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October 27, 2026

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 - 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, October 23, 2026, post declaration of Unaudited Standalone and Consolidated Financial Results for the quarter and half year ended September 30, 2026.

This is for your information and records.

Thank you.

Yours truly,

For Godrej Properties Limited

ASHISH
SUDHAKAR
KARYEKAR

Digitally signed by
ASHISH SUDHAKAR
KARYEKAR
Date: 2026.10.27
15:20:26 +05'30'

Ashish Karyekar
Company Secretary

Enclosed as above



“Godrej Properties Limited
Q2 FY27 Earnings Conference Call”

October 23, 2026



MANAGEMENT: MR. PIROJSHA GODREJ – 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. KSHITIJ JAIN – INVESTOR RELATIONS – GODREJ PROPERTIES LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Godrej Properties Q2 FY27 Earnings 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 this 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 from Godrej Properties. Thank you and over to you, sir.

Kshitij Jain: Thank you, Swapnali. Good afternoon, everyone and thank you for joining us on Godrej Properties Q2 FY27 Results Conference call. We have with us Mr. Pirojsha Godrej, 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 Pirojsha to make his opening remarks. Over to you.

Pirojsha Godrej: Good afternoon, everyone. Thanks for joining us for Godrej Properties Second Quarter Financial Year '27 Conference Call. I'll begin by discussing the highlights for the quarter, and we then look forward to taking your questions and suggestions. Godrej Properties achieved a booking value of INR8,008 crores in the second quarter from the sale of 3,658 units with a total area of 6.2 million square feet.

And a booking value of INR16,669 crores in the first half from the sale of 7,396 units with a total area of 12.3 million square feet. The bookings for the quarter were 6% and 7% lower year-on-year and quarter-on-quarter, respectively, while for the first half, bookings grew by 7%.

While the headline bookings numbers for the quarter look muted, Q2 was a very strong operating quarter with sustenance sales growth of 83% year-on-year to INR5,054 crores. Three projects, namely Godrej Trilogy in Mumbai, Godrej Vanantara in Bengaluru and Godrej Samaris in Gurugram contributed more than INR500 crores each to sustenance sales.

Godrej Brooklyn Avenue, our project in Hyderabad, launched towards the end of the first quarter, also contributed more than INR500 crores to bookings. We only launched 1/3 of our expected annual launch pipeline in the first half of the financial year, and we're still able to deliver 43% of our annual bookings guidance, highlighting the continued strength of underlying demand in the sector.

Our launch pipeline has never been stronger and with launches picking up substantially from this month onwards, we remain confident of surpassing our full year guidance across all key operating metrics. Projects like Bandra, Sector 63A in Gurugram, Thane Uniabex, our projects in Vikhroli, hopefully our project in Ashok Vihar, Noida DMIC, Neopolis, Kharadi 2, Mahalunge 2, and Vastrapur as well as new phases of several projects are in the pipeline.

And we therefore, expect the second half of this financial year to be our best ever period for both launches and sales. The company's sales were well diversified geographically with key contributions from major residential markets. NCR this quarter did just under INR2,000 crores. Mumbai did about INR1,900 crores. Bangalore, we did just under INR1,600 crores, about INR1,000 crores in Pune, INR700-odd crores in Hyderabad and another INR800 crores in other cities during the quarter. It is the seventh consecutive quarter in which Godrej Properties has delivered more than INR7,000 crores of booking value and the 13th consecutive quarter in which the company has delivered more than INR5,000 crores of booking value.

Godrej Properties also reached its highest ever second quarter and first half collection with collections growing by 31% in the quarter to INR5,318 crores and by 25% in the first half to INR9,666 crores. Benefiting from the strong collections, operating cash flow in the second quarter grew by nearly 300% quarter-on-quarter and by 33% year-on-year to INR1,584 crores.

