

# Brigade Enterprises Limited

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**BRIGADE**

Building Positive Experiences

Ref: BEL/NSE/BSE/26062020

26<sup>th</sup> June, 2020

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Mumbai - 400 051

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BSE Limited  
P. J. Towers  
Dalal Street,  
Mumbai - 400 001

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

Dear Sir,

Sub.: Transcript of the Conference Call on the Company's Q4 FY-20 Earnings - 19<sup>th</sup> June, 2020

We are enclosing herewith the transcript of the Conference Call on the Company's operational and financial performance for Q4 FY-20 held on Friday, 19<sup>th</sup> June, 2020.

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 is recognised as one among the best in  
Construction & Real Estate Industry.





# “Brigade Enterprises Limited Q4 FY-20 Earnings Conference Call”

**June 19, 2020**



**MANAGEMENT: MR. M. R. JAISHANKAR – CHAIRMAN & MANAGING  
DIRECTOR, BRIGADE ENTERPRISES LIMITED  
MR. ATUL GOYAL – CHIEF FINANCIAL OFFICER,  
BRIGADE ENTERPRISES LIMITED  
MS. PAVITRA SHANKAR – EXECUTIVE DIRECTOR,  
BRIGADE ENTERPRISES LIMITED  
MR. AMAR MYSORE – EXECUTIVE DIRECTOR,  
BRIGADE ENTERPRISES LIMITED  
AND  
BUSINESS HEADS OF VARIOUS SBUS**



*Brigade Enterprises Limited  
June 19, 2020*

**Moderator:** Ladies and gentlemen, good day and welcome to the Q4 FY20 Earnings conference call of Brigade Enterprises Limited.

We have with us on the call today the management of Brigade Enterprises. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. M. R. Jaishankar – Chairman & Managing Director of Brigade Enterprises Limited. Thank you and over to you, sir.

**M. R. Jaishankar:** Thank you. Good afternoon to all of you. Firstly, thanks for joining this conference call and showing interest in our organization. I know these are difficult times before I say anything I do hope you and all your families and associates are all in good health and nothing of concern, I suppose and I do hope the crisis for the country the COVID crisis will get over in the next few months at least. But life has to go on, business has to go on we will continue to do that.

So firstly I am happy to report that FY20 has been the best year for Brigade Group since inception operationally. We have done the highest ever sales of 4.3 million square feet in substantially more than 90% to 93% comprised of residential and about 7%, 8% comprised of commercial real estate sale. And we have also done the highest leasing of 2.5 million square feet in Bangalore and Chennai and to a small extent in Kochi.

But the revenue wise it is less than last year. It is primarily due to the accounting standard AS115 which recognizes only the registered area which is the methodology we are following from the beginning and which we continue to follow. Naturally the standalone performance has been better than the consolidated one and the profits are lower than last year primarily because of higher depreciation due to capitalizing few hotels and office buildings and also increased provision for interest.

What is the positive thing is our operational cash flows continues to be positive like last year which is a good thing and there is visibility on business in residential post COVID also. Naturally like I am sure all you are also concerned what the situation will be during this COVID and post lockdown era. So this morning I did mention in the CNBC interview like the residential business is beginning to pick up. In the month of April during lockdown we had about 15% of the regular business before COVID and in the month of May that has gone up from 15% it has gone up to 25% to 27% and in June we are hoping it will go up to 35% to 40%.

We still have a nearly one-third of the month available so hoping that there will be further improvement and as regards the office space, yes, during April and May there were no enquiries at all. It was a totally dull period but in the month of June there are green shoots available so we

do see green shoots and there are quite a few enquiries coming while we cannot be certain when the decisions are taken.

As regards to retail, as you would have read in the media there is lot of legal haggling going on between the retailers and the mall owners and that is substantially arrangements we have come to understanding and arrangements with the retailers and the malls are open since the multiplex is not yet allowed to be open the occupancies are still in the range of may be 60% or so and the walk-ins are beginning to improve. It is not really same as before it is still in the range of 15% to 20% of the pre-lockdown era.

So this is work in progress and we need to hope that things will recover the confidence will be build up in the minds of the customer and I mean it cannot get any worse it can only get better from here. We are assuming the worst stages are over which is primarily due to lockdown. And coming to hospitality, I must say all our four verticals residential, office, retail and hospitality have all done well much better than previous years, much better than FY19. FY20 in the all four verticals did very well.

But FY21 is going to be a challenge without any doubt. So hospitality is one of the worst affected verticals of real estate business particularly because there is no international travel allowed and domestic travel is also happening not in a big way. It is primarily currently people who were travelling are those who are returning to their home states or home cities as the case may be and the business travel confidence is yet to pick up and international tourism is unlikely to be there as all of you would agree. But the domestic tourism I personally feel will see lot of improvement if not in Q1 it may happen in Q3, Q4 is what we expect.

And the international travel also is likely to be resume by middle of July. So of course we will come to know what are the conditions of un-lockdown too which may only be announced on 29 or 30 of June by the Ministry of Home Affairs. So that is something we have to keep our fingers crossed and hope to do. So the entire business it has become I would say topsy turvy with the lockdown and COVID crisis. But we need to be patient, we need to be resilient and that is the only way to move forward.

And tighten our belts that is what from middle of March the organization is doing that. Cut the flab and unwanted expenditure and review all processes and bring in more technology than what we had before. These are some of the things we are conscious and mindful of the fact and we are working towards these aspects.

So lot of information has been shared in the press release and in the investor presentation. I am sure all of you will have many questions and in this difficult scenario also we have planned some launches in Hyderabad and in Chennai and also one or two launches in Bangalore and additional blocks in existing projects. This is how we are looking at but we are quite conscious of the market conditions and not taking or not going to take any indiscriminate approach.

So that way we are conscious and careful conservative is what I feel. We will be happy to answer questions but before that our CFO Atul Goyal will give his detailed numbers. Thank you. I will be here to answer your questions and our senior management and Executive Directors are also here. So suitably wherever they need to answer they will respond.

**Atul Goyal:**

Thank you, Chairman. Good afternoon everybody. On behalf of the company we would like to welcome you to the earnings call of FY2020. To give you a brief business update though CMD has already given. We have launched 12 projects segregating to 5.3 million square feet during FY20. Out of which residential was 4.16 million square feet including two projects in affordable housing of 1.4 million square feet and commercial projects of 1.12 million square feet

For the launches to the extent of 4.49 million square feet has been planned during this year of which residential space aggregates to 2.65 million square feet, office and retail space totals to around 1.84 million square feet.

