Management Discussion and Analysis

Macroeconomic Overview

According to the International Monetary Fund's (IMF) World Economic Outlook, the global economy in CY2025 exhibited notable resilience, with world output expanding at around 3.4%, supported by technology-led investment particularly in Artificial Intelligence (AI) and digital infrastructure, resilient private sector activity, and accommodative financial conditions, even as trade barriers and elevated uncertainty persisted through the year. Further, according to the IMF's April 2026 World Economic Outlook, global growth is projected to slow to 3.1% in CY2026 amid the outbreak of conflict in the Middle East, before recovering marginally to 3.2% in CY2027, with global headline inflation expected to rise modestly in 2026 before resuming its decline thereafter.

In FY 2025–26, India's real GDP growth is estimated at 7.6% as per the Reserve Bank of India's April 2026 policy statement, driven by strong momentum in the first half of the year (7.8% in Q1 and 8.2% in Q2), sustained government-led infrastructure investments, and continued buoyancy in the services sector. The macroeconomic environment remained stable, supported by benign retail inflation—aided by favourable food prices and the GST rate rationalisation effective 22nd September, 2025—along with a narrowing current account deficit, robust services exports and remittances, and healthy foreign direct investment inflows, all of which contributed to enhanced investor confidence. The RBI, amid an evolving global environment marked by geopolitical tensions, retained a neutral policy stance while noting that risks to growth and inflation remain evenly balanced. Over the course of FY 2025-26, the RBI effected a cumulative reduction of 125 basis points in the repo rate (from 6.50% to 5.25%), before holding rates steady from December 2025 onwards, to support domestic growth, ease financial conditions, and maintain macroeconomic stability. This robust economic backdrop, combined with a stable policy environment, has provided a strong foundation for real estate growth.

Indian real estate sector overview

The Indian real estate market remained resilient. Institutional investments grew, particularly in commercial real estate, logistic parks, and REITs. Residential real estate market delivered a resilient performance in CY 2025, with a total of 348,207 housing units sold across the eight major cities, reflecting a broadly stable performance and registering a marginal 1% dip YoY, according to Knight Frank's India Real Estate H2 2025 report. New supplies, at 362,148 units launched across the eight major cities, grew marginally by 2.89% YoY and yet represented the second-highest annual launch volume since 2014. According to Knight Frank's India Real Estate H1 2026 report, the residential market extended this resilience into the first half of 2026. Housing sales across the eight major cities reached 171,471 units in H1 2026, marking one of the strongest first-half performances in more than a decade and a 1% year-on-year increase. New launches also continued to grow, with developers launching 187,350 housing units during the period, up 4% year-on-year.

Sales volumes across major cities moderated on a year-on-year basis during 2025. Government initiatives such as PMAY (Pradhan Mantri Awas Yojana), interest subvention schemes, Home Loan benefits, Nil tax on owning upto 2 residential Properties and the Sep'25 GST 2.0 reform and infrastructure spending continued to bolster sector confidence. Price growth between 2024 and 2025 moderated to around 8%, indicating a healthier, more sustainable market driven by genuine end-user demand rather than speculation, even as overall sales volumes and new launches both eased from the record levels seen in 2024.

Mid-end and upper-mid housing segments continue to dominate the market. The mid to premium segments constituted the bulk of sales while affordable segment witnessed a decline in volume. Sales in the INR 1 cr and above ticket size continued to constitute the majority of overall sales value, underscoring the continuing shift towards premiumisation even as the affordable housing segment saw a further decline in volumes. The shares of sales priced INR 1 cr and above grew to 50% in CY2025 (vs 44% in CY2024) with Rs 1.5 cr to 3 cr segment leading. Homes priced above ₹1 cr accounted for 54% of total sales in H1 2026, up from 49% in H1 2025, according to Knight Frank's India Real Estate H1 2026 report. There has been a notable shift towards luxury homes in India driven by rising aspirations, an affinity for homeownership, and a desire for better living standards. The Indian consumer is now seeking homes that offer more than just basic amenities—they are looking for a holistic lifestyle experience with exclusive facilities such as spas, gyms, and high-end security.

Office leasing hit a record high for the third consecutive year in 2025, annual transaction volumes touched a record 86.4 million sq. ft., marking a 20% YoY increase, surpassing the previous record set in CY 2024, and underscoring the depth and durability of occupier demand across major Indian cities. Global Capability Centres (GCCs) accounted for around 35–40% of total office leasing during the year, due to increased activity from GCCs and BFSI/manufacturing firms, driving demand beyond traditional IT players and flexible workspace operators accounting for roughly 17–20% of leasing, reflecting the mainstreaming of hybrid work models.

Opportunities

India's real estate market is projected to grow from US$ 650 billion in 2025 to reach US$ 1 trillion by 2030, registering a compound annual growth rate (CAGR) of 24%. As this growth compounds, real estate's contribution to national GDP is expected to increase by more than double, rising from 7.3% today to around 15.5% by 2047, cementing the sector as one of the principal engines of the Indian economy.

Several structural forces continue to widen the opportunity landscape for developers. A rapidly expanding middle class, accelerating urbanization, and improving infrastructure connectivity are together lifting housing demand across price points. At the upper end of the market, rising disposable incomes and a growing taste for premium, well-amenitised living are sustaining strong momentum in the luxury and upper-mid segments, reinforced by steady interest from both affluent resident buyers and the NRI diaspora. At the other end, Tier 2 and Tier 3 cities are emerging as fertile ground for affordable and mid-income housing as infrastructure catches up with demand.

On the commercial side, appetite for flexible workspaces, co-working formats, and modern retail assets keeps widening, while the parallel boom in e-commerce and digital services is turning warehousing and data centres into sector's fastest-growing opportunities. Global Capability Centres (GCCs) continue to anchor a large share of office leasing nationally, sustaining demand for high-quality commercial space, even as premium and luxury housing continues to draw sustained interest from affluent domestic and overseas buyers.

This opportunity set has been reinforced by a supportive policy and capital-markets backdrop over the past year. Continued government backing for the SWAMIH Fund 2—a Rs. 15,000 crore facility aimed at reviving stalled affordable and mid-income housing projects—together with sustained public investment in urban infrastructure, is helping unlock stuck inventory and restore buyer confidence. On the capital markets side, SEBI's reforms broadening institutional access to Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) have deepened liquidity and transparency in the sector, helping institutional investment into Indian real estate cross US$7.5 billion in 2025.

Technology also continues to reshape how the sector builds, sells, and manages real estate. Flexible workspace formats remain among the fastest-growing categories in the commercial segment, reflecting occupiers' preference for tech-enabled, adaptable office solutions. Tools such as virtual site visits, digital documentation, AI-based analytics, and smart building systems are shortening decision cycles, improving customer experience, and making transactions more transparent. As these innovations mature, they are also helping draw a wider pool of global investors and occupiers, positioning Indian real estate as an increasingly modern and future-ready asset class.

West Bengal, and Kolkata in particular, presents a compelling growth opportunity for the Company, given its deep-rooted presence and understanding of the local market as a Kolkata-based real estate developer. The outcome of Assembly elections held in April 2026, marked a significant inflection point for the State. Bengal is no longer a "value market", it is poised to become a "re-rating market" with the next phase of industrial and infrastructural development.

This region is underpinned by several converging structural tailwinds. The presence of a dual-engine government, coupled with sustained business-friendly reforms, has fostered a more conducive investment climate across the state. This has been reinforced by significant infrastructure expansion and metro-led development, which are steadily unlocking new growth corridors and improving connectivity across the Kolkata Metropolitan Region. Concurrently, a resurgence in industrial investments and a broader manufacturing comeback are driving employment generation, while the emerging IT, GCC (Global Capacity Centre), and AI ecosystem is positioning Kolkata as the next frontier for such investments. Kolkata's evolving role as the Eastern Logistics Hub further strengthens the region's economic fundamentals, supported by its strategic location and improving multimodal connectivity. Together, these factors are driving increased housing demand across the city, while continued urban migration is sustaining end-user demand over the medium to long term. As a company headquartered and rooted in Kolkata, with strong local relationships and on-ground expertise, the Company believes it is uniquely positioned to capitalize on these structural growth drivers and the strong long-term appreciation potential that its home market offers, reinforcing its confidence in the region as a core market for future growth.

Threats, Risk and Concerns:

The Company's business is inherently exposed to shifts in the broader policy and economic environment — interest rate movements, regulatory change, project-level demand-supply balance, and the availability of financing for both developers and homebuyers. Several of these risk factors evolved meaningfully over the year, and are outlined below:

- Project execution continues to rely heavily on manual labour, leaving timelines exposed to workforce availability and to the rise in wage costs that followed the labour law changes introduced in November 2025.

- Inconsistent approval processes and regulatory frameworks across states remain a recurring source of project delays and cost overruns.

  Sustained price appreciation over recent years has strained affordability for first-time and middle-income buyers, contributing to a moderation in overall sales volumes even as demand in the premium and luxury segments held firm.

- Developers that are slower to adopt PropTech, digital sales tools, and green building practices risk losing competitive ground, as such adoption increasingly requires upfront capital and workforce upskilling that can be difficult for smaller players to fund.

Notwithstanding these pressures, the sector's underlying fundamentals remain sound. Continued emphasis on transparency, financial discipline, and regulatory consistency will be central to managing these risks, and the Company continues to track developments closely to safeguard its business against evolving external conditions.

Outlook

Heading into FY 2026-27, the Company expects the residential real estate market to remain stable, supported by steady urbanization, rising household incomes, and continued government emphasis on infrastructure and housing-linked policy support. Premium and high-end housing is expected to continue attracting the greatest developer focus.

According to Knight Frank's Asia-Pacific Outlook 2026, India is set for one of the region's strongest office market performances heading into 2026, with rents in Bengaluru, Mumbai, and NCR expected to rise 7.5–9% year-on-year. JLL's Q1 2026 commentary adds that current deal pipelines suggest annual office leasing could hit the 100 million sq. ft. mark within the next two years — a landmark that would cement India's position as the world's leading office market.

The Union Budget 2026-27 continued the government's capital expenditure-driven growth model, reinforcing infrastructure as the backbone of India's economic and urban expansion. It didn't include direct demand-side measures for housing, but its strong emphasis on infrastructure, urbanisation, and institutional capital is expected to generate meaningful indirect momentum for both residential and commercial real estate — laying a solid foundation for sustained sector growth over the long run.

Emami Realty aims to leverage its project pipeline and market presence to achieve sustainable growth, the Company will continue to focus on the timely execution of its ongoing projects and disciplined capital allocation, while staying alert to evolving market conditions, to sustain its growth trajectory in the year ahead.

Company's Segment-wise or product-wise performance

The Company has only one reportable segment, namely development of Real Estate property and one geographical segment, namely within India.

Financial performance overview

A comparative table showing the synopsis of the Profit and Loss statement for 2025-26 v/s 2024-25 is provided hereafter:

Standalone P & L Snapshot	2025-26	2024-25
Total revenues (₹ Lakhs)	12,066.72	12,949.43
Total expenses (₹ Lakhs)	33,838.47	27,541.80
EBIDTA (₹ Lakhs)	(11,990.19)	(3,224.25)
EBIT (₹ Lakhs)	(12,149.06)	(3,360.24)
Profit /(loss) before tax (₹ Lakhs)	(21,771.75)	(14,592.37
Profit/(loss) after tax (₹ Lakhs)	(18,953.52)	(12,516.03)
Basic EPS	(43.48)	(33.07)

Consolidated P & L Snapshot	2025-26	2024-25
Total revenues (₹ Lakhs)	12,083.94	13,515.51
Total expenses (₹ Lakhs)	33,858.15	28,215.36
EBIDTA (₹ Lakhs)	(11,914.98)	(3,257.74)
EBIT (₹ Lakhs)	(12,073.85)	(3,393.73)
Profit /(loss) before tax (₹ Lakhs)	(21,774.21)	(14,699.84)
Profit/(loss) after tax (₹ Lakhs)	(18,947.09)	(12,623.76)
Basic EPS	(43.47)	(33.36)

For performance of the Company, also refer to the Directors' report.

Key Financial Ratios

The key ratios arising out of Company's performance are as follows:

Ratio / Measure*	31st March 2026	31st March 2025	Explanation for change of 25% or more as compared to previous FY
Interest Coverage Ratio	-0.74	-0.19	Due to higher losses
Current ratio	1.16	1.42	-
Debt equity ratio	(8.26)	(12.07)	Because of decrease in borrowings
Return on equity %	-	-	-
Inventory turnover ratio	0.06	0.07	-
Trade receivable turnover ratio	11.06	7.55	
Trade payable turnover ratio	92.24	37.78	
Net capital turnover ratio	0.22	0.13	
Net profit %	-156.80%	-93.40%	Due to higher losses and negative equity
EBITDA %	-99%	-24%	
Operating Profit Margin %	-100%	-25%	
Return on capital employed %	-17.48%	-4.01%	

*consolidated

Human resources

The Company believes that the quality of its employees is the key to its success. It is therefore committed to equip them with appropriate skills, enabling them to seamlessly evolve with ongoing technological advancements. The Company's employee strength stood at 144 as of March 31, 2026.

Internal control systems and their adequacy

The Company's internal control system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. Further, the Audit Committee reviews reports presented by the internal auditors on a routine basis. The Committee takes note of the audit observations and initiates corrective actions, wherever necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

Cautionary statement

Statements in this report relating to the Company's objectives, projections, outlook, estimates, expectations, or predictions may be forward-looking and are based on certain assumptions. Actual results could differ materially due to economic conditions, changes in regulatory policies, and other unforeseen factors.