ELDECO

Date: 18.11.2024

Department of Corporate Services
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

The Manager, Listing Department
The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, C - 1,
Block G, Bandra - Kurla Complex,
Bandra (E), Mumbai – 400051

BSE Scrip Code-523329

NSE Symbol- ELDEHSG

Subject: Transcript of Earnings Conference Call held on Wednesday, November 13, 2024

Dear Sir/Madam,

This is with reference to the intimation dated November 7, 2024 made by the Company about the Earnings Conference Call scheduled for Wednesday, November 13, 2024 at 3.30 p.m. IST. A copy of Transcript of the conference call held with the Investors/Analysts is enclosed herewith.

The aforesaid Transcript is also being made available on the Company's website at **www.eldecogroup.com**

You are requested to take the above information on record.

Thanking you,
For **Eldeco Housing and Industries Limited**

CHANDNI VIJ

Digitally signed by CHANDNI VIJ
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Chandni Vij
Company Secretary
Mem. No. : A46897

“Eldeco Housing & Industries Limited

Q2 & H1 FY25 Earnings Conference Call”

November 13, 2024

MANAGEMENT:	**MR. PANKAJ BAJAJ – CHAIRMAN AND MANAGING DIRECTOR** **MR. MANISH JAISWAL – GROUP CHIEF OPERATING OFFICER** **MR. SANJAY AGARWAL – GROUP PRESIDENT, ACCOUNTS AND TAXATION**
MODERATOR:	**MR. ABHISHEK BHATT – E&Y INVESTOR RELATIONS.**

Moderator: Ladies and gentlemen, good day, and welcome to the Eldeco Housing and Industries Limited Q2 & H1FY25 Earnings Conference Call. 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 star and then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Abhishek Bhatt from E&Y Investor Relations. Thank you, and over to you, Abhishek.

Abhishek Bhatt: Thank you. Good day, everyone, and thank you for joining us on the call. Before we proceed to the call, let me remind you that today's discussion may contain forward-looking statements that may involve known and unknown risks, uncertainties and other factors. It must be viewed in conjunction with the business risk that could cause the future results, performance or argument to differ significantly from what is expressed and implied by such forward-looking statements.

Please note, the results and presentation are available on the exchanges and on our company's website. Should you need any assistance to receive them, you can write us and we'll be happy to send them over.

Today, we have on the call, the senior management of Eldeco Housing and Industries Limited, which is represented by Mr. Pankaj Bajaj, Chairman and Managing Director; Mr. Manish Jaiswal, Group COO and Mr. Sanjay Agarwal, Group President, Accounts and Taxation.

We'll begin the call with the highlights of the quarter followed by Q&A. Now I would like to hand over the call to Mr. Pankaj Bajaj, for his opening remarks. Over to you, sir.

Pankaj Bajaj: Thank you, Abhishek. Good afternoon, ladies and gentlemen. Welcome to our Q2 & H1 FY25 earnings call. We are pleased to report that the Lucknow real estate market continues to be strong, which is reflected in our operational metrics for the quarter. During the quarter, we have sustained the momentum of strong fresh booking that began last year, demonstrating the continued confidence of our customers in our projects and in the Eldeco brand.

While our reported operational margins seem to have contracted, this is primarily due to the mix of projects in which revenue was recognized in this quarter. On the other hand, all the major operational metrics have witnessed improvement in the quarter. I'm happy to report that we have witnessed a growth of 193% year-on-year in the area booked, totalling to 1,56,335 square feet.

The average price utilization of INR6,500 per square foot of area booked was the highest in this quarter, primarily driven by the majority of bookings coming from our luxury Eldeco Trinity project. As a result of the higher area booked, and higher per sq. ft. realization, our booking value has increased by 316% compared to Q2 FY24, reaching INR103 crores in the quarter.

Coming to project delivery, we have successfully handed over about 61,000 square feet of area during the quarter compared to 38,000 square feet in Q2 of last year. Timely delivery remains a key focus for us.

