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CIN: L74120MH1985PLC035308

October 28, 2024

**BSE Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street,
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 - Script Code: 533150, Scrip ID – GODREJPROP
BSE - Security Code - 974950, 974951, 975090, 975091, 975856, 975857, 976000 - Debt Segment
NSE Symbol - GODREJPROP

**Sub: <u>Transcript of the conference call with the investors/ analysts.</u>**

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, October 23, 2024, post declaration of unaudited financial results (standalone and consolidated) for the quarter and half year ended September 30, 2024.

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: 2024.10.28 10:46:48 +05'30'

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

*Enclosed as above*

# "Godrej Properties Limited
# Q2 FY '25 Earnings Conference Call"
# October 23, 2024

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

**Moderator:** Ladies and gentlemen, good day, and welcome to the Godrej Properties Limited Q2 FY '25 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 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, Mr. Jain.

**Kshitij Jain:** Thank you. Good afternoon, everyone, and thank you for joining us on Godrej Properties Q2 FY '25 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 a disclaimer to this effect has been included in the results presentation. I would now like to invite Mr. Godrej to make his opening remarks. Over to you, sir.

**Pirojsha Godrej:** Good afternoon, everyone. Thank you for joining us for Godrej Properties First Quarter Financial Year 2025 Conference Call. I'll begin by discussing the highlights of the quarter, and we then look forward to taking your questions and answers session.

The residential real estate sector in India has been strong over the past few years, and we believe the sectorial tailwinds will continue over the next few years. The significant levels of business development we have executed in previous years at favorable terms continue to allow us to scale our bookings and margins, which in turn will lead to strong earnings growth in the years ahead.

I'm happy to share the Godrej Properties delivered another robust quarter, registering a highest Q2 and H1 collections, operating cash flows and delivery. We've already achieved 51% of our annual bookings guidance. In the past 5 financial years, GPL has averaged 37% of its full year bookings in the first half of the financial year in the best out of the last 5 years, we achieved 40% of our full year bookings in the first half.

Booking value in second quarter FY '25 grew 3% year-on-year to INR5,198 crores from sale of 5.15 million square feet of area and booking value for the first half grew 90% to INR13,835 crores from the sale of 14.14 million square feet of area, which was a growth of 89% in volume terms.

This strong growth can be attributed to an extremely strong customer response to some of our new launches during the quarter. Godrej Jardinia and NCR delivered a booking value of just under INR1,500 crores, and Godrej phase in MMR, a profit development project delivered a booking value of just over INR600 crores.

For the first half of financial year '25, bookings in our key markets at NCR, Bangalore and MMR have shown tremendous growth. In NCR, we grew 70% from INR5,424 crores. Bangalore, we grew 212% to INR3,889 crores. And in MMR, we grew 114% to INR3,113 crores.

With bookings growth of 56% in financial year '23, 84% in financial year '24 and 90% in first half financial year '25, GPLs reset its scale. The benefit of this is clearly visible in our cash flows with collections growth of 68% and operating cash flow growth of 125% in the second quarter.

GPL's collection stood at INR4,005 crores for the second quarter financial year '25, a year-on-year growth of 68% and INR7,017 crores for the first half, a year-on-year growth of 62%. Operating cash flows stood at INR1,834 crores for the second quarter, growing at 126% and INR2,822 crores for the first half, growing at 204%. This is the highest ever second quarter and first half collections and operating cash flow achieved by Godrej Properties.

From a business development perspective, I'm happy to announce that Godrej Properties has added 10 projects in year-to-date financial year '25 with a total estimated saleable area of nearly 14 million square feet and total estimated booking value potential of about INR17,500 crores.

This included 6 new projects with an expected booking value of INR9,650 crores in the second quarter and 2 new projects with an expected booking value of INR4,800 crores added in October. GPL has achieved 87% of its annual guidance for business development year-to-date. We have also entered the new micro market of Indore through a plotted development project.

We delivered projects aggregating to 6.6 million square feet across 3 cities in the second quarter, taking the year-to-date total for deliveries to 9.3 million square feet. This is the highest second quarter and first half deliveries for GPL. For the second quarter, our total income increased by 135% to INR1,343 crores. EBITDA increased by 69% to INR282 crores and net profit increased by 402% to INR335 crores. For the first half, our total income increased by 58% to INR2,981 crores. EBITDA increased by 167% to INR1,056 crores and net profit increased by 345% to INR855 crores surpassing earnings for financial '24. We financial year '25 on a strong note and hope to build on this momentum through the launch of a large number of exciting new projects combined with strong customer sales.

