

April 8, 2026

Built on strong foundations...

About the stock: Shriram Properties (SHRPRO) is among the top 5 residential real estate developer in south India primarily focused on the mid-market & mid-premium housing categories. It has established a strong presence in Bengaluru, Chennai, Kolkata and recently expanded to Pune. It has a project pipeline of about 36 msf (17.4 msf/18.5 msf – ongoing/upcoming) with a mix of Owned, Joint Development Agreement, Joint Venture & Development Management projects.

Investment Rationale

- Strong unsold residential project portfolio of ~₹ 13,429 crore:** SPL has a strong project portfolio of 35.9 msf having an aggregate gross development value (GDV) of ₹ 20,170 crore. As of December 2025, it has 17.4 msf of ongoing projects of which it has unsold inventory of 3.4 msf (GDV of ₹ 1759 crore). Further, it has upcoming projects of 18.5 msf (GDV of ₹ 11670 crore), scheduled to be launched over the next 4-5 years. Hence, overall, its unsold GDV potential stands at ₹ 13,429 crore, which would be sold over the next 4-5 years, providing it a strong pre-sales growth trajectory going ahead. We estimate its pre-sales to grow at 21% CAGR over FY25-FY28E to ₹ 4030 crore.
- Kolkata land resolution unlocks value equivalent to current MCap:** SPL has amicably settled long-standing dispute with the Bengal government related to 315 acres land by conveying 42 acres to the government and settling payment obligations of ₹ 259 crore with nil cash outflow. As of now, it has ongoing projects aggregating to 5 msf (~48 acres) and has received approvals for ~16 acres land parcel. Going ahead, it plans development of ~5-6 msf (utilising ~45 acre) with potential NAV value of ~₹ 400 crore. About ~45 acre is unusable (water bodies). Thus, the balance 118 acres land has an estimated market value of ₹ 708 crore (at ~₹6 crore/acre). Thus, total value from Kolkata land is ₹ 1100+ crore, which is almost equivalent to its current market capitalisation of ₹ 1160 crore.
- Stepping up business development to drive pre-sales growth over FY26E-FY28E:** SPL has secured business development of ~40 msf (GDV of ~₹ 20,000 crore) since FY19. It has ₹ 4500-5000 crore GDV addition target for FY26 across Bengaluru, Pune and Chennai. For FY27, it plans to 7-8 msf projects with GDV potential of ₹ 5000-6000 crore. Currently, it has 26+ msf projects (3+/3+/20+ msf projects under closure/advanced/under active stages) business development pipeline. The company is stepping up new project additions over the next three years to achieve its internal pre-sales target of ₹ 5000 crore in FY28E (our estimate ₹ 4030 crore).

Rating and Target Price

- We value SPL on SOTP basis with valuation methodology for its residential businesses and land bank. We have valued its residential vertical by calculating project-wise NAV discounting net post-tax operating cashflows at 14% WACC rate. We value its Kolkata balance land parcel at market value. Consequently, we arrive at our SOTP based price target price of ₹125. We initiate with a Buy rating on the stock.

Key Financial Summary

Particulars (Rs. in crore)	FY23	FY24	FY25	2 Year CAGR (FY23-25)	FY26E	FY27E	FY28E	3 Year CAGR (FY25-28E)
Revenues	674	865	823	10.5%	1,334	1,901	2,410	43.0%
EBITDA	43	100	29	-17.6%	89	220	349	128.3%
EBITDA margin (%)	6.4	11.6	3.6		6.6	11.6	14.5	
Net Profit	66	75	77	8.2%	83	132	225	42.9%
EPS (Rs.)	4	4	5		5	8	13	
P/E (x)	19	16	16		15	9	5	
EV/EBITDA (x)	41	17	58		21	9	5	
RoCE (%)	9.5	11.1	8.4		7.5	10.2	14.2	
RoE (%)	5.5	5.9	5.7		5.8	8.4	12.6	

Source: Company, ICICI Direct Research; Note: EBITDA for FY25/FY24 stands at ₹ 203 crore/₹ 203 crore as per company's adjusted reporting due to inclusion of other operating revenues in revenue from operations. Other operating revenues include impact of ASK exit from Shriram Pristine Estates, fair value gains in Project JVs and monetization of development rights etc.



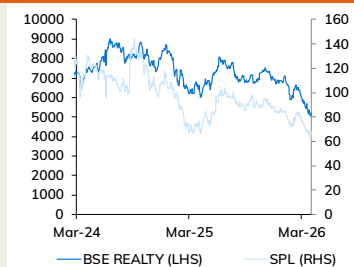
Particulars

Particular	Rs in crore
Market Capitalisation	1,158
FY25 Gross Debt	651
FY25 Cash	161
EV	1,648
52 Week H/L (Rs.)	105/61
Equity Capital	170.4
Face Value (Rs.)	10.0

Shareholding pattern

	Mar-25	Jun-25	Sep-25	Dec-25
Promoter	27.9	27.9	27.9	27.9
FII	2.5	2.1	2.9	3.6
DII	1.8	2.0	1.9	2.5
Others	67.8	68.0	67.3	66.0

Price Chart



Key risks

- Key Risk: i) Delay in under-construction residential projects
- ii) Inability to acquire new residential projects

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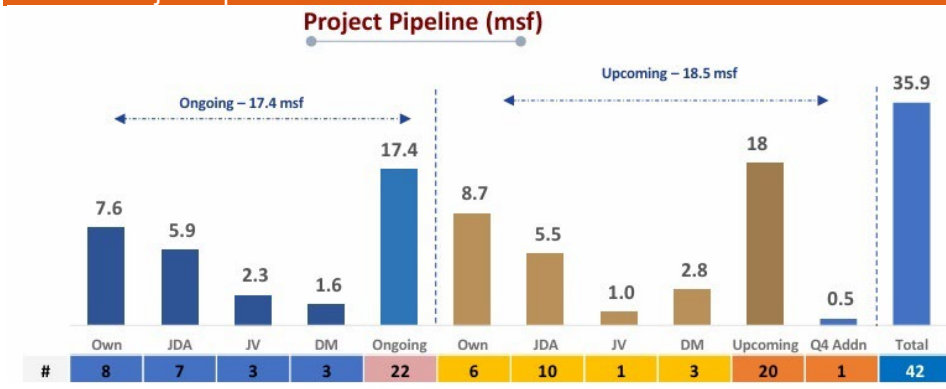
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Company Background

Shriram Properties (SPL) is a part of Shriram Group. SPL was formed with the goal to establish a reputable and reliable presence in the organised real estate. Recognizing the immense potential in the mid-market segment, SPL aims to serve it with excellence by offering quality homes at accessible prices, ensuring exceptional value for its customers. It commenced operations in Bangalore in the year 2000 and have since expanded their presence across geographies like Chennai, Kolkata and most recently in Pune.

