



## “Shriram Properties Limited Q4 & FY'25 Earnings Conference Call”

**May 27, 2025**

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*Shriram Properties Ltd.  
May 27, 2025*

**Moderator:** Ladies and gentlemen, good day and welcome to Shriram Properties Q4 & FY'25 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '\*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Gopalakrishnan J. – ED & CEO, Shriram Properties Ltd. Thank you and over to you, sir.

**Gopalakrishnan J.:** Good evening, everyone, and thank you for joining us on our Q4 & FY'25 Earnings Call. My name is Gopalakrishnan. I am ED & CEO of Shriram Properties Limited. I am joined by my colleague, Mr. Ravindra Pandey – our new CFO, who will be walking you through the presentation and then both of us will join in answering questions as you may have.

Before he starts, I wish to make an introductory remark saying we have delivered a resilient and satisfying performance during FY'25 despite external challenges on the approval and the OC front faced during the year. Our results are testament to the strength and agility of our operating platform, focused strategy and unwavering commitment of our team.

For the full year, we achieved sales volumes of 4.3 million square feet. Sales values of Rs. 2,288 crores. And our Q4 was a more robust quarter with a strong momentum in handovers with over 1,400 homes delivered during the quarter alone. All these factors in Q4 has contributed to a strong revenue recognition. On a full year basis, we concluded the year with a total revenue of Rs. 973 crores and a net profit of Rs. 77 crores marking it as our highest annual profit since listing. Importantly, our operations also translated into record high customer collections of Rs. 1,484 crores and a reduction in net debt by 26% to take the debt equity to about 0.24:1 among the lowest in the sector.

Our performance highlights our commitment to prudent capital allocation and disciplined growth. With over Rs. 305 crores of operating cash flows and Rs. 273 crores of free-cash flow before new investments, we are well positioned to accelerate our growth agenda. Looking ahead, we are entering FY'26 with a strong momentum with robust pipeline, including key launches in Bangalore and Pune, we are confident of sustaining our growth trajectory. Our focus will remain on faster execution, timely handover and value creation for all of our stakeholders.

At this stage, I would request my colleague, Mr. Ravindra Pandey – our CFO, to walk us through the results, both quarterly and full year financial performance and operational performance. Once he completes the presentation, I will join him in answering questions that you may have. Thank you and over to Mr. Pandey.

**Ravindra Pandey:**

Good evening, everyone. Thank you for taking time to join us today as we present the performance highlight for Q4 & FY'25 and also the outlook for FY'26. We have uploaded the presentation on the website of the Company and the stock exchanges, and I hope all of you have access to it.

I am referring to the presentation Slide #3. I want to set the context of our performance:

FY'25 has been a muted but satisfactory year, viewed in the context of significant external and regulatory headwinds faced - not just by us, but the regional industry. Q2 and Q3 were particularly challenging quarters as we encountered delays in approvals and OC processes. Apart from elections, regulatory transitions and new policy changes like E-Khata and Kaveri 2 in Bangalore which impacted our registrations. The delayed approvals and OC came through, but only towards end of Q4. This pushed our launches to Q1 '26 and stressed revenue recognition to some extent, even though we recouped most of deferred revenue during Q4.

That said, we made significant stride in Q4.

I will walk you through quarterly and full year highlights now. Before I do, just want to emphasize that the approval and OC concerns are hopefully behind us. We have launched our Pune project already and Bangalore launch is scheduled next month. From the market perspective, demand remained strong and muted absorption were clearly due to supply side constraints. Demand has been underpinned by resilient economy, stable interest rates and favorable demographics. All pointing to continued appetite for quality housing in our core market. We are already seeing signs of regulatory process stabilization, and our launch momentum is picking up. This gives us confidence in a stronger FY'26 with a well-stocked and timely launch pipeline.

In summary, while FY'25 posed real challenges, we responded with focused execution, operational resilience and commitment to delivery. We have not only met our revised guidance, but also laid the groundwork for a more robust and growth-oriented FY'26.

Now I refer to Slide #4. Let us now look at performance highlights for FY'25:

We achieved sales of 4.31 million square feet and sales value of Rs. 2,288 crores. Both were nearly flat, at last year's levels. Due to delays in launches led by approval constraints, we relied heavily on sustenance sales. We witnessed highest ever collections of Rs. 1,484 crores driven by robust construction progress. On the handover side, we navigated significant headwinds and delivered 9 projects involving 4.2 million square feet and successfully handed over 3,150 units, which is a new benchmark for SPL. Delivering 1,400 plus units in one quarter, that too with OC coming only towards the end of the quarter, reaffirms our internal capabilities.

Reflecting renowned handover momentum in Q4, we closed this year with revenues of Rs. 973 crores, gross profit of Rs. 249 crores, EBITDA of Rs. 203 crores, and profit after tax of Rs. 77 crores. Margin remains healthy, 30% at Gross, 21% at EBITDA, and 8% at PAT. Had we received the OC and E-khata on time, our handover volumes and revenues could have been materially higher.

Referring to Slide #5, looking at Q4:

It was clearly one of the strongest quarter of the year, both operationally and financially. Even with deferred launches, we sold 1.32 million square feet, up by 5% quarter-and-quarter, sales value remained flat due to product mix variations. On collection, Q4 was outstanding at Rs. 455 crores, a growth of 35% year-on-year and 31% quarter-and-quarter. This was largely driven by the handover of 1,396 units, a 119% increase over Q3.

Q4 revenues stood at Rs. 428 crores, EBITDA at Rs. 89 crores, and PAT at Rs. 48 crores, up by 137% year-on-year and 267% quarter-on-quarter. Q4 not only helped us recover last ground from the earlier part of the year, but also reaffirmed the strength of our execution, collections, and delivery mechanism even in no-launch quarter.

Referring to Slide #6, we have captured quarterly trends in the KPI that we spoke a short while ago.

Moving to Slide #7. Let me now share some insight on the market environment:

We observed consistent demand in the mid and mid-premium housing segments. SPL's strategic pivot in recent years towards this segment has proven to be the right move. As I mentioned a short while ago, industry-wide launches remain subdued throughout the FY'25, primarily due to regulatory bottlenecks. SPL sales trends are in sync with the industry, as can be seen from the bottom chart. On the regulatory front, we are seeing greater predictability and stability. The challenges around approvals that affected most of FY'25 appear to be easing.

While we remain cautious, we do not expect the kind of disruption we saw last year to repeat in FY'26. SPL is fully prepared to capitalize on the momentum building in the market. We enter FY'26 with renewed confidence and clarity.

