

November 11, 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 Thursday, November 06, 2025, post declaration of unaudited financial results (standalone and consolidated) for the quarter and half year ended September 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 Godrej logo is a stylized, handwritten-style script of the word "Godrej" in black ink.



“Godrej Properties Limited
Q2 FY2026 Earnings Conference Call”

November 06, 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. AVINASH KOTHARI – HEAD – MIS & ACCOUNTS–
GODREJ PROPERTIES LIMITED
MR. KSHITIJ JAIN – INVESTOR RELATIONS – GODREJ
PROPERTIES LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to Godrej Properties Q2 FY2026 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 star then zero 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. Hello everyone and thank you for joining us on Godrej Properties Q2 FY2026 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 outcome may differ materially from those suggested by such statements and a disclaimer to this effect has been included in the results presentation. I now invite Mr. Godrej to make his opening remarks.

Pirojsha Godrej: Good afternoon everyone, thank you for joining us for Godrej Properties in second quarter financial year 26 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 has delivered another robust quarter. We had our highest second quarter and half year net profit of INR405 crores and INR1,005 crores, respectively. A growth of 21% and 18% year-on-year.

GPR quarterly bookings in Q2 have again crossed the annual bookings of financial year 22. Booking value for the quarter grew 64% year-on-year and 20% quarter-on-quarter to INR8,505 crores. This is the ninth consecutive quarter of over INR5,000 crores sales and the third consecutive quarter of over INR7,000 crores sales. This is achieved through the sale of about 4,500 homes with a total area in excess of 7 million square feet.

In the first half of the financial year our booking value grew 13% year-on-year to INR15,587 crores, which is the highest ever Q2 in first half booking value for the company. With this, Godrej Properties has now achieved 48% of its annual guidance for booking value and remains on track to beat its guidance of INR32,500 crores for the full financial year. Four markets, Bangalore, Mumbai, NCR and Hyderabad, each contributed more than INR1,500 crores to the booking value in the second quarter, which is the first time GPL has achieved this.

Sales in the second quarter were driven by strong demand in several key new project launches. Godrej Regal Pavilion, Godrej Properties' second launch in Hyderabad achieved a booking value of at INR1,527 crores. This takes our total sales in Hyderabad during the current calendar year to about INR2,600 crores, marking a strong entry for the company into the new city.

Godrej MSR City in Bangalore, which was launched in the first quarter and saw additional area being released in Q2, achieved a booking value of INR1,032 crores. Godrej Tiara and another project in Bangalore, achieved a booking value of INR877 crores. Godrej Sora, a project on Golf

Course Road achieved a booking value of INR633 crores and several other projects, including our first project in Indore, which saw a booking value of INR400 plus crores, saw robust return.

Twelve new projects in phase launch, phase launch has happened across eight cities and these had a total sales potential of over INR10,000 crores during the quarter. Collections in the second quarter grew 2% year-on-year and 11% quarter-on-quarter to INR4,066 crores. In the first half of financial year 26, collections grew 10% to INR7,736 crores.

GPL achieved 37% of yearly guidance on collections, which does and we recognize sound a little bit low, but we are confident that we are fully on track to achieve our full year guidance of INR21,000 crores collections. And we had a slight anomaly this year where both deliveries and therefore collections and operating cash flow are slightly skewed towards the fourth quarter, but we've seen good construction progress during Q2 as evidenced by the construction spend increasing rapidly and we're very confident of a strong end to the year for deliveries and collections.

In terms of business development, we added four new projects with an estimated saleable area of 5.8 million square feet, an expected booking value of just under INR5,000 crores in the second quarter. Taking our first half business development additions to nine projects with a total estimated saleable area of 15 million square feet and expected booking value of INR16,250 crores, thereby achieving about 81% of our annual guidance.

I'm happy to share that GPL was recognized as a global sector leader in real estate and ranked number one globally with a score of 100 on 100 by the Global Real Estate Sustainability Benchmark in 2025. Godrej Properties also currently ranks number one globally in the real estate and management sector on S&P Global's Dow Jones Western Class Index for 2025 with a score of 89 on 100 as of 31st October 2025, which saw a significant increase from the score last year.

For the quarter our total income grew by 39% to INR1,867 crores, EBITDA grew by 118% to INR614 crores and net profit grew by 21% to INR405 crores. For the half year our total income grew by 16% to INR3,460 crore, EBITDA grew by 45% to INR1,529 crores and net profit grew by 18% to INR1,005 crores.

With a robust launch pipeline, strong balance sheet and resilient demand, we are on track to achieve our bookings target of INR32,500 crores in FY26, while continuing to grow our collections and operating cash flow. On that note, I conclude my opening remarks. Thank you all for joining us on the call. We are now happy to take any questions, comments or suggestions you may have.

Moderator:

Thank you so much, sir. We'll now begin with the question-and-answer session. Anyone who wishes to ask a question, may press star and 1 on their touch-tone telephone. If you wish to remove yourself from the question queue, you may press star and 2. Participants are requested to use headsets while asking a question. Ladies and gentlemen, we'll wait for a moment while the question queue assembles. Our first question comes from the line of Puneet from HSBC Bank. Please go ahead.

- Puneet:** Yes, thank you so much and congrats on good sales. My first question is actually on the P&L side. When I look at your sales reported versus cost of goods sold, the gross margin seems to be extremely unique. I understand the mismatch in terms of other things, but why should gross margin should be so weak? Can you shed some light there?
- Rajendra Khetawat:** So, Puneet, you know, we did not get too much OCs into this quarter. Whatever OCs we received were of JV project. So, like earlier explained, you know, JV project, we do lot of structuring. So, the reporting of those, you know, income keeps happening in those respective periods. So, when the project gets completed, you will not see that kind of a margin. That is why that anomaly you will see in -- when the JV project gets the occupation certificate. So, otherwise you know...
- Puneet:** This is like to like, right?
- Rajendra Khetawat:** Yes, yes. It is like to like, yes. So, as and when our own project starts getting into P&L, you will see a significant change in the P&L trajectory which will, you know, you will see that the sales minus the cost of sales would be a, the resultant would be a significant net profit margin.
- Puneet:** Okay. And what would be your share of sales in this quarter?
- Rajendra Khetawat:** Around 87%. 87%.
- Puneet:** And you also highlighted collections are low and likely to be in Q4. Why should that be the case? Generally, collections should be more even-ended right, unless there is some schemes which is being going on?
- Gaurav Pandey:** Not really. I mean, just to share with you typically as you would know that you know these are linked to different milestones, some of these are linked to terrace completion. Some of these are linked to slab, and some of it is also linked to OCs. So, what's really happening for us is that the sales that have happened, you know, say later part of the last year would have got into timely collections between then and last itself.
- That the Q4 and Q1 sales that we've done, we'll start hitting some of the slabs in Q4 and then all the OC milestones that we're getting, so we have a huge OC calendar for January, February, March, respectively. All those completion milestones, which are reasonably between 10% to 20% for different stages of different types of projects that will sort of kick in.
- So every quarter you will see a marginal growth for sure, but I think quarter 4 is purely lumpy because there's a heavy OC calendar coming in that part of the year. And just to double click on it to give you a sense of lead indicator of what makes it slightly more probable and more confident, where this confidence is coming from, is two lead indicators actually.
- One is that our labour strength has reached an all-time high, we were give or take 20,000, 21,000 odd laborers at the start of the year. And by the time we wrapped up H1, we reached 32,000 laborers. This has never happened in terms of ramp up of our execution ever. And this has led to also great direct construction spend growth in Q2 by 82% Y-on-Y. So, this massive uptake will lead to collectible milestones hitting us in the next few months.

- Puneet:** Understood. And just on this construction cost side as well, if I add up all the construction related project related cash flows and land spends over first half, it is close to INR10,000 crores. But when I look at inventory, end of H1 and inventory end of the 31st March, it is about INR14,000 crores. What would that gap be attributed to?
- Rajendra Khetawat:** Sorry, Puneet, I didn't understand what exactly you are alluding to.
- Puneet:** Sir, in your cash flow statement, if I add up all the construction costs, which is construction related outflows, project related outflows, land approval costs and advance to JV partner, it's about INR10,000 crores of spend total in the first half, which should ideally be the gap between the end inventory minus the opening inventory, which is actually INR14,000 crores. So, just the INR3000 crores gap there, where -- how should one think of that anything moving between JV to us or something like that?
- Avinash Kothari:** Yes, Puneet, so in certain of our joint venture project, we have acquired the JV partner stake due to which their inventory, earlier inventory is now start getting consolidated in our consol account. That's why you can see the some jump in the inventory from March to 30th September.
- Puneet:** Okay, sir.
- Rajendra Khetawat:** So, we have given two, three exits, Puneet, we have given two, three exits of our existing profit sharing project. So, when you give an exit at JV project, start getting consolidated to our books of account. So, the gross accounting starts happening. Earlier, only one line item used to keep coming in. So, that's why you will see that shift happening as and when this change in the structure happens.
- Puneet:** Okay. Understood. Very helpful. And lastly, just on the interest outflow, cash outflow, which is up on Q-on-Q, is there any color there?
- Rajendra Khetawat:** Yes. So, you will see increased outflow in Q2 because we have NCDs, the interest payments come around quarter two. If you see quarter two of last financial year, you will see a similar interest outflow happening. So, there's an annual interest which we -- which happens in quarter two. That's why you will see that interest payment a little higher. In Q3, Q4, you will not see this kind of an interest payment outflows.
- Puneet:** Okay. Very helpful. Thank you. Understood. Thank you so much and all the best.
- Pirojsha Godrej:** Thanks, Puneet.
- Moderator:** Thank you, sir. Our next question comes from the line of Mohit Agrawal from IIFL. Please go ahead.
- Mohit Agrawal:** Yes. Thanks for the opportunity and congratulations on good set of bookings. So, it's heartening to see a comeback of the ROE target of 20%. Just wanted two clarifications. Firstly, is this target irrespective of the capital base in FY '28? So, that's the first question. Secondly, you're basically committing yourself to deliver INR4,000 crores, INR4.500 crores of PAT by FY '28. So, how

will it be kind of evenly spread between now and FY '28 or will we see a step jump in profitability in one of the years?

Pirojsha Godrej: I think there will be a little bit of a step up in FY '28 which will then be sustained beyond that. And the reason for that is I think a lot of the OCs we expect from some of the newer projects in outright structures will hit that year. Of course, I think if you look at net profit growth has been considerable over the last few years.

But of course, a lot of it is led with not with actual occupation certificate related profits which I think you will see in FY '28. So, I think there will be reasonable profits between now and then but certainly we do expect a step up in that year specifically.

Mohit Agrawal: And for the...

Pirojsha Godrej: And I think on your question on irrespective of equity raise...

Mohit Agrawal: Yes.

