelopments, which is part of the current cash surplus, which would obviously, once we launch it over a period of time, you know, we would be able to at least get those surplus in place.

- Ashish Puravankara:** But certain ones like, for example, what we just recently announced, Chembur, the 4 acres, that is not part of this, that those cash flows have not been included. So, those are all additional.
- Rajat Rastogi:** Correct.
- Mallanna Sasalu:** Chembur and also we announced that the one which is the KIADB land that is 3300 GDV, that is not included. We announced another one, Balagere in Bangalore, that was another Rs. 1,000 crore rupees, that is not included, and they are all there in the public domain. While we are actively pursuing quite a number of opportunities which are coming to closure, but these are the things which are not included.
- Chintan Mehta:** Okay.
- Ashish Puravankara:** So, there are about four projects or five projects where the transaction is closed, but have not been included in this cash flow.
- Chintan Mehta:** Okay. And sir, what is the margin difference between these two, owned land development projects and redevelopment projects?
- Mallanna Sasalu:** So, among the 10 in the South India that we have, nine of them are owned lands and one is a joint development agreement. And I think rest of the three that are listed here are all redevelopment.
- Chintan Mehta:** I just wanted the margin differentiation between...
- Ashish Puravankara:** So, even in redevelopment projects, Chintan, the margins are different for every project, but just to give you a perspective, I think the EBT levels that we would like to operate would be between 20% - 25% across our project portfolio. I am talking about redevelopment projects.
- Chintan Mehta:** Okay. And for owned land development, it would be higher than 35% or 30%?
- Ashish Puravankara:** Approximately about 30%.
- Deepak Rastogi:** It again depends, obviously, what kind of but we look for our internal purposes. We look for, obviously, a particular IRR benchmarks and we also look for gross margins. So, generally, we will look for more than 24%, especially for the own the land acquisition and all, as far as the gross margins are concerned. And I can tell you, most of the projects will be in and around or even higher than what you are referring to.
- Mallanna Sasalu:** Also, it will not be a perfect science because it depends on...
- Chintan Mehta:** No, no, I am talking about IRR only.
- Mallanna Sasalu:** When we acquire the piece of land...

- Deepak Rastogi:** Okay, he is talking IRR. So, IRR, purely from an IRR perspective, redevelopment would have higher IRR because there is no land cost which gets associated with it. It is more of a construction and some kind of, obviously, the approval cost which comes in. As far as the outright sales is concerned from a land perspective, obviously, IRR would be slightly less comparatively. But anything which we look at it should be upward of at least 18% IRR. That is the way we look at it. And it can go up to, you know, 30% - 35% and even higher than that. So, it depends upon what projects we are talking about and which are the locations. And it will be very difficult for us to give you a very generic answer to that because it has to be project by project.
- Chintan Mehta:** Okay, okay. And one commercial project which we are looking to monetize it, what is it updated there?
- Ashish Puravankara:** Rajat?
- Rajat Rastogi:** I think on that commercial project, as I said, that we are already, the work is already processed in progress. We have already monetized around 15% - 20% of the asset as we speak. And we are very hopeful by the end of this financial year, we will be able to monetize a substantial part of that asset.
- Chintan Mehta:** Okay, sure. So, just a last question from my side. How we see this digital khata, e-Khata registration? Because of that, the price can go up or, I mean, how you see that in Bangalore specific market?
- Mallanna Sasalu:** So, the question here was that e-Khata was a piece of paper. Now, they made it, it is just the same khata, but it is in electronic form. And so, basically, what happens is that once you complete the project, and the khata means the ownership comes into the developer's name first, and then it gets transferred to the ultimate customer, customer again goes back and makes their own e-khata.
- The entire thing that because of the process, and it is all machine driven, and the software are new, and some of the things cannot be uploaded, and some of the options are missing, and probably was kind of, I would say that not well thought through. And because of which what has happened is that when we get the khata, then only we can go and register it. So, that is the challenge. And there is no cost increase and etc., because if the project is completed, and maybe it is a delay of one or two months that we need to take it in our stride and move forward.
- Chintan Mehta:** Okay, so just one for curiosity, this e-Khata also require compulsion to register lands and all the records. And are we following, I mean, we have intent to following or how you see that as a positive, negative?
- Mallanna Sasalu:** And in the long run, it is positive in the short, always, always anything technology coming in and everything becoming paperless is fantastic. But the thing is, in the short run, till it is implemented properly, just exactly like the way it happened in GST. Once it is implemented,

once it is going fine, then it is fantastic. It is a very good thing for the industry, and for the entire state of Karnataka in terms of land records and other things.

