"Prestige Estates Projects Limited

Q4 FY '25 Earnings Conference Call'

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

Moderator: Ladies and gentlemen, good day, and welcome to the Prestige Estates Q4 FY '25 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 touchtone phone. Please note that this conference is being recorded.

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

Pritesh Sheth: Thank you, Rituja. Good afternoon, everyone. Apologies for the delay, but welcome to the call. We have with us the management of Prestige Estates represented by Mr. Irfan Razack, Chairman and Managing Director; Mr. Zayd Noaman, Executive Director; and Mr. Amit Mor, the Chief Financial Officer.

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

Irfan Razack: Good afternoon, everyone. Like I said, Amit and Zayd and Mr. Nayak are with me. So I'd like Zayd to do with the opening call and opening comments, and then we'll take question and answers. Zayd?

Zayd Noaman: Thank you, sir. A very good afternoon, everybody, and thank you for joining us today. FY '25 was a year that tested us, but it reaffirmed the strength in our fundamentals. While we faced a few external headwinds, particularly around approvals, we are pleased to share that we closed the year with a strong fourth quarter, delivering a meaningful recovery across several metrics.

In Q4, we recorded new sales of INR6,957 crores, which is a 48% year-on-year growth on the back of a robust launch pipeline and solid customer response, especially to our premium offerings. We sold 4.49 million square feet across 2,301 units during the quarter. It's also worth highlighting that in this quarter, our sales in Mumbai overtook Bangalore, a significant milestone that underlines the success of our geographic diversification strategy and the growing contribution of non-South markets to our top line.

For the full year, we clocked INR17,023 crores of sales. This is 19% lower than last year, largely due to the deferred launches. However, this was offset by strong pricing power, average realization for residential apartments, villas and commercial products rose 36% year-on-year to INR14,113 per square foot, while plotted development saw a 50% year-on-year increase.

Our performance was underpinned by a balanced geographic mix. Bangalore contributed 45%, Mumbai, 30%; Hyderabad, 23% and other cities made up the rest. There's a clear shift, as you can see from our earlier years and reflects our successful expansion across our home markets. Collections remained steady at INR12,084 crores for the year, up slightly from FY '24 and launch momentum picked up sharply in Q4 with 14 million square feet launched across 4 cities.

For FY '25, total launches stood at 25.63 million square feet with a GDV of INR26,223 crores. Our nonresidential segments continued to perform well. Gross leasing in our office portfolio was

4.1 million square feet with occupancy holding firmly above 90%. In retail, we saw INR2,264 gross turnover across our malls with a strong 99% occupancy and 18 million footfalls.

From a financial perspective, we reported revenues of INR7,735 crores for this financial year, impacted by slightly lower handovers during the year. EBITDA stood at nearly INR3,000 crores, while profit after tax was INR617 crores. Our EBITDA and PAT margins remained healthy at 38% and 8%, respectively, reflecting robust operational efficiencies.

Looking ahead, we are entering FY '26 with renewed momentum. Q1 has already seen a strong start with the launch of The Prestige City Indirapuram, a marquee township development in NCR with a GDV of INR9,000 crores, of which we have already sold over INR6,500 crores.

We also marked our maiden inaugurations in Mumbai with handover The Prestige Jasdan Classic, Siesta at The Prestige City Mulund and Prestige Turf Tower at Mahalaxmi, backed by a robust pipeline of projects with an overall GDV potential of approximately INR42,000 crores across geographies such as Bangalore, Mumbai, Hyderabad, Chennai, Goa and NCR. We are pleased to say that we are well positioned to scale to new heights in the coming year. I thank you for being patient, and I look forward to addressing your questions.

Moderator: The first question is from the line of Parikshit Kandpal from HDFC Securities.

Parikshit Kandpal: Congratulations on a decent quarter. So my first question is, what is the guidance of -- presales guidance for FY '26 now?

