

Date: **03.06.2025**

To,

The General Manager, Listing Operations Department of Corporate Services BSE Limited P. J. Towers, Dalal Street, Fort, Mumbai- 400 001 Stock Code: 532891	The Manager, Listing Department, National Stock Exchange of India Limited, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai- 400 051 Stock Code: PURVA
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Dear Sir / Madam,

Sub: Transcript of Earnings Call

Ref: Regulation 30 read with Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We write to inform you that the transcript of the earnings call held on Friday, May 30, 2025, on the Audited standalone and consolidated financial results for the quarter and year ended March 31, 2025, is enclosed herein.

This is for your information and records.

Thanking you,

Yours sincerely,

For Puravankara Limited

(Sudip Chatterjee)

Company Secretary & Compliance Officer

Membership No.: F11373

PURVA

ALWAYS ABOUT YOU
AN ISO 9001 COMPANY

PURAVANKARA LIMITED

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PURAVANKARA

**“Puravankara Limited Q4 FY '25 Earnings Conference
Call”**

May 30, 2025

PURAVANKARA



MANAGEMENT: **MR. ASHISH PURAVANKARA – MANAGING DIRECTOR,
PURAVANKARA LIMITED**
**MR. MALLANNA SASALU – CHIEF EXECUTIVE
OFFICER, SOUTH, PURAVANKARA LIMITED**
**MR. RAJAT RASTOGI – CHIEF EXECUTIVE OFFICER,
WEST AND COMMERCIAL ASSETS, PURAVANKARA
LIMITED**
**MR. DEEPAK RASTOGI – GROUP CHIEF FINANCIAL
OFFICER, PURAVANKARA LIMITED**
**MR. NIRAJ GAUTAM – DEPUTY CHIEF FINANCIAL
OFFICER, PURAVANKARA LIMITED**
MODERATOR: **MR. HARSH PATHAK – EMKAY GLOBAL FINANCIAL
SERVICES**

Moderator: Ladies and gentlemen, good day, and welcome to Puravankara Limited's Conference Call, hosted by Emkay Global Financial Services Limited.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference 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. Harsh Pathak from Emkay Global Financial Services. Thank you, and over to you, sir.

Harsh Pathak: Yes. Thanks, Manav. Good evening, everyone. On behalf of Emkay Global, I would like to welcome the Management and thank them for this opportunity.

We have with us today Mr. Ashish Puravankara – Managing Director; Mr. Mallanna Sasalu – Chief Executive Officer, South; Mr. Rajat Rastogi – Chief Executive Officer, West and Commercial Assets; Mr. Deepak Rastogi – Group Chief Financial Officer; and Mr. Neeraj Gautam – Deputy Chief Financial Officer.

I shall now hand over the call to the Management for the opening remarks. Over to you, gentlemen.

Deepak Rastogi: Thank you. So, I am Deepak Rastogi, thanking you all for joining our Earnings Call to discuss the performance for 4th Quarter and Financial Year ended '25. I would like to thank our host for today's Earnings Call, Emkay Global Financial Services. The Results and Investor Presentation have been uploaded to the Stock Exchange, and I hope that you have had the chance to review them.

Now, let me first start with some brief highlights about the sector performance and outlook, followed by our financial and operational performance for the quarter.

Despite global headwinds and geopolitical uncertainty, India continues to demonstrate a remarkable resilience and stands out as a compelling growth story. The last quarter has reaffirmed India's position as the fastest-growing major economy, supported by prudent fiscal policy and strong domestic consumption. Recent RBI repo rate cuts, liquidity measures, and fiscal incentives are expected to improve credit availability and drive demand, especially in real estate.

On the real estate front:

The residential market continued its strong momentum with over 88,000 units sold during Q4 of Financial Year '25 across the top 8 cities and more than 350,000 units for the full year. Pune and Chennai led the growth for these increases, while Mumbai recorded steady demand. These trends reflect the resilience of Indian housing sector supported by urbanization, rising aspirations and favorable policy support.

On the commercial side:

Office space absorption crossed 70 million square feet across six major cities, driven by demand from GCC, which is Global Capability Centre, and hiring momentum, which was reported by Savills India. Bengaluru continues to be one of the head start, especially on this. Both residential and commercial real estate are benefiting from favorable micro trends with steady leasing activity and upbeat buyer segment. As a company, we are aligned with India's growth story, focused on prudent expansion, operational excellence and customer consensus.

Puravankara is well-positioned to capitalize on these trends with a robust launch pipeline of over 13.5 million square feet, planned for Financial Year '25-'26, aiming at centering our presence amid a consolidating market.

Now moving on to the company's financial and operational highlight. For Financial Year '24-'25:

quarterly sales was Rs. 1,282 crores and for the full year it was Rs. 5,006 crores, while sales volume was 1.42 million square feet for the quarter, and for the whole year, it was 5.67 million square feet. Customer collections for Q4 stood at Rs. 946 crores, and for the financial year, it grew by 9% to Rs. 3,937 crores from Rs. 3,609 crores, which is the last financial year.

Average realization also witnessed healthy growth for Q4. Average realization stood at Rs. 9,031 per square feet, up 9% year-on-year. For the full year, it improved by 10%, up from Rs. 8,035 to Rs. 8,830 for this year versus last year. We have achieved our highest ever sustenance sale during this year with a total value of Rs. 4,223 crores, marking a 14% growth over the last year.

