



“Prestige Estates Projects Limited
Q3 & 9M FY '26 Earnings Conference Call
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MODERATOR: **MR. PRITESH SHETH – AXIS CAPITAL**

Moderator: Ladies and gentlemen, good day, and welcome to Prestige Estates Q3 FY '26 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 this 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 Pritesh Sheth. Thank you, and over to you, sir.

Pritesh Sheth: Yes. Thank you. Good afternoon, everyone. Apologies for the delay. On behalf of Axis Capital, I welcome everyone to 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 management for their initial remarks, and then we can open the floor for question and answer. Thank you. Over to you.

Irfan Razack: Good afternoon, everyone. I'll ask Zayd to give his opening remarks, and then we'll continue with questions.

Zayd Noaman: Thank you. Good afternoon, everybody, and thank you for joining us on today's earnings call for the third quarter and 9 months ending FY '26. I'll begin with a brief overview of our operational and financial performance, followed by updates across our residential, office, retail and ESG platforms, after which we will open the floor for questions.

Q3 and the first 9 months of this financial year have been defining periods for the company, marked by strong execution, healthy demand visibility and continued diversification across geographies and asset classes. Starting with our residential business, we recorded presales of INR4,184 crores during Q3, reflecting a 39% year-on-year growth. For the 9-month period, presales stood at INR22,327 crores. This is a growth of 122% year-on-year.

Importantly, this is the highest sales ever achieved by the company and exceeds our previous full year peak sales, all within just 9 months. This year, the performance indicates strong resilience of our portfolio across markets and depth of demand for well-located high-quality developments.

Sales volumes for the quarter stood at 2.99 million square feet, taking cumulative sales for the 9 months to 16.95 million square feet with over 8,500 units sold year-to-date. Our geographic mix remains well diversified, led by Mumbai, Bangalore, Hyderabad and NCR, providing resilience across market cycles.

Average realizations improved to INR14,459 a square foot, up 6% year-on-year, while our plotted developments continue to see strong traction with realizations increasing by over 30%. Collections remained robust, reflecting the quality of sales and disciplined cash flow. We achieved collections of INR4,548 crores in Q3 and INR13,283 crores over the 9-month period, the highest collections recorded by the company and higher than full year totals in the past.

On the supply side, during Q3, we launched 5.02 million square feet, taking total launches for the 9 months to 23.83 million square feet with a residential GDV of over INR19,600 crores.

Completion during the quarter stood at 4.72 million square feet and 12.71 million square feet for the 9-month period, reflecting steady progress and disciplined execution across projects.

Moving to our commercial office portfolio. Leasing during Q3 stood at 0.56 million square feet with occupancy across the operating portfolio remaining strong at over 95%. Exit rentals from the office portfolio for FY '26 are expected to be approximately INR829 crores. With completion of our ongoing pipeline, office annuity income is projected to scale to around INR4,000 crores by FY '30.

We also recently completed Prestige Lakeshore Drive, Prestige Tech Hub and Prestige Capital Square in Bangalore, premium office developments totaling 3.7 million square feet, which will shortly begin contributing meaningfully to our annuity income.

Our portfolio continues to perform consistently well. During Q3, mall footfall stood at 5.2 million and gross turnover grew 14% year-on-year to INR702 crores. Occupancy across malls remains exceptionally strong at over 99%. Exit rentals for FY '26 are expected to be around INR275 crores and with 14 malls in the pipeline, retail annuity income is projected to scale to approximately INR1,175 crores by FY '30.

Turning to the financial performance. Revenues for Q3 stood at INR3,886 crores, up 128% year-on-year with EBITDA at INR873 crores and PAT at INR245 crores. EBITDA margin for the quarter stood at 22.5%. For the 9-month period, revenues were INR9,052 crores, EBITDA at INR3,104 crores and PAT at INR1,015 crores, reflecting healthy profitability and operating leverage.

EBITDA margins for the 9 months stood at 34.3%. It's also pertinent to note that our unrecognized revenue as of December 31, 2025, stood at INR61,922 crores, providing strong visibility for revenue recognition over the coming few years.

