Management Discussion

Shruti - Moderator/Operator, Axis Capital
Ladies and gentlemen good day and welcome to the Prestige Estates Q1 FY 2027 earnings conference call. 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 over the conference to Mr. Pritesh Sheth Prestige Estate from Axis Capital. Thank you and over to you sir.

Pritesh Sheth - Analyst, AXIS Capital Holdings Limited
Thank you Shruti. Good afternoon everyone and thanks for joining the call. From the management of Prestige Estates we have Mr. Irfan Razack Chairman and Managing Director Mr. Zayd Noaman Executive Director and Mr. Amit Mor the Chief Financial Officer. I ll now hand over the call to the management for their opening remarks. Thank you and over to you.

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
Good afternoon everybody. I ll hand over to Zayd to give the opening remarks. We also have Mr. Naik our Chief Finance Controller. He s also listening on.

Zayd Noaman - Executive Director, Prestige Estates
Good afternoon everybody. I ll hand over to Zayd to give the opening remarks. We also have Mr. Naik our Chief Finance Controller. He s also listening on.Hyderabad contributed this time 49% of quarterly sales driven by the successful launch of Prestige Golden Grove followed by Bangalore at 27% Mumbai at 12% NCR at 7% and other markets at 5%. Average realizations for apartments stood at INR 11 193 per sq ft primarily reflecting the geographical mix of sales with Hyderabad accounting for nearly half our quarterly pre-sales. During the quarter we launched four projects spanning a combined 20.16 million sq ft of developable area. These included Prestige Golden Grove in Hyderabad Prestige Gardenia Estates phase two in Bangalore Prestige Forest Hills phase two in Mumbai and Prestige Century Landmark a commercial development in Bangalore. Together our resi launches represented a GDV of approximately INR 12 000 crore.Prestige Golden Grove contributed significantly to our quarterly performance Prestige Forest Hills phase two was launched towards the close of the quarter and therefore only a limited contribution to Q1 sales. We expect the momentum from this launch to be more meaningful over the coming quarters. During the quarter we also completed three projects with a developable area of 4.37 million sq ft comprising Prestige Tech Forest which is a commercial project Prestige Sanctuary a residential project in Bangalore and Prestige Cityscape in Kochi. Our annuity portfolio also delivered another healthy quarter with our office business. We recorded a gross leasing of 1.5 million sq ft during the quarter. A key highlight was the successful pre-leasing of the entire development at Prestige JRC Signature Tower to one of the leading banking institutions which shows the continued preference of marquee occupiers for well-located institutional quality office developments.The exit rental of our commercial portfolio for FY 2027 stands at INR 865 crore. Our retail portfolio continued its strong performance with gross turnover increasing 18% year-over-year to INR 737 crore. Footfalls across our malls reached 5.2 million during the quarter while the FY 2027 exit rentals for the retail portfolio stand at INR 370 crore. Our hospitality portfolio also continued to perform well supported by increased occupancies and competitive average room rates. Beyond business performance we also remain committed to our sustainability agenda. On the occasion of World Environment Day the company participated by

planting 1.25 lakh saplings as part of our commitment to plant one million trees in Bangalore. This initiative reflects our continued focus on integrating environmental stewardship with long-term value creation across our developments and communities we serve. As we enter the festive season we have a strong lineup of high-value high-velocity launches across our key markets.These include marquee developments such as Prestige Business Bay in Mumbai Prestige Bougainvillea Gardens Prestige Meadows in NCR Prestige Falcon City Reserve in Bangalore Prestige Clover Dale in Chennai The Prestige City in Hyderabad are a few important launches lined up for the second quarter which will further strengthen our momentum heading into the festive period. Beyond launches we also continue to strengthen our long-term growth pipeline during the quarter through lots of business development. We expanded our presence in three new micro markets in Mumbai that is Thane Borivali and Versova which marks another important step in broadening our footprint in Mumbai MMR region. These acquisitions not only expand our footprint but also add to our launch pipeline with our teams already working in advance towards launching these over the coming quarters. With this I think we re happy to take your questions and hear more feedback from you.

Questions & Answers

Shruti - Moderator/Operator, Axis Capital
Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue you may press star and two. Participants are requested to mute themselves while asking a question. Ladies and gentlemen we will wait for a moment while the question queue assembles. The first question is from the line of Parikshit from HDFC Securities. Please proceed.

Parikshit Kandpal - Analyst, HDFC Securities
Hi sir. Congratulations on a good quarter. My first question is on the Hyderabad contribution to the sales in this quarter the Prestige Golden Grove project. Versus the GDV the numbers look a little muted. If you can give some color on how is the Hyderabad demand in the current environment.

Zayd Noaman - Executive Director, Prestige Estates
We sold 60%.

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
Sir we have sold already 60% of the total project. We have a GDV of INR 9 500 odd crores.

Zayd Noaman - Executive Director, Prestige Estates
Including land.

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
Including the landowner share.

Zayd Noaman - Executive Director, Prestige Estates
Which we are not selling.