Referring to Slide #8. We have highlighted most of these points earlier. Just to re-emphasize a few:

- Sales volume and value are nearly flat year-on-year, reflecting the impact of deferment of launches to Q1 FY'26.

- FY'25 collections are record high. Q4 collections are up by 35% year-on-year and 31% quarter-on-quarter.
- Completed nine projects involving 4.2 million square feet of development in FY'25.
- Customer handovers at a record high for the full year and Q4 marked strong growth on quarter-on-quarter and year-on-year. 26% of our handovers of FY'25 were in JV projects, namely, Shriram 107 South East and Shriram WYT Field in Bangalore. Hence, a part of the handover impact is reflected in our revenue from operations and remaining in share of profit from JVs. Since both are our core operations, they are presented appropriately in the financial statement.

On financials, it was satisfactory year. as delayed OCs have impacted our revenue recognition during Q2-Q3, but we could overcome them substantially in Q4 despite receipt of OC's by end of the quarter. If we had succeeded in these earlier, our revenue could have been materially higher. Our full year revenue earnings were nearly flat, but were significantly higher during Q4. I will explain more in detail in the financial side.

On project pipeline, our business development momentum is picking up strongly. We have added 2 million square feet last year and have substantial number of opportunities at advanced stage of closure. We expect to add multiple projects during FY'26 and you will see improving additions on a quarterly basis during the year.

Referring to Slide #9. Let me take a moment to talk about our launch performance in FY'25:

Despite the regulatory delays and launch deferments, SPL launched three new projects in FY'25, one each in Bangalore, Chennai, and Kolkata. Also, we launched three new phases in existing projects, one in Bangalore and two in Chennai. All launches adds up to 2.6 million square feet of saleable area during FY'25. This was lower than our original target, but deferred launches have now been cleared and are going live during Q1 FY'26. One such project is our maiden project in Pune that has gone live in Q1 already. The launch has been very successful as can be seen in the next slide.

Referring to Slide #10 is the Pune launch:

We have successfully launched our Pune project under the code name Superstar in Exciting Market. We are thrilled to report that the launch generated an incredible response. In the first two days of the launch, we recorded more than 400 walk-ins and sold 125 units within 48 hours of launch. This response received, especially in a new market for us, has been encouraging and validating our product positioning and market understanding. The momentum is continuing and we expect this project to deliver great success for SPL in Pune.

Slide #11, which gives a glimpse of our launch day activity at Pune.

Side #12, the Bangalore project is also approved and is awaiting RERA approval. We have begun pre-launch activities and targeting to launch in June 2025.

Referring to Slide #13, turning towards delivery performance:

We successfully completed 4.28 million square feet during the year covering 9 projects. Most notably, all 9 projects were delivered well ahead of RERA timelines. And in some cases, by as much as 6 to 12 months ahead of RERA. This is a strong validation of SPL's robust execution capabilities and reflects our deep focus on operational discipline and customer commitment.

Referring to Slide #14. On the pricing front:

The market remained stable after having run strongly over the last 3 to 4 years. Pent up demands have largely been absorbed and prices have reached a level of equilibrium in our view. At SPL, we witnessed an average price increase of around 3% across our portfolio in FY'25. Notably, projects nearing completion or already completed witnessed relatively high appreciation. This reinforces our belief in maintaining price discipline while ensuring volumes and absorption remains healthy.

Referring to Slide #16. Now let me take you through financial performance of the Company:

Q4 was a standout quarter for us, both operationally and financially. It accounted for nearly 44% of our annual revenues, reflecting the strong handover momentum on receipt of OC in March '25. Accordingly, Q4 accounted for 44% and 62% of the earning at different levels. One important point to note is that we handed over nearly 1,400 units to customer in Q4 alone, and that has contributed to this bumper quarter. Out of this, nearly 37% of the units were handed over in the JV projects, and hence the impact of robust handover is partly reflected in our share of profits from JV and the rest is reflected in revenue from operations. Since both reflects our core operations and profitability, EBITDA after JV share of profit is the appropriate metric that reflects true profitability for the Company. The same is reflected in financials on this slide.

Slide #17. Turning to financial performance for the quarter and the full year:

As mentioned, Q4 was a standout quarter, operationally and financially. We recorded a revenue of Rs. 428 crores, up by 138% quarter-and-quarter and 19% year-on-year. This sharp recovery reflects significant momentum in handovers during the quarter. Despite the receipt of OCs towards end of the quarter, the Company handed over 1,400 units to customers in Q4 alone. This helped us recoup most of the deferred revenues from the previous quarter, reflecting healthy revenue recognition momentum, EBITDA including share of earnings from JVs improved from Rs. 46 crore to Rs. 89 crore, up by 94% year-on-year. Finance costs were lower by 22% at Rs.

24 crore and thus PBT jumped from Rs. 12 crore to Rs. 62 crore in Q4. Net profit is higher by 137% year-on-year to Rs. 48 crore in Q4 FY'25.

On a full year basis, total operating revenues were nearly flat despite significant lower revenues recognized during first nine months. Strong Q4 revenues helped us in ensuring nearly flat revenue. EBITDA including JV income was at Rs. 203 crore nearly flat from last year and reflects EBITDA margin of 21%. PBT is higher by 15% year-on-year at Rs. 87.9 crore and PAT is up marginally from at Rs. 75.4 crore in FY'24 to Rs. 77.3 crore in FY'25.

Overall margins have remained stable, 30% at gross level, around 21% at EBITDA level, and around 8% at PAT level. Margins are shade below what we would have liked to stabilize, but with regaining revenue recognition momentum, we expect to go back to 22%-25% margin at EBITDA and 8%-10% at PAT levels in the coming year.

In summary, despite a tough operating environment in the first half, we delivered a strong close to the year and looking forward to improving profitability and healthy cash flows in FY'26.

Slide #18. This slide summarizes what I have discussed so far on the financial performance:

Moving to Slide #19. Our cash flow performance was strong again this year. We generated Rs. 305 crore of cash flows from operations, which includes proceeds from land monetization as well. We had net outflow of Rs. 32 crore on financing operations, mostly related to interest payment during the year.

We generated free cash flow of Rs. 273 crore in FY'25 against Rs. 156 crores in FY'24. Against this strong free cash flow generation, we invested Rs. 143 crore towards new project commitment and thus finished the year with net free cash flow of Rs. 130 crore, leaving us with the cash and cash equivalents of Rs. 320 crore at the end of the year. We have a strong war chest and hence fully equipped to fund our accelerated business development efforts during FY'26.

Moving to Slide #20. Over the last three years, SPL has cumulatively generated Rs. 545 crores of free cash flow from operations and invested Rs. 365 crores towards new project commitment and generated Rs. 180 crore on net free cash flow post investment. This clearly reflects the strength of our operating cash generation and disciplined capital allocation.

