August 19, 2026

National Stock Exchange of India Limited The Listing Department Exchange Plaza, 5th Floor Plot C 1 – G Block Bandra-Kurla Complex, Bandra (E) Mumbai 400 051 Scrip Code: SHRIRAMPPS	BSE Limited Dept of Corporate Services Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai 400 001 Scrip Code: 543419

Dear Sir/Madam,

Sub: Transcript of Earnings Call on the Company's Financial & Operational Performance for Q1 FY27 held on August 13, 2026

In continuation of our intimation dated August 13, 2026, please find enclosed herewith the transcript of the Investor Conference Call held to discuss the financial and operational performance of the Company for Q1 FY27.

We request you to take the above information on record.

Thanking you
Regards

For Shriram Properties Limited

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"Shriram Properties Limited

Q1 FY27 Earnings Conference Call"

August 13, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 13th August 2026 will prevail.

MANAGEMENT:
MR. MURALI MALAYAPPAN – CHAIRMAN AND MANAGING DIRECTOR
MR. GOPALAKRISHNAN – CHIEF EXECUTIVE OFFICER
MR. RAVINDRA PANDEY – CHIEF FINANCIAL OFFICER
SGA, INVESTOR RELATIONS ADVISORS

Moderator: Ladies and gentlemen, good day, and welcome to the Q1 FY27 Earnings Conference Call hosted by Shriram Properties Limited. As reminder, all participants lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance, during this conference call, please signal an operator by pressing star than zero on your touchtone phone. Please note that the conference is being recorded.

I now hand the conference over to Mr. Murali, Chairman and Managing Director from Shriram Properties Limited. Thank you, and over to you, sir.

Murali Malayappan: Good morning, everyone, and thank you for joining us for the Q1 FY27 Earnings Call. We have commenced the year on a positive note with a strong operational momentum and the record first quarter sales of INR484 crores. The response to our new launches in Chennai and the Kolkata has been particularly encouraging.

Our entry into the premium residential segment in Chennai and the successful launch of our branded plotted development in Kolkata important milestones in our portfolio strategy and have further strengthened our confidence in the underlying demand.

While Q1 financial performance was relatively steady, the quarter was also characterized by strong collections, continued execution momentum and a healthy level of investment towards our future growth pipeline. With a strong set of scheduled project completions and launches lined up for H2, we have good visibility on improving revenue and earnings momentum through the balance of FY27.

Our balance sheet remains healthy, giving us the flexibility to continue investing in new opportunities while maintaining disciplined capital allocation. With a diversified portfolio across our key markets and the growing development pipeline, we remain confident in sustaining our growth momentum and creating long-term value for our stakeholders.

With that, I will now hand it over to Mr. Gopalakrishnan, CEO; and Mr. Ravindra Pandey, CFO, to take you through the financial and operational details in greater depth. Thank you.

Ravindra Pandey: Thank you, sir. Good morning, everyone. My name is Ravindra Pandey, and I'm the CFO of the company. Thank you for taking time to join us today as we present the performance highlights for Q1 FY27. We have uploaded the presentation on the website and the stock exchanges, and I hope you all have access to it.

Over the next few minutes, I will walk you through the operational and financial performance of the company for Q1 FY27. Following that, Mr. Gopal, our CEO, will also join me to take the questions at the end.

Let me start with operational highlights referring to Slide Number 4. Q1 has been a good operational start to FY27, providing a strong launch momentum and improving visibility on sales, handovers and revenues for the balance of the year.

Coming to the overall performance, we had a strong operational start with three launches during the quarter, two new projects, Shriram Stellar in Chennai and Shriram Southbrook in Kolkata, and a new phase at Green Meadows in Chennai.

We achieved our highest ever Q1 sales of INR484 crores with sales volume of 0.85 million square feet. Collections were INR365 crores, supported by execution and handovers. The amicable resolution with the government of West Bengal achieved in FY26 is now translating into monetization opportunities and accelerated launches supporting Kolkata value unlocking.

We have expanded the product portfolio from apartment to village and now plotted development. The response to the plotted development launch has been particularly encouraging with approximately 55% of inventory sold within the first 30 days.

With Shriram Stellar, we have entered Chennai's premium residential segment with our premium offering. Around 20% of the project was sold during the first weekend of the launch, validating the product positioning with our brand distinct.

Overall, the strategic direction remains unchanged, deeper presence in our core markets, premiumizations wherever appropriate and diversification of the product portfolio. This year continues to be weighted, while Q1 performance remained modest from a revenue recognition perspective, healthy collection, sustained construction progress and scheduled completion pipeline provide a strong visibility for the balance of the year.

Referring to slide number 5, coming to the quarterly KPIs. Sales value was INR484 crores, up 10% year-on-year; with sales volume of 0.85 million square feet, up 4%. Collection stood at INR365 crores, up 8% and we handed over 690 units during the quarter.

On P&L front, revenue was INR271 crores, EBITDA, INR42 crores and PAT INR11 crores. Revenue growth does not fully reflect the underlying momentum primarily due to timing of handovers and project completions. With limited new projects reaching OC milestone in Q1, we expect stronger revenue recognition in Q2 and H2.

The muted margins are largely product mix driven rather than structure, with around 40% from relatively lower margin legacy projects from Kolkata. Margins are expected to improve in H2 and higher-margin product reaches completion.

From the cash flow perspective, we generated INR135 crores of free cash flow before new project investment, invested INR88 crores in new projects and ended the quarter with a strong liquidity position. Our business development, we added 0.7 million square feet with an estimated GDV of INR650 crores. Overall, Q1 was a strong operational start.

Slide Number six summarizes what we have discussed. Referring to slide number 7. During Q1, we launched approximately 0.9 million square feet across 3 launches, 0.3 million square feet at Shriram Stellar in Chennai, 0.4 million square feet at Shriram Southbrook in Kolkata and 0.2 million square feet, Green Meadows in Chennai. These launches demonstrate premiumization product diversification while also validating customer demand in our core markets.