Irfan Razack: You came straight to the target. We are -- see, now what has happened is we had kept a target of INR24,000 crores for fiscal '25, which, of course, we fell short of and this thing. But I think this first quarter itself will give us some INR12 crores to INR13 crores. So I believe that we should cross INR25,000 crores, maybe INR27,000 crores should be the -- if not more. But I think let's take INR27,000 crores and go along for the year.

Parikshit Kandpal: Do you think first quarter you will do only INR12,000 crores to INR13,000 crores?

Irfan Razack: Yes, please.

Parikshit Kandpal: So now second question comes as the velocity is so high, and we only have this in the slide, I can only see INR42,000 crores of gross development value left to be launched. So how are you thinking about new business development? And how do you see this pipeline growing? What is the business development done in FY '25? And what is your target for FY '26?

Zayd Noaman: Thanks, Parikshit. Yes, we have moderated our GDV pipeline, the slide that you saw to INR42,000 crores, but this is not only what we are going to launch. This is something with absolute certainty, which we can say that will come in this year.

Of course, apart from this, you can see that we have plenty of other projects, which if we feel will fall short, we will bring that also to the market because this is something with certainty we can say that we can launch. So we have the INR42,000 crores worth of pipeline for the year, plus we have another INR10,000 crores INR15,000 crores, which if we can push hard, we can launch it within this year at the end of the year. We have a stock of INR20,000 crores already.

Parikshit Kandpal: So I can see that you have spent close to about INR5,680-odd crores on land and other TDR. So what was the pure land spend in this? And what was the business development done in terms of GDV addition for FY '25?

Amit Mor: Out of the INR5,500 crores what we have spent on the business development, close to INR1,500 crores was on stake acquisitions. We had done a couple of stake acquisitions in Q3 and Q4, including PPPL acres, PGEPL and Franklin Mumbai. So that contributed close to INR1,400 crores.

Apart from that, we have done acquisitions, including in Bangalore region, we had acquired Phase 3 of Raintree Park. There we have spent close to INR400 crores. And then -- and in the current quarter, other miscellaneous included, we have spent on Southern Star, some amount we have spent on approvals. And on Indirapuram, we have made some land approval payments.

Parikshit Kandpal: So Amit, all this put together, how much would be the land addition in terms of GDV addition? So this INR1,500 crores, the stake acquisition, so how much was that in terms of value of business development?

Amit Mor: INR1,500 crores was -- we have acquired the balance stake. And in most of them, we have made it 100%. And in PPPL, we have increased our stake from 60% to 74%.

Parikshit Kandpal: So how much did that bring the value of GDV?

Amit Mor: Additionally, it would have contributed close to INR20,000-odd crores.

Parikshit Kandpal: So for INR1,500 crores, you have added INR20,000 crores of GDV?

Amit Mor: Yes, total because if you see in these projects, especially in PPPL, we have launched a couple of them, like Indirapuram itself was INR11,000 crores. And apart from that, we have other projects as well. We have Falcon City Luxe in that, okay? Then we had TPC Hyderabad. Then in Nautilus, we had acquired 40% stake. So these are some large acquisitions we have done.

Parikshit Kandpal: So just as you've been cleaning the structure, so is there anything else pending to be cleaned or now almost everything like falls into the listed entity or anything else is still pending? And if it is pending, how much would be incremental spend to acquire that?

Amit Mor: Now what is pending is only in PPPL, what the promoters are currently holding 24%, okay? But I don't think so in the near future, we intend to acquire that 24%. So in the current financial year, I don't -- we don't foresee any further spend on -- further stake acquisition.

Parikshit Kandpal: Okay. Just last question to Irfanji sir. So now in NCR, we have already clocked INR6,500 crores, which I think Zayd told. So how do we see this market now incrementally in terms of growth? What are our plans for business development? And over the next 2, 3 years, how do you think this market will build up and even how Gurgaon will play out here?

Irfan Razack: Actually, that's why we were trying to test out this market and the market has really welcomed us that shows there's a huge amount of potential here. We are currently, concurrently evaluating a lot of deals that have come to us. And very soon, we should be able to lock in a few deals, a sensible ones.

