



## “Prestige Estates Projects Limited Q1 FY2023 Earnings Conference Call”

August 10, 2022



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**Moderator:** Ladies and gentlemen, good day and welcome to Q1 FY2023 Earnings Conference Call of Prestige Estates Projects Limited hosted by Axis Capital Limited. We have with us today Mr. Irfan Razack, Chairman, Managing Director, Mr. Venkat Narayana, CEO, Mr. Amit Mor, CFO along with other senior members of Prestige Estates Projects Limited and Mr. Samar Sarda from Axis Capital Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing “\*” then “0” on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Samar Sarda from Axis Capital Limited. Thank you and over to you Sir!

**Samar Sarda:** Thank you Yashashri. Good evening everybody and thanks again for taking the time out. May I please request Mr. Razack to take over for his initial comments on the sector and the company. Over to you Sir!

**Irfan Razack:** Thank you again. It is a pleasure to again host this conference. I welcome everybody to this. As you would have seen our numbers I think the team and the entire company has done amazing work to see that we clocked 3000 plus Crores sales in a quarter, which for me is quite overwhelming but the team is looking at bigger things. Of this obviously 750 Crores came from Mumbai and the rest from other geographies but there is a lot of work to do I think we will keep doing more.

As far as the sector itself is concerned I believe in spite of all the headwinds that we are getting in terms of interest rates, in terms of cost escalations, we still have got our heads together and we have got different ways of mitigating this and I am sure the momentum will not drop and the other sector in which we are in like hospitality and retail have really kicked in, hospitality is doing very good, the business has really boomed and our newest asset that is JW Marriott and Prestige Golfshire also has traded well in the last three months. Similarly all the other assets that we hold like the Sheraton Grand and the Conrad Hotel all have done exceedingly good business and of course retail we are now on the verge of completing and opening for trading two large malls one in Bengaluru that is Prestige Falcon City with a large auditorium also that is a million square feet plus mall all leasing is almost completed. We are near 100% overbooked in terms of tenancies and the mall should start trading on the Rajyotsava Day and similarly Kochi maybe a month later or latest by December even that should start trading. With these two new malls trading another four or five which are under planning, design, execution even that will

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get kicked off in three to four years that will happen, but the business in retail has done well and continues to do well and we have kept tabs on what is happening on the retail market though an initial portfolio of eight malls we have divested to Blackstone but we are well aware of how the trading is happening and it is trading well. Office is doing well, office leasing is also quite strong and we have minimal vacancies about 3% or 5% vacancy which is minimal and going forward the demand is good and the traction is good and we believe more and more work will come to this country. Of course property management is there. It is a baseline that keeps happening as we complete all of our projects and we are also looking at doing bigger things in the warehousing section. With this I think I will ask Venkat to supplement whatever he would like to say and then we can open for Q&A.

**Venkat Narayana:**

Thank you Sir. Thank you everyone for participation on post results concall. Just quickly take you through the operational highlights for the quarter it has been yet another good quarter 3000 plus Crores of presales. We sold 3.63 million square foot of area. Average pricing is 8500 per square foot. We sold 2560 units in the quarter it will translate into almost 28 homes a day being sold in Q1. Collections are also good at 2146 Crores up 110% compared to last year same quarter and we had 9.67 million square foot of launches during the quarter spread out to office and residential. Two residential projects predominantly in Prestige City at Mulund and Prestige City at Bengaluru and two office projects in Bengaluru. We also had three project completion, all three smaller projects Woodland Park, Prestige Metropolitan and extension of Prestige D'Art 0.78 million square foot of area and sales have come across all projects. Bengaluru contributed 65% of sales. As Chairman said in the opening remarks we are extremely happy with the kind of response that we have received for launches in Mumbai, 25% of the presales have come from Mumbai between two projects Prestige City at Mulund and Prestige Jasdan Classic at Byculla.

Moving on with respect to financial performance, we had 2011 Crores of topline coming in this quarter. We had completed and recognized revenue from one of the major projects Prestige Jindal City that contributed significantly because given the completed method of contract the project got completed and we recognized the revenue. EBITDA is at 535 Crores and PAT at 251 and margins are at 26.59 and 12.48 and during the quarter in terms of spend with respect to different segments we have spent overall 1472 Crores of money on construction of various projects. Segment wise breakup would be on residential and commercial projects meant for sale we have spent around 1127 Crores. Commercial capex projects we have spent 218 Crores, retail capex project we have spent

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77 Crores and hospitality 50 Crores. Two projects retail are primarily Falcon City Mall and Prestige Forum at Kochi will get completed this year and incrementally start contributing to the rental income to the extent of 180 Crores per annum. So with this brief we would like to open the forum for question and answer.