In addition to the operational highlights, we have marginally expanded our land bank in the quarter. We acquired an additional 3.84 acres of land on the periphery of our ongoing land aggregation efforts.

With this acquisition, our total land aggregation for fresh township projects now stands at 65 acres. We are in the process of applying for approval for about 45 acres of this land and are optimistic about getting the approvals early and launching the project early next year. The revenue potential of this project should be more than INR600 crores, could be closer to INR800 crores, but that depends on the final plan which gets approved.

Moving on to our financial performance. The consolidated total income was INR36.4 crores in Q2FY25 compared to INR18.7 crores in Q2FY24, a growth of 95% year-on-year. Total income in H1FY25 stood at INR68 crores as against INR46.2 crores in H124, a growth of 47% year-on-year. The consolidated EBITDA for the quarter was INR7.9 crores with an EBITDA margin of 21.8%. EBITDA for H125 was INR19.7 crores with an EBITDA margin of 29%.

The company's consolidated profit after tax stood at INR4.5 crores in Q2FY25 as compared to INR6.4 crores in Q2FY24. Net profit during H1FY25 stood at INR12.5 crores as against INR14 crores in H124.

So with this brief review, we can open the floor to questions if there are any.

Moderator: Thank you sir. We have the first question on the line of Bharat from Fairview Capital. Please go ahead.

Bharat: First of all, sir, congratulations for a strong uptick in the presales number. A couple of sir, questions from my side. So first, we know we are usually operating from the Lucknow market, but with the competition, which is getting more aggressive, and a lot of new players are trying to enter into the market and with the limited availability of land, which is there. So what's your viewpoint currently? Like are we exploring any particular land bank outside Lucknow or like our focus remains to accumulate and be there in and around Lucknow market only?

Pankaj Bajaj: So right now, we are in Lucknow market only. And the issue of land banks and future projects that we have been discussing in the previous calls, that's more or less resolved. If you look at our land bank acquisition and also the projects in pipeline and both these things are given in our investor presentation which has been uploaded. I think we have enough revenue for growth in Lucknow for the next 3 years. I mean, if you want accumulative number, I can take you through those numbers. Next 3 to 4 years is looking quite good for us in Lucknow.

Bharat: And sir, like you have mentioned in your previous calls that you want to stick with a presales benchmark of near about INR400-odd crores. So, like with the kind of acquisitions which we have done and with the new projects which are coming in, so are we confident that we'll be able to deliver…

Pankaj Bajaj: Hello, Yes, I think I got put on hold. So, can you repeat the question?

Bharat: Yes, sir. So, in our previous calls, when we have mentioned that our presales benchmark will remain as close to INR400 crores or above. So with the kind of our acquisitions which we have done and with the new projects which are coming in. So do you expect that the presales number is likely to continue over the INR400 crores run rate over the next 3 years?

Pankaj Bajaj: Yes. So, I think I'll take you through the numbers and this is all forward looking. So just see it from that part. It's all estimates, and it depends on a number of things. If you look at our unsold area, we have disclosed that number in our presentation, it's about 10 lakh square feet. We have about 6.5 lakh square feet of fresh projects which are under approvals. So that makes it 16 lakh square feet.

Plus, we have more land aggregation we've done. I expect that the plans are still under preparation. I expect that to yield about at least 2 million square feet of fresh inventory if not more. So it's probably much more than that, but let's take it as 2 million. So that makes us 3.6 million square feet of unsold area.

Our realization per square foot this quarter was INR6,500 a square foot. But let's just take it at INR5,000 because this quarter, it was primarily Trinity. At INR5,000, 36 lakh square feet translates to a sale of INR1,800 crores. And that is for the unsold area. We also have about INR800 crores of area which we have already sold, but we have not yet delivered. So that's also going to be recognized. So INR1,800 crores plus INR800 crores. So that makes it INR2,600 crores. And this all has to be done in the next 4, 5 years. So you can do your own math. So INR2,500 crores inventory over the next 4-5 years. So I hope that answers your question.

