

**February 14, 2024**

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
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Dear Sir/Madam,

**Sub: Press Release**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find attached herewith the press release on :

- a. The Unaudited Financial Results of the Company for the quarter ended December 31, 2023.
- b. Entering into new Market – Pune

We request you to take the above information on record.

Thanking you.

Regards

For Shriram Properties Limited

D. Srinivasan  
Company Secretary  
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**Shriram Properties Limited**

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## Shriram Properties Announces Satisfactory Performance for 9MFY24

### Announces Planned Entry into the Pune Residential Markets

***EBITDA up 14% YoY, PBT up 11% YoY and Net Profit at Rs.55 crores for 9M FY24***

BENGALURU, February 14, 2024: **Shriram Properties Limited** (“SPL” or the “Company”) has today announced its financial results for the third quarter and nine months ended December 31, 2023 (Q3FY24 & 9MFY24). The Company proudly announces its strategic expansion through its planned entry into the Pune market, the second largest market by absorption with a strong growth track record in recent years.

#### **Strategic Entry into the Pune Markets**

As part of its growth strategy, SPL is planning an entry into the Pune region, and has signed a Development Management (DM) Agreement for the development of a residential project in Undri, Pune, reflecting the Company’s growth ambitions beyond boundaries. The decision to explore this opportunity under the DM model aligns seamlessly with the Company’s asset-light growth strategy.

Pune is amongst the fastest-growing residential markets and in fact the second largest market by absorption among Top-7 residential markets in India<sup>1</sup>. Pune reflects very similar characteristics of SPL’s core markets in terms of customer demographics, product preference, pricing and ticket size, thus offering synergies with SPL’s current strategy. SPL has decided on the entry after careful evaluation of the opportunity over the last year.

The Company has secured development rights under the DM model, and the project envisages the development of over 1.7 msf<sup>2</sup> of residential area and 0.3 msf of commercial area. The project has sales value potential of over Rs.1,300 crores and is to be executed over the next 3-4 years. The project is awaiting final leg of plan approvals and subsequent RERA ahead of the launch targeted for Mar’24 / Apr’24.

The Company is confident of its successful entry into the Pune markets, which should pave the way for a rapid expansion into this lucrative growth market and further strengthen its DM growth strategy in the coming years.

<sup>1</sup> Source: Anarock Research / PropEquity Data

<sup>2</sup> MSF = Million Square Feet

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### Operational Highlights

For 9M FY24, the Company has achieved sales volumes of 3.03 msf reflecting a growth of 12% YoY. This was despite delayed/deferred launches to Q4 due to Q3 adversities. The Company successfully pre-launched the 1<sup>st</sup> phase of “Shriram 122 West” towards end of Dec’23. Aggregate sales value stood at Rs.1,654 crores (+22% YoY), primarily reflecting the improving realisation and richer product mix.

The Company’s average realisation has grown by 15% so far in FY24, against an average price increase of 7% and 4% in Bangalore and Chennai markets respectively<sup>3</sup>. On a comparable basis, realisation in the affordable category averaged at Rs.4,870/sqft while mid-market unit realisation averaged at Rs.6,168/sqft in 9MFY24. The current average mid-market realisation has grown remarkably from sub-Rs.5,000/sqft levels in FY22, reflecting the success of SPL’s conscious efforts to move up the price curve through portfolio enhancements.

Customer collections stood at Rs.1,055 crores (+19% YoY) – a new record for the Company. The Company benefited from strong construction momentum in ongoing projects, but suffered due to deferral of launch-led and handover-led collections during Q3. The Company handed over 1600+ units to customers, compared to 2000 units handed over in FY23. The Company remains confident of targeted handover of ~3,000 units in FY24.

For Q3FY24, the Company achieved sales volumes of 1.1 msf (+6% YoY). Muted growth in Q3 is due to certain adversities that led to delay/deferral of certain launches in Chennai and Bangalore. Unprecedented rains and floods in Tamil Nadu and plan approval delays in certain projects in Bangalore led to delay/deferral of launches that have now been moved to Q4FY24. The Company expects to recoup lost momentum in Q4 FY24.

The Company handed over 780+ units during Q3, despite delayed receipt of Occupancy Certificates (“OC”) in key projects. While these impacted handover and revenue recognition during Q3 FY24, the Company has since received OCs in certain key projects by the end of Dec’23 / Jan’24. Consequently, handover and revenue recognition momentum is expected to be stronger in Q4FY24.

