



**SECRETARIAL DEPARTMENT**

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To

The Department of Corporate Services - CRD  
BSE Limited  
P.J. Towers, Dalal Street  
Mumbai - 400 001  
**Scrip Code: 500330**

The National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor  
Bandra-Kurla Complex  
Bandra (East), Mumbai - 400051  
**Symbol: RAYMOND**

Dear Sir/Madam,

**Sub.: Intimation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 –Conference Call Transcript**

Please find enclosed transcript of the conference call held on July 5, 2024, with respect to corporate initiatives of the Company.

The transcript has also been uploaded on the Company's website ([www.raymond.in](http://www.raymond.in))

This is for your information and records.

Thanking you.

Yours faithfully,  
**For Raymond Limited**

**Rakesh Darji**  
**Company Secretary**

**Encl.:** as above



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**“Raymond Limited  
Corporate Initiative Conference Call”  
July 05, 2024**

**MANAGEMENT: MR. S L POKHARNA – DIRECTOR – RAYMOND LIMITED  
MR. AMIT AGARWAL –GROUP CHIEF FINANCIAL OFFICER–RAYMOND LIMITED  
MR. HARMOHAN SAHNI – CHIEF EXECUTIVE OFFICER –REALTY BUSINESS–RAYMOND LIMITED  
MR. JATIN KHANNA – HEAD OF CORPORATE DEVELOPMENT – RAYMOND LIMITED**

**MODERATOR: MR. ABHIJEET KUNDU – ANTIQUE STOCK BROKING LIMITED**

**Moderator:** Ladies and gentlemen, good day and welcome to the Raymond Limited Corporate Initiative Conference Call hosted by Antique Stock Broking Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Abhijeet Kundu from Antique Stock Broking. Thank you and over to you, sir.

**Abhijeet Kundu:** Thank you. On behalf of Antique Stock Broking, I would like to welcome all the participants in Raymond's Corporate Initiative call. We have with us from the Senior Management, Mr. S. L. Pokharna, Director of Raymond Limited, Mr. Amit Agarwal, Group CFO, Mr. Jatin Khanna, Head of Corporate Development and Mr. Harmohan Sahni, CEO of Raymond Realty.

Now, I would like to hand over the call to Group CFO Amit, who will give you a brief summary of the company's corporate initiative. Over to you, Amit.

**Amit Agarwal:** Thank you, Abhijeet. Good evening, everyone. Thank you for joining us today on this call. It gives me immense pleasure to share that Raymond Limited Board has approved the demerger of its Real Estate business, marking a step towards shareholder value creation. Raymond is on a transformative journey and has taken several strategic initiatives to enhance these shareholder values. We sold our FMCG business for INR2,825 crores last year, making the Raymond Group net debt-free. Demerger of its Lifestyle business got completed on 30th June 2024 and 11th July 2024 is fixed as a record date for the lifestyle business demerger. We acquired Maini Precision and doubled our engineering business to over INR1,800 crores revenue and foray into Sunrise sector of Aerospace, Defense and EV component business.

Yesterday, Board has approved another corporate initiative for vertical demerger of its real estate business from Raymond Limited into its wholly owned subsidiary, Raymond Realty Limited or RRL and the process of demerger is expected to take anything between 12 to 15 months and will create Raymond Realty Limited into a pure play net debt-free listed real estate entity. The record date for this demerger will be announced once all statutory approvals are received.

These corporate actions align with our vision to simplify the group structure and to create pure play net debt-free listed businesses, offering investors the opportunity to invest based on their investment philosophies. Following the completion of the lifestyle business demerger on 30th June 2024, Raymond Limited comprises of two primary businesses, one real estate and another engineering business. Pursuant to the real estate demerger approved by the Board yesterday, all the assets, liabilities, debt and investments relating to the real estate business will get transferred to Raymond Realty Limited.

The Group has embarked on a journey where once our businesses achieve certain scale and maturity, we will create pure play businesses for unlocking shareholder value. The demerged real estate entity will seek an automatic listing on Stock Exchanges and according to the scheme

of arrangement, each Raymond Limited shareholder will receive one share of Raymond Realty Limited for every one share held in Raymond Limited. To ensure utmost transparency and fairness, the share entitlement report was taken from Independent Valuer KPMG Valuation Services LLP and a fairness opinion from Axis Capital Limited and which was approved by the Board of Directors yesterday.

Raymond Realty, which primarily engages in the business of real estate development, has two revenue streams, development of its own 100-acre Thane land parcel and another from the asset light JDA model. The Thane land has the revenue potential of approximately INR25,000 crores with 11.4 million square feet RERA-approved carpet area. Currently, we are developing almost 40 acres with RERA-approved carpet area of 4 million square feet and a revenue of INR9,000 crores.

The trust in our ability to build, sell and collect fast has given us a competitive edge. Our commitment to timely delivery and high quality standards is exemplified by delivering the first three towers of the project two years ahead of RERA timeline in 2023. This success is reflected in our high sell-through rate with which over 65% of inventory at Thane has been already sold. This efficient cycle demonstrates our operational excellence and strong market demand for our flats.

Now, let me talk about the asset-light model. We have leveraged and recently Raymond Realty has signed four JDAs in the Mumbai metropolitan region with carpet area of approximately 2 million square feet. The combined revenue potential from these four JDAs is approximately INR7,000 crores and with the development of Thane land bank and current four JDAs gives the company a potential revenue of over INR32,000 crores.

The strategic move of demerger has come as Raymond's real estate business has achieved a scale by reporting a revenue of approximately INR1,600 crores and an EBITDA of INR370 crores with a booking value pre-sales of INR2,250 crores in fiscal '24, positioning it well to chart its own growth path as a separate entity.

