

**November 16, 2023**

**BSE Limited**

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Mumbai- 400 001  
Scrip Code: 531637

Dear Sirs,

**Sub. : Transcript of Earnings Conference Call – Q2FY 2023-24**

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 Friday, November 10, 2023.

This is for your information and dissemination on your website.

Thanking You,

Yours Faithfully,

**For Praveg Limited**

*(Formerly known as Praveg Communications (India) Limited)*

**Mukesh Chaudhary**

*Company Secretary &  
Compliance Officer*

Encl. : As Above



“Praveg Limited  
Q2 FY 2024 Results Conference Call”  
November 10, 2023



**MANAGEMENT:** **MR. VISHNU PATEL – CHAIRMAN – PRAVEG LIMITED**  
**MS. BIJAL PARIKH – FINANCE DIRECTOR – PRAVEG LIMITED**  
**MR. MUKESH CHAUDHARY – COMPANY SECRETARY – PRAVEG LIMITED**

**MODERATOR:** **MR. GOPAL CHANDAK – KIRIN ADVISORS PRIVATE LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to Praveg Limited Q2 FY24 Result Conference Call hosted by Kirin Advisor. 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 touch-tone phone. Please note that the conference is being recorded.

I now hand the conference over to Mr. Gopal Chandak from Kirin Advisor. Over to you, sir.

**Gopal Chandak:** Thank you. On behalf of Kirin Advisor, I welcome you all to Praveg Limited Q2 FY24 conference. From management side, we have Mr. Vishnu Patel, Chairman, Ms. Bijal Parikh, Finance Director and Mr. Mukesh Chaudhary, Company Secretary.

Now, I hand over the call to Ms. Bijal Parikh. Over to you, ma'am.

**Bijal Parikh:** Thank you. Good afternoon, everyone. I extend a heartfelt welcome to each one of you for joining us for the conference call of Praveg Limited, where we aim to delve into our exceptional performance during Q2 FY23-24.

Praveg Limited, a trailblazer in the industry, has firmly established its footprint across diverse business segments such as tourism and hospitality, as well as exhibition and event management. Our strength lies in our independent and sophisticated infrastructure, seasoned manpower and an in-house creative studio, which collectively give us the competitive edge to cater to diverse needs across business verticals.

We take immense pride in operating prestigious resorts and hotels, including but not limited to TentCity Narmada, Statue of Unity, White Rann Resort, Rann Utsav and TentCity Varanasi, among others. As of now, our ongoing projects span an impressive 3 lakh square meters with a room capacity of 640. Allow me to shed light on some key developments and financial highlights from Q2 financial year 24. Operations at TentCity at Chakratirth Beach, Diu and TentCity at Jampore Beach, Daman, commenced in August.

We are proud to announce that Praveg has received a work order for developing two Tent-Cities in Ayodhya, Uttar Pradesh, Brahma Kund and [Paryugad]. With six properties currently operational and 12 more in pipeline, we foresee robust growth in the second half of the year. To mitigate the impact of seasonal earnings fluctuations, Praveg is strategically investing in resorts and hotel properties that operate year-round.

Our recent opening of two beach resorts in Daman and Diu exemplified this proactive approach. Now, let's take a closer look at Praveg's financial performance in Q2 financial year 24. Although the current quarter experienced a dip in revenue, primarily attributed to reduced exhibition revenues compared to Q2 2023.

It's noteworthy that our revenue from resorts maintained its stability. The augmentation of resort capacity towards the end of Q2 2024 is poised to fully materialize in H2 2024. During Q2 financial 24, the operationalization of our six resorts led to an impressive total income of

INR14.46 crores. The EBITDA stands strong at INR4.48 crores, boosting a robust EBITDA margin of 30.61%. Notably, our net profit reached INR2.1 crores, reflecting a formidable net profit margin of 14.35%.

Despite a 15.29% dip in total income compared to the same quarter last year, our optimism remains unwavering for the second half of financial year 2024. This optimism is fueled by the strategic scaling of our events and exhibition business and the timely initiation of upcoming hospitality projects. It's worth acknowledging a year-on-year increase of over 68.50% in depreciation and amortization charges during Q2 financial year 2024, primarily due to significant capital expenditures.