Moving to Slide #21. Turning to our borrowings and balance sheet position:

The gross borrowings have largely remained flat during the year and net debt has dropped by Rs. 115 crores. Our net debt is down approximately to Rs. 326 crores and reduced our debt equity ratio from 0.35% in FY'24 to 0.24 now, reflecting a strong and more balanced capital structure. The cost of fund remained stable with weighted average cost dropped marginally to 11.3% in

FY'25 compared to 11.6 last year. Overall, our balance sheet remains strong and stable, complemented by encouraging cash flows that support our growth ambitions.

I will now request Mr. Gopal to carry the presentation forward on our medium term outlook and guidance for FY'26. Over to you, sir.

**Gopalakrishnan J.:**

Thank you. So what we have heard so far is about a trend of a strong Q4, which to a large extent recouped all the volatility we had during Q2 and Q3 when we faced some volume issues because of approval related delays across the entire sector in the region, completion certificate or occupancy certificate related prolonged administrative processes that prevented revenue recognition. We overcame a large part of it, if not completely, in terms of recouping revenues and thus Q4 was a very strong quarter. Though Q4 offsetting negative impacts to a large extent, the full year results reflect a bit of muted performance, nearly stable at previous year levels. We would have liked it to be slightly stronger than what it is today, but we are confident that recouping of lost ground will happen even in FY'26.

With that summary of what we have heard so far, let me turn to Slide #23, which fundamentally talks about the 5-year trend in our performance:

Volatilities from time-to-time are seen, but overall, we are on a rising path. We believe with the strong operating platform and the execution track record that we have built so far, we are geared for the next leap.

What we are entering FY26 with is significant strength and opportunities in front of us in terms of launches, pipeline, execution capability and execution track records, and sufficient time cushion of learning from the previous episodes on approvals, and above all, positive sector outlook. With that kind of right ingredient, we entered this year.

Fortunately, we started with a very good launch in Pune, which is our maiden entry, which was a bit delayed last year. But finally, I think it has taken off very nicely. As Mr. Pandey pointed out, it generated some interesting level of responses from customers in the West and we thank the Western India for receiving us well.

But with all this backdrop, all I wanted to share in Slide #25 was to share where we are and how confident we are in a medium-term plan or the mission target that we set for ourselves and announced publicly during the last year. As some of you are aware, we had some targets set out as our mission for the medium term rolled out and I think September last year, we went public. Just want to crystallize and recap that. We are trying to achieve a mission target of about Rs. 5,000 crores of sales value by FY'28. Revenues of around Rs. 3,000 crores or between Rs. 2,500 to Rs. 3,000 crores. And an earnings of around Rs. 250 to Rs. 280 crores, all by FY'28. Before I talk about the FY'26 targets, I want to actually give you appreciation of how rightly we are on



the path and how confident are we on the delivery. This I believe will help analysts, investors and external stakeholders get an appreciation of what we are thinking in terms of moving forward over the next 1 to 3 years. 36-month mission for us is critical and it is contingent on very significant addition to our project pipeline which we are working hard to assemble.

Let me start with the righthand side of the chart:

The biggest critical factor for us, as I said a minute ago, is assembling a large project pipeline. As we have consistently reiterated, out of the overall pipeline, excluding ongoing projects, excluding the FSI monetization, we have roughly about 17 million square feet of new projects in the pipeline. If we have to achieve this mission target of Rs. 5,000 crore annual sales value by FY'28, we are talking about an annual sales of 7.5 – 8.0 million square feet of annual sales volume in FY'28, which means cumulatively over the three-year period of FY'26 to FY'28, we would have to sell roughly 18-20 million square feet.

To achieve that kind of scale and volume cumulatively over three years, we need at least about 25 to 30 million square feet of pipeline, even on a conservative basis. To achieve a 20 million sales, as you can see from the graph below, 30-35 million square foot of pipeline as a prudent strategy, out of which we have only about 20 million square foot in our hand today. 17 million sqft of new project pipeline and opening inventory of about 3.5 million square feet, which represents 15% of unsold share of ongoing projects. Therefore, we are trying to focus on adding another 15 million square feet to maximum 20 million square feet for the next 12 to 18 months. I explained this last time also, but I want to just recap that, as that being the critical part of our mission. Towards assembling the 15-20 million square feet, we have already accelerated our BD activities. We have over 30 plus projects that are under evaluation. 3 million square feet are nearing closure where they have moved out of the due diligence phase and are in the documentation phase. New projects aggregating to 5-6 million square feet of development potential are at an advanced stage of diligence and completion.

On top of this, we have another 10 plus million square feet under active evaluation post term sheet or in and around the term sheet stage. They might take about 3 to 4 months to materialize. So we have assembled over the last 8 months, we have accelerated the business development activities both in Bangalore, Chennai, and also now we will be accelerating further in Pune. We have assembled some nice 30 projects. About 18 million square feet under various stages of evaluation and consummation. We are very confident of assembling this 15 to 20 million square feet of new project over and above what we already have in hand over the next 18 months' time max. Once we achieve that, we are able to deliver on the sales volume or the sales value that we have set for our mission.

In the interim, existing 17 million square feet of pipeline in hand will support our ongoing activities in FY'26 and part of FY'27 to feed growth for these years. So therefore, we are comfortably positioned for the next 12 to 18 months in terms of supplying new projects for maintaining growth momentum. And we are confident of adding new projects in the interim to support growth momentum beyond the 18-month period. And that's the critical part of our mission. Once we are on that path, the rest of the metrics, we believe, will fall in place relatively more comfortably. Why I say that? As you know, in the real estate sector, majority of costs are today, and all revenues are 3-years down the line. So therefore, what we have sold over the last three years, which is the form of ongoing projects in our portfolio, will determine what revenues we earn over the next three years. So therefore, I would like to draw attention to the table or box on the left. As you are aware, we always talked about our ongoing project pipeline, roughly about 19.2 million square feet is the ongoing projects. Out of which, 15.7 million is sold, 3.5 million is not yet sold. That's the 3.5 million I said as a sustenance inventory we have on top of 17 million in the right hand side box if you see 20.5 million square feet.

Coming back to the left box, so out of 15.7 million square feet sold, 8 million is already recognized. Therefore, we have a sold unrecognized portfolio of about 7.7 million square feet of ongoing projects which are progressing well and at different stages of completion. We believe most likely ahead of RERA, will be able to deliver these projects over the next 24-36 months. And the unsold inventory of 3.5 million square feet in our portfolio can also be sold in less than a year's time based on our current run rate, which means 11.2 million square feet of area ongoing projects will be available for revenue recognition over the next three years. And they carry a sales value of roughly about Rs. 5,000 plus crores.

