

February 16, 2023

BSE Limited

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Dear Sirs,

Sub. : Transcript of Earnings Conference Call - Q3FY 2022-23

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Transcript of Earnings Conference Call held on Tuesday, February 14, 2023.

This is for your information and dissemination on your website.

Thanking You,

Yours Faithfully,

For Praveg Limited

(Formerly known as Praveg Communications (India) Limited)

Mukesh Chaudhary

*Company Secretary &
Compliance Officer*

PRAVEG LIMITED

(Formerly known as Praveg Communications (India) Limited)

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**“Praveg Limited
Q3 FY 2023 Results Conference Call”
February 14, 2023**



MANAGEMENT: **MR. VISHNU PATEL – CHAIRMAN – PRAVEG LIMITED**
MS. PROLINA BARADA – EXECUTIVE DIRECTOR – PRAVEG LIMITED
MR. KEYOOR BAKSHI – DIRECTOR – PRAVEG LIMITED
MR. MUKESH CHAUDHARY – COMPANY SECRETARY – PRAVEG LIMITED

MODERATOR: **MR. SUMEET MARU – KIRIN ADVISORS PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Q3 FY '23 Results Conference Call of Praveg Limited, hosted by Kirin Advisors Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sumeet Maru from Kirin Advisors Private Limited. Thank you, and over to you, sir.

Sumeet Maru: Thank you. Good evening, everyone. I would like to welcome Mr. Vishnu Patel, Chairman of Praveg Limited, Mr. Prolina Barada, Executive Director, Mr. Keyoor Bakshi, Director, and Mr. Mukesh Chaudhary, Company Secretary. As this is the first call from the company, we will have a brief introduction about the business model of the company then Q3 results highlights and followed by Q&A. Now, I hand over the call to Mr. Prolina Barada for brief introduction about the company. Over to you, ma'am.

Prolina Barada: Yes. Good evening, everyone. I welcome you all to the first conference call of Praveg Limited to discuss the quarter 3 ending and nine months ending of financial year 2023 performance. As we are conducting first time, I would like to start by giving you a brief introduction about the company.

Praveg Limited was founded in 2005 and today, is the leading company, having presence in diverse business segments like exhibition, event management, tourism, hospitality and publication. Our core strength lies in independent and sophisticated infrastructure, expert and experienced manpower and in-house creative design studio. Company's diverse cliental in close, the State Government of Gujarat, Government of Uttar Pradesh, the Government of Odisha and many more government organizations, the large-scale corporate and renowned entrepreneurs.

Praveg's wide range of portfolio includes execution of large-scale projects in India and in international markets. We have successfully executed quite a few projects in the USA, China, South Korea, Europe, Africa and in the Middle East. Praveg has been an industry leader in events, exhibition management for over 20 years and has successfully completed over 3,000 large and medium scale events and exhibition till date.

The company has handled various prestigious projects like Tent City Narmada, at Statue of Unity, Kevadia, Gujarat, Tent City Varanasi in Varanasi, Uttar Pradesh, White Rann Resort in Rann Utsav, Kutch, Gujarat. And there are many among them. Our current projects are spread over 3 lakhs square meter area with over 450 rooms capacity. Till date, we have sold over and above 50,000 rooms with satisfying client services.

While coming to our future expansion plan. We have got the development, operational and maintenance and management contract for building of a Tent City at Chakratirth Beach at Diu. A Tent City at Jampore Beach, Daman, another Tent City at Light House, Daman. Here, altogether Praveg will set of 95 tents with one convention hall and a restaurant facility in each

resort. The contract period will be initially for three years, and which may extend by another two years. Praveg will be starting all these resorts by April 2023.

Praveg has acquired land at four locations, Jawai, Rajasthan, Velavadar, Gujarat, Ranthambore, Rajasthan and Udaipur, Rajasthan for developing high-end hospitality projects. All these projects are expected to be operationalized by December 2023. Additionally, Praveg is also received LoA for the Adalaj Stepwell site, Ahmedabad, and had also planned another three resorts in Gujarat, in Kevadia, Sasan Gir and Shivrajpur. And another resort in Kumbhalgarh, Rajasthan. All these projects are scheduled to start from April 2024. These projects are expected to cost around INR 90 crores for which the company has funded this by preferential offer of INR 63.87 crores, while the balance will be funded by the internal accruals.

