SOBHA

PASSION AT WORK

Date: August 16, 2022

To The Deputy Manager Department of Corporate Services, BSE Limited Floor 25, P.J Towers, Dalal Street, Mumbai – 400 001 **Scrip Code: 532784**	To The Manager National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400 051 **Scrip Code: SOBHA**

Dear Sir / Madam,

Sub: Transcript of the conference call held on August 11, 2022

In continuation of our letter dated August 11, 2022, please find enclosed herewith the transcript of the conference call held on August 11, 2022 with the Investors/Analysts to brief the operational and financial performance of the Company for the quarter ended June 30, 2022.

We request you to take the aforesaid information on record in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is available on the website of the Company.

Yours sincerely,

FOR SOBHA LIMITED

SOBHA LIMITED ★ BANGALORE ★

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VIGHNESHWAR G BHAT
COMPANY SECRETARY AND COMPLIANCE OFFICER

“Sobha Limited
Q1 FY2023 Earnings Conference Call”

August 11, 2022

ANALYST: **MR. ADHIDEV CHATTOPADHYAY - ICICI SECURITIES**

MANAGEMENT: **MR. JAGADISH NANGINENI - MANAGING DIRECTOR – SOBHA LIMITED**
MR. YOGESH BANSAL - CHIEF FINANCIAL OFFICER – SOBHA LIMITED
MR. RAMESH BABU - SENIOR VP FINANCE – SOBHA LIMITED
MR. VIGHNESHWAR BHAT - COMPANY SECRETARY AND COMPLIANCE OFFICER – SOBHA LIMITED
MR. SOUMYADEEP SAHA - HEAD OF IR – SOBHA LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Sobha Limited Q1 FY2023 Results Conference Call hosted by ICICI Securities Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Adhidev Chattopadhyay. Thank you and over to you Sir!

Adhidev Chattopadhyay: Good evening everyone. On behalf of ICICI Securities, I would like to welcome everyone today to the Q1 FY2023 Results Call of Sobha Limited. From the management, we have with us today Mr. Jagadish Nangineni, Managing Director, Mr. Yogesh Bansal, the Chief Financial Officer, Mr. Ramesh Babu, Senior VP Finance, Mr. Vighneshwar Bhat, the Company Secretary and Compliance Officer and Mr. Soumyadeep Saha, the Head of IR.

Now I would like to hand over the call to the management for their opening remarks. Over to you!

Jagadish Nangineni: Thank you Adhidev for your kind introduction. Thank you ICICI Securities team for organizing this call. Good evening everyone and wish you all a happy Raksha Bandhan and advance wishes on our 76th Independence Day a momentous and proud occasion for all Indians and completing 75 years of Independence. My team and I are happy to interact with you post our first quarterly results of the financial year 2022-2023. We have already shared the operational update of the company in early July 2022 and the investor presentation based on the audited financial results adopted by the board can be downloaded from sobha.com. The three months of April to June 2022 quarter was an exciting one for Sobha on all fronts. Our teams have been working hard to hit all the operational goals of residential real estate, sales, new launches, collections, billing, project completion, handovers, design for new projects and on contractual and manufacturing front too we have been steady in all activities. This quarter as you would have noticed we sold more at better prices enabling higher performance in both volume and value. This showcases strong consumer confidence, higher affordability aspiration for high quality homes it also showcases strong brand acceptance in a competitive market. Customers seemed to have taken inflation in housing ownership costs in their stride. All the factors contributing to higher home sales like increasing population, concentration in large cities, disposable incomes, nuclearization of families, speedier access to finance has accelerated and sustained this demand. The beginning of this quarter has started with two new project launches Sobha Sentosa in southeast Bangalore and Sobha Victoria Park in north Bangalore, couple of months later we launched Sobha Royal Crest in South Bangalore with help of these new launches for the first time we have achieved 1 million square feet of sales in Bangalore a single city in a single quarter. Additionally we added higher area into our existing project in Pune Sobha Nesara taking advantage of the change FAI regulations in Pune.

