Brigade Enterprises Limited
Corporate Identity Number (CIN) : L85110KA1995PLC019126
Registered Office : 29th & 30th Floor, World Trade Center
Brigade Gateway Campus, 26/1, Dr. Rajkumar Road
Malleswaram - Rajajinagar, Bengaluru - 560 055, India
T : +91 80 4137 9200
E : enquiry@brigadegroup.com W : www.brigadegroup.com

BRIGADE
Building Positive Experiences

Ref: BEL/NSE/BSE/11082021

11th August, 2021

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

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

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

Dear Sir,

Sub.: Transcript of Conference Call on the Company's Q1 FY-22 Earnings - 6th August, 2021:

We are enclosing herewith the transcript of the Conference Call on the Company's Q1 FY22 financial and operational performance held on Friday, 6th August, 2021.

Kindly take the same on your records.

Thanking you,

Yours faithfully,

For Brigade Enterprises Limited

P. Om Prakash
Company Secretary & Compliance Officer

Encl.: a/a

"Brigade Enterprises Limited
Q1 FY2022 Earnings Conference Call"

August 06, 2021

MANAGEMENT: **MR. M. R. JAISHANKAR - CHAIRMAN & MANAGING DIRECTOR - BRIGADE ENTERPRISES LIMITED**
MS. PAVITRA SHANKAR- EXECUTIVE DIRECTOR - BRIGADE ENTERPRISES LIMITED
MS. NIRUPA SHANKAR - EXECUTIVE DIRECTOR - BRIGADE ENTERPRISES LIMITED
MR. ATUL GOYAL – CHIEF FINANCIAL OFFICER - BRIGADE ENTERPRISES LIMITED
MR. RAJENDRA JOSHI –CHIEF EXECUTIVE OFFICER – RESIDENTIAL - BRIGADE ENTERPRISES LIMITED
MR. VINEET VERMA – EXECUTIVE DIRECTOR - BRIGADE HSOPITALITY SERVICES LIMITED
MR. SUBRATA SHARMA - CHIEF OPERATING OFFICER - BRIGADE ENTERPRISES LIMITED
MR. OM PRAKASH - COMPANY SECRETARY - BRIGADE ENTERPRISES LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Q1 FY2022 Earnings Conference Call of Brigade Enterprises Limited. We have with us on the call the management of Brigade Enterprises Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the 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. M. R. Jaishankar - Chairman & Managing Director of the company. Thank you and over to you, Sir!

M. R. Jaishankar: Thank you. Good afternoon, ladies and gentlemen and thank you again for joining us for this investor call. We hope all of you and your loved ones are doing well after this second wave of the virus. On behalf of the Brigade Group, I would like to welcome you to this earnings call for the first quarter of financial year 2022. I am joined by our executive directors, Ms. Pavitra Shankar and Ms. Nirupa Shankar. Our senior management team is also present on the call, Mr. Atul Goyal, CFO, Mr. Rajendra Joshi, CEO Residential, Mr. Vineet Verma, CEO Hospitality, Mr. Subrata Sharma, COO Office Leasing and Mr. Om Prakash, Company Secretary.

The second wave really hit the entire nation hard. It was distressing to witness the grief and despair that followed. We were all affected both directly and indirectly as a business. The lock down stalled our plans, but only briefly. Our team was better poised this time around. Now as COVID-19 continues to rear its ugly head, we believe we are better prepared to face the next wave of this pandemic. In fact our team is back in the office and rearing to go. We are all vaccinated. Despite the muted quarter one this year, the company was able to carry out a very successful QIP of Rs.500 Crores in June 2021, which was oversubscribed over 6 times.

The funds will predominantly be used for acquiring land for new project to grow the residential business primarily. Here are the remaining business highlights from the last quarter. Starting with our residential business, our performance was good despite the severity of the second wave. We ended the quarter with 0.76 million square feet of new booking with a value of Rs.470 Crores. This is a growth of 91% by area and 111% by value compared to the period of quarter one of the last financial year during which there was a nationwide lock down. The improved performance this year can be mostly attributed to the favorable macroeconomic dynamics to buy a home.

Thanks to lower interest rate and higher disposable income and improved confidence regarding job stability and salary growth. The positive customer outlook was reflected in the second half of June 2021, which recorded a sharp increase in site visits and bookings once the unlock guidelines came into effect. Our projects across Bengaluru, Chennai and Hyderabad continue to deliver consistently high results. On the collections front, it was an all time second highest at Rs.531Crores (real estate) driven by continued strong sales performance and good construction progress at all products sites.

We would also like you to note the conservative approach followed in terms of reporting our operational numbers. Our pre-sales numbers are always shown, net of cancellation of booking done in current as well as prior period. We also do not consider booking toward pre-sale numbers unless minimum of 5% or 10% of the agreement value has been collected along with all the required documentation. Our average realization is based on RERA agreement value of the customer and do not include any other expense or transaction costs. On the revenue recognition front, we only report units where the customer has completed the entire registration process and not just taken possession of the unit without registering the property.

Coming to office segment we continue to focus on collections of lease rental and are happy to inform that we have achieved 99% cumulative collections in quarter one of the financial year 2022. On leasing front there was an increased momentum in terms of leasing enquiry, RFP releases, (request for proposal) and site inspections do decisions are still delayed primarily because average physical occupancy levels are still below 10% across all office parks. Our outlook is positive owing to robust hiring across IT and ITEF sector, which is likely to enhance the increased needs for office spaces as companies commence work from office.

We are in discussion for approximately 1.5 million square feet across projects. In addition, we have achieved a strong leasing velocity at the Brigade International Financial Center, Gift City, Ahmedabad. Our strategically located and well designed project Brigade Tech Gardens and World Trade Center, Chennai are attracting prospects because of their superior value proposition and we are focused on transacting the remaining space within the next three to four quarters. Moving to our retail business, the lock down in the quarter one adversely affected our malls. Nevertheless, our focus was on retailer's engagement. We maintained a reasonable approach to renegotiation of leases by offering somewhat similar commercial terms as last year's rent, rent relief during the first lockdown.

