Choice Institutional Equities

BUY

Sector View: Positive

Godrej Properties: Launches to Drive Pre-sales Growth

August 05, 2025 CMP: INR 2,035 | Target Price: INR 2,520

Expected Share Price Return: 23.8% I Dividend Yield: 0.5% I Potential Upside: 24.3%

Change in Estimates	✗
Change in Target Price	✗
Change in Recommendation	✗

Company Info	
BB Code	GPL IN EQUITY
Face Value (INR)	5
52-week High/Low (INR)	2,351/1,434
Mkt Cap (Bn)	INR 617.40 / $6.41
Shares o/s (Mn)	301.2
3M Avg. Daily Volume	13,16,157

Actual vs CIE Estimates

	Q1FY27		
INR Bn	**Actual**	Estimate	**Dev (%)**
Pre-sales (Value)	86.5	97.4	(11.2)
Collection	43.5	47.9	(9.3)

Change in CIE Estimates

	FY27E			FY28E		
INR Bn	**New**	**Old**	**Dev (%)**	**New**	**Old**	**Dev.(%)**
Pre-sales (Value)	390	390	-	436	436	-
Pre-sales (Volume)	29.9	29.9	-	32.5	32.5	-
Collection	240	240	-	287	287	-

Key Financials

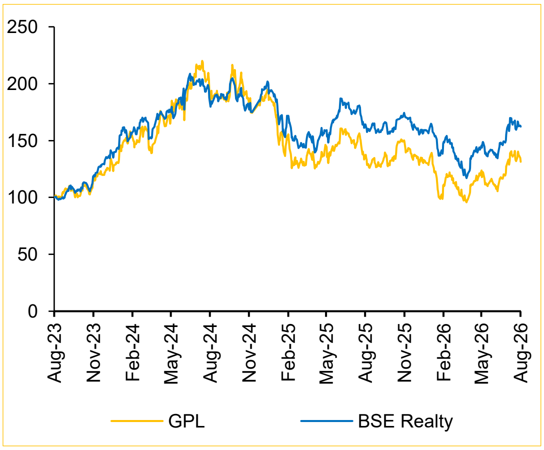
INR Bn	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Pre–sales (Value)	294	342	390	436	480
YoY (%)	30.7	16.1	14.0	12.0	10.0
Pre–sales (Volume)	25.7	27.0	29.9	32.5	34.7
YoY (%)	28.7	4.9	10.7	8.7	6.8
Collection	170	200	240	287	345
YoY (%)	49.1	17.1	20.0	20.0	20.0

Shareholding Pattern (%)

	Jun-26	**Mar-26**	**Dec-25**
Promoters	51.66	51.66	47.17
FIIs	25.32	26.17	28.15
DIIs	9.03	8.19	10.78
Public	14.02	13.98	13.92

Relative Performance (%)

YTD	**3Y**	**2Y**	**1Y**
BSE Realty	62.3	(13.5)	(1.2)
GPL	31.3	(32.8)	(3.9)



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Q1FY27_Realty and Infrastructure Preview

Record High First Quarter Pre-sales, Backed by Launches

Godrej Properties Ltd. (GPL) delivered a healthy YoY performance in Q1FY27, recording its **highest-ever first-quarter pre-sales. Bengaluru accounted for 44% of pre-sales**, followed by MMR (21%), NCR (18%), Pune (11%) and Hyderabad (5%). GPL **added three projects (8 msf; INR 95 Bn GDV) in Q1FY27,** reaching **48% of its FY27E business development target.**

Strong Pipeline Ahead: Sales in Q1FY27 were driven by a strong demand in **new project launches** including Godrej Vanantara (INR 32.4 Bn), Godrej Samaris (INR 12.5 Bn) in Gurugram and Godrej Brooklyn Avenue (INR 3.17 Bn) in Hyderabad.

Maturing Prices can Easily be Offset by Strong Growth: GPL generally sells ~80+% of the inventory in a launched project while the remainder is retained to capture any price appreciation. Price increase in most of GPL's launched projects across regions has been in the low **single digit**, which is quite modest, but it is understandable, given the maturity of the cycle. **GPL's launch pipeline and opportunistic business development,** in our view, **can easily offset possible slowdown in price increase**.

