# Oberoi Realty



**Operator:** Ladies and gentlemen, good day and welcome to the Oberoi Realty Ltd. Q2 FY27 earnings conference call. We have Mr. Oberoi, the Chairman and Managing Director of the company, and Mr. Saumil Daru, Director of Finance of the company, with us for the call. Please note that this call will be for 30 minutes. For the duration of this conference call, all participant lines will be in listen-only mode. This conference call is being recorded, and the transcript may be put up on the company's website.

After the management's discussion, there will be an opportunity for you to ask questions. Should anyone need assistance during the conference call, you may signal the operator by pressing star then zero on your touchtone telephone.

Before I hand the conference over to the management, I would like to remind you that certain statements made during the course of this call may not be based on historical information or facts and may be forward-looking statements, including those relating to general business statements, plans, strategy of the company, future financial condition, and growth prospects. The forward-looking statements are based on expectations and projections and may involve risks and uncertainties and other factors that could cause actual results, opportunities, and growth potential to differ materially from those suggested by such statements.

I now hand over the conference call to Mr. Oberoi, the Chairman and Managing Director of the company. Thank you, and over to you, sir.

**Mr. Oberoi – Chairman & MD:** Thank you. Good morning, good afternoon, and good evening to all of you, depending on the time zone from which you have logged in, and welcome to the conference call for the Q2 FY27 results and business update.

Firstly, thank you all for taking the time to attend this call. To begin with, we started our quarter by marking our entry into the NCR market with our first project launch. At Oberoi Realty, we have always believed that great developments are built long before they are launched. Through careful planning, design, and an uncompromising focus on quality, the response from NCR was truly exceptional, surpassing our expectations and underscoring the strong resonance of the Oberoi Realty brand in that region. It was the first chapter of a long and exciting growth story that we intend to write in NCR.

During this quarter, we entered into development agreements with one more society at Malabar Hill. This marks the third project in the Malabar Hill vicinity. As we speak, over 15 towers rising beyond 60 floors are under construction across our developments, underscoring the scale of our execution capability and the growth ambition of the company.

We continue to steadily increase occupancy across our annuity portfolio while actively strengthening the tenant mix and premium brands. You would be happy to know that all three assets that {? Oberoi Garden City ?} has, which are Commerz, Commerz 1, Commerz 2, Commerz 3, and the Sky City Mall, are today near 100% occupancy. Sky City is in Borivali, but even that is ramping up very well.

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With this, I now open the floor for the question-and-answer session, and both Saumil and I will be happy to take your questions. Thank you.

**Operator:** Thank you. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use their handsets while asking a question.

Ladies and gentlemen, we will wait for a moment while the question queue assembles. We take the first question from the line of Puneet from HSBC. Please go ahead.

**Mr. Oberoi – Chairman & MD:** Hi, Puneet. Good afternoon.

**Puneet – HSBC:** Hi. Good afternoon, and congratulations on a great start in Gurugram. My first question is whether you can also guide us on what is happening in Gurugram. There have been some developments on the litigation front, and what does that do to your plan for the second phase?

**Mr. Oberoi – Chairman & MD:** Firstly, the matter is sub judice, so I do not want to comment on that, but there is no restriction on us with regard to construction. As you all know, even prior to the court intervention, we had already completed sales of a little over 8,000 crores. So that continues. In fact, the first phase was sold out. What was your second question?

**Puneet – HSBC:** What does this do to your second phase?

**Mr. Oberoi – Chairman & MD:** For the second phase, we are waiting for some additional approvals. As soon as those come, we hope to be able to start with that. But again, we do not want to rush into it immediately. We want to make sure that we are ready with our experience center. We want people to be able to get a glimpse of what we intend to build, because what we are building is truly exceptional. Once people see that, they will understand what we are building, which will probably help us push our prices higher as well.

