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CIN: L74120MH1985PLC035308

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**BSE Limited**

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Mumbai – 400 001

**The 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 – Debt Segment  
NSE - 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 Wednesday, August 02, 2023, post declaration of unaudited financial results (standalone and consolidated) for the quarter ended June 30, 2023.

This is for your information and record.

Thank you.

Yours truly,  
**For Godrej Properties Limited**

**Ashish Karyekar**  
**Company Secretary**

*Enclosed as above*





“Godrej Properties Limited  
Q1 FY '24 Earnings Conference Call”

August 02, 2023



**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**

**Moderator:** Ladies and gentlemen, good day, and welcome to the Q1 FY '24 Earnings Conference Call of Godrej Properties Limited. 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, 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 of Godrej Properties. Thank you, and over to you, sir.

**Kshitij Jain:** Yes, good evening, everyone, and thank you for joining us on the Godrej Properties' Q1 FY '24 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, and our disclaimer to this effect has been included in the results presentation e-mailed to you earlier.

I would now like to invite Mr. Godrej to make his opening remarks.

**Pirojsha Godrej:** Good afternoon, everyone. Thank you for joining us for Godrej Properties' First Quarter Financial Year 2024 Conference Call. I'll begin by discussing the highlights of the quarter, and we then look forward to taking your questions and suggestions.

After recording a record sales performance in the fourth quarter of the last financial year, bookings were muted in the first quarter with a decline of 11% year-on-year to INR2,254 crores. This was due to several of our planned launches slipping out of the quarter due to delays in regulatory approval. Sales from existing inventory, however, grew by 19% year-on-year to INR1,816 crores. Godrej Splendor in Bengaluru, launched in the previous quarter, recorded sales above INR350 crores for the second consecutive quarter.

We remain confident of meeting our annual bookings guidance of INR14,000 crores. We delivered 4.9 million square feet for the quarter across all regions. This indicates 39% achievement of our annual target of 12.5 million square feet of deliveries in the first quarter alone, setting us up well to meet our annual target.

From a business development perspective, I'm happy to report that we have started the financial year with 4 new project additions to our portfolio with an expected combined revenue potential of approximately INR6,450 crores or 43% of our annual business development target of INR15,000 crores of expected booking value. All 4 of these projects are outright purchases in the premium to luxury segments. We believe these products will support our efforts to maintain rapid top line growth rate while substantially improving the margin profile of our company.

One of the projects at New Alipore will expand our presence in Kolkata, while 3 others in Gurgaon will help us strengthen our position in the national capital region. We now have our strongest-ever project pipeline. And the most important objective going forward will be to get

all of our recently added projects launched in the upcoming quarter. We believe this can dramatically accelerate our bookings and earnings growth trajectory in the years ahead.

Our reported earnings for the first quarter showed healthy growth with total income increasing by 251% to INR1,315 crores, EBITDA increasing by 98% to INR230 crores and net profit increasing by 174% to INR125 crores.

Before I conclude, I also want to update you on the project, Godrej Summit, located near Dwarka Expressway in Gurgaon, developed by our wholly owned subsidiary, Godrej Projects Development Limited (GPDL). It is a residential project which was completed in phases between 2017 and 2018. The on-ground projects team recently appointed an external expert to undertake a detailed independent assessment of the project due to a concern recently discovered in one of the apartments.

This assessment identified the presence of chloride in the concrete used in the project, which could have happened because of the presence of chloride in the water or aggregate used in concrete. The chloride when in contact with water leads to corrosion of steel reinforcement. The external experts further advised us with the required repair and maintenance framework the building is expected to perform as per its intended design life.

Accordingly, an estimated amount of INR155 crores towards repair, maintenance, claims or any other ancillary costs has been provided for in the first quarter. GPDL believes that it has the ability to claim against the contractors who constructed Godrej Summit. GPDL has also made an offer to buy back units or provide rentals to all the apartment owners of the project for the period of repairs and will account for the buybacks if and when the intending customers execute the relevant documentation. Excluding the provision, our net profit for the quarter would have been INR241 crores, a 424% increase.

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

**Moderator:** Thank you. We have the first question from the line of Puneet Gulati from HSBC.

**Puneet Gulati:** My first question obviously is on the INR155 crores provision that you have made. What is the max liability that you see here in terms of the legal liabilities or a long-drawn case across case which can potentially hurt the extremely good brand equity that you enjoy? How are you looking at it? And how are you protecting the interest of the company here?