In Chennai, Shriram Stellar is our premium residential offering. As the product was launched towards the end of June, its impact on Q1 was limited. Nevertheless approximately 20% of the project was sold during the launch weekend.

In Kolkata, we introduced a Branded Land concept. The response was particularly strong with approximately 55% of the inventory sold within 30 days. This provides confidence in the plots and support faster value realization and capital recycling in the Kolkata portfolio.

Referring to Slide 8. This slide provides a glimpse of the 2 key launches during the quarter. Both launches received encouraging customer response and reinforce our strategy of premiumization and product diversification.

Referring to Slide Number 9, project pipeline and business development. Project pipeline remains one of the strongest aspect of the business. We currently have approximately 16 million square feet of ongoing projects and 17.7 million square feet of the upcoming projects, Giving us a total current pipeline of 33.7 million square feet. The ongoing portfolio has 2.9 million square feet of unsold area with unsold GDV of approximately INR1,970 crores. The upcoming portfolio of 17.7 GDV potential of approximately INR11,560 crores.

Overall, the GDV potential of the current pipeline is approximately INR13,530 crores. In addition, over 7.3 million square feet of projects with GDV potential of more than INR6,000 crores are at advanced stage and are likely to be added over the next 3 months to 6 months.

We continue to evaluate 20-plus million square feet opportunity for accelerating pipeline addition. Therefore, management remains confident and committed to nearly doubling the upcoming project pipeline over the next 18 months to 24 months.

Referring to Slide Number 11, financial highlights. Q1 revenue was INR271 crores, up 4% year-on-year, with a gross profit of INR56 crores, EBITDA was INR42 crores and PAT stood at INR11 crores. The top-line performance was impacted by the timing of project completions and product mix.

Revenue was primarily driven by spillover handovers from FY26 completions and recently completed legacy low-margin projects from Kolkata, particularly Grand One and Sunshine One, resulting in lower gross margin.

Other operating revenues predominantly comprised of reversal of constructive obligations relating to Shriram's entry along with fair value gains on projects and land advances relating to Shriram's project viz 122 West, Sapphire and Swargam.

Employee costs were marginally higher due to routine annual increments, while other expenses remains broadly stable with some increase in new project launch expenses. Finance costs were also broadly flat. The JV loss of around INR4 crores primarily reflects higher selling expenses at 122 West partly offset by handovers from recently completed JV projects. With scheduled project completions providing strong visibility, revenue and earnings momentum will be stronger through the balance of FY27.

Referring to Slide Number 12, which summarizes our discussion. Referring to Slide Number 13, consolidated cash flows. Operating cash flows remained healthy, supported by healthy collections and execution-led handovers. We generated free cash flows before new project investments of INR135 crores and invested INR88 crores in new projects, resulting in net free cash flow of INR47 crores. The positive net free cash flows improved our closing cash balance to INR219 crores. Overall, the cash flow position remains healthy with adequate liquidity to support ongoing project execution and planning investments.

Referring to Slide Number 14, debt profile. The balance sheet continues to remain comfortable. Gross external debt at June was INR651 crores, against cash and cash equivalents of INR219 crores. This results in net debt of INR432 crores. Net debt to equity is 0.29x, which remains a very healthy level. Our cost of debt is around 11%, and we continue to benefit from the reduction in benchmark rates.

The company's equity stood at INR1,471 crores, supported by healthy liquidity and a CRISIL A- (positive) credit rating. This provides ample funding capacity to support future growth. Therefore, with our strong equity base, healthy liquidity and low gearing, we have sufficient balance sheet capacity to support future growth without taking leverage to uncomfortable levels.

Referring to Slide Number 16, the FY27 guidance and outlook. Our guidance remains unchanged. We remain confident of achieving our full year guidance. The confidence is primarily underpinned by the strong launch lineup and the project completion visibility.

Referring to Slide number 17, FY27 launch calendar. We have 7 million square feet of potential launches with approximately 6 million square feet planned for FY27 across Bengaluru, Chennai, Pune and Kolkata. Out of this, we have launched 2 projects with 0.7 million square feet during Q1. With well distributed launch calendar across the year, we are well-positioned to drive sales growth and maintain a strong business momentum in FY27.

Referring to Slide Number 18, the FY27 handovers. This is one of the most important slides from an earnings perspective as it provides strong visibility on revenue recognition for the balance of the year. Recently completed projects has over 410 units and INR400 crores of unrecognized revenue from sold units, which is expected to be recognized during upcoming quarters.

In addition, 2 projects with over 400-plus units and INR160 crores of revenue potential are targeted for OC in Q2, while 5-plus projects with over 2,100 units and INR1,000 crores of revenue potential are scheduled for OC in H2. Overall, more than 2,900 units representing over INR1,560 crores of revenue potential are scheduled for handover and revenue recognition during the balance of the year. This high confidence handover pipeline provides a strong visibility for improving revenue and earnings momentum in Q2 and the balance of FY27.

Referring to Slide Number 19, the FY28 mission. We are familiar with this slide and would like to reiterate and assure to our investors that we are on track towards achieving our FY28 mission. The current pipeline provides substantial visibility for this objective. The 33.7 million square feet current pipeline has revenue potential of approximately INR14,000 crores to be recognized over the next 5 years to 7 years.

To summarize, Q1 FY27 has been a strong operational start with our highest ever Q1 sales and healthy collection. The launch response in Chennai and Kolkata validates our strategy of premiumization and product diversification. The project pipeline with 33.7 million square feet of current ongoing and upcoming projects, along with additional opportunities under evaluation.

