

Brigade Enterprises Limited

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29th May, 2023

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 Financial & Operational Performance for Q4 FY 23 held on 25th May, 2023:

We are enclosing herewith the transcript of the Conference Call on the financial and operational performance of the Company for Q4 FY 23 held on Thursday, 25th May, 2023.

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
Q4 FY '23 Earnings Conference Call”
May 25, 2023



MANAGEMENT: **MR. M.R. JAISHANKAR – CHAIRMAN – BRIGADE ENTERPRISES LIMITED**
MS. PAVITRA SHANKAR – MANAGING DIRECTOR - BRIGADE ENTERPRISES LIMITED.
MS. NIRUPA SHANKAR – JOINT MANAGING DIRECTOR - BRIGADE ENTERPRISES LIMITED.
MR. AMAR MYSORE – EXECUTIVE DIRECTOR – BRIGADE ENTERPRISES LIMITED.
MR. ATUL GOYAL – CHIEF FINANCIAL OFFICER – BRIGADE ENTERPRISES LIMITED.
MR. ROSHIN MATHEW – EXECUTIVE DIRECTOR – BRIGADE ENTERPRISES LIMITED
MR. OM PRAKASH – COMPANY SECRETARY – BRIGADE ENTERPRISES LIMITED
MR. PRADYUMNA KRISHNAKUMAR – CHIEF BUSINESS DEVELOPMENT OFFICER – BRIGADE ENTERPRISES LIMITED
MR. VISHWA PRATAP – CHIEF SALES OFFICER RESIDENTIAL – BRIGADE ENTERPRISES LIMITED

Moderator:

Ladies and gentlemen, good day and welcome to Brigade Enterprises Limited Q4 FY '23 Earnings Conference call. 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

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

M R Jaishankar:

Good afternoon, everyone. Welcome to the Brigade Enterprises Q4 Financial Year '23 Earnings Call. I'm joined by our Managing Director, Ms. Pavitra Shankar; and Joint Managing Director, Ms. Nirupa Shankar; our Executive Directors: Mr. Amar Mysore, & Mr. Roshin Mathew; the Senior Management Team: Mr. Atul Goyal, CFO; Mr. Om Prakash, Company Secretary; Mr. Pradyumna Krishna Kumar, Chief Business Development Officer; and Mr. Vishwa Pratap, Chief Sales Officer Residential and their teams of course.

I'm happy to report that Brigade has achieved its highest sales figure today for both the quarter and the year. This remarkable accomplishment can be attributed to the outstanding performance of all our business verticals, each contributing significantly to our record-breaking numbers. Looking ahead, we anticipate maintaining and building upon this momentum across all lines of business.

We have a promising pipeline of new residential projects, a thriving leasing business and projected growth in our hospitality sector throughout the next financial year. As a validation of our consistent performance, I'm happy to say our credit rating has also been upgraded by ICRA from A+ positive to AA- stable.

Coming to individual SBUs or sectors. Residential, I'll talk about residential now. In financial year '23 Brigade achieved an all-time high with new sales in the real estate segment of 6.3 million square feet and value of INR4,109 crores. Of this, residential sales accounted for 6.075 million square feet amounting to a value of INR3,908 crores. The balance is by strata sale of commercial office space. This reflects a significant growth of 31% in terms of area and 32% in value compared to the previous financial year. Furthermore, our total collections reached INR3,721 crores, a 21% rise from the previous year.

During financial year '23, we forayed into plotted development segment and launched three new plotted projects almost completely selling out on launch and accounting for about 1 million square feet from this segment alone. Q4 FY '23 has emerged as our best performing quarter in the residential business with new sales of 2.33 million square feet valued at INR1,463 crores.

This was complemented by strong collections of INR984 crores in the same quarter. These achievements were supported by launches of new projects namely: Brigade Calista, Brigade Valencia, Brigade Oak Tree Place, Residences At Brigade Tech Gardens, Brigade Oasis Phase 2 and the Luminaire Block at Brigade Eldorado. Mid-segment and upper mid-segment housing continues to see the highest demand with customers preferring larger units despite increasing prices even during the launch phase.