Bharat: Yes, sir. perfectly. With respect to Trinity, which is one of our first projects out there in the luxury space, I believe we have been able to sold around 30% of the overall unit area, within 4 months of our launch. So, while it's understandable that it's a higher-price ticket size inventory, which we are carrying. But in terms of our positioning in the Lucknow market in a region where a lot of new projects with respect to premium side are coming up. So, in your understanding, how do you read the overall scenario with respect to the luxury bookings? And is there any kind of a project similar to what Trinity has offered to us is there in the pipeline?

Pankaj Bajaj: No, no. In the Eldeco portfolio?

Bharat: Right.

Pankaj Bajaj: No. So, Trinity is an outlier in the Eldeco portfolio. That's the only luxury project we have at the moment. And it's not that just because we launched our luxury projects, we have pivoted to the luxury segment completely. Most of our products continue to be in the upper middle-premium kind of segment, not luxury. So, Trinity is the only luxury one. And we are happy with the kind of sales we got. And mind you, the construction is still at a basement stage. So, to get that kind of sale at basement stage is very hard.

Bharat: And sir, in terms of the overall demand scenario in this particular segment of luxury housing, so how do you read the overall scenario? I think it's there in the Gomti Nagar area. So across like a lot of new players are there, which are coming up with their own higher-end luxury kind of a project.

Pankaj Bajaj: It's not really relevant for us. We are there only in Trinity. We are already sold-out 30%. We are at basement stage. By the time the structure comes up, we will be majorly sold out. So, luxury is an important segment. And this area, particularly geographically is coming up very well in Lucknow. But let's be mindful of the fact that constitutes only 10% or 15% of the total market. Our majority, if we have to do the kind of numbers I just say it cannot come from luxury in Lucknow.

Bharat: Sir, last question from my side. So in the presentation, it's been mentioned that we are coming up with a project on the New Jail Road, I think, which is somewhere ahead of the Kisan Path . So, while no doubt, infrastructure is improving, but given the locality of our project, which is somewhere outskirts on the city side. So like in terms of the target audience, which will be there for our project? And how do you foresee the overall level of pricing playing out with respect to both Lucknow and the projects which are there in pipeline for us?

Pankaj Bajaj: We only have to look back at our own track record. If you've been looking at Eldeco's recent launches, there was a project called Eldeco Regalia, which was on the outskirts. It was off IIM Road.

Then there is Eldeco Imperia, which is a similar size project. All these projects have done so well for us. And we have typically been launching at a premium of about 30% to 40% of adjacent developments. So, because of the whole premises and the whole premise of our business model that there is a huge demand, unmet demand of quality housing. People are willing to pay a premium. They can travel a little far, but if you can give them quality housing, gated township with full facility and of amenities, which compare well with anywhere else in the country, they will pay you a premium, and that is what is playing out.

If you look at our profitability numbers in Imperia and Regalia, they are more than any luxury group housing project, by the way. So that's the same thing we're going to follow in Jail Road. That's why traditionally, the EBITDA margin in Eldeco housing have been much more than most listed real estate companies. And the reason for that is that we give superior offering at maybe slightly off location, but the customers actually like that because they want a reasonably priced product but with the fully loaded. That's the consumer behaviour at the moment.

Moderator: We have the next question from the line of Gunit Singh from Counter Cycle PMS.

Gunit Singh: So sir, in this financial year, we have completed and launched about 4 to 5 projects out of which, Twin Tower and this other project, the Phase 1 of...

Pankaj Bajaj: Imperia.

Gunit Singh: Yes, yes.

Gunit Singh: Imperia Phase 1, which is about a total saleable area of I think 450,000 square feet, if I'm not wrong.

Pankaj Bajaj: 300,000 right now.

