



**“Prestige Estates Projects Limited  
Q1 FY '26 Earnings Conference Call’**

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**MODERATOR: MR. PRITESH SHETH – AXIS CAPITAL LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Prestige Estates Q1 FY '26 Earnings Conference Call hosted by 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 the star then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Pritesh Sheth from Axis Capital Limited. Thank you, and over to you, sir.

**Pritesh Sheth:** Thank you, Muskan. Good afternoon, everyone. Thanks for joining in. We have with us management of Prestige Estates represented by Mr. Irfan Razack, Chairman and Managing Director; Mr. Zayd Noaman, Executive Director; and Mr. Amit Mor, the Chief Financial Officer.

I'll now hand over the call to the management for the initial comments, and then we can start with the Q&A. Over to you, sir.

**Management:** Thank you, Pritesh. A very good afternoon, everybody, and thank you for joining in today's call. We're very pleased to report that Prestige has commenced the financial year '26 with its strongest quarterly performance to date. It's a clear reflection of the sustained momentum and deep structural demand across our core markets.

In the first quarter, we achieved a record-breaking sales of INR12,126 crores, growing nearly 300% year-on-year, setting a new benchmark in our company's history. We sold 4,718 units across 9.55 million square feet, backed by strong customer demand and high-quality launches.

Equally encouraging is our highest ever quarterly collections of INR4,523 crores, growing 55% year-on-year, underscoring the disciplined execution and cash flow stability embedded in our business.

The geographical sales mix this quarter marks a decisive milestone in our evolution as a truly pan-India player. For the first time, the NCR region contributed the largest share at 59%, followed by Bangalore at 21%, Mumbai at 12% and Hyderabad at 5%.

We launched our four new residential projects during the quarter, totalling 14.94 million square feet, including our maiden launch in NCR, the Prestige City Indirapuram. The response was phenomenal with nearly 80% of the inventory sold at launch, setting the tone for our expansion in North India.

On the completions front, we delivered 5.45 million square feet across five residential projects, including our first ever project completions in Mumbai, which were executed in just 3.5 years. This is a testament to our robust planning, execution, efficiency and commitment to timely delivery.

Additionally, we completed the Prestige Turf Tower in Mahalaxmi, which enables us to move full steam ahead on the next phase of our marquee project, The Prestige, Mumbai. On the business development front, we added seven new projects across four geographies, Bangalore, Mumbai, Chennai and Hyderabad with a combined GDV of over INR 20,000 crores.

Our annuity business continued their steady performance. In office, we leased 1.21 million square feet, maintained 94% occupancy and achieved exit rentals of INR 523 crores as of Q1 FY '26. We are on course to achieve exit rental for office in FY '26 of INR 819 crores.

In retail, our malls recorded a gross turnover of INR590 crores with occupancy levels of 99% and exit rentals of INR271 crores. The first quarter has laid a solid foundation for the year ahead. The filing of the DRHP for our hospitality platform is a strategic step in unlocking value across verticals and setting path for our next growth.

Looking ahead, we have a robust pipeline of launches planned across Bangalore, NCR, Mumbai, Hyderabad and Goa. We are confident that the momentum built this year will carry through the rest of the financial year.

Thank you once again for your continued support and belief in Prestige's journey. With this, I open the floor for questions, and we'll take them one-by-one.

**Moderator:** Thank you very much. We will now begin the question and answer session. The first question is from the line of Akash Gupta from Nomura.

**Akash Gupta:** Congratulations on the great performance. Sir, my first question is with respect to your presales guidance for FY '26. The guidance is close to INR260 billion. Do we see an upside risk to the guidance? And with respect to launches, what launches are we looking at in the next two quarters?

**Management:** Sorry, I lost you. What is the question?

**Akash Gupta:** Yes. Sir, my first question is with respect to your presale guidance for FY '26. Are we seeing an upside risk to that guidance considering we have already done INR120 billion in the first quarter? And then I wanted to understand on your launch pipeline, what launches are we looking at in this quarter and in the next quarter?

**Management:** We'll stick to our original guidance, which is between INR25,000 crores and INR27,000 crores. And we'll see how this quarter performs and then maybe we can review it further. Now launches for this quarter in Bangalore, we have the Prestige Greenbrook with a plotted development. We have Prestige Crystal Lawns with a plotted development.

We have also Prestige Autumn Leaves which is a plotted development. Along with this, we are also trying to see whether we can bring the Evergreen at the Prestige Raintree Park, which is a fairly large development again in Whitefield, we are just pushing for those approvals, which is a process. It will come and RERA also has to come.