However, our state-first focus remains on identifying revenues for expense optimization and operational refinement to further enhance our financial performance in the upcoming quarter. The strategic initiatives undertaken by Praveg position us optimistically for a promising future. We believe that our commitment to excellence, coupled with the unfolding potential in our key business sectors, will drive sustained growth and prosperity.

We have initiated recruitment to build a strong professional team that will play a pivotal role in supporting our growth. These efforts are expected to make a positive impact on our overall performance for the current year. Looking ahead, we anticipate our operational resource to achieve occupancy between 45% to 45% in the upcoming quarter, generating an ARR of 7,000 to 9,000.

Now let me highlight a few recent developments. We have commenced two luxury resorts at Dholavira and Vaitarna Resort and Praveg's Grand Eulogia, a five-star model in Ahmedabad, Gujarat. As part of our business acquisition strategy, Eulogia in Private Limited has merged with Praveg Limited.

Additionally, we have received a work order for the development, operation, and management of Tent City at Kihim, Maharashtra, Kachigam, Daman, Tent City, Nagoa Beach, Diu. I would like to draw your attention to our upcoming resort, including this resort at Ghoghla beach, Ayodhya, Velavadar, Udaipur, Jawai, Adalaj, Nagoa beach, Kachigam, Daman, Tent City, Maharashtra, Ranthambore with a combined room capacity of 320 plus.

As we move forward, our commitment to nurturing our hospitality business remains at the forefront of our strategy. With the anticipated growth of our events and exhibition sector, we foresee a powerful synergy that will propel our overall operations to new heights. Before we delve into the question and answer session, I want to express my sincere gratitude to all our stakeholders for being an integral part of our growth journey. Your support and involvement have played a crucial role in our success, and we genuinely appreciate your valuable contribution.

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

**Moderator:** Thank you. We will now begin the question and answer session. Thank you for patiently holding. We have the management team back on call. The first question is from the line of Bhavin Pandey from Aetna Investment. Please go ahead.

**Bhavin Pandey:** Hi, greetings of the day team and congratulations on a wonderful set of numbers. Just wanted to check on how these contracts are structured when we are putting these tents across geographies. Is it an arrangement with the government and how subject to discontinuation they are?

**Vishnu Patel:** Yes, thank you for a kind question. May I put a comment on the working of Praveg. Number one, our model has two types of land availability. It is on a tender and our acquisition team thinks that the place of experiential hospitality does not have tenders or government availability. So, we purchase their acquisition from the lease model and the purchase is long term. So, the tenders that come in the PPP model also have acquisitions. So, we have acquisitions in these three models. Secondly, how is the structuring? Structuring is of two types.

The construction model has two to three models. One is a place where the environment is friendly and the environment has to be kept in mind. We work in a tented structure. We work according to the high-end tent structure. Where I feel that the tented structure will not work but we can get a clearance from the government side for certain sites like a seaside. So, we use semi-temporary structures at such places. Composite panel, composite cement sheet, composite galvanizing, metal. There are many different types of structures available.

So, we make a structure for it and run it. Where we feel that we can get a good revenue according to the region, according to the ERM, we do semi-temporary structures. The third model is a mixture of civil structure and semi-temporary structure. Where our capex is low and there is more work to be done. Civil structure plus composite panel structure is used in such a structure.

There is cost differentiation in all three. If it is a tented structure, then there is a budget of INR15 lakhs to INR20 lakhs per room. Where there is a semi-temporary structure, there is a structure of 32 lakhs per room. That includes common amenities. In the same way, the permanent structure costs from 40 lakhs to 1 crore. The normal hotels. So, we try to work close to 40 lakhs. So, there is additional work. There we go up to 1 crore. Rest, we work within 40 to 1 crore. Thank you.

**Bhavin Pandey:** Okay, sir. Wonderful. Thank you for the elaborative answers. Could you just help me with the margin profile? Which one is more lucrative? Where is the cash flow collection easier? Whatever difference you think would be helpful for us to understand.

