



“Oberoi Realty Limited  
Q3 FY25 Earnings Conference Call”  
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**MANAGEMENT: MR. VIKAS OBEROI – CHAIRMAN AND MANAGING  
DIRECTOR – OBEROI REALTY LIMITED  
MR. SAUMIL DARU – DIRECTOR, FINANCE – OBEROI  
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**Moderator:** Ladies and gentlemen, good day and welcome to the Oberoi Realty Q3 FY25 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 conference call will be for 30 minutes and for the duration of this conference call, all participant lines will be in the listen-only mode. And this conference call is being recorded and the transcript for the same may be put up on the website of the company. After the management 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 touch-tone 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, the future financial conditions and growth prospect. The forward-looking statements are based on expectations and projections and may involve number of 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 the conference call to Mr. Oberoi, the Chairman and Managing Director of the company. Thank you and over to you, sir.

**Vikas Oberoi:** Thank you. Good morning, good afternoon, good evening to all of you, as per the time zones from which you have logged in and welcome to the conference call Q3FY 2025 Results and Business Updates. Thank you all for taking time out to hear this call.

Before I begin, I would like to share a few quick business updates. I'm happy to announce another healthy quarter driven by tremendous response to our first phase Jardin launch at our integrated development Oberoi Garden City, Thane and also strong quarter performance across our annuity assets. The leasing interest continues to be strong across all office assets with Commerz and Commerz II achieving over 95% occupancy.

On the business development front, we have just concluded a transaction by acquiring Nirmal Lifestyle Realty Private Limited and entered into a joint development agreement for 81 acres at Alibaug. We've also been appointed as developers by SRA, which has a free sale potential of about 3.2 lakh square feet. This is at Bandra Reclamation.

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

**Moderator:** Thank you. We will now begin the question-and-answer session. The first question comes from the line of Parikshit Kandpal with HDFC Securities. Please go ahead.

**Parikshit Kandpal:** Hi Vikas. Congratulations on a decent quarter. My first question is on pre-sales. This quarter, the expectation was really high. We have been hearing a lot of deals on Three Sixty West through

the media, but there has been a disappointment there. And even in Borivali, we have seen this quarter has been relatively soft. So, if you can underline what were the reasons, why was there this kind of underperformance during this quarter, in the pre-sales side?

**Vikas Oberoi:**

So, Parikshit, we basically look at our sales in the entire year and not literally per quarter. And you must also appreciate that, typically a project like Worli, the decision-making time is normally, anywhere between 3 and 4 months. So, the last quarter that you saw, which looked great, was a buildup of a previous quarter. And this quarter also, we continue to have great interest. It will just culminate into deals in the next quarter. So, really nothing much to read as such on that.

And as far as Borivali goes, we have improved and increased our price because we have seen that resale in our projects were happening at 20% to 25% higher than what we were selling at. All we have done is, we have also brought our own residual stock, which is very little, to current market prices. And these market prices are not set by us, these are set by buyers who are buying at resale.

And, you also know that we have one entire tower left to be sold. So, we thought that it's a good idea to kind of start setting up the price. And that's exactly what we've done. You would have seen something similar happen when we increased price in Goregaon also. You know, people take time to absorb pricing. Once they do that, the same velocity comes back.

And again, if you see, Worli, we have been able to sell apartments at almost Rs. 1,50,000 a square foot on carpet. And these are large transactions. So, I'm just saying that, we are also trying to maximize on whatever one can, given the way the market is, and the way the product is, and the way the brand or the company is positioned today.

So, all in all, I mean, if you really see the entire growth is also coming out of this. So, this is very strategic, one shouldn't read much into just one quarter.

**Parikshit Kandpal:**

The second question is, we have seen a tremendous effort on business development, and we have been hearing every quarter, one or the other announcement. But on the launches, , this year has been dismal in size, the Thane launch, we have not really seen any major launches. So, largely the year has been driven by sustenance sales.

Only when there is a launch, we see the growth coming in, if I compare YoY numbers. So now, given that we have built up our business development, so now in Q4 and for the next year, how are we planning for the launches?

**Vikas Oberoi:**

So, a very valid point, good question. But, again, we really want to work on the product. Why today people are paying this kind of premium is also because we really work very, very hard on what we want to build. And, so until unless something comes to a level where we are excited and bring it to the people, we don't really launch.

