THE PHOENIX MILLS LIMITED

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February 11, 2022

To,

BSE Limited	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers	Exchange Plaza,
Dalal Street, Fort,	Bandra-Kurla Complex, Bandra East,
Mumbai- 400 001	Mumbai- 400051
Security code: 503100	Symbol: PHOENIXLTD

Dear Sir/Madam,

Sub: Transcript of Earnings Conference Call

Further to our letter dated February 8, 2022 informing of conclusion of our Earnings Conference Call held on that date with Analysts / Institutional Investors on the Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and nine months ended December 31, 2021, please find enclosed herewith Transcript of the said Earnings Conference Call.

This Transcript is also being uploaded on the Company's website at https://www.thephoenixmills.com

You are requested to take the same on record.

Yours faithfully,

For The Phoenix Mills Limited

Gajendra

Gajendra Mewara
Company Secretary

THE PHOENIX MILLS LIMITED

Encl.: As above

The Phoenix Mills Limited
Q3 and 9M Results Conference Call
February 8, 2022

Moderator: Ladies and gentlemen, Good day and welcome to the Q3 and nine months FY22 results conference call of the Phoenix Mills Limited. As a reminder, all participant lines will be in listen only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Management of the company has been represented by Mr. Shishir Shrivastava, Managing Director; Mr. Anuraag Srivastava group CFO; Mr. Varun Parwal, Deputy CFO and Mr. Pawan Kakumanu, Deputy CFO. Should you need assistance during the conference call, please signal an operator by pressing * and then 0 on your touch-tone phone. Please note that this conference is being recorded. At this time, I would like to handover the conference to Mr. Shishir Shrivastava. Thank you and over to you, sir.

Shishir Shrivastava: Very good morning, ladies, and gentlemen. As always, it is our pleasure to welcome you all to discuss the operating and financial performance of the third quarter and nine months of FY22. Today before we begin with the results update, I would like to take this opportunity to extend a warm welcome to Mr. Anurag Srivastava, our group CFO, who has joined us from December 2021. Anurag brings with him a rich and varied experience of more than 25 years across diverse sectors like FMCG, retail, telecom, and infrastructure and across geographies. Most recently, he served as the group CFO at Sterlite Power Transmission Limited. Prior to that he has held senior positions at Tata Teleservice, Indus Towers, GSK Consumer Healthcare and the Future Group. With our company undergoing a period of fast paced growth and transformation, Anurag will be responsible for driving the company's overall financial and capital allocation strategy, unlocking shareholder value, future fundraise strategies, mergers and acquisitions, digital transformation of the finance and accounts division amongst others. These initiatives will help to organize, to manage, scale and evolve our businesses as we continue to accelerate our momentum. Anurag a very warm welcome and wishing you lots of success.

Anurag Srivastava: Thank you Shishir. I am really excited to be part of The Phoenix Mills family and look forward to a fulfilling journey with the company.

Shishir Shrivastava: I would now take you through the key highlights of our results. In the retail business consumption was at Rs. 2,070 crore in Q3 FY22. Likewise, consumption in Q3 FY22 including Phoenix Palassio at Lucknow was at 100% of Q3 FY20, which is the pre-COVID quarter. Excluding Phoenix Palassio consumption in Q3 FY22 was at approximately 89% of Q3 FY20. Consumption in nine months, FY22, including Phoenix Palassio was at 60%, approximately of 9 month FY20. However, it is important to note that most of our coveted mall assets in Maharashtra were not operational for most of April through September period. In January 2022 our operational malls recorded a consumption of approximately Rs. 493 crores. This is at approximately 79% of consumption against Jan 2020, which is the pre-COVID period and 70% adjusting for consumption of Phoenix Palassio. January consumption was, however, impacted due to increasing cases and the third wave of COVID and local restrictions in certain states. This is on par with October 2021 consumption levels. Further, trends observed in the first week of February indicate that consumption is back to pre-COVID numbers. As on date, most restrictions across states have been lifted and malls are close to resuming normal operations. Our retail collections have improved substantially. In Q3 FY22, we witnessed an all time high of collections which stood at approximately Rs. 448 crore while for the 9 month period of FY22. Collections stood at approximately Rs. 698 crore. January collections remained strong at over Rs. 130 crore. Overall, we remain positive in our consumption recovery outlook for the fourth quarter on the back of improved vaccination levels and resumption of normal operations across categories. Moving on to the commercial office portfolio, our office portfolio continues to remain resilient, collection efficiency for the portfolio was in excess of 95% in Q3 FY22. Fountainhead Tower 2, we have seen strong leasing traction with approximately 48% of the gross leasable area getting lease so far.