**Vishnu Patel:** Look, the acquisition that you have mentioned, it depends upon which type of acquisition and which type of fully monopoly is created. Some places have more supply and less demand. Some places have restricted supply due to environment and different issues. Placement of the location is also important. So, while evaluating all these matters, we decide how to work. We have to take care of the environment, supply demand, and location.

We work accordingly. And I would like to tell you that in any hospitality business, it takes 3-4 years to reach the peak. So, this is the case in our case too. But there is an exception. There is a demand supply exception. Our strategic team decides the location according to the demand supply. So, I feel that in the first or second year, it will be difficult to reach the peak. So, we choose it favorably.

**Bhavin Pandey:** Okay. And as I can see, the tent that we have set up in Kutch, that would give us, let's say, a good Q3-Q4. So, according to that, there is some seasonality in our business. So, for that, we are diversifying so that we can reach the peak in other quarters too. And secondly, just to follow up on this, has the contract with the government of Kutch been changed or has it been just the way it was since the time we got in?

**Vishnu Patel:** Look, all these contracts are different according to the year. In the PPP model, it is from 5 years to 30-40 years. It depends on the tender. And we evaluate and design I would like to explain to you that if there is a 5-year contract, then we only utilize the tented structure. And if there is an exceptional location, then we go in semi-temporary because there is a difference in both costs of INR10 lakh per room.

So, if I feel that we will be able to recover it in 5 years, then we go in semi-temporary. Otherwise, we are being on a temporary structure like a tent. There are many types of tents. There are also very high-end tents that if you have visited then you can see. It depends. So, our structure can be compared with the 5-star category. We work according to this structure.

**Moderator:** The next question is from the line of Vaibhav Shah from Kojin Finvest. Please go ahead.

**Vaibhav Shah:** Good afternoon. My question is regarding the upcoming resorts that we have filed in the press release. There are about eight to 10 new resorts that are being planned out. What is their status and what will be the size of our land parcel?

**Vishnu Patel:** The land parcel will depend. I would like to give you an approximate idea. We already have a running tent. According to the seasonal, I would like to give you the answer. We have only two seasonal tents. The issue in our first two quarters is going to be historical. Because till now, Praveg had a Kevadia and a Kutch. Kutch was seasonal in quarters 3 and quarter 4. The reason was that in quarters 3 and quarter 4, we used to get a performance but not in quarters 1 and 2.

The second reason is the season. May, June, July, August is a very hard season. So our Kevadia runs less in that. You can understand this. It is a trend of the travel industry. People in the business of experiential hospitality will get a good business in quarters 3 and quarter 4. First quarter and second quarter depend on the location. So our seasonal activity is very controlled. The new tent cities are full year resorts. You can't call it a Tent City. It is a tent city with a semi-temporary design similar to hotels. But if you are standing on a river cliff, it will give you a good feeling. If you have a Daman investor who has visited Daman, he will know. So it depends on the location. We have mitigated the season. So in quarters 1 and quarter 2, you will get a sizable business.

I will tell you the status. The tent city is running. WRR means White Run Resorts. It is running. It is seasonal. Tent City Varanasi, it depends upon on how we get rainy season clearance. It depends on the season. If an investor has visited last year, it was an extraordinary response. We have government clearance and green season clearance. We have expectations. If we get clearance, we will start in this season. Otherwise, we will start in the next season. We are putting the infrastructure in Ayodhya 1 and Ayodhya 1. The total infrastructure is going to be in Ayodhya 1 and Ayodhya 2. We are going to utilize it optimally.

Daman 1 is already running. It is getting good response. I would like to tell you, its season is reverse. Its total season is April, May, June, July. Daman 1, Daman 2, April, May, June, July is like anything. We have a record of up to 80% to 100% occupancy. The rain season is lowest It will improve in the third quarter. It will improve in the fourth quarter. We will perform extraordinarily in the fifth quarter. Similarly, when the season comes in May, June, we get the performance till July. Daman 1, Daman 2, Varanasi, WRR, [inaudible] is a running season, running resort.

Out of six, one is a Varanasi which is not started. We are working on five resorts. In this, Daman 2 has just started. Daman 2 is already started. Daman 1 is already started. Now, what we are going to do in November, December, I would like to tell you that in the second quarter, we had five resorts. In the fifth quarter, there are two seasonal. In the fourth quarter, we started two resorts on 15th August. According to you, there were three resorts. That is why, you will feel that the turnover did not happen in performance.

