Godrej Properties Ltd.

Godrej One, 5th Floor,
Pirojshanagar,
Eastern Express Highway,
Vikhroli (E), Mumbai- 400 079. India
Tel.: +91-22-6169-8500
Fax: +91-22-6169-8888
Website: www.godrejproperties.com

CIN: L74120MH1985PLC035308

August 06, 2026

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

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

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

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

Dear Sir/ Madam,

Pursuant to Regulation 30 read with Schedule III Part A, Para A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of the conference call organized with the investors/ analysts on Tuesday, August 04, 2026, post declaration of Unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2026.

This is for your information and records.

Thank you.

Yours truly,
For Godrej Properties Limited

ASHISH SUDHAKAR KARYEKAR
Digitally signed by ASHISH SUDHAKAR KARYEKAR
Date: 2026.08.06 16:53:21 +05'30'

Ashish Karyekar
Company Secretary

Enclosed as above

"Godrej Properties Limited
Q1 FY 2027 Earnings Conference Call"
August 04, 2026

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 Godrej Properties Q1 FY 2027 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 and then zero on your touchtone phone. Please note that this conference is being recorded.

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

Kshitij Jain: Thank you, Raghav. Good afternoon, everyone, and thank you for joining us on Godrej Properties Q1 FY 2027 Results Conference Call. We have with us Mr. Pirojsha Godrej, Executive Chairperson; Mr. Gaurav Pandey, Managing Director and CEO; and Mr. Rajendra Khetawat, CFO of the company.

Before we begin this call, I would like to point out that some statements made in today's call may be forward-looking in nature. The forward-looking statements are based on expectations and may involve risks. The outcome may differ materially from those suggested by such statements, and a disclaimer to this effect has been included in the results presentation.

I would now like to invite Mr. Pirojsha Godrej to make his opening remarks. Over to you, Pirojsha.

Pirojsha Godrej: Good afternoon, everyone. Thank you for joining us for Godrej Properties First Quarter Financial Year '27 Conference Call. I'll begin by discussing the highlights of the quarter, and we then look forward to taking your questions and suggestions.

GPL achieved a booking value of INR8,651 crores, a year-on-year growth of 22% from the sale of 3,738 homes with a total area of 6.2 million square feet. This is the sixth consecutive quarter in which GPL has exceeded INR7,000 crores booking value. Booking value in the first quarter was driven by strong demand in several new project launches, including Godrej Vanantara, which had INR3,237 crores of sales, Godrej Samaris in Gurugram, which had INR1,248 crores of sales and Godrej Brooklyn Avenue in Hyderabad, which was launched right at the end of June and sold INR300-odd crores in June and has sold a similar amount since then.

Incidentally, Godrej Vanantara is the third project in Bengaluru to achieve a booking value of more than INR3,000 crores in the last 3 years. Bookings contributions were led by Bengaluru at 44%, followed by MMR at 21%, NCR at 18% and Pune and Hyderabad at 11% and 5%, respectively. GPL has thereby achieved 22% of its annual guidance for booking value for the financial year.

Collections in the first quarter stood at INR4,348 crores, year-on-year growth of 18%. Operating cash flow in the first quarter stood at INR399 crores, a decline of 58%. Direct construction spend increased by 41% year-on-year in quarter 1.

While OCF in Q1 was very weak, we expect our operating cash flow to meaningfully increase in the rest of the year and grow to approximately INR9,000 crores for the full year. GPL added 3 new projects with an estimated saleable area of approximately 8 million square feet and expected booking value of INR9,500 crores. With this, we achieved 48% of annual guidance for business development in the first quarter.

For the first quarter, the total income declined by 16% to INR1,337 crores. EBITDA declined by 40% to INR545 crores and net profit declined by 42% to INR350 crores. This is because we had only one project completion in Q1, and that was of a DM structure project. We remain on track for 13.5 million square feet of delivery in the full year and for achieving 20% ROE in financial year '28. With a robust launch pipeline and strong balance sheet, we are confident of delivering another strong year.

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

Moderator: Thank you very much. Your first question comes from Puneet with HSBC. Please go ahead.

Puneet: Congrats on good sales bookings here. My first question is with respect to your view on the various markets that you operate in. Which markets do you feel more excited about? Where are you bit worried? And how are you thinking about business development in those areas?

Gaurav Pandey: Thanks for the question. One of the interesting things we've seen from a data perspective at an aggregate level, right, that the first 6 months H1 performance for overall Indian residential industry has been very strong. I think the only laggard in the game from a quarter 1 perspective, Pan India would be, give or take, Gurugram, which also I think quarter 2 would see a good uptick because the supply has not hit in Gurugram as much in quarter 1 than we expect in quarter 2.

