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BRIGADE
Building Positive Experiences

Ref: BEL/NSE/BSE/08022022

8th February, 2022

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

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

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

Dear Sir,

Sub: **Transcript of Conference Call on the Company's Q3 FY-2022 Earnings - 4th February, 2022:**

We are enclosing herewith the transcript of the Conference Call on the Company's Q3 financial results for the financial year 2021-22 held on Friday, 4th February, 2022.

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 Q3 FY-22 Earnings Conference Call"

February 04, 2022

MANAGEMENT: **MR. M. R. JAISHANKAR – CHAIRMAN & MANAGING DIRECTOR, BRIGADE ENTERPRISES LIMITED**
MR. ATUL GOYAL – CFO, BRIGADE ENTERPRISES LIMITED
MR. RAJENDRA JOSHI – CEO (RESIDENTIAL), BRIGADE ENTERPRISES LIMITED
MR. VINEET VERMA – CEO (HOSPITALITY), BRIGADE ENTERPRISES LIMITED
MR. SUBRATA SHARMA – COO (OFFICE BUSINESS), BRIGADE ENTERPRISES LIMITED
MR. OM PRAKASH – COMPANY SECRETARY, BRIGADE ENTERPRISES LIMITED
MR. PRADYUMNA KRISHNAKUMAR – SENIOR VICE PRESIDENT, BRIGADE ENTERPRISES LIMITED

Moderator: Ladies and gentlemen good day and welcome to the Q3 FY22 Financial Results Conference Call of Brigade Enterprises Limited. We have with us today 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 an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I would now like to hand the conference over to Mr. M. R. Jaishankar – Chairman and Managing Director of the company. Thank you and over to you sir.

M. R. Jaishankar: Thank you. Good afternoon, ladies and gentlemen. I hope you and your loved ones are doing well and not that affected by the third wave. I would like to welcome you to the earnings call for the third quarter of financial year 21-22. I am joined by our Executive Directors, Roshin Mathew, Pavitra Shankar, Nirupa Shankar, Amar Mysore and our senior management team; Mr. Atul Goyal – CFO, Rajendra Joshi – CEO (Residential), Vineet Verma – CEO (Hospitality), Subrata Sharma – COO (Office Business), Om Prakash – Company Secretary and Pradyumna – Senior Vice President.

We're happy to report that Brigade witnessed improved profitability in the last quarter. In the residential segment buyer sentiment continues to be positive as witnessed with the demand in our ongoing and completed residential projects with Brigade continues to be the brand of choice for customers seeking to buy a new home. We registered net bookings of 3.13 million square feet with a value of 1957 crores in residential segment for the nine-month period ending December in financial year 21-22 and for the third quarter of FY22 net bookings of 1.08 million square feet having a value of Rs.680 crores is done. This is growth of 10% by area and 17% by value versus the nine-month period of FY21. We faced some delays in plan approval and therefore muted launches due to Karnataka High Court order on the local authorities which affected all developers. Of course, some of the developers were able to launch the projects which were approved earlier than that of the Karnataka High Court order. We are hopeful that the recent resolution of the matter will enable us to resume our residential launches soon.

On the residential collection front, we registered our second-best quarter so far of Rs. 842 crores driven by continued strong sales performance and good construction progress at all our project sites. Hyderabad and Chennai continue to be important markets for us contributing 27% by area and 36% by value in Q3. In Bangalore our key projects Brigade Cornerstone Utopia and Brigade Eldorado are the primary contributors which are under construction and followed by Brigade Exotica and Brigade Orchards in completed projects.