As you know, we do both projects in own, JDA, as well as joint venture and also in development management model. This 5,000 crore is the total value, so sales value or potential sales value of the entire 11.2 million square feet. Therefore, I want to break that down. Own and JDA account for 6.1 million square feet out of this. And they account for a revenue recognition potential of 3,100 crores. And that has to be recognized, that will be available for revenue recognition on completion and handover, which we believe will happen over the next 24 to 36 months. And JV, obviously the Rs. 1,800 crores of revenue will not come into our topline, but their earnings will come as a share of JV profits and loss. As you know, we recognize the losses as we spend the marketing expenses today. When these projects come for completion, their net earnings will show in our P&L as a share of JV profit. Which means in 36 months, Rs. 3100 crore is recognizable in my books. And a profit from this 1,800 crores will also get reflected in our EBITDA. So that is what gives us the confidence that three years down the line, our annual revenue recognition can be in the 2,500-3,000 crore range. Cumulatively therefore, they will account for about 3,900-4,000 crore over the years or slightly more than that. And nearly 70% of that comes from our ongoing project portfolio and the balance really comes from projects in pipeline in hand.

So that fundamentally is in which we are progressing. And we are therefore confident that we will be able to deliver our mission targets of doubling our, sales value from where we are today, tripling our revenues from where we were last year, I believe, and quadrupling our profits in the coming years. So that's our mission, as you can see from the slide. And I hope I clarified you, I gave you some appreciation of how we are going to reach there and how comfortable are we in reaching there.

Let me shift gears and try to focus on current year outlook. Slide #26, talks about what we see as a potential for us to deliver during FY'26. Around 5.2 to 5.5 million square feet of sales, 3,000 to 3,300 crores of sales value, roughly about 1,800 odd crores of collection, 3,300 plus units to be handed over. All this completions will come from 8 to 10 projects that are scheduled for completion, and we will be delivering another 4 million square feet next year.

While doing all of this, as I said, the critical to our mission is to achieve the pipeline addition. We are looking to add about 7 to 8 million square feet to the existing pipeline of 17 million square feet of new project pipeline. We will be adding another 7 to 8 million square feet with the GDV addition, which should hopefully be in the range of 5,000 crores or so to be added during the year. That's our overall targets for the current year and I gave you the preparation for 3-year outlook. The Slide #27 and #28 actually breaks down the KPIs that we are planning to deliver in the FY'26 in various forms between their geographies, between their nature of projects, and the nature of product. I will leave all of you to appreciate on your own. Slide #29, obviously talks about the pipeline that I just walked you through. Therefore, I would not take much of your time to again walk through that.

To end, last slide, just want to give you again reiterating the fact that there has been a lot of news and we have clarified multiple times in the last six months. Promoter acquisition, promoter holdings getting restructured. No change from a listed Company's perspective. No material impact on SPL as its promoter holding will remain unchanged at 28%. Changes are envisaged only at the HoldCo level where two promoters who are owning, promoter holding the Shriram properties hold co. Shareholders are changing their holding among themselves and therefore it is a HoldCo level shareholder changes and not a listed Company level change. SPL will continue to operate under the brand Shriram properties perpetually. We expect the royalty payment to stop. We currently use a tagline called a member of the Shriram Group. We intend to discontinue usage of that during this year. And therefore, entire royalty payment will completely stop as we stop using the member of Shriram group as well. But Shriram property will continue to be used perpetually, and no cost will be associated with that from Shriram Property's perspective.

So with this, I want to end by saying we have had a reasonably strong quarter, a very stable full year. External challenges that we faced during the year seems to have been behind us. Or at least greater clarity and visibility on how to handle them going forward. New market entry has been

successful. Market environment is conducive for us to continue our growth momentum. We have enough inventory in our hand in terms of existing sustenance inventory of 3.5 million square feet and a new project inventory of about 17 million square feet to support growth momentum over the next 12 months to 18 months to 24 months. In the interim, what we are attempting to grow our new project pipeline beyond the 17 million square feet more aggressively robust. And we are confident of reaching our targeted addition of 15 million square feet in the next 12 months to 18 months. And therefore, that will support us in continuing our work going forward. And in the meantime, sales already made in our ongoing projects will have to be focused for execution in a timely manner. And that will feed us our revenue recognition capability over the next 36 months, the next three financial years, FY'26, FY'27 and FY'28. And therefore, with the growing scale, our profitability should improve. And if not improve, the margins and profitability should remain at least at the targeted level of mid 20s at the EBITDA level and about 8% to 11% at the PBT level. We therefore think the Company is in for a reasonably strong ride over the next couple of years. And quarter to quarter volatility will continue. Seasonality impact will continue. But we believe on a year-to-year basis, we will keep making progress and hopefully meet your expectations in the coming years.

With this, I rest the presentation. I am Mr. Pandey and rest of my colleagues in this room will join me in addressing all the queries that you may have on this call. Over to you.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. First question is from the line of Dhananjay Mishra from Sunidhi Securities. Please go ahead.

**Dhananjay Mishra:** Thanks for the opportunity and congratulation on very decent operating performance and also providing very encouraging road map for the next three years.

**Moderator:** Sorry to interrupt Dhananjay sir. There is a lot of disturbance on line.

**Dhananjay Mishra:** My question is that as we have a very encouraging pipeline in terms of new launches for next for FY'26 and then next 3 years also and also we have a strong target. So my question is that which category of home we will targets like we have seen in the slides industry-wise, 50,000 to 1 crore categories has seen a drop in percentage of sales, like 38% to 34%. While the mid premium segment and premium segment is doing well. So at least for the new launches, are we going to go for premium category or will we continue with our other affordable or mid category?

**Gopalakrishnan J.:** So let me approach this question in a different way. So if you look at the last three years, mid-market and mid-premium together accounted for most of residential sales on a pan-india basis. Their share has gone up consistently. Calendar Year '21 onwards it has consistently moved up from 34%-35% share of mid-market to about 64%-65% now. Like if you look at here, 74% of calendar '24 sales happened in mid-market and mid-premium. So that is a segment to be in and hence our greater emphasis on the mid-and-mid-premium segments.

As you know, that is why we tried to de-emphasize the affordable in the last year and a half. We will continue with that strategy. We will remain focused on mid-market and mid-premium for three reasons.

