Praveg Ltd. Conference Call Transcript - November 18th 2025

Management: And Mr. Piyushal Parekh, Finance Director. With that, I now hand over the call to Mr. Piyushal Parekh.

Management: Good afternoon, everyone, and thank you for joining us today. It is a pleasure to connect with all our investors, analysts, and stakeholders. At Praveg Limited, our focus has always been to create meaningful, nature-led, eco responsible luxury experiences for our guests. Our resorts are located in culturally and ecologically important destinations, and we continue to build our presence in a thoughtful and responsible manner. Alongside our hospitality business, our events and destination management capabilities remain a strong pillar of our overall strategy.

The first half of Financial Year 26 has been a period of continued expansion and operational progress for Praveg. We now operate more than 825 rooms across several stunning resorts and one hotel. This growth in scale reflects the work done over the past few quarters to strengthen our portfolio, enter new locations, and bring new experiences to the market.

During the quarter, our hospitality and events segment contributed Rs 26.29 crores, and the advertising segment contributed Rs 11.21 crores. We also had significant operational milestones in H1 Financial Year 26. We received the letter of award for World Lion Day 2025, which reinforces our long-standing presence in premium government event management. We also officially commenced operations at Praveg Adalaj Steam Park on September 25, 2025. This property marks an important addition to our experiential and event-driven assets and positions us strongly in the premium events and entertainment category. The strength of our operational footprint and the expansion of our room inventory continue to create a solid foundation for future growth.

Let me now take you through our financial performance for H1 Financial Year 26. On a consolidated basis, total income grew by 28.94% to 77.71 crores. This growth has been supported by continued expansion of our hospitality portfolio and steady performance in the events and advertisement segment. Consolidated EBITDA for H1 Financial Year 26 stood at rupees 10.17 crore. The company reported a consolidated net loss of rupees 14.97 crore.

Margins were impacted during the first half due to higher operating costs at newly launched properties along with the temporary closure of our core seasonal resorts during Q2, owing to adverse weather conditions. These resorts and new properties require initial ramp-up investment before they stabilize, and this is a normal phase in hospitality operations. Profitability was also affected by fixed lease commitments payable to the government under the PPP (Public-Private Partnership) model.

On a standalone basis, total income stood at rupees 56.55 crore. EBITDA for H1 Financial Year 26 was 3.72 crore, and the standalone net loss was rupees 16.71 crore after accounting for Index AS 116 adjustment. Depreciation for this half year was rupees 15.98 crore, which reflects the larger operating base created through recent expansion.

While the first half showed cost pressures, we remain optimistic about the outlook for the rest of the year. The second half is traditionally stronger for the Indian tourism and hospitality sector. Travel typically picks up from October onwards due to the festive season, the winter holiday period, higher leisure travel, destination weddings, and corporate events. This trend is seen consistently across the industry and is supported by broader travel and hotel occupancy data. With our seasonal properties reopening and our newer properties gaining traction, we expect healthier operating leverage and an improvement in profitability during the second half.

Our long-term strategy focuses on disciplined expansion, strengthening our eco-luxury positioning, and enhancing operational efficiency. With a growing presence across high potential destinations and an expanding portfolio of unique experiences, we believe Praveg is well placed to capture the rising demand for experiential and sustainable travel in India. Before closing, I would like to thank all our investors, partners, employees, and guests for their continued support. Your trust motivates us to keep improving, keep innovating, and keep building Praveg into a leading name in eco responsible luxury hospitality. Thank you once again for joining us today. We are now happy to take your questions.

Operator: Thank you. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and one on their touch tone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

Operator: The first question comes from the line of Mohit Jain from DR Choksi Finserv Private Limited. Please go ahead.

Mohit Jain - DR Choksi Finserv Private Limited: Hi ma'am, hi sir. Good afternoon. I hope you can hear me.

Management: Yes, please go ahead.

Mohit Jain - DR Choksi Finserv Private Limited: Yes. My first question, yes ma'am. My first question, you said there are few fixed PPP commitments to the government which continue even in low occupancy months. I'm sorry to interrupt, Mohit, could you be a little louder please?

Mohit Jain - DR Choksi Finserv Private Limited: Can you hear me now?

Management: Yes. Hello. Yes. I was saying that the fixed PPP lease commitments with the government continues even in the low occupancy months. So are you renegotiating any of these terms, especially for properties where seasonal volatility is higher?

Mohit Jain - DR Choksi Finserv Private Limited: Hello, hello.

Management: Sir, please.

Mohit Jain - DR Choksi Finserv Private Limited: Just carry the voice.

Management: My voice is a little low.

Mohit Jain - DR Choksi Finserv Private Limited: Hello.