Despite higher interest rates, there has not been any pull-back in the demand for home loans. Additionally, we were able to successfully sell-out some of the projects launched earlier. The residential sector has a strong outlook due to stable demand in our target market with the sales revenue of CAGR 36% over the past 5 years and setting new records each year. We have a robust pipeline of upcoming projects.

An additional 7.55 million square feet will be added to our portfolio over the next four quarters. We are actively pursuing and acquiring land in our markets of Bangalore, Chennai, Hyderabad and Mysore. Coming to office SBU. The office segment market had a relatively good year despite a turbulent macroeconomic environment across the globe. There were concerns of a recession in Europe and United States and this has led to delayed decision-making for large office space requirements.

Office parks have seen an improved occupancy ranging from 45% to 65%. Asia is the bright spark with the highest return to office levels of workforce. Brigade's office verticals saw a 43% increase in revenue from INR450 crores in FY '22 to INR654 crores in FY '23 and saw 108% increase in the lease area from 0.6 million square feet in FY '22 to 1.25 million square feet in FY '23.

As far as retail sector, the retail industry had a blockbuster year due to an increase in discretionary income and consumer sentiment. Customers prefer to shop in store across various categories including restaurants, movie theatres and family entertainment centres. With rising urban population and per capita income, India's organized retail market will continue to show robust growth.

Brigade's retail rental income was INR156 crores, a growth of 60% in FY '23 over the past fiscal year. Footfall increased by 106% over the past fiscal year for the mall SBU and the weighted average rentals of our large destination malls increased by 13% over FY '22.

Coming to hospitality SBU. Our hotel portfolio showed an impressive revival in occupancies, ARRs and F&B revenue, banquet events both social and corporate, leisure and group travel. Portfolio occupancy reached 69% as against 62% of pre-COVID occupancy. ARR in FY '23 touched 110% of pre-COVID level and 67% over FY '22. This positive trend was supported by the restart of international flights, an uptick in corporate movement and the scheduling of major events.

Revenue grew from INR179 crores in FY '22 to INR394 crores in FY '23, an increase of 120%. MICE, which stands for Meetings, Incentives, Conferences and Events; segment -- MICE segment is likely to see increased bookings from G20 delegates as many of these events are held in hotels and conference centres. Overall, indications are strong that the hospitality business will continue its growth path in the coming year as well.

That brings me to end of our operational highlights. Thank you for listening. I now request Atul Goyal, our CFO to take you through the financial highlights. Thank you.

Atul Goyal:

Thank you, sir, and good afternoon. On behalf of the company, we welcome you to the earnings call for Q4 FY 2023. Chairman has already shared operational highlights. I'll be sharing key

financial highlights for the quarter and FY '23. All verticals of the company, as told by Chairman, has done very well in Q4 as well as in the full year for FY '23. To start with company's update for Q4 FY '23. The real estate segment clocked a turnover of INR573 crores with an EBITDA of 12% in Q4 FY '23 whereas the same for Q4 FY '22 stood at INR729 crores.

The leasing segment clocked a turnover of INR188 crores with EBITDA of 67% in Q4 FY '23 whereas the same for Q4 FY '22 stood at INR181 crores. The hospitality segment clocked a turnover of INR112 crores, an increase of 102% from the same quarter last financial year with an EBITDA of 35% in Q4 FY '23.

The consolidated revenue for Q4 FY '23 stood at INR872 crores as against INR965 crores in Q4 FY '22 with an EBITDA of INR232 crores. EBITDA margin stood at 27%. Consolidated PAT after MI for Q4 FY '23 is INR69 crores. We saw a significant jump in total collection in Q4 FY '23, which is totalled up to INR1,463 crores as compared to INR1,328 crores in the previous year by 10%. There was an increase in cash flow from operating activities by 24% from last quarter and stood at INR436 crores during Q4 FY '23.

Coming to group's performance for full year FY 2023. We have achieved the highest-ever collections for FY '23, which stood at INR5,424 crores, an increase of 33% from previous year. The revenue for FY '23 stood at INR3,563 crores versus INR3,066 crores in the previous year, an increase of 16%.