In the quarter one FY2022, we billed 40% of the financial year 2020 rent in the similar quarter in comparison to just 20% in the last financial year FY2021 of the quarter one. After the malls reopened in July 2021, we saw a sales consumption recovery that was over 90% of 2020 pre-COVID levels in comparison to just 20% sales recovery from last year malls reopening in June 2020. This was primarily because of the improved customer confidence owing to the vaccination drives in Bengaluru. We are expecting the retail business to normalize by the beginning of quarter three of FY2022 particularly if there are no more restrictions imposed due to any possible third wave, which we hope it will not happen.

Almost 1.80 lakhs square feet is freshly leased and under fit out that is 14% of the gross total area leasable across all our malls. These retailers are scheduled to open in phases by end of quarter three in the financial year 2022. Finally to our hospitality business, in quarter one we witnessed abrupt halt to the positive momentum built in the previous quarters and recoveries made posts the first wave. The collective average occupancy achieved by your portfolio of 8 hotels was 23% compared to 43% percent in the quarter four of financial year 2021. Nevertheless, it was still 5% higher as compared to the first lockdown in quarter one of financial year 2021.

ARR that is average rents in the hotels continue to remain stressed in quarter one having reached close to 60% of pre-COVID level in quarter four of financial year 2021. We saw a 14% gross operating loss in the quarter compared to 22% gross operating profit in last quarter. The pent-up travel demand and revenge tourism thereafter has enabled hotels to see occupancies bounce back to over 42% in July 2021. The hotels continue to strictly monitor operating costs and other overheads to ensure that we protect our bottom line as far as possible without compromising on the quality of our services. In fact out of the 8 hotels, 7 hotels have had operating cash profit in the month of July.

We are hopeful that we have witnessed in this beginning of quarter two across our businesses continue irrespective of the challenges that come our way. Having said that we sincerely hope the government's plan to vaccinate the entire adult population before the end of 2021 succeeds. Thank you for your patience. Now, Mr. Atul Goyal our CFO will present the financial results in detail, after that there can be question and answers. Thank you.

Atul Goyal: Good afternoon everybody. On behalf of the company, we would like to welcome you to earning call for Q1 FY2022. While we have witnessed a faster recovery in Q4 FY2021 in all our businesses, the economy was again hit by a second wave of COVID in FY2022, which slowed down the recovery pace. However, the momentum has picked up again and after lifting lock down restrictions we expect a recovery in the coming months. On the company side this quarter has been better than the same quarter ending last financial year where we faced first lock down due to COVID in terms of business performance and the experience has helped us to manage second wave better. Let me give you some key highlights of a performance in the last quarter. We successfully raised QIP of 500 Crores, which was over subscribed by 6.25 times.

I am also happy to announce that our rating has been upgraded to ICRA A+ further strengthening the confidence of stakeholders of the company. We have recorded 82% growth in real estate sales of 0.76 million square feet during this quarter vis-à-vis 0.42 million square feet during same quarter last financial year. For Q1 FY2022, the sales stood at Rs.480 Crores recording a growth of 92% over the same quarter last financial year. As on June 30, 2021, Brigade has 18.11 million square feet of ongoing projects and we proposed to launch 1.91 million in the same quarter. On the leasing side we achieved 99% rental collections with gradual increase in re-occupancy in the operation portfolio. We achieved new leasing of 1 lakh sft during the quarter and we have an active pipeline of around 1.5 million sft.

On the retail side though impact by lockdown during the second wave was severe, but footfalls have improved considerably and mall occupancy has been around 85% percent expecting faster recovery. While we have a significant uptick in the hospitality performance in Q4 FY2021, the second wave and the corresponding restrictions impacted the hospitality business. Occupancy stood at 23% in Q1 FY2022 vis-à-vis 11% during the same quarter last financial year. It has witnessed a gradual recovery in July 2021, but long-term recovery is dependent on corporate and international travels amid COVID cases. On a consolidated level, there was increase in cash flow from operating activities by 89% from same quarter last financial year.

We have surplus liquidity and undrawn credit lines of around 2300 Crores from banks. Our average cost of debt has been coming down consistently over the last few quarters and was at 8.14% as on June 2021 verus 9.56% as on June 2020 a 142 bps reduction that would result in an annualized savings of around 60 Crores per annum.

Coming to consolidated financial performance for Q1 FY2022, the consolidated revenues for Q1 FY2022 stood at 391 Crores versus 214 Crores for the same quarter last financial year and increased by 83%. The consolidated **EBITDA including** other income for Q1 FY2022 stood at 120 Crores as against 58 Crores in Q1 FY2021. EBITDA margins including other income increased to 31% from 27% last quarter. The real estate segment clocked a turnover of 260 Crores and EBITDA of 14% in Q1 FY2022.

The hospitality segment clocked a turnover of 20 Crores in Q1 FY2022 and leasing segment clocked a turnover of 112 Crores and EBITDA of 77% in Q1 FY2022. The interest and finance charges for Q1 FY2022 stood at 113 Crores, consolidated PAT after MI for Q1 FY2022 stood at (40) Crores. There has been reduction of 80 Crores in overall debt in Q1 FY2022. The cash and cash equivalent stand at 1173 Crores as on June 30, 2021. Consequently, the company's net debt outstanding as on June 30, 2021, stood at 3047 Crores out of which BEL's share is 2117 Crores that is 75% of debt pertain to commercial portion and for which 70% is backed by the rental income. I now hand over the call to the moderator for question and answers. Thanks.

Moderator: Thank you. Ladies and gentlemen, we will now being the question and answer session. The first question is from the line of Adhidev from ICICI Securities. Please go ahead.

Adhidev: Good afternoon everyone. Thank you for the opportunity. Most of my questions will be on the rental business, first is the quarters rental revenue, our rental revenue is having flattish quarter on quarter in spite of the waiver we have given for the mall rentals, so was the deficit being made up by incremental leasing revenue or you have taken higher camps at this protocol just some clarification on that will help?

Atul Goyal: So, the rental has started coming from WTC it is a impact of straight lining Of course we will be receiving rentals in this year in WTC. Amazon rental has already started. So this rental increase will be there going forward.

Adhidev: Sir, then Chennai would have contributed how much for this quarter, Chennai rentals?

Atul Goyal: Quarter will be around 15 Crores to 20 Crores.

Adhidev: 15 Crores to 20 Crores and Chennai for the full year like what is the sort of rental you would expect to collect now considering current situation?

Atul Goyal: I would not like to give guidance, but it should be about 450 Crores

Adhidev: No, Sir I am referring especially to Chennai property means how much rental based on current whatever leasing has happened what would we be the run rate assuming no incremental leasing happens?

M. R. Jaishankar: This year we will do around 75 Crores of rent.

Adhidev: My next question obviously you mentioned about 1.5 million square feet leasing pipeline, so could you give us a colour like when is the closure of which transaction is expected and in which properties?

Subrata Sharma: This is Subrata, overall the active pipeline that we are having currently is 1.5 million and out of this 0.8 million is a Brigade Tech Gardens, 0.5Mn approximately would be for WTC Chennai, 0.1 Mn is at BIFC, Ahmedabad and rest all together is 0.1 Mn approximately. We have a quite positive pipeline, as far as the transaction closer timeline is concerned it would also depend upon like how the company's move towards re-occupancy, but a significant portion of these will actually get accelerated since that is what we are getting to know.

Adhidev: Sir, just to clarify do you mentioned 0.9 in Tech Gardens sorry I missed that.

Subrata Sharma: 0.8 million.

Adhidev: So in terms of target right and you are saying 0.5 Mn for WTC, so your expecting WTC to be fully leased out is that the target we are working on it or on an aspiration?

Subrata Sharma: Yes, as per the target is concerned, we are actually expecting WTC to get fully leased out, the only thing is as I said the re-occupancy also will drive the leasing business because see as far as the site inspection and RFP release is concerned we are seeing significant increase in the momentum, but as you are aware unless and until they get an understanding that when people will come back to office they may not actually want to lock in to the premises because from that day the count will start for the rental period is not.

Adhidev: Sure, so you said WTC you are looking to lease out fully and for Tech Gardens will be similar?

Subrata Sharma: Conservatively it would be at least four quarters because as I speak currently we are at 0.8 Mn, but recently we have also entered into discussion wherein a few more requirements are coming from our existing tenants. They have actually increased significantly as far as the manpower is concerned. now when re-occupy there would be a need from them also and one tenant who actually withdrew last year they are still having a license, it is the license in BTG, they are again coming back with the same requirement so all these positive developments are there so that is why we feel that as we go forward this pipeline quantum will also increase.

Adhidev: Sure and one final clarification, so as Atul mentioned that assuming no incremental leasing is done, 450 Crores sort of rental is achievable, is that correct?

Subrata Sharma: Yes, overall.

Adhidev: Fine, Sir. I will come back in the queue with more questions. Thank you and all the best.

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

Parikshit Kandpal: Sir, congratulations on a decent performance during the quarter. My first question is on this 1.5 million square feet of pipeline, so how may would be covered under this?

Subrata Sharma: See in this pipeline it is a kind of mix, there is one major oil company who are looking at a bigger quantum that is approximately 0.6 to 0.7 means together out of 1.5, but apart from that there are smaller enquiries, mid size enquiries as well as anywhere between one to two lakhs square feet as well, it again depends upon the properties and the location, BIFC Ahmedabad is majorly from many companies the cumulative of it would be approximately 0.1 million, so it is approximately 12 to 13 companies.

Parikshit Kandpal: These RFP which are being quoted in the market for leasing are you seeing any structural changes in the nature of the underlying segment in terms of space. Is it like traditional IT, ITEs which is looking out for new space or it is guys coming in from financial services or manufacturing sector, so only comparison the trend which was there pre-COVID and now, so any change in that plan and demand from the customers segment, any colour on that?

Subrata Sharma: See as far as the pattern is concerned though in this first quarter what we actually know is pan India leasing the majority of the leasing portion came from engineering and manufacturing sector, but as far as the RFP's are concerned we still see that majority of this is driven by IT, ITES as far as the overall requirement is concerned, so still it is more than 80% IT, ITES usage than we all know that out it is same with the kind of trend that we are seeing in market because majority of the hiring has happened in IT, ITES okay now as soon as they come back to office even if a portion of them are work from home they will still need the additional space and with the post-COVID scenario I think they will not want to densify, so it is same with the market trend and it is quite natural that the majority of RFP's is from IT, ITES.

Parikshit Kandpal: Because once you highlighted was more from all India size IT was a large part of it?

Subrata Sharma: Initially, in the first quarter we are seeing the trend so it was mostly driven by the engineering manufacturing because now the IT, ITES are not in office okay now as soon as they come back to office, the requirement from that sector will increase.

Parikshit Kandpal: Sir, my second question was on the residential business we have about 1100 Crores of cash so first of all how much of this is earning comfort and how much of this will in our accounts and all so even if we adjust for this what would be the cash content and how do we incentive the employee to year in terms of land payment and land acquisition, so have you finalized any land parcels from there, but with this development price if you can just give some highlight on that something of the money will go towards land payments over the next two years?

Atul Goyal: So, this residential collections are mostly in RERA accounts, so we cannot take out that money and use for land, but we have taken that QIP money and we will be using that money for buying on land, there are some prospect which is being looked into and we will come back as and when we finalize those land in coming quarter.

Parikshit Kandpal: Sir, I was asking that cumulatively this year how much of land capex are we targeting from the growth Perspective, some ballpark on that?

M. R. Jaishankar: Currently, there is an active consideration for land parcel of a about 150 Crores, we have entered into some kind of term sheet, but balance are under different stages of negotiation, we may utilize maybe bulk of the money if the right opportunities come by.

Parikshit Kandpal: Sir, just the last question on pre-sales, so last quarter fourth quarter we did about 1000 Crores, can give some sense on pre sales numbers?

Rajendra Joshi: So, Q1 was certainly muted, we were nearly at about 47% to 48% of what we were of Q4, but July fortunately seems to be doing better, but all of it really would depend on the restrictions that may get enforced because the residential real estate will pick up and do well only if the customers visit the site and particularly on the weekends I think those are extremely important in this business while we have geared up for virtual selling, etc., I think the customer visiting the site is important, we do see that there is demand, there is potential, but these hindrances or roadblocks will delay the growth.

