

November 4, 2025

BSE Limited

Scrip Code: 543287

Debt Segment – 975192, 976262, 976764, 976923, 976895, 977163

National Stock Exchange of India Limited

Debt Segment

Trading Symbol: LODHA

Dear Sirs,

Sub: Q2FY26 - Earnings Call Transcript

Ref: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations')

Pursuant to Regulation 30 of the Listing Regulations, we enclose herewith a copy of the transcript of the Company's Q2FY26 Earnings Conference Call held on October 31, 2025. The transcript is also being uploaded on the Company's website i.e. www.lodhagroup.com under the Investor Relations section.

Kindly take the above information on your record.

Thanking you,

Yours faithfully,

For Lodha Developers Limited
(Formerly known as Macrotech Developers Limited)

Sanjyot Rangnekar
Company Secretary & Compliance Officer
Membership No. F4154

Encl: as above

**“Lodha Developers Limited
Q2 FY’26 Post Results Conference Call”
October 31, 2025**

MANAGEMENT: **MR. ABHISHEK LODHA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – LODHA DEVELOPERS LIMITED**
MR. SUSHIL KUMAR MODI – EXECUTIVE DIRECTOR, FINANCE – LODHA DEVELOPERS LIMITED
MR. SANJAY CHAUHAN – CHIEF FINANCIAL OFFICER – LODHA DEVELOPERS LIMITED
MR. TIKAM JAIN – CHIEF EXECUTIVE OFFICER, PUNE – LODHA DEVELOPERS LIMITED
MR. CHINTAN PARIKH – CO-HEAD OF INVESTOR RELATIONS – LODHA DEVELOPERS LIMITED
MR. AAYUSH RAGHUVANSHI – CO-HEAD OF INVESTOR RELATIONS – LODHA DEVELOPERS LIMITED

Moderator: Ladies and gentlemen, good day, and welcome to Lodha Developers Limited 2Q FY '26 Post Results Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Chintan Parikh, Co-Head of Investor Relations. Thank you, and over to you, Mr. Parikh.

Chintan Parikh: Thank you, Renju, and good afternoon, everyone. Welcome to Lodha Developers Q2 FY '26 conference call. Today, we have with us Mr. Abhishek Lodha, MD and CEO; Mr. Sushil Kumar Modi, Executive Director, Finance; Mr. Sanjay Chauhan, CFO; and Mr. Tikam Jain, CEO, Pune.

I would now like to invite Abhishek to make his opening remarks. Over to you, Abhishek.

Abhishek Lodha: Good afternoon, everyone. Thank you for joining us for our Q2 earnings call. I hope all of you had a great Diwali celebration and wishing you all the very best for the upcoming festivities and the new year.

Before we dive into company-specific updates, I would like to start with a few comments on the larger macroeconomic environment. In the last quarter, the Indian government took the proactive step of GST rationalization, which, in our view, has already started benefiting the larger consumer sentiment in the country.

On the monetary side, the Central Bank has already delivered a 50 bps rate cut earlier this year. And with the Federal Reserve having commenced its rate cut cycle and rate cut earlier this week. We expect that we will have further benefits of reduced interest rates in the country and thereby incentivize the consumer on to further go ahead with their demand.

Overall, in the country today, we see a positive mood and a direction of travel towards an economy which is resilient and strong in spite of the challenges, which have been seen earlier in the year on account of the friction between India and the U.S. on the trade front. We now expect that, that will be resolved in the near term as has been indicated by the leaders of the various countries, and that would provide an additional fillip to domestic growth.

In this context, RBI has already revised its GDP growth forecast to about 6.8% from 6.5% earlier, which is noteworthy. We still believe that India's medium-term aspirations on GDP growth is to be higher than these levels of 6% to 7% and our sector, the real estate sector -- we expect that the real estate sector will play a positive contribution to the further scale-up of economic growth in the country.

We have been positively enthused by the steps that the Indian government has taken not just on the fiscal side as well as the monetary policy side over the last 12 months.

But generally, the direction of travel when it comes to improving ease of doing business and encouraging investment. This, we believe, is a very positive sign and augurs well for long-term creation of jobs and wealth in the country.

One factor to, of course, mention is the artificial intelligence revolution, which, over the last 12 to 18 months has gotten increasingly bigger and now one sees a much bigger impact of it starting to play through across the world. While it will lead to changes in the structure of work, it is likely to lead to a significant improvement in productivity and will thereafter in our opinion, provide significant opportunities for agile companies to grow and take advantage of this once in a lifetime change that artificial intelligence is going to bring to our world.

We also believe that this presents an opportunity for India to put itself at the forefront of a global change and make sure that we are making the right investments, whether it comes in the basic building blocks of artificial intelligence, including data centers or looking at value-added services to help individuals and corporate transition into the new world where artificial intelligence will play an increasingly important role, especially in tasks which are predictable and simple.