Secondly, I would like to tell you that the manpower of our total event exhibition, total deployment is in our Tent City developments. You can understand that we have acquired 22, 10 cities instead of two. So, how much manpower we need to deploy, how much financial requirement, we need all the capability. So, we have developed all the capability in the resort activity.

That is why, the business of the exhibition was of INR25 crores last year. In the first half, it is of INR12 crores. That is, we have lost INR12 crores in the business to gain something. If you want to get something good, you have to lose something good. So, these investors will have to understand for one year, two years that the nature of our cycle and industries, like we launched Daman 2, Daman Diu 1, now the public will be aware of it. Our social media is strong, all our travel agents are strong.

But the more awareness there will be, the next year, our business will be 20% up in such resorts. So, all this is happening on a cycle, Praveg. So, that trend setter is because in return of three, four resorts, now the third quarter, we are going to launch so many resorts. We did two from November, Ayodhya 1 from November, Grand [inaudible] is already started from November 1st, Dholavira is already started November 23, Velavadar we are planning to start in December 23. That is, these five resorts are coming in this third quarter. So, out of this total six, another five resorts are going to add in this quarter, which will be 11 resorts.

Same way, our Udaipur is under construction, which we are expecting. Please listen to my point. We are working on massive scale to run a total 20 resorts. We want to everything,

management, investors, as soon as possible. But there is a capability and quality of work. In Ghoghla beach, we started on 15th August and we are going to start on 15th November. August, September, October, November, three months. So, within 90 days one resort, and that too is not a tent city, it is a semi-temporary structure resort. And in Ghoghla, I would like all investors to go to Ghoghla. Go to Ghoghla, come straight from Bombay, go in the morning and come back in a couple of nights. You will get the sense of real Raveg to know there.

So, rather than talking on this in phone, I expect your visit also. We have two benefits from that. You will visit, you will understand the Praveg model. Same way, it will increase our awareness. So, the five resorts that we are going to, if we add that, it will be 11. If Vela, if Varanasi starts, it will be 11. If not Varanasi, it will be 10. One.

Now I would like to talk about quarter 4. I give you updates every time. That's why I should give you. So, the sixth resort, which is going to be in the fourth quarter, which is after 11, 12, 13, 14, So, Udaipur is under development. Ranthambore will be late by next year. But Udaipur will be, we are planning to launch in March. Same way, Jawai we want to launch in March. But they happen to be one month to two months difference of inauguration. Despite deploying all the capabilities, I need clarity and clearance in the resort industry. So, you will get plus time.

Normally, we do it from our tagline. But one to two months, 15 days to one and a half months plus or minus in our inauguration. So, Jawai's 30, Adalaj is planning to launch in March. In Diu, we have taken the third beach, Nagwa beach. So, we are going to make tent city there. Its structure is Tent City. And in Diu, two resorts, its structure is semi-temporary. Both are on cliffs. They are on sea beach. Nagwa is also on sea beach. We are going to do Tent City there. Low budget, low cost planning for PRR. So, in Diu, we are going to do Nagwa. In Daman, we are going to do Kachigam. It will start between March and April.

Kihim, good news for people of Bombay is that Kihim and Kati, both of them, their work order has arrived for Ali Bagh. They have started working. We expect that we will also start in Q4. So, you can enjoy going there. All our BSD, investors, all the groups in Bombay, you can enjoy [Kashi]. So, we are going to do Kashi, 40 Room, we are going to do Kihim. We are trying to start that in Q4. Similarly, we are going to start Ayodha 2 in Q4.

In total, in total, we are achieving 972 rooms. From 200 rooms to 1000 rooms in 1 and some months. 1 and 5 months, you can count. So, that way we are working. Apart from that, we are also have merger with one group. So, that one hotel is also added after approval of the NCLT.