And you would have seen, in all our products. So, don't want to let this entire USP go away, but you'll be happy to hear that a lot of work has already been done in the BD that you talked about. So we are really very geared up now, Gurgaon, planning fully done and ready. Adarsh Nagar,

planning fully done and ready. Pedder Road, planning done and ready. Tardeo, another project, now, ready, like planned and ready. And again, in fact, the one that I told you about, SRA - Nityanand ready, like we are ready with our plans. So you will see a good-- and the best part is these are diverse projects

They are in different locations. So they don't compete with each other. And that's exactly what our endeavor was. We really spread ourselves well. And so you will see between, you know, second quarter next year and third quarter next year, you will see all these coming up at one go. And we are really planning, for the next year to happen.

And for this year, like you see, we also have enough ready apartments to sell. We have Mulund, we have Borivali, we have Goregaon, we have Thane, 2 projects. So, we will continue to sell. There's really no issue.

**Parikshit Kandpal:**

But Borivali, last quarter, I mean, do you – Q4 any launch? I mean, the last quarter...

**Vikas Oberoi:**

So we obviously have one tower left here. And, again, we were trying to time it once our mall is ready, once the people see what we have built, the way this entire lifestyle is built, literally when you walk out of the apartment, walk through the mall and straight away go into the metro station directly without even putting your feet on the road, exactly like what you'd see life to be in Singapore or Hong Kong.

I think, this project will be on a different trajectory. Most people have been able to probably, imagine this. And that's why you see ready apartments have gone through the roof. And we are just waiting to launch the mall, which we hope to do it in mid-February, early March. I mean, this is a soft launch, of course, but it'll be open to people. So once people start using this entire infra, they'll realize that, life's really different at Sky City.

We are waiting for that to happen and we will quickly launch the last tower that we have. And we have some higher floor inventory in other towers, which we will open again.

**Parikshit Kandpal:**

Okay. Last question on this. The Supreme Court has told SEBI to look at this Sahara land. So you also have taken approvals for QIP. So just wanted to pick your brain. How do you intend to deploy, if at all you raise money? And will the raise, will it be contingent on this deal or any other deal? So how will you time it? How are you looking at that growth capital coming in?

**Vikas Oberoi:**

So frankly, we are lucky. We have many avenues and opportunities to raise money, including internal accruals. So frankly, like you said that there's a big thrust on BD, we continue to look at it. Basis the opportunity, we will take that call. We obviously, like I said, that we do have an enabling resolution, which allows us to do anything that we want in terms of a particular value. So again, very opportunity-based. I would say not the right forum and not the right time to really divulge much. But again, like this is business as usual, and we will continue to do that.

**Moderator:**

Next question comes from the line of Kunal Lakhan with CLSA.

- Kunal Lakhan:** Vikas, like last time we were here in the Q2 call, you had mentioned that we had already sold about Rs. 1,350 crores worth of inventory in Thane, and we ended up the quarter with the same number. So what happened in November and December?
- Vikas Oberoi:** No. So firstly, I'll tell you, we -- obviously, we increased our price, and moreover, if you see the way that entire booking was done, a lot of people didn't understand our strategy or probably we did a bad job in explaining. We had taken interest letters almost three weeks in advance. So we had actually mopped the entire market. This -- the result that you are seeing is not a five-day result. It was a nice campaign built over 30 days.
- So -- and again, I mean we launched it during Diwali time. We mopped the entire market up, and another 30, 45 days was just about consolidating. And when we wanted people who had purchased to feel rewarded, and that's why we increased our price, and that's how it is. I mean, really nothing much to read on that. It's done really well for us.
- Kunal Lakhan:** Sure. And then how should we look at like, say, subsequent phases in Thane? Like every year, you would be looking at launching similar sized phases? Or how should we look at basically monetization timeline for Thane?
- Vikas Oberoi:** So, Thane is a signature Oberoi Garden City project. We have multiple things. Like I said, we've already signed the JW Marriott there. We are planning a mall there. We are planning an international school there. And we are also like going to be doing multiple phases. So again, like I said, that we will create an ecosystem of itself. And literally, nobody will be able to offer what we are doing within our own bubble literally.
- So I clearly see that it will become a destination of itself. And we'll continue to launch phases. You've seen -- I mean, again, after 40 years of being in real estate and more than 12 years in being listed and literally 50 quarters down the line, you've seen how we've beautifully managed Borivali, how we've done our Goregaon. We know how to phase things out, and we'll do it to the best of our ability here also.
- And I must say that the way infrastructure in Thane is coming up, it is really a serious product. You see the linkage it has between Goregaon and Mulund -- through Mulund and through Borivali-Thane link. These three will be ready in three to four years. Our projects will also be ready to be delivered. We will be so much more closer to the Western Express Highway, and then you have the Thane Coastal Road coming up.
- So, all in all, if you see the way things are getting developed, it's very promising for us. And we have probably the best land parcel one could have got in Thane. And again, our design, our product speaks for itself. So we're very confident. We'll continue to churn out literally every year. And then there will be no dearth of demand because, like I said, the product will be great and is great, rather.
- Kunal Lakhan:** Sure, sure. My second question is on the Versova land again. What are the milestones for conclusion of these deals? And what will be the timelines, do you think?