We also expect our record year from the point of view of cash flow and earnings. On that point -- 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:** The first question is from the line of Puneet Gulati from HSBC.

**Puneet Gulati:** Congratulations on great numbers here. My first question is, it looks very, very likely that you will exceed your booking value guidance. What should we assume that you'll be aiming for in FY '26?

**Pirojsha Godrej:** Thanks, Puneet. Yes, I think we're on track to do well on the bookings front. We've already surpassed 50% of our full year guidance. And typically, the second half is significantly stronger than the first half, both the seasonality reasons and otherwise.

I think the goal will be to do as well as we can this year. And then continue to deliver strong growth on that in the year ahead. So, without getting into specific numbers, which we'll comment on towards the end of the year. I think given the portfolio we've built, given current visibility in how the market is doing, I think we're all set for now exceptionally strong year sales growth this year, and we'll look to build on that with strong growth next year as well.

**Puneet Gulati:** Okay. And secondly, in terms of pricing, what are the trends that you're seeing in terms of pricing growth in your market? And given the realization that you've discovered, how high on an average compared to the pricing that you would have underwritten it?

**Gaurav Pandey:** Thanks for the question. This is Gaurav here. See, essentially, what we've noticed right now that there is strong price growth in especially markets like NCR and Bangalore. In fact, if I would just sort of give you a tight pack of order, Gurgaon is being very robust price growth over the last few years, but continued even this year. Next would be Bangalore, then would be Noida.

And I would say, finally, after we noticed Godrej Reserve launch in Mumbai, which is the largest residential sales by any developer, it's kind of also reiterated Bombay in terms of its momentum. So we are also seeing early days of good price growth in Bombay in our portfolio and also overall in the market. Pune is yet to see pricing relative kickoff when I compare with other markets, but these are sort of the stronger markets more from a forward-looking sort of difficult to crystal guess.

But if you generally look at where demand and supply holds, you can kind of derive certain estimates. So Noida, as you would appreciate, land supply is heavily restricted and there is a complete lack of say for example 3BHK inventory. I would say that Noida the near term should logically see price growth action. In Gurgaon, I were to say, I think periphery markets may not see as much of a price action, but golf course road specifically should see price action because there is virtually no land supply, finally, some launches will be visible in the coming quarters. Bangalore, I think, is one of the strongest markets because the quality of land supply is limited because the title issues of Bangalore.

So whichever project will hit the market would be reasonable growth may not be as massive what we were seeing, say, in the preceding 2 years. But to some extent, I would say maybe high single-digit kind of numbers should be visible in the next 6 to 12 months. Bombay, I'm quite bullish personally on because this market is seeing good offtake and also pricing growth very recently. And Pune, I would say, may not be immediate as much, but say 2 to 3 quarters because Pune tends to be a lag to Bombay. And if you see Pune from a demographic point of view is very similar to what Bangalore is. So it's not taken from pricing to it's been sort of a laggard, but give or take 2 to 3 quarters, we should see price growth there as well.

**Puneet Gulati:** And in terms of compared to the prices at which you have underwritten, how high are the realizations?

**Gaurav Pandey:** I think one of the interesting things we managed to do is to do consistent business development in the last 2 years. And purely because of the cycle benefit, we've been able to enjoy significant price expansion to give you some sort of a broad understanding. To give an example, sector 146 Noida, the 2 auctions that we had bought say about 20, 24 months back, we first launched the first phase last September practically managed to sell it out in 3 to 4 months the launch project of about INR2,200 crores.

And we saw close about 10% to 12% or thereabouts above our underwriting level. But there is newer inventory also saw price growth. But the second one that we launched, which was previous quarters saw again price bump. So essentially, in most projects, what we are noticing the market is giving you option. As a rule of thumb, we tend to either ensure at least that price expansion we do or it can be higher, which means that ballpark 10% to 15% from an underwriting, in most of the parts of the portfolio, we've seen. Of course, there are some projects you see in even much higher price growth and there have been some projects which could be something slightly lower than this, but ballpark to as the 10% to 15% over underwriting is what we've kind of consistently been able to achieve.

**Puneet Gulati:** And secondly, on the construction cash flow side, while your collections have gone up, construction outflow hasn't really gone up as much. Could we assume a significant bump up coming in the second half of this fiscal?

**Gaurav Pandey:** I think as you would appreciate that typically, construction is more the peak cost of construction happens to be mostly on the mid-stage and advance stage because initially, your maximum cost is about excavation, then some of these -- especially the north side, you have the pilings that has to be done, which is time consuming, but not as far as capital intensive. And your construction speed which significantly accelerates will start picking slabs beyond a typical cycles, the second, third, fourth onwards. That's when your construction you pick up. Yes, you're right, we will see some kind of an acceleration in Q3, especially in the later part of the year.