The real estate segment clocked a turnover of INR2,418 crores with an EBITDA of 13% in FY '23 whereas the same for FY '22 stood at INR2,290 crores. The leasing segment clocked a turnover of INR752 crores, an increase of 26% from the previous year is 71% in FY '23. The hospitality segment clocked a turnover of INR394 crores and increasing 120% from the previous year with an EBITDA of 30% in FY '23.

The consolidated EBITDA for FY '23 stood at INR978 crores, an increase of 17% from previous year. EBITDA margin stood at 27%. Consolidated PAT after minority interest for FY '23 is INR291 crores. Coming to the debt and liquidity position. We continue to have adequate liquidity and undrawn credit lines from the financial institutions.

Our average cost of debt has been contained at 8.67%, which is an increase of only 102 bps though repo rate has increased by 250 bps. So debt management has been good. Gross debt of the entity stood at INR3,830 crores. The cash and cash equivalent was INR1,690 crores as on 31st March '23. Consequently, the company's net debt outstanding as on 31st March '23 is INR2,139 crores, out of which BEL share is INR1,474 crores.

Our real estate debt reduced by 83% during FY '22 from previous year and stood at INR46 crores as on March '23. We have zero residential debt in BEL stand-alone today because of the higher sales and collections and almost 76% of the debt pertains to the commercial portion, which is backed by rental income. Net Debt equity ratio stood at 0.55 as on March '23 at consolidated level.

I now hand over the mic back to the moderator for questions. Thank you.

Moderator: The first question now from the line of Adhidev Chattopadhyay from ICICI Securities. Please go ahead.

Adhidev Chattopadhyay: Just a couple of questions. Considering our business development pipeline and whatever planned launches for the upcoming year, would you like to share some guidance on the residential sales booking front for the next year? That is the first question. Second is on the office leasing, by when are we targeting to see a full lease-up of the vacant space which we have?

Pavitra Shankar: On the launch pipeline, we have already indicated around 7.5 million square feet to be launched on the residential side. That GDV should translate to around INR6,000 crores at the top line. Of that, Brigade share would be around INR5,200 crores. The bulk of this should come between Q3 and Q4, pretty similar to what we saw in FY '23.

And also about 25% of it will come from our Residences At Brigade Icon, which is the TVS Mount Road property that we acquired. So there is some dependency on that launch to happen to reach those kind of GDV numbers. On the leasing side, we have around 1.9 million square feet to be launched across 3 projects in Bangalore itself. I'll let Nirupa answer the leasing question.

Nirupa Shankar: The good news is that with all our non-SEZ projects, all those have been leased 100%. As you know, SEZ properties have been taking a little longer time than expected. If you look, 87% of the office space lease was non-SEZ project. So for us, all our non-SEZ projects are 100% leased. The 3 SEZ projects that we have; Brigade Tech Gardens, World Trade Centre Chennai and Gift City.

Even Gift City was actually fully leased, but due to some lack of approvals for some clients, some space came back. But the good news is that all our existing tenants are looking to expand their existing office spaces. So we are hopeful that over the next 2 to 3 quarters, I would say we should -- the target is to complete this leasing. There is some -- the way in which transactions are happening are changing. People are trying to reduce how much space they take up and there's rationalization of the space take-up. But generally we're happy to note that our existing clients are the ones who are looking to expand in our current office spaces.

Adhidev Chattopadhyay: So to understand it correctly. To get over the issues in the SEZ space, you're saying the existing SEZ clients are looking to expand. Is that understanding correct?

Nirupa Shankar: What we've been able to do is because of the quality of our projects, even clients who were not looking at SEZ areas, we're able to bring them to our space and figure out a way to convert them into using SEZ area along with the fact that our existing tenants are looking to expand. So we're not just saying here our existing clients will expand and leave it at that.

We are definitely working towards converting even non-SEZ clients into using SEZ areas. So we're just sort of educating them on how with the right paperwork, what can happen. So there is traction, it's just going slower than what we would like it to be.

Adhidev Chattopadhyay: Okay. And just to come back to the first question. So with the launch pipeline, so are we again targeting a 15%, 20% growth in the sales number for '24? Any number you'd like to specifically share on the residential side that is?