Finally, on ESG, we continue to make steady progress across environmental, social and governance parameters. Key highlights include India's first net zero energy operational mall at Forum South Bangalore, multiple LEED IGBC and WELL certifications across our portfolio, progress under our Prestige Green Promise with a commitment of 1 million saplings and plantations underway and several national safety awards across residential, commercial and retail projects.

Overall, our performance in Q3 and the first 9 months of FY '26 reflects the strength of our diversified platform, disciplined capital allocation and focus on execution. We remain confident about sustaining momentum while continuing to scale our annuity portfolio and delivering long-term value to all stakeholders.

With that, I will now open the floor to questions.

Irfan Razack:

Thank you, Zayd. Well, done.

Moderator:

The first question is from the line of Akash Gupta from Nomura.

Akash Gupta: Congratulations on a good performance. My first question is on the margins for this quarter at roughly 22%. What was the reason behind that? And second is also on the cash flows, I think the investment in land, the outflow of cash this year was -- this quarter was also on the higher side at INR27 billion. What was the reason behind that? That's my first question.

Amit Mor: Yes. The margin reduction was mainly because of the product mix. If you see last quarter, we had a couple of projects where the margin was slightly higher. In the current quarter, there were a couple of projects where the margins were in the single digit.

Basically, if you see, we completed one project during the year called Prestige Siesta, wherein there were legacy customers whom we have sold at -- it's an NCLT takeover, so it was a old rate. So, the margin in that block was lower. So that has resulted in a lower margin for the quarter.

Akash Gupta: Okay. And the outflow of cash this quarter on the investment in land at roughly INR27 billion, that was also on the higher side. So what was the reason behind that?

Amit Mor: Yes. So basically, this quarter, we had a couple of good opportunities, especially on the bidding and some corporate deals. So one land parcel we had tied up in Hyderabad called the Knowledge Park. There we have invested close to INR1,000 crores, okay? And then in the Chennai market, we have picked up one land for INR800 crores. So these two are the major contributors. But otherwise, the total deployment was close to INR2,700 crores.

Akash Gupta: Understood. My second question is on the launch pipeline for fourth quarter. And how should we think about your presales number in FY '27? So it's fairly certain, I think that we will achieve our FY '26 guidance. How are we thinking about demand and launches, the big launches in FY '27?

Irfan Razack: Now this current quarter, we've got three launches coming in Bangalore. One we've already done, which is Evergreen at the Prestige Raintree Park. In the pipeline is Eaton Park and Fernvale in the Prestige City, two more components, where the approval will come in hand in a couple of days, and then we'll get RERA and will get launched this quarter.

We also have a plotted development called the Prestige Marigold in Bangalore. And then Hyderabad, we are very confident of launching two developments. One is the Rock Cliff and which is in Banjara Hills. And the second is the Golden Grove. Golden Grove, again, that is in Tellapur.

It's a very large development. And there, again, we believe we'll be able to launch this quarter. So all in all, we should cross top line sales in this quarter of about INR8,000 crores, which will take us through to INR30,000 crores for the year, if not more.

Akash Gupta: Understood, sir. And how should we think about FY '27 and your thoughts on the real estate demand, please?

Irfan Razack: The demand continues. For FY '27, it's all work-in-progress. We have a pipeline. I think it's too early for us just now to spell out the -- all the projects that are there, which -- of course, the list

is there, but it's all work-in-progress in the sense which project in this quarter. And I believe that once the product comes to the market, it will definitely be sold.

Moderator: The next question is from the line of Parikshit Kandpal from HDFC Securities.

Parikshit Kandpal: Congratulations on a good quarter. Sir, if I look at your numbers for FY '26, you will cross or reach INR30,000 crores. But a large component, almost one third is coming from NCR, so which is INR9,000 crores, which was a hit product this year.

But we start FY '27 at least a shortfall of INR9,000 crores and to reach or achieve or exceed INR30,000 crores, some other products have to contribute. So how does one think in FY '27, how do you intend to make up because NCR, we don't have much of a pipeline as of now?

Irfan Razack: No, no, there is a pipeline. The teams are working on it. There is a strategy, and we have tied up some land in NCR also. We can't be just one product vendor in the NCR. We have tied up two large tracks in the Gurgaon region, which will spell out as we go along.