With that, we get to a half yearly cash flow of INR1,983 crores. Construction and related outflow increased by 31% year-on-year in the second quarter and by 42% for the first half of the year. We are especially focused on generating strong cash flows and expect INR15,000 crores of cash collection and INR7,000 crores of operating cash flow in the second half of the financial year.

This will allow us to both invest for continued growth while also being free cash flow positive for this period. FY28, as we've been indicating, is an important year for the company where the exceptional growth of the past 2 years becomes apparent in the reported financials under project completion accounting.

We expect to deliver both positive free cash flow and a 20% reported ROE in financial year '28. During the last quarter, we added 1 new project with an estimated saleable area of approximately 1.1 million square feet and expected booking value of about INR6,000 crores. With this, GPL has added four projects with an estimated salable area of about 9 million square feet.

And an expected booking value of about INR15,500 crores in the first half of the financial year, which has gotten us to about 78% of our full year guidance. GPL delivered projects aggregating 2.5 million square feet in the quarter, and we remain on track for 13.5 million square feet of delivery in the full year.

For the quarter, our total income grew by 38% to INR2,575 crores. EBITDA declined by 72% to INR171 crores and net profit declined by 62% to INR154 crores. For the first half, total income grew by 13% to INR3,912 crores. EBITDA declined by 53% to INR717 crores and net profit declined by 50% to INR504 crores.

This was largely due again to the back-ended nature of deliveries this year, and we expect to see positive momentum, particularly in Q4, and then we've already indicated the expectations on the P&L for FY '28. We remain extremely excited about the opportunity ahead and we'll seek to continue to gain market share through outstanding design, timely delivery and high-quality development. On that note, I conclude my remarks. Thank you all for joining us on the call. We'd now be happy to take any questions, comments or suggestions you may have.

- Moderator:** Thank you sir. We will now begin with the question and answer session. We have the first question from the line of Puneet from HSBC. Please go ahead.
- Puneet:** Yeah. Thank you so much and congratulations for a well-rounded performance here on sales and cash flows. My first question is, if you can also give some sense on what is the attributable share of sales for you running now into Q2 and also for first half?
- Rajendra Khetawat:** 85% in Q2, and 90% for H1.
- Puneet:** 90% for H1. Okay. And how should one think about your launches for second half, more Q3 or more Q4-oriented?
- Gaurav Pandey:** Thanks for the question. I think it is a very exciting opportunity for both the quarters because on one hand, we have Bandra Bay, which is a very critical and important launch for Mumbai. And we have Godrej Verano, which is a Golf Course Extension Road, which was planned initially for quarter 2 have slipped into quarter 3.
- So these will contribute very significantly to quarter 3. But then again, we've got a cumulative launch pipeline of INR32,000 crores for H2. So reasonably very confident that both Q3 and Q4 is going to be very exciting. Let's see how many of these launches we can pull in within the quarter 3, so that we can break the pattern and also have a very exceptional quarter 3, which currently looks very possible. But yes, I mean, we continue to look forward even quarter 4. So both the quarters will be hopefully be good positive surprises.
- Puneet:** And how do you feel about approvals and construction progress given that NCR might also get into GRAP for some time. And recently, we are also hearing issues on air quality in Mumbai as well. Can they put a standard in what you can launch and construct during Q3?
- Gaurav Pandey:** I think from a launch perspective, there's never been any restrictions in even the worst of times in NCR. So that's sort of always been mitigated. Of course, if you do a MOSA as we call it marketing office sample apartment experience center, those can get prohibited. But fortunately, we had already planned for them and those are fully ready. So they have no impact from NGT perspective of any ban.
- Construction-wise, yes, these are challenges that we go through, but we do factor in historically adverse range of time and estimates and accordingly plan the construction schedule. So if it is within the ranges of what we've seen historically, I think it's something we've already planned for. So there's no additive challenge beyond what we already factored in.
- Pirojsha Godrej:** Puneet, just to add to that, I think from an approval perspective, we think from a Q3 launch perspective, we've already got approvals for what should be a blockbuster quarter. So there are some projects that, as Gaurav mentioned, we hope to add to this to further make it a superlative quarter, but I think we have a large number of approvals already in place and do expect Q3 to be a very big sales quarter.