Pankaj Bajaj: Yes, okay. So the 2 of them put together are 450,000, yes.

Gunit Singh: So overall, 450,000 square feet potential, I mean, real estate we have completed in this year. So sir, I just would like to understand out of this, what percentage have you already handed over? And what percentage of this have you already handed over to the customers?

Pankaj Bajaj: Twin Towers, the possession has not started. So nothing has been handed over there. And in Imperia Phase I, I would not have the number. If one of my colleagues can offer that information if we have it. Kapil, do you have it?

Gunit Singh: Sorry sir, I didn't get you.

Pankaj Bajaj: So Imperia, I don't have that number. I would guess that it will be about 20%-25%, which has been handed over at the moment. But we can get back to you on the exact number. Twin Tower nothing has been handed over at the end.

Gunit Singh: And sir, for Shaurya Arcade and Saksham, have they been handed over?

Pankaj Bajaj: We'll have to get back to you after the call because I don't have this granular detail on handing over percentage of each project.

Gunit Singh: I believe revenue recognized only once handing overtakes place. I mean should you expect H2 to be significantly higher in terms of the revenue recognized because of handing over of few projects.

Pankaj Bajaj: I would guess so. Yes.

Gunit Singh: All right. Sir, secondly, our EBITDA margins in this quarter have fallen significantly. So I just want to understand the reasons for that, the increase in the cost materials consumed in this quarter. As well as if you look at the other expenses, they have probably doubled year-on-year from about INR3.8 crores to about INR6.3 crores in this quarter. So can you please help me explain why have we seen a fall in EBITDA margin this quarter?

Pankaj Bajaj: I already mentioned it in my opening remarks. That's because of the kind of project which got recognized for revenue, which I briefly discussed. It is Imperia Phase 1. Imperia Phase 1 has a lower EBITDA margin for the company. I'll explain that in a bit while why that is the case.

So traditionally, we've been working at about 40% EBITDA margin. And the Imperia Phase 1, I think, is barely about 16%. And that is majorly got recognized this quarter and so that has pulled it down.

On the reason for, so Imperia is a large project. It's about 47 acres out of which 17 acres is Phase 1, which is in our books is a separate project and there is a separate project and about 30 acres in Phase 2, which is a separate project.

Now when we designed Phase I, we always knew that Phase II is going to come. So we designed it in such a way that many of the cost items, which are basically common to the whole development are all loaded on to Phase 1. So, the entrance gate, the club, the wide entrance road and even the parks are all in Phase 1. So that has brought down the EBITDA margin there.

But in Phase 2, our EBITDA margin is nearly 50% or 45%. So, the weighted average EBITDA margin of the 2 projects is back to 40%-45%. So, there is no cause to worry. But of course, Phase 1 has got recognized this quarter, so it has pulled down the reported EBITDA margin. So that is all there is to it. It's not a long-term trend, and it's nothing to worry about. Our business model remains the same. If in our mind, we treat both the projects as same, then nothing changes. But it's just that in reporting and in our books, the 2 are separate. So, the 1 which has got recognized this quarter has a lower margin. So, does that answer your question?

Gunit Singh: Yes, it does. So basically, I mean, for the current financial year, we should expect a bit lower margin as compared to previous year.

Pankaj Bajaj: Slightly lower because the Imperia Phase I is getting recognized. But next year or whenever Imperia 2 gets recognized, you'll see a huge jump. That also will not be a normal thing. Now unfortunately, that is our real estate revenue recognition works. So, it changes from quarter-to-quarter. But over a 4-year period, our EBITDA margin remains the same weighted average.

Gunit Singh: Right. And the margin for Twin Towers would be because of historical...

Pankaj Bajaj: Similar, yes, the historical number, yes.

Moderator: We have the next question from the line of Priyank Gupta from Guardian Advisors.

Priyank Gupta: So, Pankaj, we would like to have your quick comments on in this quarter-and-quarter going forward, and particularly, Lucknow?