Parikshit Kandpal - Analyst, HDFC Securities
Okay. Just on the business development I think we have announced a strong business development including Aaramnagar in the Q1. How is the rest of the year looking in terms of business development across Mumbai Bengaluru Hyderabad and NCR? If you can give some more color what

are the targets for this year? How much do you think we can do business development this year? How quickly can we bring these launches especially the Aaramnagar one into the launch pipeline?

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
Sir in terms of business development it s very dynamic. It changes quarter on quarter. We are on target to I think achieve that spend for the year. We target about INR 4 500 crore of spend towards business development for the year which will be spread over the ensuing quarters. In terms of launches actually this quarter we plan to launch 4 projects in Bengaluru which is the Prestige Avon Prestige Battersea and the Prestige Garden Breeze. These are all under approval. We should get all the approvals in maximum eight or 10 days time after we RERA we launch that. Apart from that we re going to launch Prestige Palm Court in Chennai this quarter. It s quite a lot of action that you re going to see.Garden Breeze Avon Springwood and Battersea this quarter in Bengaluru Palm Court this quarter in Chennai Park Street in Chennai will be next quarter it ll follow. There s a big launch pipeline which is almost INR 45 000 crore worth of launch pipeline that is still pending. I think all seems to be on target. In fact quarter three we ll see Prestige Meadows Prestige Bougainvillea Gardens and the Prestige what s that called Prestige Chambers 51 in Mumbai. Two are in Delhi one Prestige Chambers 51 is in Mumbai.

Parikshit Kandpal - Analyst, HDFC Securities
Okay. Just last question Irfan sir. Have you seen any impact on the ground in terms of delays in closures by the customers any elongation in the sales cycle because of geopolitical tensions any concerns around AI? Because there s been a lot of noise around AI and its impact on slowdown especially to the traditional IT companies and the demand related to that. On the ground especially in Bengaluru how things are shaping up and even across your other sites and geographies have you seen any impact or the sentiment around the geopolitics?

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
I think you asked me three four questions all in one go. The first part is you asked about delays. Delays we had a whole lot of stress in the last quarter which of course will have an impact on handovers. That is during the elections in Assam and West Bengal whole lot of labor had gone away and now they ve started coming back or they ve come back. We did have huge stress of about two months. That it will impact deliveries by a month or so but nothing really to get concerned about. Your next question is how will geopolitics affect the business. Business has not got affected because of geopolitics. What happens is our costs have gone up because of geopolitics because of the oil prices going up because of commodity prices going up.Obviously cost is gone up that s only for that particular time that 3 months or 4 months whenever. We go back to the thing there is going to be some impact on a bit of expense. The third part you re asking whether the demand is there. Demand continues to be there. We don t see anything. AI I think AI is more positive than negative. AI is another business model that is coming up and more job creation happens. Yes on one side the mundane jobs which is a regular accounting jobs may be at peril. While that happens there are new type of jobs that are coming in which are more technical and everybody has to upskill themselves. However we don t feel the pinch here.We believe that there is demand people are positive they have a need and they are committing themselves even at these higher prices. That s the amazing part of it. That s not only in Bengaluru it s across all the cities we operate in.

Parikshit Kandpal - Analyst, HDFC Securities
You remain confident of that 15%-20% pre-sales growth which you have guided in the last call?

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
No that is given. That is we are very confident because we ve got a big pipeline. The only thing which may trip is that if these products don t come to market. Once we hit the market I don t see us not selling. The question of not being able to sell does not arise. Always you have this problem of delays in approval delay in getting RERA. In fact that is where our major stress is. Like you see four projects which I told you should have come in Bangalore. They all got delayed to this quarter. Otherwise instead of INR 6 500 crores we would have been like Hero saying we did INR 8 500 crores. It will come this quarter.There s a big pipeline. I think it s a good pipeline that we have including now we ve got some three four big projects even in Goa where we ve invested in land. Now it s like a moving target. Every week we are promised next week. The next week doesn t come. What happens is we really just cannot plan it. That s where our problem is that in spite of all the connections in spite of having all the relationships sometimes targets are moving.

Parikshit Kandpal - Analyst, HDFC Securities
No sir. Thank you. Wish you the best. Those are my questions.

Shruti - Moderator/Operator, Axis Capital
Thank you. The next question is from the line of Kunal from CLSA. Please proceed.

Kunal - Analyst, CLSA
Yeah hi. Thanks for taking my question. Just on a couple of questions. Firstly on the annuity side in terms of the projection that we have given out for rental income particularly for the office portfolio there has been some downward revision in 2027 and 2028 numbers. If yes then can you just highlight on that please?

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
Hi Kunal. Basically it s two projects which we have pushed the timeline by a couple of months maybe two three months. We had planned those projects to get completed in March 2027. The timelines for those completions is now somewhere in June 2027. These are basically our Tech Zone as well as CEC. These two projects is what we have pushed the timeline but again no significant delays as such.

Kunal - Analyst, CLSA
Okay. This just take a couple of quarters or like couple of months delay? Any reason for the

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
Couple of months. Couple of quarters couple of months.

Kunal - Analyst, CLSA
Okay. By I think 2029 onwards our estimates are pretty much.

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
In fact GRC we have already committed to the tenant that we will be handing over in June quarter. Profit doubts.

