

Rustomjee®

Date: November 18, 2025

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Sub: Q2 FY26 - Earnings call Transcript

Dear Sir/ Madam,

We are enclosing herewith a copy of the transcript of the Company's earnings conference call which was held on November 12, 2025, with respect to unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and half year ended September 30, 2025. The transcript is also being uploaded on the Company's website i.e. <https://www.rustomjee.com/about-us/financial-statements/?year=2025-2026>.

This is for the information of your members, and all concerned.

Thanking You.

Yours faithfully,

For Keystone Realtors Limited

Bimal K Nanda
Company Secretary and Compliance Officer
ACS - 11578

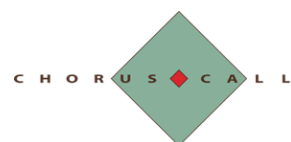
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KEYSTONE REALTORS LIMITED



“Keystone Realtors Limited
Q2 FY '26 Earnings Conference Call”
November 12, 2025

Rustomjee®



MANAGEMENT: **MR. BOMAN IRANI – CHAIRMAN AND MANAGING
DIRECTOR – KEYSTONE REALTORS LIMITED
MR. CHANDRESH MEHTA – EXECUTIVE DIRECTOR –
KEYSTONE REALTORS LIMITED
MR. PERCY CHOWDHRY – EXECUTIVE DIRECTOR –
KEYSTONE REALTORS LIMITED
MR. SAJAL GUPTA – GROUP CHIEF FINANCIAL
OFFICER – KEYSTONE REALTORS LIMITED**

MODERATOR: **MR. PRITESH SHETH – AXIS CAPITAL LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Keystone Realtors Limited Q2 FY '26 Earnings Conference Call hosted by Axis Capital 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 star then zero on your touch-tone phone. Please note that this call is being recorded.

I now hand the conference over to Mr. Pritesh Sheth. Thank you, and over to you, sir.

Pritesh Sheth: Thank you, Trisha. Good evening, everyone, and welcome to the call. As usual, we have with us the management of Keystone Realtors represented by Mr. Boman Irani, Chairman and Managing Director; Mr. Chandresh Mehta, the Executive Director; Mr. Percy Chowdhry, Executive Director; and Mr. Sajal Gupta, the Group CFO.

I'll hand over the call to the management for the initial comments, and then we can open the floor for question and answers. Over to you, Boman, sir.

Boman Irani: Thank you, Pritesh. Good evening, everyone, and welcome to the Q2 FY '26 Earnings Conference Call. I'm Boman Irani, Chairman and Managing Director of Keystone Realtors Limited, and I extend my heartfelt gratitude to all of you for joining us today. I'm pleased to share our achievements for the second quarter of this year, showcasing our continued growth and commitment to excellence marked by 3 significant milestones.

First milestone is our presales performance has been encouraging. We've achieved INR 772 crores of presales in this quarter, taking the total to INR 1,839 crores in the first half. That's a 40% year-on-year growth on a half yearly basis. I'm happy to note that we've already achieved 46% of our full year presales guidance in the first 6 months itself. This is a clear reflection of the strong demand for our projects.

Second, our project launches. We've launched 1 new project in Q2 with a saleable area of 2.1 lakh Sq. Ft and an estimated GDV of about INR 949 crores. This takes our total to 4 launches for the year, for the half year with an overall GDV of INR 4,916 crores. With this, I'm happy to state that we've done 70% of our full year launch target, and this is well ahead of our plan.

Third, we maintained a strong momentum in Business Development as well. During the half year '26, we've added 3 new projects with a total saleable area of 3.25 million Sq. Ft and an estimated GDV of INR 7,727 crores. What this means is that we've already surpassed our full year guidance for FY '26.

This is a strong validation of our asset-light capital-efficient model and a sharp focus of Redevelopment within MMR. Our performance clearly highlights the strength of our product portfolio, the strength of our team and the resilience of our overall strategy.

