PURAVANKARA

Date: **13.11.2024**

To,

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

Dear Sir/Madam,

<u>Sub: Transcript of Earnings Call</u>

<u>Ref: Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015</u>

We write to inform you that the transcript of the earnings call held on Friday, November 8, 2024, on Un-audited Financial Results (Consolidated and Standalone) of the Company for the quarter and half year ended September 30, 2024, is enclosed herein.

This is for your information and records.

Yours sincerely
For **Puravankara Limited**

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CHATTERJEE

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(Sudip Chatterjee)
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"Puravankara Limited

Q2 FY '25 Results Conference Call"

November 08, 2024

MANAGEMENT: **MR. ASHISH PURAVANKARA – MANAGING DIRECTOR – PURAVANKARA LIMITED**
MR. ABHISHEK KAPOOR – EXECUTIVE DIRECTOR, GROUP CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER – PURAVANKARA LIMITED
MR. NEERAJ GAUTAM – PRESIDENT (FINANCE) – PURAVANKARA LIMITED
MR. VISHNU MOORTHI – SENIOR VICE PRESIDENT (RISK AND CONTROL) – PURAVANKARA LIMITED

MODERATOR: **MR. HARSH PATHAK – EMKAY GLOBAL FINANCIAL SERVICES**

Moderator: Ladies and gentlemen, welcome to the Q2 FY '25 Results Conference Call of Puravankara Limited, hosted by Emkay Global Financial Services. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Harsh Pathak from Emkay Global Financial Services. Thank you, and over to you, sir.

Harsh Pathak: Thanks, Sagar. Good evening, everyone. I would like to welcome the management and thank them for this opportunity. We have with us today Mr. Ashish Puravankara, Managing Director; Mr. Abhishek Kapoor, Executive Director, Group Chief Executive Officer and Chief Financial Officer; Mr. Neeraj Gautam, President, Finance; and Mr. Vishnu Moorthi, Senior Vice President, Risk and Controls. I shall now hand over the call to the management for the opening remarks. Over to you, gentlemen.

Neeraj Gautam: Thank you, Harsh. Good evening, ladies and gentlemen. Thank you for joining the Company's Earnings Conference Call to discuss the performance of the second quarter and first half of financial year 2025. The results and the comprehensive presentation are available on the stock exchanges. We hope that you have had a chance to review the same.

Now let me first start by giving the macroeconomic and industry outlook. The Indian Real Estate sector continued to experience a robust demand, with Tier 1 cities witnessing the sturdy demand, while Tier 2 cities are emerging as a new investment destination. FY '25 is poised for the robust growth driven by the country's strong economic performance, rising demand across business, commercial and industrial segments, increased urbanization, infrastructure development and favourable government policies are boosting homebuyers' confidence.

Now moving to the operational highlights for the quarter. In Q2 FY '25, our sales were INR1,331 crores, while sales volume was 1.53 million square feet. Customer collections for Q2 increased by 18% year-on-year and for H1 by 27% year-on-year, indicating improving operating efficiencies.

It is important to note that collections have increased significantly, growing from around INR350 crores per quarter in FY 2022 to our current quarterly run rate of INR1,000 crores approx. The average realization was 9% higher year-on-year to INR8,697 per square feet because of the mix of inventory, while Puravankara and Provident saw increase of 17% and 15% year-on-year, respectively.

Our sales across projects were led by Puravankara Limited with INR612 crores, Provident Housing at INR628 crores and Purva Land contributed INR90 crores. Puravankara maintained its sales velocity with 17% higher realization. At Provident, sales realization have risen by 15% with new launches planned in H2 FY '25, we anticipate growth in sales. While Pura Land, the sales value was lower due to no new launches during the quarter. The geographical contribution for the first half was Bangalore share of 56%, followed by Chennai at 18%, Mumbai and Pune at 11% and Kochi at 11%.

On the delivery front, in Q2 FY '25, we have given possession of 591 units, and the area of 0.77 million square feet. In H1 FY '25, we have given possession of 1,520 units with area of 1.92 million square feet for the Puravankara Group. Our launch pipeline for the company is robust, with approximately 12.27 million square feet of new planned projects and 3.44 million square feet for new trade launch totalling to 15.7 million square feet. With Mumbai and Pune together constitutes 49% of the planned projects, marking our strategic expansion into the West India.