- Vikas Oberoi:** We are waiting for the Supreme Court to take that call, and everything else then can be spelled out. I don't think this is the right forum for us to discuss that today. So let it happen. I mean it's work in progress. We'll absolutely update you. We are very conscious of this fact.
- Kunal Lakhan:** Sure. And my last question is for Saumil. Saumil, operating cash flow this quarter was a little softer. Any particular reason?
- Saumil Daru:** So there was -- so typically, again, whenever there are advances which go out for acquisitions or for advances towards anything like land, FSI or any of those payments, for me, they all hit operating cash flows. So for example, this Alibaug transaction that we mentioned about, there was about Rs. 90-odd crores of deposit that was given.
- In connection with that, Nirmal Lifestyle, I mean that NCLT order came through, and November was our deadline for concluding there. So there is about Rs. 300 crores which has gone into that one. So if you will add this close to Rs. 400-450 crores of payment, add that to the operating cash flows, and you will see that it is kind of more than in level with what was there in the earlier quarters. So, it is just that these payments kind of hit the operating cash flow, and that's what kind of gives you the number where it is.
- Moderator:** Next question comes from the line of Puneet with HSBC.
- Puneet:** So Vikas, I think you've been building Goregaon's Garden City for almost two decades. Do you have a thought in mind how do you want to build Thane differently? And in terms of timing perspective, the 15-plus million square feet of area that you have, how long do you think you will take to develop that?
- Vikas Oberoi:** Well, I can answer your first question easily, probably better and faster. That's it, nothing more.
- Puneet:** Okay. That's good. And secondly, if you can also talk a bit about what is the strategy on Mulund? That's been a little soft. Anything you're doing to accelerate sales there?
- Vikas Oberoi:** Yes. So Mulund now, Enigma, entire occupation come. For Eternia also, we are expecting this OC to be with us within the next 30 days. We're done with it, and we obviously finish our rest of the -- what you call, large project, I mean, if you really see the entire development and we build it at one shot. So -- and then it's been received well.
- Again, there also, we see resale happening at higher price than what we are selling at. So again, some of the better-view apartments that got sold first are selling at a higher price than what we sell at. So I see it as a huge positive. There's really no issue. And again, the best building in Mulund, ready with lock and key, full occupation certificate done and people living there. So really no issue. Again, all -- we are doing our best. And it's again like the velocity in that area which drives all this.
- Puneet:** Understood. That's very helpful. And lastly, if you can also talk a bit about how you are thinking about Mumbai as a market in terms of pricing growth from current levels and also the competitive intensity on business development?

**Vikas Oberoi:**

Again, like these are such everyday questions. I mean when my team tells me that they get these questions, they want to know about what is our drive towards BD or what is our drive towards launches or what is our drive towards -- but for us, this is what we actually do day in and day out, really. And we are opportunistic, if we see good land at any point in time, be it a bad market or a good market, we go and buy that.

With regards to our sales also, some of us are now beyond probably this entire market pull and push. Yes, maybe we have a few quarters that probably may go soft or may go strong. But by and large, we have become a strong brand. When people decide to buy a house, we are on top of their mind.

So our market share will either shrunk very little or probably not at all, because whenever there is any correction or any sort of tension in the market, the flight is always towards quality, and that goes for real estate also. So I -- genuinely, we are agnostic to how the market will play out and all that, I feel. And we've seen that in the past also.

**Puneet:**

Yes. So in your feedback, are you not seeing any signs of pushback on pricing, etc., as yet?