Pavitra Shankar: As you know, we have never given guidance. Last year I would say we showed a 36% increase on '22 numbers. I'm not promising the same. I think what we always do is to show a 5-year CAGR of around 20%. So I think we will try to do something along those lines. As I said, again it's heavily dependent on the launches coming in. We have no issue with the launches actually happening. It's just about timeline and planning it and getting the approvals, which may not always be time bound to the way we need them to be.

Adhidev Chattopadhyay: Okay. And just 1 last housekeeping question. How much of the sales in resi for this quarter was from the new launches in Q4 out of the overall sales?

Pavitra Shankar: Yes. In Q4, 60% was from the launches. That was any way expected, we were communicating that all along. But across for FY '24, it was only -- sorry, for FY '23 full year, it was only 40% of the total sales done.

Adhidev Chattopadhyay: Okay. So that was 50% for this quarter? Can I get the correct number?

Pavitra Shankar: 60% for the quarter.

Moderator: The next question comes from the line of Karan Khanna from AMBIT Capital.

Karan Khanna: Congratulations on another great year. So Pavitra, you spoke about 20% CAGR is what you're targeting over a 5-year block. Now over the last 5 years from 3 million square feet, you've gotten close to 6.3 million square feet that implies a 20% CAGR. But going forward, how should one think about this number?

Because if I look at the launch pipeline also on a rolling 4-quarter basis so this stood at 1.5 million square feet at the end of second quarter, now it's close to 7.3 million square feet. So if you can briefly talk about the capabilities that you're building to continue the 20% CAGR over the next 5 years? And second, how should one think about the execution over the next 5 years considering that the pricing environment could also be slow compared to what we've seen in the last 5 years?

Pavitra Shankar: Obviously as you pointed out, our business has doubled over the last few years. I think we are keeping in mind that the base itself has increased substantially. So promising that that would also double in the next few years is not something that we're trying to communicate here. We have also been investing -- resources in expanding Chennai as a second market and I'm happy to say that the growth in terms of business development and the projects coming into the pipeline will also be evident in terms of Chennai contribution in Q4 and in FY '25 onwards.

So I would say that in the next couple of years, we would be trying to -- done in FY '23. We would not probably be estimating numbers or growth as we have shown in FY '23 over the previous year. I hope that answers the question.

Karan Khanna: Sure. My second question on the hospitality business for the record quarter that Brigade has seen this year and you were able to generate around 30% EBITDA margin. But when we look at some of the other domestic players, asset heavy players, for their own portfolio especially in India, they've been able to do margins in the range of 40% to 55%.

So if you can talk about areas where you think that Brigade can also see an improvement in the hospitality segment and going forward is it only the pricing that will raise the margin improvement for the hospitality business?

Nirupa Shankar: See generally, our hotels have been performing well in terms of ARR and the occupancy. The only two hotels in a relatively soft markets, the Grand Mercure Gujarat in Gift City and the Four Points by Sheraton Kochi. Apart from those two hotels, all our properties are doing very well and we expect that the efficiencies will improve going forward.

Karan Khanna: Sure. And lastly, on Brigade Square Trivandrum, what's the targeted lease rental and the completion date for this project?

Nirupa Shankar: So it's just started construction so it'll take at least a couple of years more to come into the market. We are expecting it to be around INR55 on average.

Moderator: Next question comes from the line of Murtuza Arsiwala from Kotak Securities. Please go ahead.

Murtuza Arsiwala: Just a couple of questions from me. One is while backward looking if we look at the residential P&L, the margins have sort of been weak for almost all of FY '23 compared to the preceding years. Any specific reason for it and how should we think of margins going forward? Second is the fourth quarter on the leasing business, there seemed to be a sequential drop in both revenue and EBITDA. Any specific reason for that? And we saw large payments for investment in land purchases, etcetera. Any details that you would like to share on the same?

Atul Goyal: Atul here. See, the margin is always dependent in real estate is how much revenue you're recognizing. And as per AS 115, you can recognize the revenue only when your registration gets done. So all your expenses get loaded on the same revenue and that's why there is some margin difference. And secondly, I would also like to say we were having some affordable housing which we were closing and because of that, margins were less and those all revenue have been recognized during the year.

