PURAVANKARA

15.06.2022

To

The General Manager – DCS,	The Manager,
Listing Operations-Corporate Services Dept. BSE Limited 1st Floor, New Trading Ring, Rotunda Building, 'P J. Towers, Dalal Street, Fort, **Mumbai 400 001.** corp.relations@bseindia.com **Stock Code: 532891**	Listing Department, National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), **Mumbai** cc_nse@nse.co.in **Stock Code: PURVA**

Dear Sir / Madam,

Sub: Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended- Conference call update

Further to the conference call held on May 27, 2022 at 5.00 p.m. to present and discuss the financial results of the company for the quarter and year ended March 31, 2022, please find attached the transcript of the conference call.

This is for your information and records.

Thanking you

Yours sincerely

For Puravankara Limited

D Bindu

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Bindu D
Company Secretary

“Puravankara Limited
Q4 FY2022 Earnings Conference Call”

May 27, 2022

MANAGEMENT:	**MR. ABHISHEK KAPOOR – EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER** **MR. NEERAJ GAUTAM - EXECUTIVE VICE PRESIDENT - FINANCE**
ANALYST:	**MR. RUPESH SANKHE - ELARA SECURITIES PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Q4 FY2022 Earnings Conference Call of Puravankara Limited hosted by Elara Securities Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded. I now like to hand the conference over to Mr. Rupesh Sankhe from Elara Securities Private Limited. Thank you, and over to you, Sir!

Rupesh Sankhe: Good evening everyone. I would like to welcome the management of Puravankara Limited and thank them for this opportunity. I shall now hand over the call to Mr. Neeraj Gautam for the opening remarks. Over to you Sir!

Neeraj Gautam: Thank you Rupesh. Good evening and warm welcome to all. I hope all of you and your family members are safe as well. Thank you for joining us at Puravankara Limited's fourth quarter and FY2022 earnings conference call.

My name is Neeraj Gautam. I am the Executive Vice President - Finance of Puravankara Limited. The presentation and financial results for the quarter ended March 31, 2022, have been uploaded on the stock exchanges. I will start with a brief update on the business and highlights of the quarter and for the year, following that my colleagues and I will be happy to answer any questions that you may have and take suggestions you would like to give us.

During the financial year 2021-2022 we as a company demonstrated immense resilience. I am happy that our robust performance across key parameters met all our expectations. Continued dedication by our team members and our renewed the strategic business approach have helped us overcome hurdles presented by the pandemic along with the challenges related to the global supply chain. In addition, we are making efforts to further professionalize our work pressure and we have brought in some of the best brains in the industry to oversee the different functions of our business and fuel our growth in the coming years.

Coming to the performance for the year we clocked the highest ever sales value for the company since inception. We sold 2616 units corresponding to a volume of 3.52 million square feet. The sale value grew to Rs.2407 Crores which is 9% higher on a year-on-year basis. The sales realization improved to Rs.6838 per square feet from Rs.6420 per square feet a year ago which is an improvement of 7% in price realization.

Our operating inflows for the year were the highest since our inception and stood at Rs.2231 Crores up by 74% compared to Rs.1289 Crores last year. In terms of our financial performance for the year our total revenue from operations stood at Rs.1381 Crores compared to Rs.1054 Crores for a similar period in the last financial year, implying a year-on-year growth of 31%. EBITDA stood at Rs.6638 Crores compared to Rs.374 Crores for the previous year implying year-on-year growth of 70%.

Total comprehensive income for the year stood at Rs.146 Crores compared to a total comprehensive loss of Rs.6 Crores during the last year. During the year we have launched six new projects Tivoli Hills in Bengaluru, South Bay in Chennai, Provident Palmvista in Mumbai, Sparkling Springs in Bengaluru, Tree Haven in Bengaluru and Provident Welworth in Kochi. The company continues with its focus on the launch pipeline. We have 18 projects with a development potential of our 15 units package in our launch pipeline for the next three to four quarters. All these projects are at various stage of approval process and are on the track of scheduled launch timelines.

Coming to our quarterly performance we witnessed a strong recovery and a significant jump in sales volumes for the quarter which stood at 1.19 million square feet up by 20% year-on-year basis. Sales value during Q4 FY2022 jumped to 10% to Rs.831 Crores compared to Rs.753 Crores in Q4 FY2021.