**Pirojsha Godrej:** Yes. Thanks, Puneet. I think, of course we've taken the matter very seriously. We're doing our best to immediately ensure the teams on the ground have responded effectively and do what is needed to first ensure customers' safety and also ensure that they feel financially secure through this buyback offer. Our current sense is that this estimate that we have, or the provision that we have provided for is our current best estimate of the impact. We do feel that and our legal team feels strongly that we have strong claims against the contractors who constructed the project, but we have not accounted for any potential receipts from those. So

that could be an additional benefit. It's very hard to comment on what, if any, legal liabilities there could be. But as of now, this is our best estimate of the impact from this.

**Puneet Gulati:** And who are the contractors and their ability to pay if needed?

**Pirojsha Godrej:** Yes, there are couple of contractors. I think in the interest of our own, we have yet to initiate our legal action, etcetera. We will keep that to ourselves for now. But they are well-regarded contractors.

**Puneet Gulati:** Understood. My second question is on the collections which were a bit weaker. Is it possible to get a breakup of what part of collections came from the new launches and what part from the sustaining sales? And similar numbers for last year, yes, if possible.

**Rajendra Khetawat:** Puneet, it is a long list. Maybe we can connect offline and give you the number.

**Puneet Gulati:** Okay. Great. That's fine. And lastly, if you can talk a bit about your thought process in buying back the stake of the partner in the Bhandup project. What is driving these kind of decisions? Is it being driven by -- at your end or at the partner's end? And how are the financials managed there?

**Pirojsha Godrej:** I think obviously it's a combination, and for any terms of any contract to be exchanged, both sides would have to agree. But I think, as you're aware, Puneet, since the time we've added some of these projects, our focus has been on increasing our economic interest in the project. And we've been less interested in developing projects, and our economic interest has been quite moderate. So I think in line with that thinking, we saw an opportunity here. The partner was also happy to receive upfront cash flow to convert this into an outright project. We are quite confident that the valuation will provide us an opportunity to make healthy returns. So that was kind of the thinking then.

**Moderator:** We have the next question from the line of Parikshit Kandpal from HDFC Securities.

**Parikshit Kandpal:** So my first question is on Project Summit. If you can help us understand what was the total sales value of this project when it was launched and whether now it's deeply in the money for the investors or the buyers because you've also given a buyback offer. There's not much of a difference. Investors at least may panic and may offer it on the buyback. So just want to understand how big can that be in terms of liability.

**Pirojsha Godrej:** Yes. I think we had sales of a little over INR1,000 crores total in the project. Our sense is that only a small proportion of that is likely to come back. This is what we are seeing in the buyback. But of course the offer is open to any customer. So you should treat the potential liability as all customers potentially avail of it. But so far, we're talking about it's now been a few weeks since this offer has been made.

Only about 60 customers are seriously exploring it as of now. And we've executed about 10 agreements already. So I think we'll have to wait and watch. But our sense is, from what our teams on the ground are explaining in their interactions with the customer, that most customers

are for now interested in remaining in the project and looking forward to us carrying out these repairs. But that would be the total amount.

We of course once -- if for any of these units that we do end up buying back, we will have the opportunity to resell them post completing the required repairs under the guidance of these external experts. So we're reasonably confident of being able to achieve the same price when we sell these units as we would be buying them back for.

**Parikshit Kandpal:** So what is the pricing formula of buyback? And what was the launch price of these apartments?

**Pirojsha Godrej:** So the buyback price is linked to the price at which they were sold, and it's usually depending on when -- which specific unit and when the customer bought it, largely in the range of between INR5,000 to INR7,000 per square foot.

**Parikshit Kandpal:** And what will be the prevailing prices right now in that micro market then for the same product, like if you have to resell it?

**Pirojsha Godrej:** So, as I said, I think it's very hard to estimate. Our current best guess is that at the -- we are reasonably confident of being able to achieve the same price at which we buy back the unit for. Obviously, for a newer development, etcetera, in the same location, you might be able to get better prices. But I think, in this situation, I don't think we're thinking of making any healthy positive return out of this, but we also don't expect to not be able to achieve breakeven.

**Parikshit Kandpal:** Okay. And just my last question on the launch pipeline. So any update on the Ashok Vihar project and the South Mumbai project. So when do you expect them to break ground in terms of launches?

**Gaurav Pandey:** Thanks for the question. Ashok Vihar seems to be on track now. Just like I updated in the last call, it seems to be heading towards sort of a launch in the H2 of this year. We've seen some very interesting breakthroughs in the last 6 to 7 weeks. And fingers crossed, if it continues in its momentum, you'll hear some good news.

