



“Prestige Estates Projects Limited  
Q3 & 9M FY'24 Earnings Conference Call  
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**MODERATOR:** **MR. ASHUTOSH MITTAL -- AXIS CAPITAL**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Q3 and 9 Months FY '24 Earnings Conference Call of Prestige Estates Projects Limited hosted by Axis Capital. 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. Ashutosh Mittal from Axis Capital. Thank you, and over to you.

**Ashutosh Mittal:** Good afternoon, everyone, and welcome to the call. We have the management from Prestige Estates represented by Mr. Irfan Razack, Chairman and Managing Director; Mr. Venkat Narayana, the CEO; and Amit Mor, CFO.

I'll now hand over the call to the management for the initial comments. Thank you.

**Irfan Razack:** Venkat?

**Venkat Narayana:** Good afternoon to all of you. Welcome to post results interaction of Prestige Estates. To begin with, in terms of operations, we had extremely good quarter and overall 9 months have been very good. We had also given an operational note before.

Our total sales for the 9 months stand at INR16,333 crores, up by 81% compared to previous year. Likewise, even collections have gone up by 20%. 9 months collections stand at INR8,478. All in all, we sold 16.13 million square foot of area so far, totalling to 8,402 units.

And in terms of average realization, again, it's grown 19% year-on-year to INR10,143 that's what we have realized 9 months this year so far. We sold at an average 31 units a day so far in these 9 months. Also, in terms of launches, we have seen highest-ever launches during this fiscal so far.

We launched over 30 million square foot of area, aggregating to 11,000-plus units across various cities. Prominent in that is one of last quarter, especially, is the largest single project that we have launched in Hyderabad over 12 million square foot. We completed during the quarter, again, in Hyderabad 3.6 million square foot of office, projects in Goa and Moxy Hotel, which is a brand of Marriott.

Important milestone in terms of completions, though, this quarter, we have completed 12 million -- this year so far, we have completed 12 million. Last week, we had 6 project completions. With that, overall in terms of number of projects completed and delivered so far, cross 300, which is an important milestone for us, aggregating close to 180 million square foot of area.

Now what's important to note is over 3 decades of our presence in the real estate across various cities, we have done 180 million square foot, right now, as we speak, our under construction and under planning total projects are also equal to 170-odd million square foot. We're working towards churning high-value and large projects quickly. If you see the profile of the projects compared to earlier years and now, the scale of each project has grown. Almost we have 5, 6

projects now over a \$1 billion size and in addition to that, Prestige City as a format is something which we are taking -- we have now Prestige City in Bangalore, Prestige City in Bombay, Prestige City in Hyderabad. We're looking at other cities where there is traction and absorption and launch Prestige City, which is a sizable residential unintegrated unintended development of ours.

Looking at the financials. This 9 months, the total revenue stands at INR7,192 crores and EBITDA at 43%, PAT at 19%. Quarter-on-quarter, if you look at this quarter, we had to total revenue of INR1,970 crores, slightly down, although we have completed a lot of projects. Revenue is recognized based on the handing over. So handovers have been slightly lesser. And -- but this quarter, whatever we have completed in the last quarter will get handed over and revenue should be back.

Now we have overall now our sales already made close to INR32,000 crores of revenue that we have not recognized and that will come for recognition over the period of next 3 years, which is assuring INR10,000 crores plus of top line, not considering any new sales that we are going to do every year, year after year.

Overall, debt remained almost at the same level. Debt equity remained at 0.6. Really good quarter, we've got a lot of projects coming up for the launch. And we're also looking at the regions that we have not been present to expand our operations apart from adding new projects in the existing cities.

With this brief, I would like to open the forum for question and answers, please.