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
This is next year?

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
Yes. Next year. It s fully reserved.

Kunal - Analyst, CLSA
Sure. On the cash flow side. In this quarter we saw a little bit of surge in the expenses particularly. The collections were fine but on the expenses side we saw some surge. Should we expect a similar level of expenses both on the construction and the overheads for the rest of the year also or would there be any moderation there?

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
You can say almost similar run rate In Q1 the expenses were little higher because whatever bills was submitted by the contractors in the last quarter they got certified and we had to pay that bill. The construction cost was little bit higher. Moreover we have a big launch pipeline in Q2 as well as Q3. Some of the approval payments and all that we had to make. Because of that the construction payments was little higher than what we had expected.

Kunal - Analyst, CLSA
Correct. Does that mean that because our collection run rate is pretty much on track with our full year guidance of INR 20 000 crore. If we are able to achieve the same guidance in terms of operating cash flow would there be some pressure there versus last year? If we expect the same level of expenses to continue just trying to understand on the operating cash flow side where would we end up there?

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
No. Even if on the cash flow if you see it was little lower compared to our full year guidance because the sales what we had guided for the full year it has not happened at percentage terms. If you see we have guided the residential collection in the range of INR 21 000 plus. INR 21 000-INR 22 000 is we are expecting residential collection for the year should be. The total gross collection including all other verticals will be in the range of INR 25 000. At the current run date it will touch only INR 20 000-INR 21 000 once we launch the projects what we had slated in Q2 Q3. Those projects will add to the cash flows definitely our free cash flows also will improve.

Kunal - Analyst, CLSA
Understood. Lastly one question for Mr. Razack. We ve seen NCR market really doing well. I think some of the new entrants got some very good response last quarter or so. Any plans of scaling up there in terms of project acquisitions or expanding in say Gurgaon market or so?

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
Understood. Lastly one question for Mr. Razack. We ve seen NCR market really doing well. I think some of the new entrants got some very good response last quarter or so. Any plans of scaling up there in terms of project acquisitions or expanding in say Gurgaon market or so?Irfan Razack Chairman and Managing Director Prestige Estates: No we ve got three projects tied up. One is of course an old project which is in Sector 150 where the master plan is now finally approved at the Sports City. We are only waiting for the building plans to roll out then RERA then launch. That is imminent. That will happen very soon. Similarly we have tied up that is the Prestige Meadows in Sector 92 which will again have a GDV of INR 4 500 crores. Even that is also the agreements are signed and the plans are drawn up and they put it for locked in for approval which should come soon though we should have a November launch. Then there is another project which is Sector 150 or

whatever and that is also called the Prestige Falcon City and that also is ready for it.That they also we are just doing the final paperwork. I think that also should get done soon. Apart from this we are also discussing couple more. There is a good pipeline and I think we are very bullish on the NCR market more so since it gave us some great numbers in the last financial year. We definitely are trying to see that we get the choices. You see we just start getting desperate and picking up anything and everything. Only if it makes business sense

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
If we believe that there is a bottom line and there is a potential to get good revenue we are locking in those. We ve locked in three and then maybe one or two more will keep coming as we go along.

Kunal - Analyst, CLSA
Sure. Lastly just on the business development side our spend will be in line with what we had guided for at the beginning of the year around INR 4 500 crores?

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
Yes.

Kunal - Analyst, CLSA
We saw some higher spend yeah.

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
Yes. Then of course there ll be churn of capital. There ll be inflows and outflows that keep happening. Right now even in Mumbai we ve tied up. Yesterday we just announced that we ve tied up Thane which is a very large project in Thane and I believe that should do extremely well. That s going to happen pretty much fast because it s not an SRA project or a redevelopment. It s a clean land and I believe that should do extremely well.

Kunal - Analyst, CLSA
Sure. Thank you sir and all the best.

Shruti - Moderator/Operator, Axis Capital
Thank you. Before we take the next question we would like to remind participants that you may press star and one to ask a question. The next question is from the line of Rahul from Elara Capital. Please proceed.

Rahul - Analyst, Elara Capital
Hi sir. Thanks for the opportunity. My main question was on the leverage front. How should we look at net debt moving from here on to FY 2027? You did mention that you re going to spend around INR 4 500 crore in BD. Your annualized finance cost is running at around INR 1 800 crore-INR 2 000 crore. If I look at your annuity CapEx that s around INR 3 500 crore-INR 4 000 crore. Where should we see your peak net debt level over the next four to six quarters? That s my first question.

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
See on the debt part if you see we have guided that gross collections for the year should be close to INR 25 000 crore. Of which residential will contribute around 21-22. It will be in that range. The free cash flows will be in the range of INR 8 500 crore-INR 9 000 crore. The free cash flows what we ll generate from the operations will be sufficient to meet our spends on the CapEx spends as well as on the business development. There ll be a marginal increase on debt maybe by maximum INR 1 000

crore-INR 1 500 crore not more than that. I don t think so there ll be a significant drawdown on debt this year. Whatever launches we are planning that will unlock capital and maybe there ll be a reduction in debt as well.