And also, to look at significant value-added activities, such as looking at Gen AI and various other applications. So, there is a lot to do, and we think that the economy will have these new legs of productivity in the years to come.

Now coming to our highlights for the quarter. I'm first and foremost, most pleased to inform that we were selected and ranked as one of the top 1,000 most trustworthy companies in the world by the renowned Newsweek magazine. We were the only Indian real estate company in the list and once amongst only 18 real estate developers from across the world who have been

included in this list. As an organization, we play a huge amount of focus on building deep long-term stakeholder relations and this recognition by Newsweek is usually important to us.

In terms of our business performance, we achieved our best ever second quarter presales with presales of INR45.7 billion, which was up 7% year-on-year. With this, our H1 sales stand at about INR90 billion, which is 43% of our full year guidance. and that keeps us on track to deliver our full year presales guidance of INR210 Billion.

Having delivered more than INR40 billion of presales consecutively for the last 7 quarters, we are now expected to move up towards the run rate in the high 50s or low 60s and that would be a significant step-up for our business as we scale up on the back of the strong business development as well as the fact that the environmental clearance issues which had held back approvals in Mumbai City for the last 12 months were cleared in August.

The embedded EBITDA margins for this quarter were at about 32%. This is with the JDA contributing just under 50% of presales, which is higher than our targeted mix of 40% and that shows the resilience of our business that even with a higher contribution from JDA sales, we have the attractive EBITDA margins that we've delivered.

On the price growth, in line with our guidance at the start of the year, we've delivered about 3% price growth for the first half of the year, which puts us on track to deliver about 5% to 6% price growth for the full year, in line with our strategy to keep price growth at below the wage growth and make sure that affordability keeps improving, and therefore, we keep seeing a strengthening of the cycle.

Based on the embedded EBITDA margin of 32%, our pro forma PAT for the quarter is at about INR9.3 billion, implying a PAT margin of 20.3%, and once again, enabling us to deliver the ROE of 20% or thereabouts, which we had already on an underlying basis delivered in fiscal '25.

As far as business development is concerned, we added a new location in MMR this quarter with a GDV of INR23 billion. With this, in the first half itself, we delivered our full year business development guidance of INR250 billion. And therefore, it is quite likely that we will outperform on our full year BD guidance given the significant number of attractive opportunities, which are in the pipeline.

These significant opportunities further indicate that the consolidation in the industry continues to remain robust, not only on the demand side or the consumer side, but also on the supply side, there is an increasing awareness both from capital providers as well as landowners that they only want to partner with the best run, best governed and the strongest brands.

At the end of the quarter, our net debt stood at INR53.7 billion, which is at about 0.25x equity, well below our ceiling of 0.5x. Our overall cost of debt fell by 30 basis points to about 8% at the end of Q2. In terms of the business development for this quarter, I'm most excited to speak to you about the significant opportunity that is now emerging in the field of data center and the larger AI space for our organization.

As you may be aware, about 2 years ago, we started the process of putting together a data center park at Palava and we now have already 2 anchor customers, Amazon Web Services, AWS, as well as STT. In the course of the last quarter, we entered into an MOU with the government of Maharashtra under the Green Digital Infrastructure policy on the basis of which the government of Maharashtra is giving significant incentives to those companies or operators who will be setting up their data centers in this park.

The total benefits to -- or the overall park, which is spread across about 400 acres will be to the tune of over \$1 billion (for ~400 MW capacity) or even higher under this policy. The government of India, of course, has published and circulated its draft of their data center policy. We expect that when this draft is finalized, there will be significant further benefits for the operators who will operate data centers in India, specifically in this park and will lead to a greater amount of interest for the park.

However, beyond the ongoing land sales, the last land sales happened at a value of about INR0.21 billion per acre.

And now with these 2 new policies of the green data center of the government of Maharashtra and the central government draft, our land values are further moving north to closer to \$0.3 billion per acre, which will put the value of the existing balance land out of the total of about 400 acres, which has been earmarked for the data center at about INR100 billion.

And we expect that for the next few years, we'll continue to do some amount of third-party land sales to strengthen the ecosystem of data centers and artificial intelligence at Palava. But what's even a lot more exciting is the fact

that over the last 2 years, our teams have been able to put together the most comprehensive infrastructure package that is available to any data center in India and perhaps amongst the very best in the world.

And with the land, the permits, the water and the power in place, we are one of the best placed travel-ready locations in the world and can get from start to operationalization in less than 24 months. In terms of the infrastructure, we have almost 3 gigawatts of power availability coming through 5 different EHV lines. We have access to green power. We have access to over 100 MLD of recycled water, which reduces power consumption and costs, and we have very good fiber optic connectivity.

This is augmented by the fact that we have one of the lowest building costs for data centers in the world coming in at about \$6 million to \$7 million per megawatt compared to \$10 million to \$12 million per megawatt, which is currently the cost in the U.S. and Europe. Our power costs are very competitive at between \$0.07 to \$0.08 per kilowatt hour. And we now have the technology in place to deliver a power utilization efficiency of about 1.2 to 1.3, a PUE of 1.2 to 1.3. All these together giving one of the lowest costs in the world.