The engineering business will remain in Raymond Limited. Post-acquisition of Maini precision, the engineering business revenue has doubled to INR1,800 crores and the consolidated EBITDA stood for the engineering business at INR270 crores. Further with the entry into Sunrise sectors of aerospace, defense and EV enable us to grow faster pace. As we stand on this cusp of exciting transformation, I want to express my heartfelt gratitude for your unwavering support and trust in Raymond Limited.

We believe that these strategic corporate initiatives will unlock significant value for our shareholders and enable each business to focus on its core strength and growth opportunities. The newly formed entities will be better positioned to attract investments, enhance operational efficiencies and capitalize on market opportunities. We are excited about the future and confident that these steps will lead to sustained growth.

Thank you for your continued interest and support. Thank you for the attention and now we are eager to hear your thoughts and address any questions you may have about this journey which we have embarked upon. Operator, please take the questions.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. Our first question is from the line of Deepesh Agarwal from UTI Asset Management Company. Please go ahead.

**Deepesh Agarwal:** Hi, good evening. My question is to Amit. Amit, can you help us understand the breakup of unallocable expenses between Real Estate business, Lifestyle business and the Engineering business?

**Amit Agarwal:** Yes. So, basically, what happens is unallocated is directly because of the various businesses which we have and certain common services which we provide. I think over the next one to two months, we are going to work out a structure which will enable us to identify exactly that how much it is for the Real Estate business, how much is for the Engineering and how much is going to be for the Lifestyle business, which we are in the process. So hopefully, in the next 30 days, we should have that done.

**Deepesh Agarwal:** But given that your Lifestyle record date is next week, if you can get this number earlier, that would be much helpful for the investors, also for the debt number and working capital?

**Amit Agarwal:** For debt, very clearly, we have all the businesses which are net debt free. And clearly, in the Lifestyle, we are having at least to as on 31st of March 2024, we were having net cash of almost INR200 crores. And in the Realty business, we have in excess of INR500 crores of cash.

**Deepesh Agarwal:** Okay. And what would be the working capital split between three businesses?

**Amit Agarwal:** I think working capital, basically, what would happen is, if I look at it in the lifestyle business, it should be in the range of INR1,200-odd crores, the working capital, networking capital. And in the real estate, it would be in the range of somewhere INR500 crores of working capital.

**Deepesh Agarwal:** And engineering?

**Amit Agarwal:** Engineering could be INR300 crores to INR350 crores.

**Deepesh Agarwal:** This would be including Maini Precision acquisition, right?

**Amit Agarwal:** Yes.

**Deepesh Agarwal:** Okay. And what would be the timeline? Fair to understand, this would take at least a year to get the demerger of the real estate business?

**Amit Agarwal:** Yes, I think that we just have gone through one of the demergers. We have seen that last year, we did in, I think, announced in April of 2023. We are just completing now, as we said, 30 June. So it takes anything between 15 to 16 months, I would assume. We are trying to expedite, but I think generally it takes 15 to 18 months to get this behind us.

**Deepesh Agarwal:** Okay. And any thoughts on the demerger of the aerospace business from the engineering?

**Amit Agarwal:** Look, as we said that we want to make sure when the businesses matured, we have a very clear timeline that at these certain levels, we would do the necessary steps in order to unlock the value. And very clearly, if you see, we told long back, three years back by 2025, we would be net debt free. And at that point of time, we had also indicated we would have the demerger.

But since we got the possibility of selling the FMCG, reducing the debt and making net debt free in 2023, we took the action and we went out and did the demerger of the lifestyle business. And now, as the project in Thane plus the JDA have started, the company has done very, very well in terms of real estate business. That is the next step we thought is most appropriate that it can stand on its own feet very well.

And it has also the growth capital available. And if you need to have a capital, because it takes 12 to 15, 15, 16 months in order to get this formed entity listed play and real estate requires capital, if we need the capital at that point of time, it becomes handy to go out and raise capital. But as I said, we are sitting with cash of around INR500-odd crores, which will enable the journey.

And since we are selling very well, as you know, we have sold 65% of our inventory at Thane and even the Bandra project within 30-odd days, we were able to sell almost 55%, 60% of the inventory launched. So I feel very confident that you would not require a significant capital, but you need to prepare the companies to enable you to raise capital at an appropriate time when you need it.

**Deepesh Agarwal:** Sure, thank you. And just reiterating my request, if you can get the pro forma of lifestyle business earliest.

**Amit Agarwal:** Sure, would do so.

**Moderator:** Thank you. Our next question is from the line of Bhuvan MG from Tiger Assets. Please go ahead.

**Bhuvan MG:** Hello. Thank you for the opportunity. What is the execution time for the INR32,000 crores GDV which you mentioned?

**Amit Agarwal:** I think it will be over a seven, eight-year period, because as you know, on the INR32,000 crores, you have INR7,000-odd crores, which is the JDA led, which we have signed in the last three to four, six months, which takes to start the project anything between one year to 15 months. And then it's a life cycle of a five to six-year project. So I think good enough to say seven to eight years should be the timeframe.

**Bhuvan MG:** Okay. Another question, what is the engineering business overall order book, good visibility, and where do you see this business in the next couple of years in aerospace and defense business and auto business?

**Amit Agarwal:** I think it's simple. You know that today, the business is in the range of INR1,800 crores, INR1,900 crores. We have got three broad segments into this. One is in aerospace-defense, which grows phenomenally at a pace more than 25%-30% year-on-year. Then you have the auto

business, which is in the range of INR1,200-odd crores, which also grows at a good 10% to 15%. And then you have the engineering consumable business, which is roughly INR500-odd crores, which grows somewhere in the range of 8% to 12%.