Parikshit Kandpal: How much is July month sale?

M. R. Jaishankar: As I said it is an ongoing month, I would say that it was much better than the last year July.

Parikshit Kandpal: Thank you, that is all from my side and all the best.

Moderator: Thank you. The next question is from the line of Yash Gupta from Angel Brooking. Please go ahead.

Yash Gupta: Good afternoon everyone. Thank you for the opportunity. Sir, first question is on the residential Bengaluru market share, so what is the pre-sales share we are having in the market and how it has changed in the last one year?

Rajendra Joshi: I would say the contribution of Bengaluru to our total sales in the last one year has come down, it was about 80% in Q1 of last year, it had come down to 60% it is simply because the new launch in Hyderabad and the new launches in Chennai have done quite well, today between these two markets they contribute nearly to 40% of our total sale.

Yash Gupta: I am sorry, Sir, my question is what is the share of our pre-sales Bengaluru in the overall Bengaluru markets, so is that we are gaining the market share in Bengaluru in the pre-sales number or not in the last one year?

Rajendra Joshi: In the last one year we have gained market share in Bengaluru, we estimate because in the residential real estate market there are different agencies, which put out different number, we expect that our market share in the region of about 6% to 7% in the city of Bengaluru of the total sales.

Yash Gupta: Okay, thank you. Second is on the Brigade Tech Gardens in Bengaluru since very long time we are talking about the hard options, but all in all still the leased area is at the same level, so what is the major issue that we are facing in the in the Bengaluru Tech Gardens, Bengaluru?

Subrata K.C. Sharma: So, as far as the hard options are concerned a portion of it is should be confirmed in about a week or two, we are in discussion with the tenant, this is because they are also expecting their employees to come back, they still want to go ahead with the hard option, they have the requirement because their hiring has been very robust, but at the same time they have to take the space based upon the re-occupancy trend. Apart from what we have shown in the investor presentation , two transactions are in principle confirmed, so we are seeing the same velocity again. I would like to reiterate that to have the people come back to office, thus velocity will still be slightly low, but the interest is there like we are saying site inspections happening, we seeing the RFP are actually coming by, so it is just wait for another one quarter or so.

Yash Gupta: The last question on the residential real estate essential markets, so in the presentation we have written very strong pipeline of the ongoing project of 18.11 million square feet, so it will be launched pipeline for next three year?

Rajendra Joshi: That is correct.

Yash Gupta: Thank you, Sir.

Moderator: Thank you. We will move on to the next question that is from the line of Pritesh Sheth from Edelweiss Wealth. Please go ahead.

Pritesh Sheth: Sir, thanks for the possibility. Sir, my question is on the residential side, so last quarter you highlighted about 7 million square feet of land deals across Bengaluru, Chennai, and Hyderabad, so those are still under active discussion and what is the status on that, that is my first question?

M. R. Jaishankar: As I mentioned in the earlier question, we have signed a term sheet for one of the properties in Chennai, which should give us about 1 million square feet of salable area and it is under due diligence process and once that is done we will go through with the transaction, rest of the things are still under various stages of negotiation.

Pritesh Sheth: And just on the leasing part, so 1 lakh square feet you have leased out in this quarter what are the rentals that you are getting is still near to the market or are there any pressure in the rentals?

Subrata K.C. Sharma: So, as far as this one lakh transaction is concerned, 50% of it has come from Ahmedabad market that is BIFC, so there we have been able to push the rentals higher than our weighted average earlier, so we achieved a kind of around 5% premium over there and apart from that whatever transactions we have posed it is aligned with the market, I would not say that the rentals we are actually stressed in terms of the rentals we have achieved higher rentals than the weighted average rentals for the respective properties.

Pritesh Sheth: Thank you, that is it and all the best.

Moderator: Thank you. The next question is from the line of Shivansh Shah from Saral Management. Please go ahead.

Shivansh Shah: Thank you for the opportunity, Sir. So, my first question is what is the average occupancy rate in BIFC, Ahmedabad for the office building?

Subrata Sharma: See, BIFC as on date so far as I remember it would be around 28% as per the last quarter, but as we speak we already have in principle confirmation for another 22%, so we should cross 50% in this quarter, and we are expecting around 70% by the end of this financial year, so that is how it is progressing, BIFC has been robust.

Shivansh Shah: And also Sir, one more question on the Bengaluru front, what is the incremental revenue as rent realization in terms of percentage how much of the rent has been increasing year-on-year?

Subrata Sharma: See, as far as the overall rentals are concerned we did see from the existing it would be somewhere around 400 Crores and whatever the additional will come from the new leases that is particularly WTC Chennai, as we go ahead even in Brigade Tech Gardens in Bengaluru, whatever we close over the next three to four months another three or four months would be the rent free period so the new lease rentals will actually be meager, it will all hit on the next financial year.

Shivansh Shah: No, I am asking in terms of rent realization as in terms of rent realization how much is the year-on-year increase?

Subrata Sharma: Normally high, if you are just asking for about the increase delta, so it was somewhere around 4.77% because in many cases we have 5% per annum and in many cases we have 15% every three years and we have not seen a kind of withdrawal or renegotiation in the rentals, so it would be on an average 4.77 from the existing leases.

Shivansh Shah: Thank you so much, Sir.

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

Karan Khanna: Thanks for the opportunity. Firstly, on your residential portfolio you launched cluster three of Xanadu in Chennai during the quarter, can you briefly comment on the pricing here and how is the pricing behaving here because what we understand is that unlike Brigade residences at WTC, Chennai, so next at the Mogappair location including Xanadu are not seeing anything price hike, so if you comment on that?

Rajendra Joshi: I did not get the last part of your question, are you asking on the pricing at Xanadu, Chennai?

Karan Khanna: That is right, pricing and how is it behaving compared to Brigade Residential at WTC Chennai over the last quarter or so?

Rajendra Joshi: Clearly these two are very different micro market, Mogappair and Old Mahabalipuram road where the IT sector is located, the Xanadu, Chennai is performing extremely well, has performed very well in the last few quarters, the average realization there is in the range of about 7000 to 7200, the volumes have been quite good, we have done about 25 to 30 units a month in the last quarter, the residences, which is on the IT corridor also have seen quite good traction in the last quarter and the realization there are in range of about 10000 to 10500 as well.