But you'll be surprised that in many markets, the absorption has increased between 10% to 25% level. It's quite a strong aberration. So, I think overall market seems to be quite strong. From a relative perspective, I would say Bangalore and Hyderabad and Noida clearly doing exceedingly well as markets. I think Bombay, it is, I would say, core Bombay, which is western suburbs, micro markets of South Bombay and Thane are doing very strong.

These I would say are highly attractive markets. But early days, even Pune is looking slightly better than what it was, say, in the last 2-odd years. So, I would say when we were entering the year, I was thinking that we would be an outlier. There could be a very different market, but the year has started with a very strong note for the marketing in general and of course, for us.

Puneet: Understood. And on the cost side, have you been feeling any impact of cost increases, availability of labor, etcetera, given that you have now scaled up massively and there has been some chatter about minimum wages going up, etcetera?

Gaurav Pandey: There is a 2.6% minimum wage or so in some markets that have hit, but broadly, nothing that was not planned for because wage rate inflation is a very predictable event. And when you buy land, especially in the model that we have, we do model the typical wage rate inflation. But I think the entire Middle East crisis did have an impact. If you remember, we even discussed this point in the previous earnings call.

I would say, we were seeing a slightly strained scenario, a very secular strained scenario till about May end. From June and now, I would say there is some amount of change happening, still early. Yes, relative to, say, a position of February, there is a cost inflation, but there are some very encouraging signs. Like the steel cost has, give or take, reduced by almost 12% in between, say, to even February cost base.

Even items like lift systems have seen a marginal cost drop, but things like aluminum have shot up. Tile availability was a huge challenge in April and May and marble availability. That supply side issue has got resolved, but there is some amount of price drop also we've seen both in marbles and tiles. But relative to February, still inflated.

So, I would say as and when we would see in the coming months, supply side getting more and more -- recognizing the supply side constraints getting over, I would say the cost drop will happen. But I mean nothing really worrisome. I would say about May, if you ask me the same question, I would have been more worried on the trend, but now the trends have started reversing.

Puneet: Understood. And you have a significant amount of projects ready to get completed in FY28. What percentage of inventory would still be unsold for those projects?

Gaurav Pandey: I wouldn't know the -- yes, aggregate number of it offhand, but if you just see the specific -- talks about the 16 projects, we have added on the sixth slide. The INR40,000 crores booking value that we said is more or less, is basically already sold out. It's not that we have a huge inventory because most of these are stellar projects. Like Aristocrat, 98% is sold out. Reserve, we sold more than INR6,000 crores of inventory. Even MSR city…..

Pirojsha Godrej: The annexure of our presentation actually has all the details for our projects.

Puneet: Yes. That's good. That's all from myself. Thank you so much and all the best.

Pirojsha Godrej: Thank you.

Moderator: The next question comes from the line of Gaurav Khandelwal with JP Morgan. Please go ahead.

Gaurav Khandelwal: Good evening. Thanks for taking my questions My first question is on business development. So, we've done close to INR9,500 crores, INR10,000 crores in first quarter itself. And I'm assuming a lot of this would have been known by the time we had given FY27 guidance of INR20,000 crores. So, what's the -- do you think this year would again be one of those years where we meaningfully overshoot the BD development guidance? And what is the kind of pipeline that we are looking for at least in the next 1 to 2 quarters where you would have a more better visibility? That's my first question. I'll have one more follow-up after this.

Pirojsha Godrej: Sure. On business development, actually, no we didn't have any idea about when we had our last -- when we were issuing the guidance. Actually, the big contributor to this INR9,500 crores was a INR7,000 crores land in Noida, which we won an auction subsequent to that. So I think that was again the main contributor.

I think we said that on business development guidance, we've intentionally put out a fairly conservative number because we don't want to have any pressure or requirement to do business development just to meet any guidance. We've also said that I think thinking about business development is more of a replacement to sales is probably roughly where we think a healthy level of business development would be.

Our sales for this year's guidance was a lot higher than business development. So I think somewhere in that range is where we would expect to end and Q1 is therefore quite in line with that.

Gaurav Khandelwal: Got it. But just to understand this better, in that context, what are the key risks outside of business development to the FY '28 positive FCF that you mentioned in this quarter's presentation?

Pirojsha Godrej: I think that is the key risk, if you want to call it that. But let's say obviously, we think we're only putting in capital when projects are going to generate higher than 20% IRR. So generally, we feel adding new projects is very positive because we are meeting our regular kind of threshold. But that to me would be the big risk if we did overshoot that.

So I think we're quite clear also both in terms of what stakeholders would like us to do. And we think that the operating cash flow will be strong enough to ensure very robust business development plus some free cash flows next year. I think the only other is very substantial project delays or, you know, very huge kind of cost overrun because of the global situation worsening or things like that. But those would be, let's say, relatively small risk in our view.