Pankaj Bajaj: Can you repeat?

Priyank Gupta: Pankaj, I said we would like to have your comment on the quarter gone by for the real estate market on the whole for the country and particularly Lucknow?

Pankaj Bajaj: So, on the whole, there are definite signs of slowing down. And I think that is true not only for real estate, that is true for the entire economic scenario in the country. I mean you can see the first time the data was out yesterday. Inflation is higher and cars are not selling as well as they used to. Even on the ground, the inquiries 2 quarters ago, they were a benchmark at 100 right now, they're at 80 or 75.

So probably that is got to do with the sudden increase of prices or maybe cost of living has gone up. So overall, things are a little lower. That is why in one of the earlier questions, one of the participants was asking me about luxury housing. We are not sold on as a strategy. We are not pivoted to luxury housing because we know that in the long run, middle, upper-middle class premium housing is what is sustainable.

So the impact of the slowing down, we don't really feel much in our numbers and in Eldeco's numbers because our products is such that it will continue to sell at a decent pace. Luxury housing may face some challenges. Within that, Trinity, I don't expect it to face much challenges because of the unique position of the project geographically and how it has been positioned in the local market and generally luxury and it addresses a need there.

So overall, I would say things are moving slower. If you look at Gurgaon and if you look at other markets, but if you project is fundamentally good and it addresses a need, there's nothing to worry. And the same goes for Lucknow. The fresh land aggregation that we have done, we are very confident of good response from the market and also decent margins, because here we have a tried and tested model and the template for that is Imperial and Regalia.

The projects get finished in 3 to 4 years and give us decent margins. People really are willing to travel a bit, but they want fully loaded residential experience at a decent price. So I'm not very worried on that count. But generally, yes, the kind of runaway kind of things which are happening in the last quarter as we have seen a slowdown there.

Priyank Gupta: And do you think with this slowed run rate, our unsold inventory might take a little longer than what we would have expected as in your earlier comment, you were saying that it's enough for probably next 3-4 years?

Pankaj Bajaj: So that 3-4 years remains unchanged. It could move a quarter or so 2. So 4 years is not going to become 8 years. That's not the kind of assessment that I'm thinking. Obviously, things move if the markets are also hot, they are giving a nice product, but the markets are also very hot it helps.

And if the markets are little cool, it may take a quarter or 2 quarters longer than what we have anticipated, but not beyond that because we are very confident of our product and the design and the pricing. That combination is a key spot. And kind of when we design products, we try to make it as recession-proof as possible, nothing can be recession-proof, but as recession-proof as possible. So we are not worried. What could have taken, say, 20 quarters or 16 quarters may take 18 quarters.

Moderator: We got the next question from the line of Kunal from Fair Value Capital.

Kunal: You talked about the industry scenario for the country as a whole. And can you also talk about what sort of unsold inventory there is in Lucknow? And is there any hint of a supply-demand mismatch? And any slowdown on the pricing front?

Pankaj Bajaj: So, in Lucknow the kind of product that we are in, I don't see any demand-supply mismatch. In fact, there is much more demand than there is supply, there is independent housing on the outskirts of a city at a decent price of INR1 crores, INR1.2 crores ticket size.

There could be a glut possibly in the luxury segment, after Trinity, a number of projects have been launched in this particular area of where Trinity in the price range of INR8,000 to INR10,000 a square foot, which in Lucknow could face some resistance.

But as I said, we are not majorly present in that segment. Trinity constitutes only 15% of our portfolio. So, the 85% of our portfolio the demand supply mismatch if any, is in favor of demand, and there is more demand than there is supply.

Kunal: And do you think that for Lucknow, the demand in real estate is driven more by end users or by investors?

Pankaj Bajaj: It's end-users. It's either end-users or it is what we call long-term investors pro-end-users. Some people tend to buy there's a lot of inbound investment into Lucknow for, say, somebody is a businessman or an employee person and stays in, Prayagraj or Varanasi or even up to from Bihar and they would like to have a place in the long run in Lucknow, their children are growing up. It's a nicer place. Medical facilities are better. Education is better.