In addition to that, Mumbai is India's largest hub. Almost 50% of India's data center capacity is in Mumbai. And that's on account of the fact that the undersea cable landings are based in Mumbai, and they provide some very good connectivity to different parts of the world, the current latency, which is a time taken for the transmission of data to Europe is at about 140 milliseconds to 150 milliseconds, but that can be further reduced to about 120 milliseconds with investment.

And similar to the U.S., it's currently routed through Europe and has a latency of about 220 milliseconds to 240 milliseconds, but that can be further reduced to about 170 milliseconds. This reduction in latency over time will lead to an increasing attractiveness of India as a location given the lower cost as well as the scalability to do a variety of different activities, for example, AI training workloads to be done in India.

We now have a dedicated team working to capture what else can we do beyond providing the land and the infrastructure, which obviously is usually value additive. But what else can we do beyond that? We are exploring partnerships with entities having strong AI knowledge or network. And we are also looking at models, for example, power shell. To give you an example, a

powered shell can generate an annualized PAT of approximately INR1 billion per megawatt -- sorry, INR0.1 billion a megawatt per annum.

And that kind of upside compared to the land value is very much visible when we look at the fact that each acre of land, which is currently transacting perhaps can transact at about INR0.3 billion per acre, but can accommodate 8 to 10 megawatts of IT power capacity.

And therefore, when one looks at the valuation and the cash flows that can be generated by moving to these higher value-added activities like powered shell, there is a huge, huge opportunity for our organization, given the fact that we already own the land, the power is in place as well as all the other supported policies, the power, the water are all in place, and it gives us a very attractive entry point to look at what is going to become a key part of the modern world, of the 21st century world's operating infrastructure.

And as India sort of takes a bigger step in the artificial intelligence world, we at Lodha are committed to playing our important and rightful role in this transition and providing world-class infrastructure for use both within India and outside.

Moving forward, in terms of our updates, we are now on the townships, our Palava and Upper Thane townships, we are seeing the light in terms of the operationalization of some of the key infrastructure. The Palava-Airoli-Mulund freeway is now very much approaching completion and should be operational next quarter, which will be a huge value leg up for Palava, given the fact that prices in Palava are less than half of those in Airoli.

And this connectivity will bring a huge new catchment as well as higher prices within the Palava ecosystem. Similarly, we are seeing good progress in the bullet train connectivity from Mumbai to Ahmedabad in which the first station after BKC is at Palava and that should be operational in 2028 or 2029.

And that will make Palava just a 10-minute train ride from BKC, which would be a fantastic further step-up in connectivity. In addition to that, we have the metro work progressing very rapidly, and we should see operationalization perhaps by 2028. And we also have road connectivity, including the Virar Alibaug Multimodal Corridor which passes through the site now starting to gain traction.

So, all in all, Palava's transition from a lower mid-income location to upper mid-income and premium location is progressing on track, and we should start seeing the benefits of the connectivity from the next fiscal which in addition to

the significant value creation opportunities in the data path also will present a significant step-up for our company in terms of value unlock as well as sales and margin growth starting from next fiscal.

On the same mode of scaling up, we are seeing continued strength of performance in the 2 cities beyond our home market of Pune that we are operating in. As you know, we operate in Pune and Bangalore. Our standard model of starting in a new city is to do a pilot phase, which is the first 2 to 3 years where we invest in building the local team, understanding the local ecosystem, verifying the fact that we can have the same kind of resilience and strength of delivery as well as profitability, and then we scale up.

We are very pleased that our scale up in Bangalore as well as in Pune are continuing strongly. This year, we expect to have about 30% or slightly higher than that of our presales coming from these 2 cities, which is a fantastic position from the fact that when we did our IPO about 4.5 years ago, our total sales from non-Mumbai markets was only 3%. So, we've gone up about 10x in the last 4 years, and that gives an indication of the strength of the brand, and the scalability of our business.

And as we now further move over in 2026 to starting our pilot in NCR, we hope that by covering these 4 major metros, Mumbai, Pune and Bangalore already and the pilot in NCR, we will see a long runway of growth which enables our company to continue to deliver on its medium-term strategy of having the approximately 20% annual growth and 20% ROE. Later in this call, we will have my colleague, Mr. Tikam Jain, who is the CEO for Pune, giving you an overview of how the business is progressing there.

Before I conclude, I'll sort of just read through the financial performance for the quarter. Our revenues from operations came in at INR38 billion was up about 45% year-on-year. Our adjusted EBITDA for the quarter was about INR13 billion, growing about 37% year-on-year with an EBITDA margin of about 34.4%.

I'm sure you'll note that our adjusted EBITDA margin is at or above our embedded EBITDA margin that we shared with you every quarter, which shows the conservativeness of how we estimate our embedded EBITDA as well as the fact that the company continues to deliver on converting its sales into profitable margin.

