

Publication	economictimes.com
Date	6 October 2023
Link	https://cfo.economictimes.indiatimes.com/news/strategyoperations/shriram-properties-scales-up-sales-target-to-48-million-sq-ft-for-fy24-may-enter-newmarkets/104172634

Shriram Properties scales up sales target to 4.8 million sq ft for FY24, may enter new markets



Gopal Krishnan, Group CFO, Shriram Properties

As the housing sector rebounds to pre-Covid demand, Shriram Group company Shriram Properties (SPL), a real estate developer with a focus on mid-market housing projects, is targeting a sales volume of 4.8 million square feet (MSF) at a value of Rs 2,330 crore this fiscal.

SPL, which mostly operates in southern India, had reported sales volumes of 4.02 million sq ft in FY23 with a sales value of Rs 1,846 crore.

In an exclusive interview with ETCFO, Shriram Properties executive director and group chief financial officer Gopal Krishnan said, "The company has been able to sell 0.78 MSF in Q1 of current fiscal with a sales value of Rs 458.6 crore and is targeting sales of 4.8 MSF with a value of Rs 2,330 crore."

The Bengaluru-based company has so far delivered 4 projects with 1.3 MSF in Q1FY24. During the current fiscal, it aims to hand over 3,000+ units in FY24, which should bring in Rs 1,000 crore in revenues, he said.

Krishnan said there are 49 projects with 52 MSF in the overall pipeline, out of which 24 projects are ongoing with 23 MSF, and 25 projects are upcoming with 29 MSF.

New markets

The real estate developer has lined up a capex of up to Rs 200 crore in the current fiscal.

The CFO said the company would be keen to enter two new markets besides servicing the existing southern Indian market.

"Currently Bengaluru, Chennai, and Kolkata account for almost 90% of our portfolio. And going forward, I think we might add one or two markets, we want to explore Pune and Hyderabad," he said.

The company is targeting zero debt from the current Rs 300 crore in the next 12-18 months with the option of refinancing it.

"Direct net debt should be negative is what we are working towards. We are hopeful that we will reach that point in the next 12 to 18 months," he said.

SPL would continue to focus on mid mid-market and affordable housing segment with about 80% of its portfolio comprised of this. Krishnan said while adding this segment resonates very well with the company brand he kept the option open on the upmarket housing premium category.

"So we may have a few segments in the premium segment but I don't think in the foreseeable future, we will do any luxury housing. We are focused on mid-market and affordable housing as there is a huge opportunity there where we see a very strong, positive, sustainable outlook. These two segments account for 60% homes sold in the country in the last four quarters.