Valuation: We maintain our **'BUY'** rating on GPL. Based on the SOTP valuation approach, we arrive at a **target price of INR 2,520/share factoring in ongoing and upcoming owned/JV projects, DM & commercial project pipeline and its land bank**.

Risks: A possible broad-based slowdown in the domestic economy and probable delays due to regulatory procedures.

Q1FY27 Quarterly Highlights (INR Mn)

- Pre-sales came in at INR 86,510 Mn, up 22.2% YoY and down 14.9% QoQ
- Collections was INR 43,480 Mn, up 18.5% YoY and down 45.3%, QoQ
- Average price realisation (INR/sq ft) was INR 13,953, up 21.6% and 0.2%, YoY and QoQ, respectively
- GPL delivered projects of 0.9 msf across 8 cities
- In this quarter, GPL added 3 new projects with an estimated saleable area of 8 msf and expected booking value of INR ~95,000 Mn

GPL Particulars (INR Mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)
Pre-sales (Value)	**86,510**	**70,820**	**22.2**	**1,01,630**	**(14.9)**
Pre-sales (Volume)	6.20	6.17	0.5	7.30	(15.1)
Collection	**43,480**	**36,700**	**18.5**	**79,470**	**(45.3)**
Average Price Realisation (INR Psf)	13,953	11,478	21.6	13,922	0.2
Net Operational Cash Flow	**3,990**	**9,470**	**(57.9)**	**10,620**	**(62.4)**
Revenue rom Operations	5,062	4,346	16.5	34,581	(85.4)
Other Income	8,389	11,858	(29.3)	3,485	140.7
Total Income	**13,450**	**16,203**	**(17.0)**	**38,067**	**(64.7)**
Variable Cost	2,004	1,761	13.8	19,781	(89.9)
Employee Expenses	1,685	1,493	12.9	1,491	13.0
Other Operating Expenses	4,222	3,524	19.8	8,088	(47.8)
EBITDA (excluding OI)	**(2,850)**	**(2,433)**	**17.1**	**5,222**	NM
Depreciation	301	220	36.7	356	(15.4)
Finance Cost	355	327	8.7	516	(31.2)
Share of Profit / (loss) of Joint Ventures and Associate	(85)	(272)	(68.6)	879	NM
PBT	4,797	8,606	(44.3)	8,694	(44.8)
Tax	1,303	2,622	(50.3)	2,240	(41.8)
RPAT	**3,494**	**5,984**	**(41.6)**	**6,454**	**(45.9)**
EPS	11.6	19.9	(41.7)	21.6	(46.2)

Source: GPL, Choice Institutional Equities

Management Call - Highlights

Industry

Bengaluru, Hyderabad and Noida remaining the strongest residential markets

- The management highlighted robust residential demand across most key markets, with **Bengaluru, Hyderabad and Noida** remaining the strong, while Mumbai's western suburbs continue to outperform
- **Commodity cost inflation** witnessed during the Middle East disruption has **started moderating**, with **steel prices declining** and tile supply normalising, although aluminium prices remain elevated

Operations

Key launches are to be done in Bandra, Golf Course Extension Road and others in Bengaluru, Hyderabad, Pune, Noida and Ahmedabad

- Key upcoming launches include **Bandra (Mumbai)** and **Golf Course Extension Road (Gurugram)**, alongside projects in Bengaluru, Hyderabad, Pune, Noida and Ahmedabad
- While the launch pipeline remains strong, the management will optimise launch timing based on approvals and market conditions instead of prioritising quarterly booking numbers
- **While NRI contribution remains ~10% of sales**, the management noted **improving enquiries from Middle Eastern buyers**, with increasing interest in relocating to India rather than purely investing
- Net profit, EBITDA and total income saw significant YoY declines (42%, 40%, and 16%, respectively) primarily due to completion of one project completion in the quarter

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Business Development (BD)

GPL plans BD of INR 200 Bn in FY27E

Guidance GPL expects to add 2–3 new Tier-II city projects during FY27E

- GPL plans **BD of INR 200 Bn in FY27E.** The company achieved 48% of this in Q1FY27
- **A significant Noida land auction win (INR 70 Bn potential)** was a major contributor to the quarter's business development success
- GPL expects to add **2–3 new Tier-II city projects** in FY27E, but will remain highly selective and **focus only on high-margin opportunities**.
- Operational cash flows will be strong enough to support BD