So, 21 resorts are already on acquired status. Out of that, I would like to tell you that Ranthambore land is acquired in the name of Praveg, but some clearance issue is there for the road and rail. So, we are working on that. So, I would say we are also trying to achieve this Ranthambore resort to be started in October next year at least. So, that one resort and this Varanasi resort. Apart from that, you can expect 19 plus to, 21 resorts. That in March and first quarter we are trying to do 19. And apart from that, we have eyes on strategic location. So, we will keep informing you.

Many times, seeing our announcement more, many people feel that announcement is coming. So, this is the tape of Praveg. Praveg is a Gujarati word. Its meaning is acceleration. And Praveg's slogan is acceleration of ideas. So, holding that slogan, we are moving with little vision. In a very safe condition, our whole team is working. But due to our group and employee support and support of the group, we are achieving this target.

And I also would like to tell you that many Indian strategic location we are keeping eyes on and next year we at least, we will achieve further ads in this resort also. Because our team is accordingly. And I would also like to tell you that you can see the financial side. Many of our indirect expenses have doubled in cost.

And the reason for this is that there is a load on 4 or 3 resorts of overhead. The development of all the resorts is being capitalized. It is being directly or indirectly spent there. But here call center is increasing. Administration team is increasing. So, software application is going on. ERP is also going on. A lot of administration costs are increasing. PAT is also increasing.

Because of this, I will accept your cooperation in understanding the business. So, our overhead will be absorbed when we reach 15-20 resorts. Then all the overheads will be absorbed. Because after this, we will do it according to the opportunities we get every year. So, we can absorb overheads of 5-10 resorts from 20 resorts. Now, the overhead of the entire company is on 3 resorts. Apart from that, you can see in our media segment that there is a net outlay of INR96 lakhs. So, that is also an expense. We are also mitigating How to develop that is also our work. So, that is also an additional expense. It is an expense of INR1 crore in every quarter. So, that expense is acceptable. To make it zero and to bring it above [BEP], our team has become responsible.

**Vaibhav Shah:**

Okay, sir. Okay. Sir, very nicely explained. You gave a good idea. Sir, now, the land acquisition that is happening, we are taking it on a lease basis and how many projects are there on the PPP model? And what is the average cost of the lease? And what is the size of the land that we are going to develop in any area? So, what is the minimum size? I mean, we keep it in the back of the mind that we need a minimum of this much. A good 25, 30 seater room structure should be built?

**Vishnu Patel:**

Okay. the 20 resorts that I have explained to you, I would like to talk about that. And first, for the investors who attended the call earlier, I would like to give the information again. Our strategy is that we do not want to do more than 20% in one state. We have one vision that we want to do 50-60 resorts by 2028. We want to do 40% on private land. There may be long-term lease of private land other than government and purchase of the land. So, a total of 20 resorts. A 30-year lease includes Jawai, Ranthapur, Udaipur, Velavada, Dhaulavira, Grand Elogia, Amdavar, and Vanilogya under acquisition.

In total, seven resorts belong to us. So, our vision is 25%, 40% own resorts out of total resorts we have achieved in this year. So, 33% of the resort are owned. Apart from that, the remaining 13 are in PPP mode. Okay. 25% to 40% owned resorts. 20% in one state. So, 20% out of 50-60 resorts. We don't want to do more than 12 resorts in one state.

I am giving you an example. It may be very low, but I am giving you an example. We work on that too. Let me tell you about land parcel. Land parcel is different. 75,000 sq.m. Wide-range resorts. I am saying approximately. Not in tables. I am saying approximately. Kindly, I am putting disclaimer for that. WRR is seven to 15,000 sq.m. Varanasi is 2,00,000 sq.m. The entire Ganga river is given to us. Same with Daman is 12,000 to 13,000 sq.m. Daman 2 is also 12,000 sq.m. Dhir is also 11,000, 12,000 sq.m. Similarly, Dhir 2 is also 12,000 sq.m. Ayodhya is 8,000 sq.m.

I would like to tell you about Ayodhya. It is exciting for you. Exactly behind the temple, 300 sq.m., which is called Parikrama Road, there is only one resort, I think. Only one resort that is owned by Praveg. It is the nearest resort of Ayodhya. So, Ayodhya is a grand resort. There are hotels like none less than Indian top brand owning hotels. Their quality is exactly adjoining to the Taj Group hotel.