I'm pleased to share that for the first time, your company has raised funds through a listed NCD with the issue of INR 335 crores, which is proposed to be utilized for the growth of the company

itself. This has been done at a very competitive rate of interest. These NCDs were oversubscribed and at a premium. This again reflects the strong confidence investors have in Rustomjee's financial strength and long-term vision.

Now with a healthy balance sheet, strong capitalization and disciplined execution, we are well positioned to capture emerging opportunities and continue creating sustainable value for all of you, our stakeholders.

We're confident of carrying this momentum forward and delivering yet another year of strong and consistent growth. Our presales are tracking well in line with expectations, positioning us strongly for the next phase of revenue growth. The sharp rise in demand we are witnessing, reflects the strategic direction that we've taken is good and allows the growing trust of our customers to grow in the Rustomjee brand and in the quality of our development.

As we move forward, our focus remains clear: to deliver exceptional value to our customers, strengthen our brands and lead the business with passion and purpose. As mentioned earlier, we've launched one project during this quarter with an estimated GDV of INR 949 crores. This addition further strengthens our future revenue visibility and reinforces our strong execution pipeline.

It's worth highlighting that we've already achieved about 70% of our full year launch guidance, which gives us a solid foundation for achieving and potentially exceeding our annual targets. We're also encouraged by the robust pipeline of upcoming launches, which positions us well for sustained momentum in the second half of the year.

On the Business Development front, we've made significant progress in the first half itself. We've added 3 strategic Redevelopment projects with a combined GDV of INR 7,727 crores. Notably, this means we've already surpassed our full year FY '26 Business Development guidance, an achievement that speaks of the strength to our sourcing abilities and focused growth strategy. Let's remember, we've got 6 months to go.

All new projects undertaken by the company are carefully evaluated through a rigorous investment committee process, ensuring a disciplined underwriting, a strong governance and healthy margins across our portfolio.

I would like to highlight that our enhanced focus on Cluster Redevelopment now, is increasing. This is a complex but high-impact model, involving aggregation of multiple buildings/societies to enable integrated development, across larger parcels in the urban areas. It unlocks great value through scale and efficiency and significantly enhances livability and infrastructure for the communities we serve. We've made remarkable progress in this area.

We've added several high-scale Cluster Redevelopment projects, namely Lokhandwala, GTB Nagar, Dindoshi and Malad West. These projects firmly position us to lead the next wave of Mumbai's urban transformation built on trust, design excellence and community upliftment.

Our additions are fully aligned with our vision to consolidate Rustomjee's leadership in the Redevelopment space across MMR. This will enhance our growth visibility and also strengthen our long-term position in the high potential micro markets.

I'm happy to state that since FY '23, we've added 25 projects with an estimated GDV of INR 25,490 crores. This is particularly noteworthy because 21 of these are Redevelopment projects and 19 cater to what we call Mid/Mass and Aspirational Segment housing segments, which I have time and again said is the largest market for MMR.

This also perfectly aligns with our strategic focus capturing value through urban consolidation while maintaining healthy volumes in high-demand mid-income categories. These strategic additions underline our ongoing commitment to growth and leadership. I am confident in the ability of our team to consistently take on and successfully deliver new projects with the same focus and discipline that has defined us.

With a strong and diversified portfolio across all micro markets and price segments from value housing to luxury, our strategy ensures resilience and sustainable growth across various market cycles. The Redevelopment opportunity of Mumbai continues to be immense. We, as one of the most trusted names in this space, is very well positioned to capitalize on this momentum.

Backed by a robust balance sheet and a disciplined asset-light approach, we are fully equipped to seize this opportunity and continue driving long-term value creation. During Q2 FY '26, we generated an OCF of INR 109 crores. And for the half year '26, the OCF stands at INR 227 crores. This reflects the continued focus on disciplined execution and prudent cash management. Our construction spend has also risen from INR 394 crores in H1 FY '25 to INR 452 crores in H1 FY '26, reflecting a 15% year-on-year growth on a half yearly basis.