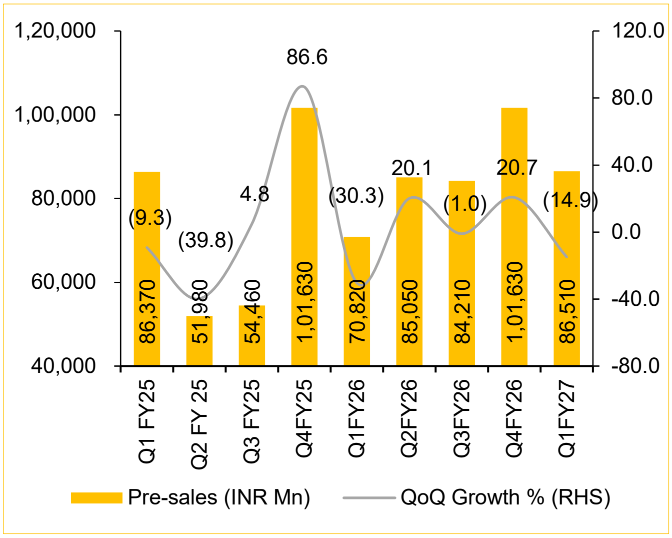
Guidance

Confident of achieving positive free cash flow and ~20% ROE in FY28E

GPL is targeting INR ~90 Bn operating cash flow in FY27E

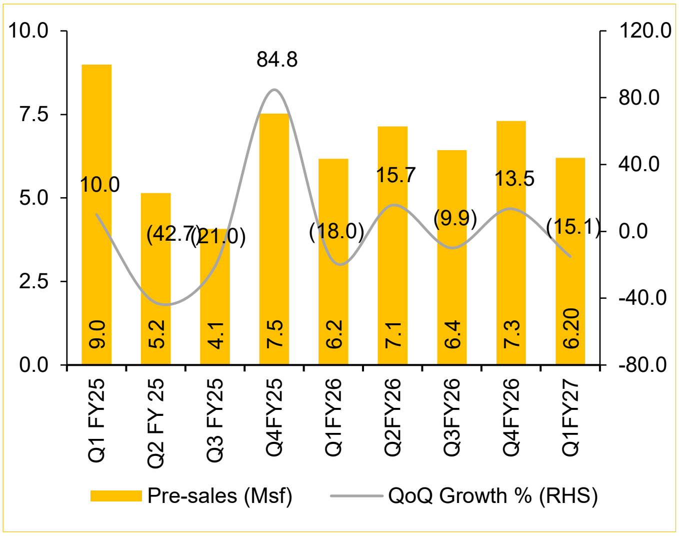
- The management reiterated **confidence in delivering another strong year** supported by a healthy launch pipeline
- Confident of achieving **positive free cash flow and ~20% ROE in FY28E**, driven by a significantly larger execution portfolio (INR ~400 Bn booking value under execution)
- GPL is targeting **INR ~90 Bn operating cash** flow in FY27E

Pre-sales (INR Mn) down 14.9% QoQ and up 22.2% YoY



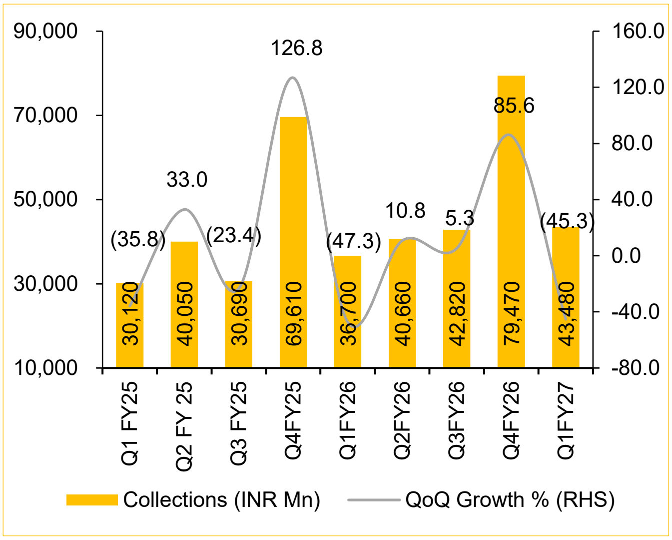
Source: GPL, Choice Institutional Equities