But as you would see that most of our projects are, we have very strong H1. And some of these COC expenses in terms of peak would be noticeable towards mid-part of next year. So starting from later part of the year, continue to the mid part of next year, you should see growth in COC curve. But there are items that finishing where the cost tends to be higher core and shell, then there is MEP, which is also relatively higher than core and shell, and core and shell usually is higher than excavation. There is always a sort of a COC lag in terms of cash flow -- net cash flow line.

**Puneet Gulati:** That's helpful. And lastly, if you can share the -- your share of sales booking value in the overall pre-sales?

**Gaurav Pandey:** I think we publish share...

**Rajendra Khetawat:** First half of the financial year is around 93%. .

**Gaurav Pandey:** 93%.

**Moderator:** The next question is from the line of Mohit Agarwal from IIFL Securities.

**Mohit Agrawal:** Congratulations on great set of numbers. So firstly, if you could touch base on the launch side, you've already done nearly 50% of your guidance. So typically, second half is stronger just like sales. So if you could kind of tell us how you see the second half? And would you beat your guidance there as well? And what would be the big projects that you are looking at in the second half?

**Pirojsha Godrej:** Yes. I think our guidance both on launches and sales always has some amount of buffer for projects slipping out for regulatory approval reasons, et cetera. So I think we are quite hopeful of surpassing our guidance on both counts.

And the launch portfolio, I think both for Q3 and Q4 looks very good and exciting. Some of the big projects we hope to launch before the end of the year the project in Worli. We have a couple of projects coming on Golf Corse road in Gurgaon. We have a large project in Sector 44 in Noida, 2 or 3 launches planned in Bangalore, quite a few launches in Pune and also some in Kolkata and Hyderabad. So overall, I think a pretty robust launch calendar that I think gives us good confidence that we will be a very strong second half of the year from a sales perspective.

**Mohit Agrawal:** So Pirojsha, Worli would be 3Q or 4Q, if you could specify?

**Pirojsha Godrej:** Like Quarter 4.

**Mohit Agrawal:** Quarter 4. My second question is on you've been acquiring land and that strategy has been working well. And it is imperative for us to replenish the sales into growth. But assuming that land prices have gone sharply up and probably we are somewhere near the peak, let's say, what kind of margin of safety do you want to build in your future land acquisitions in terms of margins? If you could kind of elaborate that strategy because if, let's say, the pricing growth stunts or kind of declines, what kind of margin of safety do we have when we are underwriting the projects?

**Pirojsha Godrej:** It's a great question. And clearly, we're not at the exact same stage in the cycles now than we were 3 or 4 years ago. But at the same time, I think if you look at a typical cycle ends in India, it has been 7 to 9 years. We're probably in year 4 of that. So we actually do think the cycle like we have 3 or 4 more years left in it.

But, I think the land values have gone up in to some extent, kept pace with end property prices. So we do have to be very disciplined in terms of our land acquisition strategy. I think what we look at is at today's sight, not at any kind of price inflation or markets continue to do well, but if we were selling the project today and using that price can we achieve an IRR of at least 20% to 25% in the project.

And we think if that is achievable, then that's the project that makes sense to do. We don't look at assuming any big price increases or anything when we're underwriting the projects. And I think the good news is we are seeing a lot of opportunities that are meeting this threshold across regions, if you look at the kind of number of deals we've done last year. And of course, if we raise any capital, the idea would be to deploy that into other new deals. We are seeing a lot of opportunities that do meet this threshold still. But I think the IRR threshold of 20% to 25% is what we look at. And from a margin perspective, we've guided that we'd like to 25% to 30% kind of EBITDA margin.

**Mohit Agrawal:** Perfect. That's clear. Just one last question. You've done INR17,000 crores kind of a BD to include the post second quarter acquisitions as well. What would be the total land spend on that? And how much of that land payment would be pending which would come in future quarters?

**Rajendra Khetawat:** So that land payment has been done in the month of October. So both inclusive of would be around INR1,000 crores.

**Mohit Agrawal:** This is the pending land payment, sir?

**Rajendra Khetawat:** No. So this is for the 2 deals which we have announced post quarter end, that is INR1,000 crores. And the pending land payment for the earlier deals would be around INR1,500 crores for the deals which we have signed in financial year '25.