Our consolidated financial performance is as such. We've reported a revenue from operations of about INR 499 crores in this quarter and INR 772 crores for the first half of FY '26. On the liquidity front, our position remains strong. As of 30th September, our gross debt stood at INR 588 crores, translating to a gross debt-to-equity ratio of 0.21:1. which is very well within our guidance range.

We ended the quarter with a free cash flow of INR 935 crores, underscoring our healthy liquidity position. Importantly, our net debt remains 0, and this reflects our strength and flexibility of our balance sheet. I'm pleased to share that we've also got our ratings enhanced to an A + with a Positive Outlook from India Ratings recently. This is a clear endorsement of our robust financial profile, strong project pipeline and disciplined approach to capital allocation.

As we move through FY '26, I'm proud to share the meaningful progress we've made on our ESG journey. We have constituted a Board-level ESG committee, along with an ESG steering committee, comprising members from the senior leadership team to actively address ESG initiatives and goals across the organization. We've also presented the BRSR report to the Board's ESG Committee and submitted our BRSR report for FY '24-'25.

In addition, we have defined long-term ESG goals of the company, setting a clear road map for sustainable growth. Our initiatives towards ISO 14001 and ISO 45001 certifications are

currently underway, and this will further strengthen our commitment to environmental responsibility and workplace safety.

I'm pleased to share that we have completed our first stand-alone sustainability report, aligned with the GRI Frameworks. This is an important milestone in our journey towards transparency and accountability. Also, I'm pleased to mention that we have received a Community Initiative Award for our Thane Labour Camp, APNE GHAR by Realty+ Harit Bharat Awards 2025.

I would also like to highlight that one of our projects, Rustomjee Balmoral Golf Links received the Iconic Project of the Year Award at the 17th Realty+ Excellence Awards 2025, and the Rustomjee Group has received the Icons of Construction Award by CREDAI MCHI 2025. We remain fully committed to creating long-term value for our stakeholders and continue to strengthen our position as a trusted and forward-looking developer.

The market environment trends remain favorable. And with our strategic clarity, execution strength, financial discipline, we are well prepared to capture the next wave of growth and expansion. At Rustomjee, we are not building homes, not just building homes. We are shaping thriving, sustainable and future-ready communities.

I thank you once again for your trust, support and continued partnership. I look forward to your questions now.

Moderator: Thank you. We will now begin the question and answer session. The first question is from the line of Pritesh Sheth from Axis Capital Limited.

Pritesh Sheth: First on how do you see the current demand environment in the market, specific with the numbers, if I look at INR 770 crores of presales, while I agree we only had 1 launch versus 3 launches last quarter. But we had a good number of inventory to start with better than what we have had earlier. So how should we read this number in terms of the actual ground demand environment? That's my first question. Thank you.

Boman Irani: Thank you for the question, Pritesh. As it happens, and we've been watching year-on-year, the last 2 quarters of the year are always the highlight for sales taking place. We are aware that Diwali also came in October, which is the way it normally is either October or November. And this period is when the highest sales take place. Also, the sales are continually guided by newer launches and the launches that we have seen a strong demand coming through.

But because of 3 and 4 bases that we do nowadays in our projects, we usually predict that about till such time as we reach the plinth level, which is about 6 months is when we sell about 35% to 40% of our stock. Having said that, we've seen an increasing number of players wanting to buy at launch phase itself. And we are expecting great sales of this quarter and the next, but particularly in this quarter because we've just had a fantastic Diwali season.

And of course, what worked out very right for all of us was the government's initiative to reduce GST, which has led to a feel-good factor with all the FMCG and all the goods companies putting up full page ads and the way that the markets have responded to them.

So, we are very confident that the MMR continues to be a growing market. And even today, the kind of apartments that are being purchased are actually higher-value apartments that seem to be the calling for most of our buyers because people are realizing more than price, which is the value of the apartment that they go in for.