So they'll buy something. And by the time it gets finished, their family plans would have formed up and they would move in that after 4 years or 5 years. So, these are long-term investors, they could even resale at a later stage, but they are themselves not sure what they want to do it. But if investors are the breed that we are referring to when we talk about people who buy today give about 10%-20% advanced and 6 months they try to exit with a premium on the 20% advance.

Now, that market is not there at all in Lucknow. People who will pay the entire price of the product, and they will take it over either for themselves or they will give it out on rent or majorly it's that.

Kunal: And also going forward, do we expect to see more debt on the books of Eldeco or...

Pankaj Bajaj: Possibly, yes, because we are tying up more land parcels in Lucknow. We think that it is entering a golden period of growth as the capital of UP. And if accessing capital, we don't want capital to constrain our growth. If we find opportunities, we may raise more debt. But whatever debt we raise, because the pay for sale and the collection in Lucknow so fast at the project level, we'd like to repay it back in a couple of years from raising it.

Kunal: And just one last question, sir. Are there any updates on a merger with the unlisted company?

Pankaj Bajaj: No, not yet.

Moderator: We have the next question from the line of Shruti Sharma from MA.

Shruti Sharma: Sir, first question what I have is, I mean, what I understand Lucknow is primarily an unlisted player market. So how are we positioning ourselves in that market? What competitive edge do we have? And how are we performing, vis-a-vis, other large players in the Lucknow market?

Pankaj Bajaj: So as far as the customer is concerned, he doesn't really look at whether who he's buying from is listed or unlisted. He just looks at whether the product is good, the price suits him, whether the amenities are what he's looking at, how far it is from his place of work, the location. He will also look at what the track record of the developer is.

It so happened that Eldeco is one of the oldest players in Lucknow. So we have a very strong track record to show. I mean I lost count, but I think with the a number of completed projects to more than 100 in Lucknow itself. It happens to be that we are also listed. So there's a lot of respect in the local market for the brand name, and we have earned it the hard way over the last 20-30 years.

So, I think in terms of trust and competition and the image that the listed company would like to project, we already have that. And we would not like to do anything which kind of attracts bad name for us. If we were to go to a new market, if we were to go to Bangalore tomorrow, and we already said here, we have a listed player. So we have a certain level of governance, the local market would take it as a sense of comfort. I don't think it has any additional comfort in Lucknow because they already know us for the last 30 years.

As far as competition is concerned, it is from mostly local players, you are really right. I don't think other that DLF , there is no listed national player who is active now. I'm aware that some of them are looking for land parcels, but as we have been discussing in the previous con calls, it's very difficult acquire to acquire land in Lucknow of a sizable nature.

So we've been successfully doing that in the last 3 or 4 quarters. Our competition is with local players, some of them I have to say are pretty good. They do a decent job. And just like any other market, the best player wins in that. But having said that, the overall supply I think is half of what the demand is or even less of what the demand is.

So there's enough room for everybody and even national players if they wanted to enter Lucknow. I mean it's not going to take away our sales number if 3 more players enter Lucknow because the market is so big.

Shruti Sharma: Sir, second question what I have is that what I understand, we are primarily a Lucknow real estate player, right? So do we have any, I mean, I understand we have enough potential for growth in Lucknow as well. But do we have any plans to expand in the other geographies, maybe taking a land parcel or through EPC or something?

Pankaj Bajaj: No, not at the moment. We are focused on the Lucknow market. We feel that it is poised at the exact same place that maybe what Pune was 20 years ago. And so 20 years ago, there used to be 4 metropolitan cities in the country, now there are 7 or 8. And as we see, I think there are another 10 or 15 which are really growing very well.

