Godrej Properties Limited
Regd. Office: Godrej One
5th Floor, Pirojshanagar,
Eastern Express Highway,
Vikhroli (E), Mumbai – 400 079. India
Tel.: +91-22-6169-8500
Fax: +91-22-6169-8888
Website: www.godrejproperties.com

CIN: L74120MH1985PLC035308

May 05, 2025

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Ref: Godrej Properties Limited
BSE - Script Code: 533150, Scrip ID – GODREJPROP
BSE - Security Code - 974950, 974951, 975090, 975091, 975856, 975857, 976000 - Debt Segment
NSE Symbol - GODREJPROP

Sub: Transcript of the conference call with the investors/ analysts.

Dear Sir/ Madam,

Pursuant to Regulation 30 read with Schedule III Part A, Para A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the conference call organized with the investors/ analysts on Friday, May 02, 2025, post declaration of Audited Financial Results (standalone and consolidated) for the quarter and year ended March 31, 2025.

This is for your information and records.

Thank you.

Yours truly,
For Godrej Properties Limited

Ashish Sudhakar Karyekar
Digitally signed by Ashish Sudhakar Karyekar
Date: 2025.05.05 18:22:27 +05'30'

Ashish Karyekar
Company Secretary

Enclosed as above

"Godrej Properties Q4 FY-25 Earnings Conference Call"

May 02, 2025

MANAGEMENT:	**MR. PIROJSHA GODREJ – EXECUTIVE CHAIRPERSON, GODREJ PROPERTIES** **MR. GAURAV PANDEY – MANAGING DIRECTOR & CEO, GODREJ PROPERTIES** **MR. RAJENDRA KHETAWAT – CFO, GODREJ PROPERTIES**
MODERATOR:	**MR. KSHITIJ JAIN – GODREJ PROPERTIES**

Moderator: Ladies and gentlemen, good day and welcome to the Godrej Properties Q4 FY25 conference call.

As a reminder, all participant 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. Kshitij Jain from Godrej Properties. Thank you and over to you, sir.

Kshitij Jain: Good afternoon, everyone and thank you for joining us on Godrej Properties Q4 FY25 Results Conference Call.

We have with us Mr. Pirojsha Godrej – Executive Chairperson, Mr. Gaurav Pandey – Managing Director and CEO and Mr. Rajendra Khetawat – CFO of the Company.

Before we begin this call, I would like to point out that some statements made in today's call may be forward looking in nature. The forward-looking statements are based on expectations and may involve risk. The outcomes may differ materially from those suggested by such statements and a disclaimer to this effect has been included in the Results Presentation.

I would now like to invite Mr. Godrej to make his Opening Remarks.

Pirojsha Godrej: Good afternoon, everyone. First, let me please apologize for the delayed start. We are facing some tech issues at our end, so extremely sorry to keep you all waiting. Thank you for joining us for Godrej Properties 4th Quarter Financial Year 2025 Conference Call.

I will begin by discussing the highlights of the quarter and the year-end and we then look forward to taking your questions and suggestions.

I am happy to share that Financial Year 2025 was another record-breaking year for Godrej Properties in which we achieved our highest ever bookings, collections, operating cash flows, earnings and deliveries.

Our booking value in the 4th Quarter grew 87% quarter-on-quarter and 7% year-on-year to Rs. 10,163 crores. This was achieved through the sale of 3,703 homes with a total area of 7.52 million square feet. This is the highest ever quarterly booking value achieved by GPL and is the first time that we crossed Rs. 10,000 crores of booking value in a quarter. This is also the seventh consecutive quarter in which GPL has delivered more than Rs. 5,000 crores of booking value.

Sales in the 4th Quarter were driven by strong demand in several key new project launches including Godrej Riverine in Noida which achieved a booking value of Rs. 2,206 crores, Godrej Astra in Gurugram which achieved a booking value of Rs. 1,323 crores and Godrej Madison Avenue in Hyderabad which is our first project in that market and achieved a booking value of

Rs. 1,081 crores. All in all, 12 new project and phase launches happened during the quarter across five cities.

For the full year GPL's booking value stood at Rs. 29,444 crores a year-on-year growth of 31% and guidance achievement of 109%. This was achieved through the sale of 25.73 million square feet of area, a volume growth of 29%. This is the highest ever booking value and volume achieved by any listed developer in India in a financial year.

GPL is the only leading real estate developer that has delivered eight consecutive financial years of booking value growth. Our sales are the most widely distributed in the industry with only 27% of our booking value coming from our home market of Mumbai and only 13% of our booking value coming from the largest single project. NCR, Mumbai and Bangalore contributed Rs. 10,523 crores, Rs. 8,034 crores and Rs. 5,089 crores respectively to the booking value for the financial year. We sold homes with a value in excess of Rs. 1,000 crores across 12 projects in six cities during FY25.

Customer collections in the 4th Quarter stood at Rs. 6,961 crores representing a year-on-year growth of 48% and quarter-on-quarter growth of 127%.