With aggressive expansion plans, we are strongly marching towards the future. So now let me take you through the financial performance of the company during the reported quarter and nine months of financial year 2023. Praveg Limited had achieved a remarkable growth in the first nine months ending of financial year 2023, outperforming the whole financial year 2020. While it comes to quarter 3 of financial year '23. The total revenue that we have generated is INR 28.47 crores, up by INR 79.85. EBITDA stands at INR 17.19 crores, up by 107.36%. EBITDA margins had set 60.38%, which was earlier 52.37%. And profit after tax, it stands at INR 11.56 crores. The earning cost EPS stands at INR 6.01, up by 103.04 percentage.

And while I go through the nine months ending of financial year 2023, the total revenue stands at INR 65.81 crores. EBITDA stands at INR 35.37. The EBITDA margin stands at INR 53.75. The profit after tax, it stands at INR 23.25 crores and the EPS stands at INR 12.09. So now I open the floor for the question-and-answer session. Thank you.

Moderator: The first question is from the line of Jay from Capital PMS.

Jay: Congratulations to the management. Very good set of numbers for the entire deal with entire team. I had a few questions on when you said that the business model and about the new properties that are coming up, I just want to know how does the management zero down on the property and what is our right to win when we are looking at a specific property, because we are relatively new compared to the other hospitality players that are established in the country. So how does the management get at this to prime properties in prime area? That was question one.

And second is, how does the seasonality of the business that affects us, then what is the management plan of action that to counter the seasonality of hospitality in the event industry, what would the management do in terms of downsize this?

Prolina Barada: Yes, this is Polina. Thank you for the question, Mr. Jay. I guess I pronounce your name properly. Yes, you have a question that how we get access to these good locations properties, right?

Jay: Yes. That's right.

Prolina Barada: While I mention the future expansion plans, I say that one part was the Daman and Diu projects that we got to the Government PPP book, like, we apply for the tender, and we get it through tendering process only, and we develop it on PPP mode. And while coming to the other properties that I say, about the four locations in Rajasthan and Ahmedabad, and Gujarat, those properties we have acquired through our own like, we have acquired the land there. We have invested there.

Jay: Yes.

Prolina Barada: Yes. I think it suffice to your question or anything else, you...

Jay: No. Second question was because we have this seasonality in the business like, because we are in the event division also along with hospitality. So my question was what does the management have any plan or any plan in place that to counter the cyclicity or the seasonality of the business, because the event industry is not something where we have a lot of visibility compared to what you have in hospitality as we review?

Prolina Barada: Okay. See, when it comes to seasonality, if I say about the Rann Utsav project, if you say that Rann Utsav, runs for four months in a year. And this, if you see this Varanasi project, because of the season that rainy season causes Varanasi to shut down its business for four months, like we will be operational there for eight months. And while it comes to the event management segment, I hope there is no season for doing this even management business...

Jay: So I just want to know than when you said that your business is on for eight months at Varanasi or four months in Kutch Utsav, what is happening in the property for the remaining eight months? Do we have like tangible sector like a foldable sector for a movable sector that you kind of have versus a proper bricks-and-mortar hotel that is being made, like if you can throw some light -- what is happening at the property for the four months or the eight months that we shut?

Prolina Barada: For this Runn Utsav, actually, we have set up over there in Runn of Kutch, where for the other eight months, we shut down the property, and we have that set up over there. We have warehouses there, so that we can remove those tented accommodations and store it in the storage area, yes. The same will be applicable for Varanasi also.

Jay: So these tents are basically bought by us, is the property of the company. If they are not in use.

Prolina Barada: Sorry, I didn't get you.

Jay: Does the company own the tents as a property as an asset or, I was another understanding...

Prolina Barada: Yes. This are all our assets only.

Vishnu Patel: Except land all the furniture, fixtures, tents, all the structures, whatever it lying on that land is being transferred to warehouse after dismantling it, which we again use in the next season. So certain resorts are of the nature, where it's worked for the seasonal basis and certain resort is for full years of operation. Same way in the even industries also.

In second quarter, like June to September, the event business is normally a lower tuned than third and fourth quarter. So event business always --we get more business from October to March that too we have to depend on the government kind of business.

Its all depend on the Government tender, it is depended on last six month and one or two months of April business we get that business. So that is the normal seasonality. And now we are mitigating the seasonality by way of starting new resorts, so major resort now we are going ahead with full years of operations.

Jay: Sir, can you give a break-up, please, if possible, between full year and part year?

Vishnu Patel: Yes. There is two resort only, which is on -- which is work on a seasonal basis. That is the Kutch and Varanasi. Remaining all resorts, including Kevadia as well as Daman, Diu, three to four resorts from Rajasthan, and also Velavadar, which will be operational in this year, it is under development, these are full year of operations.