So I think Lucknow is one of those. It could be a mistake to get diluted by diluting our attention from Lucknow at the moment. And we have been able to tie up very good projects. We are going to focus on the execution over the next couple of years. And maybe expand even more.

Shruti Sharma: Okay, sir. And sir, in Lucknow, will we look for like government project, government EPC projects or something which is included...

Pankaj Bajaj: No. We are not a EPC player.

Moderator: We have the next question from the line of Karan Premchand Gupta from CAVI Capital.

Karan Gupta: Great. So about 1-1.5 years ago, you spoke about difficulties in collecting land parcel, which you partially discussed in response to a previous question, but there were also issues in getting commissioned and project approval. So can you just talk about that given that you expect to continue to launch projects over the next couple of years?

Pankaj Bajaj: Yes. So the business development issue, we have kind of resolved as we have disclosed in our presentation, which we have uploaded. So we see enough inventory, and we are adding some more. So we can only disclose that once we get under control. And even approvals, they seem to have simplified a little bit. Of course, I would like it to be much faster than it takes right now.

It used to take about 12 months and which is down to 9 months probably from the time we are ready for our application. It takes about 3-4 months for local approvals. It takes a couple of months for environment clearance and then it takes a couple of months for RERA registration. So I would have liked it very much if the whole process could have happened parallelly and we would have got approval in 3 to 4 months, but doesn't happen anywhere in the country. But it's much more predictable. It's not that we are going to be stuck for 3 years. So 6 to 9 months is what it takes.

Karan Gupta: Okay. Great. And also our next question on margins. Earlier, the company has always had great EBITDA margins, but you had discussed in the previous conference call that you expect margins to go down a little bit to about 30%-35% at the EBITDA level. But in a response to a previous question today, you said you have 40%-45% is what you're currently looking at. So how should we think about margins?

Pankaj Bajaj: Yes, because something has changed. If you look at the presentation carefully, the numbers which have moved is average utilization. Our pricing has gone up with time. So what had come down to 30%-35% is back to 40%. So if you look at the Imperia 2 margins, I expect them to be very high, which will more than take care of a low margins in Imperia 1. So I was right, 1.5 years ago about margins coming down to 30%-35%. But pricing has increased by about 50%. Cost has not gone up that much. So the margins are back at in the 40% range.

Moderator: We have the next question from the line of Priyam Poddar from Value Equity.

Priyam Poddar: Sir, in the commentary you mentioned in the presentation, we have purchased close to 3.4 acres of land and whereby we are also doing some aggregation. So with this, we have close to 65 acres of land, and probably, you are going to apply approvals for more land shortly. So can we anticipate that whatever aggregation you have been done. So, this combined revenue would be of INR600 crores, that's what the numbers we have been mentioning.

Pankaj Bajaj: Yes, a much more than INR600 crores. I already discussed that in one of the previous questions.

Priyam Poddar: Okay. And can you share the time line of the same? If possible.

Pankaj Bajaj: So I'd mentioned somewhere that the first approval of 45 acres, we are going to be applying. We have not applied even as we speak today, we are finalizing the plan, but in about, say, 10 days' time. We will be submitting them for approvals officially and then whatever the approval time is. So I guess, sometime in the first half of next year, where this 45 acres should get launched.

Priyam Poddar: Okay. And sir, if you can just give us some direction about the average realization, which has been shaping up well for us. So currently, if we see, we are ranging towards INR6,000-6,500 mark per square feet against a historical INR 4,500 mark. So like how do you foresee that in the coming years, whether we would be maintaining that run rate or there is a scope of appreciation?

Pankaj Bajaj: On the contrary, INR6,500 is largely skewed because of Trinity. Trinity is a high-priced product. The rest of the portfolio is still in the INR4,500 range. So going forward, it will be somewhere in the middle of these 2 numbers. And when I say going forward, I mean, say, the next year or so. But after that, it could be a turn higher, but I can't really guess that right now.