Pirojsha Godrej: I think there's two ways of answering that. I think as of now, we certainly don't have any plans and I think it's highly unlikely that there would be any equity raise between now and then. So, yes, in that sense. But if there is some opportunity or something unexpected, obviously, in this business, equity raise cannot generate a return immediately because of the nature of the industry. But I think it's highly unlikely that there would be any equity raise between now and then.

Mohit Agrawal: Okay. Thanks for the clarification. And secondly, Gaurav, on the Worli project, if you could share some colors, what has been the initial response like, if you could share some thoughts around what has been the pricings. And also, I've seen the presentation that you've changed the structures from a 50% profit to 73% area sharing. So the reason behind that, and obviously, if we get consolidated, but how does this change the IRRs?

Gaurav Pandey: So, thanks so much. Firstly, we are very excited that finally, we have named the project Godrej Trilogy, is hitting the market. I -- on a lighter note, I know every investor call, earnings call, this was the question asked to Pirojsha & me that when is this launch happening? So there's a lot of internal excitement.

And I think in hindsight, there is such a massive upside we've seen from a market re-rating of the location and this entire coastal road is benefiting that micro market in such a big way that our top-line growth is humongous. And some of the area share that we've changed is largely to benefit our interest and get higher economic interest, because we're also trying to control specific units, specific floors, specific inventory, which is always easier to do when you do a sort of area share structure.

The first part of your question, what are we seeing right now? To just give you a sense, we just recently got the RERA. And what we're doing a little different here is that, unlike a typical project that we have, where the one day inventory opportunity is limited and the pricing is also very homogenous. This is quite different for this particular product.

Why? Because we have three towers and each of these towers have their own strong value proposition. There are specific units, which gets you beautiful sea face views. There are specific units, which gives you both the sea face view, as well as Mahalakshmi Racecourse. And then there's some units, which gives you more of Mahalakshmi Racecourse sort of view.

So it's a very unique proposition, which is why we want -- we've kind of done an inventory-by-inventory pricing out here. And we also will release inventory gradually to sort of maximize the opportunity of profitability growth. That being said, any launch that we do is always has a very exciting number. So I don't want to comment on the number you want to target and hit, but this is more of a profit maximization opportunity, because we don't see much of a competition.

Early days, it's very frank to talk about pricing and all, but just to give you a sense, we will look at something like INR80,000 onwards to INR1.5 lakhs, right? That's the range that's in our mind right now, depending on what inventory, when we want to launch. There are some top set of floors, which we will hold for a while, unless we see pricing offers coming directly of the range that we want to hit in the life cycle of the project.

But -- and I'm talking about, these are the pricing, not including some of the best inventory that we will hold for ourselves in terms of later launches. So, yes, I mean, super exciting. I've never got so many calls of references and influence to get an inventory, but we've not opened the doors yet for our customers. It just opened last weekend on customer engagements.

We've done three micro CP, wine and cheese events, explain the product after rera approval to our channel partners, explain the strategy we wanted to go. And I think very, very initial days, but we've got some very exciting response. So fingers crossed, this is going to be something to watch out, not just for this quarter, but I think it's going to be an important page in the legacy we're trying to create for South Bombay.

Mohit Agrawal:

Sure. And on the structural change from profit sharing basis?

Gaurav Pandey:

I mentioned that, it's largely to take upside on controlling what inventory we would like to sell. And because, as I mentioned, the price range is very, very diverse. So there is a set of inventory wanted to have, so a plain vanilla structure would have not benefited us. So we created like a win-win with our partners and sort of added an allocation of inventory and area shift tends to give you slightly more upside.

Pirojsha Godrej:

I think it makes it also easier to operate the project. Everyone can sell a space they are looking to -- at the timing they are looking to and also there is a single, only we will be concerned with managing the project from an execution cost perspective. So that also I think streamlines decision making.

Mohit Agrawal:

Sure. Thanks a lot and all the best.

- Gaurav Pandey:** Just to clarify, we control the inventory and we will sell that inventory, so there is no cannibalization risk, to double click we will make a small amount of fee out of it as well, just to sort of give it complete color that we control all inventory and entire pricing.
- Moderator:** I'm sorry sir, but the participant was left. Thank you. However, you can still listen.
- Pirojsha Godrej:** Let's go to the next question.
- Moderator:** Thank you. The next question comes from the line of Parikshit Kandpal from HDFC Securities. Please go ahead.
- Parikshit Kandpal:** Yes. Hi, sir. Congratulations on a decent quarter. So our first question is now if I look at your H1 numbers, so you are already, if I analyze these numbers, you're top in all the markets, Bangalore INR5,000 crores in H1. So maybe it makes you the top developer there. MMR, similar thing, NCR, Pune. So just want to understand from here trajectory-wise, how each of these markets are looking at growth in the near -- mid- to near-term. So how does one look at these markets from your perspective?
- Pirojsha Godrej:** I think, the growth opportunity, in fact, we feel is very strong in each of these markets. I think we've hopefully demonstrated through the growth we've been able to deliver across markets in recent years, whether you look at NCR scaling from, having entered that market about 10 years ago to INR10,000 crores sales the last couple of years.
- Mumbai, which we thought was not performing up to potential a few years ago, has now scaled very nicely. And we're quite hopeful of crossing INR10,000 crores in Mumbai. In the current year, Bangalore, similarly, off to a very good start in the first half. And our most recent market..., Pune, of course, is another strong performing market where we've been the number one player over the last couple of years.
- One of the things we're very happy to see is the market entry in Hyderabad and how that has gone for us. As I mentioned in my opening remarks, we've seen about INR2,600 crores sales there in two launches that we've done this calendar year. We think that in our first year makes us probably the number two developer in that market by sales value. Of course, there's a lot of future growth potential there.
- So I think, there is no constraint in that sense to the growth opportunity before us. As a company, if we look at residential sales on a national level, we are currently last year at about 4.3% of total sales. So, clearly, we think that gives us headroom for growth in no individual market are we even at 10% of the market, which indicates to us that I think there is strong opportunity for growth through diversification of the number of micro-markets in each city that we're present in.
- So we were talking earlier now about something like Worli, which will be our first major launch in that micro-market in a long while. We've also made good progress on our Bandra project,

which we hope to launch in calendar year '26. And I think I'm very confident of that happening. That will give us again, a new presence in a big micro-market.