Our PAT for the quarter came in at just under INR8 billion, which was up about 87% year-on-year, and our operating cash flow was about INR14.7 billion. With this, I conclude my remarks, I'll be available for questions after my colleague, Tikam Jain gives you his overview. Mr. Jain, over to you now. Thank you.

Tikam Jain:

Thank you, Abhishekji, and good afternoon, everyone. Pune continues to be one of the most resilient and balanced residential market in India. While IT remains an important driver, the city's demand base today is as far more diversified with automobile manufacturing, defense, education and GCC sectors all contributing strongly.

This diversification has helped the market grow steadily in recent years. And now estimated at more than INR60,000 crores. Inventory level is also healthy in the market at about a year. The market is becoming more selective with demand gravitating towards larger, well-planned homes and branded developers like us.

Over the past 3 years, we have scaled up meaningfully in Pune from about INR200 crores of presales in financial year '21 to nearly INR2,500 crores in financial year '25. In the first half of financial '26 alone, we have achieved about INR1,400 crores, keeping us on track for our annual targets. Our footprint has expanded to 11 operating projects across all key corridors of the city.

Our focus has been on building a strong organization, the Pune team has grown both in size as well as the capacity, and we have built depth across sales, design, construction, business development and customer service. As a result, we are now the second largest developer in Pune and are confident of becoming the largest within the next 2 years.

For the remainder of this year, we have planned new launches in Pune East and West along with the subsequent phases of our existing projects, we continue to evaluate additional opportunities across the city. We continue to maintain a premium pricing to our peers but one that customers find value and due to our superior designs, quality and unique living experience that Lodha offers.

With delivery of multiple towers and projects slated to start in the coming 12 months, I'm confident people will be able to experience Lodha living. This will further strengthen our brand in Pune. Overall, Pune is a deep end user-led market, and Lodha's growth here remains strong, disciplined and sustainable. Thank you, and over to you, Abhishek, again.

Abhishek Lodha: We can open the Q&A, please.

Moderator: Thank you. The first question comes from the line of Puneet with HSBC. Please go ahead.

Puneet: Congrats on good performance. My first question is on your data center plan. Would you be building speculative products there? Or would you largely build after it is leased out? Or is there an identified data center player.

Abhishek Lodha: Puneet, thank you for the question. As I mentioned in the remarks, we are very enthused by the scale of the opportunity in data centers, given the compelling cost economics as well as the scalability that we see.

Having said that, as I mentioned to you, we now have a dedicated team working to make sure that we put together a business plan to capitalize on this opportunity beyond the land sales and that business plan is currently underway. I hope that when we have our next quarterly update in January, we would be able to give you a much deeper dive into the business plan in this respect.

At this stage, we don't yet have a view on what would be the nature of doing the powered shell, would that only be on a BTS basis or would that be on a speculative basis or perhaps a combination of both of those.

As we've done in other asset classes like warehousing and industrial parks, we tend to go out and sense the market demand, build deep relationships with the consumers of in the space. And then make sure that the investment risk is aligned with the overall demand, but we hope to give you a more specific insight when we speak again in the next quarter.

Puneet: Understood. We'll wait for that. And in your mind, between the data center opportunity and the residential in Palava, which one is giving better return on investment?

Abhishek Lodha: Again, I think it's not that these are not opportunities in the alternative. I think the fact that we have this very high quality and significant land located in such a strategic location with a huge amount of infrastructure build-out and no constraint for us in terms of having to use land in one or the other is a truly unique position that we have. And I think we can capitalize and scale up on both those levers. I think the residential scale-up is well underway.

The locations are the part of the overall land that are earmarked for residential are very different from that, for what we've done for data center and allied users, for out of our approximately 4,000 plus acres, only about 400 acres is earmarked for data center. Obviously, this can be further scaled up if the situation would so warrant. But right now, it's only 400 acres, which is earmarked for data center.

And we see that the data center opportunity is additive beyond our residential growth. Our residential growth plans continue to remain at pace. And therefore, whatever comes from data center additionally over time, other than the land sales will be incremental. Just to give you -- and this is very early stage. But if you were to just do a very basic calculation, we have 3 gigawatts of power capacity, which would mean about 2.5 gigawatts of IT powered or IT capacity.

And out of that, if you were to just do 10%, i.e., 250 megawatts of IT capacity as powered shell, the annualized PAT from that could be INR2,500 crores or thereabouts. It will, of course, take a few years to get there. But that is the scale of the opportunity. And this is, like I said, additive to and in addition to all the other business that we are doing right now.

Puneet:

Understood. That's very clear. And when I look at your average realization trend. It seems to be trending down over the last few quarters. Is it a deliberate strategy to move more towards a mid-income product instead of one being luxury premium...?