The balance sheet remains strong with net debt to equity of only 0.29x and cash of INR 219 crores. And most importantly, the H2 launch and completions pipeline provides a strong visibility and therefore, confident of achieving FY27 guidance. Overall the business is on a strong trajectory with the benefit of the current investments, launches and scheduled completions expected to become increasingly visible through H2 FY27.

On behalf of the management team, I reaffirm our commitment to governance, customer experience and value creation. Thank you. I now hand over the call back to the operator. Myself, along with our CEO, will be glad to answer all your queries. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Subrata Sarkar from Mount Intra Finance. Please proceed.

Subrata Sarkar: Hello. Good morning, sir. Yeah. Sir, can you reiterate and explain a little bit about our FY'28 mission target basically? Still we are sticking with sales value of INR5,000 crores and then revenue of INR2,500 crores. And then PBT, we are talking about INR250 crores, sir. So right now, our FY'26 PBT was actually INR 80 crores kind of. So, is it right figure to match like you are talking about from INR80 crores of FY'26 to INR250 crores by FY'28. And in that case, how much will come from our asset sale of the Kolkata land basically?

Gopalakrishnan: Yes, the numbers are right. And Kolkata land sale is not a significant part of it. we are developing Kolkata land from where we are today, which is about 110 acres for development beyond whatever approvals we have. Those will also be developed into a project or monetize in some way to a development through third parties. We are evolving the strategy there, because we got the approvals, we got the litigation out of our way only late last year.

But this INR250 crores PBT or INR2,500 crores revenue is coming from ongoing projects that are to be completed. As you can see in slide 19, we have launched, sold and to be recognized of about 8.8 million square feet to be recognized over the next two years. That alone brings you to INR4,800 crores of revenue recognition potential between FY'27 and '28. Therefore, you know where the confidence of INR2,500 crores annual revenue coming in.

In addition, the new launches, some part of the launches will also come for revenue recognition depending on what the product mix is and when we are launch during FY'27 and early part of '28. If it's a plot, it takes only 18 months to 24 months to turn around. So some part of -- also will be ready for income recognition.

The combination of these two gives us the confidence that we will reach the revenue recognition of INR2,500 crores. And we are looking at PBT stabilizing in the range of about 10% margin.

And that's fundamentally where we are coming from. It's a bottom-up based on individual projects, not on land sale...

Subrata Sarkar: So my primary concern of where I want you to highlight is like, we are talking about PBT of 10%, where we have not done even EBITDA of more than 7%, 8% in last four, five years basis. So can you help me to understand that sales value part and revenue part, I'm comfortable with, only thing I want to understand that how we are -- what is the underlying explanation?

And can you just highlight it and explain in detail that we can achieve 10% PBT basically. So that is my more point, because if you track the way I'm tracking your company, more or less last three, four years, you have always clocked the revenue you are talking about, most of the cases, but major problem is arising out of the margin basically. So that is very volatile to be very honest.

Now we are talking -- we are giving a guidance of 10% PBT margin where we have not even done more than 7%, 8% at EBITDA level. So can you help me to understand that part basically, rather than sales value and revenue, it's a PBT and maybe collection. These two figures, if you can highlight?

Gopalakrishnan: Yes. I think we have consistently reiterated this point in the past also. There is definitely a disconnect between how we look at our EBITDA and how the industry should look at and how we look at it, at least. Our other operating revenues are integral part of our business. So when you look at our other income in the financial statement, we need to be able to divide that into two parts. One is the normal other income. Second is an other operating income.

Other operating income is associated with our joint venture, development rights, monetization or other ordinary course of business income. And that is why in our presentation, we consistently show other operating revenue separately.

Accounting standard requires all of them to combine into non-income from operations. Therefore, if you add -- our EBITDA margins in FY'23 was 22.5%. FY '24, 22.6%, FY'25 was 18.4%, FY'26 was about 13.5%. We believe with the product mix changes, FY'26, FY'27 and FY'28, we will see an improvement in EBITDA margins.

And similarly, PBT, FY'23 was 8.8%, FY'24 was 7.7%, FY'25 was 9%, FY'26 was lower at around 5.3%. That number, we expect with the change in product mix over the next two years, we expect it to stabilize around 10%. So, this disconnect happens with most people, because they're mechanically taking like money control or others, mechanically removing the entire other income as if it's a mutual fund income or treasury income.

Subrata Sarkar: Okay. But sir, in that case in terms of our own estimate, like what kind of EBITDA we can do in FY27 and FY28? corresponding to 10% PBT, let's say, what should be our EBITDA in terms of our own calculation and FY27 also, if you can give a ballpark?

Gopalakrishnan: I would not really like to put absolute numbers in such a large call like this. What I would like to say is, our EBITDA margin should be in the range of about 22% to 24% by FY28.

Subrata Sarkar: Okay. Perfect, sir. This is perfect. I was not looking for a particular number as such, range will help me.Sir, last point, can you give some highlight on the debt and interest that we will be having, sir?

Subrata Sarkar: What will be the figure as per our estimate of the debt figure and the corresponding interest rate -- interest we have to pay basically?

Gopalakrishnan: So, if I look at our overall gearing, it will go up. It would most likely go up during FY27. The gearing can rise temporarily, because as you know, as we are pursuing aggressive growth and trying to lock more project pipeline, understandably, either equity or debt has to come in, not only the cash from operation.

If we have to live within our cash from operations, the growth cannot be there. Therefore, we might go up on the gearing level, but our comfort zone, even on a short-term basis, it may not be very significantly higher. So, our long-term comfort zone will be about 0.5 is to 1. Temporarily, it might go up.

Subrata Sarkar: Got it. Sir, last point. Sir, in our FY27 outlook, we have given a sales value growth of almost 40% to 50%, up to INR3,300 crores to INR3,500 crores, whereas the corresponding collection figure is much muted at a 26% to 30% growth of INR2,100 crores to INR2,200 crores. So why this disconnect? Can you help me to understand a little bit more? Why sales value will be much higher, but collection will be slower?

