

SOBHA

Date: June 03, 2025

BSE Limited Department of Corporate Services PJ Towers, Dalal Street Mumbai – 400 001 Scrip Code: 532784 & 890205	The National Stock Exchange of India Limited Exchange Plaza, Plot No C/1, G Block Bandra Kurla Complex Mumbai – 400 051 Scrip Code: SOBHA & SOBHAPP
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Dear Sir(s)/Madam(s),

Sub: Transcript of Meeting with Analysts/ Institutional Investors.

In continuation to our letter dated May 26, 2025 and May 30, 2025 please find enclosed herewith the transcript of the conference call held on Friday, the 30th day of May, 2025 with the Analysts/ Institutional Investors to brief the Operational and Financial performance of the Company for the quarter and financial year ended March 31, 2025.

We request you to take the aforesaid information on record in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is available on the website of the Company.

Yours sincerely,

FOR SOBHA LIMITED

Bijan Kumar Dash
Company Secretary & Compliance Officer
Membership No. ACS 17222

SOBHA LIMITED

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“Sobha Limited Q4 FY’25 Results Conference Call”

May 30, 2025



MANAGEMENT: **MR. JAGADISH NANGINENI - MANAGING DIRECTOR, SOBHA LIMITED**
 MR. YOGESH BANSAL - CHIEF FINANCIAL OFFICER, SOBHA LIMITED

MODERATOR: **MR. ADHIDEV CHATTOPADHYAY – ICICI SECURITIES**



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Moderator: Ladies and gentlemen, good day and welcome to the Sobha Limited Q4 FY'25 Results Call hosted by ICICI Securities Limited.

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

I now hand the conference over to Adhidev Chattopadhyay. Thank you and over to you, sir.

Adhidev Chattopadhyay: Good evening, everyone. On behalf of ICICI Securities, I would like to welcome everyone to Sobha Limited call. From the Management we have with us as always, Mr. Jagadish Nangineni – the Managing Director; Mr. Yogesh Bansal – the Chief Financial Officer.

Now I would like to hand over the call to the Management for their Opening Remarks. Over to you, sir. Thank you.

Jagadish Nangineni: Thank you, Adhidev. Good evening everyone who have joined the call today. We are pleased to connect with you today for our Q4 FY'25 Financial Results. We have already shared the details of our operational update of the company in the first week of April. The investor presentation based on the financial results also can be downloaded from our website.

In today's call, I'll quickly take you through the operational highlights for the year and the quarter. Our CFO – Mr. Yogesh Bansal, will take you through the financials.

Some of our key highlights this financial year have been our completion of rights issue of Rs. 2,000 crores, increasing our capital base, expansion



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into 2 new markets, which is Mumbai and Greater Noida, completion of our migration to new ERP across businesses. These are in addition to our constant efforts to improve our delivery capability at speed and scale through people and technology. With the new financial strength, clear visibility to the future in terms of new project launches, it is indeed an exciting time for us to move ahead into FY'26' and beyond.

The residential demand environment seems to be steady at the moment, despite witnessing certain global political and economic uncertainties that have hit us in the past few months in this year. Our demand, as you all know, is directly correlated to the economic growth of the country and the job creation in the respective cities. As long as that is in the growth phase, it is up to us to capture the demand in the marketplace.

In FY'25', we launched 8.76 million square feet over 8 projects in 4 cities. This is our highest area of launches till date. In Q4'25 alone, we launched 2 projects, Sobha Town Park in Bangalore with a total saleable area of 3.67 million square feet and Birdsong, a plotted development project, with a saleable area of 0.44 million square feet.

For the next year, we continue to have a strong residential pipeline of 18.56 million square feet across 18 projects in 9 cities. We aim to launch these projects in the next 6 to 8 quarters. In this financial year alone, which is FY26, if everything works well, we will be able to launch at least half of this pipeline. In a more optimistic scenario, we can cross the double digit in terms of million square feet launches. We expect to launch our first project in Greater Noida this quarter, which is Q1 of FY'26 and Mumbai in the third quarter. Of course, these timelines are subject to unknown variables that sometimes do come up. Both these launches will take our footprint to 14 cities in the country. These launches combined with our current inventory give us a good chance to achieve higher sales in FY'26.