So, they're looking for good developments, and they're making their purchases with developers that they can trust at the same point of time with developers that they know will create value for them in terms of a great design, great living space, great amenities, good locations and everything that's required for a great lifestyle. So thank you.

Pritesh Sheth: Sure. And just a follow-up on that. Since we do most of the sales in sustenance right, do you keep a track on a weekly sales kind of run rate, if at all? And how that number has been from September end, I mean, post the end of last quarter now, are we seeing some better take-ups in terms of those sales right now post Diwali and during this festive season?

Boman Irani: So I have some data, Pritesh, that I can rattle out right now to you. In September of '24, we had about 9,111 registrations. This is public data. This is not my data. And in September of '25, we had 12,070 registrations. The key point out here is that in September this year was Navratri. I'm talking of the Mumbai market. So Navratri was a major buying time. Now in October last year, we had 13,200 registrations, whereas in October of '25, we had 11,200 registrations. This is because of Diwali this year.

But in spite of the registrations being less, you are seeing that the total value of the apartments have gone much higher. So my point is that people, though there will be a lesser offtake in terms of numbers, the kind of apartments that are being sold are of a higher value at this moment in time. So collections have actually increased by 10.2%, which means that the larger homes are actually being purchased.

Moderator: The next question comes from the line of Ritwik Sheth from One Up Financial.

Ritwik Sheth: Sir, a few questions from my end. Sir, firstly, can you just help with the presales mix of newly launched projects in H1 and from earlier inventory?

Sajal Gupta: Sajal this side. So Ritwik, we have sold from total basically, if you look at all the ongoing projects, we have sold about 51% of the projects launched. Out of the total value of INR 16,200 crores, we have already sold INR 7,100 crores. So 51%, as I told you, is that what we have already sold of all the projects. The new launches, we have sold, the other, if I remove the first half, the launches which has taken place in first half, we have sold 56%, and whatever we have launched in the first half, we have sold so far 10% of that.

Ritwik Sheth: Got it. Sure. Sir, second question is on the Carter Road project. Sir, can you throw some light on it? What is the? Do we expect to launch it in the

Boman Irani: Ritwik, I lost you. Yes.

Ritwik Sheth: Sir, am I audible?

Boman Irani: Ritwik, I think we lost you. Yes.

Ritwik Sheth: Can you hear me now?

Boman Irani: Yes. Loud and clear.

Ritwik Sheth: Sir, my second question is on the Carter Road project. If you can throw some light on the project? And do we expect to launch it in the current year? And what is the status of the same?

Boman Irani: So, thank you for that. And I just want to say that you've got some kind of a crystal ball and you're seeing my future Carter Road project also, which I'm really working hard towards. But I understand that you're asking about the Bandstand project, and you will hear about the launch of that very, very shortly. When I say very, very shortly means very, very shortly.

Ritwik Sheth: Okay.

Boman Irani: But thank you for that. I mean I'm vying for a Carter Road project and hopefully, I should have it. Hopefully, I should you can pray for me.

Ritwik Sheth: Yes. Sorry, the Bandstand project. Sir, and my last question is in one of the slides, we have mentioned about the potential cash surplus from the ongoing projects. It comes to around INR 4,000 crores, INR 4,500 crores. So what kind of time line you would be happy to sell these projects over the next, say, few years? If you could give us some color on that?

We have about INR 9,000 crores of inventory as per the presentation and total cash surplus of INR 4,000 crores, INR 4,500 crores. So what kind of time line do you expect to sell this INR 9,000 crores of unsold inventory and deliver it as well?

Boman Irani: So Ritwik, what's very interesting is I mentioned a number of about INR 25,000 crores plus in terms of my BD done in the last 3 years. What's also interesting is that INR 10,000 crores of these have been launched, projects of INR 10,000 crores of these have been launched. And you're also knowing that the momentum is only increasing.