- Moderator:** We have a first question from the line of Parikshit Kandpal from HDFC Securities.
- Parikshit Kandpal:** Irfanji and Venkat, congratulations on a decent quarter. So my first question is in the ninth month presales of INR16,000 crores odd, so how much is the contribution of the new launches?
- Irfan Razack:** How much is the contribution of new launches?
- Parikshit Kandpal:** Yes, yes.
- Irfan Razack:** I think as inventory is concerned, there's hardly any inventory in Bangalore, so it came only from new launches. Of course, we do have some inventory in Hyderabad and there's a continuing inventory in Mumbai because that's a big inventory there. So -- but however, a lot of inventory, bulk of it comes from new launches, 80%. That's what Venkat says.
- Parikshit Kandpal:** So that's the only concern which I have now, sir, because you have grown at such a rapid pace and I mean you will look at all means crossing INR20,000 crores of sales this year. So given the upcoming residential pipeline, barring a couple of large launches, so we don't have enough large launches to support the growth on this INR20,000 crores.
- Irfan Razack:** We have enough and more. Everything is not seen, but then there is a lot on the plate and in fact, whatever we had probably planned, we would have crossed our target also of this thing, but it doesn't matter. As and we go up for the next financial year, we have a lot, and there's a lot of

discussion happening for pipeline. See, after all, we do understand that we need raw material, which is land. There's enough and more land that has been offered to us. That's a good news.

So we are also choosy in what land we pick up. It's not that everything that is offered to us, we just pick it up. And we have got the ability to turn around projects within 6 to -- 6 months to a year. When I say turnaround, it means from the time we acquire land to the time we bring it to the market.

**Venkat Narayana:**

Just to add to what Chairman sir said, now in terms of residential upcoming projects, the total potential that we have is the inventory that we can bring in is around INR4,200 crores, okay? And just because we launched a lot of projects during this year, 80% of the sales have come from new launches. And we also have close to INR16,000 crores of inventory. That inventory plus the upcoming projects put together, we have enough to sell next 2 years. And as sir was mentioning, there is lot of diligence that are happening in different geographies and those also will get added.

**Parikshit Kandpal:**

Okay, sir. Got it. Sir, my second question is on the NCR now. So NCR, we have Noida project, which got slightly delayed, but you have put it out for a launch in FY '25. But any sense on like how the Delhi launch, which we have already have when it can happen. And on Gurgaon side, when will we get our first breakthrough in terms of closure of business development?

**Irfan Razack:**

Yes. I mean that's a good question. You see the first one, which is Sector 150, which has been stuck for a long time, even as early as this morning, we had a conversation. They are hopeful that in the next fortnight or so, we should have the approval in place. Once that happens, we have inventory there. Plus very recently, we have signed up a 63-acre plot in -- closer to Indirapuram.

Now that's where the Prestige City in NCR will come. And that also will be work in progress. It all again depends on how quickly we can get approvals and I mean, do our job in terms of getting the planning and everything else in place. So it's all work in progress. And even in Delhi, there are a couple of projects that we have tied up. One is in KG Marg and the other is Kamla Nagar, even that also will happen soon.

**Parikshit Kandpal:**

Okay. And sir, Gurgaon?

**Irfan Razack:**

Gurgaon, yes, there is something, but then -- I mean, I don't want to talk about something which has not yet been signed up, but then the rest, whatever I've talked about is all signed up deals. There are 1 or 2 big ones that we are looking at, but the moment it gets signed up, we'll talk about it maybe the next quarter.

**Parikshit Kandpal:**

Okay. And just the last question on the BKC. So we're still not seeing that project move into -- the commercial project move into ongoing, still showing an upcoming. So has the financial closure achieved there? When are we looking to break ground? Has the contractor been appointed? So at what stage of like approvals or progress it is?