Of course, we don't want to go the berserk on this. And I think if things work out, we should be having some land in NCR some more so that the pipeline keeps maintaining. We do have one land in -- a small piece of land in KG Marg which again, which will come out to the market very soon.

But then we are looking at scale. So in that scale, we have identified a few lands, both in Noida, Gurgaon, all of these places. But once it's done, we'll keep you informed. I think it's a good market. It's a good test for us, and I believe that there's enough potential. We always knew there was potential. It's only a question of we had to break the ice there, and I think we have done it and done it in style.

Moderator: The next question is from the line of Puneet Gulati from HSBC.

Puneet Gulati: Congratulations on a good start. My first question is, can you also talk a bit about the rest of the INR6,500 crores that you think you will sell in 1Q? What are those projects?

Irfan Razack: No, we have ongoing projects, in Bangalore, in Mumbai, we are going to launch Chennai in June. We've got the approvals, and we are waiting for RERA to come, which should come in the first week of June. So if you really ask me giving you a breakup, I think you can -- you have already done the total. It will be quite -- in some of the existing projects plus one launch.

We also did a launch in Bangalore or the Gardenia Estate, which is opened and it's like open and shut. That itself gave us about INR1,000 crores of revenue or INR800 crores of revenue. So I believe onwards, in existing stock, new launches in different geographies will give us that number.

Puneet Gulati: Understood. That's helpful. And secondly, when I look at on a quarterly basis, the construction spend seems to have fallen a bit on a Q-on-Q basis. How should one read that? And what would be your sense for next year?

Amit Mor: The quarterly spend last quarter was a little high because we had spent a significant amount on government approvals, especially on Nautilus as well as on TPC Indirapuram. So on an average, quarterly spend only on the construction -- on the residential segment should be in the range of INR1,600 crores to INR1,800 crores per quarter.

Puneet Gulati: And that is not going up because your sales momentum has gone up. So will that also go up?

Amit Mor: No. Right now, it covers all the ongoing projects. Incrementally, whatever we bring, that maybe slightly it will go up. But then whatever we launch in the financial year '26, the major construction spend will happen in '27. So it won't significantly add in '26.

Puneet Gulati: Understood. That is clear. The second question is on your -- the cash flow profile that you shared, which is free cash flow from residential project, INR19,740 crores and INR24,000 crores. If I look at the disclosures for Q3, the number seems to have been gone down decently. What should one attribute that to?

Amit Mor: Basically, if I'm not wrong, last time, it was 48. Now it is close to 44, 45. Now that is basically because of we had a couple of launches, okay? So there has been a shift from the upcoming to ongoing.

So if you see the breakup, the upcoming has come down and the ongoing cash flows have gone up, okay, but the overall basis also, we have done collections during the quarter. And again, most of the projects in the upcoming category are on the design phase. So we will keep revising the construction cost estimates as and when the designs are getting finalized. So it will vary maybe by 3%, 4% once the designs are finalized.

Puneet Gulati: Because cumulatively, it is down INR5,500 crores. So just trying to understand, is that just cost changes? Or is there...

Amit Mor: No, no. Business collections also has happened. We have collected during the quarter, around INR3,000 crores to INR3,500 crores. That collection has reduced apart from that.

Puneet Gulati: This is net number, right? So collections minus construction spend, which is still a slower number, INR2,000-odd crores from a quarter perspective.

Amit Mor: That's why I'm saying it's a combination of collections plus revision in our estimates for our upcoming projects. It's a combination of both. And areas also because we would have allocated something for the residential portion, maybe during the design phase, if we decide, okay, we have to include a portion of retail and all that. So those changes happen and that impacts the cash flow profile.

Puneet Gulati: Okay. Got it. Lastly, Amit also alluded that there is still some stake of promoters, 24% PPPL. How do you take this call of what remains with promoters and how -- what eventually gets bought by the company? What is the deciding criteria, if you can give some color, it would be very helpful.