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During FY'25, our total real estate sales stood at Rs. 6,277 crores with Bangalore contributing about 58%, 20% from Gurgaon, 13% from Kerala. Sobha share of the total sales is roughly about 79% of this at about Rs. 4,961 crores. The average realization stood at 13,412 per square feet, which is higher by about 23% as compared to FY'24. During the quarter, the last quarter, which is Q4, our total real estate sales was at Rs. 1,836 crores. We expect to achieve at least a growth of 30% plus this year, which is in FY'26, which we aimed to do in FY'25 and move towards the goal of reaching the 5-digit sales number by FY'26.

On the project completion front, we completed 4.54 million square feet, 3008 units in 36 towers during the year. We expect to also increase this by at least 20% next year with 5.5 million square feet in FY'26. On the contracts, manufacturing, and retail side, we concluded the year with a revenue of about Rs. 661 crores. And we expect to grow at least 10% with enhanced profitability next year. We have good visibility of order book to achieve this and hope to build the order book during the year as well.

With this brief, I hand over the call to Mr. Yogesh, our Chief Financial Officer, to provide color on the financial performance, post which we shall open the floor to take questions.

Yogesh Bansal:

Good evening everyone, and thank you for joining us today. I am pleased to share our financial performance for 4th Quarter and Financial Year '25.

In FY'25, we have completed Rs. 2,000 crore size right issue successfully and received Rs. 1996 crore and balance Rs. 4 crore was outstanding as on 31st March. Part of that we have received in April. So starting with cash flow in FY'25 total operational cash flow was Rs. 6,184 crore. Real estate collection grew up by 10% as compared to last



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year, FY'24, and contributed 89% to overall operation cash flow. In Q4, real estate collection crossed Rs. 1,500 crore, which is highest ever. As on 31st March, from all our completed and ongoing projects, we expect Rs. 24,120 crore of future inflow from all sold plus unsold units. Against that, our cost to complete is expected to be Rs. 13,580 crore, thereby generating marginal cash flow of Rs. 10,500 crore at project level. Along with this, our forthcoming projects of 19.3 million square feet expected to be launched over next 6 to 8 quarters, shall generate another Rs. 7,200 crore of marginal cash flow.

We ended the year with a gross debt of Rs. 1131 crore and a strong cash balance of Rs. 1761 crore. And first time in history we are right now net debt negative. Our average borrowing cost has also started come down. It was 9.12% in Q4. On P&L side for the full year, total income was at Rs. 4,163 crore, 29% growth over last year, EBITDA was Rs. 418 crore. We generated PAT of Rs. 95 crore with margin of 2.3%. In coming year, margins are expected to improve significantly. Our current balance revenue to recognize from already sold unit as on 31st March is Rs. 15,873 crore which is Sobha share, and we expect project level EBITDA margin of 33%. And this revenue is dependent on recognition of 17.9 million square feet of saleable area. As we ramp up our construction, this entire recognition will come over the next 3 to 4 years.

With this, we can now open the call for question. Once again, thank you for your participation.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from line of Parikshit Kandpal from HDFC Securities. Please go ahead.

Parikshit Kandpal: Yes, hi, Jagadish. I just wanted to clarify, did I hear it correctly that you said we will cross Rs. 10,000 crores of sales in FY'26?



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Jagadish Nangineni: Good evening, Parikshit. So what our plan is, what I have guided is at least 30% to 35% what we have done in FY'25 and move towards the five-digit number in FY'26. If it's possible in FY'26, nothing like it, but at least this is what considering the new launches that we have and some of the inventory that we already have with us. So I think at least we should be able to do 30% to 35% this year. And if we can move towards 10,000 this year itself, nothing like it. It also depends on the timing of the new launches that we planned to do and if that works well, then surely we should aim towards that.

Parikshit Kandpal: The second question was on the launches. So if you can help us understand at least the near-term launches, which are in the significant stages of approval, at least in Q1 and Q2. So that will be helpful.

Jagadish Nangineni: Yes, in Q1 we have launches from first launch in Greater Noida, which is in Sector 36, and we have Marina One which we have another four towers that is about 920,000 square feet and the Greater Noida launch is about 0.7 million square feet. These two would be large ones and one launch in Bangalore which is of about 0.6 million square feet is also possible. We are hoping that it can work, but if there is a mess then it will go into the first few weeks of July. So that is in Q1. Q2 again, we have a small launch in Gurgaon, which is a commercial one where we are launching serviced apartments and a small project in Bangalore again, which is about 0.5 million square feet. And another project in Bangalore, which is about 0.3 million square feet. And if everything works well again, there is one more project in Trivandrum which we can do at 0.25. So both first 2 quarters together, I think we should be looking at about 3-3.5 million square feet.