**Mohit Agrawal:** And sir, what would be the total land spend that would be in the range of 15% to 20% of GDV?

**Rajendra Khetawat:** Yes.

**Moderator:** The next question is from the line of Praveen Choudhary from Morgan Stanley.

**Praveen Choudhary:** Congratulations, very, very exceptional numbers at the end. I just wanted to get a sense of any overheating you are seeing in the market? And Gaurav, you went through the entire spectrum of pricing trends? It seems like everything is comfortable. But to the extent that what are you looking for in terms of any overheating or concerns in the market, either in the land price or in the final sales conditions, that would be helpful.

**Gaurav Pandey:** Thanks, Praveen. Largely, if you will ask me, I see a very strong demand uptick. In fact, yes, you're right, there is some chatter areas that we do tend to read, but if you ask me purely from a ground position, we are seeing quite steller numbers for ourselves and early days, but even up to we would have seen some media articles of some competition also showing equally strong numbers.

So we, in fact, had a very good H1, not just from a growth point of view, but even far higher performance than our underwriting. Now there is, of course, a degree of market over performance will differ between what we saw 2 years back now, some pricing and volume action.

And within cities, I feel there will be sort of an evolution. So if I would just give you some sort of a broad taste, I think I did mention some time back, peripheral micro market for Gurgaon is seeing good land supply. So you -- we may see volume action, but I think there will be sort of a price saturation sooner than later.

But Central Gurgaon doesn't really have any land supply value, barring very handful of land parcel even with the government or maybe one of our peers. So that should see pricing action. Noida is practically, I already mentioned, you're seeing a clear supply side issues from a launch perspective by anyone.

So anything that is hitting the market is selling out very fast. I've already mentioned Bombay and the market. So I think chatter aside, if you just see what's happening on the ground and walk-ins, since I the festive season just started and there's somewhere between Navaratri and Diwali and November usually is a higher momentum in my sort of history of launches that I've seen, but October is showing very encouraging signs both by the kind of walk-ins we are seeing in our site as well what we hear from the market. So quite excited and quite strong market.

**Praveen Choudhary:** Very, very clear. And then one last question for me would be, when I look at the annual sale in terms of GFA versus the land bank that you have and I assume, let's say, 20% growth per annum. You may have 5-year worth of land bank. Is that the right way to think about it when you are going to use your cash to replenish the land bank? Or do you want to have a longer land bank or a shorter land bank? Just wanted to get that sense.

**Pirojsha Godrej :** Yes. I think in the short term, first of all, I think growth rates have been over the last couple of years, much faster than that 20%. But 2 cycles, we do think 20% is the number we'd like to guide to. I think there is an opportunity clearly in near term to do better than that. We've seen both last year and this a very rapid growth rate. So we think it's probably quite a bit less than 5-year sales and therefore, kind of replenishment is perhaps more important than it looks if you look at the 20% growth rate.

**Moderator:** The next question on the line of Pritesh Sheth from Axis Capital.

**Pritesh Sheth:** Congrats on great set of numbers. Firstly, again, on the market environment on the absorption side, since you have had like couple of successful launches this quarter. How do you read that? versus what it was probably 6 months or a year back? When -- where projects were literally getting sold out during launch, we still have a healthy absorption rate of 60%, 80% inventory getting sold out. But how do you read that? Is it general supply side, which is creating that kind of absorption run rate? Or you think that certain ticket sizes are going a bit higher and hence, we are seeing some bit of cooling off in terms of the funfare. So just a comment on that.

**Parikshit Kandpal:** We are seeing any cooling off in our view. And of course, even 6 to 8 months ago, its not like 100% of projects we're launching were sell out. So our view is the market remains very strong. We're quite confident several of our launches during the rest of the year, we will be close to sell out kind of responses.

So actually, we're not. There is a little bit of catch-up someone like Gurgaon about market cooling off. I don't think what we're seeing on the sales side is really indicating that it's all to us yet, at least. And we remain quite bullish both in the very near term and medium term on the opportunity to continue this kind of trajectory.

**Pritesh Sheth:** Sure. And secondly, on the approval side of the business. Have things started to recover in terms of time lines that used to take in terms of getting approvals because in between like post-elections, we saw some bit of slowdown, but have things picked up from there on? Or it's still as normal as it was before the elections?

**Pirojsha Godrej:** I don't think we've really had much of a struggle, of course, sometimes project to project can be an issue, but I don't think elections had a huge impact on us. If you look at the first quarter, which was right in the middle of the election, we are our best ever start to the year and sales have grown 90% largely on the back of a lot of launches coming in after getting the regulatory approval. So I think from an approval and portfolio available for launch perspective, I think we're reasonably confident that the second half will be a very strong period.