In terms of geographical sales contribution:

Bengaluru led our sales with 56% followed by Chennai, Mumbai and Pune, which was close at around 17% to 15%. Notably, Mumbai and Pune saw a significant rise in contribution in terms of the overall sales, which grew up from 6% to 15% versus last year. This is actually driven by our growing presence in the west. With recent acquisitions and redevelopment projects in Mumbai totaling over Rs. 9,500 crores in GDV, we expect this momentum to continue.

Our launch pipeline remains strong with approximately 13.5 million square feet of planned launches. It is important to highlight that non-Bengaluru projects now constitute 54% of our ongoing developments and 52% of our planned pipeline. Mumbai and Pune together account for about 21% of the planned projects, underscoring our focus on diversifying the portfolio across high-opportunity markets.

On the business development front:

We made significant progress during this financial year with land investment of approximately Rs. 1,284 crores, which added almost 8 million square feet of our development portfolio, representing a GDV value of Rs. 13,000 crores. These strategic investments have further

strengthened our pipeline and position as well as position us for sustained growth and value creation in the coming years.

In May, we basically have announced a JV with KVN, Property Holding Limited LLP for approximately 25 acres land parcel located in North Bengaluru with a potential GDV of Rs. 3,300 crores and a planned saleable area of approximately 3.5 million square feet. This development marks a key addition in our portfolio in a high growth micro market and is expected to launch within the next six months. We successfully launched our much-awaited Project Purva Panorama in Thane, Mumbai, with a total development potential of 3 million square feet, with estimated GDV of Rs. 4,000 crores, commencing with Tower C, which covers 0.52 million square feet.

On commercial portfolio:

Currently we have 3.2 million square feet of development underway, with nearly 2 million square feet expected to receive OC during this particular year. We have two projects, one is Zentech and Aerocity. And they both are in Bangalore. And these two projects are expected to generate a surplus of Rs. 1,870 crores, making a significant value creation opportunity for the company.

Coming back to the Quarter 4 of '24-'25:

The total revenue clocked was Rs. 564 crores. EBITDA margins for the quarter was around 9% while we had a net loss of Rs. 88 crores. Given that, as you are aware that, we had delays in terms of getting the approvals, and hence, the handovers were actually delayed. However, given the cost, which was there already, that being a period cost, it got accounted for during the quarter.

Similarly, for the year ended '24-'25, the total income stood at Rs. 2,933 crores, with a total loss of Rs. 186 crores for the year. The pre-sales value for Financial Year '25 was Rs. 5,006 crores. The sales and marketing expenses and overheads incurred for the pre-sales have been entirely charged to P&L as per the accounting policy as for India.

Operating cash flows for Financial Year '24-'25 stood at Rs. 4,342 crores, up 10% Y-o-Y. We have delivered approximately 3.09 million square feet during this year. Further, we are expecting to receive occupancy certificates during this year, which is '25-'26 for key projects, such as Capella, Atmosphere, Oakshire, Adora De Goa for which we have already secured OCs for a few phases in the last quarter. These projects together account for a total saleable area of approximately 3.95 million, with a total GDP value of Rs. 3,200 crores, of this approximately Rs. 2,600 crores have already been sold to our customers.

Coming to our debt position:

As on 31st of March 2025, our net debt stood at Rs. 2,949 crores with a net debt equity ratio of 1.7x. We also had a cash balance of Rs. 732 crores, which reflects a strong liquidity position and gives us the comfort to manage operations smoothly. We continue to stay focused on managing

our finance as well. Our aim is to gradually reduce debt per square feet especially for projects under construction. We also are exploring funding options as we have been communicating with you, like QIP or platform level partnerships to keep our capital structure balanced and support our growth plans.

To conclude:

While Financial Year '25 post challenges in the former deferred launches and approval delays, we made decisive investments in land and business development that have strengthened our growth runway. Our sales performance and collection efficiency reflects operational resilience. As a marked 50 years of Puravankara, we are proud of our legacy and energized by the opportunities ahead. With a strong pipeline, key projects completion and strategic land acquisitions, we are well-positioned to deliver sustained growth and long-term value creation for our shareholders during this year and beyond.

Thank you for patiently listening. We will now open the floor for further questions.

Moderator:

Thank you very much, sir. We will now begin the question-and-answer session. We have our first question from the line of Deepak Purswani from SVAN Investments. Please go ahead.

Deepak Purswani:

Yes. Hi, Good evening, sir. My first question is to Mr. Ashish Puravankara. Sir, just wanted to get the sense, I mean with the resignation of Mr. Abhishek Kapoor in the month of May. If you can give the broader sense of how we are looking into the organizational structure at the first place? Secondly, if you can touch base on the broader aspect in terms of the growth and also the aspiration, I mean, where we should see this company over the longer trajectory point of view, and what would be your approach towards the capital allocation policy from the long-term perspective? That is my first question.

Ashish Puravankara:

Okay. I think, just in terms of the organizational restructuring, we just believe that instead of having a very tall structure where we had the MD, then we had the Group CEO, and then we had regions and we had different businesses, in order to get more operational efficiency, cost efficiency, process efficiency, a regional structure, the organization will benefit a lot more from efficiency and cost as well, both. So therefore, the new structure is where we have a CEO for the South region, who manage the entire South business. We have a CEO for the West region, who manages the entire, and both then report into the MD.