**Parikshit Kandpal:** Okay. And sir, on the South Mumbai projects?

**Gaurav Pandey:** You're referring to which, Carmichael or any other?

**Parikshit Kandpal:** Yes, the Mahalaxmi and -- yes, so Mahalaxmi project and then Worli projects.

**Gaurav Pandey:** So, Mahalaxmi should get launched likely in this quarter. I mean, this will be a sort of a phase-wise strategy that we have thought of. And starting from this quarter, we're looking at -- we're seeing lot of interest in the market. So, yes, likely we'll hit the market from this quarter, and we'll continue to even see in the next quarter. And the other project that we have is in Carmichael, that's going on track, and again that will get launched in the H2 of this year.

**Moderator:** We have the next question from the line of Kunal Khudania from DSP Asset Managers.

- Vivek Ramakrishnan:** This is Vivek Ramakrishnan. My question was about the peak net debt levels that will go up to, it's now INR5,300. So are we near the peak? Especially when you look at the rating rationale where ICRA said that there's a fund flow from operations to -- net debt to fund from operations is over 2.5, it's a negative rating trigger. So just wanted to get a sense of how we expect the operational cash flow to be. That's my only question.
- Rajendra Khetawat:** So we are quite confident this operating cash flow would be better in the coming quarters because a couple of our launches, high-impact launches has been delayed due to delay in approvals. So the collections are a little pushed forward. And the construction outflows are consistent. If you see outflows has been consistent quarter-on-quarter. So we expect this operating cash flow to be better in second half of the financial year. And we don't see any concern as far as the rating rationale is concerned. So we would be able to meet our rating rationale guidance.
- Vivek Ramakrishnan:** Excellent, sir. Just wanted to know, is the debt likely to increase from here? Or is this the peak kind of debt level that you expect to see till you get to the next phase?
- Pirojsha Godrej:** I think you will see some increase likely given the business development over the next couple of quarters. But we think thereafter next year, we think the calendar 24 is when there's a lot of these project launches happening both in the next couple of quarters as well as next year itself, we expect very strong positive operating cash flows.
- Moderator:** We have the next question from the line of Pritesh Sheth from Motilal Oswal.
- Pritesh Sheth:** First is on our Gurgaon pipeline, which has lined up pretty well after our recent acquisitions. What sort of launch time lines we are targeting across the projects that we acquired recently? Should we see any of them coming this year?
- Gaurav Pandey:** Yes. Thanks for the question. Gurgaon should start seeing launches within the financial year. Likely we should see launches in quarter 4. We are actually internally tracking the approval. They are not just on track, they tend to do a little bit better than what we had initially envisaged from an approval point of view. So you will see launches starting from quarter 4 itself.
- Pritesh Sheth:** Sure. Got it. And just to continue on the previous question. So, we have had a very healthy spend on land and acquisition, and that will continue because of our strong business development plan. So one part is, how should we expect the business development going ahead in this year? And how much do we envisage to spend on the business development this year?
- Gaurav Pandey:** Yes. Essentially, if you see, we've been noticing consistent trend. And whenever we are able to get our launches by way of approvals on track, we are seeing stellar launches and which is where the need for business development is kicking in. And initially, first part of the BD strategy was that we had a lot of opportunities to invest because we were not having the kind of inventory or presence in some of the cities we were present, like the Gurgaon we would clearly see a lot of expansion specific focus on it.

You would have seen Bombay a lot of focus on transactions. And that was the first phase of strategy to kind of get into a point of arrival in these cities. And that has given us a very good base. From a future BD strategy, I think it's more about calibration, right? So you will see focused effort on some specific markets. We are seeing our inventory getting sold out faster than we are able to replenish it. So case in point would be, say, Bangalore.

But it is going to be more dictated now in terms of inventory, lack of inventory in a market than just a secular BD expansion. So there's a sort of a shift in our strategy. But it would be fair to say that it is going to be more calibrated more about specific micro market for cities where we're not present that much and you'll not likely see too many BD in those cities we've already made presence now.

**Pritesh Sheth:** Sure. So do you stand by the INR15,000 crores or we can also exceed that number given the way the pipeline is looking at right now?

**Gaurav Pandey:** I think we are at the moment frankly more confident on the INR15,000 crores. It of course all depends on the opportunities that we would get to see in the market. But we will stick to our guidance right now.