On the Gujarat-Kaustiyas Road named Sindhu Bhawan Road, Dola Vida, we have acquired a huge land park. 20 rooms. Dola Vida, we have mass land purchase around 60 to 70 rooms. We can do 60 rooms, but we have done 20 rooms because Dola Vida is going to upgrade the future of the government. We are going to market it. We have done 20, we will do 10, we will definitely do more.

We have acquired a huge land parcel. We will take it to the future. We have acquired around 50,000 sq.m. land in Vela Madar. We have made 15 rooms. I will invite all the investors to come. When Vela Madar is going to start, it is going to become an extraordinary property of the Praveg, just like a 7-star, 5-star category in wildlife resorts. We have invested a lot in those 15 rooms. In the future, if we have to do 30 to 40 rooms instead of 15, we can do that. We have acquired a huge land parcel. We have also prepared a black box inside the resort. We have made a river and there is a problem of drinking water. Our guests will be able to enjoy a good privacy of Vela Madar.

In Udaipur, we are going to make 30 rooms. It has a capacity of 30. We have taken the entire mountain. We are going to make a resort on the mountain. I am telling you about this resort in Udaipur. You will not get to see it. It is a resort. Its creativity and style are different. Ranthambore will 30 rooms again but we can increase to another 30 to 40 rooms. We have taken a huge parking. There is a technical issue of clearance of the road. If that happens, we want to start that in the next season.

We are going to make 30 rooms inside Jawai. It is a cave resort. The stone inside the cave is going to give you We have just started the work. We expect that it will be completed in the first quarter of 2024. Adalax is a again just like a theme park kind of project. There is a game zone, a music program, and there are around one crore citizens living in the city. We have planned to make it. Daman is a village for the people of Bombay and Surat. If you have a wedding, it is a destination wedding place. There is a lake in the lake. There are three islands in the lake. There are three different wedding styles on the three islands.

Wedding, reception, wedding, boating, then after staying, we are going to prepare the whole city of Daman. There are 40, 40 rooms in Kashi. The high-end tent city can be utilized by the people of Bombay. It is exactly on Surat.

**Vaibhav Shah:** Okay. So, sir.

**Vishnu Patel:** I told you that there are 300 rooms, 300 meters away is the forest 3 kilometers away is Ayodhya 2. Guests who have booked in Ayodhya 2 can park their vehicles in the forest and go to the temple because we will have an authorization for the visit. That is also an extraordinary benefit. We are going to make 75 rooms there. 75-80 rooms. The response to that is also going to be amazing in the fourth quarter. Everyone is working on our expectations. My job is to work. We work on vision missions. Now, bless all of the companies that all the new resorts are being responded to. And we are working on that directly.

**Vaibhav Shah:** Okay. Sir, next, you were saying that you are going to do 20% in one state. So, we can safely assume that in Gujarat, no major new resort will come. Whatever comes, it will come in new geographies. Like we have already started Rajasthan, in Maharashtra after Uttar Pradesh. So, it is...

**Vishnu Patel:** Let me clear your confusion. There are four resorts in Gujarat.

**Vaibhav Shah:** Yes. Got it. Diu-Daman...

**Vishnu Patel:** Diu-Daman is a Central government project.

**Vaibhav Shah:** Got it.

**Vishnu Patel:** There are different clicks about it. But Diu-Dhaman is a central government not state government of Gujrat. We have two resorts in the state government. Kutch, and Kevadia. And apart from that, what we told you, Gela Vadar, those are our own resorts. So, the government has nothing to do with it. The government has given it for 30 years. And Gola Gira is our own land. So, even if we turn back, the least resort is in Gujarat. There are three resorts only.

**Vaibhav Shah:** Okay.

**Vishnu Patel:** Three in Diu, three in Daman. two in Maharashtra, three in Uttar Pradesh. Three in Uttar Pradesh, three in Gujarat. So, you are misinterpreting Diu-Daman. Diu-Daman is a central government.

**Vaibhav Shah:** Okay. So, you were talking about 20% for PPP model?

**Vishnu Patel:** Yes, PPP.

**Vaibhav Shah:** Okay. So, I want to know that in southern countries, like South India and that part, is there any government taking any interest in these initiatives? Like Kerala, Goa, or is the concept still not starting there?