Pre-sales (msf) down 15.1% QoQ and up 0.5% YoY



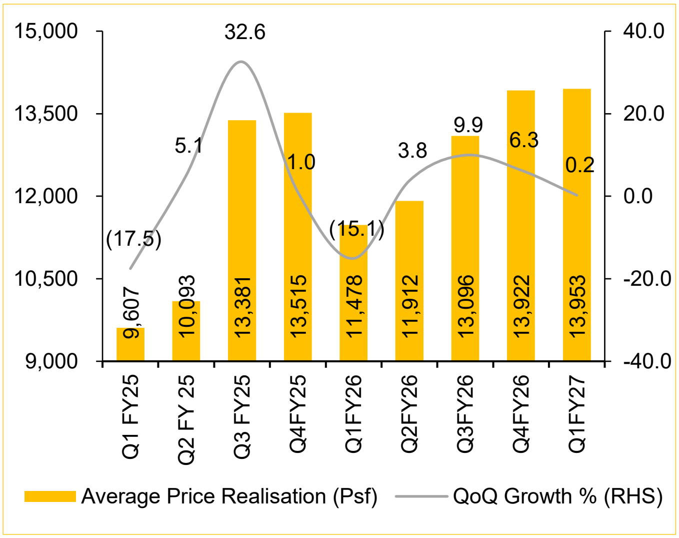
Source: GPL, Choice Institutional Equities

Collection (INR Mn) down 45.3% QoQ and up 18.5% YoY



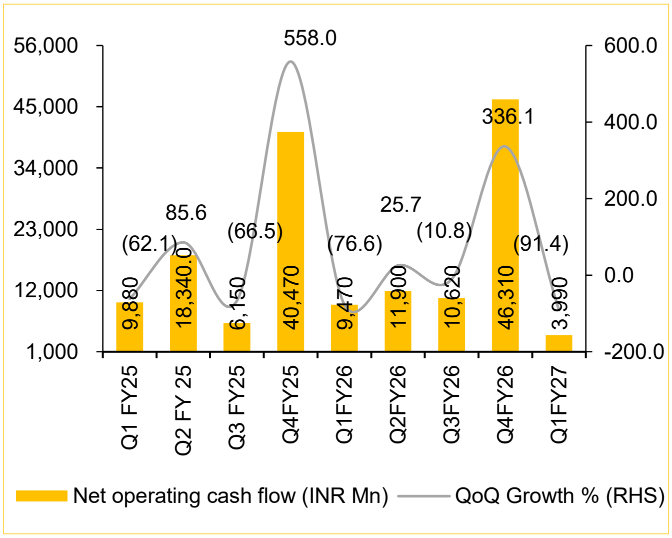
Source: GPL, Choice Institutional Equities

Average price realisation up 0.2% QoQ and 21.6% YoY



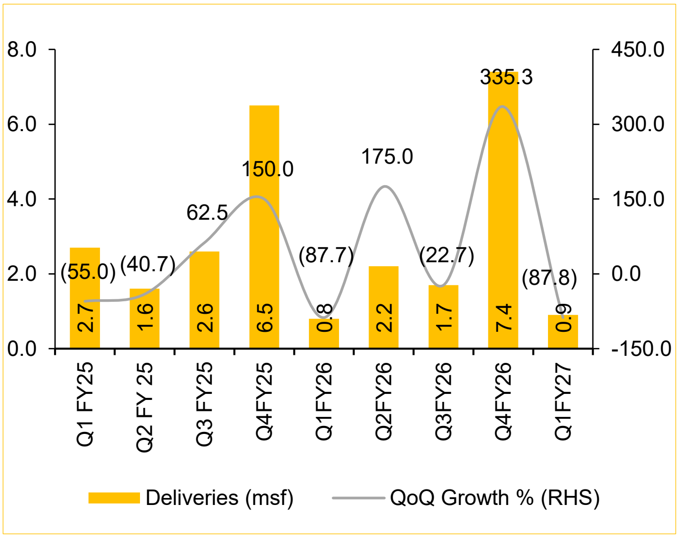
Source: GPL, Choice Institutional Equities