Sales performance as you know we have done robust sales in last year. Our real estate performance for the quarter cross 1 million square feet with an average price realization of Rs. 6,176 per square feet. We have maintained this momentum of 1 million square feet in last 5 quarters and we have achieved sales of 4.3 million square feet in FY20 which is 44% more than 2.9 million square feet which we achieved in FY19 and highest ever sale for the full financial year for the company. The sale value of the area sold during the year stood at Rs. 2,376 crores, an increase of 45% compared to sales value of Rs. 1,644 crores for the last financial year. The average price realization was Rs. 5,572 per square feet for the area sold during FY20.

In commercial segment, also the FY20 we have pre-leased 2.5 million square feet which is estimate to give annual rental of Rs. 237 crores. If include hard options available, the area leased goes to 3.2 million square feet which is one of the highest for the company. In hospitality segment average occupancy rate has also increased to 67% from 64% Year-on-Year excluding of course opened Four Points Sheraton and Grand Mercure which are new hotels and are still ramping up. The revenue in hospitality segment has increased to Rs. 25 crores around 8% Year-on-Year and EBITDA by Rs. 8 crores around 9% Year-on-Year.

Coming to consolidated performance. The consolidated revenue for FY20 stood at Rs. 2,682 crores versus Rs. 3,027 crores in FY19. The real estate segment clocked a turnover of Rs. 1,974 crores and EBITDA of 20% in FY20 versus a turnover of Rs. 2,398 crores and an EBITDA of 23% in FY19.

The decrease in revenue as CMD sir said is mainly due to disparity in revenue recognition criteria as per the Ind-AS115 which is being followed by all real estate companies.

The hospitality segment clocked a turnover of Rs 334 crores and an EBIDTA of 27% in FY20 vs a turnover of Rs 309 crores and an EBIDTA 26% in FY19. The leasing segment clocked a turnover of Rs 373 Crores and an EBIDTA of 62% in FY20 vs a turnover of Rs 321 Crores and an EBIDTA of 66% in FY19. The decrease in EBIDTA margin is on account of recent capitalisation of CAPEX projects - Brigade Tech Gardens Phase 1, Once these projects achieve full rental potential the EBIDTA margin will improve.

The consolidated EBIDTA including other income for FY20 stood at Rs. 713 crores versus Rs. 844 crores in FY19. EBIDTA margin including other income stood at 27% which is marginally dip by 1%. So more or less we have maintained our EBIDTA margins during the year. The interest and finance charges for FY20 stood at Rs. 340 crores. Consolidated profit before exceptional item which is an impairment which we have taken into of our properties one is small impairment in hotel and one in our office property which is still vacant.

Consolidated profit before exceptional items and tax for FY20 is Rs. 180 crores compared to Rs. 426 crores for FY19. The major dip in EBIDTA in Q4 is due to impact of Ind-AS 115 which is because of the grossing up and accounting of land owner shares in the books as per Ind-AS which we have to account at 5% margin. So that generally affect the ebdita and also we have done a good CSR expenditure in March in relation to COVID and of course there was some reduction in hospitality because March was bad actually cancellation started coming in and we had lost some revenue there in hospitality in March.

Coming to debt position. Rs. 692 crores in the real estate segment and Rs. 539 crores in the hospitality segment and around Rs. 417 crores GOP securitized loan and Rs. 122 crores is just CAPEX loan and in leasing it is Rs. 2,725 crores of which Rs. 1,268 crores is securitized lease rental loans and Rs. 1,457 crores is CAPEX loans.

The cash and cash equivalent stand at Rs. 437 crores as on March 31 2020. Consequently the company's net debt outstanding as on March 31, 2020 is Rs. 3,518 crores out of which BEL's share is Rs. 2,831 crores. The company's effective cost of debt remains steady at 9.57% per annum as compared to 9.62% at the end of Q3 FY20.

We have a credit rating of A and I am very happy to say that, that credit rating has been maintained by both CRISIL and ICRA even after the advent of COVID-19. I also wanted to share some leverage ratios. We have an interest coverage ratio of around 2.09x and net debt equity of 1.17x as on March 2020. The net EBIDTA stood at 4.94x for FY20.

I will handover it back to the moderator for question-and-answers. Thank you.

- Moderator:** Thank you very much. We will now begin the question-and-answer session.
- The first question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.
- Parikshit Kandpal:** So my question pertains to the commercial business. So what has been the rental collection efficiency if you can highlight for the month of April, May and June?
- Subrata Sharma:** So in terms of rental collection percentage, we are somewhere around 96% plus.
- Parikshit Kandpal:** For April, May and June as of now?
- Subrata Sharma:** Yes for April, May June and for June is ongoing so March, April and May we are 96% plus and in fact in June we are poised to achieve 97% to 98% approximately.
- Parikshit Kandpal:** Okay, sir any of our clients have invoked force majeure in office portfolio?
- Subrata Sharma:** No, none of them. In fact there were requests, but we actually negotiated the requests well and finally people are paying and that is why we have a healthy recovery percentage.
- Parikshit Kandpal:** Okay. On the mall sir, so now gradually you have opening up the mall. So if you can highlight what kind of consumption levels the tenants have reached there on an average if you can?
- M. R. Jaishankar:** No, as I mentioned earlier the walk ins and the sales are currently at about 15% to 20%, walk-ins are in the range of 15% but the sales are I think in the range of 20% but the correct figures we will come to know only at the end of June, because only on 10<sup>th</sup> of June the retailers started opening up in our malls and almost on an everyday basis retailers are opening up. So it is bit premature for us to give a clear indication. But going by what we see in the walk-ins and generally talking to some retailers, it is going to be in that 15%, 20% range.
- But maybe by first week of July, we should get a clear picture what the trend is going to be. Naturally the window shoppers are not many. It is reasonably serious buyers are coming. So as I said, in Karnataka there is a restriction on closure of restaurants by 9 p.m. and which is difficult which means people have to get back home by 9 p.m., means we need to close the restaurants by 8 pm and then the sale of liquor, food everything will get affected. So that way the restaurants are affected much more than the retailers, and the multiplex guys are not yet allowed to be opened.
- Parishes Kandpal:** Okay my last question is what kind of relaxation you have given, if you can just give a framework for the mall tenants, like from grocers to departmental stores so to the kind of multiplexes, so what kind of relaxation, if you can just give a framework because you said that you have arrived at the negotiations with the tenant, and the shops are gradually opening up?