- Irfan Razack:** No, while they've kept it in ongoing in the first place, the contractor has been appointed, that LNP the rehab tower is -- construction is going on and is going on at a fast pace and the only question that you ask is on financial closure, which Venkat will update you.
- Venkat Narayana:** So this is underway. We should be able to conclude it next 2 to 3 weeks.
- Parikshit Kandpal:** Okay.
- Irfan Razack:** But I don't know, maybe it's a lap. It should have been under ongoing because it is actually factually ongoing. Work is going on pretty -- at a good speed. And I don't understand why it's...
- Venkat Narayana:** Yes, that -- those are all things work in progress that will come.
- Moderator:** We have a next question from the line of Kunal from Bank of America.
- Kunal:** Just 2 quick questions from my side. The first one is that a lot of sales in the quarter have come from Prestige City Hyderabad where company's stake is 30%. And yet if we look at what were the bookings at the company level and that attributed to Prestige, both are very similar, INR5,300 crores and INR5,100 crores. So I just wanted to understand why should this be the case if the ownership is 30%. Is it that you have earmarked inventory, which is what is getting sold out?
- Irfan Razack:** See, It's not like that. You see we bought the whole land is 62 or 63 acres, out of which we bought from that same land, only half of that land. And the other half belongs to our land partner. He did not want to sell the whole land to us, so it's like a joint development or a joint venture, whatever you call it. And in the SPV that we have bought, where the company share is 60%, and the balance is with the other partners.
- Venkat Narayana:** So then the SPV, half the land is bought, half the land is where we are doing project management funding for which we have fees. But in terms of market planning, it is considered one project. So it got sold in that manner. I think similar structure is also being done somewhere else, wherever we're buying land, the remaining is held by the landowner to do it as a one project so that the efficiency can be better.
- Irfan Razack:** But one thing that I'd like to add here is the main entity is -- the listed entity will definitely, definitely get the upside in terms of the top line fees which we are getting from our partner as well as the subsidiary, so that there is the overhead and everything else will be picked up as well as there will be a profitability. So there is a benefit in terms of that. So it's too early -- we get benefit twice. So that way, I think there's no loss in terms of profit or anything. That is the listed entity.
- Kunal:** Right, right. Got it. The other one is second, I think in your opening comments, you were mentioning the price realized per unit is up 19%, 9 months of the year. How does that split between price increase versus a mix improvement for you?
- Venkat Narayana:** Mixture of both. If you look at existing markets, price increase is around 12% to 14%. And contribution of Mumbai also because the realization per square foot is higher pushes up the

average realization per square foot slightly above. Leaving aside Bombay, if you do the math, it could be around 8,200 or so that gets pushed above.

**Irfan Razack:** Even Bangalore today is an average of 10,000 plus on sales that are happening. That's how the price has gone up. Because even on the contrary, even our cost of construction as well as land cost also has gone up. So it's not that it's a windfall because it's all fresh inventory and fresh construction that's happening. If you had old inventory and selling at new prices, it's a windfall. But unfortunately, in our company, we don't have any old inventory.

**Moderator:** We have a next question from the line of Pritesh Sheth from Motilal Oswal.

**Pritesh Sheth:** Congrats on the strong performance. Firstly, in terms of launches, we have seen some pushout in Bombay, Prestige Nautilus. But otherwise, whatever launches which are planned in Bangalore and Chennai, Pallava Gardens, is on track for launch in Q4?

**Irfan Razack:** Nautilus will not happen in Q4. It will happen in the first quarter of the next financial year. And Forest Hills, we are trying hard to see whether we can get some part of it in this quarter that is the Q4 quarter. And Pallava Gardens also the plan has been approved by CMDA, but Chennai moves very, very slow. In fact, I was personally there to push things. But unfortunately, it goes slow. Hopefully, we should be able to launch it in the next quarter.

**Pritesh Sheth:** Sure. So in that case, how do you think about maintaining this INR5,000 crores kind of a run rate for next quarter? Obviously, there is INR16,000-odd crores of inventory, which we have largely probably would be in Hyderabad. So how do you think about ending this year in terms of presales number?

**Irfan Razack:** See, we've got one launch in Bangalore that will come up this month and maybe one more. And the rest of it has to be sustenance sales. And we have set a benchmark for us for INR20,000 crores, which I believe we'll cross easily without even getting that INR5,000 crores. But if you do get the INR5,000 crores, it will go to INR21,000 crores or so. But then the following quarter will be a boom quarter for us because there are a number of approvals that will come, a number of launches that will happen.

So it will go into the next financial year. But I think as it is to get to INR20,000 crores or big, so I don't see any stress in that. Yes, one quarter will be more, one quarter will be less. Like in one quarter, we had done INR8,000 crores, another quarter, we did INR3,000 crores. But at the end of the day, we -- according to me, we have to cover INR3,000 crores, INR7,000 crores, which we should cover easily, maybe more than that. That's where we are now.

**Pritesh Sheth:** Sure. Sure. Got it. And just on business development again. So you laid out a strong pipeline in NCR. But a couple of markets, which I'm probably interested in is Mumbai, where we are almost at the end of launching whatever projects we had once we launch Nautilus and the second phase of Mulund. How is the pipeline looking like in Mumbai? Would you still be now aggressive in acquiring more projects or probably just wait and watch and execute the existing ones and then probably a year down the line, you will start building up that pipeline. And specific comments on Pune as well, which is one of the markets we are looking closely from the residential perspective.

