Brigade Enterprises Limited

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11th August, 2023

Ref: BEL/NSE/BSE/11082023

Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East),
Mumbai - 400 051

Department of Corporate Services - Listing BSE Limited P. J. Towers Dalal Street, Mumbai - 400 001

Re.: Scrip Symbol: BRIGADE/Scrip Code: 532929

Dear Sir,

Sub: Transcript of Conference Call on the Company's Q1 FY-2024 Earnings - 9th August. 2023:

We are enclosing herewith the transcript of the Conference Call on the Company's Q1 financial results for the financial year 2023-24 held on Wednesday, 9^{th} August, 2023.

Kindly take the same on your records.

Thanking you,

Yours faithfully,

For Brigade Enterprises Limited

P. Om Prakash Company Secretary & Compliance Officer

Encl.: a/a







"Brigade Enterprises Limited

Q1 FY '24 Earnings Conference Call"

August 09, 2023





MANAGEMENT: Mr. M.R Jaishankar – Executive Chairman –

BRIGADE ENTERPRISES LIMITED

Ms. Pavitra Shankar – Managing Director –

BRIGADE ENTERPRISES LIMITED

Ms. NIRUPA SHANKAR – JOINT MANAGING DIRECTOR

- BRIGADE ENTERPRISES LIMITED

MR. ROSHIN MATHEW - EXECUTIVE DIRECTOR -

BRIGADE ENTERPRISES LIMITED

MR. AMAR MYSORE – EXECUTIVE DIRECTOR –

BRIGADE ENTERPRISES LIMITED

MR. PRADYUMNA KRISHNA KUMAR – EXECUTIVE

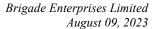
DIRECTOR - BRIGADE ENTERPRISES LIMITED

MR. ATUL GOYAL - CHIEF FINANCIAL OFFICER -

BRIGADE ENTERPRISES LIMITED

MR. OM PRAKASH – COMPANY SECRETARY –

BRIGADE ENTERPRISES LIMITED





Moderator:

Ladies and gentlemen, good day and welcome to the Q1 FY24 Earnings Conference Call of Brigade Enterprises 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, please signal an operator by pressing star, then zero on your touchtone phone. I now hand the conference over to Mr. M. R. Jaishankar, Executive Chairman of the company. Thank you and over to you, sir.

M.R. Jaishankar:

Thank you, Aman. Good afternoon, ladies and gentlemen. Welcome to the Brigade Enterprises Q1 Financial Year '24 Earnings Call. I'm joined by our Managing Director, Ms. Pavitra Shankar, Joint Managing Director; Ms. Nirupa Shankar, our Executive Directors, Mr. Roshin Mathew, Mr. Amar Mysore and Mr. Pradyumna Krishna Kumar; and senior management team, Mr. Atul Goyal, CFO; Mr. Om Prakash, Company Secretary and others.

I'm happy to share some of the highlights of the group. As a validation of our consistent performance and good governance, our credit rating was upgraded recently by CRISIL from A+ to AA- Stable in early August. We are now rated AA- Stable by both ICRA and CRISIL. Last week, Brigade won the bid for a 9.7-acre land purpose in the premium area of Neopolis phase 2 at Kokapet in Hyderabad. This is the largest plot in the Phase 2 auction with the HMDA.

The total transaction size is INR660 crores, valued at around INR68 crores an acre with a development potential of about 3.5 million square feet. The transaction underscores our commitment to Hyderabad as a growing market for Brigade. For that matter, in the last 1 year, we are totally signed about 23 million square feet of developable space in different cities.

Sustainability and social responsibility are among our core values of Brigade. We have announced our ESG strategy this year -- in this year's sustainability report in which we have committed to 11 new ESG policies. We have initiated the GRESB rating and process and more importantly, has set an ambitious target to become Net Zero by 2045, among others.

The first quarter in the new financial year has seen consistent performance across all business verticals in terms of growth and cash flows. However, the reporting impact of the IndAS-115 standards has resulted in a drop in Q1 revenue, which is based on the value of registration done and units handed over to customers.

There have been peaking issues with the new state government registration software called Kaveri 2 which is creating quite a bit of issues at the Sub Registar South Eastern for the Registering Authorities in Karnataka. This led to a delay in registration, registration is expected for the quarter 1. This matter should resolve itself in the coming quarters, resulting in improved revenue and margins. During this financial year, our team is geared up to hand over about 4,500 residential units, with an area of approximately 5 million square feet valued over INR3,000 crores.

Multiple phases of Brigade Cornerstone Utopia, Brigade El Dorado, Brigade Citadel and Brigade Orchards are in the hand over stage. Coming to the residential segment, the segment



continued its consistent performance with new sales of 1.46 million square feet, valued at about INR996 crores in Q1.

There has been a steady increase in pricing realization, which now stands at over INR6,800 per square foot compared to INR6,200 last quarter. Excellent sales supported by steady construction progress has led to a strong collection of INR836 crores which has led to zero debt in the residential segment as of Q1. Similar to the overall industry, inventory overhang has reduced in our portfolio due to good customer demand.

Industry-wide, there has also been fewer launches in Bangalore, Chennai, and Hyderabad when compared to cities like Delhi, Mumbai, and Pune. We have planned 7.87 million square feet of residential launches in the next three quarters to four quarters. However, these are highly dependent on timely approval. In Karnataka, the change in state government has led to delays in approval process across the board for new project launches as well as issue of completion certificates or what we call as occupancy certificates.

We are hopeful that the issue will get resolved in the coming quarters to maintain our launch timeline. The demand on ground for the residential sector stays strong, which we witnessed at our recently concluded flagship event, Brigade Showcase, which is being conducted consistently for the past 16 years. It resulted in excellent footfalls and inquiries.

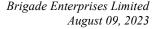
As regards the office segment, occupiers continue to focus on return to office, with office parks having an improved occupancy range of 50% to 75%. Brigade leased 61,000 square feet this quarter. Leasing was muted due to the availability of only SEZ office area in our portfolio. Existing tenants took up additional space and this trend is likely to continue.

However, despite the relatively slow quarter, there has been an increased momentum in leasing inquiries in Q2 FY'24, even for SEZ spaces. Brigade has an active pipeline for its remaining completed assets. With the transactions closed in quarter 1 financial year 24, Brigade has achieved a leasing of 84% of its available inventory with 100% leasing under the non-SEZ category.

In line with the market trend, 85% of the transactions for the quarter were of small and mediumsized, which is less than 50,000 square feet. Leasing segment saw a 22% year-on-year increase in the quarterly leasing revenue from INR175 crores to INR213 crores. Q1 financial year 24 with a stable office rental collection at 99%.

Coming to retail segment, during Q1 FY'24 there was a 12% like-to-like growth of retail sales consumption in comparison to Q1 FY'23 across the mall retail SBU. Retail categories like electronics, eyewear, jewelleries, watches, beauty and cosmetics, travel goods for the top performers in terms of their trading density.

All these categories grew at an average of more than 25% for Q123, even though the multiplex segment degrew by 37% compared to financial year 23 due to low movie content. Overall, as





retail SBU, all our malls are leased at a combined total of 91% with our flagship mall, Orion Mall Brigade Gateway, leased at 99% currently. We are expected to close 45,000 square feet of new brands that are under fit out to commence their operations by Q3, FY'24 across our retail SBU.

As regards hospitality business, it has continued – continuing its growth story in quarter one financial year 24 as well. There has been an all-round improvement in our numbers with both our top line and bottom line registering higher than Q1 FY'23 numbers. Our revenues increased by 13%, ARRs have gone up by 16%, and AGOP is up by 7% when compared to Q1 of financial year 23.

Our occupancy showed a marginal drop by 5%, but this should improve in the coming quarter. The F&B segment has seen an encouraging growth due to banquet events, both corporate and social gatherings. Number of domestic air passengers in India has been steadily surpassing the pre-COVID levels.

In May 23, domestic air travel increased by 15% year-on-year. It is for the first time since December 2019. That brings me to the end of our operational highlights.

Atul Goyal, our CFO, will now take you through the financial highlights. Thank you.

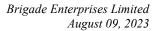
Atul Goyal:

Thank you, sir. Good afternoon. On behalf of the company, we welcome you to the earning call of Q1 FY'2024. Chairman has already shared the operational highlights. I will be sharing some key financial highlights for the quarter. As informed by him, our rating has been upgraded to AA- stable from A+ plus positive by CRISIL in August. Of course, ICRA has already upgraded us in the first quarter.

Leasing and hospitality business has been doing well and achieved PBT of INR19 crores and INR11 crores respectively during the quarter. Good sales and collection in residential segment has helped us achieve zero debt in residential segment. To start with company's financial update for Q1 FY'24, all of verticals of the company continued steady performance in Q1 FY'24.

The real estate segment clocked a turnover of INR371 crores whereas the same for Q1 FY'23 stood at INR655 crores. There is a decline in real estate revenue and PBT which is mainly due to less registration as enumerated by the Chairman in his speech and no project closures. However, if you see, gross profit for real estate is at 27% which is in line with the previous quarters.

So gross profit we have maintained, it's only because of the lower revenue that you are looking at a lower PBT in real estate segment. The leasing segment clocked a turnover of INR213 crores whereas the same for Q1 FY'23 stood at INR175 crores. EBITDA stood at INR160 crores which is 75% of the leasing revenue. The hospitality segment clocked a turnover of INR102 crores, an increase of 13% from same quarter last financial with an EBITDA of INR38 crores.





EBITDA margin stood at 38% in Q1 FY'24. The consolidated revenue for Q1 FY24 stood at INR685 crores as against INR920 crores in Q1 FY23 with an EBITDA of INR206 crores. EBITDA margins stood at 30%. Consolidated PAT after minority interest for Q1 FY'24 is INR39 crores. Total collection in Q1 stood at INR1,244 crores as compared to INR1,210 crores in Q1 FY'23. Cash flows from operating activities stood at INR267 crores during Q1 FY'24.

Coming to the debt for liquidity position, we continue to have adequate liquidity and undrawn credit lines from the financial institutions. Our average cost of debt has been contained at 8.72% increase of 107 bps though repo rate has increased by 250 bps. Gross debt of the entity stood at INR3,783 crores and this has been reducing very consistently. The cash and cash equivalent was INR1771 crores as on 30th June 2023.

Consequently, the company's net debt outstanding is INR 2012 crores, out of which BEL share is INR1374 crores. Almost 76% of the debt pertains to the commercial portion, which is backed by the rental income. Debt equity ratio stood at 0.52 as of June 23. I will now hand it back to the moderator for questions.

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Adhidev Chattopadhyay from ICICI Securities. Please go ahead.

Yes, good evening, everyone. I've got a few questions. The first thing is on our new Hyderabad land acquisition. I think Mr. Jaishankar eluded it was the saleable area would be in excess of 3 million square feet. You can just help us understand the FSI utilization over here and what would be the indicative GDV for this project, which we'll add.

And secondly, the land payment I think is almost INR700 crores with the stamp duty. So, will it all be paid out this year or is it payable in tranches? That is the first question?

Hi Adhidev, this is Amar here. So like Chairman said, it is about INR660 crores, the land value, but with the stamp duty registration, it'll go up to IN700 crores. The first installment is already getting due next week, which is about INR200 crores and odd, which we are getting ready to pay. The whole thing needs to be paid in 90 days, so that's what we're aiming for.

In terms of potential, it is about, say, 3.5 million square feet. And FSI in Hyderabad is, everybody is looking at unlimited FSI. But we look at close to, say, eight FSI around that. And we're just getting started with the master plan. So we'll probably next call we'll have more updates for you.

Okay, but if you could just help us understand the current residential rates or whatever you're planning like over there, the indicative GDV based on the rates over there?

So I'll let Pavitra answer that because she looks at residential closely.

Yes, so hard to say what we will launch at, etcetera, but we do know that the existing projects in the area were selling at around 8500, maybe nine, but as soon as our transaction was announced,

Moderator:

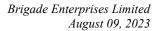
Adhidev Chattopadhyay:

Amar Mysore:

Pavitra Shankar:

Amar Mysore:

Adhidev Chattopadhyay:





I think the rates already jumped to 10,000 square foot for residential there. That said, we're not committing yet on what rates, what the plans are. It's still under design stage right now.

Adhidev Chattopadhyay: Okay. Okay. And just to clarify, so this entire land payment of INR700 crores will go in the next

three months plus we also have another outstanding payment of INR700 crores right which is still there as of March I guess, so just to understand correctly the entire INR1300 crores will be

paid out this year.

Atul Goyal: So Atul here it depends upon the land closure definitely INR700 crores will definitely be paid

in 90 days from other lands which are going to get closed. But I don't think those INR721 crores

will get spent during this year. It will take time as and when land closure happens.

Adhidev Chattopadhyay: Okay, but we will not be taking on any additional debt, right? It will be mainly financed through

our cash balance, right? INR1700 crores plus of cash which we have.

Atul Goyal: We are planning not to take any debt. We'll see as the things progress.

Adhidev Chattopadhyay: Okay, fine thankyou sir, It is very helpful I will come back in the que for more queries.

Moderator: Thank you. The next question is in the line of Parikshit Kandpal from HDFC Securities. Please

go ahead.

Parikshit Kandpal: So just on the Hyderabad land in Kokapet, so besides the land outgrowth of almost INR700

crores, so are there any other premium payments involved in Hyderabad or is this the total cost

including the premiums and all? Sorry? It is the total cost including the premiums and all?

M R Jaishankar: It is the total cost. There is no further premium payment other than approval cost.

Parikshit Kandpal: Okay. Because if I do the math, I cannot make – even at INR10,000 a square feet, so you will

not make more than 25% EBIDTA on this. The land cost. Even if I take construction cost, because I think this would be a high density development at eight FSI, so almost INR5,000, maybe the construction cost. That itself is about 1700, So is it right to assume that this project

will have maybe 25% EBITDA margin, so in line with our existing margin?

M R Jaishankar: We expect it to be 25% to 30% EBITDA margin.

Parikshit Kandpal: Okay, close to 30% you expect that?

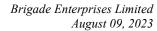
M R Jaishankar: Yes, yes please.

Parikshit Kandpal: Yes, I missed you, so you said about 30% you said?

M R Jaishankar: Yes, between 25% to 30% is what it is.

