

June 3, 2023

BSE Limited

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Scrip Code: 531637

Dear Sirs,

Sub. : Transcript of Earnings Conference Call – Q4FY 2022-23

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 Thursday, June 1, 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

(Formerly known as Praveg Communications (India) Limited)

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Accelerating ideas

“Praveg Limited Q4 FY’23 Results Conference Call”

June 01, 2023



MANAGEMENT:

MR. VISHNU PATEL – CHAIRMAN – PRAVEG LIMITED

MS. PROLINA BARADA – DIRECTOR – PRAVEG LIMITED

MR. MUKESH CHAUDHARY – COMPANY SECRETARY – PRAVEG LIMITED

MODERATOR:

MR. GOPAL CHANDAK – KIRIN ADVISORS

Moderator: Ladies and gentlemen, good day, and welcome to the Q4 FY '23 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Gopal Chandak from Kirin Advisors. Thank you, and over to you, sir.

Gopal Chandak: Thank you. Good morning, everyone. Thanks for joining the conference call of Praveg Limited. I would like to welcome Mr. Vishnu Patel, Chairman; Ms. Prolina Barada, Director; Mr. Mukesh Chaudhary, Company Secretary. Prolina ma'am, over to you.

Prolina Barada: Thank you. Namaskar, everyone. I extend a warm welcome to all of you joining us for the conference call of Praveg Limited to discuss our outstanding performance in the quarter four of financial year '23 and for the year of 2022 and '23.

So, Praveg Limited, a leading company in the industry has established its presence in diverse business segments such as tourism and hospitality, exhibition and event management. We take pride in our independent and sophisticated infrastructure, our expert and experienced manpower and our in-house creative studio. These strengths give us a competitive edge and enable us to cater to the diverse needs across business verticals.

Speaking of our clientele, Praveg Limited has served a wide range of clients, including the Gujarat State Government, large corporates and renowned entrepreneurs. Our services have been well-received and have garnered trust and recognition from various sectors.

We are proud to have handled prestigious projects like Tent City Narmada at Statue of Unity, Tent City, Varanasi in Uttar Pradesh and White Rann Resort at Rann Utsav. Currently, our ongoing project spans more than INR3 lakh square meters and has a room capacity of 450. We have already sold 30,000 plus rooms this year in 2023, ensuring the utmost satisfaction of our customers.

So, allow me to highlight some key achievements from FY '23. In January 2023, we successfully commenced operations at Tent City in Varanasi, offering a unique and captivating experience to our esteemed guests. This exquisite resort comprises 200 tents and provides panoramic views of the serene ghats, temples and historic places.

Moreover, I am delighted to inform you that we have secured a valuable work order for the development, operation, maintenance and management of the Tent City at Ghogla Beach at Diu. Over the next three years, we will be building 35 tents along with a restaurant and a conference room.

Looking ahead, we have recently launched operations at the Lighthouse Beach of Daman. This project features more than 30 tents and a restaurant and a conference hall. Praveg Limited has also acquired lands at four locations like Jawai, Velavadar, Ranthambore and Udaipur for the development of high-end hospitality projects. We anticipate these projects to be operationalized in the first quarter of financial year 2024, further expanding our offerings.

Additionally, we have received a letter of award for the Adalaj Stepwell site in Ahmedabad and have planned the development of three more resorts in Gujarat, that is in Kevadia, Sasan Gir and Shivrajpur Beach and Kumbhalgarh of Rajasthan also. These projects are scheduled to commence from December 2024 with an estimated cost of around INR90 crores, which will be funded through a preferential offer of INR63.78 crores and some internal accruals as well.

The tourism sector has witnessed a remarkable resurgence post the COVID lockdown and we are determined to capitalize on the rising demand for the hospitality industry. So our expansion plans are ambitious, focusing not only on the domestic market, but also exploring opportunities in the international market.

As a testament to this, we have recently incorporated a subsidiary company, Praveg Safaris Tanzania Limited in Tanzania on 24th May of 2020. This strategic move positions us to tap into the potential of the Tanzanian market as well, expanding our reach and services globally.

So before we delve into the financial performance of the company during the reported quarter and FY '23, I would like to take a moment to express my sincere gratitude to all of our stakeholders for being an integral part of our growth journey. Your support and involvement have played a crucial role in our success and we genuinely appreciate your valuable contribution to this.