So a more sleeker structure, so a lot of cross-learning otherwise that were happening, which was not happening, will start happening now. Cost efficiencies earlier while we had duplicated a lot of departments within different verticals of brands, today those you will see some benefit coming out of that. So, it was a long-term discussion that we were having and eventually we put it into play and we strongly believe that it will do great efficiencies as well as cost.

In terms of growth aspirations, we continue to focus on the markets where we are present, which is Bombay, Pune, Chennai, Hyderabad and Bangalore, so these are the key markets, where we

will continue to expand. As a business, you are aware, I think our focus and strength also has been residential, so that will continue to be our focus area. Surprisingly today, the brand is very, very strong. We have been able to secure and I think the asset test is when you enter a new market, A, when you launch a new project and the kind of sales that you sort of receive being a new brand in that city, I think has been extremely encouraging.

In addition to that, in terms of business development, we have been able to secure Marquee locations in new markets, even like Bombay. So, for example, the project that we have secured, most of the society redevelopment that we have secured, which is extremely prime, one being Breach Candy, the second one being Pali Hill in Bombay. If you are aware of the Bombay market, the third being Lokhandwala. And each one of these cases, we were competing with the number one, number two in the city. Eventually, I think we were able to position the brand, and these customers are also highly discerning, right? So they understand real estate, they understand brands, the entire team, the SGBM team made a trip to Bangalore, saw the quality, saw the differentiation, or even the vision in the product that we bring around. And therefore, we were able to secure these projects. All these projects that we speak about have been secured, DA has been signed, it has been registered. In some cases, we have submitted our plans for sanction. In some cases, they are in the final stage of designing. So, this is extremely, extremely encouraging.

So going forward, we will continue to focus on these markets. And as far as commercial is concerned, also, today, we have a strong portfolio, and these are very good locations. And that's what's very encouraging of 3.2 million square foot, out of which I think about 2.5 million is on the Bellary Road, which is a new sunrise destination in Bangalore. If you understand the Bangalore micro market, the Ring Road is completely congested, Whitefield is congested, and everyone is now looking towards the New Airport Road, right? So, two of our largest projects are coming up on that Airport Road. One will be ready by December. We are already applied for RFPs, and we have visits already on. So even that aspect of the business is looking very positive.

Deepak Purswani:

Okay. And sir, just continuing on that part, I mean, previously, we were communicating that historically, we have grown at a 30% CAGR in the last five years. And we would continue to look into this kind of growth. How should we see this trajectory at the current juncture? And also, any thoughts in terms of the debt reduction at the current juncture, if you can share your broader thought process how we are looking to reduce the debt over the next six to 12 months?

Ashish Puravankara:

Sure. I think I am positive. I do not want to give you any forward-looking statements, but I am with the kind of projects that we have secured. Yes, there has been some approval delays. Like for example, in Bombay, there's an NGT issue, if you are aware. All the builders are stuck. The case is going on in the Supreme Court. So, we have really secured some Marquee projects. I think this coming year, the next 12 months, you will see some extremely big bang launches across Bombay, across Bangalore and other cities, right? So that in itself I think, we should be able to better the growth trajectory that we have.

In terms of capital allocation, one important thing that we are also doing is, even in terms of land acquisition strategy, I do not think we are in any aggregation mode. So right now, we are looking at ready projects where we are able to give advances and take them to market within six months. I think the minute you are able to do that and get your land assets into production, I think that's the key, that's our business that we are in, as opposed to aggregating smaller pieces of land, incurring holding costs, etc., etc. So that's a clear strategy, A.

B, we have also very consciously started sort of, we have had a land bank for a long time, for some reason we were acquiring new lands. So if you see the last two, three launches, Deansgate for example, right, so two, three launches have been a part of our old historic, so that's a land bank. So, that's another thing. So, the minute you take these projects to launch, automatically the cash flows from these projects, etc., you are going to see that debt number significantly come down. Of course, we are a business, we are in real estate, there is a requirement for capital for growth to buy land, etc. There, I think we will be opportunistic to look at a combination of, what do you say, joint development and outright, right?

Bombay, there is a benefit, where today society redevelopment per se, while these are large Marquee high value projects being society redevelopment. You do not need huge upfront capital in that sense, right? So for the existing society, your investment, which is essentially your land cost to build their area, you are spending it over four years. So even there, it's a relatively lesser upfront requirement for capital. So I do not see that number going up extremely significantly.

Deepak Purswani:

Okay. And then moving to the operational part of the business, just wanted to check it out. I mean, in terms of the approval, see, I mean, last year also we had a launch pipeline of 14 million square feet, and eventually we ended up launching only the 3 million square feet out of the entire 14. I do understand, I mean, there has been some approval issue in the last year. Now this year, we are also looking into the 13.5 million square feet in terms of the overall launches. Out of this inventory would be 9.25. If you can share your thoughts where we are in terms of the approval and how confident are we that these projects will be launched this year comfortably, or if you can give a broader sense.