But if we are able to get that, that will be the launch for this quarter, that is in Bangalore. In Mumbai, we are trying to bring in the Prestige Highland Park, which is Dahisar where we bought the land and that hopefully will happen in September.

And then the other one, which is -- which we already have the RERA will be the third phase, Mayflower of the Prestige City Indrapuram, even that will happen in September. These are the launches that we have in the pipeline for this quarter.

**Akash Gupta:**

Got it, sir. And sir, on your commercial leasing, particularly for the Bombay portfolio, which is the Prestige and Prestige 101, we have roughly 9 million square feet, I think, of leasable area, and we have leased roughly 1.5 million square feet. I wanted to understand like what kind of demand are you seeing this for your BKC commercial portfolio?

**Management:**

Demand has been extremely good. We have already leased 50% of our portfolio in BKC (X), and that's a good sign because pre-leasing in the Mumbai market is non-existent. Now if we have managed to do that and have some great numbers, I think the team has done a wonderful job.

But I've also told them to go slow because let the product get ready. Product gets ready only in '27, '28. And then we'll -- closer to our product getting ready, we will be pushing more for this, because we also want our customers to get the confidence.

**Akash Gupta:**

Got it. Got it. And sir, one final question from my side on the Jijamata development. So I think we have already done the land clearing and everything. So just wanted to understand like what kind of product positioning are we looking at here? And when are we planning to launch this project?

**Management:**

Yes. See, it's a mixed-use development. It will have retail, 1 million square feet of premium and luxury retail. Apart from that, we'll have office of 0.5 million square feet. Then we are having the Hilton plus the Waldorf Astoria and conferencing center that will be one tower. And sitting right on top will be the Waldorf Astoria branded residences. And then we have two towers of residential, which will be for sale.

**Akash Gupta:**

Okay. And when are we planning to launch this project?

**Management:**

This is all work in progress. We need to get our design in place. It's -- as we speak, the team is working hard on the design. Once the design gets frozen, then its approval, then it will be -- we'll have to time the launch properly.

**Moderator:**

The next question is from the line of Puneet from HSBC.

**Puneet:**

Congratulations on great performance. My first question is, if I look at the potential saleable value and the margin that you've given for upcoming projects, it comes to about 52%. Is that broadly how we should think about your newer projects and the new additions as well?

**Management:**

Puneet, it is all about opportunity that keeps fluctuating. We will be happy with around 35%.

- Management:** 52%, Puneet, is basically because we would have spent on land parcel. The slide you are seeing is a free cash flow slide. So we've already spent on land cost. So we'll getting that cash flows. So 52% is the free cash flow we'll be getting but the margin is in the range of 35%.
- Puneet:** Okay. Margin would still be 35% because that you haven't spent much on land there so far as I see, right? I mean it's a small, okay, that is not disclosed yet.
- Management:** We go along.
- Puneet:** Okay. Fair enough. And secondly, if you can also talk about your new acquisitions which you have done almost INR20,000 crores worth. Have you paid for that already? Or is there still some bit of balance to pay there?
- Management:** Two major ones are on RD. The one in Hyderabad is again RD not a significant payout. The balance like the one in Chennai, again, we have a land payment plan, land of which we have paid INR100 crores. The balance INR300 crores will be paid over a period of time.
- Puneet:** So in all consolidated, how much is balance to spend on just land payment, including maybe the previous business development that you may have done?
- Management:** Around INR500 crores.
- Puneet:** Sorry, INR500 crores?
- Management:** Yes, INR500 crores.
- Puneet:** Okay. That's helpful. And lastly, how do you think about peak debt? Your capex run rate should ideally pick up given that you're looking at completions for large projects in FY '28. So where should we see debt ending for end of '26 or end '27?
- Management:** See, if you see our cash flow during the quarter, we have almost about a gross inflow of around INR5,000 crores. If you see the paying run rate as the entire year we'll expanding closely existing around INR18,000 crores to INR20,000 crores of which we'll be spending around INR8,000 crores on construction and around INR4,000 crores on overhead land owner payments and all that.
- So from the operating activity, we should have free cash flows of around INR7,500 crores to INR8,000 crores of which in the investing activity it will be INR3,000 crores to INR3,200 crores on the capex up to guidance and INR4,000 crores on business development. So on a full year basis, I think so debt should increase by INR1,000 to INR1,200 crores if we don't do any further long diversion plans.
- Moderator:** The next question is from the line of Yash Gupta from Prestige Estates.
- Yash Gupta:** Yes, Yash Gupta this side. Referring to Slide Number 8, we reported the completion of five projects in Q1 FY '26 with cumulative GDP of around INR5,000 crores to INR5,500 crores. However, as per Slide Number 13, the residential revenue recognized during the same quarter stands at INR1,573 crores. Could you please clarify the reason for the variation?