Karan Khanna: And continuing on your residential portfolio, we have been hearing about shortage of construction material in Mysore, so any thoughts on the same and whether this can impact your ongoing and upcoming projects like Topaz?

M. R. Jaishankar: Currently, there is no shortage of materials, there is no issue in that,. that is what you said?

Karan Khanna: Yes.

M. R. Jaishankar: Currently, there is no shortage of material and the Topaz is almost complete, we are in the process of obtaining the completion certificate and that should happen in this quarter for sure is what we expect and there is no issues at present on the material availability or labour availability for that matter.

Karan Khanna: On commercial portfolio in the previous call you mentioned that Brigades Southfield has been completed with Brigades underway and rest was expected from July, however, in your Q1 FY2022 presentation shows it is under construction with the balance capex of around 25 Crores, so can you help understand that aspect?

M. R. Jaishankar: The project is complete and the rental have commenced from July 1, 2021, so the documentation is complete and a little bit of expenses to be incurred is the based when clients occupy some equipment we need to install based on their timing, their requirement and bit of coordination will be required, but as far as Brigade is concerned it is leased and rents will commence from July 1, 2021.

Karan Khanna: And lastly on your retail portfolio, can you help us understand the current consumption trends and at what level of consumption you expect the rental should normalize and also escalation over FY2020 to FY2022 would be materialized once the rent is normalized that is my last question, thank you?

Nirupa Shankar: Thank you, good afternoon, Nirupa, here. See, basically what we are seeing is that the Q1 of FY2022 is again significantly better than what we have witnessed in Q1 of FY2021, so for instance we recovered only about 50% of the rentals from FY2020, but in FY2022 we were projecting a much significantly higher recovery, currently we are projecting only 65%, but it could be much higher. The collections in July has been extremely positive, so if I just look at the month of July even though the footfalls was just about 40% of the pre-COVID level, the sales consumption in terms of what the malls did was almost 90% of what it was pre-COVID level, if I compare like to like stores that were open, so we are seeing a fairly healthy recovery, we gave some amount of rental relief in obviously Q1 when there was the lock down maybe about 75% of the stores will have some sort of rental relief in Q2, 50% of the stores will have some sort of rental relief in Q3, of course we are looking to sort of stop all the rental relief or maybe just 10% to 15% of the stores might have it based on whatever negotiations we have had, but by and large assuming there is no further shocks to the system we should be on track to get back to 100% lease deed rental from our next fiscal year, but like I said 85% to 90% will be back to lease deed arrangements by Q4 of FY2022. Generally, we have quite a bit of stores that have come to a come for churn or come for renewal and I am happy to say that on average that rentals that we are able be able to negotiate with the tenant is on average I would say 23% higher than what they were before if it is just a renewal on average that amount has actually gone up to 30% so suppose somebody was paying Rs.100 it has gone up to Rs.130, so we have been able to get significantly higher rentals for whatever vacancies that there are or any churn that is there in the malls.

Karan Khanna: Fine, thanks.

Moderator: Thank you. The next question is from the line of Mohit Agrawal from IIFL. Please go ahead.

Mohit Agrawal: Thanks for the opportunity. My first question is on the business development, so you have mentioned that a significant portion of the 500 Crores QIP money will go into business development, could you share what kind of top line addition you are looking at with this proceeds so that is the first part and the second part of that question is that, can you take more leverage considering that on the residential you have very low debt, can take more leverage on the residential side to add more projects considering the market is pretty stressed for unorganized developers?

M. R. Jaishankar: See on a generalized basis, we can say from based on the funds raised we will be depending on whether a particular project is purchased, land is purchased, whether it is taken on joint development, it all depends on that, if it is purchased it is 5 to 6 million square feet, if it not purchased if it is only for joint development it has a potential to add even 25 million square feet, so that way it will be a combination, but you also you rightly mentioned that we have the potential to increase our debt because the debt equity ratio has come down due to a combination of reasons, which is increasing our overall equity by raising the QIP and also by reducing our debt due to the performance of the projects so in that way there is a good opportunity is there, just a residential itself it is 0.3:1 debt equity ratio and the overall debt equity is about 0.86:1, there again our CFO has said several times that part of it includes the joint venture partners debt, if you remove the joint venture partner debt we are sub 0.6:1 is the debt equity ratio. I think, Atul, CFO will add few more points.

Atul Goyal: Mohit, you are right that our debts are low in residential, but for buying land will not prefer doing a debt because land financing is one of most expensive financing, so we will be effectively using that QIP money to buy the land and maybe the construction finance will do through debt, so that is strategy, but if there is a good land, we can look at that also, but right now we have enough QIP money and we would use our residential debt only towards the construction financing of the new projects.

Mohit Agrawal: Sure, any top line estimate that you have let us say from 500 Crores if you are investing 300 Crores to 350 Crores, what is the top line that investment can generate in terms of rupees gross?

M. R. Jaishankar: See, as I had mentioned earlier if it is going to be purchased only the entire money is used for purchase then in terms of revenue it can add 3000 Crores to 4000 Crores anywhere between 3000 Crores to 4000 Crores and if it is entirely joint development it can add 15000 Crores, but if you take a combination, but suppose 9000 Crores to 10000 Crores is a possible estimate.

Mohit Agrawal: Sure, Sir, that is helpful. Sir, my second question is on you alluded last time around that you have taken some price increases in your project, could you throw some light this quarter have you seen the realization going up 5%, could you explain how much effort is like to like price increase and how much would be due to mix change?

Rajendra Joshi: So, we did take price increase little during the quarter, during the quarter we were a little careful because lock down was still operative, from July 1, 2021, we certainly have taken a price increase, but the increased realization has been a mix of changed product mix and certain cases price increase.

Mohit Agrawal: And Sir, how much of that realization increase has happened since July?

Rajendra Joshi: So in terms of price increases we took about 2% to 3% price increase at the first time, so clearly there is the pressure on costs due to increase in cost of commodities like steel and other metals, so we did take a price increase, we to see that prices will firm up due to this cost pressure.

