SOBHA

Date: November 19, 2024

The Deputy Manager Department of Corporate Services BSE Limited PJ Towers, Dalal Street Mumbai – 400 001 **Scrip Code: 532784 & 890205**	The Manager 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**

Dear Sir / Madam.

Sub: Transcript of Meeting with Analysts/ Institutional Investors

In continuation of our letter dated November 12, 2024 and November 15, 2024 please find enclosed herewith the transcript of the conference call held on Friday, November 15, 2024 with the Analysts/ Institutional Investors to brief the Operational and Financial performance of the Company for the quarter and half year ended September 30, 2024.

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

Digitally signed by BIJAN KUMAR DASH
Date: 2024.11.19 17:25:39 +05'30'

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

SOBHA

"Sobha Limited Q2 & H1 FY-25 Earnings Conference Call"

November 15, 2024

MANAGEMENT:	**MR. JAGADISH NANGINENI – MANAGING DIRECTOR,** **MR. YOGESH BANSAL – CHIEF FINANCIAL OFFICER,**
MODERATOR:	**MR. ADHIDEV CHATTOPADHYAY – ICICI SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Sobha Limited Q2 FY25 Earnings Conference Call hosted by ICICI Securities Limited.

As a reminder all participants' 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 Mr. Adhidev Chattopadhyay from ICCI securities Limited. Thank you and over to you sir.

Adhidev Chattopadhyay: Good evening, everyone. Thank you for joining us on the call today.

From the Management of Sobha Limited as always, we have with us Mr. Jagadish Nangineni – the Managing Director and Mr. Yogesh Bansal – the Chief Financial Officer.

And now I'd like to hand over the call to the Management for their "Opening Remarks". Over to you sir.

Jagadish Nangineni: Thank you, Adhidev. Good evening, everyone and thank you for taking part in this Q2 FY25 Earnings Call.

Our team at Sobha will interact with you today. You can access the results and the quarterly presentation on our website sobha.com. In today's call, we'll briefly speak about our performance in Q2 and H1 and our perspective for the remainder of the year and beyond.

Firstly, on the sales; in the first half of the year our sales total real estate sales stand at about 3,052 crores where Bangalore has contributed to about 40% and the rest of India at about 60% and lion's share of that is by NCR which is about 30%, Kerala about 19% and the remaining from the rest of the locations. And in Q2 FY25 we achieved an overall sale of 1,179 crores and in this Kerala has witnessed best ever quarterly sale of 0.3 million square feet with a sale value of 338 crores, recording their best quarterly performance and half yearly performance. The average price realization has improved by 32% over the last year and 40% compared to the first half of the last year due to the contributions from projects in Gurgaon and also price increases across the projects.

In Q2 FY25 we have launched one project Sobha Infinia in Bangalore with an area of 0.49 million square feet. This launch takes the overall H1 '25 launched area to 3.53 million square feet over 5 projects. We have a very strong pipeline of 19.29 million square feet of residential projects over 18 projects and 8 cities and a commercial pipeline of 1.19 million square feet over 4 projects spread across all our cities and which can be done in the next six to eight quarters. In the second half where we expect to launch an additional 5.5 million square feet taking the yearly launches to about 9 million square feet across 4 projects in Bangalore. Of the 19.29 million square feet in FY26 also we target to launch about 10 million square feet. We are building a strong pipeline of our future endeavors from our existing land bank and transactions in our current operating cities and high potential non-operating cities.

The revenue yet to be recognized from the sales that have been done till date, stands at about 14,500 crores and the blended margin for this unrecognized revenue is over 33% and which would be recognized in the next 4 to 5 years. In our contracts and manufacturing segment, in first half we had a revenue of about 317 crores. Margin in the contractual projects and contract-based manufacturing projects continue to be under stress due to the resource mobilization issue and cost escalation issue and hence we expect this pressure to continue to reflect in our P&L for the next couple of quarters. With this I hand over to CFO; Yogesh Bansal to take you through the financial numbers for this quarter and the half. Over to you Yogesh.

Yogesh Bansal: Good evening, everyone and thank you for joining us today. I am pleased to share our financial performance for the first half and second quarter of financial year '24-25 ending September 30th 2024.

