PURAVANKARA

15.11.2022

To

The General Manager – DCS, Listing Operations-Corporate Services Dept. BSE Limited 1st Floor, New Trading Ring, Rotunda Building, 'P J. Towers, Dalal Street, Fort, **Mumbai 400 001.** corp.relations@bseindia.com **Stock Code: 532891**	**The Manager,** Listing Department, National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), **Mumbai** cc_nse@nse.co.in **Stock Code: PURVA**

Dear Sir / Madam,

Sub: Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended- Conference call update

Further to the conference call held on November 04, 2022 at 5.30 pm. to present and discuss the financial results of the company for the quarter and half year ended September 30, 2022, please find attached the transcript of the conference call.

This is for your information and records.

Thanking you

Yours sincerely

For Puravankara Limited

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Company Secretary

"Puravankara Limited
Q2 FY2023 Earnings Conference Call"

November 04, 2022

ANALYST: **MR SAMAR SARDA – AXIS CAPITAL LIMITED**

MANAGEMENT:

MR. ASHISH PURAVANKARA - MANAGING DIRECTOR
MR. ABHISHEK KAPOOR – CHIEF EXECUTIVE OFFICER - PURAVANKARA LIMITED
MR. VISHNU MURTHY – SENIOR VICE PRESIDENT RISK & CONTROL - PURAVANKARA LIMITED
MR. NEERAJ GAUTAM – EXECUTIVE VICE PRESIDENT FINANCE - PURAVANKARA LIMITED
MR. SANJAY DAGA – CHIEF OPERATING OFFICER-WEST - PURAVANKARA LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Q2 FY2023 Earnings Conference Call of Puravankara Limited hosted by Axis Capital Limited. As a reminder, all participant lines will be in 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr Samar Sarda from Axis Capital Limited. Thank you and over to you.

Samar Sarda: Thank you Sree and good evening everybody. Thank you again for taking the time out. From the company, we have senior management led by. Abhishek Kapoor the CEO, Vishnu Murthy Senior VP of Heading Risk, and Neeraj Gautam, Executive Vice President of Finance we also have Sanjay Daga, COO of West. Mr Kapoor if I could request you please start with a few comments on the results, plans and sector outlook before we open for Q&A.

Neeraj Gautam: Thank you Samar. Good afternoon. Thank you all for joining us at Puravankara Limited's second quarter and the first half year of FY2023 earning conference call. My name is Neeraj Gautam, I am the Executive Vice President of Finance of Puravankara Limited. The presentation and financial results for the quarter that ended September 30, 2022, have been uploaded on the stock exchanges. I presume you have all had a chance to go through the results and detailed presentation disseminated by us. I would like to take you all through the key highlights for the quarter following that my colleagues and I would be happy to answer any questions you may have while listening to feedback and suggestions from you. We believe real estate will continue to witness sustained growth this year and in the coming few years in India. The growing uncertainty in the global economy has had a minimal impact so far in our sector and we are hopeful that it will continue to have a very minimal impact on the economy in general, particularly on the real estate sector.

Coming to our performance for the half year, we started the fiscal year on a good note and we concluded H1 on an even better note. We are delighted to say that the company had achieved the highest ever sales for the second quarter and the first half of any financial year. This is reasserting our strong brand builds across the market segments in which we operate. Our sales value grew to Rs.1304 Crores for H1 which is 43% higher than the 910 Crores sales value during a similar period last fiscal year. In terms of volume, we sold 1329 units with an area of 1.75 million square feet for half year period compared to 926 units with an area of 1.33 million square feet during H1 of the last financial year. The sales realisations improved to Rs.7454 per square foot from Rs.6845 per square foot last year, an improvement of 9% in average realization. In line with our commitment to deliver our projects within the prescribed schedules, the construction at all our sites is in full swing. This is reflected in sales and customer collection from our ongoing projects. The customer collection during H1 FY 2023 was 925 Crores which was 622 Crores a year ago. This is implying an increase of 50% on a year-on-year basis.