Ashish Puravankara:

In a broader sense, I am fairly confident, obviously. So it's not been stagnant, right? Obviously, there is a delay, but none of the approvals I can assure you have been stagnant, which means that from last year to this year, they have not moved, right? Now, for example, Lokhandwala and I think, Thane, both are affected by NGT. Now, entire Bombay and those areas, all developers are affected by it. My sense is, and those are high value projects. My sense, what I am getting from CREDAI as well, is that there should be some sort of a resolution come September, right? So, in terms of planning, everything done. In terms of base approval, everything done. In terms of NOCs, airport, etc., that's all done. But for the want of that NGT, the minute I get that NGT, then it's a matter of two months.

Mallanna Sasalu:

I will just add to this one, Ashish, if with your permission.

Ashish Puravankara:

Sure

Mallanna Sasalu:

So, here it is. Basically, you asked three questions, and I was just wondering on those three questions. The first one is about the way forward. And we have positioned our company in a very unique way compared to any other organization. That is, we have created two brands, that is, Purva and Provident, and we have created two geographic locations, South and West, so that we are very focused in our approach as to what we want to do going forward. Because as you know that real estate development is a business, is a localized business, and you need to have local competencies to run the business.

So, as you know that the South business that what we have currently, that when it comes to now the operational efficiency and other things. I will just reel out some of the things that what we are trying to do and where we were a little bit disadvantaged by a few things that happened in the South, because we are predominantly, currently as the West is picking up, today we are South-based business, out of which more than 50% of our revenues have come from Bangalore alone.

In Bangalore, the numbers that what we have reflected is, are for two reasons. One, about the launches, the other one is about the handover. When you look at the launches that what we were supposed to do, the launches got delayed for various reasons, for various rules and regulations that are being currently altered. As we speak, there is another government order which is coming up, which is making more changes. So, we got a little bit delayed there.

On the handing over, Karnataka went into a very new method of actually giving the Khata, which is called the e-Khata, which for millions of documents had to be redone and reconverted into an electronic format called e-Khata and that was put into a line. So, we all were waiting in the line to get the Khata because of which we could not register. Unless we register, we cannot get the revenues recognized.

At the same time, today when we are looking at the expenses has gone up, expenses means that we do not call it as an expense, we call it as an investment. For example, if there are four projects which are ready to get launched and under approval, means they are already, that is the marketing office, sales office, marketing initiatives, the monies that have already been spent, the spend is actually not an expense, it is an investment which is going to be coming out as a product and as an outcome over the next three, four years.

So just to give you a few of the things is that. So we got a project in Bellandur in Bangalore, Puravankara Winworth in Kochi, and Grand Hills Phase-1 and Phase-2, and then Apna Ghar redevelopment, and which Rajat probably is going to add to that, Hebbagodi, Westend, Hennur Road and Kanakapura Road. These are not something that we are saying that something that's going to happen tomorrow. These lands have been acquired, fully paid for, almost 70%, 80% of the NOCs received, and only these things are because of the town planning and other things wherein they got little bit changes that came into play. They were stuck, and in fact, as a matter of fact in the last quarter of the last year that the year went by, we were supposed to have launched three or four projects, which got either it will be in the first quarter or the second quarter of this year.

So looking at all these things and whatever the debt that we are talking about with the surplus of Rs. 15,000 crores and which is more than 5x the debt that we have, we feel it very, very comfortable as a company. And with our focus, particularly, Mr. Rajat Rastogi being there in the West, taking care of the Western region, very focused and who has got that much of in-depth experience in that region. And his experience in commercial, we got 3 and 4 million square of commercial, which he is handling, and of course, in the South that we are there. I think the company is in great shape. And today's result, today in my opinion is probably it's at a level where it is supposed to take off from here. And that is what I would like to convey to the investment community.

Deepak Purswani: Okay. And finally, just wanted --

Moderator: Sorry to interrupt you, Mr. Deepak. Can you please request you to rejoin the queue?

Deepak Purswani: Sure. Thank you.

Moderator: Thank you so much. We have our next question from the line of Premsingh from AC Choksi Brokers. Please go ahead.

Premsingh Rajput: Yes. So I would just like to ask, what has sales growth been from the last 12 to 18 months, and could you also repeat what is your current debt profile?

Deepak Rastogi: So I will tell you, versus last year we were down in terms of sales around 8% versus last year, but overall from a launch perspective, we have been growing for the last five years, we have been growing at a CAGR of close to around 25%. So, this year has been an anomaly, we intend to continue with similar growth plans.

Ashish Puravankara: I think one highlight there is, I think one needs to appreciate that our annual sales numbers comes from two buckets, which is your ongoing projects and your new launches. So in terms of our sustenance and ongoing projects, I think we have done much, much better than last year. So, that just shows how strong the brand is, the market sentiment and our sales efforts, right, the bone fruits from our sustenance launch projects. Any miss in sales that have happened is on account of those delayed launches, which from last year has now gone into the following year and like Mallanna explained, we are all there almost in the final stages of getting the approvals.

Rajat Rastogi: And Ashish, just to add to that point is that our sustenance sales has come at a price increase, so there has been a decent price increase across all our sustenance projects. So, there is a profitability also that has been kept in mind.

Ashish Puravankara: Yes.

Mallanna Sasalu: Our sustenance has gone up from Rs. 3,689 crores in FY24 to Rs. 4,223 crores in FY25, where there has been a struggle is a little bit of that extraneous thing that with regards to the approvals. Today, we are sitting on a pipeline of 6.53 million square feet of approvals that are in advanced stage in various locations and of various sizes, and more than eight projects which are ready for

the next year. So, I believe that investment that what we have made so far in bringing those projects to that level will yield good results going forward.