Chintan Mehta: Sure, sir. Understood. Thanks for the opportunity and best of luck for that.

Mallanna Sasalu: Thank you, Chintan.

Moderator: Thank you. We have a follow-up question from the line of Harsh Pathak from Emkay Global Financial Services. Please go ahead.

Harsh Pathak: Yeah. Hi, sir. Thanks for the follow-up. So, you highlighted that we have leased the space in Zentech for 150 per square feet. So, if you can throw some light on how the micro market is and what the prevailing rates are. And this rate of 150 per square foot that we have got, how is it comparable to the micro market? And what is enabled to us to get this kind of a rate?

Rajat Rastogi: So, Harsh, I think, just to give you a perspective of South Bangalore market, I think, first and foremost, I think this asset, what we are building is one of the best, really, I think, that is there in the micro market. From a perspective of IKEA coming and choosing us as a product because IKEA does a very, very long due diligence before finalizing any place, especially for the retail operation. So, for them to come over, that really says about this product, which is clearly by far the best product available in the South Bangalore market, number one.

Number two, the ongoing rentals for retail vary. I think this asset is bank opposite for a mall in Bangalore and the rentals over here in this micro market are in the range of Rs. 100 - Rs. 120 per square feet. The reason why we were able to get a higher rate is because of the quality of this asset, the way it has come up as I said. And obviously, there is an entire layout, the frontage of the asset itself in the overall sales for IKEA. So, just to give you a perspective from the rental perspective, the Rs. 120 to Rs. 100 is the range in South Bangalore and we were able to get a rate of around Rs. 150.

Harsh Pathak: And how does the pipeline look for the remaining space in Zentech?

Rajat Rastogi: It looks very healthy. As I said, I was just saying in the other call, so it looks pretty healthy right now. We started sales in April this year. We have already done over 15% of the area. And as we speak, every month we are selling some area, monetizing some area. So, we are very hopeful by the end of this year, we will be able to substantially reduce our inventory in Zentech. Especially with IKEA coming in, it really helps us to increase the price further because it becomes a landmark by itself. So, that will further help us to get a higher value and further realization.

Harsh Pathak: Right. And with respect to Aerocity, how are we placed there in terms of leasing activity?

Rajat Rastogi: So, Aerocity is coming up very, very well. We are expecting OC to come by December for both towers, which is around 1.3 million square feet. There is a lot of inquiries that have been generated on a daily basis. We are hopeful that in Q3 and Q4, we will be able to get a hang for to start with the leasing activity in that asset.

- Harsh Pathak:** Sure. And I guess we are having a third asset also. So, what are the timelines there? Have you finalized something? Where are we in stage of progress?
- Rajat Rastogi:** So, that asset, we are at the final stages of closing on the legal due diligence. We should be able to sign the sale deed by September end and we are hopeful that by Q4 of this year, we will start pouring concrete.
- Harsh Pathak:** Sure. And coming back to the Residential space, how does the BD pipeline look for the remaining of the year? I guess we have done a commendable work in the 1st Quarter. So, how are we placed for the remaining of the year and where would our focus be in terms of the region selection?
- Rajat Rastogi:** You mean to say for the West region or you want to get over the South region?
- Harsh Pathak:** No, the overall. So, in terms of mix of the region, so where are we focused more? Because I guess in the 1st Quarter, we have done a lot of additions in West and also in the Bangalore side also. So, how do we intend to take the BD pipeline forward for the remaining of part of the year?
- Rajat Rastogi:** Mallanna would you like to --
- Mallanna Sasalu:** Yes. Bangalore is our headquarters and thus, we are quite strong in Bangalore. And so, we have done extremely well in closing deals in the last one year or so. So, we will continue to do that at any given point of time. We are evaluating more than 20 - 25 opportunities and some of the things which are closed also not announced. And so, then of course, we are in Chennai and Chennai that actively we are pursuing and now there are four projects which are going on. And Cochin, we have become quite large in Kochi and one of the projects is expected to launch.
- And again, there also we are pursuing. Hyderabad, we are pursuing, even though we have not had great luck. Hyderabad, we are pursuing. We are coming to the end of the project in Goa. We are looking for some assets in Goa as well. So, these are all not definitive things can be told. Everything has to match and our return on our investments and our ability, our matching our Company's philosophy of the product and all those things have to match. Then we go forward in all these locations because we have put the hard work and the knowledge investment has been done in all these places. So, we will continue to be aggressive and pursuing opportunities.
- Rajat Rastogi:** Likewise, for the West region, I think we are growing especially in Mumbai and obviously looking at opportunities in Pune. We will expand further in Pune in the near term. Also, in Mumbai, there is huge scope for us to further grow and be evaluating opportunities, which is our strategic goal, what we want to achieve. So, I think we are looking at opportunities more than giving a definite number.
- Harsh Pathak:** Sir, in terms of overall quantum, last year we did around Rs. 11,000 crores of BD. So, this year, any number we have in mind, we look to at least cross this or is there some target?