Abhishek Lodha:

As we've always maintained, we like to maintain a diversified and granular sales mix. We broadly have about 50% of our sales coming from the mid-income segment, which obviously, as you mentioned, is sort of lower in price point. We have about 12% to 15% coming from the luxury segment and the balance coming from the premium segment.

So that's how our business mix is and that's what we like it to be because we don't really want to take a view that only luxury will perform or only mid-income will perform. What we are seeing this year is that mid-income has started picking up on the back of the support from the government, whether it comes in terms of interest rate cuts or income tax cuts or so on. And therefore, perhaps the average blend may shift this year slightly compared to last year.

But overall, as we've shared on a like-to-like product, our price growth is at about 3%. And from a mix perspective, because we operate across all these 3

segments, probably the only large developer, which operates across these 3 segments, we may have periodic variations in the average price.

Puneet: Understood. That's very helpful. And last question, if I may. You talked about your NCR strategy. Would you like to outline whether you're going towards Gurugram or Noida or both?

Abhishek Lodha: At this stage, our initial focus is most likely to be in Gurugram, but it does not mean that we do not look at any other part of the NCR, but it's quite likely that we will perhaps start off on the Gurugram side of the NCR.

Moderator: The next question comes from the line of Pritesh Sheth with Axis Capital.

Pritesh Sheth: Seasons greeting to you and everyone on your team. First question is on the weekly sales number that you have put out, roughly INR30 million, if I'm not wrong, per week. How do you see this number trending in second half of this year or later part of the second half whether we generally see improving trend? Or it likely remains similar. Do we expect the bulk of the heavy lifting apart from the non-launch sales will happen from launches that we have lined up in second half? So, your thoughts on that?

Abhishek Lodha: Pritesh, thank you for your question. Just to correct the numbers, its INR3 billion of non-launch sales. This number is something which we put out because we think it gives a good sense of the run rate and how things are progressing through the year. If you were to take this number and do a multiplication basically last year's full sales, would more or less now come this year from non-launch sales.

This number was obviously lower at the start of the year. It's trending upwards, and we expect it to further trend upwards in the course of the balance part of this fiscal, which really is just a sense of the strength of our brand and the fact that on an ongoing basis every week without doing a big activation or launch.

We have consumers walking in, interested in buying and making the decision to buy, which is really why because they are buying on the basis of product and they're buying on the basis of reputation rather than on the basis of an offer. So that's the position on the non-launch weekly sales.

In terms of the second half of the year, out of our estimated sales of approximately INR12,000 crores or INR120 billion, which is expected in the second half of the year. We expect that somewhere between 70 to INR75

billion will come from the non-launch sales and the balance INR40 billion to INR45 billion from launch sales.

Pritesh Sheth:

And on this power shell opportunity, if I'm correct, you're looking at least 250 megawatts of development through power shell by yourself. What kind of capex that we think we would have to spend to build? So much, obviously, over a period of time, but just in terms of economics, if you have some initial read through, how much we tend to spend on per megawatt basis? And how probably we'll look to fund this capex, yes.

Abhishek Lodha:

Pritesh, it's an important question, but perhaps one which we'll best answer when we speak again in a quarter's time.

As we indicated, just to give you a very early-stage numbers because I want to share with you what we know, but caveat it with the fact that we are still deep diving, so we don't have yet a firm answer is that the cost will be between \$6 million to \$7 million per megawatt to build out the power shell.

And that, if you were to say, build out on average 50 megawatts a year, that would translate to somewhere between USD 300 million to USD 350 million of total capex and assuming the fact that you would have about 2/3 debt, 1/3 equity issue is about \$100 million of equity in the balance through debt.

Now obviously, whether we put in the equity, it's very likely that we will get in some partners with us who know the AI space and network in a deeper and better manner than we do at this stage because that's been our trend. We understand an industry gradually and make sure that we have good partnerships to take us through our learning curve.

So, we are evaluating all of those things. But I think what's important from our perspective is that if and I'm not saying we will build 250 megawatts or not, we're not saying we'll minimum build that or not. We're just exploratory, we are just sort of finalizing right now. But if we were to build 250 megawatts, that is, like I said, it's an annualized PAT of maybe INR2,500 crores or higher at today's rates. So that's really telling you how scalable the opportunity is and how significant it could become.

Pritesh Sheth:

Sure. You said \$6 million to \$7 million per megawatt. Is that number right? \$6 million to \$7 million?

Abhishek Lodha: USD6 million to USD7 million per megawatt.

Pritesh Sheth: Okay, U.S. dollar.

Abhishek Lodha: INR50 crores to INR60 crores per megawatt.

Pritesh Sheth: Makes sense. So, a PAT yield of roughly 20%.

Abhishek Lodha: It could be slightly within that range, slightly lower than 20%, I would think, but yes, in that range.

Pritesh Sheth: And one last on the Palava residential side, now that this infrastructure is -- the key tunnel is getting completed in next quarter or so, what to look forward to from our side in terms of the product offering over next couple of quarters that one needs to follow whether that's happening or not. So just on launches or product offering, etcetera.

Abhishek Lodha: Yes. So, Pritesh, I think in our view, because this tunnel was supposed to be opened maybe 6 to 9 months ago, we have already brought into the market the products that we think will benefit from this connectivity. So, we had the launch of Lodha Opulis at the end of last fiscal. We've launched a new villa project recently.

We've had now 5 sales in our Golf View development, which are close to \$1 million each of apartments. So all of this product is already out there, which we think is a good position to be because the product is already under construction, sales are already happening.

What we expect to see is there'll be some further launches, including at Opulis over the next 12 months. But we also, in our opinion, see much greater traction, much greater contribution to the overall sales mix as a percentage and in absolute terms from these premium category products.

So overall, what I would expect to see in the next fiscal is significant ramp-up in both overall sales because the mid-income will also perform better, but we would think that the premium will have an outsized benefit, so higher sales coming through from Palava and also an improvement in margins because obviously, these premium segment sales are at a higher margin.

To add to that point, we also expect that the Thane to sort of Bhiwandi connection of the Mumbai-Nashik Highway is also now approaching completion, should be completed either next quarter or definitely before the

next monsoon. And that will also have an equal positive effect on Upper Thane. So, I would say that cumulatively, our extended Eastern suburbs business should start becoming a significant step-up starting from the next quarter.

Pritesh Sheth: Any number you want to put for this Palava residential out of this INR120 billion of expected presales in second half, how much you are building internally from Palava residential?

Abhishek Lodha: No, I don't have a specific number to give. I don't think that any of the infrastructure will benefit Palava in this fiscal, it will be for next fiscal.

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

Kunal Lakhan: My question is again on Palava monetization, especially for the residential bit. So I get it, some of these infrastructure development projects will obviously drive the demand. But on a long-term strategy basis, right, some of the developments that we're doing in terms of, say, data centers, industrial parks and warehousing.

I'm not sure whether employment in these segments would be driving the demand for Palava, especially the fact that we are making it more premium as well as luxury kind of development, data center anyway, it's less human-intensive as such?

So just wanted to understand your long-term strategy in terms of like, of course, relying on the infrastructure development, at the same time, like creating captive demand in Palava in terms of more office development, creating a more social infrastructure, such as retail, hotels and all of that?

Abhishek Lodha: So Kunal, thank you for that question. We see Palava as a location which benefits significantly from its proximity to Mumbai's critical job hubs. In spite of the lack of connectivity so far, the Mahape job hub has played a key role in addition to the Kalyan, Dombivli area in terms of the demand and the scale-up in Palava so far, where we are now close to 250,000 individuals living, just under 50,000 families, which is an amazingly large scale up over the course of the last few years.

The connectivity to Airoli and Mulund will further make -- the way we look at it is what are the jobs within a 30-minute driving distance from Palava. Because that's really ultimately the most convenient location to live in, given its quality of infrastructure, quality of social life as well as schools, health care and so on.

So, what this connectivity is doing is that it is making almost all of Mumbai's key job hubs within that very attractive distance from Palava.

So, like I said, Airoli and Mulund will be within that 30-minute driving distance next quarter, BKC will be door-to-door less than that time before the end of the decade. And that really makes Palava very, very convenient from our perspective of people working anywhere but living in Palava.

Having said that, we continue to see the fact that now companies are locating their value-added work activities in Palava. We have Encube pharma having set up their large-scale R&D setup in Palava, and that is already operational. They've built a fantastic facility there. We now have one more large pharma company set up one of its sorts of subsidiary. They've just taken space to set up their subsidiary offices. We've completed one speculative office building of about 400,000 square feet, which we are now starting to lease.

And with this infrastructure connectivity improving, we start seeing that more of these jobs will start coming into Palava. Obviously, other than the jobs, we have 7 operating schools. Jupiter hospital will be operational with 400-plus beds, their largest facility in the country next quarter. We have world-class sports and a lot of high-quality retail already within Palava.

So we really have put in the building blocks of all these elements already in place. And I think the jobs within Palava are important, but equally the jobs within 30 minutes of Palava are important, and the connectivity is going to benefit both the jobs within Palava because obviously, if it's better connected, it makes sense for people to be locating their offices there, but also the overall fact that Airoli, Mulund and then in a few years, BKC will be very well connected to Palava.

Kunal Lakhan:

Second question was on the business development side. If you look at last year, we acquired projects worth INR237 billion of GDV and our land spend stood at about INR63 billion. In the first half, we have acquired about INR250 billion worth of GDV and the land spend is about INR26 billion, INR27 billion there. So just wanted to understand kind of projects that we have acquired, are there more JDAs here? Or we would see some spill over of land spend happening in second half and subsequent quarters? Just to understand like what kind of land spend we are doing and what kind of projects that we're acquiring?