**Pritesh Sheth:** Sure. And the amount of spending that you would do this year, any comment on that? I mean, INR1,575 crores already done. Would this be like another INR4,000 crores, INR5,000 crores of spend in land and approvals with it?

**Gaurav Pandey:** Not really. I mean, we're not looking that kind of investments right now because we do have a very strong pipeline. We want to get into a bit of also in the execution stage of some of these launches which you should actually start being even this quarter itself. You would see within this quarter, one of the prominent investments we did in Noida will get into launch within this quarter. So idea is not to go aggressive in terms of capital deployment, idea is to ensure that markets where we were not present, we just target those opportunities and conclude opportunities on that. So we may not at all looking at something of the capital size you are talking about.

**Pritesh Sheth:** Sure. And just lastly, you have certain market share in mind for every market and where we are on that target right now? Are you happy with the BD pipeline across the market? So just firstly on the market share probably you're targeting.

**Gaurav Pandey:** See, if at a very macro view, it's a good question, but in a very macro view, I think not now, but I think in the very long in any industry, you will see market leaders tend to operate between 30% to 60% in any organized structured businesses. Real estate of course is a very, very nascent stage. So the headroom for growth to any developer is massive. Wherever we are present, from a market share point of view, between 3.5% to 5%. So I think what we are looking at is a sort of a easily double-digit kind of market share kind of an opportunity.

It will however be balanced with prudence. We would like to do it one step at a time, ensuring that we keep -- while we aspire for aggressive growth, but we ensure we deliver profitable returns and manage our balance sheet within a particular range we're comfortable with. But the



direction of opportunity, if you ask me personally, in the long run, in the very long would be something getting into really that kind of scalable. Business continues to consolidate more.

**Moderator:** We have the next question from the line of Abhinav Sinha from Jefferies.

**Abhinav Sinha:** A few questions. So on the market side itself, how are we looking at pricing in the last 3-odd months and going forward from here?

**Gaurav Pandey:** Thanks, Abhinav, for the question. So we're happy to report that we're able to still see consistent price increase in our portfolio. To give you a sort of a directional sense, north -- we are seeing close to about 3% to 5% of market price appreciation in most of our portfolio. Mumbai is staying close to about 2% to 4% of price appreciation. Markets like Pune and all about 3% to 5%, and south say about 2% to 3%. And while this is very early days, but seems like even in the early times of Q2 market is looking very exciting from this opportunity of price appreciation.

**Abhinav Sinha:** You meant this is the Q-o-Q sort of trend, right?

**Gaurav Pandey:** Yes. Quarter-on-quarter, yes. Yes.

**Abhinav Sinha:** Okay. And Gaurav Sir, while we are on the same, I mean with the large sort of pipeline now acquired and you seem to be reaching the end of this broadly INR50,000 crores, INR60,000 crores, how are we looking at margins on this portfolio?

**Gaurav Pandey:** Yes, at a very macro level, our endeavor is to generate PAT margins close to about, in the range of 12% to 15%. That's the kind of range we look at generating long-term profitability. Of course, there are some projects where it would be significantly higher. And there could be some projects which is within this range would be in the lower side. But I would say it is fair to expect that's the kind of direction because that will translate into a sort of a 20% return on equity in the long run for us.

**Abhinav Sinha:** Okay. 20% on this, okay. And Gaurav, on the second half, I mean, we do seem to be a fairly heavy biased towards the second half of the year at least on the presale side. How will be the deliveries be spread out? So we've seen a good 1Q. But from here on, can you give us some sort of guidance on how the deliveries will happen?

**Gaurav Pandey:** See, largely, we will have each quarter seeing some amount of OCs. I think it will be fairly larger in the later part of the year. But I think you will see some good amount of OCs hopefully even if we're able to secure all the approvals on time even in quarter 2. So unlike the last year where we got practically all the OCs only in the quarter 4, I think this will be sort of a shift in terms of being able to have more predictable OC calendar.

But yes, it will be spread out. I think it will be a bit of -- if I were to say aspiration, we'll have a good quarter 2. Quarter 3 will be reasonably balanced and quarter 4 will be an upside. So if at all something slips in quarter 2, you will have quarter 3 more exciting. But it will be slightly different than the previous year.