Management: I am unable to hear clearly. Should I repeat the question, sir? Yes, please speak.

Mohit Jain - DR Choksi Finserv Private Limited: Yes, sir. So my question is that the fixed PPP lease commitments with the government continue even in low occupancy months. I want to ask if we are negotiating these terms, especially for the properties where the seasonal volatility is very high.

Management: I will tell you. Yes, I understood your point. Basically, for government properties or private properties, especially government PPP properties, a tendering process takes place, and tendering is always done based on terms of five or seven years. Based on that, we have full flexibility for the payment of the rent. We are not running even a single property on a sharing basis. The government is also not interested in auditing our revenue and all to ask for a share. Such conditions are normally not present in any of our tenders. So, whatever the rent is, it is a fixed rent.

You have to consider that the rent is equal in Quarter 1, Quarter 2, Quarter 3, and Quarter 4. So, the seasonal effect definitely impacts the bottom line, especially for projects that have seasonal variations and where we are not in the city metro, but where the experience is key. That effect is mostly visible in Quarter 2 every year. So, that will remain.

Regarding rent negotiation, the government process is transparent, and it is a bidding process. There is no negotiation involved. But if there is any issue related to any extraordinary problem there, or some strike, in such cases, if a resource remains closed, we can invoke Force Majeure. If there is no such event, we cannot ask for it. In short, we cannot negotiate it, but when the tender comes again, that value will automatically be reset in terms of market feasibility and market competition.

Mohit Jain - DR Choksi Finserv Private Limited: Okay, sir. And sir, my second question is about this Praveg Adalaj Steam Park, which is our new initiative. Sir, do you expect it to be margin-accretive from the first year, and can you give us some figures on when you expect break-even, targeted first-year revenue from it, etc.?

Management: Yes, I will tell you that the portfolio that Praveg has just introduced, which has a certain number of rooms, is quite vast beyond just the rooms. First, I told you that our revenue has started significantly from advertising. We have acquired the Vidhan company, and we are in expansion mode in that company, and we have shown the revenue in H1 as well.

In the same way, in exhibitions and events, as you might know—if you attended the previous call—we compromised our exhibition business for 1.5 to 2 years due to the development of the hospitality segment and the eco-friendly resorts. The Praveg in-house team, which includes the in-house architect, structure, and in-house development team, was shifted towards the development of hotels and resorts. That is why we had compromised the exhibition and events business. Since the announcement last year, we have re-captured that business. We have started on that line. The business which was 50 crore, 70-80 crore before 2020 or 2021 had come down to almost 10 crore rupees.

So, now we are regaining that portfolio again, and we have built up the team accordingly. We are redesigning and resetting our team, both the development team as well as the exhibition and events team. So, we are re-capturing that portfolio also.

Now, I will come to the Adalaj point. Adalaj and Lakshadweep are two properties which we are going to integrate: 100 rooms in Kheemkara North and 100 rooms in Kheemkara South. Out of that, the 100 and 200 rooms [in Lakshadweep] are special properties for India. Basically, it's not only hotels or resorts; it's beyond that. You will get all activities there: water sports, water activities, cruise, sorry, yacht, as well as experience boating. We have planned a lot there.

That is a very big property on the beach where there is huge potential for weddings. We can host weddings with 200 to 250 rooms because we already have 50 rooms started in Bangaram, which is operated by Taj Selections. We are launching 100 rooms nearby, and then again 100 rooms, depending on our occupancy response to manage the cost. So, we are doing rooms there.

Apart from the room level, we are going to get various conferences, exhibitions, as well as the Government of India and different state governments are interested in conferences and business programs for corporate teams across India. So, many things are going to happen at that place. So, it's beyond room and beyond ARR income.

We only have 10 rooms there, just to host our theme-based destination. I need rooms there for guests who are popular. Otherwise, the entire area has an aesthetic "wow" factor, and it is thematic. When you see the photos, it is a natural stone heritage made after 500 years. The Adalaj Stepwell was built 500 years ago, and now the new Stepwell that Praveg has built is also made from real stones.

The effect of that, and the entire setup, is for cultural programs, theme programs, corporate programs, weddings, and Garba. We just launched a Garba event on the first day of Navratri, and it received a tremendous response. It was highly publicized on social media in the Gandhinagar and Ahmedabad area. We got more than one million lights and views for that. The people who visited that place gave that kind of marketing feedback, and the experience was impressive, so there has been a lot of big marketing for it next year.

Besides that, the wedding season has started now, just from October 14. We have back-to-back bookings this year. So, income from around 20-plus weddings will come from there. Since the property started only one or two months before, there are a lot of inquiries, interest, and bookings for next year's weddings. So, we feel that Adalaj will outperform for Ahmedabad and Gandhinagar as a destination, especially for culture, music festival, as well as wedding programs.

