

August 21, 2023

BSE Limited

25th Floor, P J Towers, Dalal Street, Fort, Mumbai- 400 001 Scrip Code: 531637

Dear Sirs,

Sub.: Transcript of Earnings Conference Call - Q1FY 2024

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Transcript of Earnings Conference Call held on Friday, August 18, 2023.

This is for your information and dissemination on your website.

Thanking You,

Yours Faithfully, For Praveg Limited

(Formerly known as Praveg Communications (India) Limited)

Mukesh Chaudhary

Company Secretary & Compliance Officer

Encl. : As Above



"Praveg Limited Q1 FY24 Earnings Conference Call"

August 18, 2023



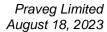




MANAGEMENT: MR. VISHNU PATEL - CHAIRMAN, PRAVEG LIMITED

Ms. BIJAL PARIKH - FINANCE DIRECTOR, PRAVEG LIMITED

MODERATOR: MR. GOPAL CHANDAK – KIRIN ADVISORS





Paticipant:

Ladies and gentlemen, good day and welcome to Q1FY24 Earnings Conference Call of Praveg Limited hosted by Kirin Advisors.

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. Gopal Chandakfrom Kirin Advisors. Thank you and over to you.

Gopal Chandak:

Thank you. On behalf of Kirin Advisors, I welcome you all to Praveg Limited Q1 FY24 Concall. From the management side we have Mr. Vishnu Patel – Chairman and Ms. Bijal Parikh – Finance Director. Now I handover the call to Ms. Bijal Parikh, over to you, ma'am

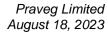
Bijal Parikh:

A warm welcome to all our investors. We reported financial performance for the 1st Quarter of Financial Year 2024, I am sure you all had an opportunity to go through the same. We reported total income of Rs. 12.5 crores in Quarter 1 of Financial Year '23-24. The resort business has performed better than the same period last year, which was preliminary due to additional revenues for our Varanasi project which was opened on April 2023 in Quarter 1 and Daman resort which is opened on May 15, 2023 that grew the Company's hospitality revenues by 25.4% over the comparable period last year.

At the same time, the Company's Event and Exhibition business was down significantly from the comparable period of last year, due to lower institutional activity in the Events and Exhibitions so far in Financial Year '23-24, as compared to the Financial Year '22-23. Institutional Events and Exhibitions are driven by industry and government promoted events. The Company has reoriented a large part of its Event and Exhibition business to create additional demand for its own resort properties to deliver higher growth in the hospitality business in the current year.

The result for Quarter 1Financial Year 2024 is a good indicator of the Company's margins and cash generating capacity. The Company has a robust EBITDA margin of 39.4% and EBITDA of Rs. 4.95 crores. The establishment of new resorts in the previous and the current financial year hitherto an increase in depreciation and amortization charges by over to 34% on an year-on-year basis to the large CAPEX incurred on new resort properties in Quarter 1 of 24.

The net profit for the quarter came to Rs. 1.17 crores. I must give you all an insight about why there is a huge rise in expenses. We are investing heavily for future growth. This year is earmarked for heavy investment in the hospitality business, where we have rigorously allocated our resources in the development of 15 resorts within a year. This is a strategic move to achieve ourbroader vision. The Company has already opened new resorts in Daman and Diu and has received the letter of allotment for Ayodhya. Several other properties are in the





pipeline and the Company hopes to add a total of 15 new resorts in financial year 2023-2024. As the Company focuses in executing and activating the additional resource, its Events and Exhibition business is expected to have a lower growth rate in Quarter 2 of Financial '24 and show a pickup from Quarter 3 of Financial Year '24. It is also a shift from an entrepreneurship to a service provider Company. Thus there is a need for a professional management, we have on-boarded new directors as well as 50 plus senior and merit level management team across all departments including our project department, marketing and sales, accounts, HR, online digital marketing platforms as an investment for the future. These endeavors are projected to significantly contribute to our performance in the current year.

Now let me give me brief snapshot of our upcoming projects. In Quarter 1 Financial Year 2024, we have 4 resorts operating in which 2 are seasonal and 2 for entire year operation. In Quarter 2Financial Year 2024, we have started 2 new resorts which lead to 4 operational resorts for the year and 2 will be seasonal. In Quarter 3 Financial Year '24, we expect 6 more resorts to be operational which would lead us to 10 resorts operational for the entire year and 2 as seasonal. By the year end, it is expected to have 15 resorts operational for the entire year and 2 resorts on a seasonal basis. So, the growth isenormous and the transitionis expected to pave away for the future growth.

We are a leading Company in providing unique hospitality services and this will keep our leadership position strong. I am optimistic with our strategic move and believe our future prospects are very bright. At the same time, I am grateful to each one of you for keeping faith in our Company and being a part of our transitional phase. I am quite confident that this transition would reward all of us in a great way. With this, I open the floor for questions and answer. Thank you.

Thank you very much. We will now begin the question and answer session. We have our first

question is from the line of Avinash G from Perfect Market Securities. Please go ahead.

Vishnu sir, this is Avinash. Just wanted to understand that in the current financial year that is

by December, how many properties will be operationalized? If you could give some idea and in second quarter, third quarter if you can tell us propertywise that which properties will be commissioned? And the hotel business, the new hotel we boughta hotel if you can share some datapoints on that? What is the kind of outlook for the hotel business and can we assume that from October this business will contribute to the Praveg financials in FY24 also?

