

Brigade Enterprises Limited

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4th February, 2025

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 Q3 FY-2024-25 Earnings - 31st January, 2025:

We are enclosing herewith the transcript of the Conference Call on the financial and operational performance of the Company for Q3 FY 2024-25 held on Friday, 31st January, 2025.

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

“Brigade Enterprises Limited
Q3 FY '25 Earnings Conference Call”

January 31, 2025



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 KRISHNAKUMAR – EXECUTIVE
DIRECTOR – BRIGADE ENTERPRISES LIMITED**
**MR. JAYANT MANMADKAR – CHIEF FINANCIAL
OFFICER – BRIGADE ENTERPRISES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Brigade Enterprises Limited Q3 FY '25 Earnings Conference Call. We have with us the management of Brigade Enterprises 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. M.R. Jaishankar, Executive Chairman. Thank you, and over to you, sir.

M. R. Jaishankar: Thank you. Good afternoon, ladies and gentlemen, and welcome to the Brigade Enterprises Q3 FY '25 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 Kumar; CFO, Jayant Manmadkar, along with the members of the senior management team.

We are pleased to share that Q3 FY '25 has been a period of strong performance and steady growth across all our business segments. In line with our expansion strategy, we're actively acquiring high-potential land parcels, including a 20-acre site in Whitefield area with a potential saleable area of 2.5 million square feet and the gross development value of approximately INR3,000 crores. We have a strong pipeline of 15 million square feet of upcoming launches in the next 4 quarters across Bangalore, Hyderabad, Chennai and Mysore, of which a couple of million square feet will be launched -- are being launched in this quarter itself.

Coming to various SBUs. Real Estate, I'll take it first. In Q3 FY '25, our Real Estate segment achieved a presales of 2.19 million square feet, a 30% growth over Q2 FY '25, with a sales value of INR2,492 crores, 37 percent over the previous quarter. The Residential segment is supported by demand for premium housing and sustainable spaces with an average price realization of INR11,364 per square feet, an increase of 5% over Q2 FY '25.

During Q3, we launched Brigade Gateway Hyderabad in the Neopolis, Kokapet submarket, a 4.5 million square feet integrated mixed-use development with premium residential, office, retail and hospitality spaces. The project is the first of its kind in Hyderabad and will be home to the World Trade Center, Hyderabad, The InterContinental 5-star luxury hotel, our flagship retail brand Orion Mall and almost 600 premium residences.

We also launched Brigade Citrine in Bangalore, which is India's first truly net zero residential development, strengthening our presence in the luxury real estate space, and commitments towards our sustainability goals. You will be happy to know of the first phase of the launch in Brigade Gateway, Hyderabad, the response to the launch is tremendous.

Coming to leasing. We leased 0.3 million square feet in Q3 FY '25 driven by demand from technology, engineering and manufacturing sectors. Leasing revenue grew 13% year-on-year to INR280 crores with a stable 99% office rental collection rate. Industry-wide global capability centers led leasing activity at 34% with technology companies, flexible office space operators

and BFSI firms following Bangalore, Hyderabad -- Bangalore and Hyderabad continued to drive over half of the leasing activity, highlighting their growth potential.

Retail performance was robust with an 8% year-on-year increase in mall consumption during Q3 FY '25 driven by festive season promotions and strong footfalls. Cinema sales also grew 20% year-on-year aided by big budget releases. In December of last year, all three malls achieved highest ever single-day footfalls in parking and collections. We expect this momentum to continue, driven by strong demand across the residential, office and retail sectors.

We will not be in a position to take up any questions on the hospitality business as we have governed by publicity restrictions due to the DRHP, we have filed for Brigade Hotel Ventures Limited as on 30th October, 2024.

I will now hand over to our CFO, Jayant Manmadkar, to present the detailed financials for the quarter. Thank you.

Jayant Manmadkar:

Thank you, and good afternoon. On behalf of the company, we would like to welcome you to the earnings call of Q3 FY 2025. Our Chairman has already shared operational highlights. I'll be sharing key financial highlights for the quarter.