- Puneet:** Understood. That's good to hear. And lastly, on business development, while you're clearly trending ahead of what you have been guiding. How are you seeing the competitive intensity for land and availability of land? Is it improving? It's becoming challenging? Any color there?
- Pirojsha Godrej:** Yes. I think there's obviously always some amount of competitive intensity, but I think there continue to be good opportunities. So I think we're reasonably confident now, Puneet, as a company that we're able to source the right sorts of opportunities. We've seen -- if you look at the last 10 years, we've been able to almost every year get the kind of BD we need to ensure sustained growth. So we don't see any great challenge to that.
- Nothing very noteworthy to say on the competitive intensity side. I think there continues to be competition, but we continue to find opportunities that meet our thresholds. Again, we're very clear that we're happy. We feel the portfolio is pretty robust, quite strong. If we don't do BD for a few quarters, we don't think it's a big deal. So we're only going to do BD our threshold return metrics, which are sort of a 20% IRR, a 15% bookings to net profit margin are met. But we're getting quite a few such opportunities.
- Puneet:** Okay. And lastly, if I may, you did the settlement with Orris during the quarter. Are there any more projects which will head towards this kind of resolution? And any update on the Summit project, which had this some issue on construction?
- Rajendra Khetawat:** So Puneet, Orris was a case where the partner has invoked arbitration. So like I said, there will be certain JVs, which we will be exiting. like in the past, apart from Orris, we exited a JV in Mahalunge, so there will be -- there are some more few JVs, 5, 6 JVs still left. Those will see the exit, not necessarily getting into a dispute and exit, but definitely by naturally a project coming to an end, this will see an exit. So more and more, we will be moving towards our own portfolio than exiting the JV thing.
- Moderator:** We will take the next question from the line of Abhinav Sinha from Jefferies.
- Abhinav Sinha:** Good to see the strong cash collections that we have now. So for the remainder of the year, do you think the same construction run rate is enough or you would like to increase it further?
- Gaurav Pandey:** Thanks, Abhinav. Abhinav, we've had quite a stellar start on the construction at a higher base. In H1, we could pull off 42% Y-on-Y growth on construction and construction-related cash flows, which is almost like INR1,292 crores. And looking at the kind of accelerated momentum, I would say that the H2 looks equally promising. The only caveat here is that, of course, in NCR during the NGT ban is the only part of the portfolio, which would not see it to its full potential. But excluding that, I think we would definitely be able to push on more speed of construction across the entire portfolio.
- Abhinav Sinha:** Okay. Sir, also, you have guided for 2H to be FCF positive alongside FY '28, where the guidance is maintained. So looking at BD spends, are we estimating any increase there or this should be more or less in line with what it was last year?

Gaurav Pandey: So Abhinav, it was frankly like Pirojsha was mentioning some time back on how we're exactly looking at the opportunities that the funnel across markets are presenting, right? So it is -- we've always maintained more like an opportunist strategy in the current market where we see the replacement of new inventory is able to fetch better returns -- we feel that the inventory is going to be very fast moving.

And we don't see any risk of cannibalization is when we're entering those sort of acquisitions. So it is quite possible that if we don't see exciting opportunities, we would not see too much of action. But if we do see like in past, we won't hesitate to double down. I think a very good case in point is look at the very recent quarter 2.

While we have a fantastic deal pipeline, we were not very happy with the kind of certain deal parameters were happening for certain deals, and we pushed back very hard. So if those will come into exactly the kind of sweet spot we would want, we would definitely wrap this transaction. But won't hesitate to have virtually 1 or 2 deals or new deals also in the quarter.