Amit Mor: See, again, last year, after the QIP, I think during the road shows, some of the investors have suggested that to keep the entire, I would say, the structure clean and whatever is held by the promoters, we should acquire it. In that process, we have done the acquisitions post the QIP and acquired the promoter stake in most of the entities. And as I mentioned earlier, we have already spent close to INR1,200 crores to INR1,300 crores only on the promoter stake.

Now acquiring the balance 24% also will require significant sum of outflows, which will put pressure on our cash flows and impact even our debt profile. So considering the cash outflow impact on the stake acquisitions, I don't think so in the current year, we are planning any further acquisitions.

Puneet Gulati: And would you be able to give any estimated value of this number that you would have to spend if you were to acquire.

Amit Mor: See, for acquiring 16%, we had paid close to INR500 crores. Okay. Post that, some of the projects have already launched in that entity in PPPL. So if you see Spring Heights have got launched, okay? And similarly, Indirapuram has got launched. So if you take benchmark of INR500 crores, it will be Nautilus and other projects. So these projects have got launched.

So what discount factor we had given for launched, that no longer applies, okay? So the valuation, if we take INR500 crores as a basis, today, the 24% will be valued at INR800 crores. Removing the discount factor, it will be higher. I don't think so I will be able to comment what will be that number, but it will be upwards of INR800 crores.

Puneet Gulati: Understood. And lastly, on the market side, if you can comment on the pricing environment that you're seeing and the competitive intensity on business development.

Zayd Noaman: We believe that the pricing environment is good. Though prices have gone up, absorption has been very, very strong, be it in Bangalore, Mumbai, Hyderabad or, in fact, Indirapuram, now that we've launched, we can comment on that. And at the same time, we have a very balanced approach at looking at new acquisitions, where we believe that the project should fund itself.

So we are not very aggressive in the way we price our acquisitions. So over there, we look at an EBITDA margin of 30% to 35%, and based on this, we look at acquiring these assets. So even though realizations have gone up on the customer side, we are conservative when we look at new acquisitions.

Moderator: The next question is from the line of Yash Gupta from Asit Koticha Family Office.

Yash Gupta: Sir, in Slide #24, GDV of the projects that expected to complete in FY '26 is around INR17,000-odd crores. Is it fair to assume that we will book this revenue of INR17,000 crores in FY '26 with an EBITDA margin of 30%, 35%?

Amit Mor: It will depend on at what point in which quarter it gets completed. So the revenue recognition happens on 2 fronts. One, the project should have got completed. And second, the handover should have happened. So INR17,000 crores may be the GDV. But handovers also, we have to factor.

So for example, if a project is getting completed in Q4, we may not have enough time to complete the handover. So INR17,000 crores, maybe we can apply a percentage, maybe 70% to 80% of that, we should be able to hand over.

Yash Gupta: And anything on EBITDA margin?

Amit Mor: EBITDA margin will be in that range, yes. It will be in the range of 25%, 30%.

Yash Gupta: Okay. Sir, second question on Hyderabad market. How the Hyderabad market is moving forward? We have a good inventory of INR5,200 crores there. And we don't have any major launch in Hyderabad in FY '26, sir?

Zayd Noaman: So for Hyderabad, we do have some projects which are upcoming and under planning. That is Prestige Rock Cliff and Prestige Imperial Park. This we'll try to bring in, in this financial year.

Irfan Razack: Plus, we are also acquiring land for plotted development. And we've also tied up a deal for about 9 million square feet of residential, which is again a great location. So all this is work in progress, but these 2 are the major launches that are going to come.

Yash Gupta: Okay, sir. Sir, any thoughts on completion of Aerocity and the launch of Jijamata in Mumbai? Is there any delay into projects?