**Gaurav Pandey:** And just to up on that Pritesh if you see our pipeline, just to give us a quarter example, places like Haryana we got the approval, right? Then we have projects in Mumbai and Pune. We've got the approval. So I think what probably a learning curve for at least for us over the last 3 years is that these are predictable events in your sort of in a year. And you almost go during the which quarter would be a likely time that approval could be struggle is how do you become more internally efficient so that to make ensure that you're kind of applying for approvals as early as possible. So I think this is sort of a process change we've done internally, which is kind of ensuring that to the large extent, they're able to mitigate this risk.

**Pritesh Sheth:** Sure. Got it. And just lastly, on the capital raise in terms of deployment, how much time you will take to deploy that? And second, while we'll probably reach INR30,000 crores plus presales, what kind of market-wise target do be internally sense that we can generate for all our individual markets like NCR, we were at INR10,000 crores last year. Do we have -- are we working on some market-wise targets for other key markets for us?

**Pirojsha Godrej:** I think we, of course, do have city by city and targe for each, but it's not something that we would necessarily want to guide to us at this stage. I think NCR is crossing INR10,000 crores last year was fantastic on that high base in the first half, they've been able to grow 70% and have a bunch of launches planned in the second half.

So hopefully, we'll do even better than that this year. And of course, I think there's a healthy degree of competition internally between each of the zones which are relatively separately managed. So we hope to see all our zones crossing this INR10,000 crores mark fairly soon. And I think we have a portfolio that can get us there in places like Mumbai and the south zone, which is Bangalore, but also now Hyderabad, so we're hoping to launch a couple of projects this year.

So I think good opportunities for growth and scale in each of these markets. And I think the sort of medium-term goal would be to start as a leader in each of the individual markets in addition to kind of nationally.

**Moderator:** The next question is from the line of Abhinav Sinha from Jefferies India.

**Abhinav Sinha:** Congratulations to the team on strong numbers. First question is on with the future pipeline of new projects that we are looking at, are we targeting the same sort of micro markets and the overall market? Or are you looking to expand into newer cities?

**Pirojsha Godrej:** So, I think the goal is very much to expand within the cities that are already from a group housing perspective that we largely Mumbai, NCR, Bangalore and Pune, we're open to opportunistically adding projects in Ahmedabad and Kolkata. Earlier this week, we added a project for the first time in many years in Ahmedabad.

In Q4, we entered the Hyderabad market where we bought 2 pieces of land. We hope to launch both of those this financial year. We first like to get those launched to make sure everything we underwrote is kind of playing out as expected. And then as we'd expect look to scale in the Hyderabad market as well.

But these 5 cities of Mumbai, NCR, Bangalore, Pune and Hyderabad, where we'd like to make a lot of our investments on the group housing side. Of course, within these markets, I think one of the opportunities is to make sure we have presence in as many different micro markets as possible so that we're capturing as much of the city level demand as we can. And the only exception to this is plotted development project where we are open to a wider range of cities.

**Abhinav Sinha:** Right. Secondly, on are you able to see that some of your commercial has sort of reached the maturity level. Any thoughts on how we monetize that or you're looking to sort of hold on those assets?

**Parikshit Kandpal:** Yes. I'd say the idea is to gradually build a lease generating portfolio for the business. I think while the lion's share of our focus for the next years remain very much on the residential sector, where we think both the overall size is the greatest and our right to win is probably highest and the returns that can be generated we think are the best because of the ability to have customers financing most of the development. But at the same time, for kind of the longer term, we do want to gradually build an income-generating portfolio to the company. And I think these projects help do that. So there's no plan to sell them or exit them that's a question.

**Abhinav Sinha:** Right. And one last question on cash flow. So we are seeing higher margins in the project and also higher take rates, which are now north of 90%. So our sort of CFO percentage cash flow which is now around, I think, around 35-odd percent. Where does it settle in, say, a couple of years?

**Rajendra Khetawat:** Yes. Most probably, yes.

**Pirojsha Godrej:** From a margin perspective, I think what we've guided on the net profit margin, we'd like to deliver something about 15% through cycle. Of course, it might probably be higher than that when some of these projects have been a lot of margin expansion hit revenue recognition. But I think that's kind of roughly what we're targeting.

I think with the OCF margin, it is a good shorthand thing to look at, but it's not something that we're targeting a specific market at depending on construction Milestones in particular projects. And I think the kind of reported earnings margins we're looking at is what I indicated and we're seeing, I think, very, very healthy growth in collection and operating cash flow, we expect to grow ahead as well.

