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February 06, 2025

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Ref: Godrej Properties Limited
BSE - Script Code: 533150, Scrip ID – GODREJPROP
BSE - Security Code - 974950, 974951, 975090, 975091, 975856, 975857, 976000 - Debt Segment
NSE Symbol - GODREJPROP

Sub: Transcript of the conference call with the investors/ analysts.

Dear Sir/ Madam,

Pursuant to Regulation 30 read with Schedule III Part A, Para A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the conference call organized with the investors/ analysts on Tuesday, February 4, 2025, post declaration of unaudited financial results (standalone and consolidated) for the quarter and nine months ended December 31, 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: 2025.02.06 17:23:24 +05'30'

Ashish Karyekar
Company Secretary

Enclosed as above

"Godrej Properties Limited

Q3 FY '25 Earnings Conference Call"

February 04, 2025

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

Moderator: Ladies and gentlemen, good day, and welcome to the Godrej Properties Q3 FY '25 Results 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 touch-tone phone.

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

Kshitij Jain: Good afternoon everyone, and thank you for joining us on Godrej Properties Q3 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. The forward-looking statements are based on future expectations and may involve risks. The outcome may differ materially from those suggested by such statements and a disclaimer to this effect has been included in the results presentation.

I 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 third 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 suggestions. Calendar year 2024 was a record-breaking year for Godrej Properties. Our booking value reached INR28,800 crores, a year-on-year growth of 69%, and this was achieved through the sale of 26.38 million square feet of area, a volume growth of 54%. This is the highest ever booking value and volume achieved by any listed real estate developer in India in a calendar year.

Collections and operating cash flow were INR14,779 crores, a year-on-year growth of 40%, and INR6,043 crores, a year-on-year growth of 52%, respectively. We delivered projects aggregating 18 million square feet across 7 cities during the calendar year.

Furthermore, we replenished even more than what we sold by adding 16 new projects with an estimated saleable area of 29.1 million square feet and expected booking value of INR36,250 crores. Our earnings were also the highest ever with net profit of INR1,489 crores, a year-on-year growth of 124%.

Towards the end of the year, we raised INR6,000 crores of equity for growth capital through the largest ever QIP by a real estate company in India. As a result, our net debt-to-equity ratio has improved to 0.23 from 0.72 at the start of the calendar year.

Booking value in the 9 months of the current financial year grew 48% to INR19,281 crores from the sale of 18.2 million square feet of area, a volume growth 54%. This is the highest ever 9-month booking value and area sold achieved by Godrej Properties or any Indian real estate developer. GPL has now achieved 71% of its annual guidance for booking value for FY '25. So we remain confident of meeting and exceeding our guidance for the year.

The Mumbai region has seen very sharp growth this year with total sales of INR5,155 crores, a year-on-year growth of 104%. For the third quarter, our booking value was INR5,446 crores from the sale of a little over 4 million square feet of area, a decline of 5% year-on-year in booking value and a growth of 5% quarter-on-quarter.

GPL achieved a booking value of more than INR5,000 crores, even though a couple of new project launches, including Godrej Madison Avenue in our new launch in Hyderabad, which is currently underway, and Godrej Riverine in Sector 44 in Noida, which is also currently underway. But both of these have been planned for quarter 3 and ended up being launched in the early part of quarter 4 instead.

This is the sixth consecutive quarter in which Godrej Properties has delivered more than INR5,000 crores of booking value. And for the first time in Indian real estate, we were able to deliver INR500 crores-plus launches in five separate cities in all parts of the country with launches of over INR500 crores in value in the West in Mumbai and Pune, in the North in Gurgaon, in the South in Bangalore and in the East in Kolkata.

GPL also achieved its highest ever 9-month collections and operating cash flow of INR10,086 crores, a year-on-year growth of 50% and INR3,436 crores, a year-on-year growth of 99%, respectively. Collections and operating cash flow in the third quarter were INR3,069 crores and INR615 crores, respectively.

From a business development perspective, I'm happy to announce that Godrej Properties has added 12 new projects in the year-to-date, with a total estimated saleable area of approximately 16.9 million square feet and total estimated booking value potential of INR23,450 crores as against our annual guidance of INR20,000 crores. This included 4 new projects with an estimated saleable area of 5.9 million square feet and expected booking value of INR10,800 crores added in the third quarter.