On the business development front, the company acquired the redevelopment rights of a prestigious society, Miami Apartments at Breach Candy in Mumbai, spread across 2,000 square meters of land. This marks our entry into Uber luxury South Mumbai market where rates are estimated in the range of INR125,000 to INR140,000 per square feet of carpet area.

The company expanded its footprint in the Lokhandwala, Andheri West. Adding a new cluster of societies with the potential of GDV of INR700 crores to its existing redevelopment projects, bringing to the total land area in the region to around 4.3 acres with a combined GDV of INR2,350 crores for the project.

The company also signed a JDA for 1.95 acre land parcel at the prime location in Electronic City Market in Bangalore. The land parcel is adjacent to Purva Western project and will be saleable area of 2.6 lakh square feet with a potential GDV of INR250 crores.

Coming to our debt management. Our net debt stands at INR2,430 crores as on September 30, 2024, with the net debt-to-equity ratio at 1.29. Our cash and cash balance was INR939 crores as on 30th September 2024, which indicates the strong liquidity profile, ensuring stability and operational capability.

We have consistently focused on reducing the debt per square foot of our under construction area, which stood at INR928 per square feet, ensuring the effective optimization of financial resources in our project. It is important to note that debt per square feet under construction area has reduced by 26% to INR928 per square feet as of September 2024 from INR1,248 per square foot as of 31st March 2022. Our cost of debt stood at 11.62% as of 30th September 2024.

Now let me highlight our financial performance. In Q2 FY '25, our total revenue grew by 36% year-on-year to INR520 crores, and revenue for H1 FY '25 grew by 67% year-on-year basis to INR1,195 crores. Our EBITDA margin stood at 28% for Q2 FY '25 and 24% for H1 FY '25. We had a net loss of INR19.88 crores for the quarter and INR5 crores for H1 FY '25.

Also, we want to highlight that a total of around INR945 crores has been invested in land, with a potential gross development of value of INR9,700 crores from 5.8 million square feet of new acquisitions. This showcase our robust pipeline of new business being added to the company's future growth.

In conclusion, Q2 FY '25 has seen sustained financial performance with a strong collection. We are expanding our footprint with new projects across India, delivering exceptional value to our customers and forcing long-term shareholders value. Thank you for listening.

And now we can open the floor for the questions and answer session. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question comes from Deepak Purswani from SVAN Investments.

Deepak Purswani: Good evening, sir. And thank you for the opportunity. First, sir, I wanted to get a sense what was the GDV of the project which was launched in H1 FY '25? We had launched two projects, Bayscape and Botanico. And what are the contribution of new launches in the total presales of 2,500 in H1 FY '25?

Abhishek Kapoor: Okay. So just to clarify, Bayscape was actually launched towards the end of the quarter, we just got the plan sanctioned. And the total launch contribution in the first half of the year has been INR148 crores, approximately. It's been the new launch contribution, versus last year, where the new launch contribution was INR700 crores.

The GDV for Bayscape and for the other project -- Botanico in fact was launched in the previous year, end of -- in the March quarter last year. So Botanico was not launched in this year. So total GDV for Bayscape that has been launched is about INR480 crores.

Deepak Purswani: Okay. And just on the launch pipeline front, in the presentation, we have mentioned we are planning to launch inventory of 12.7 million square feet in H2 FY '25. So first question is, what would be the GDV of this launch inventory in H2? And secondly, at what stage are we in terms of approval stage?

And have we got any approval out of these at the current juncture? And are we RERA ready at any project at the current level? And just continuing on that, how many of them are currently ready to launch? And how has been the response to this festive season during October, if there is any new launches?

Abhishek Kapoor: Right. So for the new launches, our expectation is in the current quarter and the next quarter, we will launch - the GDV of the launch pipeline is approximately INR13,600 crores, of which we are expecting to totally open for sale approximately INR8,000 crores. And what we are expecting is the sustenance sales plus this launch pipeline of INR8,000 crores which we will open for sales will contribute for the rest of the two quarters in terms of the sales numbers.