We would like to highlight that composition of our collections from the ongoing projects has increased. If we compare collections from our under-construction projects it has doubled for half year period compared to a similar period last financial year. This is reflecting our continued focus on faster construction and efficient working capital management. In terms of our financial performance for the half year, our total revenue from operations stood at Rs.550 Crores compared to Rs.815 Crores for a similar period the previous year. Our EBITDA for the half-year period was 197 Crores compared to 489 Crores in a similar period previous financial year. Total comprehensive income for the half-year period was 14 Crores compared to total comprehensive income for a similar period a year ago was 106 Crores.

Coming to our quarterly performance we have registered the highest ever second-quarter sales of Rs.791 Crores for the quarter which is 33% higher than 597 Crores a similar quarter a year ago. We have sold 776 units with an area of 1.07 million square feet during the quarter, implying 18% growth on a year-on-year basis. The last year in a similar quarter we sold 630 units with an area of 0.91 million square feet. The performance in ongoing projects continues to encourage us with around 90% of our sales booking coming from only ongoing projects during the quarter. We collected 518 Crores from residential sales during the quarter which is 52% higher than the 341 Crores collections for a similar period a year ago.

Coming to the cash flow our consolidated operating inflow was 678 Crores which is compared to 77% up compared to a similar period a year ago, in a similar quarter we collected 383 Crores. Our operating outflows also doubled from Rs 300 Cr in Q2FY22 to Rs 579 Crore in Q2FY23. This reflects our spending on ongoing projects. Coming to our profit and loss performance for the quarter, our consolidated revenue for the quarter was 253 Crores, and our EBITDA was 58 Crores. EBITDA margin was 23%. The total comprehensive loss for the quarter was 21 Crores. Here I would like to reiterate that upon transition to Indian Accounting Standards including Ind AS 115 the company had moved from the erstwhile percentage of completion method to revenue recognition to a completed contract method of revenue recognition. The aforesaid change in the time of revenue recognition has brought a significant variation in the periodical financial results as the revenue is no longer recognized relatively over the project execution period but recognized upon completion of the project and handover of flats to the customers. Consequently, the financial results do not depict the company's project execution and sales efforts periodically. The above accounting impact is very evident in our current period's financial results; however, our four projects are scheduled for delivery during the second half of the financial year and that will reflect in the revenue recognition in the third and fourth quarters of this financial year.

Coming to our debt and liquidity position of the company the balance collections from sold units in all launched projects was INR 2,640 crores as of 30.09.2022. The balance cost to be incurred for under-construction projects was INR 2,933 crores. Combined with the unsold receivables of INR 4,684 crores from launched projects, we have a projected operating surplus of INR 4,391 crores on the launched portfolio which compares very favourably against the current outstanding net debt of INR 2144 crores. Besides this, we have not opened for sale inventory in existing projects with an estimated surplus of INR 1653 crores. We would like to update you that during the quarter ICRA reaffirm our credit rating to A-stable, this shows our resilience even in the current environment of rising interest rates. I would also like to give you an update on the business development side. We have deployed the first tranche of the Purva real estate fund of 93 Crores and acquired a land parcel of 52 Crores in Chennai. This project is under planning and development and will be launched between 6 to 9 months period. We are also evaluating a few more opportunities to deploy the funds raised by Purva real estate fund.

Coming to our overall business outlook and the state of the economy the Indian economy is showing stability and resilience and we are bullish on it. We are upbeat about our launches, and we will continue to focus on scaling our operations while maintaining a healthy balance. We are determined on two aspects new launches in each quarter and continued construction and delivery for ongoing projects, which will keep increasing with each launch. As an organization we are committed to giving back to the environment we operate in and we believe that strengthening the ESG framework is essential to ensure business continuity. We will continue to focus on necessary action points to imbibe the ESG framework for our business. Our business transparency, innovation, strong leadership, engineering acumen and brand value will continue to create value for our stakeholders. We are confident of continued improvement in our performance over the long term and the company's stability to deliver consistent competitive profitable and responsible growth. With this, I conclude my remarks. Thank you for joining the conference call. We are now open to questions that you may have.

Moderator: Thank you very much. We will now begin the question and answer session. We have our first question from the line of N Chandra Bhanu, an individual investor. Please go ahead.