Jay: And most of the resorts are -- this will be medium to luxury or this will be majorly for the affordable and middle income class, what we are targeting?

Vishnu Patel: There is a two segment which we can define. One is for middle and higher middle class. One is high-end also. In Varanasi, there are two type of option are available. Same way also available in Kevadia. So normally, middle or high middle segment, these are our major customers. And last year, ARR was 8,400. Again, it's our industrial to INR 4,200 per room, just for your knowledge.

Jay: Sir, that is great. Sir, just one last question. When you say that you keep the tents and everything as a property. So what is the payback period for non-seasonal resort versus a full year resort, like, say, Runn of Kutch, how much...

Vishnu Patel: Very interesting, question. Very interesting question. While we're deciding to open new sites for resort, we first make it feasibility study, how much tourist is coming? How is the future scope for that particular location, the study we conduct we normally see that our investment is on temporary structure, like tented resort are temporary structure and so our payback period we count it as 1.5 year, whether in season or full year. Season financial investment is counted with it, i.e. if season is of for month and our resort revenue for full year capital is outlay, capital investment.

Jay: So basically, you're saying that on the feasibility study, you will decide whether to put a tented structure or to build a permanent...

Vishnu Patel: Absolutely. So if it is a payback period of 1.5 year maximum, then only we open resource or we bid for the same.

Jay: Sir, 1.5 year is threshold for Praveg as a company about that you would generally look to open any property unless...

- Vishnu Patel:** Yes, exactly. There's a threshold limit, where we consider it as a feasible, if payback period is below 1.5 years.
- Jay:** So that is very good as a financial discipline. Thank you so much sir, for answering all the questions and all the best for the future.
- Moderator:** The next question is from the line of Avinash Gorakshekar from Profit Mart Securities.
- Avinash Gorakshekar:** First of all, congratulations for the entire Praveg Team. Numbers have been extremely excellent, Vishnu bhai. I have two, three questions. Just to understand for the first nine months, we did INR 65 crores revenue. Can we come to know what is the percentage of hospitality and exhibition in this INR 65 crores, could you please provide breakup of this? Another question which I have is basically, we saw the company's EBITDA margins improving significantly. In fact, I was seeing the third quarter numbers, the EBITDA margin is almost 60% compared to the second quarter when it was 55%. So has the company taken any price increases in quarter 3, if you can please tell us?
- Vishnu Patel:** Revenue breakup will give by Prolina. Prolina, can you say that revenue breakup?
- Prolina Barada:** Good evening, Avinash sir. While it comes to the business of Praveg, we have right now having two source of income. One is from events and exhibition another one from hospitality. So while coming to this nine months and INR 65.8 crores turnover, we go for that 40% from the event and exhibition segment and 60% from hospitality.
- Avinash Gorakshekar:** And ma'am, on the second question, if you could please tell? EBITDA margin?
- Vishnu Patel:** EBITDA margin is dependent upon the volume of the business always. So in the third quarter, we have done around 50% more business than the second quarter. And that's why there is a shift of EBITDA margin from 53% of the second quarter to 60% to the third quarter. That is mainly reason for that same. Because our overhead will recover more in case of volume of sales is increasing. That's right.
- Avinash Gorakshekar:** So basically, the prices, the sale price has not increased just better price is not exist.
- Vishnu Patel:** Definitely not.
- Avinash Gorakshekar:** One more question before I conclude, I would like to say, on the exhibition business, now what is the kind of outlook the management would like to share for, say, FY '24. Because in the last one or two years, hospitality business has increased the contribution significantly. But exhibition is also one of the strengths of Praveg. So going forward, can we expect some more traction even on the exhibition and event side in the coming financial year? If you could share some thoughts.
- Vishnu Patel:** Yes. I can say one interesting thing is, due to last two years Corona effect, the event exhibition was at a very lower tune in last 20 years Praveg history, number one. So you find a lower volume of sales in event and exhibition.

Number two, the events and exhibition business is dependent upon the government projects that come. You know that our main business comes from Gujarat. The election of Gujarat government is just over. So now we will try to catch the scale of new events and exhibitions that will come. And secondly, when we increase the tenders, we work on the viability and margin of the tenders. Right now we have a balanced focus on the event and exhibition. Same way we have a focus on hospitality. So we get a good opportunity. We will catch that business also.

Avinash Gorakshekar: Vishnu bhai, one last question. You said that Varanasi resort is a seasonal resort. Can you tell us the season time? What is the kind of targeted capacity utilization for the next full year? The tent in Varanasi capacity utilization target, please tell us about this.