Gaurav Khandelwal: That's very clear. My second question is, how are you looking at the activities of NRI customers coming back to the market? Have they come back to what the quantum of business activity with them was prior to the Middle East war? Or do you still think these are still early days?

Gaurav Pandey: You know, first of all, we've not modeled historically our sales on NRI per se. Give or take, we have like a 10% sort of NRI sales. So we were fairly insulated. Doesn't create either a major upside risk or a downside risk for us. That being said, I would say there is a structural shift we are seeing within NRI market, more specifically in the Middle East side.

I would say previous to the crisis, right, India was more of an opportunity for NRI customers to look at as an investment base for India. And give or take, their horizon of investment, say 2 years, 3 years, 4 years, was the typical way of them looking at India. And I'm talking about the bulk of the community.

I think that is fundamentally getting changed. It's still very early because a lot of people are now looking that maybe Middle East is not the safest place anymore, so should they look back moving to India? What should they do outside? Those conversations have happened and I think the closest parallel, I would say it's very premature to say that, but something like COVID, right, that the triggers to demand after COVID was largely psychological and that totally shifted the demand patterns for the core property market.

I think this is an interesting situation to sort of draw a parallel and study that. I think it's very early, but yes, the quality of conversations has really shifted from the Middle East market. Barring Middle East market, I think it's pretty much business as usual. A lot of people are looking India as a good place to invest purely from a long-term currency hedge, and people want to buy properties for their parents or come here back for retirement. So that kind of is more or less similar.

Gaurav Khandelwal: Got it. And if I just can ask one more question. In terms of the KPI for top management, what are the top 2, top 3 things which have the highest weight on the scorecards? Is it market cap? Is it free cash generation? Is it ROE? Just to get some sense.

Pirojsha Godrej: Yes. Sure. We have 4 key metrics that we use for incentives for the team. The first of those is cash collection. So that is -- we've purposely chosen collections instead of operating cash flow because we think collections encourages overall speed of delivery, which is good for customers, good for long-term health. Whereas OCF can also sometimes in the short term be achieved by cutting down on construction costs in parts that are not increasing immediate collections. So we think collections is a better cash metric. So that's the one we've used.

We also have imputed profits, which incentivizes both bookings growth for the company as well as margin creation and margin enhancements. That imputed profit is multiplied by what we call our asset management factor, which either rewards or penalizes the teams based on enhancement or reduction in existing locked-in profits. So that's the second bucket.

The third is reported profits, where you know honestly, I think it was more to bring in the discipline and focus on this mattering over the long term. I think there's not very much teams can do other than plotted development, etcetera, to move and faster delivery to move in year profit, but we think helpful in creating that trajectory.

And the fourth is a Net Promoter Score where we measure customers' ratings of -- directly from our customers rating of their experience with us, and that's, of course, to incentivize quality customer service and long-term brand enhancement.

Gaurav Khandelwal: Got it. Thanks, that's very helpful. And is there any discussions of switching to a percentage completion accounting from the PCM one currently?

Rajendra Khetawat: Shifting to percentage completion.

Pirojsha Godrej: No, we think it will be very complicated. Our view is that in certain jurisdictions like Haryana and Karnataka, the RERA rules don't support the use of percentage completion accounting. Maharashtra, of course, it is easier to do that. So no, given our national business, we feel that we'd either probably have to maintain different types of accounting standards in different geographies, which we think would just add to the confusion.

We, of course, over the last couple of years, have introduced imputed profits and are publishing those on an annual basis to help signal to markets what our operating numbers look like. Those are you know more in the direction of percentage completion versus project completion. So hopefully, investors can get a decent sense of where things are basis, one, operating cash flows, two; imputed profits.

And hopefully, as some of the newer projects finally start reaching revenue recognition towards the end of this year and largely next year, we'll also get a sense of reported profits. So no plans to switch the accounting.

Gaurav Khandelwal: Thank you very much. Those were all my questions.

Pirojsha Godrej: Thank you.

Moderator: The next question comes from the line of Abhinav Sinha with Jefferies.

Abhinav Sinha: Sir, first question on the construction outflow, which has scaled up now to around INR2,250-odd crores. Where do you see this settling by the end of the year?

Gaurav Pandey: Difficult to exactly comment on the exact number. But I mean, if you look at -- I don't think we've published this number, but give or take the percentage that you saw last year, we will try and mimic something closer to that. I would say between 30% and 40% is the ideal range to almost ensure that next year PAT is certain.

But of course, in projects, certain projects, the outflow will be more on core and shell. Certain projects could be more in finishing and they both have very different outflow streams, right? But I think fair to say, every quarter, you'll see a base effect between 20% to 40% range of quarter-on-quarter, year-on-year sort of a growth. And that's what we ideally would aspire to do, all things remaining there.