- Mallanna Sasalu:** As I said, there is no target. We do not go after target. We must close this much. It is about number of opportunities that come in, in terms of end of the day, it is not about race to close the deal. It is race to be profitable in all projects, the way we expect it to be. So, there is, I mean, we can say that it will be as healthy as anything that can be, without getting into the numbers. It will be healthy this year as well.
- Deepak Rastogi:** See, Harsh, we will continue to grow the way we are growing our business and that would continue, that thrust will continue going forward also.
- Ashish Puravankara:** I think two inputs from my side there are A, on a thumb rule basis. Thumb rule, what you sell a year, for example, as an organization, if you are selling about 5 million square foot to 7 million square foot a year, I think the thumb rule logical target would be to replenish your land bank by that much every year, right. So, as you keep going forward, that much production and if not more, you keep increasing volumes as well. But I am just saying as a thumb rule, sort of that would be the number.
- But most importantly, I think is that change in strategy in terms of business development as well. So, today, we are able to replenish this in three formats, one being outright, second being joint developments and now the new bucket in the western region, which is the society redevelopment. So, the latter two basically come at a relatively much lesser upfront capital cost, because these are joint developments and society redevelopments. So, that comes at a much lower cost.
- The third point being again as a strategy, extremely clear that all the new BDs, in fact, what have been done over the last 2 years - 3 years, these are projects which are clean, clear, converted lands, where the target to the team is that from the time you acquire, you need to turn around on an average six months to eight months, you need to get these projects to launch. So, there is no sort of aggregation or aggregation risk or conversion risk or approval risk per se as a new strategy for the BD that we have been doing over the last two years. So, you are going to see a lot faster turnaround.
- Harsh Pathak:** Sure, thanks for that elaborate answer. So, just two final question from my side. So, are we looking at any pre-sales growth target this year? And second, in terms of debt, I think this quarter sequentially, we have seen some decline in the net debt levels, even the cost of debt has gone down. So, how do we think in terms, how should we think in terms of net debt going forward? Just these two points.
- Deepak Rastogi:** So, Harsh, it is difficult for us to put a number there. But what I can say is that given that on the Resi, you have seen that the Resi per square feet has actually come down and that will continue to obviously pair, because whenever the project goes under production, automatically it is a self pairing. Where we have continued to increase our debt level per square feet is on the commercial side, because that development continues on the capital asset side until the time we either do a strata sales or leasing, that would take some more time to start obviously getting pairing.

So, Resi I think I am not really, really concerned at all. As far as commercial is concerned, there is no concern as such. But obviously, it will show some increase per square feet, but eventually it will dipper down as what Rajat was also mentioning that we are looking to at least do the OCs for almost 2 million square feet this year. So to that extent, obviously, slowly we would start seeing some pairing after that.

Ashish Puravankara:

I think an easier way to understand that is I think you classify the debt into essentially three buckets, right? The first bucket being the debt which is on under construction projects. Now, these projects are selling well, collections are good, burn rates are good. So, which means that there is absolutely no concern, it will be self-pairing. The second bucket you look at is the debt that has come on account of business development. Like I mentioned a little earlier, extremely clear that any BD that we do have to be clean, clear, which means from the day we do the transaction, the designing starts, approval starts, and the target being six to eight months to launch. So, that in mind, that is the second bucket of debt.