1. Reason one, when an alternative capital providing segment like stock market or others, when they tend to be volatile, we always see the volatility more prominently in the top end of the market, which is the luxury and ultra luxury. That's not the segment where we want to actually focus on for the right reason. One, because our brand itself is seen as a mid-market brand, we would like to first consolidate our strength there before focusing on anything on the top end of the market.
2. Second, that's the segment where we have always seen as a very strong player. Today we are in the top three, top five players in each of our markets. However, if you go into subdividing these markets, Shriram will be a very strong brand in the mid-market segments because we don't operate in the luxury. Therefore, we tend to have much stronger dominance with basically the entire 4 million, 4.5 million volume is going into mid-market. Whereas some of our peers large part of their annual volumes are going into luxury and ultra luxury as well. So we have a very strong market share in the mid market segment. Therefore, we want to stay there as focused.
3. Third one, because it is end-use driven mostly, investment demand is very low in mid segments. Because it is end-use driven, it is driven more by a nature of economic growth and economic operation, basically the purchasing power of the common man than the investment demand and therefore mid market tend to be low volatility in this segment.

Therefore, I think it makes sense for us, to continue in mid market and mid premium for few more years. Is it permanent? As of now, I think this will be our dominant share of our portfolio. We may have one project here and there in the premium or luxury segments, maybe 5-10% of the portfolio or 1-2 projects here and there may have some luxury. Beyond that, we don't want to have, we want to stay focused on mid-segment.

**Dhananjay Mishra:**

So, when we face the market, how we see the sales happening across these categories? I mean which category do we see faster sales in our project ?

**Gopalakrishnan J.:**

It is always mid-market. Mid-market will have the highest velocity. As I told you, 74% of India's demand consumption happens in mid-market. Luxury is a low volume, high value activity like some of our listed players in Bombay do. We don't want to be there and therefore I don't have a full visibility on what the velocity currently will be in Bangalore. In Bangalore we still have a view. Bangalore in market is about 60,000 to 70,000 homes a year. Pune, I was told about 80,000 homes a year. Chennai is roughly about 25,000-30,000 homes a year. Nearly 70% of these homes are in mid-market. So that's the kind of velocity in a year we are looking for. So we very

comfortable with the consumer behavior there and demand pattern there. So I think that's where we will launch our new project.

**Dhananjay Mishra:** And this couple of projects got deferred in Q1 like Pune and Bangalore. So had it happened in Q4, what would have been additional sales booking from these projects, number one. And secondly, also you said that some OC received at the fag end of the March, so what would have been additional revenue recognition happened if it had not happened? If you can quantify that?

**Gopalakrishnan J.:** So, if both launches had happened, I assume we would have reported another 400,000 square feet more, 0.4 million at least. The first two weekends of our launch in Pune, we have already done about 125-130 plus bookings. In the first 48 hours alone, we got about 120 bookings. So I think that 4,00,000 is a net loss to us, but it's deferred to current & subsequent years.

From a revenue perspective, Mr. Pandey is showing me a pending realization of what Rs. 200 Crs as pending recognition between at least two key projects that only partly got recouped from the revenue recognition perspective. So out of Rs. 500 crores that got deferred in Q2/Q3, we realized about 230 to 250 crores. Another 250 to 280 crores is to be further recognized in these projects and the work is going on. It is not just the OC. We also had, unfortunately, lot of changes in Karnataka, at least, where Pristine Estate is located, which is a plotted development, where I think out of 280 crores of pending recognition, 140 crore belongs to Pristine in Bangalore, where introduction of E-khata in October-November in Karnataka government led to a huge amount of disruption to the overall registration process, which you would have read from other developers press release as well. So in Karnataka now you cannot register a home without E-khata and E-khata systems are not working smooth. Plus the new upgrade that they did in registration software went into a complete mess. It's called Kaveri 2.0. So the registration got pushed. In fact, we have several signed agreements from the customers on Pristine Estate in Bangalore, which is pending with registrar for enabling the registration. So there are issues, but I don't want to keep talking about only the problems that we face. We overcome most of them. So let's move on. So we have about 280 crores of projects revenue to be recognized, both in Park 63 in Chennai - 140 crores, and Pristine Estate about roughly 140 crore in Bangalore.

**Dhananjay Mishra:** Okay, and lastly on this year launch pipeline. So we have Pune and Bangalore which Pune got launched and Bangalore we are pre-launch stage. So, we are targeting a GDV value of 4,000 crore from the launch and 2,000 crore from the new project. So which or another projects we are going to launch in this financial year if you can give some timeline for that?

**Gopalakrishnan J.:** We will have about 7 to 8 launches during the year, in addition, including the Pune and Bangalore. And if I can summarize by the city, if you're looking for, as you can see from the chart here, it's already there in the chart here, but if you want a specific number, I can give you, because if you look at the 8 to 10 launches in Slide #27, we have roughly about half of them are

in Bangalore, about 20% in Chennai, one project in Chennai, and Kolkata is in one project, and Pune is already done. So if you want, Shrikanth can give you the data as required.

- Dhananjay Mishra:** No, sir, not required. I will go through the slide.
- Gopalakrishnan J.:** You can let us know. My colleague Shrikanth whom you must be familiar with, he'll be able to share with you offline project locations and size of the project.
- Dhananjay Mishra:** So it's not in PPT you are saying?
- Gopalakrishnan J.:** PPT has the graph which shows the percentages.
- Dhananjay Mishra:** No, I wanted specifically the name of the project you are going to launch. Anyway, I will take it offline.
- Gopalakrishnan J.:** Yes, Dhananjay, you can go ahead and check with him.
- Dhananjay Mishra:** I hope this year we will not face any approval delay and whatever we are targeting for this year in terms of new launches we will achieve. Thank you all the best.
- Gopalakrishnan J.:** Thank you.
- Moderator:** Thank you. The next question is from the line of Vidisha from C. R. Kothari Stock Broking. Please proceed.
- Vidisha:** Hello, sir. My name is Vidisha. Sir, I am a little new to this Company, so I just want to understand. So out of the 3,000 to 3,300 sales value that you mentioned, for FY'26, how much of this flows into the P&L as your revenue?
- Gopalakrishnan J.:** Yes, ma'am. As you know, under the accounting standard AS 115, sales we do today, we will not be able to recognize income unless these apartments are constructed, occupancy certificate received and handed-over to customers. Therefore, revenue that will come to our P&L would be from the volume that have been sold over the last couple of years. And those apartments or plots are getting handed over to customer, only then we will be able to recognize.