- Management:** Again, the revenue recognition is not just based on project completion, it is also based on handover to the clients. So we have completed those projects in the current quarter but the handovers are still happening. So those generally a handover of large project takes six to nine months, so in next three to four months we should be completing those handovers and the revenue recognition will happen....
- Yash Gupta:** And anything on the -- for the complete year, what revenue we are looking to recognize in the residential business for the complete year FY '26?
- Management:** If you see we have unrecognized revenue of more than INR50,000 crores. In the current financial year, some of the projects in TPC Sarjapura should get completed and the revenue should start flowing through that. So we expect close to INR8,000 crores to INR10,000 crores of residential revenue to happen in the current quarter -- current financial year.
- Yash Gupta:** Okay. Just referring to the same slide, Slide Number 24, we are saying that we will book around INR57,000 crores of revenue could we say in next three to four years down the line. So roughly INR15,000 crores to INR20,000 crores of revenue every year. And if we compare the same thing with FY '25, in which we have just about INR1,000 crores to INR4,000 crores.
- Is this understanding correct that we are looking to book INR15,000 crores to INR20,000 crores of revenue in maybe FY '26, '27, '28 and then thereafter?
- Management:** Yes. We're increasing revenue recognition as we move forward. So as I mentioned around INR8,000 crores to INR10,000 crores of revenue guidance for this financial year from the residential segment, okay? But this will pick up with projects getting completed in financial year '27. And most probably in '27.
- Now the residential revenue contribution through these two INR15,000 crores to INR16,000 crores and it will keep increasing year-on-year.
- Yash Gupta:** And anything on the margin, what like 35% EBITDA margin?
- Management:** Yes. On a portfolio level. Our margins are like 35%, yes.
- Moderator:** The next question is from the line of Abhir Pandit from Old Bridge Mutual Fund.
- Abhir Pandit:** I wanted to understand specifically the fact that, sir, and going ahead, the free cash flow generation from your residential business is going to be major in a huge amount and is going to outstrip the requirements in the commercial business. And also seeing the fact that the hospitality business is -- I mean, it's going for an IPO.
- So there is going to be a large amount of free cash flow generation. So how do you see the allocation of this free cash flow? Will it be towards land? Or how are you looking at it?
- Management:** As I mentioned, this financial year, we are budgeting close to INR7,500 to INR8,000 free cash flows from our operating activities. Of this around INR3,200 crores we're planning to deploy for capex and the balance will be for business development. Because, we're selling the stock and we need to replenish the stock by doing more business development.

So, yes, significant portion of our capex outflow will be financed from residential business. But still we will be maintaining about 60% internal accruals and 40% from debt from our capex business. And as far as annuity it depends on as and when the requirement...

**Abhir Pandit:** Okay. Okay. Sir, my second question would be, sir, since the industry is now looking towards luxury projects in majorly all micro markets. So and since the real estate cycle is possibly in the third or fourth year, how are you looking at the entire real estate cycle?

**Management:** All depends on what you define as luxury. If it's all projects worth above INR25 crores or INR15 crores or whatever and so on and so forth, that I would define as luxury. Luxury is a very, very niche market. It's not that we want to sell this every day to everyone. These buyers are all few and far between and these are all festive buyers. So we have to target that audience correctly. And we don't have too many of them. So if you're trying to do too many of the luxury project it will be getting hard.

**Abhir Pandit:** Okay. Okay. Sir, last question from my side. Sir, just an update on the Prestige Pallavaram Gardens. It's been more than a month from launch. So could you give us a status on how is the offtake on this project?

**Management:** It's done extremely well, and it's still work-in-progress. And this month also we have Ashada, in spite of that because Chennai is that different market where a lot of frustration and things happen so but then I believe for whatever we have done within the month, it's really picked up well and done extremely well. We'll report that in the next quarter.

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

**Biplab Debbarma:** First question is on that annuity slide that you have. I just noticed that the commercial portfolio, Slide 27, the projected annuity income step-up say, for FY '26 and '27 has changed from what you projected in previous quarter. So my question is, is the delay in any of the projects that were supposed to start operation in FY '26, '27? What was the reason of this shifting of annuity income step up?

**Management:** Biplab, actually there's no delay on any of the commercial projects, all are progressing as per plan. What we have mentioned actually in FY '26 what projects completed up to Q1 '26. So there were three projects basically your DIAL project, your Lake Shore Drive and Tech Forest, which are planned for completion in the current financial year.

So those rentals have not come, we have actually revised the presentation and uploaded in the website. So if you see for entire financial year -- at the end of financial year '26, our exit rental will be INR8,200 million.