First of all thanks to Kirin Advisors for nicely coordinating these concall events also welcome to all my esteemed investor as well analyst from financial market. Just as asked by Avinash, I would like to elaborate in details all about our hospitality upcoming projects and the existing projects. First of all, you may be surprised that in 1st Quarters result EBITDA margin is good, everything is good, but why profit is little bit deviated, so I would like to tell you that this is transformation year in the history of the Praveg. Praveg's main focus was on the balance of both Event Exhibition and hospitality now instead of that we are leading the Company's business future towards the Experiential hospitality and for this a lot of management, as well as

Moderator:

Avinash G:

Vishnu Patel:

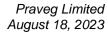


manpower, as well as strategic tieups is required and for that there is a lot of development going on there and this quarter, we have to take pain to make Praveg's growth a gain.

So, I want to talk to you in detail regarding that. In 1st Quarter we have only 1 resort which was operational that was in Kevadiya as you know. Second resort we have inaugurated in Daman 1 site which was started on 15th May and from 15th May till now its result is quite pleasing, it is beyond 75% occupancy in last 3 months. Even there is a flat year for tourism season always 1st and 2nd quarter is a flat season to some places and there is an average response according to our experience, even the response is great and our team is quiet happy with its result and outcome. I want to tell you regarding Quarter 2, in Quarter 2 we have already started 2 resorts that is in Diu 1 and second is in Daman 2 which we call Jampore Beach, so it is in 2 places. I would like that whoever is in this concall, to feel it yourself by going there then they will get experience of how is the Praveg resort location and what is experiential hospitality. And besides that if we talk about the third quarter, as earlier also it was told to you that gestation period of our resort is shortest, its main example is that we are launching 2 resort in second quarter whose work was started in February and March, so you can understand within 120 days, 150 days we have launched 3 resorts and same journey is continuing, so in Quarter 3 I would like to say that our flagship property is there in Sindhu Bhawan Road which Praveg has acquired on long-term lease basis, so we are going to inaugurate that in October month and the same way we are going to launch for Diu 2 Ghogla beach, which is a famous beach of India, in October's first half, Diu's that property will start. We are in very completion stage to make it final ready for guest, so that is one property which is going to give us good revenue. Apart from this Sindhu Bhawan Road property which is a very prime location property of Gujarat, it is one of the famous roads of Ahmadabad, the Ghogla beach is a prime property not in terms of location, our creativity is also somewhat different than Daman and Diu's other resort, so our guest can feel free and they feel some extra experience from that property also, so that is one property.

I want to brief you about the Sindhu Bhawan Road property, it is not just a hotel where we compare with the rooms capacity, it is a 3 floor, each floor is around 15,000 square feet carpet, banquet hall, in Ahmadabad there is a lot of demand for banquet for wedding, one social gathering, one corporate gathering, so according to that we have extraordinarily designed those banquets, whose revenue will be more than room revenues. So, our marketing team is quite happy with it and has started taking bookings in advance because we have inaugurated in 1st Quarter of this year, so this is second property.

Third property is Dholavira, under Dholavira in Kutch like our White Rann Resort is seasonal, we also have some strategy to align our seasonal property with nearby good spots, so if the guest of that seasonal property wants to go there and if enquiry comes during other than non-season then we can fit them in our other nearby resorts, according to this strategy we have acquired those land. This is on our own property of Praveg, so those resorts also we are going to start in November. You all know that in November, December, January and February big season of Kutch is coming. Four months business is as a big as of whole years business, so that extra business also we will do there that in Dholavira, like Harappa and Mohenjo Daro heritage





sites which is in Pakistan, same Dholavira spot is there which has been declared as heritage site by the UNESCO. It has 2 advantages, White Rann resort is there which is exactly the same as in Dhordo, in Dhordo white Rann resort which is seasonal, there the white Rann which is made from sea same thing is here also, so our guest can enjoy there throughout the year, so we have capacity to make 100 rooms over there, but being prudent to get good occupancy, according to that we can see the response, so we are going to make 30 rooms and that property will also start.

Varanasi also, it depends upon holy river Ganga, on its bank one dry area is made which is normally made during September and strategic thing about this location is that when it will start everything depends on the water dryness, so normally our experience is that in September month it starts getting dry, so our production team is ready with all infrastructure, we have already developed that. So, we will start that and we will do our best so that at least by November our business can cater. We have a good season of 5 months from November, December, January, February and March. Last year also in 2 months, 2.5 months we got a good business, even though there was a late inauguration by Honorable Prime Minister, still this time we will do this formality very soon, so this Varanasi resort is fourth resort.

Besides this Ram Mandir which is awarded to us for 10 years plus 5 year for 15 years, so we are committed to inaugurate that also, but that will be over by the last week of the last quarter this is how our team is working on that resorts.

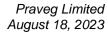
Sixth resorts is Velavadar, which is in Bhavnagar, Buck sanctuary, I tell you it is an extraordinary resort which is an example of our civil and our concept of nature creativity, that also we are going to start in third quarter. Total 6 resorts, we are going to start during third quarter. The third quarter and fourth quarter according to resort wise I will say double business happens, if one resort is there then its one resort is continued then we get double business in that quarter it depends on how the spectrum of tourist moving up, so in Quarter 3 that 6 resorts plus existing 3 resort total 9 resorts will deliver us good result and response from our tourist as well as publicity point of view. Same way quarter 4 we are planning to inaugurate Adalaj property which is also a heritage sitesAdalajStepwell very famous stepwell, adjourning to that we have previously briefed you all that30,000 square meter is awarded with long-term lease of 30 years and Praveg is planning for social events or various kind of theme base some park of creativity, so going to start Adalaj. Going to start Udaypur in quarter 4. Going to start Jowai and with that one of our property is Ranthambore, we are waiting for some clearance for that property. If it is possible then our effort is to start that in third quarter. So, we are going to start all total 4 properties in quarter 4.

Moderator:

Thank you. We will take our next question from the line of Nalin Shah from NVS brokerage. Please go ahead.