**Vishnu Patel:**

Look, I would like to tell you that our team is working across India. A lot of state governments are positive for it. You will see in the future that all of them will enter South India. Maybe you can see it in the northeast in the target of next 28. Similarly, from J&K, Ladakh, Uttarakhand, we have a good focus on strategic locations. Government also is there. Whenever there is a tender, we are going to work on good strategic locations. And where the government is not interested, we are also preparing for land acquisition. We will acquire land Great.

**Vaibhav Shah:**

Good to hear, sir. Sir, secondly, the two recent acquisitions for five-star hotels, so, in that, I mean, in the surrounding areas of Ahmedabad, are you staying there or are you thinking of diversifying there also aggressively? Like now, our resort, tent city, semi-structure, in the same way, aggressively, are you thinking of something there also? Or this was one of the kind of opportunities that came, so we did it. And in that, will we have our focus or not?

**Vishnu Patel:**

Let me tell you clearly. Praveg is an experiential in hospitality company. The two hotels, one is we have acquired of Grand Ilogiya Group, is in Ahmedabad. Grand Ilogiya is in Sindhugavan Road, is in Ahmedabad. You know, Ahmedabad is the headquarter of Praveg. And we have a mass relationship here also. Now we are coming to the wedding business in Adalaj. I told you earlier, Adalaj is in Ahmedabad, in the middle of Ahmedabad-Gandhinagar.

So, the speciality of this Ilogiya Group was the wedding hotels. The only way is the wedding hotel, the Ilogiya before Grand Ilogiya, which we are going to merge. After that, the whole team, manpower, infrastructure, is made according to the wedding. And the wedding masters are there. There is a good shock part in those people. There are people of hardcore hospitality.

So, acquiring that group, there is a very big wedding business we are going to cater that. Because of that, we will take Ahmedabadi people to Kacchigam, we will take people from Bombay, Surat. Similarly, we will take them to Kewariya, Ten City, which we did not do and we used to do very little wedding work.

So, now we have added an equipment. Adalaj is going to be a very good park. According to the wedding, it is like a destination. It is a little five km from Ahmedabad. But there are many party plots in Ahmedabad. Which is a very big travel economy, wedding economy. So, to capture it, we have made three banquets on Sindhugohan Road. There are three banquets on three floors and there is a room on the third floor. Our focus on the room is 25%.

50% of the focus is on the wedding. So, to acquire the wedding business and our social presence is here, of our entire group. So, because of that, we had more confidence that we will be able to book it, we will be able to take it as a business. And Praveg's model is a light assets model. So, we do not want to invest in it. So, you will not get the same copy in Bombay. You will not get any business in Surat. Only for Ahmedabad, that is also a light assets model. There is a light assets model in one, which is a group, which is a five-star hotel made by Praveg. Praveg has invested only INR5 crores to INR6 crores and has taken it. And it has been leased for 10 years. So, we are going to expect a much bigger business than that in INR6 crores.

**Vaibhav Shah:**

In Grand Eulogia.