As far as the status of these projects is concerned, all of them are at a very advanced stage of either plan sanction or under RERA. And we are expecting that because we have not taken any of these projects to market so far. However, our understanding is that because majority of these projects are actually in Bangalore and Mumbai and one in Pune, we are expecting -- and of course, in Kochi, we are expecting good response on these projects because of the location of these projects and the way these projects have been designed.

So as I said, of the 8,000 square foot, we can do the -- we can do our own assumptions on what we would expect to sell in the last two quarters. From RERA readiness, obviously, once we have the plan sanction, we go into RERA and then take it to launch. But our target is to push these projects into the market between this quarter and the next quarter.

And most of the -- actually, the delay has happened on account of almost a quarter that got lost off during the election process. So the plan sanction across the country was kind of deferred in that sense. So that's been the challenge.

Deepak Purswani: Okay. And then finally, I just wanted to understand the broader management thoughts towards the strategic direction on the debt to equity. And coming more from the point of view a few years back, we had a net debt equity less than 0.9x and absolute net debt less than INR2,000 crores. And today, we are at 1.3x with an absolute debt of INR 2,500 crores.

While I do understand our debt per square feet has reduced below INR1,000 crores because of the business development equity. But just wanted to get this -- and even on the absolute debt front, what would be the peak level of debt we would be looking at? And what will the peak level of net debt to equity, that is a cap which management is thinking at the current juncture?

Abhishek Kapoor: Look, as far as debt is concerned, you're right. And when we talk about debt per square foot, we could we talk about a lot of acquired land, but of land which is under development. So I'd just like to add that this is debt which is getting serviced from ongoing projects and not from the land which has been purchased. That is one.

Second is from the point of view of debt, the way we look at the debt -- and we've had this conversation in the past. And our goal -- ideal goal is to keep it sub-one. Obviously, temporarily, it may go up and down because it's a way of business. There are multiple action points that we take -- undertake to bring the debt down because that's a constant process. But our goal will be to maintain similar absolute number of debt over a period of time. And eventually, because we can't compromise growth at this point in time.

However, over the next 2 to 3 years, we would anticipate that we'll reach a stage where this debt number will become irrelevant for our conversation because we believe that more and more collections will come in, more and more cash in hand will happen because larger number of projects will be on the floor and the sales volume will go up. So therefore, over a period of time, our goal obviously always will be to keep that under ratio under 1.

Having said that, at net debt level, at some point in time, in next 3 years, we would expect to bring it down further in terms of the net debt level. So the goal is that once we have reached a certain level of growth, then we'll focus only on bringing the net debt down towards 0. In fact, that would be our goal over the next 3 to 4 years' time period.

Having said that, the debt will always remain in the book. But the cash collections will improve. Cash in hand will improve given the quantum of business that will be going on and therefore, that picture would look different.

Deepak Purswani: Thank you. Thanks a lot, and wish you all the best.

Moderator: Thank you. The next question comes from Krishna Shah from Ashika Stock Broking.

Krishna Shah: Yes. So wanted to understand the consumer mix that we are having. How many of them are the end users and how many are investors at this point?

Abhishek Kapoor: Look, from our point of view, all of them are end users because we don't do any bulk sale, any multiple unit sales. These are all customers who are buying homes, either upgrading or first time. In fact, the Provident Housing is largely around first homebuyers. Puravankara has a mix of first home and a mix of upgrades. Generally, that's what happens in Puravankara. Purva Land is an investment product in that sense, if you want to look at it, where people eventually -- they're investing in line with an objective to building their homes.

We haven't seen much of resale happening from the Purva Land perspective at this point in time. So most -- I would say more than 90% of our business is coming through end user, and they are all availing some kind of loan to transact with us.

Krishna Shah: Got it. So what will that percentage in terms of like, let's say, X percent of homebuyers are taking home loans? If you would have that?

Abhishek Kapoor: From the data. But I mean, we don't have it handy because it has changed a lot. But post-COVID, we had a period where more than -- in fact, 40% of customers who are paying from their own contribution because there were a lot of savings that customers have done. And that number slowly has gone back towards more and more people going towards loan.