**Vikas Oberoi:**

Zero. Can I tell you? Absolutely Zero. So again, like I said that we've increased price in Thane. We've increased price in Borivali. We've increased price in Goregaon by 20%, and yet there doesn't seem to be -- see, these are -- and then we have not increased our price because we want to increase our price, because resale is actually happening at those prices.

If you see Goregaon or if you see Borivali, if I were to tell you at what price a ready apartment is getting sold at? And when you compare to our launch, you see clearly there is that much of headroom. One can really pay for the new product. Like Goregaon, today, the ready apartment is at Rs. 50,000 per square foot plus on carpet. And in fact, some of them which are selling at premium are selling at even Rs. 60,000 on carpet.

So we are a great deal even today, and there is enough headroom for us to grow on price. I think that's something that people don't calculate. We do, and that's why we see an opportunity and push our price up. And that's why there is no resistance also.

**Moderator:**

Next question comes from the line of Biplab Debbarma: with Antique Stock Broking.

**Biplab Debbarma:**

Sir, my first question is on your land parcels. So sir, you have a lot of land parcels in Mulund, Pedder Road, Tardeo, Adarsh Nagar, Gurugram and Alibaug. So sir, is it reasonable to expect the launch of all these projects in the next 12 to 18 months?

**Vikas Oberoi:**

Absolutely. In fact, why 12 to 18 months, even faster than that.

**Biplab Debbarma:**

Okay. That's a great news. Second question is on the strong cash flow visibility that we see. So you have a lot of ready inventory in Three Sixty West and Mulund. And also, we expect rental income of around Rs. 13 billion, Rs. 14 billion by next year from your malls and commercial offices.

Keeping aside this Versova land deal or expected fundraise, we keep those things aside, but should we anticipate continued business-- momentum in business development because of surplus cash flow? Or will this surplus cash flow be allocated to the projects' efforts so far and the capex that is coming in your Annie Besant Road project? So how do you see this surplus cash flow that we expect in the next few years from this ready inventory and expected rental income?

**Vikas Oberoi:**

Thank you for your deep study about our entire cash flow. You're absolutely spot on. We ourselves know the potential the company has when it looks at these ready assets. We are probably amongst the only real estate company who would have this sort of ready inventory where there is really virtually no debt on any of this, encash that -- and that is straightaway cash flow for you.

Obviously, money is a raw material for us to go and buy land. We will be diverting this money into buying more land. And this is exactly our business, and this is what we want to do. We want to keep churning the cash that we pull out of our business back into BD, take that land. So it's a circle that we keep following. I mean it's like we literally repeat this on a perpetual basis.

And we know that this is huge potential and strength for us. And we are mindful and very focused on working it exactly the way you've envisaged. And that's really -- we've broken this company down to be as simple as you made it sound to be, and that's exactly our strategy. There's no rocket science. It's just put your head down and continue to work that way.

**Moderator:**

Next question comes from the line of Pritesh Sheth with Axis Capital.

**Pritesh Sheth:**

So, just first on the scale-up in launches that we are expecting from next year onwards. Historically, if I look at last two, three years' trend, we have had one big launch in a year and then, obviously, other sustenance sales takes care of the overall bookings. Now we are talking about four, five launches in a year. How much is the team ready to do that?

And in terms of bandwidth, where do you think most of the bandwidth goes when we are looking at three, four launches? And is it largely the planning which delays our launches or it's more to do with sales and marketing strength that we would need to handle these many launches?

**Vikas Oberoi:**

No, sorry, Pritesh, none of these, actually. It's like really strategically played out. We want to first ascertain like how we are growing? What we are doing? How our products playing out? Today, as an organization, we are capable of literally doing 10x of what we were doing earlier, and we've shown over time.

What people don't understand is that one of -- our single launch is so big. If you see what we've done in Thane, like our first phase is actually the size of typical projects of any large developer, which is literally our first phase, give or take, 35, 36 lakh square feet of carpet area in our first phase that we have launched, of which we have only sold 2 towers.

So really, if you come to us, I can show you the entire Oberoi Garden City, Thane layout is ready. We could be probably launching 20 towers at one go. Marketing is ready, product is



ready. There's really nothing that's holding us. We only want to tread cautiously new markets, how we want to play them out and all that, nothing other than that.

So as far as the ability of the company goes, very, very there, enough talent and enough systems in place, continuing to use -- I mean we're one of those companies who are building ability on AI and doing so many things very differently that the industry has not seen. So for us, our internal motto is that 1,000 people will do work of 10,000 people today by simply adopting technology and AI and so on and so forth.