Parikshit Kandpal: Okay, okay, for sure. So my second question is on, if I see the realization, so I just wanted a little

more granularity on the realization, especially in the Bengaluru market. So we have seen some





of the peers, other peers in our launching projects, give us about INR10,000 a square feet average realization. And our realization on the portfolio is still at much lower levels. But I think that's 6,800 this quarter. So are the new launches which are planned, so what kind of realization we are targeting or what kind of segments on a realization basis these projects will be in Bengaluru, especially in Bengaluru?

M R Jaishankar:

See, we have a combination. Some of the new launches of ours will also be in the range of 10,000, some maybe at 8,500, 9,000, some will be at 6,000, which are a little bit in the affordable housing category. So it is average, I cannot say it will be 10,000, average will be definitely upwards of 6,800, it will be upwards. Gradually it will be going up.

Parikshit Kandpal:

Okay. And just a last question around BTG and WTC. So I mean you did set back the physical occupancy and are touching closer to maybe 50% to 75%. But for these two assets within the campus, what kind of physical occupancy is targeted now after the return to office movement?

Nirupa Shankar:

The occupancy here is also between 65% to 75%. In fact, Chennai is showing better occupancy and return to office numbers. Bangalore is around 65% and the Chennai project is around 75%.

Parikshit Kandpal:

Is it Bangalore 65 and 75, right?

Nirupa Shankar:

Yes.

Moderator:

Thank you. The next question is from the line of Karan Khanna from Ambit Capital. Please go ahead.

Karan Khanna:

So firstly, while appreciating that historically, the first quarter is usually the softest quarter for the company, what we notice is that first quarter typically accounts for 20% of your full year pre-sales number. So is it safe to assume that this trend will continue for the rest of FY '24 as well, or because your launches will be piled up towards the latter half of the year, you believe that the full year number will possibly be higher?

Pavitra Shankar:

Hi, Karan. Yes, so we've also communicated earlier that our launches will be towards second half of the year. Despite that, I think Q1 has been pretty strong. So depending on the launches, and as we mentioned earlier also, assuming that there's no delay in approval, we should certainly see good numbers this year. I think the demand picture is very strong. It's a question of getting the launches out. So I don't see any issue with meeting the numbers if we have that.

Karan Khanna:

Sure. Thanks for the clarification. Just as a follow-up, how should we think about the launch pipeline of 7.87 million square feet? Because in June last year you spoke about a rolling four-quarter launch pipeline of 7.6 million square feet but if I look at the actual launches over the last four quarters this has totalled to only 4.95 million square feet so just curious to understand the 7.87 million square feet rolling four-quarter launch pipeline which you have suggested in your presentation on slide number 28. Is there any risk to that number?



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Pavitra Shankar:

No, I see Chennai, some of the projects that we thought would come into FY '2024 or the previous rolling four quarters are now in the next. So that is the reason. Also, we had expected to have a couple of launches in Q1, which just basically missed the end of the quarter. So all that will be included in the next four quarters.

Karan Khanna:

So, secondly, on your hospitality portfolio, while acknowledging that Q1 is usually the seasonally weakest quarter, with the Cricket World Cup around the corner, are you seeing encouraging trends in terms of inquires resulting from this given, Bangalore is also hosting a few of the matches in October and November and as a follow-up directionally how are you seeing the trends on share of FTAs in your hotels?

Nirupa Shankar:

The Q1 for this year was quite good compared to Q1 of last year. So you will see improvement on pretty much all parameters apart from occupancy. The next quarter is going to be fairly good as well. July was a little slow, but August and September should be good months. And of course, the third quarter and fourth quarter, usually the storm is for hospitality. So the momentum is good, and I think we mentioned earlier air traffic number, so the momentum is very good even in terms of food and beverage and rooms as well.

Karan Khanna:

And in terms of the share of FTAs, is that increasing in your portfolio?

Nirupa Shankar:

You mean foreign travellers?

Karan Khanna:

That's right, foreign tourists.

Nirupa Shankar:

Foreign tourists is not as high as it was. In fact, it's still a fraction of what it was pre-COVID. So I would say still maybe 25%-30% of what it was pre-COVID. But I think the demand is coming mostly from the domestic segment.

Karan Khanna:

Sure. And lastly, a bookkeeping question. Just wanted to understand if I'm looking at slide number eight, you started reporting the pre-sales number, including the landowner's share. So is that going to be the trend going forward as well, or are you going to report the pre-sales number?

Pavitra Shankar:

Yes, that's going to be the trend going forward. We actually looked at what other peers are also doing in the market. Previously, we were not adding the area share, so that's what we started to do. That said, it doesn't impact any of the cash flow picture that we've been sharing in the past, whatever's on slide 10. All of that continues to stay the same, so there's no material effect.

Moderator:

Thank you. The next question is from the line of Pritesh Sheth from Motilal Oswal. Please go ahead.