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<sup>3</sup> Source: Anarock Research / PropEquity Data

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## Financial Performance Highlights

Summary of significant highlights of 9M FY24 results are as follows:

- Total Revenues nearly flat at Rs.629 crores in 9M FY24. DM Fee accounted for ~10% of total revenues, reflecting the stabilized DM business model.
- Total Operating Expenses were lower by 7% YoY at Rs. 472 crores, despite normal increases in employee costs and higher other expenses, largely related to marketing activities.
- EBITDA has grown 14% YoY to Rs.157 crores and EBITDA margins stood strong at 25%, versus 21% in 9MFY23. Improved margins reflect benefits of the changed product mix and higher price realisation that exceeded the industry average growth seen during this period.
- Finance costs are higher by 15%, but interest expenses are nearly flat on YoY basis. This is despite absorption of interest associated with the re-acquisition of JV economic interest in Park63 from Mitsubishi Corporation and one-time cost associated with the acquisition of Shriram 122 West.
- Gross debt at Rs.508 crores compared to Rs.553 crores in Mar'23. Cost of debt stabilizing at 11.5% to 12% despite RBI rate hike impact is encouraging.
- Net Profit at Rs.55 crores, compares to Rs.52 crores in 9MFY23 and Rs.68 crores in FY23.
- The Company has reported ROCE of 11%, and is amongst the highest in the sector.

Summary financial highlights are as below:

Particulars (Rs. Crores)	9M FY24	9M FY23	YoY (%)	Q3 FY24	Q3 FY23	Growth YoY (%)
Total Revenues	<b>629.0</b>	643.0	-2%	240.6	222.0	8%
EBITDA	<b>157.1</b>	137.6	14%	38.6	50.8	-24%
Profit before share of JV Income	<b>63.8</b>	56.2	13%	8.8	26.0	-66%
Profit Before Tax	<b>64.0</b>	57.8	11%	13.8	22.2	-38%
Net Profit	<b>55.3</b>	52.4	5%	18.5	22.4	-17%

**EDGE Certification:** The Company is committed to “Green Building” strategy as part of its growth and sustainable development efforts. The Company has pursued green building certifications for commercial assets developed in the past and is now focused on ensuring the same in its residential development. The Company has adopted EDGE, a measurable solution from the IFC, a part of the World Bank Group. The Company has made significant progress already and has recently obtained certifications for 3 of its recently completed projects viz., Shriram Blue (B'lore), Shriram Southern Crest (B'lore) and Shriram Park63 (Chennai). The Company remains committed its pioneering efforts to pursue green building certifications in its residential development in future.

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### Outlook

The Company's growth outlook remains positive, supported by favourable market conditions and encouraging long term prospects for the sector.

With the Company substantially overcoming the adversities faced in Q3, in terms of project approvals to facilitate launches and OCs that can accelerate handovers and income recognition, Q4FY24 looks promising and robust. Improved scale should support strong margins and returns.

The Company's long-term prospects remains bullish as well. Given the conducive macroeconomic factors, resilient housing demand, especially in the mid-market and affordable segments signifies long-term growth prospects for an established mid-market housing player like Shriram. SPL's growth is further supported by its strong operating platform and a strong project pipeline. SPL is well positioned to benefit from ongoing consolidation in the industry. SPL expects to sustain the growth momentum and deliver significant value for its stakeholders.

Commenting on the performance, **Mr M Murali, CMD of Shriram Properties** said:

*"We are excited to announce our entry into the Pune markets. Given the strong familiarity to the "Shriram" brand and our proven track record, we are confident of successful entry and expansion into this large, growth market.*

*Our performance for the year so far is satisfactory. Current quarter witnessed muted growth due to certain adversities but are fully equipped to recoup lost impact during Q4FY24. We thus remain confident on the full year FY24 and our growth over the next few years. Given the positive market dynamics and strong pipeline, we remain confident of sustaining profitable growth and delivering superior returns to our stakeholders".*

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## **About Shriram Properties Limited**

*Shriram Properties Ltd (SPL) is one of South India's leading residential real estate development companies, primarily focused on the mid-market and affordable housing categories. SPL's key markets include Bangalore, Chennai and Kolkata which together account for nearly 85% of its development activities. SPL has demonstrated track record having delivered 40 projects with a saleable area of 22.4 msf, mostly in the cities of Bengaluru and Chennai. SPL has a strong development pipeline comprising of 49 projects with an aggregate development potential of 52.7 msf, as of December 31, 2023.*

*SPL is part of the Shriram Group, a prominent business group with four decades of operating history in India, SPL made its initial public offering and became a publicly traded company in Dec'21.*

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## **Disclaimer / Forward Looking Statements**

*Certain matters discussed in this Media Release may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the real estate industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from those expressed or implied by this Media Release. The Company assumes no obligation to update any forward-looking information contained in this Media Release. Any forward-looking statements and projections by third parties included in Media Release are not adopted by the Company and the Company is not responsible for such third-party statements and projections*