For the full year Financial Year ‘25 collections stood at Rs. 17,047 crores representing a year-on-year growth of 49%. This is the highest quarterly and full year residential sale collections announced by any real estate developer in India to date. GPL has achieved 114% of its annual guidance for collections for FY25. The record collections also translated into record operating cash flow. Operating cash flow in the 4th Quarter stood at Rs. 4,047 crores representing a quarter-on-quarter growth of 559% and a year-on-year growth of 55%. FY25 operating cash flow stood at Rs. 7,484 crores representing a year-on-year growth of 73%. This is the highest ever quarterly and full year operating cash flow announced by any real estate developer in India to date.

It was also a strong year for business development. We added 14 new projects with an estimated saleable area of approximately 19 million square feet and expected booking value of Rs. 26,450 crores. This includes two new projects with an expected booking value of Rs. 3,000 crores added in the 4th Quarter.

GPL has achieved 132% of its annual guidance for business development in Financial Year ‘25. We delivered projects aggregating to 18.4 million square feet across five cities in the year representing a year-on-year growth of 47%. This also translated into record earnings for the full financial year.

For the 4th Quarter, our total income increased by 36% to Rs. 2,646 crores. EBITDA declined by 2% to Rs. 634 crores and net profit declined by 19% to Rs. 382 crores. For the full year, our total income increased by 57% to Rs. 6,848 crores. EBITDA increased by 65% to Rs. 1,970 crores and net profit increased by 93% to Rs. 1,400 crores.

The record operating cash flow of nearly Rs. 7,500 crores we generated in Financial Year '25 combined with the equity capital of Rs. 6,000 crores we raised through a QIP in December 2024 will enable us to continue to invest for growth.

In FY26 we plan to grow residential bookings to over Rs. 32,500 crores, a 20% growth over our FY25 guidance through the launch of over Rs. 40,000 crores of inventory combined with strong sustenance sales. This combined with strong project deliveries should allow us to maintain rapid growth in operating cash flows as well. With a robust launch pipeline, strong balance sheet and sectoral tailwinds we are confident of continuing the momentum in FY26.

On that note, I conclude my remarks. Thank you all for joining us on this call. We would now be happy to discuss any questions, comments or suggestions you may have.

Moderator: Thank you, sir. We will now begin the question-and-answer session. The first question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.

Parikshit Kandpal: Hi Pirojsha and Gaurav. Congratulations on a great year. So, my first question is on the guidance which looks to be little bit guarded. I mean you did mention on FY24 guidance there's 20% growth, but on actual numbers the growth looks a little guided. So, is it more like you are guiding conservatively and looking to outperform to the 20% number or is it like because of the current market condition you think that 10%-11% growth is what we can achieve?

Pirojsha Godrej: Yes, thanks for the question. I think we always want to be very confident of the guidance we give. This is an industry with uncertainties, whether on the macro or with launch timelines and so forth. So, we do tend to keep a reasonable amount of buffer in our internal plans over guidance. I think 20% over last year's guidance is actually a pretty strong guidance. We also have included in our investor presentation our performance on guidance over the last 3 years. And I am happy to share that we have been able to meet each individual metric of guidance that we have provided. Again, this year the goal will be to outperform guidance. On your question alluding to, I think we are seeing continued strength in demand for all of our launches. We just came off our best ever quarter from both the sales and cash collections perspective in Q4. This quarter is off to a good start with a strong launch underway already for us in Bangalore. So, we are not seeing any signs of concern at the moment and we will certainly be looking to another strong year ahead. But yes, I think after 3 years of 55% compounded growth in sales, 20% growth on last year's guidance and 10% on actuals, we think is pretty strong guidance and certainly we would look to outperform it as we have in the past.

Parikshit Kandpal: My second question is on the sales we achieved in NCR crossing Rs. 10,000 and almost Rs. 8,000 in MMR. So, do you think that even in this year when we have guided for sales so these two markets can grow or do you think now, they are maybe at optimal levels and there's no further room to grow from here on? And also, in line with that, what kind of business development have you planned out for these two markets? Because these two are the major contributors this year on pre-sales. So what are the buffer plans from other markets which can help us navigate and grow at 10% for this year?

Pirojsha Godrej: Yes, again I think the aspiration would be to grow much faster than 10%. But certainly, we think in all the markets that we operate in there is a huge growth opportunity. We have looked at the data that suggests that basis prop equity data for the top seven markets, our current market share would be about 4.3%. I think over the medium term we would like to take that to double digits. There is a strong opportunity for growth in each of the markets that we are in. Our market share currently in all of these markets would be in single digits. Somewhere like NCR, we already saw two consecutive years with over Rs. 10,000 crores sales and a small growth last year despite a kind of 200% growth the previous year. So, I think NCR has demonstrated that ability to retain this kind of sales level and hopefully grow it quite a bit further this year. Mumbai has also been growing very fast at a compounded growth over the last 5 years of over 40% a year. We have a good portfolio lined up in Mumbai, so I don't see too much challenge in continuing our growth trajectory in Mumbai. And Bangalore and Pune actually benefit from a relatively low base still Bangalore already saw very good growth last year but frankly could have been even better. We got RERA approval for one of our major projects in Bangalore that we had hoped to launch last year on the 1st of April. So that launch is underway and should get Bangalore off to a good start. So, both Bangalore and Pune we see good opportunities. So, certainly I think the plan will be to maintain the kind of growth trajectory we have seen both at a national level as well as in each geography and we have separate P&L teams with empowered management in each of the regions we operate in. They obviously each have their own growth aspirations and targets. So, we hope to deliver another year of kind of well-rounded growth across all the markets we operate in.