Irfan Razack: No, no, there's no delay at all. In fact, Aerocity is on track. In fact, the office component of 600,000 is already committed and leased off. The hotel, obviously, it will be ready by this year-end or early next year, but then it takes about 4 to 5 months of simulation. So it will -- we are planning to see that it starts trading in the month of July next year. But the office itself per se, we will do the handover by the end of the year.

Yash Gupta: And anything on Jijamata, Mumbai?

Irfan Razack: Yes. Jijamata's also, it's -- all the planning is getting done aggressively. Now we've named the project, The Prestige Place, created a new brand identity called The Prestige Place. It's a mixed-use development. It has hotels. It has office, it has branded residences, shopping center and residences for sale. We've appointed SOM as the architects and they are on the job. We've already paid some premiums for getting securing the FAR and other things.

And it's work in progress. It will certainly hit the market soon. But the question is how soon is to be evaluated. We don't want to hurry this up. We want to do it well. We want the planning to come out really, really well. And we are planning to -- the hotel brand we are planning to do is a Waldorf Astoria, with Waldorf Astoria branded residence.

Yash Gupta: Okay, sir. Sir, just last question on the Mahalaxmi Tower. We have completed this tower and recently, you have also announced it. So how is the demand going on and what rate we are leasing?

Irfan Razack: No, no, that tower is not for sale. That's actually -- that Mahalaxmi, that's called The Prestige Turf Tower. It's only to rehabilitate the turf estate tenants who are there in the property, and they will move. Evergreen also will move there. I think between the 2 of them, they go into this building and the company may not have anything left over as such unless we bought a few units here and there. But then the whole thing is to rehabilitate them so we can complete our -- the most iconic development for the Mumbai City, which is The Prestige.

Moderator: The next question is from the line of Parvez Qazi from Nuvama Group.

Parvez Qazi: Sir, I wanted to get your views on the approval side. In FY '25, approval were an issue for the industry. But now with the launches picking up, do we see that approval situation has now stabilized? And I mean, I wanted to get a status on some of our major projects, which are planned for launch in FY '26, like Raintree Park, Falcon City, Noida, Pallavaram, etcetera.

Zayd Noaman: Thanks, Parvez. Yes, I think we've got a grip on our approvals, and they have started falling in place. What we have said earlier also when we give the launches planned in the GDV slide, most of these projects are in the final or penultimate stage of their approval.

And since we operate in various geographies, the nuances are slightly different and each project will have its own nuances. But having said that, we're very confident that we'll pull this off. Evergreen at Prestige Raintree Park and Falcon City Luxe, they should also happen in the next 2 or 3 quarters.

Parvez Qazi: Sure. And Pallavaram, Chennai?

Zayd Noaman: It will happen this quarter. Chennai will happen this quarter.

Moderator: The next question is from the line of Kunal Lakhan from CLSA.

Kunal Lakhan: Firstly, on the launch -- on the sales guidance, right, if we are guiding for INR12,000 crores to INR13,000 crores of sales in Q1 itself and considering incremental INR40,000 crores of launches, excluding Pallava Gardens. Just trying to understand because if you look at last year, right, I mean, whatever you have launched, you have sold like 50%, 55% of the launched inventory.

So how should we look at -- if you're able to get these INR40,000 crores worth of GDV launched, how should we look at this guidance of INR27,000 crores since you've already INR12,000 crores to INR13,000 crores in Q1 itself?

Irfan Razack: No, this time, we want to be conservative. We've got also INR20,000 crores worth of inventory. So the strategy is I'd rather under-promise and over-deliver.

Kunal Lakhan: Sure, sure. Okay. Also in terms of -- sorry, I don't know whether I missed this number, but in terms of our new acquisition target for this year in terms of land spend as well as GDV that we plan to acquire for '27, any targets you have kept?

Zayd Noaman: Our land spend on business development should be in the range of INR4,000 crores to INR4,500 crores, which should translate into a GDV of close to INR30,000 crores to INR40,000 crores.