GPL delivered projects aggregating 2.6 million square feet in two cities in the third quarter, taking the year-to-date total to 11.9 million square feet of delivery. Slightly lower deliveries in the third quarter were part of the reason that cash flows for the quarter saw quarter-on-quarter decline, but we have a lot of deliveries and other construction milestones planned in the fourth quarter and expect to see a sharp growth in both collections and operating cash flow in the current quarter.

For the third quarter, our total income increased by 133% to INR1,222 crores. EBITDA increased by 85% to INR280 crores, and net profit increased by 161% to INR163 crores. For the 9 months, our total income increased by 74% to INR4,203 crores. EBITDA increased by 144% to INR1,336 crores. And net profit increased by 301% to INR1,018 crores.

We 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 to deliver a record year from the point of view of cash flows and earnings.

On that note, I conclude my remarks. Thank you again for joining us on this call. We'd now be happy to discuss your questions, comments or suggestions.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from Puneet from HSBC.

Puneet: My first question is, if you can share your thoughts about the sustenance sales momentum, a lot of your sales are also driven by launches. How should one think about the fair number of sustenance sales on a quarterly basis?

Pirojsha Godrej: Thanks, Puneet. I think -- we think we've seen pretty strong track record of consistent sales. As I mentioned in my remarks, last quarter was the sixth consecutive quarter we've been able to sell over INR5,000 crores worth of inventory. I think that's an industry record. Similarly, we sold -- had sales of over INR500 crores across 5 cities in all parts of the country. So we do see this sales growth has been quite sustainable.

We've done ahead of our business development targets for the year already, lining up a good launch portfolio for the next couple of years. So I don't see currently any challenge in maintaining the kind of strong sales we've seen over the last couple of years.

Puneet: Sorry, sorry. My question is in context of your guidance, where to meet your full-year guidance, you need to do about INR7,700 crores of presales and the balance unlaunched value of your inventory is also somewhere slightly shy of INR7,000 crores. So how confident are you of meeting your guidance here? And you'll need a decent amount of sustenance sales to run you through, isn't it? Or...

Pirojsha Godrej: We're extremely confident, Puneet. If you look at kind of the track record of the company over the last year, Q4 does tend to be a pretty strong quarter with a larger percentage of full annual sales than is required this year to meet our guidance. We will, of course, need good sustenance sales, and we're seeing some sustenance sales, but we actually have a very strong launch portfolio as well for the fourth quarter, so we're already in process of launching our projects -- our first project in Hyderabad, which is going very well so far.

We're launching a new project in Noida, which again, early signs are very positive. We have additional launches planned in Bangalore, Pune, Mumbai and another launch in Gurgaon. So I think the launch calendar itself is very robust, but we do have also given the large number of launches last quarter, a healthy amount of sustenance inventory. So we're extremely confident of meeting our full-year guidance.

Gaurav Pandey: And just to add on to that, we've already crossed last full-year sustenance figures already. In fact, the year-on-year growth is about 40%. So the launch numbers are the ones that will drive. Sustenance anyways is going on the right trajectory. With the 2 launches that slipped from quarter 3 to quarter 4, will give us the fillip to strengthen the quarter 4 numbers, but they're still actually quite doing rock solid.

Puneet: Yes. Okay. So should one also think that your launch number for full year will be higher than what you've guided maybe start of '25?

Pirojsha Godrej: Yes.

Puneet: Okay. That's helpful. And secondly, if you can also talk about what you're seeing in terms of progress on your Bangalore site, so Bangalore market has picked up this time? How are you seeing your market share growing there?

Pirojsha Godrej: I think we've been very happy with the growth in Bangalore. If you look at it, I think last year, as we look back, we were, of course, extremely happy with the overall sales performance growth of 84% and hitting a total of INR22,500 crores of booking value. I think where we felt we could have done even better is perhaps last year's sales were a little over reliant on NCR with almost a 45% contribution from that market last year.

One of the goals for this year in addition to strong overall growth was to see a better balance amongst the different regions we are in. So if you look at our sales, both in Bangalore, which has grown -- our 9-month numbers, in fact, doubled our full-year numbers of last year. And Mumbai, also for the first 3 quarters, grown at 100%.