Now, let me present the financial performance of Praveg Limited for the reported quarter and the year 2022-'23. This fiscal year has been truly remarkable with a staggering 87% rise in total income, amounting to approximately INR85 crores. This robust growth indicates strong demand and premium pricing for our offerings.

Our EBITDA witnessed a remarkable increase of over two times, reaching to INR45.30 crores, while our net profit surged by 132.26% to INR28.40 crores. Our EBITDA margin and PAT margin stood at 53% and 33.5%, respectively. A testament to our efficient cost management and premium pricing strategies has helped us reach this goal so far. The strong demand signals Praveg's continued march on a high growth path, seizing opportunities from the rising tourism industry, both in India and abroad.

Moving on to the fourth quarter of FY '23, we recorded a total income of INR19 crores, reflecting a growth of 12.49%. Our EBITDA stood at INR9.92 crores, marking an impressive increase of 32.38%. Notably, our EBITDA margin rose to 52.2% compared to 44.4% in the corresponding period. We achieved a profit after tax of INR5.15 crores during this quarter. To appreciate the trust and confidence of our shareholders, we are pleased to recommend a dividend of INR4.50 per share.

With this, I would like to open the floor for questions-and-answers. Thank you once again for your presence and continued support. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. Our first question is from the line of Avinash Gorakshakar from Profit Mart Securities. Please go ahead.

Avinash Gorakshakar: Good morning, Vishnu bhai. Excellent numbers, very strong reported numbers for FY '23. I have got two questions. I wanted to understand Varanasi project started sometime in the mid-month of January. So what was the kind of revenue we recorded in the fourth quarter? If you could share that number on approximate basis to us.

And secondly, very surprisingly, we have seen that EBITDA margins have improved from 44% to 51%. Now, I wanted to understand that despite having the Varanasi project, how was the company able to manage its EBITDA margins so well that we saw almost a 600% increase in the EBITDA margin on a y-o-y basis. So if you could add some color here.

Vishnu Patel: Namaskar. Jai Hind. Avinash bhai, I want to brief you on two things, which you have asked for. Tent City, Varanasi, we have started on 13 January, 2023. Besides initial fitting problems, we have in this quarter revenue of INR4.03 crores from Varanasi. The guest appreciation and guest expectation was very excellent. At the time for, which we started, we were able to do business only till March-April. We had to close it down in April-May because this place is on the river. So when the flood season comes, June, July, August, September, we have to dismantle it. And at that time, we cannot operate a guest or resort there. Besides that, initial marketing was done by my team. Government also on the same footing. The UP government also wants to develop tourism, this kind of tourism. So it was a very good branding.

Our Prime Minister inaugurated it. Mr. Yogi ji himself came twice to visit and gave an interview of an hour to keep the perspective of the development of his state. So we got a very good response from the guest and government. And we would like to tell that from even the first quarter itself is a profit-making after all depreciation and all cost of Varanasi. And I assure with my experience and confidence that next year, means October-November, I would like to say that we will start in next November or December, depending upon the river and flood situation. So we are looking for great business in this year up to March 2024.

The second thing is EBITDA margin. You know that Praveg's focus is two major things; event management, exhibition, as well as hospitality. So all the year, whatever our stock taking exercise of the company is, it happens in every March. So there is a stock plus minus variation of the actual stock when we take, so its valuation comes. And second, our team, dedicated hospitality team that goes to the cost. The development team is our capitalized, the development project that is already being developed, there are around 10 projects that are going to be inaugurated this year, including Varanasi.

So the team's expenses are amortized there. So this is a very real figure that our EBITDA margin is around 50%. It was already in the previous quarter, a slight variation of 5%, if we ignore it, then almost from 40% to 50% EBITDA margin is Praveg's depending upon marketing situations and the response from our guest. Thank you.

Avinash Gorakshakar: Okay. Vishnu bhai, thank you for the answer. I wanted to ask one question, can we assume that June quarter, which is the company's quarter and December quarter, can we expect that these are the best quarters for the company Vishnu bhai? I mean, from the point of view of seasonality, will this be the best time for companies to perform, because in four quarters in June and December quarter, Praveg earned the most profit in these quarters.

Vishnu Patel: Good question. If you look at the historical, then Praveg's third quarter and fourth quarter is always good. Third is the best quarter always, and fourth is the second number best quarter always. Likewise, same here, because of our inventory, our resorts, our sites, all of them will be inaugurated this year. So, because of that, the first and second quarters will be normal. But third and fourth quarters, we are expecting good business because of two reasons. There were only two resorts with the Praveg in last year, except Varanasi, which was there for two, 2.5 months. We had only two resorts. In this too, Kutch's Resort is only open in November, December, January. It is open for four months.