Coming to the financial performance of the quarter: our consolidated revenue for the quarter was Rs.319 Crores compared to Rs.340 Crores in the previous year corresponding quarter. Our EBITDA for the quarter was Rs.64 Crores compared to a loss of 0.24 Crores during the same period last year. The total comprehensive loss for the quarter was Rs.22 Crores compared to a total comprehensive income of Rs.8 Crores during the corresponding quarter in the last year. Loss for the quarter was due to operating expenses incurred on new launches, revenues of which will be recognized only on completion of as per revenue recognition accounting standard.

Coming to our position of debt and cash flow: We have reduced our debt to Rs.1857 Crores down by 20% from Rs.2299 Crores last year. Our net debt to equity ratio improved significantly from 1.20 a year before 0.90. The cost of debt stands at 10.56% as on March 31, 2022.

Further to this, we have a balance collection of 2528 Crores from the sold unit as of March 31, 2022, and the value of our unsold inventory was Rs.4674 Crores. We need Rs.3110 Crores to complete this inventory. Basis this we have an estimated operating surplus of Rs.4092 Crores from the launched portfolio of projects which compares favourably against the current outstanding net debt of Rs.1857 Crores. Besides this we have inventory not open for sale out of this we have an estimated surplus of 2024 Crores.

Now coming to our other initiatives our first ESG report 2021 based on the global reporting initiates framework offers a comprehensive layout of our sustainability, and commitment, showcases impact and progress and highlights our people-centric initiatives.

This has enabled us to identify our core ESG areas, climate protection and water, human rights and health safety that has seen an inclusion, ethics and integrity and customer engagement. Our ESG report underscores our commitment to protecting our planet and empowering people within and beyond our organization. While we celebrate the milestones we have achieved so far we have also recognized that we can always do better and will continue to do so.

We are encouraged and excited by the policy outlook of India's real estate sector as the demand looks healthy. We will continue to focus on profitable execution of our ongoing projects and leverage on the rich land bank that we have to create a sustained growth trajectory to gain market share across key residential market. We are reasonably confident of building on the current business momentum and committed to creation of sustainable returns for our stakeholders.

With this I conclude my remarks. Thank you for joining the conference call. We are now open for questions and suggestions that you may have. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Dhananjay Mishra from Sunidhi Securities and Financial Limited. Please go ahead.

Dhananjay Mishra: Good evening Sir. Sir what is the delivery target for next two years based on whatever ongoing projects we have like this year we have done about 1 million deliveries so what is the delivery target for FY2023 and FY2024?

Abhishek Kapoor: Total we are looking at delivery in this year in the current financial year of over 3000 units and that will again be in fact above the previous pre-COVID level delivery, if you talk about 2019 so it will be in excess of about 3 million square feet.

Dhananjay Mishra: So 3 million square feet and if you take that Rs.7000 average realization so can we do about 2100 kind of revenue in P&L?

Abhishek Kapoor: See if you look at average realization would not be 7000 because it also includes Purva land projects. So average realization would be lower, but I think somewhere in the range of 6000 per square feet in the Puravankara and about Rs.5800 to Rs.6000 will be Provident and Purva land would be somewhere in the range of about 4500-4600 per square foot. So we will be delivering about 3 million square foot and then you can do the math, but the point is that we will be back in terms of delivery on pre-COVID levels and we definitely see improvement there.

Dhananjay Mishra: And most of the costs we have already provided for the ongoing projects that is why we are having losses in the P&L in this year so next year EBITDA should much better result, right?

Neeraj Gautam: When I am saying most of the costs mean f the costs related to sales and marketing and G&A has been provided.However construction cost and other direct cost will be recognized, when we will recognize l recognize the revenues.

Abhishek Kapoor: What you are saying you are right that a lot of these costs which are new launch cost definitely related sales marketing and launch have been accounted.

Dhananjay Mishra: In terms of compared Puravankara versus Provident so in term of sales Puravankara sales has even muted compared to Provident so any specific reason we are having lesser launches or any reason in the segment if people may be going more for affordable housing?