Nalin Shah:

Let me say this is one of the very unique concepts and I think unique kind of business model which is coming up, so I must congratulate Vishnu sir and his team who really visualize this kind of potential in the country. Now as we say that we are transforming from Company to





service Company, so whatever is yardstick applicable to Company we would like if you can highlight in some of the ideas applicable in case of a service Company in the sense that like you have told us the number of this thing will be operational so many resorts, but we would like to know what is the total number of rooms currently we are operating? What will be the total number of rooms by the time year ends? What kind of a cost per creation of rooms is there, cost of room? And what is the kind of per day or per month kind of revenue which we are expecting from them to just have a broad idea? Secondly I would also like to know what is the I mean because it is very difficult to predict and project anything in terms of revenue because there is a room rent, there is a food and beverages, so there are lot of components are there, so if you can give us some idea about the current year, what is the kind of topline and bottom lines we are planning to achieve? And what is the at least 3 years road map on this, so that we have some clear idea about the Company?

Vishnu Patel:

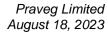
Great Nalin, thanks for your question, you asked a very good question, so I want to brief it in detail. If I tell you according to total resort room then there are 2 seasonal resorts in which 140 and 76 rooms are there in 2 resorts, so in total 216 rooms which is applicable in third and fourth quarter only, if we add this 216 then in Quarter 1 total 233 and 216 totaling 449 rooms are there out of that only 233 room was operational, just for your knowledge because we are transforming in terms of management system, hierarchy system which individual is from background of professional of the respective area practically expert, director of IT, director of Finance, director of Marketing that kind of people we are entering into since last 6 months, 9 months and we are transforming to individual management to professional management driven Company, so we are working on that direction. Let me tell you that our 233 rooms were start under Quarter 1 and my overall observation is that about 25% to 35% is our occupancy in first, second quarter and in third quarter it reaches to 60% to 70% and in fourth quarter again little downturn happens from third quarter to fourth quarter. Overall I am telling you the graph about the tourism industry in which Praveg is also a part. Secondly, if I tell you the density of Kevadiya, I will tell you approximately, our annual room rate is from Rs. 8,500 to Rs. 9,000 normally which is applicable in Quarter 1, 2, 3 and 4. Normally Nalin, the same way on our launching side when launching is done then to attract the guest normally wekeep the ARR little low in the beginning. Slowly after seeing the response we take booking strategically and by adding all this, in Daman we have started taking our ARR between Rs. 8,000 to Rs. 9,000 which will go up to Rs. 12,000 Rs. 13,000 in third quarter, fourth quarter. So, it is strategical balance and to achieve some number for the Company. Now the resorts which are going to be built now according to that at the end of fourth quarter there will be a 800 plus rooms by the Company which will be in operations and in terms of creativity, we have unique kind of proposition, we normally match the place location with our creativity. If I tell you about Velavadar then under the resorts under Velavadar is of 22 rooms and I want to tell its strategy also in little detail. We have 3 types of structure, under like river Ganga structure is tent we can call it as tent city or tented accommodation provided by the Praveg, it has to be dismantled, then have to put it, so it is set in the temporary structure only and there is a ecotourism thingwhere we cannot built a cemented structure. It is exactly on the bank of river Ganga which is totally flooded in June, July and August month, so that is a temporary structure and



normally its costing is between Rs. 15 lakhs to Rs. 18 lakhs per roomthat depends upon structure challenges also, sometime it is in seashore then wind pressure is more then wind structure cost is bit increased according to the wind, same as it is in river Ganga then its structure cost where it has to be built then more steel component is used for structure at the bottom then according to that between Rs. 15 lakhs, Rs. 18 lakhs, Rs. 19 lakhs our tent city's tent structure is utilized. Secondly, where we feel that in place of tent adding other component we will get good business and wind and all pressure and look wise there will be little difference then we don't do tents there we use semi-temporary kind of structure component of metal sheets, component of cement sheets, component of wood like components we are using and making that resort. If you visit Daman, you get that idea also, so that cost is slightly higher, it comes to around Rs. 25 lakhs to Rs. 30 lakhs per room, so that per room include all infrastructure surrounding infrastructure we need to develop for hospitality. So, it is put to use kind of cost which we are incurring for this kind and it has its own logic that wherever we feel that wherever our ARR will go beyond Rs. 8,000corroborating with the cost of production then according to that we take decision, so where we get good ARR then at that place we make investment instead of Rs. 18 lakhs to Rs. 30 lakhs, that is another strategy. Third strategy is, our own land means we are not doing in city kind of hotels which per room cost is Rs. 1.25 crores to Rs. 1.5 crores, we are doing in a rural experiential places like Daman, Diu, Varanasi like you can see Kutch 2 property. All these are property where we have our own property, where we purchase the land and do the construction upon that land and we use permanent civil structure in its construction model because that resort has to last for at least 30 years, 40 years, it is our own land and our own property, so our cost criteria is Rs. 40 lakh per room, I will say 10% plus or minus variations can be there. Till today whatever we have done, it is within this range, so I can tell you that it is around Rs. 40 lakhs per room for which we are doing this kind of infrastructure, but we have also to understand that where we put a Rs. 40 lakh we presuming our ARR Rs. 15,000, Rs. 20,000, Rs. 25,000 if we put we are making glasshouse glass resort and the glass resort in on the cliff of mountain, so my guest is experiencing there and staying in his room at night if he open the curtain and all this hindrance to see the sky, he can see the sky like open, so this is the unique proposition which Praveg is doing. If you visit Jowai after sometimes after fourth quarter, you will find there is a Caves resort like humans used to live in stone caves, you will get a resort of 22 rooms with the same kind of feeling, that is a high-end resortthat is a wild life places where the wild life lover of worldwide come to see the leopard or come to enjoy the tourist stop of Udaipur from the place of Tiger sanctuary of Ranthambore, thereby we are using this kind of creativity, so our guest can feel the enjoyment by visiting our this kind of resort, so that type of creativity is always open to us and our creative studio is our strength since last 25 years, we are doing hardcore advertising, exhibitions, so creativity is in the blood of Praveg team, so that creativity we are using. Same way since last 6-month Director Mr.Bhumitis also looking after entire construction and production kind of thing. he is an experienced guy, so he is aligned with the creativity and so whatever creativity he dreams he try to conclude within the parameters of the budget that we finish the project at given time, so therefore a massive recruitment is done since last 6 months and you can find this effect on the budget of this Quarter 1 or some portion in Quarter 2 because of indirect cost we are not apportioning to the project, it goalways to the balance sheet the prudentaccounting policy,



somewhat overhead is increased which is loaded. If only 1 resorts of Tent City Narmada that is the reason that we get a good EBITDA margin, but this Quarter 1 result you can get a below line profit is somewhat deviated due to that only. Even though our business has increased by 15%, but due to that I want to tell you where is our indirect expense happening, we are going to make 15 to 20 resorts, so my call center will not work with 5 to 7 people, 25 to 40 people will be required. We are appointing 5 times more people in our call center. Our administration staff will grow, our HR staff will grow, other than project allocation that we apart from that there are many other expenses other than this, TA/DA is there, visit is there, if we have to do application then minimum five visits are required, we have to see, we have to meet we have to watch it all that TA/DA we cannot capitalize it directly. All that expenditure is being loaded on Quarter 1 and somewhat in Quarter 2 because of Quarter 2 there is a 4 resort is now in operation and 2 resort from the beginning of the second quarter, 2 resort is mid of the quarter, so you can find good results based upon these overall scenarios of our business atmosphere. I want to tell you about the future, our dream is continuous journey in the tourism sector and theme park sector where by we can do value addition in terms of some creativity and we should be different from others that is the key strategy of the Praveg, how we could be different than other. So, I want to tell you about our next project that journey will be continued over every year, so if any one of you have seen our previous concall then we have dreamed of 7 to 8 resorts, but my strategic team of acquisition and all team division has acquired 16 property right now, it is under development. So, out of 7 resorts, at the end of March 24, we will find 17 resorts in operation, still some thrilling results may come and you will seeon exchange notification also that we are also doing efforts on that direction and our vision 27 is a 50 resort across India to make experiential hospitality segment more vibrant for Indian tourism industry and for that from our 50 resorts 17 resorts as against projection of 23 can resort we will conclude in March is the 17 resort and if we find next 9 month also some good accreditation whereby we can put another 10 resort minimum. We are trying and doing hard efforts on that direction. It depends upon accreditation and various tenders and various proposals as well as from Praveg strategic acquisition, but we are hopeful that we will complete our 10 target next year also, so that journey will be continued, but you will be happy to listen one thing that after 17 resorts, our quarter wise income will be streamlined because 17 resort will generate income and whatever new development 10 resort of 15 resort overhead which is not being apportion to that respective project will fall in the balance sheet even there will not be a problem to the Praveg. After Quarter 3, the income will be enough to solve all these cost to be incurred to finish our dream. So, that 10 project journey normal decided journey whatever we are acquiring more or less, but at the end you find the 10 resorts per year Praveg will continue its journey up to December 27 then after some strategical decision will be taken to lead this story further in an overall scenario depending upon tourism response and experience. I want to tell you further that transformation is not in terms of execution even management or advertising, our business is core, but in this first and second quarter we haven't focused because the execution team for doing total 17 resorts that team is also busy in the work of hospitality, so we always do cost benefit analysis. We have 15% to 20% margin from exhibition events, this industry has a margin of 45%, 50%, 40% depending upon the occupancy ratio, so we want to achieve this target and this year I assure all of my investorthat





my team will be capable enough to carry out 17 resort next year even we get a new opportunity of under the 17 resorts, my team will be very enough to cater all new 17 resorts development, so if this journey will be continued and we get opportunity to cater that acquisition in that case, this journey will be continued because all things will be aligned with this year huge recruitment for that.

Nalin Shah:

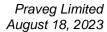
Vishnu sir, you have given me excellent ideas about your vision for 2027. Can I put couple of more questions related to the same?

Nalin Shah:

Sir now the most important thing in this business which I have seen is your food and beverages and your marketing strategy, what are you planning to do in terms of marketing like I am just trying to understand that suppose people do tieup with the some large agencies who are doing this business like say for example Thomas Cook or somebody who may be having inward bound traffic also from foreign etc., where this kind of marketing may be required because they may not be aware that what kind of different experiences are available in India, normally they would go to a 5 star hotel only, so what is the marketing ideas we are employing and some kind of tie up we are employing and what is the arrangement in terms of food and beverages? Are you going to do on your own or you have some catering services etc., tied up with some renowned people whose taste are very much aligned with the tourist what they want normally? So, if you can just have a brief idea about that?

Vishnu Patel:

I would like to give some focus on the background of the Prayeg history. We have done many Gujarat travel mart expo in Gujarat since government of Gujarat want to promote the tourism industries and that is why they have floated with that exhibitions across India and it was the major event in Gujarat where highest team of Chief Minister will take interest to develop the tourism, so that project we have carried out as exhibition agency of the Company and we have already align since last 10 years, 9 years I can say, around 10,000 travel consultant is already our travel consultant for these hospitality business also, so they are align not for the exhibition they also now continuing relationship with the Praveg, so my dedicated call center are taking enquiry from that 10,000 travel agent, number 1. We have dedicated social media teams in my office who is handling various social media kind of campaign on paid or unpaid natural organic basis, so from there also our enquiry is generating. We have huge database of our own guest, they also giving enquiry to us and apart from that we have also digital team which is looking after online marketing from the guest and as well as we also carry out call center data basewherever interested people are there according to their data base we generate enquiry, so altogether we get business from all these places. As you told that doing campaign in foreign countries, if we get a reasonable inventory in that we can tie up with international Company also to do business with us. Right now the whole world is online, so international guests also book from somewhere. So, that is there, but still I would like to say this is a nerve-ending exercise and Praveg is doing on that direction. Now my special director IT is being appointed. He is an expert guySan Francisco. He is board of the operation of the Company, so from now that strategy will also be aligned with the international working style of the hospitality Company too.