**Puneet – HSBC:** Okay. Also, what is the plan for launches in the second half of this fiscal year?

**Mr. Oberoi – Chairman & MD:** Again, we had a number of projects that we originally wanted to launch, so they will probably slide by a quarter here and there. We have Peddar Road. We also have Tower A at {? Thane in Glady's Garden ?} that we want to look at. We have another tower in Forestville as well. Alibaug is another one. We are looking at a commercial building in Mulund and a commercial building in Sky City. We have a new project in Mulund, the {? Rally Wolf ?} project that we undertook, and even its approvals are at a very advanced stage. So, frankly, there is a lot happening, and some redevelopment projects are also likely to come up.

**Puneet – HSBC:** So, is {? Thane ?} expected this year, or is it not likely this year?

**Mr. Oberoi – Chairman & MD:** Again, we are awaiting certain approval clearances. We are ready with our design and everything else, and are just waiting for certain clearances. We are really knocking on the door, but it is taking a little longer than we thought.

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**Puneet – HSBC:** Understood. And what about the {? Iven Worli ?} project?

**Mr. Oberoi – Chairman & MD:** Work has physically started. Again, as I said, we are not really selling anything there. It is a mall, office, and hotel, so it is being built as planned.

**Puneet – HSBC:** Okay, but work has started? Has the contractor been assigned?

**Mr. Oberoi – Chairman & MD:** Yes, work has started. Excavation on the ground has started. There is some additional piling work required, which we are undertaking as we speak. We have hired Samsung to do the project monitoring there. It is a marquee project for us, so Samsung has come on board. We have signed with them.

**Puneet – HSBC:** Understood. That is helpful. Thank you very much, and all the best.

**Mr. Oberoi – Chairman & MD:** Thank you, Puneet.

**Operator:** Thank you. We take the next question from the line of Murtuza from Kotak Securities. Please go ahead.

**Mr. Oberoi – Chairman & MD:** Hi, Murtuza.

**Murtuza – Kotak Securities:** Hi, sir. I have a question for Mr. Saumil. On the balance sheet, we saw some expansion in both current assets and liabilities. Was there anything specific affecting the balance sheet? Specifically, cash generation was very strong this quarter, so how should we read that balance sheet?

**Saumil Daru – Director of Finance:** Hi, Murtuza. The biggest thing during the quarter was the launch in Gurgaon. As you would know, when we bought the land, part of the consideration for the land was in cash and part of the consideration was in area. This was to meet the obligations from the earlier sales and so on.

In the quarter in which you launch, we have to fair-value the obligation to give that much area. That is why you are seeing an expansion on both sides. It comes as an addition to inventory on one side and goes out as a provision on the other side. That is all there is to it; there is nothing else. It is simply an additional fair value, with both the asset and liability for that area being fair-valued for the non-monetary consideration.

**Murtuza – Kotak Securities:** Okay, understood. Also, with regard to the hotel, when should we expect commissioning?

**Mr. Oberoi – Chairman & MD:** Perhaps the first quarter of next year. Another six to nine months are left.

**Murtuza – Kotak Securities:** Okay. On Gurgaon itself, we have to deal with the legal issues right now, but how much is the pending sales value there? When you look at FY28, clearly beyond the next two quarters, could we see Gurgaon still making a meaningful contribution next year as well?

**Mr. Oberoi – Chairman & MD:** Frankly, even if you open our booking and sell the rest of the inventory, we will easily achieve that. But, as I said, we do not give forward-looking statements. So,

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let us see how it plays out.

**Murtuza – Kotak Securities:** Okay. Thank you, Vikas. Thank you, Saumil.

**Mr. Oberoi – Chairman & MD:** Thank you.

**Saumil Daru – Director of Finance:** Thank you, {? Pritesh ?}.

**Operator:** Thank you. We take the next question from the line of Gaurav Khandelwal from JP Morgan. Please go ahead.

**Gaurav Khandelwal – JP Morgan:** Hi, good evening. Thank you for taking my question. If you look at 360 North, my understanding was that we had mandated 20% of the amount to be paid within 90 days of booking. During the quarter, we received 835-odd crores, which is about 10-11% of the net sales value. How do I reconcile these two numbers? Are we yet to receive the next 10%, or the remaining 10%, in this quarter? How does it work?

**Saumil Daru – Director of Finance:** Gaurav, the launch happened in the first week of July. So, technically, your 90 days will end in the first week of October. That is why it will spill over into the next quarter. For the last quarter, what you saw was roughly 10% of the billing done on booking, and that is what was collected. For the rest, you will see the impact in the next quarter.

**Gaurav Khandelwal – JP Morgan:** Got it. Thank you. That is all from my side.

**Saumil Daru – Director of Finance:** Thank you.

**Operator:** Thank you. Participants who wish to ask a question, please press star and one. We take the next question from the line of Hitesh Sheth from Access Capital. Please go ahead.

**Hitesh Sheth – Access Capital:** Hi, Vikas. Hi, Saumil. I have a couple of questions. I am not sure whether this was discussed earlier, but what is the status of RLDA and Iven? When are we starting construction, and when are we launching? Specifically on RLDA, have we decided on the mix of how much would be sold and how much would be developed for lease?

**Mr. Oberoi – Chairman & MD:** For RLDA also, we are in the process of obtaining our approvals. We are planning offices, a small hotel, and some retail there. We have not really decided whether we will sell and lease or only lease. We are still considering that decision. There is no particular reason for choosing one strategy over the other; we simply have not made up our minds.

First, we want to ensure that we are working on the design. The design has come up really well, so we now want to firm up the design and then take a call.

**Hitesh Sheth – Access Capital:** Is construction commencing next year? Are approvals expected next year or this year?

**Mr. Oberoi – Chairman & MD:** Yes, exactly.

**Hitesh Sheth – Access Capital:** Okay. And for Iven?

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**Mr. Oberoi – Chairman & MD:** As I said, work has already begun. Again, there is no intent to sell as of now.

**Hitesh Sheth – Access Capital:** Understood. Also, what is the update on the other two hotels that we are building in Borivali and Thane? When are we expected to commission them? Borivali appears to be at a much more advanced stage of completion than Thane, so timelines for those two would be helpful.

**Mr. Oberoi – Chairman & MD:** Correct. In Borivali, we are done with the building and are already working on the interiors. I think we should safely be done with it one year from today. For Borivali, the target is the end of next calendar year, around next Diwali.

In Thane, we are yet to start work, so that is a good four years away. It is also integrated with the mall and a club that we intend to build.

**Hitesh Sheth – Access Capital:** Understood. One last question. Our MMR pipeline now looks good for growth over the next 2–3 years. Could you share some insights on NCR? How is the business development pipeline building up? Are we currently looking only at Gurgaon because we now have a project there, or are Noida, Delhi, and other markets also open, where deals are also flowing in? Could you provide an update on business development in NCR?

**Mr. Oberoi – Chairman & MD:** You are absolutely right. We are open to all three NCR markets: Noida, Gurgaon, and Delhi. We are open to looking at projects everywhere, including JDAs or outright acquisitions. I am happy to use this medium to tell all landowners that we are interested if they have good land parcels. We are open to either buying the land or entering into a JV.

**Hitesh Sheth – Access Capital:** That is helpful. Thank you. That is all from my side.

**Mr. Oberai – Chairman & MD:** Thank you.

**Operator:** Thank you. We take the next question from the line of Harsh Pathak from Motilal Oswal Financial Services Limited. Please go ahead.

**Mr. Oberoi – Chairman & MD:** Hi, Harsh.

**Harsh Pathak – Motilal Oswal Financial Services Limited:** Hi, Vikas. Hi, Saumil. Good afternoon, and many congratulations on the superb performance in NCR. My question is on cash flows. In slide number three, I think our cash margin in Q2 was close to 80%. Was that mainly because of the higher pickup in 360 North? Is that the reason, and what steady-state margins should we be looking at?

**Saumil Daru – Director of Finance:** It is 360 North, not 360 West. If you look at it, in one of the earlier questions, it was also mentioned that collections in 360 North were somewhere in the region of 830 crores. That is what is contributing very well to the cash flows. Obviously, there is no revenue recognition or anything in that project. That is why you are seeing that entire amount of cash coming in. That explains those numbers.