So similarly, we think if you look at the various cities that we're in, and Godrej Properties share in the micro-markets that we're already in, and the number of opportunities there are to add new micro-markets, I think you'll see that the headroom for growth is really very significant over the next several years.

Beyond that, we of course also have the opportunity to enter new markets as we've just done with Hyderabad. There are still large markets that we essentially don't have a presence in, in any serious way like Chennai. We're also, as you know, through plotted developments, entering the next set of cities, which could over time become opportunities from a group housing perspective.

So I think the growth plans for the company continue to be robust. I think we've generally indicated we see a medium-term opportunity of 20% kind of growth rate. Of course, there will be different stages of the cycle where we have opportunities as we've had over the last few years to go much beyond that 20%. There may be some where it may be difficult to do 20%. But, overall, I think over a long period of time, even from current scale, we would be hopeful of delivering that kind of growth.

Parikshit Kandpal:

Sure, sir. The second question is, I mean, though we have seen phenomenal growth on pre-sales, somehow when we read the data, the collection has been lagging. Deliveries somehow, I think maybe looks a little bit of muted. And thirdly, the profitability, the path of profitability has, I mean, we've seen a tremendous shortfall there.

So is it that, I mean, though the sales has been ahead, so we are somehow behind in terms of execution and that's not reflecting in our numbers on deliveries and profitability. So are our projects largely on track from radar standpoint? Are there delays? Are we finding challenges in execution given that sales is running ahead of the estimates?

Pirojsha Godrej:

Well, if you look at it, we have seen rapid growth across all metrics. We put actually a slide in our investor presentation this quarter that kind of shows the booking value collections, operating cash flow, deliveries and profit growth. Booking value, as you rightly said, has been very fast at 55% compounded, but it's not that these other metrics have not been growing fast. If you look at our collection, compounded growth over those three years is 39%, deliveries is 42% and operating cash flow is 62%.

Net profit, I think honestly, we can -- the reported numbers are 58%, but I would agree that a lot of that is accounting related. And it's not something that I would pay much attention to in the short-term, because there are several dislocations for a company that's following the project completion accounting method, which not all of our peers are.

But for a project -- for a company that is growing fast and following the project completion accounting method, I think it's important to understand how some of this is working. So profitability is being very badly hit, in some ways, directly due to growth, because of things like

marketing costs being expensed out in year, whereas you're recognizing revenue recognition on deliveries of projects that were typically four years, five years old, and typically in joint venture structures.

So we are quite confident that that visibility will change considerably, as we said, by FY '28, by when we expect the accounting numbers to catch up to at least some extent, and we expect to be able to deliver the 20% ROE we've talked about. That said, I would say that there are challenges in some ways on the execution side that we're doing everything possible to address. So I think a lot of good work is happening in execution. I think Gaurav can talk about that maybe in a minute.

But there are external challenges, things like the NGT in NCR, which has essentially taken three months out of 12 months in a year of construction out in some ways and made things quite challenging. So there are external issues like that, that we are dealing with and there are some projects that have been delayed. But certainly, I think, overall, we feel execution is very much on track. As I said, the growth in execution in terms of deliveries last year was up to 18 million square feet.

We expect this year as well to be ahead of our guidance, even though the first half has been a little bit slow. So I think the company has scaled well on all parameters in our view. Booking clearly comes first, because you're first selling the project, but certainly is being backed up by a rapid growth in deliveries and collections as well and we think we'll see more of that in the next couple of years as well. So, maybe, Gaurav, if you want to just talk a little bit about it.

Gaurav Pandey:

Sure. So, Parikshit, just to give you a bit of a sense, like a year, year and a half back, we kind of started working on deep diagnostics of how do we scale up the execution muscle, so as to support and kind of take benefit of the pre-sale growth. And internally, we identified about 14 modules through which this construction piece can be scaled up.

And maybe I'll just throw a light on some of them. Otherwise, this can be quite a bit of a session itself. But to give you some insights, like something as simple as how do we solve for the labor issues in India. And I'm sure you would have read some of the largest engineering companies, how they've been struggling.

So we said, what do we do differently? And we kind of did a deep diagnose and created our own digital infrastructure system. So today, give or take, we have almost like 1 lakh laborers on a digital sort of an interface through which we are able to kind of do predictive understanding of which laborers are at high attrition risk on what season, how to quickly replenish it and how do we ensure that we are able to create an environment for more laborers to feel us as a preferred workspace for them.

So moving from blue-collar workforce management thinking process to more of how employee centricity-led, culture-led practices, what most companies think of for a white-collar job. So through that, I think we've seen some clear, recognizable and real outcomes. So I gave an example some time back that a labor force has increased from 21,000 there about laborers to about 32,000 laborers. And mind you, this is after the scale that we built last 20-odd years to

bring 50% sort of a growth in six months comes out of outcome of a lot of changes that we bought in.