Parikshit Kandpal: Okay, just the last question on next year's profitability, the reported basis. So, given the delivery guidance we have given, do you think that mix is now moving towards more profitable projects and more recent projects? And next year we will see a significant turnaround in our revenue margins reported in the P&L. And any thoughts on moving to POCM based accounting?

Pirojsha Godrej: Yes, I think we are following the project completion accounting system, and I think that we will continue with that. That's of course different than some of our peers in the industry are following and thus create a lag in reported earnings. I think we will continue to see improved margins in reported earnings as more of the projects that are owned outright that have, we purposely launched at a more premium end of the market start hitting the P&L. So, I think you will continue to see that. We expect a very large uptick in reported revenues and earnings around FY28 when these last couple of years numbers start fully reflecting in the P&L. So that's when we expect a sort of step jump in the reported numbers.

Parikshit Kandpal: Okay, thank you Pirojsha. Those are my questions. Thank you.

Pirojsha Godrej: Thank you.

Moderator: Thank you. The next question comes from the line of Puneet from HSBC Bank. Please go ahead.

Puneet: Yes, thank you so much and congratulations on great performance. Very happy to see cash flows coming in nicely. My first question but is to start with the pre-sales guidance which is a 10%

growth. Do you think this would this time be driven more by volume or there is still room for value to grow on these levels or realizations as well?

Gaurav Pandey: Thanks for the question. If you actually see FY25 as a base, we grew 31% from a booking value perspective and from a volume perspective we grew to 25.7 million square feet at 29%. So largely we feel that the trend will more or less continue. It's actually finally depends on the underlying projects what APR are we launching. So, it's not necessarily always premiumization or APR hike. It also is about, let's say we launch more of golf course watch projects. Suddenly you will see a very big jump in the blended APR. And vice versa, when you see more of plotting developments, you tend to see but ballpark if you ask me, we should be able to see a similar trend of both volume and price growth.

Puneet: Understood. So, in your plan of launches it would be reflected as a somewhat equal mix?

Gaurav Pandey: Yes, but very honestly, it's very difficult to sort of predict which all launches will perform, how much. So that's where the mathematical anomaly lies. But yes, let me answer this way, do we see good volume growth and good price growth? I would say yes, largely for most of our projects.

Puneet: Understood. That's an input. And secondly, if you can also comment on how your construction cost is going to trend from current levels, collections you have given a guidance. Should one think of construction cost rising at similar level or does it need to increase substantially given that a lot more work needs to be done now?

Gaurav Pandey: I would say if I were to give you a sense of what we are seeing cost inflation in the last, say 2 to 3 years, I think this has been a very stable period of time where most of the cost inflation indices have been in control. Yes, in some markets aluminum costs have increased, but steel prices have also dropped, some markets cement have been flattish to dropped. So, for most markets cost inflation I would say is going to be within that range. But yes, there is of course finally how would oil prices behave. I think that would be sort of a thing to watch out from a risk point of view and I think interest rate getting into a sort of a lower cycle, this could really benefit if it continues because the CAPEX cycle will see a boost. So, this could have sort of a net positive effect in the long term. But, very frankly cost indices sort of depend a lot about government policies and how the allied sectors tend to behave.

Pirojsha Godrej: But I think some of the global macroeconomic uncertainty due to tariffs, etc. depending how that plays out, it could lead to a further benign cycle. On the cost side we are already seeing economies from China, US all underperforming so of course the situation is not stable and could change. But oil prices are at a low, these are all indicative of a relatively low commodity inflation period which would of course benefit us as we enter the heavy execution several years ahead. But of course, we will keep our eye on that changing. But as of now the cost pressure environment looks relatively benign.

Puneet: From your spend perspective is it likely to increase materially or similar levels as last year?

Pirojsha Godrej: I think the overall construction activity will of course be increasing in line with the sales uptick we have seen. So absolute spends will certainly increase but of course so will absolute collection.

Puneet: Understood, that's helpful. And lastly on the business development side, I know it's quite difficult to give guidance and you have given Rs. 20,000 crores guidance which looks pretty low compared to what your aspirational sales would be. Any thoughts on how one should think about it?

Pirojsha Godrej: Yes, I think honestly, we wonder whether having something like business development guidance really makes much sense but since a few of you have asked us to provide it, we have tried to do so. I think what we think is that certainly we should never come under pressure to meet business development guidance. We should only do deals if on a standalone basis they make sense. So frankly I would say this in our view is a bit of low-ball guidance. We would be very surprised if we don't significantly surpass this. I think we have, on average, over the last 3 years surpass the BD guidance by about 60% on average and we are continuing to see good opportunities and continue to see good results from the launches of those opportunities. So, I think both the intent is still there. The availability seems to still be there. So, I think we are quite optimistic that we can do better than this. But again, we don't want to provide a number and then feel that we have to do deals to get there. This is a kind of generally quite uncertain environment for the sector. So, we would rather be kind of hopefully under promise and over-deliver here.