So, obviously, third and fourth quarters are good. Whoever contributes in these two quarters is done by our Tent City, Kevadia and the rest is hospitality, sorry, event management, exhibition business. So, because of that, this year's third and fourth quarters will be good.

But I would like to point out that the new resorts that are being developed and launched outside, Daman, one has become Varanasi on January 13th, on April 15th, our Daman has already started, on July 15th, two, Diu & Daman are going to start with some 15 days plus minus variation. We will achieve that operation period. After a month, 1.5 month or so, our Diu two, Ghogla Beach, the famous beach there, is going to be inaugurated. After that, Udaipur, Velavadar, Jawai, Ranthambore, all these are our proposed projects, which are going to run up in the third and fourth quarters this year. So, I can say that next year, that is, 24th April to 25th, the seasonal variation in our quarters will be consistent. After that, you will see good rewarding performance in the first and second quarters.

Avinash Gorakshakar: Thank you, Vishnu bhai. I think just one final question, Vishnu bhai, the revenue of the whole year is around INR84 crores. If madam can tell us, what is the breakup from the hospitality and the event business? Approximately, how was the share?

Vishnu Patel: Yes, sir. Let me brief you. From Tent City Narmada, the revenue of only guests is INR25.59 crores. Tent City Varanasi is INR4.03 crores. White Rann Resorts, that is, Kutch, is INR6.52 crores. Income from operation of event exhibition from government is INR26.72 crores. Private business, private events, that is, we also take wedding events come to our resorts. So, the private of all those events, in which our focus is a little fat, that is also INR3.42 crores. And the event conferences, our Narmada, that is, Kevadia, Narmada, which is the Sardar Sarovar, the conference that took place there, its business is INR18.47 crores.

So, in total, in INR84.75 crores, our profit before tax is INR38.46 crores. After INR10.09 crores tax provision, it has come to INR28.37 crores. Over to you.

Avinash Gorakshakar: Okay. I think, thank you, Vishnu bhai. Thank you for the details and best wishes.

Vishnu Patel: Yes, thank you.

Moderator: Thank you. Our next question is from the line of Swarnashish from Axterisk Capital. Please go ahead.

Swarnashish: Yes. My first question is regarding the project where we are owning the land, say, those which are going to be commissioned in Q3 and Q4. Suppose that I think the Ranthambore is the largest, there we are going for 50 rooms. And we have taken the land for INR2.5 crores. And if I assume INR30 lakhs per room, so there will be room development cost for INR15 crores. Total around INR17 crores, INR18 crores of capex will be required there. Will we be able to do 18 months payback there also? Or where we own the resort, our payback period will be higher, maybe two, 2.5 years?

Moderator: Hello, sir?

Vishnu Patel: I will brief you on this particular question. It is a good question. It will be useful for everyone. I will give you a brief count of our total projects this year. One is Varanasi, which started in the calendar year 2023. Then after Daman one, Daman two, Diu one, Diu two. Then after Velavadar, Udaipur, Adalaj, Ranthambore and Jawai a total of 10 projects till December '23 are of Praveg for this year.

So we would like to finish all these projects before December. But maybe some seasonal rains or because of that, we have a deadline from our management to my operational and development team to complete it before December '24, number one. Out of this all, I would like to say that Jawai, Ranthambore, Udaipur, Velavadar is the land owned by the Praveg. There the Praveg is the owner of that land.

Besides that, I would like to say one thing. We have also acquired one land, a place called Dholavira, near Kutch, which is a very prime and very UNESCO heritage site nearby. That project is also going to be added to this. And we are trying to complete it before this third or fourth quarter. So out of that 11 projects, five projects is the land, which is owned by the Praveg. After that, I would like to talk about Adalaj, which we have got for a long-term of 30 years from the Government of Gujarat, which is approximately 30,000 meters, 2,000, 3,000 meters plus or minus, plus adjoining area near the, Stepwell. Adalaj Stepwell is very famous Stepwell.

We have been awarded a place right next to it. And we are going to inaugurate it this year. And, you know, Adalaj is a place between Ahmedabad and Gandhinagar, Kalol, and very metro town of Gujarat. So there is around 1.25 crores population there. In this, we have underwater restaurant, underwater rooms with sea creatures, then after ice-skating wing, then events, very specially amphitheater. And apart from that, as per entertainment, we are going to develop a theme park cum resorts. So that is also for 30 years. So you can treat like your own land, because it is a long-term commitment from Government of Gujarat.