Mohit Agrawal: Sure, and Sir, my last question, this is for Atul, you know we have about 1000 gross of debt as capex and a total 4200 Crores gross debt, so once WTC rental start coming in fully over the next one to two quarters, how much of this 1000 Crores capex debt gets converted into LRD?

Atul Goyal: On WTC Chennai we can raise upto 1200 Crores of LRD**Mohit Agrawal**: Sorry, Sir, incrementally how much LRD?

Atul Goyal: You can say around 700 Crores to 800 Crores.

Mohit Agrawal: Thanks a lot, Sir and all the best.

Atul Goyal: You are asking for WTC Chennai Right?

Mohit Agrawal: Yes, WTC. Thanks a lot.

Moderator: Thank you. The next question is from the line of Parvez Akhtar Qazi from Edelweiss Securities. Please go ahead.

Parvez Akhtar Qazi:Good afternoon gentlemen and thank you for taking my question. A couple of question from my side, what would have been the revenue contribution from BTG this quarter, rental contribution?

Atul Goyal: BTG, it will be 16 Crores per quarter.

Parvez Akhtar Qazi:And what would have been the contribution from the launches that you did this quarter to our pre-sale in Q1?

Rajendra Joshi: Pre-sales contribution from what we qualify was about 38% to 40% because what we call a new launch and our definition I will qualify that any project that we have launched in the last six months for us qualifies as a new a launch. So, from that segment about 38% to 40% by value came from the new launches.

Parvez Akhtar Qazi:And lastly you have mentioned strong launch pipeline, so how do we see and do we have plans for any near term launches or the launches are going to be there only around the festive season?

M. R. Jaishankar: See, it is already indicated we have launched about 1.9 million square feet already and another 1.2 million square feet will be launched maybe this quarter. We have the permission it is subject to RERA registration coming.<ore projects will be there to be

launched in the quarter three and quarter four and some are under approval stage, so we are waiting for those clearances to happen, probably when the next quarter investors call comes there will be more clarity on the launches that we can do in Q3 and Q4, **Parvez Akhtar Qazi**: Thanks, that is it from side and all the best.

Moderator: Thank you. The next question is from the line of Amit Agarwal from Nirmal Bang. Please go ahead.

Amit Agarwal: Thanks a lot for this opportunity. Two quick questions, firstly just I know I am maybe repeating the question, but is just to understand what is the rental release given to the retailers in the first quarter gone and going to be brought down as Nirupa was pointing, point number two, is it possible to get a breakup of collections separated into residential rental and office and hotels is it possible we can get that so the first quarter FY2022, the previous year and the previous quarter, thanks these are the questions?

Nirupa Shankar: Just to answer the first question, see what we did is in order to save a lot of time because we have more than 150 plus retailers to negotiate with so what we did in order to save time and also using the similar rental release as what we gave last year, so it varies slightly from category to category obviously cinemas will be different, different from anchors towards different from food and beverage, but by and large, what we are trying to do is make sure if the revenues are between 0% to 50% then we are trying to charge 50% the rental income as per lease, if it is between 50% to 60% then typically around 60% of the rentals of minimum guarantee, if the revenues bounce back to between 60% to 80% then we try to charge 75% of lease and if it is greater than 80%, then is a 100% of whatever was there for the minimum guarantee. The good thing is that we are seeing at least 20% of the stores doing greater than 100% of what we were doing pre-COVID levels, which is fairly encouraging maybe only 20% to 25% of the stores are doing less than 50% of their business, .by and large most of them are between 50% to 75% of their pre-COVID business, I am talking for the month of July not during lock down, but it is encouraging to see them doing above 80%, so there we will get at least 100% of the rental income.

Amit Agarwal: Sure, thanks and the second question on the collection breakup?

Atul Goyal: You want collections overall?

Amit Agarwal: Yes, the overall collections, which you mentioned in the cash flow like 717, what I wanted to break up terms of residential, retail, office spend, hotel is it possible with that?

Atul Goyal: Yes, so we had a collection of 557 Crores in real estate, commercial lease was 94 Crores, retail was 12 Crores, hospitality 31 Crores and PMS which is our management company it was 23 Crores so this total up to 717 Crores.

Amit Agarwal: And what was it last year from now?

Atul Goyal: Last year overall collection was 2711 Crores.

Amit Agarwal: The data if possible, I am just comparing how it has moved?

Atul Goyal: I can give you this way, Q4 was 1118 Crores overall, Q3 was 681 Crores and 6 months 2021 was 912 Crores because the impact of lock down was there.

Amit Agarwal: Sure, thanks a lot. That is all from my side.

Moderator: Thank you. We will move on to the next question that is from the line of Pritesh Chheda from Lucky Investments. Please go ahead.

Pritesh Chheda: I have three question, one on the retail, what was our pre-COVID rental and square feet and is there any addition there?

Nirupa Shankar: So, pre-COVID, if I look at FY2020, the rental was around 111 Crores and we have currently three malls, we launched a new one in October 2020, Orion Uptown mall, which is about 2.65 lakhs square feet, we have Orion avenue, which is was pre-COVID also 2.64 lakhs square feet and of course our Flagship mall, which is Orion Mall Brigade Gateway, which is 8.34 lakhs.

Pritesh Chheda: About 1.2 million over all?

Nirupa Shankar: Yes.

Pritesh Chheda: And my second question is one-third of our capital is hotel, incrementally do we are having capital allocation plan between hotel, rentals, and residential?

Nirupa Shankar: No, currently we do not have any allocations with hospitality.

Pritesh Chheda: My last question is out of 5 million square feet, how much is Chennai and Bengaluru and what is our market share there and to what extent is these two markets organization, what is the growth rate of those markets?

Rajendra Joshi: So, in residential, Chennai, we would be a small player because we have two projects in the last two to three years is where we have been active in the Chennai market, so our market share would be very small, but the good news in Chennai is that we are growing very well, our products have been accepted well and we therefore look forward to do more projects. We have just started, we have done extremely well, again only one project for market share would be very small. Bengaluru I did mention we would be about 6% to 7% of the total market going by one of the sources because as I mentioned there are multiple sources for market sizes a and if you go by somebody else we will be probably in double digits, but if we go by one particular source which most of us use over a period of time, I think we would be about 6% to 7%.

