

Date: 6<sup>th</sup> February, 2023

**SRL/SE/74/22-23**

**National Stock Exchange of India Ltd**  
Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai- 400 051  
**Symbol: SUNTECK**

**BSE Limited**  
Phiroze Jeejeebhoy Tower,  
Dalal Street,  
Mumbai – 400 001  
**Scrip Code: 512179**

**Sub: Transcript of conference call on Q3 and 9M FY23 results and Business Updates**

Dear Sir/ Madam,

Pursuant to Regulations 30 and 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in furtherance to our letter dated 1<sup>st</sup> February, 2023, please find enclosed the transcript of the conference call on Q3 and 9M FY23 results and Business Updates. The said transcript is also being uploaded on the website of the Company. This can be accessed at the link below:

<https://www.sunteckindia.com/pdf/investor-relations/financial/2023/Q3/Conference-Call-Transcript.pdf>

Kindly take the same on record.

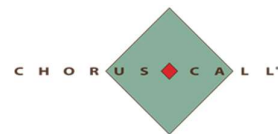
Thanking You.

**For Sunteck Realty Limited**

**Rachana Hingarajia**  
**Company Secretary**  
**Encl: a/a**



“Sunteck Realty Limited  
Q3 FY '23 Earnings Conference Call”  
February 01, 2023



**MANAGEMENT: MR. KAMAL KHETAN – CHAIRMAN AND MANAGING  
DIRECTOR – SUNTECK REALTY LIMITED  
MR. PRASHANT CHAUBEY – CHIEF FINANCIAL  
OFFICER – SUNTECK REALTY LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Sunteck Realty's Earnings Conference Call for Q3 FY '23. We have with us today, Mr. Kamal Khetan, the Chairman and Managing Director of the company; and Mr. Prashant Chaubey, the Chief Financial Officer. Please note that this call will be for 30 minutes and with the duration of this conference call all participant lines will be in the listen-only mode. This conference is being recorded and the transcript for the same may be put up on the website of the company.

After the management's discussion, there will be an opportunity for you to ask questions. There is a Q&A session. We request to restrict question to two per participant. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone.

Before I hand the conference over to the management, I would like to remind you that certain statements made during the course of this call may not be based on historical information or facts and may be forward-looking statements, including those related to business statements, plans and strategy of the company, its future financial condition and growth prospects. These forward-looking statements are based on the expectations and projections and may involve a number of risks and uncertainties and other factors that could cause actual results, opportunities and growth potential to differ materially and those suggested by such statements.

I now will turn the conference over to Mr. Khetan, the Chairman and Managing Director of the company. Thank you, and over to you, sir.

**Kamal Khetan:** Thank you for joining Sunteck Realty Third Quarter and 9 Months Earnings Call for the financial year 2023. Hope each one of you and your families are safe and healthy.

In the first 9 months of 2023, we have achieved robust growth in both presales and collections. This continued strong operational performance has enabled us to generate close to INR 311 crores of operating cash flow surplus, which further makes the balance sheet more stronger, taking the negligible net debt ratio from 0.19 in FY '22 to 0.14 in 9 months of FY '23. On the cumulative basis, since FY '21, we have generated close to INR 830 crores of operating cash flow surplus.

All our existing growth engines, namely Sunteck City at Goregaon West, Sunteck World at Naigaon and Sunteck Beach Residences at Vasai West are throwing positive cash flows on sustained basis. We have been felicitated by EDGE IFC, the World Bank Group company, with EDGE Green Building 3 certification for our 6 ongoing projects, 4 residential and 2 commercial. Our endeavour is ensuring that the company's projects are designed sustainably as next-generation buildings, keep the environment wellbeing at the center of its mission.

I would again now like to reiterate that in the past 3 years, we have acquired 25.5 million square feet across micro market of MMR with a gross development value of INR 20,000 crores. And

this is our company's best ever performance. Our endeavour is to maintain this momentum going forward.

I'm very proud of the team that we have built at Sunteck in the last 15 years, and we are growing and strengthening it further. I would now hand over the call to our CFO, Mr. Prashant Chaubey, for his comments. Thereafter, I would be happy to answer your questions, if any. Over to you, Prashant.