Fountainhead Tower 1 in Pune has a leased occupancy of approximately 95% and is fully operational. In December 2021, we also received the occupation certificate for Fountainhead Tower 3 today and expect to start generating rentals in the next few months. During the 9 months of FY22, we have signed new deals of approximately 1.9 lakh square feet of which roughly half is operational and the balance will become operational in the next two quarters. We have renewed deals worth approximately 2.1 lakh square feet during the nine months in Mumbai. Nine months FY 2022 office has benefited from rental contribution from Fountainhead Tower 2 and income is likely to improve in the coming quarters as over 100,000 square feet of area becomes rent generating in the next one to three months. To summarize, we have done a leasing of approximately 4 lakh square feet in 9 months FY22 of which renewals is 2.1 lakhs and new deals is 1.9 lakhs. A quick update on our iconic project at Lower Parel Project Rise. During the quarter, we executed agreements with the Canada Pension Plan Investments to develop a flagship office led mixed-use development, which will substantially complement our existing retail and hospitality landmarks at Lower Parel. We expect to add office GLA of approximately a million square feet and retail GLA of approximately 200,000 square feet at this new project. We have also made significant strides in securing approvals and crystallizing the development potential for Project Rise. We have received the commencement certificate for the project and are currently in advanced stages of design development. We are very confident of building an iconic office landmark destination for the city of Mumbai. Meanwhile, we are also progressing with our plans for developing offices at our mixed use projects at Wakad in Pune and Hebbal at Bangalore and also at Chennai and we expect to share more detailed updates as things crystallize at our end. Moving on to the residential business, we have witnessed good traction in residential sales mainly led by the reconfiguration of our Kessaku Property into smaller units and the robust demand for ready to move in inventory. Between April and December, we have sold inventory worth Rs. 130 crore. During Q3 we have sold inventory worth Rs. 32 crores. For 9 months FY22, we have additionally sold Rs. 31 crore of inventory, which is yet to be registered taking our nine month FY22 sales to approximately Rs. 161 crore. Our collections from residential business during the 9 month FY22 was at approximately Rs. 178 crore. In the month of January itself, we have sold inventory worth Rs. 18 crore and collected more than Rs. 22 crores. We are seeing strong buildup in demand and faster conversions for our ready inventory and we are stepping up all our efforts to sell inventory by launching attractive subvention schemes for the entire development, special offers on ready to move in inventory and digital marketing campaigns to widen the reach of our product. Momentum in sales is expected to continue in the coming quarters as well. A quick snapshot on our hotels, the hotel business showed strong improvement on the back of higher occupancies, social events and F&B. The St Regis Mumbai reported revenues of Rs. 55.3 crore in Q3 FY22. This is up 93% Q-o-Q and 140% year-on-year. While occupancy levels have reached pre COVID levels in Q3FY22, we expect average room rates to increase as well going ahead with the resumption of business travel and relaxation for foreign travelers. Similarly, Courtyard by Marriott had a good quarter and contributed approximately Rs. 10.1 crore in the third quarter FY22 with average occupancy of approximately 66% and ARS in excess of Rs. Rs. 4,260. Our under construction projects, a quick update on that our current pipeline of under construction malls, Phoenix Millennium at Pune, Phoenix Citadel at Indore, Phoenix Mall of Asia in Hebbal and Phoenix Palladium in Ahmedabad, and our newest mall in Calcutta will take up our portfolio of retail to approximately 13 million square feet of GLA. Construction work at all our sites is on in full swing. We expect Indore and Ahmedabad malls to be operational by mid to second half of FY23 and both Pune and Bangalore new malls should become operational by the first half of FY24. Retail interest in our under construction assets remains very high and we have seen significant traction in leasing activity in the quarter gone by. We expect Phoenix Citadel at Indore to cross 75% of leasing by March 2022. Phoenix Mall of Asia at Hebbal Bangalore should cross 50% by the end of this financial year and similarly, Phoenix Millennium at Wakad, Pune will also exceed 50% by March 202. Phoenix Palladium Ahmedabad is already leased at over 75%. May I now request Anuraag to update you on the financial performance.