Gopalakrishnan: Yes. So, the collections tend to follow the project progress because the first initial collection on sales will be only 10% and then with the ATS, it goes to 20%. After that will be a project progress linked. And since based on the project approval status today, as we indicated in the earlier calls, our launches are back-ended, and you can also see that in the slide here in Slide Number 17. Since they are all Q3, Q4 launches, they will not translate exactly into the same amount of collections.

And so this year, based on the progress of current ongoing projects and the timing of launches of our five or six launches that we are targeting in Q3 and Q4, we expect the collection to be in the range of about INR2,100 crores to INR2,200 crores. As the project progresses, the collection will ramp up in the subsequent quarters and in the next financial year.

Subrata Sarkar: Okay, sir. Okay. Thank you.

Moderator: Thank you. The next question is from the line of Ronald from ICICI Securities. Please proceed.

Ronald: Thank you, sir, for the opportunity and congratulations on good response for new project launches. Sir, my question was for the guidance for FY27, the presales number. So, if we expect about INR350-odd crores quarterly run rate from sustenance sales, then we make up to INR1,400 crores. So, the balance, what would be the launch GDV for the full year? Like I believe INR450-odd crores we have launched during Q1. And if I assume INR2,000 crores worth of GDV projects to be launched during FY27 and approximately 40% to be sold from this, then also the total works to about not more than INR2,200 crores, INR2,300 crores.

So, if you can break up in terms of launch GDV, what is the launch GDV you are expecting in FY27? And whether the sustenance sales number around INR1,400 crores to INR1,500 crores we can achieve for this year?

Gopalakrishnan: Yes. Let me start with your GDV. Based on the 7.23 million supply that we are targeting to release, we will be -- most likely we would get about 5.8- 5.9 million square feet of launch area. The GDV of the supply that we are giving is roughly about INR6,000 crores somewhere around INR5,950 -- INR6,000 crores. And because all of this will not materialize. So out of this, we are looking at new sales contribution during the financial year of roughly about new sales. Your sustenance sales of INR1,400-1,500 crores seems right. The balance will come from the new launches.

Ronald: Great, sir, that explains it. Secondly, you have got a good response in Kolkata, which we are testing the waters. And you are looking for about 2.3 million square feet apartment launches, for which there were approvals in place. So, whether this would come in FY28, have you planned whether there is any bifurcation in terms of how you would go for apartment or plotted sales in Kolkata, if not for this year, then next year?

Gopalakrishnan: So as far as Kolkata is concerned, let me take a few minutes to explain. I think it's a very interesting evolution, which is happening, and I think we'll land properly in this current year. 2.3 million square feet approval that we have already obtained pre-election, is unlikely to be launched fully this year.

We have roughly about 650,000 square feet of apartments to be sold yet from the previously launched projects, Sunshine 2 and Sunshine 3. And as we reach like half of this or more -- about 200,000 square feet of unsold inventory, then it is probably worth releasing this next set of supply. Even then 2.3 million cannot be released in one stroke because then it will be excessive supply and customers will pick up from multiple towers of sales and then we'll end up spending our own money to construct.

So, we will release in phases. Historically, we have released 750,000- 800,000 square feet per tranche of launches like Phase 1, Phase 2, Phase 3 type. That is one part of it. We might launch one phase of it during this year, but nothing more than that. That is point number one from the existing approval perspective.

After the approvals are done, after the handovers of land has done to the government, we have about 105- 106 acres roughly, slightly less than 110 acres of land to be developed, leaving aside the common infrastructure, water bodies and all that. That one is the one which I said and Mr. Pandey also said, and I said earlier in the earlier answer that we are evolving the strategy.

For a simple reason, we wanted to test various products before concluding on what the revised development looks like. So, in that context, the villa launch in Q4 late last year and plot launch this year has been very encouraging. Based on the launch price that we have achieved and based on the cost of development, we believe both these products deliver between 6.5 to 7.5 crores net contribution to us per acre.

If that is the case, it does not make economic sense to sell the land to a warehousing or any other bulk sale. It seems to make lot of sense for us to develop into this low gestation or a quick turnaround projects like plotted development, which seems to have taken off very well. As Mr. Pandey mentioned, our plotted development sales, we really reached about 55% of our project got sold in about a month's time, which is very encouraging and the appetite of the local market is very obvious.

And therefore, we will do a combination of this release from 2.3 million square feet of apartment, which is outside is 104 acres, which is already considered and approved and therefore, land is utilized. The balance land, we will try and categorize in such a way that we optimize per acre contribution, and that's our whole intent. And more importantly, it has to be done in a faster time scale.

Therefore, it will be a combination of villas, apartments and plotted development to be developed in that site. And the intent is to complete everything in three years' time and hand over the projects in five years max and get out of the site. That's our broad strategy. How we are fine-tuning each pieces is something that we are working on internally. We hope to land it in a quarter's time.

Ronald: Great sir. Thank you for the detail. And lastly, on the GDV addition you have done--

Gopalakrishnan: I missed one, Ronald, sorry. So, this -- I actually -- I don't know whether you picked it up. I transparently gave you the contribution as well. So, that shows what the land can fetch us as a company.

Ronald: Right.

Gopalakrishnan: Land of 104 acres, 105 acres, maximum 110-acre developable land, fetching you that kind of contribution is an inherent cash flow to be recognized over a 2, 3 years' time in Shriram Properties.

Ronald: Great. Great, sir. And lastly, sir, on the project which we have added, if you can give some details with respect to where exactly and what kind of structure it is there and how you are planning this project to come up for launch and some details on the new project you have added?