Mohit Jain - DR Choksi Finserv Private Limited: Thank you. Okay, sir. My last question, sir. Since, I know we have more than 850 rooms in the operational stage, expanding very rapidly. I feel the first half, sir, group-wise, has been somewhat compromised, maybe because of the monsoon, maybe because of something that was not in your hands. Sir, I want to understand how you view the second half. What is your view on the second half? Do you think we will have good growth in the second half?

Management: You can even see the historical data of our Praveg balance sheet. You always find Q1 and Q2 are weak. Q3 and Q4 are always beyond that, because of this seasonal variation. Q3 and Q4 will follow the same earlier trend. So, I don't see any problem here.

Regarding the results expectation, I would like to tell you that our Bangaram was launched but did not work this year from May 15 to around October. So, the entire cost is on this. Secondly, the exhibition event management team we have re-built after two years. I want to recover all the portfolio that we had lost due to this hospitality development experience. So, all the teams that had moved to the development division have been brought back. Plus, we are building a new exhibition team. A CEO is also appointed. Due to this, our business has started, including getting awards. We are expecting good business from events and exhibitions in this H2 also. Last year, it was almost nil. You will find good volume [in H2], so you will be satisfied after that result, I can say that.

Mohit Jain - DR Choksi Finserv Private Limited: Thank you, sir. Thank you very much, and all the best.

Management: Thank you.

Operator: A reminder to all participants, you may press star and one to ask a question. The next question comes from the line of Pratik Patel from 50 Millioners. Please go ahead.

Pratik Patel - 50 Millioners: Sir, my question is about your Kheemkara resort that is coming up. When can it start? And what kind of response have we received so far in Bangaram in terms of occupancy and bookings for this season? That is my first question, and then I will ask the second.

Management: So, I want to know about Kheemkara and Bangaram. See, Bangaram Resort is already operated. It started operation this October month. Initial October and November months are normal, but we are expecting December, January, February, and March to be outstanding. We have a good amount of inquiry which has come, as well as we have started region-wise targeting various cities for the Bangaram and Kheemkara business. The response for Bangaram is quite good. As you know, it is a greenfield or gray area which we have started now. Publicity has started, and we are expecting an extraordinary response in Bangaram. We are starting Kheemkara in a very near timeline, and we will make an announcement in the very near future.

Pratik Patel - 50 Millioners: Sir, any idea, like, within 3 months, or 6 months?

Management: It will be launched in one month.

Pratik Patel - 50 Millioners: One month.

Management: Yes, one month. You can allow 15 days plus or minus.

Pratik Patel - 50 Millioners: Okay. So, we can get the benefit of this next few months' season, like the season in Lakshadweep lasts until March. Will we be able to take advantage of that?

Management: No, sir, it lasts until May 15. It will run until May 15, but May is slightly weak. Normally, November to April is good because many foreign tourists come in January, February, March, and April due to the dolphins. I would like to tell all investors and analysts that Bangaram is a beauty of India. You all know that. But Bangaram has challenges with logistics and public awareness on the Indian mainland. So, for all these things, sir, I will need some time. But as guests come and see it, and then go to the mainland, the word-of-mouth publicity factor will be significant in the next generation, which will be out of the box. That is the belief of our entire team.

Pratik Patel - 50 Millioners: Okay. So, in Bangaram, can you share the occupancy numbers? What is the current average booking you are seeing?

Management: October? October? Taj Selections is operating there. I would have to tell you. Can you share anything about the October data?

Management: In October, the occupancy level was approximately 25% to 30%. The weather was impacted; there was heavy rain in October.

Pratik Patel - 50 Millioners: Okay. And sir, I saw some reviews, like for Bangaram, and the feedback I saw online was that some people are demanding non-vegetarian food. Do we have the availability of non-vegetarian food, because I heard that we only serve vegetarian food?

Management: Yeah, I would like to tell and focus on it. Praveg is a pure-veg restaurant company; they are a pure-vegetarian company. So, we are not providing [non-veg]. But the Taj Selections property, which is adjoining our 50 rooms, is a government property. There, full non-vegetarian facility is available, which is already managed by the Taj Group. And in the books of the Taj, they are sharing their profit and whatever it may be with the government. We have nothing to do with them. But in our 50 rooms and our services, we are not providing non-vegetarian food.

Pratik Patel - 50 Millioners: Okay. And do you think, sir, that in the next one year, since we have invested a lot of money in Lakshadweep, the trajectory of the earnings will be very good?

Management: Definitely. I would like everyone on the call—all investors and analysts—to visit during this season, and then give their review in the next conference call.