Anurag Srivastava: Thank you Shishir. Good morning ladies and gentlemen. Continuing with a briefing, which Shishir gave, I would like to share with you some of the key highlights of our consolidated financial performance. Our income from operations for Quarter 3 FY22 stood at Rs. 425 crores and Rs. 988 crores for 9 months FY22. Quarter 3 FY22 EBITDA was about Rs. 231 crores while for 9 months it was at Rs. 493 crores. Retail income came in at about Rs. 261 crores in Quarter three of FY22 and Rs. 546 crores for the 9 months, Quarter 3 FY22 retail EBITDA was Rs. 251 crores and Rs. 530 crores for the nine months. Our commercial office portfolio reported a total income of Rs. 37 crores in Quarter 3 FY22 and EBITDA of Rs. 21 crores. For the nine months, the commercial income came in at Rs. 115 crores and EBITDA was at Rs. 71 crores. While we remain confident to do an EBITDA in excess of Rs. 100 crores for the full year as occupancy ramps up across some of our assets. Our income from hotels was Rs. 65 crores in quarter 3 FY22 and Rs. 115 crores for the 9 months. Moving to collections, our gross collections from the business came in at about Rs. 1,113 crores for the 9 months of FY22 out of which retail contributed Rs. 698 crores., commercials was Rs. 122 crores, residential Rs. 178 crores and hotels that Rs. 115 crores. This resulted in a 9 month FY22 EBITDA for Rs. 493 crores and operational cash flow of 418 crores after payment of taxes etc. Proceeds from PE transactions with CPPIB and GIC were Rs. 2,600 crores for nine months FY22, while our CAPEX for the same period was 959 crores. Our liquidity position as on 31st December 2021 was Rs. 2,495 crores, an increase of Rs. 758 crores as on as of 31st March 2021. This excludes undrawn OD limits of about Rs. 685 crores which are available to us. So, as a result our consolidated gross debt stood at about Rs. 4,305 crores as of 31st December as compared to Rs. 4,299 crores at the end of Quarter 2 FY22, this is up by about six crores. Our average cost of borrowing continues to go down. It went down to about 7.61% from 7.84% last quarter. Cost of borrowing is further expected to decrease post refinance of certain existing loans which we are planning going ahead. PML share of gross debt is about Rs. 3,197 crores adjusted for the liquidity available with PML in form of bank balance, investments, etc. PML share of net debt is Rs. 1,264 crores only. We strongly believe that tough times are behind us now, with this extremely strong balance sheet position and liquidity position our focus is now to deliver on our under construction projects in time and judiciously deploy our capital to expand our portfolio. With this view would like to close our opening remarks, and we will open up the call for an interactive question and answer session. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.

Parikshit Kandpal: My first question is about the trading occupancy is still lower. It is not converged as leased occupancy. So, just run it with respect to like to like comparison versus pre-COVID once these two numbers convert. So, on a like to like basis what could be the exact numbers.

Shishir Shrivastava: Yeah, hi, your question is why the gap between trading occupancy and lease occupancy.

Parikshit Kandpal: No I already know so once these numbers convert, like to like basis versus pre-COVID level what kind of annual rent we are now averaging on lease occupancy.

Shishir Shrivastava: We have across all our assets we have several stores which have either undergone a churn or they have gone into refurbishment. So, we expect this to converge probably in the next I would say in the next two quarters. We expect to see our trading occupancy move up to closer to 90-92%. A positive impact of this to the rental income you know would be across the portfolio should be approximately Rs. 100 crore. This does not include any rent escalation which will further take the rental income up position.

Parikshit Kandpal: Sir once you have the rental escalation in place and the trading occupancy meets the headline occupancy, so we were averaging at around Rs. 1,000 crores of rentals pre-COVID. So what the number will be once these two things happen say by FY23 exit excluding Palassio and new mall in like-to-like comparison.

Shishir Shrivastava: I think to answer that question we should see, let's say an annual run rate of about Rs. 1,200 crore including Lucknow after let's say from June onwards, that would be our estimate.

Parikshit Kandpal: Second question is on rethink on the business development pipeline where we have been partnering with each and every mall. Now as COVID is largely behind us and with such a strong balance sheet and cash position and real estate unfolded, there is hardly any debt on the shares and we will include that for the malls we have 100% maybe much higher than we have been diluting with the partners there for business development pipeline.

Shishir Shrivastava: So I would say that our focus at present is to deploy the capital that we have raised in the GIC platform and there are several opportunities that are under evaluation in various geographies. We continue to look for opportunities even beyond that and for us, you know, without having much debt, we have strong partners at the asset level. I think growth is imminent. It is about just getting the right opportunity. We have enough liquidity on our balance sheet, as you rightly pointed out to be deployed for such opportunity.

Parikshit Kandpal: My last question is, could we see acceleration now on the BD side given that we have a strong position, acceleration in the pipeline where we can have some projects where we have 100% stake and some projects may be mixed with partners.

Shishir Shrivastava: Sorry, can you repeat the last part of that question? I didn't understand the 100% stake.

Parikshit Kandpal: Sir I am saying we have been diluting with partners like CPPIB some capital to deploy with GIC. So, given that most of the COVID is behind us and with a strong balance sheet, we may look at adding more malls now in a more accelerated way wherein some malls may have 100% economic interest and others may continue to partner CPPIB or GIC.

Shishir Shrivastava: So, I am really sorry, but your line is a little weak, I am not able to appreciate what is the question. Is the question that are we evaluating acquiring assets outside of our partnerships?

Parikshit Kandpal: Yeah, sir, I was saying that we have given a guidance we will be adding a new mall beyond FY25 so now since the balance sheet is more strong and most of the other competitors are also looking out at adding one. Do you think that given the strong balance sheet we can add more malls beyond that one number and can we have like, if our mall 100% stake economic interest while in some malls we may continue to partner with CPPIB or GIC.