The leasing segment of the commercial business remains stable with 99% collections. Transactions in Q3 gained momentum conforming our earlier positive outlook for the quarter. We transacted 0.4 million square feet. That is 400,000 square feet which is consistent with our expectations. Also, we have a strong pipeline in excess of 800,000 square feet or 0.8 million square feet. The trend is consistent with robust hiring across IT and ITES and financial sectors and therefore the need for additional space. In fact, the RFPs that is request for proposal for large requirements have increased besides the requirement for small and medium sized offices. The retail vertical saw a bounce back to pre-COVID sales consumption numbers in Q3. In fact, we achieved 100% sales consumption recovery over Q3 of FY20. That is the FY20 which is the pre-COVID period for like-to-like brands, common categories were food and beverages, textiles, and anchor stores. Multiplexes across all our malls achieved higher levels of occupancy and sales for November and December due to relaxation of COVID guidelines. There was a good traction with respect to our mall leasing, almost 23 units measuring about 100,000 square feet is under fit-out in all our malls. These brands will be operational by end of Q4 financial year '22 or in few cases Quarter 1 of financial year '23.

Our hospitality business saw a significant demand revival across our portfolio in Q3 with a good segmentation mix of travelers. ARR, average room rate has grown gradually to touch 70% of the pre-COVID level and even occupancy has reached 90% of the pre-COVID numbers showing an encouraging growth trend. While corporates continue to operate in a work from home mode our hotels did witness an uptick in demand from domestic corporate travel with almost 25% of the room net sales falling under this category. Another positive was the banquet sales across hotels despite the restriction and number of guests we could host, over (+200) plus social and corporate events in our hotels. We consistently remained GOP positive throughout the Quarter 3.

That brings me to the end of our business highlights with 2.4 million square feet in real estate. 1.8 million square feet in lease rental planned in this and the next quarter we have a lot to look forward to. Of course, more projects will be planned and launched in the subsequent quarters of FY23. Thank you for listening. I now request our CFO, Atul Goyal to take you through the financial highlights. Take care and stay safe. Thank you.

Atul Goyal: Thank you sir. Good afternoon, everybody. On behalf of that company, we welcome you to the earning call of Q3 FY2022. To start with the company update for Q3, we recorded a real estate sales of 1.1 million square feet during this quarter vis-à-vis 1.3 million square feet during last quarter. We also saw a significant jump in collections in Q3 FY22 which totalled up to 1095 crores in Q3 FY22. In fact we have crossed our collection in nine months what we had collected in last year. That has been a very good collection by the company.

Our lease rental vertical also witnessed traction where 0.4 million square feet was leased. During Q3 FY22 we have active pipeline of 0.8 million. On retail side we achieved 100% sales consumption on like-to-like brands, multiplexes have performed well due to new releases during the quarter. Our hospitality portfolio showed strong signs of the recovery with the occupancies reaching a pre-COVID level of 62% in December '21. Hotel portfolio achieved AGOP of 167 million during Q3 FY22, a of increase of 99% from Q2 FY22 in absolute terms. Restriction in

January '22 is likely to have a short-term impact however we continue to be optimistic with increased vaccination coverage and uptick in air travel.

On consolidated level there was an increase in cashflow from operating activities by 60% from last quarter. We continue to have adequate liquidity and undrawn credit lines from banks, our average cost of debt has been coming down consistently over the last few quarters and was at 7.81% as on December '21 versus 9% as on December '20, a reduction of 119 bps. Coming to consolidated financial performance for Q3 2022, the consolidated revenue for Q3 FY22 stood at 933 crores versus 776 crores in the previous quarter, up by 20%. The real estate segment clocked the turnover of 703 crores, an EBITDA of 22% in Q3 FY22. The leasing segment clocked a turnover of 167 crores and EBITDA of 58% which is mainly because of some onetime expenses which has come in this quarter. The hospitality segment clocked a turnover of 63 crores and EBITDA of 29% in Q3 FY22. The consolidated EBITDA for Q3 FY22 stood at Rs.270 crores, EBITDA margin stood at 29%, consolidated profit before tax for Q3 FY22 is Rs. 75 crores.