Rahul - Analyst, Elara Capital
Okay. What is your debt at the SPV level? What is the company share in that?

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
Sorry debt in?

Rahul - Analyst, Elara Capital
At the SPV.

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
You mean joint ventures?

Rahul - Analyst, Elara Capital
Yeah.

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
Yeah. Our net debt Prestige share in joint ventures will be in the range of INR 2 200 crores.

Rahul - Analyst, Elara Capital
Okay understood.

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
Includes the DIAL project then the Lake Shore Drive and Prestige Tech Pacific. These are the major ones.

Rahul - Analyst, Elara Capital
Perfect sir. Thanks.

Shruti - Moderator/Operator, Axis Capital
Thank you. The next question is on the line of Akash Gupta from Nuvama. Please proceed.

Akash Gupta - Analyst, Nuvama
Hello. Hi am I audible?

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
Yes.

Akash Gupta - Analyst, Nuvama
Hello. Okay perfect. Sir my first question is on the reported P&L. The margins were on the weaker front. EBITDA was down 4% year-over-year. Just want to get a thought around the P&L and how the numbers are going to move over the next couple of quarters. That s my first question.

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
See again on the margin front if you see the dilution of residential. We have reported a residential top line of INR 1 600 crores. It was mainly because during the quarter we didn t have any major completions. Because of which the handovers were lower and the reported residential numbers were lower. My fixed costs remain the same. In fact it increases because we are planning heavy

launches in Q2 as well as Q3. Because of the mismatch in revenue recognition my reported margin is a little lower. If you see at the project level margins it remains the same. There s no pressure on the project level margins as such.

Akash Gupta - Analyst, Nuvama
Understood. Sir my second question is on our launch pipeline. I think I heard roughly three launches in Bangalore and one in Chennai. That s still cumulative roughly maybe INR 30 billion-INR 40 billion of launches. This would imply a pre-sales run rate of another INR 60 billion-INR 65 billion in the second quarter. Are we not leaving too much for an ask perspective in the third and fourth quarter? If we have INR 450 billion of launches pending why are we just launching INR 40 billion-INR 50 billion per quarter?

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
We would like to have more launches in Q2 approvals and all that they are at various stages. Basis the current status we expect some of those approvals to come in Q3. That s what we are expecting Q3 to be a big quarter for us.

Akash Gupta - Analyst, Nuvama
Is there any problem in any particular city that there is a delay in RERA approval? What s holding our projects? Where is the delay?

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
There is no specific problem or delay. It is just the time certain things take.

Akash Gupta - Analyst, Nuvama
Process

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
Process. Like each project is in a different stage of the approval process.

Girish - Analyst, Avendus Spark
Each I think department government doesn t perform like the private sector right? If it was I think we would have more predictable launch timelines and quicker timelines. Unfortunately that s the case. We do our best to make sure that things are expedited. I think what we are giving you is a very conservative timeline. Hopefully we would launch after but one or two quarters things may move up or down.

Zayd Noaman - Executive Director, Prestige Estates
Some of them are recent acquisitions which we are pushing hard for bringing it to the market.

Girish - Analyst, Avendus Spark
For example Prestige Meadows in NCR.

Zayd Noaman - Executive Director, Prestige Estates
The Chennai project.

Akash Gupta - Analyst, Nuvama
Understood. That s the question I had. Thank you so much.

Shruti - Moderator/Operator, Axis Capital
Thank you. The next question is on the line of Pritesh Sheth from Axis Capital. Please proceed.

Pritesh Sheth - Analyst, AXIS Capital Holdings Limited
Yeah. Thanks for the opportunity. Two three questions from my end. First I think we had good three project additions this quarter in Mumbai. Across different markets I just wanted to know the project structure of probably each of them. I know Aaramnagar is a JV. Thane you mentioned it s a clean land but it s a JDA. Even for Borivali what is the structure like? What would be the margin expectations from these projects?

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
Both Borivali and Thane are state joint development agreements. I think the JDA for Thane is even registered as of yesterday. All the terms are there very clear.

Pritesh Sheth - Analyst, AXIS Capital Holdings Limited
Sure. Margin expectations would be similar to what we have at the company level or we are slightly getting better here or how is that?

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
We always like to get better. It all depends on the cost as well as selling price. Selling price is going up and it s a large development. I think Thane will get a GDV of almost INR 9 000 crore which I believe we also want to really get some great volumes there. That should do well because it s a nice piece of land well-located and it should do well.

Pritesh Sheth - Analyst, AXIS Capital Holdings Limited
Sure. Got it. In terms of Mumbai commercial assets BKC and Mahalakshmi we had done some pre-leasing earlier but any progress after that? In Q1 have we done more? If you can just guide us on some numbers in terms of how much we have pre-leased for both the assets.

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
No this is all work in progress. Only thing I can say is there s a great interest and the numbers are very strong and we ourselves are sort of holding back. At the same time we are concentrating on seeing how we can get the production in terms of completion done soon. Work is going on at a brisk pace but we ll be most happy and most rested only once the project gets completed. I think the teams are really working hard to see that happens. I don t think we have any sort of doubt on the leasing part as also on the rental. The rental s also pretty quite robust.