**Moderator:** Next question is from the line of Parikshit Kandpal from HDFC Securities.

**Parikshit Kandpal:** Congratulations on a great quarter. So my question is on the launches. So if you can help us understand when is the Ashok Vihar launch now. And also if you can give some more color on the Vikhroli land parcel after the family settlement, how do we see it whether the new launches will happen there? And what are the time lines of launches for Vikhroli land parcel?

**Pirojsha Godrej:** Yes. So on Vikhroli, we have a project we launched a few months ago has been in focus over the next few months will be on selling that project. I would be hopeful the next financial year where we can have a new launch in Vikhroli. And Ashok vihar is also now looking like a next financial year launch.

**Parikshit Kandpal:** Okay. Second question is on the fundraise, which you have taken the resolution. So if I see the MMR portfolio, so last year sales, which we had done, average realization of about 16,000, maybe on carpet 24,000, 25,000. So we are really not there on the premium end of the MMR, which is really large and where a branded can have a larger market share.

So how do we intend to plug that gap on the premiumization of the MMR portfolio because that is what will give us bigger margins. So if you can give some more color on this fundraise and how do you intend to deploy it? Are you looking to underwrite large land parcel 50, 60 acres kind of land parcels where we can have maybe 10, 11 years kind of a development and which can be premiumized. So if you can give some color on that, that will be helpful.

**Pirojsha Godrej:** So in MMR, there has already been quite a bit of premiumization of the portfolio. We have existing projects currently in the market in somewhere like Mahalaxmi, we will later this year, we're launching our worli project. We have a project in Carmichael road. So there are several kind of premium projects that hopefully will come to market soon, including Bandra projects that we hope to bring to market next year.

But I think the opportunity is a from price point. I think something like a launch Godrej Reserve we launched in Q4 of last year, sold brilliantly well and is a very attractive project, both from a total scale perspective as well as margin. So I think we have, I think, struck an interesting price point in Bombay and our goal isn't to do on the luxury developments, which have their own drawback.

So while the margin might be attractive in some cases. I think that is not necessarily the end of price segments that were most attracted to. But I think the visibility for Bombay development looks very strong, and we certainly hope to deploy considerable part of any money we raise into our Mumbai portfolio.

**Gaurav Pandey:** And if you see relative to our average price per square feet, I'm seeing more at a portfolio level, this portfolio is an average of markets like Pune, Bangalore, NCR and of course, Bombay, I would say portfolio average price would be much higher for Mumbai portfolio per se because the typical presence that we have, if you see, especially in the last 18 months, we've had a lot of projects apart from Pirojsha just added, projects like Wadala, we had something we have Bhandup and we have Vistas in Vikhroli, these are significantly premium project from a pricing point of view.

**Parikshit Kandpal:** Gaurav, my view -- my point was more from like larger land parcels, which may come up for auction of building that's why some of the peers are raising large capital. So are we open to underwrite large like INR1,000 crores or INR1,500 crores kind of single land parcels, so which can give like a higher economic interest as well as long-term development potential because it's hard to get land parcels, larger land parcels in Mumbai, there is limited window. And since you're raising capital for -- so my question was more from.

**Gaurav Pandey:** I could say that there is no reason we won't really participate, I don't why your are saying we won't participate, from our perspective I think will definitely participate. And I think one of the unique strengths we are having more competition, especially in markets we are present in our ability get sites of INR500 crores to INR1,000 crores or even beyond even if we see the opportunity is right. So of course, we will do that. The only thing I can say Parikshit our lens of doing this may not necessarily be what sometimes from a cheque size or competition could be a land banking, unless they're very, very certain about the strategy, we prefer to be more about capital churn play.

Having said we would, of course, evaluate every opportunity. But yes, because we can sign big cheques. Yes, we would love to scale up the Bombay portfolio significantly beyond what it is delivering. But the approach would be more about how quickly can we turn around these projects and make as much on efficient use of capital. Does that answer your question?

**Parikshit Kandpal:** Yes. So one question to Rajendra. Rajendra, I mean you touched upon that INR1,000 crores spending from the BD done in Q3 and 1,500 for the rest of that. So entire land payment financial year-to-date for all the land parcel or pending land payments should be about INR2,500 crores.

**Rajendra Khetawat:** Yes, INR2,500 crores to INR3,000 crores, including Ashok Vihar and other stuff.

**Parikshit Kandpal:** Okay. And just last, if I may. So how has been the approvals in Bangalore? We have been hearing there has been significant delay in approvals in Bangalore, if you can -- Gaurav, if you can touch upon that, whether the approvals are coming in or things have normalized now.