Coming to debt position and its break up; again, there was a reduction of around 52 crores in real estate debt which has been driven by high sales and collection during Q3 FY22. The cash and cash equivalence stood at Rs.1,312 crores as on 31st December'21. Consequently, the company's net debt outstanding as on 31st December '21 is Rs. 2,790 crores, out of which BEL's share is Rs. 1,856 crores. Almost 78% of debt pertains to the commercial portion of which 74% is backed by lease rentals. We have a credit rating of A+ with a stable outlook which has been assigned by both CRISIL and ICRA. I now handover back the mic to moderator for questions.

Moderator: Thank you very much. Ladies and gentlemen, we will now begin the question-and-answer session. The first question is from the line of Siddhant Dang from Goodwill Investment.

Siddhant Dang: I just wanted to get an understanding of our commercial assets. What is the average lease duration mark-to-market that we have of the current rentals that we are getting and the kind of expiry we will see in the next 1-2 years?

Subrata Sharma: In terms of the lease tenure, it's normally 5 years and in many cases it is 5+5 and so far, the renewals are concerned, this year we have already achieved 98.5% renewals. There were almost like 4.68 lakh square feet renewals that have come up. So, we have renewed almost everything. With regards to mark-to-market all these renewals have happened in terms of the normal lease tenure that was like agreed upon, so there was no discounted rates hat were offered.

Siddhant Dang: Can we hit like 90%-95% occupancy rates in the upcoming future, like in the couple of years or you think that will be…

Subrata Sharma: What you are asking like in terms of renewals?

Siddhant Dang: No, in terms of occupancy of the asset.

Subrata Sharma: We are quite hopeful, currently we have approximately 2.4 million approximately to be leased and the way the market is shaping up, last quarter has been very good and outlook is also very good. We hope to actually cross 90%-95% within the next three quarters at a max.

Siddhant Dang: What would be the per square feet rentals that you are expecting in these properties?

Subrata Sharma: It depends upon the micro-market. Essentially if it is like east of Bangalore, we are achieving (Rs.60+psf), if it is north of Bangalore, we are achieving (Rs.75+ psf), Chennai we are achieving (Rs.85+ psf). Again, it depends upon like which property, which micro market. In most of the market we are achieving a premium. Like in east Bangalore we are achieving almost like 3% to 4% premium over the weighted average rental of the micro-market.

Siddhant Dang: And you had mentioned that you'd got some unsolicited, you keep getting unsolicited offers for these assets time and again. So around what yield the market be willing to buy these assets at?

Subrata Sharma: Again, it depends on what kind of tenancy, what kind of property, normally anywhere between 7% to 8% cap rate.

Moderator: The next question is from the line of Adhidev Chattopadhyay from ICICI Securities.

Adhidev Chattopadhyay: My first question, you alluded to some Karnataka High Court order for which there's been a delay in the launches. Could you help us understand the reason and has this been resolved or what will it take for the matter to be resolved? Just wanted some clarity on that.

M. R. Jaishankar: The issue is resolved. Due to in some application/ writ petition of some applicant the High Court said, the local authority should not collect almost 80% of the plan approval charges they were collecting. So the local authorities stopped approving the new plans because 80% of the plan approval charges means it ran into a hundreds or few thousand crores to the local authority. The matter got I would say sort of resolved by the fresh government order by the Karnataka Government of overruling the Karnataka High Court order, so it is back to normal. And we by-and-large the recognized developers did not challenge it. It is only stray case somebody challenged and a stray order which resulted in this confusion. The issue is resolved.

Adhidev Chattopadhyay: If I heard correctly during your opening remarks, this 2.4 million square feet of launches may either happen in this quarter or the next quarter, is that correct?

M. R. Jaishankar: Yes. Correct. Bulk of it we'll try to do this quarter but sometimes some RERA approval and things like that if it takes time, it may get pushed into the first quarter. Otherwise, these are all plans where we have approvals and in some cases out of may be 50% of 2.4 million square feet we have RERA approval also. The balance is under RERA, we're seeking the RERA approval.