To start with the consolidated financial performance for quarter 3 FY '25, the consolidated revenue for quarter 3 FY '25 stood at INR1,530 crores against INR1,208 crores in Q3 FY '24, an increase of 27%. The consolidated EBITDA for Q3 FY '25 stood at INR479 crores as against INR296 crores in Q3 FY '24, an increase of 62%.

EBITDA margin for quarter 3 FY '25 stood at 31%. Consolidated PAT was INR236 crores versus INR56 crores for the same quarter last financial year. Consolidated PAT after minority interest stood at INR236 crores as compared to INR74 crores in Q3 FY '24.

The Real Estate segment clocked a turnover of INR1,103 crores with an EBITDA of 23% during the quarter. The leasing segment clocked a turnover of INR280 crores with an EBITDA of INR2,169 crores during the quarter. Collections for quarter 3 FY '25 was at INR1,777 crores versus INR1,394 crores in Q3 FY '24, an increase of 27%.

With respect to the consolidated performance for 9 months period FY 2025, the consolidated revenue for 9 month FY '25 stood at INR3,781 crores versus INR3,302 crores for 9 months FY '24, an increase of 15%. The Real Estate segment clocked a turnover of INR2,563 crores with an EBITDA of 18% in 9 months FY '25 as against a turnover of INR2,273 crores with an EBITDA of 10% in 9 months FY '24.

The Leasing segment clocked a turnover of INR834 crores with an EBITDA of 69% in 9 months FY '25 versus turnover of INR 577 crores in 9-month period FY '24, an increase of 21%. The consolidated EBITDA for 9 months FY '25 stood at INR1,166 crores, versus INR869 crores in 9-month FY '24, an increase of 34%. EBITDA margin stood at 31%. Real estate collection increased by 39% to INR3,999 crores in 9-month period FY '25 from INR2,882 crores in 9 month FY '24.

Overall collections for 9 month FY '25 was at INR5,321 crores versus INR4,078 crores in 9 months FY '24, an increase of 30%. Net cash flow from operations stood at INR1,551 crores in 9 months FY '25 as compared to INR986 crores in 9-month FY '24, an increase of 57%.

Turning to the debt position and its breakup. The gross debt of the company stood at INR4,531 crores as on 31st December 2024. The cash and cash equivalents stood at INR3,404 crores, which includes INR987 crores of QIP funds. Consequently, the company's net debt outstanding as of December 31, 2024 is INR367 crores. Debt equity ratio stood at 0.18.

With the continued robust cash flow, QIP funds and available debt lines, the company has strong liquidity position to meet its expansion plan.

I will hand it back to the moderator for questions.

Moderator: The first question is from the line of Parikshit Kandpal from HDFC Securities.

Parikshit Kandpal: Congratulations on a commendable performance in this quarter. So my first question is on Brigade Gateway. So what was the total value of inventory released and what was the sales contribution from this project?

Pavitra Shankar: Yes, so we had about almost 300 units that we launched. We are not able to sell about 50 of those units, because they are mortgage units as per the Hyderabad regulation. Of the remaining 250 units, we have already sold 200 for a value of INR1,000 crores. And contribution to the overall numbers, it's about 72% from new launches in this quarter.

Parikshit Kandpal: Okay. And generally, how is the approval scenario now in Bangalore? I mean, we are still seeing some challenges being faced by some of your peers. So despite that, you have put up a very commendable performance in this quarter. So I just wanted to check how has been the approval scenario, especially in Bangalore now -- Bangalore and Chennai both?

M. R. Jaishankar: Approval challenges have always been there. It is not new. But going by the scenario in life itself is becoming difficult year-on-year and so is approval, I would say. So every state, I think, the approvals are taking a little bit longer than what they were happening earlier. I think, Bangalore is not an exception.

I think, it's somehow -- there have been delays, and lot is due to change in procedures. A couple of months back, introduction of what is referred to locally as e-Khatha is -- that is -- those are the main things which have slowed down the procedure. But I think, we are in business for 38 years, we will sail through.

Parikshit Kandpal: Okay. And just, sir, on the demand side. So how do you see now there has been concerns and demands on the Real Estate side? Sir, if you can help us understand how the demand scenario on the ground? What are the launches which you have planned in Bangalore, Chennai, Hyderabad in this quarter?