Pritesh Sheth - Analyst, AXIS Capital Holdings Limited
Sure. Lastly if you want to just provide update on hospitality piece on the IPO or in between we had media reports about us doing a private transaction as well. If you just want to clarify on that how are we approaching the monetization of the hospitality portfolio?

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
No. See as of now nothing new to say except that the teams are working on various options. We ll see what works out. It s all work in progress. See we could have done the IPO which again we have time till September 30th. At the same time today there are interest from various PEs. Let s see what comes out.

Pritesh Sheth - Analyst, AXIS Capital Holdings Limited
Yeah. Okay. There also debt is kind of material enough. We know that monetization also can bring down the leverage at the company level that way. Yeah. Okay no problem. That s all from my side and all the best. Thank you. Yeah.

Shruti - Moderator/Operator, Axis Capital
Thank you. The next question is from the line of Girish from Avendus Spark. Please proceed.

Girish - Analyst, Avendus Spark
Hi. Thanks for the opportunity. Firstly if you can give us some understanding on the Chennai launches right? We see close to INR 12 000 crore-INR 13 000 crore of GDV which is planned in this market. How confident are you in terms of the sales velocity given the depth of the market? In the past what we have seen is that Chennai projects have seen a lower sales velocity at the time of launches. If you could give us some update on the approval stages also.

Zayd Noaman - Executive Director, Prestige Estates
Hi. We are pretty confident. The approval s on a pretty advanced stage. Prestige Palm Courts we should launch in Q2 for sure. This has about INR 1 200 crore of GDV. I think this project should do well as well in velocity. Next would be Prestige Park Street. This either will launch in Q2 or will move into Q3. This has about INR 1 500 crore of GDV and this is a luxury segment we are quite looking forward to it as Chennai has not seen a good quality luxury project in the recent past especially for Prestige this would be a big one. Next is a large launch we should have in Q3 would be the Prestige Falcon City. I would like to mark that both Prestige Park Street and Prestige Falcon City are recent acquisitions. This is quite quick to turn things around and launch in Chennai.Prestige Falcon City will be 6.84 million sq ft and it s about INR 5 000 crore of GDV. Q4 we should launch Prestige Cloverdale which is also a big launch about 4 million sq ft and another INR 5 000 crore. It s about INR 13 000 crore or INR 14 000 crore of GDV just the next three quarters in Chennai which we re pretty confident of launching.

Girish - Analyst, Avendus Spark
Awesome. Got it. Secondly in terms of the unsold inventory which is close to 16 million-17 million sq ft. We see Hyderabad is pretty big right? Almost 7 million sq ft. If you could give us some view on the sales velocity of the Hyderabad inventory which I m assuming is the Golden Grove one also for the rest of the inventory.

Zayd Noaman - Executive Director, Prestige Estates
Yeah. Golden Grove as we said is just launched we ve already sold about 60% of the inventory pretty confident of good sustained sales over the next few months. The next one or two quarters we should see that inventory significantly reduced. We ll also add up some inventory in Q3 Q4 in Hyderabad with some new launches which is Prestige Rockcliffe and The Prestige City.

Girish - Analyst, Avendus Spark
Okay got it. Thank you all the very best.

Shruti - Moderator/Operator, Axis Capital
Thank you. The next question is from the line of Karan from Ambit Capital. Please proceed.

Karan - Analyst, Ambit Capital
Yeah hi. Just a couple of questions from my side. Firstly in terms of launches in Hyderabad have there been any changes in plans for Prestige Imperial Park this quarter? Also for Prestige Springwood which was scheduled for FY 2027 that has now been pushed to FY 2028. Is it a conscious call to calibrate launches in Hyderabad given the inventory levels over there?

Zayd Noaman - Executive Director, Prestige Estates
Not at all. In fact Prestige Place is what was earlier called the Prestige Imperial Park. We ve done a slight redesign uplifted the product. We re pretty confident of bringing that in Q3 or Q4.

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
In fact now that Prestige Place will be a mixed-use development it will be again a luxury product because we believe that is the future area. We re getting a hotel we re getting office we re getting a luxury premium retail as well as branded residences which is the Marriott as well as the St. Regis. The whole thing has been designed by Benoy and the designs now finally are ready because such large developments with mixed use with various type of components takes time to even conceive understand and conceptualize and get the product right. Now we ve got the product right. Now it s a question of pushing the authorities to get the approvals which should come in the next one or two quarters. Once the approvals are there one thing with Prestige is we were never going to push any launch.Only thing is our endeavor is to see how we can get the product ready to bring it to the market. I am very confident that once we come to the market we will be able to sell and get great revenues. In fact on the Prestige Place we ve just started construction of the CEC which will take us at least four five months.

Karan - Analyst, Ambit Capital
Sure. Hello?

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
Yes.

Karan - Analyst, Ambit Capital
Yes sure. While you did briefly speak about Chennai if you think of the top five or six projects which would include Prestige Chambers 51 in Mumbai Prestige Falcon City Reserve in Bangalore Prestige Falcon City and Prestige Clover Dale in Chennai and two other launches in NCR that makes up about INR 30 000 crore-INR 31 000 crore. What s the current approval status and risk of slippage in these projects into FY 2028 instead of FY 2027?