It is in this context, the slide that I talked about, Slide #25 is relevant. Out of the 11.2 million square feet that we have ongoing projects where there is supposed to be pending revenue recognition. We expect about 3.5 million square feet will be handed over to customers during the year. Roughly about 3,300 to 3,500 homes. Those revenues will come. We believe our revenue growth from where we are today should be reasonably strong in the current year. And obviously we are a shade below 1,000 crore as we speak. I believe anywhere between 25% and

35% growth in revenue is possible from a topline perspective based on the timeline of completing these projects and our expectations of how many OCs we will get and how many handovers we will do. So that's how this dynamics of this industry works. You sell today, wait for three years or two and a half years to complete the project and hand over to customers and then you recognize the revenue.

**Vidisha:** Alright, got it sir. And secondly, this 3,100, our own share that you mentioned, so this includes the 1,400 deferred revenue?

**Gopalakrishnan J.:** Yes, this is the revenue to be recognized as of 31<sup>st</sup> March. The 3,100 crores of our own project, 6 million square feet, this is as of 31<sup>st</sup> March with all whatever we have achieved so far, that's is already removed. Deferred, everything included.

**Vidisha:** Alright. And also for FY'25, other income makes up roughly 150 Cr. So can I just know the breakup of that other income? What does it consist of?

**Gopalakrishnan J.:** No, I think we have consistently clarified the other income. If you look at the presentation, there are two components to it, right? There are these "Other Operating Income", which accounting standards require us to call it other income, but are primarily from real estate operations. If you look at slide 17, our true other income for the full year is about Rs. 24.2 crores, which is predominantly comprising of interest income, gain on mutual funds and so on and so forth. That's the true other income which is not related to real estate operation.

Whereas Other Operating Revenues for us - historically and even in the future - will continue to include income from real estate development related activities that are not part of income from operations. For this year, our other operating revenues include the impact of ASK's (our JV Partner's) exit from Shriram Pristine Estate, a Plotted Development in Bangalore. Fair value gains of our project joint ventures, where the project pricing has gone up, costs have come down, our profitability has improved. So the underlying value of the joint venture, which we recognize in our books, the fair value of those instruments have gone up and therefore those will be there. And if you're doing any monetization of development rights, which is sale of TDR, sale of FSI, this keeps happening in a real estate development Company. We keep buying and selling TDR because we buy in some place, when we don't need it, so we sell it back. Whereas we procure in another location where the project needs TDR, FSI, additional FSI. So those monetization of any development rights, gain or loss will also be part of other operating revenues.

So when you consider our total topline or EBITDA, I strongly urge you to look at slide 17, which talks about our income from operation and other operating revenues minus cost of revenue, employee cost and other expenses, what our EBITDA would be. Given that we also operate as a joint venture in projects which are completed and those income come in our books as we complete and hand over. Share of JV loss and profit, which we traditionally book loss when the



only marketing expense are there. When the project is completed and handed over, only then their income is recognized and their profit is recognized and that is also part of our operating income. And therefore, we consider EBITDA including other operating income and also the share of our operations in the joint venture. So all three are to be taken into account when you look at our overall profitability. So I request your attention to Slide #17. I am happy to have a more detailed discussion if you require outside this call.

**Vidisha:** That answers my question. So just one last question. Any update on the West Bengal dispute?

**Gopalakrishnan J.:** As of now there is no new update and it is progressing. It recently gained momentum. As I said in the last earnings call, I would like to not speculate on the timeline one more time because I have done that once and are not able to reach the timeline because it is government. Q4 has seen good traction on the Bengal front. I will come back to you once I have an update on it. I would like to stay away from putting a new timeline to it. But I assume consummation should happen soon, but we will have an update as soon as we have much better visibility on it.

**Participant:** Thank you so much for answering my questions. All the best to you.

**Moderator:** Thank you. The next question is from the line of Nitin Jain from FairView. Please go ahead.

**Nitin Jain:** Thank you for the opportunity and congratulations on the good number. I have just one question. So if you can elaborate even more on what kind of OC related challenges we were facing and the reasons behind that. So, you know, we can get a good judgment as to whether you will face them going ahead or not? Thank you.

**Gopalakrishnan J.:** On an earnings call like this, I would like to simply restrict my view to say, it's a prolonged administrative process that we finally went through only in Q4. Not just ours, the fraternity in Karnataka, as well as in Tamil Nadu faced the issue. We believe, the industry has found solution and so it should be more smooth going forward. General problem was related to administrative process delays, that we can discuss offline.

Shriram Pristine Estate is a plotted development that we had in Bangalore which was taken over from one of the lenders. It was stressed asset acquired by us from IIFL, who was the lender to the original developer and the original developer had been working on the project for many years. And we took over and we sold it in about 18 months. Development authorities said that they had approved this project long ago and therefore, we should pay additional fees for delayed development, which we challenged. And finally, we landed up in the courts challenging the development authority. We secured the judgement in our favor in Q3, and were confident of recognizing revenue. But the authorities took more time and finally, we got the release only by the end of March. So that was a one-off case. But other than that, generally, the industry has

been facing bit of administrative delays, on approvals and completion certificates, but I believe that is behind us now. I hope that clarifies.

**Nitin Jain:** Yes, that is quite helpful, sir. Thank you for the clarification. Just one follow up to this. Any reason, what are the reasons would you describe for the delay in Pune launch?

**Gopalakrishnan J.:** I think all authorities are same is all I can say. After we filed the plan, Government went into election mode. Post election, delays in reconstitution of the new regulatory body, and then people changes. Finally, we got the plan approval in Q4 - at least 5 to 6 months of delay from our perspective. But it is behind us.

**Nitin Jain:** Thank you sir, that's extremely helpful. Congratulations once again and good luck going forward. Thank you.

**Moderator:** Thank you. The next question is from the line of Raj Mehta from Raj Mehta Associates. Please proceed.

**Raj Mehta:** Thank you for giving the opportunity. And congratulations for a good set of numbers. So I have a few questions. First of all, sir, if we are increasing our share in mid and premium segment, and we have already increased in the previous few years, and the affordable segment is right now going through a very tough phase. And it is, I think, the sector as a whole in affordable segment is at a very difficult phase right now and the premium or a mid market segment was doing well in last two to three years. So if we are taking the opportunity and buying new projects in mid and premium segments, so will that affect the pricing after 2 to 3 years since that sector is already doing much better and last 2 to 3 years and the price appreciation on the land or on the plot which we are going to buy in future, will that affect the margins? Not now, maybe after 2 to 3 years. How do you see the trend going ahead?