So what we did in the first year to what we did in the second year to what we've done now, we are almost like 2x over INR 1,600 crores to INR 3,000 crores already done this year is going to be INR 4,000 crores. Hopefully, fingers crossed, we'll cross that number by a huge margin. So the way we are looking at it is our launches are getting done on time or we are preponing. And I think I will just once again touch upon Crescent, which I launched in about, or as I gave notice to get about 170 days of doing the DA, which is possibly the fastest time.

And I've told you so far, it takes about 12 to 13 months to launch a project from the DA date. Now I'm saying that, that number will come down to 11 months is what we will try and put at a steady state. And beyond that, we hope to bring it down to about 9 months on a steady-state basis.

Sajal Gupta: Yes, Ritwik, if I may add to second part of your question. Look, this INR 9,100 crores can be divided into 2 parts. INR 4,700 crores is the inventory out of those projects, which have been

launched in the last year or prior to that. And INR 4,400 crores is the inventory out of the projects that we have launched in the first half of the current year.

As I told you that 10% has been sold out of INR 5,000 crores, right? So INR 4,700 crores, which are in the various stages of the construction progress and also sales progress, we expect in the next 2 years, all of that to be sold fully, point number one.

The INR 4,400 crores, which has been recently launched, typically will take about 3.5 years, 3 to 4 years, basically depending on the size of the project, we take as a construction time line. And during that time line, plus 6 months that we are able to sell the entire store. So to answer your question, the balance INR 4,400 crores we'll be selling over the next 3.5 years or so.

Ritwik Sheth: So a good way to understand this is over the next 4 years, we should be able to sell this INR 9,000 crores of inventory and the cash surplus of, say, INR 4,000 crores to INR 4,500 crores from these projects should be realized over the next 4 years. That would be a reasonable understanding 4 to 5 years.

Sajal Gupta: Yes. I think that is more than reasonable understanding, perfect understanding, I must say, because that is what it indicates that all of that cash should come in. Of course, you have to take into account and now we have started giving that information in the footnote to our presentation also that there could be some JV partner then, of course, that cash basically which pertains to a JV partner that will go out to them.

Ritwik Sheth: Actually, that was my next question. Out of this, what could be the cash outflow to the JV partner?

Sajal Gupta: INR 950 crores

Ritwik Sheth: From the ongoing projects?

Sajal Gupta: From the ongoing projects like the soft cost will go and INR 950 crores. These will be the 2 things that will go out.

Moderator: The next question comes from the line of Rajakumar from RK Investment.

Rajakumar: Sir, my question is what is the return on equity that you are targeting in the upcoming years? Because your presale numbers are very good. But when do you think those will reflect in terms of the bottom line, because the reason why I'm asking is if I see your last 5-year P&L, we have done about INR 1,000 crores out of that INR 650 crores is coming from other income, which means your operational profit is only INR 350 crores in the last 5 years. So I just want to know when do you think your operational profit will come in the P&L?

Sajal Gupta: Yes. I think great question. So we have been maintaining that bulk of our legacy projects, which may have a burden on the financial results will be over in the current financial year. So FY '26 should be last of the year where the color of the legacy projects should go out of. Otherwise, our acquisition strategy is very clear. We work on the projects, which gives us 35% margins and 35% gross margins translates into 15% PAT.

It's like 35% gross margins translates into 25% EBITDA and then you take the interest out and tax out that translates into 15% PAT or 16% PAT. You are also aware of that we work on the asset-light model. When I say asset-light model means that we try to limit our investment to about 10% of the project GDV. So, if we do a project with a 10% over GDV and we make 15% PAT over a period of 5 years, let us say, 1 year is the project gestation period to launch.

And thereafter the next 4 years for the project to be completed, that translates into about 25% plus kind of a return on equity. So, we definitely would be graduating towards that over a period of time.

Rajakumar: Okay. So, can we take that would be like a 3- to 5-year target? Is that a reasonable assumption?

Sajal Gupta: Yes, like, of course, this I'm talking at the project level, we may have some investment logged into the erstwhile investment. But at an individual project level, that is the kind of a number that we are working on. And to answer that 3 to 5 years, yes, that is the right number.