I will start with our right issue. During the quarter we have raised 19.99 billion through right issue and it was oversubscribed by 1.39X and we have received 50% of the funds as application money and these funds are earmarked for the repayment of certain borrowing, project related expenses, agreement purchases and strategic land acquisitions.

Now thanks to all of you for participating in right issue.

So now coming to Quarter Performance:

Starting with cash flows:

Cash flows for H1 FY2025, we achieved a total operational cash inflow of Rs. 29.21 billion, reflecting 4% increase from the same period last year. The real estate segment led this growth with collection increasing by 8.6% to Rs. 26.14 billion. Contract and manufacturing business contributed Rs. 3.07 billion. The consistent higher inflows quoted an increase in project related CAPEX. During the actual 2025, we have incurred Rs. 848 million which is 54.18% more as compared to same period last year. For the quarter it reached Rs. 441 million, double of Q2 FY24 enabling us to progress on key projects. Additionally, we have incurred Rs. 3.27 billion in land outflow for H1 compared to Rs. 1.12 billion in H1 FY24, aligned with our growth and expansion plan. As on September 30th 2024 the projected marginal cash flow from ongoing and forthcoming residential projects stands at 161.22 billion indicating a strong visibility of cash flow. Unsold inventory across loans ongoing project has a sale value of Rs. 125.44 billion.

Due to the rights issue proceed, this quarter our net debt reduced by 9.08 billion and as of September 30th it was down to 2.80 billion. Our net to debt equity ratio was 0.08. Average interest rate has remained steady in recent quarters holding at 9.4%. On the P&L side for H1 FY2025 total revenue stood at Rs. 16.35 billion with real estate contributing 12.56 billion and contractual and manufacturing segment generating 3.17 billion. EBITDA for H1 was 1.94 billion with an EBITDA margin of 11.9%. PAT for the half year has improved by 19% over H1 FY2024. In Q2 FY25 our total revenue rose by 25% year-on-year to 9.65 billion. The real estate segment contributed Rs. 7.81 billion, representing 80.9% of total revenue. The revenue yet to be recognized on sales completed as of 30th September, 2024 stands at Rs. 144.77 billion. This will be recognized over the period upon handover of the units. With this we can now open the call for questions. Once again thank you all for your participation.

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

Parikshit Kandpal: My first question is on the presales for the first half. So, I just wanted to understand what went wrong. I mean we had good launches, we had launches in GIFT City, we had launches in Gurgaon, we had the Crystal Meadows launch, and these were like sizable launches in excess of floors. I think if I add up the total value would be close to about 8,000-9,000 crores. But the contribution coming in from these launches has been disappointing. So, what are you doing? So, what went wrong and how are you correcting it? And I understand these are high value launches but in second half in order to meet your guidance of 8,500 crores, what steps have been taken and what is the launch pipeline in second half?

Jagadish Nangineni: As you rightly pointed out we have improved upon our launch timelines and we have been consistently been launching projects across locations in the last year or so. And that has created a big pipeline, big inventory for us which is available for sale for all our teams. Now when we launched these projects across mainly Bangalore and Gurgaon, while inventory got created, 67% of our inventory right now is over 4 crores. And typically, the larger ticket size sales we have seen is the pace of sale is over the period of the project and hence it is an expected thing that we would be able to do the sales of these projects over the course of the project.

And second is in general for Sobha being a premium player, it is unlike several of our other competitors, the pace of sale has always been during the course of the project which is essentially what people call as sustenance sales, is the way we also have been doing all our sales over the last more than a decade. So that phenomena continues and hence there is nothing as such is gone wrong as what the perception is. However, there are one or two projects where we think that we could relook at the project configuration which we are actively looking but otherwise rest of the inventory is in place. That's' one. Second is for the remaining 5 months, 6 months that we have in this financial year, the project that we are launching, they have products which are across the ticket sizes and which are typically our bread-and-butter business which is one-bedroom, two-bedroom, three-bedroom, four-bedroom apartments. So those once they come in, I think the skew which currently we have towards larger ticket size, would go back to the usual split and that should significantly improve our pace of sales. So, these two I think with these we should be in a good stead going forward.

Parikshit Kandpal: So, on the guidance part, we continue to maintain 8,500 crores for the year?