So next year definitely you will see very good margin in real estate business. On lease rental, yes, there has been a drop of around INR8 crores to INR10 crores, but that is mainly because some of the CAM charges and all there was delay. So now that is getting sorted out. We have already acquired a new company called Tandem so we are increasing our overall revenue. So that will also get sorted out by next quarter so you will not have that quarter-on-quarter so much variation, which is showing this time.

Murtuza Arsiwala: Sure. And on the land purchase?

Atul Goyal: Land purchase, yes. You want to know how much total money we have spent on land purchase?

- Murtuza Arsiwala:** No, that's given in the presentation, but any more details on which land this payment is?
- Pavitra Shankar:** In Q4 we concluded the TVS Motors land Mount Road. So that's the increase in the land payments that you've seen specifically in Q4.
- Atul Goyal:** There are some other properties JDAs, which we have done in Chennai as well as some purchases in Bangalore. All those are included in the new land purchases which is there.
- Moderator:** Next question comes from the line of Biplab Debbarma from Antique Stockbroking. Please go ahead.
- Biplab Debbarma:** My first question is on FY '23 sales. What is the split between Bangalore, Chennai and Hyderabad?
- Atul Goyal:** Sir, your voice is not clear.
- Biplab Debbarma:** So what is the split of sales in FY '23 from Bangalore, Chennai and Hyderabad?
- Pavitra Shankar:** So in the last financial year, we had 82% of it come from Bangalore and the rest of it come from Mysore, Chennai and Hyderabad. 10% of it came from Chennai. And we also had a plotted development project launched in Mysore, which accounted for around 4% of the total.
- Biplab Debbarma:** Okay. My second question is currently in Bangalore, what is the micro markets where you have lesser footprint and shall we expect Brigade to increase its footprint in this micro market in coming years?
- Pavitra Shankar:** Sorry, I couldn't hear on which market we have less presence.
- Biplab Debbarma:** In Bangalore, what is the micro markets or neighbourhoods that you have lesser presence and do you expect to increase your footprint in these micro markets going forward?
- Pavitra Shankar:** I wouldn't say we have lesser presence in any specific micro market. The markets that performed well in Bangalore are East, Southeast, North and depending on the types of product, even South and West do well. So I think Bangalore overall is a very healthy residential market with good performance in all the micro markets.
- We have seen our portfolio also, a lot of the launches came in in Bangalore East and North over the course of the last financial year and all were taken up pretty well. So even in the coming launch pipeline, it continues to be the same. We have a lot of launches coming up in East and North Bangalore. And if I can draw note also last year in FY '23, we had 2 projects launched in South Bangalore, Brigade Komarla Heights and Nanda Heights.
- They did extremely well and are contributing especially to the higher realization of our portfolio. So I wouldn't say that we don't have presence in certain micro markets and depending on the micro market, we have adjusted the product and pricing strategy as well. So I'm very confident of our Bangalore execution.
- Moderator:** Next question comes from the line of Rakesh Wadhvani from Monarch AIF. Please go ahead.

Rakesh Wadhvani:

Congratulations on a great set of numbers in Q4 and the full year. I have a question. There's an article that is circulating that the Government of Karnataka may increase the circle rate by 20%, 30%. Just want to understand what is the impact you can see. And one more thing, whatever deals we have done in the past, are they above this minimum recurring rate? That's it.

M R Jaishankar:

This is Jaishankar. I don't think there will be any negative impact on government increasing the minimum circle rates or guideline value what we call in Bangalore because all our selling prices or acquisition property, acquisition rates are above the circle rate. So that way it will have zero impact in my opinion. That is the case for most projects and for most developers I can say that. So the impact will be zero.

Moderator:

Next question comes from the line of Pritesh Sheth from Motilal Oswal Financial Services Limited. Please go ahead.

Pritesh Sheth:

Congrats on a great year. The first question is on business development. Chairman sir highlighted about actively pursuing land. Just wanted to understand the strategy on business development. So are we looking at some kind of churn rate that if we sell X million square feet in a particular year, you would look to add X plus or X point something into our pipeline regularly or is there some value target that we have in mind when we strategize on the new project additions?