Shishir Shrivastava: So okay, so I will break this up into two parts. My response, we had a stated goal of increasing our retail GLA to excess of 12 million square feet, which was our goal that we had set out for ourselves in 2018. This was pre-COVID. We are well on track delivering that goal. In fact, we wanted that number to be at 12 million by FY24 and we expect to be achieving that. We had also a stated goal that each year after that we would add approximately a million square feet with the Calcutta acquisition. The FY25 target is also in place. We have extremely active on the BD side we are looking for opportunities in the markets of Hyderabad, Surat, Jaipur, Chandigarh, Navi Mumbai amongst others. So we are active there and I think we are well on track to continue adding a million square feet of our portfolio even beyond FY26. Having said that, your second part whether we will be looking at adding assets on our own balance sheet with 100% stake. At present we do not intend to dilute any further to raise any capital with any private equity partner on any of our existing assets. We do have liquidity in our JV platforms which we are going to be looking at deploying and I think it is going to be a little opportunistic, some assets we will be acquiring through our JV platforms and some may be outside of that as well depending on our partners preferences.

Moderator: The next question is from the line Punit from HSBC, please go ahead.

Punit: My first question is you talked about new leasing of the new upcoming malls reaching almost 50% Is it still LOI or is it the commitment number? How should I read this?

Shishir Shrivastava: When I mentioned that Phoenix Citadel, Indore should cross 75% by March 2022. This would be a committed number with an LOI executed and security deposit received.

Punit: Okay, security deposit received, okay.

Shishir Shrivastava: Yeah and similarly, that would be the case with all the other malls as I mentioned.

Punit: Sir even where Bangalore, Pune where you have 50% committed number with security deposit received already.

Shishir Shrivastava: By March, we expect to be at that number.

Punit: Okay, by March. Okay and Ahmadabad you said about another.

Shishir Shrivastava: Yeah 85% yet to be received.

Punit: 85% already received security?

Shishir Shrivastava: 75% is where we are where we have already received security deposits.

Punit: Okay. That is very good. Second is, you know, how is there any thought from retailers or any push from retailers to renegotiate rental during the Omicron impact.

Shishir Shrivastava: Not particularly Punit nothing as such in the, you know, this was a I would say it was a short wave and the resurgence of or the bounce back on consumption, which was at the same in January despite two weeks of impact, January consumption was similar to October 2021 and last two weeks, the consumption has been near to 100% Jan 2020.

Punit: Okay, that's interesting.

Shishir Shrivastava: That kind of gives the, you know, the confidence to the retailers and therefore not been any discussion on negotiation of rentals.

Punit: Understood so now you are saying that by February things have returned back to normal in terms of consumption, trading, etc.

Shishir Shrivastava: Yes.

Punit: Okay. Okay, that's good. The last one is on if you have been able to conclude your discussion with cinemas and food court, any comments there.

Shishir Shrivastava: So we have concluded our discussions with all cinemas and all F&B operators at Food Court even otherwise, and even the other dine-in restaurants. There is nothing. As such, there is no deviation to really respond or report on right now.

Punit: So will they come back to normalcy from 4Q or is it going to be 1Q in terms of rental contracts and all.

Shishir Shrivastava: Multiplexes, for example, Q3 consumption across the board, multiplexes were at 10% above Q3 FY20.

Punit: So 10% above Q3 FY20.

Shishir Shrivastava: Yeah. That's right. Jan. January was of course impacted, because again of the restrictions and the wave, but, you know, Q3 numbers were quite, gave us a lot of confidence. Several of our F&B operators are seeing, you know, are seeing very, very good business. In fact, if you just look at Q3 numbers, they were at the consumption in F&B was at about 2% higher to the pre-COVID period.

Punit: Okay, that is good. Sir despite the fact that actually in many places, they were still, you know, 10 to 20%, lower, or on an average 11% lower on consumption, Q3 FY22 versus Q3 FY20. Cinema was higher and Food court was higher.

Shishir Shrivastava: That's right.

Punit: Very interesting. So is it fair to assume that for 4Q FY22, which is the current quarter and next quarter, the cinemas will be back to their normal run rate in terms of paying rents, etc?

Shishir Shrivastava: I would, we certainly hope so. Because I think it would be better for us to observe for the next month or so and then, you know. It also depends a lot on the content that is available to be.

Punit: No what I mean to say is there is no concessional deal given to.

Shishir Shrivastava: That there is it.

Moderator: Thank you. The next question is from the line of Pulkit Patni from Goldman Sachs. Please go ahead.