On the operational front we have completed Sobha Blossom a plotted development colony Chennai. We received OC for the first three towers in the apartment project in Gurgaon Sobha City and we completed row houses in Prestige and we completed one tower in Dream Acres in Bangalore. I am also happy to share that we have completed the landfill transaction in this quarter by receiving the pending amount of about Rs.165 Crores of the sale of which has taken place in Q2 FY2022. Proceeds from this has helped us further in debt reduction. Our relentless focus on operational excellence has resulted in superior cash flows resulting in reducing our debt by Rs.940 Crores in the past seven quarters without any aid of external equity capital. We are further enhancing our capabilities operationally by investing in technology across functions to better integrate optimize our cost into our customer experience simultaneously as we scale.

With this brief commentary I would like to hand it over to Yogesh our chief financial officer to give his comments on the quarterly performance.

Yogesh Bansal: Thank you Sir. Good evening all. We are happy to share that in this quarter Sobha has gone steady improvement in sales reduced debt even further with cash flow and successfully launched three new projects in Bangalore. I would like to take through our sales highlight, during the quarter we have achieved total sales volumes of 1.36 million square feet of super built-up area venue at Rs.11.45 billion which is highest ever since inception. We were able to achieve best ever price realization of Rs.8431 per sq feet which is up by 11% year-on-year and 4% Q-on-Q. Bangalore has seen highest ever quarter sales volume, we have crossed 1 million square feet mark in Bangalore as mentioned by our MD, in total Bangalore has contributed Rs.8.58 billion with 1.06 million square feet of sales. Pune Gift City and NPR region also continue to work well in Gift City we saw 43% Q-on-Q volume increase with the realization also moving up close to by 10% Q-on-Q sale volume and quarterly highest for that region. Debt reduction and cash flow highlight, as on June 30, 2022 our net debt at Rs.21.1 billion, during the quarter we have reduced that 2.27 billion. Our debt equity ratio also come down to 0.84 as compared to last quarter it was 0.93, we have reduced our finance cost by 30% year-on-year, in this quarter our finance cost was 58.1 Crores, our borrowing costs also in this quarter is one of the industry lower at 8.45%. Our MD told that in last seven quarter we have managed to reduce our net debt by 9.4 billion, our total operational cash flow in this quarter up by 56% year-on-year to Rs.11.18 billion, real estate cash flow up by 62% year-on-year to Rs.8.8 billion.

Our net operating cash flow also up by 39% year-on-year to Rs.1.87 billion, we have generated free cash flow of Rs.2.27 billion in this quarter, out of 2.27 billion we have received 1.55 billion from sales monetization of land. If I briefly touch this land sale we have done land sale in Q2 FY2022 for 1.72 billion so out of that we received that particular month 115.06 Crores balance we received in this quarter and we are equalized revenue in that particular quarter Q2 FY2022.

Moving to our P&L, total income for Q1 FY2023 stands at Rs.4.8 billion up by 26% year-on-year, real estate contributed Rs.3.7 billion up by 53% year-on-year, contractor business at generated Rs.294 million, manufacturing region close Rs.786 million, EBITDA for Q1 FY2023 stands at Rs.0.96 billion margin of 20%. PBT for Q1 FY2023 was Rs.0.22 billion up by 71% with a margin of 4%. Net profit for Q1 FY2023 stands at Rs.0.14 billion up by 27% with a margin of 3%. I thank you all that participation and now we can open the floor for the question and answer session.

Moderator: Thank you very much. We will now begin with the question and answer session. We take the first question from the line of Mr. Puneet Gulati from HSBC. Please go ahead.

Puneet Gulati: Thank you so much and congratulations on good numbers and solid debt reduction. My first question is actually on the land side you are quite regularly selling land and raising cash can you give some color on what is the quality of this land that you are selling it who is it that you are selling to and what are your plans for future in similar area?

Jagadish Nangineni: Good evening Puneet. This particular land sale which was done last financial year, this land was acquired by us way back in 2004 and 2005 and for certain regulatory reasons and multiple ownerships we could not develop this over several years and hence this we had taken a call that it is better off to sell rather than continue to keep it because it did not come in the developable portfolio and it was in the best interest of the company to sell it and that is what it is. The way we are monetizing land made it very clear that we would not like to monetize any land which can contribute to development for us wherever development is possible we are in fact incrementally investing in those and wherever we clearly we see that there are issues which we cannot resolve or it is going to take extended time and if we get the right value we are deciding to hive it off but going forward I do not see any large major land parcels that we would like to sell unless we get a much better valuation or foresee similar situation where we think it is not feasible to develop so this is a large amount after quite a bit of time for us we have received this close to 165 Crores so which I think it is a one off thing but going forward like I explained it is going to be very strategic and it is not going to be based on any financial pressure on us.