Net operating cash flow (INR Mn) down 62.4% QoQ and 57.9% YoY



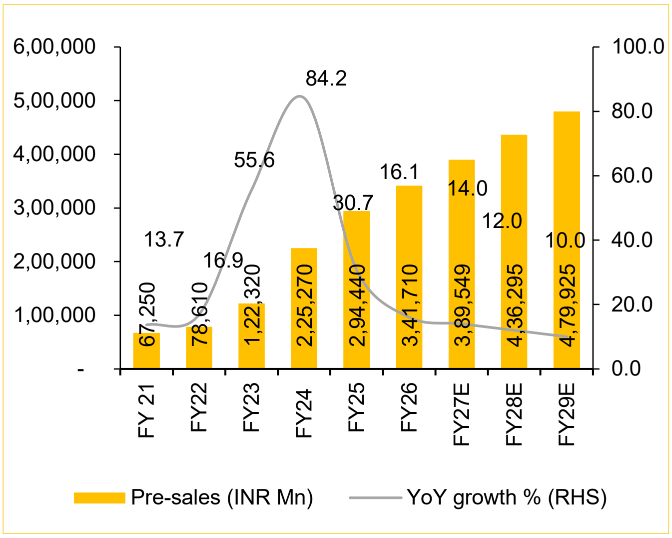
Source: GPL, Choice Institutional Equities

Deliveries (msf) down 87.8% QoQ and up 12.5% YoY



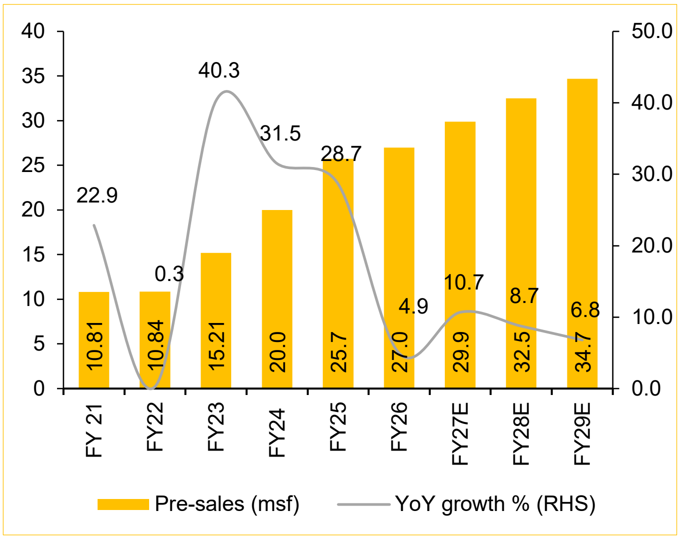
Source: GPL, Choice Institutional Equities

Pre-sales (INR Mn) to expand at a 12.0% CAGR over FY26–29E



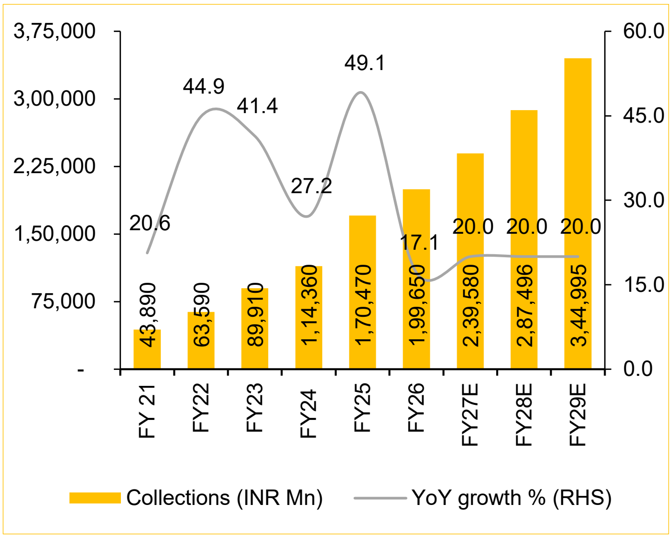
Source: GPL, Choice Institutional Equities