I would like to tell about number of rooms. Varanasi is 140. Daman is 33. Daman two is 135. Daman one is 130. Daman two is 35, sorry, Diu is 130 -- Diu is 35. I made a mistake there, Daman one and two is 33 and 35, respectively. Diu 1 and 2 is 30 and 35, respectively. Velavadar is 15. Jawai is 20. Ranthambore is 30. Udaipur is 30 with extendable capacity up to

50. Ranthambore is 30, but extendable capacity up to 75, we can make. Narmada is 201. Kutch is 80. Dholavira again at 30, 50 rooms, which is going to add in this year. So total 11 resorts will be done in this calendar year, including complacent period of first quarter, last quarter of this year. So you can expect fourth quarter result with great number.

Swarnashish: Hello sir.

Vishnu Patel: Yes, tell me. Now raise question if you have.

Swarnashish: Hello, my question was regarding the new own projects, their payback period and their ARR.

Vishnu Patel: Yes, actually I skipped it. In payback period, you can expect that where we don't have land and own resource, in that case and where lease period is five years plus extendable period, we invest in lower side. You can make a basis that per room INR15 lakh to INR18 lakh, one room is ready. And its payback depends upon marketing and response that we can confirm only after real figure coming to us. But our experience is we can achieve 18 months revenue is equal to capex of that projects.

In the case of temporary structure, in case of the land and resource is owned by our own company, your own company, Praveg. In that case, we are building not a temporary structure, but some kind of semi-permanent structure, whereby, composition of civil as well as temporary component is going to use. In that case, our investment per room is going to be INR30 lakhs to INR40 lakhs per room. In that case, payback we are expecting from 18 months to 36 months. So three years maximum you can go up to.

Swarnashish: Okay, okay sir.

Vishnu Patel: It's not a payback. I am not telling about payback. Payback my money is gross revenue is equal to capex.

Swarnashish: Okay, okay. Okay sir. And there is one question. Our old projects, White Rann and Narmada, when is the expiry of their tender? And what is the clause of extension after that?

Vishnu Patel: It is an extendable kind of project. So government also wants to extend it. So our third time extension will come in 2024 for Kutch.

Swarnashish: Okay, okay sir. Okay. And there is one more thing I wanted to say. In the past, we have seen that the hotel industry is cyclical. But now after COVID, hotel industry is going well. So do you see any risk in this? Like we are doing eight, nine owned land projects. And for that we will raise the equity. If there is any downturn later and your payback period increases, do you see any risk of this type sir? And how much will be the room rent of these new projects? How much will be the ARR? How much will be the room rent of your Ranthambore, Udaipur, Jawai projects? Should we assume INR10,000?

Vishnu Patel: Yes, you can assume. Where there is own land, where we have our own resorts with extraordinary, with experiential room and its development. Because of that, you may expect

more than INR10,000 where we own our own land, where the government land project we are holding, you can put our historical data that INR8,500 per room night is our ARR for last year.

The financial audit that has been done, we are preparing a database for that also. So you will get to see it in our annual report. But where we have our own property, like we have Udaipur, then we have Adalaj, its revenue and its ARR will be very unpredictable high.

Swarnashish: Okay, okay sir. Thank you. Thank you. I will get back in the chat.

Vishnu Patel: Your question was about risk. See, hospitality is part of the ecosystem of our country's economy. If there is an overall downturn, then it can also come. But, you know, this is the debt free company, number one.

Number two, the EBITDA margin is high. Now you are an analyst. You can understand that even if it comes down, still company has a lot of cushion to manage it. So if bad times come, like corona came, even in corona, Praveg gave you 15% dividend in 2020, 40% dividend in 2021, and 40% dividend in 2022. It was the period of corona only. But even we performed. And that is due to lowest capex of the company and debt free policy of the company. We are owning very minor debt, debt called CC, cash credit limit of INR3 crores or INR5 crores rupees, which we are not using in a month even, in a year. So this is your company's philosophy and we are moving it forward.

Swarnashish: Okay, thank you, sir. Thank you. I will get back in the chat. Thank you.

Moderator: Thank you. Our next question is from the line of Yeshwanti from Kojin Finvest. Please go ahead.