Parikshit Kandpal: And this cumulative GDV will be approximately about Rs. 5,000, Rs. 6,000 crores and these will be all single phase launches?



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Jagadish Nangineni: We would launch all of them and again like any other project, we would do the phasing based on the pace of sale, but yes, both put together, it should be around Rs. 5000 crores overall.

Parikshit Kandpal: Just one last question, Jagadish on this business development. So we have spent close to about Rs. 945 crores in FY'25 versus Rs. 382 crores which was spent in FY'24. And I also see that Noida now we have the area has increased to 3 million square feet. So if you can help us understand how much has been the new business development, both outright and JDA in FY'25. And particularly in Noida, why has this land bank increased and what has been the addition there?

Jagadish Nangineni: We have in this overall business development that we have done, we have added about close to 10.5 million square feet last year, which would have the overall value should be about Rs. 15000 crores. In that, a mix of JDA and outright, overall again, our share of the whole revenue in that again will be about again 80:20.

Parikshit Kandpal: Okay, so, and Noida, this increase in Noida.

Jagadish Nangineni: Yes, so, apart from the first plot that we have taken in Greater Noida in the authority auction, we have done one more small transaction in Greater Noida, which is a joint development with details of which we will give further details in another month or so.

Parikshit Kandpal: And this 15,000 which you have taken over, so if can give a broad split, I mean, is this including your own land or own land would be over and above this in FY'25 which you have cleaned up? And also geographically, how is this 15,000 divided?

Jagadish Nangineni: Yes, I mean, of course, it is own land consolidation is a small bit in this. In addition, what I have said is which is 10.7 million square feet is actually if it is entirely new developable area that we can target, small



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part of it will be coming even from our existing land bank where we have incrementally invested to make a contiguous and also add to the current landmark.

Parikshit Kandpal: Geographical breakup?

Jagadish Nangineni: Geographical breakup again about roughly 50% of that is in NCR, which is in both Gurgaon and Noida and about 40% is in Bangalore and remaining 10% is in Chennai, Pune and Kerala.

Parikshit Kandpal: Okay, Jagadish. Thank you and wish you all the best.

Moderator: Thank you very much. The next question is from the line of Dhruvesh Sanghvi from Prospero Tree Asset Management LLP. Please go ahead.

Dhruvesh Sanghvi: So first, congratulations for the 5-digit guidance. I mean, very pleasant to hear that you are retained that condition. Secondly, just want to understand, Yogesh, I think you mentioned about 33% margin. If you can expand what you are saying, because maybe I missed out or while you're saying that in the next 8 quarters, we will have our reported margin go towards 30 plus.

Jagadish Nangineni: Dhruvesh, we even in the investor presentation, we have given that we have roughly about Rs. 16,000 crores of revenue to be recognized. So, this revenue that is to be recognized has an embedded project level EBITDA margin of 33%. So that's what Yogesh has been saying and this revenue we would recognize as the projects complete of course and which I think is going to happen in the next 3 to 4 years. As and when they and it would be an increasing function in terms of the margin getting recognized because there is still a small mix of lower margin projects, which need to be recognized which will gradually phase out in the next year or so and higher margin would be in the future. Currently



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what we have is 33% is the average of all the entire plot of the unrecognized revenue.

Moderator: The line for the current participant is disconnected. We will move to the next participant. The next question is from the line of Puneet Gulati from HSBC. Please go ahead.

Puneet Gulati: Yes, thank you so much and good luck for this year. My first question, the continuance of this EBITDA guidance of 33% on project level, how much of overhead should be built in from here? And do you think this is conservative because you also have a lot of backward integration? How should one think about the benefits of backward integration into your margins versus the sales velocity?

Jagadish Nangineni: Yes. Thank you, Puneet. Puneet, the guidance or let's say estimate of overheads is little tougher to get to because if you include sales and marketing cost as part of the overheads that is a variable year-on-year right because as we do better in sales, in subsequent years, the cost of sales and marketing increases and which needs to be recognized on a P&L in that area itself. So hence the overhead significantly increases. But otherwise if you take that out, then it should be reasonably constant that should be about 7% to 8%, but only the other overheads non sales and marketing and there would be a small percentage of interest also that would be embedded. So just deduct these after the project level if you're asking what are the other parts that need to be taken into account, these three would be the one which is standard corporate overhead, second sales and marketing for that year and the interest that is embedded in the project.