Recognizing the immense potential in the mid-market and mid-market premium segment SPL primarily focused on mid/mid-premium categories with a mix of owned, JDA, JV and DM (models). SPL has a track record of delivering 50 residential projects with saleable area of 30.8 million square feet (msf). As of December, 2025, it has 17.4 million square feet of ongoing projects and 18.5 million square feet of upcoming projects.

Exhibit 1: Project Pipeline



Source: Company, ICICI Direct Research

Exhibit 2: Milestones and journey

Year	Milestone
2000	Commenced operations in Bengaluru and Completed first residential project in Bengaluru
2006	First-ever foreign investment into real estate project with the opening of the FDI in the sector
2007	Received investment in project from WSI/WSQI and Hypo Real Estate bank International
2011	Received a parent company-level investment from TPG Asia and WSI and WSQI and Completed residential project in Coimbatore (Vijaya Hyde Park)
2012	Received a project-level investment from ASK Real Estate Special Opportunities Fund for the residential project in Bengaluru
2014	Received a project-level investment from India Realty Excellence Fund II LLP and Amplus Capital Advisors Private Limited for project in bengaluru
2016	Completed first residential project in Vizag (Panorama Hills – Block IV)
2018	<ul style="list-style-type: none"> Received investment in residential project in Chennai by subsidy of Mitsubishi Corporation Completed residential project in Chennai (Shriram Temple Bells Phase I and II) Completed our first commercial project in Chennai (Shriram Gateway)
2019	<ul style="list-style-type: none"> Launched first plotted development project under the DM model – Shriram Earth Mysuru Received project-level investment from Kotak India Affordable Housing Fund
2021	Completed IPO and got listed on the BSE/NSE
2022	<ul style="list-style-type: none"> Set a new record by handing over 2,000+ units/plots to customers Awarded the Great Place to Work certification
2023	<ul style="list-style-type: none"> Received CRISIL A- (Stable) credit rating Set up a 50,000 lakhs co-investment platform with ASK Investment Managers
2024	<ul style="list-style-type: none"> Celebrated 25 years of operational excellence led by innovation and transformation Exited ASK investments in Shriram Pristine Estates and Mitsubishi in Shriram Park 63 Embarked on independent new brand identity
2025	<ul style="list-style-type: none"> Handed 3,150+ units, created a new record in completion and handovers Entered in Pune market by launching first project in Pune (Shriram Spectrum)

Source: Company, ICICI Direct Research

Investment Rationale

Residential demand remains structurally resilient despite headwinds

India’s residential real estate market stands at ~\$650 billion in CY2025 which is expected to grow to \$5.8 trillion by 2047, led by rapid urbanization, growing disposable income & per-capita under penetration of residential & commercial real estate.

PAN India sales of residential units across top 7 cities grew at a CAGR of 14% to 3.96 lakh units in CY25 vs 2.4 lakh units in CY21, mainly driven by implementation of favourable RERA & de-monetisation coupled with uptick in launches to 4.2 lakh units which grew at 15.4% over the same period.

The Indian real estate market experienced an unprecedented rally in 2023 surpassing growth of all preceding years. The market was propelled by combination of policy reforms, heightened consumer confidence, augmented disposable income and a growing demand for more spacious residential. During 2023, new launches and sales reached an all-time high 4.46 lakh and 4.77 lakh units respectively with Inventory overhang reduced to 15 months from peak 55 months in 2020.

However, over 2023-25, the real estate market saw moderation, with pan-India residential unit sales declining by 9% CAGR to 3.96 lakh units. The decline is attributable to broad-spectrum upheaval — such as delay in approval due to general elections, uncertainty due to geopolitical turmoil, tariff tensions and sector-specific challenges such as layoffs in the IT industry—the market has navigated a complex landscape of headwinds. Thus, the unsold inventory inched to 5.8 lakh units (17 months) in CY25 due to launches outpacing sales.

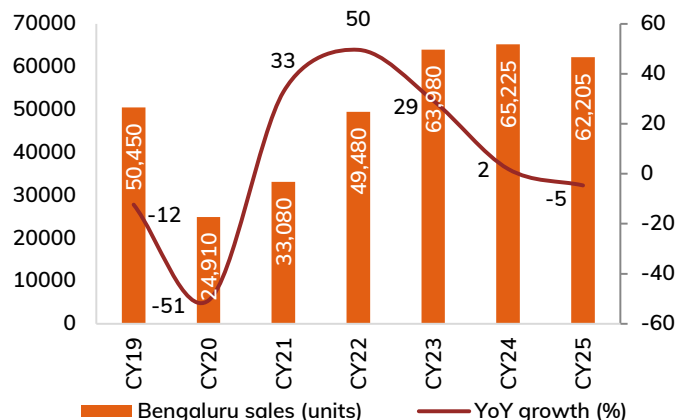
Despite global headwinds, the real estate market exhibits remarkable structural resilience propelled by consolidation in the sector, sustained high demand in premium and luxury homes, rising new project additions by developers, among others.