Pratik Patel - 50 Millioners: Okay, okay, okay. And sir, any guidance for this year if you can share?

Management: I told you one thing about guidance. I only say one thing: historically, you can analyze the difference between H1 and H2. Besides that, what we are progressing in the exhibition and event line, that entire surplus will be an addition to the last year's trend. Also, the trending in advertising, which was almost very negligible in the last two quarters of FY25. In the last two quarters, you will find advertising and exhibition business on a good scale, besides the hospitality business. Our third and fourth quarters are our season, so that growth will happen, but two things are going to be added. Because of that, you will see something good. I mean, you will get much better results in the second half compared to the first half.

Pratik Patel - 50 Millioners: That is always the case, sir. Our H2 is always better. But like, what do you expect? Any expectation for us compared to last year's H2?

Management: The turnover will increase in the same proportion as the turnover increased in Quarter 1 and Quarter 2 compared to last year. Only that much I can say. Plus, the exhibition business will come into it. I am not giving you an exact figure because the exhibition event business is totally government-dependent. It depends on how many tenders or exhibitions or events come into play. Then, we bid for them. Many times, we get good business from the government. It depends on how much share we can take of that. But I can say this much: last year, there was almost nothing, and this time, we have done business of around 10 crores in the last two months only. Now the huge season is coming, which will run till December, January, February, and March. So, I am quite optimistic that the business that was zero last year will grow entirely and we will recover it completely here.

Pratik Patel - 50 Millioners: Okay. And sir, any comment on White Rann?

Management: White Rann is good, and we are almost in expansion mode there also. You will find some exciting news because I am not seeing Praveg's boards, but I am seeing a lot of boards from Lallu Ji & Sons. So, I asked why our marketing is low regarding White Rann marketing.

Management: So, basically, for Praveg White Rann Resort, what we felt is that we don't require marketing. Rather than doing hoarding and all, we use our marketing expenses on social media sites, which gives us the better result. So, we are more focused on the digital marketing side.

Pratik Patel - 50 Millioners: Okay, okay. Thank you. And sir, good advertising is running for Lakshadweep. I am seeing it around Ahmedabad. So, thank you, and wish you best of luck.

Management: Thank you.

Operator: The next question comes from the line of Kailash from Sequel Securities. Please go ahead.

Kailash - Sequel Securities: Sir, good afternoon. Sir, my question is, is there any chance of margin improvement? I see the balance sheet, and sometimes margins are 30%, 20%, 50%, but in the last couple of quarters, the margins are decreasing. Sir, can you guide us on this?

Management: Hello.

Management: And there is a very minor difference. Same here. The land that you own is minor. The rest of all the resorts are on a renting basis. Rent does not see the season. The rent is the same in Quarter 3, Quarter 2, and Quarter 1.

The second reason: last year, Bangaram was not there. In the quarter, the first year of Bangaram was the off-season. Business did not happen from May 15 to almost October 15 because we can't operate there, as it's an island, a separate piece of land. So, we can't work there. The business cannot run. So, its fixed cost has been incurred.

The third point is that our exhibition event division, which had moved into development, we have created a new team entirely in Quarter 2. Plus, there are additional overheads here too. The CEO has been appointed. There are many overheads incurred to launch the exhibition event business. So, its cost has also been reflected here.

Overall, Praveg has two major sources of revenue: hospitality, and secondly, advertising. So, the income from hospitality has come, and all the overheads incurred, as I told you—the difference in rent, the difference in business, which increases the proportion of rent in the cost—thirdly, creating the exhibition event team.

Fourthly, we already told you that we are focusing on service and customer satisfaction rating. We have to give the best service, like a five-star property. We cannot run on that mode. So, the entire team, as I told you 1.5 years ago, was 100 people in-house. Food and beverage were outsourced, housekeeping was outsourced. Now, the team has become 1,500 employees within one and a half years. So, whether it is season or off-season, if I outsource food and beverage or housekeeping teams, I can fire them, I can reduce them during that time. But where the team is in-house, I have to retain them.

The only benefit of retaining the in-house team is customer satisfaction. The team works according to our SOP. In the feedback, that is our cost. Due to this satisfaction, based on the customer certification rating, you can check our Trip Advisor. All our Daman properties are almost number one in Daman. The status is the same for our Ahmedabad property. The reason for the rating you are getting everywhere is the dedicated team. If I outsource it, I can save 5% to 7% profit, but it will be at the cost of customer satisfaction.

If I want the company to deploy a good experience in the hospitality segment in India and take it further in Africa, then service will be the prime focus. The balance sheet is almost of utmost importance; I do not deny that. But in the longer run, I will convert that experience into a balance sheet.

Kailash - Sequel Securities: Sir, I have one more question. Sir, the stock has come from 1,200 to 300 today. Sir, what clarity would you like to give to the minority shareholders?