Abhishek Kapoor: No I will share with you, so if you look at the data point per se you will see that our ready to move in inventory we exhausted in Puravankara and if we look at the new launches there were no new launches done in Puravankara. All the new launches were done in Purva land and Provident and hence and but the sustenance business bit better and that is how we covered for the reduced ready to move in inventory sales. So Puravankara on an overall basis given that it had no new launches it did quite well. Provident did very well because we had launches under Provident which Neeraj mentioned a little while earlier and therefore we saw much healthier and much better numbers in Provident but this year we are looking at of the total new launch of about 16 million square foot we are looking at new launches of about 6 million square foot in Puravankara. So I think this year sales numbers should look quite different.

Neeraj Gautam: Existing Provident sales also include a plotted project, Tivoli Hills , which we launched during the period as I e mentioned in my opening remarks .

Dhananjay Mishra: Lastly on balance sheet side what is your target for debt reduction next year?

Neeraj Gautam: Our net debt as on 31st March was 1857 Crores and our scheduled repayment for the next financial year is about 400 Crores.Besides scheduled repayment there will be some repayment from collection adjustments and we will also draw dawn CF for ongoing projects.s.

Abhishek Kapoor: If you look at it I think what is important and I keep saying this is that you should look at debt not as an absolute number but debt per square foot of construction area that you have on the floor which is currently under operations and that will scale up tremendously in the coming years so if you look at per square foot debt which is currently under construction that will continue to reduce and absolute number can hover around the same number or marginally go up but it does not matter given the volume that you are looking at so you look at it relative to the business that you are doing and if you look at it from your point of view Puravankara as a business will scale up and therefore I think we will be in a very comfortable position.

Dhananjay Mishra: And this 2200 Crores figure is a collection figure not that operating cash flow right?

Neeraj Gautam: It is the operating inflow. Our operating inflow includes project collection, the inflow of from our subsidiary Companies .

Dhananjay Mishra: Wanted your collection on the 2600 Crores sales value so 2400 Crores sales value is there?

Neeraj Gautam: About 1400 Crores we have collected from the projects.

Dhananjay Mishra: So entire year maybe previous year collection and this year collection is 1400 Crores right?

Neeraj Gautam: Yes.

Dhananjay Mishra: That is all from my side. I hope next year P&L will look much better in terms of cash flow.

Moderator: Thank you. The next question is from the line of Aditya Mehta from Dynamic Investment. Please go ahead.

Aditya Mehta: Good afternoon and thank you so much for taking my questions. Sir my first question would be on the debt profile. The debt profile has been consistently improving over the years. I would like to know what kind of debt to equity or the debt to EBITDA ratio can we look for maybe for short-term and long-term let us say two to three years down the line?

Abhishek Kapoor: On the debt piece, I think we are currently in the range of about 0.9 and we will continue to maintain that level of 0.9 and as we obviously launch projects and our networth goes up the number will start looking better but having said that I think debt to EBITDA number at this point, is an anomaly per se because revenue recognition happens on the quantum of delivery that you do. What one should look at really again I will repeat myself in continuation with what I said earlier is we need to look at what kind of sales volume are we doing, what kind of burn are we doing and what is the square footage on the floor on a per square foot basis what debt do you have on your books. If you look at that number and that is how industry should be looked at because since a shine that the new accounting standard stabilize on the business side of it to understand how the debt is working for the group I mean debt also works for the group at it is part of the capital. So therefore I think we will continue to maintain the current levels.

Neeraj Gautam: I would like to add to what Mr. Abhishek said, if you look at debt repayment or debt to EBITDA ratio, it will not indicate correct information, particularly for a real estate business. . In the case of the real estate business, all our debts are essentially working capital debts. It is not the debt which was have taken to fund fixed assets. We are not servicing the debt out of my profit, rather our debts are e serviced from project collection. And hence the debt of a real estate company should be looked at from an operating cycle perspective because these debts are largely in the working capital in nature.

Aditya Mehta: Sir my next question is related to the guidance. Your quarterly and yearly sales performance has been quite strong but the revenue recognition is muted and there has also been a lag in the delivery also this year you completed one project if I am not wrong can you please shed some light?

Neeraj Gautam: First and foremost we would like to say that essentially we do not give a guidance about the future having said that we can explain why revenues were muted despite a very good sales and very good collection for the quarter and as well as the year. If you look at the sales and collection during the year we have launched new projects. As I mentioned in the opening remarks so part of this collection are coming out of the new sales; however, as you are aware that because of accounting standard requirement I am able to recognize revenue from these new launches only when we complete these projects. During the quarter the revenue which is recognized, recognized only from the old RTM projects.