**Irfan Razack:** We have signed a term sheet in Pune. If that happens and certifies, legal due diligence is on. If that happens, we'll have a fairly, fairly large project there. And Mumbai, see, again, it's -- I can't go and buy -- tie up anything and everything that's offered to us. The whole of Mumbai is being offered to us. But we are also doing the touch and feel. We want to make sure that whatever we've tied up first is there like in Mumbai, there's another big one which we are not talking of though it's there in our books is Jijamata Nagar. Now the position is that the vacation has started, the eviction has started there. It's a large piece of land, 17 acres.

And if you look at Mumbai, I think we should look at the outskirts now because the high-priced property, too much of it also will create a glut. So apart from what we have, which is in Central Mumbai, we'll definitely be looking at places like Thane and maybe something more in Mulund or Andheri and other places, which will be at that point more -- the product will be that much more affordable to Mumbai standards.

**Pritesh Sheth:** Sure. Interesting. And just lastly, while we are planning a whole lot of new project additions, how do you think -- how much do you think the spend would be in terms of new regulations, are all these projects largely outright? Or how is the mix? And what is the planned investment for next year in terms of new project additions.

**Venkat Narayana:** I mean, whatever the upcoming residential projects that you see close to 53 million square foot that we have put up in the presentation slide #21, mostly paid for. If you ask exactly what is the balance to incur cost in this entire -- the list of the projects close to it would be around INR800 crores to INR1,000 crores. Otherwise, it's paid for fully and good for launches various stages of approval, some of them are in the planning stage.

Whatever is under diligence right now, I mean we are pursuing some land parcels in Bangalore and NCR predominantly, those we need to pay for. We will be able to achieve that through internal accruals.

**Pritesh Sheth:** Okay. But from a mix perspective, those are like outright or balance tilted towards JVPDs as well. How is the mix?

**Venkat Narayana:** We would say 60% of them are outright and 40% will be JVPDS.

**Pritesh Sheth:** So the broad calculation, INR4,000 crores to INR5,000 crores of new -- this land spend would be sufficient to get that much of a pipeline or I'm a bit off on that number?

**Venkat Narayana:** For the next year, we have adequate pipeline because we also launched a lot of projects during this year. So we have inventories that we can sell from even those projects. And then as I told you, upcoming also, we have enough. This year, broadly business development point of view towards upcoming projects balance INR800 crores, to INR1,000 crores. And maybe additionally, another INR1,500 crores to INR2,000 crores is what we should provide for. So net-net, INR2,500 crores to INR3,000 crores.

**Moderator:** We'll take the next question from Kushagra from Old Bridge Asset Management.

**Kushagra:** Just 3 questions. One, on the -- first on the Ocean Towers. So what's your sense on the response which you have received? Like how much time probably you think it will take to sell up the entire project given 10% or so had got sold out in the launch quarter? So just some qualitative comment over there.

**Irfan Razack:** Ocean Towers, I think we are pretty happy with the response. Without the CEC being ready, without any advertising, we've sold almost 40% of the stock or more that is the tower that we've launched. There are 2 towers there. The first tower is gone almost 40% and without any aggression at some good pricing. And hopefully, I think at the same speed, we should be able to clean it up in the next 3 quarters. And then we've got the second tower, which we'll launch probably another after 6 months or so, 2 more quarters.

**Kushagra:** All right. And can you give us the launch timelines for 3 particular Bangalore projects, which are Southern Star, the Varthur project, Raintree Park and Falcon City Phase 2?

**Irfan Razack:** Raintree Park will be the first, which will happen in the next quarter. And then it will be followed by Southern Star and then followed by Falcon City Phase 2.

**Kushagra:** All in 4Q or the latter 2 we will get postponed to first quarter of FY '25?

**Irfan Razack:** We've also got another project in Whitefield called Pine Forest. That's fairly largish. Even that also should happen in the next quarter.

**Kushagra:** All right. And sir, just last question to understand the upcoming and the land parcel, which you have. So you have around 770-odd acres of land parcels, right? And the upcoming pipeline, which you've already spoken about 40 million square feet, INR42,000 crores, how much of this 750-acre land parcel is not getting covered in the upcoming pipeline? And -- I mean, I'm just trying to understand beyond this upcoming of 40 million and in the land, which you have already signed or...