So I think it's very opportunistic strategy from what we see. But yes, I mean, even in very aggressive scenarios that we have simulated internally, we have a very high likely probability of being FCF positive in Q4. Again, depending on -- unless we see something very, very crazy and brilliant there. But yes, I mean, there's a high probability of being FCF positive.

But again, this is something not we are obsessively targeting. Next year is almost like a sure shot because you would have noticed, we've also given very specific guidance in a way for next year's operating cash flow. So with that kind of a range, next year is almost certain. And yes, there's a good probability of being FCF positive in quarter 4.

Abhinav Sinha: Pirojsha sir, can you comment a bit on how pricing is moving in different markets and where do you see it heading?

Pirojsha Godrej: Yes I think in what I call, as I said, the steady phase of the market. So we are seeing prices kind of holding up. Maybe Gaurav can talk to the specifics by each city. But I'd say broadly from my perspective, what we're seeing is actually a very strong market that's held up, in my opinion, much better than one would have thought it might, given the sentiment-driven nature of real estate.

Given what we've seen in both markets and some of the global macro environment. So I think that's been very encouraging for us in a quarter like this best ever sustenance sales, INR500 crores plus sustenance sales in projects across pretty much all markets that we operate in is quite encouraging, but maybe Gaurav can take the specific market-by-market question.

Gaurav Pandey: Abhinav, if I give a broad color, I think prices are holding up well. Of course, very project-specific and micro market specific. Generally, we've not pushed pricing high in North markets, and we focused more on end user sales so that the quality of sale is higher. So it's like less than 1% price increase in some projects across NCR.

South and Mumbai have seen most projects seeing 2% sort of a jump in price and again, 0.5% or so in rest of the portfolio. But then there are some very interesting exceptions. And one of the ones that I'll talk about is Noida in particular. We've had a launch in previous quarter of a project by the name of Godrej Crown Residences. This was a residential group housing launch in a project called Godrej Golf Links.

We internally took a very ambitious target because this was a last phase of the township of increasing the price. To give you some context, there are a lot of villas in that project. The ticket size of the villas and the launch, which is more of apartments in certain categories of units kind of were at the same price. So you had an option to buy a retail product of villa versus the primary product.

But the product differentiation was so strong that we could achieve a very massive price jump. And in that specific launch, whatever profit we had internally casted for that cluster 2 years back has almost tripled because of the price jump and it is like 88% sold out. So it is completely more or less actualized by now. So there are, of course, aberrations to this. But broadly, our strategy has been more on the quality of sales than just about optimal price maximization strategy. But across markets, different projects have different opportunity sets.

Moderator:

We will take the next question from the line of Pritesh Sheth from Axis Capital.

Pritesh Sheth:

Congrats on very steady numbers. Firstly, I think on -- if I look at the first half, we have done INR18,000 crores worth of launches and we have almost sold half of it during that period itself. If I look at second half, we are going to launch INR32,000 crores. If we assume like same velocity, we would be at INR16,000 crores sales from new launches and any ways, we are doing INR8,000 crores-INR10,000 crores from sustenance?

So we can do better than what we have guided. But what would be our strategy if there is demand, are we good to sell whatever the demand is or looking at the growth and the kind of pipeline that we have, we would want to stop at certain presales for this year, which is pretty much 15%, 20% growth target. So how would we look at that strategy?

Pirojsha Godrej:

Well, the math you just did would suggest about INR24,000 crores of sales in the second half, which is broadly in line with what we've updated in this presentation of INR22,500 crores to INR25,000 crores as our estimate. I don't think we believe in this sort of trying to just optically show a very, very steady performance.

So if there is opportunity to go beyond this, we'd certainly be happy to do that. Of course, I think Gaurav and the team have done a fantastic job scaling the business already. If we are able to get to the top end of the guidance, we indicated for the second half, that would imply a 40% 5-year compounded growth in bookings.