Jagadish Nangineni: On the guidance, which is 8,500 crores, it entirely depends on our timing of the launches that we are expecting in the next 5 months. And we are really hopeful that things would gear up and we will be able to still do it. But the clearer picture will emerge in the next 2 months as we launch these products.

Parikshit Kandpal: We have been hearing of it that there has been issue in approvals in Bangalore and other peers of yours have also alluded to that there has been issues and delays. So, in light of that how are we placed? What is the launch pipeline in this quarter for which we have already applied RERA? What is the visibility for November and December in terms of launches?

Jagadish Nangineni: We expect one project to be launched in November for which we have already received RERA and another one which is about 1.1 million square feet and the other projects that we are expecting those also are in advanced stages. So, we are hoping for that we will be able to launch them very soon. The delay or the perception that there is a delay in the approvals, whether it's' in Bangalore or any other location, these issues keep coming up every time. There will be some issue or the other that comes up whether it is an election, whether it is a change in regulation, whether it is a change in the government appointments. So, these are I think routine matters. But we are expecting that things would significantly improve over the period. But somehow that's not the case yet. So, we are in regular business of obtaining approvals and the timelines and the risks associated with it. So probably we'll have to live with it. But having said that we are trying our best to quicken the whole approval process as much as possible by optimizing internally. Externally something that is entirely sometimes not in our control. And those things are factored in when we are giving timelines to you in terms of launches.

Parikshit Kandpal: What are the launches? I mean 5.5 is the balance for the H2, so this quarter you said 1.1 million one launch where you have got RERA approval. So, what is the other launch in this quarter?

Jagadish Nangineni: The other, what we are expecting to do is a Town Park and there is one more project in Bangalore that's in south Bangalore. So, both these would also come in the next 1.5 to 3 months.

Parikshit Kandpal: What is the million square feet of the area? So, 5.5 million which you expect to launch, what's the split in Q3 and Q4?

Jagadish Nangineni: Q3 we should be anywhere between this one which we already approved that is 1.1. If Town Park which is over 3.5 million square feet that comes in this quarter that would be about over 3.5 million square feet and the project is about 0.7 million square feet.

Parikshit Kandpal: So, if all these approvals come into 3 + 1.1 + 0.7, so approximately 4.8 million we should be able to launch in this quarter.

Jagadish Nangineni: That's right.

Parikshit Kandpal: And in Q4.

Jagadish Nangineni: So Q4 we have another one more project which is about 1600 crores.

Parikshit Kandpal: And Pune also will come in Q4? Pune project will also come in Q4, the Pune or the Noida. Any chance of these two projects coming in the fourth quarter?

Jagadish Nangineni: Pune or also, we are working on the approval part. We are expecting to do it by the end of the quarter of Q4 but not completely sure on it because we are yet to reach an advanced stage there.

Parikshit Kandpal: Just one last question on the land banks. You have not disclosed the land banks and total 48 million square feet of area and this 1,878 acres of land bank. So, when you say that it's under consolidation once the sales improve, so how much of this do you think can be out of 1,878 brought in as an end product and how much do you think you cannot develop and you will have to sell in the market and what is the book value of this land?

Jagadish Nangineni: We had put up a slide this time in the investor presentation in page #16. So wherein we have clearly marked out what's the subsequent project land as well which we think that we can develop about 26 million square feet. And beyond that, the remaining land bank that we have, wherever we will be able to consolidate and add to the subsequent projects land, we will do over a period. And as and when we do that, we would put it up in update in this bucket as well.

Parikshit Kandpal: My question was how much of this is developable? Do you think the two portions, grade one is that which you cannot develop, you don't want to develop because they are very far away from development point of view? You will not get that 10,000 minimum realization. So how much of that you will apportion to that and how much do you think can be brought back to that table which you have shown of 48 million square feet?

Jagadish Nangineni: In this majority of the development that we can do for some remaining land bank would be from our Hoskote land which we can probably add another 100 acres. And in addition to that if any of the other lands come in even for plotted development, that we are looking at actively because some of the locations that we have these lands, earlier they were quite in outskirts of the cities, but now some of the locations have improved and hence we can look at plotted developments as well, provided we are able to have a contiguous land. Second, some of the land we are actually going to use probably close to about 100 acres for our self-use, where we can set up increase our capacity of our manufacturing units as well. So that's still in the initial stages. So hence as and when those events happen, we will keep updating you.

Parikshit Kandpal: Hoskote land was about 500 acres because my understanding was it is closed to about 500 acres.

Moderator: I request you to come back for a follow up question. The next question is from the line of Parvez Kazi from Nuvama Group.

Parvez Kazi: I have two questions. First is, we keep hearing about your potential entry in Mumbai by doing the luxury project. So wanted to get your views on our diversification beyond the existing cities, especially in let's say in Mumbai and Noida. That's the first question. Second is with regards to the future our business development, now after the rights issue obviously we have a substantial firepower. So, while our land-related CAPEX has already increased this year but do we have certain targets in mind as to by when we would like to utilize most of these rights issue procedures.

Jagadish Nangineni: To answer your second question first, so the rights issue proceeds once we are calling for the remaining money also in December and once we do that and we have the capital, we have a good visibility in terms of deployment of the capital from the existing opportunities itself because some of the funds would be utilized for the investment in getting the subsequent projects land into a project level. And in addition to that we are actively working on building up the business development pipeline and that I think in the next 2 years we should be able to deploy majority of the capital.

And to answer your second question which is diversification into new cities, you would have seen that Greater Noida we have already won one small parcel of land and marked our entry into a new city. That once we get a good sense of the entire cycle of the project, right from land acquisition to the launch of the project and initial sales of the project, then we would have a much better sense and hence actively we are pursuing opportunity, we will actively pursue opportunities there as well. When it comes to other cities like Mumbai, like I have mentioned in my previous calls as well, the Mumbai opportunity is a big one, strategic one for us. We are evaluating multiple opportunities. We have a lot of opportunities that we have been evaluating and we will surely start doing transactions there too. In addition to these two cities, as of now we are not looking at any other non-operating cities yet. We already are in 12 cities and these two will be, two more. But third city as such if you have to add, that will be Hosur, where we already have a land bank. We are waiting for some conversion approvals. Once that is done that will also be added to our portfolio of projects.

Parvez Kazi: And lastly when we look at FY26 launches, did I get the number correct? You are talking about a 10 million square feet potential launches in FY26.

Jagadish Nangineni: That's right Parvez. The overall like you have seen that it's about 19 million square feet is what we have as of end of September, we should be able to do at least about another 5.5 this remainder and about another about 10 million square feet in the next financial year.

Moderator: The next question is from the line of Biplab Debbarma from Antique Stock Broking Limited.

Biplab Debbarma: My first question is on the Gurugram project. We have been seeing Gurugram, seeing slow absorption. So, to compensate for that because you have a lot of land parcels in Gurugram, do you intend to do more launches in Gurugram in say in Q4? Because approval is also not an issue, absorption is happening quite fast. And so just wondering whether is there any possibility of new launches in Gurugram?

Jagadish Nangineni: We have good inventory like you mentioned in Gurgaon. In addition to what we have in order to increase the pace of sale and our own presence in Gurgaon, we have three more projects in pipeline and those would be done not in FY25 but in Q2-Q3 of FY26.

Biplab Debbarma: So, no new launches in this financial year?

Jagadish Nangineni: No.

Biplab Debbarma: And just to understand so, thanks for giving us that table on land bank. So just trying to understand the terminology of this land bank. So basically, you are saying in addition to the forthcoming projects of 19.2 million square feet, you have forthcoming project land then subsequent projects land and there is 1,878 acres of land bank. So, these are the additional lands, this 228 plus 207 plus 1,878, is that correct? I'm just trying to understand what does this mean? What is the meaning of forthcoming project land and subsequent project land and 1,878 acres of land under various stages of consolidation. Amongst this land parcel how much is Hoskote?

Jagadish Nangineni: So Biplab this is the pipeline that we typically say that we have forthcoming projects. That's the 19.29 plus some commercial space. All of that is about 228 acres like the slide shows. And these are the ones which we are expecting to be launched. And these are the projects where we have already initiated an approval process, design is mostly complete and hence we have taken them as forthcoming projects where we have a clear timeline for launches and those we believe that we should be able to do it in the next six to eight quarters. Beyond that, what we also wanted to show was that we have additional about 207 acres which can bring in about 26 million square feet. Those lands are also with us and we have not yet started the approval process but there are a couple of other activities that we are doing which is any conversion activity or it's in the initial design phase activity. Once those are completed and we start applying for approvals then we would move them into the bucket of forthcoming projects. So, hence what we wanted to show is not just the visibility of about 20 million square feet but we have clear line of sight for about another 26 million square feet. And the third one which we have is the bigger land bank of 1,878 acres. Those also they are in a different stage where probably you'll have to do in some places consolidation or we have clearly marked out saying that they are for monetization. So those are not yet, we are still making progress in terms of getting the right set of land shape to make sure that we can move into these subsequent projects land. So, the objective of this, the developable land bank slide, is to showcase what's visible today and what's visible tomorrow and beyond that we will continue to work.

Biplab Debbarma: This provides excellent clarity. Just trying to understand this 1,878 acres this is under your control? Yes, you may monetize it, you may use it self-use for some manufacturing or you may acquire a few more land parcel to consolidate this 1,878 acres. But it is under your control, right?

Jagadish Nangineni: That is right.

Biplab Debbarma: And my final question is on the contract and manufacturing, you mentioned about the poor margin. What kind of margin we have made in first half of FY25 and going forward what will be the expected margin in this segment?

Jagadish Nangineni: Only in the contract and manufacturing?

Biplab Debbarma: Yes, contract and manufacture, not real-estate. Basically, non-real-estate part what is the margin that you have done in first half of FY25 and what would be the new normal in terms of EBITDA margin?

Jagadish Nangineni: For the entire contracts and manufacturing in the first half, we would have done a EBITDA margin of about 6%.

Biplab Debbarma: And this will be the new normal or do you see improvement to 10% or 11%-12% going forward or there is an uncertainty like kind of thing?

Jagadish Nangineni: I let Yogesh take this question.

Yogesh Bansal: This year you will see similar margin. But next year you will start improving our margin in contract and manufacturing division.

Jagadish Nangineni: So, in contracts, just to give a small color to that. The contracts and manufacturing it comprises of various sub manufacturing activities. Which is we have glazing and metal works, interiors, concrete products in manufacturing, and in contract we have civil, electrical and plumbing. The main reduction in our margins has been in civil and in our glazing which are contract-based. But the other which are electrical, plumbing and even interiors and concrete products, they are performing much better. And I think once the emphasis on the civil contracts and once we complete some of the older projects in glazing and metal works, we should start seeing significant improvement in the margin there. And that's what Yogesh is also alluding to.

Moderator: The next question is from the line of Akshay from Investec Capital.

Akshay: So, the first question is related to like, like most of our launches. Recently, launches have increased in size I believe. So how do you intend to sustain the sales momentum like amid like potential market fluctuation like in the Bangalore or the Gurugram market going ahead? That is my first question. And second question is like you already answered related to the margin and all. So, what will be the overall guidance on overall EBITDA margin going ahead for like '25 to '26? I know that you're already are focusing on the contractual margin. Contractual and manufacturing margin towards that, any guidance on the overall margin for going ahead like FY26? That's my second question.

Jagadish Nangineni: So, Akshay to the first question, the demand side in both Gurugram seems to be very steady. And we see as such no issues till now if you consider the leading indicator. So, the only thing that we need to be more cognizant of is the product configuration that we have and the mix of the configuration that we have. So, in a kind of pyramid demand structure where there will be the size of the higher ticket size is smaller and as we go down, the size of the market increases. And I think there is a big market for residential real estate considering the economic growth and the migration that has taken place in the last few years. Even if you look at the commercial offtake in the recent, in this year apparently, it's going to be one of the highest. And that gives a lot of confidence in terms of the job creation that's happening in the country and which is largely in the metros. And biggest beneficiaries of this is our cities like Bangalore and Gurgaon. Given that macro view and from a supply side, what we are seeing from the ability to launch a project and deliver the project, the supply is also very consistent with the kind of demand that we are seeing. And hence we see it can be a very stable environment in both these locations.

Coming to your second question related to the guidance on the margins, our goal for our EBITDA margins going in the medium to long term, which is probably we will not be able to clearly guide you for the next year or in the next half or next year. But over a period of time our aim is to take our EBITDA margins to over 20%.

Moderator: It seems like our current participant got disconnected. We'll take our next question from the line of Ankit Gupta from Bamboo Capital.

Ankit Gupta: My question was on the overall market for the luxury real estate, are we seeing some signs of slowdown over the past few months in sales for let's say houses about 3-4 crores for us as well as in overall industry?

Jagadish Nangineni: I mean luxury in housing demand is a function of again several factors, which is micro market based, ticket size, product type and also the overall macroeconomic environment. But I think given the complex mix of it, it cannot be just given in the same rush for products over a certain ticket size. For example, in Gurgaon even ticket size of 5 crores is considered a good ticket size where the sales velocity can be good. And whereas in Bangalore any ticket size below 3 crores can be a very good ticket size where the sales can be good. So, considering both these I think there is a steadiness in the market and probably what we can anticipate is not that it's going to be how we have seen the increase in the sales volumes in the last couple of years. Probably we are reaching a steady state instead of continuous increase in terms of demand.

Ankit Gupta: Because I was coming to this point referring to some indications of slowdown in sales of luxury items like cars as well over the past few months. So that was the point I was making. Like have we also seen some let's say reduction in demand or the growth that which was there over the past few quarters has seen a bit of reduction?

Jagadish Nangineni: So, a direct correlation from cars to houses, we are yet to establish, but we will be able to sort of get the indicators and also actual how it's going to play out in the next few months. Once we have that clear, then we would be able to respond to that changing market conditions too.

Jagadish Nangineni: The next question is from the line of Ayush Saboo from Choice Equity Broking Private Limited.

Ayush Saboo: Can you please guide us on the net debt figure that we expect to realize in the next 1 year?

Jagadish Nangineni: Ayush, you are referring to net debt?

Ayush Saboo: Yes.

Jagadish Nangineni: So, what's the question?

Ayush Saboo: Could you just guide over the what range you see the net debt settling at in the next 1 to 2 years?

Jagadish Nangineni: So, from a debt perspective Ayush, what the way we are thinking is I mean our gross debt is currently about 1,600 crores and largely we are comfortable having a gross debt of about this number. And going forward our objective is to utilize the proceeds of the rights issue and cash flow that we generate from the operations to use as growth capital. And given that objective, there would be fluctuations in the net debt in the next few quarters because we would receive these rights issue tranches, this next tranche and there would be definitely a reduction in the whole net debt. In fact, it will become negative. But post that as we utilize it towards land then again the net debt would increase. But at a gross debt level we would probably continue, in the long term we might be at an absolute level of about 1,600 crores or so.

Ayush Saboo: Pardon us 1,600 crores, that is a gross debt that you're guiding.

Jagadish Nangineni: Gross debt 1,600 crores.

Moderator: The next question is from the line of Parikshit Kandpal from HDFC Securities Limited.

Parikshit Kandpal: You touched upon that you'll be calling the right second branch in December next month, right?

Jagadish Nangineni: That's right Parikshit.

Parikshit Kandpal: But if the current price is almost Rs. 100 lower than the rights price. So, you think that last time the promoters came and filled up for the unsubscribed portion. So, they will continue to do the same thing right, as per the rights of a document?

Jagadish Nangineni: We could not hear the question properly; can you please repeat that?

Parikshit Kandpal: I was saying that as per the offer document and unsubscribed portion of the rights will be taken up by the promoter. And since the current market price is lower than the rights price, do you think that we'll continue with the same direction? If there's some unsubscribed portion the promoters will fill in.

Yogesh Bansal: Parikshit, already promoter has subscribed unsubscribed portion. I think now we are calling only for the right money. We have to see what is the guidance.

Parikshit Kandpal: My question was that if the current price is lower, the other investors can buy from the market, so if in case they don't subscribe to the rights issue, will their portion of the rights renunciation will be taken up by the promoters? That was I was asking.

Jagadish Nangineni: The rights once you have subscribed to the rights, the ones who have already subscribed, they need to pay up. In case of any nonpayment, I mean the first tranche would be forfeited. And if those are available and we will have redistributed the promoter would be willing to take up those.

Parikshit Kandpal: Second question was around the land again, would not get the answer last time. So out of the 1,800 acres odd which you have shown, how much is the total Hoskote land and how much is the Hosur land in this?

Jagadish Nangineni: The Hoskote land will be another close to 300 acres, the entire land and Hosur is about 150 acres or so.

Parikshit Kandpal: Both of these sort of 1,800, about 450 crores, so these are developable, right? A finished product can be done by you on these two landmasses over the next 7-8 years.

Jagadish Nangineni: On the Hoskote land, yes, they can be developable over longer term. There again they are in various patches and those large patches as we consolidate, we will be able to bring it to development. In Hosur, some of the lands that these 150 acres of the land that we are alluding to those based on, again they are in multiple locations in Hosur itself. And currently given the locations, we do not think that they can be developed as plotted development. Those we will need to if the location develops, we will be able to convert it. Otherwise, we will monetize.

Parikshit Kandpal: And just this 1,817 acres, so, if Yogesh can tell what will the book value of this land this 1,817 acres.

Yogesh Bansal: We do not have the number exactly but we will circle back and provide you that number.

Moderator: The next follow up question is from the line of Biplab Debbarma from Antique Stock Broking Limited.

Biplab Debbarma: You have made foray in Greater Noida and most probably in MMR Mumbai Region too you will be the entering soon. So, I'm just trying to understand what would be your strategy, like how do you want to play in this new markets, especially MMR, because MMR is a bit difficult market? Just trying to understand how you want to play like which micro market you target or what kind of redevelopment land purchase JDA, what kind of you are targeting? And then premium luxury what segment you are targeting? So, because you would have something in mind, I'm certain you have done a lot of research before making foray into MMR and Greater Noida, so just trying to understand the strategy.

Jagadish Nangineni: Yes, you are right that MMR when we say MMR there are multiple micro-markets or let's say large markets within MMR itself, South Bombay, suburb Bombay, Thane, Navi Mumbai and several others. And each market has its own availability of land, its own dynamics in terms of the market itself, including approvals and bylaws. So hence we have been indeed studying the opportunities that we are looking at and one of the things that we have seen is that the upfront investment in terms of approvals and in terms of whether it is TDR or premiums or FSI charges is significantly higher than any of the other markets that we have been operating in. So based on that we would take a route of where the upfront capital is not as high as in some of the other markets. So hence the current plan is to study the opportunities and spread ourselves in multiple locations, so that we can have a presence over multiple geographies within MMR. Once we have clarity on that on specific opportunities, we will be able to disclose those to you, Biplab. But it's little preliminary for us in terms of clearly spelling out the kind of strategy that we have because it is an ongoing process, and it will take little bit of time before which we can close a few opportunities. and we start working towards them. On Greater Noida, it is a fairly, the land is largely, the supplier is the government or people who have taken it from the government allotment. So, since this is a very straightforward in terms of the supply, we will look for new opportunities based on how we are progressing in the first project. Once we get some comfort there, we would definitely like to expand because that's an interesting geography Noida and Greater Noida. And we believe that there is a good opportunity there for us, considering that we have done well in Gurgaon and we have good presence in Gurgaon. The brand recognition and the understanding and probably the requirement of quality product is very high there.

Biplab Debbarma: I have two more clarifications I needed. You mentioned EBITDA margin long term and medium term, overall EBITDA margin to be (+20%). Is it for the entire company or it is just for the real estate embedded that you mentioned, 20%?

Jagadish Nangineni: Biplab, this is for the entire company.

Biplab Debbarma: And real estate, what would be real estate segment EBITDA margin that you believe would be achievable in the medium to long term?

Jagadish Nangineni: Real estate would also be slightly higher, it would be closer to above 22%. It might between 22% to 25%. But even the contracts and manufacturing can be in a much better margin once we choose the right set of contractual projects or we choose to deemphasize on some of kind of contracts that we are currently undertaking like civil in nature.

Moderator: Thank you. Ladies and gentlemen, we'll take this as the last question. I would now like to hand the conference over to the management for closing comments.

Jagadish Nangineni: Thank you. I express my sincere gratitude to all the participants in the call today. I hope we fielded all your questions and if there are any further questions, please reach out to us through our investors relations. Thank you and have a wonderful evening.

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