**Prashant Chaubey:** Thank you, sir. Good evening, everyone, and thank you once again for joining us today and taking out your valuable time for this conference call. The financial and operational numbers have already been published on the stock exchanges. I believe all of you must have gone through the same.

Now I would like to highlight the key financial and business performance numbers. Our presales grew by 12% year-on-year in quarter 3 of FY '23 to INR 396 crores compared to INR 352 crores in quarter 3 of FY '22. Collections grew by 13% year-on-year to INR 304 crores in quarter 3 of FY '23 compared to INR 270 crores in quarter 3 of FY '22. For the 9 months, similarly, the presales grew by 33% and the collections grew by 42%, respectively.

With respect to the financial highlights, we have reported a consolidated revenue of INR 314 crores in the 9 months of FY '23, and our operating cash flow surplus stands at INR 311 crores for 9 months of FY '23.

We can now open the forum for questions from the participants. Thank you very much.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press \* and 1 on the touchtone telephone if you wish to remove yourself from the question queue, you may press \* and 2. Participants are requested to use handsets while asking the questions. Requesting all the participants to restrict 2 questions per participants. The first question is from the line of Adhidev Chattopadhyay from ICICI Securities. Please go ahead.

**Adhidev Chattopadhyay:** Yes. Sir, main question is, sir, could you just now give us on what is the upcoming launch pipeline for the next 6 to 12 months? And therefore, what are the sort of sales targets in terms of overall sales you're looking at over the next couple of years? And some updates on where the approvals, at what stage are we at or what stage are we in the different projects?

**Kamal Khetan:** So Adhidev, as far as the sales numbers, I think Prashant will give you and update on the -- coming to the update on the approvals, I'll get on to that.

**Prashant Chaubey:** Good evening, Adhidev. So Adhidev, in the first 9 months of FY '23, as you are aware, we have done a year-on-year growth of 33%. On a compounded annual growth rate basis for -- since FY '18 till FY '22, we have delivered a presales growth of 22%. So going forward, our target is to deliver presales growth of around 20% to 30% on a compounded annual basis. So that is the target of the company, which it wants to achieve going forward in the coming years.

In terms of launch pipeline, Adhidev, as you are aware, we have acquired 25.5 million square feet in the last 3 years, which has a gross development value of INR 20,000 crores. So these projects include projects in Borivali West, Mira Road, Kalyan, Vasai. So all these projects are going to be launched in the -- out of this, Vasai, we have already launched in FY '23. And in the coming financial year in FY '24, our endeavor is to launch Mira Road and Kalyan project.

**Kamal Khetan:** So Adhidev, obviously, before March '23, we are looking to launch at least 1 project out of these 2 projects, Kalyan or Mira Road, at least 1 project, we're quite confident and we'll do that because the approvals of both the projects are at very advanced stage. We are trying, obviously, both the projects, but it will be too ambitious to say that both the projects will be launched before 31 March. But at least one for sure. Plus, we are doing a new activation launch of a new tower in Vasai West also. So these 2 are the big launches, one coming from mostly Mira Road or Kalyan and the other one, the activation of new tower in Vasai West.

**Moderator:** Next question is from the line of Harshvardhan Agrawal from IDFC Asset Management.

**Harshvardhan Agrawal:** Just wanted to understand, last quarter, we said that we'll be achieving INR 1,800 crores of presales this year -- this financial year. Looking at this run rate that we have currently, we seem to be falling short. So how should we look at it?

**Kamal Khetan:** So Harshvardhan, if you see our track record from last 2 to 3 years or whatever, Q1 has been better than the Q2 and -- sorry, Q2 has been better than Q1 and Q3 is better than Q2 and Q4 is better than Q3. So Q4, which is the best quarter, always has been for Sunteck. I think we are waiting for that Q4 quarter. We are very confident if not INR 1,800 crores we will be very close to INR 1,800 crores. That's because we are banking on at least one launch out of this Mira Road launch or the Kalyan launch before the March 31.

**Harshvardhan Agrawal:** So sir, if I just want to look at the numbers of say INR 1,800 crores we are currently at more or less, we've done INR 1,100 crores already. So what we need is INR 700 crores. So what is our expectation that this new project will contribute as to what percentage of this remaining INR 700 crores?