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
I don t think it ll slip into FY 2028. We re working very hard to bring it all in this financial year. It should come and will come. Yes there could be. I don t think it should go into the next financial year. We ve got three more quarters to go. Hopefully it should all fall in place and we should have it quickly. Of course we see now each region has different governments. We ve got a new government in Tamil Nadu. It seems to be on the positive side. Everywhere else it s all work in progress. I think it should come through. I don t see any problem.

Karan - Analyst, Ambit Capital
Sure. Lastly on BD I m not sure if you ve communicated what s the outlook for BD for the rest of the year. You ve already closed three transactions in Mumbai going into rest of FY 2027 how should one

look at that?

Zayd Noaman - Executive Director, Prestige Estates
Yes we will have some balance BD left. We ll see some BD in Bangalore then Gurgaon as well.

Karan - Analyst, Ambit Capital
Any number to quantify here or it s still in discussions?

Zayd Noaman - Executive Director, Prestige Estates
Work in progress with the discussions. We ll keep you all updated as things progress.

Karan - Analyst, Ambit Capital
Great. Thank you.

Shruti - Moderator/Operator, Axis Capital
Thank you. The next question is from the line of Yashard from Bank of Baroda Capital Markets. Please proceed.

Yashard - Analyst, Bank of Baroda Capital Markets
Good afternoon. Thank you for taking my question. I just would like to know what s caused the average realizations to go low over the quarter and how would you expect realizations to trend say over FY 2027 to FY 2029?

Zayd Noaman - Executive Director, Prestige Estates
During the quarter a significant portion of our sales came from Hyderabad region where the average realization is on the lower side. In the Hyderabad region the realization is in the range of INR 8 000-INR 10 000 whereas the other regions it depends on product to product you can safely assume it to be in range of INR 14 000-INR 15 000.

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
Not only Hyderabad region it s all that. Ikela micro market that was a thing it was a large launch.

Zayd Noaman - Executive Director, Prestige Estates
Yes.

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
Now we ll also do in Hyderabad we are doing The Prestige City we re also going to do The Prestige which will be all very high price. Depends on the product depends on the micro market.

Zayd Noaman - Executive Director, Prestige Estates
In the current quarter because of Golden Grove the average realization has

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
I would say that

Zayd Noaman - Executive Director, Prestige Estates
average realization has come down.

Yashard - Analyst, Bank of Baroda Capital Markets
Got it. Thank you.

Shruti - Moderator/Operator, Axis Capital
Thank you. The next question is from the line of Parikshit from HDFC Securities. Please proceed.

Parikshit Kandpal - Analyst, HDFC Securities
Yeah. Thank you. Sir my question is on the BKC X Towers. On the last call you had said that about 70% is leased. Just wanted to get an update on that. What s the leasing now? Also I think on BKC Y you said that you ll wait for completion. Any initial thoughts? How is the demand for the pre-leasing on that tower? Also if you can cover Mahalakshmi pre-leasing.

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
I think I ve given instructions that we should wait and see how the construction progresses and it s better to be a little since we ve already got a big tie-up with good companies for these both BKC X and Y. Then of course Y has the what s it called? The hotel which is the addition. Our focus will be on completion. Similarly on Mahalakshmi we have got great inquiries. In fact we ve got some very big inquiry even for buy but we don t want to sell because finally these assets we are creating to REIT out. I think around 400 000 has already been pre-committed.

Parikshit Kandpal - Analyst, HDFC Securities
Okay. 400 000 has been leased out in Mahalakshmi you re saying?

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
Yeah.

Parikshit Kandpal - Analyst, HDFC Securities
Okay. sir on our first commercial launch the Prestige Business Bay when is the launch what kind of initial response do you think you re getting? Will this be a sellout in this year? How should one look at this big large commercial strata sale?

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
We ll see as it comes. We are hopeful that there ll be a great demand but we never know. I believe that the product is good location is good and it should meet with a very positive response. We re also trying to see and prime the market and understand what would be the right pricing and of course it also has to make sense to the company in terms of bottom line. As we get closer. Right now it s all work in progress. We re getting the current occupants vacated. Almost 50% 60% have moved. The rest have to get done and then we need to pay a lot of fees all that. It s work in progress. Hopefully in the next couple of months we should be ready.

Zayd Noaman - Executive Director, Prestige Estates
More than anything seeing the progress of our commercial projects complete across BKC and Mahalakshmi especially the way we ve completed the rehab tower has given a lot of confidence in the market. A lot of people have actually approached us to acquire some spaces there which obviously we are not selling. This actually has given us a pulse of what s the kind of customer and what they re looking for. This will actually help us shape our decisions for the Chamber 51 as we come nearer to launch.

Parikshit Kandpal - Analyst, HDFC Securities
Okay. sir one more question. You did touch upon hospitality and how you re thinking of monetizing it the broader question on the commercial portfolio which is expected to ramp up significantly over the

next two three years. Do you think it s the right time to maybe divest a minority stake and raise some capital now and wait for the assets to mature maybe and then look at a REIT? How does one look at from that perspective the CapEx on these assets which could contribute significantly on rentals? At what point of time you ll be comfortable to bring in some external capital and deleverage that debt?