**Gopalakrishnan J.:** No, I do not see a margin pressure. I will tell you why. Always product pricing is based on raw material pricing. And product prices have moved up. So therefore, some part of land parcel value also would have gone up. So our evaluation is very simple, right?. Whatever the micro market can absorb, the selling price for a given velocity, that is our paying capacity for land and therefore we at Shriram at least we don't go overboard and buy land at exorbitant prices and then suffer on selling price or suffer inability to increase selling price. But from a mid-market perspective we looking at are we going to suffer selling price on margin because we focusing on mid-market? No. If you look at our own project pricing in the past, pre-COVID my average basket portfolio pricing of our mid-market segment was less than Rs. 5,000 today I am selling at Rs. 6,600-6,700. So pricing is moving up well. Will it continue to move up 10%-15% every year? No. I think prices were more of a pent-up demand and a catch up which was happening earlier. Going forward we think about 5-7% is a fair expectation of price movement that we can expect and that should more than compensate for inflationary pressure on raw material because

construction cost is typically half of selling price, typically. And therefore, we should be able to get 5% to 8% price hike would mean about 10% to 15% of escalation in raw material, which can compensate. So therefore, we don't see a price-driven margin enhancement. That is point number one. We also don't see a price-driven margin pressure. From a raw material side, I don't think it can have a pressure because as long as you're not an aggressive, mindless buyer of raw material or land, I don't think it will really hurt you in the margin. Therefore, we think margin should be stable; can improve with the operating economics or the scale of operating scale, but it's unlikely that we will see a big price-driven margin enhancement, at least over the next 1 to 3 years.

**Raj Mehta:** Okay. And for affordable segment?

**Gopalakrishnan J.:** Affordable has become a little skewed. One of the reason why we moved away for the last 1.5-2 years we have been moving away is, affordable there is a huge demand. There is a little supply nowadays happening because cost of constructions have moved up. To that extent, commensurate the price are moving up. Therefore, many people have de-emphasized affordable. So this is becoming like another economically weaker section(EWS) EWS is another segment within affordable which has a huge demand, bottom of the pyramid. Nobody was supplying homes there. So the affordable will eventually become something like that where theoretically Rs. 50 lakh as the threshold set under PMAY. I don't know how many people are interested in supplying projects at that price point and still make money. We are at least moving away from it. We would like to focus on mid-market and mid premium, which we believe offers volume scope as well as price scope commensurate with inflation.

**Raj Mehta:** Okay. And sir, my next question is regarding the upcoming projects which we are under discussion, which you have mentioned in your presentation. So is there any possibility where we are taking a higher project by sales value and not through the volume base, we are increasing our volume share and not launching more projects but launching few projects and increasing the sales value. Are we focusing more on those categories or will we diversifying and have more projects in our pipeline and lesser volume per projects? How are we going to focus going ahead?

**Gopalakrishnan J.:** I don't think I understood your question. Sorry, if you can repeat. Sorry, if my colleagues are explaining to me, saying, are you saying will we focus on high value projects and less volume? Is that what you are saying?

**Raj Mehta:** Yes, because if you are shifting our focus, we made an upper-mid segment, so will our category of the deals which we will do in coming future which will be more towards lesser volume and more price?

**Gopalakrishnan J.:** I think there is a disconnect in our conversation right now because between mid and mid premium there is no big huge price delta, mid-market on an average trades around Rs. 6,000 to Rs. 8,000 per square foot in Bangalore and Chennai and Pune at least. 8,000 to 11,000 max

would be a mid-premium. So it actually depends on the ticket size. If you are about 1.25 crores-1.3 crores for a two-bedroom apartment, that's a mid-market product. 1.5 crores to 2 crores will be a mid-premium. So we are not talking about a huge delta in selling price because of change in focus. Yes, it will improve from where we were earlier, but it is not like Mumbai, Rs. 40,000 a square feet. So if you are asking, will we start selling in Rs. 30,000-40,000 market and therefore sell less volume, may not be the possible strategy in Bangalore, Chennai and Pune at least. It may be possible if you look at focus on Mumbai, where the suburban markets also trade at Rs. 30,000-Rs. 40,000. May not be possible not in the near future in Bangalore or Pune or Chennai. Bangalore other than CBD, nobody trades at Rs. 30,000 per square feet.

**Raj Mehta:**

Okay. Thank you. And my last question was related to the debt to equity. What levels we would be more comfortable and going forward since we have too many projects under evaluation and we are going aggressive on building the pipeline, how are you going to fund those? Can you just give a glimpse of what we can do?

**Gopalakrishnan J.:**

We would not be comfortable beyond 0.5:1. Maybe for a short term, it's fine, not like some of our peers at 2x and I hear some of our peers, unlisted peers have 6:1. So all that is not Shriram DNA. Will I go to 1:1? Not, very unlikely in the near future. Will I remain at 0.24? I don't think so. So it will be somewhere 0.5, is a safe equilibrium number which I will have. We may temporarily can move up because, I will tell you where I am coming from. To lock this 15 million square feet that we are talking about, we are talking about a land commitment, assuming you buy all of these lands, it will cost you between Rs. 1,500 crores to Rs. 2,000 crores. If we do majority on JDA, we don't need to bring that kind of money. The capital commitment required to secure this will be somewhere around Rs. 600 crores to Rs. 700 crores of capital. To acquire all of them with the JDA model or with some financial investors like ASK platform or Motilal platform. Out of the Rs. 500 crores-Rs. 600 crores of capital required from the Shriram Property as its contribution, we see about Rs. 350 crores of cash coming from our own operations over the next 24 months-30 months. From existing projects as they get completed, we should get about Rs. 350 crores-Rs. 360 crores of capital over the next 2-2.5 years. Therefore, there may be a temporary like a bridge. Temporary borrowing till the cash flows come, we may borrow something and buy secure these land parcels. And then as and when the project cash flows come, we will repay. As you have seen over the last, we have grown up from, we have increased our pipeline, but still our debt has not gone up, gross debt or net debt. So that's the managing process we need to have. So I think it is safe to assume we will not be on a sustainable basis, beyond 0.5:1 and we would like to maintain within 0.5:1. Temporarily it can go up. But I think we will be very nervous if it goes beyond, if it goes anywhere close to 1:1. We will be very nervous as a management.

**Raj Mehta:**

Okay. And sorry, the last question was related to what I think you have mentioned in your financial highlights about the unwinding impact of about the royalty which we are paying

previous year which we won't be in next year onwards. So what would be that amount for a full year basis which we will save?

**Gopalakrishnan J.:** Roughly about Rs. 15-20 crores. Rs. 4-5 crores per quarter is a royalty charge that we provide and as I answered in the previous question to another colleague on this call, I think we waiting for resolution of that and I think we believe it is aligned between us and Government of West Bengal on how to resolve. We just need to complete the legal process ongoing at the Kolkata High Court.