Puneet Gulati: I am just speaking from the buyers perspective what kind of use envisaging for this land?

Jagadish Nangineni: So Buyers in this particular case Puneet, the buyer is an existing developer in Bangalore I think he has certain another land parcels or certain interest in and around so it makes sense for him to develop this as a commercial or a semi commercial and residential. I think largely commercial.

Puneet Gulati: Okay and how are you looking at monetizing your land in Hosur and other areas but still kind of slightly far from the city centre?

Jagadish Nangineni: So Hosur we have been in fact mentioning this that we are monetizing it through development in the nature of plotting or wherever possible selling it if that is not contiguous land which cannot be developed so we have identified a large chunk of land which we can develop as plots and currently we are in the permission stage which we would like to launch as soon as possible probably in the next couple of quarters we should be able to launch the Hosur project and that is one large chunk of the land that you would monetize and there are few other land parcels which are not really contiguous and we are actively seeking buyers for this smaller parcels and wherever we find the right opportunities we would do the monetization of those.

Puneet Gulati: Understood and in terms of the launch pipeline you launched about 2 million square feet of salable area and your total pipeline plan was about 13 so should we think you are broadly on track launched full 12-13 million sq feet or do you think the number could be lesser?

Jagadish Nangineni: So we have indicated in our investor presentation there is about 12.11 million square feet of new launches in that these are the launches that we are fairly confident of achieving in this financial year and in the next financial year. Out of this 12 I think another 2 to 3 million sq feet can easily be done in this financial year and if we are lucky then we might do far more depending on the timeline that usually takes for the permissions which is little bit uncertain but largely we should be able to do 2 to 3 million this financial year and the next financial year we should be able to do the largely remaining one.

Moderator: Thank you Sir I think this line has got dropped so I am promoting the next question which is from the line of Mr. Girish Choudhary from Spark Capital Advisors Private Limited. Please go ahead.

Girish Choudhary: Hi thanks for the opportunity. Firstly on the debt we have seen a good reduction in that the last 12 to 15 months so how should we think of further reduction in debt what would be our internal targets for let us say the next one to two years?

Jagadish Nangineni: On debt reduction so the way we look at it is now going forward on a yearly basis we should be able to if we sustain the current volumes of sales and in terms of collection then we are fairly confident of generating at least about 500 Crores of free cash flow which we have done last year also I think going forward also it is doable before considering any land investment so even if you take consider 50% of it for new business development and 50% for debt reduction that would largely be the way we would like to move in a very long term we would like to keep the debt as low as possible currently the debt to equity is 0.83 naturally even if it is not, if you maintain the debt levels at the same with the increase in equity I think that equity will go down in the next couple of years further but from absolute level also the depending on our ability to invest in the new lands we are fairly confident that we will either maintain the debt level or reduce it incrementally.

Girish Choudhary: Got it Sir since you mentioned on the investment so how you seen business development from recent past we focus more on deleveraging and have not done enough deals so what can we expect on business development from here on?

Jagadish Nangineni: So our business development pipeline has been robust and we have quite a few opportunities lined up it is a continuous process and we have not finalized any specific deal where we will invest large amounts but the main capital that we will allocate going forward for land, one is for our existing deals that we have already signed or existing lands that we think that incrementally to invest it will come to project level very soon so these are the first priority. Second priority is wherever we find the right opportunity on a joint development basis, third is which we are finding some opportunities where an outright purchase opportunities are also available, those also we are seriously evaluating some of them so I think a combination of these we will continue to invest. Currently we are at about 5 million square feet run rate of sales would like to increase it to 7 to 8 million square feet if you have to do that then you will have to invest at similar pace for business development we recognize that and that is what we would plan for in terms of cash outflow for land.

Girish Choudhary: Sure I got it and then lastly in the contracts and manufacturing business the expenses have seen a sharp jump for Q-o-Q and Y-on-Y and we have seen negative cash flow from this business so any reasons why and what can we expect in medium term?