So I would -- and I would hazard a guess, but we can give you a specific number. My hazard a guess is -- and don't hold me to it -- would be approximately 65% to 75% of our customers are currently taking loans.

Krishna Shah: Okay. Got it. So one last question. Do you -- are you seeing any pricing pressure in any of the markets that -- or micro markets that we are in?

Abhishek Kapoor: No impact. If you see, at least as a brand in our case, as Neeraj mentioned in opening remarks, we have seen last year to this year, price appreciation in sustenance projects of between 15% to 17% between Purva and Provident. And also, what we have seen is that with the increased prices, our sustenance projects, sales have gone up by about 14%. So on an overall basis, as far as Puravankara and Provident or Purva and Provident and Purva Land as a brand is concerned, we are not seeing that as a challenge.

Moderator: Thank you. The next question comes from Anoushka Roy from Trade Brains.

Anoushka Roy: So first question I would want to ask is why did we see a weak quarter this time? And if you could give a guidance for the upcoming quarters in terms of revenue and EBITDA?

Abhishek Kapoor: Look, when you're saying weak quarter, are you referring to sales numbers or you're referring to revenue numbers? Because revenues have gone up significantly.

Anoushka Roy: I'm referring to the sales number.

Abhishek Kapoor: Yes. So as I mentioned earlier, we have not had any launches. So last year, during the first two quarters, we had INR700 crores worth of new launch sales that had happened. In this year, that number is down to INR148 crores of sales from new launches. So majority of our sales has come through sustenance projects. And this lack of new launches is where we have kind of -- however, I must admit and mention here that the price has gone up and even then, we have seen increased velocity of sales.

The focus really, I think, for the team -- and this has largely happened on account of deferment of these launches and mostly on account of administration being busy almost for a quarter on account of elections, etcetera., and some of those disruptions. Having said that, I think we are all, as an organization, focused on now doing -- getting these launches done in this quarter and the next quarter.

So we'd like to believe, as I mentioned earlier, we'll open about INR8,000 plus crores of inventory for new launch in this quarter and the next quarter, in fact, majority being in the last quarter because of these delays that have happened on the approval side, which was beyond companies, in fact, the entire industry has seen this, and I'm sure you might have heard this across the board.

And that's why the inventory levels across the board are also pretty down. Because at least in the markets that we are present in, we have seen some of these challenges come through. So we are expecting the INR8,000 crores of new launch for opening for scale, and we are quite optimistic with the performance expected by the end of the fourth quarter. And of course, sustenance projects will continue to perform.

Anoushka Roy: Okay. And all right. So recently -- I had one more question. Recently, you had -- like with the redevelopment of certain projects, you have entered into the Western India. So I just wanted to ask, are there any other expansion plans in the H2 of FY '25 and FY '26, specifically in the Tier 2 cities or northern region of the country?

Abhishek Kapoor: Look, as an investor concern, our redevelopment strategy is very focused on Mumbai and only Mumbai. And we have acquired -- and we are intending, in fact, we have acquired three significant redevelopment projects in very prime locations of Mumbai in the Western region, in Lokhandwala, in Pali Hill, Bandra and in Breach Candy. In fact, in this -- in the coming two quarters, we are anticipating we should take Thane and Lokhandwala to market, that's our target before 31st March.

And as far as entry into Tier 2 and Northern region is concerned, we are definitely keen on NCR as a market, but we are very cautious, and we are now putting a team on ground to understand and look at acquisitions. So it's a longer journey. But Tier 2 cities, we have no program at this point in time. As well as Purva and Provident is concerned, not currently because we want to really narrow down and focus on the larger markets, which contribute almost 80% to 85% of the business across the country so that we can get more market share in these markets.

And those are basically Bangalore, Chennai, Hyderabad, Mumbai, Pune and NCR, as and when we start scaling up there. But in other cities, it can be opportunistic where we are already present, which is Kochi, Coimbatore, Goa. We will continue to be opportunistic in these markets. But focus will continue to be between Pune, Mumbai, Bangalore, Chennai, Hyderabad and NCR.

Moderator: Thank you. The next question comes from Chintan Mehta from Punishka Family Office.

Chintan Mehta: I want to know some things about commercial project. You mentioned looking for INR400-500 crores of rental income. If you can throw light on the project and time-wise contribution of it?

Abhishek Kapoor: So currently, we have about a total of 3 million square foot which is plan approved, of which we are expecting to complete about 2.2 million square foot, 2.3 million square foot in the next financial year. From the 2.3 million square foot which will be completed in the next financial year, we are expecting rental income of about INR150 crores. The balance will come in the following financial year once we complete the balance phase of those projects.

For the larger portfolio, our -- the target is, of course, to get the rental income over the next 5 years of INR500 crores. The targets coming from the fact that we're looking at a robust acquisition pipeline of projects, where we are working on more city center projects. And as and when we complete these acquisitions, we would like to share it with you. But the target and the strategy there is to look at city center prime location projects, where we will expect more and more capital appreciation over a period of time.

Chintan Mehta: So sir, in 5 years, we are looking for INR500 crores, correct, sir?

Abhishek Kapoor: Yes. So in the next year, we would expect by next year, financial year, March, we should get to INR150 crores. The year after, we should get to about INR200 crores by the end of the year. Or 6 months later, I would say possibly by October 2026 is what we are expecting. So that will get us to the year after next to about INR200 crores.

And then there will obviously be a gap because the new acquisitions that we will complete in next 6 to 12 month time frame will take us about 3 years to bring it too. So the next phase of rental income coming in will then -- will be about another 2.5 years or to 3 years away. So over a 4 to 5 years' timeframe, we will expect this -- to achieve this.

Chintan Mehta: Sure, sir. And sir, do you have any other land or more space specific to the Aerocity commercial project?

Abhishek Kapoor: So we are currently working on, as I said, on more land parcels between Bangalore and Pune and Mumbai at this point in time. And Chennai, in fact. But we will make those announcements once we complete those acquisitions.

Chintan Mehta: Sure, sir. And sir, we are searching for any other opportunity like data center or logistics park to monetize our land bank or we are looking for only residential and commercial?

Abhishek Kapoor: No, we are absolutely clearly focused on residential. Our residential portfolio cuts across INR30 lakh a unit to now INR35 crores to INR50 crores a unit. We are very focused on that. And secondly, our absolute clear focus is on commercial office. Ancillary retail will always be there with office and residential development but these are the 2 asset classes currently we are really focused on. I think we have a fair distance away from evaluating any other asset class at this point in time.

Chintan Mehta: Sure, sir. And sir, any update I think or something thrown light on Starworth for our precast facility? And do you have any plan to monetize it?

Abhishek Kapoor: I think we are investing in the business at this point in time to strengthen the business. And I think once we reach an optimal scale where we believe that it can create significant value for the organization, we will evaluate it. But currently, I think really, the team is focusing on building the business. So it's too early to have any discussion on any of these.

Moderator: The next question comes from Deepak Purswani from SVAN Investments.

Deepak Purswani: Yes. Sir, just wanted to check it out. In terms of the total presales of INR2,500 crores plus in H1 FY '25, what has been our embedded margin in this presales, embedded EBITDA margin?

Abhishek Kapoor: I think I have mentioned this in the past, that our project level margins range from anywhere between -- on the JDA side as low as 16%, 17% to as high as 35% to 40% for Purva Land. So that's the range of margin. But if you look at an average, we would land up at about a 30% margin between -- EBITDA margin between 28% and 32% on an average.

That's the range that we normally land up with because of the mix of both the JDA, outright and the kind of projects that we are selling, whether it's Purva, Provident or Purva Land. So that's the general range with which we operate, and that's the general margin that you can assume in industry sales numbers.

Deepak Purswani: Okay. And if you can also throw some light specifically on the Mumbai region, how should we look into the embedded margin in the project like Thane as well as the redevelopment project, which we have back recently in Lokhandwala as well as Pali Hill?

Abhishek Kapoor: So if you were to look at Thane, EBITDA margin would be about 30%. If you look at the redevelopment project, the EBITDA margin will be anywhere between 23%, 24%. And I think it also -- because we believe that Mumbai as a market is a very stabilized market. And the markets in which we have done these acquisitions have -- do not have that quality of supply that we have brought into the market. For example, if you see Pali Hill, this is a 2.5-acre project. There is no 2.5-acre land available in Pali Hill.