Gopalakrishnan: So, during the quarter, we added a project which is a JDA. It is in Bangalore micro market called Doddagubbi and northern side of Bangalore. And we have already submitted the development plan. and it's a joint development. So roughly about 7 lakh square feet or thereabouts is a total saleable area.

We expect to get that on board end of Q3 or early Q4. I did mention -- with some of you in a group meeting or in a previous call, we are at an advanced stage of closure. We are waiting for the plan approval with regard to the Pune project, where our transaction is complete. Final documentation has been frozen, but we opted to pay for this FSI once the approvals come through, and we're waiting for the plan approval. Once it comes within about a month's time, we should be able to launch, which is called Manjari. It is 2.3 million square feet, which is where we are doing an FSI purchase from the existing owner of that township.

And so that project should also get taken off in Q2. We are basically waiting for Pune, the local authority approvals. Once it comes, we'll launch. The list of launches Mr. Pandey talked about, the next list, which you will see is the Bannerghatta Road, which is what we internally call it T-John which is a villament project and plan approval has been submitted and we're waiting for the plan sanction. And that should also take off most likely in Q3. We have very high visibility on those approvals.

Beyond that, if you go down the projects which are there in Slide Number 17, transaction is closed, be it Yelahanka, Bangalore Villa project, Hinjewadi apartment in Pune, Yelahanka apartment project of 0.57 million square feet, Yelahanka rowhouse of 0.52 million square feet, Doddagubbi, I just mentioned, Sarjapura.

All these transactions have been completed. They are at different levels of plan submissions. In fact, I must say plan submission has actually commenced, the submission process has already progressed in terms of apartment in Yelahanka and rowhouse in Yelahanka as well, post this status as of 30th June. And since then, we have made further progress.

So, I think projects are progressing well. External environment where we faced challenge in the past has also become a bit more controlled, a bit more stable. So, I think and more importantly, as you have noticed, our launch dependency is not on one city anymore. It is spread across multiple cities. Therefore, the risk profile of these launches is a lot less compared to what we witnessed or suffered in FY26. And therefore, we have a greater confidence on FY27 sales value.

Ronald: Okay. So Manjari could happen in Q2 versus the revised estimate, which is shown in PPT as Q3?

Gopalakrishnan: Q2 is what I think the transaction will happen by the time RERA comes in because, again, Maharashtra also a bit of uncertainty. So, we safely took it as Q3 launch. I was meaning Q2 as Q2 closure, launch can be more a couple of months here and there.

Ronald: Okay. Okay. Thank you very much, sir and congratulations and best of luck

Gopalakrishnan: Thank you.

Ronald: Yeah.

Moderator: The next question is from the line of Diwakar from Prudent Equity. Please proceed.

Diwakar: Yes. Good morning, sir. Sir in the presentation, you have mentioned you are expecting accelerated handover and revenue recognition in H2. So, can you put any number to this? I mean what kind of acceleration are you expecting in this financial year?

Gopalakrishnan: Sure, sure. It is there in Slide 18. We are actually, based on the OCs received, we have pent-up handovers of about 410 units as of now. And in Q2, we are expecting OCs for two projects, which will add up another 400 units, so 800 units in hand. H2, we are working towards five or more projects. These are Q3, Q4 handovers or the OCs and that should add about another 2,000-odd units.

So that's how, and in Mr. Pandey's presentation, it's alluded to 2,900-plus units would be available for handover. And we've already done about 690 or something in Q1. Therefore, we have a good visibility of reaching this 3,700 number. And this should be handed over in Q3 and Q4, the new OCs in H2 will also be handed over in this year.

Diwakar: Okay. So around 1,500 that is mentioned, right, in the remaining of this financial year?

Gopalakrishnan: Yeah.

Diwakar: Okay. And on the PBT level, sir, your guidance is, yes, INR250 crores by FY28. So this is cumulative, right, for FY27 and FY'28?

Gopalakrishnan: No. This is what we want to achieve in FY28.

Diwakar: Okay. And what is the guidance for this financial year, 10% PBT?

Gopalakrishnan: So, this year, we might be in the 8% to 9%. And as I said earlier in the past, we would have at least a 20% growth in our revenue recognition and therefore, from last year. And actually, it will be slightly higher as well. And therefore, we believe we should be able to reach a meaningful growth in PAT during the year.

Diwakar: Okay. And sir, this growth will come from higher-margin projects because in this quarter, the margin is due to product mix, right? So how the product mix is going to change in the remaining financial year?

Gopalakrishnan: Yes. I just want to highlight this is a very important question. Thank you for asking, Diwakar. I think I should have upfront said this earlier, but thanks for asking. So, the business cannot be a stable flat margin quarter-after-quarter, depending on which market we pick up, which product segment we pick up from a handover perspective. So, the volatility will be there on a quarter-to-quarter.

On an annual basis, are we improving in terms of our margin profile? I think FY26 was a little bit of a slowdown in margin profile. FY27 will recoup some part of it. FY28 will be a more stable margin. Why this happens?

There are three factors which is impacting us. One is the Kolkata, where if you recall, when we launched these projects, we were penetrating the city. So, these are all sold at INR18 lakh to INR24 lakhs of ticket size for a two-bedroom house and three-bedroom houses. Those handovers are from Grand One – Shriram Grand One, which was our 2016, 2017 launched project, 2.4 million square feet. When they get hand over, they have a very thin margin profile.

Similarly, a legacy project called Shriram Shankari in Chennai, which is -- they all will be having a selling price of about INR4,500 to INR5,000 a square feet. Now you understand why these deliver a very low margin after 3.5 years. So, these are -- I think we are almost end of the curve, once we complete the Shankari in Chennai and Kolkata Grand One and Sunshine One.

Sunshine 2 and 3, which is a Phase 2 and Phase 3 of Sunshine project, which is nothing but the second part of Kolkata development, which we embarked in 2019, 2020 and now we are handing over now. These are like in the range of INR6,500 per square feet. And off late, we are selling at about INR7,600, INR7,700 as well.