Adhidev Chattopadhyay: Half the area you already have the approvals in place for 1.2 million square feet.

M. R. Jaishankar: Yes.

Adhidev Chattopadhyay: Second question is on our rental as Mr. Subrata, I think alluded that this balance 2.4 million square feet we are hoping to lease everything, if I heard correctly by September. You got to just help us to understand which properties you are expected to see more traction and what is giving us this confidence on the same?

Subrata Sharma: Basically, what I meant was a (+95%) occupancy over the next three quarters. The way we are seeing the pipeline develop, the max pipeline is at a Brigade Tech Gardens where we have the maximum vacancy as on date. But at the same time the topline and the kind of average size of the transactions that we are getting and we are actually closing that's like significantly large. That is on the top of the list. Plus, Chennai market has also started shaping up. Though in Chennai the large sized pipelines are still like not as significantly large as in Bangalore but a lot of midsize companies are actually now gotten quite vibrant. Essentially, it's like a BTG on the top of the list, followed by Chennai and then we have like you see in any case Gujarat is doing fantastic. Over the last two quarters we have done quite good number of transactions.

Adhidev Chattopadhyay: A follow-up, this 90%-95% obviously you would get the leasing done once and they will take 4 to 6 months with the fit-out. So earliest the rentals may start by when by January of '23 or could just help us understand how the occupancy and the rentals commence?

Subrata Sharma: On an average around a closure date you can take on an average 6 months because of-late the ask for the rental period have increased because of the COVID scenario the fit-outs are normally slow. So, we can expect around 6 months rent-free period from the lease commencement date.

Adhidev Chattopadhyay: But definitely by March of next year '23 we should be more or less done with the leasing, in fact that is your internal targets?

Subrata Sharma: That's what we are also like targeting and we expect, the way pipelines are actually placing . In fact, it was going on quite well because of the Omicron the physical site inspections got subdued a bit but requirements are there in the market.

Adhidev Chattopadhyay: Last question for Atul, if you could just share the numbers for Tech Gardens and WDC Chennai, for the nine months what has been the rental income from these two properties, gross?

Atul Goyal: Gross rental income in the Tech Gardens has been 76 crores and in PREPL it is 84 crores.

Adhidev Chattopadhyay: Any increase expected in this run rate from the fourth quarter, means the quarterly run rate like Tech Gardens 25 crores.

Atul Goyal: The run rate will continue because it's a straight-lining method how we are recognizing the revenue. We don't anticipate any increase right now but if there is an increase in leasing, definitely the run rate will go up.

Moderator: The next question is from the line of Karan Khanna from White Oak Capital.

Karan Khanna: This is Karan from Ambit. My first question is we know that you have expanded land bank across Chennai and Bangalore during the quarter. So, any thoughts that when do you plan to launch here and also can you give us some sense on the development that would be happening in Hyderabad?

M. R. Jaishankar: In Hyderabad will be adding residential space of maybe (1+) million square feet, 1 to 1.5 million square feet and some in Chennai it will be a combination of residential and commercial, all together maybe in the range of 4 to 6 million square feet but they are in design stage and some of the projects are in design stage and bit of in due diligence. Bangalore also our major projects to be launched, the Cornerstone Utopia Phase 2 which is almost 7 million square feet. There is some road approach issues in what we call here as the CDP Road, the Development Plan Road issues near the entry. That is almost resolved but that may also take about the 9 to 10 months or so for lunch. And overall, I feel we are in the process of tying up or tied up about 15 million square feet of new projects across these three cities.

Karan Khanna: And continuing on your real estate business so far for nine-months FY22, you have seen 6% price hike. So how much more price hike do you think will be required to factor in the entire inflation in raw material prices seen over the last 12 months? Secondly, when do you see organic price hikes happening for the industry and yourself? At what point in the cycle do you see that happening?