So I think both of those markets have seen very strong growth, and we've had a much more balanced sales performance this year across our top 3 markets, and we're hoping to also see the Pune market contribute more over the next few quarters.

And I think with Hyderabad being our new market entry, we're quite hopeful this quarter we will see very strong kind of initial outcomes there. One project, as I said, is already in the market. We're hoping to get the final approvals for the second one and launch that one next month as well. And if we're able to do that, I think that would be an excellent entry into the Hyderabad market also.

Moderator: The next question is from Pritesh Sheth from Axis Capital.

Pritesh Sheth: First is on the launches for Q4, you briefly highlighted some of them. Any broad number in terms of the total revenue potential that you are expecting to launch this quarter, including the couple of launches, which are already in process?

Gaurav Pandey: Thanks, Pritesh. Pritesh, just to give you a sort of insight into our Q4 launch calendar and subject to, of course, some of these are in approval stages, but some head start, like Sector 44 Noida, which is the central CBD market of Noida, we will have a -- hopefully, a big blockbuster launch over there. This is going to be a very meaningful launch for North portfolio. Then we have another launch coming in the central CBD micro market of Gurgaon's Golf Course Road, which is going to hit the market in Sector 54.

Coming down to South, apart from Pirojsha, what he just talked about Hyderabad launches, we have something in fairly advanced stage of approvals in Sector -- this is like the northern part of Bangalore. We have like 66 acres of land. A large portion of that we intend to launch within the quarter. And that is, again, going to be a very significant number.

On the Pune market per se, we have launch planned in Hinjewadi. As you would know, we launched a project just last quarter, which incidentally is now Pune's highest launch ever. So this is going to be very near to that micro market only, in Hinjewadi itself. We are quite excited about that launch. We hope to launch something in Indore as plotted development, something near Kolkata, the recent plotted acquisition we've done.

And in Bombay, we have a series of activations and launches ranging from reserve project that we have to Carmichael to Vashi to Bhandup, a retail phase of that. So yes, I mean pretty large sort of launch calendar. Difficult to really say how much total inventory we would want to launch. It depends if in case we realize that some approvals are getting needed, we might open more inventory and vice versa.

But fair to say that the guidance that we've given to you, we should be more or less be able to beat that from the launch end itself.

Pritesh Sheth: Got it. Got it. That's helpful. Just on Mumbai, Worli launch, will this happen this year or next year?

Pirojsha Godrej: We're still hoping to get it done this year. But I think the reason we haven't mentioned that as one of the launches is there is some uncertainty on final approval time. Very advanced stage of approval, so we are still hopeful we will get the approval. But then, to get the approval also, if we can't start getting through March to get the approvals, we may choose to launch it next year so that we have a few weeks to get to launch fully planned and prepared. So it's -- I'd say it's a bit of 50-50 right now whether that gets launched this year or next. But I think it's either end of this quarter or first quarter next year.

Pritesh Sheth: Sure. Got it. And just on the launch strategy of late, I'm seeing we are giving a little more time to the launches. Any specific strategy in place or probably we are just taking -- considering where we are in the market right now, we are taking a little bit more time to generate as much EOIs for the project, and hence, a little bit more time for launches? Or -- you can guide me on where I -- what my thought process is, yes?

Gaurav Pandey: Yes. Essentially, what happened, in quarter 3, we had 2 launches planned within the quarter. In fact, we did get the approval, but it was almost towards the quarter end, and there is this -- a period where buyers don't feel like buying in these 2 geographies. So we took an informed call that after Makar Sankranti is when the good days for buying properties would start. So we could actually frankly push that, at least one of those launches within the quarter.

But these are very tangible numbers, whether it's the Noida launch or the Hyderabad launch, and eventually, we're not really playing a quarter game, we're playing more of a long-term game, but yes, that's the main reason behind the recent movement between the quarter. Otherwise, it is pretty much straightforward that wherever we feel is demand.

That being said, the only thing I'll say is that there is some amount of price calibration we started wanting for ourselves. So now the fact that we have sold a lot of inventory in some micro markets, our residual inventory or the launch also is not like very, very massive to our total inventory size.

So sometimes there is a temptation to improve profit margin and calibrate the opportunity. So yes, we do once in a while we see that, but that's very tactical adjustment, nothing really strategic in that sense.