Vishnu Patel: Yes, our off-season, which is the time when we dismantle, is in June. June, July, August, September, and depending upon the rains, if the rains are more, then till October, that is for five months, maximum, at the banks of Ganga river, if the water is dry there, then we will start the operation there. That means our operation starts from October and it goes till May. Number one.

Number two, we have already done around 140 tents there. And we are expecting good business in the future. And the beginning of the month, there is a very good response in this. And we will further expand our business development team to have a business of conference and a varying kind of business in Varanasi also. So, as soon as our team is there, we are mobilizing and we are very optimistic that a good work will be done.

Moderator: The next question is from the line of Shashank from Value Educator.

Shashank: Yes. Firstly, many congratulations for the Praveg team for the excellent set of numbers. So my question is related to upcoming projects. If you can elaborate a bit about them, about like Daman, I think you have mentioned that we have about 95 upcoming tents. So what about the Velavadar, Ranthambore, Udaipur? How many tents are we planning over there? And what is the nature of Adalaj Stepwell project, I think it is an area development. So can you give us some brief about these three, four projects?

And other, I think, like some projects which you said will be coming in April 2024, like Sasan Gir, Kevadia and few more Kumbhalgarh and all. So like just to get clarity about how many tents will be there, what is the seasonality over there? And if possible, what would be the revenues or something if we are expecting that would be really helpful.

Vishnu Patel: Prolina will explain this in detail, Prolina?

Prolina Barada: Yes, sure, sir. First of all, while talking about the upcoming projects of Daman and Diu, as I said, 95 tents will be there that includes the 30, 35 numbers in Daman and 30 in Diu. And for Jawai, initially, we are planning for 20 units over there in Jawai. Which will again go in two phases, 12 in first phase and another eight in the second phase. And for Velavadar, we are planning for 12 rooms. For Ranthambore, we are planning for 50 rooms. And for Udaipur, we are planning for 35 rooms.

- Shashank:** So, it will be, ma'am, same setup of the tented stay?
- Prolina Barada:** No. Here, while I talk about Daman and Diu, it is called a Tent City, but it will be operational throughout the year. So, these are all cottages. That is permanent structures will be there. And while I talk about our own properties at Jawai, Velavadar, Ranthambore and Udaipur, these will be the permanent structures, building structures, heavy [inaudible 0:25:39] somewhere, and somewhere glass houses we are planning. Like we plan the USP-based projects in all of our properties. And those will be operated throughout the year. And while talking about the Kumbhalgarh, Kevadia, Sasan Gir, Shivrajpur beach project also, those will be again permanent structures running throughout the year.
- Shashank:** So it will be ma'am, ROC structure? Because right now, I think our RCC is very equivalent and probably more than 50% because firstly I think the land which we get is from the government and another thing is like this hotel structure is much cheaper compared to RCC or any hotel type of structure. So are we planning to have a similar ROC in future, when we are going for the land acquisition and the permanent kind of structures?
- Vishnu Patel:** I would like to answer for that. Our major Tent City is normally a temporary structure base. Only where we own the land, that is a semi-temporary structure. For Udaipur, Jawai, Ranthambore and Velavadar, that will be a semi-structure kind of structure will be lying on our debt for own land. There is a little civil structure in it. Rest of it is a little temporary, a tented structure. In certain, we also introduce semi-temporary items in the cement sheet and convert it into a cottage. So as to our ROC we can maintain.
- If major investment is made in the traditional hotel of the room in the like Bombay, Ahmedabad, metro city, the cost of the room key is INR 1 crores to INR 1.5 crores. So, we are not going to develop that property. Our segment is completely different. Where we have wildlife, where we have nature, where we have river banks, where we have sea shore. Such interesting places, we bring our -- Praveg Tent City and these projects there.
- Shashank:** I'm asking about the land which we acquired for these projects, what is the amount for the same? How much do we spend? I think in annual report, you had mentioned that Ranthambore, Udaipur, Jawai and Velavadar land are already acquired. So can you give me the amount which you spend to acquire the land?
- Prolina Barada:** Sir, can I have the answer sir, on this?
- Vishnu Patel:** Yes, I will tell you that the land and land development cost of Velavadar will be INR 1.5 crores of that land. Because our land does not pertain to metro city. Land cost, acquisition cost is far lower than normal land cost. So that is INR 1.5 crores. For Udaipur, land and land development cost will be INR 1.6 crores. Same way for this Jawai, it's around INR 1 crores. That's why Ranthambore, it will be INR 2.5 crores around, land and land development cost including stamp duties and some alignment and balancing we need to do before doing development work. So we include that land cost, include land development cost.