M. R. Jaishankar: Probably you have to assume somewhat similar price hike in the next few months because post budget again things have started going up. The price of cement and steel have further gone up in the last 2 days. That way I do expect inflationary pressures are also there and it is bankers expect the interest rates to go up marginally and all those factors to be seen but any such price increase, we expect that we will be able to pass it on to the consumer.

Karan Khanna: Secondly, on your retail portfolio you have mentioned that the consumption is now back to 100% of pre-COVID. So consequently, can you help us with what is happening on rental normalization across your tenant categories and also how do you see the impact due to Omicron?

Nirupa Shankar: Q3 was very good for pretty much all of the retailers. By and large what we are seeing is our collections have been very good. So, if you look at it by and large we are expecting the rental collection to be maybe 70% of what it was pre-COVID, between 70% to 75%of what it was pre-COVID. We had given a lot of rental relief to many retailers. I would say 85% of them no longer have any COVID relief so most of it came to an end December 31st. From Jan-Feb and March, 85% of the retailers are back to paying as per the lease deed. Of course, because of Omicron in the month of January there was a lot of disruption because we had weekend curfews, we had restrictions on night curfew etc., business did take a beating then. Many retailers have understood it's part and parcel of doing business. There are few requests but by and large we are going to stick by the lease deed and as per the terms agreed because now most of the restrictions have been lifted. In short, I would say we can expect for FY22 about 70%-75% of lease rentals compared to what we received in FY20 which was pre- COVID.

Karan Khanna: One last question on your hospitality portfolio. You mentioned that corporate bookings now are at around 25% in the last quarter. But your ARRs are closer to 70% odd of your pre- COVID numbers. At what level of the corporate bookings do you think that the ARR recovery should be closer to 100% of pre-COVID?

Vineet Verma: As far as corporate bookings are concerned; they continue to be under stress you know because of the international travel not starting. As you would have read the news today that would expected to start only after this Omicron wave subsides. Having said that, we have been getting about 25% of our hotel booking coming from corporates, mostly domestic. In terms of ARR, unfortunately we expect that to go back to pre-COVID levels only in the next 11 to 12 months, not before that. Because it's a highly competitive market and all hotels are striving for the same piece of the pie. I guess we will have to be a little patient when it comes to reaching the ARRs of pre-COVID levels.

Moderator: The next question is from the line of Yash Gupta from Angel Broking.

Yash Gupta: First question is on the announcement regarding the GIFT City in the budget. How you are seeing the things to be pan out in next 1 or 2 years from now? Is there any change in our strategy?

M. R. Jaishankar: See the announcements are all positive but overnight we cannot expect any big change to happen in a quarter or two. I expect it may all start happening in two quarters or more; particularly someone has to establish a foreign university. It is a very big decision and also any such university will also require lot of approvals. Even if it is GIFT City and the arbitration center also should happen. That may happen faster than the university. Overall, it is moving from strength-to-strength I would say but it is the pace of progress is still not great. As Subrata said lot of new transactions have happened in GIFT City but generally the average ticket size or average area size is much less compared to an IT sector requirement. This in the financial sector, these are all in the financial sector, so that way compared to IT the space requirements are low.

Yash Gupta: Second question on the residential market. Can you give some ballpark number regarding the launch pipeline for FY23? And the second question on the residential market is that we have taken a price hike as our raw material prices have went up and you are saying that in next 2 to 3 months, another rate hikes will be there. So, I just want to understand when we are going to see a price hike regarding the land parcels that we are having?