Management: That is a very good question. Look, Praveg follows 100% corporate governance and compliance. Even before Diwali, an Income Tax search also came for Praveg, and we have declared it, we have filed it on the exchange, that they found nothing objectionable. Nothing happened, because of our corporate and accounting transparency.

Number two, what was your second point? The price? Okay. I want to tell you, for the benefit of all analysts on the phone: December 23 was the date, I think November or December 23, when our Honorable Prime Minister visited, and that time [the property] was awarded to Praveg. That you know well. If you see the Twitter activity at that time, and then next month, or January 24, the Ram Mandir temple was inaugurated, two properties were awarded to us, the market boomed, and there was a social media frenzy. I can't comment on the emotional aspect of investors, but they did the buying, and the number of investors in the company increased manifold, and that was the reason for the 1,000 [rupee price]. That is not exactly my opinion about any pricing. I am not making any opinion for pricing; we are following corporate governance, so this is not my subject. But whatever I studied as a layman, everybody was influenced by Twitter and social media, and that's why the price was up. Then, obviously, whenever anything goes up, a corrective effect has to come, and this might be a temporary phenomenon.

I told you that Praveg's initial focus was to operationalize 18 resorts. There were some queries at that time also—you can see our earlier conference calls—asking how we would operationalize 18 resorts in a year. We showed you that we did it. After that, we acquired an advertising company last year. Its turnover was 32 crore, and now, if you look at the half-yearly results, we have achieved a turnover of 24 crore in half a year. So, this year, you will see good growth there too.

Overall, we are not concerned with the Praveg price in the market. I am concerned with performance. Definitely, I do accept that your expectation might not have been met due to many reasons I explained. My team will try its best. Now, it has become operational. Now, we are working on different models, including the investor model for development. We also have some inquiries for another hospitality company. So, we are regaining that, putting in new expansion. Our exhibition event business, which was 50 to 100 crore before 2023, and had become almost zero, I have to recover that. When all these effects come, you will have to give the company time.

Traditional hotel companies take four years to become operational after the foundation is laid. We have shown you that we did it in two years. Now, we will show you good operational management, getting good margins, regaining the exhibition business, and also increasing room inventory with low cap ex by using the investor model for new hotel expansion, getting good experience, and working on new proposals from the government for theme parks and experience bases, and expansion in museums. There is a lot of potential. So, as an investor, I would say only one thing: think about a longer vision rather than a shorter vision. The shorter vision people may not be satisfied at that time, and they may have sold their portfolio during this period. So, always, even an aircraft, when it takes off, it consumes more fuel, you understand this. And this company is not an old company in hospitality. You have to give some time to take off.

Kailash - Sequel Securities: Sir, my last question. Sir, the warrant issues were canceled in yesterday's notification. So, funds will not come now, sir. If the inflow does not come, will it impact the company's growth, sir? Like, for future development? And additionally, debt was also added in this quarter, sir. So, how is this?

Management: Look, sir, as an investor, no, see, regarding the warrant you are talking about, yes, the 25% warrant money is forfeited. That you know, right? That has become a part of the reserve without any debt, without any liability. Number two, to that extent, you can fill up by the debt of the group company or from a promoter or from a bank if required for the growth. And we have shifted our focus from in-house capex to the investor capex model. We are trying, we are going through various negotiations, and we will get a good, fruitful result where, without the company's investment, we will grow our hotels, the number of rooms, as well as the number of hotels next year.

Kailash - Sequel Securities: Sir, debt has been added this quarter, you please rejoin the queue so that the other participants could ask their questions.

Management: Sure, sir, sure, sir. Thank you.

Operator: The next question comes from the line of Rishikesh Shah from Alchemy. Please go ahead. Rishikesh, please go ahead and unmute your line, in case if you are on mute. Hello.

Rishikesh Shah - Alchemy: Hello, sir. Am I audible now?

Management: Yes, yes.

Rishikesh Shah - Alchemy: Sir, I wanted to ask you, as you have guided us that we should look at growth on an H1 to H2 basis. So, if we look at our H1, we have generated almost 80 crore in revenue, right? So, H1 is one-third and H2 is two-third. Is it right thinking that we should expect 160 crore in the second half?

Management: No, you should understand. I told you two things. First, the 150 you mentioned, you said that based on last year's data, plus exhibition plus advertising has been added this time, which was not there last year.

Rishikesh Shah - Alchemy: Yes, right, right. So, if we consider H1, I understood this, but H2 should be more than 160 crore, according to you.

Management: It will be more than last year. It will be much better. I mean, it will be good on a growth basis. The growth that happened in Quarter 1 will continue. That's what I am saying.