Zayd Noaman - Executive Director, Prestige Estates
We re waiting for the projects to actually complete because we believe and we ve always believed Mr. Azhar believed that we want to build a critical mass. I think leasing these assets out is key which has been going pretty well. Yeah. I think in the next year and a half two these projects will be complete. The leasing also should be completed by then. Actually then this would be a trigger for us to actually evaluate and then take a decision on way forward. We re definitely considering it.

Parikshit Kandpal - Analyst, HDFC Securities
Okay. Just last question on the residential. I have seen some of the projects on your website and they have this 25-25 scheme. I think Prestige Forest Hills has some projects in Bengaluru. If you can help us understand what is the strategy there and how these schemes being rolled out in new launches. Is it more like sustenance or is it more like luxury? Some color on that will be helpful to understand the demand scenario there.

Zayd Noaman - Executive Director, Prestige Estates
Is this with regards to Prestige Forest Hills then?

Parikshit Kandpal - Analyst, HDFC Securities
I think I saw on the website the Prestige Forest Hills there s a scheme with 25 25. Four years I think payment of 25% each and some other project sites on the Bengaluru on the website.

Zayd Noaman - Executive Director, Prestige Estates
Yeah it s structuring basically instead of collecting money of 5% and 3% every slab or whatever what we felt is to flexibility the customer to pay annually. It s not that they re paying right at the end they are paying once a year 25% and that covers over four years and that covers that timeline of construction. It s 25 into four. That s how we work this out and it also gives a little comfort to the customer. It gives us also that the cash flows are tied up and we ll ensure that there is the construction progress also.

Parikshit Kandpal - Analyst, HDFC Securities
Okay. Just one last thing on the data center I think. You have signed some MoU with the government of Maharashtra. How are you thinking on the capital allocation towards data center and over near to midterm? How much time you re away from some announcements on investments first investments rolling out for the data center business?

Zayd Noaman - Executive Director, Prestige Estates
Yeah. The Maharashtra government was very keen on setting up these data centers and actually attracting and bringing in DCCs. This is where we came in. They had some land parcels which they were going to acquire and give us. That acquisition we have not yet spent any money there yet. We ve not yet invested anything as yet. That s a work in progress. I think closer to the time that acquisition is complete I think then we ll be able to speak a bit more on strategy. Overall if you look at the data centers what we ve done in the past we would be keen to invest in the land and also the building and we ll tie up with data center partners or DCCs then to invest further in it. I think it s an

open canvas as of now.Closer to when we ll acquire the lands we would firm up these plans.

Parikshit Kandpal - Analyst, HDFC Securities
Any color on what kind of megawatts what kind of scale you are looking at or the IT load on the data center side which you think over the next two three or four years should be there on the balance sheet?

Zayd Noaman - Executive Director, Prestige Estates
About 100 megawatts for now.

Parikshit Kandpal - Analyst, HDFC Securities
Okay. 100 meg. Sure. Thank you sir.

Shruti - Moderator/Operator, Axis Capital
Thank you. The next question is from the line of Pankaj Dhingra from Equitas Asset Management. Please proceed.

Pankaj Dhingra - Analyst, Equitas Asset Management:
Yeah good evening sir. A couple of questions on the balance sheet side. Can you just help us with the debt numbers?

Zayd Noaman - Executive Director, Prestige Estates
Yeah. Hi. We had a net debt of INR 11 900 crores which translates to a debt equity of 0.69. The gross debt is INR 15 000. We had cash and cash equivalents to the extent of INR 3 300 crores.

Pankaj Dhingra - Analyst, Equitas Asset Management:
From March levels reported number on annual report was INR 10 900 crores on net debt. That has further gone by INR 1 000 crores. Is that right?

Zayd Noaman - Executive Director, Prestige Estates
Yes. Net debt has gone down right? Which is on two reasons. We had some borrowings as well as our cash balance we have deployed for a few land acquisitions. There were the gross borrowings to the extent of INR 650-700 crores. Cash balance reduced by INR 400-500 crores.

Pankaj Dhingra - Analyst, Equitas Asset Management:
Where do you see it settling down somewhere? What will be the comfortable levels which you will think we are comfortable at levels?

Zayd Noaman - Executive Director, Prestige Estates
We mentioned that we have a very strong pipeline of projects which will get launched in the coming quarters especially in Q2 and Q3. That will unlock lot of cash flows because some of the debt have been taken on those land parcels. Once the projects are launched some of the debt on those land parcels will get repaid. You will see some especially on the residential front some debt getting repaid in the coming quarters.

Pankaj Dhingra - Analyst, Equitas Asset Management:
That s quite helpful. Second when I was looking at your annual report which you released sometime back the corporate guarantees have gone or doubled last year INR 11 000 crores of corporate guarantee apart from the debt increase. How should we read that from a contingent liability

perspective?