**Gaurav Pandey:** I think for us, it's been coming quite consistently. I mean, approvals in India has been a bit of a struggle typically from a last 5 years, so I won't say any market is easy or difficult related to the trend. But if you see our projects like in Q1, we were able to bring woodscapes into the market, which turns out to be INR3,150 crores are seeing the highest for us.

And similarly, we've been able to see for this quarter approvls are on track. But especially, it's not very frankly geography-specific the challenge, for us, it's more like sort of a constraint, which we see. And the best one can do is to ensure that like I was mentioning, ensures that your design process are very efficient. But nothing peculiar to Bangalore for us, at least.

**Moderator:** The next question is from the line of Kunal Lakhan from CLSA.

**Kunal Lakhan:** Just on the fundraise, currently, your promoter stake about 50-odd percent. And post this fundraise, it could go below 50% or 47%. So what's the long-term view on maintaining the promoter stake at?

**Pirojsha Godrej:** Yes. Thanks. Kunal. I think if we won't like to dilute below the level that we'll be at post the fundraise if we did go ahead with that. So I think the idea would be again to have new boost to growth. We think the kind of collections that will be generated both from the sales that have already happened, but the sales that we'd also be locking in through this new round of deployment, we've been frankly quite massive and will allow us to do a lot through our operating cash flow, so but we don't see any further reasons for capital raising, even this one to be honest, if we were growing at 20%, 30% kind of growth rate, I don't think there will be a reason for the fundraise.

Thus, the growth has been much faster than last 3 years, we do have been an opportunity to deliver another couple of very fast growth, and that's kind of the logic. So certainly, we wouldn't see any likely fundraising after this round. Certainly, no plan for any further dilution.

**Kunal Lakhan:** And on the fund raise per se, you did answer on the utilization of these funds. But just wanted to understand in terms of the 4 markets that you spoke about, right? Just from your opening commentary, you sounded more positive in terms of pricing. I'm saying relatively towards, like, say, Noida and Gurgaon versus, say, Bangalore, Mumbai or Hyderabad. So should we assume that the incremental deployment of capital would be skewed towards markets like Noida and Gurgaon?

**Pirojsha Godrej:** No, I don't think so. I mean Kunal, one of the big benefits we think we have or is having a truly national platform is that we choose or we don't have to choose to be just in one city or the other. We can choose project by project where we think the best return on a selective basis are possible.

And so I think we like to have that flexibility. So actually, we're not raising the capital thing that 20% will be in Noida, x percent in Pune or anything like that. We have a large set of opportunities available that we're seeing in various markets. I think which of those close will depend on kind of where we're able to structure the most attractive outcomes for ourselves.

But no, I don't think we're viewing the NCR market as more positive than the other. If anything, I think some of the markets that haven't quite seen that full run up in pricing yet, may offer a lot of attractive opportunities. So certainly, Mumbai and Pune will be very much part of the plan for this capital raise as we would Bangalore and NCR.

**Kunal Lakhan:** Very well understood. One last question is in terms of buyer profiles, especially for Gurgaon and Noida projects, if you can give some color on what are the profile of the buyers? And how many of them typically take mortgages?

**Gaurav Pandey:** Thanks for the question. As a typical rule of thumb in most projects that what we get to see from mortgage is about 50% to 70% customers tend to take mortgage in the project. And again, Noida market has always historically been more end-user driven, because if you see the supply itself is constrained. Gurgaon has sort of interesting history where different participants operate, right?

And I'm not talking about just right talking more on the market conditions, which we have seen evolution for the last 20 years. So you have end users who are very product-driven, then you have investors which are very long-term rental income oriented. Then you have investors which have sort of a thought of getting capital gain in 4 or 5 years and then you, of course, have speculators who operate.

I think and different developers also tend to have a different strategy on which part of the market share they want to sort of get. If you generally see in Gurgaon portfolio, we've done some crazy blockbusters sales, but we've intention never pushed for a complete sold out strategy. And the reason was very simple that we wanted to ensure that the sales funnel can try and absorb as much of end users by making certain practices, which are sort of prohibitive and less attractive for investors.

And simple examples are this are like the way we do channel incentives, we are clearly the lowest in the market. And the idea that there is misselling and -- almost like not the preferred partner for some of them from a brokerage point of view, but more from a product point of view, people who want to sell our products to customers who want to stay and enjoy the properties. So that's one example. The payment plans that we tend to design if somebody wants to buy more than one unit there's sort of process define which actually lands up to my table.