So your comments would be helpful on that. And I think in particular this quarter, it seems there is some bit of or some project additions that has happened so if you can elaborate on that as well, which micro market we added project in this quarter? So 2 questions on business development.

Pavitra Shankar:

On land bank, our strategy is to acquire and develop land within a 3- to 5-year time frame. So we are not in the land banking strategy where we might acquire land in areas which are yet to see sort of positive growth development. How we approach it is basically we look at each of our businesses. We look at how much we want to grow those businesses, in which micro market we feel there would be the best traction.

Micro market and markets in general, which is why we've been communicating about Chennai being a strong market for us and one where we would be putting a lot of focus. We're also focused only on Bangalore, Chennai, Hyderabad and a couple of smaller markets where we've had presence in the past. And we feel presence in these 3 markets is more than sufficient for us to meet the kind of growth objectives that we as an organization have at least for the medium term.

So we're not looking to expand into other geographies as we have been asked about before. In terms of exact value, I would say that's like a moving target based on each year what has been added to the land bank, what might be launching in terms of pipeline. So based on that, we have to work within the land bank and see what can be added.

And also I'd like to say whenever there is good quality land regardless of which micro market or which product or area it might be in, we would be looking to acquire that land because I think the scarcity of good cycle and good land is more important than maybe specifically trying to slot it into a line of business or a type of product or a micro market also. So in terms of addition to

the land bank, we have -- while I'm not going to disclose exact location, a lot of it is in North Bangalore and also in Chennai across both commercial and residential.

Pritesh Sheth: This is for this quarter, is it?

Pavitra Shankar: Yes, this is only for this quarter.

Pritesh Sheth: Okay. Fair enough. And the reason of asking that question was in between we had lot of traction on project addition considering that we were short of tender pipeline and we added multiple projects. But last 2, 3 quarters, I mean things I won't say it has slowed down, but it is not up to that pace. So do you have certain monetization timeline in mind and accordingly you will look to add projects after a certain point in time or that is in continuous evaluation process? That is my question.

Pavitra Shankar: Now how we do it is a continuous evaluation process. I mean we are working in various stages of the land deals themselves and only when we have put down some funds, that is when we formally included into our land bank. But that doesn't mean there aren't discussions that are going on at various levels of seriousness. And also once it enters the land bank, it could take some amount of time from when it gets through the design and approval phase.

Sometimes it can be as quick as 3 quarters itself when it goes into the land bank and into the launch pipeline, which is why it's difficult to really sort of pinpoint exactly when the duration could be and the movement quarter-on-quarter. But I think overall as an approach, we're aggressively looking for land. There's no pullback on that side at all.

Pritesh Sheth: Sure. That's very helpful. Can you share the latest completion timeline for Twin Towers? And I think last quarter we also discussed about Brigade Padmini kind of commercial project, which is not there in the updated pipeline this quarter. So just the status on that as well.

Nirupa Shankar: Yes. So Twin Towers is going well. It's under construction and most of the civil work is done. Now just the facade etcetera is being completed. We should be completing the project by March 2024. In terms of Padmini, it's a 1.3 million square feet project. We're going to be doing that in phases. The first building is already up, should be ready for completion in the next 2 to 3 months.

Atul Goyal: So it's showing in the project to launch, Padmini is there in the Investor presentation.

Pritesh Sheth: Okay. Got it. And just lastly on collections breakup that you provide every quarter, breakup of collections between residential, commercial, etcetera?

Atul Goyal: You want for the quarter?

Pritesh Sheth: For the quarter, yes.

Atul Goyal: Residential is INR983 crores, commercial sale is INR48 crores, commercial lease is INR161 crores, retail is INR53 crores, hospitality is INR145 crores and maintenance services is around INR74 crores. Total is INR1,464 crores.

Moderator: Next question comes from the line of Parvez Qazi from Nuvama Group. Please go ahead.