Rishikesh Shah - Alchemy: Okay, understood, sir. My second question was, if we look at H1, our operating expense was 66 crores on a revenue of 77 crores. How will that play out in H2? I mean, how much will it increase, because the properties have become operational, plus our seasonal properties

are coming? How should we look at that?

Management: I will tell you. Look, every hospitality company has a fixed cost. The difference between season and off-season is that when it is not our season, like Quarter 2, our data will be directly hit. Now, as the sales volume increases, it will contribute 80% to the profit because I don't have to pay additional rent or make any other transactions. Whatever is incurred is minor expenses in F&B; and electricity. The staff is the same, the employees are the same. So, the incremental revenue that comes in the quarter, sorry, in the season, I can say that the incremental revenue has 75% incremental margin. Please understand my point. The break-even is already crossed.

Rishikesh Shah - Alchemy: Understood. That means 25% or so is added to the cost, and the remaining 75% of the incremental revenue goes directly into the margin.

Management: I also want to tell all analysts and the investor team that out of the 18 resorts this year, almost 50% of the resorts have been operating for the last one year. Please understand this. So, not everything becomes profitable immediately. Please understand this. So, you have to give one year, two years, some time. You have to give time so that if you launch one year, you expect 80%, 70% immediately, that does not happen. In the second year, it might be 15%, depending on the trending, location, and public response. Many things need to be taken into account.

Rishikesh Shah - Alchemy: Sir, your question, yeah, Rishikesh, you are breaking up. Rishikesh, we are not able to hear you. You are breaking up.

Rishikesh Shah - Alchemy: Hello. Yes, please go ahead. Proceed. Yeah, sir, I wanted to ask you, what was our capex in H1?

Management: Look, I want to tell you, almost all capex is done, and the necessary capex will also be completed in the quarter. Overall capex, we can tell you from the balance sheet file. Hello. You will find it in the presentation also.

Rishikesh Shah - Alchemy: Okay, sir, that's fine. I will check the financials again. I wanted clarity on the growth you mentioned. You said to compare Q1 to Q1. How should we compare Q1 to Q1, last year versus this year? I mean, the growth that happened in Q1 should be compared to this year's Q1.

Management: Okay, that much is the expectation of growth, according to you.

Rishikesh Shah - Alchemy: Yes, it is happening. Look, you will see Q1, Q2, Q3, Q4 of FY24. That's what I meant. Plus, the exhibition advertising business was not there last year.

Management: Yes, it was not there. Right. Okay, understood. Thank you. Thank you, sir.

Operator: The announcement is done. Let me just check. Mukesh, public. Yes, please check me. Let me check the next question, please. It's done. Yes, yes.

Management: I would like to tell all our investors and analysts on the call that we have just filed an additional inventory of 252 beds in Kutch, which is awarded to us for 35 years. It is a good, amazing moment for the company acquisition. We have just published it on the exchange, so I can announce now that 252 beds are equivalent to, you can say, 126 rooms. Besides the 76 rooms which we already hold, the total inventory in Kutch will be around 202 rooms. In this season, it will be 76, and next season, it will be 202 rooms, including this dormitory room. So, we have a major expansion coming in Kutch next season. Thank you. Now, question.

Operator: Thank you. The next question comes from the line of Rahul from Axis Growth. Please go ahead.

Rahul - Axis Growth: Yeah, hi, sir. I wanted to ask you that now that the warrants have been forfeited, the money is not coming, and you have written in your presentation that you are adding 500 more rooms in the next one year, which are in many properties in Maharashtra, etc. For that, if I assume 50 lakh per room, you will need 250 crores of capex. So, sir, where will that money come from? How much will your debt increase because of this?

Management: I want to tell you, first, I will brief you: just now I announced 126 rooms that are coming in Kutch. Yes, sir. Out of the 500 rooms, one thing I will brief you: the entire infrastructure of my property, which you might know in Kashi Varanasi, is coming to Kutch. So, this is the good thing. The hotel in Varanasi has been closed, and we will move the entire resort there and generate 126 rooms in Kutch next season. So, you can understand that its capex will be very minimal. It will cost me 7 to 10 crores.

Management: We will establish 126 rooms, including installation and all the finishing costs. So, the 126 rooms from Varanasi have been established. Secondly, I already told you that our work is going on the investor model, where investors will invest, and we will be the party. We will develop that property as per Praveg's vision. After development, we will operate it also. So, there will be a margin in both development and operation. The benefit for the investor is that their resort will be built based on Praveg's model, on their own books.

Rahul - Axis Growth: Sir, I understood about Kutch, sir, that the incremental capex will be less. But for the other properties you mentioned in your presentation, like Udaipur, Keshod, Kashi, and Bangaram, you mentioned 495 rooms. I can assume that your CWIP is approximately 130 crores. But how much will be the balance money that you need to put into all this?