Bengaluru – IT/ITES remain bellwether for growth

Bengaluru remains one of the largest residential markets of India forming 17.7%/15.7% of new launches & sales booking in CY25. Over CY21-CY25, Bengaluru witnessed ~17% CAGR in sales volume driven by ~25% CAGR in launches. Moreover, during the same period average residential prices grew by ~15% CAGR. Additionally, Unsold inventory overhang came down to 13 months in 2025 vs 21 months in 2021.

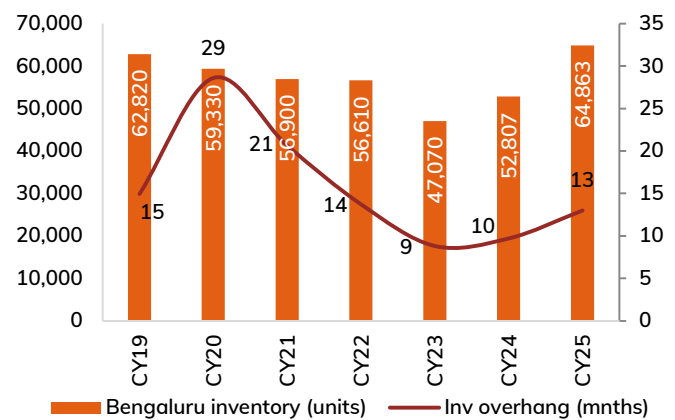
The outlook for Bengaluru real estate market is one of cautiously optimistic and strategic geographic realignment. While the IT-ITeS sector’s consolidation has temporarily dampened housing absorption, leading to an inventory overhang, the intrinsic end-user demand remains intact while strong GCC led commercial leasing are expected to drive growth. Looking ahead, developers are likely to focus on clearing existing inventory while launching specialised products catering to the ‘tech-affluent’ buyers.

Exhibit 3: Bengaluru sales booking trend



Source: Anarock, ICICI Direct Research

Exhibit 4: Bengaluru inventory trend



Source: Anarock, ICICI Direct Research

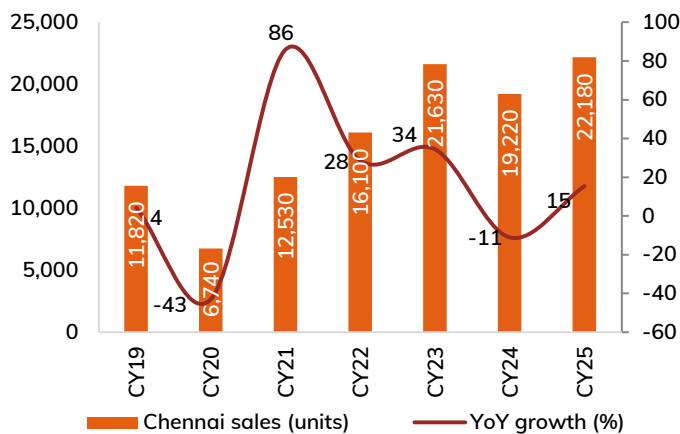
Chennai – Resilient for Stability

Chennai remains one of the most stable residential markets of India. Chennai formed 6.5%/5.6% of new launches & sales booking across top 7 cities in CY25. Over CY21-CY25, Chennai witnessed ~15% CAGR in sales volume driven by ~22% CAGR in launches. Moreover, during the same period average residential prices grew by ~9% CAGR while the unsold inventory overhang came down to 18 months in 2025 vs 33 months in 2021. Chennai demonstrated resilience and strong growth in CY25, as its new launches and sales grew 30% YoY and 15% YoY respectively.

The Chennai region is driven primarily by genuine end user demand, ensuring a steady absorption rate and preventing formation of asset bubbles. The strength of Chennai’s real estate demand lies in a diversified economic base that blends a thriving manufacturing sector with a robust Software as a Service (SaaS) and technology Industry, effectively shielding city’s real estate from isolated sectoral volatility.

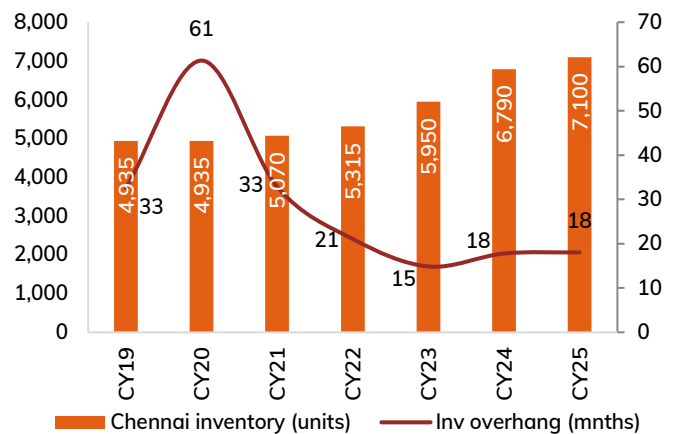
Major infrastructure projects such as Metro Phase-II and ORR upgrades are catalysing residential demand in suburban zones like Thirumazhisai and Perungalathur.