**Biplab Debbarma:** In FY '26?

**Management:** '26. The INR5,200 was basically for projects completed up to quarter 1. After factoring completions in Q2 up to Q4, my exit rental will ramp up to INR8,200 crores.

**Biplab Debbarma:** So at the end of FY '26, our exit rental will be around INR8,000 crores or so. Is that correct?

- Management:** Yes. Yes, yes.
- Biplab Debbarma:** Okay. Perfect. That's right. Also the projects that you have mentioned that we are planning to launch in Q2, what would be the GDV of the project launches planned in Q2, put on GDV, approximate.
- Management:** INR3,500 crores, excluding the Evergreen Park. If you include Evergreen as well, it will be INR8,500 crores.
- Biplab Debbarma:** Okay. So Evergreen is a big project, INR5,000 crores GDV project?
- Management:** Yes, yes.
- Biplab Debbarma:** Okay. Okay, sir. And my final question is on your increasing footprints in MMR and I was just passing by Jijamata Nagar project, excellent boards are there. It has been cleaned up and excellent location. So my question is, see, it seems that most of your projects in MMR is with alliance with DB Realty or Valor Estate and its promoters. Should we expect new acquisition in the MMR region through other partnership or independent channels? So that is my last question.
- Management:** So thank you for the appreciation on the work that's happening. Firstly, we would like to say that we are very agnostic when it comes to the kind of opportunities we look at. We are not tied up with anybody or we don't have any exclusivity. But we'll go on an opportunity to opportunity basis based on the merits of the development, we'll look at the opportunity.
- But I think I hope that answers your question. But yes, our strategy overall across the country to grow so fast is to work with developers who have land already tied up, have certain level of approvals because it makes things easier.
- Moderator:** The next question is from the line of Parikshit Kandpal from HDFC Securities.
- Parikshit Kandpal:** Congratulations on a great quarter, sir. So my first question is on the leasing in BKC. So you said that 50% is leased out in Tower X. So we had benchmarked the rate at about 325. So by the time these towers are ready, do you think that we'll be reaching that rate? Or what rate you have locked in for now?
- Management:** No. Actually, our leasing rate is above 350. So when we completed it, I think it should go above 400. But right now, what we have achieved is above 350, around 370 is the rate that we have.
- Parikshit Kandpal:** Okay. And the carpet rate will be almost double of this?
- Management:** What I'm talking about is super built, not carpet. It can be double. My way of calculating carpet to super built is 0.65 now.
- Parikshit Kandpal:** Okay. Got it. But great. I mean, so 400 is what you are looking to achieve with this and rates will go up higher as you lease further because half of the building is already. So what kind of blended rate do you think by the time it's ready, it should trade at? So by the time the building



is ready, sir, and the entire leasing is done, what kind of weighted average rate can we expect from this now?

**Management:** We take it as it comes. We'll have to see what the market is each time. So at the moment, we are pretty happy that we've got some good companies who have committed the space. I can't reveal the names just now, but they are top-notch companies, and that is what gives us the sort of courage.

**Parikshit Kandpal:** Kind of mix, like is it more financial or IT/ITES or GCC? So what kind of tenants, I mean, at least the sector, at least you can highlight?

**Management:** Corporate. It's basically corporates. And then there are also some what we call co-working spaces also that have committed in the space.

**Parikshit Kandpal:** Okay. And my second question is on the Prestige business base, sir, so INR7,000 crores GDV addition. So is it a commercial project? So what do you want to do here? Just wanted to understand what is the nature...?

**Management:** It's a cut strata sale we are looking at there is a vacuum in the market for smaller offices, and we felt it was a great opportunity. Location was good. The High Court is coming next door. So there will be a lot of the smaller businesses, smaller requirements for smaller offices. So we haven't done start-up for a long time. And in Mumbai, we haven't done at all. So we believe this was a good opportunity. So basically, what we are making is galas and selling it.

**Parikshit Kandpal:** And this is in partnership -- JDA project or like is it entirely our project?

**Management:** Sir, as of now, there is some understanding we have, but the company is handling this project totally on their own. But there is some -- because of the work done by our partner, they will be getting a certain percentage of the profits, the top line.

**Parikshit Kandpal:** Okay. And my other question is basically, in this quarter, was there any further consolidation of stake between the promoter and the company in this quarter? And if yes, then what was the quantum?

**Management:** That's all the thing of the past. There's no further changes that are likely to happen or will happen. All the consolidation, whatever that was needed to be done is already done.