Jagadish Nangineni: So we had just completed one of the large contract which is based in Kerala that we have taken recognized all the expenses towards it and that is the main cost for the increase in.

Girish Choudhary: Got it. Thank you Sir.

Moderator: Thank you Sir. We take the next question from the line of Mr. Pritesh Sheth from Motilal Oswal. Please go ahead Sir.

Pritesh Sheth: Hi Sir thanks for taking my question so firstly on strong performance both on the volume side which we have sustained for last three to four quarters and our prices have also jacked up, how do you see this year overall panning out, you earlier guided for around 5 million square feet kind of number surely I think with this performance you can better it and thanks for doing also the fact that we are going to launch more projects so how do you see this year in terms of volume as well as value?

Jagadish Nangineni: Beginning of the financial year Pritesh we told that our one of the goals in this financial year is to improve our margins because last financial year we have seen substantial increase in a cost of construction so given that background and also increasing interest rate costs so we were not clear as how the customers would absorb the new pricing and new higher cost of home ownership and it looks like the customers have taken in their side the inflationary aspects in the home ownership and that we can clearly see in the sales volume as well so now the confidence for us to achieve a higher numbers at these prices seems to be much better and we are witnessing that on the ground. All the leading indicators also suggest that demand seems to be robust so now going forward from this quarter to the end of the year we think that fairly we are able to do at least the similar numbers as what we have done last quarter and given that we have enough inventory and some new launches also coming up so I think we should be able to deliver from a volume perspective about 10% to 15% more and from a value perspective the pricing from last financial year overall maybe about 5% increase so overall I think from a sales value we should be able to do between 15% to 20% increase.

Pritesh Sheth: Sure great to hear that and second pricing I have seen since we give all the data I have seen at least Rs.500-Rs.600 per square feet kind of increase across many cities like Bangalore Gift city etc., so all of that is because of price hike we have taken or is it something related to mix as well so just you can quantify the amount of price hike that you have taken on like for like basis in this quarter?

Jagadish Nangineni: So it is a combination of two factors Pritesh actually first it is absolute price hike which we have done during the quarter, actually the price hike really gets reflected over a period of time if you see because the sales mix of the project one can see that the price realization between last Q1 FY2022 to Q1 FY2023 there has been an increase of 10.5% but in the last quarter specifically we have hiked largely in Bangalore the price hike has been between 4% to 6% across some of the projects, the second factor is also that some of the apartments or the villas or the plots that we have sold earlier, but we could not conclude the transaction so we have cancelled those and we booked at the new price so that also it is a smaller volume sometimes in the other cities it reflects a higher realization so both these if you look at it then it contributes to higher prices.

Pritesh Sheth: Got it and one last on launches I mean you have had two million square feet of new launches but apart from that any area which we released from the existing projects if you can quantify that and how should we see that going forward in this year like how much of the launches would come from the ongoing projects where area is yet to be released for launch?

Jagadish Nangineni: So Pritesh we have about 30 million square feet of combination of unreleased inventory so of that about you can say unreleased we typically do not again mention it as a new launch but that is about 6.5 million square feet of that we based on the phase of the sale we will release it during this financial year but I think I do not have the exact number of how much we will be able to release that will entirely depend on the case of sale each of these cities but they are available for us to be launched at any point of time so it is not contingent upon any kind of approval so it entirely depends on the day we sell in the coming months.

Pritesh Sheth: Got it fair enough that is all from my side and all the best.

Moderator: Thank you Sir. We take the next question from the line of Nikhil Kanodia from HDFC Securities. Please go ahead.

Nikhil Kanodia: Good evening Sir, congratulations on the very good set of numbers. Sir I have two follow up questions on the basis of the questions asked by previous participants so one is you mentioned that in case of Bangalore you have taken 4% to 6% price hike so what is the price hike that you would have taken across region and at the blended portfolio level?

Jagadish Nangineni: Good evening Nikhil, like I mentioned earlier the price hike that we have done during this quarter is in Bangalore is between 4% to 6% in various projects but it does not get reflected in the price realization because of the sales mix that happens across various projects, old projects, new projects so hence it looks like the price increase is not as high as what it is.