Shashank: And sir, can you tell us something about Adalaj? I think this is a different project, not a tented accommodation as far as my understanding. You had mentioned about area development. What exactly is the project? When can it come?

Vishnu Patel: Yes, sir. That is also under development right now. That project is particularly awarded to us by the government of Gujarat for 30 years lease. And that project is a very unique project. This is exactly adjoining to the Stepwell of Adalat, which is one of the historical monuments and archaeological monuments of the particularly between Ahmadabad and Gadhi Nagar. So that project is somewhat unique project of Praveg. Then other resort kind of project. There in that project, we'll be bringing 10 underwater room as well as underwater room as well as underwater restaurant, where you can see sea creature surrounded to you.

So we are bringing such a unique project in Ahmedabad. Similarly, we are going to make an ice skating ring there. Because around Ahmedabad, Ghatinagar and Kalol city, there are around 1.25 crores people. So there is an ideal location for its entertainment on the S.G. Road. So we want to catch that mass, the public available there. We are taking it forward. Same way, as I told you, there is an archaeological site at Adala Stepwell.

There is a historical monument. So we cannot do any event there, because of archaeological restriction. We are making replica copies of it. Our place is 30,000 square meters. We are going to make an amphitheater there. It will be exactly like that. Where you can celebrate birthday, anniversary or any event or party, marriage. In Adalaj, there is another one lake is there, where we are going to develop restaurant, so we are developing in the view of tourism angle.

Shashank: Sir, is this PPP model, where we get land from the government, or what?

Vishnu Patel: exactly, it is a PPP model, which is awarded to us for 30 years. We have to pay rent on it.

Shashank: So till what time it will be done, sir?

Vishnu Patel: We are planning to officially before March '24. Maybe December maybe also, but certain plus/minus.

Shashank: Next question is related to Varanasi Tent City. I think you said 140 times. 82 and-plus-68. Yes. So, those additional numbers were supposed to come by 1, January. Have they already come and are they in process?

Vishnu Patel: Already, on 13, January, it was inaugurated. Right now, it is operationalized. But due to the heavy monsoon this time, we were given the possession in December. So, we had to operationalize it quickly. So, we have already made it to operation and we are expanding further. Next year, we are planning for 200 tents at Varanasi along with the big 900 people. We have a plan to build a conference hall there.

Shashank: And the tender we have received is for a total of 400 tents, right?

- Prolina Barada:** Yes, we have actually received a 20 hectare area. We have received two plots of 10-10 hectares in Varanasi. We have got two plots and we can develop more than 300 tents also. There is no limit for that particular area, because it's a huge space. It was first year, we developed only 140 tents. 82 are operational now and rest will be operational from 20, February. So for next year, we are planning for more tents.
- Shashank:** Next is like the receivable amount I was checking in a balance sheet, so first half, there are INR 23.47 crores receivables. So what is this nature of receivables and the nine month number, if you can share with me? And in hospitality business generally there are not many receivables. But I think it might be due to the exhibition of the event which is dependent on the government.
- Vishnu Patel:** All business comes in March. In March there is the most business. So all the billings are raised in March. That's why always March balance sheet, so, you will get more receivables between June and July balance sheet.
- Shashank:** Can you share the nine month number or has there been any bad debt in the past?
- Prolina Barada:** I can say it separately because I don't have it handy.
- Vishnu Patel:** But not a major bad debt is happening from the government side normally, difference of discount or our pricing and their pricing, there may be some discount kind of things happening. So no question of major any debt to company till date in this 20 years history. There in total 20 years history, I can say that the total bad debt or discount after billing not exceeding INR 2 crores or INR 3 crores in total history of Praveg.
- Shashank:** So sir, before I think one or two months, you had updated about some game related to safari related we are going to open over there. So can you tell us something related to that like what will be the nature of that jet and when it will be get start and what is the potential?
- Vishnu Patel:** I couldn't understand, what do you mean by Safari?
- Shashank:** I think in Kenya I am saying, you have updated to exchanges about starting one subsidiary?
- Vishnu Patel:** We have incorporated one subsidiary at Kenya. We are planning in future still there is a not any perfectly any land is acquired. But we have decided in future, we will start one resort at Maasai Mara forest. That's why that subsidy we have incorporated before some days.
- Shashank:** So any rough timelines, or what would be the proposals?
- Vishnu Patel:** Still the management has not decided. But we are strategically we have opened our bank accounts and opened one company. Once we get good opportunity there, in terms of acquisition of the land in between forest and the land is found to be idle for making this kind of resort. In that case, we will catch that opportunity. That's why we make our company ready, structure ready, so we can speed up that process at appropriate time.
- Shashank:** Can you tell us something about the industry? The concept of tent cities that the Government of India has brought, like one at Narmada, another at Runn Utsav and third one at Varanasi. So

what are the other cities which are planned in future? And like any understanding which you can share to investors like how many are operational or upcoming?