And you can really imagine the probability of that reaching to be up to so many approvals. So idea is to ensure that you attract the lion's share of it. And yes, sometimes, what may happen is that on the D day, you may not say a sold out but look at Zenith as an example for us. We sold INR3,000 crores in Q4 and by now we sold at INR1,000 crores at incremental pricing and better buyer profile. So I think these are things that you put in place, but yes, the market will have different types of people, who would have different types of need for buying order product from our end users, some are investors, some are speculators.

We just feel that right now the bulk of the market is where, different micro markets especially like I was mentioning sometime back gold course for example, is a the pure end user market because that's a city -- that's a part of the city, which has complete infrastructure in place that has probably one of the highest rental per square feet of commercial office space of North India, so has a different TG. But yes, if you go to 20, 30 kilometers down the city, you will have different type of developers with different type of customers investors and the like.

**Moderator:** The next question is from the line of Puneet Gulati from HSBC Bank.

**Puneet Gulati:** So Pirojsha, this one is for you. Did I hear it right, you said that if you were only anticipating 20% growth from current levels, there wouldn't be a need for a fundraise?

**Pirojsha Godrej:** Yes.

**Puneet Gulati:** So essentially, with fundraise, we are targeting much higher, Okay. Secondly, can you also give a sense of what kind of gross -- you've also added a significant amount of gross cash now close to INR6,000 crores, and there will be. What part would be stuck under RERA? And when do you expect some of that to also unwind? So you have large -- it's almost INR6,000 crores of cash in your books now. This has grown up significantly on Q-on-Q. How much of it is stuck in RERA? And do you expect it to get unlocked?

**Rajendra Khetawat:** So there's a continuous RERA cash getting accumulated and released as and when the progress. As of now, we have around INR3,000 crores of cash lying into RERA account, which will get utilized for construction, and it will get released as and when the OCs will be received for the completion percent.

**Puneet Gulati:** Yes. And is there something in JVs as well, which is still here to come back to the books?

**Rajendra Khetawat:** There may be some amount, not a very significant because. Now most of our JVs are at the fag end or almost completed.

**Moderator:** The next question is from the line of Sukant Garg from Equibuild Research Private Limited.

**Sukant Garg:** First of all, congrats on the numbers. I would like to ask that in how many projects that we make specifically and how many projects out of the total. We missed the original scheduled deadline.

**Gaurav Pandey:** sorry, the voice is not clear. Can you please repeat?

**Sukant Garg:** Yes. Sorry. So am I clear now?

**Gaurav Pandey:** Slightly better. Yes, but it's a little muffled.

**Sukant Garg:** Okay. So I just want to ask that in how many projects we missed the original schedule deadline? And what is the average time of that miss average time of that, how much delay of their deadline is?

**Gaurav Pandey:** So you're basically saying what's the typical schedule time line, how it happens in operations. Is that the question?

**Sukant Garg:** Yes.

**Rajendra Khetawat:** See, actually, it depends upon the -- quite a few factors like one is how big is your land parcel because that determines the site logistics, how many basement/podiums you may want to have? And what's the typical height of the building, right?

So a rule of thumb is that for a typical building, it can take as less as 3 years can take as max as 5 years. Usually, I'm saying 80% of the projects will be typically in this, again, like the variables I mentioned to you, suppose more highrise if you go 50, 70, so it would, of course, be higher. And if you go to like a 10, 15 story, it could, of course, be far lower. But rule of thumb you can assume that different degrees of basement configurations and need for piling and height of the building, thumb rule will be 3 to 5 years.

**Sukant Garg:** So my question is around how many days of delay that we usually have in completing the project?

**Gaurav Pandey:** Generally, our estimation wise, we are clearly -- bulk of the portfolio do not really see frankly typical delays, but it's also a bit of a learning curve for us that in some markets like specifically talking about NCR, where National Green Tribunal has certain guidelines, which have started coming in last three odd years. And we did, of course, launch projects in like next 7, 8 years.

That time, we did not envisage that there will be graph based rules. I'm assuming you're familiar with the regulation. So when the pollution tends to pick up, there are regulations defined when you need to kind of prescribe halt construction. And what it does is you not only use those many days, it takes time for you to remobilize and again speed up, right? So I'll -- but in the new projects, we tend to now budget for the time in terms of our time line and planning and committing externally according with that. So barring aside the typical delays, I would say, a very handful situation we have seen projects getting delayed, but more or less, every project gets delivered on time.

**Moderator:** Ladies and gentlemen, due to time constraints, we have reached the end of our Q&A session. I would now like to hand the conference over to the management for closing comments.

**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, thank you once again for taking the time to join us today.

**Moderator:** Thank you. Ladies and gentlemen, that concludes this conference. Thank you for joining us. You may now disconnect lines.