Nikhil Kanodia: Okay so you mean to say blended level it is very negligible thing so there is no reporting in that case?

Jagadish Nangineni: I mean if you look at the price hike like for example we have launched a new project right in Bangalore so there is no corresponding price hike for them so that is why it becomes a little tough to see what exactly the price hike is.

Nikhil Kanodia: Okay Sir fair enough understood and Sir you mentioned about your launch pipeline around 12.1 million square feet so in that case also is it possible to quantify what is the pipeline region wise like in case of Bangalore, what is the number of projects and the area that is there for the launch pipeline?

Jagadish Nangineni: It is already given in investor presentation in slide #17 but if I have to just reiterate it Bangalore has about 6.5 million square feet and rest of it distributed across various cities.

Nikhil Kanodia: Okay Sir those are my questions and best of luck. Thank you.

Moderator: Thank you. We take the next question from the line of Mr. Dhruvesh Sanghvi from Prosperotree. Please go ahead.

Dhruvesh Sanghvi: Sir hi congratulations for a good set of numbers and I have a couple of questions one is when we just see it from a slight past let us say somewhere around pre-COVID times or when the ex-CFO and ex-MD were there whenever the questions related to debt or debt reductions were asked, there was never comment about absolute level and there is a welcome change that you are positively commenting about absolute debt levels as well not just ratios so very welcome on that but what has led to this big mindset changes it just you versus the old guy or there is a management board level thinking that considering COVID and the kind of disruption we saw we should not get into such sort of situations ever again if you can just give some rationale around that.

Jagadish Nangineni: Good question Dhruvesh, this is a combination of several factors but one I would say that one of the biggest factors was also COVID because when such an event has happened which is very clearly visible for us that any kind of uncertainty of this scale can really put us in situations which are very tough to handle and ideally we would like to avoid in future that is one so overall as a management we have taken a call that this is something that needs to be addressed and hence we have worked upon it and second is given that this is one of the goals and strategically it so we have operationally enabled it by through reviews and also continuous focus on both inflows and outflows and a tight control on all the aspects of it so that both these combination we have achieved.

Dhruvesh Sanghvi: Thanks a lot so other from a story point of view when I think aloud like this that okay are we a premium builder the answer is yes, are we building ourselves the answer is yes in fact we are making doors and bricks also not just building as a contractor additionally we provide value added services in terms of furniture and other thinking on that area in addition to that our sales through agents are very low versus the competition and we are repaying debt and our cost of borrowing is much better versus a lot of unorganized players but then when we see our margins I mean everything is in our favor but still margins are very poor in the listed space or the organized market space and I understand that there is the accounting aspect to it that what we sold just two to three years back if not getting reflected in the next one to three years but can you give us some sense on how we should look at margins and how they are low and I also understand the mix between the PC versus the real estate space so really cutting to the real point that there is a lot of overheads that we have as an organization, which a lot of other people do not have so is there answer in the form of only volumes or there is an absolute possibility of saving a large amount by operational management and there has been a lot of focus after you have come on the word operations focus processes checklist etc., so am I thinking correct and some guidance on this area.

Jagadish Nangineni: Another good question in order to understand the current margins or past margins and probably the near term future margin, we will have to look at the environment in which we operated in the last five to six years where the real estate as a sector where facing a lot of headwinds and in the recent past there has been a lot of cost increase also so specifically this has affected our projects where we have undertaken and in the form of joint development where as the cost increase for us and the realization is the same then it does impact some of the margins that part whether it will affect in the future also it will be till such time where we have we will recognize income where the joint development projects are getting completed but in future it looks to me like we have been able to increase our pricing probably we are trying to optimize our cost on all aspects and hence there should be definite change and improvement in the market so the overall backward integration model that we have seen that will no doubt will help us in future.

Moderator: We have the next question from the line of Sameer Baisiwala from Morgan Stanley. Please go ahead Sir.

Sameer Baisiwala: Thank you so much and good evening Sir my first question is on the contractual business what is the outlook over here and what is the current pricing that you are quoting?