N Chandra Bhanu: Good evening. Thank you for the opportunity. I could see that despite higher sales and revenue is not comparable to sales and that is one thing, of course, you have explained that you cannot shoot the sales until you deliver flats to the customers but still whatever we get the revenue it is delivered only. so what is the outlook for us and when we can deliver the flats to the customers and can we see a positive fact with the fact that we are going deliver?

Abhishek Kapoor: Thank you for the question, so we intend to hand over additional 1500 plus units by the end of this financial year in the next two quarters where we have visibility already of four very large projects and we are expecting a positive PAT at the end of the financial year.

N Chandra Bhanu: My second question is we are constantly maintaining higher levels of debt and is there any plan for reducing debt level going forward?

Abhishek Kapoor: Yes very much. There is a roadmap that is there for reducing debt. In fact, in the next 6 months, you shall see a lot of this debt is self-liquidity which will also pan out by the end of March or in the quarter of April, May, and June, also with the new launches that we are adding there will be a continuous effort towards repayment of debt and we do have a roadmap of 24 to 36 months which clearly defines our debt reduction plan.

Neeraj Gautam: These projects are scheduled for delivery this financial year Abhishek mentioned about 1500 plus units we are going to deliver and hand over. This will also improve collection and possession-linked cash flow and help us repay the debt taken for that project .

N Chandra Bhanu: Okay can you give us any kind of guidance on reducing debt level?

Abhishek Kapoor: We do have a road map. We normally do not give guidance as you are aware of it but yes to answer the question in specific we have a roadmap for the next 24 to 36 months. This is demonstrated in past, two years ago we had debt of excess of 3000 Crores and today we are down to around 2000 Crores and this trend we intend to continue. As you see we have been stable at a debt level of about 1850 odd Crores from the last four quarters and this current increase is also expected to self-liquidate because it was taken to repay IFC which was an investment made by IFC and of course, there was one bridge capital which has taken which is also already repaid so the fact of the matter is that this is temporary in nature and as we go ahead with our launches the roadmap will look much, much more visible to all of you quarter-on-quarter basis, but the additional debt that you see between say last quarter and this quarter this will liquidate in next 6 months.

N Chandra Bhanu: Okay that is all from my side.

Moderator: Thank you. We have our next question from line of Chintan Mehta from Prudent Broking. Please go ahead.

Chintan Mehta: Thank you for giving me the opportunity. Sir, there is some slow-moving project if you can throw light on that Somerset House in Chennai, Equinox in Bengaluru and Emerald Bay and Aspire in Pune.

Abhishek Kapoor: As far as these projects are concerned we have had some road access and approval pending for these projects. I am sure you may have visited one or two of these projects and you would realize that there is a road access challenge which is where it is slow moving but the company is working on it and we believe that we will see better sales and better realization say about two quarters from now so there is a solution which is being worked upon currently for all three projects and we will see improved sales in all of them. As far as Equinox is concerned that is as per the sales plan the AOP.

Neeraj Gautam: Somerset is a high-end project, it is one of a kind, it is at a premium location and it is a very high ticket project, and you will see more sales happen during the completion.

Abhishek Kapoor: The sales have already picked up and Chennai as a market especially in the city centre high-value projects normally sell closer to possession so you will see an improvement in the coming quarters.

Chintan Mehta: Okay got it and if you can just throw some light on the commercial front for the next 2, 3 years and then for the next 5, 7 years in terms of development area and terms of strategy as well that you want to be renting or selling side.

Abhishek Kapoor: So on a commercial, we have one asset which we have already taken to market which is about 800000 square feet which are currently gone under construction. The other asset we are taking into construction is about 2.1 million square feet by the end of this quarter or early next quarter, other than this as far as the new addition of projects is concerned our strategy is to look at city centre projects where we believe that the demand and the value that the project brings to the organization and the platform is significant and we are currently also as I think I have mentioned in the past are in the process of looking at a platform for the commercial assets which will enable us to scale up our commercial development opportunities.

Chintan Mehta: So commercial platform in cities or something?

Abhishek Kapoor: No commercial platform at this point would be with the private equity partner and then of course at some point in time we will see how to look at the exit or evaluate our options but currently it is in the mode of scaling up for which we are looking at a private equity partner.