Exhibit 5: Chennai sales booking trend



Source: Anarock, ICICI Direct Research

Exhibit 6: Chennai inventory trend



Source: Anarock, ICICI Direct Research

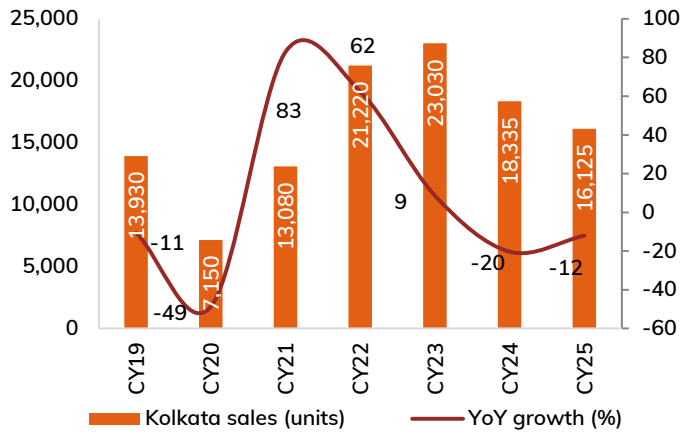
Kolkata-value centric market

Kolkata is the most affordable city among the top 7 cities in India having 4.4% & 4.1% share in total launches & sales. Kolkata remains a value-centric market with steady absorption, low volatility and slower price cycles. This stability enables phased development strategies. Property prices have appreciated over CY21-CY25 at a stable CAGR of 8% on improved connectivity through metro expansions and elevated corridors boosting demand in eastern and southern fringes like Garia, Eastern Metropolitan Bypass and Rajarhat. These emerging corridors are attracting interest from first-time buyers and value-conscious investors. The city’s growing IT, finance and professional services sectors are driving demand for upgraded living spaces, fuelling a premium housing boom. Kolkata’s residential real estate demand is driven by end-user preferences for affordability, community living and long-term ownership.

New Launches and sales grew at 7.8% and 5.4% CAGR over CY21-CY25. Inventory overhang dropped to lows of 17 months in CY24 from highs of 69 months in CY20. For CY25, 18,590 units were launched in Kolkata up 30% showing developer confidence. On the other hand, sales in CY25 declined 12% YoY to at 16125 units, thus inventory overhang inched up to 22 months from 17 in CY24.

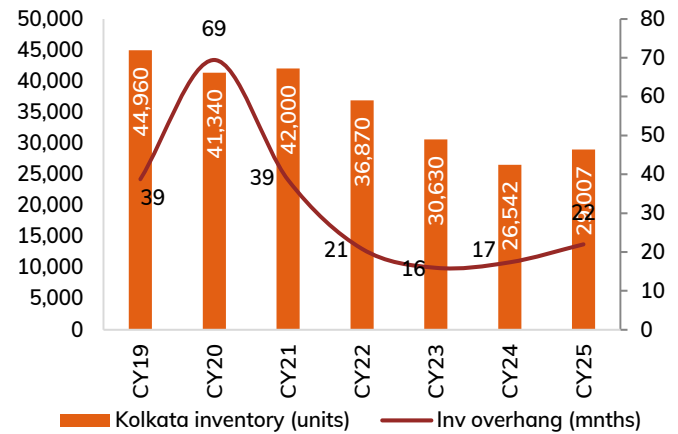
Kolkata’s residential real estate market in 2026 will be defined by the impact of the expanding Metro network, particularly the Orange and Purple lines, which are unlocking new value in peripheral zones. The city will retain its position as the most affordable metropolitan city among the top 7 cities, continuing to attract entry-level and mid-segment buyers. While sales volumes may witness moderate growth, the market offers stability and steady capital appreciation driven by genuine end-user demand. The focus will likely remain on affordable and mid income housing, with infrastructure improvements serving as the primary catalyst for long-term real estate development and urban expansion.

Exhibit 7: Kolkata sales booking trend



Source: Anarock, ICICI Direct Research

Exhibit 8: Kolkata inventory trend



Source: Anarock, ICICI Direct Research

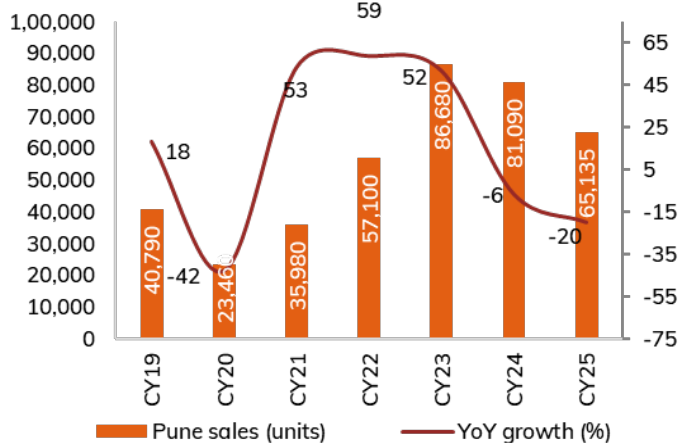
Pune – newest growth driver

Pune is the newest addition to the Company’s portfolio and has been one of the fastest-growing residential markets of India. Unlike chaotic metro cities, Pune offers a perfect blend of urban convenience and natural beauty. With its pleasant climate, clean environment and abundance of green spaces, Pune ranks among the most liveable cities in India. Pune, perhaps more than any other city in this evolving landscape, sits at a compelling intersection. In offering Mumbai’s metropolitan appetite without its spatial constraints, Pune has long drawn those seeking ambition without claustrophobia.

The city of Pune evolved through a healthy mix of Industrial, IT/ITeS, educational institutes and most recently the GCCs. Moreover, Pune’s infrastructure development is a key factor driving real estate appreciation thus offering attractive ROI to investors. This real estate market has witnessed steady growth of 16% CAGR over CY21-25, offering excellent return on investment (ROI). Pune contributes more than 16.5% of pan-India sales in terms of number of units (Source: Anarock).

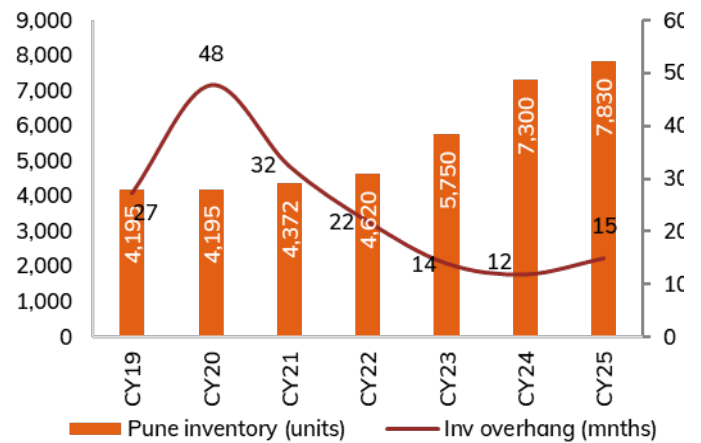
Pune’s residential market in 2026 is projected to maintain its trajectory as a robust end-user destination, anchored by its thriving IT-ITeS and manufacturing ecosystems. The ongoing expansion of mass rapid transit networks and arterial ring roads will be a game-changer, unlocking new land parcels in peripheral zones and making them viable for large-scale residential development. Overall, the market is poised for steady, end-user-driven growth, characterised by stable capital appreciation. buyers.