Pulkit Patni: Shishir my first question is in continuation with the previous one. So while we have seen our consumption being pretty robust, rental, still not caught up to the same level. So, you know, again, checking any concessions that were given in Q3 and how should we look at this trend going forward because across most assets, where I see we are at about 80-85% of pre-COVID, whereas except for if even, you know, even if we take out Palassio, our consumption numbers are almost there, so that would be my question number one.

Shishir Shrivastava: Yeah, so I would say that there would be in Q3 FY22, excluding Palassio our rental income was at Rs. 236 crore and pre-COVID quarter was at Rs. 270 crore across our entire portfolio, but if you look at specific malls right, look at Bangalore, Bangalore was at 97%, Rs. 38.6 crore versus Rs. 40 crore, Phoenix Market City Pune was at Rs. 43.2 crore versus Rs. 45.8 crore. So, it was close to 95%. All of our assets have been trending closer to about 95%, 90-95% range. Mumbai, because of the serious restrictions, severe restrictions did see an impact and those restrictions continued on into Q3 and, in fact, Mumbai and Pune only opened up by the end of October fully as such, so there was an impact in that quarter. But overall, if we look at the overall rentals, overall we were at about close to 87% compared to pre-COVID levels and Mumbai Pune our three assets did see an impact of the restrictions and you know being shut until September and October.

Pulkit Patni: No but consumption there were almost back to normal so, you are saying there was no additional concession that were given to any of the tenants then and in which case, I mean, if we adjust for January, wherever it is, our rental collections will also catch up what you are saying very soon is that the right way to look at it.

Shishir Shrivastava: The right way to look at it is there were some adjustments for the Billings done in Q1, Q2 which were negotiated during the period of Q2 and Q3, and that impacted our rental numbers for Q3 reported in Q3, but for that period of Q3 itself, there were no as such no really remarkable concessions.

Pulkit Patni: Got it. So, whatever has to be done is done and dusted now and going forward, it will be a normal number that one should expect.

Shishir Shrivastava: That will be correct.

Pulkit Patni: That would be okay. My second question is just looking at our commercial portfolio and I clearly see an increase with from us on commercial, I mean, even if we look at Project Rise, which is predominantly a very-very, you know, robust retail asset for us already, you know, we are doing a lot more commercial and that to when our rental collection or our rental rate is not probably one of the highest in that micro market if I look at the lower part, so, just wanted to get a sense of why 1 million commercial and 200,000 retail there, why not full retail. Give us a sense on the thought process there.

Shishir Shrivastava: Okay, so we are taking the benefit of the development regulations to be able to go under the CBD scheme and develop the maximum FSI potential. However, it is important for you to understand that the area where one can build this, the footprint is very limited and as you go higher up, you can do a mall, which may be ground plus three or ground plus four levels, but beyond that retail will not really work. Therefore, the tower portion is going to be for an office.

Pulkit Patni: Okay, so it is basically trying to optimize the space that we have available.

Shishir Shrivastava: Yes.

Moderator: Thank you. The next question is from the line of Adhidev Chattopadhyay from ICICI Securities. Please go ahead.

Adhidev Chattopadhyay: First, just a clarification on how the rental agreements were currently in Q3 and Q4. So, have most of the tenants moved back to the minimum guarantee sort of arrangements pre-COVID or is there still some time to go for that and what is the percentage also, for the overall tendency on minimum guarantee.

Shishir Shrivastava: Almost all tenants have moved back to contractual minimum guaranteed rent and many of them with escalations as well.

Adhidev Chattopadhyay: Okay, so, sir would you share some means a percentage number is it like 85-90% or so.

Shishir Shrivastava: It would be closer to 95-96% have moved back to contractual rent.

Adhidev Chattopadhyay: This is from January or some previous quarter.

Shishir Shrivastava: This is from January.

Adhidev Chattopadhyay: Okay from January and is there any further collection spillover which may happen in Q4 from the previous nine months of the year from the rental collections.

Shishir Shrivastava: Collections spillover. Yes, of course, there will.

Adhidev Chattopadhyay: Sir so our reasonable assumption is this number maybe on a group basis our retail rental income may cross Rs. 800 crores for this year. Is that a correct way of looking at. Means we at least achieve the run rate we have achieved in Q3 of Rs. 260 crores group level.

Shishir Shrivastava: I would think yeah, it we should be somewhere so let's say for nine months, our number was at about nine months rental income was about Rs. 550 crore. I would add perhaps another 200 odd crores coming in the last quarter. So say Rs. 250 crore more so, that would take us closer to Rs. 800 crores.

Adhidev Chattopadhyay: Okay. So, that is I think a minimum and something higher and have the overall revenue sharing also have we gone back to pre-COVID or is it now higher share of revenue? Sorry, the revenue share portion will be higher this time compared to pre-COVID.

Shishir Shrivastava: Yes, there would be some there would be some spillover of our negotiations with retailers where for us for a period after you know the discounts and on minimum guarantee rent, we would be accruing a higher revenue share. So, that should probably continue in several cases till March of this year, and in few cases till July of the year.