**Moderator:**

Thank you very much. We will now begin the question and answer session. We have our first question from the line of Biplab Debbarma from Antique Stock Broking. Please go ahead.

**Biplab Debbarma:**

Good afternoon Sir. Sir my first question is on the BKC project. I happen to be passing by that area and saw some excavation and some work going on so my question is you have put it still in the upcoming project and not the ongoing and I assume that since you have started excavation you will put this in ongoing and second on this followup has both the BKC work is going on both BKC1 and BKC2 or only just BKC1 because the area is quite large from what I saw so that is my first question?

**Venkat Narayana:**

So the BKC1 and 2 that we call it as X and Y building the work has started on both of them. In terms of completion there may be a difference of six months or so but work has started both will be moved from upcoming projects to ongoing projects this quarter. BKC2 is what we call it as Y building what we call X and Y will have an office space as well as hotels in that.

**Biplab Debbarma:**

Okay that is great news and the second question is on the Delhi Aero City project and there also I have seen that we have put it in ongoing so as the work started there what kind of work has started there in that Delhi Aero City project can you give some idea of what you are going to do there?

**Venkat Narayana:**

Aero City work is in full swing since you stay in Mumbai you keep observing BKC work progress but in fact the pace of work in Aero City is very good and hopefully we should be able to complete the project in the calendar year 2024.

**Biplab Debbarma:**

Okay calendar 2024 and what about BKC1 and 2 when do you expect this?

**Venkat Narayana:**

Three-and-a-half years from now.

**Biplab Debbarma:**

Okay thank you Sir. I will come back in the queue.



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- Moderator:** Thank you. We have our next question from the line of Rishabh Parekh from Sunidhi Securities. Please go ahead.
- Rishabh Parekh:** Just following on the question of the previous participant are we to assume that all permissions have been received for BKC 1 and 2?
- Venkat Narayana:** Yes all permissions including environment, CRZ everything has been received. Again I have to tell you that is you see in Mumbai it works little differently, it is different stages as we keep building but as things stand including height has also been received.
- Rishabh Parekh:** So we can build out the full building in three-and-a-half years without needing anymore permission?
- Venkat Narayana:** We will take it as four years Sir.
- Rishabh Parekh:** My second question was on a net debt level so we have guided for 0.5x net debt to equity ratio so the ceiling comes to about 4500 odd Crores we are currently at about 4000 Crores so does that guidance still hold and how are we looking to manage the debt level from going ahead?
- Venkat Narayana:** That is good. No issues. We have enough cash flow coming in for the new launches that we are going to do. We have got completed inventory which is going to do cash flows and our net worth also will increase because more and more projects will get completed and come for revenue recognition.
- Rishabh Parekh:** Okay thank you.
- Moderator:** Thank you. We have our next question from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.
- Parikshit Kandpal:** Hi Venkat and hi Irfan Ji congratulations on a strong quarter. In this quarter we had almost all the Mumbai launch projects getting launched and we had a very strong quarter in terms of presales for the year as whole so what is the residual launch pipeline for the Mumbai portfolio and what is the presales number we are targeting for the full year as a whole?
- Irfan Razack:** Okay alright. See now this 738 Crores what you are seeing is for just 45 days of sales and then of course when you do a launch you always have a bigger multiplier. We have launched two projects that are Jasdan Classic as well as the Prestige City in Mulund and

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now we are going to concentrate on Pali Hills of course that is pretty small in terms of area even that I believe will start clocking and will start giving us numbers. Going forward we have got one other major project which will definitely happen in this financial year which is Ocean Towers which is Marine Lines and you see Prestige City in Mulund what we launched is only one tower D in Bellanza we have got tower E, F all of that tower actually C we did now we got D, E, F and then we got much more at the second phase. We have also got CSR so there is lot more inventory that will keep coming quarter-on-quarter as we keep selling and we also have tied up in Shivshahi which now the society has finally given the green signal, the plans have been drawn up, it depends on how soon or how long it takes us to get the approvals. Once the approvals are in place even that will come but again it all depends on the approval process.