The second thing is, bringing more world-class contractors supply chain systems and we've been very actively working to increase our strength on that. So if you see some of our recent project construction contracts have gone to a much larger vendor base than what we used to have, say, three years, four years back. So classic example is we are now Latent working in, say, a project like Reserve. Then we've got someone like KEC doing something in Gurgaon. Then we've got Ahluwalia contract.

So you name it, some of the big boys are now working with us. We've also changed how we used to buy procurement in bulk. So we're standardizing many things in terms of tile systems, faucets and all of this is kind of giving us both economies of scale and predictable supply chain.

And then comes, finally, it's all about getting your value chain right. And I think to give you a sort of a number metric, all this has led to an 82% Y-on-Y growth in Q2. If you read our reports in the last two years, three years, you would see the growth annually in typically construction flows have been more or less, let's say, 5% to 10%. And this pivot that we're trying to see in this year, quarter-on-quarter, has been very encouraging.

So, yes, there has been some amount of noise, some very rightfully so coming out of NGT issues. Also, these are some of the projects which were launched before COVID. So, you know, mind you, we lost 6 months or so not to do anything. And we did not have a strategy to bring laborers immediately back then because we were unsure that can it lead to contamination and risk when vaccination was not there.

Now all of this is behind us. And this is a new strategy to give you a sense, next 6 to 9 months, we'll deliver about 4,000 homes in NCR alone. So yes, I am reasonably confident to say that this is a problem we have understood. And this is a problem we have not left it to some sort of a situation.

We have taken it head on and we will deliver results upon it, which is what you see not just this year, but even on the outright project. Which is why after a lot of thoughtful consideration is when we put our neck out and gave you a 20% ROE indication for FY28.

Parikshit Kandpal:

Thank you, that's elaborate. This is the last question for Rajendra. Sir, just on the OC-based revenue recognition this quarter, so what was the gross margin, I mean just like to like I am asking that including the partner, our JV share, what was the total revenue recognized and what was the total cost against that? Just want to understand the embedded margin there and also if you can help us understand the current reasons with embedded margins?

Rajendra Khetawat:

So, there were three, four project, you know, why don't we take it offline Parikshit? You know, maybe Kshitij can help you with the details.

Parikshit Kandpal:

Sure, sure. I will do that. Thank you.

Rajendra Khetawat: Thanks.

Moderator: Our next question comes from the line of Akash Gupta from Nomura. Please go ahead, sir.

Akash Gupta: Hi sir, congrats on a good set of results. Thank you for taking my question. My first question is on your thoughts on the real estate demand in Gurgaon, Mumbai and Bangalore. How are you thinking about pricing, footfalls and conversions? That's my first question.

Pirojsha Godrej: I think, you know, one of the benefits of Godrej Properties as a true unique platform is having been in the market for close to like two decades. It's a very strong executive team. We can, you know, do some sort of early assessment of risk and opportunities accordingly, flex investment and inventory management.

And I'll maybe go a bit of a deeper into market by market. I think Gurgaon, there was a lot of chatter last year that the market is becoming speculative and risky. And I think there was some merit in it, which is why if you see most of our launches that we've done in Gurgaon have not been intentionally sold out because we focus on quality of sale a lot.

And I think us and some good developers have been doing similar practices, which is making the market today look far healthier than what it was, say, 12 months back. So, it is still India's highest performing market, but also one of the highest risk market, where market conditions look to be slightly better than what it was, say, 9 to 12 months back.

Noida, on the other hand, is quite the opposite. It's a very strong market. You know, the land supply itself is heavily regulated, so there is never an oversupply sort of a risk, and everybody pays land price upfront now to auction. So, there is, frankly, no speculation per se, you know, in the market. The more of a capability of a team to bring high quality inventory and right product. So very bullish on Noida market.

Moving down to Pune, I think Pune is one market which frankly hasn't really taken off, though we are the number one player, but it's a sort of a price-wise a flattish market. But it probably, if you ask me, is the underdog of all markets because it has the highest potential because just 3-4 years back, Pune and Bangalore price were mimicking each other.

And today, Bangalore prices have gone to a whole different league, while Pune prices have not really picked up. So I think it's sort of an underdog. It's a matter of time this market will fire.

Moving to Bombay, I think this is one of my, you know, sort of consistent favorite market because the quality of buyers are very refined, very end-user centric market, very product conscious, very developer conscious. And we've seen consistent sales in good products, not just for us, but for competition also.

And I think South Bombay, Western Suburb and Panvel within the city are the most favoured markets and quite fortunate that we have been able to add a lot of inventory in the last 2-3 years of good BD work in these markets.

And moving to South, I would maybe take Hyderabad first. Hyderabad has done pretty fantastic this year as well. There was a slight stagnancy, I would say last year, though we were a new entrant, but this year there is a strong market rebound growth. And I feel that this market could surprise everyone in the long-term because the quality infrastructure is one of the best in India is in Hyderabad.

Bangalore, I think, has a constraint of high-quality land supply which kind of limits the potential of, you know, abstract supply coming in. It has very strong end user demand and all micro markets of Bangalore have been firing for the last 6 to 9 months and you can see our growth is clearly demonstrating that. So probably right now, I would say the best performing market, or the uptake we are seeing right now is the Bangalore market.

Akash Gupta: Got it. Thank you for that. And sir, just looking at your launch value and booking value guidance, I mean we have achieved 47% to 48% of that. And I think your second half is seasonally stronger. Is there any upside risk to your launch value guidance or your booking value guidance?