Yeshwanti: Sir, can you throw light on international business scenario, how it has been in the FY '23?

Vishnu Patel: I couldn't get it.

Yeshwanti: Sir, how was your international business scenario in FY '23?

Vishnu Patel: Till this financial year ended March '23, we haven't done any international events. Whatever business is, it is domestic. For your information, we have incorporated two companies, which I want to brief my investor or my team, Praveg, my shareholder, my investor there.

We have incorporated one company in Kenya. Praveg Safari is Kenya Limited and Praveg Safari Tanzania Limited. We are of the views and we are of the mood that being an experiential hospitality company, leading company of India, we would like to extend that guest experience, not only in India, but also in Kenya, Tanzania. There are two places we are going to select and we are trying to have some acquisition there also. But it is premature to say when we will start.

Yeshwanti: Sir, the project would be of a Tent City kind of thing?

Vishnu Patel: No, you can understand that the wildlife of Tanzania, it has to work according to the environment there. So there normally no civil structure is permitted. So always we have better

option is, have a semi-finished or temporary structure, not only tent, but also some kind of component we will use eco-friendly. And make the resource better for my guest feeling.

Yeshwanti: Okay, okay. So we can expect some kind of a revenue in FY '24 from the international business?

Vishnu Patel: It is very premature to say. I already stated. But the Praveg experience is, if we acquire, we will start.

Yeshwanti: Okay.

Vishnu Patel: So it depends upon situation, how we acquire.

Yeshwanti: Okay, okay. So considering the rising tourism rate in India, what utilization of your facilities you expect for FY '24?

Vishnu Patel: Again, please repeat, I am not able to hear you clearly.

Yeshwanti: Considering the rising tourism, what can be your utilization in FY '24?

Vishnu Patel: Utilization means occupancy ratio?

Yeshwanti: Yes, occupancy ratio, because we are expanding the capacities also. So how you expect that utilization or the occupancy ratio?

Vishnu Patel: Yes, Yes, good question, good question. I would like to say that in Kutch, we have achieved 69% occupancy in this four month. And the income is INR6.52 crores against our original investment of INR5 crores. In Kutch, we are now achieving INR6.52 crores. The Tent City of Kutch is already written on in the books. You can say that zero investment and we are raising INR6.52 crores, and due to 68% guest ratio.

Number two, Kevadia, we have achieved this year, I have to calculate exactly, but it's 40% to 50%. And I will point out one thing. In Kevadia, the Statue of Unity is closed on Monday. So instead of 7 days, there is a six-day operation. So that means that 85% is only achievable. Out of that, 40% to 45% guests we have achieved this year. And this is day-by-day increasing. This year was better than last year. We are going to complete this fifth year. So it's increasing day-by-day. So that is a good sign that we are keeping good business from that also.

Besides that, Varanasi, many times I'm telling that our gross revenue is equal to capex, we are hopeful that 1.5 years, means 18 months, we would -- 18 or 21 months, we will recover entire capex of Varanasi also, which is around INR25 crores, INR24 crores.

So this is the scene of present situation and we are getting good business. And next year, next season, we are expecting good business from Varanasi. So that occupancy is also this year, 35% we have achieved. That is also a good number because of, in May we have to close it down because of heat. The river of Varanasi is a sandy river, so because of heat, because of that more heat gets reflected, our experience was that it didn't work well in the new month, which was the expectation, still we will achieve 21 months gross revenue is equal to capex.