If you look at Lokhandwala, the entire redevelopment space that is there, we are doing a cluster development. In that location, technically, there are only 3 developments, in fact, only 1 other development. And in that particular location, only 1 development, which is other than us. So in that sense and the kind of development we are doing, we believe that positions us uniquely. So the advantage with Mumbai and, of course, Miami, and I should mention that this is right next to Breach Candy and the kind of location you have is, again, very, very significant. It's overlooking Breach Candy and then directly to the sea.

What we are seeing increasingly is the demand coming in from the society residents itself in advance. I mean, we are not taking bookings but we're getting messages and we're getting a request to inform at the time of launch. And of course, from generally in the market, the feedback for us has been very, very positive.

So we would expect Bombay to contribute significantly, and you would expect this -- these kind of margins to be available to us between 22%, 24% for a redevelopment project, and in Thane, about 30% EBITDA.

Deepak Purswani: Okay. And when you say this -- specifically for the redevelopment margin of 23% to 24%, if you can also share what are the realizations, which are underwritten in these 2 projects? For the Pali Hill as well as for the Lokhandwala?

Abhishek Kapoor: So in Lokhandwala, you would expect anything between INR36,500 to INR45,000 a square foot. That would be the range of pricing depending on floor rise, PLC, etcetera. And for Pali Hill, we would expect an average realization of anywhere between INR105,000 to INR115,000 square foot.

Deepak Purswani: Okay. Got it. And secondly, I mean, if I want to look specifically at these big ticket size of project. Yes. Secondly, if I were to look into these big average ticket size of project for the redevelopment. Historically, our experience has been in the other markets where the ticket size has been up to INR2 crores or INR3 crores, whereas in this region, ticket size are significantly higher. So I mean, if you can throw some light, is there any change in the sales and marketing or business development efforts when we would like to sell these projects?

Abhishek Kapoor: So again, I think our business is about location and demand-supply. If you look at Mumbai as a market and the location we have picked up, Thane, for example, you mentioned, and then I'll come back to the redevelopment. There is no other plot on that main road at that kind of location. In Lokhandwala, there is only redevelopment opportunity.

And as I mentioned, there's only 1 other development in that area, which is coming up because there is nothing available in that market. Then you have to go to Versova, where you have only smaller developments, which are not more than INR75,000 to INR1 lakh. The layout we are developing will have a sales potential of almost 6 lakh square foot, which is significantly different, right?

So again, similarly, as I mentioned in Pali Hill. So here, in all of these projects, which are prime locations, Puravankara as a brand has got a great amount of traction. And we have -- it's not the first time, honestly, that Puravankara or Purva is doing business in Mumbai. In fact, the business was founded in Mumbai.

And Chairman and the founder started the business in Mumbai. And there is significant traction as far as the brand is concerned. We have demonstrated this in Chembur already. If you see Chembur itself, we command -- it's technically not Chembur, it's technically Deonar. But in that market for that location, we command the 15% to 20% premium for most of the developers in that market, right? So this is already demonstrated and delivered.

Now what we are doing is we are taking the kind of products that we -- and we have done projects, of course, very long back in Mumbai market. But having said that, I think the team that is there today in the Western region is an extremely strong team, not to mention that the promoters are from Mumbai, and there's significant professional experience in the organization in the Mumbai market.

We believe that -- and because of the brand and the reach that the team has already structured, we are seeing significant interest. So from sales and distribution, the distribution will clearly be channel partner focused.

And the sales is very unique in Puravankara in the way we approach, and we are transparent in terms of how we demonstrate our product. I mean, if you go to our Chembur sales gallery, we have a construction museum, the kind of transparency and service standards we approach our customers with has created that brand reputation already for us in Mumbai.

So we believe that going forward, with that kind of brand reputation, service and quality, which we bring on the table along with transparency and service standards will make a big difference in terms of our sales. Our focus will be -- of course, because we are all over India, we have large AOP partners who work with us, who have signed AOP transactions with us for the year and have commitments. And we have a very strong network of local channel partners who are related with the brand as well as the team.