Prem Singh Rajput: Yes. And also another question, how do you exactly propose to enter and solidify your presence in South Bombay's market?

Deepak Rastogi: Rajat, you may want to take it.

Rajat Rastogi: So, our thought process in Mumbai market is around two lines. The first line of thought process is a redevelopment where we already have secured Marquee assets across multiple regions in Mumbai, be it West Mumbai or be it Pali Hill, or in also as well in South Bombay. So, that is going to be one part of our strategy.

The second part of the strategy is to acquire land parcels on outside basis or on JDA basis, where we have done a recent acquisition in Thane, which is around 12.77 acres that we took over. We have also sold one tower, we launched one tower in the month of March and we got very encouraging response, and we sold at a premium to the market in Thane. So, our strategy is going to be dual strategy and we continue to focus on the strategy. Of course, every asset that we are taking and every redevelopment that we are focusing on, we are focusing on the profitability aspect of it. So, until the location is a Marquee location or the project comes out to be a Marquee project, we will only focus on those ones. So, that is what the strategy is.

Prem Singh Rajput: Yes. Okay. Thank you so much, and all the best for the next quarter.

Mallanna Sasalu: Thank you, sir.

Rajat Rastogi: Thank you.

Moderator: Thank you very much. Next question is from the line of Mr. Shah from Shah Advisors. Please go ahead.

Mr. Shah: Sir, out of the Rs. 12,000 crores, Rs. 1,200 crores we spent on land acquisition. If you can share what is the estimated timeline we are targeting to convert into entire GDV of Rs. 13,000 crores?

Deepak Rastogi: The question you have is that, Rs. 1,284 crores we have invested, what is the timeline to go to market, right?

Mr. Shah: Yes, correct.

Mallanna Sasalu: Basically, what you are asking is that, you are asking about the Rs. 1,284 crores of investment that what we have done. The resulting of that is what basically any project in our real estate takes from anywhere between 8 to 12 months to bring to the market. Depending on the size of the market, the maturity period, the sales period is around 2 to 2.5 years, and the project completion period is 3 to 3.5 years, 4 years. So the collection will be between 3.5 to 4 years, so that realization will happen over that period.

- Ashish Puravankara:** But just to reaffirm, I think in terms of the acquisition strategy, all these new investments are for, our projects which are sort of ready, which can be the minute we paid this money, we have already started the designing. So from a timeline perspective, the plan is to take this to market within whatever around 8 months to 10 months to take it to market. So none of this is aggregation or this is not a future investment.
- Mallanna Sasalu:** As Ashish was saying that in previously that we do not get into the aggregation mode. These are ready to develop, which means that the land would have been converted, land would have got all the necessity, land level approvals that are required would have been finished, only for the development level approvals would be pending like the MOEF and building plan approval and so on and so forth.
- Rajat Rastogi:** And just to add for the reaffirmed projects, all our projects are into multiple stages of approvals. As Ashish clarified that all the DAs have been done. In fact, we are looking at a launch in quarter 3 for one of our projects. So all of the projects are in the pipeline right now for launches.
- Mr. Shah:** Okay. In fact, assuming all of the land cost is recognized upfront, in earlier accounting was same, but now we can see across the geography from last five years realization are growing up and up from 4% or 8% year-on-year. But we are still maintaining our margin guidance between 25% to 30%. If there are any changes where we want to revise the topology or something like that, because we own the traditional landline. I mean, many district players are now revising margin for your reporting margin to the sort of 40%.
- Deepak Rastogi:** We could not actually understand your question. What is it that you want to understand
- Ashish Puravankara:** I think we do not give guidances but I think your sort of assumption is right and I think it will be in line with most other real estate developers. I think with the kind of acquisitions that we have done, we should see those margins improve.
- Mr. Shah:** Okay. One thing I want to understand that we are recognizing land as a raw material to us, correct sir?
- Niraj Gautam:** Yes, sir. Land is an inventory. It's a cost of the project.
- Mr. Shah:** Okay. So just from the accounting perspective I want to understand, from last 10 years, we have recognized the revenue worth of Rs. 18,000 crores and we have paid taxes somewhere between Rs. 400 crores only. So, this effect is because of the land cost we are recognizing upfront and that helps us to compounding the taxes.
- Niraj Gautam:** I think we can answer this question offline. You send us mail; we will respond to you. As far as accounting is concerned, though the day we buy land, we treat it as an inventory. However, it is charged to the P&L only when I recognize revenue. The day we recognize revenue, that day the cost of land, including the cost of construction, put together becomes the cost of the product. And that is charged against the revenue.