**Parikshit Kandpal:** Okay. And just the last question on sustaining sales and now with the inventory which we have, so what kind of sustaining sales can we expect on a quarterly basis? Because launches mostly for us has been a significant portion has been a sell-out. So what kind of sustaining sales we can expect on a quarterly basis now?

**Management:** See, we have guided for 27,000 for the year. We have done 12,000, but then we have 20,000 inventory with us. So I believe from the inventory that we have, we should be able to sell about 25% of the inventory. But we have to add up new inventory to get other numbers. So at the end of the day, with the new launches and the sustenance sales, we should be able to do much more

than what we already talked about. But as of now, I want to be guarded on this. I want to still stick to my 25% to 27% for the year.

**Parikshit Kandpal:** Okay. And Forest Hills Phase 2, you did not mention in the launch. Is it going to happen in second half? Because this quarter, you did not name it?

**Management:** No, Forest Hills, we've been selling every week after week.

**Parikshit Kandpal:** No, Phase 2, sir, next two towers I was talking about.

**Management:** No, we haven't launched those. You see my strategy first, since we've opened one tower, there are 600-odd units in that tower. We want to clean up the inventory there and then look at the second tower and the third tower. We don't want to open up everything and make a mess.

**Parikshit Kandpal:** Okay. But this year, it will happen. So second half, like when are you targeting?

**Management:** It depends on the velocity. I want to clean up the first tower, which we've opened up and then launch in the other towers.

**Parikshit Kandpal:** Sure, sir. And good action on the BD side and good that you added that slide. That has been what we've been wanting. But 20,000 is a big number.

**Moderator:** The next question is from the line of Deepak from JM Financial.

**Deepak:** This is Deepak Gupta from JM Mutual Fund. My question is related to a question asked by the previous participant with respect to promoter stake into some projects, which was planned to be consolidated into the listed entity, be it projects such as Nautilus and Ocean Towers. If you could share an update on that?

**Management:** No, there's no change. It's the same thing. There's no -- absolutely no change. Promoter has some shares. I mean we did some consolidation that's over and that's the thing of the past. There's a certain residual share that will remain and that there's not going to be any change.

**Management:** And to clarify Nautilus promoters don't hold any stake.

**Deepak:** Okay. Got it. And secondly, last -- about 1.5 years back, there was a sort of a funding arrangement done with ADIA for four projects, which were getting carved out. If you could give us an update what's the status of that arrangement? And how is that going?

**Management:** No. ADIA, we had a platform, but we didn't -- we need the funds, but we have not drawn out anything.

**Moderator:** The next question is from the line of Abhinav Sinha from Jefferies India.

**Abhinav Sinha:** Sir, on the business development part, great to see the numbers. Can you just talk about what is the payment that we have made for these projects and if anything is pending here?

**Management:** Some of them are actually JDA. So there's not major payment like Tellapur, Pujanahalli, Kothanur, these are JDA projects. So there's not major payments on these projects. What is the own land is actually Velachery and Pulimamidi. In Velachery, we have paid INR100 crores.

In Pulimamidi, another INR70 crores is what we have paid. So total INR170 crores on this. And apart from that, other projects as well we have done in quarter close to INR600 crores of real estate, INR650 crores on the residential segment.

**Abhinav Sinha:** So other project we've paid INR600 crores, although they are still in JV side?

**Management:** On entire total business development, we have paid INR650 crores for the quarter. On these projects close to INR200 crores is what we have paid, INR200 crores, INR250 crores.

**Abhinav Sinha:** Okay. Got it. And is there like a GDV addition target or what we can expect given the large project that you have highlighted for the year?

**Management:** Sir, this is a work in progress and it's organic. That's how the GDV addition happen. We are providing this because we got a lot of feedback that want more clarity. So whatever has been firmed up, we are highlighting it and adding it as an extra slide. Our target remains as an annual target, and that's how we'll keep adding the GDV.

**Abhinav Sinha:** And that annual target is basically replacement of the year sale. Is that the target or...

**Management:** That's right.

**Abhinav Sinha:** Yes. Okay. Sir, secondly, on the launch slide, so can you just give us a little detail on where Falcon City and Raintree Park are exactly in the approval process, which stage are they in?

**Management:** So, Evergreen, we should get the approval this quarter. Falcon City should also take maybe another quarter or two at the most to get the approval.

**Abhinav Sinha:** Okay. So Evergreen should get the RERA this quarter and launch and Falcon City, we will apply for RERA next quarter?

**Management:** Yes.

**Abhinav Sinha:** Okay. Got it. And finally, on the Mumbai projects, which have been added, I was looking at Slide 29. So can you detail where are the locations of these three commercials, which are upcoming?