Exhibit 9: Pune sales booking trend



Source: Anarock, ICICI Direct Research

Exhibit 10: Pune inventory trend



Source: Anarock, ICICI Direct Research

Residential project pipeline of ~₹ 13429 crore GDV

SPL, as on December 2025, has a strong project portfolio of 35.9 msf (ongoing projects – 17.4 msf, upcoming projects – 18.5 msf) having an aggregate gross development value (GDV) of ₹ 20,170 crore. As of December 2025, it has 17.4 million square feet of ongoing projects of which the company has unsold inventory of 3.4 msf having estimated GDV of ₹1759 crore. Further, it has upcoming projects of 18.5 msf having GDV potential of ₹11670 crore scheduled to be launched over the next 4-5 years. Hence, overall, its unsold GDV potential stands at ₹ 13,429 crore, which would be sold over the next 4-5 years, providing it a strong pre-sales growth trajectory going ahead.

Exhibit 11: Sales potential from Ongoing & Upcoming projects

Particulars	Area (msf)	GDV (Rs. in crore)
Ongoing projects (unsold)	3.4	1,759
Upcoming projects		
Own	8.7	5,140
JDA	6.0	4,780
JV	1.0	580
DM	2.8	1,170
Total Upcoming projects	18.5	11,670
Grand Total	21.9	13,429

Source: Company, ICICI Direct Research

Stepping up business development to drive pre-sales growth over FY26E-FY28E

SPL has secured business development of ~40 msf having estimated GDV of ~₹ 20,000 crore since FY19. During 9MFY26, it added six projects with 2.8 msf and ₹ 2900 crore GDV. It has ₹ 4500-5000 crore GDV addition target for FY26 across Bengaluru, Pune and Chennai. For FY27, it plans to 7-8 msf projects with GDV potential of ₹ 5000-6000 crore. Currently, it has 26+ msf projects (3+/3+/20+ msf projects under closure/advanced/under active stages) business development pipeline. Considering, its strong success rate of 40-50%, it is likely to add material new projects over the next six to eight months. The company is stepping up new project additions over the next three years to achieve its internal pre-sales target of ₹ 5000 crore in FY28E (our estimate ₹ 4030 crore).

After successful implementation of real estate projects in Bengaluru, Chennai and Kolkata, the company successfully ventured in Pune market during Q1FY26. It launched its maiden project in Pune, Shriram Spectrum, receiving strong response (150 units sold in the first 4 weeks of launch). has recently forayed into Pune, a promising growth geography. Following on its success with its Pune entry, it is expected to further expand in the Pune market in the mid-market segment. In the future, ss the Pune market stabilises and achieves requisite scale, it is likely to explore Mumbai and other Maharashtra hubs, for further geographical diversification and growth avenues.

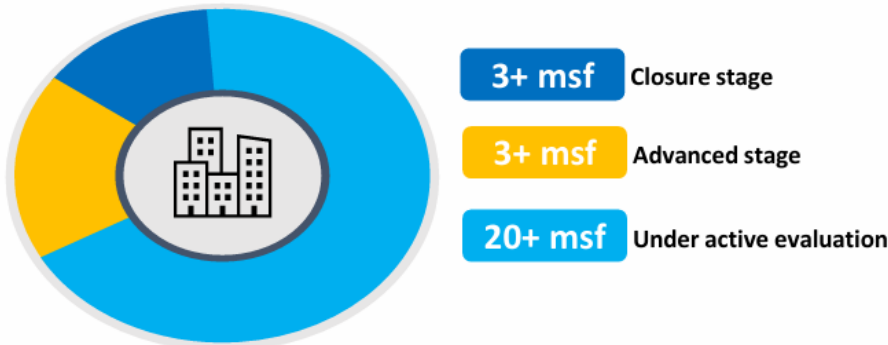
Exhibit 12: Project additions of 2.8 msf (₹ 2900 crore GDV) during 9MFY26

Bangalore North	Bangalore North	Hinjewadi (Pune)	Bangalore North	Bangalore South	Sarjapura
<ul style="list-style-type: none"> • Product: Villas • Ownership: ORP • GDV ₹ 200 Crs • Area: 0.2 msf • Location Highlights: Enriched with esteemed educational institutions, including international schools and renowned colleges. 	<ul style="list-style-type: none"> • Product: Apartment • Ownership: JDA • GDV: ₹ 500 Crs • Area: 0.6 msf • Location Highlights: Strategically located adjacent to the upcoming large state park in Yelahanka, North Bengaluru's most promising residential hubs. 	<ul style="list-style-type: none"> • Product: Apartment • Ownership: JDA • GDV : ₹ 700 Crs • Area: 0.7 msf • Location Highlights: Strategically located in a high-demand residential corridor, the product is designed to set new benchmarks in vertical living. 	<ul style="list-style-type: none"> • Product: Row Houses • Ownership: JDA • GDV: ₹ 600 Crs • Area: 0.5 msf • Location Highlights: Strategically positioned in North Bengaluru's most coveted micro-markets, beside the soon-to-be-unveiled Biodiversity Park. 	<ul style="list-style-type: none"> • Product: Villaments • Ownership: JDA • GDV: ₹ 350 Crs • Area: 0.3 msf • Location Highlights: Exceptional connectivity, a thriving social infrastructure, and a balance of urban convenience with natural tranquility. 	<ul style="list-style-type: none"> • Product: Apartment • Ownership: ORP • GDV: ₹ 550 Crs • Area: 0.5 msf • Location Highlights: seamless connectivity to Sarjapur, Varthur, Whitefield, and the Outer Ring Road, crafted to deliver superior comfort, functionality, and aesthetics

Source: Company, ICICI Direct Research

Exhibit 13: Business development pipeline

BD Momentum Snapshot



Source: Company, ICICI Direct Research

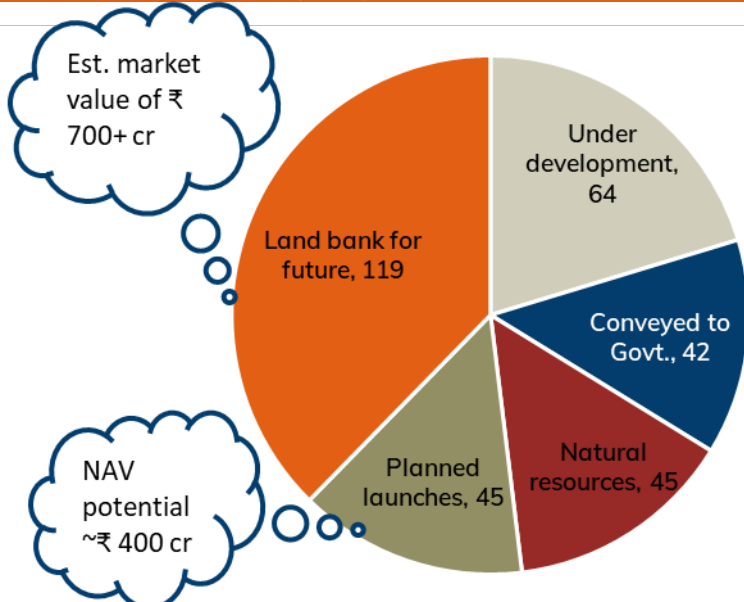
Kolkata land resolution unlocks value equivalent to current market cap

SPL had acquired 315 acres of land from Hindustan Motors (HM) at its Uttarpara factory in Kolkata, which used to produce the Ambassador passenger car in 2007 for ₹ 285 crore and a non-compete fee of 4% of gross revenue was also payable to Hindustan Motors. The company had planned development of integrated township project in 2007. The non-compete fee was estimated at ₹200 crore + 6% interest totalling to ₹ 259 crore and was provided for.

However, project approvals of SPL were stayed by the West Bengal Government (WBG) on non-payment of certain dues by Hindustan Motors to the WBG. The company has amicably resolved the above long-standing dispute with the Bengal government with conveyance of 42.37 acres. With this, it has settled the payment obligations (₹ 259 crore liability) with 'nil' cash outflow. As of now, it has ongoing projects aggregating to 5 msf (~48 acres) of which it has already sold 80%. Further it has received approvals for ~16 acres land parcel (14 acre residential and 2 acre commercial). Going ahead, it plans development of ~5-6 msf (utilising ~45 acre land parcel) with potential GDV of ~₹ 3000 crore over the next five years, having an estimated NAV value of ~₹ 400 crore. About ~45 acre is unusable as it comprises of water bodies. Thus, the balance land available to company is 118 acres having an estimated market value of ~₹6 crore per acre unlocking significant value of ₹ 708 crore in the foreseeable future.

Thus, total value from Kolkata land parcel from planned development NAV potential (₹400 crore) and market value of future land monetisation (₹708 crore) is ₹ 1100+ crore which is almost equivalent to its current market capitalisation at ₹ 1125 crore.

Exhibit 14: Kolkata land bank (acres)

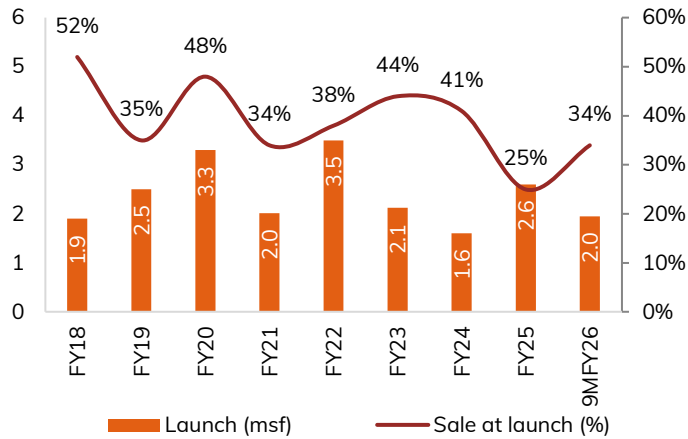


Source: Company, ICICI Direct Research

Strong sales response at launch – average ~40% since FY18

The company has built a strong brand reputation with over 25 years of experience, successfully delivering 50 projects (~30+ msf) across its core markets viz. Bengaluru, Kolkata, Chennai and recently in Pune. It has been historically receiving overwhelming launch response validating its product-market fit and the strength of its brand trust. Having achieved 32,000+ satisfied customers through delivering quality products, ~23% of the company's sales are through referrals. It is currently asserting its new brand identity, while continuing to benefit from the identity of its legacy parentage "The Shriram Group". The company's sales-to-launch stands strong at an average ~40% over FY18 to 9MFY26 period.

Exhibit 15: Sale-to-launch trend



Source: Company, ICICI Direct Research

Valuation

We value SPL on SOTP basis with valuation methodology for its residential businesses and land bank. We have valued its residential vertical by calculating project-wise NAV discounting net post-tax operating cashflows at 14% WACC rate. We value its Kolkata balance land parcel at market value. Consequently, we arrive at our SOTP based price target price of ₹ 125.

Exhibit 16: Valuation Mix

Particulars	Valuation Methodology	Value per share (Rs)
Residential (Ongoing+Upcoming)	Project NAV basis	115
Kolkata balance land monetisation	Based on current market price	35
Less Net Debt		25
NAV		125
Price Target (Rs)		125

Source: Company, ICICI Direct Research

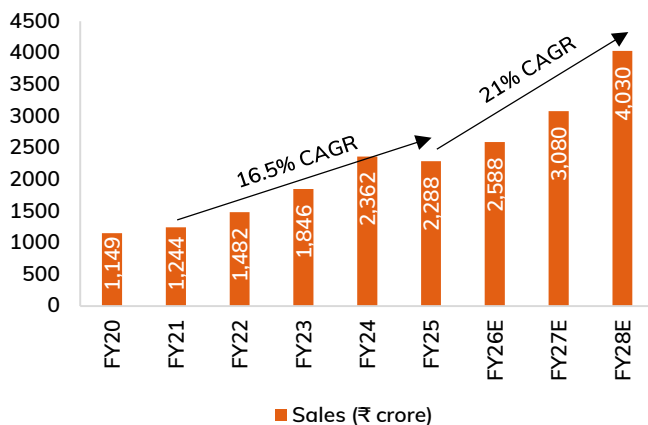
Key Financial Summary

Pre-sales booking to grow at 21% CAGR over FY25-FY28E

SPL has grown its pre-sales at a brisk pace of 16.5% CAGR over FY21-FY25 to ₹ 2288 crore (9MFY26 pre-sales were up 5% YoY at ₹ 1691 crore affected by delay in approvals and slippage of launch timelines). During FY21-FY25, sales volumes grew at 9.4% CAGR (9MFY26 volumes were down 4% YoY at 2.86 msf). For FY26, the management targets pre-sales of ₹ 2600 crore (~14% YoY growth) led by improved regulatory environment in Bengaluru and healthy Q4FY26 launch pipeline. The management expects the growth momentum to continue in FY27 as well while it has a near term vision of achieving ₹ 5000 crore in FY28E. We estimate its pre-sales to grow at a 21% CAGR over FY25-FY28E to ₹ 4030 crore factoring conservative volume offtake.

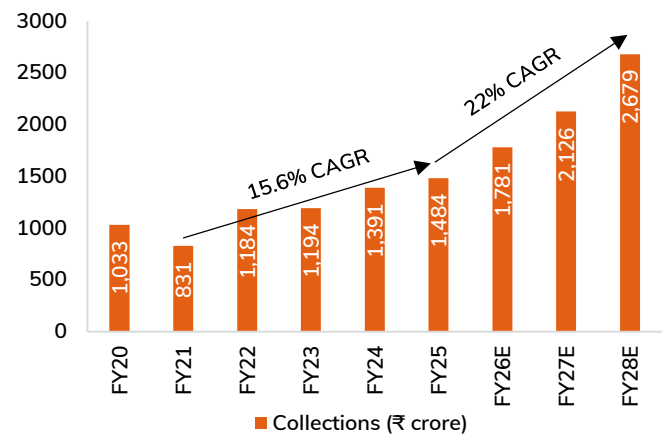
The company has maintained its collection efficiency with 15.6% CAGR over FY21-FY25 (9MFY26 collections were up 12% YoY at ₹ 1150 crore) aided by timely project completions and completion-led customer milestones. For FY26, it targets collections of ₹ 1700 crore (14.5% YoY growth). We estimate its collections to grow at 22% CAGR over FY25-FY28E broadly in sync with its pre-sales growth during the same period.

Exhibit 17: Pre-sales booking trend



Source: Company, ICICI Direct Research

Exhibit 18: Collections trend

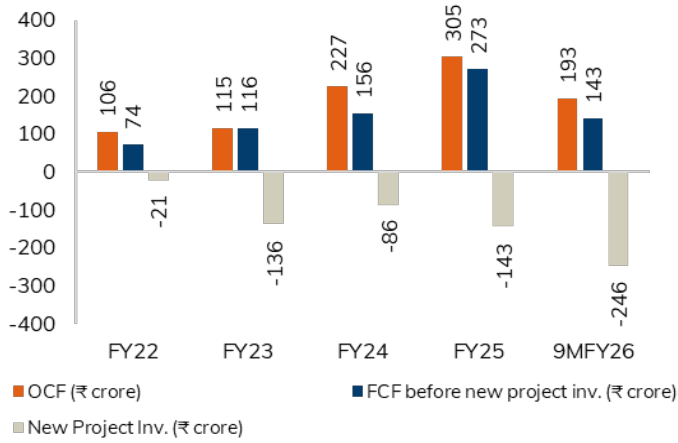


Source: Company, ICICI Direct Research

Strong OCF generation utilised toward new project investments

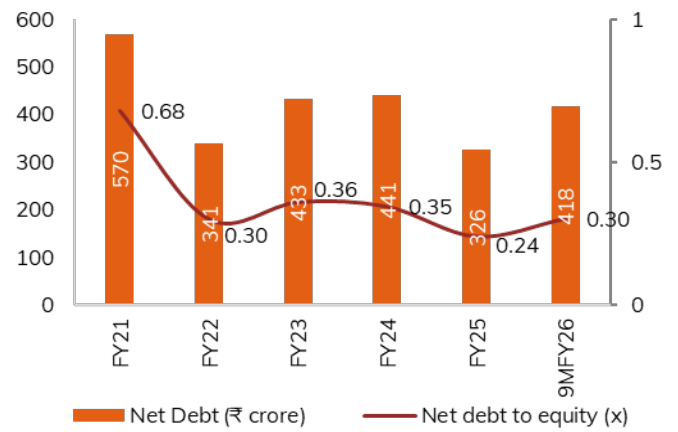
SPL has generated robust operating cash flows (ex DM & JV) and free cash flows (before new project investments), which has grown at a CAGR of 42% and 55% respectively over FY22-FY25. The same has helped the company in scaling up its execution and new project investments (9MFY26 - ₹ 246 crore as against average ~₹ 120 crore during FY23-FY25). Additionally, it has aided in maintaining its leverage (average net debt to equity at 0.5x over FY22-9MFY26). Going ahead, as it scales up its operations, it is likely to cap its leverage at a net debt to equity of 0.6-0.7x.

Exhibit 19: OCF (ex DM & JV) trend



Source: Company, ICICI Direct Research

Exhibit 20: Net Debt trend



Source: Company, ICICI Direct Research

Risk and Concerns

Macroeconomic risk

SPL's project portfolio is skewed towards mid-market and mid-premium segments making it susceptible to interest rate upcycle risks, which affects buyers' affordability. Slowdown in demand for residential projects especially in its key markets can impact its pre-sales negatively.

Regulatory and approval risks

The company's forthcoming projects launches can be affected by delays in local body clearances (e.g., environmental no objection certificates and occupancy certificates/ completion certificates) and policy shifts in land acquisition or height/floor area ratio (FAR) norms in its area of operations.

Inability to monetise Kolkata land at requisite pace

SPL has material exposure to Kolkata land parcel which it plans to partly develop and partly monetise. The company may face delays in development of new projects on the said land apart from monetisation of the balance land. The same can negatively affect its pre-sales and operating cashflows leading to lower valuation of the said land.

Business development risk

SPL is targeting ₹ 5000 crore pre-sales in FY28E, which entails material new business development during FY27 and FY28. Inability to add new projects over the next two years is likely to delay its pre-sales target for FY28.

Project execution and delivery risk

The company has been scaling up its execution capabilities over the years. However, execution delays in the future can impact its delivery schedules leading to lower revenue recognition in the future.

Financial Summary

Exhibit 21: Profit and loss statement				
	₹ crore			
(Year-end March)	FY25	FY26E	FY27E	FY28E
Revenue	823	1,334	1,901	2,410
% Growth		62.0	42.5	26.7
Other income	150	90	44	47
Total Revenue	823	1,334	1,901	2,410
% Growth		62.0	42.5	26.7
Total Raw Material Costs	575	1,015	1,348	1,654
Employee Expenses	92	102	112	123
Other expenses	127	128	222	283
Total Operating Expenditure	794	1,246	1,681	2,060
Operating Profit (EBITDA)	29	89	220	349
% Growth		201.8	148.6	58.5
Interest	105	92	102	108
PBDT	75	87	163	288
Depreciation	10	11	13	14
PBT before Exceptional Items	64	76	149	274
Total Tax	11	13	37	68
PAT before MI	54	63	112	205
PAT	77	83	132	225
% Growth		7.5	59.2	70.4
EPS	4.5	4.9	7.8	13.2

Source: Company, ICICI Direct Research

Exhibit 22: Cash flow statement				
	₹ crore			
(Year-end March)	FY25	FY26E	FY27E	FY28E
Profit after Tax	88	83	132	225
Depreciation	10	11	13	14
Interest	105	92	102	108
Others	(148)	-	-	-
Cash Flow before WC changes	55	186	247	348
Change in working capital	(80)	(3)	144	127
Net CF from Operations	154	(28)	109	177
(Purchase)/Sale of Fixed Assets	(6)	(7)	(7)	(7)
Net CF from Investing activities	(31)	(43)	(67)	(61)
Dividend and Dividend Tax	-	-	-	-
Others	(125)	(92)	(102)	(108)
Net CF from Financing Activities	(128)	56	(2)	(108)
Net Cash flow	(5)	(16)	40	8
Opening Cash/Cash Equivalent	184	179	163	203
Closing Cash/ Cash Equivalent	179	163	203	210

Source: Company, ICICI Direct Research

Exhibit 23: Balance sheet				
	₹ crore			
(Year-end March)	FY25	FY26E	FY27E	FY28E
Equity Capital	170	170	170	170
Reserve and Surplus	1,185	1,266	1,398	1,623
Total Shareholders funds	1,356	1,436	1,568	1,794
Total Debt	651	801	901	901
Total Liabilities	2,018	2,249	2,481	2,706
Gross Block	109	122	129	136
Acc: Depreciation	46	57	70	85
Net Block	69	65	59	52
Capital WIP	-	-	-	-
Total Fixed Assets	82	78	72	64
Non Current Assets	179	216	276	330
Inventory	2,533	2,787	3,065	3,372
Debtors	94	110	156	198
Other Current Assets	495	495	495	495
Cash	179	163	203	210
Total Current Assets	3,678	3,944	4,413	4,851
Current Liabilities	182	238	339	429
Provisions	9	9	9	9
Other Current Liabilities	1,323	1,334	1,521	1,687
Total Current Liabilities	1,920	1,989	2,280	2,539
Net Current Assets	1,757	1,955	2,134	2,312
Total Assets	2,018	2,249	2,481	2,706

Source: Company, ICICI Direct Research

Exhibit 24: Key ratios				
(Year-end March)	FY25	FY26E	FY27E	FY28E
EPS	4.5	4.9	7.8	13.2
Cash per Share	10.5	9.5	11.9	12.4
BVPS	79.6	84.3	92.1	105.3
DPS	-	-	-	-
EBITDA Margin	3.6	6.6	11.6	14.5
PAT Margin	9.4	6.2	6.9	9.3
RoE	5.7	5.8	8.4	12.6
RoCE	8.4	7.5	10.2	14.2
RoC	1.0	3.8	9.1	13.5
EV / EBITDA	57.9	21.0	8.7	5.5
P/E (Adjusted)	15.9	14.8	9.3	5.5
EV / Net Sales	2.1	1.4	1.0	0.8
Sales / Equity	0.6	0.9	1.2	1.3
Market Cap / Sales	1.5	0.9	0.6	0.5
Price to Book Value	0.9	0.9	0.8	0.7
Asset turnover	0.4	0.6	0.8	0.9
Debtors Turnover Ratio	9.7	13.1	14.3	13.6
Creditors Turnover Ratio	4.8	6.4	6.6	6.3
Debt / Equity	0.5	0.6	0.6	0.5
Current Ratio	5.3	5.3	5.0	4.8
Quick Ratio	1.1	1.0	0.9	0.9

Source: Company, ICICI Direct Research

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