I would like to focus on the food beverages team. Up to March 23, we have outsourced food and beverages team right now we have appointed corporate chefs and entire all team on the team of the Praveg, so we have our own house food and beverages team, so now it is not outsourced. And I told about ARR, so in that I tell after averaging out the food income.

Nalin Shah:

So, normally what is the kind of the target you put when you incurring Rs. 15 lakhs to Rs. 18 lakhs and Rs. 25 lakhs to Rs. 30 lakhs and Rs. 40 lakhs kind of 3 models which you explain, what is your payback period which you envisage every time?

Vishnu Patel:

Good question, I would like to say that our creative team does an analysis of whatever tender that comes to us, its on seasideon the cliff, so I cannot use much of the tent on the cliff, there our team decide that there semi-temporary structure work can be done there, so according to all the patents our costing is decided thereout of 3 models we decide one modelthe lease which is for 5 years although it can be renewed, there is a system for renewable, so it is renewable, but we have got it for 5 years, so obviously my Company will wish that the entire cost is recovered in 5 years for all infrastructure along with the profit margin, so according to that only our theme is made that there Rs. 15 lakhs to Rs. 18 lakhs structure should be used or to go in tent city structure or have to go for the Rs. 25 lakhs to Rs. 30 lakhs structure, or have to go with the Rs. 40 lakhs, so it depends upon the lease period also if it is for 5 years then normally we will reduce the cost except I get extraordinary ARR there such a tourist spot is there and after considering both of these things it is decided. So, I can tell you that for tented accommodation and this semi-temporary, wherever roof structure is used we are assuming and we have some calculation of the tourist data as well as our experience so according to that whatever CAPEX is required the same CAPEX should come back in the form of gross receipt.

Nalin Shah:

So, one year payback period targeting for a full amount of investment?

Vishnu Patel:

It is not that way, I am a charted accountant so I would like to clarify this thing. This is not payback but this is the formula which Praveg apply where gross receipt is equal to CAPEX it should come by maximum by 1 year or 1.5 year it should come then we bill it.

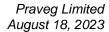
Nalin Shah:

I understood that cash payback should be within 12 to 18 months?

Vishnu Patel:

I don't say 12 months to 18 months payback, I say gross receipt, and if you add 1 to 1.5 years to then you will get payback because the next 1.5 years will go to calculate recurring cost, so roughly from 2.5 years to 3 years will be our payback that is why you will find our EBITDA margins are higher and this is unique model that is why we are telling to our investors also.

And I want to tell you more that there is no any such a corporate Company doing this kind of project, so we are not facing any competition to acquire strategic location and whereas the location player competition in terms of tenders or acquisition is there where by we lead, we are on strategic aim because of we have good creativity and we have good production team, we have good marketing and promotion teams, so all these back ground is giving us an added advantage to is to other competitor. I want to tell you that if any X location comes then in that





location if local player leads then there is his viability and there is difference between his viability and my viability due to this expertise, so due to this we acquire it even by giving little more rent and as you know that H1 gets more priority. So, by giving little higher rent also wherever strategic location we feel that here we can recover CAPEX in 1 to 1.5 or equal to gross receipt, such receipt will come and that receipt will come and that receipt cost is matched then we take it by going little aggressive and we are not facing any country wise player like Praveg. We are facing very little competition, sometimes only 1 or 2 tenders comes, sometimes that also not come, so that is a strategic move from Praveg's end senior team which we apply on each resorts acquisition.

Nalin Shah: Vishnu sir excellent explanation. My final last question is that you said somewhere that by the

end of this current year you will have about 800 rooms, am I right?

Vishnu Patel: At the end of March, yes, definitely, but we have always removed 216 rooms which is

seasonal.

Nalin Shah: Yes, I agree. So, 800 rooms total inventory as per your vision 27, where do you see by 26-27

by number of rooms, I am just asking? What is your target internal?

Vishnu Patel: It is wild to exact pinpoint

Nalin Shah: I do agree, yes, but just whatever your gut feeling is?

Vishnu Shah: The thing is not only number of rooms, the thing is what is ARR of the rooms because number

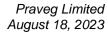
is a different thing, quality is different thing and ARR is different thing, so even though 800 rooms are there, in this certain locations of some 150 rooms, 250 rooms is such that the ARR of Rs. 8,000, Rs. 9,000 will not give only Rs. 12,000, Rs. 13,000, Rs. 14,000 will give, so how many such rooms are added of creative one, theme park one, not of mass, mass is10Narmada, Varanasi is mass, Ram Mandir there mass is going to come, but our strategy is little different for Ram Mandir, so we can get good ARR, but in place of mass the specialty location is, sea shore is, then after there are cliffs are, and we are planning to build underwater rooms in future, so rooms of different locations their ARR if you do 200 rooms, 300 rooms then it will be equal to the revenue of mass of 600 rooms revenue. So, you have to understand that. So, I will comment on that basis roughly I tell you that these 700 rooms to 800 rooms that are going to be built in this year in next December, I am not talking about December 24, in March 25 I can be able to add 500 to 600 rooms, a wild idea. It may vary it depends upon acquisition as well as opportunity, it may also increase I can't say, but based upon presently our acquisition team's feedback is coming so I think there is provision of adding 500 plus every March.

Nalin Shah: So, that gives me a picture about I would say that total I am counting to 800, it gives a

totalmay be around 2,200 to 2,500 is the room which we may go to?