Jagadish Nangineni: Good evening Sameer outlook on the contractual and manufacturing business, it continues to remain the same but we would actively seek opportunities in the space where margins are well protected and the counterpart is equitable client and we also operate only in institutional and commercial so given that space we continue to seek opportunities there so there is no shying away from seeking out new opportunities. So second question you had was what is the pricing so the pricing essentially what we are trying to see is the learning from the past experiences seeing if we can reduce our risk on some of the commodity prices better than what we have done earlier in the past contract we are trying to see if we can achieve that but otherwise rest of the day function will continue to remain.

Sameer Baisiwala: Okay but Sir how does the pipeline look like for this business will you be going back to the same volume that you were doing pre-COVID or it is going to take some time?

Jagadish Nangineni: Pre-COVID Sameer we had mix of both Infosys and non-Infosys contract right and Infosys was a reasonably large vertical but for post COVID I think Infosys itself is not developing new campuses and hence the capex that provided by then for building out a new building is become lower and hence from perspective a large part of that business has reduced but however if you look at we have been steadily building our other clients business and the last couple of years of course because of COVID we are not able to execute some of the projects but we have a reasonable pipeline to achieve good topline in terms of contractual business so if you specifically ask if we have a order book for this we have a reasonably good order book for these we have closed about 500 Crores of order book which we will have to execute in the next year and year-and-a-half along with this we are aggressively picking out new opportunities so I think we will be continuing to build that pipeline.

Sameer Baisiwala: Okay and just one the new launches have you launched that project on 26 acre parcel yet Dream Makers or that is not one of those three launches?

Jagadish Nangineni: That is another launch Sameer which is of about 3.3 million square feet that is not part of the launches that we have done that I think is current we hope to do that launch by first quarter of next financial year if we are lucky then probably we can get this year too.

Sameer Baisiwala: Okay and just a quick clarification you mentioned I think 4% to 6% price increase across projects in Bangalore but this is for the old project right?

Jagadish Nangineni: That is correct.

Moderator" Thank you Sir. We take the next question from the line of Abhinav Sinha from Jefferies. Please go ahead Sir.

Abhinav Sinha: Hi thanks for taking my question. One on the various geography is outside Bangalore so I wanted to check that in Kochi we have seen that sales momentum has come down quite a bit so what is the reason for that and the outlook there and secondly in Gurgaon when are we expecting the next project launch to happen there?

Jagadish Nangineni: Good evening Abhinav so with regard to the first question Kochi and in some couple of other the cities in Kerala that is Calicut this quarter what we have done is we have actually seen wherever their customers who have not been paying for some time we have cancelled those units and hence it looks like that the performance in Kochi and in fact if you look at

Calicut it is negative number so these looks like you have not done well but new sales have been in the similar range is what we have been doing earlier but these cancellations affected a reported sales numbers and coming to the Gurgaon launch we have one project which is Karma which we have signed up for some time back so I think that we are going ahead in terms of the next steps in terms of permissions so I think we will get clarity for that in the next quarter or couple of quarters timing of which it will be clear so we think that if we are lucky then we can do it this financial year or it might go to the next financial year.

Abhinav Sinha: Okay so even without Gurgaon down and these cancellations in Kerala, you are still hopeful of that 15%-20% Y-o-Y sales growth and that is largely Bangalore is it this year?

Jagadish Nangineni: Yes Abhinav we are not counting a new launches from Gurgaon but there is existing inventory in Gurgaon which needs to be released in Sobha city and there is some inventory in International City so that I think is a reasonable inventory to cater to be projection of sales that we have for this Gurgaon and for other cities now they have about 300,000 square feet in Pune and we have enough inventory in city and in Chennai and in Kerala so if these perform even similar or slightly better than last financial year then I think we should be able to do the numbers that I have for indicating.

Abhinav Sinha: Sure thanks and all the best.

Moderator: Thank you Sir. We take the next question from the line of Parvez Akhtar Qazi from Edelweiss Securities. Please go ahead Sir.

Parvez Akhtar Qazi: Good evening and congratulations for a great set of numbers so my question is with regards to our future launch pipeline what is the status of approvals and you said that you are fairly confident that you will be able to do another 3 million square this here and then rest depends on launches so what is the status of approvals on this launch pipeline?