- Venkat Narayana:** We look at 3000 to 4000 Crores of presales coming from this region during the fiscal.
- Parikshit Kandpal:** In this financial year FY2023 you are talking about, so does it include the contribution coming in from the Ocean Towers?
- Irfan Razack:** It includes everything. The Shivshahi we named the project Prestige (inaudible) 15:29 so that is the name that we have given in case if the team believe that they want to change it is up to them right now it is a working name.
- Parikshit Kandpal:** What is the total gross development value of the Shivshahi because I think the earlier developers mentioned about 4000 Crores plus so is this the right number?
- Irfan Razack:** No, the earlier developer had taken into account some TOD which is not going to happen there are some height issues. What we have done is we have scaled down the whole thing and brought it in line with whatever height that realistically can be approved and I think we are looking at.
- Venkat Narayana:** Between 3000 and 3500 Crores is what would come. We are still in the drawing stage with respect to what is the exact saleable area that we can get without any problems. All in all just to answer your question the total sale value of all the projects put together that is Prestige City at Mulund, which is Daffodils, Prestige Ocean Towers and Prestige Jasdan Classic and Prestige (inaudible) 16:29 which Mr. Irfan just mentioned leaving aside the Jijamata Nagar would be close to.
- Irfan Razack:** Around 2500 to 3000 Crores. Overall value will be quite huge.

- Venkat Narayana:** Around 18000 Crores total sale value.
- Parikshit Kandpal:** 18000 Crores all put together and you will be having periodic quarterly releases. The tower which you released just now another tower D which you mentioned in the call at Mulund so what will be the area approximately and the gross development value of that tower?
- Venkat Narayana:** I do not have it handy with me because we have not broken down that project in that manner.
- Parikshit Kandpal:** Second question now we are moving with commercial portfolio from this into ongoing project so are we in talks because what I hear from the leading IPCs that you already started engaging for tenants and also is there any visibility or like pathway like in this financial year we have some like tenants coming in at the anchor level in X and Y towers so either in BKC or in Mahalakshmi so any guidance or any sense you can give us on that?
- Irfan Razack:** Actually both these locations are top class. Both these developments are going to be grade A+. There is a lot of interest from all quarters but for strategic reasons I cannot spell it out now. We will let you know as we go along because I do not want to reveal all my cards just now on this call. All I can say is the interest is huge and the traction is big and only good things are going to happen.
- Parikshit Kandpal:** By this yearend something will happen do you think by this yearend you will have something?
- Irfan Razack:** If something happens definitely you will be the first one to come to know but for strategic reasons I do not want to spell out things just now.
- Parikshit Kandpal:** Lastly Venkat if you can tell us what is the total gross debt number for this quarter?
- Venkat Narayana:** Gross debt is around 5600 Crores.
- Parikshit Kandpal:** Thank you Sir. Those were my questions and all the best.
- Moderator:** We have our next question from the line of Pritesh Sheth from Motilal Oswal Financial Services. Please go ahead.

- Pritesh Sheth:** Thanks for taking my question and congrats on sustaining the strong residential performance. First question is on the cash flow side so what were the land investments we made this quarter and what should be the number that we should look forward to for this year given that we have already have one quarter result?
- Venkat Narayana:** 700 Crores is the overall investment in land buyback and deposit, 770 Crores in this quarter and considering the fact that we have around 7000 Crores of inventory right now but our presales target benchmark at least is beyond what we have done last year there is a need to launch more projects and that is what we are working on right now. We will have enough launches coming across various cities. Hyderabad we have Prestige City coming up, we have Prestige Rock Cliff coming up and we have three projects, we have Prestige Highline coming up in Chennai large project little over 2 million square foot, we have multiple projects in Bengaluru, we have Ocean Towers in Mumbai coming up so we are adding to the inventory so that there are options available. There is geographical spread and we can cross the presale number or the target that we have kept, so we need to increase the business development and add enough upcoming projects to operate from where we used to be before at 5000 Crores of presales 7000 to 10000 Crores of presales level. See you can expect the business development activity to continue at around 600 to 700 Crores per quarter kind of deployment.
- Pritesh Sheth:** Got it and whatever we have acquired till now Hyderabad, Chennai everything is paid out for or there is a balance that needs to be paid for those land banks that we have acquired in the last couple of quarters?
- Venkat Narayana:** So in Hyderabad and some of it in Bengaluru put together we have balance to pay off around 250 to 300 Crores.
- Pritesh Sheth:** In Bengaluru performance in terms of presales we are 2000 Crores this quarter should we assume that we would be probably sustaining this number in Bengaluru and most of the growth is going to come from the other markets like Mumbai. Chennai, Hyderabad where we are just scaling up?
- Venkat Narayana:** Also we have launches in other geographies coming up. If you look at last year number little over 10000 Crores we have done predominantly from Bengaluru and Hyderabad. Hyderabad has contributed for 1000 plus Crores of sales and Bengaluru gave little over 8500 Crores so there is room to do so much and Mumbai will be new addition. Of course we will have launch in NCR also towards the end of this quarter or early next quarter.