Puneet Gulati: Understood. And a couple of quarters back you talked about margins improving dramatically. We haven't seen that in the second half, is that



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something one should expect and to expect in '26 or is it still some while away?

Jagadish Nangineni: I think the margin should start improving this financial year definitely because it's fairly clear that whatever the margin loss that we have encountered in the contractual space that's largely completed and hence now majority of the revenue and the corresponding margins will be from real estate. And even here, like I was saying that there are a few projects, which are few of them, mainly non-Bangalore projects, there we had incurred significant increase in cost. There will be some kind of lower margin projects these are which we will be recognizing in the next year or so. Apart from those, the rest of the projects seem to be very well within a good margin on the margin front. Hence, I think FY'26 will have a mix of those and hence it might drag a bit, but otherwise from going forward, that should not be the case anymore.

Puneet Gulati: Understood. And your 33% EBITDA margin is a blend of those low margin projects and the high margin projects?

Jagadish Nangineni: Yes, yes and that's why I was saying that it is going to be an increasing function. So hopefully it should even become, I mean it might start with little over and end with much higher.

Puneet Gulati: Right. And versus 33, which is more for historical projects, what are the margin expectations you have from your current sales?

Jagadish Nangineni: Current sales, again EBITDA margin should be now in the new one should be closer to 40% is what our sense is, and if it's our own land in some of the places that also will add to those margins, but if it's in a typical joint development and recent acquisitions, we should be in the range between, again closer towards 40%.



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Puneet Gulati: That is helpful. And lastly, if you can talk a bit about your new financial strength with lots of cash, how aggressive should we see you going and getting new business development? Or would you like to keep some cash on the sidelines?

Jagadish Nangineni: Yes, that's a good question. We have, in fact, in the anticipation of this and we had already started and you have seen some of the investments that we have done in NCR and in some places in Bangalore also. We have done these investments and I think now the focus for us in terms of new business development would be again more concentrated towards Bangalore, NCR, maybe a little bit in Hyderabad and Mumbai and it is going to be highly opportunistic. The kind of opportunity that we can really pursue now is slightly wider. I do not have a clear guidance in terms of how much we could deploy, but the fact is that we are in a good position to capture any good opportunity that can come by and that what we have done in our entry into Greater Noida and a little bit of investments that we are doing and that is the current opportunity that we are pursuing in Mumbai are all based on that. Having said that, we already do have a good pipeline in terms of new launches and you have seen that even from our existing land bank, there is enough for us to launch and monetize those. And there also, we have some kind of cash outflow to monetize and take it to the project level. So, our usage of cash will be 3 buckets. One is for pursuing opportunities in these focused cities. Second is to get our existing land bank into monetizable state and third is some of the, if we have to require to invest in any of the our land banks, future land banks where some investment is required to actually monetize them, not necessarily develop into a project, but monetize them, there also we would invest them.



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Puneet Gulati: That is helpful. And lastly, if you can talk a bit about your Gurugram strategy. Last year was a little weak. Any thoughts on how you would want to accelerate that part of the market?

Jagadish Nangineni: Yes, last year although Gurgaon has contributed close to 20% of our sales and we did the highest ever sales there. We expected, definitely expected to do much better. We have been discussing over the calls in the previous quarters as what, how we are going to turn it back again. So this year also we think that we can achieve much better than what we have done almost, hopefully at least 60%-70% higher than what we did this year. So things have been progressing well since last few months in terms of sales in Gurgaon. So my view is that with the progress of the project and with the understanding of the people, of the customers in terms of value that we create, so there is an increased interest and enhanced sales that we are seeing. And we have a new set of projects also lined up, 2 to 3 of them, so that will also generate much higher interest and those projects that we have designed, we are quite mindful of the ticket sizes that has been sort of probably one of the issues that we faced in the last year. So considering one, the slight good pickup and consistent interest being seen in the projects, the current projects and the new pipeline that is coming in, both should contribute well for Gurgaon. And we fundamentally believe that Gurgaon has very good potential. We have established a good reputation. We have a good operational presence there. So we will continue to invest there. And we are putting our best efforts to make sure that scales up from an overall medium to long-term point of view also.