Parikshit Kandpal: In terms of -- so I don't see that in the business development pipeline, GDV addition. So how much will be the value of the GDV added in these two projects?

Zayd Noaman: So, if you just look at the Slide number 26 in our investor presentation, that tells you the GDV of new acquisitions. That's totaling to around INR40,000 crores. And if you look at existing pipeline that we already have where approvals are nearly finalized and planned for upcoming quarters, we have about 16 projects there, of which 1, 2, 3, 4, 5, 6 projects should get launched this quarter. That balance is around about -- how much, Amit?

Amit Mor: Around INR15,000 crores...

Zayd Noaman: About INR15,000 crores will be there over there as well. So INR15,000 crores plus we have INR40,000 crores.

Parikshit Kandpal: That I was referring more from the NCR, which you finally touched upon that you have tied up some land parcels. So...

Irfan Razack: NCR, we already have Sector 150, which the legal issue, which was there, has been cleared and the plan should get approved in a couple of months. And that will come for the next financial year. That's why we haven't planned it for this quarter. But for sure, in the next quarter, that will come.

We've got -- I can't spell out the other two sectors in Gurgaon, which we have finalized. We have a term sheet. We are working on the legal due diligence, and that will surely hit in the next financial year. They are something that at the appropriate time, it will be announced.

Parikshit Kandpal: But in terms of GDV, sir, how much will be the value of these two projects in Gurgaon?

Irfan Razack: If you take that, it will be again a bigger, if not as big as what we've already done in Indirapuram. So the deal will be more than INR10,000, all three put together.

- Parikshit Kandpal:** Okay. All put together. All put together will be about INR10,000 crores.
- Irfan Razack:** More than INR10,000 crores.
- Parikshit Kandpal:** Okay. Secondly, on commercial, I think you have on the television spoken about the commercial assets earlier a few days back. Just wanted an update on the BKC and the Mahalaxmi assets. So how has been the lease traction in these two assets? So, what kind of preleasing we have already achieved into these two assets?
- Irfan Razack:** Yes. So, what happens is now in BKC, the good news is the construction is underway at a pretty fast pace, and we should top out the X tower in BKC by April, May of this year. And we should top out the Ys tower by August, September in this particular calendar year. And similarly, for the Turf Tower, which is the Mahalaxmi, which is called the Prestige, both the towers should get topped out by the end of the year, that is December.
- So we are -- things are moving at a very, very healthy pace. And then, of course, after we top off, there will be a lot of work in terms of finishing, which will take another year. But having said all that, if you ask me on preleasing, I think the teams have worked really well. And in BKC, we have commitments, firm commitments with deposit for about 1.4 million square feet of office leasing.
- Similarly, in the Turf Tower, we would have around 400,000 square feet of pre-leased commitments. That is for property that is under construction, which I would say is a great achievement. Once it's ready, the demand will be much more because the type of products that we're going to deliver will be not seen...
- Parikshit Kandpal:** Okay. And just lastly on the data center, I think you signed some MOU with the Maharashtra government. Any update on that? So what are you exactly planning to do there? And what kind of investments you should look into the data center ground?
- Zayd Noaman:** Yes. So that's a work-in-progress. The land will be allocated to us. So we're just waiting for that to be done. Hopefully, at the end of this quarter, we should have a further update on that.
- Parikshit Kandpal:** Okay. But we are looking to do build-to-suit or will it be....
- Zayd Noaman:** It will be a combination because it's close to 100 acres. So it will be a complete build-out and it will be completely master plan. So we'll be open to doing either or...
- Parikshit Kandpal:** Just lastly, if I may squeeze in. So next year, FY '27, I mean, I think in your media interview today, you said that we intend to better off FY '27. So -- but are we looking at any growth? Or you think that INR30,000 crores will be kind of a peak number at least for the near to midterm in terms of presales?
- Irfan Razack:** For FY '27, see, obviously arrive at our number for FY '26. We hopefully, we are, I think, more or less sure to cross that INR30,000 crores mark. We will take stock. We'll take fresh start. And I think once you are at the peak, I think we need to evaluate, do all our homework and work out from which market, what -- like you yourself asked about the NCR market.

So we are looking at seeing which markets, how much can come from. But I believe the INR30,000 crores mark itself, what we're going to reach is going to be pretty high. We'll give a guidance when we come to April in the next quarter when we have our conference, maybe we'll have our guidance also ready. As of today, it's too early for me to say anything.

Moderator: The next question is from the line of Karan Khanna from Ambit Capital.

Karan Khanna: Just a couple of questions from my side. Firstly, Mr. Razack, you spoke about INR30,000 crores of presales for FY '26, which effectively means about INR7,000 crores, INR7,500 crores in the fourth quarter. If I look at the launch pipeline, so largely all the 4 projects are in Bangalore.

And if I look at the quarterly sustenance sales of about INR3,200 crores, INR3,300 crores, effectively, you're looking at a 50%, 60% kind of a sale on the launch of these projects. So if you can provide some color on the health of the Bangalore real estate market, what's the sales that you're getting on ground in terms of footfalls and conversions that should take you comfortably to the INR30,000 crores mark?

Irfan Razack: That's the reason why I said we will cross it quite comfortably. We just launched in this month, the Evergreen at Prestige Raintree Park, which is a INR5,000 crores GDV, out of which it has met with a really, really good response. In the first 2 weeks itself, we have done fairly good sales, I think almost about INR1,500 crores to INR2,000 crores, of course, will total up as that sales stabilize.

And I think this quarter on that particular project should do very well. Now we also have the Prestige City 2 components, Eaton Park and Fernvale. Even those, we believe that once the approval comes in hand, which is likely to happen this week or early -- I mean, early next week and the RERA, we should be able to get a fairly decent sellout, like you said, 50%, 60%.

And we have a large development in Hyderabad, which again is going to contribute very big, which is the Golden Grove in Tellapur. So all this put together, we should cross the line very, very comfortably. There won't be any struggles.

Management: Palm Court in Chennai.

Irfan Razack: Palm Court in Chennai. Palm Court also just got approved in Chennai. But Chennai market -- see, now looking at markets, I'll tell you, Bangalore is still pretty busy, it's very good. It's fast. Hyderabad is also fairly decent. Chennai is steady, very steady, and it will not give me instant results, but depends on which micro market, the demand is still there because of the brand itself.

Karan Khanna: Sure. This is helpful. Secondly, on new BD, can you provide some color on what IRRs are you penciling in while signing up new business development? And for the INR40,000 crores, which was signed so far in 9 months FY '26, what does the margin look like? And in the last call, you mentioned you're looking to sign one large BD in Mumbai. So if you can provide an update on that?

Irfan Razack: I think I'll ask Amit to answer this.

Amit Mor: The IRR, what we are expecting on our recently signed projects is in the range of around 20% to 30%. So most of the projects are in that range itself. So if you see a blended rate for our upcoming and our ongoing projects also, it's in that range. So it will be -- we'll be maintaining that margin levels.

Karan Khanna: And the BD that you're looking at in Mumbai, if there's any update that you are seeing here?

Irfan Razack: See, BD is a work-in-progress. Every day, there's something new that's happened. Now see, the biggest BD in Mumbai is we already have the land, which is the -- and we cleaned it up. And very hopefully, in the next financial year, we launch, which is the Prestige Place, which is Jijamata. The entire 4,000 homes, which were there, have been cleaned up.

First is our responsibility to build 4,041 homes. Second is as soon as the plans and the concepts are almost getting finalized, where we are going to have a hotel, we are having office, we are having a retail mall plus 2.5 million square feet of residential.

And I believe that should be a big number mover. And that also will happen in the next financial year. We are also having a large office development, which we are going to sell in Bandra that is called the LIG, which we call it the Business Bay. Even that approval will come in the first quarter of next year in Mumbai. So the BD is -- many things are happening.

Everything can't be spelled out, but there is a lot of traction and there is a lot of opportunity. We -- like you see now you saw Hyderabad, we bought that 11-acre land in HITEC City, out of which 3 million square feet will be built, 2 million will be office, 1 million will be residential. The residential tower will give us at least INR2,500 crores GDV, and I believe that will be a luxury tower and that there is a vacuum for that type of a product. I think that will also meet with a good response.

Moderator: The next question is from the line of Parvez Qazi from Nuvama Group.

Parvez Qazi: So, my first question is on the DIAL project at the Delhi Airport. It would be great to get some status update about that.

Irfan Razack: Yes. What about the DIAL project?

Parvez Qazi: I mean time lines and how is the...

Irfan Razack: Okay. Now that's good news is that the teams are really putting a lot of focus. First is the 600,000 square feet of office that we have, has been almost all fully leased out and the customers are waiting to move in for their results. And the project itself, I would say the completion of the hotel block will be by July of this year. And of course, there will -- since it's a very large hotel and a lot of rooms, there will be some simulation times 4 to 5 months.

We've already appointed the general managers for both the hotels that is the St. Regis and Marriott Marquis, the huge convention. So I believe the hotel per se should start trading at a soft launch end of this calendar year. And the office component, we should be able to hand it over to the tenants in April as soon as we get the occupancy certificate.

Parvez Qazi: Sure. And second, on the housing side, I mean, you did give a color about the various markets like Bangalore is still good, Chennai, exceeding. I wanted to get your views on price increase. I mean is there a scope for further price increases? Or do you think we are more or less near the top?

Irfan Razack: No, I think we've topped up on the price. We should not allow the price you see. Now what's happened is what components go into price? It is, a, the raw material, which is land; b, it is the cost of construction; and c, the approval cost, these three, like it varies from city to city.

Mumbai, more than the land cost, which is the approval cost because the premiums and the TDRs and the other components are pretty huge. Like in Hyderabad and Bangalore, the approval cost is not that high. But then we have to be very, very careful on what we commit and we don't overcommit, overpay and overprice the land.

Once you pay too higher price of land, then in case the market corrects itself or there's no demand at a certain level, there is going to be pain. But as of now, at the level that we reached, I think we -- according to me, more or less peaked out, we should not allow prices to rise more than this.

Parvez Qazi: Sure. And one last question for Amit. For the BD deals that we have already entered, what is the pending land capex that needs to...

Irfan Razack: Amit?

Amit Mor: Yes. Just give me a moment. It's close to INR1,800 crores.

Moderator: The next question is from the line of Tarang Agarwal from Old Bridge.

Tarang Agrawal: A couple of questions from our end. One, sir, just to get a sense how conservative or aggressive are we when it comes to calibrating our upcoming GDVs and costs associated with it? Typically, what are the moving parts which costs are most vulnerable to? And similarly, when it comes to the GDV?

Irfan Razack: No, no. I think we can't get too aggressive and too optimistic. Whenever we calculate anything, whenever we tie up a deal, we are very conservative. We take the worst-case scenario and make any commitment for any land. And in case we believe that it's just not possible, we just let it go.

There's no ego in doing business as long as it makes sense to the company, as long as there is a confirmed bottom line and as long as we believe that there's going to be success, we touch it. Otherwise, it's best thing is to just move away and then live to fight another day.

Tarang Agrawal: Okay. And historically, you've seen an up move in most of your projects where the GDV that you had penciled in at the time of conceiving the project versus the GDV that you actually realized? Is that how the trend been?

Irfan Razack: No, no, that has happened. You see now when we launched Indirapuram before when we tied up the transaction, we thought we'll get a GDV of about INR8,500 crores to INR9,000 crores. Today, we are getting INR12,000-plus crores.

Of course, on the other side, flip side, even construction cost also has gone up. So if we hadn't got that plus, obviously, we would have got hit on our bottom line if the construction cost went up. So there's an insurance. So that's why we are very conservative. That's why I meant we are conservative.

We have to be careful and conservative. We can't throw caution to the wind and look only at the volumes. We have to look at the bottom line.

Tarang Agrawal:

Got it. Sir, second, just to get a sense on your cash deployment going forward, given your capex commitment of about INR15,000 crores between your commercial and retail business and given the reasonable visibility that you have on your resi cash flows, obviously, it's split in 3 buckets, sold, unsold and upcoming and unsold and upcoming will have certain risks associated with it.

But basically -- and the fact that your commercial portfolio in itself will start generating anywhere between INR3,500 crores to INR4,000 crores of free cash. So how should we see cash deployment going forward? Because both office as well as retail seem to be at a point where there'll be self-sustaining a reasonable amount of cash flow generation from the resi business. So how should we see you deploying this cash going forward? And this is not from a year or 2 perspective, from a slightly longer-term horizon?

Amit Mor:

Right now, as you mentioned, we have close to INR15,000 crores of capex to be spent, okay, of which what we are envisaging close to 40% will be from debt and 60% from our internal accruals, basically residential and whatever surplus cash flows from our annuity business. So that should -- this is how we should be allocating our capital broadly, if you see whatever we are allocating around 70% will be on the residential segment and 30% will be on the capex annuity business.

Tarang Agrawal:

Got it. But I mean, if I just put the entire business together, resi and commercial together and just look at the consolidated entity and the underlying characteristics of the resi business, there will be a sizable free cash that could -- that is likely to get generated. So is there a potential for you to have an alternate line of business? I mean, data center is something that's been spoken of. So is there that we could see? Or is something else -- that's basically what I wanted to...

Zayd Noaman:

So your question towards what we'll do with the free cash flow is very simple. I think each line of the business is giving us quite good return on capital. So we'll continue to deploy it accordingly. And also, yes, to answer your question, data centers as well is something we are looking at.

But of course, I think it's very nascent right now. And so we have also looked at acquiring these large parcels of land where the requisite power can also be provided to. And based on demand, we can also ramp up the supply. But yes, we are very agnostic in how we look at things. And if there are some new alternatives also, we're happy to look at it. But as of now, in these 4 to 5 business lines is where we would feel we can deploy most of our capital.

Tarang Agrawal:

Got it. Last question. Just an update on Pallavaram, Chennai because that seems to be moving a bit slow. And similarly, Nautilus, I think about INR7,500 crores sold part of the GDV at the time

of launch of about INR87 crores. So how are you looking at Nautilus and an update on Pallavaram?

Irfan Razack: No, no, Pallavaram has, according to me, done -- performed quite well. They've done more than INR1,000 crores worth of sales there. We are just doing excavation and maybe just foundations are going on. Like I said, like in Bangalore, I can't compare a Chennai to a Bangalore, Bangalore or to a Hyderabad or Hyderabad to a Bombay, all have done in their different spaces. You asked something about Nautilus, what was that?

Tarang Agrawal: So Nautilus, I think absorption till date has been in the ballpark of about INR4,500 crores and about 55% of the GDV. So how are we looking at? I mean, are we consciously going slow on the project, given that it's been established fairly well known? I just wanted to get your sense.

Irfan Razack: No, there's nothing to go slow about. Construction will go a whole hawk because there, again, I think excavation itself will take a year plus. We've started it at full speed, but still 1 year more for excavation. And then obviously, the foundation then everything will happen.

In fact, on the other side, the society building is up and about. That's why my society members are pretty happy. And on the sales front, as Nautilus is concerned, I still have to load some more the slump component and some more FSI, all those things.

So as we keep loading, we'll get more and more inventory to sell. Just now, my sales guys don't have that inventory. And I believe that there's no question of going slow. As and when we can and as and when we will get the approval, we'll keep selling and the demand -- I mean don't wait for the demand. I don't keep inventory hoping for a better price. See, here, always our thing is if the going is good, if there's a product -- there's a demand for the product, sell it.

Moderator: The next question is from the line of Pritesh from Axis Capital.

Pritesh Sheth: A couple of questions. First on, we have gone a bit aggressive this year on building a pipeline in Hyderabad and Chennai. Some of our peers are struggling in those markets. I wouldn't just struggle, but a bit slow in that market in terms of scale up. How should we see our target segment in that market?

And what according to you is the right fit for individually those markets to have a good sales as soon as state launch? Because I think morning in the interview, you said that if project doesn't sell 30%, 50% in the first month of launch, then it's not a successful project. That's where we are quite wary of. So, what would be our strategy in Hyderabad and Chennai so that we are successful in these 2 markets as well?

Irfan Razack: Yes, that's a good question. See, in Chennai, I can't hope to have a 50%, 60% sale on the first month of launch. I believe there, if I am getting a 20% sale in the first 1 or 2 months of launch, I would say it's a good project. And another thing is we have not gotten aggressive. We didn't have any inventory at all in that market.

So we have picked up 3, 4 very good priced properties. The opportunities did come. And now those will start coming in and that start fructifying. And since we've been in that market for quite long, I believe there's that opportunity.

Even in Hyderabad, really speaking, our Prestige City, Hyderabad is more or less getting closed out and sold off. So we needed some large ones. So the Golden Grove is a 9 million square feet project, which if launched, I think at the right pricing, the location is just tremendous.

I think it should be a big hit. We've just now also tied up another land in Kompally, even that will take me about 6 to 9 months for approval. That also will come in the next financial year. Of course, Bangalore, we have a big pipeline again. I don't see any reason why we can't bring in more and more inventory in Bangalore.

Pritesh Sheth: What should be the size in these two markets? At peak level, what kind of presales that can we generate from both of these?

Irfan Razack: The pricing, we haven't yet decided. I wouldn't want to spell or just hazard any guess on the pricing.

Pritesh Sheth: No, I'm with the presales run rate in these two markets on a steady-state basis.

Irfan Razack: No, I think too optimistic, I would say INR7,500 crores in Hyderabad is what I would expect. And Chennai would expect around INR4,000 crores to INR5,000 crores for the whole financial year.

Pritesh Sheth: Yes. Got it. And just one last on the pricing bit, right? I think it gets into a chicken and egg kind of a situation when prices don't increase, we don't get rush from the homebuyers. So when you say a kind of a flat top out in terms of pricing, are you also discounting -- discarding those gradual price increases that are needed for customers to make those buying decisions rather quickly. So what's your thought process when you say prices have topped out?

Irfan Razack: Listen, I don't think anybody buys a home looking at price getting higher every month or every quarter. That's not the way a customer looks at it. They look at location, they look at the product, they look at the opportunity. They look at the affordability. When I say top out, what I meant was that we have reached at certain levels.

I personally wouldn't want the pricing to go up further and further because it will be counterproductive. The only thing would be that if price does go up, obviously, it will, it will be correcting itself against inflation. So that is a thing that's happened. We've seen it year-on-year every 2, 3 years, there's a big high jump.

As of now, we've got that high jump, and I think we should be content with what we have. And if you are able to play within those numbers and the customer also is looking to buy a home. And that's how the customer thinks. It's not that we're looking at -- I mean, I don't want investors to come in, thinking that they'll buy today, sell tomorrow, make some money. I think that will be an artificial market.

- Moderator:** The next question is from the line of Eesha from Axis Securities.
- Eesha:** Congratulations on a great year. I think most of my questions have been answered. Just one thing I wanted to understand the corpus that we spent on new acquisitions of BD this year up till now? And what is the kind of corpus that we're expecting for the remainder of the year? And if you can throw some color on the corpus for the next financial year as well?
- Irfan Razack:** Over to you, Amit.
- Amit Mor:** Yes. For the 9 months, we have spent INR4,700 crores. We had actually guided INR4,500 crores. But then as we mentioned, there were certain good opportunities during the quarter. We have deployed INR2,700 crores for the quarter, which is on a higher side.
- So, for the Q4, we have allocated close to INR1,000 crores to INR1,300 crores. So we'll end up financial year '26 with close to INR5,500 crores to INR6,000 crores of BD spend. In financial year '27, right now, what we are budgeting is close to INR4,500 crores to INR5,000 crores what we are allocating for financial year '27.
- Eesha:** Okay, sure. And the next question is on the debt side. So we -- I think on the call, we spoke about having 40% debt -- capex, 40% debt coverage. So just wanted to understand what is the kind of debt we are expecting by this year-end? And also if we are planning on taking on more debt for the next year?
- Amit Mor:** See, again, debt, if you see, we have been managing our capex and business development through our operating cash flows itself, the exception being this quarter because of the opportunities. Going forward also, we -- what we are budgeting is we should be able to manage our operating -- from the operating cash flows, capex spend and the business. Whatever debt we'll take is basically to service the interest and repayment of the loans. So current -- just to answer that in '26, we don't expect to go up significantly. It should remain at 0.5 -- 0.55...
- Eesha:** Okay. Okay. And just one last question, like how we are witnessing a little bit of slowness in micro markets of Chennai, Hyderabad. A, are we seeing any oversupply in those micro markets? And b, are we exploring any new micro markets for the coming years since we want that kind of growth for the coming years? Is it just the Delhi, Mumbai markets that we're looking at? Or are we discovering any new micro markets? That's it.
- Zayd Noaman:** So we're looking at the Pune market as well apart from the markets that we are operating in. And hopefully, we should have some BD in this new market in the next financial year.
- Moderator:** The next question is from the line of Yash Gupta from Asit Koticha Family Office.
- Yash Gupta:** Sir, how we are looking at Jijamata project GDV it's nearly 6 months of land clearing. And along with that, any thoughts on Lonavala? I think it's more than 1.5 years we have talked about. Any challenges we are facing?
- Irfan Razack:** I think Lonavala land procurement is almost completed, but it will still take a few months more. Once we have a fix on the entire total land, then we'll probably get on to the drawing board and