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**Harsh Pathak – Motilal Oswal Financial Services Limited:** What construction outflow should we be working with for this year?

**Saumil Daru – Director of Finance:** Construction outflow in terms of what? For the ongoing projects?

**Harsh Pathak – Motilal Oswal Financial Services Limited:** Yes, for the ongoing projects.

**Saumil Daru – Director of Finance:** When you say for this year, do you mean for the whole year?

**Harsh Pathak – Motilal Oswal Financial Services Limited:** Yes, for the whole year.

**Saumil Daru – Director of Finance:** For the whole year, it will be in the region of about 1,000-odd crores.

**Harsh Pathak – Motilal Oswal Financial Services Limited:** Understood. Are there any updates on the forthcoming commercial assets, apart from the Iven project that we are working on? There is the Sky City office asset that we are working on and the other asset in Thane.

**Saumil Daru – Director of Finance:** There is no office asset in Thane. If you are looking at the annuity portfolio, Thane has the mall, the hotel, and a club attached to it. There is also a school. All of these costs are going to be spread over about four years, so that will be one aspect.

As far as the Borivali asset is concerned, again, the cost will be spread over four years. We will have to work that out. The area is close to 8 to 10 lakh square feet. That will also be spread over a period of four years. Did I miss any of the assets that you mentioned?

**Harsh Pathak – Motilal Oswal Financial Services Limited:** No, I think it was broadly covered. Just one last thing: I wanted to check on demand in the luxury market. This quarter, we saw some uptick in 360 West as well, apart from the superb performance in 360 North. How are we viewing demand, and are we able to take some price appreciation in the current assets?

**Saumil Daru – Director of Finance:** One second.

**Mr. Oberoi – Chairman & MD:** In the luxury market, things are very well placed. I would rather continue to sell than push prices higher. I think that is what I would leave it at.

I do not intend to push pricing wherever there is an opportunity. I will give you an example: Oceanic started at 115,000 rupees per square foot, and we pushed it to 170,000-180,000 rupees per square foot. Wherever there is headroom and there is progress on the project, there is natural appreciation. Other than that, the luxury market is very well positioned. We would rather let it remain where it is.

**Harsh Pathak – Motilal Oswal Financial Services Limited:** Understood, Vikas. Thank you very much for taking my questions. Thank you, Saumil.

**Saumil Daru – Director of Finance:** Thank you, Harsh.

**Operator:** Thank you. We take the next question from the line of Karan Khanna from Ambit Capital. Please go ahead.

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**Mr. Oberoi – Chairman & MD:** Hi, Karan.

**Karan Khanna – Ambit Capital:** Hi, Vikas. Hi, Saumil. Good afternoon, and thank you for the opportunity. Congratulations on the Gurugram success.

Vikas, while you briefly touched upon the luxury market, my first question is on pricing and the macro backdrop. If I look at projects like 360 West, although we have seen a sharp price increase in the past six months compared to FY26, sales volume has seen a considerable decline, with 10 units sold in FY26 versus 3 year-to-date in FY27. Similarly, Elysian has seen a very sharp price increase, although that has come with lower sales velocity.

In comparison, when I look at Garden and Forestville, with sub-3 crore ticket sizes, they have seen very solid sales velocity, but pricing growth has not been there. Are you seeing any trends in Mumbai where the premium segment is doing well, but the luxury and super-luxury segments are seeing softer offtake overall?

**Mr. Oberoi – Chairman & MD:** Not really, I would say. As I said, Oceanic is a luxury product, and we have been able to increase the price. Similarly, when you look at 360 West, it also depends on which floor has been sold. If it is a higher floor, you obviously sell it at a premium, and if it is a lower floor, it sells at a lower price. That is one aspect.

In Thane, we very clearly have enough inventory, and you will see a price increase in Thane as well shortly because there has been enough cost increase. We are obviously contemplating that internally as well.

Overall, I am saying that there is no resistance in any specific area. Even in Thane, some of these buildings have now topped out, and some of these buildings are shaping up well. People in the local vicinity now see that the project is turning out the way they thought it would. Hence, we see velocity in Thane as well.