- Vishnu Patel:** And Hilogyan is already a working hotel in HB Road. So, it already does business. So, if we bring it in our group, then there will be more business synergies.
- Vaibhav Shah:** Got it. So, the focus of the light assets model is not shifting. That is what I wanted to know. So, sir, thank you so much. And all the best, sir.
- Moderator:** Thank you. The next question is from the line of Rishubh Vasa from Almondz Global Securities. Please go ahead.
- Rishubh Vasa:** Sir, thank you for giving me an opportunity. Sir, in our last call, Maharashtra was not in our list. At this time, you have recently announced for Maharashtra. So, this means this is a very sudden opportunity. This is what I wanted to ask?
- Vishnu Patel:** Sir, tender is a business of the government. We do not get it directly. We get the tender. Our tender department oversees it. We get a lot of tenders from all over India. It is not that we work on all the resorts. Wherever we feel that we need to acquire it, we apply for a tender. When the tender is applied, there is an announcement. It is not that, we come two years ago, sit with our eyes closed, and work only after the announcement. When we get it, there will be an announcement. If we do not apply, there is no question. If we do not apply, there is no announcement.
- Rishubh Vasa:** The second question was that, when you released the press about the acquisition of Eulogia, you said there were 45 rooms. Today, in the press release, you said, there are 76 operational rooms...
- Vishnu Patel:** Sir, there are two hotels. One was started on 1, November. That is at Sindhu Bhavan Road, it is called as The Grand Eulogia, you say. Ahead is Grand Hyatt. There are 76 rooms in Grand Wards. And the second, the merger that we did recently, that is Eulogia, that is of 45 rooms. And there are two-three banquets in that. The banquets are famous.
- Rishabh Vasa:** You did not included acquisition?
- Vishnu Patel:** Acquisition is not included. It is different.
- Rishabh Vasa:** Yes, it is not included.
- Vishnu Patel:** I cannot do it. When the acquisition comes, when the NCLP approval comes, then it will come in.
- Rishabh Vasa:** Sir, in wedding destinations, are we planning the same kind of acquisitions in other states also like Rajasthan and all this?
- Vishnu Patel:** All that is stated earlier. We want to keep our company asset light model. Elogia acquisition, Elogia, which we recently acquired, it is only due to acquired manpower, resources, experienced person, experienced group. That's why we've taken such outstanding steps to take that hotel. And manpower is very important in all, this kind of organization. So that's why we've taken exceptional decision of acquiring Eulogia SB Road. Eulogia SB Road is different. Eulogia SBR is different. SBR is a 5-star property like Taj, like ITC.

- Rishabh Vasa:** Okay, sir. Thank you very much.
- Moderator:** Thank you. The next question is from the line of Aditya Mehta from GK Capital. Please go ahead.
- Aditya Mehta:** Hi, sir. Thanks for the opportunity. Sir, when we do 19 or 20 resorts in March, within FY '25, how much overall occupancy can we expect?
- Vishnu Patel:** Sir, our expectation of occupancy is 50%. This is just a general answer. Some may be good, some may not. But we will calculate 50%.
- Aditya Mehta:** And in this, EBITDA margin will be 50% plus?
- Vishnu Patel:** Our EBITDA margin this year, particularly within FY '24, will be a little stressed due to extraordinary overhead which is laid down on existing resorts.
- Aditya Mehta:** Okay. Sir, the rooms we are expanding from 200 rooms to 1000 rooms, what will be the source of funding?
- Vishnu Patel:** Already we have acquired the funds for 15 resorts. These 21 resorts, we need six resorts funding. For that, we are planning to invest from promoter group, if required.
- Aditya Mehta:** Okay. Thank you, sir. All the best.
- Moderator:** Thank you. The next question is from the line of Bhavin Pande from Athena Investment. Please go ahead.
- Bhavin Pande:** Thank you, sir, for taking my question. Again, I just wanted to understand your perspective on this events business. How are we looking at it and what is the growth trajectory that we are seeing for this?
- Vishnu Patel:** Exhibition and event management and advertising is a core area of Praveg, right. Already we are providing real estate advertisement and management marketing services. Apart from that, we are also keeping eyes on government business of exhibition and event management, provided we get a reasonable EBITDA margin. Third, we have already earlier stated that our all team are deployed for the resorts.
- Extraordinary opportunity came to the Praveg and we want to achieve that resort to be operationalized. That's why we take only such a work where we get a good EBITDA margin of above 15% to 20%. In that case, we will work on that kind of project. Apart from that, in the exhibition event, we are also making an effort to take this business ahead and some development is going on for it. If we get a good opportunity in the future, we will also intimate you.
- Bhavin Pande:** Okay. That was helpful, sir. Thank you. All the best.
- Moderator:** Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Gopal Chandak from Kirin Advisor for closing comments. Over to you, sir.

**Gopal Chandak:**

Thank you. Thank you everyone for joining the conference call of Praveg Limited. If you have any query, you can write us at [info@kirinadvisor.com](mailto:info@kirinadvisor.com). Once more, thank you everyone for joining the conference.

**Moderator:**

Thank you. On behalf of Kirin Advisor, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.