Pavitra Shankar: Yes. So I think, demand on the ground is still pretty strong. I would say, -- I think, it is not really being pegging against what we saw 2 years ago when there was no real hold in terms of what is

the pricing environment that we were in. So today, the launches that we're looking at are all coming in pretty fully priced. It's not so much of a price discovery mode other than a few INR100 here and there.

So from that perspective, if we have a launch where we can sell about 50% of the inventory in the first couple of quarters, that is how Brigade looks at it. We would like to achieve the maximum pricing and velocity at that point in time and then the rest is sustenance. That's the model that we follow, and that is what we feel is best suited for our approach.

Considering that kind of approach, we are actually seeing a pretty good demand on ground itself. So both of our launches last quarter, which is Brigade Citrine in Bangalore, which is India's first net zero project in residential and the Tower A of Brigade Gateway Neopolis did extremely well. In both of them, we sold about 50% already of the inventory, which was much higher than our expectation. So the situation on ground is still pretty good, provided you get the pricing right.

Parikshit Kandpal: And what is the launch pipeline for the Q4? I mean, in Chennai and Bangalore and anything else you'd like to open up in Hyderabad in the Gateway?

Pavitra Shankar: Yes. So in Q4, we're hoping to launch about 4 million square feet across Bangalore and Chennai and ideally Mysore as well. And I think, we have decent visibility on all of these. But of course, the last 10 sort of steps in approvals in 1 or 2 of them is still pending.

Parikshit Kandpal: Okay. And just the last question, Pavitra. What has been the business development for the 9 months, I mean, you've been regularly announcing more land acquisitions. So if you can help us get the entire total number of value of the ground development, value added in 9 months?

Pavitra Shankar: Yes. Pradyumna will answer that.

Pradyumna Krishnakumar: Yes. Hi, Parikshit. So in the 9 months, we've added about a little more than 8 million square feet with the GDV of about INR8,000 crores to INR9,000 crores to about INR10,000 crores is what we have added in the 9 months. In the past quarter, we have added about 3 million square feet.

Parikshit Kandpal: Okay. And approximately, what is the pending to be spent on this acquisition? I think, about INR800 crores?

Pradyumna Krishnakumar: Overall, we have about INR900 crores to be spent still on land.

Moderator: The next question is from the line of Pritesh Sheth from Axis Capital.

Pritesh Sheth: Congrats on very strong performance. Just one question on Hyderabad since we have seen very good success with this project, with this one and even the previous win, Citadel. So how is the pipeline looking like in terms of future projects that we'll do in Hyderabad? Will we have to still wait for those government auctions to come up or there are some private transactions also being looked at?

M. R. Jaishankar: We are actually negotiating a couple of projects. It is -- there probably, if we're lucky, hopeful of finalizing one or two of them in this quarter. Otherwise, it will move to the next quarter. This is what I hope. But the team is actually working to finalize a few more projects.

Pritesh Sheth: That's good to hear. And just in terms of launches, 4 million square feet, we have good visibility. Can you just give a breakup? I suppose, Chennai would be bulk of it. So once you give the breakup and specifically, you can speak -- you can talk about or comment on how Chennai approvals are moving along? That would be helpful.

Pradyumna Krishnakumar: So of the launches that we have planned in Q4, close to 2 million square feet will be from Chennai and another 2 million square feet plus will be from Bangalore. In terms of the approvals, we are seeing some momentum on the ground as far as Chennai goes. We have recently got the approval for a project of Brigade -- for Brigade Altius, which is the land that we won from Pfizer. So that we have got the approvals. We've got, that are in place, and we are in the process of launching it.

We also have another project in the same location or in a similar micro market, which is called Brigade Morgan Heights. So that will be also coming up in this quarter. As far as these projects go, we've seen the approvals come through in the last 6 months in quite a fast manner. So as we were explaining maybe in the last quarter, we're seeing some pickup on the ground as far as Chennai goes.

Moderator: The next question is from the line of Biplab Debbarma from Antique Stock Broking Limited.