Pritesh Sheth:

Yes, thanks for the opportunity. First question is just trying to understand your business development strategy from here on, specifically in the markets like Chennai and Hyderabad. So, Hyderabad, we have one large project now and another million square feet which we are already in conversation. So, that should have another roughly around INR4000 crores, INR5,000 crores



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of revenue potential from that market and Chennai also, we already tied up a lot of plans. So, would that be it for near term in terms of Chennai and Hyderabad new acquisition plans and focus would be on churning our inventory in Bangalore or how should we think about it?

M R Jaishankar:

See, we have signed quite a few in Chennai and recently Hyderabad, it does not mean we are not looking at opportunities, but instead of buying more, we have bought quite a bit in Chennai and now with this major acquisition in Hyderabad. We may move towards a bit more of a joint development project. I think both markets along with Bangalore offer sufficient opportunities. So, we will continue to look for and our intention is to do better and better in the overall sales volume from our 6.3, 6.5 million square feet currently. We would like to reach 10 million square feet as early as possible and when the market conditions are also favourable.

Pritesh Sheth:

Sure and out of the 10 million square feet, roughly 40% would come from Chennai and Hyderabad?

M R Jaishankar:

Probably Yes, more or less. I think the intention is to even aim higher if possible, about 50% between those two markets and about 50% from Bangalore. But there is no, I would say, we have done this much and no further -- not that kind of an approach is not there. We will evaluate continuously the opportunities and the market conditions and the areas in which we operate and in the segments we operate and then take a call.

Pritesh Sheth:

Sure. So for that 50% 2.5 million square feet contribution from each of the market. So definitely then we'll have to look at more projects to be added in both the markets, is that right, understanding?

M R Jaishankar:

Yes, yes, yes, correct.

Pritesh Sheth:

Got it, got it. And secondly, on launches, so Chennai, the Q4 launch plan remains intact or there has been some delay on it, any clarity we have right now?

Pavitra Shankar:

So the Q4 launch plan is the same. We are hoping to meet those deadlines, should come into Q4.

Pritesh Sheth:

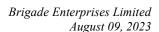
And lastly, Padmini Tech Valley 0.27 million square feet launched this quarter and I think it's also delivered. So, we will be looking to sell it outright, right?

M R Jaishankar:

No, it is not yet delivered. It is getting completed. It should get completed in I think quarter three. Okay, Q3 it should get completed. So, some negotiations for leasing is on. So, we are open to retain, we are open to sell. So, I think there is no definite decision that it should be only sold or it should be retained. So, we are flexible, depending on the situation we are flexible.

Pritesh Sheth:

Got it, that's helpful. And just lastly, if you can provide a break-up of collections between the segments for the quarter?





Atul Goyal:

Yes, sure. Just for residential it is INR836 crores, commercial sale is INR43 crores, commercial lease is INR149 crores, retail is INR52 crores, hospitality is INR125 crores and PMS maintenance services is around INR40 crores, overall 1.244 crores.

Pritesh Sheth:

Got it. Thanks. That's helpful. All the best.

Moderator:

Thank you. The next question is in the line of Rakesh Wadhwani from Monarch AIF. Please go ahead.

Rakesh Wadhwani:

Hi, thank you for the opportunity. Just I wanted to understand, as you have given the guidance of double digit volume growth for the residential business, so how do we expect – from where do you expect volume growth, -- if you see, inventory is coming down every quarter.

Atul Goval:

Excuse me, your voice is not clear.

Rakesh Wadhwani:

So in the last call, we had given the guidance that we are expecting a double digit or high teams volume growth in the residential business. And so just wanted to know how, so what will be the growth drivers? Will it be the new launches that will be the growth driver or from the existing inventory? So how do we expect the growth in that?

Pavitra Shankar:

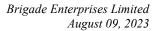
Yes, so generally while we don't give guidance year-on-year, we have always targeted like a, like you said, like a double-digit growth for the year for the residential portfolio. Last year saw a 36% increase. Our launches for this year are mainly what is driving the sales expectation for this year. So a lot of it is dependent on the new launches coming, which we had indicated earlier would be in the second half of the year. So provided that happens, I think we'll see pretty strong growth in our residential sales this year. So we're still confident of the market conditions and so on. It's just a matter of getting approvals and being able to launch.

Rakesh Wadhwani:

Okay, and second question on the EBITDA margin for the residential segment. If you look at the EBITDA margin for the residential segment so before COVID, like before FY '20, we were doing EBITDA margin of 23% to 24% to 25%. But after 2020, after COVID, it has come down. So just wanted to know what is the sustainable EBITDA margin for the residential business, because all the things are in our favor. Raw material prices are coming down. We are increasing the realization also. And the scale has also gone up before COVID. Before COVID and now, scale has become double.