Kunal Lakhan: Understood. Understood. And also lastly, like on Southern Star, we had reported numbers in the March quarter. I mean we had launched that in the last week of March. Any incremental data you can share in terms of like how the sales have panned out in that project in April and May?

Irfan Razack: Yes, it's work in progress. It's done very well. And I think when we come to June numbers, we'll be pretty happy because, again, it's normally like you yourself said, we sell 60% to 70% of the inventory in the launch itself. So that's going to happen.

Moderator: The next question is from the line of Pritesh Sheth from Axis Capital.

Pritesh Sheth: First is on collections, which was flat this year. And I can see while presales scaled up for us in Q4, it didn't result in too much pickup in terms of collections. So how do you see the collections growing next year?

Zayd Noaman: Yes. Pritesh, despite if you see last year, we did INR21,000 crores of sales and did a collection of close to INR13,000 crores. This year, it was flat despite our sales falling to INR17,000 crores. In Q4, again, the collections -- though the sales numbers were higher, the collections remained flat because you see most of the project got launched in the back end of March.

So 2 of the projects, Southern Star as well as the Spring Heights got launched just 2 days and 7 days before March 31st. So those collection numbers didn't flow in the financials in FY '25, but then all those numbers should flow in FY '26. So you will see a healthy pickup in collections during FY '26.

Pritesh Sheth: Sure. So just to clarify, we didn't collect anything apart from the usual booking in Southern Star and Spring Heights, right?

Zayd Noaman: No, no, we did collect more than the nominal amount that you're talking about. But given that it happened at the back end of the quarter, it will all reflect in the Q1 of this year with respect to those projects and those collections remain very healthy as per our normal benchmarks -- was saying was since a lot of completions will come in, in this financial year, you see amount of collections coming in, in this financial year.

Pritesh Sheth: Okay. That's helpful. And just last on Noida, any breakthrough expected this year for the launch of Bougainvillea Gardens?

Irfan Razack: That's a government issue, first, I don't know when because we are also now very tied date. So we are looking for other lands. We got completely sort of set back because we were depending on that for a long time. And thankfully, we would do this Indirapuram. So we're looking for new lands. And whenever the Noida happens, we'll take it as it comes. Because right now, it's an issue not only for us, it's a global issue for everybody.

Pritesh Sheth: Sure. So in NCR now will contribute us equal to what we are doing in Bangalore, right? So it's a very large market for us now. And we don't have a volume, a mass market product there right now. So any big acquisitions expected either in Ghaziabad or any other Tier 2 markets within NCR or Gurgaon, Noida can drive that much sales going ahead for us?

Irfan Razack: Yes, it's all work in progress. I think by the end of this quarter, next quarter, we'll discuss it. Right now, it's all work in progress. Moment we tie it up, automatically we'll come to know.

Moderator: The next question is from the line of Akash Gupta from Nomura.

Akash Gupta: Congratulations on a decent quarter. Sir, my question with respect to your FY '26 presales growth guidance -- presales number at 250 billion to 270 billion, just wanted to understand, is there any downside risk to this number from a demand perspective or approvals not coming in perspective? Like how confident are we on this number?

Zayd Noaman: So there's always risk associated with, especially in our business. But I think we're confident that things are looking on the positive side. And -- that we'll be able to achieve this guidance that we have a lot of GDV coming in '26 launches that we earmarked for the year.

Akash Gupta: And sir, like are you seeing any red flags with respect to the demand in the sense, any changes in footfalls or conversions, anything like that?

Management: Absolutely not. Absolutely not. If the product is good, I think it will keep doing it, if the product is wrong, there's stress. As long as the product is to the right target audience, I believe this is doing business as usual.

Moderator: The next question is from the line of Puneet Gulati from HSBC.

Puneet Gulati: If you could also give some color on how do you intend to lease both the Prestige and BKC projects? Is there -- have you leased some part already? Or do you intend to lease it closer to completion?