So I think we have significant presence over there, which is already demonstrated. And the increase in sales. If you see last year versus this year, the sales increase. What we did in the last full year, we've already done in the first 6 months of the year -- of the business in the first half of the year in the Western region. And that kind of growth, which has happened on account of the quality of work that the team is doing. So we are very, very confident and optimistic and excited about our new launches in Mumbai.

Deepak Purswani: Okay. And then moving to the HDFC platform deal. If you can please update us in terms of whether we have received the money on that platform and has this money been deployed so far and what has been the quantum so far deployed on that platform?

Abhishek Kapoor: So far, we have deployed INR417 crores. That has been deployed between 2 projects, and we are expecting to deploy another approximately INR300-plus crores very, very shortly. And we will -- once we deploy that capital -- of the INR1,150, as soon as we deploy, we will make the required announcement, yes.

Deepak Purswani: So far, entire deployment has been on the existing land bank? Or it is from the new development as well?

Abhishek Kapoor: New acquisitions have happened. And of course, unlocking of some of the older land bank is also happening. So the deployment is a mix of these things.

Moderator: We have our next question from the line of Mr. Harsh Pathak from Emkay Global.

Harsh Pathak: Sir, I have a couple of questions. So sir, from a strategic point of view, we're also looking to scale up our presence in NCR, MMR - how should we evaluate our presence pan-India? Are we looking to just strategically look at some projects in some smaller markets, or we are planning something big? How should we look at it?

Abhishek Kapoor: Look, the way to look at it is as a strategy, if you were to look at us, and I give a thought process, which is 1-year, 3-year, 5-year thought process at this point in time. The strategy for us is to focus on these 5 or 6 geographies, which is Bangalore, Hyderabad, Chennai, Mumbai, Pune, and in NCR, we are looking at Gurgaon and Delhi. So these are 6 locations we are focusing on. There is no other location other than the locations where we are already present, we have relationships and we have business going on.

Now coming back to what it means for us in West and NCR. NCR is going to be, as I mentioned in the past, that it will be an asset-light investment opportunity where we are looking for JDAs. We're not looking at large outright commitments, at least for next year to 2 years, and we are very, very -- we'd like to be a little conservative in our approach there from the market perspective, and very, very choosy in the kind of projects we want to look at in NCR.

And hence, every time we are asked a question on where do we think we will see any contribution coming in, we keep saying it will take anywhere between 12 to 24 months. Having said that, Mumbai, we have already invested, already announced, already acquired these projects, and that will be meaningfully higher going forward. Today, the team has already achieved a certain level of scale in Mumbai.

So the team is now looking at -- or the company is also looking at Pune as an opportunity to scale up our presence in Pune in some of the geographies. And this is a constant process. So West, sooner, in fact, in this financial year, next financial year and the financial year after that, we'll see significant contribution coming in from Pune and Mumbai.

For the South, our strategy is because this is our forte, we are based out of it, we have a strength here. We will continue to take more and more -- make inroads into the market and take more and more market share. So the team here in the South is really trying to take on more and more market share from across the bank between Purva Provident and Purva Land through strategic acquisitions.

And I think those results, we will start seeing on larger -- taking larger market share in the southern region over next 12 to 18 months' time frame, we'll start seeing as we make more announcement. I mean, you're already seeing -- we've made a few announcements in Bangalore. I'm sure that we will make a few more. And then in Chennai. So we will continue. Hyderabad is one, which is slightly open and I think we will wait and watch till we come across the right transaction there.

Harsh Pathak: Right. And this opportunistic projects like in Goa that we did. So how do we look at this kind of markets? We'll keep on evaluating such kind of projects or our major focus will remain on the major 5 markets that you highlighted?

Abhishek Kapoor: As I mentioned, like a Goa or a Kochi, Kochi is already we are very large or Coimbatore. These markets will be opportunistic because we have presence, because we have relationships, because we have built a team, we obviously want to continue to, and we are familiarized with these geographies and they have shown performance and meaningful profits for us.

We will continue to look at opportunities there but not like an opportunity -- because I would say, 80% our focus will be on these 4, 5 markets, 20% will be more opportunistic on the markets -- other markets, which we are present. That's how we are looking at it as a strategy. But 80% of our focus, big team, big deployment is happening in these 5 and 6 markets to really create scale because there is enough depth available. I mean, the way we look at it is -- of the 500 million square foot, which is increasing annually, about 50% of that business happens in these markets.