Atul Goyal:

Yes, thank you. See, we are accounting on AS-115. And the revenue depends upon the recognition or the registration of the properties. So because of the variation in the revenue EBITDA, margin have been varying because you have to absorb your fixed cost for the company as well. So if you see, let's talk on gross profit, you can see from 25% -- from last four years, profit for real estate has been in the range of 25% to 30%. That we have maintained. It's only that because of the variation in the revenues, because we are going on a completed method, this variation is coming.





Rakesh Wadhwani: So, can you say 23% to 24% is a sustainable EBITDA margin for residetial?

Atul Goyal: It can, yes.

Rakesh Wadhwani: Okay, 23% to 24%. And one last question. Can you please talk about the GDV, the gross

development value, or the salable value for the projects that are going to be launched in the next

four quarters, that's 7.8 million. What is the sales value, potential sales value for these?

Pavitra Shankar: Yes. So just to answer that, so we've communicated about 7.89 million square feet for residential

launches this year. The GDV of that should be around INR6,700 crores. The BEL share of that would be around INR4,400 crores. And that's again dependent on the launches happening on

time.

Rakesh Wadhwani: Okay. And the share of the Brigade, just I've been repeating, the share of the Brigade will be

INR4,400 crores. Okay. Thank you. Thank you. All the best.

Moderator: Thank you. The next question is from the line of Parvez Qazi from Nuvama Group. Please go

ahead.

Parvez Qazi: Hi, good afternoon and thanks for taking my question. So my first question is to Pavitra. This is

regarding the recent Hyderabad land that we won in the auction. So I believe in the same Neopolis layout, government had conducted an auction two years back also. I guess the average land prices during that auction were somewhere closer to about INR40 odd crores. If we look at the current option, I guess the average land prices have moved up to INR73 crores per acre. Now I understand the land loss, etcetera, might not be strictly comparable, but I mean, this kind of a

price appreciation in terms of land value, doesn't it make you kind of slightly apprehensive

towards what is happening in the Hyderabad real estate market?

Pavitra Shankar: Amar will answer that.

Amar Mysore: Yes, see, we also examined the phase 1 part of the Neopolis auction back in October 2021. Back

then, we were not convinced and we were more like the infrastructure was not in place. Now we see the infrastructure in place and then the current rates, the way the selling prices that are going on, we are convinced that the price that we acquired is less than the average INR73 crores per acre. We acquired it at INR68 crores per acre. So we are in good stead and the numbers add up

for us.

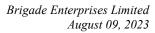
Parvez Qazi: Okay. My second question is about the retail business. Obviously, consumption has picked-up

across the board. We also seem to be doing quite well. So for the future, do we have any plans to develop new malls or retail space? If yes, whether we are okay with developing standalone

malls, or we want to do it as part of any integrated project only?

Nirupa Shankar: So it will be a combination for us. So for instance, in this Hyderabad project that we plan to do,

we might look at some retail and generally in mixed developments, we will look at some amount





of retail. We have Brigade Utopia coming up, so there is some amount of retail. We have Brigade Valencia, which is, we're looking at some amount of retail there. So I think if you look at the kind of standalones that can be developed in a particular city, it is limited to per micro market. So what we feel in the future is also creating more neighbourhood style malls and adding retail more as a social infrastructure to the larger projects and mixed use developments that we have. If and when the opportunity presents itself, then we will also, we're open to doing standalone malls as well.

Parvez Qazi: Thanks. And lastly, some data questions for Atul sir. What would have been the geographical

split of sales this quarter? And second, what was the contribution from BTG and WTC to rentals

this quarter? Thank you.

Atul Goyal: So first question, Pavitra will reply. From BTG, the rental was INR40 crores for Q1, and for

WTC Chennai it was INR31 crores.

Pavitra Shankar: For residential sales, 88% came from Bangalore, 10% from Chennai and the rest from Mysore,

Hyderabad, and remaining stock.

Parvez Qazi: Thank you.

Moderator: Thank you. The next question is from the line of Biplab Debbarma from Antique Stock. Please

go ahead.

Biplab Debbarma: Good afternoon. Thanks for taking the call. So on the debt, do you intend to keep the debt in

residential segment at this level of zero debt or very low level of debt? Is this our long-term

plan?

M. R. Jaishankar: See, long term plan is difficult, but yes, we always endeavor that our debt should be minimum

and we have always been conservative on the debt. Residential cycle is very good and our projects are selling well. So yes, of course, till cycle is going on, we are able to sell. We don't

intend to take any debt on the residential part.

Biplab Debbarma: Okay, that's good. And second thing, sir, just I don't know whether I'm miss the point. So the

EBITDA margin that you have given in the segmental -- in the segment. So basically the EBITDA margin in the residential segment is showing 6% and in the last four quarters, five

quarters, it has been low in the 12%, 13% range. So just wondering when do we expect to see

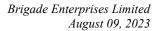
the margin above 20%, 25% around, between 20% to 25% in the residential segment.