**Management:** Sure. So Prestige Quantum is in Sahaj - is an office project in Sahaj. The next number 10 commercial is at the Prestige Place. This is part of Jijamata Nagar, which is a mixed-use development. We have conceptualized it as The Prestige Place.

So we have, as Mr. Razack said, office, it will have hospitality where we're getting the Waldorf Astoria, have branded residences by Waldorf Astoria for sale as well as for the luxury residential and retail as well. So that is what comprises the Prestige Place. So that's what the commercial is. And Prestige Business Bay, this is also in outside BKC.

- Moderator:** The next question is from the line of Karan Khanna from Ambit Capital.
- Karan Khanna:** Just a couple of questions from my end. Firstly, if I look at Slide Number 22, your upcoming launches, most of this is largely skewed in Bangalore for the rest of the year. Given all the news flow that we're hearing around job cuts in the IT sector and the larger feedback that we get from channel partners about pricing sort of pressure in the Bangalore market where rate hikes are becoming more of a challenge.
- How do you see this in terms of the overall market trends? And more importantly, what's the on-ground sales that you're getting as far as price hikes that you've been able to take in your current projects?
- Management:** So if you see the last two quarters, I think the market has performed very well. It's a stable market. Bangalore has always been a stable market. And given the higher realizations, there has been good demand and absorption. Also of the project, whatever we launched in Bangalore has sold extremely well right from plots to apartments sold so well.
- We launched Gardenia Estate which sold well. So we don't see anything on ground where what you're saying has any availability. So I would say that things are good and we are very positive on the market. And it's been very resilient as well. So I think this segment, we are very confident about. We have high conviction.
- Karan Khanna:** Sure. And second question, if I look at Slide 23, the GDV of new acquisitions done during quarter 1 FY '26. What kind of IRRs are you pencilling in, in terms of new acquisitions that you're doing this quarter? And more importantly, how have you seen the IRRs trending over the last two or three years in all the new project acquisition that you've done?
- Management:** Generally, we benchmark our business development with a gross margin of 30% to 35%. So even the acquisitions we have done in Q1 will be in that range, will be in the range of 30% to 35%.
- Karan Khanna:** Sure. And lastly, in terms of given the success that you've seen in NCR and Indirapuram, how should one think about future launches? I understand you're looking at FY '27 launches for Sector 150 Noida and also KG Marg, but are there possibilities for you to sort of front-end the launches in FY '26 and of FY '27.
- Management:** See, we are working on adding up new opportunities. So I think this year, by the end of this financial year, we'll have some new opportunities, and we'll reveal more about it. As of now, it's work in progress.
- Moderator:** The next question is from the line of Pritesh Sheth from Axis Capital.
- Pritesh Sheth:** Yes. Just a couple of questions on Hyderabad and Chennai market. I think Hyderabad Prestige City after that initial success, project has now gone into sense a little bit slower than our usual standards. I think we last quarter did around INR500 crores, INR600-odd crores of sales combined from Prestige City as well as I think Spring Heights. So how are you reading Hyderabad as a market currently?

Any specific reason why we are a little bit slow on monetizing the TPC Hyderabad inventory? And also Chennai, your experience with this first project and since you are expanding your pipeline there, in general, what would be your expectation of annual contribution from Chennai as a market once we build this pipeline?

**Management:**

Chennai has done well. So also Hyderabad, you're talking about spring heights. Now Prestige Spring Heights, we did what we did without the CEC. There's a pent-up demand from our existing customers. But then the thing is, I think both projects have done well, keep doing well.

We ourselves are not pushing the sales too hard or not promoting it because we also want the price to go up a bit. There's no sense in just selling it off very cheap. So we've increased the price. We've kept it there. The momentum is quite good.

We just finished excavation. There's a long way to go. And I believe both these projects have performed well. And you asked a question, what will be the contribution of Chennai annually when we get our act together fully. I believe we should get INR5,000 crores from Chennai. And I think we'll get that once we have at least half a dozen projects moving, out of which we've got two more in the pipeline.

**Pritesh Sheth:**

Sure. And just on Prestige City, Hyderabad, any specific reason why it has gone a bit slow after that initial rush?

**Management:**

No, it is -- I think every month, sales are happening. We've increased the price also there. And the inventory that we hold is very small. And I think as we go along, see, there's a momentum and push that happens and have sold 75% of the inventory already. The balance really need not be pushed because the project is still only halfway stage.

**Moderator:**

The next question is from the line of Abhir Pandit from Old Bridge Mutual Fund.

**Abhir Pandit:**

Sir, my query relates to your execution that you have done. I believe you have done two major projects in Mumbai in the span of 3.5 years, right, from tranche to handover. This execution speed is truly remarkable.