- Yeshwanti:** Okay. That is really great sir. Sir, any other part of the India you are planning to expand other than the western and the northwest?
- Vishnu Patel:** We have listed out many projects for calendar year '24. After completion of 11, we have more than 11 projects next year. I would like to brief you about these details in the time to come. But we are of the mood that every year we will going to start 10 to 15 projects, resorts every year. And that will be the amazing development, which Praveg is going to do.
- Yeshwanti:** Sir,one project costs around INR25 crores to INR30 crores for you, right?
- Vishnu Patel:** No, you can't say that. I have already told you that you multiply per room. INR15 lakh where there is no own structure, own land, where there is own land, you can run a project INR40 lakh. Like Udaipur, I will tell you, Udaipur, Velavadar, that is a costliest resort of Praveg because international tourists come there.
- I will tell you a good message for our investors about its creative side. Our MD is a full of creative person. We are going to make a glass house on the mountain of Udaipur, glass resort. So my guests can feel at night that they are sleeping in open, they can do stargazing on the mountain, they can enjoy the whole forest around. So we are going to make an effect resort. I will not disclose the ARR of that, but it will be amazing.
- Same way, we are going to make 15 rooms in Velavadar, but it is very extraordinary kinds of facilities we are going to build. Velavadar is a bug sanctuary, which has black bugs. And according to that, all these resorts have been created, open resort. So we are going to make all the water, the places that black bug likes, so the bugs will keep roaming around our guest's room and will sit. So you can see the bugs from close to the room. So this feeling, we make our guests thrill and feel, so that feeling in the future, in international exposure, you all know that Serengeti and Masai Mara is a very big and good forest. So in this, we are moving ahead with the same vision of doing that.
- Yeshwanti:** Okay, sir. And the last question is, what is the procedure of receiving contract from government? And what is the period normally it is valid for?
- Vishnu Patel:** The contract receiving method is a tender.
- Yeshwanti:** Yes.
- Vishnu Patel:** And you know that your company is having good credential. So we are eligible in all such kind of tenders. And having good experience, we have some different leverage in the market to get this opportunity.
- Yeshwanti:** Okay.
- Vishnu Patel:** I didn't understand your second question.
- Yeshwanti:** What is the period generally it is valid for? Generally, after receiving a contract, normally how many years it is valid for?

- Vishnu Patel:** It depends upon tender terms. Some tenders come to five years plus extension. Some tenders come 10 years extension. Some tenders come 30 years. So it depends upon tender. But minimum term is three to five years.
- Yeshwanti:** Okay. Three to five years. Okay.
- Vishnu Patel:** But it's always renewable. Always renewable. Except the state not want to renew, then the matter is close. But we are of the – Praveg is now going to add the inventory, inventory means resort. So, from next year, around 13 resort are operationalized. After that, 11, 12 are happening. So around 25 resort are done, one or two projects are renewed or not. So, that does not affect to the company's overall progress and development, because we have made more four or five before that.
- Yeshwanti:** And these 25 resorts are at the rate of around 30 to 35 rooms will be there.
- Vishnu Patel:** Which one?
- Yeshwanti:** These 25 resort will have minimum 30 to 35 rooms?
- Vishnu Patel:** No, no, no. You cannot predict like this. I have given you all the room details it happens according to it, sometimes there are 200 rooms. Sometimes there are 100 rooms in the tender. So, and the place we have taken for our guest, our investor information, that always is extendable. If we have done 15 in Velavadar, if there's a good result, we can do more 15. We have acquired huge land.
- Yeshwanti:** Okay.
- Vishnu Patel:** So, everywhere we are buying more land than required. So, we can develop the room up to two to three-fold in certain places.
- Yeshwanti:** Okay. Okay, sir. That is really great. And really prospering prospect of the company. All the best for the future, sir. And thank you for answering all my questions.
- Vishnu Patel:** Yes. Due to shareholder trust on our management, it is our moral responsibility to give good results and good progress for my shareholders.
- Moderator:** Thank you. Our next question is from the line of Digant Bamb from SVIP Capital. Please go ahead.
- Digant Bamb:** Yes. So, I was just asking. Sir, every time we have to close properties like Daman and Diu, be it lakeside or river side, what is the cost of dismantling them every time? At that time, we employ our employees and again redeveloping them?
- Vishnu Patel:** Good question. Let me brief you that Daman and Diu are not dismantled projects. In this list, 11 plus our existing 13, 14 resorts, only two resorts are like that. We dismantle the Tent City of Kutch and the other one of Varanasi. That costs me approximately INR1 crores approximately, Varanasi. And so far, Kutch is concerned, it is around INR20 lakhs something.