So INR5,500 is what would be fair to expect, but it depends on the mix of projects and products which get sold in that particular quarter. So, our plotting product is, the plots are in the range of about INR4,500-5,000. Group housing is in the range of INR5,500-6,500. Trinity nearly INR9,000. So this varies from quarter-to-quarter. Weighted average over 4 years would be INR5,500 to INR6,000 maybe.

Moderator: We have the next question from the line Yash from ICICI Bank.

Moderator: Yash, your audio is not very clear. We request you to go off speaker phone.

Moderator: Yash, we are unable to hear you. Request you to please go off the speaker phone and use your handset.

Yash: Yes. Sir, you explained that you're looking for a debt, any comment.

Moderator: I'm sorry, Yash, but your audio is breaking up again. We are unable to get your question Yash. Sorry.

Yash: Hello.

Moderator: Yes. Request you to continue speaking on your handset.

Yash: So, can you little some light on current debt.

Moderator: So Yash, you're not in network. We cannot hear you. I'm sorry.

Pankaj Bajaj: Can you come back to Yash please and carry on.

Moderator: Yash, your audio is not clear. We'll have to move on to the next question. Yash, you're back in the line. Can you go ahead with your question?

Yash: As you mentioned about debt growth figures for participant. Can you just throw light on the current debt levels which company has? And what portion of that is LRD and construction side?

Pankaj Bajaj: So current outstanding is about INR100 crores. And what's the second part of the question?

Yash: What portion of that is for the LRD?

Pankaj Bajaj: For?

Yash: Lease Rental Discounting?

Pankaj Bajaj: We don't have any LRD. We don't have any rental assets.

Yash: Okay.

Moderator: We have the next question from the line of Manan Patel an Individual Investor.

Manan Patel: Congratulations for good launch and sales. Sir, my first question is, so apart from Trinity, I understand it skews the realization. But apart from Trinity, other sales that have happened, have you seen any increase in realization in the last couple of quarters?

Pankaj Bajaj: Yes, there is about 10% increase per square foot.

Manan Patel: Understood. Sir, second question is, so in the rest of the year, are you planning any launches? Or will it be sustainable sales from the existing new launches that happened in first 2 quarters?

Pankaj Bajaj: All that data is there in the presentation. So we have 10 lakh square feet of sustainment sales from projects which are already launched. And then we have 3 projects which are under active approval, we should get approval quickly. So that's about 7 lakhs-8 lakhs square feet. And then there are 3 projects where the land in under aggregation and we're going to apply for approvals. So that's the majority, which is about 20 lakhs square feet. That's the breakup.

Manan Patel: Right. No, sir, the question was so in your Slide 14, you have mentioned 3 projects which are under planning. So are they as soon as the approvals come, they will be launched in next 2 quarters? Or how do we look at it?

Pankaj Bajaj: Yes, yes, absolutely. There's no point in holding on to project once the approvals come.

Manan Patel: Okay.

Pankaj Bajaj: Once approvals come, we are done with the initial site preparation, etc. We get the RERA approval. We tend to launch immediately after that.

Manan Patel: Got it. And sir, last question so now we would be running at INR300 crores, INR400 crores, INR500 crores of sales yearly. So how do we look at it in terms of our ability to deliver on the construction because that will be material scale difference from what we have achieved in the past? So can you throw some light on that?

Pankaj Bajaj: No, not really. It's not a huge quantum jump. Yes, of course, it's a jump from where the company is, but there is also a service agreement with the unlisted company and unlisted company, as you probably know, is a company on a bigger scale, and we provide all the support that is required in terms of contractors and the back end. So, we are pretty confident that it's not a scale which will worry us.

Moderator: Thank you. I would now like to hand over the conference to the management for closing comments.

Pankaj Bajaj: Thank you. It was a very engaged kind of conversation. So thank you, everybody, for your interest. And we look forward to sharing our progress in the next quarter. See you. Stay well.

Moderator: Thank you. On behalf of Eldeco Housing and Industries Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.