Vishnu Patel: We will be between 2,000 to 3,000 rooms and our ARR for last year is of Rs. 8,500, Rs. 9,000,

it is there in our report you may study it then we are going to increase that slowly, so





proposition will come that 8, 9, 10, 11, 12, the income will increase in 2 manner one will be from ARR whose revenue was not there earlier now we have started getting from it. and occupancy ratio is also increasing. I will give you one more example that under Kutch when we started our projectin 2014 then our occupancy ratio was 30%, now the occupancy ratio is about 69%. Kewadia started from 20% to 25%, now it has reached to 40%, so every year our occupancy ratio increases by 3%, 4% according to ARR so we get growth in existing inventory by total of 10%, 15%.

Nalin Shah:

Excellent Vishnu sir, thank you very much for a very beautiful presentation and explanation. Thank you very much and all the best to you.

Moderator:

Thank you. We have our next question from the line of Ranodeep from MAS Capital. Please go ahead.

Ranodeep:

In thought of expanding our network in Ladakh, especially in the back drop that there is a big need and the present tents which are there are very substandard especially the reference is towards Pangong lake, any thoughts around that?

Vishnu Patel:

We are keeping our eyes open and also, I know whatever you say Ladakh, Himachal, Uttarakhand and some part of seven sisters, Madhya Pradesh, I want to say that there is few movement in Maharashtra also, so efforts are going for that which is good according to the state tourism we have an eye on all that and some news you will know in the coming months or years.

Ranodeep:

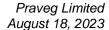
Sir my next question is during COVID, we saw many cities came up with this tent to make an additional requirement of hospital beds, now this one is nonrelated question but just wanted to understand your opinion, is there any thought of building these business models in case in future we have similar medical crisis hitting our country? Is there any thought from the management?

Vishnu Patel:

No, sir we are hardcore hospitality and event management advertising as Company, so it is a part of exhibition event management domain, the thing what you told now is there is no thought at present that we explore that line, but such opportunity can come in which government come up with requirement that they need to set up 200, 500 tents and if any such crisis is there then Praveg can do set up infrastructure provides we get whatever the business receipt on that. It is not an operation part of medical hospital only we can give make it and give within few days or within month or days that is what I can say. I will advise that we can count this income in the domain of exhibition instead of hospitality and if any such big work comes of Rs. 20 crores, Rs. 25 crores, Rs. 50 crores then Praveg can do, we are ready for it and crisis is a human crisis in that Praveg will always work not for profit, but to execute this task of the government. So, if any such situation comes then Praveg is ready always for that.

Ranodeep:

Great to know that because your strength is building the large-scale tent cities and hence I thought are we looking at that opportunity



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Vishnu Patel:

That is a good idea, you have given me idea for that. In such a situation government directly tell to us because they know what the infrastructure these Companypossess in Gujarat or Uttar Pradesh even now Rajasthan or somewhere in Maharashtra, so if the government suddenly says something that on humanity ground then always we are ready for that. So, we have infrastructure, our team is there of 50 people for development and we have 400 carpenters are align, 200 builders are aligning with this Company, 600, 700, 1,000 people are working then we can do that there is no doubt in that.

Ranodeep:

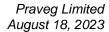
Sir my last question, we are expanding rapidly in India and very interestingly we have chosen Africa as our next future growth opportunity that from notification from Kenya and Tanzania you have already shared, wanted to understand, why Africa? And what is the future forward in Africa and what other countries you are looking at?

Vishnu Patel:

As you know tourism is everywhere, every country has every opportunity, but since we are experiencing experiential hospitality Company, so we wish to give a different experience. Where Taj Mahal is there, where historical places are there so in its place I will choose wild life places and in wild life places revenue ARR is good just for you kind information, so our study is there for it and I myself personally go every year except Corona period. Every year I go toSerengeti Kenya, Masai Mara, so I felt so good there that work should be done, so we have open up 2 Companywhen they get opportunity then 15 days or 1 month goes in formality, so we started there and we are exploring there, discussion is going on with someone. One Praveg has to get experience like we have taken experience of Kutch from 2014 till 2018 and when we liked it then we did Kevadiya in 2018 and when we liked Kevadiya then we did in this model, I have said many times that now this as I say many a times now this model has come out Praveg Laboratory and it will be now in masses. As I tell you in lighter tone when once research is done for Corona vaccine then have to do multiplicationnow Praveg has come out from this short process and now it is multiplication of this kind of resorts, so for that in wild life basis also I feel that we will get business from there, so if we do the experience of overseas for 2, 3 years then we have thought we will get any good opportunity in thisthen will do 1 or 2 small project in that place, so had a thought process. It is a thought process I would like to discuss this, no decision has been taken yet, but it's a discussion with the authority and local people who gave this kind of land available to us. So, we want to have an experience because after 27 we need to explore more places because 50, 60 place we will do in India, so I feel that other overseas opportunities will also have to be seen in the future. So, for that if we have our experience from 24 to 27 then it will be useful for us. We experience first, we apply first, based upon experience then only we put financial resources of the Company into operation because it is ultimately investor and my shareholder money. I am also a shareholder like you, so there is no difference on that strategy.

Moderator:

Thank you. We have our next question from the line of Mangesh Kulkarni from Almondz Global. Please go ahead.





Mangesh Kulkarni:

Sir you told that as this expansion project of yours gets completed there will be normalize in the streamline in the operating cost, so as a percentage of your ARR, what will be the ballpark operating cost we are expecting when the streamlining comes?

Vishnu Patel:

You have placed a very good question; I want to elaborate a little on that. Operation cost always depend upon occupancy ratio, our experience of operation cost, so if I talk according to that then as the occupancy ratio increases for example Kutch occupancy ratio is 69%, so obviously its EBITDA margin is above 50% our operation cost is 50 or below 50. If our occupancy ratio is 40% then our EBITDA margin exactly not going proportionally but somewhat is 80% proportion, so if we are getting 40% occupancy ratio in Kevadiyathen our EBITDA margin is near by 40% (+/-5%), so that is our experiencelike how much occupancy increases that much ratio EBITDA margin will increase.