And I think that has been achieved by consistent excellence in sales, but also adding projects at the right time, right division of micro market. So I think that thinking very much continues. But we don't feel as a company that we're running into any kind of roadblocks to continued growth. We have, of course, scaled significantly.

The company sales not that long ago were INR8,000 crores annually. We hope to cross INR40,000 crores this year. But we still, as we've indicated, believe our market share is only about 5% of the industry. We enjoy, we think, a very strong brand, have developed now, we think a lot of insights into various markets, built the team.

So there's nothing we believe preventing us from continuing to gain market share and also, of course, participating in the sector's growth. So that's a long-winded way of saying if there are opportunities to go beyond this 15%, 20% this year, there's no reason we will hold ourselves back. And we're equally optimistic about growth opportunities for future years. And even in the first half, seen a good number of interesting and well-located projects being added.

Pritesh Sheth:

Sure, sure. And just on market share, I recollect like we used to share like aim to achieve 5%, 6% kind of market share by FY '28, where industry size itself would be INR9 lakh crores to INR10 lakh crores. So if you want to again grow next year by 15%, 20%, INR50,000 crores kind of presales?

Do we think like current pipeline would be sufficient in terms of -- not only in terms of overall value, but also in terms of the geographic spread that it needs. So particularly in second half, we would be largely preparing ourselves for growth for next year. So what would be your area of focus in terms of project additions in terms of market that you want to part target?

Pirojsha Godrej:

I think we constantly are evaluating kind of where we are by market, what the position is, where we see gaps, where we need to add. We've also obviously opened up some new markets like Hyderabad. Maybe Gaurav can add to this, but I'd say some markets that we are still open to BD given what we think the pipeline is likely to look like at the end of the year would be places like Bangalore, where we've seen extremely strong sales like Noida, where similarly, we've seen extremely strong sales, but maybe Gaurav can add to this.

Gaurav Pandey:

Couldn't agree more with what Pirojsha already spelled out. So it's a strategy of replacing fast-moving inventory with a similar or higher quality of projects. So I think Bangalore and Mumbai have been performing consistently well across quarters. So Bangalore will be a very high preference to add projects.

In Bombay, we are going to add a few specific micro markets ranging from South Bombay, Western suburb and even Thane, we are looking something exciting. In North, Noida is a no-brainer for us, but what we are seeing the response of our projects in Gurgaon this financial year has been, to be very frank, ahead of what I would have hoped for.

So whether it's Golf Course portfolio, which is consistently doing very well. And now with the extension road, which is hitting the ground while a long way to go and the launch is yet to be due, but initial signals are extremely positive. So if this launch is above our expectations, again, this would be a market we would not mind adding replacement inventory, but very specific micro markets within the city, which is more like Extension Road, SPR.

So I would say the opportunities are quite massive, Pritesh. And the good thing for us is that because we are pan-India, they can almost pick and choose where we feel the valuations are sort

of very exciting and where the inventory added can be equally or faster moving than that. So this is where we are right now.

Pritesh Sheth:

Sure. And at any point you would think like of entering Chennai market, not just from plotted perspective, we have done that, but from a group housing perspective because now quite a few -- I mean, a few players from other listed peers have entered that. It cannot be a large market, but at least some Pune-type market, which can be equally sizable that way. So any strategy on that?

Pirojsha Godrej:

I think Pritesh, it most likely will be the next market we enter from a group housing perspective, but I don't think we're in a buzzing rush to do that. There's a lot of growth opportunity available by focusing on these top 5 markets. We're also, of course, looking at projects opportunistically in Kolkata and Ahmedabad beyond the top 5 markets of Mumbai, NCR, Bangalore, Pune and Hyderabad.

And we believe the focus for these next couple of years should be more on entering more micro markets. We've seen, for example, the big jump in sales possible as we enter new micro markets. Bangalore sales was up INR2,000 crores for a long time, then shot up over INR8,000 crores last year as we entered more micro markets. We didn't have a project in Worli. We added one. We saw INR4,000 crores plus of sales in the last -- less than a year in that project.