Adhidev Chattopadhyay: Okay, so sir my next question is on escalations. Sir as you talked about at a portfolio level, what would be sort of blended sort of escalation in FY23 considering like we are have almost three, sorry, a couple of years washed out due to COVID and overall the inflation which has been there during that time.

Shishir Shrivastava: I would suggest you connect with Varun offline and get a detailed break up on this. Compared to let's say, if we just look at the last quarter, compared to December quarter ended December 2019, Our MG would be up by approximately 10% in the quarter ended December 2021.

Adhidev Chattopadhyay: Okay, and also sir my question molds around, what are we looking ahead like in FY23, right, when things normalize and everything right. So, what is the sort of escalation see one could expect at a portfolio level?

Shishir Shrivastava: You know, see, it is not a very simple and straightforward answer, we are looking at there is a significant churn which is ongoing at several of our assets and we are looking at new categories and new retailers coming and taking up that space. I do not have an overview on what could be the escalations arising out of these changes. So it would be incorrect for me to hazard a guess.

Adhidev Chattopadhyay: Okay, sir last question is on our upcoming assets. Indore and Ahmedabad, Bangalore and Wakad. What is the Indicative rentals we have done the leasing at if you could just share till date.

Shishir Shrivastava: Indore is roughly at about close to Rs. 90 rupees a square foot. Ahmedabad is close to about Rs. 150. Bangalore Hebbal is at about Rs. 160 again and Wakad Pune would be about Rs. 115-120, but this is all the mall level average, since we have leased across different categories.

Moderator: Before we take the next question a reminder to the participants please limit your questions to per participant should you have any follow up may we request to rejoin the queue. The next question is from the line of Kunal Lakhan from CLSA. Please go ahead.

Kunal Lakhan: Shishir since mall operation are stabilizing across the country like now how are you looking at the new acquisition landscape now like you know are the deals fewer versus say you know, a year back or on the terms are getting less favorable versus a year back or is it otherwise.

Shishir Shrivastava: So, Kunal we have actually we were scouting for opportunities in you know completed or operational assets, but we did not find many malls which would meet our specifications or design standards. So, for us, the focus is only been acquiring greenfield opportunities land. Land pricing really had not seen any reduction or drop in land pricing in the last year or as such and it continues to remain stable. So, we are looking at Greenfield acquisition opportunities across the market that had earlier mentioned.

Kunal Lakhan: Sure, but you are saying the land prices are still the same, there is no change over there.

Shishir Shrivastava: I would say the stress may have reduced a little bit, but we have not seen any significant movement in land pricing as such. Because, you know if we are looking for opportunities for us, we are looking at 8 acres going up to 15-16 acre land parcels and there are not too many purchasers for that size and also, as a matter of fact, like I said the prices had not really dropped in the first instance. Land owners had not dropped their expectations on the pricing in the last year and a half. So it kind of remained stable.

Kunal Lakhan: Sure. My second question is on the ARR side like your occupancy in the hotel is very close to the pre-COVID level, but they are almost like 40% below the pre-COVID level. So by when do you think by ARR will normalize.

Shishir Shrivastava: So in Mumbai, I think, generally across the board ARRs have been in the range of Rs. 7,000, 7,200, 7,500. The last quarter has been all about getting the occupancy up and we expect to see, you know, it is pretty typical when you start seeing a higher occupancy in excess of 75%, the ARR start moving up. If I were to just crystal gaze, I am hopeful that in this next quarter, Jan, Feb March, typically, which is a slow quarter, but there are a lot of several corporate events and social events that are lined up that should take our ARR up, but whether it is going to hit Rs. 10,000 or Rs. 12,000, which was the pre-COVID level, I cannot really hazard a guess again on how long it will take to reach that it all depends on demand.

Kunal Lakhan: Okay. My last question is a book keeping question actually. So if you can give us an overall balance CAPEX on your under construction portfolio and if you can break that up into Indore, Hebbal….

Shishir Shrivastava: I can give you approximate numbers if we just look at the malls, our total CAPEX across mall at Phoenix Millennium Pune, Wakad; Mall of Asia at Hebbal, Phoenix Citadel at Indore and Phoenix Palladium at Ahmedabad. We have so far spent about Rs. 2,485 crore. The balance cost to complete is about estimated at about Rs. 1,540 crore.

Kunal Lakhan: Rs. 1,540 crore, right.

Shishir Shrivastava: Yeah.

Kunal Lakhan: Okay, and if you this will include Project Rise.

Shishir Shrivastava: No, this will not include Projects Rise. These are only four malls which are under development, which are going to be delivered between FY23 and FY24.

Kunal Lakhan: Okay, great. Is it possible to give a breakup or should I take it offline.

Shishir Shrivastava: Yeah, you can you can reach out to Varun and get it offline.

Kunal Lakhan: Sorry and one last question on how much was the spend on approvals. How much was spent on approvals or FSI and premiums in Q3. FSI and premiums to be paid pertaining to Project Rise.

Shishir Shrivastava: Pertaining to Project Rise. So in this last quarter, I think we have spent about Rs. 35 crores on some of the premiums etc. that had to be paid. If you need further details on the granular level, you can again connect with Varun and get that information.

Moderator: The next question is from the lineup Prem Khurana from Anand Rathi. Please go ahead.

Prem Khurana: Sir my question was with respect to our tenant I mean because of the COVID situation, the way the things have been in the recent past, I am sure even you would have realized the way some of these categories are kind of reacting to the COVID situation or I mean were required them to make changes. So do we envisage any meaningful change in that the tenant makes in terms of categories later either by design because some of these categories are not the right fit for you now after COVID or by choice I mean where in some of these tenants would kind of move out on their own where in they do not get to the level, where they are required to stay back and then in these malls anymore?

Shishir Shrivastava: Prem not, particularly if you are asking if there is a fundamental change in our approach and our category mix. No I do not know, I do not think. We have seen several of our F&B operators, you know going through a lot of financial stress, but that also seems to be you know behind us simply because the demand on F&B side has been extremely high. So, entrepreneurs have been able to you know, sustain themselves and raise capital. There may be few vacancies on that front, but as such there is no likelihood of any fundamental change in our category mix.

Prem Khurana: Sure, and any change in the way you structure your agreements now, have you been approached by any of these clients where in I mean, they want you to have more of the revenue share and less of minimum guarantee now, because they want you to kind of get aligned more on or with the business prospects or with the way the consumption would kind of shape up or going forward?

Shishir Shrivastava: Again, no structural change in the revenue share versus the minimum guarantee rent.

Prem Khurana: Sure and just one last book keeping question, I mean, the liquidity that you talk about Rs. 2,500 odd crore, possible to share, I mean, how much of this is essentially fungible and I understand that you have Rs. 2,500 crore, but a large part of this money is lying in some of these SPVs let's say CPPIB, Island Star, which is meant for a specific purpose or Calcutta that again is meant for specific purpose. So, how much is the free capital which is your own actual own capital where in I mean you will be able to use it for your growth in your personal capacity and not in..

Shishir Shrivastava: We have about I would say that we have liquidity of about Rs. 900 crore at Phoenix Mills Limited level and in addition to that, we have undrawn OD limits of about Rs. 680 odd crore.

Moderator: Thank you. The next question is from the line of Amandeep Singh from Ambit Capital. Please go ahead.

Amandeep Singh: So Shishir my first question is on the competitive landscape. So what we hear is that LuLu will be opening it's mall in Lucknow by April and separately they have also announced investment in Ahmedabad recently. So in that context, can you give us some sense on how the upcoming supply in your key micro markets would stack up. Given you also have a sizable pipeline across micro markets and any initial sense on how LuLu's recent mall in Bengaluru would have done given the offerings like hypermarket or entertainment center, like Funtura, so how their products would differ from yours. So some sense on that.

Shishir Shrivastava: Oh, I really do not have a comment on LuLu's Mall and its performance. I think when they opened in Bangalore, they were very widely well accepted. We have not seen a dent in our consumption or our business on account of the mall opening there. There is also a fundamental difference in the category mix and the brand mix that we have between our two malls. I think there is a bit of a differentiator between us and them. On a Pan India basis, there are not too many malls that are being built and we remain confident in our own model.

Amandeep Singh: Thanks for it and whilst we agree that Bangalore Mall won't be having any impact because our different location, can we, will it be fair to assume that similar would be the trend because of Jio World Drive in BKC? Again, a bit different locations and target audience so no impact on your Mumbai malls.

Shishir Shrivastava: Yes, again, I would say that the Jio World Drive in BKC again a very-very good quality asset. It has not really impacted our consumption neither at Phoenix Palladium, Lower Parel nor at Phoenix Market City at Kurla. Again a combination of different category mix and different brand mix.

Amandeep Singh: My second question is on the residential side. So we acknowledge that Bangaluru as a micromarket has been doing well and also has also been reported by the other listed players. So in that context, any sense on when do you think that the company will be able to monetize the entire residential portfolio.

Shishir Shrivastava: So currently, we are selling our ready inventory which is largely in Kessaku and some inventory at Tower 7 of One Bangalore West. We still have to launch towers 8 and 9, I think considering what the velocity wave it would be fair to estimate a 20 crore per month kind of sales velocity which we should we expect to be continuing to see going forward as well. By, our best estimate, I think we should look at being able to exit Tower 7 and Kessaku in the next 30 odd months.

Amandeep Singh: And my last question if I could squeeze in. So two our assets, Pune and Chennai have seen some impact lease occupancy amid the COVID so in that context, can you help me with the thoughts on the relaxations for fresh lessors over here and which category tenants would be in inquiries to expand over here.

Shishir Shrivastava: Did you call out specifically Phoenix Marketcity Pune in your question?

Amandeep Singh: Phoenix Marketcity in Pune and Phoenix Marketcity in Palladium, Chennai, so these 2 assets.

Shishir Shrivastava: Yes, I think the pertinent number to look at is not the trading occupancy, is the leased occupancy because leased occupancy is, you know, as I mentioned earlier, during the call, we have seen several of our stores or our brand partners either moving out and new ones moving in or some of them are renovating their stores. So as a result of that the trading occupancy may be showing lower but Phoenix Marketcity Pune is still at a leased occupancy of 91% and Phoenix Marketcity, Mumbai is still at least occupancy of 94% and the trading density, one the trading density side for the areas that are operational in Pune we have not seen much of a difference. In Mumbai, yes, there has been a reduction from Rs. 1,400 come down to close to Rs. 1,100 that again, was more not because of the stores not performing it was because the stores were shut. The malls were not allowed to operate and we really started seeing this malls becoming operational end of October. so that is it seems there was an impact.

Amandeep Singh: Shishir Just to clarify I was talking not about the Mumbai or the Chennai. So overall leased occupancy is that 90% versus the 97% pre-COVID. So I just wanted to get some sense on which tenants would be thinking to expand over here the category of tenants, which would be sending in to expand.

Shishir Shrivastava: In Chennai, we are seeing a transitional vacancy, because at Palladium we are also seeing the first renewal cycle coming to an end. So that is the transitional we can see on account of that and in addition to that we have some mall upgrade going on in Phoenix palladium at Chennai as well. Is there is there a second part to you question?

Moderator: The next question is from the line of Biplab Debbarma from Antique Stock Broking. Please go ahead.

Biplab Debbarma: So most of my questions are answered. Still two questions from my side. Sir I am just trying to understand you have been mentioning some churn, some significant curns. Could you give us some insight what kind of churns why this churns happening.

Shishir Shrivastava: It is end of contract related churns

Biplab Debbarma: So is it like a lot of renewal happening this quarter is that what you meant? And new tenants will be replacing some of these old tenants who may be not doing renewals is that what you mean by churn significantly.

Shishir Shrivastava: So, in Chennai as I mentioned, we do have the end of the first renewal cycle which has kicked in and there is a churn on account of that. We are also looking at in several locations, we are looking at relocating some of our existing tenants within the mall to other locations and creating you know, luxury zones etc. So, there is an improvement in the tenant mix that we are looking at across these locations. If you would like to really understand what was the exact vacancy in this quarter on account of renewals or on account of such churn, you can reach out to Varun and Advait for more granular information.

Biplab Debbarma: Okay, no issues. Second thing is just trying to understand on the footfall level, consumption level you have given us clarity. On the footfall level in any of this month or weeks has the footfall level crossed the average of pre-COVID levels.

Shishir Shrivastava: **S**ee footfalls are at about 70 to 75% of pre-COVID levels.

Biplab Debbarma: Okay, still it is that around 70 to 75% last time also that's same.

Shishir Shrivastava: Yeah, but again if you look at this is the average for the quarter right.

Biplab Debbarma: Yes sir.

Shishir Shrivastava: So, so, again bulk of our malls in Maharashtra have not been open for the till end of October as such. So there were restrictions on the timing as well. There were timing restrictions as well, at different locations. There were different restrictions for some period of time in Bangalore, you had a weekend curfew, and again an early closing time.

Biplab Debbarma: So is it okay to say that once this restriction goes away, we would be probably in terms of footfall back to the COVID level almost.

Shishir Shrivastava: See I will again, clarify for us. This consumption is what we focus on driving to the malls. There is you know, there's a certain profile of customers that comes in spends money at the mall and they are coming in, therefore the average ticket price per person is higher. We will continue to focus on consumption.

Biplab Debbarma: Okay and one final question on of this, this under construction mall, they are nearing completion at advanced stages, sir, all these four malls, when do you expect the full fledged rentals to kick in, in all these four malls, full-fledged rentals.

Shishir Shrivastava: **S**o we expect Indore and Ahmedabad to open in H1 of FY23? Right, so typically, it takes about three to six months for all the stores to become operational. I would think FY24 would be the first full year of full potential rental in Indore and Ahmedabad and for Phoenix Mall of the Millennium in Pune and Phoenix Mall of Asia in Bangalore, which will open in FY24. One can expect that by middle of FY25, we will start seeing the full run rate on the rental side.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we take that as the last question for today. On behalf of the Phoenix Mill Limited that concludes this conference call. We thank you all for joining us and you may now disconnect your lines.