Irfan Razack: No, no, the teams are working very hard on this. I'm happy to say leasing -- pre-leasing is happening. But at the moment, I can't either tell you the quantum or the company because we signed a lot of confidentiality with them. But it's very, very, very positive. And that's why we are quite bullish on both these properties -- construction is also going on at full speed. So even with completion also, we can start looking at it in the year '28 for BKC and year '29 for Prestige.

Puneet Gulati: '28, when you say, it's calendar '28 or fiscal '28?

Irfan Razack: Yes, fiscal '28 for BKC for sure and maybe calendar '29 for The Prestige because it's high-rise.

Moderator: The next question is from the line of Biplab Debbarma from Antique Stock Broking.

Biplab Debbarma: My first question is on the status of Jijamata Nagar project. So is the SRA work done and entire project cleaned up? I mean what is the status of the project? All SRA-related work done?

Zayd Noaman: So bulk of it has been done. We've already started constructing the transit camps, everything over there. And I think there's a small, I think, 20%-odd left to clear up over there, which is in process and will happen.

Biplab Debbarma: So 20% around?

Zayd Noaman: Yes, around that much.

Biplab Debbarma: Okay. Okay. So 20% more to be cleaned up after that and the rest of the...

Zayd Noaman: 10%. About 10%.

Biplab Debbarma: Okay. So that would be around 5, 6 months, sir, for that site to be cleaned up?

Irfan Razack: Earlier than 5, 6 months.

Biplab Debbarma: Okay. Okay, sir. Now my second question is on the capex project, your BKC and Mahalaxmi and Delhi Aerocity. How much more capex to be incurred, including approvals, construction costs and all the other costs in these 3 projects?

Zayd Noaman: Just give me a moment, I'll take up those numbers. Yes. The total capex spend on all these 3 projects will be in the range of INR7,000 crores to INR8,000 crores.

Biplab Debbarma: Okay. Okay. And my final question is we recently did the site visit of the 3 projects in NM Marg that you have delivered, the rehab tower in Mahalaxmi, Jasdan and the Siesta in Mulund. The delivery time line seems to be like 3, 3.5 years, if I'm not mistaken. For Mumbai, many of us have seen time taking for delivery 5 years, 6 years, whereas you have delivered 3.5 years. Is it the norm? Would it be the norm like you would be delivering 3.5, 4 years? Or this is just -- these 3 projects are just an outlier?

Zayd Noaman: So it generally takes about 4 years or 48 months to do any real estate project. But depending on the nature of the project and scale, sometimes it could go up by a year or 2 over there because what happens is if there's a -- if there's a lot of basements, highrise, substructure work and if it's like maybe 100 acres in size or whatever, it could take some time based on the scale and all of this is factored in. We generally take the amount of time it technically takes to do the work. Sometimes we even deliver faster. That is the USP of Prestige.

Management: And of course…

Biplab Debbarma: That's really commendable…

Management: So things will happen…

Moderator: The next question is from the line of Kunal Lakhan from CLSA.

Kunal Lakhan: Just on the recent acquisition of the project or the stake in -- 50% stake in that project with Valor Estate. So we paid INR500 crores for 50% stake. If you can give us a broader economics of like how much incremental cost will be incurred in terms of FSI premiums and construction cost and how much will be our stake?

Irfan Razack: Yes. I see this whole project will be 1.5 million square feet of office. It's already been designed. And very soon, we can lock it in for approval. Obviously, we have to get through the whole gamut of things. So our contribution, company's contribution to get 50% equity in that company is in that SPV is INR504 crores. Then the rest of it will be a contribution of equity from the -- both the partners or debt. So that decision will take as we go along.

And this money is not something that the company has to invest upfront today. We'll have to invest it over the life of the project. And so only when that INR504 crores gets exhausted, do I have to contribute together or take -- I mean and get into debt as far as we are concerned, I think the rest of it will come in the form of debt. And if you're asking me what is the cost of the overall project, the numbers are not readily on hand with me, but I think Amit can share it with you later.

Kunal Lakhan: Sure, sure. And in terms of time lines, when do you expect this to be ready and completed?

