

February 17, 2024

BSE Limited

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Scrip Code: 531637

Dear Sirs,

Sub. : Transcript of Earnings Conference Call – Q3FY 2023-24

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 Wednesday, February 14, 2024.

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

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“Praveg Limited Q3 FY24 Results Conference Call”

February 14, 2024



**MANAGEMENT: MR. VISHNU PATEL – CHAIRMAN, PRAVEG LIMITED
MS. BIJAL PARIKH – FINANCE DIRECTOR, PRAVEG
LIMITED**

MODERATOR: MS. VAISHNAVI AMBOKAR – KIRIN ADVISORS

Moderator: Ladies and gentlemen, good day and welcome to Q3 FY24 Results 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 Ms. Vaishnavi Ambokar from Kirin Advisors Private Limited. Thank you and over to you, ma'am.

Vaishnavi Ambokar: Good afternoon, thank you. On behalf of Kirin Advisors, I welcome you all to the conference call of Praveg Limited. From management side we have Mr. Vishnu Patel - Chairman and Ms. Bijal Parikh - Finance Director. Now, I hand it over the call to Ms. Bijal Parikh. Over to you, ma'am.

Bijal Parikh: Good afternoon, everyone. I extend a warm welcome to each one of you joining us for the conference call of Praveg Limited where we aim to delve into our exceptional performance during Q3 Financial Year 2024. Praveg Limited a trailblazer in the industry has firmly established its footprint across diverse business segments, such as Tourism and Hospitality, as well as Exhibition and Event management. Our strength lies in our independent and sophisticated infrastructure, seasoned manpower, and an in-house creative studio, which collectively give us a competitive edge to cater to diverse needs across business verticals.

As the current moment the operational success of our diverse portfolio is evident in our current 4.26 lakh square meters of active projects providing accommodation in 9 resorts with a total of 545 rooms, successfully securing bookings for over 120,000 rooms in financial year Q3 24 underscores our commitment to delivering varied and quality accommodation, ensuring utmost satisfaction for our valued guest.

Allow me to shed light on some “Key Developments and Financial Highlights” from Q3 Financial Year '24:

Company's recent achievements and developments showcase the Company's strategic power in the Hospitality sector. The reception of 3 work orders for prominent locations and the work order for developing Tents at Agatti Islands in Lakshadweep highlight Praveg's expanding footprint and versatility in project execution. The Company's recent series of developments underscores its commitment through strategic expansion and excellence in the Hospitality and Tourism sector. The acquisition of work orders on diverse projects ranging from the development of Damanganga Garden in Daman to Tent establishment of a Tent City in Maharashtra, demonstrates the Company's versatility and geographic reach.

The amalgamation of Eulogia Inn further reflects Praveg's proactive approach to enhancing its corporate structure and optimizing synergies. The inauguration of Praveg's Grand Eulogia in Ahmedabad, along with the operational commencement of the White Rann Resort and Praveg Dholavira Resort in Gujarat signifies the Company's commitment to providing diverse and high quality experience for its clientele. The simultaneous opening of Praveg Tent City at Ayodhya and a Beach Resort at Ghoghla Beach, Diu aligning with the auspicious day of Deepavali added a cultural and celebratory dimension to the Company's offerings.

The work order from Agatti, Lakshadweep and the continued success in securing various other properties highlight Praveg's trusted partnership with the government entities. Moreover, the preferential allotment of 2 lakh equity shares converted from warrants at Rs.487 in November 2023 showcases investor confidence in Praveg's growth prospects. This infusion of capital further solidifies the Company's financial position providing a strong foundation for future endeavor.

In summary:

The Company multifaceted efforts, position the Company as a dynamic and strategic player in the hospitality industry. This initiative not only enriches the Company's portfolio but also contributes to the growth of the region in which it operates. Investors can find confidence in Praveg's proactive approach evident in its diverse ventures and commitment to delivering exceptional hospitality experiences. Overall, Praveg's recent development position it as a dynamic player in the Hospitality industry poised with sustained growth and success. The Company's strategic initiatives and commitment to delivering exceptional experiences make it an attractive prospect for investors looking for long-term value in the evolving market.

Now, let's take a closer look at the Company's "Financial Performance" in Q3 Financial Year '24:

The 3rd Quarter results for Financial Year '24 showcase a notable 19.33 Y-o-Y growth in total revenue reaching Rs.33.97 crores. However, EBITDA witnessed a dip of minus 22.81% at Rs.13.26 crores reflecting a change in the profit margin dynamics. The net profit recorded at Rs.8.09 crores with the net profit margin of 23.94% additionally, the Hospitality segment contributing to Rs.25.62 crores and Events and Exhibition segments adding to Rs.7.46 crores to the revenue. That is the balance revenue stream.

Our optimism remains unwavering for Q3 Financial Year '24. This optimism is fueled by the strategic selling up of our Events and Exhibition business and the timely initiation of upcoming Hospitality projects. As a Company, Praveg showcases resilience through strategic initiatives that pave the way for a promising future. Our steadfast commitment to excellence paired with the untapped potential in our key business sector positions us for sustained growth and prosperity. In line with our growth strategy, we have initiated recruitment efforts to establish a strong professional team. This team is anticipated to play a pivotal role in supporting over

expansion and is expected to have a positive impact on our overall performance for the current and coming year.