I think NGT could be a period where, depending on how much the ban period is a sort of unpredictable COC line item for the year. But that said, I'm very confident that we'll see a very good spike on COC and also operating cash by the end of the year.

Abhinav Sinha: Okay, sir. Gaurav second question on sales. So you -- I mean presales basically, you have earlier said that you would like to have smoother sales across the quarter. Now, looking at the launch pipeline, how do you think this year is going?

Gaurav Pandey: I think, Abhinav, we started at a very good note. To be very frank, quarter 1 is usually the slowest for us, purely because teams go above and beyond in quarter 4 and people, as you know, children have holidays, so people travel a lot. So -- and approvals also, everybody tries to push as much for launches in the quarter 4. But I think this year, what we did fundamentally different in quarter 1 was to focus on sustenance fairly well. And if you see, its -- while the quarter overall number is quite exciting, especially from a peer group point of view, 41% or so came from sustenance sales.

So I think we have a good launch pipeline throughout the year. The big ones which are immediately coming are like the Bandra launch, which we've seen what Worli has done to our portfolio and to the city. I have very high expectations from Bandra. And similarly, Golf Extension Road is a huge launch, which will come in Gurgaon. And then there is a couple of launches in Bangalore, Hyderabad and Pune.

But to be very frank, sometimes it's extremely difficult to predict launch exact time line. So the controllables, therefore becomes -- there are some thresholds of time lines we define internally for RERA approvals. And so there is a launch activation model that we follow. But if those tend to get breached because of approval delays, we start shifting our focus more towards, more towards sustenance.

So there will be a degree of predictability on quarter-on-quarter performance. But yeah, I mean, there could be some quarters which, because of lumpy launches, could see an exponential jump, but there would be a minimum threshold we would like to maintain quarter-on-quarter, something like we've done for the last maybe 6 quarters, we've delivered always INR7,000 crores sort of a number.

That's sort of almost like an internal bare minimum we always have, and endeavor is INR8,000, INR9,000, INR10,000 sort of trajectory and then taking with launches maybe even further. So that's the broad -- I don't want to commit to a number per se right now, but I mean that's the thought process we model ourselves when we look at a quarter.

Abhinav Sinha: Great. Sir, one last question. So on -- I mean, you have given an FCF positive guidance and put some numbers also for FY28. How do you think FY27, we should see net debt, you know, moving in the next 3-odd quarters? Thank you.

Pirojsha Godrej: Yeah, Abhinav, I think, you know, it could be a little bit up and down depending on how much BD happens and what's the exact collections quarter-by-quarter. I would say roughly to get to the INR24,000 crores collections and INR9,000 crores OCF we've guided for this financial year, I think, you know, there will be a buildup through the year and Q4 will probably be the strongest of the 4 quarters.

You would see Q2, I think, significantly better than Q1. Q3 should be better than Q2 and then Q4 should be quite strong. I think you know there's a decent chance even in the rest of FY27, we will be free cash flow positive unless we do a very high level of BD, because I think that -- the remaining collections for this year, just in the last 3 quarters, are about equal to our total collections last financial year.

So I think there is good opportunities. But I think honestly, the main focus for this year is to make sure we make a lot of construction progress. Some of those collections will of course, come this year, but a big portion will, will also be happen next year upon delivery. So I think that's priority number 1.

And while we know, you know, the market is very focused on this free cash flow number, and we are too, but we want to balance that with the opportunities we see for growth at the same time. We think on the large base we've established, if we're able to next year report a 20% ROE and also report 20% booking value growth, we do think that will be well appreciated at that stage.

We think the market is perhaps a little more focused on efficiency right now than growth, because they have more evidence from us in the last few years of the growth than the efficiency. But we are, you know, we're seeing the internal numbers, we are quite confident and convinced on the efficiency. Therefore, we don't want to overcorrect to respond to the market and kind of not also capture the kind of growth opportunity between us that is present.

So we do want to keep these 2 things in balance. We've already said that we would look at INR10,000 crores net debt as a cap that we would not like to exceed, and we'll work to make sure we stay within that. That said, I think there's every chance that even in the next 9 months of FY27, we could be free cash flow positive, and we'll of course, unless we're seeing really exceptional business development opportunities endeavor to do so.

But I think FY28 is the year that we feel, even if we see great BD opportunity, just given the scale we're likely to have of operating cash flows, we're very confident that, that year we will be free cash positive. And I think it, for us, isn't an absolutely critical deliverable to do that this year so long as we're keeping our net debt broadly in check and we're confident that the BD we're doing will deliver strong growth. And I think, you know, obviously, last year was a good BD year for us, and we hope to demonstrate the value of that through, you know, having a great booking performance this year.

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

Pirojsha Godrej: Thank you.