**M. R. Jaishankar:** See on a general basis, we had given 50% exemption of rent during the lockdown period and on a graded basis revenue sharing with minimum guarantees, with reduced minimum guarantees till September and then higher guarantee and higher revenue share going forward. So there is no one rule fits everybody. There has been some changes based on the retailers' request and retailers' proposal etc.

But I think on an average you can say we have exempted 50% of the rent during the lockdown period. And then I think going forward, the retail as I mentioned earlier it is bit premature to say how much of a revenue will come. Up to September it is going to be a challenge.

**Moderator:** Thank you. We take the next question from the line of Adhidev Chattopadhyay from ICICI Securities. Please go ahead.

**Adhidev Chattopadhyay:** My first question is, so what is happening on the leasing in both Tech Gardens, Bangalore and WTC, Chennai. So Chennai we are kind of fully leased I think in your last call and Tech Gardens sort of discussions were on. So would you tell us when the fit outs will start and have any leases been cancelled or is everything on board?

**Subrata Sharma:** So in terms of Chennai as we have said, it is mostly leased out only one floor we are actually keeping it for managed office or incubation spaces. As far as BTG is concerned, in the C cluster we are now seeing people are actually taking over the premises and they are just starting the fit outs. There are marginal cancelations, it is from somewhere around 2 lakhs square feet, but having said that, since May 4<sup>th</sup> we are seeing quite a good number of site inspections that are happening and lot of discussions are also happening. So I think going forward, it will mature more and we see like positive signals in the market.

**Adhidev Chattopadhyay:** So this is for Chennai you said around 2 lakhs square feet has been cancelled, is it or?

**Subrata Sharma:** No, it is Tech Gardens.

**Adhidev Chattopadhyay:** Okay Tech Gardens. Just sorry for interrupting on Chennai so the 95% odd space we have leased out so everything is on track if we have to understand correctly?

**Subrata Sharma:** In fact in Chennai our existing tenants are asking for more, so Chennai that way is very positive and we are completely secure. BTG we have the inventory that we have to lease out.

**Adhidev Chattopadhyay:** Okay so in Chennai when do the first rental start coming in for us?

**Subrata Sharma:** So we will be handing over after the lockdown period because Chennai has another round of lockdown so it will be somewhere around 15<sup>th</sup> of July onwards and post which approximately the rent fee period of 4 to 5 months to 6 months. Okay so we can take 5 months from say August 1st.





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- Adhidev Chattopadhyay:** So fourth quarter from January 2021 is first quarter of rent you will be getting?
- Subrata Sharma:** Yes.
- Adhidev Chattopadhyay:** January 21 onwards, right that is how it is. And sir, Tech Gardens, what is the total area leased, I believe 50% was leased right, pre Covid, around 1.5 million square feet out of the 3 million. So are we still at the same level, or you are saying 2 lakhs has gone out of that?
- Subrata Sharma:** Yes, so 2 lakhs has gone out of that, and what I said is like site visits are happening so basically in next one month we will see like one or two transactions we are hoping to close over there.
- Adhidev Chattopadhyay:** Okay, just again for housekeeping purposes we are as of March 2020 1.3 million square feet is leased out with the balance still to be leased?
- Subrata Sharma:** Yes.
- Adhidev Chattopadhyay:** And the rentals when do you expect them to start again over here, the first rentals?
- M. R. Jaishankar:** It has already started substantially. It has started almost from the month of January itself, January 2020 itself it has started so whatever has been leased bulk of the rents have started in Q4 of FY '20.
- Adhidev Chattopadhyay:** Q4 our rental income includes the entire like 1.3 million square feet?
- M. R. Jaishankar:** See the thing is it is graded something has started in January, something has started in March, so that way. But there is no significant addition into that, but from April onwards it is there.
- Adhidev Chattopadhyay:** Okay sir and whoever comes in now would again get this only start thing from Jan, is it a correct understanding now, they would sign they would do the fit outs and again the new guys I am saying Bangalore they would only start in Jan?
- M. R. Jaishankar:** No, it can vary, see for medium sized office space, if the conclusions happen in normal rent free period is about 3 months. As the size of the office space conclusion increases, it can become 4 months, 5 months like that and also during this period with poor labor availability, there are various other issues. So that way it may be wise to consider it is about 4 months and in large spaces 5 months.
- Adhidev Chattopadhyay:** Okay fine. And sir second question is on our debt level, debt across segments. So especially in hotels, the GOP securitized debt, so how are the lenders looking at it, and for the hotel business specifically how are you managing costs, and do we see an operational loss in FY '21? What is your outlook for that?

- Atul Goyal:** So we have taken moratorium in all our hotels and banks are very supportive right now and we do not have any issue on that. In hospitality yes definitely some support will be done by Brigade Enterprises Limited but we will have to see how operationally hotels perform during the year. It is very, very difficult right now to predict, as to how hotels will do, but our effort is that whatever hotels are in operations we will try to do operational breakeven and then try to improve on the performance of the hotels.
- Adhidev Chattopadhyay:** Sure so what will be the threshold for breakeven like around 30%, 35% occupancy is the threshold across our hotels or?
- Vineet Verma:** What we have actually done is that we have arrived at breakeven points for our respective hotels. As you know that our hotels vary from 5 star deluxe right down to 3 star. So for every hotel we have worked out a breakeven point comprising essentially let us say about 60% coming from room revenue and the balance 35% to 40% coming from F&B revenue. So based on that for each hotel we have worked out certain projections and our target is to achieve a break even in the coming few months. So for every hotel we have a different breakeven point.
- Adhidev Chattopadhyay:** Okay so what will be the broad, I am not asking the exact figure but what is the occupancy?
- Vineet Verma :** Broadly you can look at anywhere between 35% to 40% occupancy if you achieve in rooms with roughly about 25%, 30% coming in as F&B revenue we should be achieving a breakeven. That is a broad average if you can say.
- Moderator:** Thank you. The next question is from the line of Biplab D from Antique Stock Broking. Please go ahead.
- Biplab D:** Sir, to continue on that hospitality, is there any promoter personal guarantee or holdco guarantee on the hospitality assets? I mean I just wanted to know can the hospitality sector have any claim on any non-hospitality affairs or on the holdco company.
- M. R. Jaishankar:** See, there is no personal guarantee to clarify but in one case there is a corporate guarantee of Brigade Enterprises for part of the hospitality loan, for one asset.
- Biplab D:** Okay, and the second question is on the residential collections. Sir, I mean there was a lockdown and still I just wanted to know till date, is there any delay in collections in any default in residential collections till date in the last 2, 3 months?
- Rajendra Joshi:** Yes, there was drop in collections in April, but I would say that it was at about 50% to 60% of our collections of the corresponding month last financial year. In the last month in May it has improved to about 70%. For the quarter we expect to touch about 80% to 90% of our collections what we have done in the first quarter of last financial year. Is there a slowness in collection, the answer is yes but I think we are performing quite well.