As we move forward, our main goal is to boost our Hospitality business. We are also excited about the expected growth in our Events and Exhibition sectors as well, which we believe will make our overall operation even better.

Before we jump into the question-and-answer session, I want to say thank you to everyone who has been a part of our growth journey. Your support and involvement have played a big role in our success, and we really appreciate what you bring to the table.

With this, I would like to open the floor for questions-and-answers.

Thank you once again for your presence and continued support.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Ranodeep from AMS Capital. Please go ahead.

Ranodeep S: We have seen an amazing ramp up in the last few quarters, be it the opening of resorts in new locations or acquisition of hotels in Ahmedabad. How confident are you, with respect to the Vision 2027 that you said? And the second part of the question was, are we expected to see any more new acquisitions? Thank you.

Vishnu Patel: First of all thanks to all my fellow investors and thank you for your interest, good afternoon to everybody. Very nice question you have raised, I would like to tell about my presence part vis-à-vis is my Vision 28. I would like to reiterate once again, after December 2022 whatever vision we have made our journey started, whatever acquisitions we had in this Bijalji will soon repeat its details to you. But I would like to tell that we have acquired around 22 or 23 resorts out of that 9 or 10 is under operation, recently in quarter one, quarter two, quarter three again in this quarter means the running quarter you will find further operational resort and after that in Quarter 4 and new Quarter 1 of FY24-25 also, I am using the word most of, may be one or two resorts may not be operational besides that most of the resorts will be operation number one. Number two my Company's journey for acquisition will continue like right now as you are seeing it will be in the same way. Thirdly, I want to tell you about the confidence under quarter two majorly our two plus seven and eight resorts were operational. You can see in the results also and if you have attended the previous call which I did with Kirin then the EBITDA margin which I said was about 40%, so that has come to 39% I would like to give you a detailing in this, when a new resort is started it takes time to get occupancy and to get public awareness, mouth publicity is a major thing, so for all that publicity we needed 6 to 12 month's-time but you can see that in Q2 and Q3 our EBITDA margin has been the same, that means the response has been even better than the beginning from the guest and you can see its result in Q3. Again I would like to repeat that due to our expansion and indirect overhead is increasing due to our 23 resorts which we have to make operational, so for that team built up is being done and because of that you can

study our result also our indirect cost is massively high and that will decrease our profit and not EBITDA margin. Once our resorts turn old then our EBITDA margin will grow from 40% to 45% and it will increase day by day, but until our resorts don't reach a milestone that is 23, 25 till then our overheads are loading on our existing operational resort and in the balance sheet we say that as absorption costing, so according to that concept our 23's overhead was loaded on the 9 resorts of Quarter 3, even though we performed with results. Thank you.

Ranodeep S: My next question was technology in travel is going very big. Do we have any plans of collaborating with any SaaS Company to increase our occupancy especially when we see the occupancy for this quarter was at 47%, many SaaS companies are helping many of the top travel companies like Hospitality companies, one of the SaaS Company listed Company is RateGain they have been doing a great job, so any plans of collaborating with any SaaS Company software?

Vishnu Patel: We are discussing every corner of opportunity and we are open for that and sometimes what happens, if I sell in bulk and that sales comes reverse to us in retail sale then that affects the ARR of the Company, so we have to see all that, but my team is very efficiently managing these things, wherever we see the opportunity where we can add its value addition in the occupancy then we will do that. And I would like to tell you one more thing that the 47% occupancy which we are saying for Quarter 3 Bijalji will be brief you more. I am not a detailed analyst, Bijalji is a Finance Director she analyze these things, but our new resorts which are started its occupancy ratio is different and our existing 3, 4 properties ratio is different. So, I want to say that the new property occupancy ratio is built up slowly like when the guest comes and enjoys then will go in mouth publicity and again its effects come, so it will come in next December quarter after a year you will see the improvement, so overall dynamics works this way in Praveg.

Ranodeep S: One last question, sir we had our inaugural investor call one year back, someone had suggested about discount coupons or offers for a shareholder, wanted to check sir any thought on that specially when the poster boy of Indian Hospitality IHCL, the Taj Group offers 25% discount coupons to its shareholders?

Vishnu Patel: I am eager to offer all these things if possible, but the advice which I have got according to that we cannot give to some shareholders such remark is there. Bijalji can you check into detail if Taj Hotel offers this to their shareholders and if it is legally permissible then we are also more than happy to welcome our shareholders first, they are the pillar of my Company built up. So, that will be my wish to give them first privilege. Bijalji kindly go into detail.

Bijal Parikh: Sure.

Moderator: Thank you very much. The next question is from the line of Pritesh Chheda from Lucky Investments. Please go ahead.

- Pritesh Chheda:** Sir, if you could tell what is the occupancy that you would have recorded in the Quarter 3 and these room additions that we see between Quarter 2 and Quarter 3 about 400 rooms added if you could break what was the occupancy in the newer rooms and what was the occupancy in the 300 rooms, one if you could give the blended and two separately also?
- Bijal Parikh:** See basically the occupancy varies based on location-to-location and as per how old the resort is, but if we talk about the White Rann Resort we have an average occupancy of 65%, then if we talk about Daman Resort then again we have occupancy of around 75%. Ayodhya, being new one and the Praveg Grand Eulogia, being newly as well as the Dholavira, newly inaugurated in the month of mid of the November we witnessed the occupancy somewhere around 25% to 30% in that, but rest of the locations we have around 60% to 80% occupancy in other resorts.
- Pritesh Chheda:** So, if I look at your presentation Ghoghla Diu is November, but before that whatever results that I see 75% occupancy right?
- Bijal Parikh:** Right.
- Pritesh Chheda:** Which means that Grand Eulogia business has flowed in for 3 months in this number right?
- Bijal Parikh:** Yes.
- Vishnu Patel:** One and half month and secondly mainly on Weddings events so this occupancy is only for room. We have 4 diverse revenue generating from plan Ayodhya, one is from wedding banqueting, second is business conference, third is a room, so we have to understand the dynamic. There occupancy ratio is not much important because we have another 3 source of income equivalent to room revenue, so you find this running quarter all these things. That you could see that and secondly we inaugurated in the month of November and people want to book for wedding plans before 6 months or 12 months, so we cannot take bookings unless we are not sure about when we are going to start that property, so due to that in November and December we cannot take advance bookings according to the probable date for wedding cases, so you will see its effect on that.
- Pritesh Chheda:** My last question is on the slide the upcoming resorts where you have mentioned how many of these upcoming or the number will flow in over the next 6 to 9 months whatever you have mentioned here?
- Bijal Parikh:** Basically we have the upcoming resorts, 13 up resorts are upcoming and it will add another 425 room inventory into portfolio.
- Pritesh Chheda:** But in how much time?
- Bijal Parikh:** All this under-construction properties we are expecting to complete in next 7 to 8 months.

- Pritesh Chheda:** So, next 3 quarters basically?
- Bijal Parikh:** Yes.
- Vishnu Patel:** Some will continue in fourth quarter also, some in first quarter of New Year also majorly.
- Moderator:** Thank you and the next question is from the line of Mangesh Kulkarni from Almondz Financial Services Limited. Please go ahead.
- Mangesh Kulkarni:** I just wanted to have clarification on our Events and Exhibition business, this Vibrant Gujarat Summit which was held in the month of January, so will it have any impact on our Q4 numbers, means we were part of that Vibrant Gujarat Exhibition?
- Vishnu Patel:** Yes, we were participant in Exhibition part of business and some little business we have captured from Vibrant Gujarat also, but as you know that our focus is right now on development of this 23 property out of this 9 we have operationalized, so our whole team is behind it, so in Quarter 4 little bit of business received from Vibrant Gujarat will also come.
- Mangesh Kulkarni:** Because earlier whenever Vibrant Gujarat Summit was held our major business used to come from it.
- Vishnu Patel:** Sure. We have eyes on Event and Exhibition business and my team is preparing for it. Soon we will capture some business again, but as you know that our focus was more on this operational projects, so due to that we have compromised on that and when this compromise will be removed and equivalent full focus will be on both segment then you will see major business and its effect will also come in balance sheet. You will have to wait a little.
- Mangesh Kulkarni:** My next question is about Ayodhya, which is existing operational capacity of 30 tents, existing is 30, right, so how is business there post this opening of the Ayodhya temple?
- Bijal Parikh:** So, in the month of January while at the opening of the Ayodhya temple there were some government restriction basically they were due to high VVIPs movement they were not allowing normal visitors to visit the Ayodhya, but yes from that we are getting a good responses and in almost we are getting 75% to 80% occupancy in Ayodhya.
- Mangesh Kulkarni:** So, existing facilities we are around 80% bookings are there and one more facility opened yesterday, right?
- Bijal Parikh:** Right.
- Moderator:** Thank you and the next question is from the line of Aditya Mehta from G. K. Capital. Please go ahead.

- Aditya Mehta:** Congratulation on a good set of number. Sir my question is with regards to the guidance that we have given for FY25 in a TV interview 2 months back, so according to that we were targeting Rs. 300 crores of revenue in FY25 but given that we will be operating only about 1,000 rooms with 50% occupancy and 10,000 ARR that will translate to about Rs. 180 crores of revenue.
- Vishnu Patel:** Where 30% from where you bring this 30% occupancy?
- Aditya Mehta:** No 50% occupancy with 10,000 as ARR over the year we will generate Rs. 180 crores of revenue from Hospitality business, so rest Rs. 120 crores how we are targeting to?
- Vishnu Patel:** I think in one of our interview it was asked about Rs. 300 crores, I said that there is not only ARR which is going to contribute to our revenue next 3 properties are developing on wedding events Adalaj, Vanilogya, Kachigam and one more property is going to inaugurate for the Special and Wedding event. Another 23 resorts, Bijalji what is the total rooms of 23 resorts?
- Bijal Parikh:** For 23 resorts the total room is 1,109.
- Vishnu Patel:** So, there are 1,109 rooms plus our revenue is going to come, the average which you are taking 10,000, but our 4, 5 properties are of extra revenues where our ARR will be 25,000, 15,000, 30,000 and all of them together will form our product mix, so we are expecting that we will achieve that target.
- Aditya Mehta:** So, for FY25 we need about Rs. 300 crores?
- Vishnu Patel:** We haven't counted the Event and Exhibition, so we are also focusing on that in 24-25.
- Aditya Mehta:** So, around Rs. 300 crores target is intact for FY25 with about 50% EBITDA margins?
- Vishnu Patel:** Between 40% and 50%. In new resorts it is 40%, in old resorts it can go up to 50%, 55%, but average product mix for new resorts will be good if your take the EBITDA margin of 35% to 40%.
- Moderator:** Thank you and the next question is from the line of Yashwanti from Kojin Finvest. Please go ahead.
- Yashwanti:** Sir I just wanted to understand our EBITDA margin profile, you were explaining that we were in the mid of constructing the few more resorts and that is why we have some overhead expenses which has taken a toll on our profitability, so currently you have around 12 to 13 resort under operation which will take another 6 to 9 months to get it operation, so just wanted to understand going forward when we can see this EBITDA margin stabilizing because again after completion of this resort the Company will have few more expansion on the cards as the Company is offering unique facilities and expanding at a very good speed, so just wanted to understand when we can see this EBITDA margin settling and where it will be settling down?

Vishnu Patel: Our EBITDA margin will improve day-by-day there is 2, 3 reasons one is dependent upon weighted average statistic. I want to tell you that earlier we had 2 and 3 resorts that are working on 70%, 50%, 55% in occupancy. Certain new resorts on 70%, certain resorts 40%, certain resort 25%, leaving 1 or 2 resorts we are working on occupancy majorly of around 50% in first quarter in operation as they are getting older, its effect will come in occupancy ratio. New will keep on adding for example when it becomes 23 and after that new are added then occupancy of newly added will be 40% to 50%, but the occupancy of the older will become 70% from 60% and will come at 55% and the older will further improve, so our product mix is going to be a weighted average and as new one is added it will take the occupancy towards downwards and the old ones will take it towards upward, how is our product mix made if newly added is more and old is less then it will go downwards for example if old is 23 and newly added is 10 then occupancy ratio will go up, so this entire work is on product mix and ultimately the EBITDA margin will be determined by the occupancy ratio formed by the product mix.

Yashwanti: So, simultaneously your overhead expenses will also increase, right?

Vishnu Patel: That is what I am explaining you that currently work is going on 23 resorts from this 8 or 9 were operational in Quarter 3, so the total 12 resorts development team from call centers onwards the entire team cost is getting loaded in these 9 resorts when the entire 23 resorts will get operationalized, gets stabilized then ours capacity is to add not more than 10 to 12 resorts per year, so 12 resorts overhead will be lined down on 23 resorts and after 23 when new will be operational then it will be 35 then after that for example 10 new resorts are being made then these 10 overhead will be distributed in 35, you please understand the statistic.

Yashwanti: So, you are saying that at a time you will go for 10 new resorts, right?

Vishnu Patel: See this is a business, business is always an opportunity. It could be 15 or it could be 5 also, it depends upon the opportunity how we get the opportunity our acquisition team is quite dynamic puts a lot of efforts for it, but we think that we can add 10 resorts per year for example would like to tell you about some projection that projection is of 10 but maybe we can achieve 15 or may be 7, but from 2023 onwards in our Vision 28 our dream is adding 10 resorts per year. Earlier there were 2 resorts and at the end of 2023, 11 resorts are there and by the end of December 2024 you will get 23, and in December 25 may be it can be between 32 or 35, 41, 51 this is how our vision continues. As it becomes operational our overhead is going to reduce because of operational resorts are going to increase, new resorts ratio will go down. Earlier in first quarter only 2 resorts were there and full overhead was on it of all the 15 resorts which were underdevelopment and now it has become 11, now overhead is for 12 then 23 will be operational after then whatever new acquisition will be added its overhead will be added, so slowly this overhead is going towards reduction, absorption is happening of overheads of all the resorts.

Yashwanti: So, we can safely assume that margin will range around 40% to 43%, 44% going forward with the more operational resorts coming in place?

- Vishnu Patel:** Yes.
- Yashwanti:** Sir I also wanted to understand how is our strategy from the Exhibition and Event business? In the start of the year we couldn't focus more on the Exhibition and Event side because you are focusing more on expanding our resources. This quarter we have seen some good revenue coming up from the Exhibition and Events, so what is your outlook or what are your statistics about this segment of the business?
- Vishnu Patel:** I want to tell you that our 23-24 is dedicated for Hospitality opportunity, so in Quarter 4 we have worked little bit in this Event and Exhibition, but we are re-strategizing Event and Exhibition. Leaving this 23-24, in 24-25 and 25-26 you will get wonderful news kindly wait for that getting of the business. Business is an opportunity. My eyes are on every opportunity available in corner of India.
- Yashwanti:** That is really great, sir and that is a great vision. Sir, if I may take one more?
- Vishnu Patel:** This year we will have Exhibition and Event revenue like earlier we do then it will give amazing output ultimately we can add on growth of Company.
- Yashwanti:** Sir are we looking at expanding our Hospitality business in the International market too?
- Vishnu Patel:** Good news will come, wait.
- Yashwanti:** Thank you so much, I can read something between the lines and many congratulations and all the best for the future.
- Moderator:** Thank you and the next question is from the line of Ranodeep S from MAS Capital. Please go ahead.
- Ranodeep S:** Sir we did see the ESOP plan launch recently that you hosted it is really inspirational for a Rs. 2,000 crores Company to do ESOP plan for all their employees. Wanted to understand what has been the initial reaction and acceptance of the same?
- Vishnu Patel:** I didn't understand please clarify again what you want to understand regarding ESOP?
- Ranodeep S:** I saw you have launched Employee Stock Option Plan in which you talked with your employees regarding the launch, so it is rare, sir for a Rs. 2,000 crores Company to do this and it is quite inspirational, so wanted to know what is the initial reaction within the employees and what has been the acceptance ratio in this?
- Vishnu Patel:** My team is happy with this ESOP scheme. It is not like that whether it is a Rs. 2,000 crores Company or Rs. 5,000 crores Company it is a sentimental thing. I consider everyone as my family. My attitude of doing work is different. My employee who is committed for my vision

you will not believe that this Ayodhya 2 we did it in 60 days. Within 60 days Tent City was built from the ground. Many employees are such who have taken leave of 30 days in those 60 days. So, it is my heart and emotion. My management and my team is committed for my employee first then after saying order they are my integral part of my development vision, so I do whatever should be done for them. May be some shareholders will take it positively and some will take negatively, but those who have worked for our Company for 15 years and are going to continue I should also have dedication towards them, and I have sentimentally expressed it through ESOP.

Ranodeep S: Definitely, sir congratulations on it and on that this ends that question. Sir my next question was connected to Ayodhya only, sir there are multiple reports where it is said that Ayodhya will see around 50 million visitors per year, so, sir wanted to understand at this juncture we have 30 rooms and by adding 39 rooms more we have a total around 70 rooms are we looking at Ayodhya for further expansion mode? Are we exploring more opportunities there?

Vishnu Patel: We are Experiential Hospitality. Our location is a key location. I believe that first we should do our maximum occupancy rather than developing infrastructure. Currently we have 70 rooms how much is its occupancy if it reaches 90% within 2, 3 months then after we will look forward for acquiring another opportunity in Ayodhya. We have eyes on Ayodhya development, so we are seeing how much we can convert in this. If we reach at 90% and a consistence figure comes to us then after we will build another resorts or Tent City there or we will complete it within some month 90 days or 100 days or maximum 120 days if we are using permanent structure and semi-permanent structure. As soon as we see such opportunity we reached 90% then next within 120 days take that opportunity.

Ranodeep S: Sir my last question we are seeing that this seasonality point for Praveg is changing slowly like Rann Utsav goes for only 4 months, our Varanasi setup is for 1 month, but like Ayodhya, Daman and Diu may will go for 12 months, so do you see in the next few years we will have H1 as strong as H2? Sir H1 which is combining Q1 and Q2 we will be as strong as H2 which is Q3 and Q4 usually our Q3 and Q4 is better?

Vishnu Patel: Yes, you are right there. I want to tell you that this year was a sacrificing year for us. We have given up one opportunity to take another and its effect you got to see and all investors have supported me like anything, right. Now I want to tell you that what you are going to get in 24 will be better than what was there in Q1, Q2 of 23 because our 4 resorts are coming in Diu and 3 resorts in Daman, so that is different there Q1 is the best. Q2 is the lowest. Q3 is again like Q1, Q4 is average understand the dynamics. Ayodhya will support our Q1 and Q2 both. Tent City which is in Kevadia is below average in Q1 and Q2 similarly this Dholavira will go below average in Q1 and Q2, so the product mix that is being made in that we will improve our Q1 and Q2 that means in H1 and H2 there will be difference, but it will be consolidated nearby, but within 25 this will be removed. Quarter 1 and Quarter 2 of 25 will be marginally lower than Quarter 3 and Quarter 4 and we are capturing our new opportunity, new resorts considering all these things which businesses are coming in Quarter 1 and Quarter 2 we are focusing more on that to consolidate these differences. You will see its acquisition too in midweek.

- Moderator:** Thank you and the next question is from the line of Mangesh Kulkarni from Almondz Financial Services Limited. Please go ahead.
- Mangesh Kulkarni:** Sir my question is about this Tent City Varanasi, and you have mentioned in the press release that it is not in operation due to the force majeure adopted by the NGT, so can you just give me some explanation on this end? What is the status right now?
- Vishnu Patel:** Bijalji, kindly explain what the present status is. But I will say that the number of years of force majeure in Varanasi that much extension we are going to get in lease period that means if it is for 5 years then authority is ready to continue for 5 years. That decision was an amicable solution between Praveg and Authority that rather than falling into disputes or if any problem comes after building then it is better to defer for 1 year. Rest of the things Bijalji will brief it to you.
- Bijal Parikh:** So, basically, it is almost majority hearings has been done, so now the court has all the supporting and whatever data and documentation they were needed from the different authorities, so we hope that in next 2, 3 months this will be solved and all the authorities will be having the required approvals and all to move forward in for the next season.
- Mangesh Kulkarni:** Our CAPEX is completed in this?
- Bijal Parikh:** Yes, basically since this is tented accommodation property, so whatever the CAPEX is, that is already there with us in our godowns over there.
- Vishnu Patel:** But some part of Bijalji gave you some part of Tent at Ayodhya.
- Bijal Parikh:** Some part of inventory has been moved to Ayodhya.
- Vishnu Patel:** Some parts we have used efficiently.
- Moderator:** The next question is from the line of Pritesh Chheda from Lucky Investments. Please go ahead.
- Pritesh Chheda:** So, just one question, so after putting up these 23 properties would you take a pause to first consolidate and operate them before adding any newer ones or how should be your strategy because you have moved to 2 to 11 this year and then another 13 which are lined up, so how should we look at it?
- Vishnu Patel:** Priteshji we are doing this acquisition mode after much analysis. You can see its example also that our occupancy was around 70% and 60% in Daman and Diu on first 6 months, so after doing all this analysis we do our work, so wherever we see the opportunity we have confidence, so on that basis our journey will continue.
- Pritesh Chheda:** So, we will continue with the addition of properties, right?

Vishnu Patel: Additional properties depend upon how best thing make available for our guest which should be unique.

Moderator: Thank you and the next question is from the line of Rushabh an Individual Investor. Please go ahead.

Rushabh: My question was regarding the Varanasi Tent City the force majeure which has already clarified also another question which I had was as an investor are we expecting any dividends or any corporate restructuring to be done in your Company, so say split or bonus or anything like that? I am saying as an investor should we expect any restructuring in the corporate structure of the Company say any splits or bonuses to be announced in the coming future?

Vishnu Patel: Right now there is no any such decision Company has taken and the decision which contribute the growth of the Company it will be definitely taken care of and it is premature to say at this stage that we are considering such a proposal, it is not like that, but our Company's eyes on acquisition of our activities kind of another Company or another small Company who is being advertising activity, exhibition activity who has good things, good human resources, experience human resources that kind of proposal Company may consider, but there is no any such proposal for restructuring.

Rushabh: I am saying should we be expecting any split in the face value of the shares as we see very less volume and more volatility in the stock?

Vishnu Patel: Right now no. Not any such proposal or such discussion is going on.

Moderator: Thank you. The next question is from the line of Piyush Jain an Individual Investor. Please go ahead.

Piyush Jain: Sir only one point how much CAPEX is required for these new 30 resorts which we will be opening in the next 12 months to 15 months?

Vishnu Patel: We have recently just completed our preferential allotment and I think it is enough to do these 22 resorts up to operationalize. So, no such new fund requirement is with the Company.

Piyush Jain: And few of your earlier presentation and concall you also expressed your interest that you want to go those types of sites may be M.P. or Rajasthan or somewhere else, so is it something right now you are looking for outside the Gujarat and Rajasthan or you are talking to some other states or somewhere we want to expand?

Vishnu Patel: Sir I would like to tell you that right now we have developed 4 site in Rajasthan, 2 site in Maharashtra, 3 site in Daman, 4 site in Diu then after Lakshadweep 1 site then after Gujarat 4 sites already we are developing then after Uttar Pradesh we are developing 3 projects there. Again, you will find some more acquisition may be from these states or another states. Our team

is working on that direction. So, we are not a state specific Company right now. We are working in 6 different places we want to expand up to 21 states minimum.

Piyush Jain: And this 21 states target is for FY25 beyond or?

Vishnu Patel: Until 28 and out of country few project also.

Piyush Jain: But our style will be the same this Tent business, which is of low CAPEX, right?

Vishnu Patel: I want to clarify that this is not a Tent business. Our total 23 sites in this tent structure is 7, 8, so this is not only Tent, it is a mixture of some is the Tent where we have to mantle and dismantle, where eco-sensitive sites is there we are using tent structure, where there is a liberty to do another kind of structure we are doing different structure. You will find in social media too like Dholavira, like Daman, Diu you will find a different structure there like in Lakshadweep you will find a different structure there. Like Amba Ji we have 2 hotels it is not a Tent City kind of structure, so it is an experiential Hospitality concept where we require, we use a tent when wind speed is very high we are using a required permanent structure, but not a civil structure where we are investing Rs. 1.5 crores investment that kind of structure we are avoiding, so it depends upon geographical eco sensitive as well as our creative team decides, so our Tent structure is not like this kindly come out of this and explore it.

Piyush Jain: I understood, but I mean that we will not go into very heavy CAPEX structure, correct as you say ours is light asset model, as you say that breakeven has happened and you will attain the breakeven in 18 months or 24 months, so we will continue with this only, correct?

Vishnu Patel: Yes, correct. If you have attended the previous concall in that all the detailing has been done. Our average cost for Tent is from 15 to 20 and semi and permanent structure which we are using is around 45 and like ours 2 properties in Ahmadabad which is exceptional, but we have taken that also on lease it is also light asset model, so our light asset model will be continue except very exceptional proposal comes to us.

Piyush Jain: Sir wanted to know few more things like you told about Sindhu Bhavan of Ahmadabad, so it is in lease model means what we are managing entirely, and we are paying some lease rental? Or we are just managing the income fees or commission for management?

Vishnu Patel: No. It is purely on lease like we will do in lease for Tent City in Kevadia, will do in Kutch, will do in Ayodhya, so we will do this in lease, and it is a readymade for lease hotels provided to Praveg. It is not only land and building. They give you land, building, furniture, fixture machine, air conditioning everything is done by the leasing.

Piyush Jain: What will be the lease rental for Sindhu Bhavan, monthly or yearly basis?

Vishnu Patel: Bijalji kindly you break this exact figure. I can approximately tell you it will be between 7 to 8.

- Piyush Jain:** Rs. 7 crores to Rs. 8 crores yearly?
- Bijal Parikh:** Yes it is Rs. 7 crores to Rs. 8 crores. It is exactly around Rs. 65 lakh per month.
- Piyush Jain:** And in today's date is our hotel profitable?
- Bijal Parikh:** See basically we have just recently opened in the mid of the November.
- Piyush Jain:** So, according to the last 3, 4 months how do you feel we are near to profitable or may be in 1 or 2 years we will be profitable?
- Bijal Parikh:** This hotel is basically we are not only focusing for these reasons. We have as earlier Vishnuji has elaborated on that part that we have the banquets also, so major focus of this hotel is on the wedding events.
- Piyush Jain:** Tell me one more thing that this Exhibition and Hotel is it something that some business is more profitable, and some is less or how we can understand that this business is more profitable because going forward like our resort business will pick up more let us say in FY25 our current breakup 60-40 or 48:36 something like that percentage. That breakup will move more towards Tourism and Hospitality, so margins will expand in this, or Exhibition has fewer margins or more margins?
- Vishnu Patel:** In Exhibition and Event, we work on 20% EBITDA margin and for Hospitality we work on 40% and that is the reason why we are lenient for Hospitality business.
- Piyush Jain:** Sir just one thing like a suggestion that in the whole PPT when we see that these many cottages are there and that is the average prices are for those cottages is going on, so some percentage of small occupancy and this is of which month, for last 9 months or what, if you can provide that data then it will be more helpful. Like you have provided that the average price is currently 9,500 is going, but not able to understand that it is for last 9 months or of last 3 months of this quarter or for the whole year plus this 140 Tent which we have written for Varanasi so in that if you provide some occupancy or if we provide the revenue breakup for the resorts like we used to give because what happens is that few of our projects are of 2, 3 months, few are of 1, 2 months, few are coming of 12 months because number of rooms is understandable how many rooms are there , if we add few more information it will be helpful to figure out that how much revenue can those rooms generate if possible.
- Vishnu Patel:** Yes, you are right there and in annual report we are publishing each and every resort detail in details, so it will be not quarterly, but you will get annual reports everything in details.
- Piyush Jain:** So, in Varanasi we are saying of 140 Tents, so effectively for how many months does it goes?

- Vishnu Patel:** Let me brief you again that it depends upon monsoon season. Ganga river is such that if there is heavy monsoon then it will be dry between October and November where our Tent City is installed is inside the river, so after the river dries then only we can install it and my team requires 40 days to install entire Tent City there, so it depend on that days if there is a situation like famine then we can start the development in September itself, so if started installation in September then it will start in October and if it dries in October then it will start between 10 – 15 of November, December, so if we start from December 15th then we can work approximately till 30th April or majorly till 15th May. So, there is a business of approximately 5 months.
- Piyush Jain:** And now in this year, in September and October, from where did the work started and how long will it continue?
- Vishnu Patel:** This year we have not done because of force majeure as I told you. So, I want to explain you that if river Ganga dries soon then we do 15th December at first when we started then we did 15th January there were 2 reasons we built a completely new structure, so it takes time to build a new structure and install it, so first year was exceptional now our team is such prepared that we can operationalize in 40 days. So, on the date when river Ganga dries up and our logistic can deliver the goods near the river till where it is possible from that date we will take 40 days. So, you can expect approximately that we would be operationalizing in the month of December.
- Piyush Jain:** What is the reason of force majeure for Varanasi? And is this temporary for this year, next year we will again do business here?
- Vishnu Patel:** I couldn't get you.
- Piyush Jain:** What is the reason of force majeure? Why this Force majeure happened?
- Vishnu Patel:** Someone PIL in Green Tribunal. There is no stay on that, we can do it, but as a prudent investor I have to protect the interest of my shareholders, if I install there the Company spends around Rs. 1 crores and after doing that if anybody from Green Tribunal puts the stay on the date then my installation cost will incur on that quarter, so to avoid this thing we and the authority has decided to defer this year for operationalizing Tent City.
- Piyush Jain:** Till when will this matter be resolved any idea, any expectations?
- Vishnu Patel:** Bijalji again you break further, please.
- Bijal Parikh:** Basically, almost all hearing has been done and we are expecting that in next 2, 3 months this will be resolved.
- Piyush Jain:** Thank you Vishnuji and Bijalji as you have patiently given all the answers to my question.
- Vishnu Patel:** It is my duty to update all my fellow investors.

- Piyush Jain:** Congratulations and all the best on the journey from where you started and where is the Company right now, it is very really inspirational.
- Moderator:** Thank you. The next question is from the line of Kamat Sachin an Individual Investor. Please go ahead.
- Kamat Sachin:** Sir I have only one question and that is regarding warrants, so in FY24 our 15 lakh warrants have been converted into equity and in addition to that recently preferential allotment has been done, so when this preferential allotment happens then what is the method to determine the price?
- Vishnu Patel:** It is a SEBI regulated guideline. The average price of last 10 business day and 90 day whichever is higher we are applying, so it depends on that. We are not diluting equity we dilute equity on a need base as we get the opportunity then only we dilute it.
- Kamat Sachin:** And the proceeds we got will be used this year or next year? The proceeds we have got for this recent you did a preferential allotment will be used this year or from next year onward that will be used?
- Vishnu Patel:** This year only because all 12 projects is under development, so we want to use that proceeds as early as possible, so as to we make operational our resort at earliest.
- Kamat Sachin:** Sir one more question after the amalgamation of Eulogia are their promoters a part of our promoter group? Are they in Praveg's promoter group?
- Vishnu Patel:** Definitely. Right now, they are in operation, so operation activity is going by that key person.
- Kamat Sachin:** Sir I missed the initial part, so how has the contribution for Eulogia in this quarter?
- Vishnu Patel:** Eulogia started between 1 and 15 November, so it is negligible to the extent of overall picture, but it will be very good and booming in next year and this quarter also, running quarter also.
- Kamat Sachin:** So, can we get its details in detail in the report?
- Vishnu Patel:** You will get in the annual report also with details.
- Kamat Sachin:** Congratulation for good numbers.
- Moderator:** Thank you. The next question is from the line of Mohsin an Individual Investor. Please go ahead.
- Mohsin:** Thank you sir for answering all the questions very patiently and couple of my questions have been already answered about preferential allotment and the capital proceed, but my next question was on the same line like the capital which we have raised we are expecting to use it for the next 12 resorts that we need to make operational, but what will be the Company's stand for future

growth when we need CAPEX preferential allotment so is that going to be the same route or we are following the policy of internal accrual, we are building our cash position or what strategy we will take for future plans?

Vishnu Patel: Sir very simple strategy we are following. We want to reach up to a certain level. Every year we need up for 10 resorts, we need around Rs. 120 crores capital for new projects, new resorts for that we have to reach up to Rs. 120 crores or Rs. 100 plus crores internal accrual till then to achieve Rs. 100 crores internal accrual we need 30 to 35 resorts so that our PAT line is a Rs. 100 crores plus till then we have made a strategy for the fund gap. When fund requirement is there then with better price we do preferential. We are not diluting equity at a straw. The first warrants happened in 229 then second happened in 269 then at 487 then at around 670, so you can understand that we are taking its benefit at every stage.

Mohsin: Yes, sir it is correct, but what I am just trying to establish is that equity dilution further or preferential strategy is on the plate means do we have that option, or we will stop that option because we will focus on further plan?

Vishnu Patel: My plan is to make 23 operational and we want to efficiently place our projects, resort in the market. We are focusing on it very well as soon as new opportunity comes for the resort then we will study on it. We will acquire such projects which will be helpful to achieve our PAT line of total 30 resort of Rs. 100 crores and as soon as we achieve Rs. 100 crores plus we are going to stop the dilution and all I can say right now is that after 23 and between 30 there is a gap of 7 to 8 resorts, so for that it is possible that our fund requirement if better opportunity comes then we will do, but that will be the last.

Moderator: Thank you and the next question is from the line of Rushabh an Individual Investor. Please go ahead.

Rushabh: I wanted to ask that last year we were planning to start the business in Africa is what the management has said, what are the updates on it because we see new subsidiaries being formed recently, so any major movement is going in that direction?

Vishnu Patel: We have registered a subsidiary Company. It is not only to register the Company some development we are doing on that direction, and you will get good news about African Experiential general safari I am also eager personally. Every year I am going there for wild life experience. I am a wild life lover. That 2 resorts is very important for me.

Rushabh: Yes, sir you talked about it last time also.

Moderator: Thank you. As there are no further questions from the participants, I now hand over the conference over to Ms. Vaishnavi Ambokar for closing comments.



Accelerating ideas

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Vaishnavi Ambokar: Thank you everyone for joining the conference call of Praveg Limited. If you have any queries you can write us at research@kirinadvisor.com. Once again thank you everyone for joining the conference call.

Vishnu Patel: Thank you all of my fellow investor and thank you for your interest. Kindly ask us questions and also give us suggestion so as to further improve. We need your support and cooperation. Thank you.

Moderator: On behalf of Kirin Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines.