SURAJ

February 13, 2025

To
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block
Bandra-Kurla Complex, Bandra (East)
Mumbai – 400 051

NSE Symbol: SURAJEST

To
BSE Limited
Phiroze Jeejeebhoy Towers
21st Floor, Dalal Street
Mumbai – 400 001

BSE Scrip Code: 544054

Dear Sir/ Madam,

Sub: Transcript of Analyst/Investors conference call held on February 11, 2025

Ref: Regulation 30(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations')

With reference to our letter dated February 04, 2025 intimating you about the conference call with Analyst/Investors which was held on February 11, 2025, please find attached the transcript of the aforesaid conference call.

The same is also being uploaded on the Company's website at www.surajestate.com

Kindly take the aforesaid information on record and oblige.

Thanking you,

Yours sincerely,

For Suraj Estate Developers Limited

Rajan Meenathakonil Thomas

Digitally signed by Rajan Meenathakonil Thomas
Date: 2025.02.13 17:04:31 +05'30'

Rajan Meenathakonil Thomas
Chairman & Managing Director
DIN:00634576

“Suraj Estate Developers Limited Q3 & Nine Months FY ‘25 Earnings Conference Call”

February 11, 2025

MANAGEMENT: **MR. RAHUL THOMAS – WHOLE TIME DIRECTOR, SURAJ ESTATE DEVELOPERS LIMITED**
MR. SHREEPAL SHAH – CHIEF FINANCIAL OFFICER, SURAJ ESTATE DEVELOPERS LIMITED
MR. ASHISH SAMAL – INVESTOR RELATIONS, SURAJ ESTATE DEVELOPERS LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to the Q3 and Nine Months FF '25 Earnings Conference Call of Suraj Estate Developers Limited.

As a reminder, all participants' 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 the "*", then "0" on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rahul Thomas – Whole-time Director, Suraj Estate Developers Limited. Thank and over to you, sir.

Rahul Thomas: Thank you. Good afternoon, and I welcome everyone to our Q3 and Nine Months FY '25 Earnings Conference Call.

Along with me, we have CFO – Shreepal Shah; Mr. Ashish Samal – our Internal IR; and SGA, our Investor Relation advisors.

I hope all of you have gone through our Investor Presentation uploaded on the exchange and our company website.

India withstood all external internal hiccups in the Calendar Year '24, including geopolitical tensions, periodic inflations, general elections, etc., and continues to be one of the fastest growing major economies in the world. As for the Indian residential segment, after a strong '23, Year '24 has been a mixed bag, partly because of a general and state election through the year. Both new launches and new housing sales saw a downward trend in the year, while average residential price saw high. In comparison to '23, new launches declined by 7% in '24 because of the slowdown in approvals amid elections.

Looking ahead, with mortgage rates remaining steady in March '23 and with the recent rate cut by the RBI, demand will further boost, particularly in the mid income segment. India's real estate market mirrors the country's overall economic optimism, and we believe the sector is amid a prolonged growth cycle driven by strong structural fundamentals that outweigh short term fluctuations.

The residential market in '24 demonstrated a notable shift in the new launch patterns compared to the previous year. The mid segment between Rs 40 lakhs and Rs. 80 lakhs continued to maintain its position as a significant contributor, though with a reduced share 28% of total launches, showing a gradual decline from its 31% share in '23. The high-end segment, Rs. 80 lakhs to Rs. 1.5 crores has maintained a relatively steady momentum with 26% of the total launches, indicating a sustained developer confidence in this category.

A striking trend is the increased focus of premium segments with the luxury Rs. 1.5 crores to Rs. 2.5 crores, and ultra luxury which is above Rs. 2.5 crores segment, collectively accounting for more than 30% of all launches, marking a rise from 22% in '23. This worked well for us as a company since this is our target segment.

The quarter that went by witnessed the highest-ever realization of Rs. 64,321, driven primarily by increased sales from luxury projects like Palette and Ocean Star. As part of our long term vision, we have undertaken a strategic shift that has led us to intentionally postpone the launch of our commercial project on Tulsi Pipe Road to optimize market timing and enhance value creation.

A key milestone in this journey has been the acquisition of the land just adjacent to our existing land parcel on Tulsi Pipe Road, significantly strengthening our development potential in this prime location. With this expansion, the GDV for our commercial project has increased substantially from Rs. 475 crores to Rs. 1,200 crores, reinforcing our commitment to high value commercial real-estate.

The commercial project and residential projects delayed due to regulatory approvals will now be launched in Q1 of FY '26. While these factors have contributed to a revision in our guidance for FY '25, we remain on track now to close the year with the pre-sales between Rs. 500 crores and Rs. 525 crores. Despite the intended delay in the commercial project launch, our launch pipeline remains robust and our outlook for FY '26 remains positive.

With this, I would like to hand over the call to our CFO, who will run through the financial highlights.

Shreepal Shah: Thank you, Rahul. A very good afternoon to everybody. I will now run you through the financial highlights for the quarter and nine months ended December 2024.

Starting with the performance for nine months FY 2025:

The total income grew 33% year-over-year to Rs. 416 crores versus Rs. 313 crores in the last nine months FY 2024. EBITDA grew 2% year-over-year to Rs. 176 crores in nine months FY 2025 versus Rs. 180 crores in nine months FY '24. PAT grew substantially 71% to Rs. 82 crores from Rs. 48 crores in nine months FY '24.

On a quarterly basis, the total income grew 62% to Rs. 172 crores in Quarter 3, FY 2025, from Rs. 106 crores in Quarter 3 FY '24. EBITDA degrew by 31% to Rs. 48 crores in a Quarter 3 FY '25 versus Rs. 70 crores in Quarter 3 FY '24. PAT grew 21% to Rs. 20 crores versus Rs. 17 crores in Quarter 3 FY '24. 62% of our total revenue for the quarter was from the value luxury projects like Vitalis, which yielded did lower margins thereby impacting our EBITDA margins for Quarter 3 FY '25. Additionally, higher operating costs further impacted profitability as during the quarter., wee took a one-time fee of Rs. 15 crores to a settlement of a litigation with one of our JDA partners.

Coming to the Operational Performance:

For nine months FY '25, pre-sales degrew 21% on a year-over-year basis to 66,288 square feet from 84,423 square feet in nine months FY '24. In value terms, pre-sales degrew 2% to Rs. 355 crores versus Rs. 361 crores in nine months FY '24. Collections grew 39% on a year-on-year basis to Rs. 284 crores from Rs. 205 crores in nine months FY '24. Realization s grew '25% year-over-year to Rs. 53,455 per square feet from Rs. 42,767 per square feet in nine months FY '24.

For the Quarter 3 FY '25, pre-sales stood at 16,656 square feet in terms of area. And in terms of value, pre-sales stood at Rs. 107 crores from which Rs. 5 crores were from the commercial shop sales. Collections stood at Rs. 84 crores and realizations were Rs. 64,319 per square feet. Pre-sales remained subdued primarily due to the absence of new project launches during this quarter and the successful sale of our existing inventory. Realizations were higher, majority of the pre-sales for the quarter were from a luxury segment.

With this, I would like to open the floor for questions. Thank you.

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

Aditya Sen: Hi, thank you for the opportunity. Sir, can you please share how much pre-sales growth are we expecting in FY '26 and FY '27?

Rahul Thomas: All right. So, there was the guidance which we are giving is for this year, we will update that, as the launches come about in the first quarter we would be giving our guidance then. So, we will be discussing more of this for this year.

Aditya Sen: Fair enough. So, any color on how much are we expecting in the next 12 months?

Rahul Thomas: Sorry, could you repeat that?

Aditya Sen: How much launches are we expecting in the coming 12 months?

Rahul Thomas: So, we are expecting the commercial launch, and two other project launches in the first quarter of this year.

Aditya Sen: And beyond that, in Q2, Q3 and Q4 of FY '26?