Mangesh Kulkarni:

Sir recently we made an announcement that we have launched a Praveg TV, so why diversification in unrelated activity?

Vishnu Patel:

I would like to elaborate on that line also. It is not a Praveg TV for only news channel, it is tourism related news we want to serve, informative news, informative information worldwide we want to share. we want to make this TV platform more for business-oriented TV channels whereby we can put our advertisements because we are hardcore advertising Company you know earlier, so when exhibitions come, advertisements come, Company does real estate if we have a medium of TV so we can do marketing branding by highlighting our product more apart from news channel. News Channel is like we cangive 81% only give 49% information, so we meeting that requirement also, so this is the thinking according to our advertising Companyand we want to tell you that Praveg has done very fantastic job by applying their own skill. The cost of TV channel is not more than Rs. 5 crores as per the new policy. This one kind of advertisementwe will utilize for women.So, after 6 months you will also see that people are doing good utilization of this TV.Because we have creative people and our creative people will give more ideas on that thing also.

Mangesh Kulkarni:

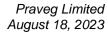
Sir you have also mentioned about the adding lot of professionals in the various domains, expertise, but recently we have also mentioned about the resignation of your key EDand all these things, so what was the reason, she was heading the exhibition business, right?

Vishnu Patel:

Yes, she was our employee of the Company and recently she has been appointed as the Director of the Company and always there is an opportunity of growth and everyone has their own domain. Some people are working exclusively, sometimes some management or things expand rapidly, I need to expand my management and area of expertise rapidly, sometimes people are not feeling comfortable with the change of this kind of professional management system, so we may have some kind of situation in which I have to work keeping the growth of the Company in priority.

Mangesh Kulkarni:

So, some other professional is already coming for the events and exhibition business?





Vishnu Patel:

I would like to say about professional, Mr. Bhumitjust added in last meeting was heading real estate sector since last 15 years. He is a civil engineer. He is now mastermind of Praveg, the creative team which took the decision like resorts made in Diu and Daman, once you visit you will know, his team has executed that. I need a very senior people who can execute 17 resorts it is not a small number 15 resorts. We brought him on the board because he is senior and he is responsible to do the project within that cost and within the limit of the period of launching, so I have brought a senior guy to the director position who was already working in the Company. We have transferred him from the real estate segment to prospective Company to utilize his skill earlier creative team used to handle the production and it is just a task of deciding thought process, architects arethere in our creative team, structure is in creative team, assistance of architects are there, creative people who make this by utilizing computers we have separated that division and separated development division then only I can deliver as per shareholder expectations. Same way Ms. Bijal Parikh since last 4 month with Praveg to looking after account, finance, management of finance, human resources activity, so she is CFO of ER Energy. Now she is looking after Praveg to take her skill in the utilization of the Praveg expansion strategy. So, we have brought who has an experience of 20 years in finance, accounts and management of top level, of CEO level. Bijal Parikh is also inducted. Again, two new will come in the next meeting where Directors and Operation head will be appointed, so this kind of activity where we have to expertise the management whatever different are field there should be experts in all of them, should be represented from the board, should be professionally responsible, we are taking forward this strategy.

Moderator:

Thank you. We will take our next question from the line of Krupal Soni, an Individual Investor. Please go ahead.

Krupal Soni:

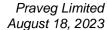
Sir I am very grateful to be here. I just wanted to know that our properties are mostly on river bank or seashore situated, so sir like Biparjoy Cyclone has come in that insurance in those generally natural calamities like storm, tempest, flood, inundationis not included generally, so provision for this?

Vishnu Patel:

All of our resorts are insured including cyclone to everything whatever natural calamities are there, but same way I want to tell you that our structure engineers preparethe structures keeping in view the wind speed of that place. Let me give you an example, now you have an experience, the cyclone which came in Daman and Diuthere has been not a single rupee damage to Praveg's property just for your kind information. So, it was highest wind speed, you know that things, so in case of national calamities if Corona comes, so many people gone, so there is a certain inherent risk is there in every business. As a prudent shareholder you have to understand in all companies wherever you are investing that risk will always be carried so I will not commenton that part.

Krupal Soni:

I am not talking about natural but I am talking about Act of God, I understood. My question was we entered in wedding, so in that segment we are going to open our hotel then in that segment will we see acquisition of banquet?



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Management:

Yes, already it is under process. The Sindu Bhawan Road prime property exactly adjourning to the Taj there we have 3 banquets which we have planned according to the wedding, there is stepwell in Adalaj so we are making same style stepwell like Adalaj, in which we can carry out extraordinary social and wedding event. It is possible in Kevadiya also, so in this manner under Daman our cost strategical discussion is going on in a different place. So, there is a very big business of wedding as you know, so want to cater thatonly destination wedding, so for that also our efforts are going on. In future you can get some news regarding the acquisition.

Moderator:

Thank you. We have our next question from the line of Dharmik Shah an Individual Investor. Please go ahead.

Dharmik Shah:

I have got couple of questions one is if I see the last quarter results, I see the event and exhibition sales is 55% of the total as if it is almost like 50-50, so just hearing the concall where you said that this event management business gives only 15% EBITDA margins where the hotels or hospitality business gives 45% margins, so we are focusing more on the hospitality side, so in the current financial year what will be the mix as in if this is 50-50, so that is good thing that you are focusing on higher EBITDA side of business, so will it be good to say that hospitality will contribute to like more than 60%, 70% of the total revenues next year?