We're hoping to see something similar now as we enter the Bandra micro market. So if you look at it, even in just a city like Mumbai, there are many markets that we don't currently have a presence in or will soon be running out of inventory. And I think the opportunity to maximize that first is a bigger one than perhaps opening up new markets from a group housing perspective.

But obviously, Chennai is an attractive market. Tamil Nadu as the state, I think, is doing brilliantly economically. Chennai's real estate market should benefit from that over the medium term. So I think it is a market we see ourselves in eventually, but probably not a key focus for the next couple of years.

Moderator:

We have the next question from the line of Gaurav Khandelwal from JPMorgan.

Gaurav Khandelwal:

My first question is on the sustenance sales. So we've done INR5,000-odd crores this quarter, which is a very commendable number. How are you thinking about this number continuing over the next few quarters?

Gaurav Pandey:

Sure. I would say to be on a more honest answer, I think necessity is the mother of all inventions. So when we realize somewhere in the mid of Q2 that the launches for Gurgaon and Bombay are going to move to next quarter. We kind of doubled down energies on specific project interventional sustenance.

And this is a muscle very frankly has existed in Godrej Properties for many years. It's just that you have to optimize for it when you feel that there is a latent potential to be seized upon. So I think this is the potential. We will continue to do that. Now whether it's going to be exactly INR5,000 crores plus/minus is very much dependent on how much bandwidth will go on the

opportunities from the launches because generally as a rule of thumb, to generate a very high booking value launches are relatively easier than a sustenance sales because the productivity per RM is very, very high. So I would say if the H2 continues the way we're looking at, I would say the launch will outperform sustenance, unlike H1 where sustenance outperform, but sustenance numbers will continue to be very, very exciting.

And this is something we would like to continue to build up, not just for quarter 2 or quarter 1 or quarter 3, but more from a medium-term strategy, which is extending towards next financial and year beyond. In fact, we've made some restructuring specific teams in sales vertical to sort of pilot in previous quarters, which will sort of get regularized from this quarter.

Gaurav Khandelwal: So that as a thumb rule, can I take 60 launch, 40 sustenance to be a fair mix, on a normalized basis?

Gaurav Pandey: I mean time -- I mean, this has been the historical trend, right, that we've been at 60-40 sort of a mix of it. But I think the way probably I would sort of emphasize is that from an annual guidance perspective, you can almost assume that we would always continue to achieve that. And this 60-40 can be slipped if the launches slip.

So like in previous quarter, while the 60-40 was the way we started the quarter thinking launches will be more than 60%. But as soon as we realize that there's a risk of approvals, thanks to the capabilities we had built, it was 63% and 37%, right? So I think largely, you're right, but the 60-40 could flip basis us securing approvals on time.

I'm more bothered and more focused upon delivering on the guidance and the target for every quarter. Certain times, launch could lead the quarter and sometimes it could be absolutely fine to sustenance lead the quarter. But yes, it would be more or less in the 40% to 60% range whether it's a launch or sustenance.

Gaurav Khandelwal: Got it. That's very clear. The second question, if I may. So we have about INR32,000-odd crores of launches planned for the second half. Can I check, would you have some sense on how much RERA approval do we have already? How much are we just about to get the final stamping is done? So any sense on that, please?

Gaurav Pandey: I would say for quarter 3 perspective because you would appreciate quarter 4 launches would be in different stages of design closures and approval drawing. But I would say for quarter 3, 80% of whatever we needed was secured before even the quarter started because these were deferred launches.

And the residual seems to be very much on track. And in the next few weeks, immediately after Diwali, we should be able to secure. So this quarter, whatever we have planned internally, we should have almost all the approvals in place. And for quarter 4, we do have a lot of time, and we are targeting internally that similarly that 80% of quarter 4, we can secure between end of November and mid of December and the residual could come by early Jan, mid-Jan.