**Kamal Khetan:** So we are looking at least INR 300 crores -- approximately around INR 350 crores coming from there.

**Harshvardhan Agrawal:** And sir, one last question is from a PPT, specifically Slide #29. So if I were to look -- compare the slides from 2Q PPT versus 3Q PPT, absolutely nothing has changed in terms of numbers. So is it fair to assume that during this quarter, there was no launch of that was done within the existing projects also?

**Prashant Chaubey:** So Harsh, Prashant this side. So from the existing projects, as you are aware, last time, what we had communicated is that we had already launched two projects that is Sunteck One World and Sunteck City 4th Avenue. The higher floors of Sunteck City 4th Avenue was launched in the

third quarter. And Sunteck One World new launch, new activation was done in the third quarter, in the quarter gone by.

So these projects were already launched. And with new approvals, we launched new phases of these projects which were already launched. So that's why the numbers have not changed.

**Harshvardhan Agrawal:** So basically, the way we should look at it, if you have already launched column that we have, it is when we put a number there, it's for the entire project that we put up?

**Prashant Chaubey:** Correct. Correct. Like, for example, entire Sunteck One World is there, entire Sunteck City 4th Avenue is there.

**Harshvardhan Agrawal:** And that's why although we are achieving some sales number, but it's not increasing the launch number per se?

**Prashant Chaubey:** Correct, Harsh. Correct.

**Harshvardhan Agrawal:** And sir, just one last thing regarding our presales target for FY '24. So what target are -- do we have for, say, '24?

**Kamal Khetan:** So Harsh, as we said that -- Prashant already said that we are looking at growth of 20% to 30%. So on a conservative side, we can assume from FY '23 that FY '24 will be at least more by 20% to 30% on our presales number.

**Harshvardhan Agrawal:** So sir, just if I were to quickly do the number that comes to somewhere around INR 2,300 crores, INR 2,400 crores. So that's the number that we're talking.

**Kamal Khetan:** Yes. whatever that number is, I think we are pretty confident because the kind of acquisitions we have done I think, Harsh, you will appreciate. Obviously, the approvals have to come. I think we are turning around the projects very -- we are trying our best to get there. We are putting pressures on our landlords because the approvals we put the obligation of getting the approvals on the landlords. That is what we are doing. And I think if you look at Vasai, we turned around very fast.

Again, Mira Road if we can launch it before 31 March, I think it will be a record time like in less than a year. After acquisition, we have turned around the project and launched it as well. So I think we are pretty confident that 20%, 30% growth for the next year should be very comfortable.

**Harshvardhan Agrawal:** And sir, just if I can slip in one last question is, again, this is regarding Borivali project. In last quarter, we had said that we are looking to launch Borivali, Kalyan and Mira Road, maybe in the next 4, 5 months. So -- but right now, it's '23, '24, we are looking to launch Mira Road and Kalyan. So is it that our Borivali project is moving to, say, probably FY '25 launch?

**Kamal Khetan:** So last time also we said that we'll try to launch at least 1 or 2 projects minimum in this financial year. So out of which I think Vasai we already launched. And now we are out of the 3 projects, Borivali, Kalyan and Mira Road. If you ask me, the way it will go? First, 2 launches will be either Mira Road and Kalyan or Kalyan -- first Kalyan and second Mira Road or Mira Road, the way the approvals are coming and then thereafter, we can look at Borivali projects.

**Moderator:** Next question is from the line of Pritesh Sheth from Motilal Oswal.

**Pritesh Sheth:** Just on the launches. I also had a similar question on Borivali, but any update on Pen-Khopoli project launch? We had again signed that land parcel quite some time back. So any update if you can provide? And just, again, reiterating on the previous question. So Borivali will -- can still happen in FY '24 or is it FY '25 thing?

**Kamal Khetan:** So Pritesh, first, I'll answer for your Borivali project. Borivali project, I would like to launch it maybe yesterday because we all know that's a great land parcel. It's, I think, one of the most best land parcel one can get it in Borivali West. But unfortunately, approvals are not in our hands. And again, even if we are trying our best, although the approvals is the obligation of the landlord and obviously, he is also looking to monetize it ASAP, but we are helping him and we are trying our best to get the approvals as early as possible. Definitely, we are not looking at FY '23. We should be looking as early as possible. Obviously, we'll try to launch it in FY '24.