Management: That's what I am telling you again. We have reconciled 126 rooms. Kheemkara North is ready. No additional capex. We have already gone beyond our existing capex. So, Kheemkara North is okay. Deduct 100 rooms. Kheemkara South is around 80% ready. Our capex has already been done for 80%. So, you can understand that the expenditure for the remaining 20 rooms will be an additional investment of 10 to 15 crores. So, our 326 rooms will be completed with 15 to 20 crores. Is this point clear?

Then I will tell you, about Kashish in Bombay, there is an issue with CRZ clearance. As soon as it is cleared, people are interested in the investor model there, and also in Africa. We are working in that direction, so investors plus Praveg will do the joint development activity for their future expansion. So, you can minimize our capex. It's getting a good response from every capex side with Praveg. In that case, we will only think about acquiring an extraordinary property on our own. Wherever possible, now we are expanding on the investor model also.

Rahul - Axis Growth: Okay. So, sir, how will this investor model work? I mean, how much money will you put in, and how much money will they put in? Can you give some basic idea?

Management: Yes, I can give you five or six models. Number one: the land is the investor's, Praveg is doing the development, and Praveg is operating it. In that case, we are saving on land. Second thing: the land is theirs, and the investor is funding the development cost. The development is done by Praveg, and in that case, Praveg will take its margin. Our development, which is the capex, will also have our margin, and based on this margin, the resort will be built. Praveg will manage the operation and maintenance. This is the second model.

The third model is the TTG (Transfer-Operate-Transfer) model with the government. We are bidding, we are developing it with our capex, and we are taking the revenue. The fourth model: if any ready hotels are good and fit our experience, and they want to give it to us ready-made, we can run them and take them up too. So, there are four or five such models that are going to be developed.

Rahul - Axis Growth: So, sir, let me put it the other way around. You have done 41 crores of capex in the first quarter. So, approximately how much capex will be in the second half?

Management: In the second half, I told you that the capex for Kheemkara North has been done. We have put in an additional 10 crores. Now it is almost in the inauguration stage, so it will be around 10-15 crores. The rest is complete.

Rahul - Axis Growth: Any further borrowing or loan are you going to take?

Management: The money from the warrant you mentioned was going to be utilized for future expansion, like the requirement of 10-15 crores in the South, like in Alibaug. But we will manage that from our side.

Management: Okay. It might come from the promoter, or it might come from our good investors.

Rahul - Axis Growth: So, you will not take a loan now, right, sir? You will not need to take any more loans than this?

Management: It depends. If there is an opportunity and a working capital requirement, then accordingly. Otherwise, we showed the loan. Praveg has taken the loan almost entirely from the group company. Number one, there is no other loan except some very small DG and CC unit loans, maybe 5 to 10 crores. Because a 500-crore net worth company having a 10-15 crore limit is only for the management of bank guarantee and government business, that you know.

Rahul - Axis Growth: Okay, thank you very much, sir. Thank you.

Operator: Thank you. The next question comes from the line of Rishank Patil, an Individual Investor. Please go ahead.

Rishank Patil - Individual Investor: Hello, am I audible?

Operator: Yeah.

Rishank Patil - Individual Investor: Yeah. My question was on the trade receivables appearing on the balance sheet. So, what I see is 69 crores worth of trade receivable is there, and our revenue for the half year is around 76 crores. So, if you would just throw some light on what kind of receivables—because I understand that most of the receivables would be from the resort bookings, where there won't be any substantial credit period. So, what does this trade receivable comprise of?

Management: There is a trade receivable from the government, exhibition, as well as corporate conference, corporate bookings, where I have flexibility with them.

Rishank Patil - Individual Investor: So, generally, what is the credit period we are giving over there?

Management: Look, when routine business comes, it is cyclical. A new business comes, then a new one is added, then the payment comes. If it is a single business or a non-group where we can trust them, we also work by giving some credit there.

Rishank Patil - Individual Investor: Okay, sir.

Management: And even for the government, sometimes the processing time takes time, sometimes it takes one year.

Rishank Patil - Individual Investor: Okay. Okay, thank you. Thank you.

Management: Recovering from the government has its process. The government has its own payment system. So, that causes some difficulties in the trade receivable.

Rishank Patil - Individual Investor: Understood. Thank you. Thank you, sir.

Operator: The next question comes from the line of Mehul Panjwani from 40 Cents. Please go ahead.

Mehul Panjwani - 40 Cents: Hello, sir. Thank you so much. You explained a lot in detail, which is, you know, ready to share anything about our company detail.