Aditya Mehta: Sir and on the marketing expense for the quarter, I would love to know what is the marketing expense for the quarter in terms of percentage of sales and do you think this would go up in the coming quarters?

Abhishek Kapoor: If you look at it from percentage of sales we are normally within the range of 5% but that is in terms of percentage of sale value but if you look at the recognition it would be different because that percentage will depend on what is the quantum that you have delivered and we expect that to continue in the same range. I mean as we scale up our operations and we deliver more and more in terms of sales numbers, I think possibly we will find more efficiencies and it can come down but it would be in that same range; however, in the revenue recognition when you look at it in the financials obviously it get frontloaded in the revenue recognition and then it is fixed because of the new launches because revenues are not getting recognized later and they do get recognize going forward.

Neeraj Gautam: The marketing expenses will be there in the coming two quarters also and it will be disproportionate considering the big launch pipeline we have so it will be disproportionate to the revenue which is going to be recognized.

Aditya Mehta: Sir and the launch pipeline, we have good number of projections in the launch pipeline almost 18 of them are scheduled to be launch in next 12 months if I am not wrong how confident are we in the terms of approval? Are we seeing any delays in terms of getting the approval or how is it how is the scenario there?

Abhishek Kapoor: In the previous years we had some disruption because of the first two quarters largely on account of COVID and the disruptions caused by COVID. Currently all the new launches which we had mentioned in the launch pipeline are already underway, so these are projects which are at different stages of approvals, some at early mid stage which are coming in Q3, Q4 and some at an advanced stage which are expected to come in this and the next quarter. So, these are pretty much on track in terms of what we are projecting and in fact I would also say that some of these already have been applied for RERA so we are expecting those RERA approvals and going ahead with those launches so it is a mixed bag of things, but we are pretty much seem to be in good control on these new launches.

Aditya Mehta: Sir but then what sort of sales are we looking at from these launches coming up in next two to three years?

Abhishek Kapoor: As I mentioned we do not give guidance, but I think that quantum is pretty much shared with you in terms of which quarter we are looking at these launches.

Neeraj Gautam: I will just want to add what Abhishek said, the expected launch date we have already reported in our ICP kindly refer to in slide #18. t kindly also note that out of the total launch pipeline we will open only part of the inventory for sale. As a practice, we open inventory for sale in a phased manner.

Aditya Mehta: If I can squeeze in few more. I have a question on the last quarter launches what is the sellable area of the projects that you have launched this quarter and what is the kind of traction you are seeing over there in terms of inquiries and bookings especially in the Palmvista and Winworth?

Neeraj Gautam: If you go to our inventory slide in our presentation we are mentioning how much percentage we have sold already if you look at Palmvista we have already sold 45% as on 31st March. This does not include sale which we have done in April and May. All the projects numbers arealosthere,. we launched Winworth, in March 2022 and sold 29% of the inventory as of 31st March this does not include the sales which we are done in April and May.

Abhishek Kapoor: There was one more project which was 100% sold out in Chennai which was South Bay.

Neeraj Gautam: South Bay if you look at we have sold 99% of the inventory as on 31st March which is in our slide if you can refer our slide #28 in our presentation.

Aditya Mehta: On the segment side if we divide the ongoing projects on the basis of geographical location and to my understanding 49% of the share is coming from the non-Bengaluru project. Do we see this number rising going down the line?

Neeraj Gautam: Our endeavour is definitely to increase our volumes outside of Bengaluru and especially in the west. In the next financial year, in fact, we are targeting almost 25% of our business coming from the west and but having said that a large quantum of our current land bank still continue to be in Bengaluru but our business plan and business growth is categorized around Chennai, Bengaluru, Mumbai, Hyderabad and Pune in these five markets so we will continue to see increased volumes outside of Bengaluru other than whatever we have already got in Bengaluru and of course we will continue to acquire a lot.

Aditya Mehta: Thank you.

Moderator: Thank you. The next question is from the line of Dikshit Mittal from LIC Mutual Fund. Please go ahead.

Dikshit Mittal: Sir my question is first can you give the collections for the full year?

Neeraj Gautam: We have collected 2231 Crores we mentioned in our slide if you look at slide #24 we have collected 2231 Crores for the entire financial year including all collection, collection from the residential projects, collection from our strategic exit from commercials assets, collection from our construction arm, all put together we have collected 2231 Crores for the entire financial year.

Dikshit Mittal: But Sir out of the presales can you give the figure how much have you collected?

Neeraj Gautam: About 1400 Crores.

Dikshit Mittal: And what was the figure last year Sir.

Neeraj Gautam: Last year it was about 1200 Crores.

Dikshit Mittal: Sir in terms of launch pipeline you have given pretty aggressive 12 million square feet per year, so if I compare last four, five years I think you have not done more than 3, 3.5 in terms of launches so what gives you confidence in number for huge pipeline for the next year?

Abhishek Kapoor: I think it is important to understand that why we had came down and it was a deliberate strategy to not tone up our launches because we had almost 2.4 million square foot of ready to move in inventory which was available with us our really focus was to bring that inventory down that obviously also had a direct impact on reduction of our debt level significantly. So our focus really was to bring down our ready to move in inventory which we have successfully achieved. Parallelly over last year and a half once we were realizing that we are very near our goals we needed to plan ahead we needed to start planning for new launches other than COVID disruption if it is was not for that I think our launches would have been much higher but having said that I think now this year it would be better. Last year we did six launches and obviously you have seen if you see the numbers and you look at it slightly more deeply you will see that our new launch and under construction business actually has grown last year by 51%. When my overall ready to move in inventory sales have dropped by 67% because of non-availability because we sold out so if an overall basis we have already got the momentum of new launches and we will continue to see the increased momentum of new launches and sales thereof.

Dikshit Mittal: But over the full year if I see in terms of the sales growth for the quarter you had done well 1.2 million but for the full year I think it is a flattish as compared to last year like if I have to compare other Bengaluru based players or other real estate players I think they have done much better in terms of full year sales any particular reason for that.

Abhishek Kapoor: I think you need to again as I mentioned, if would break this down you would see that large quantum of our business was coming from ready to move in inventory that we basically exhausted we were completely dependent on new launches and if we look at our new launches our under construction in new launch business actually grew by 51% so if we have to compare with the industry and the markets you should compare that number of our growth of 51% with anybody else in the market place. So the context is that all our new launches and under construction project has grown and the sales have grown by 51% that is the right context because on an overall basis you may say okay yes the business grown by about 9%, 10% but if you look at it fairly more deeply you would see that the business has actually grown by over 50%.

Neeraj Gautam: First quarter was also impacted and the new launches that Abhishek mentioned we did in Q3 and Q4 which is reflected in our yearly performance if you look at Q3 also our number was robust Q4 also number was robust because we are able to launch new projects which we intended to launch.

Dikshit Mittal: Sir now what is the on-ground demand status be now because now interest rates are again rising and because of inflation and all so do you see any slackness in demand currently?

Abhishek Kapoor: At this point in time we are not seeing any slackness per se in demand. We are continuing to see our sales numbers and fortunately for us a lot of our sales numbers will also continue to come from new launches and that is anyways entering the market at a completely fresh price points. So, we see the market at this point in time as stable and growing because also largely on account of consolidation of the players and limited number of branded players launching projects.

Dikshit Mittal: That means the current sales is 1.2, 1.3 can be sustained right at least in the foreseeable future.

Abhishek Kapoor: Yes, it will depend on the number of launches we do in the quarter other than sustenance but yes sustenance business will continue to grow and therefore such the new launches so as we add the new launches we will continue to see higher numbers.

Dikshit Mittal: Sir, lastly this year you were targeting 3 million kind of delivery right 3 million square feet?

Abhishek Kapoor: Yes, that is the plan for the 2022-2023 yes.

Dikshit Mittal: Sir because last year you have reported on 900 Crores and delivery is around 1 million square feet so just wanted to know in the sales like what are the other items that you will put because if I see average realization?

Abhishek Kapoor: Last year delivery was lower largely on account of the fact that all the projects were delayed because of COVID so that has taken us time to streamline but if you see our burn rate that has gone up, our investments to operations has gone up significantly and therefore the impact on both on collections and of course on sales as well, so we believe that now the momentum of delivery has picked up and we should deliver about 3 million square feet this year.

Dikshit Mittal: So that means 3 million will be booked in the P&L right this year.

Abhishek Kapoor: Yes.

Dikshit Mittal: Thanks a lot Sir.

Moderator: Thank you. The next question is from the line of Suraj Nawandhar from Sampada Investments. Please go ahead.

Suraj Nawandhar: Good afternoon. Sir if I remember correctly you had given a guidance of 1 million square feet of sales every quarter is it correct? Am I remembering it correctly?

Abhishek Kapoor: We normally do not give guidance but yes last quarter we did about 1.2 million square foot of sales and the quarter before that we did 0.99 million square foot which is about a million square foot of sales. You are right on that number.

Suraj Nawandhar: So you are saying that this year you will do 3 million square foot of sales?

Abhishek Kapoor: No. 3 million square foot of delivery. Let me just explain I will take a step back again. When we look at our accounting system, we book revenues on the basis of quantum of square footage delivered which is handed over with OC to the customers so therein that is a separate number than the sales number. Sales number is what we sell but delivery may happen in one, two, three years, four years depending on when the project gets completed so please separate the sales from the revenue recognition. Revenue recognition happens on how much we will deliver so this year we will deliver 3 million square foot and on the sales side obviously we will launch about 16 million square foot and then the rest of maths can be done on basis of last year, last year we did total of about 3.5 million square foot of sales which was a year before that was at about 3.2 million square foot of sales.

Suraj Nawandhar: So you expect to beat this number right 3.5 million?

Abhishek Kapoor: Of course definitely.

Suraj Nawandhar: Thank you Sir. I just got confused so thank you for the clarification.

Moderator: Thank you. The next question is from the line of Tirath Muchhala from Elusividya Advisory. Please go ahead.

Tirath Muchhala: Thanks for taking my question. Sir actually I have one comment about slide #23 where we have the cash inflows mentioned of 2200 Crores one of the thing is that has seen that happening in the presentation in the PR that we do is that there is a little bit of a confusion between what is the commercial land sale be it in Chennai and then how you present the information. Just one humble request that if you can segregate information better for the analyst community so we understand what the business inflow outflow here and what is the onetime inflows, outflows are.

Abhishek Kapoor: Sure absolutely please send us a mail and we will respond to you with the breakup and going forward we take that feedback. Thank you.

Tirath Muchhala: The other question I have is with respect to slide #42 where you have mentioned all the new heads of latest businesses that we have any particular thinking behind it because I think this is something new that we are seeing in the company say many senior level designations?

Abhishek Kapoor: As a strategy in the last year, I think we have strengthened two things one is we are professionalizing the management and strengthening the bandwidth of the management of the company. The objective is as we scale up our operations, we want to be able to create a more decentralized decision making and far deeper control and effectiveness on project delivery with each region and each P&L. So with that goal in mind, we have expanded our bandwidth and when we speak about selling more and delivering more obviously you will require that kind of management bandwidth and in that process in that direction we had bandwidth so let me just share, I mean, I am sure you are seeing it on the slide and the details that the senior level hires are there. For example, Sathya has come in from Tata Projects to scale up our contracting EPC business. Sanjay has come in of course for the western region which is basically Bombay, Pune, Goa. Praveen has come in only to focus on Purva land because we believe that Purva land is going to be a significant growth asset for us in multiple markets and of course west being very important for us and eastern market where we are scaling up our operations Sanjay is going to contribute tremendously with his entire experience that he brings on the table. Malana of course comes with the significant industry experience and brings a lot of value to Provident Housing and his endeavor will be to continue to scale up our affordable housing business so with that leadership put together, we believe that we are poised for significant growth. I mean if we look at our land bank, we are looking at over 15 million square foot of land today in our books already there if we have already invested these are lands which are with us so we want to speed up our monetization and churn the capital, bring our equity invest within these projects back and then churn the capital further and scale up our market share. So, this is in that direction that we are doing and added to that of course we are implementing SAP and we have done our business process engineering exercises, more effective work processes is on control with this kind of scale up of operation so the multiple strategic initiatives and this is part of that.

Tirath Muchhala: Just one last thing if I may I think over the last two, three years we have started having a lot of moving people with Purva land, with the AIF that we are raising with the commercial projects the international partner we are trying to find sort of platform. So if the investor relations teams can work better to portray this information well that will help a lot in getting people to understand what the business is because the business has changed over the last two years.

Abhishek Kapoor: Yes, feedback taken I think our engagement with the investors has increased and we will continue to endeavor and communicate a lot more with the investor market.

Tirath Muchhala: Thank you Sir.

Abhishek Kapoor: Thank you so much for your feedback.

Moderator: Thank you. The next question is from the line of Rakesh from Indsec Securities. Please go ahead.

Rakesh: I have one question, what is the status of your commercial project Sir?

Abhishek Kapoor: On the commercial side there are two projects we are launching this year one is a little over 2 million square foot. We are getting the sanctions which is in Bengaluru and the other one which we have just started construction is again in Bengaluru which is at about 800000 square foot so this year we will definitely take about almost about 3 million square foot to under construction.

Rakesh: Thank you Sir.

Moderator: Thank you. The next question is from the line of Aryan Sharma from Infinity. Please go ahead. Mr. Aryan Sharma has left the queue the next question is from the line of Aditya Mehta from Dynamic Investment. Please go ahead.

Aditya Mehta: Sir I wanted to know your Q4 FY2022 sales was around 829 Crores, would it be right to assume that by the end of FY2023 we will achieve an annual sales of 3000 Crores?

Abhishek Kapoor: Again as we mentioned earlier we do not give guidance but if you extrapolate definitely the business will be higher than what we have done this year which is over 2400 Crores definitely it will be higher.

Aditya Mehta: One last question on the plotted development. Off late, You have entered into this plotted development business so what is the kind of market that you are looking in terms of size?

Abhishek Kapoor: When you ask in terms of size are you asking generic market size or you are asking what business we are looking at going from this asset class?

Aditya Mehta: Sir what business you are looking at?

Abhishek Kapoor: From our point of view, we are definitely looking at any point of time doing minimum of 25% to 30% of our business from this asset class. So that is the target we have set for ourselves 25% of the overall business it comes from market development.

Aditya Mehta: Thanks. That is all from my side. Thank you.

Moderator: Thank you. The next question is from the line of Aryan Sharma from Infinity. Please go ahead.

Aryan Sharma: Good evening. So, my question was regarding the overall demand environment like how is the initial response, was this 40 BPS hike in interest rate are customers a bit hesitant or has inducing any impact regarding this?

Abhishek Kapoor: So far we have not seen any impact on the sales numbers. I think the environment in general is in a mode where people have come back to take a buying decision and that is on multiple reasons I think one of them are really that COVID reason and second has been the overall real estate environment per se, the demand supply situation you do not have the kind of supply you used to have earlier and also the fact that generally the savvy does not have seen significant jump in the last two quarters, I mean if you just read the papers especially in IT sector lot of employment has been generated over 20000 odd jobs have been created and then on an overall economy basis the government investing the kind of capital they are investing in infrastructure etc., there is a lot of movement in the economy so on an overall basis we are not seeing any significant impact on the demand side with the increased interest rate because I think more than compensated with the increased salaries because this is just around the time and salaries have increased and a lot of people are in the market and new job opportunities that exists.

Aryan Sharma: Now coming to the range of price hike that you have taken in the last quarter so is this on an overall portfolio level or only for the new projects which are going to start?

Abhishek Kapoor: It is on overall portfolio level because these price hikes and different prices are for different markets, different asset classes, different stages of construction and depending on demand supply in the market. So but it is on overall basis that the prices have gone up.

Aryan Sharma: My last question I do not know if I might have missed it but what is the impact of the construction cost due to the commodity prices I mean the rise of prices globally?

Abhishek Kapoor: The way we have as you see the price appreciation has pretty much compensated for any price increase as far as the commodity prices are concerned so I think there we are very much protected as far as the prices is concerned.

Aryan Sharma: Thank you. All the best.

Moderator: Thank you. Ladies and gentlemen this was the last question for today. I would now like to hand the conference over to Mr. Neeraj Gautam for closing comments.

Neeraj Gautam: Thank you, ladies and gentlemen. Hope me and my colleagues have been able to answer all your questions. We are always available to reply your questions if you reach out to me. Our mail ID is given in the presentation. Thank you once again and wishing you all happy weekend. Thank you.

Moderator: Thank you. On behalf of Elara Securities Private Limited that concludes this conference call. Thank you for joining us. You may now disconnect your lines.