Vishnu Patel:

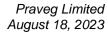
Dharmik thank you for the question. I would like to tell you that like event or conference or exhibition's total revenue it has an upper limitfor working, team capability. In Praveg's history Maximum work done is Rs. 70 crores yearly. Before 2014, did work of event exhibition then Praveg has done work of Rs. 60 crores, Rs. 70 crores. So, there is a limit of Rs. 70 crores and beyond that whenever good opportunities are available in Gujarat and surrounding areas of Gujarat or in Delhi wherever we will get a good opportunity but maximum cap is already applied that we would not work beyond Rs. 60 crores, Rs. 70 crores, number 1 and now keeping aside this Rs. 60 crores, Rs. 70 croresas you see that 17 projects are coming, next year we have a vision of more 10 projects, so you can understand that absolute number in terms of rupees will increase then percentage proportion will vary, so we have eyes on exhibitionand on these kind of advertising or real estate marketing, but our focus due to tremendous growth in hospitality sector you will see percentage decreasing day by day, but we do not want to leave that domain, yes whichever good project we receive maybe we can do Rs. 20 crores or Rs. 25 crores or can do Rs. 10 crores work or can do Rs. 50 crores then we will do that and from next our team is going to be little free because our development team and construction team have done a lot of deployment so that our exhibition team gets a little free that is our endeavor. So, from next year we will work on that also.

Dharmik Shah:

Sir one concern is that when we see the BSE website in that promoter holding has come down from 74% to 57%, so why is the promoter holding coming down?

Vishnu Patel:

It seems you have probably seen the website but have not seen the detailing. In the 74% promoters there were 4 people of Praveg Communication Private Limited were there apart from Paras Bhai and Vishnu Bhai.Rajesh Bhai was also there and Dr. JayeshBhai was also





there who is our partner since the time of private limited, so they also got the share in swapping at the time merger was done, so have declassified the 9% not as promoter, so 63% to 64% anyways done after that we did twopreferential, so in two preferential promoter also did 40% participation in first two preferential and rest of the preferential participation belongs to the group close to the promoters which are in different business, so obviously they are not the promoters, so due to that allotment proportionately you will see some disproportional reduction with thatmove only.

Dharmik Shah:

And whenever you start this new project then how do you add its cost in P&L sheet? Do you amortize the cost of any new project or is done in one quarter only?

Vishnu Patel:

Good question. I will tell you like I am giving an X example; we started the work of B from the time the work is started till the completion, till it gets release till then that team of it and its cost everything is capitalized. For example, the site which is ready or is about to be ready, before that our appointment is done, the GM operation for that, managers for that, staff for that all of that direct appointment, all of the salary cost is capitalized there. Ahmedabad's production team of Ahmadabad's 2 of the engineers have gone there to work, their TA/DA and everything is amortize. I want to tell you which are not there in indirect cost and which comes in balance sheet in this 1st Quarterthat cost other than direct project cost, direct project manpower cost, direct production team cost and besides that cost is we have increased our call center, have increased administration, increased HR staff, tender team is increasing, senior management, operations head, IT head, finance account head, HR head everything which is added is added in corporate GS which is overall for every projects which is not project specific that cost is goes to our balance sheet. That is the reason that you will find overhead in the beginning that is why this is transformation year in which from management to all ability and capacity of Praveg is increasing to do 15, 20 resorts. So, direct cost will be direct capitalized, you will see indirect cost which is in crores, so that cost hits. In the firstquarter it will hit the most because only 1 project was therewith income. In second quarter it will hit less because 4 projects are there and in third quarter it will be very less because almost 10 projects are there and in fourth Quarter 17 resorts are there, so 17 projects have their own expenses will be doneproportionately, so you have to understand all that matter, before understanding Praveg Investment.

Moderator:

Thank you. We have our next question from the line of Avinash an Individual Investor. Please go ahead.

Avinash:

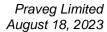
Vishnu sir 2 questions are there currently the properties which you are having in that Versova and Rann will be your seasonal properties rest of the properties will operate throughout the year? Am I right?

Vishnu Patel:

Not Versova, from where have you brought Versova, it is Varanasi. Varanasi and Kutch are the two ones.

Avinash:

So, these two only, the rest all the properties will operational from next year from FY25?





Vishnu Patel: We have found the strategic solutions for the same.

Avinash: Vishnu sir, I just wanted to ask one thing that in FY25 we can assume that first and second

quarter will be quite strong because all of your properties will be operational? Am I right?

Vishnu Patel: Definitely, yes, but let me tell you the trend first. My answer is definitely yes, but if I say in

segment wise that normally second quarter and 1st Quarter for entire tourism industry is weak because tourists don't go out in monsoon, December is good season. Season is not harsh, temperature is good, winter is there. Till march the season is good, so everyone likes to travel. But let me tell you in this that in Daman and Diu's property will perform more in Quarter 1 these 4 properties because during the 1st Quarter much of the public goes to Daman and Diu to bathe in the sea, so will get its compensation so what compensatory effect overall lead to Praveg's revenue that we have to see, but definitely yes so this quarterwill not be comparable

with the next year quarter.

Avinash: Vishnu sir, one final question like just now you said that you have issued 2 preferential, so I

understand that Company's cash flow that 17 properties will start, so your cash flow on its own will be significant, so going forward can we all assume that cash flow from operations will

also fund your future expansions?

Moderator: Yes, full effect of these 15, 17 project will come in March 25 in the business that will be partly

funded.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the

conference over to Mr. Gopal Chandak from Kirin Advisors for closing comments. Over to

you.

Gopal Chandak: Thanks everyone for joining the conference call of Praveg Limited. If you have any queries,

you can write us at research@kirinadvisors.com. Once more thank you everyone for joining

the conference.

Moderator: Thank you. On behalf of Kirin Advisors, that concludes this conference. Thank you for joining

us and you may now disconnect your lines.