So that part, totally with it. We now know to do things much faster than what we were doing earlier. So absolutely, no issue, none. I mean there are no constraints of any sort, manpower, intent, everything.

**Pritesh Sheth:** Sure, that's helpful. And what could be the only risk that you assess right now which could delay these launches? Is it largely then related to regulations and government-led approval delays or that, too, you are comfortable managing it?

**Vikas Oberoi:** So Pritesh, firstly, all the land parcels are purchased or done with are clear. There are no -- there is no out-of-the-box approval that one requires. Whatever we need is within the framework of law and approvable in nature. And whatever time it takes is what it will. So really, I don't personally see any surprises. Moreover, like I said that we are not the one who let go of any bad experience, not get captured and get something positive out of it.

So whatever we've learned in the past 40 years, good or bad, it really stays with us and it helps us do better. So again, like I said, we're very focused. A lot of people don't understand Pedder Road had a few tenants. So tenants is not something that's in our control that we can do and things like that. So now everything is cleared there. We are ready to go. You will see all these lined up and launches really soon.

**Pritesh Sheth:** Got it. Sure. And just one last, if I can. We raised Rs. 1,500 crores in NCDs. We have already invested roughly Rs. 400 crores plus in a couple of land transactions. Rs. 1,000 crores still sits in the cash kitty. We already had good amount of cash surplus. So just trying to understand, I mean, have we invested some more in this Versova or Sahara land that we are talking about? And what's the near-term plan with this cash?

**Vikas Oberoi:** So I only want to tell you that you will be in for some very pleasant surprises going forward in terms of land deals. Wait for us to announce and you will know where this money is going. So really working a lot and a lot harder on all of that, and you'll genuinely be pleasantly surprised.

**Pritesh Sheth:** Okay. But we have not deposited Rs. 1,000 crores as reported by media in that Sahara land case or we have?

**Saumil Daru:** Pritesh, we will -- yes, we can discuss all of these once the transaction and everything gets done. You will appreciate that these are all matters which are in court. So it would be difficult to kind of discuss that any further.

**Vikas Oberoi:** Correct.

- Pritesh Sheth:** Got it. I respect that. Absolutely. All the best.
- Moderator:** Next question comes from the line of Akash Gupta with Nomura.
- Akash Gupta:** Congrats on the good results. Sir, actually just two quick questions from my side, first is like, I wanted to understand how are you looking at the on-the-ground residential demand, both on the luxury segment and in the mass-market segment?
- And second is that I think there is a case going on between IREO, AIPL and Oberoi for the Sector 58 land parcel. I wanted to check, would that impact the launch of the project in second quarter next financial year?
- Vikas Oberoi:** So I'll answer your second question first. No, none of this will affect. Obviously, all this is being taken into account and permissions are coming as we speak on the project. So we are getting ready to launch.
- Like I said, that's probably either like end of second quarter or third quarter next financial year, we should be good to go. Plans are already done and ready with. What was your first question, sorry?
- Akash Gupta:** Sir, I just wanted to understand your thoughts on the residential demand both on the luxury segment and the mass-market segment. How are you looking at that?
- Vikas Oberoi:** So again, I said I answered this in a different way to a different question. But I feel that we are agnostic to demand as such because, see, buying a house is not going out of fashion. It will always be there. There may be high demand or there will be moderate demand. But when you are a good brand, when you made a good product, at that time, you always -- people gravitate towards quality.
- And we know we built a quality company, and people will continue to come to us. And this is something we've seen even in previous recessions or slowdowns or whatever one can call it. In fact, we are very bullish that if, God forbid, what you are trying to hint happens, we are the best -- we are very well positioned or placed to actually take advantage of the situation and not the other way around, really.
- Moderator:** Ladies and gentlemen, due to time constraints, we have reached the end of question-and-answer session. I would now like to hand the conference over to Mr. Oberoi for closing comments.
- Vikas Oberoi:** Thank you all for taking time out for this call. We look forward to hearing from you on a regular basis. Please feel free to reach out to us or our Investor Relations team just in case any of your questions are unanswered. Thank you once again.
- Saumil Daru:** Thank you.
- Moderator:** Thank you. On behalf of Oberoi Realty, that concludes this conference. Thank you for joining us. You may now disconnect your lines.