Atul Goyal: See I'll again clarify this revenues are based on Ind AS 115. So as and when registration has

happened you are recognizing the revenue. See the important parameter is that your gross profit is maintained and I would like to if you can compare for last seven, eight or maybe three years, four years we have maintained our gross profit margin at 25% to 30% always. So it's all based

on the revenue, if you go on POCM, this will look much, much better. So this I cannot help

because this is a law of land and this is a completed contract revenue. So as and when





registrations are going up, going to happen and as and when project closures are going to happen, this variation will always remain.

Pavitra Shankar: I just want to add to that, some of the projects coming up for handover and completion, those

are higher margin projects, we launched them in FY '18-FY '19, so as these come, you will see

an improvement in the margin.

Biplab Debbarma: Okay, that's great. And one final question, besides the land parcel for Hyderabad that recently

that you have acquired, how much more land payments are pending? How much more pending

payment for land purchase as of today?

Atul Goyal: The land payment right now pending is around INR721 crores. Besides INR620 crores or 700

crores which we have to pay, so overall is around INR1,400 crores.

Biplab Debbarma: And that will be paid over the next one year, two years, ballpark?

Atul Goyal: Yes, it depends. See, Hyderabad will be paid definitely. Out of this, maybe 50%b to 70% or 60%

will be paid this year, otherwise it will go to the next year. So it's a rolling cycle. As in when land gets cleared, all due diligence happens, then we pay. So it's a rolling cycle, so you cannot

say that we'll pay everything in this year.

Biplab Debbarma: Okay. Thanks. That's all from my end.

Moderator: Thank you. The next question is from the line of Akul Broachwala from Ocean Dial. It seems

we have lost the line for Akul. We'll move to the next question that is from the line of Ritika

Agarwal from Valuquest. Please go ahead.

Ritika Agarwal: So my question is sales for FY '23, which is INR4,100 crores, I wanted to clarify if this is entirely

a Brigade share of sales or is there some GV share revenue share which is included in this

number?

Pavitra Shankar: So last year we did not include the landowner area share. So that is a change that has happened

only from this quarter. So the numbers we shared last year were not included before the change.

Ritika Agarwal: Okay, until FY '23, you were not including landowners or revenue share. JV share was not

included in the sales number, while from FY24, that will be grossed up and shown as sales value.

Would that understanding be correct?

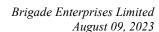
Pavitra Shankar: No, I would say that in terms of operational numbers, such as sales and booking value, we were

not including the landowner area shares. However, the landowner revenue share was included.

What we've done this time is correct that so that we are sharing with, we are declaring the 100% sales booking values as well as area. But as I clarified earlier, in terms of our cash flows, there

is no change. We've always communicated only the net Brigade share, whether it was FY '23

and before or whether it is Q1 and going forward.





Ritika Agarwal: Got that ma'am. So, Yes, in FY '23, this 4,100 would have included revenue share, as you

mentioned. So what would be revenue share and what would be Brigade's core sales?

Pavitra Shankar: So Brigade share is typically 85% across the board. If you take deal-by-deal, of course it is

different. There are some lands which we own. There are different sharing percentages that are found that are JV projects. So across the board last quarter, I mean last year you could have said

around 80%, 85%.

Ritika Agarwal: Got it. And this quarter particularly, what would be Brigade's core share as this quarter I believe

would include revenue share plus the area share that we started putting that.

Pavitra Shankar: I said 80%.

Ritika Agarwal: Okay, okay. Sure, ma'am. Thank you so much.

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

Please go ahead.

Adhidev Chattopadhyay: Yes, thanks for the follow up. It's a question, I guess in Hyderabad. So when is the earliest, when

we can see the launch of this project? And obviously I don't think it is integrated into a launch

pipeline. So we'll start with that.

M. R. Jaishankar: It can take, of course, since it's a high value property, etcetera, we will try our best to launch as

early as possible. But it is due to, I would say, environmental clearances and others. It is safe to

say it can take 10 months to 12 months.

Adhidev Chattopadhyay: Okay, so sometime in second half of next year is a reasonable assumption, right? Sometime next

Diwali or around next festive season. Okay, the second, yes, sorry, yes. The second question is on the leasing, obviously now with that SEZ issue persists. So, earlier we had a leading target by March '24 to lease the entire thing out. So where are we on that guidance and visibility? Because you have mentioned, you have a strong pipeline now. Obviously, all for SEZ space. So could you help us understand, is it a safe assumption to assume 100% occupancy in another nine

months?

M. R. Jaishankar: See, the target and the efforts remain the same. Definitely, we want to lease 100% within FY

'24. Sometimes, things are not fully within our control. But the team is making all-out efforts to

certainly lease as early as possible. If it is not done, we will also be disappointed.

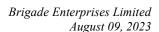
Adhidev Chattopadhyay: Yes, so but conservatively, we should get to 90% to what you said, the overall portfolio level,

from 84%. Sorry, sir?