Biplab Debbarma: First question is on the commercial portfolio. So we have currently around 98% occupancy, and there is not much left to lease. So what is the visibility on new projects? And when are they expected to be operationalized?

Nirupa Shankar: Yes. So for the commercial portfolio, currently, we have two projects that will soon come into the portfolio. One is, of course, Brigade Twin Towers and one is Padmini Tech Valley. So ongoing, we have about 2.67 million square feet of various office projects are ongoing right now. But in the next quarter, you will see that Brigade Twin Towers will come into the portfolio.

So that's a 1.2 million square feet project, about 530,000 is for sale. So that will come under the real estate side and the balance will be under the lease. So we've already done some sales in that project, almost close to 2 lakh sales in the for-sale segment of Brigade Twin Towers.

Biplab Debbarma: Also in the Twin Towers, the remaining 7 million square feet would be for lease. Out of that, how much have we leased?

Nirupa Shankar: No. So about 6.6 lakh square feet for lease. And right now, our strategy is to first do the sales. We are still entering a lot of RFPs for that project. But right now, nothing has been leased. A smaller portion has been taken for working space, but the remaining right now, the focus is on sales because the rate we've been able to get has been a good healthy rate. And that market seems to be wanting to buy and it seems to be like a more end user-driven market.

Biplab Debbarma: And regarding Padmini Tech Valley, by when do you think it will be operationalized?

Nirupa Shankar: So Block A, we will be -- sorry, Block C, we have already the OC, but of course, some spend capital expenditures are still remaining, so that will come in to the leasing portfolio next quarter. So Block C, which is 264,000 will come into the portfolio. There as well, we are looking for

sales strategy for that building, our share of that building. The balance is still under excavation, so maybe 2, 2.5 years before it becomes operational.

Biplab Debbarma: Okay. Okay. And my final question is I initially missed discussion on Kokapet. Just how much have you launched? And how much have you sold? And what would be the selling rate and typical ticket size on Kokapet project?

Pavitra Shankar: So the Tower A is just 300 units, about 297 units. We have to hold about 50 of those units for the mortgage restrictions in Hyderabad. So of the remaining 200 -- sorry, 250 units or so, we sold 200 units for a total of INR1,000 crores. So on average -- INR5 crores ticket size. And on average, the price realization is around INR12,500 on an agreement basis and all inclusive to the customer, excluding taxes, closer to INR13,500 INR14,000. So it was a very, very successful launch. I think, it is the most successful launch in Hyderabad this year.

Moderator: The next question is from the line of Krishnan Shah from Ashika Stock Broking.

Krishnan Shah: So my first question is on the line of presales. So what is our annual target for FY '25? And how likely are we going to complete it?

Pavitra Shankar: We're not really -- as you know, we don't really do the guidance aspect of things. But I think, the usual approach of trying to grow any -- around 15% per year is there, whether it's on value or area.

Krishnan Shah: Okay. Got it. And my second question is in terms of landscape. So we are seeing a lot of affordable housing...

Moderator: Sorry to interrupt Mr. Krishnan, you are very near to your mic. I would request you to go a little far.

Krishnan Shah: So my second question is on the lines of premium versus affordable housing. So where are we seeing more demand at this point in the markets that you are presenting and where do we plan to go forward?

Pavitra Shankar: I think, it's different based on the market. I was just talking about our Brigade Gateway project in Neopolis. I would call that as the high end, but that market did extremely well in terms of doing high-end launches. And despite selling almost 1 million square feet, we were able to do it in a very short period of time. I still think the sweet spot for the mid-segment customers anywhere between 80 Lakhs to INR1.5 crores. That's where we would call the mid segment.

That is also -- Brigade has also done a lot of upper mid-segment and premium housing where a lot of our inventory is coming in the INR2 crores to upwards of that range. So there is still strong demand overall. We are not seeing much appetite for affordable housing at this current point in time and also that the supply issue as well. Difficult to put INR45 lakhs kind of inventory out in this market.

So we are focusing on mid-segment, which has always been our strategy. But of late, we are seeing it push towards the upper mid segment. And there are some opportunities like Brigade

Icon in Chennai, Brigade Gateway Neopolis in Hyderabad where we are looking at luxury or very high-end housing.

Krishnan Shah: Okay. So what will our high-end housing prices be? So like I would like to take a range from INR1.5 crores in the mid-segment to the luxury segment for Brigade, per unit price?

Pavitra Shankar: No. It really depends -- in Brigade Icon, it starts at INR7 crores and goes all the way up to INR25 crores. Also, it's a factor of the unit size and the per-square foot pricing. In Hyderabad, it was up from INR5 crores to INR12 crores ticket size. So I think, it's variable based on the product that we put out there.

Moderator: The next question is from the line of Parvez Qazi from Nuvama Group.

Parvez Qazi: My first question is regarding the WTC that we supposed to build in Hyderabad. What would be the leasable area for that particular project?

Nirupa Shankar: It will be about 1 million square feet for World Trade Center, Hyderabad.

Parvez Qazi: And secondly, I mean, in terms of business development, you said we added about 8 million square feet in 9 months this year. For FY '26 quarter, what is the kind of land lease, etcetera, that would have been a target?

Pradyumna Krishnakumar: Yes. So typically, our sort of approach is to ensure that at the minimum, we replenish the land bank that is being utilized as far as the launches that we go in the particular financial year that has gone by or as we see it happening. So the objective is to at the minimum to add to that number. And wherever the opportunities come, if you find them along the line that we want them, that we can actually go ahead and acquire those parcels of land. But at the minimum, what we would do is replenish the land that is being utilized in our new launches.

Parvez Qazi: Sure. And lastly, just a bookkeeping question. What -- how much would -- sorry, the Bangalore project contributed in Q3 in terms of sales?

Pavitra Shankar: About 50% in this quarter.

Moderator: The next question is from the line of Abhishek Khanna from Kotak Institutional Equities.

Abhishek Khanna: I was just checking. Could you share the revenue and EBITDA numbers for the leasing business for Q1, Q2, Q3? I mean, we have it for Q3, but it seems that the leasing revenues and even the EBITDA has gone down in Q3. Is that the case? Or am I reading it wrong?

Jayant Manmadkar: Leasing revenue for Q1, Q2, Q3 is -- I'm talking about office lease, it's about INR164 crores, INR201 crores and INR188 crores.

Abhishek Khanna: And if you were to include the malls as well? I'll tell you where am I coming from, the EBITDA that I see for 1H in your presentation last quarter was about INR400 crores, which is INR200 crores run rate. But this quarter, it seems to be at INR170-odd crores. So I just want to check the reason for that decline and if I'm reading that correct?

- Jayant Manmadkar:** So let me repeat. I think, the revenue as far as current quarter is concerned, all three put together is INR280 crore. And EBITDA is at about 61%, 62%, which is primarily because of last quarter. If you see our remarks, we have given that property tax, INR15 crores is the charge that has come which is one time. But on a maintainable basis, going forward, it will be always around 71%, 72%.
- Abhishek Khanna:** You're saying 3Q, we had some one-off tax charges that we have paid?
- Jayant Manmadkar:** Q2 also, and Q3 also, we had some one-off expenses. But especially when you look at YTD also, it's about 69%, which on a maintainable basis will be around 71%, 72%.
- Abhishek Khanna:** Got it. And was the quantum of that charge higher in Q3 than Q2? Or was it higher in Q2 as opposed to the Q3?
- Jayant Manmadkar:** Q2 it was INR15 crores is a one-time charge. And in Q2, there was one typical IndAS accounting entry that comes for the fit-out that we do, which was to a tune of INR20 crores, both in revenue and cost. That temporarily pulls down the EBITDA.
- Abhishek Khanna:** But my problem is with 3Q EBITDA, which looks lower than the earlier quarters. That is where the question was. The 3Q EBITDA for the leasing business looks lower than the run rate for the first 2 quarters is where I was coming from.
- Jayant Manmadkar:** So these are the two things, the property tax as well as this, as I explained, do the fit-out kind of accounting that is pulling it down. But I will still request you to look at only on YTD basis, and that is a real representative of the property tax.
- Abhishek Khanna:** And you're saying the margin should be in the 71%, 72% range going forward, the normalized margins, right?
- Jayant Manmadkar:** Right.
- Abhishek Khanna:** Okay. And the second question that I had was when you look at the Hyderabad market, would you be focused on where you are right now, Kokapet? Are there other areas also that are of interest to you?
- Pavitra Shankar:** So naturally, we'll be looking at the entire market wherever there are good opportunities, whether it is residential, office, retail, hotel, whatever it may be, we're looking across the board.
- Moderator:** The next follow-up question is from the line of Parikshit Kandpal from HDFC Securities.
- Parikshit Kandpal:** Pavitra, what was the total value of Citrine project, which was launched and how much was the sales contribution from that project in this quarter?
- Pavitra Shankar:** Yes. So Citrine, just the total GDV for that project is around INR700 crores. We sold about 50% of it.
- Parikshit Kandpal:** Okay, 50%. And on Brigade Icon, so how has been the sales response? It was launched in Q2. So what was the launch value, how much you would have sold until now in that project?