Management: Yes, which is giving us a lot of confidence despite the loss reported. Sir, we see the future of Praveg, not only the historical data.

Mehul Panjwani - 40 Cents: Yes, sir. Yes, sir. Sir, I wanted to know about the 11 crore advertising revenue you mentioned.

Management: 13 crore.

Mehul Panjwani - 40 Cents: Sorry, 13 crore. Yes. Is this a new segment, or has Praveg already been in this before?

Management: I will tell you, Praveg had its own advertising and event and exhibition business on its books. We first added Kutch in 2014, Kevadiya in 2018, and 2022. Then, you know the journey, right? In the same way, advertising and event is an integral part of the business, but we have segregated it strategically. Now, we are looking at advertising separately and exhibition events separately.

Because we are looking at advertising separately, we made a strategic investment of 51% in a company that had 20-25 years of experience, run by the current MD, Mukesh Patel of Vidhan, and his son, who is also 32 years old. After that, we started expanding the hoardings in prime locations like Gandhinagar Municipal Corporation, Jaisalmer, Goa, and then on petrol pumps in Maharashtra and in the rural segment of the railway.

We acquired this on July 1. From July 1, our one year will be completed. The turnover which was 32 or 33 crores last year, we have done 24 crores in half a year now. And this year, you will see very good growth here. Not only on the financial side, but also in the acquisition of new advertising areas, new advertising monopoly in certain cities, and certain big metro cities. We are planning that too. So, you will find development in that company, so you can specifically judge what profit is made by that company.

In the same way, in exhibition events, the portfolio of Praveg which we lost for two years—we did not work in this for two years due to development—we are going to rejoin that too. You will find that also in the announcements that have been filed, which are new awards. Our team is still working aggressively, and the entire team, including the CEO, is ready. We have started aggressive bidding. You will see good business in the second half also. We are optimistic about that.

Mehul Panjwani - 40 Cents: Right, sir, right, sir. We are confident. And one question, sir, which you just announced and which Mr. Laluji just mentioned: is it only Kutch, or are there other locations as well?

Management: Yes, sir. So, the land awarded to us is exactly adjoining our 46 rooms and 40 tents, 50,000 square meters, on the same property. And I want to note again that so far, Praveg has seen tenders of 7 years and 10 years, but this announcement is for 35 years. That means the company has received the longest-term property acquisition.

Mehul Panjwani - 40 Cents: Excellent. But, sir, is this through Laluji & Sons, or have we received it ourselves?

Management: It is ours. You can check the announcement. It was received from the Government Tourism Department.

Mehul Panjwani - 40 Cents: Okay. And sir, one more thing: so, now we have a total of 18 resorts. Is that right?

Management: I think so. Exactly 18 are operational now. Two are in the announcement stage.

Mehul Panjwani - 40 Cents: Okay. So, sir, if I talk about 18 resorts, how many of these 18 resorts are generating revenue, and how many are yet to start?

Management: I will tell you, 18 resorts are already operational. The announcement of operations for the resorts. One nearby, I told you, one in Lakshadweep, you will get by January. No, sir, sorry. I would like to rephrase my question. I asked the wrong question. Out of these 18 resorts you said are operational, how many have been operational for one year already?

Management: We have that almost... if you exclude the seasonal ones, it is 50-50. That is the only reason you are feeling the pressure in Q1 and Q2. 50% of the properties were newly launched, some in January, some in February. Yes, sir.

Mehul Panjwani - 40 Cents: Okay, so 50% are operational for one year, and 50% are new?

Management: I am telling you approximately. I have not checked the paper, but just an average. The margin of these new properties will remain low for two years. You have to bear with that time, yes. But we have to endure those two years. But the H2 numbers that come will show a lot of improvement because all resorts... it's simple, a simple reason. You know when people travel? They don't travel in the monsoon, right? So, everyone plans to travel in the winter. People travel a lot in the month of May. From May 15 to September 30, our business is almost very low. The only way I can balance that is through advertising and exhibition event management, and we are re-capturing that. So, I am assuring you that in the next year, you will probably not see the pressure on the bottom line in Q1 and Q3, sorry, H1 and H2, that you are seeing now.

Mehul Panjwani - 40 Cents: Okay, sir. Thank you so much, and congratulations to you, as well as all the best, sir.

Management: Thank you. Thank you so much. Thanks for all of your blessings to the company.

Operator: Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Path Acharya for the closing remarks. Path sir, please go ahead.

Path Acharya: Thank you everyone for joining the conference call of Praveg Limited. If you have any further queries, you can write us at research@c-advisors.com. Once again, thank you everyone for joining the conference.

Operator: Thank you, sir. Ladies and gentlemen, on behalf of Kiri Advisors Private Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines. Thank you.