M. R. Jaishankar: Yes, it should happen like that.

Adhidev Chattopadhyay: Okay. And so just another last question, sorry to again ask on Hyderabad. So see, many

developers have now bought land in the auction. So how have you assessed the demand supply





in that market? Because you have other developers also trying to make use of the unlimited FSI, right? And how do you ensure that, in the case of other developers around you, launch at a lower price, right? And it like say, 10, 12 FSI, I don't know. So what are your thoughts about that? Yes.

M. R. Jaishankar: See, currently I may not be able to spell out, or I would not like to spell out everything. But I

will, we are confident, we'll come out with a winning strategy.

Adhidev Chattopadhyay: Okay, sir. Okay, fine.

M. R. Jaishankar: We have our own strategy to do it. I think we are confident, we'll do it.

Adhidev Chattopadhyay: Okay, sir. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Akul Brochwala from Ocean Dial Asset

Management. Please go ahead.

Akul Brochwala: Yes, thanks for the opportunity. On the delay in recognition of revenue because of Ind AS, just

wanted some clarification. What would be the extent of inventory that is ready to be delivered or sort of got delayed because of this issue. Can you just quantify that in terms of area or else in

terms of value?

Atul Goyal: Yes, it should be in the range of 3 million to 4 million, where completion may happen and we

would recognize but slowly.

Pavitra Shankar: We had said around the plan is that we would register 5 million square feet across 4,500 units

this year. But we also indicated that a lot of that is dependent on the coming in time for OC Occupancy Certificate and completion certificate. And also the system sort of settling down in

Karnataka, but so far, it's been improving. So hopefully, we should be able to meet that.

Akul Brochwala: Okay, fair point. And secondly, in terms of our leasing portfolio, so has there been any

significant escalations towards the existing tenants this quarter, or is it purely because of the new leasing that we have done has led to sequential increase in revenues? So just wanted to

understand the factors attributing to sequential increase.

Nirupa Shankar: Yes, see all the leases are going as per the contract. We have a standard increase in the rentals.

It could be 5% per annum or 15% every three years. And it's going as per that. It's the sequential increase. And yes, in some cases, the pick ups are happening slowly. That will come into the

revenue system.

Akul Brochwala: Understood. And lastly, you mentioned in the annual report that you are also looking towards,

warehousing, data center and sort of other avenues. So any near term, sort of capital allocation

plans that you're looking at or will this be a medium term strategy going forward?



Amar Mysore: So we have a 25 acre plot that we are looking to explore a data center. Some of the plans are

being done up, so we will have an update soon. It will be a little speculative, so it's more like

trying to do a build to suit. So maybe once we have more clarity, we'll get back.

Akul Brochwala: Okay. And this will be around Bangalore only? Or is it some other city?

M. R. Jaishankar: Yes, it's in the northern part of Bangalore.

Akul Brochwala: Okay. Fair point. Understood. Thank you so much, and wish you all the best.

M. R. Jaishankar: Thanks.

Moderator: Thank you. Ladies and gentlemen, that would be our last question for today. I now hand the

conference over to Ms. Pavitra Shankar, Managing Director, for closing comments. Thank you

and over to you, ma'am.

Pavitra Shankar: Good afternoon. Before we close, we would like to share a few other highlights. Brigade

Enterprises Limited and Brigade Hospitality Services Limited have been recognized among India's top 100 best in-site companies to work on 2023, It's a great place to work ranking. This

is a survey conducted by Economic Times and the globally renowned Great Place to Work

Institute. We are now celebrating 13 years of being on this list.

In the latest release of the Brand X report from Track2Realty, Brigade moved up three places as the second best brand among all real estate developers in the country. Brand X is a yearly report that accesses real estate brands on trust return on investment, quality, reputation, bywards

that assesses real estate brands on trust, return on investment, quality, reputation, buyer's endorsements and brand recall. The Brigade Foundation celebrates its 20th anniversary this year and we are very proud of the impact from our not-for-profit initiatives over the past two decades.

We reiterate our commitment to make a difference in the communities in which we operate.

The Indian Music Experience Museum supported by Brigade has been voted number one in the

list of things to do in Bengaluru in the TripAdvisor People's Choice category. We encourage all those listening to plan a trip to this wonderful place the next time you're in our city. Some of the

accolades and recognitions we received in the last quarter are Brigade Tech Gardens in

Whitefield, Bangalore received an award for the best commercial high-rise development at the

Asia-Pacific Property Awards, '23- '24.

Orion Mall at Brigade Gateway was honored with the title of the most admired shopping center

of the year 2023 Metro South at MAPIC 2023. World Trade Center Chennai won best

commercial project of the year at the Citi Risa Awards 2023. That's a wrap for our earnings call.

Thank you.

Moderator: Thank you very much. Ladies and gentlemen, on behalf of Brigade Enterprises Limited, that

concludes today's call. Thank you all for joining us and you may now disconnect your lines.