- Mallanna Sasalu:** The tax is against monetization, tax is not against holding or buying the land. So, upon monetization then that will be recognized and taxes paid.
- Niraj Gautam:** If you drop us a mail, we can able to answer it better because tax regulation over a period of time has changed. Still, tax we are paying on the basis of the POC computation. However, the revenue recognition happens basis of the handover. So, there is a little bit of anomaly versus the companies, the way we are putting profit and the way we are computing income tax profit and then we are paying tax over it.
- Mr. Shah:** Okay. And sir, let's say, next FY '26 or '27, you are looking for the similar kind of land acquisition on absolute amount?
- Deepak Rastogi:** So, we do not give guidance and obviously we will be looking for growth for sure and we will want to maintain similar kind of a growth. So, you can expect obviously land acquisitions.
- Mr. Shah:** Okay. Earlier you mentioned that we have some 40 million square foot of land every time we wanted to be in inventory, so do you want to maintain that?
- Deepak Rastogi:** So, the current land bank currently is around 25 million at this point in time. This is what under development is, or it will be planned over a period of time. So, we will continue to work on it. That's the way the current status is.
- Mr. Shah:** Okay. Just for last question from my side. Any other reason of Mr. Abhishek Kapoor to resign, or he is joining any other? If you can explain a bit.
- Ashish Puravankara:** No, there is no other reason for Mr. Kapoor to resign. Like I said, there were two things that happened almost parallelly. A, also the view of reorganizing it region wise was one. And also, I think at that point of time, even he was sort of some personal reason, even he wanted to look at some opportunity, what we are told is outside the country. But yes, there is no other reason.
- Mr. Shah:** Okay. Thank you so much, sir. Thank you.
- Ashish Puravankara:** Thank you.
- Moderator:** Thank you. We have our next question from the line of Harsh Pathak from Emkay Global Financial Services. Please go ahead.
- Harsh Pathak:** Yes, sir. I have a few questions. So after Q4, what is the sustenance inventory that we are left with in value terms? Just to confirm, is it the same Rs. 6,500 crores as we have mentioned in the presentation?
- Deepak Rastogi:** That's correct.
- Neeraj Gautam:** That is correct. Yes.

- Harsh Pathak:** Great. And sir, so in Q1, I guess, we are having one launch, Mallasandra. So what will be the size in value terms and at what stage are we with respect to the launch? And when can we expect the launch to happen?
- Mallanna Sasalu:** So, all the approvals have come and even the development plan and other things have already been approved. And it's gone to the last level of the building plan approval is in process. NOCs are all in place and you should be looking at in the second quarter that the launch will happen.
- Harsh Pathak:** No, no. So Mallasandra would be in the second quarter or the first quarter itself?
- Mallanna Sasalu:** So first quarter in the sense that is only one month left, one month left. So I believe that depending on its little what can I say, it's uncertain when you go to the government. And so, we may start with some kind of an expression of interest program and other things in this month, but we will be officially launching it in the second quarter.
- Harsh Pathak:** Okay. And how has been the sales velocity so far in the quarter? Just because I guess we are left with the sustenance inventory itself. So any thoughts on that?
- Deepak Rastogi:** So I think we will not be able to comment on it, Harsh. You know that, right?
- Harsh Pathak:** Yes. Sure. But the velocity is going fine. I mean, I am just trying to gauge the demand sentiment on ground. That's where I am coming from.
- Mallanna Sasalu:** No, I think the demand sentiment is good on the side, on the ground. Whatever the project that we are there is, okay, just if I have to put a reverse corollary to that one that you are asking, whether we are maintaining the same momentum. So I can assure you that, I think the momentum is continuing and the market is still continues to behave well, and people are still wanting to look for good opportunities from listed players. So wherever we have the stock that we continue to do at the almost same place. Without putting a number for this thing, yes, I can say that that much I can say that. We are continuing to do well.
- Harsh Pathak:** Okay. And sir, with coming to the commercial side, I guess how should we look at the Zentech asset, are we looking to lease this asset, or we would be selling it? And just in case, we are we are looking to sell it when can you expect the transaction to get completed?
- Rajat Rastogi:** So for the Zentech asset our strategy is dual we are looking at both leasing and sale primarily sales as of now. And as we speak we are already seeing good traction in our sales volumes over there.
- Harsh Pathak:** Okay. So, this is largely been focused from a sales perspective.
- Rajat Rastogi:** Yes.
- Harsh Pathak:** And what would be the total size of this asset maybe if you are selling it?

- Rajat Rastogi:** Our share in the total asset is close to Rs. 6.5 lakh square feet.
- Harsh Pathak:** Okay. And leasing side at the Aerocity asset?
- Rajat Rastogi:** So Aerocity is overall a 2.3 million square feet asset. We are looking at a 1.2 million OC by December this year. And right now, we are filling lot of RFPs and getting very, very encouraging response from Grade A companies. So yes, we are hoping that we should be able to announce our leasing very soon.
- Harsh Pathak:** And are we able to command the rentals better than the market, or we are going at the market rate itself per year?
- Rajat Rastogi:** Yes, we are. We will be hitting at the slightly better than the market rate because the quality of the product that we have put in is a Grade A Platinum rated product, and it's much better than the what the market is offering.
- Harsh Pathak:** Sure, sure. And just maybe a couple of questions more. In Mumbai, you highlighted there is this NGT issue, I mean we have been hearing since quite some time. So, how are we placed in terms of approvals mainly at the Lokhandwala asset? Do we expect some launches to get delayed because of this and what stage are we with respect to the approvals at all the projects in Mumbai, if you can take up project to project please?
- Rajat Rastogi:** So, on our Mumbai portfolio, just since you started with Andheri, Lokhandwala, our approvals, excluding the NGT which is MOEF, everything is going as per the plan. We are in the final stages of securing IROD, but however, this NGT issue is pending in Supreme Court, so it will be difficult for me to give you any timeline for that. But we are hopeful that, by September this year, that this problem should get resolved and then we can apply for MOEF and look at a launch. Simultaneously, our redevelopment portfolio for other projects also the plans have been submitted or in the final design stages, so we are looking at a quarter 3 to Q4 launch for all our projects.
- Harsh Pathak:** Okay, okay. Sure. Just one last one. In terms of completion timeline for some of the key projects in this year, where are we currently with respect to these projects? And if you can highlight some key projects that are getting completed and when can we expect the revenue recognition for them?
- Rajat Rastogi:** Deepak, would you like to answer that?
- Deepak Rastogi:** That is actually part of the ICP already. We have provided some of those details when we are going to get that. So especially like there is a comment that we have already received partly some of the OCs for a project called Atmosphere, Oakshire, Capella and Adora De Goa. So the full OCs would get received during this year, again. And I am sure that we will be able to at least see some of the handovers coming through. So we are not expecting any like the way we have expected last year. We are not expecting that.