- Pavitra Shankar:** So Icon, we have sold about 25% of the project. That's in line with our expectations, because it's very high end, and that's not something that we want to sell very quickly on an accelerated basis. So we expect to sell during the entire time frame of the construction. We're able to realize an average price of INR30,000 in Icon.
- Parikshit Kandpal:** And the GDV will be about INR1,800 crores, INR1,900 crores here?
- Pavitra Shankar:** About INR1,800 crores. Yes.
- Parikshit Kandpal:** And just one question now. I mean, you will maybe next year or a year after that, touching that INR10,000 crores presales, given you're now almost crossing INR2,000 crores this quarter, you have done and maybe fourth quarter with launches, you will again cross that number -- you may cross. So are you gearing up or looking now that from to venture outside south in MMR or NCR. So any thoughts there? How are you looking at, I mean, because INR10,000 crores becomes a big base to grow from there on. So how do you think 2, 3 years out from here, your plans would be whether you will venture out to new geographies?
- M. R. Jaishankar:** I think, it is work in progress. Currently, as mentioned earlier, the focus is still on these three metropolitan cities of Bangalore, Hyderabad and Chennai. We do have a few Tier 2 cities like Mysore and Kochi and like that, where some activities will be happening. But the primary focus is these three. And maybe in 2, 3 years, we may take a call. I do not know at this point of time.
- Parikshit Kandpal:** Okay. Sir, just on the office demand...
- Pavitra Shankar:** We have a lot -- we would like to do more in Hyderabad and see that contribute a little bit more. So the way Chennai has also shaped up for Bangalore, -- we'd like to see the same in Hyderabad. So while we can reach or are working towards reaching these numbers, there is still a lot of opportunity in our existing markets without having to look outside. So I think, there is still room to grow with where we are today before we really have to consider expansion into other markets, because we fully believe that it requires focus to stay on certain markets.
- Parikshit Kandpal:** I just wanted to get your thoughts on the office. Now we have almost leased out everything, and we're still talking about doing strata sales. So your thoughts on lease market now and whether it makes sense to do strata sales in your commercial or whether you should do lease out. So given that we have a very strong balance sheet and cash. So how do you think in the next 2, 3 years, this asset business will shape out?
- M. R. Jaishankar:** See, it is a part of our strategy. Strata sale also is part of our strategy, because even we started our business itself in 1986 doing the strata sale of offices. In fact, our first three projects were all office strata sales. So we are very comfortable with that. It's always a combination of strata sales and leasing. So it depends on a case-to-case basis, some projects when we take, we take the intention of strata sale also. So that way, it is a part of our overall strategy.
- Parikshit Kandpal:** And sir, you have views on the office market now. So given that we have leased out everything. So what's -- if you can give some color on the demand on the office side?

