



### SHRIRAM PROPERTIES LIMITED

#### IPO NOTE

##### ISSUE KEY HIGHLIGHTS

PRICE*:	Rs.113– Rs.118	ISSUE OPENS:	08 <sup>th</sup> Dec 2021
ISSUE SIZE:	Rs.600 crores	ISSUE CLOSE:	10 <sup>th</sup> Dec 2021

Particulars	No of Shares @ Higher Band (Cr)	No of Shares @ Lower Band (Cr)	%age	Higher band Amount (`Cr)	Lower band Amount (`Cr)
QIB	3.79	3.96	75%	447.75	447.75
NIB	0.76	0.79	15%	89.55	89.55
Retail	0.51	0.53	10%	59.70	59.70
Employee*	0.03	0.03		3.00	3.00
<b>Total Issue</b>	<b>5.09</b>	<b>5.31</b>	<b>100%</b>	<b>600.00</b>	<b>600.00</b>

\*Employee Discount: ₹ 11/- per share

Issue Details:	
Industry	Real Estate Development
Promoters:	M. Murali, Shriram Properties Holdings, SGEWT
Capital Structure:	
Fresh Issue (@Higher Band)	Rs. 250 Cr
Offer for Sale (@Higher Band)	Rs. 350 Cr
Total Issue as % of total capital (Post-Issue) (@Higher Band)	29.98%
Post Issue No. of Shares @ Higher Band (Cr.)	17.0
Post Issue Market Cap @ Higher Band (Rs. Cr.)	2,001
Face Value	10
Issue Route	Book Build Issue
Bid Lot (Shares)	125
Lead Managers	Axis Capital, ICICI Securities, Nomura Financial
Registered Office	Chennai
Registrar	KFin Technologies Pvt. Ltd.
Listing	BSE and NSE
Key Investment Details for Retail Investors: (UPI or ASBA)	
Min No. of Shares application	125
Amount on the Min. Application (Rs.)	14750

##### An Indicative timetable post issue closing:

Particulars	On or about
Finalization of Basis of Allotment	15 <sup>th</sup> Dec 2021
Refunds/un-blocking of ASBA Accounts	16 <sup>th</sup> Dec 2021
Credit of Equity Shares to DP Ac	17 <sup>th</sup> Dec 2021
Trading Commences	20 <sup>th</sup> Dec 2021

##### Shareholding %:

Particulars	Pre-Issue	Post Issue
Promoters	31.98	27.98
Public	68.02	72.02
<b>Total</b>	<b>100</b>	<b>100</b>

##### Objects of the Offer:

Objects	Amt (Rs.Cr)
• Repayment and/ or pre-payment, in full or part, of certain borrowings availed by the company and their Subsidiaries, Shriprop Structures, Global Entropolis and Bengal Shriram	200.00
• General Corporate Purposes	[.]
<b>Total</b>	<b>[.]</b>

#### Business Overview:

- **Shriram Properties Limited** (“Shriram Properties”), the part of **Shriram Group**, was incorporated on March 28, 2000. Shriram Properties is one of the leading residential real estate development companies in South India, primarily focused on the mid-market and affordable housing categories. They are among the Top-5 residential real estate companies in South India in terms of number of units launched between the calendar years 2012 and the third quarter of 2021 across Tier 1 cities of South India including **Bengaluru, Chennai and Hyderabad**. In addition, they also have presence in **Kolkata** in East India. Bengaluru and Chennai are two key markets for them.
- As of September 30, 2021, the company has **29 Completed Projects**, representing 16.76 million square feet (“msf”) of Saleable Area, out of which their 24 Completed Projects in the cities of Bengaluru and Chennai accounted for 90.56% of their Saleable Area. Further, 83.69% of the total Saleable Area for Completed Projects were in the mid-market category and affordable housing category (accounting for 51.44% and 32.25% respectively), and the remainder in the commercial and office space and luxury housing categories.
- In addition, as of September 30, 2021, the company has portfolio of **35 projects in Ongoing Projects**, Projects under Development and Forthcoming Projects aggregating to 46.72 msf of estimated Saleable Area. The portfolio consists of
- **26 Ongoing Projects, 5 Projects under Development and 4 Forthcoming Projects**, which account for 56.28%, 17.71% and 26.01% of their total estimated Saleable Area, respectively.
- As of September 30, 2021, they have **Land Reserves of approximately 197.47 Acres**, with a development potential of approximately 21.45 msf of estimated Saleable Area.
- Shriram Properties is transitioning from a real estate development model to a combination of real estate development and real estate services based business model, with a shift towards an **asset light business strategy**.
- Shriram Properties has successfully stabilised the development management (“DM”) model in their core markets having entered into definitive agreements for 14 projects with an estimated aggregate Saleable Area of 14.91 msf under the DM model which accounts for 31.92% of total estimated Saleable Area under their Ongoing Projects, Projects under Development and Forthcoming Projects as of September 30, 2021.
- They have benefited from the strategic inputs and support of marquee global and domestic financial investors, including entities affiliated with **TPG, Tata Opportunities Fund, Walton Street Capital and Starwood**.

#### Brief Financial Details\*:

Particulars	As at Sep' 30, 2021(06)	As at Mar' 31,		
		2021(12)	2020(12)	2019(12)
Equity Share Capital	148.11	148.11	148.11	148.11
Reserves	620.67	689.43	756.35	831.59
Net worth as stated	768.78	837.54	904.46	979.7
Revenue from Operations	118.18	431.5	571.96	650.13
Revenue Growth (%)	-	-24.56%	-12.02%	-
EBITDA	37.07	121.05	90.41	79.93
EBITDA Margin (%)	23.89%	24.15%	14.31%	11.04%
Adj. EBITDA	39.16	124.04	102.45	119.55
Adj. EBITDA Margin (%)	25.08%	24.62%	16.16%	16.39%
Profit before Tax	-52.72	-45.2	-81.66	-82.92
Net Profit for the period	-60.03	-68.18	-86.39	-48.79
EPS (₹)	(4.60) <sup>^</sup>	-4.6	-5.8	3.39
Net Asset Value (₹)	51.8	56.43	60.94	66.01

Source: RHP \*Restated Consolidated, EBITDA Margin on Total Income; <sup>^</sup> not annualised.

## Offer Details:

The Offer	Amount (₹ Cr)	No. of Shares
Fresh Issue	₹ 250.00	Upto 22,152,524~ - 21,212,576^ Equity Shares
Offer for Sale	₹ 350.00	Upto 30,973,451~ - 29,661,016 Equity Shares
<b>The Investor Selling Shareholders</b>		
<i>Omega TC</i>	₹ 90.955	Upto 8,049,115~ - 7,708,050^ Equity Shares
<i>TCFSL</i>	₹ 8.344	Upto 738,407~ - 707,118^ Equity Shares
<i>TPG Asia</i>	₹92.206	Upto 8,159,823~ - 7,814,068^ Equity Shares
<i>WSI/WQI</i>	₹133.495	Upto 11,813,717 – 11,313,136^ Equity Shares
<b>Other Selling Shareholders</b>	₹25.000	Upto 2,212,389~ - 2,118,644^ Equity Shares

## Revenue From Operations

Particulars	6 months ended 30th Sep'	Fiscal		
	2021	2021	2020	2019
	Total Income	Total Income	Total Income	Total Income
<b>Revenue from operations</b>	<b>118.18</b>	<b>400.95</b>	<b>513.35</b>	<b>618.42</b>
- Proceeds from sale of constructed properties	85.88	286.8	426.26	554.67
- Development management fees and administrative fee	32.29	114.15	87.09	63.75
<b>Other operating revenue</b>	<b>-</b>	<b>30.55</b>	<b>58.61</b>	<b>31.71</b>
- Commission income	-	-	2.73	-
- Income from co-development	-	17.87	2.36	-
- Income arising on account of foregoing of development right	-	8.64	-	12.46
- Income on transfer of development right	-	-	53.37	15.33
- Income arising on account of liquidated damages receivable	-	4	-	-
- Income from cancellation and other charges	-	-	-	3.92
- Maintenance income	-	0.04	0.16	-
<b>Total Revenue from Operations</b>	<b>118.18</b>	<b>431.5</b>	<b>571.96</b>	<b>650.13</b>

## Key Performance Indicators:

	6 months ended 30th Sep'2021	Fiscal		
		2021	2020	2019
Sales (million square feet)	1.56	3.00	3.56	3.56
Sale Value (₹ in Cr)	587.43	1244.3	1431.8	1431.8
Collection (₹ in Cr)	529.52	830.89	873.19	873.19
Construction (₹ in Cr)	285.69	250.49	485.14	485.14

## Comparison With Listed Industry Peers (As On 31st March 2021):

Name of the Company	Consolidated/ Standalone	Face Value	Total Income for FY 2021 (₹ Cr)	EPS (Basic)	NAV	P/E	RoNW (%)
Shriram Properties Ltd	Consolidated	10	501.31	-4.6	56.44	[ · ]	NA
Sobha Ltd	Consolidated	10	2190.4	6.57	256	133.1	2.29%
Prestige Estates Projects Ltd	Consolidated	10	7501.8	36.32	166.5	12.86	23.31%
Brigade Enterprises	Consolidated	10	2010.39	-2.24	111.3	NA	NA
Godrej Propertie	Consolidated	5	1333.09	-7.48	299.3	NA	NA
Oberoi Realty Ltd	Consolidated	10	2090.59	20.33	257.7	7.91	45.29
Sunteck Realty Ltd	Consolidated	1	630.84	2.98	19.75	1.35	160.64

Source: RHP; P/E ratio is calculated as per closing share price as on November 18, 2021 on BSE

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