Moderator: Thank you. The next question comes from the line of Pritesh Sheth with Axis Capital. Please go ahead.

Pritesh Sheth: Yeah. Thanks for the opportunity. Just couple of questions. In terms of launches, you know, maybe if you can just highlight on the GDV, you know, across the next 3 quarters, we have balanced launches of INR37,000, INR38,000 crores. We had almost INR10,000, INR11,000 crores of launches this quarter. Q2 would be similar or slightly better? And then obviously second half is expected to be quite better, but just trying to understand how should we think about the trajectory that is?

Gaurav Pandey: Pritesh, I would say there is an entire launch set of approvals, which just like in quarter 1, we were adding, right? So let's see where exactly, which dates we get it. Actually, if you ask me, the big ones seem to be on track. Depending on the day we get the approvals, we'll take a call whether it makes sense to launch and push this within the quarter or would it make more prudent sense to do it to the next quarter.

I think the 2 big ones are Bandra and GCR Extension, and they have a meaningful impact on a absolute performance. But these are all -- both are very high-margin products, so we don't want to necessarily just to compensate for a number, push them either this quarter. We would like to see if the approvals come in the next 15 days, we will push it within the quarter. If it takes more time, we might take a call to do the next one.

But there are some approvals which seem to be on track and, and have already come, and we are doing good things in that. You would be happy to note that projects which we got almost towards the end of the last quarter, like there was a project in Hyderabad, which did about INR300-plus crores has already crossed INR650-odd crores in this -- the cumulative sales by now. Samaris has crossed INR1,500 crores as we speak.

So I think there is some amount of launches of last quarter towards the later part, we will continue to see growth. So I think we'll take a judgment call somewhere, I would say, third or fourth week of August, looking at the approval timing. But fair to say the overall launch calendar, 15 days here and there aside, is absolutely on track and looks very promising.

Pritesh Sheth: Sure. Perfect. That's helpful. So the bigger ones, Bandra and Golf Course Road, would be either Q2 or Q3, not Q4 is what one should assume?

Gaurav Pandey: Q2 or Q3, no Q4. I think it's either within this quarter or maximum next.

Pritesh Sheth: Okay, okay. Fair enough. And second on -- you know, firstly, thanks for the free cash flow guidance -- cash flow guidance overall and the free cash flow target. Just one question on that. I mean, obviously, there would be some collections, cash flows arising out of next year's sales number.

Have you still assumed the growth over this year's base, you know, to arrive at those cash flow numbers? Or just directionally where -- what are we thinking in terms of how our business is going? Or -- and how much sensitivity is there if, let's say, if -- on presales, we flatten out next year, you know, how much impact it could have on that, you know that INR11,000 crores, INR12,000 crores OCF that we are probably expecting next year, yeah.

Pirojsha Godrej: Yeah, Pritesh, I think this builds in for this year, what we've guided, the INR39,000 crores bookings, INR24,000 crores collection. And yes, there would be some growth assumed in that, but I don't think it's anything extraordinary. And we -- so this is really our CBE. Yeah, I think, could there be some downside risk if the sales situation in the market very significantly deteriorates or you know the construction schedules get very disrupted by global events? Of course, there could be some.

But I would say there's as much or more upside risk if markets hold up and we're able to, as Gaurav said, launch things like Bandra, which is a big project for us. Ashok Vihar has also been making some progress and approvals. So, if some of these launches, there could also hopefully be some upside potential to this. But yes, it is a CBE basis, our current view of how things will improve. We've made an attempt to neither make it too aspirational nor too pessimistic.

Gaurav Pandey: Sure. Pretty help and thanks for the disclosures. Thank you. All the best.

Pirojsha Godrej: Thank you.

Moderator: Thank you. The next question comes from the line of Girish Choudhary with Avendus Spark. Please go ahead.

Girish Choudhary: Yeah, hi. Thanks for the opportunity. My first question is, again, with respect to your guidance on the OCF, which is around INR8,600 crores for the balance of fiscal 2027. And also you guided for collections of roughly around INR19,650 crores, right? So the implied gap or, let's say, the implied outflow is around INR11,000-odd crores, right?

And then, if I look at the Q1 construction and other project outflow was INR4,600 crores, right? So the implied INR11,000 crores for the rest of 9 months is pretty -- is a sharp lower run rate versus the Q1. So if you could just explain this, this -- how should we look at going ahead in terms of both construction and other projects related outflow?

Rajendra Khetawat: So, you know, Girish, the construction spend obviously will improve going forward. So that will also depend on what kind of, you know, projects are going, at what stages they are. So those will vary a little bit. You know, but what we have said that over the year, the entire year, we will be able to generate INR9,000 crores of OCF, you know, with the INR25,000 -- INR24,000 crores of collection.