**Pritesh Sheth:** And on Pen-Khopoli.

**Kamal Khetan:** Pen-Khopoli is, I think it's a plotted development and some villas development. I think we are waiting for, again, there also some small approvals. That's not a big project in terms of gross development value if you look at it, I think we should be -- we are working on it. I think we -- once we get some clarity, I would like to comment on it.

**Pritesh Sheth:** And just lastly, again on launches. Any phase launches that we are planning in Naigaon or Goregaon in FY '24?

**Kamal Khetan:** Obviously. Yes, so in all the projects, which are the existing projects, like, let's say, in Sunteck City, we will be looking at some more inventory to be launched in Sunteck City Goregaon West.

Then coming to Naigaon, again, we will be launching some few more towers of Sunteck One World, there are 2, 3 towers more which are not being launched. And plus, there will be a second phase of Sunteck Maxx World, which is as big as Sunteck Maxx World first phase.

So it is as good as the -- again, a big launch of more than 2,000, 2,500 apartments that we are looking at. Plus, obviously, if we launch Mira Road this year, then we will be launching Kalyan next year. So there are quite a big pipeline for the next year, FY '24. So I think that's how it is.

- Pritesh Sheth:** Sir, in next 12, 15 months, what is the sales value that we are probably looking at launching that could probably give us a clarity on what sort of presales be able to block. So just on the overall sales potential of the launches that you are planning?
- Kamal Khetan:** So Pritesh, project-to-project phase-wise launches, I think, we'll have to then calculate how much exact value or if again, Prashant can give you a rough idea. We are looking at -- Prashant, can we give the numbers.
- Prashant Chaubey:** Prashant this side. So Pritesh, if you go through Slide number 29. Up to FY '24, the target of the company, the goal of the company is to launch close to 7.5 million square feet. That is the goal. And if we are able to achieve 80%, 90% of that, we will be easily achieving our presales target of 20% to 30% growth.
- Moderator:** The next question is from the line of Kunal Lakhan from CLSA India.
- Kunal Lakhan:** My question was again on Slide 29. So our 20% to 30% growth outlook for '24, can it happen without, say, Borivali not getting launched or it is contingent upon Borivali getting launched in FY '24? And also I wanted to understand what is there in others of 1 million square feet, which projects are there for FY '24?
- Kamal Khetan:** So we -- definitely, when we're talking about 2,400, 2,300, whatever, that 20%, 30% growth, we are definitely not considering Borivali into it. If that happens, we will be much about that -- the growth of 25%, 30%. In fact, we'll be crossing more than 30% growth.
- So conservatively, if we look, we have not even taken Borivali into the next year target. But our endeavor is definitely to get the approval for that as well and try to launch as much as possible. And in other projects like there are some that are like -- projects like Pen-Khopoli, some commercials, small, small within the existing land parcel, some retail. So all those put together is the others.
- Kunal Lakhan:** Nepean Sea Road is not included in others, I'm assuming?
- Kamal Khetan:** No, not at all. Not -- neither Nepean Sea Road is included nor our Borivali is included.
- Kunal Lakhan:** So Borivali is included above, right? It's shown separately.
- Kamal Khetan:** So Borivali is included above, correct. So not in the others. Okay. Sorry, sorry, I thought it's mentioned in -- it's mentioned separately. Yes, that's right.
- Kunal Lakhan:** Sure. And Kamalji, what's the status on Nepean Sea Road project, if you can highlight?
- Kamal Khetan:** So very frankly, it will be very difficult to comment that when at least to launch it maybe in FY '24, it looks to be very frank, I want to be very straight, it looks difficult. We can target it maybe in FY '25.