Pritesh Sheth: Got it. And one last, and then, I'll go on to the follow-up. But for NCR, I mean we have a flattish 9 months. Obviously, last year was pretty strong. And considering that now we are more into luxury side of -- or premium side of launches in that market, do you think that market from a contribution perspective has peaked out for us and might even be lower next year, considering we don't have any volume projects there, like we used to have in general, so your thoughts on NCR markets?

Gaurav Pandey: I think it's a good question. But if I would put it this way, the reason why you saw 9 months reasonably flattish for NCR is also, some of the launch delays, like Sector 44, had that happened in quarter 3 itself, the numbers would have looked from a 9-month performance perspective fairly different. And if you would go down to the cities like Gurgaon, there are demand and pricing opportunities available on both sides with respect to the market. Yes, premium also is doing very well, and luxury is also doing very well.

That being said, do I see that we will have multiple INR3,000 crores kind of launches? It will depend upon the BD portfolio. So if you see what we've done in Gurgaon specifically, we built a very strong portfolio on the Golf Course Road. And on the Noida side, we've got something in Sector 44 phase of which we launched now and maybe the next phase next year. And then, we have Greater Noida parcel. So I think the volume gain most likely will be Noida portfolio, and the value-accretive game would -- value accretive plus volume growth will be in Golf Course Road.

So yes, I think fair to say that we'll maintain and grow over and above whatever we deliver this year. But yes, the exponential growth of 50%, 100% that we are noticing is also -- in other markets also a bit of a catch-up game to NCR, right? Because that is already doing INR10,000 crores last year.

Bangalore was, for example, doing INR2,500 crores. So just post there will be percentage wise very significant jump we would want other markets to do. But that being said, it doesn't mean that we would not like to grow our NCR portfolio. But yes, the percentage of growth will be different.

Moderator: The next question is from Praveen Choudhary from Morgan Stanley.

Praveen Choudhary: Congratulations on very strong presales this quarter. I have just one question. Are you seeing any areas, geographies or segments where the demand is looking weaker than, let's say, 6 months ago? And how are you countering that? And the related question is also the land banking that you have done in the last 6 months and the assumption that you may have for the margin. Do you think that margin will come under pressure if demand is weaker?

Pirojsha Godrej: Thanks, Praveen. I think we're continuing to see very strong market, frankly. As I mentioned earlier, we've seen INR500 crores plus launches across five cities in all parts of the country. We have seen 6 consecutive quarters INR5,000 crores plus sales. So I think these are all indications to us that markets remain strong. We've also been looking at pricing. So these are not -- these are strong sales at attractive price points above what we underwrote. So in that sense, margin should expand as a result of these.

That said, I think, there was perhaps some level of euphoria in some markets 6, 12 months ago, but perhaps calmed down a little bit. But I think the markets continued to do very well, but perhaps not to the same degree of frothiness that perhaps some of the markets we're seeing. But as of now, nothing we're seeing confirms us that fundamentally demand is weakening and there's anything to be overly concerned about.

We like that we're also very well distributed nationally and also across various micro markets within the cities we operate in, so we're not overly concentrated on any one geography or any one micro market, which will allow us, we think, to continue to show growth even if some individual markets slow down a little.

So as of now, I think we think things remain healthy. We've, of course, taken note of kind of the overall economic slowdown in India over the last few months and some of the global uncertainty that's still unfolding. But we think the government is taking the right steps. I think the budget was a positive move.

And we're quite hopeful that there will be an interest rate cut later this week. All of this, we think, will aid sentiments, and this is ultimately a sector that's quite driven by sentiment. So we'll keep an eye on all of this. But as of now, we think we remain in a very positive overall market condition.

Praveen Choudhary: That's very reassuring. If I have just one follow-up on collections. Your year-to-date or calendar year collection and operating cash flow has been strong. But just looking at the December quarter, we saw some softness. It could be just temporary. I just wanted to understand if there was any factors affecting that, and the fact that next year, it will come back strongly. Can you talk about that?

Pirojsha Godrej: That's nothing too important here, Praveen. I think we expect a very, very strong Q4. I think it was a little bit lower number of deliveries. We only had a couple of million square feet of deliveries of that part of the commercial projects with no collection on. So there tends to be a little bit lumpy linked to deliveries, which we will see quite a few of in the fourth quarter. Yes, I mean, the quarterly number was a little low, but you'll see very strong full-year growth and I think very strong growth in the fourth quarter as well.