Rahul Thomas: So, mainly we are focusing on the bigger launches, the commercial which will come in the first quarter, and two other residential projects which also will be coming in the first quarter. So, these are the three projects which we are launching right now. There are other pipelines created, but we would want to commit what is already in advance stages.

Shreepal Shah: To quantify the commercial launches, around Rs. 1,200 crores launch. And the two residential projects are estimated to have Rs. 400 crores of GDV. So, Rs. 1,600 crores of launch we are expecting in the first quarter of next financial year.

Aditya Sen: Understood. And also, the margins were down because of the value projects being a significant portion this quarter. So, I believe, going forward, margins should improve. Is that a fair understanding?

Rahul Thomas: So, the margins actually for this quarter, because most of the revenue which was recognized under POCM was for the value luxury project, so the margins were lesser compared to our luxury projects. However, next quarter onwards, depending on the sale, we also have inventory in the luxury projects, so I think the margins will come back to normal. We also recognized some expenses due to certain litigation which were solved, which was in one-time in nature, so I think that will not come again, so that's where the margins will come back to normal.

Aditya Sen: Understood. Thank you.

Moderator: The next question is from the line of Krishna Shah from Ashika Stockbroking. Please go ahead.

Krishna Shah: Yes. Good afternoon, sir. So, quickly wanted to understand the reason for slowdown in approval, is it because of the elections that we had?

Rahul Thomas: Sorry, can you repeat that again?

Krishna Shah: Yes. I just wanted to understand the reason for slowdown in approvals, this is because of the elections that were going on in the last quarter? And how have things picked up since the election?

Rahul Thomas: Yes. So, it was partly because of that, it was also because, at least the commercial, we are discussing about the commercial project, we have also added the neighboring plot. So, we are ready with RERA in one of the cases. But since we acquired the neighboring plot, we thought the floor plate was getting better, so that's how has shifted for the first quarter of next year. Otherwise, by itself it was ready for a launch, but it was a conscious decision from our end. With regards to the residential, yes, there was a bit of a delay because of the election, because certain approvals are pending. But we have received all the approvals in both cases. So, right now we have nearly CC and RERA registration formalities which we are confident we will get it before the first quarter.

Krishna Shah: Okay. So, for the commercial again, quickly wanted to check. Last quarter you had mentioned that there will be no lease kind of a portfolio there, and we will be selling entire commercial plot. So, are we following the same strategy or are we trying to build an annuity portfolio out of it?

Rahul Thomas: No, no, it will be a sale model.

Krishna Shah: Okay, got it. Third question in terms of completions, so are we in track of completing the project? And how was the collection scenario?

Rahul Thomas: So, collections, as we discussed, there is about Rs. 84 crores of collection for this quarter. So, it has been healthy collections, and we expect with the commercial we also are doing, we also have a commercial project running. So, we expect good cash flows coming from that. So, we look at the collections being healthy going forward, and especially with the new launches of the commercial, since we are also discussing with larger floor plates , we see good collection coming in once we launch.

Krishna Shah: Okay. Got it. And one last question on our margin, so I understand it has fallen this quarter, but what would be our margins during Q4 of this year? And going forward, what can be our long-term EBITDA margin target?

Shreepal Shah: So, it would be more of a normalized, in the range of 40% to 45% we are expecting. It also depends upon the revenue being recognized, depends on the work progress. So, accordingly, those will pan out. And the product mix also is an important factor. But we are targeting in the range of 40% to 45%.

Krishna Shah: For the FY ‘25, right?

Shreepal Shah: Yes.

Krishna Shah: And for FY ‘26, if you could just give a ballpark figure?

Shreepal Shah: So, for FY ‘26, we will give the guidance after the annual results, at the time of annual results.

Krishna Shah: Okay. Thank you so much and all the best.

Moderator: Thank you. The next question is from the line of Saumil Shah from Paras Investments. Please go ahead.

Saumil Shah: Hi, good afternoon. I joined a bit later, so I do not know if this question was asked. So, we were aiming for a pre-sales of Rs. 850 crores for the current financial year and GDV of around Rs. 1,150 crores. So, can you tell, I mean, would you like to revise our guidance for the current year?

Rahul Thomas: Saumil ji, in terms of our guidance, we had broken our guidance into buckets, Rs. 650 crores coming from residential and Rs. 200 crores coming from Commercial. As we said a little bit earlier on the call, we have purchased a neighboring plot as well in the commercial segment, which has increased our GDV to approximately Rs. 1,200 crores now. So, that Rs. 200 crores may spill over for the first quarter of next year. Meanwhile, from a residential-to-residential segment, we are revising our guidance between Rs. 500 crores to Rs. 550 crores. However, we will strive to achieve the earlier mentioned guidance, but today our guidance is between Rs. 500 crores and Rs. 550 crores.

Saumil Shah: For the residential?

Rahul Thomas: Correct.

Saumil Shah: Okay. And any ballpark number for FY '26 in terms of pre-sales?

Rahul Thomas: So, we will want to bring that once the launch is done, once it's done we would like to give the guidance once we are done with this financial year.

Saumil Shah: Maybe in the next quarter call you will be giving us the guidance?

Rahul Thomas: Absolutely.

Saumil Shah: Okay, okay. And the EBITDA margins which we were down this quarter, can we achieve the EBITDA margin in the next quarter?

Rahul Thomas: Yes. As I said earlier, it was on account of an exceptional expense which we have taken up for this quarter to settle our litigation. So, our normal EBITDA margin will be reinstated going forward.

Saumil Shah: So, we will be back to our EBITDA margins which we were doing in the next quarter.

Shreepal Shah: So, it will, depending on the product mix it will pan out, depending upon what product mix gets recognized. But we are getting 40% to 45% in terms of EBITDA margins.

Saumil Shah: So, these are sustainable ones, 42%, 45%?

Shreepal Shah: Yes, these are the sustainable ones, yes.

Saumil Shah: Okay. That's it from me. Thank you.

Rahul Thomas: Thank you.

Moderator: Thank you. The next question is from the line of Ankit, an individual investor. Please go ahead. Ankit, your line has been unmuted, please go ahead with your question. As there's no response, we will move on to the next participant, it's from the line of Aditya Sen from Robo Capital. Please go ahead.

Aditya Sen: Hi, thank you again. Sir, is it possible to share how much revenue we are going to recognize in FY '26 and FY '27?

Shreepal Shah: So, overall, for the nine months we have already achieved Rs. 416 crores. So, we are expecting overall for FY '25 Rs. 500 crores to Rs. 520 crores range.

Aditya Sen: No, I am asking how much revenue are we going to recognize in FY '26 and FY '27, the following two years.

Shreepal Shah: So, that guidance we will give you in FY '25 sir. We have already mentioned that, yes, in the next call we will mention.

Aditya Sen: All right.

Moderator: The next question is from the line of Sagar from Nirmal Bang Securities . Please go ahead.

Sagar: Yes. Thanks for this opportunity. Sir, any update on our Bandra project, if you can share some expected timelines on what we are doing there? Thank you.

Rahul Thomas: So, our Bandra project is on track. I can only tell you that. The exact timeline, as it's linked to regulatory approvals, we want to be sure this time before we discuss the exact timelines. So, we will let you know by the next quarter. By then I think more things will be clear on the timeline. So, give us time for this quarter, maybe this quarter end we will inform you.

Sagar: Sure. That's it from my side . Thank you.

Moderator: Thank you. Next question is from the line of Jatin Kumar from JK Capital. Please go ahead.

Jatin Kumar: Namaskar sir.

Rahul Thomas: Namaste sir.

Jatin Kumar: Sir, what is the reason for increase of project operating expenses? Hello, sir?

Rahul Thomas: Yes, Jatin ji?

Jatin Kumar: Sir, what is the reason for the increase in project expenses?

Rahul Thomas: So, primarily, in this quarter we have solved a litigation with JDA partner, because of it we had to take one-time hit. And the second reason is, also because of the product mix this time 62% of the revenue was recognized on the value segment as compared to the previous quarter where exactly the reverse percentage was for luxury project.

Jatin Kumar: Yes, sir. But, sir, in the report it was mentioned that luxury demand is picking up.

Shreepal Shah: Correct, the demand is there, pre-sales are reflecting those. But revenue which got recognized in this quarter was less than the previous two quarters from the luxury segment.

Jatin Kumar: Okay, sir. And Sir, this will be a one-time burden only, right?

Shreepal Shah: Yes, one-time is there, going forward, this particular aspect will not repeat.

Jatin Kumar: Okay, sir. Thank you.

Moderator: Thank you. The next question is from line of Anant Mundra from My Temple Capital. Please go ahead.

Anant Mundra Hello. Good afternoon, sir. Thank you for the opportunity. Sir this one-time JDA assessment expense is reflecting in which line item? And which asset does this attain to?

Shreepal Shah: This is pertaining to project Nirvana, which we have a JDA. The area share is there. There was an ongoing litigation already disclosed that has been settled.

Anant mundra Okay, okay. And which line item does this come in, this expense is showing up in which line item?

Shreepal Shah: Accord Estates Private Limited.

Anant Mundra No, no, sorry, which line item I meant in the P&L which line item is it coming in?

Shreepal Shah: Operating expenses.

Anant Mundra Okay. And is there any other contingent liability or any disputes with any other JDA partners apart from this?

Shreepal Shah: No, no other contingent liability.

Anant Mundra Alright, that's it from my end. Thank you.

Moderator: Thank you. The next question is from the line of Aniket Kulkarni from BMSPL Capital. Please go ahead.

Aniket Kulkarni: Yes. Thank you for taking my question. So, you sounded pretty cautious in your opening commentary on the real estate demand. So, sir, can you please elaborate on how the Mumbai market is looking right now? And how many redevelopment launches have happened in 2024? And how many are expected to happen in 2025?

Rahul Thomas: Especially what we can comment on is the areas which we operate in, because it's a very localized play and I wouldn't have the entire industry report for the launches. Maybe we can share with you offline. We have a couple of reports from real estate experts about the industry overall. But what I can tell you is the South-Central Mumbai market which we are operating in has been relatively steady all the time. We are seeing good demand in both the segments. We are seeing exceptional demand in the commercial segment and that's why we are going heavy on the commercial launch, which is expected in the first quarter. And I can tell you that next year will be definitely good for us because we have commercials, we have the value luxury launches all panned out for the first quarter.

Aniket Kulkarni: Okay, understood. And secondly, if you can elaborate on how the competitive scenario is with respect to the redevelopment projects in the MMR region, and how is the demand looking in comparison with the existing? And expected supply, which will come in 2025?

Rahul Thomas: So, the areas which we are operating, we do not feel that we will have any problem in terms of pre-sales because we are at very, very prime locations. So, the launches which we are planning is at Shivaji Park, one at Prabha Devi just behind Siddhivinayak Temple, the third commercial project is on Tulsi Pipe Road which is the main Senapati Bapat. So, we are at landmark locations. The product mix is such that we are catering obviously to the masses in the residential where it's the value luxury segment. So, I think the demand is very, very strong in the residential segment and commercial. So, we do not see any issue on the demand per se in these new launches.

Aniket Kulkarni: And on the supply side, I mean, the demand side is not an issue, but what is the situation in the supply side, if you can, if you have any idea on that?

Rahul Thomas: The supply redevelopments are I think where we really have to distinguish. Customers perspective is, is the brand established, that's where brands come into picture where people want to go and associate with a brand who they trust and tried and tested. I think that's where we have the edge, especially in South Central we have been there for the last 38 years, catering to multiple generations of customers. So, I think that's where we will have the edge. And I think that's where the branding comes into play.

Aniket Kulkarni: Alright. Thank you for taking my question. And best of luck.

Rahul Thomas: Thank you.

Moderator: The next question is from the line of Krishna Shah from Ashika Stockbroking. Please go ahead.

Krishna Shah: Yes. I just wanted to understand the business development guidance for this quarter and for the year to come back?

Rahul Thomas: So, in terms of business development, as we spoke, we are betting heavy on the commercial. So, I think we are examining a few commercial ventures. So, that would be in terms of business. I cannot give you exact specifics of that today, it's too early in the day. But we can just tell you that we are examining two, three more deals, one is in the society redevelopment perspective, one is in the commercial perspective. So, we are looking at new deals, but also mainly focusing on the new launches which we have already pipeline created.

Shreepal Shah: Okay, got it. And sir, like we mentioned, our key competency is in redevelopment, in 33(7) and 33(7)B. So, can you just quickly explain how many projects we bid for and what would be our success rate in those projects?

Rahul Thomas: Sorry, could you repeat that, what would be what?

Shreepal Shah: How many projects do we bid for in the redevelopment scenario and what would be our success rate?

Rahul Thomas: Right now we already have a pipeline created. Unless the project is adding value, if it's next door, only then we are looking at a very active BD right now. But as I said, if it's next door to us, it's creating value like we bought the commercial land next door, we see a better floor plate, better GDV, better layout, there we looking at BD. Just merely going for a new project out of the blue is not the mindset as of now.

Krishna Shah: Okay. Thank you so much.

Moderator: The next question is from the line of Sagar from Nirmal Bang. Please go ahead.

Sagar: Yes. Thanks for the opportunity again. Just to follow-up on the question of the previous participant regarding the demand in the micro-market where we operate. Sir, we have multiple metro stations that we will be starting, be it Siddhivinayak, Dadar and Sheetla Devi in the area that we operate. So, how do you expect this to affect the sales velocity and the realization for our projects?

Rahul Thomas: In fact, I feel having a metro will help our projects because connectivity gets better. People will use public transport, especially our 1 bhk where many of them do not opt for a car parking, it becomes very easy for them to commute. So, I think the value luxury segment will definitely deeply benefit along the metro corridors. Of course there is a notification for additional FSI as well, so that way we see a lot of development happening on the TOD front, which is the Transit Oriented Development policy. And I think around the metro areas is where the development will kind of will occur right now.

Sagar: And on this TOD, is it possible to quantify how much additional FSI we will be eligible for now?

Rahul Thomas: The notification is out, it again depends on a lot of parameters for each plot, depending on the size, depending on the road width which you are butting, and whether you are 500 meters from the metro. These are the different criterias. But I can tell you that we are eligible in most of our plots for this, that's what I can leave you with.

Sagar: All right. And any rough numbers that you can give us how much additional FSI we can get with this?

Rahul Thomas: It's too early. We are working on. Let it kind of materialize and then we will let you know.

Sagar: Okay. Thank you. That’s it from my side. Thank you.

Moderator: Thank you. The next question is from the line of Saumil Shah from Paras Investments. Please go ahead.

Saumil Shah: Alright, thanks for allowing me a follow-up. Sir, if I am seeing your presentation, we have 13 ongoing projects and I think 90% of it is almost sold. Is my understanding correct?

Rahul Thomas: That's correct.

Saumil Shah: So, I mean, we are hardly left with 10%. So, I mean, how many new launches are we expecting in the coming quarter?

Rahul Thomas: So, when I say coming quarter, we think first quarter is what we are expecting the three new launches. We have approximately Rs. 1,200 crores of the commercial launch and Rs. 400 crores of the residential launch. So, we are talking about total about Rs. 1,600 crores.

Saumil Shah: Rs. 1,600 crores in the first quarter of FY ’26?

Rahul Thomas: Correct.

Saumil Shah: And for the current quarter, we are not planning any new launches?

Rahul Thomas: This current quarter we are waiting for the RERA registration, maybe it gets preformed. But as a commitment, we would keep it for the first quarter because government regulators are such that we cannot estimate exactly when we will get the RERA approval. But we are on the job. It may be preformed for this quarter but we just want to be safe before we discuss in terms of the timelines.

Saumil Shah: Okay. And what would be the gross development value of the balance ongoing projects? We are left with around 50,000 square feet.