Rajendra Joshi: The first question your was on the launch pipeline for FY23. We normally don't give any guidance but as Chairman had alluded in the previous comment, currently we have got 2.4 million between this quarter and next quarter. We do expect that we should be able to launch another 6 to 7 million square feet if all goes through in the subsequent quarters. That is what we currently are expecting. But all of it depends on deal closures, approvals happening etc. And on price hikes currently because of the cost pressures we did take price hikes in the Q3. We will continue to take it, the quantum what we typically do is we don't take huge price hikes, we take small incremental price hikes every 2-3 months. That's typically our style of operation. Because of the current cost pressure, we do believe that we will have to take a price hike as we go along. Also, as we have been seeing market consolidation and robust performance for all branded players; we feel that we will have a higher pricing ability compared to the smaller players.

Moderator: The next question is from the line of Venkat Samala from Tata AMC.

Venkat Samala: My question is just kind of a follow-up and I think partly you answered this. If I just look at the total inventory which is available, which is unsold at around 5.8 million square feet that is kind of lowest in the last 5 to 6 years. I understand the fact that because of delay in launches, so the number of sales are higher and then it could not be replenished by launches therefore this is looking lower. I am just trying to understand that moving forward how are you thinking about launches? I think you partly spoke about it that you are looking for 2.4 million square feet in the next two quarters and thereafter 6 to 7 million square feet. That 6 to 7 does it include new land bank that you would be acquiring or is it from the current development potential itself?

Rajendra Joshi: The 6 to 7 million square feet that we are talking of will be a mix of what we already have and what we will be in the process of acquiring or will get done in the next few months. That's what we are talking about the 6 to 7 million in the next FY. But the question that you are alluding in the first part as to that…

Venkat Samala: We were speaking about 15% to 20% kind of annualized growth, right. And this year we are most likely to miss it. Therefore, how are we setting ourselves up for that kind of a growth moving forward for next year and the year thereafter. That is my only concern.

Rajendra Joshi: What I am saying is that, we continuously are working towards new land acquisitions, new parcels etc. The pipeline is quite robust at this point in time. A lot of them are deals in progress but what we clearly see is that with our ability to acquire land and launch in a quick time, I think we have fairly well geared up to handle the demand that's coming in. As we are very clear that the demand is very strong and robust and we expect that, that would continue. With the area of about 29 million square feet that we already have and the others that would come in, I think we are very well geared up to take up the growth which would be much better than what we have probably seen in this current financial year.

Venkat Samala: I think last quarter or last to last quarter you did mention about being on track to utilize QIP capital by Q1 of FY23, any change to that?

M. R. Jaishankar: I think we should be able to as I said the money, we need is much more than the QIP what we have raised in QIP which will be met by their internal resources also. That way we are confident that meeting. As I said earlier, we have further tied up in the process of due diligence for almost 15 million square feet. That may require a funding of much more than 500 crores raised. I think by and large we don't see any challenges in that.

Venkat Samala: And just as a follow-up. Then you are comfortable to increase your net debt on your residential piece, right? Because if we just look at maybe last four-five quarters, we have been throwing very good cash, right?

M. R. Jaishankar: Correct, we are throwing good cash and we are garnering good cash. We also have unsold completed and unsold stock, that also will release. More than that itself is (500+) crores. That also should get released in a couple of quarters. While the intention is not to unnecessarily raise the debt but I don't think we should be shy for raising the debt for residential which is currently at 0.14:1 debt equity. So, which is probably one of the lowest in the listed companies.

Venkat Samala: That is what I was asking. I mean with the kind of cashflow that we are generating in the residential business, we should be a little comfortable now to kind of lever up a little more than where we are, right? If we are seeing the right opportunity?

M. R. Jaishankar: Right, agreed.

Moderator: The next question is from the line of Parvez Akhtar from Edelweiss.

Parvez Akhtar: First one, if it will be possible to get a segment wise split on the collections during the quarter?

M. R. Jaishankar: Can you please repeat the question?

Parvez Akhtar: If it could be possible to get a segment wise breakup of the collections during the quarter?

Atul Goyal: The collections for Q3 for real estate was Rs.840 crores, around commercial lease was Rs. 96 crores, retail was Rs. 38 crores, hospitality was Rs.78 crores and maintenance PMS was around Rs.46 crores. Total collection was Rs. 1095 crores.