Chintan Mehta: On the strategy side, do we want to be the sell side or do we want to lease it out?

Abhishek Kapoor: For the Kanakapura property for example will be a straight sale plan which is 800,000 square feet for the 2.1 million square feet that is a lease and hold plan at this point and the new assets which we are looking at partnering on will also be on a lease and hold platform and plan. However, we are extremely cognizant of debt and leverage so in case if we want to look at may be out of four towers we want to exit one tower and make sure we are balanced on leverage then we will always take those strategic calls but at this point, it is mostly a leasing strategy for the 2.1 million and the platform and for the 800000 it is a strata sale.

Chintan Mehta: Okay and Sir on the AIF side what do you think will go against our strategy or the risk you can save if the project got struck then we still need to pay them a fixed return and still need time to buy back those?

Abhishek Kapoor: The way we have looked at the AIF platform and the capital we are raising it is going to be deployed in only two categories of projects which are plotted development where you would have seen that our ability to turn around the cash flow and repay is very, very quick and it creates significant value. So our objective there and the second opportunity we are looking at is provident again speed is of the essence in terms of our ability to start returning capital. Now from the project evaluation point of view, we are extremely careful. I am sure in the history of Puravankara there is not a single project that today you can say has been launched and is stuck or an investment which cannot be unlocked so we have been extremely careful in the way we are choosing these projects to make sure that we try and take these projects to launch very, very quickly from the date of deployment and course the cash flow starts turning around very, very quickly so we do not see envisage any significant risk because of the choices of projects that we are making. For example, I think Neeraj mentioned that we have deployed our first capital for a plotted development in Chennai, in the last project that we did in Chennai which was a plotted development we sold out in 3 days right so we are very, very confident of the project that we are investing in because we believe that this AIF is a long term pool of capital for us which will continue to scale in times to come and we want to ensure that the investors do get their capital back in a healthy way in a quick way.

Chintan Mehta: Sir one more question Starworth Infrastructure currently how much per cent of our construction work is going by the precast?

Abhishek Kapoor: Currently we have one project which is about 2.7 million square feet and is under construction in precast. We have our precast factory under Stallworth but basically, Stallworth is doing multiple projects and all kinds of projects special projects it is a full EPC company and as far as the business is concerned their larger business interest is in clients like JSW Steel where they are doing blast furnaces, we are doing metro stations, we are doing Taj at Bangalore International Airport and multiple such projects so the idea is to scale up that as an independent business and I think the business is doing pretty well in terms of its performance and billing as well as collection.

Chintan Mehta: Sure Sir. I have some more questions. I will get back in the queue.

Moderator: Thank you. We have our next question from the line of Kalpesh from Spark Capital. Please go ahead.

Kalpesh: The first point I wanted to know a couple of reasons for the dip in the profitability, the second was how do you see the impact of the repo rate hike on the 200 Crores of debt that we have so about 190 BPS repo rate hike has happened what would be the impact on that and the third is I was looking at other income so wanted to know any reason why has reduced and how do you foresee that?

Neeraj Gautam: If you look at our overall performance we have done good sales, it is one of the best quarters and one of the best half years, in terms of collection if you look at it is an increasing trend we have collected 519 Crores from projects for the quarter for a total operating inflow basis we have collected 678 Crores. Construction outflow was also more than 500 Crores for the quarter so all these parameters of sales, construction, and collection the quarter have been robust and we are continuously performing quarter-on-quarter basis on an increasing trend. However, in terms of revenue recognition as I mentioned in my opening remark in this quarter we have been able to handover only very limited units and thereby earned a less GP; however, by various launches and sales of ongoing projects and new launches, the marketing expenses and the overheads which is a periodic expense and charged against the lesser GP and from the lesser units and that results into a loss for the quarter; however, as we mentioned remaining period of 6 months we are targeting to give a position of about 1500 plus units and thereby going to recognize revenue from those 1500 units and GP out of it and thereby will be positive as the year as a whole basis. Hope I clarified your point.