- Moderator:** Thank you. The next question is from Yash Gupta from Angel Broking. Please go ahead.
- Yash Gupta:** My first question on the Brigade Tech Garden. Brigade Tech Garden Phase I has some hard options which need to be exercised before 31<sup>st</sup> March 2020. And the second phase needs to be completed before 31<sup>st</sup> March 2020 for some tax benefit. Can you share some detail about that?
- M. R. Jaishankar:** Yes, I am happy to say we have received the completion certificate or occupancy certificate what is called in Karnataka for both Brigade Tech Gardens and World Trade Center Chennai to be within the sunset clause for 31<sup>st</sup> March 2020 as per SEZ rules. So both the projects we have got the clearances. So that is something we have to be happy and proud of the achievement in spite of the lockdown impact in the last fortnight of March.
- And as far as hard options are concerned, due to the lockdown impact of two-and-a-half months so we were at this stage we have orally agreed to extend the hard option effort saving period also everything by about 3 months to 4 months like that. And it is a subject under discussion. But a minimum of 3 to 4 months extension will be given.
- Yash Gupta:** Okay can you share some detail about the deal for this stakes in the hospitality division and a follow up on that as of now hospitality sector not in favor due to the pandemic so are you thinking about any other way out for decreasing the debt levels, like monetizing the land bank?
- M. R. Jaishankar:** See for the time being, I think we have to just stay put and not talk about any kind of private equity for hospitality. Yes, in Q4 we had come to an understanding with a large fund, for whatever reason in the final stages it did not happen most primarily because they got involved in a much larger deal and they wanted to look at this deal or conclude this deal in Q1 of FY'21. But post lockdown from March 25th, the issue neither they spoke to us nor we spoke to them. We thought there is no point in talking about a transaction during this difficult period.
- And for the time being, we are not planning to make an immediate attempt to get a partner because due to the difficult times people will think it is a distress deal which is not going to be with us. So we will as I said tighten our belt and try to focus our effort on improving the business and wait for a more opportune time hopefully in this financial year if not in the next financial year.
- As far as monetizing the land bank currently we are not planning to explore any monetization of land bank. On the other hand, there are certain small nonperforming assets etc. that are there, that we may look at encashing if the price is right. But they are not nothing major.
- Yash Gupta:** Okay, last question on the Bangalore market. Bangalore is IT I mean after the pandemic several companies are planning to move, work from home on a permanent basis. So what is your view on this and how you are seeing the situation emerging in Bangalore?

**M. R. Jaishankar:**

See, so far all existing clients as Subrata Sharma said, there is no problem of receiving the rent, and whole lot of people they are also examining there is lot of media talk, on some companies wanting to exit maybe office space and work from home etcetera, how much of it is true nobody knows. Some of the companies without getting into the names, they are using it as a strategy. Such statements are released as a strategy to get better deals from the new leases. It is more like they are using it as a threat and try to negotiate better.

But at the same time I am not saying work from home as a concept will go away fully, but at the same time it is not going to become a permanent feature for everybody. So may be some days in a week people may do work from home and there could be various strategies depending on the nature of business of each, and I would say data security and various issues to be considered, that is the reason I said the nature of each one's activity. Another important thing which many developers and many social psychologists are also saying is that life is not just about work, it is also about social interaction and man is a social animal.

So that way we all need to interact with each other and that is when new ideas will crop up and people need to brainstorm and the thing is about agile working groups and cross functional teams etcetera all these things are there. So from that angle, it is not going to go away fully. And one more important aspect to be considered is with social distancing to be maintained, many companies need to lease larger office space if they are interested in the safety and well being of the people, than compared to 65, 70 or 80 square feet a person which IT companies are used to.

They are used to packing people like sardines, so that way they need to be much more conscious of their own responsibility and give sufficient space to the people. So if that is there, there is more requirement of office space will happen, but in order to mitigate that additional cost, some of the companies may start this partial working from home, so that way they may end up balancing. But on the whole like these questions keep cropping up, every crisis we face, whether it is 9/11, whether it is global financial crisis in 2008, 2009 there are too many Doomsday Sayers saying that the entire business may collapse, etcetera, but there are other people during this period in 2008, the McKenzie estimate of Indian software exports was \$50 billion.

But the sector achieved \$50 billion in 2006 itself and currently we are at about \$180 Billion to \$190 billion is the size of IT sector and which is still less than 10% of the global IT sector business. That whatever dent India has made is quite marginal and like post Y2K, post global financial crisis, new areas of business crop up. So now there could be Covid related businesses may come, so that I think some estimates in international group have estimated that itself to be in the range of \$450 billion as the new areas of business. So there are new opportunities like one year back the fad was co-working so we do not know whether co-working will survive or not post the Coronavirus from Wuhan.

We do not know what will happen. So let us wait and see, we are positive and people from many funds who invest in office space, they are also quite positive about the business opportunities that are likely to come up if not in 2020, it can happen in 2021 and for that we need to gear up now. The real estate is something we cannot produce it overnight, we need 24 to 36 months if not more. So that way we are not overly pessimistic.

**Yash Gupta:** Thank you for the detailed discussion. Sir, last question. When I visited the Orion, it seems to be a mall in a hotel, so residential is back side of the mall or some changes in the plan?

**M. R. Jaishankar:** No change in the plan, it is an integrated project of which the first phase was the residential which was completed and it is called Brigade Golden Triangle, it was completed and fully occupied. Then we have an office block and we also have a retail cum hotel block known as Orion Uptown it is complete. In fact it was to be I would say soft opening was to happen on March 27<sup>th</sup>, when the lockdown was announced.