Now, between that collection figure and OCF, there are several cost items like you know, construction spend, you know, other related outflows. Other related outflows, you know, there is a brokerage marketing spend, which are directly or indirectly dependent on the kind of sales launches what we do. So those will, you know, keep changing. But what we are confident is that if we are able to deliver that INR25,000 or INR24,000 crores of collection, we will be in a position to generate that INR9,000 crores of OCF.

Girish Choudhary: Got it. If you could help us give a detailed breakdown of this other project-related outflow in terms of some of the key items, like, I mean, JV partner payments or let's say marketing?

Rajendra Khetawat: I can summarize. I don't have the number of an item, but the other cost includes a lot of statutory taxes like GST, TDS, JV partners, outflow. Then the third is advertising and marketing spend, those, you know, and other overhead items. Maybe we can, you know, connect offline. Maybe Kshitij can give you the detailed breakup also, if required. You know, so those are the major items which goes into the other outflow.

Girish Choudhary: Yeah. Sure, sure. That will be helpful. And second specific to the Hyderabad launch, the Brooklyn Avenue, I mean, the launch is -- number is around 2.66 million square feet, but sales you have achieved 2,60,000 square feet of sales. So if you could just clarify how much of the inventory was actually released for sale? Or is it because of the project being launched in the late of, late in the quarter?

Gaurav Pandey: I think we launched it almost, very frankly, towards the last week of the month and, you know, the team which is driving this was chasing a glorious number of becoming the best -- highest quarterly number by any zone ever. So they wanted to push and we were -- left it to us, I would have pushed it to quarter 2.

But the interesting thing is we've already crossed -- we did about, give or take, INR300-plus crores in quarter 1. And by now, we've crossed close to INR650 crores. And I think in the next few weeks, the endeavor is to hopefully cross between INR900 to INR1,100 crores, some sort of a number.

So yeah, we just about, you know, the team wanting to push and achieve sort of -- like there's a healthy competition between different zones and this was a record that south business wanted to beat, and they actually now have this new record. So just small, I would say, snippet, but yes, the project is doing fantastic.

Girish Choudhary: Got it, got it. That's helpful and thank you.

Gaurav Pandey: Thank you.

Moderator: Thank you. The next question comes from the line of Rahul Jain with Elara Capital. Please go ahead.

Rahul Jain: Hi, sir. Thanks for the opportunity. So last year, we saw, you know, you entering a number of new markets, Tier 2, Tier 2 cities, Tier 2 markets through plotted developments. Are you seeing -- should we look at FY27 also that you'll add a few more cities to your pipeline or deepen your presence in those markets?

Gaurav Pandey: Sure. I mean it is very opportunistic. We have a set of cities which we've defined a set of criteria from per capita income to infrastructure, policy environment, the quality of development profile that the city finds aspirational. So we've done a group of cities, and we have a team which is continuously scouting for opportunities.

But, you know, to be very frank, this is still a very tough scale for as a business per se for us. It's not going to be more than 10% to 15% of top line. So yeah, we've expanded to many cities by now. We've gone to Nagpur, Indore, Faridabad, Kurukshetra and many more cities. And we've had stellar success, including sold-out projects by now. And yes, we could have a situation that maybe 2 to 3 projects, again, we could sign up in the next couple of months.

But again, there is no desperation to essentially target a city and have to enter, because usually the thumb rule is that you get a booking value of INR500 crores to INR700 crores after one acquisition, but a very high PAT margin. So the criteria for us is that if the, if the margin profile is not super attractive, you know, we don't want to actually enter to a Tier 2 city.

At the moment, there's a good pipeline, and won't be surprised that by the end of the year you'll see 2, 3 new cities getting added up, but that's not really something we are aggressively driven towards.

Rahul Jain: Got it sir. Very clear. Thank you.

Gaurav Pandey: Thank you.

Moderator: Thank you. The next question comes from the line of Kunal Lakhan with CLSA. Please go ahead.

Kunal Lakhan: Yes, hi. Thanks for taking my question. Just on the, on the revenue recognition bit that you have forecasted for '27, '28. Do you have any idea how much of this INR40,000 crores would come in '28? I'm just trying to work the, the math on, you know, the 20% ROE would be based on what revenue base?

Pirojsha Godrej: Yes. I think we've purposely just given it as an indication. And of course, exactly what revenue recognition happens is dependent on the percentage completion and some percentage completion will remain after OC on the exact levels of sales. So I think forecasting all of that can be a little bit complicated, but we've tried to Kunal give as much information as we can, if you look at the annexures in our presentation, which have a project-by-project breakdown of what is sold and so forth.

So you should get a general, generally good sense. What I think we were trying to highlight is, because we've got questions on what will lead to this 20% ROE. So it's very clearly this set of projects reaching revenue recognition is what's going to very significantly increase both revenues, margins and therefore, reported earnings and, and ROE.