Again, there, if you are able to follow even 90% - 95% where we are able to turn these projects around and get them launched in six to eight months, again, that goes into production in that sense. So, it is a productive debt and with the sales collections, it will get pared down. The last bucket is the debt against the commercial. Now, commercial, the debt is on essentially three projects. The one which you are anyway going to be monetizing, which by the year end, so that debt should be paired off automatically.

The other one, for now, we are hoping to complete construction by December and as the leasing starts, you convert that construction finance into LRD at a much lower cost. So, again, with the rental that you collect, it will be self pairing. I think just to sort of put it into perspective.

Harsh Pathak:

Yes, thanks a lot again for the detailed answer. And just on the pre sale growth, any target or...

Ashish Puravankara:

When you say growth, you are comparing it to the last year?

Harsh Pathak:

Yes.

Ashish Puravankara:

Yes, of course.

Harsh Pathak:

No, no, I mean, any targeted number we have in mind, just...

Ashish Puravankara:

No, we have never given a guidance or a number, but definitely, there will be a growth in that number. With the kind of launches that we have, especially over the quarter three and quarter four, if you look at the kind of locations and the spread that we have within Bangalore, the kind of spread that we have, then even the Kochi project, the following phase, Phase 1 of which has done extremely well, execution is happening extremely well. So, that is a great location.

Again, we had a great experience in that project. Again, you come to Bombay, if you look at the kind of spread that we have right across the city from Thane, different price points, Thane, Lokhandwala, Pali Hill, etc. Again, very unique locations. And the reason I say that in terms of,

while the micro markets are great, again, but the property itself, right, I think the frontage, the size and scale of these projects, for example, in the Bandra, most projects, I mean, if you are from Bombay, in that entire vicinity, they are standalone towers with no amenities.

We were fortunate to get the site, which is 2.75 acres. So, we are able to pack in every single amenity. And that is the USP of that site. And that is, you know, we are already, I mean, we are in designing phase. The office receives almost 10 to 15 enquiries a day. Have you opened up sale? Have you opened up sale? So, within the Bandra market, there is so many people who want to move into a larger development that provide you a lifestyle and, you know, a lot more amenity than what is existed. And they are the small plot car, single tower developments.

Harsh Pathak: Understood. Thanks, Ashish, for taking my questions. Thanks a lot.

Ashish Puravankara: My pleasure.

Moderator: Thank you. We have our next question from the line of Chintan Mehta from Puniska Family Office. Please go ahead.

Chintan Mehta: Sir, just wanted to know, do you have any more land parcel or space at Aerocity to launch something commercial or Residential?

Deepak Rastogi: So, we have a Grand Hills project, which is there as part of our launch pipeline, right? So that is there apart from commercial that is a Resi, obviously, which is coming up. So, if you see in Slide #16, you can see number three, Grand Hills actually, you know, pertains to that same Aerocity site, which you are referring to.

Rajat Rastogi: Grand Aerocity, part of same campus.

Chintan Mehta: Okay. Understood. And further after that, I mean, we are looking at a big one to develop that area or when?

Ashish Puravankara: See, Phase 1 of that Aerocity project, the total commercial is about 2.2 million square foot. What we are completing by December will be 1.2 million square foot. And then we hope in January, start the Phase 2 of the commercial, which is another million square foot. That micro market is really developing well, because of the metro connectivity, the entire micro market, you have the best of schools, you have Resi, you have offices, you have hospitals, the best of schools are in that vicinity.

And once the metro starts, the entire micro market like Outer Ring Road five years ago, the entire place will get related in that sense. And then at the back, currently, what we have designed is so 2.2 million square foot of office space in the front, and at the back Resi, the whole walk to home concept.

Chintan Mehta: Okay. Okay. Thanks, sir. That is the detail I wanted to know. Thank you so much, sir. All the best.

Ashish Puravankara: Sure. Thank you.

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

Deepak Rastogi: Thank you all for your time and questions. We appreciate your continued support and interest in Purvankara's journey. Should you have further queries or require additional information, please feel free to reach out to our investor relations team. We look forward to updating you on our progress in the coming quarters. Have a great day and a nice weekend. Thank you so much.

Moderator: Thank you, sir. On behalf of Emkay Global Financial Services Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.