Shreepal Shah: Rs**.** 300 crores is the. Inventory we are estimating which is left in the ongoing development.

Saumil Shah: Okay. That's it from my side. Thank you and all the best.

Rahul Thomas: Thank you.

Moderator: The next question is from the line of Amit Sagar, an individual investor. Please go ahead.

Amit Sagar: Hi. So, I would like to know about the 4th Quarter revenue going to be low around Rs. 80 crores to Rs. 100 crores, in that case do you want to clarify that? And also, the PAT, sorry, but like in the depth of this I would also like to understand like also your EBIT margins are low, what is your guidance going forward? So, sorry, there are three questions, if you want me to repeat I can do that.

Rahul Thomas: Yes, if you can just repeat it one by one, we would be happy to answer it.

Amit Sagar: All right, let's go with that. So, 4th Quarter revenue is going to be low around Rs. 80 crores to Rs. 100 crores, in that case can you clarify that, and the PAT margins?

Shreepal Shah: So, 4th Quarter we are targeting Rs. 100 crores, Rs. 110 crores, which is in line with the overall guidance for FY ’25, in line with the overall guidance. And PAT for quarter four will be close to Rs. 100 crores, Rs. 110 crores type we are targeting, overall. Quarter four will be around Rs. 30 crores to Rs. 35 crores we are targeting.

Amit Sagar: Okay. And how about the EBIT margins, how are you planning? Because I think like you talked about one-time hit of that Rs. 15 crores, right, which actually is Rs. 50 crores in total, but in the PPT I can only see that there is one-time hit of Rs. 50 crores only. So, if you can please clarify when that as well, like there is one time with of Rs. 15 crores but it actually shows Rs. 50 crores. So, what is the other Rs. 35 then?

Shreepal Shah: So, this was only one-time, so post this quarter our EBITDA margins will be in line of 40% to 45%, that is what is sustainable.

Amit Sagar: Okay, alright. So, switching gears a little bit like, do you know why were your pre-sales also less, like from Rs. 143 crores to Rs. 107 crores?

Rahul Thomas: Can you come, sorry, what are the questions?

Amit Sagar: So, pre-sales also were less like this quarter, in the PPT that I can see is like Rs. 143 crores to Rs. 107 crores. Any particular reason for that?

Rahul Thomas: So, pre-sales for last quarter was Rs. 107 crores, this quarter also we did the same number. We are expecting to cover up that in the March quarter. Our guidance for the entire year would be between Rs. 500 crores to Rs. 550 crores. We are very confident on achieving that number.

Amit Sagar: Okay. That's was the guidance, I was just asking that it was Rs. 150 crores a quarter before, like any particular reason like we see that pre-sales is down from Rs. 143 crores to Rs. 107 crores.

Shreepal Shah: So, if you see, there are no new launches, and the existing inventory is almost pulled out. So, we do not have much unsold inventory left in the ongoing portfolio of projects. That's the reason there is a dip in the pre-sales for this quarter.

Amit Sagar: Alright. And one last question would be, like we did a preferential of Rs. 250 crores I guess, and then we bought a commercial plot for Rs. 400 crores. What I see is like debt also increased on the book, is there any particular reason for that debt increase?

Shreepal Shah: Gross debt has increased, but the net debt has been reduced by Rs. 20 crores. So, we have in fact repaid some high cost debt also which was taken from ICICI ventures close to Rs. 35 crores to Rs. 40 crores, which was at 17.25% interest rate. Now after that, our weighted average cost of debt has come down to 12.90 percentage points. It was earlier I think 13% to 13.5% range, is come down to 12.9%.

Amit Sagar: Okay. Alright. I think like what's the cash right now, if you can just help me understand that?

Shreepal Shah: Closing cash balance is around Rs. 72 crores as on December.

Amit Sagar: Around December, okay. 75 are you saying?

Shreepal Shah: Rs. 75.80 crores.

Amit Sagar: Alright. That sounds good to me. I am looking forward to next year. So, yes, thanks.

Moderator: The next question is from the line of Rohit Bera from SK Securities. Please go ahead.