Kalpesh: On the other income I think other income was largely on account of…

Neeraj Gautam: It was exceptional income for the last quarter from the exit from metro cash & carry project where we received the money. Our other income is interest on FD plus any compensation, any interest we collect from the delayed cases and it is good that our other income is less and operating revenues are more. Hope that clarifies your query about the reduction of other income compared to the previous quarter.

Moderator: Thank you. We have our next question from the line Sumit from Emkay. Please go ahead.

Submit Thanks for the opportunity. I just have two questions how many square feet are we planning to launch in the coming quarter my second question is what are the plans for the allocation of Rs.700 Crores of AIF how much of it will you use for affordable and what is the timeline that we have in mind and how is the revenue sharing agreement for the same?

Abhishek Kapoor: As far as new launches are concerned in this quarter we are expecting two, or three projects are already in the launch mode, we are expecting to add two more projects and add them to the launch mode. The three projects are in Bengaluru and Chennai and Coimbatore. Between all of these projects, we will take to market approximately four-and-a-half million square feet in this quarter. Other than your second query on the AIF we are looking at deploying that money in the plotted developments as well as in the provident. The first one has been deployed in plotted development and we are evaluating projects, which we can take to market very, very quickly because we want these projects to be launched very, very quickly. The timeframe for this deployment will be between 6 and 9 months and from the revenue sharing point of view the expected return should be met and this revenue share is being worked upon in a manner where the investors land up or the fund lands up making a return of early 20s so that is the target with which we are working as far as the IRR and the revenue share is concerned for these projects.

Submit: Okay thank you so much.

Moderator: Thank you. We have our next question from the line of Harsh Parekh from SNC Global. Please go ahead.

Harsh Parekh: Thank you for the opportunity. Sir my first question is regarding the land purchase cost which I can see on the expense side that is this land purchase, land has been purchased here around 50 Crores has been utilized for it.

Abhishek Kapoor: That land purchase is the plotted development only which we invested in Chennai we mentioned it was temporarily done from Puravankara and then it was moved to the fund.

Harsh Parekh: The second question is regarding debt levels itself, so on a quarter-on-quarter basis your debt has increased in Q2 which is almost 333 Crores what is the reason and where is this debt utilized?

Abhishek Kapoor: There are two places you pointed out the first one. Debt was taken which is already repaid which was towards buying this land and it got repaid from the fund the moment that got deployed so it was a temporary debt. The other one was taken to repay IFC where we have receivables against that project. The project is almost more than 80% sold out and we have receivables we are targeting to give possession between March of this year and June of the next financial year that is April, May, and June quarters so that is the self-liquidating. The purpose was really to repay IFC because IFC was an equity investment and the cost of capital was higher. This reduces the cost of capital and we can save and add to our bottom line as we have repaid that capital with a much lower cost of debt which has come on secured receivables so that was the logic behind the repayment of IFC with this capital and obviously as I mentioned earlier it is self-liquidating. I mentioned earlier also in the call that you will pretty much see this go down very, very quickly in the next 6 months.

Harsh Parekh: What is the cost of capital for these 333 Crores and how much shall be added to the finance cost in the next quarter?

Neeraj Gautam: Overall basis if you look at our average cost of debt is 11.02% as on September 30, 2022. These incremental debts we have borrowed about 10.5% to 10.75% because part of it also consists of our construction finance debt and part of the money as Abhishek mentioned we have taken against a self-liquidating plotted development project which is scheduled for completion in this financial year. Abhishek has very clearly mentioned what is our strategy about liquidating or paring down debt over some time 6 to 7 months what is our strategy and 24 to 36-month timeframe what is our strategy.

Harsh Parekh: Is there any change in the rising cost because since interest rates are getting higher our buyers are willing to buy flats at this rate?

Abhishek Kapoor: Currently as you can see from the sales front and what we are seeing on the ground we are not seeing any change in terms of the buyer's intention to buy at the current interest rates. I think Neeraj started with that comment by saying that we are quite optimistic right now and quite encouraged with the way the sales are moving. We are right now seeing this point with no impact on our sales. I think the customers have become very intelligent in the way they are managing their cash flows and they are planning and I think the fact or the proof of the pudding is in the fact that you are seeing a quarter-on-quarter increase in sales across our business.