Nirupa Shankar: Yes. So we do have 2.67 million square feet of office that is ongoing. So for instance, we have Brigade Tech Boulevard which is 840,000 square feet in Chennai. We've started the construction for Brigade Padmini Tech Valley, which is 730,000 square feet. We've also done -- we've started the construction for Brigade Square, which is 190,000 square feet in Trivandrum. So what we are doing is, because the existing portfolio is almost leased out, but like I said, Twin Towers will come into the portfolio, and that's something we definitely need to -- we are working on leasing out as well.

We're trying to do some preleases over the next couple of years to get the leasing going there. And apart from that, we have close to 3 million square feet of office space that we will be launching soon. So we have some properties closer to the Bangalore International Airport, a couple of projects in CBD. So we will be launching all of that. Even in GIFT City, we are launching another 380,000 square feet building. Like I said, the one at the airport is 1.4 million square feet.

We are constantly doing new business development, because we do want to continue to grow the office portfolio. In fact, we have a good growth plan there, and we are tying up properties, but just, I think, when it comes to office, there's, it's fairly cyclical, right? Most of the leasing happens closer to once the structure is up. So it's just a little cyclical, but we are focused -- quite focused on some of the ongoing projects. And we will be launching a few new projects as well in the coming quarter.

Moderator: The next follow-up question is from the line of Biplab Debbarma from Antique Stockbroking Limited.

Biplab Debbarma: Yes. Two quick follow-up questions. The 4 million square feet to be launched in Chennai and Bangalore in 4Q FY '25. What will be the GDV of these projects?

Pradyumna Krishnakumar: The GDV of this will be more than INR4,000 crores.

Biplab Debbarma: And the Orion Mall that you are planning in Hyderabad, Kokapet, how big would that mall would be?

Nirupa Shankar: It will be 6 lakh square feet. Closer to 6 lakh square feet.

Biplab Debbarma: And so this Orion Mall in Hyderabad and WTC in Hyderabad would also be part of your pipeline that would be launched soon, right?

Nirupa Shankar: Yes, In the coming fiscal year, not in the next quarter, but in the coming fiscal year, we're planning to launch that. But because the WTC sits on top of themall it will come a little later.

Biplab Debbarma: Okay. Okay. But it is a part of your pipeline there?

Nirupa Shankar: Yes, yes, definitely.

Moderator: The next question is from the line of Rajesh from SBI Mutual Fund.

- Rajesh:** I had a follow-up question on the strata sales strategy. In a hypothetical situation, if we hold on to the assets and lease it out, what would be a yield on cost?
- M. R. Jaishankar:** Normally, when you hold on to the asset, the yield on cost will be about 8% or so. 8% or so. But on the -- on our -- we sell it on cap rate, but our own yield may be about 10% to 12%, yes, mid-teens sometimes.
- Rajesh:** For Brigade Twin Towers and for Padmini, is it, that's the kind of yield you would expect on your capex?
- M. R. Jaishankar:** On first year
- Rajesh:** On first year, mid-teens type.
- M. R. Jaishankar:** Yeah
- Moderator:** The next question is from the line of Rahul Jain from Elara Capital.
- Rahul Jain:** Just one question. What explains the dip in total collections Q-on-Q?
- Pavitra Shankar:** The collections is usually a factor of both collections from ongoing projects, so your normal milestone payments. I'm talking about residential, because office and other segments were on track. On the residential side, the slight dip is because most of the collections coming from new launches ended up happening towards the very end of the quarter. So that's why we didn't have a full quarter to sort of realize those numbers. But I think, it's just a timing effect. There's no real issue on ground.
- Moderator:** The next follow-up question is from the line of Parvez Qazi from Nuvama Group.
- Parvez Qazi:** So my question is on the price appreciation. I think, most of the projects that we are now launching have ASPs in the range of anywhere between INR10,000 to INR13,000-odd a square feet. So across the three cities that we are present, I mean, what is your estimate of, you could say, the pricing increase that we can see over the next year?
- And secondly, also in terms of ticket size, I mean, what would be a kind of mix in terms of presales for us in FY '26? As in how much portion do you think we'll have from units are less than, say, INR2 crores? And how much, let's say, above INR4 crores? I mean a broad rate also will be helpful.
- Pavitra Shankar:** Yes. So for some context, I think, if you look year-over-year, our increase in average price realization has gone up by 35% to 40%. So there are two factors there. One is the type of product that Brigade is launching, the type of projects that we are launching. And second is the overall market price increase for like-to-like kind of product. So the big factor of the like-to-like increase for the same kind of product over the last few years, that has already been factored into our pricing and into our launch strategies.
- So when we launch, we do not expect to see something like a 20% price increase year-over-year for newly launched projects. We are fine to see like a single-digit price increase during the life

cycle of the project, because when we launch, we're also looking to sell about 50% within the first few months of the launch. And that will sort of anchor the entire price realization.