- Moderator:** Next question is from the line of Rishith Shah from Nuvama Wealth Management.
- Rishith Shah:** So I'm relatively new to the company, so pardon my ignorance. Just a couple of questions. So first on the bookkeeping side. So in terms of area, I mean, can you just highlight how much area that bookings that we have received maybe in Q3 as well as the corresponding quarter in the last year?
- Prashant Chaubey:** Hi, Rishith, Prashant this side. In Q3 FY '23, we have sold close to around 0.35 million square feet, close to 3.5 lakh square feet that is what we have sold, okay? And in quarter -- and in quarter 3 of FY '22, we have sold close to around 0.30 million square feet that is 3 lakh square feet, roughly.
- Rishith Shah:** And the last quarter would be?
- Prashant Chaubey:** Last quarter was also close to around 3 lakh square feet, Rishith.
- Rishith Shah:** And secondly, on the cash flow. So basically, if we see the first half that -- in the first half, we have kind of done a cash flow of, say, around INR 225 crores. So that is our operating cash flow surplus. And for the 9 months, if we see it's around INR 311 crores. So from the quarterly run rate in the first half, we have seen a dip to around say INR 86 crores for this quarter Q3, so is there any one-off or any specific reason why is there a dip?
- Prashant Chaubey:** There is a dip in the debt, you mean to say?
- Rishith Shah:** No, no, no. Operating cash flow.
- Prashant Chaubey:** No, operating cash flows -- Rishith, what you have to understand is that when sir spoke about the approvals that we have applied for Kalyan and Mira Road, so these approvals, the payment has gone from Sunteck because the landowners -- we fund the landowners via loan mechanism, which is interest-bearing. So this money is going towards the payment of those. So that also becomes part of your working capital changes. It is not shown as a separate item as a capital expenditure. So that is why you will see that dip if you are -- if I may say so.
- Rishith Shah:** So those are my 2 questions.
- Kamal Khetan:** Rishith, it is a kind of, in fact, treasury management for us because, obviously, when we are lending to the landlords, it is 14%, 15% or 16%, and the cost of borrowing for Sunteck is, I think, close to 9% in single-digit.
- Moderator:** Next question is from the line of Alpesh Thacker from Antique Stock Broking.
- Alpesh Thacker:** My first question is on the BKC project, right, sir. What exactly is happening there? And if I'm not on luxury market, overall market has been going good. So are we seeing any traction there or what is the challenge with that project? If I'm not wrong, there is no sale for the last couple

of quarters. So just want to have your own views in that project? And what is the monetization plan going ahead?

**Kamal Khetan:** Sorry, there is a disturbance, I think, at your background, I think. Can you repeat the question?

**Alpesh Thacker:** Yes. Sorry, sir. Yes. Sure. So my question is regarding the BKC project.

**Kamal Khetan:** Can you take it from some background where there is no noise in the background, please?

**Alpesh Thacker:** Sir, my question is regarding the BKC project. So what exactly is our monetization plan there because I see that there is a kind of slowdown in the monetization of that project while the overall luxury market has been doing quite decent for last 1 year? So just your thought on that project?

**Kamal Khetan:** So Alpesh, obviously, your concern is right, I think to a certain extent, obviously, because we have not been able to do not much sales in the last few quarters about -- in terms of BKC. But we are aggressively trying our best to monetize the project. There is means we are trying the best way how we can monitor. I don't have a quick answer right now for that, that how it will happen and when it will happen. But we are trying our best, I can only say that much to you.

**Alpesh Thacker:** So -- but are we seeing any inquiries or the visitations like that is tracking up or taking of that sort. Like in last, let's say, 1 or 2 quarters like more visitations or the inquiries about that project. Any momentum there?

**Kamal Khetan:** So Alpesh, I would say the inquiries have only increased and number of hot deals are quite number -- decent numbers which are there. We are -- I don't want to commit anything until the time we conclude the deal. But you will see some action in this current quarter and next coming quarters, I can only say that.

**Moderator:** Ladies and gentlemen, we'll take that as a last question. I now hand the conference over to the Chairman and Managing Director, Mr. Khetan, for closing comments.

**Kamal Khetan:** Thank you all for taking out the time from your busy schedule today. In case if any of your queries have been left unanswered, you can get in touch with me or my team. We look forward to your continued support. Thank you once again for joining us today, and please be safe. Thank you.

**Moderator:** Thank you very much. On behalf of Sunteck Realty, that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.