Neeraj Gautam: Probably we can say that this is now related to an interest rate increase for the last 2 to 3 quarters home loan interest has increased every quarter but home loan sales have been growing across the industry.

Harsh Parekh: Thank you, Sir. Thank you very much.

Moderator: Thank you. We have our next question from the line of Samar Sarda from Axis Capital Limited. Please go ahead.

Samar Sarda: I am chipping with a couple of questions. Debt is clear like we have used it for IFC now I had a question on cash flow sales have been improving, construction expenditure for the first half of this fiscal has been pretty high but the collections are also in line. how is this changed over the second half of next fiscal because we made roughly 69 Crores of operating cash flow which will be utilized in land and then you have to borrow to service IFC, so just help us on the OCF front and how would the collections increase?

Neeraj Gautam: If you look at our cash flow statement and traditionally also cash flow statement has three segments one is the operating segment, one is investing segment, and one is the fixed asset-related financing segment. So if you look at our operating surplus our all ongoing projects all our project expenses are getting met out of our operating collections and we are generating a surplus there as well. However, while doing the existing activity like we mentioned that if I am acquiring land at a particular place or if I am repaying any of the costlier debt there we are borrowing money, repaying higher cost debt or borrowing money and investing in acquiring new debt so that is an investing activity. Any increase in debt is coming out of my investing activity. As far as operation is concerned, we have been able to meet all our construction at a faster pace and still generate a surplus.

Abhishek Kapoor: Samar I will just add a couple of points here. As we go along with the new launches the operating surplus only goes up. You will also see the construction burn continuing to go up because that is the trajectory, the more we sell the more we launch, the more we construct the more the cash flow so it is going to be a continuous process and you will see this collections continuing to grow quarter-on-quarter as we go along and that is the intent when you scale business to ensure that your operating cash flows continue to be positive surplus, and it keeps increasing and that is how over a period of time when I was earlier also talking about debt reduction is the kind of roadmap that you will see because what will happen as you do these launches all of your equity in these projects plus the profits of these projects will start coming back to you in the surplus form and as that happens you will continue to pay down debt so the point I am making is essentially the trajectory that you are seeing which is basically last year to this year our operating collections have gone up by over 50% almost 50% you will continue to see that trajectory.

Samar Sarda: I agree Abhishek I could just deliberate on this because our operating outflows for the first half are nearly 1000 Crores whereas the entire last year was 1350 Crores so collections have of course increased but I think your expenditure has increased more than that, the other query is these are consolidated cash flows so this would also include collections from Stallworth as well right?

Abhishek Kapoor: You are right and also you have to keep in mind that my outflows are including my investments into new launches so those launches are happening right now. When I am paying for any clearances, approvals, design, or launch, a whole lot of expenses that I am going today are getting booked in my outflows today that is where I am spending my money which means that this will result in larger inflows as we go forward so do not look at the burn as only the operating burn as in the burn in the project in which I am already under construction look at the operating outflow which is getting invested in launching new projects and therefore it will give you much more substantial surplus as you go forward.

Neeraj Gautam: At the same time more operating outflow means faster construction activity, and faster we are reaching towards delivery and that will get us closer to revenue recognition in the completion of the project so it is good that whatever we are collecting we are deploying on the ongoing projects itself.

Samar Sarda: Sure, sure and just one last thing the four projects roundabout 1500 units which we are delivering in the second half of this fiscal what is the collection which is like due from the sold apartments from such high delivery?

Abhishek Kapoor: I think we will have to come back, we will send you the details separately on this one.

Neeraj Gautam: You can go to our slide in our investors' presentation on the overall basis we are giving detail about what is our balance collection from the sold unit and what is balance from sold inventory.

Abhishek Kapoor: He is talking about specifically these projects we will send that data separately.

Samar Sarda: Sure, sure thanks a lot.

Moderator: Thank you. We have our next question from the line of Mihir Desai from Desai Invest. Please go ahead.

Mihir Desai: Thank you for the opportunity. So one of my questions was on the commercial project so can you please tell me the number of how much investments we have done in the commercial project to date?

Abhishek Kapoor: Again I think we will circle back on this question with exact information. Right away we do not have it handy but we will circle back to this exact information.