Vishnu Patel:

Basically, we do not want to start a hotel like in metro or big city. That is our fundamental difference between hospitality company. So you can't compare that hospitality companies, ROC and all other financial parameter with company like Praveg. We are basically, we have a focus to start some good eco-tourism system in India. And that's why we are selecting natural places, sea shore, rivers, as well as the places of special importance like a Statue of Unity, Varanasi, the religious city of India. So, the places available are such that Praveg is eager to start this kind of a resort, tent city kind of project with unique USP.

Like in Udaipur, we have glass houses. We have purchased mountain, entire mountain. On top of mountain, we are planning glass resort where you can, on the top of that, you can and in surrounding of that mountain there will be a glass structure. Our guests can enjoy entire sky during night time with all their hobby to stargazing. We are going to give a good location for such people. Our creative studio is working on it with many propositions. We are making glass resorts. We are making caves in the Jawai. We are designing caves.

For example, in Adalaj, there are underwater rooms and underwater restaurants we will be making. In this way, there will be a lot of things in Ranthambore. In this way, we are going to do it in other places. It will be an exponential effect. We want to have an ecosystem in India where we can expand this kind of resort. We want to explore this kind of resort. It depends upon availability of land.

Shashank:

I think you all are doing fantastic. It is a very unique model keeping in mind the financial parameters of ROC and what returns are we getting from the invested capital. So that is a fantastic thing. Many congratulations for that. Prolina, I want some numbers for this quarter, and some historical numbers if you have then handy or otherwise I'll get back to you later. So Narmada Tent City and Runn of Kutch, quarter 3 revenue occupancy and average room rate, if you can share?

Vishnu Patel:

I will share it generally. The occupancy level of Kevadiya is 30%-35%. I am talking about guests. I am talking about other than conference business. There are many banquet halls in the small areas. So our revenue other than guests is that conference is held. Like you had All India DG conference, then there was a conference of Judges, then there was a conference of all the representatives of Lok Sabha. So there are different conferences. That business is different. But the guests, we can count that the room occupancy level is 35%.

That is our Praveg assumption that if we achieve 30% in any resort, not in a single resort, but in a year. So, 35% of our business is in Kevadiya. And there is a lot of public interest in the season. So there is 65% occupancy level of our Kutch. Starting up with a good number, that too is performing well. The expectations we had are moving forward. Although it is a 25-day experience, but it is going good.

Shashank:

Sir, can you share some numbers on the rent per year in Kutch and in Varanasi? Could you share, how much you pay total rent to the Government, if possible?

- Vishnu Patel:** Yes, we give INR 1.25 crores for Kutch, INR 2.5 crores for Varanasi, for Adalaj where we pay INR 50 lacks, its all on yearly basis.
- Shashank:** How much is for Kevadia, Narmada?
- Vishnu Patel:** It was not there till now for Kevadia, because it was a viability gap funding. But as the terms will be reduced, it will start.
- Moderator:** The next question is from the line of Yashwasnti Khedkar, an individual investor.
- Yashwasnti Khedkar:** I just wanted to understand, if you wanted to create any structure like the Narmada Tent City with a tent occupancy of around 100, what are the approximate costs normally we incur, when the land is already given us by the government?
- Vishnu Patel:** For temporary structure, our benchmark cost is INR 15 lakh per tent. That includes common facilities like, swimming pool, dining area, or whatever guest facilities are basically required to be built. And for a semi-temporary structure, which is not perfectly a civil structure or perfectly a tent structure, that benchmark cost Praveg, is assumed to be INR 30 lakh per room.
- Yashwasnti Khedkar:** I just wanted to say that do we have to pay any royalty as we are getting the land from government when we create the structure?
- Prolina Barada:** Yes ma'am, yes we pay royalty to the government.
- Yashwasnti Khedkar:** What is the cost, what is the rate, what is the kind of payment arrangement we have to do, what kind of royalty we need to pay?
- Vishnu Patel:** It's yearly. Yearly, just explained before some while. Our Varanasi we are paying INR 2.5 crores yearly. Adalaj is INR 0.5 crores. Then after Kutch, we are paying INR 1.25 crores yearly royalty to the government. That depends upon property and...
- Yashwasnti Khedkar:** It is basically a lump-sum amount which we need to pay, right?
- Vishnu Patel:** Yes exactly. It is a lump-sum royalty, decided at the time of tender. So all these terms get decided at the time of tender?
- Vishnu Patel:** Yes.
- Moderator:** The next question is on the line of Udaykumar, an Individual Investor.
- Udaykumar:** So, Vishubhai, superb numbers. What Praveg means, we understand now accelerated growth, right? That is the meaning of acceleration in Gujarat is a Praveg. My question is, now by FY '25, shall we be reaching around 200 crores turnover? I understand 60% EBITDA we will maintain from all the discussions that I have heard of so far.
- Vishnu Patel:** Yes, IBD is always dependent upon how much occupancy we get from different resorts. So how at the end of the year the product mix is there, it depends upon that. So if there is 10 resorts, some resorts are performing above line, some are somewhat below line, but the