Gaurav Pandey: Yes, there is a very strong upside risk and I don't want to jinx it, but I would say with reasonable confidence, we will beat and exceed our guidance.

Akash Gupta: Okay. Okay. And, sir, my final question is your offtake for projects in Gurgaon, particularly when I see the performance of Godrej Sora, I think we launched 50% and sold 50% of that, versus If I see a project in Sector 54 Astra, I think the performance was fairly stronger there.

I'm asking you this because we have, I think, a bigger project in Sector 53 again. So just wanted to know your thoughts around Miraya, Sora and Alira. How do you think the performance has been?

Gaurav Pandey: Thank you so much. Just to sort of give you a sense of, you know, Sora as a project and our strategy behind it. See, when we started launching Golf Course Road products right, our thought process is quite simple that this is where you have the highest land supply limitation and you can have the highest maximization of profit provided your product excellence is very high.

That means use the best of contractors, best of spec because you were able to manage and buy the best of land parcel and just not focus on inventory sales, but quality of sales because as I was mentioning sometime back market by market focus, Gurugram was looking at relatively much riskier market within the Indian stack from a property development point of view.

So, our idea was not to do consciously sold out projects, but to do extreme strong quality of sales. When I say quality of sales meaning that unlike many of our peers, we do not allow multiple units to be bought by a customer. If we do see that there is a speculative tendency, we do not log in that booking, we have detailed KYC checks.

And just to give you a sense of the project that we talk about in Golf Course Road, I'll just give you one more example before Sora is, let's say Miraya. You know Miraya if my memory serves me right, sold about 450 sort of odd crores when it was initially launched and today it's about

INR800 plus crores. We've sold close to about 39% of the inventory, but I'm glad to share with you that the profit that we had logged in MSO, we've done about 62% or 63% of that PAT.

So, with almost, let's say, half of the sales than originally we thought, it's almost double the profit. So, I think there's a lot of profit maximization strategy going on. I think in Astra case, you know, it's -- it frankly a surprise. We had put a very strong aggressive pricing, but because it was a bang on the main road, I think there was, you know, extraordinary euphoria and we saw both high quality of sales and sort of sales maximization.

In Sora, we were not able to build a marketing office at the site and if you are familiar with Gurugram, we used to actually Astra marketing office to sell that product. So, yes, you know, the sales cycle becomes a little longer. So -- but you know, frankly, I was expecting a similar like Miraya launch, like a INR400 crores, INR450 crores launch.

So I am quite happy that the price at which we wanted to sell over the life cycle, we have been able to achieve at the launch itself, so yes. So this is coming out of not about outcomes, it's coming out of a very thoughtful strategy.

Akash Gupta:

Got it, sir. Thank you so much. Best of luck.

Moderator:

Thank you, sir. Our next question comes from the line of Pritesh Sheth from Axis Capital. Please go ahead.

Pritesh Sheth:

Yes, thanks for the opportunity. So, just on NCR a bit. I mean, we are doing well across the market where we have two bureaus, Bangalore, Pune, MMR, NCR in first half seems to be lagging a bit.

Do you think we can catch up and match up the INR10,000 crores run rate that we have clocked in the last couple of years and key launches that we should look forward to in this market, especially where your Gurgaon, your strategy has been more of quality led sales, you know, will other markets or other projects bring in that velocity as well? So, that's my first question.

Gaurav Pandey:

So, I think, you know, first of all, the team has a very exciting set of launches planned. I mean, I'll give you the color of the potential opportunities that we have. One is, you know, we will have phase activation. We have not opened specific towers and specific high inventory. So, you know, we do a classification internally of A, B, C category and A plus category.

So, some launches across GPL control A and A plus inventory. So, a lot of exciting inventory will come in Golf Course Road to see, continue its good traction of sales in Q3, Q4. But that aside, we have a launch coming up in Greater Noida, most likely towards quarter 4. It's a very exciting project we've done.

If you remember, Godrej Majesty. We launched in quarter 1 and we sold, I think, about INR950-odd crores today and in another phase, it's INR350-odd crore from there on. So, this is a simple micro-market. I'm quite excited to see this one coming. Then we have a residential land parcel

left in one of our townships in Greater Noida. The total revenue potential was INR1,000 crores, so that could also hit the market.

Then very recently we launched retail in last quarter, you would have seen a INR410-odd crores number in that one. And this was a ground first, second and third floor inventory. First time we were launching a retail of this size. And credit to the team, we launched only first and second floor, which is a slightly more difficult inventory to sell.

And we've done a sold out of those two floors, it's got introduced only after Shraadh of last quarter, for last practically 10 days. And the remaining inventory, the ground and third floor is more like a smaller shop and ground is like the most prime inventory, likely will be opened up quite soon, so that's going to be another very exciting number.

Then we have Panipat acquisition we've done, that should open up. And then we have a 7.5 acres of super prime land parcel in Golf Course Road that we may choose to launch as and when we see its right. The design is very exciting. And that will be our last launch of Golf Course Road. And we're not in a hurry. We want to do first some good activations of other projects of Golf Course Road and then hit the market.

So, the team has everything in its size to hit a INR10,000 crores number and like it would deliver growth over the last year number. But yes, reasonably confident that they won't be any lag, we have very competitive team and healthy competition between different groups. So, yes, reasonably I'm confident they'll beat the number.

Pritesh Sheth:

Sure. And while we are in NCR, you know, any update on Ashok Vihar, if you want to provide, you know...?