- Parvez Qazi:** Congratulations for a great set of numbers. So couple of questions for Pavitra. First is you mentioned that demand environment remains strong. What is the kind of price movement that we have seen in our project on a like-to-like basis in FY '23? And second would be what would be the status of approvals on the TVS project considering you said it could contribute almost a quarter of our sales in FY '24? Thank you.
- Pavitra Shankar:** So on the pricing that we have seen in the projects, across the board we've seen about a 7% increase in the realization and that is excluding the plotted development, we've seen that kind of pricing increase. Because this year we had near to 1 million square feet of sales in the plotted development segment. In terms of TVS land, as I mentioned, we are aiming for a launch towards the end of this financial year, which means the timeline of approvals and everything we're working on is in line with that. So we see those things are going on track.
- Parvez Qazi:** Okay. And a couple of questions to Atul sir. What would have been the rentals for WTC and BTG this quarter?
- Atul Goyal:** So right now I don't have a quarter number, but full year I can say. Quarter 4 Brigade Tech Gardens (BPPL) is INR40 crores and WTCC (PREPL) in Chennai is INR36 crores.
- Parvez Qazi:** And lastly, what would be our pending land related payments that we need to make?
- Atul Goyal:** That is around INR700 crores or so. Around INR700 crores.
- Moderator:** Next question comes from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.
- Parikshit Kandpal:** So my first question is on total land bank addition or gross development value addition for the full year FY '23. So can you please highlight that number?
- Pavitra Shankar:** So in the total, additions during FY '23 was INR5,000 crores in terms of gross development value.
- Parikshit Kandpal:** Okay. And in terms of million square feet?
- Pavitra Shankar:** The total project area would be 8.68 million square feet.
- Parikshit Kandpal:** My second question is on the commercial business so the area which we have to be leased so what kind of inquiry on the pipeline we have and timelines to basically achieve this entire leasing for the lettable area?
- Nirupa Shankar:** So there is healthy traction so I'm not getting to discuss about it, but there is healthy traction. If one of our largest queries happen and the whole area gets taken, if those 2 inquiries don't work out, then we'll have to start leasing it to smaller planouts. The size of transactions has reduced slightly. So prior to this, average transaction in Whitefield used to be 100,000 to 200,000.
- Now people, as I mentioned earlier, clients are trying to rationalize their space takeup. So prior to COVID, people or tenants would take 1:1 issue so for instance 1 desk for every employee. Now they're trying to rationalize a lot of their -- so for instance, they might take 1 desk for every 2 employees or every 3 employees. So we are quite positive with the kind of traction there is.

I'm hopeful that we can increase it in the next 2 to 3 quarters and that's the plan and the earlier the better so we are pushing for it. The leasing has been decent for even this quarter.

For instance while we did 238,000 this quarter from our stake, we did another 283,000 for our investors in areas where we have sold. So there is a decent amount of traction. It's just that the leasing that we did for the investors and for the owners is, like I said, another double of what we did for ourselves.

Parikshit Kandpal: Okay. And during the quarter, this land payment of INR480 crores, is it largely pertaining to the TVS land or is it something else?

Atul Goyal: Yes. Mainly it is TVS land.

Parikshit Kandpal: Okay. And just on this Twin Towers, I think earlier you mentioned that by March '24 it would complete. So any pre-leasing momentum there, pre-lease inquiry or any update you have on the leasing side of that?

Nirupa Shankar: Yes, there are RFPs to the market so we'll be applying for all of them and hope to see some traction there.

Parikshit Kandpal: Okay. And just lastly on the residential piece just on the demand side. So earlier we spoke that residential rates have not really impacted us. So how are you seeing in this quarter the momentum on the demand side?

Pavitra Shankar: See, I think based on the success like I said, 60% of our numbers, the highest ever number in Q4, is same time launches. So I think that shows the appetite of the customer for product where it is not even complete, which means the market has sort of come back to its levels of interest where people really believed in the prelaunch story where at the time of launch, the best pricing may also want the pick of inventory.

And then they're willing to undertake that, pay 3 EMIs or whatever may be the case because they see the value in doing so by the time the project is delivered. So considering also that 50% to 60% of our customers take home loans and are subject to the interest rate levels that there are today, I think it's a very healthy sign of demand in the market.

So despite what is there about the hiring situation or attrition or whatever it may be, I think we have not seen that translate to any drop in leads or even walk-ins. In fact it seems to be a very strong market with huge appetite for launch.