So for all of the markets and for all the projects that we are launching, it depends on the submarket and the product type itself. So going forward, our contribution from what I would call high-end housing, which is, I would say, INR3 crores plus. That should be around 20% because of Icon, Brigade Gateway, Neopolis and the upper end of some of our upper-mid segment projects. But typically, we will see what becomes upper mid-segment for Brigade in our market will be between, let's say, INR1.5 crores to INR2.5 crores ticket size is going to be our upper mid-segment.

And the mid-segment will be from INR80 lakhs to around INR1.5 crores. And we still believe that this mid-segment, whether including our upper mid-segment should be around 80% of the total portfolio and 20% from high-end projects. And earlier also I had mentioned that we don't really have much contribution from affordable apart from our El Dorado project, where we have some one bedroom inventory.

Parvez Qazi: Sure. And the last question to Nirupa. What would have been the contribution from BTG and WTC this quarter?

Nirupa Shankar: Yes. So for our all projects for this quarter, we got about INR188 crores in terms of the rental revenue. And for Chennai will contribute about INR51 crores, and BTG contributed about INR62 crores.

Moderator: As there are no further questions from the participants, I would now like to hand the conference over to Ms. Nirupa Shankar, Joint Managing Director, for closing comments.

Nirupa Shankar: Thank you, everyone. Before we wrap up, we'd like to share a few highlights beyond our financial performance for this quarter. At Brigade our commitment to community development remains strong. Through the Brigade Foundation are not-for-profit trust, we continue to support meaningful initiatives.

The library by Brigade at RB University's Bangalore campus was inaugurated last month. It's a 60,000 square feet floor space, designed to integrate digital and physical resources across academic disciplines. Furthermore, we're excited about the upcoming Brigade School for Business at RB University's Mysore campus.

The Passion and Compassion program conceived by Mr. Gita Shankar, Founder of Brigade Schools, emphasize the message of balancing personal success with humanitarian efforts with the donation to the Wildlife Rescue and Rehabilitation Center and Jeevandhara Foundation and Site Care. The renovation of the Venkatappa Art Gallery in Bangalore is nearing completion, with structural improvements, design enhancements and expanded gallery spaces that will soon breed new life into this historical landmark.

Our annual flagship PropTech event hosted by Brigade REAP called Propagate 2024 was held in the first week of December, 2024. It was inaugurated by Sri. Priyank Kharge, Honorable



Minister for IT/BT. And the event brought together industry leaders, startup founders and banking experts for insightful discussion.

We also celebrated the graduation of over 16, marking another milestone in our mission to foster innovation in the real estate sector. We're also incredibly proud of the recognition we've received over the last quarter. We were recognized by IGBC as the Green Champion for leading the Green Homes Movement in India.

Pavitra and I were recognized as Women Icons of the Year South at the Realty+ Women Icon Conclave & Awards, 2024. Our Chairman was inducted into the Hall of Fame and awarded the Pride of India at the Commercial Design Awards 2024, alongside being named Visionary Entrepreneur, Philanthropist of the Year at the Realty+ Conclave & Excellence Awards, 2024.

Our projects were also in the spotlight. Brigade Twin Towers was recognized as an Outstanding Concrete Structure by the Indian Concrete Institute, while Brigade Cornerstone Utopia, won Facility Management Project of the Year Residential and the Realty+ Excellence Awards 2024 South.

On that note, we'd like to conclude this quarter's earnings call. Thank you all for joining us today and for your continued interest in Brigade Group. Thank you.

Moderator:

On behalf of Brigade Enterprises Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.