Pirojsha Godrej:

No, I think, you know, of our three stuck projects, we have seen different updates. At Worli, we are very positive, it's under launch now. Bandra, I think as I mentioned, has made very good progress and we hope to launch it in the next few quarters. Ashok Vihar continues to be this tree cutting issue which is affecting NCR overall.

So, unfortunately, don't have as positive an update there where we continue to work with all relevant parties on that. We're confident of eventually resolving this. I think obviously the changes in the market have made it such that once this project launch -- launches, the delay will actually have ended up potentially being of help. But, no, we don't have immediate visibility on timelines.

Pritesh Sheth:

Sure, and just one last, in fact couple. You know you have embedded EBITDA margins for the sales that we have done in first half. And secondly on the land acquisition side in terms of cost, if you want to give any comment of, you know, whether they are stable, still going up and do they still largely still fall into our margin targets? Yes, for those two questions.

Pirojsha Godrej:

On the embedded margin, you know, we decided we prefer to do this on an annual basis. So, we certainly continue that practice. On land, you know, it's a bit of a mixed bag. We are seeing some

good opportunities, which has allowed us to, you know, do 80% of our guidance in the first half. And BD lock-in is higher than sales in the first half, which I think is healthy.

At the same time, I think there are instances we've seen of land prices going quite high. So there have been recent auctions, for example, of 10 and 11 acre kind of size parcels in both Hyderabad and Navi Mumbai, where the auction values crossed INR2,000 crores, which did seem quite high for us.

So I think little bit of a mixed bag, market by market and also specific project by project. So nothing too concerning now. And we do feel we can, you know, generate the kind of returns and margins we're looking for on land more generally, but certainly prices have confirmed up over the last couple of years.

Pritesh Sheth: Yes, pretty helpful. That's it from my side and all the best for second half.

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

Kunal Lakhan: Yes, hi. Thanks for taking my question. My first question is on the construction spend -- construction and project-related spend in the second half. You spent about INR6,500 crores in the first half. How are we looking at second-half in terms of spend?

Gaurav Pandey: I mean, we don't really give a projection per se, but at least we are able to say that we will see a growth over the last financial year.

Kunal Lakhan: Sure, sure. Just to follow up on that, basically what I was trying to get was, the last year we saw an operating cash flow of INR7,500 crores on a full-year basis, and this year we have done about INR2,100 crores in first half. How should we look at full-year cash flows? Would we see growth in OCF in FY '26 over FY '25 or it will be flattish?

Management: Actually, it was rightly said, it depends a lot, so there are sort of estimate operating cash flows, there is no -- there are only two real variables, one is your inflows, and the second is going to be outflows, which is largely construction and construction related. I think we have a very high degree of certainty when it comes to collection, right, I mean that is something, there is a lot of predictable math, and construction, we are seeing a massive upswing, which is to speed up OC calendar for FY '28.

So, you know, it all, there's a lot of aspiration internally to speed it up. But if I were to give you a sense of min-max range, because I know what's going on in your mind, could be between INR6,500 to INR8,500. In some ways, my best guess today, if not a guidance, I would say it's my best guess where we land up, purely depending on how fast we're able to ramp up the construction for profit recognition of the FY '28?

Rajendra Khetawat: Sure, sure. Just to add, with the consistent spread increase, it may be OCF may take a dip in the quarter, but it may help us to give us a more billing milestone, which will definitely up the collection into the next quarter or for the coming quarter. So it may be a tiny min-max, but as

far as the min max is between INR6.5 to INR8.5K, depending on how the outflow actually pan out.

Kunal Lakhan: Yes, yes. I mean, the reason I was asking was because if we were trying to push our collections or drive our collections in Q4, that means a lot of the spend will actually happen in Q3 and early Q4. So, I mean, that's what I was getting at. So, there shouldn't be any spillover of collections or operating cash flow as such, right?

Gaurav Pandey: So, you know from a collection strategy and the update that we have even at this whatever we are doing on construction -- quality of construction, speed of construction, if we were to consistently do 90% of our plan, we will achieve our guidance and we will have a very good construction operating cash flow, which is the higher range estimate that I told you.

But just that, if we are able to maximize the opportunity even further to speed up construction, which would mean that our quarter 1, quarter 2 collections of next year would be good, our OC certainty will become higher for FY '28, right?

Then that's the only reason why your construction spend could slightly bring the INR8,500 sort of trajectory operating cash flow to the INR6,500-7,000 kind of a trajectory. This is more of a guesstimation, I'm just sort of giving you, but more than fair to say that the confidence on the collection metric is very, very high.

And the up-side risk of Q1 collection will depend on the ability of ours to speed up construction even beyond that. It's more of a one quarter over another quarter kind of a number. And in fact, when you run an operating piece as big as this, and when you have significantly high operating cash flow, you really don't get perturbed up between the timing issue of an operating cash flow in this quarter to the next quarter.

Kunal Lakhan: Sure, but over a long term, the operating cash flow growth should mirror the sales growth.

Management: Yes, absolutely, absolutely right.

Pirojsha Godrej: I think this is the most important metric for the company. So whether we look at incentives or other things, certainly this will be the key focus.

Kunal Lakhan: Understood. And my second question was on the business development side. Now, we've done 80% of the FY' 26 target. And like now how should we look at business development in second-half, would, does that INR20,000 crore GDV number has a serious upside risk and this kind of risk can be mitigated.

Pirojsha Godrej: I think, that was indicated, we don't want to miss guidance typically, so we do keep numbers that we are confident of meeting. On something like business development, we think it's quite important to keep flexibility. We don't want to ever be in a position where we think we are doing business development to meet our guidance.