It is very project-specific. There is no market-specific indicator as to whether one should or should not increase prices. It is driven by the micro-market, and, in fact, even more by the criticality of that project. If a project has received all approvals and has topped out, people's confidence in terms of deliverability is much higher, and so on.

We base our prices on many more factors than merely the market. The market is driven by the emotions that people act on and everything else, but we take all of that into account. If I increase my price in Thane, everybody will say that the Thane market is appreciating. However, that has more to do with where my project is.

**Karan Khanna – Ambit Capital:** This is helpful. Secondly, on business development, historically your business-development-to-launch conversion has averaged around 3-3.5 years. With the existing pipeline, you have very strong visibility for both FY27 and FY28, but it has been 1.5 years since you announced Bandra RLDA and more than six months since you announced both Aram Nagar and Peddar Road.

On business development, could you provide some colour on when, over the next 6-12 months, you expect to close sizeable opportunities similar to these and Gurgaon? Also, when you spoke about

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NCR, are you evaluating only residential projects there, or are you actively evaluating annuity opportunities as well in that market?

**Mr. Oberoi – Chairman & MD:** We are open to buying land for malls, offices, and any other annuity asset in NCR.

With regard to business development, I cannot tell you what I am negotiating for because that would be such a giveaway. Business-development efforts are obviously ongoing, and as soon as we close a transaction, we will let you know what we bought. But I cannot tell you what we are buying.

**Karan Khanna – Ambit Capital:** Lastly, on Mulund, Enigma's prices are up 22% year-over-year to about 36,500-plus, and Enigma only has 76,000 square feet, which is about 38 units left. Is the next {? value-wise ?} launch being priced at 38,000-40,000 rupees per square foot, and can it realistically launch in Q4?

**Mr. Oberoi – Chairman & MD:** Frankly, thank you for pointing that out. We are internally debating, as we speak, what the price there should be. Again, Mulund has now also topped out.

It has been well received. We have not only made a building but created a community. In fact, I had some members visiting, and I was telling them with great pride that the people who live in the building eventually make the community.

Once the building is ready, all the price appreciation happens because people who have not bought yet want to buy into that building for two reasons: first, because of the quality of the work we have done, and second, because of the community that now lives there. Buildings that are ready actually end up commanding that kind of price appreciation.

I would say the same thing is applicable to Sky City as well. The kind of people who bought into that building are now living there, and the community that has been created is attracting people. Hence, there is a price rise. I am just telling you where and why prices go up; there are many factors that drive pricing higher.

**Karan Khanna – Ambit Capital:** Given the success of 360 North and the kind of pricing you have achieved on 360 West, is a product like 360 South under consideration at some point in the near future, or do you think that entering the South India luxury housing market is too far-fetched at this point?

**Mr. Oberoi – Chairman & MD:** You can never count that out, but I cannot give you a guarantee of when. I have been offered land parcels, and there are landowners who approach us and ask why we do not build a product like 360 West or 360 North.

So yes, unintentionally, 360 has become a brand, and people really want us to build many more such projects in other cities. We are very excited and very happy. It just happened, but we would be more than happy to explore it.

**Karan Khanna – Ambit Capital:** Great, thank you. Those are my questions. Thank you, and all the best.

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**Mr. Oberoi – Chairman & MD:** Thank you.

**Operator:** Thank you. Ladies and gentlemen, we take that as the last question and conclude the question-and-answer session. I now hand the call over to Mr. Oberoi for his closing comments.

**Mr. Oberoi – Chairman & MD:** Thank you all for taking the time to attend this call. We look forward to hearing from you on an ongoing basis. Please feel free to reach out to us or our investor relations team whenever you have a question.

Thank you once again. I also want to tell you that tomorrow we complete 16 years of being listed on the stock exchange, and none of this would have been possible without your support. Thank you again, and happy Diwali and happy Dussehra to everyone. Thank you.

**Operator:** Thank you, sir. On behalf of Oberoi Realty Ltd., that concludes this conference call. Thank you for joining us. You may now disconnect your line.

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