- Pritesh Sheth:** So just to clarify again Bengaluru would be somewhere 8000 to 8500 Crores and the rest of the growth will come from other regions right?
- Venkat Narayana:** Correct.
- Pritesh Sheth:** Okay fine Sir that is from my side and all the best.
- Moderator:** Thank you. We have next question from the line of Biplab Debbarma from Antique Stock Broking. Please go ahead.
- Biplab Debbarma:** On the Shivshahi project first of all congratulations excellent property and Sir my understanding is that the project was stuck with previous developer it was like 7 to 8 years The project was stuck so I am assuming you can throw some light I am assuming there were issues like there was land, there was various parties like buyers who have bought some land and all, so are we to assume that all those issues have been flushed out so that is my first question?
- Irfan Razack:** Without tracking that up we would not even touch the project.
- Biplab Debbarma:** So all the liabilities, legal as well as financial has been flushed out?
- Irfan Razack:** Everything has to get cleaned up only then we enter.
- Biplab Debbarma:** That is excellent news. Just one more question is one BKC1, BKC X and Y project I am just asking a different question, at least have we decided that whether we will do leasing model or for sale model or we will decide later how you are going to go about it in these two projects?
- Irfan Razack:** That is again very good question. As I said we have certain thoughts and strategies in our mind. We are working on it and it is too early for us to spell it out. The only thing that we can tell you is we have got all the approvals and we have already broken ground by filing and the contractors have been appointed it is L&T and work will commence soon.
- Biplab Debbarma:** Just a final question who are the contractors and what would be the total leasing area in these two projects?
- Venkat Narayana:** Which one?

- Biplab Debbarma:** BKC X, Y who are the contractors?
- Irfan Razack:** Contractors is L&T. L&T has been given the contract and they are already on board. In this even CBRE are the project managers.
- Biplab Debbarma:** What will be the total leasing area in both X and Y?
- Irfan Razack:** I think leasing area both put together will be roughly around 4 million.
- Biplab Debbarma:** Thank you Sir. That is great news.
- Moderator:** Thank you. We have our next question from the line of Poonam Joshi from Nirmal Bang Securities. Please go ahead.
- Poonam Joshi:** Thanking you for taking my question and congratulations to the management for the good set of number. I have a query like we have a pipeline of roughly around 19 million square feet especially in annuity business rather than commercial sales I believe out of which 10 million is supposed to come at Mahalakshmi so wanted your understanding when is it supposed to get launched any timeline do you have for that?
- Venkat Narayana:** Can you please repeat question specifically what is it regarding Mahalakshmi?
- Poonam Joshi:** I wanted to understand that when is it expected to get launched especially in Mahalakshmi location where in we have a huge pipeline of roughly around 10 million square feet is it expected to get launched in this year?
- Venkat Narayana:** We do not have 10 million launches now; we have Prestige Liberty Towers which is 2.74 million square foot of office.
- Poonam Joshi:** But our pipeline is roughly around 19 million?
- Venkat Narayana:** Okay. Sorry if you are referring to Jijamata Nagar which is a large project so that is slated for launch not this fiscal maybe in the next fiscal. Prestige Liberty Tower which is at Mahalakshmi we have just commenced the work, the project has already started and it will move to ongoing projects this quarter and the other project that you are referring to Jijamata Nagar that will be the next fiscal.