Now we are planning soft opening some time end of July and there is also a 134 key Holiday Inn Express Hotel, that hotel also is ready and we have received the completion certificate in the month of March. So we will do the soft opening by end July, early August.

**Moderator:** Thank you. The next question is from Mohit Agarwal from IIFL. Please go ahead.

**Mohit Agarwal:** Sir, my question is on the leasing front. So according to you what would be a reasonable timeline where you see the BTG asset getting fully leased out? So why I am asking this is your FY'21 projections right now assume that by the end of FY'21 the asset will be fully leased out. So what according to you and when you can reach that milestone?

**Subrata Sharma:** So basically because of this Covid scenario, even now means just we are seeing that site inspections are happening. But again if you ask me the real momentum in the market we are expecting somewhere around next quarter onwards, okay. So if I take that signal as our potential to lease out I think there will be a spill over by approximately 3 months to 6 months of limited amount of inventory in BTG.

**Mohit Agarwal:** So mid FY'22, will that be a good assumption?

**Subrata Sharma:** Yes, that should be a reasonable thing but again if you ask me like going forward in 3 months I think we should get a better signal likewise when the transactions happen okay we might get a big ticket transaction done and one block might get fully leased out, just like it happened in Chennai. So if those kind of two or three transactions happen, we might actually be even able to what you call lease out everything in this financial year, but a reasonable target should be a spillover by 3 to 6 months.



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**Mohit Agarwal:** Sure. What is also the update on the SAB Miller project we were about to plan construction there and also in general what is your outlook on future CAPEX both in the annuity and the hospitality business, like would you maintain the momentum or would you like to kind of watch the market and then go ahead for any new CAPEX?

**M. R. Jaishankar:** Yes, I will answer this question. So one is the SAB Miller, the project is called as the Brigade Twin Towers so that we had just started the project in the month of March. Then naturally it had to be held up now we have restarted the project. We are going ahead with the project because it is something which is likely to take 30 to 36 months so we are talking about FY'23 only when it will get over. So at that time the market conditions are also according to it will be very different and will be positive, and financial closure has taken place, there is no PE or any partner there, it is a 100% Brigade project.

And second question was concerning additional investments in hospitality. In reality we had 4 projects one was a hotel near the Bangalore International Airport where it was at a very, very preliminary stage of earth excavation. That we have put it on hold and another was a 3 star high big style project in Mysore where the structure is coming up, that also we have put it on hold and there are 2 more projects which are in progress. One is Novotel Suites which is part of Brigade Tech Garden, that was in the reasonably advanced stage of construction. So we are going ahead with that project and it is not a very large one. And fourth one is Marriott Residences which is part of Brigade Residences at World Trade Center, Chennai.

That at this point of time that work also is in a very early stage of excavation and etcetera, that work may continue only in the month of July since Tamil Nadu or Chennai is in second lockdown. So even that we do not anticipate any issue because that is also going to be three years later. So that way we feel we are okay with our decisions and not looking at new hospitality projects at least in this financial year unless we know what the market is likely to be.

**Mohit Agarwal:** Okay, and last one if I may. What percentage of your commercial portfolio is coming up for leasing in this fiscal and have any of the tenants on the commercial side come back to you with any negotiations for rental, you mentioned some of them are using the work from home thing as a strategy to pull down the rental, so anybody who has come to you and asked for a lower rental or something like that?

**M. R. Jaishankar:** See, what is coming up for leasing this year is primarily Brigade Tech Garden which is what Subrata Sharma said about the C zone of Brigade Tech Garden will be in reality will be good to be in operational mode only from October onwards. And thankfully we have no clients trying to renegotiate. So that is I would say luckily.

**Mohit Agarwal:** Even in the existing portfolio sir nothing significant is coming up for expiry?

**M. R. Jaishankar:** Absolutely no re-negotiation. The only very small concern that was there was in World Trade Center, Kochi where we have just three, four clients who were smaller sized clients of less than 10,000 square feet, because the Government of Kerala announced rent free for 3 months, for clients in their government owned buildings there were some discussions going on with the 3 to 4 small clients we have in that building. So we may show some marginal concession and take it forward.

**Moderator:** Thank you. The next question is from the line of Alpesh Thacker from Motilal Oswal Financial Services. Please go ahead.

**Alpesh Thacker:** Most of my questions have been answered. So there are like a couple of ones that I may. So one would be on the impairment loss that we have taken this time of Rs. 21 crores, so can you throw some light on that?

**Atul Goyal:** So as per the SEBI requirement and as per the guidance by the institute, auditors were supposed to value all the properties and then see what is the carrying value, whatever is the WDV, whether that is fit based on the stressed asset test in times of Covid. So we had passed that test in mainly in all our properties.

I think in Holiday Inn Race Course we have taken a minor impairment of around Rs. 6 crores and there was one property called Broadway which is still unleashed, there we have taken an impairment of Rs. 15 crores, but we are very, very confident that these properties will do well and may be impairment may go away in one, one-and-a-half year. So we will let us see but we are confident.

**Alpesh Thacker:** Okay. And second one is, last year we had like you know we wanted to get into co-working space via buzz works. So are we targeting to increase it from like we are targeting to increase it from 200 to 2,500 seats in FY'20? So what is the status on that?

**M. R. Jaishankar:** See thankfully we never got into co-working in the way it is understood, or it is being done by one seat, two seats, three seats etcetera we have never got into that thing. The co-working with a modification we got involved was more I would say managed offices. Furnished offices with lot of services for larger companies may be 50 seats, 100 seats, 300 seats like that which we have done may be to the extent of 2,500 seats we have done that. and going forward we do not hesitate in doing similar things in our building which are getting completed now.

But overall I think we will take a wait and watch look before we get into any kind of expansion, because co-working is another area due to social distancing and all such issues, people are a bit skeptical to whether to occupy a co-working space or not. So that only time will tell.

**Alpesh Thacker:** Sir, one last question if I may. So on the moratorium part, so can you just help me on what all business segments the loan in the business segments have we taken moratorium for?

**Atul Goyal:** So we have taken moratorium very, very selectively. We have not taken moratorium in all our loans, where we are like Subrata said that we are achieving 95% to 96% of rentals. So we have not taken moratorium in office as such, we have taken moratorium mainly in retail and hospitality segments where there is a stress and we are continuing with that moratorium. There are some or two other loans small loans where may be resi or in BCV which is our 50:50 joint venture there also we have taken loan moratorium.