Gaurav Khandelwal: Got it. That's very clear. And my final question, which is more of a housekeeping question is, if we look at the realized EBITDA margin on P&L, so that number, I suspect there is a couple of one-offs, one to do with Mahalunge. Can you explain that better? And I'm sorry, this has already been discussed?

Rajendra Khetawat: Sure, sure, sure. So what happened is, when this Mahalunge project was launched, when it was under a JV model, and in JV model, like I have explained earlier also, to be more tax efficient, we used to take out our share of income in form of development management fees, interest, overheads. So those profits were already accounted for in the past. Now in Q1FY26, this JV got -- this JV partner got exited and this became our 100% owned project. And the OC came in Q2FY27.

So that's how the line-by-line consolidation happened, whereby bulk of the profits were already accounted for in the past. And that's why you see that cuteness whereby the sales and cost of sales are almost equal because the bulk of the profit was accounted in the earlier days. Similarly, there was another exit of Orris on settlement.

So that also was settled. So on consolidation, whatever the losses were there, that got picked up into Q2 numbers. So those were kind of an aberration when this will happen whenever you give an exit and in most of the JV projects where we have already accounted for our share of income through DM overheads and other parts.

Gaurav Khandelwal: Got it. So whatever adjustments had to be done for both Mahalunge and Orris, that's already done in this quarter. There should be no overlap?

Rajendra Khetawat: There is a phase in Mahalunge, which is going to be launched, which is -- which has a lot of profit and the economic interest also would be 100%. Just in Mahalunge, this was launched during COVID, whereby the markets were not very supportive, input costs were rising. So obviously, the margins were also subdued in that phases. But the phase which we are going to recognize will have a very good price because the market is appreciated from that time. And then the economic interest also would be 100%. So we will see some good amount of profit as and when those profits get accounted into P&L.

Moderator: We will take the next question from the line of Akash Gupta from Nomura.

Akash Gupta: Congrats on good performance. So my question is more on the macro side of thing and the health of the real estate market. Obviously, Brent today is at \$115 a barrel. And also, it's not like the equity markets are working well. So in that context, just wanted to understand like how much push relatively do we have to do when we are launching our new projects or doing sustenance sales versus maybe two quarters back? Has there been any change? Just thoughts on that. So that's my first question.

Gaurav Pandey: Thanks for the question. I mean, let's go back to basics, right? I mean when there is euphoria, I would say from a consumer lens, investor lens, speculators interest, anything that looks cheap, anything looks easy to enter is what the market tends to do. We've never been in that game. We've been more on product market fit.

Seeing that what is the problem we are trying to address for a consumer, what's the opportunity and lifestyle needs we are able to address and what are the aspirations for a particular target group of customer for that particular micro market. And I think that has been more or less been our approach.

And if you see from purely of the quality of sales that we do and the quantum of sales we do have been very linear and exponential somewhere, but also very consistent across several quarters. And the volatility what used to exist about a couple of years back also is not happening anymore.

So I think it's purely about product market fit. So there's a lot of hard work you need to do in terms of understanding what consumers need, and we have a very quant qualitative way of identifying those consumer needs. And if that is judiciously done, I think then it is a simple sales playbook process that we've created.

And we've been championing it for many, many quarters now. There are, of course, aberrations. Sometimes, let's say, you are doing heavy sustenance focused space like the previous quarter. You will, of course, have to restructure some of your sales team have to sort of galvanize the type of sales performers of that particular a bit about closing skills and sourcing skills alone, where the launch is also a lot about sourcing skills over closing skills alone.

So basis some amount of understanding on how productivity works, how different skill sets work. You would have to take certain interventions at the start or middle of the quarter. So I think to that extent, there is some amount of calibration of the approach, but the larger playbook is very, very consistent to what we've seen and we've strengthened a lot of capabilities from digital to go-to-market to defining the segmentation, I think those are sort of moats that we've built over the years. So for us, frankly, it is business as usual. We don't see any dramatic change in that.