- Digant Bamb:** Okay. And sir, have you also counted the cost of employees in INR1 crores?
- Vishnu Patel:** Employees? No, no. The cost of INR1 crores, that costs of manpower, labour, retained by us, including outsourced ones.
- Digant Bamb:** Okay. Okay.
- Vishnu Patel:** But that may vary by slight percentage.
- Digant Bamb:** Right. And sir, normally, the other hospitality companies, be it specialty or Indian hotels, they give vouchers to their shareholders. Why don't we plan, because that will also help in brand building and increase our occupancy rate?
- Vishnu Patel:** Sir, I would like to invite all my shareholders. But the problem is, SEBI guideline doesn't permit to give such vouchers to stakeholders. It is infringement of regulation. And that's why, even we are of the desire to invite all my shareholders to be a part of Praveg hospitality project. But due to that...
- Digant Bamb:** But, sir, discount coupons are given by Indian hotels, and even specialty restaurants do give discount coupons.
- Vishnu Patel:** I would like to ask my company secretary, if it is permitted, then definitely we want to do this. Mukesh bhai, you are requested to execute, if it is permitted by SEBI or BSE, whatever guideline of stock exchange is there, if it is possible, then we will immediately start that scheme to my shareholder.
- Digant Bamb:** Thank you so much, sir.
- Mukesh Chaudhary:** [Inaudible0:42:32].
- Moderator:** Sir, your voice is not audible.
- Mukesh Chaudhary:** We are planning to frame policy considering various laws and will implement it very soon.
- Digant Bamb:** Perfect. Thank you so much, sir. We would really love to visit the properties. Thank you.
- Moderator:** Our next question is from the line of Swarnashish from Axtersisk Capital. Please go ahead.
- Swarnashish:** Hi, sir. Thanks for the opportunity. So, how is the response at Lighthouse Beach? What kind of opportunity issue we have seen there in the last 15 days? Hello?
- Moderator:** Yes, sir. Could you please use your handset, please?
- Vishnu Patel:** DamanLighthouse occupancy ratio for these initial 15 days is 98%. Only hardly 10 rooms were missing in the last 15 days. 10 rooms were vacant. In the remaining 33 rooms, 33 rooms were occupied for 10 days, and 32 rooms were occupied for the remaining five days. Around 98% is the guest ratio, occupancy ratio. You wouldn't believe it even.

- Swarnashish:** And we are thinking about the same kind of response in Jampore Beach and Chakratirth Beach.
- Vishnu Patel:** My marketing team is very excited that we will get this conversion in Daman and Diu.
- Swarnashish:** And the occupancy of our project in Gujarat and Rajasthan...
- Vishnu Patel:** You are going a little ahead, because it has not started yet. I will give you the trend after it starts. But I gave you the 98% of what has started. And we are expecting the same response in another resort, because we have a lack of inventory. And this is soon going to add in Daman too, which is 35 rooms and the same response we are expecting in Diu also, because it is a very crucial property.
- Swarnashish:** Okay. Thank you. Thank you.
- Moderator:** Thank you. Our next question is from the line of Harshil Solanki from Equitree Capital. Please go ahead.
- Harshil Solanki:** Hi. Good afternoon team. I have just one question. Sir, we have recently diluted equity and we are doing capex. And in '25 we are saying that we will do capex after diluting equity. So, I want to understand what is changing in the mindset of management to do such an aggressive capex? What opportunity do you think, and because of which you are diluting equity and doing such an aggressive capex?
- Vishnu Patel:** Number one, we are not diluting equity. We are raising equity because of debt-free policy of the company. And you know that 12 resorts are coming this year. Next year 12 resorts are coming. So, the company will need funds. And we need a good investor, good stakeholder, which becomes part of Praveg. And we are issuing the equity for that good preferential investor.
- By that way, you can say we are diluting. But, if I work alone, I can do three resorts, five resorts more. If we all work together, we can do 50 resorts. We are getting the fruits of that, as well as old stakeholder is also getting it, and new stakeholder is also getting it. So, by that way, we both, new investor, as well as old investor both are at good leverage. And that's why we are diluting equity by that way.
- And I will tell you that the preferential allotment, the promoters took 11 lakh shares. After that, my family took 11 lakh shares. Total 22 lakh shares we have added back. You don't go to percentage. You go to new investment made by the promoter.
- Harshil Solanki:** Okay.
- Vishnu Patel:** Understood, Harshil?
- Harshil Solanki:** Yes. Got it.
- Vishnu Patel:** Harshil, thank you.