Rajakumar: Sir, the second question is on the tax rate, the tax rate are lower because in June, you provided a negative tax and now in this quarter, the tax rate is 42%. So, what is causing this volatility?

Sajal Gupta: So fundamentally, you have to, if you remove the DTA and then look at the tax, then it will be a normal tax. So, in the quarter 1, basically, the Crown sales was there, DTA was not provided. So, I think fundamentally, you look at the tax basically, so if you look at basically in the quarter 2, 3.3% is the PBT and the PAT is 2%. And for the whole of the half year, it is 4.4% and 3.5%. So of course, depending on the project to price, but generally, it is in the range of 20% to 25%, that's basically the effective tax rate, which comes.

Rajakumar: So that's the full year tax rate that you are guiding, right?

Sajal Gupta: Yes, yes.

Moderator: The next question is from the line of Anuj Upadhyay from Investec.

Anuj Upadhyay: So first thing is on your FY '26 guidance. So, as we have achieved 46% of presales, 70% of launches and BD, we have already surpassed by 1.25. Are we thinking of revisiting any of our guidance upward; the first question.

Boman Irani: Yes. As a short answer, yes. But as of right now, we are not, we don't want to jinx anything by saying it before time. Like I answered Ritwik's earlier question, and I said that very, very soon, you'll hear about our Bandstand launch, which means that we would be far surpassing our expected or guided revenue for the presales of the year.

Anuj Upadhyay: That's helpful, sir. And secondly, you mentioned about the Cluster Development, which is coming up in the MMR region. Can you broadly specify how much similar potential like we had in Sion, that is the MHADA project? How much similar potential can we expect in the near term? And what support are we getting from the local authorities or the state government to bank upon similar kind of an opportunity so that we can execute the project in a smooth manner. That's all from my side.

Boman Irani:

Well, thank you so much. I mean that's such a good question. And in the interest of everybody, I'd like to state that the state government is extremely interested in two things. One is the Redevelopment of the older buildings or dilapidated buildings of Mumbai and in the slum, what do you call, Redevelopment and removal of or eradicating all the slums from Mumbai and making slum free Mumbai.

In both these, there's been tremendous amount of support and initiatives. As a matter of fact, I'd like to state that our UD department, Urban Development department has been consistently working towards GRs that would allow us to smoothen the way things are done. And I must say, so far, my interaction has been extremely successful with the departments being very, very clear that whatever support is required because larger developments will require support will be given.

Now GTB Nagar, which is our 1,400-plus members rehabilitation project, we're talking about a INR 4,500 crore kind of GDV. For our Lokhandwala cluster, that's about close to INR 3,000 crores, INR 2,950-odd crores in terms of the GDV. With Malad West, we are talking of about INR 2,000 crores and Dindoshi also about INR 2,100 crores.

So that is exactly what we are doing about INR 11,550 crores is the GDV coming out of only our Cluster Redevelopment projects. Let me tell you what's important in Clusters. In Clusters, what really happens is the people who are living in single, single, single buildings are now getting a larger space in terms of their garden areas, play areas, car parking, better utilization of facilities, lower maintenance and charges because of the distribution of the cost taking place.

So all of this actually leads to a better planning for them, a longer, happier, sustainable lifestyle for them and, of course, giving their kids the opportunity to have playgrounds, et cetera, within them. You do understand that if I took a 1,000 square yard plot versus if I took a 20,000 square yard plot, the entire nature of the development would be different. And the 20,000 square yard plot would by far be a lot more attractive.

And that is why you saw the peripheral areas, whether it was Thana doing burgeoning development, whether it was Mira Road that was doing burgeoning development, Vasai-Virar that was doing it. Now Mumbai has a chance of doing exactly those kind of layouts rather creating the environment closer to home so that it is an opportunity for people to live and work within the city, in the environment that they are used to, with the kind of surroundings that they have been comfortable with, and continue to enjoy life out there.