**Moderator:** Thank you. The next question is from the line of Murtuza Arsiwalla from Kotak Securities. Please go ahead.

**Murtuza Arsiwalla:** A lot of the questions have already been answered. But if you could give us some color on what is the impact of the current lockdown and crisis which has been on pricing in general, ARR for hotels, residential pricing or even the rentals in Bangalore etcetera some color on that?

**M. R. Jaishankar:** Generally as far as the residential first I will answer. So in Bangalore in South Indian markets as you know, the prices are by and large very reasonable and fair and they are not highly priced product. On an average the city prices are maybe below Rs. 5,000 a square foot for the city and Brigades our own average pricing is about Rs. 5,600 per square foot except in the Q4 we have achieved higher which is based on the product mix etcetera. So there are no great pricing pressure as is made out to be by some of the industry bigwigs in the country like whatever discounts that may be there they are marginal in nature, certainly not 20% or anything like that which is unlikely to happen unless people want to exit the business which are stray cases.

They may give it at whatever price and get out of the market, that is different. And as you know almost all listed developers in South Bangalore we all work on fairly small margins all generally PAT is all at single digit in most cases, so there is not much leeway. As far as office is concerned, as I said earlier existing clients there is no re-negotiation or anything that we have come across.

But going forward, I think it is a question of overall demand supply situation and it also within micro markets within the city to also be seen. But I think there is no one rule fits all, it is on a case to case basis people will take a call based on the completion period of the building, based on when the leasing starts, what kind of rent, what is the advance, everything is a combination of 4, 5 factors that will drive the rental. But there is no serious concept.

**Murtuza Arsiwalla:** Sure and on hotel sir, the ARR of such hotels?

**Vineet Verma:** As you know that the hotels have actually literally been shut down for business from the time, from the 25<sup>th</sup> of March. In fact we started feeling the impact from the first week of March itself with a number of cancellations coming in. As I was answering in terms of your question on ARR, unfortunately the ARR for our hotels have been decided by the respective State governments.



As you know that whatever little business that our hotels are getting which are essentially all in single digit occupancies, the government has fixed rates for us that we can only charge such rates because most of our guests who are staying with us are all quarantine guests. So let us say in the state of Karnataka the government has fixed the rate of Rs. 3,000 plus, Rs. 1,100 for the two meals. So essentially it is Rs. 4,100 all-inclusive including taxes. So in terms of that, the ARR's averaging across all our hotels is around Rs. 3,000.

**Moderator:** Thank you. The next question is from the line of Pavan Ahluwalia from Laburnum Capital. Please go ahead.

**Pavan Ahluwalia:** Just a question on the debt situation and the discussions with banks. So if you were to do some sort of stress case and say look over the next 12 months malls come back to normalcy and may be over the next 12 to 24 months hotels come back to normalcy, what is the ongoing discussion with banks because in cases where we have LRDs some of these assets out do we have a sense of what the breakeven level of cash flow is likely to be allow us to service interest and in the events that there is a little bit of a mismatch or a delay where during the ramp up period the flows are not enough to cover the interest payments, are banks open to sort of restructuring these loans or would you see banks may be trying to step in to start some sort of NCLT process try and take over the property. How are those discussions playing out?

**Atul Goyal:** So there are two, three questions interwind. So I will reply. See moratorium has been announced by the RBI so if restructuring if you are saying it has to come from RBI or the government, banks cannot do restructuring from their part. So that we will have to see. We are accepting that situation both in hospitality and retail. I think in holding company in BEL we have good credit lines as well as internal accruals where we can loans if required by the holding company we have that thing available and we are already we have kept that intact.

Third question is about the breakeven. So it is very difficult right now to predict what will be the breakeven but we have been doing sensitivity analysis at each and every level so in retail if I get at least 70% of the rentals which we used to get, I think then we will be able to cover our interest in repayment cost. So that we will have to see how the retail rentals go ahead.

But in hospitality there is a challenge. I think 40% what Vineet was saying for the breakeven, but that will not cover any interest and principal repayment. So obviously we as Brigade Enterprise will have to fund that interest and principal payment.

**Pavan Ahluwalia:** So the real risk then is that even on a 3 to 5 year horizon because of an economic slowdown and may be some overcapacity in areas like retail and hospitality rentals stabilize at a sufficiently low level where you cannot actually make the interest payment. Is that the main risk that management is looking at?

- Management:** Yes, definitely. See we will have to see because this is the uncertain times but definitely retail I think should we are very positive on retail. I think the mall which we have are very, very conveniently located and they are all prime locations where these malls are located. And we think that we will have that rentals soon because lot of the retailers who are not opening in their malls have opened in our malls because of the sales they were doing in these malls. So malls we are confident. Yes, hospitality to look into it, it is a very fluid situation right now. So we will take step by step and see as to how we have to handle that in future.
- Moderator:** Thank you. The next question is from the line of Vishal B from Aviva Insurance. Please go ahead.
- Vishal B:** Sir, you were looking at some kind of equity infusion in terms of rights or QIPs. Any update on that? And some perspectives on the borrowings that are pending conversion?
- M. R. Jaishankar:** See as far as Warrants are concerned they are already subscribed. So there is time almost till February 2021 for the balance payment. Any other equity infusion it is just the SEBI and the government has come up with the new guidelines and they make come up with more clarity in the next week or two. So we will keep that in mind and have an open mind. There is no decision taken an it is just you can say work in progress. I do not even say work in progress, it is we just have an open mind and we will see how things done.
- As I said from now to September things are very fluid and it is very difficult to predict which way the business will go and which way the government support as you know is next to nothing. So that way Atmanirbhar is the fashion word now. So we all have to stand on our own legs and our own efforts.
- Vishal B:** There is no plan currently for preponing the infusion on the government side?
- M. R. Jaishankar:** No. I think you see whoever has subscribed for warrants they are also getting wrong end of the stick. So it is early subscription is not going to be there.
- Moderator:** Thank you. The next question is from the line of Alpesh Thacker from Motilal Oswal Financial Services. Please go ahead.
- Alpesh Thacker:** Sir, just on the hospitality part. Just wanted to understand so are we getting any queries or pre-booking for at least four months, five months, six months ahead from here so any level on that for our assets? And second thing is in case the travel does not come up in a big way and hospitality does not see the occupancy levels, so are there any plans like focusing on the F&B segment like for delivery of foods and such like that to revise the business? So any color on that would be helpful.