average is assumed to be a 50 EBITDA margin. Right now in quarter three, you not always presume that we get always a 60% or 61% EBITDA margin because the quarter 3 was very at high peak. So our overall absorption of overhead leading to more EBITDA margin. But you may presume to be a 50% EBITDA margin normally.

Udaykumar: And on the top line growth, is it possible by FY '25 we touch INR 200 crores or more?

Vishnu Patel: See, I can't give a number like this but just explain before I'm replying to someone's query. We are planning our resource with maximum payback period must not be more than 1.5 years of our investment. So accordingly we have to analyze and figure out the numbers of sales. Here we are doing capital investment of 90 plus crores for these nine upcoming resorts. Among them One we have concluded is the Varanasi.

So INR 90 crores is our capex for this year. So if you understand with this payback period, there must be an INR 60 crores rupees turnover which add by these nine resorts in the next year. So past record with this INR 60 crores you may analyze accordingly.

Udaykumar: And any breakup possible for food and beverages kind of revenue and you know a margin understanding on to that?

Vishnu Patel: I would like to say focus about food and beverages that is our all resorts are at destination far from city and far from other alternative available to our guests that's why our room rent include food and beverages charges to that kind of destination. We are giving two package One is with the F&B and one is with the breakfast option only. So, you may include, ARR include F&B.

Moderator: The next question is from the line of Dharmik Shah, an Individual Investor.

Dharmik Shah: One of my question is already answered on the Kenya thing. Second question I wanted to ask was, has Praveg bid for this G20 Summit event which is up later this year?

Prolina Barada: Praveg, excellent. Our May month booking.

Dharmik Shah: I had two questions. One was on the Kenya, but I think that was already answered. Second is this government G20 conference which is coming up in later this year. So that will be a good marketing platform for Praveg. So is Praveg bidding for this G20 summit event management?

Prolina Barada: The G20 bidding process I think it was if you talk about the event management part. No, even management part we had not participated because it came early, I think six months early only. But yes, we have two G20 summits that are in talk at our properties, which are not confirmed yet. One is confirmed and another is in process, like conference management. While I speak about the 10 City Narmada and Varanasi projects, we are yet to get confirmation from the G20 team.

Vishnu Patel: So we may get two G20, one at Kevadia and one at Varanasi. So it's under, we right now not get confirmation, but it will be, maybe.

Dharmik Shah: And on the Kenya thing, so you already answered this actually, but as in how aggressive is the company looking to expand into this African, like Kenya is just one country. And when you speak about that, you specialize in wildlife and closer to nature kind of projects. So Africa as a continent as a whole, do you think is it a big opportunity for the company going forward?

You have a close connection with wildlife and nature, the company's connection. So, there are many countries in Africa. The incorporation of Kenya is very -- your synergies match, where you have expertise, you dominate in that field. There are many countries like wildlife and close to nature. People from all over the world come there. The tent can be a hit model there. Do you have any aggression plan?

Vishnu Patel: I will tell you. Whatever engines you like, we will take it first. Same here also in case of Praveg. In India, we have 9 facilities already under development. During this year, we get 2-3 assignments. We get tender from the government. We bid and start the process of 3-4 months. It is a 120 days process from the bidding to the operation. We can get a couple of more projects for Praveg. So we have a lot of projects for this year's operation.