- Harsh Pathak:** Okay. So, close to Rs. 3,000 crores is what we will recognize in the revenue this year?
- Deepak Rastogi:** Yes, yes. But the sales have already happened. Almost Rs. 2,600 crores worth of sales have already happened in those projects actually.
- Harsh Pathak:** Sure. I was just looking from the accounting perspective. Sure sir, these were my questions. Thanks a lot for taking up.
- Deepak Rastogi:** Thank you.
- Moderator:** We have our next question from the line of Deepak Purswani from Svan Investments. Please go ahead.
- Deepak Purswani:** Yes. Thank you for the follow-up opportunity. So firstly on the project delivery perspective, I mean this year project delivery has again come down to 2,500 versus 2,600. So has there been any delay in terms of completion of any project if you can give a broader sense?
- And the second part of the question, if I am looking into the operating profit in the P&L, I mean since last two quarters it has come down to the single-digits. So just wanted to check it out, any cost escalation has been booked into this particular project? And when we are looking into the huge quantum of project delivery, which are coming in next year, what kind of the run rate we should be looking it out?
- Mallanna Sasalu:** Project delivery is a function of the burn and I think so far in this year we have constructed more than Rs. 1,500 crores of money has been spent only on the construction. And also, the projects which as Deepak was mentioning, those projects which are about to get the OC. In some of the projects that we have received OC as well, but because as was saying that because of the Khata, e-Khata issue that delivery to the customer got delayed. So, the two parts to this one, delivery to the customer after the paperwork, and the other one is the construction part. I think that with the effort that has gone in this year and without giving too much into the numbers, I can say that next year looks good for good handover and revenue recognition.
- Deepak Purswani:** And in terms of the upcoming projects which are coming for the delivery, how should we see the operating profile margin for these projects? And is there any cost escalation?
- Mallanna Sasalu:** It's healthy in terms of the way that whatever the currently that we are doing and that's probably slightly better than what we have achieved so far.
- Deepak Purswani:** Has there been any cost escalation booked during second half of this year on the construction side?
- Mallanna Sasalu:** There is not much of a cost escalation that has happened in our books. And in fact, we have been able to keep the cost of construction to the estimated cost of what we had. So, operationally we feel that we are in control. As soon as these things will resolve, the handover will start and then you will see healthy margins, I think.

Deepak Purswani: Okay. And finally, just wanted to check it out on the interest cost component and from the cash flow perspective this year, it is at Rs. 478 crores, and even on the P&L it is Rs. 550 odd crores on a rate of even if I were to consider gross rate of Rs. 3,800 crores, right? So just wanted to get the sense, I mean how should we see these numbers from the next year perspective, even on the cash flow perspective or something of that sort, if you can throw some?

Deepak Rastogi: Yes. Deepak, as we have been telling you, we are expecting obviously the cost should come down given the handovers and everything, the cash flows which would actually come up going forward given the investments we have made so far, even though we will continue to do it. So we expect those things to obviously get, I am sure that we are getting to a level wherein it has to only deliver and come down to that extent. So we will see how best we can actually handle it. But given the growth aspirations we have currently, obviously we will continue to repay the old debt, but at the same time for our growth aspirations or on land acquisitions we would continue to do that.

If we are able to at least raise some equity from the marketplace which you have been telling all of you, so then we would be able to at least take those steps to do it. The other steps which we are doing is more of an obviously equity or a platform funding which will come as part of equity. So we have been communicating and talking to the investors and let us see how it basically pans out. So the idea is to continue to have the debt under control, which is there already. In fact, the residential debt per square feet has actually come down, overall so it has come down. But because of the commercial development as well as the land acquisitions, it looks like the debt continues to go up. But from a residential perspective, whereas the debt has come down for the year as well.

Deepak Purswani: Okay. That's it from my end, and congratulations to Mr. Mallanna and Mr. Rajat Rastogi, and wish you all the best.

Mallanna Sasalu: Thank you very much.

Rajat Rastogi: Thank you so much.

Moderator: Thank you. We have our next question from the line of Shivang Joshi from Motilal Oswal Financial Services. Please go ahead.