Pritesh Chheda: And to what extent is Bengaluru market overnight amongst listed and larger unlisted players?

Rajendra Joshi: How much of Bengaluru market is, it is amongst the large than the listed players is that your question?

Pritesh Chheda: Yes, listed and larger unlisted players?

M. R. Jaishankar: Listed and larger unlisted today, we would expect that probably about 60% to 70% of the market will be the larger listed and unlisted players that is what we would expect, market has consolidated substantially in the last three years, the share moved up probably from about 30% to 40% over 60% to 70% today.

Pritesh Chheda: And the size of Bengaluru market?

M. R. Jaishankar: Bengaluru market in terms of unit sales is about 40000 to 45000 units a year.

Pritesh Chheda: At about 1000 square feet?

M. R. Jaishankar: At about 1200 square feet.

Pritesh Chheda: Thank you very much, Sir.

Moderator: Thank you. The next question is from the line of Shivansh Shah from Saral Investments. Please go ahead.

Shivansh Shah: Have we considered putting our commercial assets hotels and malls and commercial offices in to REET and lifting it or something or selling it to one instead of leases counting?

M. R. Jaishankar: Not for the time being, I think. We do get various unsolicited offers, each of them would be evaluated from time to time, but if you ask me whether it will happen in this financial year, the answer is no, .We will be mindful of all the opportunities that come by and once we have a critical mass ourselves we may look at it in the future point of time, but certainly not in this financial year.

Shivansh Shah: Okay, perfect. Thank you.

Moderator: Thank you. The next question is from the line of Alpesh Thacker from Antique Stock Broking. Please go ahead.

Alpesh Thacker: Good afternoon and thank you for taking my questions, Sir. The first one is the kind of follow from previous participants like you mentioned that 150 Crores of land parcel capex is planned for FY2022-FY2023, so what is the kind of where we are and also where we are in active talks with the party, so what is the kind of mix there in terms of JDA, JV versus outright land purchase?

M. R. Jaishankar: Just particular parcel I said it is an outright purchase and which is about a year ago and one million square feet of salable area and maybe a revenue realization of about 800 Crores to 1000 Crores.

Alpesh Thacker: Fair enough and in terms of what could be our strategy between Bengaluru and other markets like Chennai and Hyderabad for the QIP money that we have raised and what kind of geography mix that we will have?

M. R. Jaishankar: Our CEO, Residential, Joshi did mentioned earlier we heard about 80% of the revenue from Bengaluru market and this year it could be 60:40 Bengaluru and non-Bengaluru, I think it may continue in the same of fashion 60:40 with a plus or minus 5% variation may be there.

Alpesh Thacker: Thank you and my last question on what kind of launch run rate would we target over next couple of years given the strong underlying demand in the residential businesses and management from different companies are saying that we have a strong demand there, so what kind of launch run rate can we see going ahead for our company, that is it from my side?

M. R. Jaishankar: See, we will certainly plan to launch somewhere in the range of 7 to 8 million square feet per year, we have a land bank to 35 million square feet salable area, where it can come to the market in the next few years based on our own demanded requirement, etc.

Alpesh Thacker: Thanks a lot for the clarification and all the best.

Moderator: Thank you. Ladies and gentlemen, we will be taking the last question that is from the line of Venkat Samala from TATA AMC. Please go ahead.

Venkat Samala: Thank you so much for the opportunity. Sir, given the opportunity that we are seeing and the way that we are pouring now into the non-Bengaluru market and obviously the consolidation piece and though the strong under current we are supporting housing market and obviously we do have the money watch list that we can use to capitalize our growth, so do we have any vision in terms of where we want to be in terms of pre-sale in the next three years?

M. R. Jaishankar: I would put it in this way it all depends on opportunities and the general economy, but generally when this question is asked earlier, I have said we would aim to have a growth rate anywhere between 20% to 25% and maybe 30% growth year-on-year is what we aim, I think that is the intention.

Venkat Samala: Fair enough, so that hold for this year as well, I mean how do we look at this year assuming that there are no more third wave, etc.?

M. R. Jaishankar: See, the intention is definitely there and our team is working towards that and as you rightly said if there is no third wave certainly we expected much better figures than last year and yes, as the MD, I will be pushing the team for 20%to 25% growth, so let us see, god willing, it should happen.

Venkat Samala: Sure, Sir, thanks for that. With respect to commercial, if you could just give some color as to what would be the client profile in terms of what would be the contribution from MNC's and how much would be the contribution from ITIS and financials or for currently using that?

M. R. Jaishankar: See, as Subrata earlier mentioned 80% is IT and the remaining 20% is ITES and very substantially it will be from MNC because some of the large Indian companies all got their own campus and their own buildings, so that way from the big guys within the country are less business, but for MNC it will be the bulk of the business.

Venkat Samala: Right and this also pertains to the current leasing portfolio that we have, right?

M. R. Jaishankar: Yes, it is more or less.

Venkat Samala: Sure and assuming that we do not have anymore third wave, etc., based on the discussions that you are having with the tenant, when do you expect theleasing uptake I mean which quarter can we expect?

M. R. Jaishankar: I think third quarter FY2022 that is October to December quarter, we can expect to leasing the uptake provided the international travel and everything resumes, but from whatever we have read in the media or what people speaking on TV the hiring process is required to robust and considering we have a 190 billion or nearly 200 billion software business in the country and it has been announced that it will be a double digit growth, so which is not a small amount at all, $20 billion addition if not more, in the coming year there is a significant jump in the business for the office leasing and residential business too, they go hand in hand so sometimes the office leasing leads the business, sometimes the residential, but they go hand in hand, it is most like we expect overall in the next

12 months or so, 200000 more jobs will be created in the ITES sector.

Venkat Samala: Right and one last question, in response to previous participants question you did mention in terms of how recovery happens across different slab, what percentage of minimum guarantee we can expect for the retail malls that is, so my question is assuming that we do reach 100% of the pre-COVID level across the board, so how do we look at the contractual escalation and assuming that we know maybe towards Q4 of FY2022 or starting FY2023 whenever the normalcy does hit in, so the contractual escalation would that happen over FY2020 level is that the right way to look at it?