- Moderator:** We have the next question from the line of Kunal Lakhan from CLSA.
- Kunal Lakhan:** If you can give some color on what was the land payment related to the projects that we acquired in the first quarter with GDV of INR6,450 crores projects.
- Rajendra Khetawat:** Sure. So, Kunal, like we have mentioned in our investor presentation, we got this Bhandup project. So we spent around INR250 crores on this Bhandup. And then obviously in NCR we acquired 3 projects. So on that, we have spent another INR300-odd crores. Plus there were some milestone-linked payment for the deals which we have acquired in the last financial year. Those were on balance INR600-odd crores. And then obviously then there are various approvals in terms of FSI, TDR, those accounted for the balance.
- Kunal Lakhan:** No, so you're trying to say that the Gurgaon 3 projects that we acquired, we spent about INR300 crores for a GDV of closer to INR5,000 crores or more than that?
- Rajendra Khetawat:** No, I'm saying that whatever we have incurred in Q1, we are saying that the total land payment would be somewhere close to INR1,600 crores, of which we have spent INR300 crores.
- Kunal Lakhan:** For this INR6,450 crores total land payment would be --
- Rajendra Khetawat:** Three Gurgaon deal.
- Kunal Lakhan:** Three Gurgaon deals, okay, INR5,000 crores of GDV.
- Rajendra Khetawat:** Correct.
- Kunal Lakhan:** Okay. Just again trying to understand on the Gurgaon projects again, which sectors are these? Because the second and the third land parcel seem to be a lot more expensive versus the first --
- Rajendra Khetawat:** So, I'm missing the exact location, why don't we just connect off line, I'll give you the location, after exactly finding out.
- Pirojsha Godrej:** The first two are at prime golf course location.
- Rajendra Khetawat:** Yes.
- Kunal Lakhan:** Okay. Okay. And just some color on land prices actually since 2 of these projects were bought in auction. Just how has the line -- how are the land -- how are the land prices beading in the last, say, couple of years because we have been quite active in terms of acquisition in Gurgaon.
- Pirojsha Godrej:** Yes, I think prices have definitely moved up, which is good on all the BD. We've been doing things like Ashok Vihar, our Noida land parcels last year, the other Gurgaon parcels we got last year as well. I think what gave us a lot of confidence on these 2 is, it is sort of a land value to booking value ratio is reasonably high for these because of the very prime locations. These are projects we think will sell at INR25,000 plus per square foot. And also project sizes were quite optimal, were about 0.5 million square feet each which we think can be turned around

quite quickly. So the current return on capital we think will be quite fast and meeting the threshold. But certainly land prices in NCR have been trending upwards.

**Kunal Lakhan:** Sure, sure. And secondly, like on the Summit project, are we also like doing some audits in projects in and around the vicinity and -- or being done by the same contractors for any such glitches?

**Pirojsha Godrej:** Yes. We will certainly, I think, take the learnings from this and ensure we implement them both in any projects around the vicinity but also on our national portfolio. We've been doing a lot of work even pre-dating this and ensuring that as we operationally scale to the level we'd like to, that we remain laser-focused on quality and improving our processes and standards there. But yes, I think we will, as a part of that, do what as you suggested.

**Kunal Lakhan:** Sure. And again, I have one last bookkeeping question. Rajendra, on the Kolkata land, what was the payment?

**Rajendra Khetawat:** Kolkata land, we have paid at a very small amount, which was just an EMD amount. The balance payment has to be made. Total is around INR225-odd crores.

**Moderator:** We have the next question from the line of Puneet Gulati from HSBC.

**Puneet Gulati:** In terms of the new projects which we have acquired under auction, what stage of approval are they? And how soon can you launch these?

**Gaurav Pandey:** Thanks for the question. So any auction line in these cities of course the government usually does the auction and these are all government-led auctions. And typically, you have to apply for buildings and approval. And thereafter, you have to take environmental approval, we'll have to take the RERA approval. So it's a typical process that any land goes through. When we underwrite a deal of course we take a very conservative sort of a view towards approvals because approval is a sort of a very unpredictable trajectory.

But when we get into a bit of an execution stage, the entire strategy is to prepone as much as we can. And just to give you one or 2 examples about it, if you remember, we did a Noida acquisition very, very recently through auction. This was Sector 146. And immediately if you would have asked this question, say, 1 quarter or 2 back rather than it was done, I would have given you a guidance about quarter 4. But what is heartening to note right now, we are in quarter 2 right now, and this is already under launch.

So yes, from underwriting point of view, I assume like-to-like conservative kind of a thing, but endeavor is always to prepone launches to the best possible means. So yes, we should see -- hopefully, the similar trend will continue even the subsequent quarter.

**Puneet Gulati:** So I'm just trying to understand with the perspective of how RLD has behaved, is this auction authority also likely to behave similarly? Or is it more progressive?