**Irfan Razack:** Of the 768, one is 224, which is Goa. We already have done the planning, everything else. And hopefully, if everything goes well, it doesn't have a name, but -- in this investor presentation, but the name we've given is Prestige Seascapes. It's got components of villas, plotting and it's got a small component of a little hospitality asset, which is part of the clubhouse. And we also have high-rise apartments.

So this approval should come in the next quarter and moment that comes in with RERA registration, we should be able to launch that. It's a fairly largish development. Similarly, we have got the -- many other like in Rajendra Nagar and Hyderabad, which is Budvel, We have bought that land 24 acres, which will, again, is under planning, which will come up soon. And then, of course, there is something in Bangalore North, which again will come in, which is 48 acres and then we've got the biggest one that is there, which is more or less assembled and sort of aggregated is Bidadi. And with the new Mysore Road happening, it's almost 200 acres of land, so that could be another Prestige city in that part of the city.

So that's how it is. This land bank is not stagnant. There's nothing in this list that is not stagnant. And most of it will definitely come up for development at some point of time or the other. There's



only one land, which we may not develop at all, which is the land in Bangalore because we believe that for us, it will be a defocus. And at some point of time, we may monetize that land, which is 21 acres. And then that will be getting out of our system.

- Moderator:** We have a next question from the line of Abhinav Sinha from Jefferies India.
- Abhinav Sinha:** So Venkat, can you give us an idea on the sales breakup for the 9 months between the major cities and resi commercial?
- Venkat Narayana:** Breakup of what, Abhinav?
- Abhinav Sinha:** Of the presales in the major cities as well as residential and commercial?
- Venkat Narayana:** Predominantly, it's only residential. Okay. So breakdown city-wise is not in the presentation, I'll have it sent to you.
- Abhinav Sinha:** Okay. So I just wanted to check, I mean, how much is Bangalore as a percentage now? And have you sort of achieved the diversification measure there that you wanted to?
- Venkat Narayana:** The broad numbers I can give you in detail in terms of share. Bombay is around 3,500 to 4,000. Hyderabad is going to be around 3,000, and rest of it predominantly is Bangalore.
- Abhinav Sinha:** Okay. So Bangalore is trending around 50%, 60% now?
- Venkat Narayana:** 50%, 60%, yes.
- Abhinav Sinha:** And are we where we wanted to be in terms of Bangalore contribution? Or are you still saying that this ratio is a little dynamic and Bangalore can go down?
- Venkat Narayana:** So, see, ratio is the by-product of the work that we do. I mean, to maintain the ratio, we are not acquiring the projects. So there's a business potential in Bangalore, doing well, and we can get the approvals quick and launch, we'll do more projects. And Hyderabad is doing extremely well. Prestige City has got a great response.
- As Chairman sir was mentioning, we have got 24 acres of land, which can be a large development 7, 8 million square foot development in that area. So that will be launched. So this mix is also going to be very dynamic. Now NCR projects get launched. Automatically, then that will add to the pie and Bangalore may come down further.
- Abhinav Sinha:** Got it. And sir, on commercial mix. So earlier, it used to be a meaningful contributor, right, to the top line as well as bottom line. But what is the thought process here? Is it like the cycle is not very conducive for commercial sales, or you would like to see it back up again?
- Irfan Razack:** No, no, the cycle is extremely conducive for commercial sales. Only we have held back. We want to now not do too much of strata sales. Though we are doing a small part of it, but rest of it is to create assets, build it up, lease it out and then maybe at some point of time, if you have a critical mass, take it to a REIT or something like that because, I mean, it's easy to just develop, sell and move on strata sales. Of course, it's a good number over there. But there is a certain

strategy to get much -- far, far better return in the long term. So we restrict ourselves from selling the strata.

**Abhinav Sinha:** Okay. Sir, on the current quarter, the land purchase amount was, I think, among the lowest that we have seen recently, sub INR700 crores. So is this the right number to look at now for the next, let's say, 4, 5 quarters? Or...