Rohit Bera: Yes, sir. Thank you for the opportunity. I have a couple of questions. The first is, as you said to the last participant, there are no project launch in the last few quarters, I think you said last two quarters. So, our peers seem to have been very aggressive in terms of the project launches which indicates smooth regulatory approval. Can you help us understand what led to the delay for us?

Rahul Thomas: The commercial was a conscious decision; we were ready to launch that with the GDV of approximately Rs. 425 crores. But since we acquired the neighboring plot, we thought it was a prudent call to sell it as larger flow plates in a better layout and having podium car parking than mechanized car parking. So, I thought, from a larger perspective, we thought sale would be better when people prefer surface car parking. And that was only possible with the acquisition of the neighboring plot, which we have done. So, that was an intentional delay because of the neighboring plot, as I said, for the commercial.

The residential side, we have two launches. We may look at even launching that by March end, but that's not a commitment. To be safe we said both those launches will go out for the first quarter, but there are chances that if we get the RERA registrations early, we may launch it before March as well. So, both the plots we are sitting with the TOD and the plan approval. So, from a plan approval perspective, we are ready. We just need to complete the RERA formalities before we officiate the launch.

Rohit Bera: Got it, sir. Thank you. And my next question is, are our realizations very high versus our historical realization, and any particular reason for the same? And are these sustainable, assuming the product mix changing going ahead?

Shreepal Shah: So, the realization for this quarter, primarily the pre-sales majorly has come from the luxury segment, that’s why it's looking higher.

Rohit Bera: So, are these sustainable?

Shreepal Shah: Yes, it will depend on the product mix for the next quarter.

Rohit Bera: Sure. That’s it from my side. Thank you.

Moderator: Thank you. The next question is from the line of Paras Pundit from Quantum. Please go ahead.

Paras Pandit: Yes, hello. Hi, sir. I have two questions on TOD and one on the commercial launch. In terms of TOD policy, is there clarity on approval being sanctioned as of now? And second, would there be a trade off in terms of lower car park or lower parking requirement? Would there be a trade off in sales that you perceive? And lastly, the commercial launch, is it going to be a strata sale or is it going to be leased out?

Rahul Thomas: Correct. So, let's start with the first question about the TOD policy. There have been approvals already granted by the MCGM under the TOD policy. Secondly, about your car parking, your question on the car parking, if you propose the TOD policy, you are correct, the car parking requirement does come down. Having said that, depending on the type of project, there are ways to kind of make premium payments and approve car parking. That's why I said, it only makes sense if it's a high end project or a commercial project where you feel the realization would be high. And your third question on the commercial front, it will be built to suit, it will be for sale, not for lease. Thank you.

Shreepal Shah: Alright, thank you so much. They were all my questions.

Moderator: Thank. The next question is from the line of Saumil Shah from Paras Investments. Please go ahead.

Saumil Shah: We have 18 upcoming projects, so what would be the GDV for these 18 upcoming projects?

Shreepal Shah: So, the estimated GDV is close to Rs. 6,000 crores.

Saumil Shah: And square feet wise, is it 10 lakh approx., for Rs. 60,000 will be the average price?

Shreepal Shah: 10 lakhs.

Rahul Thomas: 10.04.

Shreepal Shah: Yes, Rs. 60,000 per square feet on average realization, yes.

Saumil Shah: Okay, understood. And how much of it will be launched maybe in FY ‘26, out of the 18 projects?

Shreepal Shah: So, three projects, as I said earlier, we are targeting to launch in first quarter of FY ‘26 which will have a GDV of Rs. 1,600 crores.

Saumil Shah: Yes, I am talking about full year, any guidance?

Shreepal Shah: So, that annual guidance we will give in the next quarter.

Saumil Shah: Okay, fine. Thank you.

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

Rahul Thomas: I think it's an opportunity to thank everyone for joining the call. I hope we have been able to address all your queries. For any further information, kindly get in touch with us or SGA, our investor relation advisors. Thank you so much.

Moderator: On behalf of Suraj Estate Developers Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.