**Pirojsha Godrej:** I think this is a very different type of project. I think in our experience, very large projects with the land area being quite large, lot of green areas, etcetera, do take longer to launch. We've

seen that both in our own large projects as well as many of our peers when they have large project launches. So we certainly don't see these as anything like that. They're already in very urban areas, relatively small land sizes. So we would expect these to actually be quicker turnaround than the usual.

**Puneet Gulati:**

Understood. That's really helpful. And lastly, if you can give some color on the market demand, which market in your view is stronger than the others? And are you worried about Gurgaon market at all given the kind of price increase and the euphoria that is going on there on the demand side?

**Gaurav Pandey:**

Thanks for the question. It's a good question. See, essentially, if you see wherever we are able to get our launches on time, approvals on time, we are able to see sort of record-breaking sales consistently in terms of all parameters that we look at from a launch point of view. And that's sort of a secular trend while quarter 1 was muted. But frankly, it was purely because we didn't have launches, the big bang ones that we were looking at. It was -- which is like 80% of Q1 was actually sustenance.

So we are not at all seeing from a macro point, any market selling less or more. It is just about whichever market we're able to get approvals on time, and it's available we're able to sell. Coming to the second part of your question, which is more Gurgaon-specific. See, when you sort of take a position from an investment point of view, you do not assume the world is going to be very, very exciting always. You take a sort of a very prudent view in terms of underwriting, pricing and all. It just happens that if market continues what it is, I think we'll have some very good surprises.

So I'm very confident that whatever we have underwritten, we will easily deliver on that. And we are seeing very strong demand even on the existing portfolio. So there are project that were not as exciting for us in terms of sales velocity and sustenance, have practically got sold out. And so it's a good problem to be very frank in Gurgaon, we don't have practically much inventory without this new BD. So very strong market, very, very consistent demand and price appreciation. But yes, it will be fair to say that whenever we underwrite, we want to be very cautious and very conservative. But from a delivery point of view, we should be able to deliver it.

**Pirojsha Godrej:**

Just to add to that. So, Puneet, I think it is also fair to say that we feel business development has really clicked in Gurgaon. We now have the portfolio we need. So think certainly from a going-forward perspective I think there are areas we will be more focused on such as Bangalore, maybe Noida, plotting projects, etcetera. And Gurgaon I think the BD work is largely now behind us.

**Moderator:**

Ladies and gentlemen, due to time constraints we will take one last question from the line of Adhidev Chattopadhyay from ICICI Securities.

**Adhidev Chattopadhyay:**

So I had a few bookkeeping questions. So first you mentioned Ashok Vihar launch is now likely this year. Could you help remind us now out of the outstanding total land payment how much is the incurred so far? And with the project launch coming up, what sort of land

payments you need to make to the authorities for that project. That is one. And my second question is when do we see a launch in the Vikhroli project? Will it happen sometime this year? And where is the hotel expected to open? And if you could help remind us what are the commercials regarding the -- whatever, the revenue share or whatever arrangement you have with the Taj group.

**Pirojsha Godrej:** I think Ashok Vihar we expect, if the launch happens as we hope, over the next few months, this to be a key driver for the company, both on the P&L front as well as cash flow front because of how well the market overall has done and given the kind of scale we have there. So I think we've got INR500 crores of the remaining land payments this year. But the kind of positive operating cash flow we can expect there over the next couple of years, if this project launch now happens, as we hope, in the next few months, will be much more than any further land payment amount.

On Vikhroli, we do expect to launch the project this financial year. Looking forward to having the inventory in Vikhroli once again. And on the hotel, we are actually very close to now opening the hotel. I think it will probably -- will open actually in October. We've already received the occupation certificate there recently. And the hotel is owned outright by Godrej Properties with Taj appointed as the manager for the hotel.

**Adhidev Chattopadhyay:** Okay. Sir, this will be fully consolidated in our books, right? Just to understand this clearly.

**Pirojsha Godrej:** Yes.

**Adhidev Chattopadhyay:** Okay. Yes. YES. And on Ashok Vihar, this INR500 crores balance is again payment in tranches, right? It is not a one go, right? We do not have to make this right now which will again be spread out over milestones, right?

**Rajendra Khetawat:** The land payments are spread over 8 years. So what Pirojsha mentioned was the land payment which is falling due. So obviously there will be future land payments, which we'll have to make for next 2 to 3 years.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question. I would now like to hand the conference back to the management for closing comments. Please go ahead.

**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 again for taking the time to join us today.

**Gaurav Pandey:** Thank you.

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