Abhishek Lodha: Yes. I think that's an important and valid question. Our land spend comprises of the spend, which is done at the time of the acquisition of the land and then also, of course, takes into account any future obligations towards the aligned and approvals related to that land, which come in over a period of time. So obviously, over time, there will be further incremental expense towards this header as the projects move to their phases of development.

In case of JDA, it's a more forward based cash outflow and in case of owned land, it's more front-loaded. In terms of the mix of land that we've acquired in the first half, yes, there has been a higher proportion, if you may, of JDAs. But that's just -- it's not a shift in any strategy.

It just happens to be the nature of the developments of the transactions which have concluded in the first half of the year. You may have read that in October, we acquired a land in Bangalore through the takeover of entity, which is an outright acquisition. So, it just happened to be in the -- October rather than in September. So, you'll start seeing a slightly different mix in this quarter.

Moderator: Thank you. Mr. Lakhan. Please re-join the queue for more questions. Next question comes from the line of Abhinav Sinha with Jefferies.

Abhinav Sinha: Abhishek, so 2 questions. Firstly, on the Palava data center land transaction side. So, you mentioned that we're looking at the land pricing move up to about INR300 million per acre. So, this will be like the follow-on phases for the current 2 anchors or are you expecting the new anchors to pay this amount?

Abhishek Lodha: We expect fresh transactions to be closer to the INR0.3 billion or INR300 million per acre number. So what's already agreed or what's already finalized will obviously be at the levels that they have already been finalized.

Abhinav Sinha: And my second question actually is on the sales velocity and it appears that we are a little more launch dependent now or maybe it's perhaps just how this year is pacing out to be. But do you think we go back to being much more even and less launch dependent like we were, say, in the previous 2 years?

Abhishek Lodha: Abhinav, last year, our contribution to sales from newly launched projects was in the mid-30s. And this year also our contribution to sales from the newly launched projects will be around that number. So I don't think that there has been any change in the fact that all just somewhere around 2/3 of our sales come from our projects which are already ongoing as of the start of the fiscal year.

It's just that we've had a very specific circumstance this year where the environmental clearance was blocked for the - preceding 12 months up to the end of Q2. And therefore, you've had more of a bunching. So we are talking about the fact that more sales will happen in H2 because more of the launches have gone into H2.

But overall, the best metric to be looked at is that what percentage of the sales for the fiscal are coming from projects which were already ongoing at the start of the fiscal and what are coming from those which have been launched during the fiscal, and I think our numbers will be sort of in the early to mid-30s for both last fiscal as well as this fiscal and that's what we expect it to be in future years. And I think that's a very different ratio from most of our peer listed companies where that ratio tends to be much higher.

Moderator: Next question comes from the line of Akash Gupta with Nomura.

Akash Gupta: Sir, just one question from my side. Just your thought on the real estate cycle. The real estate demand has been, I think, quite resilient. And I think better than what many investors were thinking. So where do you think where we are in the cycle right now? And then what are you thinking about on the footfalls and conversions side?

And now that we're also reaching like INR3 billion weekly non-launch sales, and that's higher than the INR2.5 billion to INR2.7 billion numbers that we saw like roughly 3 to 6 months back. So do you think that this cycle right now is a lot more resilient than the previous cycles?

Abhishek Lodha: Akash, it's a big question. One question, of course, we can have a long conversation over. But in summary, our view which we've been expressing for a few years is that the Indian housing side, India is going through a once in a lifetime transition from low income to mid income. And such transitions, wherever they've happened in large economies in the world, have always we have always witnessed a very long real estate cycle when this transition happens typically in the order of 15 to 20 years.

We think India is also going to have a cycle which is that long. We are only in the year 4 or 5 out of that very long cycle. It doesn't mean that we never have a bad year. We can, of course, have a bad year. But from a more structural perspective, this is a much longer cycle because the level of demand that India needs to produce to meet its housing needs.

It's going to be a long, long time before the supply side can catch up. I think that the real estate cycle has not even gotten started, it will only get started when GDP per capita crosses \$4,000, \$4,500.

So, we're still a few years before real estate really takes off. This is, I would say - the plane is on the runway. It's not even gotten to its kind of take-off phase, it's just sort of moving along on the runway. That's how we think the cycle is. Yes, sometimes there will be a situation, there will be a backup on the runway. The plane will have to pause for a few minutes or it might be a few quarters in this context. We have many years ahead on the cycle in our view.

Akash Gupta: And sir, just one question on the launches. Last time, our launches were more phased out through the year. Now they have bunched up towards the second half. So is this mostly due to the Thane, because the Thane launch got pushed to the second half. Is that the only reason?

Abhishek Lodha: No, I don't think there is any specificity of the Thane launch. The reason is what we've articulated earlier, that the environmental clearance process for Mumbai. It was a nationwide order, but it most impacted Mumbai, was basically stalled for almost a year from last August to this August, and that's led to most of our Mumbai launches getting pushed out. And that's the reason why the second half is heavier on launches than has usually been the case where we also prefer a much broader and more spread-out system, and we hope that we'll be back to that from next fiscal.