**Raj Mehta:** Okay. Thank you.

**Gopalakrishnan J.:** Thank you for exhaustive questions.

**Moderator:** Thank you. The next question is from the line of Jitendra Gupta from Systematix Shares. Please proceed.

**Jitendra Gupta:** Thank you, sir. Good evening. Congratulations for the good set of numbers which you have posted especially for the 4<sup>th</sup> quarter. I refer directly to your Slide #25 wherein you have just talked about 20.5 million square feet which says pipeline available, ongoing, unsold plus pipeline live which is 3.5 plus 17. How do we manage this number to the left hand side flow chart which you have shown? Can we have some clarity on that?

**Gopalakrishnan J.:** So 3.5 plus 17 you see the number on the right-hand side?

**Jitendra Gupta:** Yes, that I can see. So I am trying to find the 17 number.

**Gopalakrishnan J.:** 17 will not be there. 17 will be in Slide #29.

**Jitendra Gupta:** Slide #29. Okay.

**Gopalakrishnan J.:** So this 19.2 million is a launched ongoing project. That's why you don't. The unsold is only 3.5. You see a 3.5 here. You will not be able to see 17 because 17 is still not launched. That you can see in upcoming projects called as upcoming projects in Slide #29.

**Jitendra Gupta:** Okay, upcoming 17 million, 9.6, 4.3 under the graph which is over there. Okay. Got it. And my second question is with regarding to your EBITDA, especially the JV, the share of profit from or loss from the JV. Can we have the topline of this particular thing? Because just want to understand what kind of a margin we are able to make in the JV?

**Gopalakrishnan J.:** Yes, we may have to come back to you. I don't have it, but I am sure it is shareable?

- Jitendra Gupta:** Can it be shared on a regular basis on the PPT itself? It would be quite helpful for us. I believe the whole analyst fraternity.
- Gopalakrishnan J.:** No, we will explore that. But I am not sure JV revenue should be shared. But we will explore. But offline, I am sure you can.
- Jitendra Gupta:** But more or less what kind of a margin we have made over here if not the figure, not the revenue figure, but the margin would be how much over here?
- Gopalakrishnan J.:** Gross margin should be somewhere around 20% plus.
- Jitendra Gupta:** Okay.
- Gopalakrishnan J.:** It's a slightly low margin business. At least the phases that we recognize now, I will give you some color on it. Two joint ventures have come into revenue recognition, first phases of two projects have come into revenue recognition mode. Shriram 107 South East is what was originally set up as affordable housing or a low cost-low margin business because it was in a new market called Anekal which is just after Electronic City before end of Karnataka border. Targeted people from Hosur and down beyond Electronic City crowd. The selling price when we launched in 2018 for this project was about Rs. 4,000. Therefore, the phase-1 was sold at around Rs. 3,800-Rs. 4,000. Today we are selling at about Rs. 6,500 for phase-3. So therefore, the first phase which you are recognizing now may be less profitable than compared to phase-2 and 3 which will come up for revenue recognition in FY'26 and '27. Similarly, in WYT, which is Shriram WYT called Whitefield Youth Town. The second joint venture we have 50-50 joint venture with the landowner. The first phase came up for revenue recognition. That would be a much attractive 2019 launch pre-COVID, small apartment 600 square feet, I mean, pretty small even by Bombay standard. Intent was Rs. 50 lakh for a two bedroom house for a software guys for whom it is a 30 minute drive from his office, was the intent of target group. So, the phase-1 was launched at Rs. 5,500. Therefore, they will give you a margin of somewhere around 20%-25% and not more than that. Whereas, currently it is so selling at about Rs. 6,800-Rs. 6,900. So, the second phase of that would be more profitable. Project as a whole will still deliver 25%. The current phase will not deliver that kind of margin. So, therefore my colleagues will call you and give you the data, say tomorrow.
- Jitendra Gupta:** Yes, that would be great. Okay, and coming to the, your entry into the Pune and therefore for the Maharashtra market, what's the plan other than Pune? And within Pune also, do you have more plans over there? Can you have some color on that? This year and next year?
- Gopalakrishnan J.:** One step at a stage is what we are thinking about Pune. New market, new regulators, new administrative political environment. So we need to be careful about how we put our foot. I think the first move, as one of your colleagues just asked on the call, we have taken a long time to

learn the tricks of the trade in Maharashtra, right? We have taken about 7-8 months as system and I am sure we have discussed this almost 2 - 3 quarters ago. So that is the kind of learning curve we have gone through. So we are more careful now. Given the learning curve, we had actually suspended signing up new term sheets and new projects in Pune for the last almost 5-6 months. Because we didn't want to go on signing up and making capital commitment without knowing how to navigate this whole administrative approval system. Now that we have a better visibility and we have understood how the system works, we have now resumed, re-accelerated our business development activities. We have a fairly large evaluation portfolio which we have consciously scaled down, about 17 or 18 are available. I would imagine for the next 12 months, we would sign up at least minimum 2, maximum 3 projects into a development agreement stage, whether it is JDA or DM project. Because Pune is a very large capital commitment market. Even a joint development in Pune will require hundreds of crores because you have to buy TDR. Whereas in Bangalore, a joint development, I don't need more than Rs. 20 crores. There is a big difference in capital dynamics. therefore, I would imagine, but having said that, we want to be an aggressive, meaningful player in Pune. So unless we have at least 3 to 4 projects up and running simultaneously, we can't call ourselves a serious player. We will reach that point in the next 12 months to 18 months. We will worry about rest of Maharashtra later. There is only one more market if at all we want to think about rest of Maharashtra is only Bombay which is a much larger market which I would like to, we would like to think carefully before entering because our southern peers are already there. Some of them have good experience, some of them have not so good experience. I think we have to learn from there and basically one step at a stage. Let's expand to Pune, stabilize ourselves with couple of projects and then we will go into further, think about expanding further.

**Jitendra Gupta:**

Okay. Thanks a lot for your elaborate answers. I will join the queue. Thank you.

**Moderator:**

Thank you. Due to time constraint, that was the last question. I would now like to hand the conference over to the management for their closing comments. Thank you and over to you, sir.

**Gopalakrishnan J.:**

Thanks everyone for being online in late evening and giving us an opportunity to present our perspective on Q4 and full year performance as well as our outlook for FY'26 and next 3 years. And also thanks for the insightful questions many of you asked. If you have any more questions, we are always available to respond to them as much as we can and looking forward to continued interaction and looking forward to have your continued support even in the future. Thank you and have a great evening. Thank you, SGA. Thank you, all

**Moderator:**

Thank you. On behalf of Shriram Properties Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.