Puneet Gulati: Just lastly on the plan to monetize Hoskote and Hosur, what should be the timelines for that?

Jagadish Nangineni: Hosur, I think I have mentioned it in my previous call. Hosur, one of the land parcels that we have in which we plan to monetize through a plotted



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development, the change of land use has already come. And hence, we are in the design and approval phase right now. That's about 40 acres. Remaining parcels of the land in Hosur, we have clearly identified that they will be monetized. In addition to that, the Hoskote line, also is in design and approvals phase. We are hopeful, that should be launched for the next 12 months' time horizon if not early.

Puneet Gulati: That is helpful. Thank you so much and all the best.

Jagadish Nangineni: Thank you, Puneet.

Moderator: Thank you very much. The next question is from the line of Pritesh Sheth from Axis Capital. Please go ahead.

Pritesh Sheth: Thanks for the opportunity. So firstly, if I look at the guidance of 30%-35% growth, that's probably similar to where we guided for last year. So how would this year be different versus last year? Is it on the launch timelines, the confidence that we have on launches, but maybe a slight change in demand environment? So what's going to drive this and this Rs. 10,000 crore number that you're eyeing for?

Jagadish Nangineni: Yes, Pritesh, the launch timelines visibility for us is slightly better this year, no doubt about it. And second, the launches are also more diversified in the sense they are in much more, many more cities and with varied customer sets and also ticket sizes. So hence the diversity in the kind of new launches we are getting in should definitely help us in achieving much better than the one what we have done last year. Last year if you remember, the launches that we did were slightly concentrated in larger ticket sizes, although we launched it early in the year, it did not really help us add to the whole sale value. In fact, the 50% of the last year sale is also from the new launches, but some of those launches have happened little later in the year. So a phased



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approach of launches and clear visibility should definitely help, number one. Number two is we are starting out with a reasonable inventory across cities, so that should also help us in achieving our number. So, it is more to do with a steady demand environment and diversified launches that we are doing and hopefully timely launches as well.

Pritesh Sheth: And since you mentioned about ticket size, have we also course corrected there in terms of every market we are presenting, what kind of ticket size and right pricing is needed for those projects? And should we as analysts should be fairly confident about your pricing strategy and product strategy for launches going ahead?

Jagadish Nangineni: Yes. I mean like I mentioned earlier as well, it is not that we have deliberately aimed for a certain ticket sizes, those launches that we have done last year where all of them came up in a certain timeframe which was coincidental, but otherwise our core bread and butter business has always been a 3-bedroom, 2, 3 and 4 bedroom apartments and that continues to be the case even in the future and particularly the large projects, we have good mix of products, that is one. Second is from a pricing point of view, also we would continue to adapt the same methodology which we have been doing, which is essentially at least one, protecting margins and also second is making sure that the project sales are done at least, we complete the project sales much ahead in terms from the project lifecycle or completion lifecycle. So both put together, the higher inventory that we have will definitely contribute to the higher sales is what my point is.

Pritesh Sheth: Second, on the launches, so 8 to 9 million square feet is what you are aiming to launch this year. If you can provide a breakup across markets, I mean you in general gave a breakup of first half launches, but broader full year number, how should these launches be across the markets?



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Jagadish Nangineni: From a launches point of view, I think roughly about 40% plus will be in NCR, which is in Greater Noida and Gurgaon. And roughly about 15% is in Bangalore and about 10% is in Chennai, 5% in Mumbai and rest of the locations carry the remaining.

Pritesh Sheth: Sure and I mean Noida will launch both the projects, both the projects that we have this year?

Jagadish Nangineni: Yes. We hope to launch project Altus. First one being in this quarter hopefully and the remaining, the other one, we aim to do it by in this calendar year, if not this calendar year definitely this financial year.

Pritesh Sheth: Got it sir. And just one last, I see Gurgaon, you have added a 10-acre land which wasn't there last time. I am sure it's a new acquired land. I just want to know the location of that land, where it's located within Gurgaon?

Jagadish Nangineni: Sorry Pritesh, we have not done any new land acquisitions, but if there is anything like that we will go through that and come back to you. That might be from our earlier project which is in International City which we are planning to develop as floors that might be the case, but let me have a look at it and then come back to you again.

Pritesh Sheth: Maybe, yes. Thanks. That's it from my side, and all the best.

Jagadish Nangineni: Thank you, Pritesh.

Moderator: Thank you very much. The next question is from the line of Biplab Debbarma from Antique Stock Broking. Please go ahead.

Biplab Debbarma: Good afternoon, Jagadish and good afternoon, team. My first question is on the Gurugram. So, Gurugram, are we restricting ourselves mostly in Dwarka Expressway? Or do we have projects that is coming up, say,



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in other parts of Gurugram? And also, our strategy seems to be very different from other developers in the last 3, 4 years that we have seen. Whereas all the developers that we track or we have seen are trying to sell everything on launches. At least what they're saying whereas we seem to use a different strategy, we try to sell our project life cycles. So my first question is this on Gurgaon.

Jagadish Nangineni: Yes, thank you Biplab. So on the project portfolio in Gurgaon, we have currently 3 projects, which is one is Aranya which is in Sector 80. In fact, it is not on Dwarka Expressway, it is on main NH8. Second one is Altus which is again mixed-use apartment project, it is in Sector 106, that is on Dwarka Expressway. The current ongoing projects, their mix we have changed it from pure Dwarka Expressway, which was earlier the case, but now we have these two and adding to those will be two other projects at least coming in Sector 63. So which is on the other side, which is sort of an extension of Golf Course Road. So that will be a new location for us and in addition to that, we have a couple of other projects which are again in Dwarka Expressway. So the range of projects that we have, location is reasonably diversified now. That is one. Second is to your point of the sales strategy or the pace at which people are selling in Gurgaon, other players versus us, I mean the difference is clearly very stark but the way we price it and the way we give out our payment plans, all of it is in the interest of making sure the cash flow of the project is intact. We have been present in Gurgaon for last now close to 14 years. One of the things that we have seen is any short-term investor led bookings would might, there is a possibility that it might lead to cash flow issues in case of any steadiness or slowdown in the market, that we would definitely like to avoid and hence due to that nature and second is our pricing being slightly premium, both these take out a large chunk of the market which is pure investor market. So hence you might see that the volumes are lower, but largely we have also seen that our sale cycle



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and the project cycle are similar which means that we do sell out the project prior to the completion of the project. So that should not be an issue from a project cash flow or project profitability point of view, but yes we do hope that we can increase the pace of sale and we are taking some learnings from what has been done last year and improving upon those and if those also work, then we should see pickup in our sales also.

Biplab Debbarma: Okay, that's good sir. And my second is more of a clarification needed in the slide #17. You know, the area in ongoing and upcoming for Gurugram and Noida. I am just trying to decipher it. So are you thinking Gurugram, in the ongoing portion, you have only 0.02 million square feet of SBA? I mean, I am just trying to interpret this in ongoing and forthcoming for Gurugram and Greater Noida?

Jagadish Nangineni: So Greater Noida is a new location for us. So this is..

Biplab Debbarma: So that's the 3.1 sir?

Jagadish Nangineni: Yes, that's the 3.1 that's forthcoming so we don't have anything which is ongoing or completed. But Gurgaon ongoing which is essentially ongoing would I think this is a mistake, but we will correct.

Biplab Debbarma: Okay and that's fine sir and on the forthcoming in the Gurugram that is 4.08 so are we saying that the main projects you just now mentioned that is coming this quarter and 2 more, 2 projects in Sector 63 and Dwarka, this together would be 4.08 million square feet forthcoming in Gurgaon?

Jagadish Nangineni: Yes, in Gurgaon, there are 4 projects which are in forthcoming. One is the 63, Sector 63, second is one mixed development that we are planning to do in Sector 106 and third is we have a commercial project which we plan to sell part of it, retain the retail portion of it and the fourth is Sector 99 where we have another project. So there are 4 projects in that and in addition to that, we have a small portion in, I mean we have our own



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land in International City which is a plotted development that we are debating between doing a plotted development and sell or we can do floors and do the project. So that is also once we decide and then that also will come back to you.

Biplab Debbarma: So FY'26-'27 we would see significant supply coming from NCR. Am I right sir?

Jagadish Nangineni: Yes, in '25-'26 itself, we can see like I said to an earlier question about 45% of the new launches that we are going to do are from NCR.

Biplab Debbarma: Okay, sir. Great. And all the best for FY'26.

Jagadish Nangineni: Thank you. Thank you, Biplab.

Moderator: Thank you very much. The next question is from the line of Parvez Qazi from Nuvama Group. Please go ahead.

Parvez Qazi: Hi, good afternoon. Thanks for taking my question. So 2 questions from my side. First, wanted to get your views on the demand scenario would be great if you could expand on that and especially across various ticket sizes or segments. Now, I think about 45% of our sales is coming from ticket sizes Rs. 3 crore and above. So what is the demand across these various ticket sizes? And second is on the pricing front, I mean, how do we see the pricing scenario? I think everyone in the industry has seen very sharp price increase partly due to product mix. Of our 23% increase in realizations in FY'25, what would have been the like-to-like organic price increase? And how do we see a like-to-like price increase in FY'26? Thank you.

Jagadish Nangineni: Good questions, Parvez. To start with from a demand point of view, we have three large markets, of course our launches are in many more cities this time. So Bangalore, NCR and Kerala, all three are slightly different.



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Bangalore is largely end-user driven and there the demand seems to be at least steady from the leading indicators which is from enquiries and from the site visits point of view. So however, of course any macro events that do occur which are negative in nature typically impact negatively into the customer sentiment and one of the first things one tends to do is to put a break on the discretionary spending. So which was temporarily we could see in the first 2 months of this financial year, but otherwise it is back to be steady. So I think from a demand standpoint, Bangalore, it seems to be very much consistent with what we have seen last year. Second in the same market from a pricing point of view, like-to-like pricing probably we might not increase the price as we had done in the last couple of years. So hence we can see a steady pricing environment. So going forward probably in the next few years, we would probably see an inflation-led price increases and that is largely in Bangalore. Similar would be the case in NCR as well, although we have seen from a demand point of view, there as well, Gurgaon seems to be reasonably steady. From Kerala which has a different set of customers, the kind of demand is mainly driven from the NRIs and there also there seems to be good, continued to see interest in our projects and the pricing there also has been steady, but new launches what we are doing are slightly higher than what we have done earlier and even in those, there seems to be a good interest from the customers.

Parvez Qazi: Sure, Thanks and all the best in the future.

Jagadish Nangineni: Thank you, Parvez.

Moderator: Thank you very much. The next question is from the line of Girish Choudhary from Avendus Spark. Please go ahead.

Girish Choudhary: Hi, Jagadish. Yes, firstly, on operating cash flow, I just wanted to check how do you see the trajectory for fiscal '26? This year we saw around



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from operating cash flow point of view around Rs. 1174 crores which was some 78% growth. So yes.

Jagadish Nangineni: I think from an operating cash flow also, it should be similar or better. In fact, it should be, we should aim to achieve at least 10% growth on our operating cash flow. We should try to aim because on the back of sales that we have done in the previous year.

Moderator: Okay, sir. The next question is from the line of Kunal Lakhan from CLSA Limited. Please go ahead.

Kunal Lakhan: Hi, thanks for taking my question. Just on an earlier question, just trying to read between the lines here, you said that the Gurgaon demand is reasonably steady. Would you say it's reasonably steady currently versus say euphoric last year or how do you like to elaborate that?

Jagadish Nangineni: Last few years, the demand has been euphoric in Gurgaon in other cities as well, Kunal, but actually the characteristics roughly remain the same which is now we are in an environment where there is pricing increase right, is largely stabilized. Initially, it was a cost-led increase, then there is a demand-led increase and now the pricing seems to be have stabilized and also since the supply also has caught up, the price increases I would say would largely be inflationary going forward at least in the visible year or so. Considering that the demand environment specifically in cities like Gurgaon, there is a significant chunk that comes from investors as well and that the long term investors and end users demand continue to be will be steady, but a part of short term investors might be impacted with this nature, otherwise which actually what matters to us or to any developer would be a customer who is not leveraging and playing on the price increases but actually would like to keep the investment that one does. So from that sense, the steadiness of the demand should continue.



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Kunal Lakhan: Sure, just on that, right. And if some speculative demand may just wean down, but say even the end user demand, right? Let's say the 20%, 25% growth in prices that we saw annually in the previous years. With that now slowing down and with that, and then obviously the FOMO effect for end users like reducing. Would you see slowdown in the end-user demand also? Are you sensing that in the footfalls or inquiries?

Jagadish Nangineni: Like I said the leading indicators which is our inquiries, visits to our project sites, those seem to be quite steady. So I have not seen any big changes there and hence the confidence that the demand seems to be quite steady right now.

Kunal Lakhan: On the Bangalore market, the approval issues that we had in the last year due to the E-Khata issue, is it fully resolved or there is still some deadlock there?

Jagadish Nangineni: E-Khata is an evolving phenomena. As we progress with the time, the adaption to the new system is continuing to take place both for inside the government and for the end users or developers. So unless there are some exceptional cases, cases in the sense, use cases, things seem to be getting resolved much faster. And hence, that part of one small area of Khata-related timelines should get better.

Kunal Lakhan: So on the approval side of the department, is that normalized there or is it still?

Jagadish Nangineni: Yes, during the approvals, Kunal, Khata is also a part of the process. So that side which there were certain delays experienced by all the developers, those I think would slowly come down. But from the other side, which largely has been unless there are any specific issues or any changes in the people at the helm of the affairs in terms of the



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department. Other than that, rest of the procedure and the norms are completely the same and hence I don't foresee major challenges here.

Kunal Lakhan: And on the Bangalore market, right, you said that the demand remains steady, but considering the uncertainty on the US policy making regarding, say, the H1B visas and even the recent repatriation tax, and a fair bit of demand comes from the workforce abroad, do you sense any reluctance there in terms of, again, customer behavior in terms of committing to long-term or committing to purchases?

Jagadish Nangineni: Any such macro or issues that come up which impact the sentiment of the customer or there is a, there is kind of uncertainty that gets created would definitely impact, but it's in cities like Bangalore for us the NRI demand or though is good, but it's a small percentage. So from that point of view it's not visible yet for us right now, but if as more clarity comes through and people would make their choice to go ahead with their purchases or how to plan their own life. So as that progresses probably, we will get to see the visibility but as of now I think it's a little early for us to comment on that.

Kunal Lakhan: And lastly, in terms of like say scaling up from say the current scale of say 6,000-6,500 crores of sales to say Rs. 10,000 crores that we aim for, right? In terms of organization capability, are we ready in terms of say liaising, getting approvals, sales, or even execution for that matter?

Jagadish Nangineni: Yes, very good question, which is very pertinent for us particularly because we are a backward integrated company. So our ability to mobilize resources is very critical for us to scale up. So in that regard, we have done a few changes in our organization from a structure point of view, which will enable both these factors which you have just mentioned, which is one, ability to launch projects in a quicker manner and probably more timely manner, that is one. Secondly, there are huge



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challenges with respect to project execution in terms of mobilizing resources and ability for us to scale in multiple cities. So this small organization structure changes and continuous effort to explore both from a technology and people training and people capability point of view. It's a continuous exercise but specifically understanding the kind of scale that we are looking at, we have made conscious restructuring and redesignation of key people inside the organization and that I am hoping that we have initiated the changes that are required to address this challenge.

Kunal Lakhan: Understood. One last question. I don't know whether you gave out this number, what would be the spend on new land purchases in FY'26?

Jagadish Nangineni: Well, we should do similar or it's not a very clear number because what we are going to do in terms of any new deals that can come up, those calls we will take little later but from a current visibility point of view, there would be certain committed land payouts and those will be similar or slightly higher than what we had, but largely from the operational cash flow that we will generate, we should try to achieve that and even if you have to spend a little bit more than I think we have enough capital with us to take us through them.

Kunal Lakhan: Sure, thanks. Thanks, Jagadish and all the best.

Jagadish Nangineni: Thank you, Kunal.

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

Jagadish Nangineni: Thank you, everyone, for patiently listening to us. And I hope we have answered most of the questions that have been posed. In case of any further clarification, please do reach out to us, we will be happy to



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provide far more data and also clarity towards any of the further questions. Overall, we think that we are in a very probably the best phase right now as a company. We are for the first time sitting on a negative debt. For the first time we have clear visibility of large scale of launches that we can pursue. We have for the first time have a big set of inventory that we already have to begin with and for the first time we are clearly seeing the power of the diversification that we had set on long time back and hence we have a lot of launches across these cities. So, this is a very exciting time for the company and also a very challenging one in a good manner. It shows that we should be able to showcase our strength of our model of backward integration and able to achieve all both our operational and financial objectives going forward. I thank everyone who have been covering us and also listening to our side of the story for the last few years. Thank you very much and wish you the best.

Moderator:

Thank you very much. On behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.