**Vineet Verma:**

Good question. Vineet here. So as far as the occupancy forecasting is concerned, we are actually looking at basically for the domestic and international travel sector, the flights to start because unless that begins it is going to be very tough to forecast what the business is going to be. However, we are getting a number of enquiries for hotels as a part of the BCP or the business contingency plans for large MNCs and IT majors where they are making enquiries for housing. Some of their staff to operate out of these hotels.

So those are ongoing discussions, but I guess everybody is just waiting for the travel sector to really open up. So going forward in the next four to five months I do believe that a lot of domestic demand will come up. Not so much s international. I think international as far as that is concerned we are looking at beyond October-November. But in terms of domestic travel I think some amount of green shoots are seen already. Domestic tourism is something that is picking up quite substantially.

So we are expecting a lot of these new concepts like Staycations or Workcations. These are picking up. So I presume that starting may be August, I am not sure about July but from August we should definitely start seeing some domestic business coming in for the hotels. Having said that we have also aware of the fact that we may still have some spare occupancies because demand may not be substantial. So we have been looking at alternate innovative ways of augmenting our hotel revenues.

So number of them are also like for example none of them is really been finalized as of now but there are active enquiries for some of our hotels where we are converting some of our suites into small offices for startups and some other consulates etcetera. So those discussions also going on. As far as home delivery and takeaway of food is concerned, that has actually fortunately been continuing throughout the lockdown stage.

Because government has permitted takeaway and home deliveries and that have been continuing. But you must understand that that is not a very large part but however we have tied up with food aggregators like Swiggy and Zomato and everything. So there has been an uptake on that as well.

So this is essentially what it is as of now. We will have to wait and watch next month what happens.

**Alpesh Thacker:**

Just one last question. Sir, on a normal year what would be the segmentation between the domestic tourists and the foreign tourists in our hotel assets?

**Vineet Verma:**

See as far as our five star hotels are concerned, take for example our Sheraton Grand here. Nearly 60% of our business actually comes from international travel. And that actually applies to most of the 5 star hotels across the country. Nearly anywhere between 55% to 60% business comes from international travel rest of it comes in from domestic travel. But for lower class hotels like

3 star hotels and business class hotels, this ratio is just the reverse where we actually get about 60%, 65% domestic business and 30%, 35% comes in from international travel.

- Moderator:** Thank you. The next question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.
- Parikshit Kandpal:** So what are the total office portfolio, how much will be the mark-to-market potential as of now?
- Subrata Sharma :** I could not get the question properly?
- Parikshit Kandpal:** Of the existing office portfolio, how much would be the rentals right now it should be and versus the market rental how much will be at a discount?
- Subrata Sharma :** No, in our case discount see basically as on date again discount as MD said that it is also a function of demand versus supply.
- Parikshit Kandpal:** No, I am not asking that, sir. I am saying your existing leased out office space, say is it at some rentals of like say Rs. 60 or Rs. 70 average. So what will be the market rentals for that portfolio? Suppose if it comes for renewal, so I am asking you mark-to-market opportunity?
- Subrata Sharma :** So basically again it depends upon the various micro markets that we are in. So if I consider the north Bangalore, say if something comes 10 to 15 higher.
- Parikshit Kandpal:** Sir, I missed that. What was that number?
- Subrata Sharma :** 15%. So we are basically here in North Bangalore particularly our WTC and WTC the rental appreciation has been significantly higher. It is like much higher than the average Bangalore rental increase.
- Parikshit Kandpal:** So our current portfolio rentals will be say 15% to 20% lower than the market rentals?
- Management:** No, basically you cannot say means take the weighted average of the current portfolio. It again depends upon which property we are in. So what I am mentioning in North Bangalore particularly the rental appreciation of our property like it has been significantly higher than the other properties in the market. And any renewal that comes up and renegotiation or if any vacant space comes up, it actually gets marketed at a significantly higher price. At least 15% higher than the ongoing market rentals.
- Parikshit Kandpal:** Okay so we are on the higher side of that because of the properties are much better. So we are on a higher side of the market?

- Subrata Sharma :** Yes. And apart from that like the East Bangalore is concerned, it almost kind of matches the market except for those transactions which took place almost like 8 to 10 years before that also if some vacant space comes up, it again will be marketed at, at least a 10% higher than the market.
- Parikshit Kandpal:** And you mentioned about there have been some initial walk-ins the BTG. So if you can highlight what kind of sizes these are? Because may be next month we will have some more clarity and if we can close something but what kind of size would be the individual opportunities be? Can you give some on that?
- Subrata Sharma :** The site visits that we are actually experiencing in BTG particularly it is in the range of 1.5 lakhs and below. And whatever the bigger sized transactions that we were actually discussing before the lockdown, those are in dormant stages. But none of those transactions are debt transactions. So all might actually take shape after two to three months. But as on date that are happening on other places, that are happening that are around 1 lakhs to 1.5 lakhs.
- Parikshit Kandpal:** And pre-COVID you said the dormant opportunities were how big?
- Subrata Sharma :** Those were significantly a large like around 4.5 lakhs, one was 2.5 lakhs. So those are significantly large clients.
- Parikshit Kandpal:** So will you be looking at 6 lakhs to 7 lakhs kind of the numbers of these opportunities to basically lease out on that portfolio?
- Subrata Sharma :** Yes.
- Parikshit Kandpal:** Just lastly on the safety and the health part. So what kind of initiatives on the CAPEX they have taken for your malls and offices going by the COVID pandemics? There has been increased focus on safety and health. So what kind of initiatives you have taken and what kind of investments you would have incurred?
- Vineet Verma :** See what we have done is that we have of course while we have been guided by the Ministry of Health and Family Welfare and Ministry of Home Affairs from Delhi, we have also developed our own set of SOPs for the lockdown exit strategy where each and every mall property of ours and even hotels all of us have really worked out the entire marking up the spaces, social distancing, the various SOP sanitization, disinfection, thermal screening and everything had actually been essentially put in place and all our staffs trained on it.
- We went a step ahead we actually held webinars with all our retail tenants, with all our hotels our customers and clients basically sensitizing them to the requirements that are when they come back into our properties. These are the steps that are going to be followed. And it has been really appreciated all across.