And if we can take more and more market share and it is -- I mean, whoever may say whatever, it is a geography center business, and you don't want to spread yourself too thin. At least that's our view at this point in time till we reach a certain stage of maturity where we say there is not enough opportunity now to scale in these markets, which I think is very far from us.

So I think with the organization design and bandwidth that we have created, I think we have enough headroom for the next 5 years to scale up our operations in these markets. So we'll continue to focus on that. But yes, I mean, will we leave Goa and go out? Answer is no. Our idea will be that the team we have, the system and the strength and presence we have and our ability to distribute across the country.

Because if you see Goa alone, since you asked on that, most of the sales are happening in other parts of the country and not necessarily in Goa. So we have a distribution capability. So we will continue to capitalize on distribution capability and intend to have at least a project ongoing on most of the time.

Harsh Pathak: Understood. And I understand you gave a sense of NCR market, maybe it will take some more than 12 months to -- for something to materialize. But what are the updates there? How are we going for that market? Where are we seeing the potential? Because we understand it's a large market, there's Delhi, there's Gurgaon, and within Gurgaon also, there are many hot markets. So what's our strategy? How are you thinking to approach this market?

Abhishek Kapoor: So the way we are looking at it, for example, if you were to look at this, let's look, of course, Delhi as an opportunity. South Delhi is definitely an opportunity. In Gurgaon, we're very clear that we won't go on the Dwarka expressway. We want to be in Gurgaon. We want to be on -- anywhere from Golf Course Road to extension and further on down this side before we reach Dwarka expressway because we believe that these are the markets where we will be able to, as a brand, would like to enter from.

In Noida, we are looking at it more opportunistically but ideally in Phase 2. Phase 1, our real focus is to do Gurgaon in any of these markets. And in Delhi, if possible, we'd like to focus on South Delhi to get some acquisitions going. Post that, we will look at Noida. Again, not something where you have to go to Yamuna expressway further away from the city but closer to the city in the main part of the city so that we come in with a strong product in a good location, and then we start expanding ourselves.

Harsh Pathak: Understood, sir. And sir, 1 final question. Any sense on the presales growth? Any target we have maybe on a 2, 3 year perspective, not in the near term but any 2, 3 year medium-term perspective, any CAGR growth that we are may be targeting? So that we may align our launch pipeline accordingly. So I'm just trying to understand from that front?

Abhishek Kapoor: See, if you see in last 4 years, our launch pipeline has gone up from 3 million square foot to this year, almost 17 million square foot, right? This has happened over 4 years. Our CAGR for the presales number over the last 3 to 4 years has been about -- in fact, 3 years has been 57%. But if you take the year before that, it would be in mid 30s or early 30s. I think for us, if the industry is growing at x, we have to grow at x plus y.

And for that, as you already heard from Neeraj, we have, in fact, deployed more than INR900 crores in the last 6 months towards new acquisition. And our goal will be to continue to scale up our operations in the segments that we have present in. And therefore, while we do not give guidance but our past performance can be reflective of what we intend to do in the future.

And I think there is an opportunity to scale. We do have a target land bank. Today, we are down to about 28 million square foot, of 28 million square foot we are taking about 13 million square foot to market in this year, which will leave us with only 15 million square foot. That net 15 million square foot, we would like to take it up to 45 million square foot. And the logic behind that is that we should have over the next 3 years' time frame, not today, not tomorrow but over 2, 3 years' time frame.

If you have to get to that number, obviously, the speed of launch is critical. But then the goal will be that if you're looking at 2 year inventory or land bank being in your hand, you're looking at about 22.5 million square foot of launch capability in the system of new launches. And for that, which is this year at about 12.7 million square foot, right, for the new phases. So I think that's the general direction I can give you in terms of the direction that the organization, the Board and the management, the promoters are looking at from the team to deliver.

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

Neeraj Gautam: Thank you, ladies and gentlemen, for joining our conference call. And I hope we have been able to answer all your questions. And if you have any further questions, please write to us. We are available to answer all the questions. Thank you very much.

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