So, they have a high realization profile, and therefore, they will have a normal margin profile. Plus, all the projects that we launched post-COVID or around 2019, 2020 onwards are the projects where we have consistently moved away from low ticket size or a low pricing environment to a better pricing environment where our selling prices are, you may have seen that in the earlier slides, and maybe we'll bring back that slide in future. We used to sell pre-COVID mid-market selling price average was about INR5,000 or less.

Today, we are selling about INR7,600, INR7,700 is our average selling price for our mid-market product. And therefore, that kind of evolution of selling price curve where we are premiumization, as Mr. Pandey called it, or trying to narrow the gap between us and our peer group in the mid-market segment is obviously going to provide a better margin profile. And those projects will come for handover because 2020, 2021 launched projects have to come for handover in '25, '26, '27. And those are the projects will drive the margin up back to our more comfortable level of mid-20s EBITDA margin and about 9% to 10% PBT margin.

This is where we are working towards, and you will see them -- may not be immediately in the Q2, but you will see them in second half of this year and FY28, you'll see the margin pick up happening generically or organically.

Diwakar: Okay. Thank you for the detailed answer, sir, and I wish you a very good luck to achieve all these numbers. Thank you.

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

Saumil Shah: Yes. Hi, team. Good morning. Sir, we are planning to launch only one project in Q2. So what is the size of the project?

Gopalakrishnan: So, it's close to about 1 million square feet. But we will have recently launched projects also available in sale, right, because we launched the plotted development. We are launching a second phase of the plotted development in Kolkata. And the Koyambedu project will also be available for sale. And we have sufficient 2.5-3.0 million square feet of sustenance inventory. So, there's enough momentum there in volume.

But as you rightly pointed out, the big uptick will happen in our year-on-year delta will be in Q3 and Q4. That's why we called it back end. It has always known that back end -- our growth for this year would be a back-ended growth.

Saumil Shah: Okay. My question was in terms of revenue. So 0.91 million square feet, what could be the revenue potential?

Gopalakrishnan: No, that will not come into revenue right now. It's just the presales you're talking about.

Saumil Shah: Yes, yes. So just the figure on this 0.91 million square feet, what is the pre-sale number?

Gopalakrishnan: It's about INR750-odd crores. That's the GDV.

Saumil Shah: INR750 crores of GDV. Okay. And on the Kolkata land, you just mentioned to the previous participant that on this 105-acre land parcel, which we are planning for apartment or villas, what would be the cash flows for this project? I think your voice was not clear.

Gopalakrishnan: So overall, as a Kolkata as a site as a whole, we believe the cash flow potential is somewhere around INR1,200-INR1,400 crores of free cash over a five-odd years period.

Saumil Shah: Okay, okay. And sir, when we are seeing -- I mean, last year, there were some tax write-backs during the year because this INR78 crores PBT became INR100-plus crores of PAT. So now when we are seeing 20% growth in FY27, where do we see our PAT numbers? So even this year, we could see some tax write-back or this could be a normal year?

Gopalakrishnan: Tax write-back is difficult to predict because tax write-back happen only when there is a project where we are having a loss that is being recognized, there's a deferred asset getting created only then the tax write-back happens in the joint venture because as you know, we operate through 20-odd subsidiaries, different projects, different companies. That's why the tax write-backs happen. Otherwise, there is no structured tax write-back, which is possible.

We are looking at – level, we should have about 8% to 9% PBT margin. And we believe at the PAT level, we are looking at -- obviously, I can't project the tax write-back yet. We are projecting at least about -- between 20% and 25% growth in PAT.

Saumil Shah: Okay. So, the 20% growth, what you mentioned was for PAT?

Gopalakrishnan: Yes, sir.

Saumil Shah: Okay. Okay. And sir, just last question. So normally, how much time it takes for the plotted development to launch and then revenue recognition?

Gopalakrishnan: Plots Launch depends on which geographical location it is. In terms of city-centric, it can go through the normal three to four months of approval time line like any other apartment complex. If it is outside, which is typically an outside, BBMP kind of outside the metro zone, so it can be slightly faster, but still, it will take within three to four months to get the approvals to launch from the time you complete the transaction.

From the time you launch, typically, sales should not take more than 12 to 18 months, handover should not be more than 18 months. So, the turnaround time line in terms of cash inflow to cash outflow should be 18 to 24 months max.

Saumil Shah: Okay.

Gopalakrishnan: Faster turnaround can happen.

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

Moderator: Thank you. The next question is from the line of Diwakar from Prudent Equity. Please proceed.

Diwakar: I want to ask one question. Sir, market, consumer demand, how is the consumer sentiment across Bangalore and other markets that you operate in?

Gopalakrishnan: Yes. Thank you. Thanks for asking again. Another good question, gives me an opportunity to share our thoughts on market. I think the underlying four markets that we operate are still very strong, doing well. It may not be as robust as post-COVID where everything was flying. To that extent, yes, there is more realistic growth happening on the ground. New launches are getting picked up well as long as it is priced well and product is of good comparable configurations and quality. And therefore, I think most large players are doing well on new launches.

Bangalore launches are still slow. It is going through the same -- it takes its own time in Bangalore for whatever reason. But every large player have evolved or learned from whatever happened in calendar year 2025 or FY25 and FY26. So, I think everybody is planning their own activities well. So, supplies are getting absorbed. Customer confidence level, we don't see, I see a lot of research, I see a lot of articles in the newspaper or business magazines and papers about AI, customer confidence, job loss.

We are not seeing on ground where customers are backtracking. We haven't seen the conversion rate going down in a material way. Therefore, we are of the belief and even my industry checks with housing loan companies, they are not seeing any slowdown in application momentum. So, which clearly tells you that the on-ground momentum is there. A bit cautious, yes, but momentum is there.