But just now trying to understand, since the breadth of your operations is now increasing to a great extent, how are you managing the execution risks given the scaling up of your operations? And specifically, this is in relation with Bangalore since we have heard from your peers that launches or approvals related to launches have been facing an issue recently.

**Management:**

This approval issue will be there till time in memorial. There will be some changes in the law. There will be some changes in the people who come inside. But I think the code is very much the same. In Bangalore, yes, there was some hiccup.

I think we should not cry about it. That also goes on. There was some issue based on some charges and other things and the developers got a favourable order. We won the battle lost the war. So now the government without any charges, how do I sanction plan, we also need money.

So that is going on. It's work in progress, but approvals will happen. I don't see any reason why it shouldn't happen. And you said -- you asked about the execution. Yes. Execution risk is always there. So that's why we at Prestige engage the best-in-class contractors with a proven track record, and we build relationships with all contractors. You see just not the civil.

Along with that is MEP, its vertical transportation, it is doors, windows, all of it. So since we have that relationship and we have got proven people with proven track record who delivered to us again and again, project to project. So we deal with them. So it's easier, and we are able to extract out good work out of them. So that's how we're able to execute faster.

And most important is there's a process, there's a team that is on the job. And whatever projects that we've taken up, the speed will never be sacrificed. Of course, now with all cash flows being tied up and kept, so there's no problem on cash flows also, the money has to be spent for the project as quickly as possible.

**Moderator:** The next question is from the line of Akash Gupta from Nomura.

**Akash Gupta:** Sir, so there is the news around job losses. And then there is another news of this tariffs impacting India in macro. I just wanted to know your thoughts around the resilience of the Indian real estate demand. So I just wanted to know your views on it. And also, if you could give some data around footfalls and conversions, has that changed on a year-over-year basis? Or are you seeing that improving?

**Management:** See now the macro environment keeps changing every day, something or the other keeps happening. Now that doesn't mean to say that we should not stop -- we should stop building or not do business because everywhere there is that thing.

Now job losses have happened. And these jobs are actually people who just came up in our Board also yesterday, we had a discussion. And these are -- the jobs that were lost are people who actually were the nontechnical staff, whatever it is. But then at the end of the day, we need to see more jobs are created, and it's not good news that jobs are lost. We have to make sure -- I mean, we have to be sort of alert towards that.

And of course, tariffs, I don't know how it will affect us. As of today, I don't see tariffs affecting the Indian real estate in any which way. I believe it will be working in our favor rather than against us.

**Moderator:** The next question is from the line of Yash Gupta from Prestige Estates.

**Yash Gupta:** Yash Gupta this side from Asit Koticha Family Office. Sir, referring to Slide Number 28, the Prestige City Mumbai, we are showing 90% ownership. I think we have some partner in BKC and Mahalaxmi, both the project for around 50%.

**Management:** The Prestige Mumbai. Prestige Mumbai is -- is it Nautilus or Prestige Mumbai?

**Yash Gupta:** No, sir. The Race Course Road commercial tower.

- Management:** 90% is basically we have given some area as per the commitments to various owners who had interest in that development. So it's because of that 90%. If you see whatever is available area, that 100% belongs to Prestige and not 50-50 as we mentioned.
- Yash Gupta:** And same thing for the BKC also?
- Management:** BKC also, it is 100%, yes. BKC, yes.
- Yash Gupta:** Okay. And one question on the Jasdan Classic. Recently, we have completed that building, and we got the OC also. What the revenue we have booked in this current quarter, Q1 FY '26 and what revenue we are expected to book in maybe next quarter or throughout the year from the Jasdan Classic only?
- Management:** See, the entire project should get handed over by FY '26. In Q1, just -- there are three handovers were done. So nothing major. But in the current financial year, whatever we have sold, which is close to INR950 crores should get recognized as revenue.
- Yash Gupta:** If I'm not wrong, the project is of INR1,700 crores GDV?
- Management:** It is INR1,500 crores. We have stock of around INR250 crore.
- Moderator:** The next question is from the line of Shivam, an Individual Investor.
- Shivam:** Yes. Sir, I just wanted to refer to the Slide 19 that we have given a figure of free cash flows, ongoing and completed would be around like INR20,000 crores and upcoming is INR30,000 crores, correct?
- Management:** Yes.
- Shivam:** Yes. So I just wanted to ask that due to this accounting policy, when do we see that reflecting in our books, this ongoing plus completed number? And any time line on the upcoming one?
- Management:** This free cash flow is basically amounts that we'll be collecting from our ongoing and upcoming projects. So this is basically the cash flow that company will get once the projects are completed and whatever uses are from the customers collected. And after deducting whatever cost we need to incur on construction and land.
- So this is around close to INR50,000 crores is what we are guiding that once our projects ongoing and upcoming projects company will get INR50,000 crores of free cash flow. Now on the revenue recognition, we have close to INR57,000 crores of revenue to be recognized on sales already made.
- The revenue will be recognized when the project is completed and handed over, which will happen over a period of three to four years. And upcoming -- you had mentioned the time line. If you see the slide, we have actually mentioned the expected launch date for -- the financial year in which the projects will get launched.