Mihir Desai: Sure no problem. Secondly on the BD pipeline so currently how does your BD pipeline looks like if you can throw some colour, especially in the west we have senior people in Mumbai, so can you throw some light on this and any new JDs or JVs that you are doing?

Abhishek Kapoor: So we are very, very actively evaluating and working on opportunities in both Mumbai and Pune these are the main two geographies that we are focusing on. What is very important for us to keep in mind is that we are looking at projects and business in a manner where we should be able to take it to market quickly at the same time there should be value and margins in the business so basis that we are evaluating opportunities for both provident and Puravankara and both between asset like and outright purchases in both Pune and Mumbai. Mumbai we are also evaluating certain Brownfield projects which have come to us so it is a mixed bag of projects because opportunities are good there and the idea of putting a leadership team there and investing in that while we have the ongoing projects we need to add new pipeline of business and we are pretty much on track with that so we will continue to evaluate and deploy. This is our evaluation.

Mihir Desai: Sure and Sir lastly I just wanted to know about the land bank so are we looking or exploring any new acquisitions on the land bank front?

Abhishek Kapoor: No it is a continuous process. Land for us is like raw material for any other business so it is constantly churning for us. As we produce more, we deliver more, we keep adding more pipelines and we will continue to do that.

Mihir Desai: Correct Sir. The question I asked is because Sir recently the land prices have gone up so that is why I just wanted to check with you, currently, it is not hurting.

Abhishek Kapoor: I think two things one is you always keep in mind when you are evaluating your margins on the replacement cost of land and therefore you factor that in when you are pricing your projects and therefore you are replacing. You know that the surplus should be able to replace the inventory that you are selling that is one. The second is we are very, very mindful of the value that we want to pay. If we see an opportunity in which the values do not stack up for us we have an opportunity to move to the asset-light model where we protect our margins and we shift the revenue share or the area share then take care of the landowner's interest and if we believe that there is sufficient margin and the project makes sense to put out our capital and it is coming at the right value we will outright buy and of course we have multiple pools of capital as we mentioned earlier and that gives us the flexibility to deploy all kind of deals.

Mihir Desai: Thank you Sir. Thanks for taking my questions.

Moderator: Thank you. We have our next question from line of Chintan Mehta from Prudent Broking. Please go ahead.

Chintan Mehta: Sir is there any plan to monetize any land bank or any entire project like the Godrej fund deal?

Abhishek Kapoor: No there is no plan to monetize any land bank for sales. We are in the business of developing our projects and our focus is really to launch all our projects and all the land bank we are working simultaneously to unlock value so we are pretty much on the job as far as our business is concerned.

Chintan Mehta: Okay and Sir if you can share the project margin of the three large Bengaluru projects Atmosphere, Park Square, and Tivoli Hills is it possible?

Abhishek Kapoor: We can separately share that with you, one-on-one we will share that.

Chintan Mehta: Okay sure Sir where you can see the realization going forward broadly in the Bengaluru market?

Abhishek Kapoor: I think the Bengaluru market is a very, very steady market in that sense and this market produces a lot of volumes and produces fairly balanced profitability so we continue to see that. I think the margins will stay protected. There may be a little bit of a shortage of supply and may be on an opportunistic basis you will see increased prices in some of the projects it also depends on the ability of a brand to command the premium. I mean you took the example of one or two of our projects where we are commanding a maximum premium and maximum inventory in that market right so it depends on the project, the brand, and its ability but if I have to answer generally Bengaluru is a market is a very steady market and we will continue to see the volume scale up.

Chintan Mehta: Okay and Sir for the upcoming project that we have a larger 15 million square feet of project how much area regulatory permission is pending?

Abhishek Kapoor: As I mentioned all of this is under approval, in different stages, under sanctions as I mentioned of this almost five projects are going to be in launch mode in this quarter itself and then we will add the rest of them in the March quarter. Three of them have got RERA and are under launch mode, and two more we will add in this quarter, the rest of them are in the advanced stages of approvals and as we get RERA approvals in the next quarter we will take them to market, but investment activity in those projects is already going on.

Chintan Mehta: Okay and how we are planning to fund this project it will be made by our operations.