M. R. Jaishankar: Just to clarify, contractual escalations will happen as and when they are due, there is no change in contractual escalation as such and as far as the full rentals are concerned based on whatever sensations we have given or not given once 80% of the business recovery is there, we get 100% of the rent.

Venkat Samala: Fair enough. Thanks a lot, that is from side, wish you all the best.

Moderator: Thank you. The next question is from the line of Prem Khurana from Anand Rathi. Please go ahead.

Prem Khurana: Thanks for taking my question, Sir. First question is on the unsold ready inventory that we have so when I look at the numbers now till sometime a few years back and in the number used to be negligible less than 10% of the total unfold inventory, but over the last few years it seems that the number has gone up substantially so if you could help us understand and thought process is there we are holding on to some of the inventory to make good for the pressure or does that because now we have become big, we are launching larger phases which is that you get to have some inventory can share with you for some time, the number used to be less then Rs.100 Crores and now it is almost Rs.700 Crores odd in terms of unsold ready inventory?

Rajendra Joshi: So this is Rajendra Joshi. if you actually look at it in the last couple of years, we have actually worked towards reducing the unsold ready inventory, as an organization we do not keep an inventory to be sold later for a higher realization. t as an organization we always believe factor the sale better for the project and the organization, so what also has happened in the last couple of years is that we have finished quite a few projects and therefore the ready inventory have come into the kitty though we have worked on exhausting the what was available earlier so which is why you will see a little higher number in the current quarter, but we will work towards reducing the same.

Prem Khurana: Rajendra, just to continue on residential what is reflected in residential WTC Chennai A3 block to be launched in the near future, seeing that it has been removed from the launch pipeline, so any change in thoughts there?

Rajendra Joshi: So, the tower in WTCresidences was planned to be a serviced apartments, there was change in thought, we are still wondering given this uncertainty in the hospitality sector, we are still working on that option which is why we have removed it from the launch pipeline.

Prem Khurana: Atul, Sir, just one question on the numbers, I think if you could help me that we reconcile so when I look at our cash flow numbers interestoutgo is around Rs.88 Crores odd and when I look at the P&L income statement, the number is an exceed of 110 so if you could please help me reconcile the difference?

Atul Goyal: I got it, so this time what has happened is that we have capitalized PREPL that our WTC property, which has been capitalized in March 31, 2021, so interest is coming in the P&L, which is 23 Crores so that is the difference which you will see both in the cash flow and the difference in increase in interest in P&L.

Prem Khurana: I understand the increase part, I was wondering why there are actual outlay is lower than the income statement number?

M. R. Jaishankar: So, what happens is that there is also a interest on debentures on GIC, which is coming into the financial numbers, but it is not coming to cash flow because that is paid as and when money is available from LRD or from some excess money, which the company generates out of its operations.

Prem Khurana: Sure, Sir. Thank you. That is it from my end. Thank you for taking my questions.

M. R. Jaishankar: So, just to add that in A3 in World Trade Center, launch has not happened, but the construction is progressing.

Prem Khurana: The design is still the same, I think we were planning to have one room kind of setup, so it still is the same?

M. R. Jaishankar: It is same for serviced apartments which is there, but it is designed in such a way that it can be combined two bedroom units can be made.

Prem Khurana: Sure, thank you.

Moderator: Thank you. Ladies and gentlemen, that was the last question. I now hand the conference over to Mr. Pavitra Shankar, Executive Director of the company for closing comments.

Pavitra Shankar: Good afternoon everyone. I am closing we thought we would like to mention some recent highlights. We are really proud to be recognized among India's top 100 best companies to work for by the prestigious great place to work institute and economic time for 11 years in a row. We are also the only real estate developer to be featured in the list this year, furthermore we have been consistently been awarded the best in the industry large workplace study conductor in India. The great place to work institute also awarded our subsidiary Brigade Hospitality Services Limited with the first place in India's great mid-size workplaces 2021 and forth in the small and medium work places in Asia despite this being a crisis here for the hotel industry. We have remained sensitive to the impact of the pandemic on our employees life our HR and admin team work tirelessly to support not only our team, but the team families as well. We have an inhouse medical emergency team to followup and conduct virtual check in with affected employees and family members, we have set up an employee emergency fund, a self help platform on the internet and professional mental health support and much, much more. Continuing our fight against COVID, Brigade organized vaccination drive for our employees and their families and partners, we have held to vaccinate around 20000 people so far. We also have an ongoing vaccination facility at our malls where anyone can walk in and get vaccinated on all weekend. COVID relief and outreach measures by the Brigade Foundation continues to support communities in need. Our real estate accelerator program Brigade will be celebrating 5 years since inception and is excited about launching its first successful exit had invested the investment. Some of the highlights from the team include a partnership with start AD to deliver value to all the properties one of the largest developers in the Middle East. We also had a maiden prop tech called one world one reality that was held in April with over 2000 participants from 8 countries. Brigade reap also launched India's first prop tech focused syndicate fun, prop tech at reap which went live on the left venture platform. The Indian music experience founded and supported by the Brigade group is gradually opening its doors to visitors as per government norms in the current situation. This unique interactive music museum won two awards over the last quarter, the best NGO in art and culture from the global NGO expo and we also got recognition from European an organization in the EU for IME digital story telling of Amritavarshini. Apart form the many sustainability efforts in our project we set out to restore green cover in our cities by pledging to plant 30000 trees to commemorate as 30th anniversary four years ago. We are very delighted to report that we have now reached a significant milestone of 50000 trees across various projects sites in multiple cities. I strongly believe in being socially responsible and giving back to the communities in which we operate we will continue in our efforts to make our cities beautifully green once again. On that note, we would d like to thank you all for taking the time to hear from us today. All of us are Brigade wish you well, stay healthy and stay safe. Thank you.

Moderator: Thank you. Ladies and gentlemen, on behalf of Brigade Enterprises Limited, that concludes this conference call. We thank you for joining us. You may now disconnect your lines. Thank you.