And you know, making 12 resorts means that the entire team is required for this. So we look at the opportunity, what is the location, what is the payback, how will the tourism response be. Wherever we feel good, we have our eyes there. So we, presently, This year we are focusing for India 9-12 resorts. Next year maybe we are very aggressive for the project of like Masai. So we will do one resort overseas to study how we have experience overseas also.

So we will do one resort and see how the response is. One or two year experience will require, after that we will be aggressive over there too. But right now we get good project available in India, in India we have 50 opportunities available places like Sikkim, then after Northeast, certain parts of Uttar Pradesh. So there are other revenue available first we will catch those and same way, I have mentioned earlier that we will get the opportunity in other countries as well.

Moderator: The next question is from the line of Mr. Shashank from Value Educator.

Shashank: I have seen in the report that we have a subsidiary in Australia. Is there any plan for that? Or is there anything on that side?

Vishnu Patel: Basically, Australia's subsidiary is for event management. If there is any opportunity in India, Indian community over there, and there is any opportunity in India, then we have made a company for that. If we want to do something, we can immediately mobilize. There is no any focus for Australian kind of. There is no any expectation of such business in Australia. Only for opportunity if we get we can work with this procedure to incorporate company opening up the bank account like that. So that's only we can do.

Shashank: Sir, are there any other government tenders going on or can you tell us about the Are we participating in any future tenders where these tentative structures are there from the government's end apart from whatever you have mentioned?

Vishnu Patel: So, we are still filling the tenders that come in. But there is nothing special about it. But if they come, our team will catch them at the appropriate time and opportunity.

- Shashank:** Sir, can you give us some guidance or tell us something? You had planned for 10 resorts till 2025, which was in the annual report. How can we plan for the next 3-4 years?
- Vishnu Patel:** Has told you before that our plan for the next 3 years is 9 resorts. And maybe at the end of the year, we may get 1-2 more by way of PPP more. We have 4-5 projects in our own land, out of 10. Rest 5 are in PPP mode. We have taken a strategic decision that we will not be a one-state specific. We will have presence in all states wherever possible. Our total resort will not be in the one state. So we will not do resorts in a state which has more than 20%.
- Similarly, any resort will be 40% on our own land. We are growing with this proposition in mind. And same way, next year also we are planning to have 10, 9 to 10 resorts. So it's depend upon opportunity obviously. But we are trying to catch every year. We are increasing our capacity of development. Now we have 10 to 12. So same way '24, '25, '26 until we get opportunity like this. So we are going to develop it every year.
- Shashank:** Because sir, your margins and the payback period you have mentioned is very good. So are we going to have a similar approach where the payback period will be around 1.5 years...
- Vishnu Patel:** Exactly. Where we get the maximum payback, we do it aggressively. Where we feel that the opportunity is going to be plus or minus in the future, in '27, '28, '29, '30, whenever. Then we will think about the best proposition. Then our set of standards of 1.5 years. We may give relaxation to that because up to 3 or 3.5 years we understand that it is a good proposition. So, looking at that, our board will take the next decision.
- Shashank:** Because any asset which is getting a payback of 2 to 3 years is an excellent business because it will throw a lot of cash. If you think in next 4-5 years?
- Vishnu Patel:** That's why our management is very eager to catch good business first and it's a question of opportunity. So as we get opportunities, we react accordingly and make appropriate decisions.
- Shashank:** Can you tell us about the land cost of the upcoming 24 projects, Sasan Gir, Kumbhalgarh...
- Vishnu Patel:** I have explained that our temporary structure having INR 15 lakhs per room budget and for a sweet temporary structure INR 30 budget in '24, '25 also that is our board benchmark budget that if in future also, whatever is made in '24, '25 will be made keeping the guideline in mind. That does not include land cost. I'm making clarity now.
- Shashank:** So we are not going to acquire any land or are we going to acquire the land over there?
- Vishnu Patel:** Already stated, out of the total projection of the number of resorts, 40% we want to make on our land. 60% will be lease or government lease land.
- Moderator:** There are no further questions. I now hand the conference over to Mr. Sumit Maru for his closing comments.
- Sumeet Maru:** Thank you everyone for joining the conference call of Praveg Limited. If you have any queries, you can write us at research@kirenadevisors.com. Once more, thank you everyone for joining the conference.

Vishnu Patel: Thank you so much.

Prolina Barada: Thank you.

Moderator: Thank you. Ladies and gentlemen, on behalf of Kirin Advisors Private Limited, that concludes this conference call. We thank you for joining us and you may now disconnect your lines.
Thank you.