Gaurav Pandey: And, Praveen, because of NGT ban that you would be aware in NCR, some of the billing milestones had moved from quarter 3 to quarter 4. So as we speak from enough period of time right now, some of these are hitting. So yes, so some of this is more of a catch-up because of the NGT ban that typically NCR sees...

Moderator: The next question is from Abhinav Sinha from Jefferies India.

Abhinav Sinha: A couple of questions. So firstly, given where we are on the BD side for the year, so how do you expect this unfolding in the next, say, 1 or 2 quarters? And where do we expect the net gearing to be?

Gaurav Pandey: You are referring to, Abhinav, BD strategies. Is that the question?

Abhinav Sinha: That's right. BD and the corresponding net debt in the next few quarters?

Gaurav Pandey: I think there are a few guiding principles that we have kind of set for ourselves, right? One is that we want to have very robust risk management, which is why we did QIP to manage growth and risk very well. So we would like to have an upper cap of about INR10,000 crores of net debt and currently our gearing is about 0.23.

So we have a significant headroom to play the capital in terms of right opportunities. But also at the same time, you have to balance opportunities from potential of future. One is delivery of current, but you're also kind of predicting the market for the next 1 to 2 years. So there are certain cities and certain micro markets within those cities, we are more bullish upon.

And we will be more analytical-driven at decision-making than deployment pressure-driven. And to be very fair, if you see, generally, Godrej Properties' strategy has been, irrespective of capital availability, we've gone very aggressive in a quarter and taken pause for 1 or 2 quarters if we don't find the deals, which are right.

So fair to say that you will see a lot of growth and a lot of acquisitions in the next few quarters, but they can be lumpy in terms of when we feel the micro market is presenting the right opportunity at the right valuation. So yes, you'll see a lot of action on BD, but, again, very calibrated, very specific to need based and within a particular guidance and framework that we set for ourselves in terms of risk management.

Abhinav Sinha: Right. And, Gaurav, from a portfolio basis, we are now fairly premium as compared to, say, 2 years back. But do you see this ratio sustaining here? Or we, let's say, head further more on the premium ladder?

Gaurav Pandey: See, you're looking it from a growth point potential of the topline, is that your question?

Abhinav Sinha: Let's say, from a -- more from a -- how do you plan your ticket sizes? Do you want to do more of large 3, 4 bedrooms?

Gaurav Pandey: Got it. I think there is a combination. So let me take a step back. What is the market -- which part of the market will always see very strong demand, agnostic to a cycle would always be ticket size, which is between INR1 crores to INR5 crores depending on which city we pick up. That's always a market that operates agnostic to a cycle. The thing is that when the cycles are in mid-stage to slightly early part of late stage, consumers always have very aspirational demand. So it's not really just a ticket size game, it is product aspiration that most buyers have.

Today, if you see, because of the economic growth and what we're seeing in terms of our own sales ratio, we have seen very strong demand in the premium segment, and to some extent, even in the luxury segment. But yes, 2 to 3 years from today, there will be, of course, an opportunity to reconfigure your product. So in certain cities, you may want to reduce the sizes, and in certain cities, you may want to or certain micro markets, you may want to maintain your sizes.

Like if I give you an example today, the most talked about market from risk management point of view is Gurgaon, right? But if you see Gurgaon's sales performance, any project from the right developer at the right size of unit, by size of unit meaning minimum bedroom size is right, minimum balcony size is right, minimum kitchen size is right, are doing very well even if the ticket sizes are higher.

And then there are projects which are playing a sort of a relatively smaller product game, are not necessarily as successful as that. So there is no generic principle, Abhinav. I know your question is coming mostly from the previous cycle when ticket sizes raise demand. I do think that will happen. But currently, if you ask me, it's very micro market specific.

People are more conscious about product for the moment than ticket size alone. I think there will be ticket-size sensitivity sooner than later, but I don't see that immediate concern. But yes, there are cities like Pune, for example, is extremely ticket-size sensitive. Pune operates still the pre-COVID model that your price accuracy and ticket price accuracy is far more higher, important. Bangalore used to be like that, but has moved to more of aspirational product today.