So I'm, for one, a strong proponent of the government's view on these accounts and the kind of work that is being put in by their various departments. And a big thank you to the government for even the infrastructure growth that our city has seen, which leads to a constant growth of our city. And I don't know if I've said this before, but earlier, people from, I would like to say, the outskirts of Mumbai used to buy into Mumbai, whether they came from Sangli or Miraj. Now I'm seeing buying from across the country taking place in Mumbai. So this kind of reinforces my faith in the potential of the MMR region and the infrastructure is only adding joy to this entire.

Anuj Upadhyay:

In terms of market potential?

- Boman Irani:** Yes. So the market potential. In terms of market potential. That's what, I mean, I thought I touched upon it by telling you that, but let me try and be a little more specific. So earlier, you saw a lot of growth taking place outside.
- Anuj Upadhyay:** So I was saying, if we can quantify a certain thing like would it be possible to quantify in terms of quantum, like what kind of, any near-term bigger cluster similar to MHADA, which is coming up?
- Boman Irani:** Yes, yes. I told you 4 of them. We are doing Lokhandwala, which is about 20,000 square meters. We're doing Dindoshi cluster, which is, I think, about 15,000 plus thousand square meters. We're doing Malad West, which is also in the region of about 10,000 - 20,000 square meters. So basically, we are doing 4 large clusters as of right now.
- And the first one to get off the blocks will show you that there's a lot more buying power available or buying desire available amongst these clusters than people are going for stand-alone buildings. We've seen this in Thane before. We've seen this in Virar before. I think we'll see it now in Mumbai. I think you wanted to ask about the GDV also. Do you want me to repeat the numbers again?
- Moderator:** Sir, he disconnected. Sorry. The next question comes from the line of Sourabh from JM Financial.
- Sourabh:** Just wanted to check on the P&L. I mean we have been in the INR 500 crores, INR 600 crores kind of run rate for 7, 8 quarters now. So is there any time line when we can see a sustainable jump in this run rate, basically the project completion time line?
- Sajal Gupta:** Yes, Sourabh. I must tell you that for all our new projects, when I say new projects means those projects which have been launched from the current financial year. We have adopted the percentage of completion method for revenue, and for all our old projects which are going to be completed in the all the projects which are going to be completed in the current year, we continue on a completion method, but all the old projects -- all the other than what is going to be completed in the current year, we have adopted the the percentage completion method, which obviously means that there will be a jump in the revenue. And the revenue jump will be witnessed basically from the next year, and you will see on a sustained basis that it is jumping at a much bigger pace.
- Moderator:** The next question comes from the line of Pritesh Sheth from Axis Capital Limited.
- Pritesh Sheth:** Just a couple of questions. So right now, we have a healthy cash balance somewhere around INR 700 crores, INR 800 crores. I just want to know how much of that is in RERA and looking at the net cash balance, how do we want to maintain our leverage. Are we happy with our net cash positive balance sheet or eventually, once we start executing the pipeline that we have, we would start utilizing some of our cash for accruals and all and hence, you would move to a marginal debt kind of, so that's my first.
- Second on that is we had a good start in terms of Business Development for the year. How the pipeline looks like for second half? Considering that we have met the target already, would we be still keen to add projects if it comes to us? So yes, 2 questions on that.

Sajal Gupta:

So to answer your question chronologically, like the first part of the question is that how much of our cash is sitting into the RERA accounts. So fundamentally, like we work in a fashion that there is very little cash that sits in the RERA account. By and large, basically, let us say that not even 1% of the total cash is sitting into the RERA accounts.

So we are able to get the money from our RERA accounts because we spend the money on the projects first as basically the investment. And by the time the collection starts happening, we already have something to recoup from the RERA account. And from that perspective, the money is not trapped into the RERA. That is part one of the question.