Abhishek Kapoor: Yes all of these projects we have already paid for land rights so there is no land cost per se for these projects. This is only going towards clearances and launch expenses so that is coming from our operating income. I think I mentioned it earlier also somebody asked this question as to your outflow the outflow is going towards these projects as well new launches.

Chintan Mehta: The five project land cost will come to the P&L when we launch it or it is already when we purchased it?

Neeraj Gautam: What will happen is while we recognize revenue then only the cost of revenue will come to the P&L; however, as the company's Act requires all our expenditures done during the quarter on a functional basis we have to report on the profit and loss account so if we look at this quarter's P&L there is a 50 Crores land payment is being shown; however, that land payment is not impacting this quarter's profit and loss account. It is getting added to the inventory/ WIP at the balance sheet level.

Chintan Mehta: Sir just I have one request. If you can add one more thing in the presentation of an expected date of the new launches and possession date if it is possible then it will be a great help to us.

Neeraj Gautam: The date of launch is there at slide number 14.

Abhishek Kapoor: Are you asking about the launch date or possession date?

Chintan Mehta: Both.

Abhishek Kapoor: The launch date is already on slide number 14, the possession date generally we publish.

Neeraj Gautam: Possession date is a regulatory requirement and when we go formally launch the project, before launching the project we have to obtain the RERA registration as you know that is a law applied across the country and while taking RERA registration, we have to declare the date of completion of each project and which we publish. As soon as we launch, we will publish it on the RERA website it is available to all including our customers as well as investors.

Chintan Mehta: Thank you so much, Sir. That is all from my side.

Moderator: Thank you. We have our next question from the line of Rohit Sharma from Zen Wealth. Please go ahead.

Rohit Sharma: Thank you for the opportunity. My first question is can we see any impact of the festive season in the coming quarters like any growth due to this festive season?

Abhishek Kapoor: Yes definitely. You can see the initial impact of the festive season in the September period. Now we are continuing to see that growth and that activity on the ground. Normally as an industry and as a practice, you would see the third and the fourth quarter is pretty big quarters of the year for everybody, so we are pretty much on track and on line with that.

Rohit Sharma: Okay fair enough and can you provide the revenue breakup of your other segments like Stallworth and Purva Streaks?

Abhishek Kapoor: We can again share that separately one on one. You can come back.

Rohit Sharma: My last question would be what according to you could be the differentiating factor for Puravankara in an already competitive market of this Mumbai what could be?

Abhishek Kapoor: I think Puravankara as a brand it carries the legacy of 47 years of the strength of delivery and quality and what we bring in the way we look at customers' needs and the way we look for solving them. I think the brand has also moved towards servicing the customers and it is built of course on trust that we have always delivered our projects so I think as a brand with the strength of quality and strength of delivery and track record, as well as our ability to address customers' needs and service the customers' needs, is a clear demarcation. When I say solve for the customers' needs we are constantly innovating, we are constantly changing what product we are bringing to the market because we are addressing the needs of the customers. I mean this is historically visible. We were one of the first to do multi-storied buildings, one of the first to bring international experience into our home projects, one of the first to bring in a manner affordable housing precast, first to bring technology into people's homes. We have something called BluNex so we have done a lot of first. As we carry on with that innovation and the passion for design that we bring to the table for the customer I think that is what stands out for the consumers and that is a differentiating factor even for the Mumbai market, it is just across and the fact that we have delivered more than 45 million square feet. I think we can count on our fingers how many developers in the country have done this kind of business so that makes big strength and that will continue to be our main stake.

Neeraj Gautam: For our brand provident we are running a campaign more for sure for every penny that customer is paying we are committed to delivering more for every penny customer pays for our flat. Hope you have seen our brand campaign on LinkedIn and other social media for Provident Housing Limited.

Rohit Sharma: Yes. Okay. Thanks for the opportunity.

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

Neeraj Gautam: Thank you once again ladies and gentlemen for your time and intention. I hope me and my colleagues were able to answer all your questions. However, if you require any further discussions we are always available for the discussion during the coming weeks. Thank you once again.

Moderator: Thank you. On behalf of Axis Capital Limited which concludes this conference. Thank you for joining us. You may now disconnect your lines.