Akash Gupta:

I see. So are you not seeing any changes in footfalls or conversions given the current macro environment? And do you think that we can still -- like in the event that the current macro environment continues for the next 6 months or so, would we still be in a position to deliver that 10% to 15% presales growth that we envisage for FY '28? Is that a reasonable expectation to run with?

Gaurav Pandey:

Absolutely. I mean one should never -- the basic thumb rule in sales that we follow is that never take your customer for granted. So the rigor has to be consistent. And that being said, there is no reason we can't deliver at 10%, 15%, even 15%, 20% growth is possible, provided the launches come on time, the approvals come on time, there is a good product market fit.

So if you can sort of be very obsessed on the process part, I think the outcome is sort of within a range, a given. And I think the best example, I would say, of anything is the quarter 2 performance, right? At a time when there has been a lot of narrative on real estate and some peer performance on what we've been reading in newspapers.

If you see what was very exciting for us is that we took the challenge of driving high quality of sales in the most difficult bucket, which is sustenance and that was at 83% Y-on-Y growth. This is clearly reflecting that the market is supportive, provided you have the right strategy and you have the right product mix to deliver on the promise that customers expect from you.

And if you can do that, growth is a derivative. Of course, certain times, you would outdo your own imagination. Sometimes you will have some amount of variance to your original plan. But within a particular varying and threshold, this market is presenting a lot of good exciting opportunities.

Moderator: Thank you. We have the next question from the line of Artha from WS holdings. Please go ahead.

Artha: Hello, am I audible?

Moderator: Yes, you are audible, sir.

Artha: Yes. So thank you for taking my questions. First of all, congratulations, Pirojsha sir, Gaurav sir and the leadership team on another strong operational quarter. I have been a long investor in Godrej Properties and following the numbers very closely. So maybe my question, I will quote the example before I ask the question?

My question is around the business strategy. I want to highlight the successful project which we delivered in 2023 and also shown the profitability in '23, same year, to meet our annual targets. So this is Godrej Splendour in Whitefield, Bangalore. We booked profit based on the OC receipt, while on ground, the actual physical delivery is not done after 19 months because we want to vertically expand the project to maximize the profit?

So from an investor lens, this appears to be a very successful playbook to maximize our project profitability. My specific questions to Gaurav sir or Pirojsha sir is, is this model booking the revenue when we get the OC, but withholding the physical handover for more than almost 2 years to pursue the vertical expansion. Is this our playbook to build the profit and long-term growth?

And second question is, what are the other projects where we can similarly implement the strategy for the long-term growth and the profitability of the company? And how we will make sure our brand optics does not get hit specifically when the media attention or the owners in the such project start fighting for the rights. I would appreciate the management addressing the question in order. Thank you again Gaurav sir for the amazing results.

Pirojsha Godrej: Thanks for your question. It seems you might be a customer in one of these projects. We'd certainly be happy to look into this case. Certainly, we do not believe in creating any gap between occupation certificate and actual delivery. If that has happened in this case, we certainly understand why that has happened and get back to you on that.

I think overall, the company is seeing a lot of good momentum in terms of its ability to drive construction as indicated by the significant increase in construction costs incurred, the significant reduction in time expected to OC and actual handovers to customers that we are planning. So we look forward to continuing to strengthen that muscle.

Moderator: Ladies and gentlemen, that was the last question for today. And with that, concludes the question and answer session. I now hand the conference back to the management for the closing comments. Thank you, and over to you, sir.

Pirojsha Godrej: I hope we've been able to answer all your questions. If you have any further questions or would like any additional information, we'd be happy to be of assistance. On behalf of the management, thanks once again for taking the time to join us today.

Moderator: Thank you, members of the management. On behalf of Godrej Properties, we conclude this conference. Thank you, everyone for joining with us today and you may now disconnect your lines.