**Venkat Narayana:** While answering in the earlier question, that's what I was mentioning, Abhinav, is around INR800 crores to INR850 crores is what we should look at for the quarter. I'm not exactly telling, but the year as a whole, if we look at maybe around INR3,500 crores of spend towards the business development.

**Abhinav Sinha:** So sort of grow on what we are doing now in sales, right?

**Venkat Narayana:** Considering the fact that we also do some JVPD.

**Moderator:** The next question is from the line of Shivam, an individual investor.

**Shivam:** Yes, sir, as you mentioned that there will be plenty of launches in the next fiscal year. So can you just give us a breakup -- like can you just give us a guidance of the presales number that you are expecting for the next fiscal year?

**Venkat Narayana:** Right now, we are looking at this quarter, how we are going to end this financial year. The planning for the next fiscal starts as we end this financial year. It's too early to talk about FY '25 guidance. What are the numbers that we're going to reach this year, we'll try and work towards how we can achieve and try and grow on those numbers.

**Shivam:** And sir, any guidance on how much will be the top line we will be expecting?

**Venkat Narayana:** No for FY '25. Just no.

**Shivam:** You won't be able to give?

**Venkat Narayana:** See, I mean it's not about giving a random number. I mean, the kind of processes that we have, we need to speak with the heads of each of the cities and the verticals, look at their plan for each city and what we have in pipeline and what can get approval, which quarter, what can get launched and also speak with the sales team and how much of existing inventory we can sell off.

And it will be a sum of parts of each city, each segment, new launches and completed and ongoing projects, put together, we need to tell you that number. For the next year, we are not doing right now. We are looking at the -- focus is on this year.

**Shivam:** So the next year, you are immediately focusing that the Q1 will be having the highest number of launches?

**Venkat Narayana:** Yes. We should be able to get a lot of projects, which are underway for approvals by then. A lot of launches.

- Shivam:** And any numbers that you can give on the deliveries that we can expect of next fiscal year?
- Venkat Narayana:** This fiscal year so far, we have delivered around 12 million as of last quarter. And as I mentioned, last week, we had fixed completions. That is also aggregating to -- so overall, I think we'll end this year with 20-plus million square foot of completion.
- Moderator:** We have a next question from the line of Kunal Lakhan from CLSA.
- Kunal Lakhan:** So, when I look at our peer group of developers, we are selling more than others, but we have a relatively lower pipeline of projects compared to others. And when I look at some of the peers, despite having a sizable pipeline are raising equity to acquire more land since they are seeing more opportunities, attractive opportunities for acquisitions. Our approach seems to be slightly different. Are we seeing the opportunities differently here? Also, like if you can -- a follow-up on that would be like would you look at raising equity to either fund for business development or CapEx for that matter?
- Venkat Narayana:** Kunal, if you look at -- that's what I was mentioning in the opening remarks, 180 million square foot of projects done in 30 years. And as we speak just now, we have ongoing and upcoming, ongoing also acquired last couple of years only and under planning itself is 117 million square foot.
- I know which competitive developer that you are referring to. I'm not too sure ongoing and upcoming put together if people have got of this size and scale. But having said that, I mean, like, for example, Bombay, if you take. After we did whatever the acquisitions, the first and primary focus was to launch those projects and see the traction, unlock the capital that we have deployed and then churn the same capital to acquire a few more projects. We have now Nautilus to be launched. Otherwise, we've launched all the projects for which we have deployed the capital.
- Now once that is done, we will look at next leg of projects in Bombay in different geographies, the different locations than what we are currently present. Same thing applies for each and every city because there's no point in accumulating and buying so much. What we have 53 million square foot is not small, and the value of 53 million square foot is INR42,000 crores and we also have got at least 15 to 20 projects right now, large projects, scale of the projects also has a considerable increase.
- If you look at 26 projects, they are 53 million square foot. And on an average, each project is 2 million square foot. So 15 to 20 projects across various geographies, various cities, due diligence also happening. So be rest assured the business development activity, acquisition of projects, either by way of through NCLT, our ARP or acquisition directly from the private landowners is robust, and we have a method to doing that. And that will not let the growth slowdown.
- Kunal Lakhan:** Sure, sure. I mean I understand and I take your point in terms of the million square foot, but in terms of value terms, right, I mean, INR56,000 crores, INR57,000 crores of pipeline versus what we are selling already INR20,000 crores this year. And of course, that number will go up going ahead. So at no point in time we'll be short of projects, I'm assuming that in terms of pipelines.