Pre-sales (msf) likely to rise at 8.7% CAGR over FY26–29E



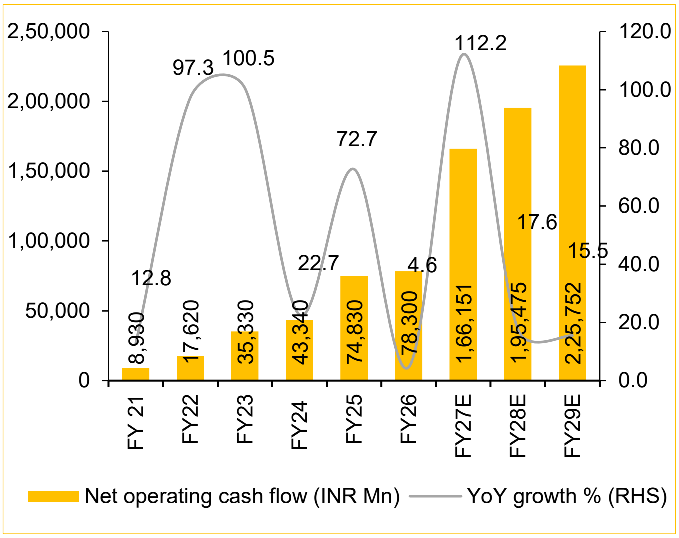
Source: GPL, Choice Institutional Equities

FY26–FY29E: Collections anticipated to increase at 20.0% CAGR



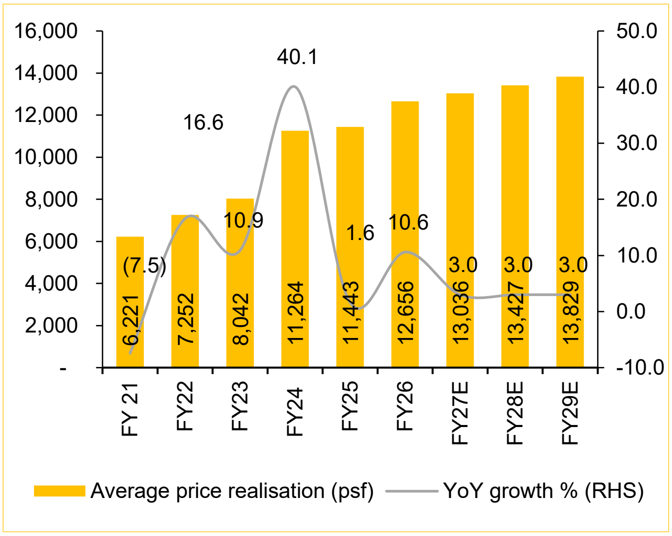
Source: GPL, Choice Institutional Equities

Robust operational cash flows to support investments



Source: GPL, Choice Institutional Equities

Average price realisation projected to rise at a steady pace



Source: GPL, Choice Institutional Equities

Cash Flows (Consolidated in INR Mn)

Particular	FY25	FY26	FY27E	FY28E	FY29E
Total operating cash inflow	**1,88,770**	**2,21,290**	**3,18,075**	**3,65,630**	**4,12,922**
Construction and related outflow	(55,000)	(69,060)	(77,910)	(87,259)	(95,985)
Other project-related outflow	(58,940)	(73,930)	(74,014)	(82,896)	(91,186)
Net operating cash flow	**74,830**	**78,300**	**1,66,151**	**1,95,475**	**2,25,752**
QIP inflow	59,220				
Interest and corporate taxes	(11,990)	(12,650)	(19,477)	(21,815)	(23,996)
Land & approval-related outflow	(90,140)	(86,530)	(98,644)	(1,10,482)	(1,21,530)
Advance to JV partners and others	(920)	(4,870)	(5,552)	(6,218)	(6,840)
Adjustment for JV projects	(880)	(5,120)	(5,837)	(6,537)	(7,191)
Other Ind AS adjustments	(840)	(580)	(1,000)	(1,000)	(1,000)
Total net GPL cashflow	**29,280**	**(31,450)**	**35,640**	**49,423**	**65,195**
Net debt	32,690	64,140	64,140	64,140	64,140
Equity	1,73,120	1,91,560	2,10,716	2,31,788	2,54,966
Net debt/ equity	0.19	0.33	0.30	0.28	0.25

Source: GPL, Choice Institutional Equities

FY27 Guidance and Achievement (INR Mn)

Particulars	FY26 Actual	FY27 Guidance	FY27 YTD	Achievement
Launch value	4,22,000	4,80,000	1,05,000	22%
Booking value	3,41,710	3,90,000	86,510	22%
Customer collection	1,99,650	2,40,000	43,480	18%
Deliveries (msf)	12.1	13.5	0.9	7%
Business development	4,21,000	2,00,000	95,000	48%