Atul Goyal: I'll just add a number which has come from the report which you should see, is that today if you see the investments of the individual or organization, 60% investment is going into real estate because they think it is a stable investment, 26% is in equity market and rest is in FDs and gold.

So I think real estate market is doing well and if you see millennials are driving this market and market should grow. And the third point is that last 10 years, this quarter has been the highest sales which people have seen in quarter 4 of any year. So I think signs are good and we should continue to see that real estate space do well especially resi.

- Parikshit Kandpal:** And on the hospitality, any update on monetization, any thoughts, any progress?
- Pavitra Shankar:** So like I said, we are in discussions but quite preliminary, but we'll keep you posted as and when there's something concrete to discuss.
- Moderator:** Next question comes from the line of Biplab Debbarma from Antique Stockbroking. Please go ahead.
- Biplab Debbarma:** Sir, on the Brigade Twin Towers, what would be the expected rental ballpark -- just a ballpark that you think will be achievable?
- Nirupa Shankar:** So we're expecting to be 75 and above.
- Biplab Debbarma:** Okay. And could you elaborate on the Brigade Padmini, I think I have missed it. What is the total area and sorry I missed that part?
- Nirupa Shankar:** It's 2 million square feet. We'll be doing it in phases. One block will be ready by September -- and that block is around 260,000 square feet. The other two blocks. There's block two, which is around 736,000 square feet and there's another block, which is 350,000 square feet. Those two are under excavation now so they'll come up in some time.
- Biplab Debbarma:** And what will be the expected rental in the first block?
- Nirupa Shankar:** It will be around 65 to 70. The first block -- we are targeting 65. Depending on when the other 2 blocks come, typically we estimate a 5% increase per annum, but it really depends on how much size takeup is there if one client is taking the full building or we have multiple tenants. So you can say 65 plus.
- Moderator:** Thank you. Ladies and gentlemen, we have reached the end of question-and-answer session. I would now like to hand the conference over to Ms. Pavitra Shankar, Managing Director, for closing comments.
- Pavitra Shankar:** Good afternoon. Thanks again for joining us today. Before we close, we like to just share a few other highlights from our group. We're proud of the work our foundation does through various education, health, community development and welfare programs. Therefore, it's especially rewarding when the Brigade Foundation won an award at the CREDAI Karnataka CARE Awards 2023 for Best CSR work done over the year.
- I'd also like to call out a unique initiative by Brigade in collaboration with the BBMP and a community organization known as the Ugly Indian. The Bangalore Margadarshana is a walk-through map of major roads and junctions that shows how several major roads connect to the central business district of the city. It's up for the public and for kids and it's definitely worth of business. It's located under the flyover crossover after Hebbal Junction.
- The IME or the Indian Music Experience Museum Project Svaritha, which is supported by Kotak Mahindra Investments, celebrated World Autism Awareness Day on April 2. The objective of organizing this program was to celebrate diversity and make the museum experience more empathetic and accessible for all. Project Svaritha has reached 1,650 children who are from



socially disadvantaged backgrounds and are divergent. World Trade Centre Bangalore at Brigade Gateway is all set to host the 2024 edition of the World Trade Centre's General Assembly.

This will be the first time that the General Assembly is being conducted in South India. WTC Bangalore was voted as the host city for 2024 by the Board of Directors from among 7 other WTCs across the world. Delegates from over 200 global cities are expected to engage with industry captains from the state during the 6-day assembly next year.

Our PropTech Accelerator, Brigade REAP, is now inviting applications for its 14th cohort. 47% of Brigade REAP startups have raised funds within 12 months of graduating. This year we've also launched the go-to-market offering, which along with our syndicate fund, will look to onboard and help scaled startups with the brightest ideas in the PropTech space.

It gives me great pleasure to congratulate Amar Mysore, our Executive Director for his new role as President of CREDAI Bangalore for the next 2 years. We wish him the very best for a successful term. And that's a wrap for our earnings call. We are proud of everything we achieved last year and look ahead to FY '24 with renewed focus. Thank you, everyone.

Moderator:

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