And the new excitement like GCC,(global capability centers), other areas -- I mean the revival of some of the export-oriented sectors in our core markets, like as you know, Bangalore survives on IT, pharma, start-up ecosystem. Chennai survives on manufacturing, automobiles, to some extent, IT. Pune is, again, IT outsourcing, GCC, automobile engineering. And Kolkata obviously, is a local-centric trading and some amount of manufacturing.

The underlying sectors are doing well. So, one sector going through a little bit of a uncertainty or nervousness is not really impacting the overall momentum and vibe. Itt's not just my view. If you look at the published research of industry experts or IPCs like JLL, Anarock. After a bit of a slowdown in pan-India absorption in December quarter last year, the subsequent quarterly reports seem to suggest that they're all growing between 5% and 8%, of course, each city has their own rate. Pan-India has been growing meaningfully.

So, we think that residential demand will continue. Mid-market self-use home demand will continue longer than the normal resi cycle. Upper end of the market may have some slowdown because they receive their capital from an investment demand. That's specifically said end-use consumption-oriented segment will do well.

Investment-oriented segments depend on alternative source of capital and that source of capital like stock market gains or others have tend to remain volatile over the last couple of quarters, and therefore, that demand may slow down, taper off a little bit. But otherwise, in the normal mid-market end-use driven segments, we haven't seen a big slowdown in footfall or conversion rates. That's a -- good news for -- and this is a common trend which we have seen. Pune still remains the second fastest-growing market in India. So we have seen this across our core market at least.

Some markets like Hyderabad has seen some demand tapering off according to the published research. We are not there. So I don't have an on-ground feel on it. But Bangalore, Chennai has shown a very steady traction or very steady demand. Pune has shown reasonable growth, reasonable momentum increase as well. So that's our feedback on some of the markets.

Just to close the loop, sorry, Diwakar. On the pricing side, I don't see a big jump in price. I just want to clarify. So like the post-COVID, we saw like 10%, 15% annual increase. That may not happen. On an average, we are seeing roughly about 4%, 5% increase in selling price. And of course, launch prices are obviously evolved based on what the competition is doing in the micro market. But sustenance sales prices are going up by 4%, 5%, not more than that, which is good enough to capture the inflationary pressure if there are any in the cost side.

And therefore, I think the margin contraction will not happen because of selling price or inflation or cost inflation. Therefore, the profitability enhancement will be more from scale economics, the operating leverage than price alone.

Moderator: Thank you. The next question is from the line of Deeya Jain from Sapphire Capital. Please proceed.

Deeya Jain: Hi, sir. Thank you for the opportunity. So just want to clarify the 20% growth that you said, that's in revenue or PAT?

Gopalakrishnan: We expect both, Ma'am.

Deeya Jain: Both. And can we expect similar for FY28 or should we aim for a bit higher.

Gopalakrishnan: Sorry?

Deeya Jain: Can we expect the same for FY28?

Gopalakrishnan: Yes, we are fairly confident, but one step at a stage, we'll deliver our FY27 and then because we had some disappointment last year. So, we would like to be a little cautious, deliver FY27 and then talk about FY28, but there will be a time during this year to discuss FY28, how robust it can be give more confidence to you also when I deliver halfway through the year around Q3, Q4 when we discuss this, it will be much more appropriate.

But we are confident that our sales value can reach that INR5,000 mark approximately in FY28 and revenue recognition because as you know, revenue recognition is more to do with what we have done so far and what we are doing on ground in terms of execution. But also, we are fairly confident of reaching that INR2,500 crores number.

Deeya Jain: Okay. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Raj Mehta, an individual investor.

Raj Mehta: Yes. Thank you for this opportunity. I have been tracking the company since long. And what I feel is market doesn't like surprises from Shriram and they don't trust the execution capabilities. Each quarter when we give results, the market reaction to those things is because of the capabilities and the deliveries, which we have not been able to do due to XYZ reasons which we have faced in the last couple of years.

So do you think that in next couple of years, this thing can be reversed and the market can get surprised with the quality of earnings and the momentum which you are trying to achieve since the last IPO price, which you launched four years back, we have not even touched that thing. So is there any, surprises on a positive side or on a negative side, which I think, you might not be factoring in right now?

And second thing, with respect to the sales value which you have given the guidance, in that we have not considered any development related to Kolkata. So if we are able to meet any significant development related to land sale or the plotted developments, whatever the product mix which we are trying to do, will that be a surprise element in your figure? Or it is somewhere certain amount has been included in the figures which you have given?

Gopalakrishnan: So let me try the first one, try to answer. So yes, I think market somehow -- we believe market is not giving us full credit for what we have delivered so far. I'm not so sure whether I agree with the comment that we have not delivered on our promises completely year after year.

Otherwise, we wouldn't have reached the revenue growth or the number of units handed over from FY20, '21, '22 all the way to '24, '25, '26. We have moved up in our curve. We have moved up our delivery. When we IPO, we were minus INR68 crores PAT. Last year, we delivered INR100 crores PAT.

And so, volatility will always be there, Mr. Raj. Because this is the nature of business depending on when you get the completion done and it's true for most players in the industry. If that's the case, the entire real estate industry should not get that same credit that it's getting from the market.

We are working our best to deliver the performance, and we are also trying to communicate our results to our performance and the initiatives to large institutional holders through concentrated efforts. We will do our job well, be assured. And I'm sure at some stage, market will take note of this and give us some credit for the delivery.

Because if you look at -- I'm sure like Shriram, you're tracking the other real estate sectors. If you look at the last couple of quarters, not many real estate companies have the same stable margins and the earnings profile. The nature of business, you should see the cash flows of the business that can tell you underlying picture, is it actually delivering cash or not.