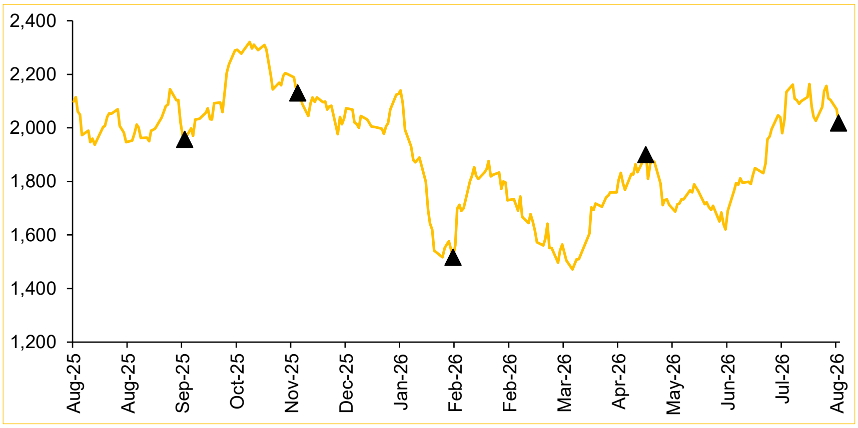
Source: GPL, Choice Institutional Equities

FY27 Residential Project Pipeline (INR Mn)

Particulars	GPL share of Estimated Saleable Area (msf)	Area Launched (msf)	Area Sold (msf)	Total Booking Value Of Area Sold (INR Mn)	Collection (INR Mn)	Pending Collections (INR Mn)
East West	79.31	52.42	44.2	2,66,730	1,82,240	84,490
South	55.27	38.03	31.93	2,81,930	1,21,160	1,60,770
North	53.67	37.73	33.91	4,19,100	2,28,090	1,91,010
MMR	56.41	33.12	26.88	3,50,340	2,02,160	1,48,180
Total	**244.66**	**161.30**	**136.92**	**13,18,100**	**7,33,650**	**5,84,450**

Source: GPL, Choice Institutional Equities

Historical Price Chart: Godrej Properties Ltd



Date	Rating	Target Price
May 06, 2024	BUY	2,951
Aug 01, 2024	BUY	3,503
Oct 24, 2024	BUY	3,564
Feb 05, 2025	BUY	3,504
Sept 09, 2025	BUY	2,500
Nov 07, 2025	BUY	2,520
Feb 06, 2026	BUY	2,520
May 05, 2026	BUY	2,520
Aug 05, 2026	BUY	2,520

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Large Cap*	
BUY	The security is expected to generate upside of 15% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 15% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -5% over the next 12 months
SELL	The security is expected to show downside of 5% or more over the next 12 months
Mid & Small Cap*	
BUY	The security is expected to generate upside of 20% or more over the next 12 months
ADD	The security is expected to show upside returns from 5% to less than 20% over the next 12 months
REDUCE	The security is expected to show upside or downside returns by 5% to -10% over the next 12 months
SELL	The security is expected to show downside of 10% or more over the next 12 months
Other Ratings	
NOT RATED (NR)	The stock has no recommendation from the Analyst
UNDER REVIEW (UR)	The stock is under review by the Analyst and rating may change
Sector View	
POSITIVE (P)	Fundamentals of the sector look attractive over the next 12 months
NEUTRAL (N)	Fundamentals of the sector are expected to be in stasis over the next 12 months
CAUTIOUS (C)	Fundamentals of the sector are expected to be challenging over the next 12 months

***Large Cap: More Than INR 20,000 Cr Market Cap**
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DN: c=IN, st=Maharashtra, 2.5.4.20=024ce41696c9611e65f27687f1fd45ed61c22a602af3398e73209b3d51dc8645, postalCode=401107, street=Fenil Dinesh Brahmbhatt 1B2504 JP North Alexa Building Vinay Nagar Road Mira Road East Kashimira MiraBhayander, pseudonym=60c2acf7910e4738b5bfca6eb7f1072d, title=5589, serialNumber=7d6a8a2ffb28440604576b846966e3c35c585962fcf4e35496210e2d0e1cc17d, o=Personal, cn=FENIL DINESH BRAHMBHATT
Date: 2026.08.05 06:39:24 +05'30'