Jagadish Nangineni: Parvez for the launches that we are planning to do this financial year so most of the one which I had indicated about 2-3 million square feet those are in fairly advanced stage and we should be able to do it in the next couple of quarters wherein probably we are couple of steps away from applying to radar but otherwise the remaining ones are at also where we have already designed it we have applied for the building plan approvals or the initial licensing requirements so those also some of them will take a little bit more time because some of the projects will require environment clearance so and those will come in the subsequent financial year.

Parvez Akhtar Qazi: But is it fair to assume that this entire 12 million square feet will get launched over FY2023 and 2024?

Jagadish Nangineni: To large extent yes.

Parvez Akhtar Qazi: Sure thanks that is it from my side and all the best.

Moderator: Thank you Sir. We take the next question from the line of Mr. Mohit Agarwal from IIFL. Please go ahead Sir.

Mohit Agarwal: Thanks for the opportunity. My first question is on you talked about business development now geographically are you going to expand more into Bangalore or you are looking at newer markets any specific new market that you are looking at from a business development perspective and the second part of that question is on the entire business development competitive intensity in Bangalore now everyone existing players seem to be getting aggressive we also see newer players coming into Bangalore and they are also talking about aggressive expansion so how have you seen the land pricing or JV partner expectations moving there?

Jagadish Nangineni: Good question so I will take the second question first is in Bangalore that is where we have much better advantage because we have it is our pipeline or our land bank comes into a significant advantage, it gives significant advantage to us because our ability to incrementally invest in our existing land bank and launch will give us enough leverage to wait for the right kind of opportunities and investing them that is one. Second is since we have been present for a long 27 years in Bangalore and operating here the kind of opportunities through the existing relationships that we get are always I think better than probably newer players that will come into the city so regional the real estate is a regional play so it will take for any new player to time to settle down and expand that is applicable even for us when we go to a new market. Having said that it is very clear that Bangalore as a market is one of the best markets for us both in terms of a great indent with demand and also our own and also the new transactions of the deals that we are looking at so we will continue to invest in Bangalore because as we have seen that this quarter we have done a million square feet in the first one so the market size is a large we have good experience here up for last 27 years and we should continue to invest in this market. Now going to the other cities and other markets we think that there are two or five locations which can sustainably but for demand for residential housing that is a Hyderabad, Pune, NCR and Mumbai so apart from Chennai of course so these are the places which are of interest to us we are evaluating opportunities and all our priority will be in the operating locations where we are already present so in NCR, Pune and Hyderabad we are going to launch a new project so these will be our first protocol but if there are any good opportunities in Bombay also we will be willing to look at it so we are evaluating all these opportunities simultaneously and picking out the best return for us.

Mohit Agarwal: Sure and my second question is your thoughts on so we have land bank which is not city centric so on that land bank are you open to evaluating doing like a warehousing or a data center wherever you see that demand for that is there something that you see as an opportunity there?

Jagadish Nangineni: Absolutely that is an opportunity we can evaluate at an appropriate point, the current focus in those land banks has been that you like to consolidate those so there are certain prophets which can make the land farmer valuable and also developable so that is our current focus and once that is done probably it might take a year couple of years depending on the kind of opportunities we get to consolidate that because there are all small landholdings sometimes can create longer timelines so we are addressing those once that is done then at that time then we will post take a call whether to do something like warehousing or we can develop it as a farm house plotting or plots, residential whatever is the best views at that point of time.

Mohit Agarwal: Can you quantify or can you give some color on what are these land parcels that you are identified or where there is potential like how big this could be or and what are the timelines around that?

Jagadish Nangineni: As you might have seen in land bank, we have large land parcel in peripheral areas of Bangalore and Hosur, in Chennai so these are the first one we are addressing so the timelines and magnitude we will be able to give better clarity as we work on that and I am not able to divulge the complete details at this point of time.

Mohit Agarwal: Okay sure thanks a lot that is also my side.

Moderator: Thank you. Ladies and gentlemen that was the last question for the day I would now like to hand the conference over to the management for closing comments.

Jagadish Nangineni: Thank you all for participating in the call and patiently hearing. We believe we are structured far better both financially and operationally to address the sustained demand in construction industry. This enables us to execute the discipline growth in the coming years with that I wish you all a very happy long weekend. Thank you very much.

Moderator: Thank you. On behalf of ICICI Securities Limited that concludes this conference call. Thank you all for joining us and you may now disconnect your lines.