So we just wanted to put out those list of projects to help the market get a better sense of where things stand. And, and, and, and obviously what that shows is that over the last 2 years, FY25 and '26, the, the, the booking value of these projects that have reached revenue recognition is about INR17,000 crores. That's going up to INR40,000 crores, so almost 2.5x just the booking value recognition.

But of course, in addition to that, there are other important things to keep in mind, such as the GPL share of those projects is moving from 70-odd percent to close to 90%. And we think these are projects that have been launched in a better part of the cycle, you know, outright ownership, so the margins of, of these should also be higher. So all of that hopefully should indicate why we're reasonably confident on getting to this 20% ROE next year.

Kunal Lakhan: Actually, I was just trying to get exactly the same number what you just said, right? I'm trying to get my head around that, what could be the margins on these INR40,000 crores like, could it be in the upward, upwards of 30% in terms of EBITDA margin or like in that 25% to 30% range?

Pirojsha Godrej: Yes, I think we should assume the same. You know, we've guided to this PAT margin of 15%. Some projects will be above, some might be slightly below, but roughly that should be, I think, the assumption.

Gaurav Pandey: But the work completion could be another percentage that will get multiplied. I'm assuming you were assuming 15% to INR40,000 crores, INR6,000 crores business in next year. But there will be some projects which could be fully completed. There could be some projects 80% and 90% work completion.

Pirojsha Godrej: Yes. And of course, then there will be some associated overheads and other things that are not.

Kunal Lakhan: Understood, understood. And, you know, considering like the land prices also have gone up significantly over the last few years. The projects that we are currently underwriting, right, what kind of IRR or margin expectations do we build in?

Pirojsha Godrej: There's no change. We would hope in good markets to be able to deliver a bit better than those IRRs. And certainly some of these projects that's coming up for delivery will have better than 20% IRRs. We're, we're maintaining the expectation of 20% IRR, maintaining the expectation of 15% PAT.

And as we said, we're in no, you know, burning urgency to do business development. We feel we have a very healthy portfolio across markets. So if we're not seeing land values aligned with that, we're, we're happy to, you know, slow down temporarily. But recent evidence is we continue to find good opportunities. We're quite happy, for example, with the auction land we purchased in Noida in Q1 where, where, you know, the land value to expected booking value is well under 10%. So they, they continue to be, we feel, good opportunities.

Kunal Lakhan: But, but say the INR20,000 crores to INR22,000 crores of operating cash flow that we are expecting over, over like next 7 quarters or so. Would you, would we focus more on like ramping up the business development or it will, or we'll just kind of try to manage our debt levels in a way?

Pirojsha Godrej: I, I think, Kunal, as I was trying to explain earlier, we want to hold these two things in balance. So it's very easy for us to say, let's just slow down business development. It's not going to hurt sales for the next couple of years and we can generate strong free cash flows and get to 0 debt or whatever it is. But we're not really seeing how that actually enhances the long-term value of the company and the long-term discounted value of our cash flow.

So what we're trying to do is get that balance right. We clearly think there are problems with getting too leveraged and too aggressive on growth, which is why we've always tried to raise capital on the equity side if needed before. Now we're very clear that we want our OCF from next year onwards to fully cover business development.

But at the same time, if we're able to do, you know, the INR39,000 crores sales we've guided for this year and grow that by close to 20% a year, that is also creating a very meaningful value pipeline for the, for the company. So we don't want to get, you know, as you've carried away with this. We only want to generate cash flow and are very happy to sacrifice growth. It's getting the balance right that will truly create value for the organization.

I, I think going too aggressive on sales and discounting our net debt cap or the importance market is attributing to us getting to free cash flow positive is not, not, not a good idea, but nor is slowing down business development entirely, because that is bound to affect future IR sales, even if you do have a reasonable pipeline, we're obviously able now to launch almost every project we're adding within a year.

Again, we hope to show this year, given the INR42,000 crores business development last year, a very strong sales performance. I think we're, we're quite keen to balance these 2. We think that means roughly free cash flow breakeven going forward for the rest of this year, and hopefully strongly free cash flow positive next year, while not sacrificing on the investments needed to generate continued strong growth.

Kunal Lakhan: Great, great. Thanks, thanks Pirojsha. Congrats on the great presales.

Pirojsha Godrej: Thanks Kunal.

Moderator: Thank you. The next question comes from the line of Akash Gupta from Nomura. Please go ahead.

Akash Gupta: Hello, am I audible?

Moderator: Yes sir, you are audible. Please go ahead.

Akash Gupta: Yes. Hi sir. Congratulations on a fantastic quarter. My first question is again on the 20% ROE number for FY28. I mean the 20% ROE would essentially imply like a INR35 billion to INR40 billion of PAT versus INR18 billion in FY26. And similarly on the revenue side, this would imply like maybe INR300 billion of top line versus INR50 billion in FY26. This is with respect to the Slide 8, I wanted to discuss. So is, is this a valid assumption?