Moderator: Next question comes from the line of Gaurav Khandelwal with JPMorgan.

Gaurav Khandelwal: I wanted to understand the embedded EBITDA margins better. So when you think in terms of new projects, what is the calculation for embedded EBITDA margins on your own project versus compared to JDA project? That's the first part. And then the second part is, eventually over time, if we diversify away from MMR, will these embedded EBITDA margins start to come down? Those are my questions.

Abhishek Lodha: First let me explain how embedded EBITDA is calculated each quarter. It is the actual sales price of that quarter. So, there is no projection in that number. And then taking into account the actual land cost, which is known, the actual approval costs, which are known the sales and marketing cost, which are pretty steady as a percentage of sales for us. And the only projection in that is the construction cost.

And the construction costs, we have a fair amount of contingency built into our construction cost estimates. And therefore, the actual EBITDA in our P&L tends to be higher than the embedded EBITDA. You're right that Mumbai is India's most profitable market, it is also India's deepest, largest market in revenue term, but also, it's the most profitable market.

And we do see that margins in Mumbai are about 10% better. So, if margins in Mumbai are x, margins in the rest of the country are probably 0.9x. So, Mumbai margins in Mumbai are about 10% higher than those in Pune or Bangalore.

In terms of your question on this current contribution, this current quarter performance of about 32% of embedded EBITDA, our own land had an embedded EBITDA of about 37%, 38% and the JDA, the joint development Project had a contribution of about 27%. That typically is the delta, about a 10-percentage delta between the embedded EBITDA margin of owned versus JDAs.

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

Biplab Debbarma: So, I have just one question. How do you view the residential prospects of Palava city once full-scale infrastructure, including, say, bullet train and all the upcoming road infra becomes operational? Given significant supply concentration in Palava, do you think that this demand for Palava will be coming from the shift of demand from Thane, Mumbai, Navi Mumbai or will it primarily capture peripheral demand?

I mean I'm just wondering, like is it a family contemplating to buy an apartment in Thane and Ghatkopar or South Mumbai would find Palava at 30 mins or say people in Kalyan, Boisar or Panvel would find Palava at 30 mins distance, once all this happens? That's my question.

Abhishek Lodha: Thanks, Biplab, for your question. Our view is that Palava and Upper Thane will attract demand from across the larger Mumbai Metro region as these connectivity points come in as I described in response to an earlier question, consumers are most comfortable traveling about 30 minutes from their place of work to home. And that gives a huge opportunity for Palava as this connectivity brings more and more places within that travel distance.

We expect that we will see in the near term a buyer from the Airoli, Mulund belt gravitate towards Palava and from Thane gravitates towards upper Thane as the 2 pieces of connectivity become operational in the next quarter or

thereabouts. And so, you should see a big benefit upside of that in the number for the upcoming fiscal '27.

And then as further connectivity comes through the metro rail, which connects you to greater parts of Kalyan and Navi Mumbai will start seeing that benefit, then the bullet train from BKC, which will make a huge difference because there is so much work that is being created in the BKC area.

And what we understand is that the Maharashtra government is going to have great connectivity to the bullet train station in BKC from the rest of Mumbai. So you'll have the metro getting there, you'll have road getting there. And so Palava in that sense, it's not only going to get connected to BKC, but will get connected to the larger South and Central Mumbai part also because of the importance of the bullet train. So, we expect that demand will come from across Mumbai to Palava and Upper Thane.

And to give context. For example, the scale of the housing market in Mumbai by the end of the decade, will be roughly about INR235,000 crores and we expect sales in Palava and Upper Thane by the end of the decade to be in the range of about INR8,000 crores. So it's about a 3.5% market share of the larger Mumbai market that we expect Palava and Upper Thane to have.

And I think we find that to be quite achievable given the connectivity, but combined with the product quality and the quality of life whether it's all the factors I mentioned earlier or the better air quality, the green cover, social infrastructure, health care, schools, everything.

So, if people get great quality of living at prices which are better than that in the other suburb, and they don't have to travel long distances to get to work. We think it's a really compelling value proposition. To contrast it, Gurgaon is probably right now more than 50% of the NCR market and we are telling you that at the end of the decade, Palava and Upper Thane will be 3.5% of the MMR market. So, you can see the scale of the opportunity versus where we currently are projecting things to be.

Moderator:

Thank you. Ladies and gentlemen, that was the last question for today. We have reached the end of question-and-answer session. I would now like to hand the conference over to Aayush Raghuvanshi, Co-Head of Investor Relations for closing comments.

Aayush Raghuvanshi: Thank you, everyone, for joining the call. I hope we've been able to answer all your questions. If you have any further questions or need any clarifications, you may connect with the Investor Relations team. Once again, thank you all for joining.

Moderator: Thank you. On behalf of Lodha Developers Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.