- Poonam Joshi:** Understood. Sir one more thing I see that the revenue from commercial project has declined sharply by 12.4% is it because you have concluded phase 2 deal with Blackstone in the last quarter?
- Venkat Narayana:** Last year we concluded sale of a transaction to CPPIB in a project called Prestige Star Tech that is what the rentals are down because of the sale transaction. We sold one renal building to CPPIB.
- Poonam Joshi:** What would be the consideration for this?
- Venkat Narayana:** Gross consideration was little over 2000 Crores and we had 51% stake in that.
- Poonam Joshi:** I wanted to understand the leasable area for that transaction?
- Venkat Narayana:** Prestige Star Tech little over million square foot.
- Moderator:** We have our next question from the line of Sameer Baisiwala from Morgan Stanley. Please go ahead.
- Sameer Baisiwala:** Thank you so much. Venkat can you update us on the funding platform that you were planning with some from private equity players for land acquisition?
- Venkat Narayana:** We have concluded our discussions with the partners and we are in documentation phase. This quarter the platform will be hopefully live and we also have identified the assets which will be acquired into the platform, so by the time we have conversations next quarter we should be able to give more details. All the discussions with respect to the terms identifying the investor, the size of platform is going to be around 2500 Crores to begin with.
- Sameer Baisiwala:** That is excellent and second question is any updated thoughts on the 15% stake that you have in a mall portfolio that you had divested, where you want to keep it or do you want to monetize it any thoughts would be great?
- Venkat Narayana:** As you are aware Blackstone is I think getting ready for listing of retail REIT consolidating all the assets that we have so therefore our stake will get converted into the REIT unit and once that happens we will take a decision whether we should retain the units or we should monetize.

- Sameer Baisiwala:** Just Venkat on the BD activities what really interests you going forward now that you have a very strong fold in Mumbai so just your thoughts, locations, verticals or cities that you are looking?
- Venkat Narayana:** I think given the fact that we have been able to deliver over 70 million square foot of area last five years across various geographies and there is lot of traction towards the credible developers who are able to deliver during this challenging five years, residential is good build that we are looking at. We do not have much presence in NCR We have one project launch that is coming up I think we look at that geography and we will also look at residential projects in Pune in addition to existing geography.
- Sameer Baisiwala:** So NCR Pune would be the additional city plus your current market and within your current market Bengaluru, Mumbai are you going to do more or is it some other cities?
- Venkat Narayana:** Bengaluru, Hyderabad, Mumbai. There will be a project in Goa as well. Flat project in Goa we are planning.
- Sameer Baisiwala:** Okay thanks.
- Moderator:** Thank you. We have our next question from the line of Kunal Lakhan from CLSA. Please go ahead.
- Kunal Lakhan:** On our Mumbai commercial projects how much is the money we have spent so far and how much is the balance spent including approvals the premium that we have to pay firstly?
- Venkat Narayana:** 2000 Crores is what we have spent.
- Kunal Lakhan:** Okay and the balance spent?
- Venkat Narayana:** Balance spent is primarily towards construction what we need to incur.
- Kunal Lakhan:** Okay that would be around?
- Venkat Narayana:** 4500 Crores.
- Kunal Lakhan:** This is for the total project; our share would be about 50% in this?
- Venkat Narayana:** I am talking about total.

- Kunal Lakhan:** The capital structure that we would follow here would be in line with what we are following at the entity level like 0.5 times net debt to equity we would maintain here as well?
- Venkat Narayana:** Here as well holds good. Organization as a whole is what we have indicated.
- Kunal Lakhan:** Similarly what is the capex spent and balance to be spent at Aero City if you can share?
- Venkat Narayana:** Aero City I do not have a breakup as such for that project alone. I have for all the capital projects Kunal.
- Kunal Lakhan:** Sure just again following up on an earlier question.
- Venkat Narayana:** The finished cost in Aero City all put together is around 1500 Crores.
- Kunal Lakhan:** 1500 Crores is the balance cost?
- Venkat Narayana:** Including finishing of the rooms.
- Kunal Lakhan:** Okay got it. The question was asked by a previous participant regarding have not we decided on because we share this data on the sales potential of our commercial BKC projects versus the rental potential how do we plan to balance this, we have done some part sale already to HDFC, how should we look at because we do not have one tower which would be part sold and part leased so how are we thinking of this in terms of leasing and maintaining going ahead?
- Venkat Narayana:** Total sales potential has been indicated in the slide so all projects put together will be a little over around 23000 Crores. We have taken a very realistic and reasonable number and we will only get higher number than what we have indicated but to hold this part hold or sell is a strategy that we have just started the work, these projects are going to move from upcoming...
- Irfan Razack:** He is asking how are we going to part sell part lease it is possible because the leases have happened in blocks and in floors definitely nobody is going to come and say giving me one full building to lease so there is no problem whatever is sold is sold to somebody that they will occupy themselves the rest will be of course leased out and there should be no difficulty in that.