Abhinav Sinha: Right. And, Gaurav, one final question. So I think you partly answered this, but broadly, on Golf Course Road, we have, I think, north of INR10,000 crores worth of inventory with us. So how does this -- you see this annually being sold down? Are you going to have like, let's say, all 4 projects launched by, say, middle of next year or something?

Gaurav Pandey: See, the good thing about the inventory that we've added is like the cream de la creme inventory because that -- from a portfolio point of view, this is not even 10% of, say, our portfolio was, at a company level. So there is no pressure to sell them fast, right? These are opportunities which will create the maximum profit margins for us. So we would like to take every -- one project at a time, but not have that pressure to sell fast. We would rather focus on margin expansion and quality of sale.

Just looking at Miraya, as an example, there were a series of, say, bookings, which we didn't want to log in because we had a very high control threshold from quality of sale point of view. So I think Golf Course Road, till the time we are very much focused on ensuring that customers that are coming are largely end users and we are able to build extremely good product, I think these will consistently sell well.

That being said, there is no reason if we see great demand and everybody being end user, we cannot sell more. But it's not driven with the pressure to exit faster. From a portfolio level point of view, this is not a very significant inventory, but very profitable inventory.

Abhinav Sinha: Right. Thanks and all the best to the team.

Gaurav Pandey: Thanks Abhinav.

Moderator: Thank you. The next question is from Parikshit Kandpal from HDFC Securities. Please go ahead.

Parikshit Kandpal: Pirojsha and Gaurav, congratulations on a great quarter. My first question is that for the year, 9 months and for this third quarter, what has been the contribution from the new launches to the presales?

Rajendra Khetawat: Let us come back to that.

Parikshit Kandpal: Okay. So the other question is that now -- I mean, in terms of your sales, so are you seeing any elongation in the sales closer cycles for -- I mean customer taking...

Pirojsha Godrej: I'm not able to make out what you're saying. Could you just repeat that?

Parikshit Kandpal: Sir, just wanted some data points, at your sites, when you are launching new projects, do you see -- are you seeing any trends where the closure cycle is elongating or taking more time for deals to get closed over the last few quarters?

Pirojsha Godrej: I can see good responses almost across the board. I do think in more premium, the higher up you go the value chain in terms of price points, of course, the slightly longer decision-making takes. So I think in some of the luxury projects, we would expect that closure timeframes would move up a little bit. But other than that, I think we're seeing very strong continued response to launches.

Rajendra Khetawat: Parikshit, to your question, new launches to presale is like 70% for 9 months and 68% for the quarter.

Parikshit Kandpal: So that was -- the other question was that now we have only INR7,000 crores to be launched versus the guidance of INR30,000 crores for the year as a whole, and we have a large...

Pirojsha Godrej: Parikshit, it's important to keep in mind, we do keep buffers in our guidance given the uncertainties of regulatory approval. So we -- I think Gaurav and I highlighted earlier that the number of launches we have. So if the question is that do we have the launches to meet the guidance...

Parikshit Kandpal: I wanted to know how much on a conservative basis can we upsize this, I mean, for this quarter? I mean you would have already got some sense on given that we have only two months left. So some reasonable visibility on getting approval. So what could be the upsizing here, I mean, given that large quantum of the presales is coming from new launches?

Pirojsha Godrej: I don't think we want to quantify that right now. We'll stick with the INR30,000 crores of launch guidance. It will depend a little bit, as we said, on some of these, it can be quite large movements like are we able to launch the Worli project in March because it slipped to the April quarter. So I think we'll stick with the guidance for now, but we're certainly looking to do a large number of launches this quarter. The two that are already definitely happening are Hyderabad, Noida. And as we mentioned, in five or six other cities, we have opportunities that we're working at the final stages of approval.

Parikshit Kandpal: Okay. And just on the embedded margins, if you can highlight what has been the number for the 9 months and for the third quarter?

Pirojsha Godrej: Yes. So we've indicated that we'd like to do this on an annual basis rather than a quarterly basis. But as of now, it's tracking similar to slightly above last year's numbers.

Parikshit Kandpal: Okay. And just the last question on the approvals. I mean, we have seen a couple of projects getting approvals later in the quarter versus expectation. So in general, across your key markets, what has been now the trend on getting approvals? We have seen delays, especially in South in last quarter. But do you think that things are now improving and are on track for getting approvals on time?