So I think overall, as an engineering business, we believe comfortably over the next four or five years, you should be able to double from here. And also, because the margins on the aerospace and defense is much higher with the auto components business and the engineering consumable, I think it will be sooner when you will be able to double the EBITDA. So I think the compounding on the EBITDA will be fast, much faster, as we believe the growth in the aerospace and defense business is going to be much faster and much stronger.

Look, at this juncture, if you see India is just about 1% of the global aerospace components industry. And the vision as by the government as well as the major players is that we should get to 3% to 4%. And China Plus One is obviously helping into this cause. And we supply very engine critical components. And that entry is very difficult. And since we have entered, it's a question of expanding the number of SKUs, which you supply to them. So therefore, we are very, very confident that this is a great space to be in and a pace of growth will be also very fast.

**Bhuvan MG:** That was very helpful. Can you tell some of your marquee clients for engineering?

**Amit Agarwal:** I think in terms of the naming the client, you know, these clients are having a very big confidentiality. But I can just tell you, the two big fleet which is operated globally, which is the 737 MAX, as well as the 320, 321neo, in their engine, we are supplying the components.

**Bhuvan MG:** And are there any more projects in your pipeline?

**Amit Agarwal:** In terms of which -- real estate project you're talking or you're talking aerospace defense?

**Bhuvan MG:** Hello. Real estate project?

**Amit Agarwal:** Absolutely. You see, the testimony is very simple. In the last six months, we have signed more than three projects. We clearly are on the process of evaluating one after the other projects. And we have a strong pipeline. But since we have clearly identified the boundary conditions within which we will take the project, we get the project, evaluate the project. And then we say through that filtration process, whether it is right for us to take that project or not. And then only we decide.

**Bhuvan MG:** That was helpful. All the best. Thank you.

**Amit Agarwal:** Thank you.

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

**Biplab Debbarma:** Good afternoon, sir. My first question is on your cash flow. Sir, you mentioned that you have net cash of around INR500-odd crores in the realty business. And large project Thane is your own land, where you are doing an excellent job of selling and executing. And the four projects

that have been acquired till date are under JDA, where you don't have to give significant upfront investment.

So I'm just wondering, because you are selling Thane well, where you don't have to pay for any land, four projects also upfront, you have not paid anything, I think JDA would be the route for future growth. So, I'm wondering how you are going to use the cash flow generated from Thane as well as the existing net cash of INR500 crores? So, if your path is mostly JDA, then what would be the use of those cash flows?

**Harmohan Sahni:**

Yes, Harmohan here. See, JDA is while you don't have to pay anything on the land, but definitely it requires initial cash outlay. So, typically, any project which is ranging between around INR2,000 crores top line, which is what on an average, it is in the city of Bombay, the peak investment on a thumb rule basis for a project like that is somewhere in the range of INR300 crores-INR350 crores.

And then when you launch the project, that cash starts to come back. So, since we would be launching three more projects, plus there are other in the pipeline, so there is utilization of this cash flow that we have. Currently, we don't see any significant capital raising at least for the next two years, given the projects that we have and the cash flow visibility on the existing sales. But yes, this cash will be utilized in the business. It will not be lying idle. So it will be productively used.

**Amit Agarwal:**

And just to supplement what Harmohan said, you see, fundamentally, you have always the capability to take a project debt, but the project debt will never be given for the purposes of an approval cost. And as you know, our philosophy is very clear that we want to get all the possible approvals in place so that we never start and stop a project. And that is why our execution capability is such that we can deliver our projects two years ahead of RERA timeline as we have demonstrated in Thane.

So, I think that is also and a business which is going to have a revenue in significantly in excess of INR3,000-INR4,000 crores on an annual basis. And real estate is a business where things can go up and down a little bit, you need to have a certain cash surplus available with you, because I'll give a simple example. During COVID, we kept 500 people at our site in order to construct 24/7. So now what happens is these are certain exigencies which come into the play.

And we believe as a good prudent philosophy, we don't want to starve ever any business that is running short of liquidity. And because of that, there is a delay in project. And you know, we come from a manufacturing mindset. If you have a plant, you need to have certain cash, which is available for meeting any exigencies.

**Biplab Debbarma:**

Okay, that's great. So I'm just trying to understand. So the future growth that the growth that in the real estate business that we expect to see that to predominantly come from JDA asset-light model or it will be like 50-50 mix of asset-light model and outright purchase. What is the thought there in the real estate business?

**Amit Agarwal:**

So look let me reiterate what I said in the opening remark. Thane land with 100 acres has a potential of INR25,000 crores. The four JDAs of INR7,000 crores, that totals up to INR32,000



crores. And between these two, we have signed up 6 million square feet, 4 million, which we have, which is currently running, which values INR9,000 crores and the 2 million of JDAs. Now, obviously, we are getting every day inundated with the JDAs offer we evaluate. I'm pretty sure over the next few months, we will continue to acquire more and more JDAs.

So with this 6 million, if you have been able to do what revenue and what pre-sales of INR2,400 crores, which was 4 million square feet at that point of time, I think it is very simple that nothing in Bombay sells on an average of INR25,000-INR26,000 a square feet between the Thane and the non-Thane. So, I think if the company takes and the way it is working on a 10 million square feet under construction, you can comfortably say in the next three to five years, we are at least having a revenue potential of INR4,000 crores every year. And we have been delivering anything between 24%-25% EBITDA margin with 25% IRR.

So good delivery of INR1,000 crores in terms of EBITDA and 25% IRR. So that puts us in a very good spot in terms of growing and developing the business further.

**Biplab Debbarma:** So that's good. But my question was in the future acquisition, would it be like heavily tilted towards JDA or it would be a mix of JDA outright purchase? That was my question.

**Amit Agarwal:** At this juncture, we are very clear that we are moving towards JDA because there is enough and more opportunities in JDA. So, we are not going to invest today to tomorrow into land unless something very, very nice or something very attractive comes. But 99.9% of our focus is on building on JDA capability. There is enough and more opportunity available. You know, our Chairman has outlined in one of the briefings that he believes that over a longer period of time in Mumbai itself is a \$2 trillion JDA opportunity.

**Biplab Debbarma:** Okay. Okay. And just the last question on this, just can you give some color on this existing core JDA? Like what kind of revenue share on a small part level that we have to give to our partners?

**Harmohan Sahni:** So Biplab, every deal is different. It's very difficult to say that what's the kind of... See, each micro market pricing is different. Then the dynamics of the deal could be different. Sometimes the deposit requirements may vary for the landowner and also the product that we do may demand different cost dynamics. So as far as sharing ratios are concerned, they are different from deal to deal.

Even the four deals we have done, they are all different. But we are very clear of the boundary conditions that we want to follow. I mean, one of the things that I mentioned to you is in terms of average size and the peak investment that we are looking at. And we look at a multiple of that peak investment coming to us in the form of the return. Basically, we target for about 25% IRR based on all these boundary conditions. And that's how we look at the deal, whichever way you want to look at, whether it is higher deposit and lower sharing ratio or higher sharing ratio and lower deposit, or there could be some other moving parts. But eventually, it should give us a minimum return. That is what we are targeting.

**Biplab Debbarma:** Okay, that's good. I'll come back in a queue.

**Harmohan Sahni:** Thank you.

**Moderator:** Thank you. Our next question is from the line of Nishant Sharma from Nuvama. Please go ahead.

**Nishant Sharma:** Thank you. First of all, many congratulations. Since the last time when we had our discuss about the demerger of lifestyle business, you have created a significant value unlocking for shareholders. So first of all, congratulations on that front. And I hope to get a similar kind of value unlocking happening for this real estate business as well. My question is more towards engineering business.

So earlier we had just two businesses. One is the Files business and the auto component business, where broadly we had the revenue of about INR800 to INR850 odd crores. The new acquisition, which you just talked about can you just give us more specific in terms of what would be the total sales and what was the deal price for that or the multiple for that?

**Amit Agarwal:** Sure, sure. First of all thank you. And I think we really appreciate the kind of commitment shown by the investors towards Raymond. And we are in that journey. And as I outlined, I think we are clearly doing one after the other steps in order to support and unlock the value. So thank you so much for that.

Now coming to the engineering, I think fundamentally our focus was very clear that our business of engineering between Ring Plus and JK Files in that INR900 odd crores revenue. And it was a business which had a certain growth level. And it was not in the highest level of technology, which was growing fast.

So we were on a scout mission so to speak, to see what is the right business, which we can get. And Maini Precision came on our way, where very clearly we found that you have the auto component business, which fits in very well with our strategy. And the combined business between Ring Plus and the Maini Precision auto business turns out to be close to INR1,200 odd crores.

And also that we got into aerospace and defense. And that is a business which is roughly clocking on the run rate of INR300 crores. So total business of Maini is roughly INR900 crores, delivering an EBITDA of close to INR140 to INR145 crores. And we bought a multiple enterprise value of 10x. And that is where the whole thing was. We know that integrating between the two businesses, there is a great opportunity.

If I look at it, the top 15 auto OEMs globally are covered by us, either by the Ring Plus or by Maini Precision. And it is very important with the auto players is that you have a foot in the door. Once you have the foot in the door, your ability to expand from one component to two to five and to 10, that brings you a greater opportunity.

Similarly, if I look at in the consumable space, again with the Files, we have a great opportunity and some of the skill sets which are available in the Maini Precision, we can integrate some of the facilities. You will have the synergy benefits. You will have more capability as a group.

Now we will be a larger group by the Maini Precision. And the way we have structured is that Gautam Maini, who was the promoter of the Maini Precision, we will consolidate all of our engineering business and he will be the CEO for the entire engineering business with Ravi Uppal

being the Chairman of the engineering business. So that management bandwidth also we have got added.

So I think overall as a business, we see a lot of opportunity and we got into the sunrise sector of aerospace, defense, electrical vehicle components. So all in all, there is a great future growth potential we are seeing in this business.

**Nishant Sharma:** In terms of production capabilities, if you can throw some highlights, what kind of capacities that we have and what kind of a utilization that we can bring it out and at a peak utilization, what would be the revenue which we can generate from those capacities?

**Amit Agarwal:** So look as far as the Maini side is concerned, they are into machining of the various components. And the ability which they have built is right from steel to titanium to Inconel and very, very noble alloys, which are very expensive and because you have such expensive material the ability to machine and the charges which you get effectively what am I doing? I am selling machining minutes per hour. Rupee per machining minute is my revenue generation capability. Now as far as the capacity utilization we continuously innovate how to improve the productivity.

Therefore, at this juncture maybe I'm utilizing 85% of the capacity, but what is also good in this thing is that with a smaller capex you can keep adding the business and growing the business. So our whole focus is that over the next few years when we talked about based on the earlier question that we believe over the next five years we can double the revenues is by adding some capacity, improving some of the product mix and moving on to upper value chain not just the components maybe the full assemblies to supply.

So I think this all put together takes us to a better margin product, higher revenue and improving the profitability of the business.

**Nishant Sharma:** Okay great. Sir we have just one last question before I fall back in queue. With this JK Files IPO which was in the offering for say last year we'll put to rest because now we are having an indirect listing to Raymond Group or that is still under consideration?

**Amit Agarwal:** No, so JK Files listing is not there. It is very clearly I think four quarters back I had reported that we have not doing the JK Files listing. Now we have a full engineering business. As you might have seen in the last call I mentioned that we are consolidating all of our engineering business under the scheme of arrangement which would enable that we would create two subsidiaries of Raymond Limited which one would have the auto components and engineering consumers business housed in and the other subsidiary will be aerospace and defense. So that's the way it is structured. It will be as an investment into the Raymond Limited.

**Nishant Sharma:** And just a follow up on this when we say unlocking of business when we achieve certain skills, so what would be the criteria for those skills I mean for demerging another business if we have to say?

**Amit Agarwal:** Yes I think we will build this businesses and it is difficult for me because it has got few strategic thoughts around a business and like I said even in the real estate business if you see at the juncture when we did was we could have done it last year, but since at that point of time we had

not started the JDA project, we had got only one JDA project. Now we have got four JDA projects.

We feel way more confident that this business on its own can stand and can run as a very efficient business. So therefore it is there are a few parameters around based on which we say it is a right time for the company to get on a pure play basis. So we have yet to reach that in our engineering business.

**Nishant Sharma:** Thank you very much, sir. I fall back in queue. I have a couple of questions on real estate as well. So I will fall back in queue and come back. Thank you once again.

**Amit Agarwal:** Sure.

**Moderator:** Thank you. The next question is from the line of Rohan Kalle from InCred Research. Please go ahead.

**Rohan Kalle:** Yes hi sir. Congratulations on the value unlocking at the demerger. Just two questions, one on the real estate piece. Now going forward do we have any sort of guidance on maybe how many projects we plan to do both on our Thane land parcel as well as the JDA now?

**Harmohan Sahni:** The Thane land parcel is only 40% under development just now. So the balance land is available for us to do as many projects as the market can absorb. So like Amit also mentioned that over the next six to seven maximum eight years that entire land will be developed and we would be reaching the monetization event over there. So that's on Thane land.

As far as outside of Thane is concerned and including other lands in Thane over a period of time we continue to look for new projects and we have a strong pipeline as of today itself. We are constantly evaluating projects. I mean so far in the last three years we have evaluated close to 700 projects in MMR region itself. So out of that whatever meets our criteria and is in line with our investment philosophy and meets our boundary conditions in terms of returns and also in terms of risk management that we want to do, we take on that project.

So as of now we don't see either capital or bandwidth as a constraint for adding more projects because we have a strong team which we have built over a period. I mean it's close to 330 people today by the end of the year we will be 400 people. So clearly there is no real constraint that we have for taking on new projects.

**Rohan Kalle:** Sure sir. Thank you. And second question we were alluding to basically separating the aerospace and defense business within the engineering segment going forward. So just wanted to understand is there a timeline expected -- I mean expected timeline for this to happen?

**Amit Agarwal:** So if these are both going to be the subsidiaries of Raymond Limited and you saw the scheme of arrangement because it is an unlisted business I think that speed is a little faster, but still that would take anything between seven to nine months. So I think what we expect before 31st March 2025 the engineering consolidation and the demerger of two subsidiaries -- of two subsidiaries under Raymond Limited should happen by 31st March 2025.

- Rohan Kalle:** Sure sir. Thank you. I'll fall back in queue if I have more questions.
- Amit Agarwal:** Sure. Thank you.
- Moderator:** Thank you. The next question is from the line of Mithun Aswath from Kivah Advisors. Please go ahead.
- Mithun Aswath:** Yes. Hi sir. Just a question on the demerger process. So July 11th will be only for the Lifestyle business. When would the demerger of the real estate take place that'd be subsequent to that would it take some time and when is it expected that we will get shares of the Raymond Lifestyle as shareholders those are a couple of questions.
- Amit Agarwal:** Shall I answer this or you want to raise the question and then I answer.
- Mithun Aswath:** Yes maybe I'll just. The last one is that because the Maini acquisition you have 59% and I'm just thinking the residuals Raymond listed will only have these businesses. So would you like reverse merge it into that so that you have Raymond Limited become I don't know Raymond Auto Components and Aviation or something like that? Just thoughts on that?
- Amit Agarwal:** Okay. So first fundamentally so there are we are talking about two demergers. Lifestyle demerger which we announced last year has been completed NCLT approval, order pronouncement has all been done. We filed with the Registrar of Companies on 30th of June, 2024 and the record date for the Lifestyle demerger is on 11th of July. On this particular date Raymond Limited shares will be ex-Lifestyle.
- Without Lifestyle that means the engineering business as well as the real estate business will be in the Raymond Limited and the shares would be listed there. The shares of Raymond Lifestyle Limited as per SEBI process normally take anything between 60 days, 70 days. So we expect that by end of August or early September, let's say hopefully in this quarter we should have the shares of Raymond Lifestyle also get listed.
- So that covers the Raymond Lifestyle. As far as Raymond Reality is concerned as a process we just announced yesterday, got the approval from the board which takes anything between 15 months, 16 months. So till such time all the approval, various requisite approvals which is the SEBI, stock exchanges, NCLT, shareholders, creditors, all sorts of approvals takes that kind of a timelines.
- So for me to tell a record date today would be very difficult, but take for an example that let's say in the next fiscal year maybe third or fourth quarter we should be able to announce a record date for the real estate demerger. Okay so that is the second part. The third part as far as you are saying about a reverse demerger I think as I said the corporate initiative of these things will be thought through when we believe that companies have achieved the scale and ability and maturity and the business is such that you need to take any large corporate action of separating it out or doing something specific on that business will be done. So at this juncture, it is very difficult for me to point out any timeline on that.

- Mithun Aswath:** Great sir. Thank you. Just one last question on the Lifestyle business. Could you just give us some sort of like based on FY24 pro forma now the number excluding the other businesses and the unallocated expenses because that business had a very high ROC. Would you be kind of releasing those numbers for investors as well separately? Because also the equity is going to change, because the merger ratio is 4 to 5. So, just thoughts on that if one could understand?
- Amit Agarwal:** Yes if you look at it, absolutely. And I think it is very clearly, vividly coming out. If I don't know whether you got a chance to see our investor presentation, we give a segment reporting. And if you see in the segment reporting, I recall right, one is a branded textile, another is a BrandedApparel, third is a high value cotton shirting. And the fourth is the garmenting.
- If you add these four together, and there we have clearly identified what is the revenue, what is the EBITDA. And even if you see in the financials, which we published for the SEBI, as per the SEBI, whatever rule is, that clearly shows the segment, what is the segment profit, segment revenue, segment profitability, as well as the segmental assets available for this.
- So I think that is all available. But in any case, we will be telling you in the next quarter, when the first quarter results will be announced, you will have the lifestyle numbers called upon very separately.
- Mithun Aswath:** The reason I was saying is because now the debt is also not going to be there, because that business will become absolutely debt free. Otherwise, it was like a -- yes?
- Amit Agarwal:** Sure, it will be a debt free business, because you see, as you know, that the business of lifestyle, we took temporarily the NCDs from Raymond Lifestyle Limited into Raymond Limited Lifestyle Business in order to repay the external debt. Now, once the demerger gets completed of the Lifestyle, the debt to NCD should buy Raymond Lifestyle to the business getting transferred, knocks off each other, and it will become a net debt free, and there will be a cash on the balance sheet. So to that extent, it is very clear that there will not be any debt.
- Mithun Aswath:** Sure, sir. Thank you, sir.
- Amit Agarwal:** Thank you.
- Moderator:** Thank you. The next follow-up question is from the line of Bhuvan Mg from Tiger Assets. Please go ahead.
- Bhuvan Mg:** Thank you. I just wanted to know why...
- Moderator:** Sorry to interrupt. Bhuvan sir, your voice is not clear.
- Amit Agarwal:** Very feeble. Is it possible, can you call back and get into the line?
- Moderator:** Or else, Bhuvan sir, if you're using the speaker mode, may we request you to use the handset?
- Bhuvan Mg:** It is audible now properly?
- Amit Agarwal:** Much better.

- Bhuvan Mg:** Yes, I just wanted to know why JV Denim business is not part of the Lifestyle business and is part of the engineering business?
- Amit Agarwal:** So JV Denim, let us understand very clearly. The lifestyle business is primarily focused on a B2C business. It is a consumer-led business. And the Denim is primarily a B2B business, which is into the export of the fabrics, and it is a joint venture with a partner. Therefore, it was felt appropriate to keep into the Raymond Limited and not into the Lifestyle business.
- Bhuvan Mg:** Would the JV Denim business would be somewhere dependent on Lifestyle business distribution or anything else?
- Amit Agarwal:** No. Absolutely two diverse business. As I said, one is a B2B business, another is a B2C business.
- Bhuvan Mg:** Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Sourabh Gilda from Motilal Oswal. Please go ahead.
- Sourabh Gilda:** So, I just have one question. Just wanted to understand the timeline for all the recent projects that we have taken on. Any indicative launch time that you can give?
- Amit Agarwal:** If your voice is not slightly, you are asking the project timeline, if I understand correctly. Hello.
- Sourabh Gilda:** Hello. Am I audible now?
- Amit Agarwal:** Yes. Can you repeat the question because we were not...
- Sourabh Gilda:** So, just wanted to get an indicative launch timeline of non-Thane projects.
- Harmohan Sahni:** So, by H1 of next years, all the projects that we have signed would be launched. One project is already launched as you may be knowing the Bandra one, which has been extremely well received in the market and in terms of sales and construction going on in full swing and we are ahead of schedule there. The other three projects latest by H1 of next years would certainly be launched and hopefully will surprise you pleasantly based on if we get approvals earlier.
- Amit Agarwal:** So, we take and in our internal estimates, we are very clear that the day you sign a JDA, we take comfortably 12 months to 15 months for a preparation to launch a project. Because very fundamental principle of Raymond Realty, core principle is that you should, when you start the project, you should not have a start and a stop. Once started, it should run and that is the philosophy that is why we are able to deliver the project significantly before the schedule timeline, RERA timeline.
- Harmohan Sahni:** Yes, Sourabh, typically in the industry, you are aware that the cycle of a project from first signing to launch a project is roughly about 18 months to 24 months. And we have consistently done better than that on every project. So, our time to market for every project is shorter than what the industry averages.

- Sourabh Gilda:** Yes, sir. Great to hear that. And I just wanted to confirm if I heard you correctly earlier, you said that you will reach about INR4000 crores top line in about 3 years, 4 years. Is that what I heard?
- Amit Agarwal:** Yes, absolutely.
- Sourabh Gilda:** Thank you so much. That's all from my side.
- Moderator:** Thank you. The next question is from the line of Prateek Bhandari from AART VENTURES. Please go ahead. Pratik, your line is unmuted. You can proceed with your question.
- Prateek Bhandari:** Yes, I just wanted to understand as to the multi-services of the aerospace and defense business and what kind of turnover and margins are there in the same?
- Amit Agarwal:** Okay, I think multiple, I cannot tell you for me, but what is the industry multiple? It ranges anything between 50 to 100. You have seen there are a few companies who are listed. So, that's on the part which is a market. I'm sure you guys are far more, smarter than us. You would know what multiples trade at these businesses. As far as the business is concerned, I can tell you what the business is all about. We have a run rate around INR300 crores with a 25%, 27% EBITDA margin.
- Prateek Bhandari:** All right. Thanks a lot.
- Amit Agarwal:** Thank you.
- Moderator:** We have our next question from the line of Abhijeet Kundu from Antique Stock Broking. Please go ahead.
- Abhijeet Kundu:** Yes, I had just one question. What has been the valuation of a real estate business? Because you have given one share for every one share held by Raymond Limited and basis of valuation?
- Amit Agarwal:** So, Abhijeet, the fundamental is it's a vertical demerger which you are holding the value in Raymond Limited as one share. Now, you've got at a mirror image one more share of Raymond Realty Limited. So, fundamentally, there is no sort of reason for a valuation we have done as a sort of extra precaution.
- We have done this internal report which enables us to ensure that it is a one is to one share. However, I'm sure with the kind of business which we are delivering with INR2300 crores of pre-sales and 6 million square feet which is under construction. So, you can well imagine and again, as the earlier question, you all know what the kind of multiples exist in the market.
- I think that should reflect that what kind of a value this business has because we believe this is a great opportunity for a real estate play at this juncture with the kind of things we have created. See, we are not selling you just an apartment. We are selling you a Lifestyle and fundamentally, I am not putting large capital at work because as Harmohan pointed out on a INR2000 crores project of a JDA, what we are putting is INR350 crores, INR400 crores max as a working capital, and that when you do it faster than the timeline, that's what the RERA gives you.



It improves the IRR. So, I think attractive enough this project and the business is such and you have a great mix between a Thane and a non-Thane. I think put together both these things enables you in my opinion to get an attractive valuation but I will not comment on the valuation. You guys do that job.

**Abhijeet Kundu:** No, because, from this one share that the investors will be getting, there obviously is a substantial upside from there. So just wanted the base that's it.

**Harmohan Sahni:** You should just look at comps and the quality of our business and then give a value based on that.

**Amit Agarwal:** Maybe I will be surprised.

**Abhijeet Kundu:** That's it from my side.

**Moderator:** Thank you. The next question is from the line of Abhinav Bhandari from Sohum Asset Managers. Please go ahead.

**Abhinav Bhandari:** Yes, thanks for the opportunity and congratulations on taking one step forward towards making the structure much more simpler for investors. I had two questions. One is on the Thane side. While on your real estate project you were doing very well since last obviously two, three, four years and it was a crowded market and I think now in your vicinity of 5-7 kilometers, some more marquee names which have come in and they are also lining up their launches.

I'm just trying to understand what changes to our strategy? Are we looking at in terms of sales, etcetera? How are we going to time our new launches? So some thoughts there would help because we have a fairly sizable inventory still there. That's the first question.

**Harmohan Sahni:** So Thane as a market has been crowded for the last 10 years. It's not as though it's gotten crowded now. Whether it was market was this strong or it was not so strong, it was always crowded and very good marquee names have been present. I mean, I wouldn't like to name the competition on our call, but I'm sure you guys track the market. So you know all the names which are there.

So no really new names are getting added to that barring maybe one launch was there last year, new name got added. And well in terms of our sales, there was no impact of that launch at all. So as of now, we don't see any significant impact of any new entrant coming into the market because it's not as though there has not been enough competition.

There has been enough and more quality stock, quality names, and a lot of projects which have been going on over the last four or five years. Despite that, we have strength of location, product pricing, and the efforts that our teams put in. So, we are constantly innovating in the marketplace also and coming up with new and new ways of handling the sales and marketing.

We are challenging some of the given norms in the industry also. And that has given us the rich dividend so far. I mean, last two years, we are very proud to say that every third home which is sold in Thane is clearly a Raymond home.

So all of that plus all the other initiatives that we are taking in terms of faster delivery and the quality of the business which is there, it is truly reflecting in the brand equity in the mind of the consumer. It's never one factor that you will just look at pure demand and supply.

You also look at who the supply is coming from, what is his track record, whether he's fulfilling the brand promise, and it's a collective effort of all the various factors that we put in whether it is earlier delivery, whether it is the quality, whether it is the timeliness of service, whether it is the product and the various services that we provide, all of that plays a role.

So given all of this as of now we don't see any significant threat to our market share in Thane. So we've been safely last two years, we've been selling close to INR1500-INR1600 crores worth of stock out of this one location. So, we hope that we will continue to do this. And so far, the factors are favorably lined up for that for us. We are not looking at a significant growth from this number because the rest of the growth is going to come from non-Thane. And that's what has happened last year. And current year also, most of the growth will come from non-Thane.

**Amit Agarwal:**

I think further to add to that, I think what is very important is as I said, we are not just selling an apartment we are selling a lifestyle. Second thing what is also understandable is that in Thane, if I have been able to sell 65% of my inventory because there is a very important factor of a Raymond as a trust, because Raymond stands for trust. And buying a home is a very large decision.

Now if you go with some level of trust with a builder like Raymond, you are assured that you will get the delivery at a faster pace. And the best is Thane, everybody knows it is there. But even the same has been demonstrated in Bandra. When we launched Bandra, within the first 30 days, we were able to sell 100 apartments out of 177 launch.

So to that extent, I think we have these differentiators which enable us to ensure that our inventory gets sold primarily the first. And I think that is going to have a very big level of satisfaction, comfort with us. Today our customers have become so to speak, giving a lot of reference to the people that you should go and buy in Raymond.

**Abhinav Bhandari:**

This is very helpful. And I think even if you are able to sustain this run rate of 1500-1600, as mentioned, with a INR7,000 crores of launch pipeline, I mean, one can put in their own number, but I think that INR3,500 crores, INR4,000 crores of retail that you talked about in next three years, I think that is a very conservative assumption that you're looking at from that perspective.

But anyway the second question is on the engineering side and you helped us understand on the aerospace. On the defense side, just wanted to understand a little bit better, what is our mode? Which areas we are in? What are the products that we have? If you could tell us that on that.

**Amit Agarwal:**

Sure. So look, in defense, what I said was our major capability is the machining of noble products, which is the Inconel and titanium. And as you know, that many of the different equipments which are being produced today have a requirement of either titanium, Inconel and some of the larger -- very sophisticated metals.

So I think that machining enables us to get there. If you ask me that, are we significantly large as we have in the aerospace? Answer is no. But it is a process through which we are getting into it. And we believe over the next 3-5 years, it can become a sizable business.

Today you are given for four or five different places for testing, the testing is on, you have reached certain level of maybe four levels of certification you have reached, you need another one to more level of certification. And after that, you become a large player.

So I think we are in the journey. And the revenue will come, I would not say one year, maybe 24-36 months, we see a little decent revenue coming into the defense sectors. But aero side will continue to be much more faster growth, as we are established players.

**Abhinav Bhandari:** And of this INR1,800 crores that you mentioned, how much would be the export sales and how much sales is from repeat customers, just to understand?

**Amit Agarwal:** So 65% is export. And repeat customer I think would be 85% as we continue to get some of the new customers every year. Because it is a B2B business, where we are supplying to the auto ancillary, you are supplying to the aerospace guys.

And even on the engineering consumables, just to give you the perspective, our JK Files is sold as a branded product in India, and we enjoy 65% market share in India. And even in the Western Africa, in the whole of Africa, Latin America and South America market, our Files are sold as a branded product.

So they are also the distributors and such things, they buy on a repeat basis and the customers are there with us for 30, 40, 50 years. And I think that is once again, to give you a perspective as Raymond, we strongly believe in a stronger partnership and a valuable relationship which we have built over 50, 70 years.

You look at our lifestyle business, we have dealers, franchises, networks, who have been with us for 50, 70 years, and they continue to grow the business. Like we launched the Ethnics, where we have to go for franchises or for the branded, the same guy who has a TRS franchise is coming forward and taking up the franchise for these things. So I think that relationship, the value of relationship, Raymond understands fairly well.

**Abhinav Bhandari:** That's very helpful. Thanks a lot and wishing you all the best.

**Amit Agarwal:** Thank you.

**Moderator:** Thank you. The next question is from the line of Runit Kapoor from Elara Capital. Please go ahead.

**Runit Kapoor:** Hi, sir. Congratulations on the demerger. So just wanted to understand given the real estate industry context there has been a slowdown in Mumbai compared to the last quarter. So just wanted to understand like what micro markets are you looking at for the new deals? And are you looking at Navi Mumbai as a micro market because there's lack of grade A developers there?

**Harmohan Sahni:** Yes. So this is news to me that there is a slowdown in the Bombay market because we have not experienced it either in Thane or any of the micro markets where we have taken projects on just now. And we are actively tracking them. So we are only seeing an upward trajectory in terms of volumes over there. Even pricing remains very healthy. The increases have not been more than 5% to 7% maximum 8% price hikes we have seen.

So Bombay market in that sense is not volatile at all very healthy strong volumes with steady pricing. So that's what we have experienced so far and we continue to do so. Even this quarter, we are experiencing that last quarter also. That's what our primary data suggests. And to answer on the new Bombay yes, we definitely are looking at new Bombay as well. As we speak, we are currently evaluating a couple of proposals in new Bombay also.

New Bombay is not as easy a market as the rest of MMR. And maybe that's the reason why you don't see too many grade A organized players there barring maybe one odd name you would have seen recently entering that market. And he also took almost three, four years to enter that market. I mean, the land over there is not easy to come by because mostly it's through SITCO option and that land is currently overpriced.

And the redevelopments which come in, come in with their own bag of woes. So it's not easy to crack that market. But long story short we definitely are interesting. And if anybody on this call has a proposal they can approach us and we'll be happy to look at it.

**Runit Kapoor:** Okay. Thank you. That's it from my side.

**Moderator:** Thank you. The next follow-up question is from the line of Nishant Sharma from Nuvama. Please go ahead.

**Nishant Sharma:** Thank you for the opportunity once again. A few questions on real estate side. Maybe it could be repetitive as well. On the 32,000-revenue potential that we have mentioned is it inclusive of whatever ongoing project that we have completed is also included in this INR32,000 crores or this is excluding what we have already booked?

**Amit Agarwal:** The total project the potential INR25,000 crores is the Thane potential, which includes obviously some revenue which has already been booked. But on the other side, I've considered based on the current market but obviously the market prices as Harmohan mentioned 7%-8% has grown up. And I'm sure over a 7-8 year period I believe everyone would know that there would be some right implications.

**Nishant Sharma:** Understood. And from the INR7,000 crores JDAs project, what would be our share of revenue from that segment or revenue potential?

**Harmohan Sahni:** This is our share of the revenue only. We only talk in terms of our share.

**Nishant Sharma:** That's great. Thank you.

**Harmohan Sahni:** Just to add to Amit's this thing that out of 25,000, we would have booked around roughly about INR3,500 crores worth of revenue so far. But that will be more than made up through price increases over the next 7-8 years, which we have not factored for.

**Nishant Sharma:** Thank you. That's pretty helpful, sir. Hope to have more such interaction going forward and meet you soon. Once again, many congratulations and all the very best for the future.

**Harmohan Sahni:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, we would take that as our last question. I would now like to hand the conference over to Mr. Amit Agarwal Group CFO for closing remarks.

**Amit Agarwal:** Thank you very much for taking the interest. We will chat once again in the next 30 days for our financial numbers for the first quarter fiscal 25. Thank you very much.

**Moderator:** Thank you. On behalf of Raymond Limited that concludes this conference. Thank you for joining us. You may now disconnect your lines.