- Venkat Narayana:** So INR42,000 crores of upcoming projects value, plus INR16,000 crores of current inventory out of what we just launched all put together nearing INR60,000 crores. And not that we're not going to sign anything at all in a month on month. So while answering that question, we said we are keeping aside INR3,500 crores of money for the business development. So with that money, a lot of acquisitions also will happen. Chairman was mentioning -- while answering the earlier question, in NCR, we are signing up a large project, Prestige City. The top end of that project would be close to INR8,000, INR10,000 crores.
- Kunal Lakhan:** Sure, sure. And just on the same question that in terms of like would you look at raising equity for either funding debt or business -- CapEx for business development?
- Venkat Narayana:** As of now, we don't have any plans as such. We will evaluate at that point in time. Maybe for you to know during this Board meeting, one of the discussion items in terms of monetization of assets was to evaluate now that we've got close to 12 operating hotels, and many keys are under construction in different cities.
- Evaluate hospitality portfolio so that is it a right time to look at raising capital for that segment separately monetized in some form or the other. There's a separate committee that's been set up, which will evaluate and based on the input given by that committee, whatever is the outcome, it will be put forth to the Board in the next meeting and accordingly, the decision will be taken.
- Kunal Lakhan:** Sure. That's helpful. My second question was on our segment-wise metrics that we give. The margins and the ROCEs for the resi business, especially the margins, right, still remain a bit lower than what we would expect at 19%. How should we look at this number going ahead, especially with the new projects coming in?
- Venkat Narayana:** Driven by the nature of the projects that have come up for the recognition. But as you know, average realizations have considerably grown last year and this year. These projects have not yet come for revenue recognition. So once they start coming in, I think the margins have been sustainable and back on track.
- Kunal Lakhan:** So on the INR32,000 crores of unrecognized revenues, what kind of margins do you think you can make?
- Venkat Narayana:** The gross margins will be in the range of around 30%. 30%, 32%.
- Kunal Lakhan:** Sorry, I didn't get that.
- Venkat Narayana:** 30% to 32%.
- Kunal Lakhan:** 30% to 32%. Okay. Got it.
- Moderator:** We have a question from the line of Pritesh Sheth from Motilal Oswal.
- Pritesh Sheth:** Two bookkeeping questions. One is debt, which is sitting outside our books on the JV projects, what would that number be?

- Venkat Narayana:** Between 4 different projects where we have partners, around INR1,900 crores to INR2,000 crores would be not coming for consolidation.
- Pritesh Sheth:** Okay. And this is our share? I mean this is total. Offset our share would be.
- Venkat Narayana:** We have to consolidate, our share would be half.
- Pritesh Sheth:** Yes. Okay. Got it. And secondly, just on other income, which we have seen a very healthy number since last 3, 4 quarters. I understand obviously, some bit of it is due to the REIT holding that we have. But I mean, on a quarter-on-quarter basis, what keeps that number very high at around INR170-odd crores. So what are the components to that?
- Amit Mor** The major component of other income is the REIT itself. It's around INR90 crores to INR100 crores. And apart from that, we have certain interest income and all that, which we collect on our refundable deposits and ICDs what we have given to JV entities. So basically, these are the components of other income.
- Pritesh Sheth:** Sir, REIT INR90 crores to INR100 crores would be the revaluation income or the rental income, which is flowing to us.
- Irfan Razack:** It is basically the REIT units listed. So as per the accounting standard, you have to mark-to-market every quarter based on the present prices on that date. So INR100 crores including dividend income is -- INR90 crores to INR100 crores is what we have additionally upside during the quarter.
- Moderator:** Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to management for closing comments. Over to you, sir.
- Venkat Narayana:** Thank you, everyone, for taking time out to be in this call and for a very interactive session. We are happy to provide further information that you may need to understand the company a lot more. We and the management division and the teams that we have are continuing to work towards how we can grow and create value for all our stakeholders. Thank you and look forward to your continued support.
- Irfan Razack:** Thank you. Thank you for the participation. We enjoyed the interaction, and I hope we were able to give you clarity. Thank you again.
- Moderator:** On behalf of Axis Capital Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.