Irfan Razack: Yes. I think again, it's like we said, it's 4 basements. So it's -- excavation can start almost immediately. So -- and it's not a high-rise building. It's only 11 floors. We should be able to finish this in 3 to 3.5 years because we want to go it on a fast track.

Kunal Lakhan: Sure, sure. And just clarifying the INR500 crores that we paid stays in the company. It was not a cash out by the earlier...

Irfan Razack: No, no, no. Nothing is a cash out. Yes, having said that, there is a small component with the other partner will do a small takeout, but then they have to bring it back in. And that's only to make that SPV debt free. There's some INR50 crores, INR60 crores debt there is so which we are now paying it now, and then that will come back to top up to that INR504 crores. There's no takeout from either party.

Moderator: The next question is from the line of Yash Gupta from Asit Koticha Family Office.

Yash Gupta: Sir, my question is on commercial side. If you look at the exit rental of the commercial business, we have taken BKC and Mahalaxmi at around INR375 per square feet. But current rates are very much higher than what we are expecting. So do we need to take any uptick in the FY '28, '29 exit rental?

Irfan Razack: As we go along, I think that itself is a great number. Even as we get a better rent, it's great. But as of today, we believe it's a fair number to sort of work with. And sometimes if you do some preleasing, that's how -- and this is we are talking not on capex, we are talking on super built area, the 350, 375 super built area, not on capex. capex will be 500 plus.

Yash Gupta: Okay, sir. And sir, next question on this Mumbai Prestige Horizon Heights. This is the Mira Road project that we have taken last quarter.

Irfan Razack: Yes.

Yash Gupta: And this will be launched in FY '26 only?

Irfan Razack: Yes, yes, yes. We are trying hard to bring it to Board to come earlier. There, again, unfortunately, the MOEF committee has been disbanded in Maharashtra. So the moment the environment committee comes in and we get the clearance, it's a matter of time to get the approval and launch it. So we are also waiting very impatiently for that to happen.

Yash Gupta: Sir, the last thing on the dividend policy. This year -- this time, we have paid INR1.8 as a dividend. So is this dividend will be the continuing one or it will be like a one-off special dividend?

Irfan Razack: No, no. The last year also, we did that same INR1.8. So this year, also the Board felt because in the previous year, it was INR1.5. And this year it's INR1.8. And of course, if the company does have additional cash flow, it depends on the Board maybe later on they will treat it as interim and then do more. That depends on how generous the Board is.

Yash Gupta: This question was main pertaining to because next year, we will be going to expect like a bigger completion in terms of residential and we are looking for INR13,000 crores, INR14,000 crores of booking revenue in residential. That was?

Irfan Razack: No, no. The thing is if there is surplus cash flow, see, always, it's a balance. If we -- too much of dividend is paid out, we don't want it to happen that, again, we have to look for funding and cash flow. So the best is to be conservative. And if things have to happen, I mean, if there's a lot of more cash flow available at the company, we will definitely declare more.

Moderator: The next question is from the line of Abhishek Lodhiya from Motilal Oswal Financial Services.

Abhishek Lodhiya: Just want to have one question. For retail capex, right, balance spend has increased by roughly INR1,100 crores. So what is it attributed to?

Zayd Noaman: So this is -- if you see the breakup, mainly attributable to the upcoming projects where we were just based on the design specification, we had relooked at the costs. So it is mainly attributable to upcoming projects.

Moderator: Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments.

Irfan Razack: Thank you so much, everybody, for the insightful questions. We had a lovely conversation, and we do hope you understood what the company is up to. More than feel free to ask any questions offline. Zayd and Khizra and Amit are more than happy to answer. And it's wonderful interacting with you as always. Zayd, do you want to add up?

Zayd Noaman: Thank you so much, everybody. We remain focused and driven to improve our results year-on-year, and we remain committed to delivering shareholder value.

Moderator: Thank you very much. On behalf of Axis Capital Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.