- Parikshit Kandpal:** And what kind of investments you have done?
- Vineet Verma:** See there is no additional investment except for purchase of the basic equipments like thermal scanning cameras or handheld thermometers. So it is not a significant however the effect has been pretty good. The typical thermal scanning camera costs us just about Rs. 3 odd lakhs. So we have invested in to a basic equipment, nothing major. But however that what has been more important is sensitizing and training our staff, our securities, our housekeeping staff on the processes.
- Parikshit Kandpal:** Just on the LRD things, now you have highlighted earlier there could be some challenges till end of this year on hospitality and on retail side and you are continuously evaluating the breakeven point and want to have liquidity on your side. But now since the Chennai property is ready and the rentals has start tickling in from the fourth quarter. So how much of LRD space you would have there once you convert that CAPEX that in to LRD. So it could be business funding you can raise which could support the short term liquidity shortfall which you may face in other businesses?
- Atul Goyal:** Yes, sure. So you are right. We have a potential of around Rs. 1,300 crores to Rs. 1,350 crores of LRD which we can take for the Chennai property and after repayment of loan and the balanced equity infusion for completing the project. I think we will have a substantial money which will be shared by both the partners. So yes, definitely that money will be used for all contingencies or may be for repayment of the loans that we will see as and when we take that LRD and what is the situation at that time.
- Moderator:** Thank you very much. We have one last question in queue. We take the last question from the line of Adhidev Chattopadhyay from ICICI Securities. Please go ahead.
- Adhidev Chattopadhyay:** Just a follow up question on the rental collections for offices and malls. Sir, malls how much have we collected in till now for whatever, have we collected the entire 50%? And what is the status on CAMs, more for office and sir, malls are we collecting the entire CAMs also from the tenants?
- Pradyumna K:** So with respect to malls we have just about started the rental collections. We have nothing really much for the months of April and May as yet. But we have just started the collection activity. CAM also the activities have just started and I think in the course of the next month we will be getting the CAM payments out.
- As far as the rental arrangements that we have placed for the lockdown period, the 50% that we are collecting that we will get it over the course of the next three to four months. It is like a deferred thing that we have planned with the retailer so that even their cash flows can be eased out for the lockdown period.



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**Subrata Sharma :** Just to add in terms of office portfolio there is no challenge with regards to collection of CAM. So CAM is 100% collections are happening.

**Adhidev Chattopadhyay:** Okay so 96%, 97% is the overall including your rental plus CAM whatever is there?

**Subrata Sharma :** No, CAM is separate. CAM is 100% because CAM we do not have any challenge for this. In rental we are at 96%, 97% only because of the tenants from Kochi that we discussed who are wanting kind of discount all those. But CAM there is no challenge.

**Adhidev Chattopadhyay:** And just a last one last housekeeping question. How much debt is offer on maturity in FY21 on an aggregate basis?

**Atul Goyal:** See it is around Rs. 290 crores of repayment of debt which will happen in the current year but we will have to see based on how the things move because wherever we have taken moratorium so how banks are going to adjust whether they will increase the time limit for the EMI payment. EMI installments may increase so that all depends if those increases definitely our repayments will be less but right now as per our calculations it is around Rs. 290 crores.

**Adhidev Chattopadhyay:** Okay and just follow up on that. So the BTG asset right, so banks who have funded the project we are finally funding the balance CAPEX, right over there? There are no issues?

**Atul Goyal:** Yes. So in BTG actually for first phase we have already done the LRD. We have taken around Rs. 400 crores of LRD there. Rs. 200 crores we have already taken around Rs. 230 crores. Rs. 200 crores construction loan has been repaid balance money is still to be drawn in BTG. So there is no challenge there.

**Adhidev Chattopadhyay:** This is reflected in the March 2020 numbers in the presentation the LRD?

**Atul Goyal:** No, so it has been done in first quarter that is why it is not coming in March.

**Adhidev Chattopadhyay:** Okay it has happened okay, so you have still been able to do that LRD even after the COVID?

**Atul Goyal:** Yes.

**Moderator:** Thank you very much. That was the last question in queue. I would now like to hand the conference back to the management team for closing comments.

**Pavitra Shankar:** Good afternoon, this is Pavitra Shankar, Executive Director. In terms of closing remarks, I would just like to say that definitely the past quarter has been unprecedented for our business and I am sure everybody else as well at a professional and personal level. We are definitely still finding our way in terms of how to address the challenges both by COVID as well as the resulting lockdown.



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But what we would like to also say is we realized that in every crisis there is an opportunity and our teams are focused on looking for the new trends that arise out of lockdown and seeing how best we can fold that into our existing businesses and make the most of the challenges that have arisen.

We feel that until September there will be some time for us to figure out how to react to this sentiment whether it is the residential customer or the office tenant or the retail tenant or the mall goer or whether it is domestic or international travel. So for the next quarter also we will be finding our feet on that front. But overall we are still bullish about the growth for the organization especially as we are a diversified business.

During the lockdown we had the chance to revisit our existing cost structure to revisit our existing business processes and to up skill our team and this work is still ongoing in terms of trying to figure out how we are positioned in the current environment. So the outlook for each business will surely depend on the sentiment over the next quarter but we hope to be properly poised for growth in all of this.

As you know our mission is to be the preferred developer in each of our spaces so while there may be changing requirements for real estate across each of these sectors our goal is to still continue to be and have a selective approach for projects where we can really create value in each of the different sectors.

We have also taken few initiatives in terms of COVID related relief efforts . This is also been included in our investor presentation. We had 10,000 migrant workers and construction workers at our sites who we have supported fully during the lockdown with dry rations and money to the Jan Dhan bank accounts. We have provided over 3,65,000 meals during the lockdown period to migrant workers and economically weaker section of the society. For our own workers at construction sites we made sure that they were properly engaged during the lockdown with counseling exercises, aerobics, yoga etcetera to keep them mentally and physically fit.

In Chennai and Bangalore we have distributed truckloads of rice, dry ration to multiple families, bed loads to our Brigade Hospitality and our own employees have made financial contributions voluntarily. So during these tough times we have all learned that there is some level of sacrifice at the personal and at the organizational level. But I think the team has learned that we will pull through this together and we are focused on making sure that we make the best of the coming quarters.

Thank you so much for your support. We really appreciate so many of you logging into the call this quarter and we wish you all the best and to stay safe. Thank you.

**Moderator:**

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