Pirojsha Godrej: Yes. I think we're quite happy. If you look at the kind of average time to launch for the company, it's come down quite considerably over the last few years. While we said, of course, Hyderabad, we wanted to launch last quarter and slipped into this quarter. I think it's important to remember that we only added the land parcel in Q4 of last year. So actually still a very well-timed launch, and no real delays, and in fact, launched faster than we had originally underwritten.

So similarly, I think the teams have built very strong capabilities in terms of designing quickly, understanding the market, working with government departments to get approvals on a timely basis. So I'd say that wasn't a particular skill of the company a few years ago. I think we've gotten better and better at that. And now I think quite satisfied with the kind of time we're taking to launch projects.

Of course, we always see in this industry, there is a series of projects, maybe 10% or 20% of projects, that get inordinately delayed for one or the other reasons. We've seen that -- Worli, which we hope to launch in the next couple of months, had been delayed for many years. Ashok Vihar is another example. So particularly bigger projects, we've noticed tend to take a little bit longer in the approval timelines. But overall, I think in all parts of the country, including some of these new markets like Hyderabad, quite satisfied with the progress.

Parikshit Kandpal: Okay. Sure. Thank you. That answers my question.

Pirojsha Godrej: Thank you.

Moderator: Thank you. Next question is from Kunal Lakhan from CLSA. Please go ahead.

Kunal Lakhan: Hi, good evening. Thank you for taking my questions. My questions are actually pertaining to NCR market. Considering your launch Miraya, right, we've sold about 25% odd in this quarter. Do you see any slowdown there? Because until last year, we were seeing projects getting sold out at launch. And again, the related question is since we are doubling down on that -- on the Golf Course Road in terms of project acquisition also?

Do you see that as a concern considering the prices there have like gone up like to 100% or 150% in the last 4, 5 years? And we -- essentially, we are buying land there now at current prices. So do you see that as a concern considering like the sales velocity in the micro market kind of slowing down versus are we doubling down on the market in terms of acquisitions?

Gaurav Pandey: Kunal, this is a wonderful question. Actually, every market, you tend to have a different long-term strategy. Like I was mentioning some time back, for us, Golf Course Road is a pure margin expansion play. So we have a lot of inventory in Gurgaon, which is more about asset turnover play. This is more of a pure margin play. And idea was from the first launch itself is to establish profit expansion higher than the underwriting margins we have done for the last acquisition also.

So just to give you some interesting data points. From this first launch, like you rightly said, say about 25-odd percent that we've sold, the profit that we had underwritten in the project, we have more or less done more than half of that underwriting. Now try and imagine that with a 75% inventory and residing through a good product because the very end user product, if you've kind of seen Miraya as a product, large room size and all, we feel there's a lot of opportunity to create value.

And theoretically, if you sell -- again, this is more academic, for that matter 50% of the inventory, whatever you've underwritten as profit, you've already logged in. So there is no risk per se after that. But we're also trying to establish a margin profile and the pricing for a future inventory that we will sell, which idea is again to do profit expansion. So this is a different product market play that we are trying to do in our portfolio.

There are some players in the competition in India, not talking about -- not actually NCR, who do necessarily only this, margin expansion play. We had kind of defined that in our large scheme of things, which are one or two markets we can do this kind of a strategy. It's been working very well for us. So I'm not really worried about it. I'm not really targeting a booking value play from Golf Course Road project. I'm looking more from a value accretive and strong margin profile kind of a play.

Kunal Lakhan: Sure, sure. Just a follow-up on that in terms of, like, if you look at the overall -- that whole Golf Course Road as well as Golf Course Extension, I know they don't compete with each other, but still like in terms of like the overall micro market, right, the kind of supply that is expected from, say, the top 8 to 10 developers, right, almost each of them planning to launch like 400, 500 unit projects in the next 6 to 9 months, so close to like 4,000, 5,000 units costing, say, INR7 crores, INR8 crores plus. That's a huge supply in that kind of ticket size, right? Would you be worried in terms of like oversupply situation in that particular ticket size over the next 1 year, 2 years or so?

Gaurav Pandey: Sure. I think the customer segments are totally different. If I were to give you some amount of thesis to that, and so Extension Road is a great micro market. We have a project practically more or less sold out by the neighbor of Aristocrat. But extension micro market is mostly either for people who are first time home buyers or who are upgrading for micro markets such as Sohna Road or an SCR or a new Gurgaon market with wealth creation, they are looking at buying.