- Kunal Lakhan:** Mr. Razack we typically see that when we generally do start a sale we do not really have any control on the genre of the clientele that may occupy?
- Irfan Razack:** We have seen that built up in all our agreements right from the beginning in Bengaluru also somebody is buying for leasing the entire lease management will be with us, if some company or a bank is buying for their own use obviously we cannot put any conditions to them so that is a mix and match that we keep doing all the time.
- Venkat Narayana:** Kunal there is only one thing that has happened that is for end use. Whatever sale that we do further we will take all assets into consideration it is more hypothetical what you are asking right now. We do not have any contemplated sales as of now.
- Moderator:** Thank you. We have our next question from the line of Ritwik Sheth from Deep Financial Consultants Limited. Please go ahead.
- Ritwik Sheth:** Hi thank you for the opportunity. Sir I have one question on you mentioned NCR and Pune so NCR we have been trying to enter this market and we have one project which was delayed so we are looking to launch this in this quarter so what is the hindrance in this market to grow say maybe in the medium term like what we have done in Mumbai what is the ambition in the next 3 to 5 years can it be like about 1500 to 2000 Crores of sales from this region itself?
- Irfan Razack:** I think you hit the nail on the head. That is the whole idea, if I enter a market I should get that 1500 to 2000 Crores sales per annum. NCR the only problem was we have got the site, we have done the drawings, we have submitted for approval, we have done the CEC, we have done the show units all ready, ready for launch unfortunately one was the election in UP and then some issue which our land owner said he will get resolved and get the approval, I think most probably the approval should come by this month end or next month, moment that comes there is huge traction, huge demand and that will give us the courage to tie up more properties for us this was just a test case and there are many, many properties that are being offered to us but we are playing it a little safe to see how the demand comes and then based on that we will tie up more and then probably we will be there in full force in NCR also. Pune yes we are doing approximately a million square feet of office it is half built, another 50% still has to go, hopefully it will get ready in the maximum 18 months time from now and there is a good traction again for demand for leasing as well as there are some funds who are also interested in buying so we will do a

mix and match we will see whatever suits us whatever is good for the company we will take a decision on that, net-net it will be lucrative for the company.

**Ritwik Sheth:** Okay and Pune we are looking to enter residential also right?

**Irfan Razack:** Lot of opportunities being that we want to get ourselves, do not want to spread ourselves too thin too fast and we want to stabilize ourselves in Mumbai, stabilize ourselves in NCR, we have grown quite big in Hyderabad lot of large projects contemplated there. Chennai very large projects under approval so while we are doing all that yes the western region, Pune is next door to Mumbai once Mumbai gets stabilized we will look at residential in Pune also but right now it is all contemplation we really have not even got a single land that we can say we have tied up or looking at.

**Moderator:** We have our next question from the line of Saurabh from JP Morgan. Please go ahead.

**Saurabh:** Sir just wanted a followup on this Joy Ice Creams land case and the UB City case so with this High Court order coming in are you free to sell in White Meadows or other additional players required and what is the status of the receivables?

**Irfan Razack:** Joy has given us joy finally not agony. It is tower three in White Meadows that was held up the tower structure is ready we did not want to venture into any sales till we got total clarity and with this divisional bench order we have total clarity we are free to do what we want to. Unless and of course somebody feels like going on appeal to Supreme Court and then that matter will be finally decided but I do not think looking at the type of the order that we got even if it goes to Supreme Court it would not even stand. Having said that now we are gearing up it is a total revenue potential between 450 to 500 Crores we are gearing up to see that we get this right and that will give us that huge upside as we go along and there is demand because most of the 95% of White Meadows is sold out so this is an opportune time for us to launch it and sell it and we are free to do it without any problem. On UB City there is no problem as far as UB City is concerned.