- Shivam:** Projects will be launched, but it comes into our accounting only when it gets completed. So any time line that when we are seeing the major chunk of our P&L getting increased, like any time line any fiscal year which you have seen?
- Management:** So again, for ongoing projects, if you see, we have given a time line when the projects are getting completed. And you can say a six months period within which the revenue recognition will happen for the ongoing projects. For upcoming projects, say, from -- you can say three to four years is the time period when we will require to complete the project. For example, if we are planning for launching a project in '26, the revenue recognition will happen by financial year '30.
- Shivam:** Okay, sir. And the ROE slide also you have given for the quarter 1 FY '25, '26, the ROE annualized is coming at around 31.96%. So do we plan to maintain this in the coming four to five years at 31.96%, the ROE?
- Management:** Yes, you are talking on the segment, right?
- Shivam:** Yes, yes, yes. The residential, office, retail services, the different segments that you -- I'm talking about residential.
- Management:** Yes, it will be in that range. Again, it will be dependent on how much revenue we recognize in a particular quarter. So if revenue recognition is high, and consequently, the profitability is also a higher number, the ROE numbers will improve. So right now, if you see capital employed includes capital employed on ongoing as well as upcoming project.
- But revenue recognition is happening only for completed. So there's a mismatch in that aspect, but it will be in that range. Just to give a ballpark number. My ROE numbers on the residential will be in that range.
- Shivam:** Okay, sir. And my next question would be to Irfan sir, that do we have any plans to increase our promoter stake in the company? Because yesterday, I was in the DLF call. So Mr. Aakash was saying that people were hyping about their Mumbai launch and when that good news came, the stock went down by 2%, 3%. So he was also like that he also doesn't understand that how the market scenario works. So given the current valuation of our stock prices, so does Irfan sir want to increase the promoter stake?
- Management:** I don't think that I want to work the market. See, we will want the market to run itself the way it is. At the moment, promoter stake is 61%. I will keep it at that. I don't see any reason whether the promoter should sell or buy at the moment. We see how things go. Of course, we do believe in our own company, own stock. At some point of time, if you say buy up the whole stock and become an unlisted company is a separate story.
- Shivam:** Okay. And sir, can you talk a bit about the sentiment in the commercial real estate market right now? Because in an interview like past three, two -- like three, four months back, you said that investing in the commercial real estate is a very good opportunity right now in India. So can you talk about -- something about the current sentiment in the commercial real estate of India?



- Management:** Commercial real estate, the number of players who are building commercial real estate are very few. So the inventory that's coming up today, it's all nice, it's fresh, it is good. Even Prestige is producing some of the best commercial assets across the country. And there is opportunity there. And we still will be -- we are now waiting and working hard to complete whatever we started, which will happen by '28.
- And I think at that time, I think our exit rentals will go up to about more than INR3,000-plus crores, maybe INR3,500 crores. And commercial real estate, the demand is still strong and goes unabated. There's no risk or there's no sort of worry that we will have vacant spaces and things are good, except putting a disclaimer in Hyderabad market. There is a slight oversupply too, again, in high-tech city, there is no availability. In the other peripheral areas, there is availability, but then that also will get filled up at a price.
- Shivam:** And sir, any plan of bringing a REIT of your own?
- Management:** Plan of?
- Shivam:** REIT. REIT listing of your commercial.
- Management:** Long term plan. It is -- I've been saying this, there will be a REIT for retail as well as for commercial when we reach the critical mass, which is three to four years down the line.
- Shivam:** Okay. Okay. So you are waiting for the reach into the critical mass.
- Management:** We are -- we have to get into a certain critical mass in terms of overall square footage, both in commercial as well as in retail, then only it becomes meaningful.
- Moderator:** Ladies and gentlemen, as that was the last question, I now hand the conference over to the management for the closing comments. Over to you, sir.
- Management:** Thank you so much, everybody. It's been quite exhilarating, and we had some really good questions this time. The management as well as the entire team is always working hard to provide shareholder return and to give the best. And I think the company is keeping up to their targets and we will keep up to their targets, and they are all on the job all the time. Thank you again for active participation.
- Moderator:** Thank you. On behalf of Axis Capital Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.