Gaurav Pandey: And just to double click on it, from a leading question could also be from a growth risk point of view. The fantastic one is that in the last 3 years we have had a series of projects and phases that we will launch of a cumulative booking value of about Rs. 50,000-55,000 crores because a lot of assumptions have from what we were launching those projects have seen price hike. So, there are a lot of unlaunched phases and a lot of new deals we have acquired last 1.5-2 years. So close to Rs. 50,000-55,000 crores worth of inventory we have. And then overall we, anyways have 1 lakh. So, the need for business development is to when we see an opportunity for an even stronger S curve to drive. So, like Pirojsha rightly mentioned it's not as something out of desperation we want to do. But yes, this is something more like a hygiene minimum BD would like to have.

Puneet: Understood. That's very helpful. Thank you so much and all the best.

Moderator: Thank you. The next question comes from the line of Rahul Jain from Elara Capital. Please go ahead.

Rahul Jain: Hi sir, thanks for the opportunity. A couple of questions. First one is on the 40,000 crores of launches, does this include Ashok Vihar and the Bandra project? If you can update on both the projects, please.

Pirojsha Godrej: So, both of those would be in our launch plan but not as I said last year as well. I think in this industry giving guidance you should expect some things are not going to go exactly according to plan. So, we do have buffers in the guidance we give on all parameters. So, for example last year we gave guidance of Rs. 30,000 crores of launches and actuals were Rs. 36,000. Even with Rs. 36,000 several projects that we would have liked to launch didn't get launched, like Worli, like our Bangalore project in Devanahalli, like Ashok Vihar itself. So, there is considerably more than Rs. 40,000 crores that could get launched if everything goes perfectly. But I think the number we are confident of sharing with all of you that we will meet even if a few things don't go right is this Rs. 40,000 crores. So, Ashok Vihar is something we plan to launch this year but if it doesn't happen for any reason, that doesn't mean that we will not be able to do the Rs. 40,000 crores of guidance.

Rahul Jain: Got it sir. And on the Banda project?

Pirojsha Godrej: That I think we would be happy if that launches but if at all it would be towards the end of the year. So, I would say that we should probably assume we need one more year for. But the teams are trying to do it by the end of the financial year.

Rahul Jain: Got it. So, the second one is on how are you seeing the conversion rates in FY25 related to FY24? If you can give us the year-on-year comparison versus specific to the markets as well.

Gaurav Pandey: You are talking about conversion rates as in walk-in to conversion you are saying, I mean, how many customers?

Rahul Jain: Yes.

Gaurav Pandey: It’s very divergent to be very frank. It can go as low as say 7-8% and can go high as 22% to 23% and sometimes even 25%. It depends upon very frankly the value proposition that the person coming into the site sees from price, product and payment plan. So generally, as a rule of thumb when you see anything which is slightly lower in APR, generally as a rule of thumb like plotted and all the conversion rates can even be higher. But yes, when you look at a ticket size of Rs. 10 crores, 5 crores, 15 crores, it's an informed call. So, it can between 10% to 15%. But like I mentioned, the range is quite diverse. But rule of thumb, you can say 10% to 15%.

Rahul Jain: Got it, sir. And one last one, I think lately in the markets we are seeing a lot of builders subvention coming into play in terms of new launches. If you can just share what is your share of subvention in the percentage of total sales?

Gaurav Pandey: See we don't tend to push much of subvention other than say negative units as in the units that don't have great views and the likes of it and they hover in typically low single digits at any point of time. And usually, we tend to push wherever the last stage of completion of project is coming. So, it looks more like optical subvention but 1-1.5 or 2 years you are going to see OC and you just want to sell the units which have negative view, facing a railway track or the C category inventory as we call it.

Rahul Jain: Okay sir, thanks.

Gaurav Pandey: Thanks.

Moderator: The next question comes from the line of Pritesh Sheth from Axis Capital. Please go ahead.

Pritesh Sheth: Thanks for the opportunity. First, a very strong performance in Q4 and overall, for the year. So, see I think while industry has been flattish to marginal decline in terms of volumes, we have clocked 29% volume growth. What do you think is driving customers out of their existing homes to buy these new homes from you, anything specific you want to highlight? Because do you think the market has got tough and it needs some additional sales push to drive these kind of sales so your thoughts on that?

Gaurav Pandey: Thanks Ritesh. Actually, if I be very candid and honest, we have been reading for the last at least (+1) year, lot of negative chatter on newspapers and market is slowing down. But to be very frank and honest, when we see our launches, our numbers move up and down mostly our ability to get launch approvals on time and bring it to the market. So, if you see Quarter 1 last year, we had very good launches, so the number was very big. Unfortunately, Quarter 2 and Quarter 3 some launches were spilling over. We had a reasonably decent quarter but Quarter 4 we could get most of our launches and still some actually frankly slipped. Still, we got a sort of a fantastic Rs. 10,000 crores number. I ended a year at a very good number. So, for us I think because we are very diversely spread and our products are also not in one city or in one micro market of a city, we are seeing very strong demand. That being said, your macro question on what is driving demand, I think it's simple wealth creation and aspiration in India. If you just look at some data points, depending on which report you refer, give or take India's GDP is going to get doubled into next 5 to 7 years. We would get into a sort of again IMF, World Bank which report you refer to, we could grow about $30-$35 trillion by 2047. And discretionary income is creating a lot of aspiration. I think some of the macro factors of course impact your concurrent demand in a particular quarter in a year. But I think the macro environment looks a little bit more positive in the last 3-4 months than what it was 12 months back because one, the government is pushing a lot of things for the improvement of the disposable income like the 12 lakhs kind of a thing will increase demand for the consumption led sectors which will create a domino effect by those people feeling secure about their jobs and therefore buying homes as well as things like monetary policy, reduction of interest rates. So, I think a combination of wealth creation, economy looking good, government bringing some real strong action in the short term I think it's amplifying. But I do feel that for customers, one trend I have noticed in the last 2 to 3 years gradually changing is consolidation is again becoming more dormant. So, I think with time and maturity and products becoming more selective, customers would want more predictability of their occupancy coming on time and what reputation the builder brings. So, I think there is going to be sort of a gradual shift in the next four to six quarters where each quarter you will see a better sort of consolidation story for corporate developers or large developers in India.

Pritesh Sheth: Sure. So, I understand the macro part and just specific for you, it's the consolidation which is driving the demand for brand like us or anything specific

Gaurav Pandey: Pritesh, I think the diversity of being very strong operative teams on grounds in all the markets. So, if you see some of our peers have struggled entering a new market by their understanding of local laws or consumer demand. I think for us we have had a share of learnings 15-20 years back.

So having operative teams on the ground makes the predictability of your product price proposition very accurate. And just being very focused on our launch calendar, seeing that every market has backup plans because there is strong demand. The only challenge could be our ability to bring a launch into the market or not.

Pritesh Sheth: Yes, got it. That's helpful. Second is on the micro market or market wise contribution which is baked into your guidance. Do you think large part of the growth that's going to come next year is going to be Bangalore and Pune driven because they are still at low base? I mean Bangalore, Pune, Hyderabad, all these other markets while NCR and MMR remaining kind of flattish and beyond next year, initially you mentioned about having a double-digit kind of market share. Right now, as your presentation points out, we are Rs. 7 lakh crores market. We know then our presales should be around Rs. 70,000 crores in future if the market doesn't grow. Do you think the current scheme of markets are enough to contribute that Rs. 70,000 crores? I mean can you pull off like Rs. 10,000-15,000 crores each from in these large markets. So, your thoughts around that?

Pirojsha Godrej: Yes, thanks for the question. No, I don't think that we will depend only on the smaller markets for growth this year. I think there's a good opportunity to grow strongly in both NCR and Mumbai. It will depend a little bit on the launches there coming through, but certainly we have a very healthy pipeline in both of those markets. As I mentioned, NCR has seen 2 consecutive years of Rs. 10,000 crores sales. Mumbai has grown fast now for 3-4 years in a row and we hope to do that again this year. And certainly, Pune and Bangalore also represent opportunities. I think the double-digit market share is of course not a very short-term aspiration. It will take us a while to get there. But our view is that we can consistently outgrow the market given the strength of the brand, given the strength of being perhaps at least for now the most national real estate developer in the country and with a very moderate market share in all the markets we operate in. So, I think what is very exciting for us is that if you look at all of our top four markets this year for the first time we would be either #1, which we were in Pune, or #2 which we were in Mumbai, NCR and Bangalore by sales value. And in all of those, despite being one of the leaders, we would have a single digit market share implying to us that there is opportunity for significant growth in each of those markets. And of course, there is over time also an opportunity to enter new markets as we have with plotted development and even as we entered Hyderabad with group housing. So, I think the opportunity landscape to us looks very exciting. And it's not just a 2–3-year sort of timeframe we have in mind. There is a couple of decades of very strong growth opportunity ahead of us. And I think that's the exciting part of being in residential real estate today. It is a fast-growing sector, but quite aside from the sector's growth, there is this huge market share gain opportunity which we have been consistently able to tap into over the last several years. And I think one of the things we have been happy about and we also included a slide in our investor presentation is that we have seen the ability to grow the business across various cycles. So last year was our eighth consecutive year of booking value growth. That includes years such as when Covid started, when some of the major reforms like RERA were introduced, the NBFC crisis. So, I think the advantage of having a strong presence, a strong brand, but a relatively small market share is that irrespective of how the market performs, there is a market share gain opportunity that remains. And if we are able to execute well against our plans, we do see that ability to year-on-year grow the market share.

Pritesh Sheth: Got it. That's very helpful. And just one last on the cash flows, so we had a surplus cash flow for this quarter despite spending around Rs. 2,700 crores on BD. How do you think the next year would be in terms of the surplus cash flows as well as the net debt? Are we now going to continue this trajectory and be cash flow positive at the FCF level?

Pirojsha Godrej: I think it will entirely depend on the quantum of business development we do which as I was saying earlier, we want to measure business development more project by project rather than looking at abstract numbers at the company level. Each deal needs to make sense on its own merits. We need to be confident that the risk reward for each deal makes sense. If we are confident, we would be happy to double our business development target for the year, which of course would require a different amount of cash investment than if we do 20,000 crores. But certainly, if were to only meet our business development guidance, I think we would be operating cash flow post BD positive this year as well. But I suspect we will do a little bit better than guidance and therefore are happy to invest capital into growth as we have over the last few years. And of course, having raised the QIP, the goal is to deploy that capital. The constraint we have set ourselves now is that we would like to keep net debt below Rs. 10,000 crores. Instead of looking at a net gearing target, we are looking at an absolute net debt cap. So, I think we can use that for the maximum that we will go to. But within that it will be more a question of the scale and quality of deals we see. We have guided to Rs. 21,000 crores collections which is 40% higher than our last year's guidance and 20% higher than actuals. So hopefully we can do that or better on collections, operating cash flows should therefore be extremely healthy. The question of whether they are post-BD positive or not is a question of the amount of BD we do. Honestly, we my hope for this year would be that we continue to find good deals, continue to find opportunities to maintain this more rapid growth trajectory we have seen. I think a lot of value unlocking can happen for the business by sustaining the kind of rapid growth we have seen. If you look at our imputed numbers, these are very high returns on equity, returns on capital. So, we are quite happy to deploy further capital if we see good opportunities on an ongoing basis.

Pritesh Sheth: Perfect. Thanks for answering our questions. All the best.

Pirojsha Godrej: Thanks very much.

Moderator: Thank you. The next question comes from the line of Parvez Qazi from Nuvama Group. Please go ahead.

Parvez Qazi: Hi, good afternoon. Thanks for taking my question and congratulations for a great set of numbers. So, two questions from my side for FY25 as a whole, what percentage of our sales would have come from available inventory or sustenance sales and what would have been the contribution from new launches?

Gaurav Pandey: Okay, very frankly I wouldn't have the number off hand but yes, if you largely look at a calendar, we would have every quarter give or take about 65% to 70% numbers would be coming out of launches and residual could be a phase launch or sustenance, give or take.

Parvez Qazi: Sure. And did I get the number correctly? You said we have about Rs. 55,000 odd crores of available inventory across phases available for sale going ahead.

Gaurav Pandey: So, let me maybe re clarify. So, for the acquisitions we have done say from FY23 onwards till now, we have launched some projects that have yet to launch and price growth has also happened. So, between Rs. 50,000 to 55,000 crores worth of inventory we have from just fresh inventory of acquisitions which are largely outright in nature and then a total inventory of, even we have some township project like Panvel and all, total inventory would be in excess of about Rs. 1,10,000 crores.

Parvez Qazi: Sure. Secondly, I mean there has been a very strong growth in collections and OCF that also has been accompanied by an equally strong growth in our land and approval-related outflows from about Rs. 5,300 crores in FY24 to Rs. 9,000 odd crores. Now that we are sitting on a very strong inventory, where do we see this trajectory going ahead in terms of land-related outflows?

Pirojsha Godrej: I think if you see most of the launches, in our entire portfolio we have different sorts of projects. So, we have some projects which are township projects. So. in places like Pune and places like Panvel, part of Mumbai portfolio we have a huge inventory. But again, the idea is to create value in the long run. We have some inventory, even Ahmedabad for that matter. So, these are large scale projects where the endeavor is to create value in the long term. So more like a land banking strategy we had with frankly very low invested capital. And then the second strategy which is largely about buying land and doing churn very fast and unlocking and creating high PAT margins where the market opportunities continue to exist. So, some of it is through the acquisition right now. And we would continue to buy land where we feel that our ability to turn them around within 6 to 12 months is very high and our ability to improve our overall margin profile exists. So, if you look at some examples like in Bombay, we bought something in Kandivali by the name of Godrej Reserve. And if you see it is a very sizable land parcel, very sizable investment we did. But in the last two odd years, first year we sold Rs. 2,700 crores and last year we sold Rs. 1600+ sort of crores. Similarly in another market of Bombay we bought a project and launched it in Mahalakshmi we did about Rs. 1,100 crores just last year. So again, these are coming out of an investment thesis that yes, these projects can be churned very fast, and these are places where the organic demand is very high. These are city centric projects unlike the township project, which is slightly off city center there, I think the idea is to add more projects.

Parvez Qazi: Sure. Thanks for your answers and all the best. Thank you so much.

Moderator: Thank you. The next question comes from the line of Kunal from Bank of America. Please go ahead.

Kunal: Great, thank you. A couple of questions on your imputed margins. The first one is given that you have Rs. 50,00-55,000 crores of inventory available from some of the recent projects, is it fair to assume that the visibility on achieving imputed EBIT margins of give or take 26%-27% still exists for the next 2 odd years? And then just as an extension to that as you undertake the next phase of business development Rs. 20,000+ crores, the margin profile that would come alongside that new business development, would it be very different from what you are achieving currently?

Gaurav Pandey: Thanks. The first question is a very quick one. Yes, the endeavor will be to continue maintaining and improve improving our margin profile. And I think like Pirojsha was mentioning the reason for having frankly a very conservative business development target is to actually look at these which at least meet these margin profile if not more and that too in a way that we feel capital churn can be very fast. So yes, we expect that these should be a long-term trend that we would like to maintain.

Kunal: Got that. And just a quick clarification, again is it fair to assume that the number reported is all sort of all operating margin profile and devoid of any one-time benefits for the year?

Gaurav Pandey: Yes, you are right. All operating margin.

Kunal: Great. Thank you so much.

Gaurav Pandey: Thank you.

Moderator: The next question comes from the line of Akash Gupta from Nomura Research. Please go ahead.

Akash Gupta: Hi sir, thank you for taking my question. My question is on the imputed EBIT margin for FY25. So, despite having higher economic interest on our pre-sales, our imputed EBIT margins have declined from 26.8% to 26.2%. I just wanted to understand, my second question is that why is there a delay for the Ashok Vihar project and the Bandra project? Thank you.

Pirojsha Godrej: Yes, thanks for that. I think the imputed EBITDA margins are essentially flat, 26.8% and 26.2%. This is largely led by individual project, the lead mix. For example, in the base year, which is FY24, we had gotten a couple of Noida launches where the land cost to booking value was 8% because of the tremendous movement in the market that year on the very timely acquisition. So, I think we think it's broadly in line and actually at the PAT level we had guided 10% to 15% margin. We are actually slightly above that this year. So, I think reasonably happy with the margins achieved during the year and again don't really see them as very different than the previous year. And the reasons for the delay in Bandra are the site clearance, etc., there is a slum redevelopment project has taken more time than anticipated. It's not a process that we are directly involved with, it's a partner working on that. But there has actually been tremendous progress during last financial year. So, I think there is much better visibility now than ever before. And we are hopeful that we can do it by the end of this year. But I think one should assume next year is probably the safer bet for that. Ashok Vihar, there has been an issue that affects the whole market where there are a lot of trees on the site and the relocation of that trees requires significant approvals and given the environmental issues in NCR, this has become an issue taken up by the court. So, we are again hopeful that we will see good progress this year. The only silver lining in Ashok Vihar is of course our underwriting terms have now drastically changed as the market has improved. So, if we are able to now launch it this year, actually this delay may have ended up being a benefit. But of course, we don't want to stretch that logic too far and of course are looking to launch the project as soon as we possibly can.

Akash Gupta: Understood. And just a follow up question on the imputed margin. So, if I understand the prices at which we are launching our projects versus the prices at which we have underwritten our projects. There is a difference, we are getting benefit of price appreciation. So why isn't that flowing into our EBIT margins?

Pirojsha Godrej: I think it partially is. These are also estimates of cost to completion. There would be reasonable buffers in those estimates.

Gaurav Pandey: Yes, we have also been maintaining because as you would appreciate that these are forward looking number, and we just want to be a little bit more cautious on the contingency and escalations that may or may not happen from a cycle point of view. So just build some buffers before releasing out these numbers so as to not give an over optimistic figure. But yes, if things remain what they are in terms of cost indices, this has an upside risk to it.

Akash Gupta: Understood. Thank you so much. Best of luck.

Gaurav Pandey: Thanks.

Moderator: Thank you. The next question comes from the line of Kunal Lakhan from CLSA. Please go ahead.

Kunal Lakhan: Hi. Thanks for taking the question. Just one bookkeeping question first like what's the value of the unsold inventory that we have for the books?

Rajendra Khetawat: Around Rs. 20,000 crores.

Kunal Lakhan: I am going to the guidance of Rs. 40,000 crores. If you just go by what we did in FY25, like almost out of the Rs. 29,000 crores of sales, two-third came from our new launches. And if we plan to launch about Rs. 40,000 crores of inventory next year, assuming we have a very similar run rate, then we are just being a little too conservative either on the unsold inventory monetization or how should we read this?

Pirojsha Godrej: I think again, it is our philosophy on guidance to be conservative. You can read that how you would like to. We have provided our track record on guidance. This is an industry that's inherently uncertain. I think some of our peers have on occasion badly missed guidance by kind of probably disclosing what their internal plans are as guidance. We don't want to do that. You are right that if we are able to launch almost everything that we can launch even close to on time and we see the same sell through rates that we have seen over the last 2 years, there will be significant over performance of the guidance we have given as there has been in some recent years. So, we are quite hopeful and that will be the endeavor. But we don't want to be talking to you guys in 6 months and feeling very sheepish that we are at risk of missing the guidance. So, we are confident of meeting this of course in some very bad scenarios, given this, it's not like this is lower guidance. It's 20% over last year's guidance after a period of +50% CAGR for several years. So, I think this is at the end of the day also a number that has never been delivered in terms of sales by any developer in the country. So, it's not that we are giving very low-ball guidance by any stretch. But certainly, you are right to assume that if we are able to deliver the same performance on launch timelines and the same performance on sales throughput, we will exceed this number.

Kunal Lakhan: Sure, that's helpful. Secondly, on the cash flow side, if you look at our spend on construction even for the full year, it's about Rs. 5,500 crores for FY25. Considering like we are selling 25 million square feet this year, we sold 20 million square feet last year, this spend on construction seems a little lower. This should materially ramp up, I presume. In that context how should we look at operating cash flows also?

Gaurav Pandey: You are absolutely right. As you would see that many of these launches were fairly high-rise building. So, a lot of time goes in to piling work, excavation work, in places like Hyderabad you also have to do something like control blast because the terrain is very rocky and most of our first 30%-40% so that the quality of sale is very high, especially 20% to 30% is more time linked, so that the quality of sale is very high. But fortunately, with most of the things on the excavation, piling and foundations done, I think the COC figures will jump. And the exciting part is that we typically have 20% to 30% plinth level and about from regulation you can normally collect 70% up to structure and then the residual post structure which is finishing and all. So, the exciting part is we now have a lot of good opportunity to accelerate construction which will benefit both COC jump but also will improve our collections trajectory significantly. Which is why if you notice on the back of close to 49% growth in collections from Rs. 11,400 thereabout crores to Rs. 17,000+ crores, we are now guiding Rs. 21,000 crores kind of collection figure. Now operating cash flow very difficult to really put up a number. But I think the long-term average you can always assume that we are consistently increasing year-on-year on operating cash flow and becoming a more self-sufficient way. So, I see that the trend will continue now, frankly depend upon our ability to execute all the projects well. So, if we do everything well this could be even higher than this year and with some degree of this could be slightly lower also. But yes, I mean it's all going to be in the most likely rising trajectory as we move from the one year to next year.

Kunal Lakhan: Sure. Thank you, that's very helpful. Thanks so much.

Pirojsha Godrej: Thank you.

Moderator: Thank you. The next question comes from the line of Manoj from Geometric Capital. Please go ahead.

Manoj: Good afternoon, sir and congratulations on good results. As you said you have an aspiration of double-digit margin on the macro markets and you have already told that you are bullish on real estate in a longer way also. So, it is a good pretty dominance to be double digit in any macro market. So, what more new you would have to do for that and what better you have to do what you are already doing?

Gaurav Pandey: I think we would like to take one step at a time. I think Pirojsha was rightly mentioning that this is a massive opportunity for us to target towards from a long term. But if you just try and see from what happened in 3 years from Rs. 7,850 crores to now, our market share has more or less moved from 2.5% or thereabouts to about 4.3%. So just moving 1% or 2% in a fast-growing market has a huge massive impact from a booking value. So I think we are actually doing sort of a reverse engineered question for ourselves which is that what do we do to execute these projects extremely well so that the profit that we have already logged in to begin with that gets into accounting, point number one and point number two we have four massive big markets where some markets have started performing to a sort of a good potential like Rs. 8,000 to 10,000 crores like Mumbai and north. How do we grow this internally, the aspirations to continue growing with 20% but at the same time how can we specially grow markets like south which has a huge potential and Pune which has started firing for us. So yes, which is why how we have given you guidance. So I think the guidance that we have given from a sales perspective is something we would like to achieve as hygiene. And with that hygiene I think the real challenge and focus will be to speed up execution and layering that with good BD, good launch pipeline or can we beat these in the medium term to long term, year-on-year is going to be the aspirations. I think we are on the right track. We are not really targeting immediately to get into double digit. We are already clearly number one, give or take at least 30% to 40% than our nearest competitor. So, it's not a booking value game at least for us. It is a more of a margin expansion and execution game from here on. Because growth is sort of hygiene for us. I am saying growth is more or less hygiene for us now, it's to look at other buckets of performance.

Manoj: Okay, great. So, as you are talking about the margin, so I understand margin is 360-degree approach for many things, sales volume, at what price the land was bought and you talk about how fast the project has been turned around. That is also one factor while doing a BDA. But how much there is a minimum balance. There is a project which you can faster turnaround, you may have a lower margin. But what should be the minimum base margin you target while doing a BDA? If that much margin we should have even if the project is a early turn around because of every risk the project carries, is there something on that?

Gaurav Pandey: Yes, I think Pirojsha sometime back mentioned that generally we have historically been saying 10% to 15% margin but I think of late we have been targeting up to 15% PAT margin. And the kind of deals we have been able to secure, there have been many projects where in fact we are delivering slightly better than even 15%. So, give or take 14% to 15% PAT margins what we are looking at, of course there are plotted development where this goes up to between 20% and 25%, even 30% of PAT margin. But at a portfolio level, 15% is what we want to consistently do.

Manoj: And our past BDAs and unsold inventory carries that kind of margin which we will sell in future?

Gaurav Pandey: So it depends, see the project that I talked about from FY23, the inventory that should be mimicking this, then the land parcels that we bought are like in Panvel or could be in similar range but in Ahmedabad it could be slightly lower and places like Ashok Vihar this could be significantly higher.

Moderator: Thank you so much, sir. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for the closing comments.

Pirojsha Godrej: I hope we have been able to answer all your questions. If you have any further questions or would like any additional information, we would be happy to be of assistance on behalf of the management, thank you again for joining us today and apologies again for having started late. Thank you. Have a good weekend.

Gaurav Pandey: Thank you.

Moderator: Thank you, gentlemen. Ladies and gentlemen, on behalf of Godrej Properties Limited, that concludes this conference. You may now disconnect your lines.