We must be sure that we can generate the kind of returns we are looking to create on each of these investments. So, I think, broadly speaking, roughly being in line with the sales we are achieving will be kind of what we are looking to do to ensure, we can sustain the kind of growth momentum we've seen. So, certainly, if you look at Q1, excuse me, H1 sales and H1 BD, they're relatively close to each other. I would expect, probably, something similar in the second-half.

Kunal Lakhan:

And if I can squeeze one more, so in terms of the sector 53 second phase launch, how should we look at pricing vis-a-vis the first phase?

Gaurav Pandey:

I mean, to be very frank, the, I mean, it's a little challenging for me to really give you a very specific project-level inference, but I could rather help you with the framework. Any time and every time we launch the next phase of a project, we tend to see how do we want to control the, if there is any leftover inventory in the previous phase, what's the quality of inventory left. Is it A plus and A, or is it lower-grade inventory?

If it is a training A+, we actually first endeavour to liquidate some of that inventory to do a price establishment for the next phase. And in case, for some reason we saw a great holdout, say 70, 60, 80% of A and A+.

Also, then we use that as a price benchmarking and do a slight discount to that and increase the A and A+, for that phase, even further. So, that's why we do a pricing strategy. I won't be able to really scientifically comment on a project because I don't have the inventory sheet and the specific details will be handy with me, and this is something part of a typical pricing strategy which we do during a discussion with the sales team.

Kunal Lakhan:

Understood, thank you so much and all the best, thank you.

Moderator:

Our next question comes from the line of Sourabh Gilda from JM Financial, please go ahead.

Sourabh Gilda:

Yes, hi, thanks for the opportunity, just you have already highlighted a very large pipeline for NCR in terms of launches and in Mumbai there is of course Worli coming up, but can you also highlight other launches -- other maybe key launches for Mumbai apart from Worli and then for other markets as well like Mumbai, Pune and few of our plotted developments?

Gaurav Pandey:

Sure, I'll do that. Maybe I'll, because I've already sort of elaborated on the interest, I'll go maybe to Mumbai next. So apart from Worli, we have launched a project in Indore. We had a second land parcel which our endeavor is to actually launch within this particular quarter. So that's the, you know, the Manglia micro market of Indore, so that could hit.

Then we will launch a sort of a commercial office space opportunity in the Pandal township, during the year. It could be this quarter, early next quarter, so that's again an interesting launch. Then we have bought a series of three parcels in Kharghar through auctions if you recollect. That should hit the market very soon.

Likely, Quarter 4 is what that will hit the market. It's a very interesting project, and the land that Pirojsha just mentioned back in auctions close to that as a micro-market, so in a way that we'll

see some upside from a pricing point of view. And then Bandra, aspirationally it's a Quarter 4, it could be a Quarter 1 sort of a launch.

Moving on to maybe a bit of a south, we have a series of launches in Thanisandra micro-market, then we have a plotted development which we recently acquired in Doddaballapur in this last quarter, and actually we are aspirationally trying to launch it within this quarter.

Then we have a launch in Chennai, which is a project near Azure that we have, so that is going to be another launch. Then we'll have Hoskote launched which is close to Whitefield micro market. Then Bannerghatta could be a potential launch in Q4, then we bought a land parcel close to near the new airport road, and that could also hit the market this year.

And then we have sales activations, we launched a project called Godrej MSR City. We launched this project in Q1, did a fantastic sale of close to INR23-2400 odd crores, did another INR1000 crores in Q2 which is like a INR3500 crore. So it's one of our hottest selling products and we have a lot of land and phases left in that, so we should be able to launch between one or two phases of that.

Then moving to Pune, and the geography around that, we have a launch coming in Mundhwa. This is micro market, we are not present, so quite excited about that. We have bought a land parcel in Baroda just last quarter. We are aspirationally trying to push this as a launch within this quarter. Then we have a series of launches planned from Upper Karadi.

We bought two lands in Upper Karadi we should get one in this year. Then we have a tower launch on a sort of a classic heavy sold out project of ours in Evergreen Square. Then we have a launch planned towards quarter four in Raipur which is a plotted development opportunity. And hopefully in quarter four, we'll be able to push even Ahmedabad launch which is in Vastrapur.

So, as you could see we have a massive and superlative launch calendar, much above and beyond what we've given as guidance. If we hit even 70%-80% of that, we should be able to achieve our guidance and if we are able to hit, many of it and at better pace performance than our initial conservative estimate, we could surprise. So, that is the kind of action-packed calendar we have.

Sourabh Gilda:

Thank you, Pradeep. I hope that is a response. Just lastly on Worli, you have already highlighted the project details in terms of the location and inventory that you are planning but how are you thinking in terms of competitive intensity in that market, because multiple developers have launched quite a few projects in that market over the recent past and what could be our strategy here?

Gaurav Pandey:

I think you know we feel very good about the products we've come up with and initial market response seems quite positive, but probably better to talk about this next quarter once launch is actually on the way now, so we won't have to wait too long to see the outcome. But everything that we are seeing for now suggests it should be a very successful launch.

Sourabh Gilda: So, thank you, thank you. That's all from my side.

Moderator: Thank you sir. Ladies and gentlemen, due to the time constraint, that was the last question for today. I now hand the conference over to management for the closing comments. Thank you and over to you sir.

Pirojsha Godrej: I hope we have been able to answer all your questions. If you have anything further that you would like to ask, please do reach out. We would be happy to be of assistance. On behalf of the management, thank you again for taking the time to join us today.

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