And while there is supply coming up and we don't really have, frankly, any large project available in that micro market, it is not at all concerning for the -- for that micro market. But Golf Course Road is frankly quite the opposite. If you see old projects of Golf Course Road, which have been completed and delivered 3, 4, 5 years back, they are currently commanding even higher premium to what we are selling, to be very frank.

I mean, Miraya, we've upped the game from a pricing point of view, margin point of view, but there are many delivered products which are like 15%, 20% higher to that without going to specifics of it. So this is more of a customer who has got into a wealth income of, say, INR1 crores to INR2 crores per annum of salary, I'm talking minimum, and has a very -- either a very stable job or like a CXO or has a very tangible business. And there are sort of ticket size orbits that they had.

So you have an INR10 crores to INR20 crores kind of a game, then you have INR20 crores to INR50 crores kind of a game and then the latest launch of DLF as an ultra-luxury, which is like INR70 crores, INR80 crores and above. So there are certain customers who are upgrading their lifestyle from Golf Course Road, who look to buy these products. And they're very refined customers. They don't necessarily look at property cycle. They are more product focused.

So I think different segments, different cycles, and to just make it academically even more difficult, just to play out a scenario that what if -- and these are the scenario planning, you have excess supply issue in Extension Road and you have price correction. And just extrapolating, would you see an impact in Golf Course Road? Probably not at all. Because if you see even in the previous cycles across most markets, markets which are aspirational and have extreme lack of land availability, they have a very different consumer base.

Like in Bombay's case, you would -- if there is a customer for Carmichael, will always be a customer for Carmichael, he or she will not necessarily buy if the property market is low or high, right? He or she may not necessarily buy a product in, say, Worli or Lower Parel. He or she would definitely want to buy a product only in Carmichael. Something similar, that Golf Course Road is the most aspirational market for anyone staying in NCR, let alone just Gurgaon.

So the migration for people looking from Delhi to Gurgaon or from Golf Course Road to Golf Course Road. And what we've tried this for ourselves is, Kunal just being in the sweet spot, that our lower ticket size product is the, say, slightly higher ticket size of an Extension Road and a max ticket size is lower than, say, a very luxurious completed product of that micro market. So it's a very sweet spot we're trying to play to hedge any risk.

Moderator: Next question is from Rahul Jain from Elara Capital.

Rahul Jain: Sir, just wanted to check on your strategy in terms of outside the Tier 1 markets -- I mean, you have already acquired 2 land parcels in Indore. Just want to understand what really -- what are the factors that you consider before entering a Tier 2 market essentially? And are there any Tier 2 -- other Tier 2 markets that you're considering to enter?

Pirojsha Godrej: We've distributed our acquisition strategy across plotted development projects and group housing projects, and we're keeping it quite the same. So for group housing, which is the vast majority of our business, we are focused only on the larger cities, our four core markets, Mumbai, NCR, Bangalore and Pune. We've recently decided to enter the Hyderabad market, and that will be an important focus going forward.

And opportunistically, we've said we would look at markets where we've historically had projects, places like Kolkata, Ahmedabad, perhaps Chennai. But that would be all from a group housing perspective in the near future.

One of the ways that we will look to see which new cities make sense to look at for a group housing perspective is by entering the market through plotted development projects. And here, we're open to doing projects in the top 20, 30 cities in the country. We think plotted development stand-alone is a great opportunity with relatively low management bandwidth and quick turnaround time.

But equally, it gives us an entry point into these markets, lets us start understanding how the markets are functioning and will help, we believe, in crafting our group housing expansion strategy. But for now, from a group housing perspective, we remain focused on only the top few markets I mentioned.

Rahul Jain: Understood, sir. Very clear. And one more on the Worli launch. I mean, what is the ticket size that you are targeting?

Pirojsha Godrej: We are having final discussion on pricing, etcetera. We have a partner. That -- all of that is still underway. So let us -- we'll come back to you with that once we're ready with the launch and all the approvals.

Moderator: That was the last question in queue. I would now like to hand the conference back to the management team for closing comments.

Pirojsha Godrej: Thank you. 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 all of us, thank you once again for taking the time to join us today.

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