Pirojsha Godrej: Well, we certainly think so. We wouldn't have put it in the, sorry, you mean is, is your assumption valid? Not that particular is the claim valid. Yes, well, I think we are, we are, we are sticking to what we have put out. But, yes, obviously, 20% ROE, our net worth is already about INR20,000 crores. So obviously we have to have INR4,000 crores or more of PAT to, to, to get there. So that, that's certainly correct.

I think I won't comment for now on your, your revenue assumptions, etcetera, because there, of course, we will see what the margins are. But, yes, I think, but also this whole idea of putting out this list of projects was to try to create more confidence in what will get us there. So now, you know, if we deliver these projects versus our current understanding of where costs stand, what the revenue to be recognized is, that we will very much get to this.

Now what are the risks to this, you could ask. Again, largely, they would be focused on project deliveries happening on time. A big part of this is slated for the second half of financial year '28. This industry is unfortunately, of course, notorious for delays of various kinds.

Another risk is a significant part of this is in NCR, which, of course, has these NGT bans and other things. But all of that factored in, we're still confident that this will get delivered. And of course, after we've put this in the public domain repeatedly and, and commented on it. I think we're all extremely motivated to, to make sure there is no slippage and that it does in fact happen, and we'll leave no stone unturned to ensure it does happen.

The other risk, of course, could be on any kind of extreme cost escalation. That to us seems very unlikely, even despite the kind of very difficult situation, global situation there has been over the last quarter. We've not seen things get totally out of whack, as Gaurav was explaining earlier. So there are risks. We do have to execute well, but we feel those risks can be contained, and we're extremely focused on, on making sure we deliver this number.

Akash Gupta: Understood. Thank you for that. And my second question is on the launch pipeline for the second quarter. I understand there's one in Gurugram and possibly Bandra might come. But what other projects are in the advanced stages of approval, which may be launched in 2Q?

Gaurav Pandey: Quite a few. You know, we're ranging from projects in Bombay. We have, you know, quite a few inventory left in Panvel. So we would like to add a new launch in Panvel. There is a launch which we anyways have just done in Hyderabad. From our definition, it is, it is going to be a launch, and we are seeing a very strong traction in Hyderabad for that. We are pushing one more launch in Bangalore.

There is a launch we did in Noida and a few towers we will open up in Noida. A few launches planned up in West-East, which is a combination of Pune and even Ahmedabad. So I think we have, you know, a bunch of launches across markets.

But as I, as I mentioned, apart from Bandra and GCR extension, as I mentioned that some of it will depend upon the approval progress and we'll take a view that which of these we would like to do within the quarter, which we would like to move, you know, outside this quarter to deliver a bigger number from those specific projects. But I mean fair to say, this quarter is going on the track of the overall trajectory we would want from this quarter.

Akash Gupta: Understood. And, and sorry, if I may add just one more question. Just from a payment plans perspective, like what percentage of our new launch, for example, we are offering like payment plans which -- I mean, which versus the construction linked plan and how does that impact our cash flows? Just some thoughts on that, please?

Gaurav Pandey: Sure. I, I think you mean to say what industry normally calls PLP, Possession Linked Payment plans.

Akash Gupta: Yes.

Gaurav Pandey: I mean we do pick up that to drive up dead inventory sales or projects which are just either getting OC or about to get OC. So to give you a sense, previous quarter, which is the quarter we're talking about, our Q1 sales on PLP bucket was very low, I think probably, if my memory serves me, 5.1%, of which I would say a bulk was in 2 projects which are seeing OC within the next 6 to 12 months.

So technically, we tag it as a PLP, but it's not really PLP. And then there are, say, 3 units here, 2 units here, you know, dead inventory across GPL that we sell. So give or take, you know, not more than 5%.

There is a cumulative sales and project which is within the year, if I exclude that, maybe INR100 crores, INR200 crores or maximum INR250-odd crores could be projects which are in different stages of construction, we would have wanted to liquidate, which is very, very small at our scale.

So we are quite obsessed on quality of sales and cost of sales in an industry where cost of sales in our peer group can range from 5% to 10%. Even in Q1 we, our cost of sales is about 4%, thereabout.

Akash Gupta: Understood sir. That's all the question I have. Thank you so much.

Gaurav Pandey: Thank you so much.

Pirojsha Godrej: Thanks Akash.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, 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, thanks again for taking the time to join us today.

Gaurav Pandey: Thank you.

Moderator: Thank you. On behalf of Godrej Properties, that concludes this conference. Thank you, everyone, for joining us, and you may now disconnect your lines. Thank you.