Our company has been delivering cash flows, which means that on-ground work is actually happening and is releasing cash flow from projects. Earnings also will be following and will continue to follow. So we will try our best, but we take your feedback as a very fair comment.

With regard to the surprise, I don't think any surprise has been built in our earnings here. Some part of development of Bengal is already part of the FY28 mission that we took it in terms of whether it is developing the apartments or developing the plot. If we do any bulk sale, it can be an additional kicker in terms of accelerated sales if you do, it can be a kicker.

But accelerated sales of land by just selling it to a warehousing company for INR3.5 crores, INR4 crores per acre does not seem to make economic sense from our shareholders' perspective, especially when the plot and villas can deliver INR6 crores contribution, why should we sell INR3.5 crores minus some development or filling cost and all that cost that will be associated with that.

Because that industry cannot pay more than that, be it the data warehousing companies or be it data center companies. They cannot pay more than INR3 crores, INR4 crores per acre, INR3.5 crores, maximum INR4.5. So why should a company undersell this for accelerating cash flow. Instead, can we embark on products which are faster selling and try and accelerate the cash flow from a five-year to three-year or four- years. That's what we are working towards.

If any acceleration happens, these numbers can change. But FY28, I don't think materially will get changed through this acceleration. So I think as of now, we don't have any surprise element in our hand, up our sleeves that we will pull out later. But if there are macro-related surprises there, it will remain a surprise. I also don't know that. But we are working towards overcoming any macro headwinds if there are any.

Raj Mehta: Got it. Sir, one more option we have -- I have been saying this a lot that our earnings con call and the results both are on a very later stage of the -- once the quarter gets end. Till the time we don't get any quarterly updates to be an investor-friendly company, I would request that you start giving quarterly updates once the quarter gets completed, many listed developers give the quarterly updates related to the collections, related to the sales value because those things are not going to change.

I can understand the audited numbers can change, but the quarterly numbers which we are presenting, those doesn't get changed, and it would be very investor friendly if you keep doing those things and show to the investor community that you are transparent in the way.

And secondly, I advised you to do the investor calls also related to the institutional investors. And I think now ICICI Direct and many institutionals have started tracking the company and started getting -- giving you the research reports. It would be very much better if we can start to do more road shows and enter into more conferences where there are real estate conferences too, where we can present the company because the company has a huge potential, but the market is not still rewarding that potential because they have doubts in the capability and the execution.

And in real estate, everything brings down to the collection and to the execution portion. And since I think today in call once you said that you sold certain properties in the Kolkata in the year 2021, which does not have a good margin. And since right now, we are at the stage where the real estate cycle, which might be in the middle or somewhere near to the top.

So if we can plan in such a way where we can bring certain bigger developer to do a JV with us where we can give this land and we can build it and we can recognize the revenue on a faster pace by compromising a little bit of portion of your margin, which you think you can do by your own self, it would be great if we can recognize those because markets will reward based on the cycles. And once the cycle gets -- at the end of the cycle, if you start building this thesis, we will be too late for that. This is what my suggestion is for the -- specifically related to the Kolkata land also.

Gopalakrishnan: Sure. We have always listened to your views and suggestions with a lot of interest. I just want to update you that post your earlier suggestion, our team is visiting institutional investors on a quarterly basis after the results. I think this will be the third or fourth quarterly roadshows or one-on-one meetings we do with institutional investors through our IR partner, SGA. I'm sure the team is continuing to do. So, we do take your suggestions very seriously, and we've implemented it in the past, and we will do.

On the update, yes, we will resume this. We used to provide this update earlier. At some stage, we just felt market is anyway not noticing or recognizing any of this. What's the point in rushing to do that in fifth or sixth of next month. But I think it's a fair comment. We'll try and resume that process. As you know, we used to do that till about 2024, '25. And when many of the other large players were not doing it. But we just pulled back only because markets were just not looking into it or we felt not looking into it are not really listening to it. But it's a fair comment. We'll do our best. Irrespective of what the market thinks about us. We'll try our best to communicate the story going forward and we'll provide the monthly quarterly updates in advance of financial results.

Raj Mehta: Thank you, sir. And one last question with respect to the industry dynamics since we are now entering into Pune markets also, and we are very much into Bengaluru. So due to AI-related fear which market had that the IT might face huge job losses and which might turn bad for the real estate players who are specifically into Bangalore and Kolkata.

So, we have -- as you said, you are not facing any headwinds on ground where the buyers are not rejecting the proposals or deferring the purchases. So are we in a state where we are confident of either increasing or maintaining the margins in which we are right now present in the markets in which we are present.

And can we increase the realization curve in such a way that even though the cycles turn in the opposite way, but we can hedge those margins and hedge those realizations. Because if you see your -- Kolkata also where you said that our margins were lesser at that age. So, whenever we launch these projects and when the revenue start getting recognized after 3 years, 4 years, our margins are getting squeezed.

At that particular time, you thought that would be -- this would be the best price to sell. But after 3, 4 years when there are so many uncertainties going around due to the input costs, are we plugging into certain margin protection, which can give a certainty where this much particular margin can be easily achieved, which I think would be very much better for us to analyze that there is a margin protection, even though there will be a product changes, but we may get surprises on the upside, but there should be no surprises on the downside of the margins. Thank you, sir.

Gopalakrishnan: Thank you.

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

Gopalakrishnan: Thank you all for joining us on a busy morning for listening to our performance outline and also sharing -- opportunity to share our confidence on our FY27 outlook. We remain confident that we will deliver on our plans with a back-ended growth in sales and revenue recognition. And therefore, we see much stronger quarters to come, and we are very confident that we'll deliver our full year numbers.

Thank you for taking your time. And if you have any further queries, please feel free to reach us through SGA or our own team directly as you feel appropriate. And we look forward to interacting with you all again in another call fairly soon. Thank you.

Murali: Thank you. Thank you, everyone.

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. Thank you.