Parvez Akhtar: The second question is when we look at a Q-o-Q basis then the area which need to be transacted in WTC Chennai has gone up. So, has there been any cancellations during the quarter there?

Subrata Sharma: The area went up only because of the release of hard options which were actually earlier tied up with one of the major tenants. So, they released because they also have uncertainty with regards to when employees will be back to office but having said that we have like major clientele over there and we are actually hopeful that one of those clients will come back for a certain amount of space. That's what we are hopeful of. It was not due to any withdrawal; it was mainly due to the hard options withdrawal.

Moderator: The next question is from the line of Samar Sarda from Axis Securities.

Samar Sarda: Mr. Jaishankar, you mentioned round about 15 million square feet is probably the pipeline or visibility on the projects you are adding up or discussing. Could you just give us a little more color about if at all there are projects which are outright purchase in this or most of them are JDAs and what is the breakup like how much from Bangalore, Chennai and Hyderabad?

M. R. Jaishankar: See at this stage we may not want to give the breakup fully but I can say it is a good mix of purchase and JDA. But in one case I sort of, gave the answer also about 1.5 million square feet of area in Hyderabad and about 4 to 6 million square feet in Chennai and the balance will be in Bangalore. These are all where we have entered into term sheets and due diligence is in progress and in a couple of cases we have entered into the joint development or agreement to purchase also.

Samar Sarda: The land parcel or the JD you have added in Chennai in the last quarter, would you be launching that in the next fiscal or like it is just sometime away?

M. R. Jaishankar: Next fiscal should in all (90 to-95) probability it should happen in the next fiscal.

Samar Sarda: One book keeping question for Atul. Atul if you could just help us with the projects which are completed in this quarter, the third quarter?

Atul Goyal: Yes, it’s around 8 lakh square feet which have got completed and we have also sold around 1 lakh square feet from our finished stock.

Samar Sarda: Which was this project which got completed?

Atul Goyal: This is Seven Gardens BCD tower and Plumeria Lifestyle.

Moderator: The next question is from the line of Adhidev Chattopadhyay from ICICI Securities.

Adhidev Chattopadhyay: My question is we were going to build a mall with Prestige in Chennai where we had a minority stake? Any update on the progress of that project? When that construction is supposed to be started?

M. R. Jaishankar: After the approvals are received but I suggest kindly ask this question in the analyst call of Prestige Group so that they are the senior partners in that. It maybe they will be in a better position to answer but if you ask me in the next financial year it should happen.

Adhidev Chattopadhyay: Next question is on Twin Towers. Have we started looking to pre-lease that Tower over there? Any movement on the leasing or it is still sometime away?

M. R. Jaishankar: I would say it still some time away. We are responding to RFPs but the general sentiment currently particularly for under construction projects is lower than completed project. That way I expect to see if there is no fourth wave, the things should come back sooner than later.

Adhidev Chattopadhyay: What would be the market rate of rental in that locality right now around; the market rate for office rentals?

M. R. Jaishankar: In that localities, it is anywhere between Rs. 70 to Rs. 80 in that range.

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

Parikshit: Hi, Parikshit here from HDFC. I have just one question on the 15 million square feet pipeline. By which quarter or by half of next year we expect to close this? And how much of cash outgo will happen on closing this?

M. R. Jaishankar: I would say we expect to close the transactions maybe in two quarters or so before say September, before September quarter and there are a dozen transactions, each one will take different timeline but everything hopefully should happen in before the September quarter and overall requirement, I did mention it is (+500) crores and which we are able to fund from the internal resources and QIP.

Parikshit: 500 crores will be the cash out go and how much have due to your gross value which you will be able to add here?

M. R. Jaishankar: I will tell you subsequently because it is the nature of product. Everything needs to be decided. It is in the design stage. It is based on that we will have arrive at.