design a product there. On Jijamata, the property is clean. Now the planning is going on. The product mix also has been decided. So it's only a matter of fixing the overall product, getting the approval and moving. That's it.

Yash Gupta: Earlier, we have discussed the GDV of Jijamata will be around INR20,000 crores to INR25,000 crores, but now the prices has increased in those markets. So any upgrade in those GDV?

Irfan Razack: No, no. It's -- just start residential there. It's a total 4.5 million square feet, but out of which 2.5 million will be residential. The rest 2 million will be hotels that is getting the Waldorf Astoria, the Hilton Convention Center, we're getting a city club, office of about 500,000 and 1 million square feet plus retail. So there will be a lot of CapEx.

We are looking at the inflows coming out from the residential also to take care of the CapEx here. So far on that particular project, there is no debt. Again, it's in partnership. So we are at the moment, holding 50% equity there and our partners also have to contribute equally. So we'll take it. We'll say it by you as we go along.

Yash Gupta: Okay. When we say free cash flow from residential project is around INR50,000 crores and revenue recognition of INR61,000 crores. So what's our investment had has gone into this project? And any guidance on the residential revenue recognition for FY '27?

Irfan Razack: No, we've already said that. That's work-in-progress. We'll announce that in April.

Yash Gupta: Okay, sir. Sir, last thing, this Prestige Quantum, is this Sahadev road project?

Irfan Razack: Yes.

Yash Gupta: 1.63 million square feet?

Irfan Razack: Yes. I think whatever total area on the approval comes, we will know. But that's, I think, 1.2 to whatever I don't know who wrote 1.6 million...

Amit Mor: That is PDSO 1.6 million...

Moderator: The next question is from the line of Jeet from Pinpoint.

Jeet: Congratulations on a great quarter. Just want to understand, it seems for this upcoming quarter, your Bangalore launches alone will help you meet or beat that INR30,000 crores number. So are you still aggressively trying to push those Hyderabad products for this quarter itself, the large project, in particular, Golden Grove?

Irfan Razack: No, I think we have to bring in Golden Grove. It will come. And only thing is we have to keep our fingers crossed that it meets the imagination of our customers and the demand comes from there.

Jeet: Okay. Sure, sir. And sir, secondly, for the Jijamata product, the 2.5 million square feet of residential, is that on salable area or carpet area?

Irfan Razack:

Carpet.

Moderator:

Ladies and gentlemen, that was the last question. I would now like to hand the conference over to the management for the closing comments.

Irfan Razack:

Thank you. It's been an amazing interaction. Anything further, Zayd is always available, Amit is available for any interaction, wherever any clarifications. For us at the company, the teams are working hard to produce better and better results. I think we've done that over the several quarters. And we do hope that next quarter also will be as good. Thank you so much.

Moderator:

Thank you. On behalf of Axis Capital Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.