**Saurabh:** I was telling Kingfisher Towers.

**Irfan Razack:** Kingfisher Towers as far as we are concerned we have sold out all our stock we have earned all our money. Yes there is a certain claim that we have on the landowner to get some receivables from them including deposits, TDR money and all of it that claim holds. It is with the official liquidator and in fact see we got a payment from official

liquidator for the maintenance due is almost 27 Crores so that also has given us hope that one day or the other the official liquidator finally will decide and will obviously have to pay us our money with interest it will happen the talk is there and the inventory is quite good and whenever that happens we will cash out on it.

**Moderator:** Thank you. We have our next question from the line of Manish Agrawal from JM Financial. Please go ahead.

**Manish Agrawal:** Hi good evening if you could indicate more on your commercial portfolio what sort of completions are you looking at for the next two to three years and what could be the exact run rate say in FY2024-2025?

**Venkat Narayana:** Except for Metro Drive and Mumbai project which will be three-and-a-half to four years from now the remaining ongoing commercial projects will get completed in three years time.

**Manish Agrawal:** Okay and what sort of exit run rate we would be having?

**Venkat Narayana:** With that?

**Manish Agrawal:** Yes.

**Venkat Narayana:** As far as the retail growth we add another 180 Crores of rental with the completion of two malls and as far as office goes we add another 600 Crores of rental income.

**Manish Agrawal:** Understood and just one question is there any startup sales component in the 3000 Crores sales which we have shown this quarter?

**Irfan Razack:** We are doing startup sales in one development called Prestige Tech Hub which we just launched and that is a very small component some 3 lakh square feet so the thought is just to sell it but we have already said this information in our investor presentation on exit rentals for our office portfolio it is already there retail as well as office and it is quite a large structure that is there and hopefully all this will get done in the next three years time. In fact there are 16 projects that are there with a total leasable area of 3.49 million square feet, 2.79 is our economic interest with the rental of 157.5 which is what is with us at the moment that is there. Under construction ongoing is where the thing that you are asking us which will give us 722 Crores which is already operating is 157 Crores ongoing is 722 Crores.



- Manish Agrawal:** Thank you. That is all from me and all the best.
- Moderator:** Thank you. We have our next question from the line of Abhinav Sinha from Jefferies. Please go ahead.
- Abhinav Sinha:** Sir can you talk a bit about how pricing is behaving on residential part of Bengaluru and what you have seen in like-to-like basis in the portfolio this quarter?
- Irfan Razack:** Pricing is going up has to go up there is no two ways because the costs also have gone up but it is being accepted. Our latest and the biggest launch is Prestige City in Sarjapur which is doing very well and recently we had a launch called Prestige Green Gables and fully sold out almost and that also gave us I think an average pricing of about Rs.9000 and the Prestige City has really gone up nicely and it 6, 7 upwards and it is still selling and selling in volumes.
- Abhinav Sinha:** In percentage terms it is up by say 20% odd in last four quarters is that a fair number?
- Irfan Razack:** I would not hazard a guess on what the percentage is. Honestly it just keeps creeping up I think we need to do some homework to tell you the exact number in terms of percentage.
- Abhinav Sinha:** But double digits definitely?
- Irfan Razack:** Easily.
- Abhinav Sinha:** Okay thank you Sir. I will get back in the queue.
- Moderator:** Thank you. We have our next question from the line of Saurabh Jalan from SJ Capital Group. Please go ahead.
- Saurabh Jalan:** Good evening Sir. Congratulations on a good set of numbers. Sir my question is regarding our entry into the Pune market. Sir I was going through one data in that data it was mentioned that Pune residential market is fourth largest in India and the annual size is almost 90% of Bengaluru so can you throw some light at what is the time line which we are looking for entry into Pune residential market?
- Venkat Narayana:** We are evaluating. We will understand the ground reality. We will do maybe in the next two weeks or so by the time we have a call next quarter we should be able to concretely tell when we are going to launch and how many projects we will do in Pune in terms of

residential. We are looking at this market given the potential that is there and you are also mentioning that it has got great potential we are evaluating and hopefully we should have something on our plate this fiscal.

**Saurabh Jalan:** Okay Sir. Thank you Sir and all the best.

**Moderator:** Thank you. We have our next question from the line of Rishabh Parekh from Sunidhi Securities. Please go ahead.

**Rishabh Parekh:** Hi just a followup question our Liberty Towers still also shown as upcoming have we receive permission for this also?

**Venkat Narayana:** Yes fully. We have received all the permission that will also move to ongoing this quarter.

**Rishabh Parekh:** The completion is three-and-a-half and four years?

**Venkat Narayana:** Four years.

**Rishabh Parekh:** Okay thank you.

**Moderator:** Thank you. We have our next question from the line of Girish Choudhary from Spark Capital Advisors Private Limited. Please go ahead.

**Girish Choudhary:** Hi thanks for the opportunity. Just one question on your upcoming projects if you can provide some clarity or timelines on the Noida project and also the Prestige Highline Chennai and Nandi Prestige Park Grove in Bengaluru when can we expect launches?

**Venkat Narayana:** Prestige NCR Bougainvillea Gardens waiting for the approval hopefully we should get it soon towards the end of this quarter or the next quarter will be the launch and Park Grove and Highline will be later Q3 or early Q4.

**Irfan Razack:** Actually renamed Highline to some other name Pallava Gardens it is under approval and it all depends on how quickly the approval process happens. The moment the approval comes we will update you, no issues.

**Girish Choudhary:** Can we expect this year?



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- Venkat Narayana:** Definitely yes.
- Girish Choudhary:** Okay thank you Sir.
- Moderator:** Thank you. We have our next question from the line of Kunal Lakhan from CLSA. Please go ahead.
- Kunal Lakhan:** My question was on the land spend that we had done the 700 Crores this quarter is this going to be a sustainable number on quarterly basis considering for us to maintain that pipeline of projects to keep growing from this high base now?
- Venkat Narayana:** Yes that is what I mentioned while answering earlier question 600 to 700 Crores we will have quarterly run rate.
- Kunal Lakhan:** Okay alright thanks.
- Moderator:** Thank you. We have our next question from the line of Abhinav Sinha from Jefferies. Please go ahead.
- Abhinav Sinha:** Thanks for the followup. On the residential bid you mentioned that Bengaluru you are expecting sales of 8000 to 8500, Mumbai of about 2500 to 3000 and there are other cities so putting this together 12000 should be minimum to be expected this year?
- Irfan Razack:** That is the number that we are looking at minimum. We are actually looking at much more than that it all depends on how soon approval comes for various projects but the target is there the goal is there hopefully we should exceed that.
- Abhinav Sinha:** Also on the rental bid this is just a clarification on one of the previous questions so when we are exiting both FY2023 and FY2024 we understand that two malls are about to open up any offices will open up and can you give us exit rental number for say March 2023 and March 2024?
- Venkat Narayana:** So March 2023 two projects one is Prestige Tech Park IV and Prestige Tech Pacifica both will get ready put together around million and half square foot in Bengaluru. Next year we should have another two and half million to be ready including Prestige Sky Tech in Hyderabad. Overall next two years we should have five million square feet of office being ready and yielding.

- Abhinav Sinha:** What was the rental income for first quarter?
- Venkat Narayana:** Abhinav rental for this quarter has been at 54 Crores and the exit rental for this year overall is going to be around 240 Crores. Office plus retail put together 157 Crores of office and 80 Crores of retail.
- Abhinav Sinha:** 240 as of today right?
- Venkat Narayana:** Does not include the two new malls.
- Abhinav Sinha:** Right and the two offices which you mentioned. Thank you Sir.
- Moderator:** Thank you. I would now like to hand the conference over to the management team for closing comments. Over to you Sir!
- Irfan Razack:** Thank you everyone for the superlatively active participation, a lot of interaction has happened, a lot of thoughts you have brought out and it is always a pleasure to speak to you. I do hope we have given you enough clarity. Of course Venkat and the team are available for further clarification whenever you want and I really enjoyed interacting with you.
- Venkat Narayana:** Thanks everyone. Once again very interesting and engaging conversation and we will continue to deliver our commitments that we have made and looking forward to another existing year ahead and once again we would like to thank the new region that has contributed and welcomed us with good numbers that was Mumbai and lot of Mumbai channel partners also visited Bengaluru and seen what we have done. With support from everyone we have got this hopefully we should be able to do something good like the way we have done in Bengaluru and Mumbai as well. Look forward for your support. Thank you once again.
- Moderator:** Thank you. On behalf of Axis Capital Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.