Moderator: The next question is from the line of Kushagra from Old bridge Capital.

Kushagra: First when you are talking about building up the pipeline, how much cash you are probably thinking of spending towards project acquisitions, land acquisitions over the medium-term? Second related question to it, since you are talking about raising debt in the residential part of it what are the comfortable levels in terms of debt to equity in the residential segment?

M. R. Jaishankar: As I said earlier, it is the requirement is upwards of Rs. 500 crores, more than what is raised in the QIP and I did say we are able to meet the requirements from internal resources. If required we will be able to raise some debt also. Currently it is 0.14:1 is the residential debt. If you ask me even if it is the 0.5:1 or 0.6:1, it is considered a very acceptable. Many developers who are only in residential, they have a much higher debt-equity ratio of even probably 1:1 and more. So that way we are okay.

Kushagra: Second question on any update on your hospitality, selling of the hospitality segment?

M. R. Jaishankar: As soon as the interest levels go up by interested funds there is another wave of COVID. So then everything comes to standstill. We are waiting for the right opportune time. It is to dilute the equity. Whenever it is, thankfully all the hotels were performing fairly well in Q3. Of course, January it has taken bit of a hit but I think within a week it had started showing a marginal improvement and this can only go up and generally if there is international travel like January-February to June is one of the best periods for hospitality business.

Moderator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Ms. Pavitra Shankar, Executive Director for closing comments.

Pavitra Shankar: Thank you. Thanks all listening in. Here's the few other highlights from our end. The Brigade Group celebrated its 35th anniversary in October 2021. Brigade Towers a 15-storey commercial building on Brigade Road in Bangalore was the first project started in 1986 as a partnership company. Since then, we have come a long way from a single project from to a multi-product, multi-city developer with many landmark projects and recognition, incorporating as a Private Limited Company in 1995 and going public in 2007. We would like to use this opportunity to thank all our customers, investors, associates and all other well-wishers for the trust they have placed in us over the years. We stand committed to our mission, vision and values that have brought us to where we are today. We will continue to live by these standards. We also think it's fitting to touch upon the recently announced budget. We believe it's unique in the sense that this is the first time a government has laid out a vision for 25 years. It lays a lot of emphasis on infrastructure and it's forward-thinking with respect to climate change and the Digital Rupee. Although not much for our real estate sector and the middle-class, the Emergency Credit Line Guarantee Scheme or ECLGS is a welcome relief to much affected MSMEs and the hospitality sector. Coming to an interesting initiative from our end, I am sure you are all aware of Brigade's flagship CSR initiative in Arts & Culture, the Indian Music Experience Museum or IME in Bangalore. The IME is coming up with its latest offering, an exhibition called Birdsong which for the first time brings together music and ecology via the world of birds. The exhibition opens in April and comprises both the physical and online components. Do visit if you have time. The latest exhibit is also in line with Brigade's core values of being socially responsible and in line with our commitment as an organization to sustainability by creating environmental awareness and actions. Our Real Estate Accelerator Program, Brigade REAP set up India's first PropTech syndicates fund on the LetsVenture platform. Strawcture which is a REAP startup working in creating sustainable construction material using agri-waste raised 30% of its total fundraised via this platform and it was successfully closed in just 30 minutes. Despite the sudden surge of the third wave over the last few weeks, it's good to see the Omicron variant is already waning. We hope the worst is behind us with respect to COVID, booster shots getting rolled out; the variant decreasing in their severity and many countries removing their COVID restrictions entirely. I can speak for everyone here when I say let's look forward to a year filled with hope. We will work towards realizing our goals and we look forward to have healthier and happier times. With that, we now wrap up our Q3 FY22 analyst call. Thank you all for taking the time to hear from us today. Stay healthy and stay safe.

Moderator: Thank you. On behalf of Brigade Enterprises Limited, we conclude today's conference call. Thank you all for joining. You may now disconnect your lines.

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