The second is that, look, our investment into the new projects is going to continue to grow. As you would have seen that last year, close to about INR 680-odd crores or close to INR 600 crores that we invested into a new project. This year, already in the first 2 quarters or rather basically in the first half of the year, we have already invested INR 250 crores into the, rather INR 300 crores into the new projects, and we expect this number to go to about INR 600-odd crores.

The third part of your question that whether this kind of a cash balance is going to maintain, I will say that definitely, it will go down to a much lower number, maybe about INR 200 crores, INR 250 crores, INR 300 crores because effectively, we would like to deploy this cash into the growth of the company by deploying it into a new project, except the healthy liquidity position such that basically we are able to sustain the projects on a continual basis without causing any delay.

So this is how we would like to maintain; but, about the debt equity ratio, despite of raising the INR 335 crores on a secured debt side, as you can see that we are 0.21:1. Our guidance has been that we will like to limit it to 0.75:1, and that is what we would like to maintain that we would like to keep the threshold at 0.75:1 means that for INR1 of equity, we will borrow not more than INR 75 paise of debt.

Pritesh Sheth:

On the Business Development?

Chandresh Mehta:

The second part of the question, Pritesh, was on what does the pipeline look like going forward in terms of Business Development. Am I correct?

Pritesh Sheth:

Yes, yes, sir. Yes.

Chandresh Mehta:

So as Boman mentioned, we are also looking at certain locations, especially which are city-centric, South Mumbai, certain parts of the city, we are yet to be represented in terms of development. So there are certain locations that we are looking at actively. We are also looking at other markets like Pune, those also, as Boman had indicated earlier, probably in the previous call that we are looking at Pune as a market to venture.

So these are the likely Business Development that we are looking at. As you are aware, there is no pressure on us because we have already met our full year guidance. And we'll look at opportunistic transactions where we think it makes sense both commercially and also strategically. Have I answered your question, Pritesh?

- Pritesh Sheth:** Yes, sir, perfectly. Yes. And just one last on the launches for the second half. What are the key launches that one should be looking at? And specifically, if you can update us on the time lines of the 4 cluster redevelopment projects that you have by when we should start seeing those launches coming through?
- Boman Irani:** So Pritesh, we are definitely launching a project in Sewri. And we are also launching one project in Thane. And like I mentioned earlier, we may also, not we may, we should be launching our Bandstand project.
- Pritesh Sheth:** So that's the three launches that we should be looking forward to in the second half, right?
- Boman Irani:** Yes.
- Pritesh Sheth:** And the 4 cluster development projects, time lines for those?
- Boman Irani:** So that cluster 1, which is GTB Nagar is well on its way to execution of DA. And I think once the DA is in place, it will take us about 6 months. I'm not sure if I can launch it in the next, in this financial year. But definitely, in the first quarter of the next financial year, we should be in a position to launch it.
- With regards to our Lokhandwala project, the agreements are done, various plans are underway. But again, that takes about 7, 8 months for approval. So definitely in the first or second quarter of the next year. With Dindoshi, it's the same. It's a MHADA development so, various agreements are in place. So all these projects actually should be in the first 2 quarters or the 1, 2 and 3 quarters of the next year. Next financial year.
- Pritesh Sheth:** Good to hear that. And just to clarify, the 3 launches that you mentioned for H2, the GDV of that would be somewhere around INR 3,000 crores to INR 4,000 crores?
- Boman Irani:** Sorry, what did you say, Pritesh?
- Pritesh Sheth:** The three projects that we are slated to launch in second half, what would be the GDV of those 3 launches?
- Boman Irani:** Yes, about INR 5,000-odd crores, just to give you an idea.
- Moderator:** Thank you. As there are no further questions from the line of participants, I now hand the conference over to the management for closing comments.
- Boman Irani:** So on behalf of the Rustomjee management, my entire team and all of us here today, I thank you for joining us. In case of any further queries, you can always reach out to us, and we'll be more than happy to give you the required details. Once again, a big thank you, and have a lovely evening, everybody.
- Moderator:** On behalf of Axis Capital Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.