Zayd Noaman - Executive Director, Prestige Estates
Some of the corporate guarantees it will be a double counting in the sense it has been given for debt for some of the subsidiary companies. When we are raising capital at the SPV level some of the bank because it doesn t have a very long fairly new setup it doesn t have a credit history toza raise capital in those SPVs. The parent company needs to give those corporate guarantees. That debt is already consolidated in the consolidated financials. That doesn t get counted. If you see at the JV level we mentioned that we have a Prestige share of net debt close to INR 2 200 crores INR 2 100-INR 2 200 crores.

Pankaj Dhingra - Analyst, Equitas Asset Management:
this corporate guarantee amount will keep on increasing. How should we look at because there s 100% increase in the contingent liability level?

Zayd Noaman - Executive Director, Prestige Estates
if we are taking any debt at the SPV level. Now if you see going forward we don t expect it to increase significantly because now most of the projects we are trying to take in the parent entity itself instead of floating a separate SPV for each and every project. where there s a requirement of the transaction that we have to float an SPV because of the

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
Other partner requirement or anything like that. In such cases we ll need to exchange corporate guarantees for taking any debt in those SPVs. it will be case-specific difficult to quantify at this point of time.

Pankaj Dhingra - Analyst, Equitas Asset Management:
Just one observation. The secretarial audit has made a remark this time and flagged a non-compliance with one Section 301.

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
Sorry unable to hear you.

Pankaj Dhingra - Analyst, Equitas Asset Management:
The secretarial auditor has flagged a non-compliance which was never the case with Prestige in the previous annual reports. Any thoughts on that?

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
Is it regarding any? I don t recollect any non-compliance.

Pankaj Dhingra - Analyst, Equitas Asset Management:
You can have a look at the annual report which was regarding the not disclosing the remuneration details of the CFO company secretary and others

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
That has been the case not the first time the secretarial auditor has given that. If you see the related party disclosure we have given the KMP whatever salaries are paid to the KMP it is being disclosed. Not individually but at the KMP level it has been disclosed at the totality level.

Pankaj Dhingra - Analyst, Equitas Asset Management:
Thank you. All the best. Wish you all the best.

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
Thank you.

Shruti - Moderator/Operator, Axis Capital
Thank you. The next question is on the line of Yash Gupta from Kotak Asset Management. Please proceed.

Yashard - Analyst, Bank of Baroda Capital Markets
Good afternoon everyone. Sir currently we are commanding strong position in Mumbai and NCR. This we have achieved within a short period of time. Are we looking to add any new cities going forward?

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
See right now we are very focused on the four cities and growing in these markets. However Pune has always been in the radar and very soon we should acquire launch projects over there. Pune is a city that we re looking at very seriously. Apart from this we re focused on where we are operating right now.

Yashard - Analyst, Bank of Baroda Capital Markets
Okay. Sir our current unrecognized revenue is around INR 70 000 crore. Can we expect this INR 70 000 crore to get recognized next to three years? What will be the recognition level for FY 2027?

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
Whatever INR 70 000 crore of revenue we have it will get recognized in the next four years. Three years will be difficult because whatever projects we have launched last year it will get completed in a span of 45 to 48 months. Maybe we can conservatively take four years as a time period for revenue recognition. This year we should recognize on the residential front close to INR 11 000 crore-INR 12 000 crore of sales.

Yashard - Analyst, Bank of Baroda Capital Markets
Okay. How is the hospitality business going on what are the timelines for the listing now?

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
See listing we have approvals till September. I think Mr. Razzak mentioned that we are looking at alternative of this one also. If something finalizes on that front we will definitely consider. On the hospitality it is contributing meaningfully. I think we reported a top line of INR 350 crore on the revenue front. Yeah INR 300 crore was the hospitality top line in the current quarter and the EBITDA % for hospitality was around 41%. At the bottom line it contributed close to INR 419 million to the bottom line.

Yashard - Analyst, Bank of Baroda Capital Markets
Can we expect hospitality to finalize within next six months can we say that?

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
We wouldn t like to put a definitive timeline because the discussions can take some time. Whenever those discussions get finalized I will definitely give those details.

Yashard - Analyst, Bank of Baroda Capital Markets
Sure. Thank you sir. Just a small request. Can you please add one or two slide of hospitality business into this so it will be great helpful for us?

Amit Mor - Chief Financial Officer, Prestige Estates Projects Limited
Yeah. Since our IPO this one was still valid and if the markets improve this one we can definitely decide on the IPO also till 30th September. Post 30th September we can disclose the hospitality details as well.

Yashard - Analyst, Bank of Baroda Capital Markets
Thank you sir.

Shruti - Moderator/Operator, Axis Capital
Thank you. That was the last question for today. I would now like to hand the conference over to the management for the closing comments. Over to you sir.

Irfan Razack - Chairman and Managing Director, Prestige Estates Projects Limited
Thank you once again for very insightful and purposeful questions. We do hope you understood what the company is doing. Zayd and the rest of the team including Amit will be more than happy to answer any doubts that you still have and would like to know what the future is. We believe that the business is strong and will continue to be strong as we go along. Thank you very much.

Shruti - Moderator/Operator, Axis Capital
[Operator Closing Remarks]

Pankaj Dhingra - Analyst, Equitas Asset Management:
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