- Moderator:** Thank you. Our next question is from the line of Mangesh Kulkarni from Almondz Capital. Please go ahead.
- Mangesh Kulkarni:** Sir, thank you for giving me an opportunity. Sir, the quarter wise projections you have given for the start of the room, how much will be the total room by the end of FY '24? It is 450 right now, right?
- Vishnu Patel:** Now, 140 plus 80 plus 201 and 33, and 12, 15, five. Now it is 450, 454 present, including these two resorts. The remaining nine resorts, two out of 11 have started. I will give you the number of nine resorts. Around new 200 room is going to add in these remaining.
- Mangesh Kulkarni:** 650 to 660 rooms will be there by end of FY '24.
- Vishnu Patel:** 650 to 700 rooms will be there by this March end.
- Mangesh Kulkarni:** Okay, sir. And for this expansion, we will not be diluting any extra equity in current financial year, right?
- Vishnu Patel:** We need funds, for which it is a management decision that we will not dilute, but we will add new shareholder.
- Mangesh Kulkarni:** Okay, sir. And, sir, as you mentioned, with your own equity, you will be able to add only three resorts. At the same time, what are our plans to induct the professional management, because after certain limits, we will need to bring in some professionals from the hospitality and related fields? So, what are our plans for that?
- Vishnu Patel:** Praveg is transforming. 100%. We are having a good team of development, creativity, having a professional background to do so. Same way, we have good operation team. We are from professional industries only. We have government business team, which is doing that work. We have HR and administration team. We have account finance teams. All are professionally managed people. And the company, even, the company is transforming. We have four directors who are not from any family of promoters. He is from various industrial backgrounds. I would like to say Mr. Bakshi, he is the ex-president of ICSI, CS, Company Secretary of India.
- Mr. R.C. Patel, he is an ex-Reliance and very professional of petroleum and industries. Even, I will tell you that project work of Antilia, Mumbai was done under the supervision of R.C. Patel. So, he is there.
- Third, we have one Mr. A. K. Panda, who is the Chief Commissioner of Income Tax. Apart from that, Mr. J.P. Shah is a professional finance consultant in Gujarat. He is a famous financial consultant. Apart from that, we have just added a Company Secretary, in Independent Directors. So, all are professional. Mr. Paras Patel, MD, he is a civil engineer from background '95. And he has the vast experience of these industries.
- So, apart from that, my new team is, we are adding from industrial professional only. So, you can be assured that we will soon be a more professional management company. I am non-

executive person, even chartered accountant. So, all the team, Mrs. Bijal Parikh she's an MBA finance having 25 years of industrial experience. She is looking after account finance. So, all professionals are contributing their role in the development and transformation of Praveg.

Mangesh Kulkarni: Right.Sir, my last question is about our plans to go in the Northeast. So, have you identified any locations and any work has started there?

Vishnu Patel: We have identified location, but we can cater 10 to 15 projects. It's not a small thing. Even you can compare with Oberoi and Taj, even they are working on franchise model, they not add 15 inventory in a year, which Praveg are doing and with great results and great expectation of my Bombay and India's and foreign institutional investor. So, we can match up to 15. My present team we are building is to develop 15 resorts per year, which is presently under recruitment stage. And we are trying to achieve that figure.

Mangesh Kulkarni: That's great, sir. Thank you and all the best.

Vishnu Patel: Thank you, Mangesh.

Moderator: Thank you. Our next question is from the line of Drasti Shah from Bluelotus Capital Advisors LLP. Please go ahead.

Drasti Shah: I wanted to understand what should be our average rent per room.

Vishnu Patel: It's INR8,400 last year, '22 March. '23 figure is still under calculation. Mukesh bhai, figure came to you? I would like to tell this figure. Tent City Narmada last year was INR8400. It's now INR8500 to INR9000 in between. Tent City Varanasi is INR9500 to INR9900, this is Kutch. The Kutch property is INR9700 to INR9900. So room ARR also increased this year to the extent of, I can say 8%.

Drasti Shah: Okay. So can we expect INR10,000 to INR12,000 average rent room for next year for FY '24?

Vishnu Patel: Please repeat.

Drasti Shah: Can we expect INR10,000 to INR12,000 room rent, average room rent ARR for FY '24?

Vishnu Patel: It's very difficult to predict but I assure that this ARR will always be on increasing trend. Because of -- see five property is a very experiential property, which is going to add-in this year. So you expect amazing figure next year, '24-'25.

Drasti Shah: Okay.So around INR10,000 to INR12,000 kind of ARR and capacity utilization of around 50%?

Vishnu Patel: Maybe, maybe, maybe, maybe.

Drasti Shah: Okay. Thank you. Thank you so much.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Gopal Chandak from Kirin Advisors for closing comments.

- Gopal Chandak:** Thank you everyone for joining the conference call of Praveg Limited. If you have any query, you can write us at research@kirinadvisors.com. And once more thank you everyone for joining the conference call.
- Vishnu Patel:** Thank you so much.
- Moderator:** Thank you.
- Vishnu Patel:** Thank you, Kirin.
- Moderator:** Thank you. On behalf of Kirin Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines.