

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

CIN: L74120MH1985PLC035308

August 04, 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 - Scrip 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, August 01, 2025, post declaration of unaudited financial results (standalone and consolidated) for the quarter ended June 30, 2025.

This is for your information and records.

Thank you.

Yours truly,

For Godrej Properties Limited

Ashish Karyekar
Company Secretary

Enclosed as above

The logo for Godrej Properties Limited, featuring the word "Godrej" in a stylized, cursive script font.



“Godrej Properties Limited Q1 FY-26 Earnings
Conference Call”

August 01, 2025



**MANAGEMENT: MR. PIROJSHA GODREJ – EXECUTIVE CHAIRPERSON,
GODREJ PROPERTIES LIMITED
MR. GAURAV PANDEY – MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER, GODREJ PROPERTIES
LIMITED
MR. RAJENDRA KHETAWAT – CHIEF FINANCIAL
OFFICER, GODREJ PROPERTIES LIMITED
MR. MR. KSHITIJ JAIN – INVESTOR RELATIONS,
GODREJ PROPERTIES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Godrej Properties Q1 FY '26 Conference Call.

As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Kshitij Jain. Thank you, and over to you, sir.

Kshitij Jain: Thank you. Good afternoon, everyone, and thank you for joining us on Godrej Properties Q1 FY '26 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 risks. 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. Over to you, sir.

Pirojsha Godrej: Good afternoon, everyone. Thank you for joining us for Godrej Properties 1st Quarter Financial Year 2026 Conference Call. I will begin by discussing the highlights of the quarter, and we then look forward to taking your questions and suggestions.

Godrej Properties delivered another solid quarter, registering continued momentum in bookings, cash flows and earnings. We have delivered our highest ever quarterly net profit of INR 600 crores in the 1st Quarter, a growth of 15% year-on-year.

The residential real estate sector in India has been strong over the past 4 years, and we believe the demand conditions remain favorable. Our business development additions with a future booking value of over INR 90,000 crores since financial year '23 at favorable terms continue to allow us to scale our bookings and, in turn, over time, our earnings.

On the bookings front, GPL achieved a booking value of INR 7,082 crores from the sale of 4,231 homes with a total area of 6.17 million square feet. The booking value showed a decline of 18% year-on-year but actually represented a 2-year compounded annual growth rate of 77%.

This is the eighth consecutive quarter in which Godrej Properties has exceeded INR 5,000 crores of booking value. The sales in the 1st Quarter were driven by strong demand in several new project launches, including Godrej MSR City in Bengaluru, which achieved a booking value of INR 2,426 crores. Godrej Majesty in Greater Noida, which achieved a booking value of just under INR 1,000 crores and Godrej Tiara in Bangalore, which achieved a booking value of INR 470 crores.

Bangalore contributed more than INR 3,000 crores followed by Mumbai and NCR, both of which contributed over INR 1,600 crores to our sales. There were 6 new projects and phase launches during the quarter across 4 cities with a total sales potential of INR 8,500 crores.

Collections in the 1st Quarter grew by 22% to INR 3,670 crores, and operating cash flow slightly declined by 4% to INR 947 crores, largely on account of the relatively low deliveries we had during the quarter of under 1 million square feet against a full year target of at least 10 million square feet.

In terms of business development, we started the year on a strong note by adding 5 new projects in estimated saleable area of approximately 9.24 million square feet and an expected booking value of INR 11,400 crores. With this, Godrej Properties has achieved 57% of its annual guidance for business development for the full year in the 1st Quarter itself. In the 1st Quarter, our total income decreased by 3% to INR 1,593 crores, EBITDA grew by 18% to INR 915 crores and net profit grew by 15% to INR 600 crores.

With a robust launch pipeline, strong balance sheet and resilient demand, we are on track to achieve our bookings target of INR 32,500 crores in FY '26 and are also on track to meet our guidance across all other operating parameters.

On that note, I conclude my remarks. Thank you again for joining us on the call. We are now happy to discuss any questions, comments and suggestions you may have.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Puneet from HSBC. Please go ahead.

Puneet Gulati: Yes. Thank you so much. And congratulations on a good start to the 1st Quarter. My first question is if you can talk a bit about the new launches, what percentage have you been able to sell? And in your total sales, what would be the share attributable to you?

Gaurav Pandey: Thanks, Puneet, for the question. Essentially, if you see most of our big launches has been in Bangalore, we launched this project by the name of Godrej MSR City in North Bangalore. And we were able to sell close to about INR 2,400 plus crores. I think INR 2,426 crores in the previous quarter. And if memory serves me right, in the first phase that we had opened up with some inventory we had locked, the total available was about INR 2,600 crores, INR 2,700 crores. Of which maybe about INR 100 crores, INR 150 crores, we had sort of blocked to do it at a slightly higher pricing.

The next one was another project in Greater Noida by the name of Godrej Majesty. In this one, in the previous quarter, we have sold about INR 925-odd crores. And I think even in this quarter, we have already sold another INR 75-odd crores. And this is part of some towers that we have launched, and it's going very well on the track.

The third big launch that we had in Yeshwanthpur. Yeshwanthpur approval actually came a little later. We got this approval close to 3 weeks before the quarter got ended, and we sold more than INR 400-odd crores, if I am not wrong, INR 470-odd crores in the previous quarter.

And it is continuing to sell as aggressive as that. If my memory serves me right, we would have crossed almost a similar number already in this particular last month itself. So, again, going well on track.

And then remaining will be more or less like sales activations and all. So, yes. So, whatever we are opening stock between the towers that we open, the floors we open, give or take, between 70% to 90% is what we are selling. Consciously, we are holding some very, very prime inventory so that we can ride through some amount of pricing uptake, but we are seeing very strong demand, yes.

Pirojsha Godrej: The other question was, the GPL share this quarter was a little bit lower than last year because of the large sales in Bangalore, in our JV project, so that was 78% for the quarter.

Puneet Gulati: Understood. And secondly, if you can talk a bit about the environment in terms of deliveries, the deliveries was 0.8 million square feet. Are you seeing any challenges in terms of availability of labor, contractors, et cetera? And is there a risk for any account on the slight pushback in terms of project completion and collections and so on?

Gaurav Pandey: That's a great question. If I were to give you a sense of the execution piece, I am delighted to share with you, in the quarter 1, we were able to increase our COC run rate. Just to give you a sense, COC in Q1 of the previous financial year was about INR 750-odd crores. And the quarter 1 COC was about INR 1,170 plus crores. So, we are seeing a very strong execution uptake.

And yes, you are right, there have been a historical challenges on the labor side. But for the last 9 months, we have been working on a complete execution turn-around strategy, and we have worked on kind of bringing our laborers into a digital infrastructure system, creating a sort of a road map to engage them better and also relook at some of our contractor base. And through these initiatives, today, our sites are able to consistently month-on-month exceed the target that we are setting for them from a labor point of view.

So, yes, there might be some pockets of opportunities of major improvements still, but I think give or take, in this quarter, we should be able to ensure that any gap on some projects from a labor strength also gets fixed up. So, I think we might be an outlier and if we continue the drive that we are doing in the next 1.5 to 2 years, we will almost automate the engine. And we are also integrating a lot of tech initiatives to strengthen this overall execution piece.

Puneet Gulati: But should it not show up in your construction-related outflows, which was INR 1,800 crores in 4Q and INR 1,460 crores this quarter?

- Gaurav Pandey:** I will explain to you. See typically, if you see our historical numbers as well, typically, Quarter 4 has a lot of OCs that technically kind of come in. Quarter 1, we just had 0.8 million sort of square feet of OCs, and we did a lot of launches in Quarter 4, if you recollect, which is the initial days of construction mostly about excavation and piling works, which are not, from a COC spend, a very huge item. But from a labor intensity and activity, so the materials don't get pumped in; like steel, cement, doesn't get too much into excavation, but labor movement, truck movement is fairly high. So, I think you would see that uptake in the coming quarter.
- Puneet Gulati:** Okay. Understood.
- Pirojsha Godrej:** I think, Puneet, to put it in another way, we remain very confident of the guidance both on collections and delivery. Quarter-to-quarter, of course, there can be some fluctuations.
- Puneet Gulati:** Fair enough. And secondly, on your BD front, you have been doing quite aggressively. If you can quantify balance to spend on what you have already acquired in terms of land payment dues, and how are you thinking about future run rates.
- Rajendra Khetawat:** Okay. I will take the first part, Puneet. For the deals, which we have signed in this year, balance to spend is around INR 900 crores and around INR 1,000 crores or INR 1,200 crores for the earlier deals, which we have signed in '25 and '24, which are milestone-linked payments.
- Puneet Gulati:** Okay. And this includes INR 1,200 crores includes the Ashok Vihar as well, right?
- Rajendra Khetawat:** That includes one instalment of Ashok Vihar, which we will get due for this financial year.
- Gaurav Pandey:** And I think your second question was on the future BD, is that the question?
- Puneet Gulati:** Yes.
- Gaurav Pandey:** I think we remain very optimistic on the deal pipeline. So, we endeavor to add projects especially in cities like Bangalore and Mumbai and also to some extent even in Pune. And NCR, we are acquiring a few projects mostly on the plotted side, like in Panipat, you would have recently seen an acquisition, and we have been very selective currently on the NCR acquisition unless we find the valuation very attractive. So, you would see definitely very strong business development growth, but more calibrated more about where the take-up rate can be very fast from buyout opportunity to launch and churn.
- Puneet Gulati:** Understood. That's very helpful. Thank you so much, and all the best.
- Gaurav Pandey:** Thanks Puneet.
- Moderator:** Thank you. The next question is from the line of Abhinav Sena from Jefferies India. Please go ahead.

Abhinav Sinha: Pirojsha, my first question is to you. So, in the opening comment, you have mentioned that demand conditions are pretty strong. And I guess, even your sales should be higher this year. Plus we have seen some other developers also report very strong numbers in 1st Quarter. However, the industry data seems to be flattish to down, so how do we square these 2 things?

Pirojsha Godrej: Yes, I think the demand conditions do remain quite strong in our view. I think comparing it to a time where perhaps the demand conditions are quite euphoric may not actually give the best picture. I think we are following so far pretty much exactly what one would expect to see in a typical real estate cycle, assuming this is kind of year 4 or year 5 of that cycle, which is, you do have the couple of years of kind of extraordinarily fast pricing growth. We have seen some of our launches, people have been lining up at 1 o'clock in the morning and so it's a music concert or something like that.

So, I think those are not conditions that are going to sustain indefinitely nor probably should they sustain indefinitely. So, I think we have now entered a period where prices have reset to a higher and quite attractive level. We are continuing to see strong demand at these levels. But I don't think at this stage of the cycle, we are going to see very sharp pricing increases or volume jumps from here. So, I think it's more about steady growth from here, that seems to be playing out in most of the numbers we are looking at. So, I think, as of now, certainly, we are quite happy with the response we are continuing to see across the country in all our new project launches.

Abhinav Sinha: Okay. Sir, secondly, on the BD side. So, I noticed that this quarter, you have done a couple of area share agreements, and this sort of comes after a while, right? So, where you were earlier doing almost all projects as buyout, so is this like a conscious shift in strategy?

Pirojsha Godrej: I think, yes and no. I think some amount as we get closer towards the mid to end stages of the up cycle, I think rebalancing a little bit towards JVs will make sense. So, I think these, frankly, were more driven by kind of deal-specific requirements of the landowners, which are always a factor in deal structures, and where we are seeing continued opportunities for outright purchases. So, I think this year, again, most of our acquisitions are likely to be outright.

Gaurav Pandey: In fact, if you see the transaction like the Panipat is a completely 100% buyout transaction. And the pipeline that we currently have is a mix of both area share revenue share structures, but a lot of outright transactions. So, I think it will be a very opportunistic basis. But the interesting part is, whatever we acquire agnostic to structure, our return metrics are intact, which means that the PAT margins that we always target as the main metric. And of course, IRR is exactly the same threshold that we maintain for any reconstruct.

Abhinav Sinha: Right. Gaurav, can you help us with some of the large launches to expect in the next couple of quarters?

Gaurav Pandey: Actually, we have a crazy launch pipeline. It depends on how much we actually can squeeze in. But just to give you a flavor of a launch pipeline, we will be very soon having a launch in Gurgaon. This is a 3.6 acre of land in Sector 53, and a very exciting project developed on a sort

of a Japanese theme. Then we will be launching the first time a retail product, a new asset class, and a very sizable one in Greater Noida. This is part of a very successful project of ours called Godrej Golf Links. We endeavor to launch maybe within the next 3 months. It could be within this quarter or early next quarter is the Worli launch. Things are going very strong on that.

Approvals are more or less on track and we hope to secure that one very soon. On the Versova, this is an acquisition we did last quarter, delighted to share this will hit this quarter as a launch, one of the fastest turnaround for us in Mumbai zone.

We are also looking at finally launching one of our acquisitions of Indore. There is a lot of excitement in Indore market for Godrej properties entering, and this should be a blockbuster within this quarter.

Then we have some launches being planned in Panvel city. We are also opportunistically looking during the year something in Sanpada. We will hit a very big launch in, like Pirojsha was mentioning, in Hyderabad. This was an acquisition we did in a very interesting market like Rajendra Nagar. And this has a very large booking value potential.

We will be launching one large phase within this quarter and will be a very sizable number. Then in Pune, we will look at launching Keshav Nagar. After a long time, we are going to reenter that micro market. We have some launches here and there in Pune like MaanHinje. In Bangalore, we have a launch in likely, if not this quarter, the next quarter in Thanisandra.

And further from there on, likely, we will be able to launch either the next quarter or the quarter after the Panipat recent acquisition of previous quarter. The approvals are going very fast. So, it is planned for Q4, but I wouldn't be surprised if it hits even Q3.

Then we have a 7.5 acres land parcel in Gurgaon, which should also hit within this year. We have a Greater Noida parcel that we had done an acquisition, that is going very well on design and approval stage now. So, that should also happen within this year.

We have a Kharghar acquisition, if you remember, bought in auction that will hit this year.

Then we might be able to pull off. I mean, very early to say, but there are 2 Upper Kharadi transactions we did, which had a cumulative booking value locked in of INR 7,300 crores. We would endeavor to at least try and launch one of the phases of one of the land parcels.

Then we have a launch coming up in Evergreen Square during the year. Something in Raipur, the plotting development. We are trying internally to push it for a Q4 launch. And hopefully, also within the year, you will see the Ahmedabad launch.

Then we have some residential opportunities in GGL, next to the retail plot. And then opportunistically, we might even launch more phases of Bannerghatta. Basically, we will enter Bannerghatta, but the MSR City might open before.

Well, as you can see, it's a humongous pipeline that we have built for ourselves and which gives me a sense that if we hit most of them well, we should comfortably exceed our guidance. But if we are able to get more of this, like the pipeline mentioned, then we might be in for a good surprise.

Abhinav Sinha: Great Gaurav. Thanks and all the best.

Moderator: Thank you. The next question is from the line of Girish Choudhary from Avendus Spark. Please go ahead.

Girish Choudhary: Hi, good evening. My first question is on the business development. Now that you are running ahead of your guidance for the quarter. I was more interested to know on the land spend. This quarter, you did around INR 2,000 crores of land spend, so how should we look at this number for the year as a whole? I mean, last year, we spent close to INR 9,000 crores. And also how should we look at the debt numbers for the year?

Gaurav Pandey: So, actually, to be very frank, the strategy on the business development side is, as we mentioned, even when we are releasing the guidance is not really driven by a targeted must-have guidance, right? It just happens that the deals need a metric, and we are very confident of them being available for immediate launch and I say immediate meaning next 6 to 12 months, is when we typically go about it. As a rule of thumb, if I were to say that for every, say, INR 1,000 crores worth of inventory, you can assume between 15% to 25% is your land acquisition cost in an outright, and it can be far lower if you do an area share or revenue share.

So, it depends on the deal construct. It depends upon the type of opportunities we get to see during the year. And this could be a number, which for a quarter, you may not see certainly a lot of transactions, like in Q1, you saw lot of transactions. So, really difficult to predict an absolute number, because for us, having them is not necessarily critical to maintain booking value growth. As you know, we have acquired a series of projects. I am delighted to share with you that in the last 3 years or so of BD that we have logged in, we still have close to INR 60,000-odd crores worth of inventory to sell. And from a historical inventory, we are close to INR 114,000 crores of inventory.

So, BD, logically, what we are looking at is more about opportunistic fast turnaround, and in micro market where we see a huge potential and depth. So, this will essentially drive, because we have a very strong operating cash flow pool even in this quarter, we had like INR 947-odd crores of operating cash flows in spite of almost INR 400 crores of extra COC spend when I compare Y-o-Y. This is going to fuel our future growth in the coming quarters. So, difficult to put a number, if I were to be very specific. But yes, we will acquire a lot of opportunity, but based on very strong deal metrics.

Girish Choudhary: Okay. On the debt, how are you looking at the debt from here on?

Pirojsha Godrej: Yes. I think, again, it will depend a little bit on the quantum of business development we have done. But I think if you look at it, last year, we did about INR 7,500 crores of operating cash flow on collections of about INR 17,000 crores. We have guided this year for INR 21,000 crores of collections. So, of course, hope to see operating cash flows also at a very healthy level this year. So, I think a lot of the business development should be funded by that.

From a debt perspective, we have laid out an absolute cap that we would like to look at for net debt of INR 10,000 crores. So, we do have a fair amount of room and even that would only take us to about 0.5 or a little bit above that range.

So, I think that there is more than enough sources of cash, both between operating cash flow and room to borrow a little bit if we see the need to in the short term. But I think the decider of exactly where debt ends this year will be how much beyond this INR 20,000 crore guidance, we are able to do on business development.

And it's not that internally, we must do at least INR 30,000 crores. I think, broadly, we would like to see a kind of replacement value business development, so roughly in line with our sales. And I think operating cash flow should be able to fund most of that.

Girish Choudhary: Sure, sure. My second question is on the construction outflow run rate. Like you earlier mentioned that you are running ahead of the COC run rate. So, but basis your expected cost to complete, what can we assume the run rate for, let's say, for fiscal '26 and '27? Last year, we had spent close to INR 5,500 crores.

Gaurav Pandey: Yes. I would say that probably last year, our COC spend was about INR 3,500 crores, INR 3,700 crores, something, if my memory serves me right. I think it depends on how efficient we are able to capitalize on some of the start of construction, because when we do an estimation for the year, it also kind of picks up our approvals coming for H2 launches, right? So, depending on how quickly we can get those approvals on track, give or take INR 5,500 crores to INR 6,500 crores...

Rajendra Khetawat: Last year was around...

Gaurav Pandey: No, no, I am talking this year. I am talking this...

Rajendra Khetawat: No, last year was higher, around INR 5,500 crores.

Gaurav Pandey: This includes all the development costs or just the COC spend?

Rajendra Khetawat: The COC spend basically.

Gaurav Pandey: COC spend. So, give or take 30% to 40% growth on the base value we should have.

Rajendra Khetawat: Thank you so much.

- Moderator:** Thank you. The next question is from the line of Parvez Qazi from Nuvama Group. Please go ahead.
- Parvez Qazi:** Hi, good afternoon. And thanks for taking my question. So, my first question is on the pricing front. Now you did mention that demand remained strong, we are able to sell 70%, 80% of our launch inventory pretty soon. So, what would have been, let's say, the like-to-like price increase that you would have taken in Q1?
- Gaurav Pandey:** So, in most markets and, of course, there are some exceptions of some projects where we may not have increased prices, but most projects in North, we have been able to increase price between 2% to 3%. We have been able to increase between 1% to 2% in Bombay, marginally basically less than 1% in Pune market and about 2% to 3% in South market. This is what I am saying like-to-like projects, projects which had already been launched and we were doing sustenance sales. And our sustenance sales, as you know, is about close to INR 2,750-odd plus crores in the last quarter.
- Parvez Qazi:** Sure. The second question is, over the last 2 years, obviously, demand has been pretty good. We have seen an increase both in land prices as well as the price realization on the various projects. So, in your estimation, an IRR for a project acquired recently, how will it compare with, let's say, BD deal that you would have done 3 or 4 years earlier? Will the IRR be same, higher, lower? Just wanted to get your views.
- Gaurav Pandey:** I think the projects that we had acquired in the initial stage of the cycle, so let me clarify. The underwriting standards when the cycle was starting up to its peak as well were exactly the same that we had even in pre-COVID. We were always underwriting on conservative sort of basis. That's been more like a governance principle that we have set when we buy land. So, those have, of course, seen a very dramatic uptick both from an IRR perspective, overall PAT profile and even PAT margins, right? And the deals that we acquired even in the 6 months, at the moment, more or less most of the deals we are seeing an uptick in IRR.
- Now the deals that we will continue to acquire, the endeavor is going to be that whatever we have been underwriting agnostic to market cycle, we should maintain and improve upon that. So, to put it very simply, when we look at a deal, we don't really go aggressive and underwrite basis aspirational life cycle numbers. We do what is like a launch scenario as we call it, basically today, rate, if this rate does not increase for next few years, what is the margin profile and IRR looking like? And that's how we underwrite. And if the market supports, you improve upon it, market doesn't support you, you at least, for the very minimum, try and maintain those margins to whatever extent possible.
- Parvez Qazi:** Sure. Thanks and all the best.
- Moderator:** Thank you. The next question is from the line of Ashish Mendhekar from JPMorgan. Please go ahead.

- Ashish Mendhekar:** Yes, I understand the completion trajectory of FY '26. So, shall I ask all the questions in one go or like...
- Gaurav Pandey:** Did you ask for completion for this year? Is that your question?
- Ashish Mendhekar:** Yes, completion trajectory for FY '26?
- Gaurav Pandey:** Sorry, not able to understand.
- Pirojsha Godrej:** Sorry, the line is not clear at all.
- Ashish Mendhekar:** Okay. So, I was not looking for the exact number, but what would be the completion trajectory going ahead in FY '26? My second question is...
- I will take it offline. I will take it offline.
- Pirojsha Godrej:** Yes, okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.
- Parikshit Kandpal:** My question is on the NCR market. So, last year you clocked INR 10,000 crores of sales and this quarter, INR 1,650 crores. And Gaurav, I think you sounded a little cautious on the NCR market on new business development. I could sense that you are saying there are not many attractive deals available. So, in terms of growth this year from presales in NCR and on BD, so how are we thinking?
- Gaurav Pandey:** I think, Parikshit, fortunately, we do have a very strong pipeline in NCR market and a fairly diverse pipeline. We have a very strong presence especially in Golf Course Road micro market, the main epitope market for Gurgaon. And then we have a very spread of projects. I am talking about bigger numbers, and we have a lot of projects in Noida, Greater Noida market. So, I think we have enough and more to kind of sustain the growth for the next 18 to 24 months. And of course, not that I am in any way discounting the opportunity that NCR market will present us. In fact, there is one deal, which is in a fairly advanced stage, but we are negotiating.
- But when you run sort of a principle of risk-adjusted return, you don't really get very emotional about the investment, right? I mean you just see that if you have a great pipeline and a headwind to deliver great growth for the next 1.5 to 2 years, you kind of sit back and wait for the valuations to come at a level.
- And sometimes it takes 2, 3 months, sometimes it can take 6 to 9 months, right? But when it does, we do go very aggressive. If you see about 2 years back, it was exactly similar, but then we started acquiring in a matter of months, we did 4, 5 acquisitions.

So, I think right now, there is a sort of an opportunity where we want to negotiate a little smartly and get those deals to our terms. But thanks to the good work of the teams in the previous 4 to 6 quarters, we have enough and more to sustain the growth.

Parikshit Kandpal: But again, in terms of like what will this bring down the negotiation, the pricing?

Gaurav Pandey: Sorry?

Parikshit Kandpal: So, you said that you will look for more attractive deals. So, what will bring the deals more...

Gaurav Pandey: I couldn't hear the last part of the question.

Pirojsha Godrej: So, I think what we are saying is that we have a strong pipeline in NCR. So, even on the INR 10,000 crore base we have had for the last 2 years, we expect to show growth on that this year. And I think Gaurav's point is, we don't feel the need to be chasing deals if we are finding the valuations unrealistic. There's no challenge to just not doing deals for a few months until the right opportunities come. But certainly, NCR is among the markets that we will look at new BD this year, and we do have a plan to ensure strong growth in NCR this year.

Parikshit Kandpal: Okay. And just the last question on Delhi. So, any update over more midterm, how is the Delhi market now looking at? I know there are new development plans that are being discussed and drawn out. But from medium to long term, do you think that Delhi can become equally lucrative market for GPL?

Gaurav Pandey: Yes, of course. Parikshit, that we are quite excited about the Delhi opportunity. And there is definitely a strong supply constraint in the entire Delhi, because of the complexity of the regulation, the land market, how that operates. And I feel that once we bring Ashok Vihar to the market, which has been going a little slow historically from an approval point of view. But yes, there is a very strong opportunity for us to unlock massive amounts of upside in that particular project.

We should be able to re-rate the entire Delhi. But Delhi, if you frankly ask me from Ashok, agnostic if I remove this transaction per se, Delhi always has a huge land constraint, which is why Gurgaon property market kind of had the uptake. Otherwise, the Gurgaon market would have not existed. It was essentially people migrating from Delhi in search for better high-quality development. But as and when we are able to bring Ashok Vihar, I feel we will be able to get a very significant price premium once we launch that project.

Parikshit Kandpal: Okay. I just missed if there is any update on Ashok Vihar, so what is the launch time lines now? I mean you have been making the payments, but in terms of launches, what is the stage of approval and clearances?

Gaurav Pandey: As frustrating it is, honest and candid answer is that it's a bit of a frustration for us that we have not been able to launch this project for a while. And I think we, in fact, mentioned very candidly in the previous earnings call as well that there has been set of approval authority issues in the

government setup on which department grants approval where and how. There has been some views from the court also on the overall tree cutting policy of Delhi. So, it is difficult to predict how exactly the court will decide and how exactly the authorities will sort of move in forward.

But if I were to give you a sense of what the feeling on the ground, what was happening about 6 months back when the governments were not really aligned, I see there is a good positive movement. We see a good amount of clarity coming at least from the departments to begin with. There has to be some movement on the court side, which is frankly not really in anyone's control. But fingers crossed, if things continue the way they are, we remain very, very positive for a launch.

But I don't think so at the current state of data that I get to see, I will be able to give you a very accurate timeline for a launch. But if I were to give a sense of relatives, about a year back, things were looking much more difficult, and things are looking much more positive now.

Parikshit Kandpal: Okay. And just one last question on the launches this year. So, if you can help us quantify what quantum of your launches are impacted by the NGT issue, which is currently under court's hearing and final judgment awaited. So, how much of your BD you would have got -- The Sanjay Gandhi National Park issue and currently, so that issue has impacted in Mumbai. And basically, approvals on this environmental clearance that the state will do and center, that issue I am talking about. So, any update on that? And also on the ground...

Pirojsha Godrej: I think the INR 40,000 crore launch guidance we have given for the year is meant to be a number that we should be able to deliver even if there are a few setbacks on the approval side. So, we remain confident of that INR 40,000 crore number. In the 1st Quarter, we did about INR 8,500 crores.

Parikshit Kandpal: Okay. And even on Bangalore, there's a ground rent issue, which is going on. On the charges, what has to be paid on even on OC and on new launches. So, any update on that, whether that will impact any of our Bangalore launches?

Pirojsha Godrej: No, I think, look, there's an endless number of these kinds of issues in the sector. So, I think these have to be taken in stride and the project teams have to find solutions. But the number we try to provide from a guidance perspective is one which we think has adequate buffers that we can absorb some of these delays and hits and still achieve the number we have provided.

Parikshit Kandpal: Sure. Thank you Gaurav. Thank you Pirojsha.

Pirojsha Godrej: Thank you.

Moderator: Thank you. The next question is from the line of Ashish Shah from HDFC Mutual Fund. Please go ahead.

Ashish Shah: Thank you. Sir, just wanted to get a sense on any recent trends that you can highlight on footfalls, conversion rates or how long it is now taking to convert inquiries to sales, let's say, vis-a-vis

where we were a quarter or so back in at least our key markets like Mumbai, Pune, Bangalore, maybe NCR. Anything that you can share on that front?

Gaurav Pandey:

So, I would say that with the exception of NCR about 9 months back, the conversions and the excitement euphoria was more or less almost similar in all markets that we were operating. I mean, there was never a crazy uptake, neither sort of a compression of any sort of either a walk-ins or conversion. I think there was a sense of a lot of media narrative, if I were to put it, about 9 months back on NCR, and we just became a little bit cautious from our own end to just revalidate, but we never saw any sort of a dip in any sort of either the walk-ins or conversion ratio.

So, if you look at the most recent example is the launch that we have done in Greater Noida. If you see and understand that location, it used to be historically we priced at around 7-ish, 8,000 or 9,000 at max sort of a location. And there has been a huge supply constraint in the Greater Noida market, because it's heavily controlled by the government. The supply comes from auctions only. And we were able to secure a project and launch and sell INR 925-odd crores at INR 14,000 plus rate, if I am not wrong, probably INR 14,500 was the realized price.

And we had fantastic walk-ins, fantastic conversion, and we are still seeing walk-ins happening in that side. So, I think the real challenge for any market is not really the sentiment. Right now, I think, is very positive.

There was some amount of narrative, I would say, was holding till January, but especially after the government doing certain changes in the fiscal policy, the environment started being more positive. The interest rate reduction, again, frankly, doesn't really impact our segment per se, but just kind of removed any negativity that certain corners were making.

So, I would say similar conversion ratio, similar walk-ins. In fact, in some projects, we are breaking records of walk-ins. So, like if you go to Bangalore, the organic walk-in that we have seen in that side is one of the best ever numbers we have seen in any project across India. So, yes, I mean, there are some new benchmarks we are trying to create within the company as well. So, I don't see any change.

Ashish Shah:

And especially, let's say, in case of Bangalore, this hasn't changed much in the last month or so, because there has been some concern of IT services-related slowdown, et cetera. So, have you seen anything particularly in markets like Bangalore, which probably get more affected by IT services? Any sort of slowdown in that sector?

Gaurav Pandey:

I think on the contrary, when you launch a project, there is a typical dip in sales after the first few weeks of log-in, right? But the Yeshwanthpur launch Godrej Tiara, which has continued its sales after INR 450-odd crores in Q1 is kind of hitting a similar number already as we speak, right? So, I don't see that.

And I just want to caution one thing that the news that we hear about 1 or 2 companies doing it, which can be a trend is mostly on a very different job segment versus the Bangalore story. There's a lot of growth, if you see on the office leasing side of the last 12 months. And in fact, if I am not wrong, the last year was the best ever leasing record for Bangalore and overall for India.

So, yes, there are pockets of companies and segments which would get affected, but they are equally being offset by higher paying jobs from global capability centers and the likes. So, nothing really felt on the ground. And in fact, we are seeing very strong demand for our product.

Pirojsha Godrej:

And I think, our Bangalore sales last quarter, of course, was the highest of anywhere in the country, and also I think they have been the highest for any developer in Bangalore.

Ashish Shah:

Right, sir. Just one last thing. We did talk about strengthening our execution capabilities. So, just if you can share a little bit more into how we are either externally or internally in terms of our own execution teams. Any concrete measures that you could highlight, because I think we are now embarking on a level of scale, which may need much better execution abilities than in the past.

Gaurav Pandey:

Absolutely. So, about 9 months back, we had created an internal program, which focused upon complete ramp-up of execution capabilities and deliveries. And so there was a specialized team working on it for about 6 to 9 months on that particular project.

And we identified 15 modules, as we call it, which were like areas of opportunities to strengthen for us to even sort of accelerate some of the good work we have been doing. So, just to give you some idea into the depth of it, we have worked on the labor strategy very exhaustively. We realized that in India, labor is a very, very seasonal thing. There's a very huge attrition issue.

And we identified after meeting about 800-plus laborers, our teams went on the ground met 800 labors for sites to kind of decode the problem statements of their life, why don't they like to work for a longer time. And some of the very superficial understanding that the industry has, which is money, were not really the root causes of why attrition is very high in the labor market. So, we could curate certain programs.

And I am delighted to share, but these are very early days for me to say that this exactly works like that. But for example, in Holi, we made some very specific interventions on a site. And normally in Holi, we get to see a dip in labor percentage from, say, X to, say, about 70% and sometimes even 65% of that, because the first time, in spite of Holi, we saw pre and post-Holi numbers at 98.7%, which was very extremely heartening. And we are seeing month-on-month growth in our labor volume.

We, in fact, worked on creating a digital infrastructure to bring our laborers on board, and we have created a series of schemes to help them get feel more engaged and at place. Then we have expanded our contractor landscape in a big way. We have onboarded a lot of Tier 1 contractors,

so whether it's Leighton working in the Godrej Reserve project, KEC working in the Aristocrat project, Ahluwalia working in other projects.

So, a series of large contractors who are not operating in our ecosystem have been added and contractors who were working very well in our system have been strengthened by giving them cash flow support, giving them very timely payments by tracking it centrally from here so that there are sometimes bureaucratic hurdles that comes in the road of execution and then empowering teams, strengthening audit controls, but at the same time creating autonomy & empowerment to take certain decisions on the ground, and centralizing and procuring items at bulk. So, now we have lifts that we buy at bulk. We buy tiles at bulk, we buy paints at bulk. We, in fact, have a segment-by-segment analysis of how much we want to buy for the next 6 to 12 months.

So, I think these are just 3, 4 things I have talked about. I mean, it's a chapter itself. But yes, we have worked a lot on strengthening our execution capabilities. In fact, restructuring some of our teams. We have increased pay grades of certain specialized projects where the PAT lock in is very high. And I think combination of these have been giving us some very early wins. But yes, this is one part of the value chain you can't be complacent, and you need to be always on top of it, always innovate and always push the edge. But if we continue on the road that we are now sort of got into, with some reasonable confidence, I can say we might create some benchmarks in the industry.

Ashish Shah: Thank you very much, sir.

Moderator: The next question is from the line of Puneet from HSBC. Please go ahead.

Puneet Gulati: Yes. And I don't really want to put you on a spot, but if you were to look at your share price versus the opportunity in the market, where would you want to deploy your money? Promoter share is anyways less than 50%. Would you like to comment on how would you be thinking?

Pirojsha Godrej: Yes. Thanks, Puneet. I think but maybe it's because of where we sit, but we clearly think the share price is at a kind of absurd levels, given the kind of growth and overall operational momentum we have delivered. The promoters have actually bought back some shares on the market over the last 6 months.

And if this weakness continues, we may use it as an opportunity to continue to do that. I think certainly, I never felt better about the current position of the company and the overall direction, both in terms of an absolute basis and how we are performing vis-a-vis our peers. So, yes, I think it looks to us like a good buying opportunity. We have acted on it over the last few months and may do some more of that if this weakness persists.

Puneet Gulati: And buyback versus business development opportunity? Which one do you think is more remunerative?

Pirojsha Godrej: I think we have so much opportunity as a company that I think buybacks, in my view, more something to consider if you are throwing up huge amounts of cash, don't see great deployment opportunities for it. If we can continue to deploy 20% plus IRRs as we seem to be continuing to have opportunities to do, I think it would be more sensible to deploy that. I think the share price movements can correct quite quickly.

It was not that long ago that we were at a very significant premium to where we are now. Sure we will get back there. So, if it gets much weaker than this, it might be something that we would have to consider seriously. But for now, I think we would like to deploy all the capital for operational growth and performance.

Puneet Gulati: That's helpful. Thank you so much, and all the best.

Moderator: Thank you. The next question is from the line of Varun Julasaria from B&K Securities. Please go ahead.

Varun Julasaria: Yes, sir. Thank you for the opportunity. I just wanted to check what is the kind of unsold inventory that we have on the books currently, split between ready-to-move and ongoing?

Gaurav Pandey: When you say total unsold inventory or you want to say that launch, but unsold?

Varun Julasaria: Launched and unsold, sir?

Gaurav Pandey: So, say, about INR 27,000 crores.

Varun Julasaria: Okay. And sir, I just wanted to get your thoughts on the sustenance sale. Like this quarter, 65% of the sales came from new launch and we just did around INR 3,500 crores from sustenance. So, like what is the expectation going forward with sustenance?

Gaurav Pandey: If I am not wrong, we were 39% at INR 2,700-plus crores of sustenance sales. And I think generally, what's happened is it's very project specific, right? So, in some of our launches, we have done a complete sold out, right? I mean if you look at Tropical Isle, Jardinia, these are sort of sold out projects, so they don't really happen at all on sustenance.

There are some projects we have held some inventory to kind of max out the pricing opportunity. So, those keep on being available in the market. And then there are some projects which had a potential to do only 70%, 80%, they will continue to do sustenance.

So, I think we have a very healthy sustenance ratio. It sometimes may look percentage-wise a little weaker because if we get launch approvals on time, then the launch volume is so massive that they don't look very big from a percentage terms. But from an absolute perspective, we have been consistently doing very well on the sustenance in projects wherever the inventory is actually available.

- Pirojsha Godrej:** I think we keep a regular track on things like unsold inventory as a percentage of total inventory, unsold inventory as a percentage of expected sales, months, et cetera. So, I think we see all of those data looking very healthy at the moment.
- Gaurav Pandey:** So, just to give you one live example in Golf Course project, we did a launch in Godrej Miraya, the first of the 3, where we did about INR 497 crores at the launch. And since in the last 6 months, that INR 497 crores number has become now INR 778 crores. So, this was a very conscious strategy to sort of hold some inventory and then there was another example by the name of Lakeside Orchard, which did INR 268 crores of launch.
- Then again, it continuously did about another INR 100-odd crores each quarter. And today, the cumulatively, we stand at INR 1,370 crores. So, I think it's a very project-specific intervention that we tend to take a call on basis risk and reward. And then whichever inventory is available, they do very well in the sustenance, we decide to hold.
- Varun Julasaria:** Okay, sir. Thank you. Just one last question. What is the amount of collection which is pending to be collected based on the sales, which we have done in the past?
- Rajendra Khetawat:** So, pending to be collected, the revenue but pending to be collected is around INR 51,000 crores of collection is pending to be collected.
- Varun Julasaria:** And how much...
- Rajendra Khetawat:** Sold, but unrecognized revenue.
- Varun Julasaria:** And how much would be the cost to be incurred on construction for those projects like which are...
- Rajendra Khetawat:** So, that we will have to do a project-by-project math. So, the indicator would be to look into our pro forma. I think, there you will get some indication on the cost. If you do some indication because every project will have a different cost structure.
- Varun Julasaria:** Okay, sir. That's it from my side.
- Rajendra Khetawat:** Thank you.
- Moderator:** Ladies and gentlemen, we will take that as the last question of the day. And I now hand the conference over to the Management for 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 are happy to be able to be of assistance. On behalf of the Management, thanks once again for taking the time to join us today.
- Moderator:** Thank you. On behalf of Godrej Properties Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.