Shivang Joshi: Hello. Good evening, sir. I have been resting to your direct cash flow slide, since reported numbers are not a proper way to gauge your profitability. I am trying to gauge profitability from direct cash flow slide only and taking operating surplus as a percentage of collection. Historically, the trend has been pretty decent, but off late, I mean, FY '25 numbers particularly, it seems that I am just dividing operating surplus by direct collections. It seems to be below 20%. I am just trying to understand what is your outlook for operating surplus to go up? I mean, because this should rather mimic EBITDA margins of 25%. Also, this is before the land apportionment.

- Deepak Rastogi:** Yes. We will not be able to provide you the forecast. But definitely, if you were to see our historical numbers, the collections have consistently gone up and we are confident that a similar thing will continue going forward also. In fact, this year, the current year can be very, very good given the kind of launches and the handovers, which we would actually, we are expecting.
- Shivang Joshi:** Okay. Yes, sir. Go ahead.
- Niraj Gautam:** So, now I was saying, the operating surplus is closer to the margin, but not necessarily here. What happens is, some quarter over here, if I am going to spend more money on construction, doing the faster construction of some project, my operating outflow will be a little comparatively higher than the scheduled outflow, and thereby the operating surplus will be less. So, if you look at our P&L also, this financial year, we have incurred on a direct construction of Rs. 1,500 crores. Compared to the previous financial year, our construction has spent, which is directly developing a project is more, and these are part of our operating outflow. And hence, there will be a little bit of deviation in terms of operating surplus, but it's not impacting the projected or estimated margin of a project.
- Shivang Joshi:** So, we can expect a directional improvement, not asking for guidance, but directional improvement in operating surplus going ahead.
- Deepak Rastogi:** That is correct.
- Neeraj Gautam:** Correct.
- Shivang Joshi:** That is the first part. Second, on the debt, I understand your net debt equity seems higher, because the net worth, the denominator itself is not a proper indicator, it is impacted by the reported losses, which are not actual losses. But the overall net debt number itself seems to be an obviously, reasonably high number. What is your take on a comfortable, absolute net debt number going ahead, if you can speak on that?
- Deepak Rastogi:** We do not give a specific number or guidance towards how much will be the number, but what we do is that the overall debt per square feet, especially for the residential, should not go up, let's say, for Rs. 1,000 per square feet, right? So, if you have an ICP, you can see our debt per square feet for residential and land has actually not gone up, right? It is within the control.
- We have also repaid some of the Resi debt. However, we have invested in land, and we have also invested in the commercial asset for development, because there is no revenue coming from that. And hence, it looks like that overall debt is coming up. So, that is the anomaly, but we have provided this information in our ICP, how the debt movement is. We are not definitely looking to increase the debt per square feet for the Resi business.
- As far as the commercial is concerned, as Rajat was mentioning earlier, once the asset comes up for either LRD or sale, obviously, we will see dramatic improvement in those debts as well.

- Shivang Joshi:** Perfect. And lastly, I will connected question to debt. You mentioned about certain fund-raise options. I believe that would be for overall reducing the cost of borrowing. Directionally, again if you can, I am not asking for any guidance to what extent your cost of borrowing can come down in the coming year or two? What is the study?
- Mallanna Sasalu:** Cost of borrowing will come down and I think I am sure that both Neeraj and Deepak will have their views. The cost of borrowing will come down because the equity that is locked inside the company at this point of time due to, for whatever reason, the launches that have not been happening or happened so far. And once we start to launch the projects and once we start to realize that, automatically debt will have to be coming down. Today that if we are going to be expanding and borrowing the money, then debt will always look upwards. It is just about now the thing is to get the projects going and launching and delivering the projects, and that will bring down the debt. That is probably the right way to bring down the debt. Of course, generally that now maybe Neeraj has a view.
- Neeraj Gautam:** As far as interest rate is concerned, you have also asked a question about the interest rate which we are paying.
- Shivang Joshi:** Yes.
- Neeraj Gautam:** Our current interest rate is about 11.85%. However, it looks a little bit higher. But if you compare for the last year, one year ago, what are our weighted average costs already? It was 11.59%. During the year, we have added or we have invested about Rs. 1,300 crores in the land, and that means we have funded this land cost from the additional borrowing. Despite that, we have not let our cost of debt go up.
- As you know, the land financing are not done by the bank or any other housing finance company. To finance the land, we have to reach out to the NBFC or the AIF and those costs are a little higher. Yet, our continuous endeavor is to check the interest rate and keep it down. And going forward, this is also as Mallanna said and Deepak said, as we are going to launch the project flexibly better and we will be repaying some of the debt. Also, once we launch the project, we have the option to convert these projects into residential debt and thereby also the rate will come down.
- Shivang Joshi:** Okay. Thanks, Niraj. Thank you, sir and looking forward to your launches in the current year.
- Neeraj Gautam:** Thank you.
- Mallanna Sasalu:** Thank you.
- Moderator:** Thank you. As there are no further questions from the participants, I now hand over the conference to management for closing comments.
- Deepak Rastogi:** So, thank you all of you for your time, and your thoughtful questions. We appreciate your continued support and interest in Puravankara journey. Should you have further queries or

require additional information, please feel free to reach out to our Investor Relation team. We keep forward to updating you on our progress in the upcoming quarters. Have a great day and nice weekend. Thank you so much.

Moderator: Thank you. On behalf of Emkay Global Financial Services Limited that concludes this conference. Thank you for joining us, and you may now disconnect your lines.