

SOBHA

Date: October 26, 2026

BSE Limited Department of Corporate Services PJ Towers, Dalal Street Mumbai – 400 001 Scrip Code: 532784	The National Stock Exchange of India Limited Exchange Plaza, Plot No C/1, G Block Bandra Kurla Complex Mumbai – 400 051 Scrip Code: SOBHA
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Dear Sir/Madam(s),

Sub: Transcript of Meeting with Analysts/ Institutional Investors

In continuation of our letter dated 13th October, 2026, please find enclosed herewith the transcript of the conference call held on Monday, the 19th day of October 2026 with the Analysts/ Institutional Investors to brief on the Operational and Financial performance of the Company for the quarter and half year ended September 30, 2026.

We request you to take the aforesaid information on record in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is available on the website of the Company.

Yours sincerely,

FOR SOBHA LIMITED

Bijan Kumar Dash
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Bijan Kumar Dash
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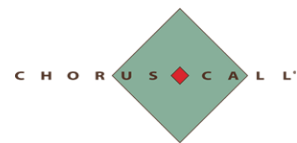
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SOBHA LIMITED

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**"SOBHA Limited
Q2 and H1 FY '27 Earnings Conference Call"
October 19, 2026**



MANAGEMENT: **MR. JAGADISH NANGINENI – MANAGING DIRECTOR – SOBHA LIMITED**
 MR. YOGESH BANSAL – CHIEF FINANCIAL OFFICER – SOBHA LIMITED

MODERATOR: **MR. ADHIDEV CHATTOPADHYAY – ICICI SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the SOBHA Limited Q2 Earnings Conference Call hosted by ICICI Securities Limited. 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 touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Adhidev Chattopadhyay from ICICI Securities Limited. Thank you, and over to you, sir.

Adhidev Chattopadhyay: Hello. Good evening, everyone, and I'd like to welcome everyone on the SOBHA Limited call today. From the management, as always, we have with us Mr. Jagadish Nangineni, the Managing Director; and Mr. Yogesh Bansal, the Chief Financial Officer. I'd now like to hand over the call to the management for their opening remarks and comments. Over to you. Thank you.

Jagadish Nangineni: Thank you, Adhidev. Good evening, everyone, and thank you for joining today's call for Q2 and H1 2027 earnings. I extend a warm welcome to all our investors, analysts and stakeholders. I'll briefly highlight our business performance and key developments before I hand over to our CFO, Yogesh Bansal. H1 '27 was the strongest half year in the SOBHA's history with sales value of INR5,862 crores, a strong 47.2% year-on-year growth.

We sold 3.76 million square feet across 2,260 units, with sales volume growing at 32.4%. SOBHA's share of sales value also reached a record of INR4,874 crores. In Q2 FY27, this is our second highest quarterly sales of INR2,206 crores with a growth of 16% year-on-year with 1.42 million square feet across 828 units.

Average price realization improved to INR15,522 per square feet in Q2 from INR13,648, representing 13.7% growth. For H1, realization increased to INR15,604 per square feet compared to INR14,028 last year, reflecting our strong product positioning and favorable sales mix. From a city wise market performance point of view, Bangalore remained our largest market, contributing INR3,385 crores or about 58% of first half of sales, and NCR of about INR1,974 crores which is, again, about 34%; Kerala at INR357 crores, which is about 6% and remaining cities at 2.5%.

Following significant launches in Q1 and Q2, Q2 witnessed healthy sustenance sales, particularly from our launched project in Q1, SOBHA OneWorld and SOBHA Neopolis in Bangalore and SOBHA Crescent and Aranya in Gurgaon. This demonstrates sustained customer demand beyond the initial launch phase. Overall, we are on track for our guidance and hopefully exceed in terms of sales for the entire financial year.

Coming to new launches. During this quarter, we launched 2 projects, this is SOBHA Boulevard, which is a plotted development project in Mysore and SOBHA Bellevue, high-rise and apartment project about 4.3 acres, 298 homes of about 0.8 million square feet in Calicut. Overall, for the first half, we launched 5 projects across Bangalore, Gurgaon and Calicut, aggregating to 7.91 million square feet with an estimated sales potential of close to INR11,200 crores.

On forthcoming launch pipeline remains robust at 20.42 million square feet across 18 projects. We are quite confident of launching at least 9 projects, exceeding 11 million square feet during the remainder of FY27. As of September 30, 2026, our unsold inventory stood at approximately 15 million square feet, providing a healthy growth visibility.

On execution front, we completed 720 homes covering 1.49 million square feet across 9 wings and blocks in Q2. H1 completion stood at 1,391 homes covering 2.56 million square feet across 17 wings. Coming to cash flows and financial briefly, Our balance sheet continues to be our key strength. We maintained a net cash position of about INR322 crores with a competitive borrowing cost of 7.75%. And remaining focused on sustaining 0 net debt position throughout FY27. We achieved our highest ever cash inflows for both for the quarter and half year. Q2 collections reached more than INR2,000 crores at INR2,084 and our net operational cash flow was INR422 crores. This financial strength supports our future investments while maintaining prudent capital allocation.

As of end of this quarter, we had INR 22,040 crores of revenue yet to be recognized from units already sold. We expect -- while the quarter level margins appear lower, we continue -- as we continue to recognize lower margin projects and as we recognize future projects, which we are on course for completion and handovers, we are quite confident that our margins will significantly improve, and we should be able to deliver at least over 50% growth of PAT over last financial year, by the end of this financial year.

During Q2, our contracts, manufacturing and retail businesses generated about INR225 crores, an increase of 31% quarter-on-quarter and the external order book stood at INR540 crores. Our commercial rental portfolio contributed INR24 crores in income during the quarter. We expect these businesses to maintain steady performance and with scope for marginal growth.

Also in this quarter, as part of our plan to deepen our expertise in terms of execution, we have acquired a small business of fire and safety from SOBHA Projects and Trade Limited (SPTL) and this would enable us to execute fire protection services across all our projects as we scale towards a larger volume delivery.

With this remarks, I will conclude my opening remarks, and then I will hand over the forum to our CFO, Mr. Yogesh Bansal for his remarks on the financial performance.

Yogesh Bansal:

Good evening, everyone. Let me take you through the key financial highlights of SOBHA's performance for the second quarter and first half of FY27. The first half has been marked by strong operational continued investment in project execution and expansion of our development pipeline while maintaining a healthy balance sheet.

We recorded our highest ever half yearly operation cash inflow, INR4009 crores, generated positive operational cash flow of INR755 crores and closed September with a net cash position of INR322 crores. Coming to cash flow, operational cash inflow for the quarter stood at INR 2084 crores compared with INR 2046 crores in the corresponding quarter last year.

The real estate collection contributed INR1,922 crores. Again, this operational outflow was INR1,642 crores, resulting in positive operational cash flow of INR442 crores quarter-on-quarter. For the first half, operation cash inflow reached INR4,009 crores with positive operational cash flow of INR755 crores.

Construction expenditures continue to be an important area of cash deployment. During the quarter, real estate project-related outflow stood at INR826 crores while sales and marketing expenditure was INR103 crores. We have made land payment amounted to INR617 crores during quarter 2 and INR987 crores for the first half.

These payments are aligned with our objective of strengthening the development pipeline while continuing to fund existing projects. After accounting for land payments, capital expenditure and financing-related movement, the overall net cash movement was negative INR337 crores for Q2 and negative INR486 [crore] for H1. Our operation continues to generate positive cash flow while we deployed capital towards existing projects and further growth.

Moving to our reported financial performance, total income for quarter stood at INR1,017 crores compared with INR1,469 crores in Q2 of the previous year. Real estate revenue contributed INR749 crores while contractual, manufacturing and retail operations contributed to INR225 crores. Quarterly EBITDA stood at INR119 crores reprojecting a margin of 11% while profit after tax was INR33 crores.

For the first half, total income stood at INR2,347 crores, EBITDA was INR249 crores in profit after tax amounted to INR84 crores. Our gross debt as on 30th September 2026 stood at INR1,505 crores against cash and cash equivalent of INR1,827 crores. Our debt-to-equity ratio stood at negative 0.07 while average borrowing cost was 7.75%.

Maintaining financial discipline remains a key priority. We continue to focus on optimizing borrowing costs, maintaining adequate liquidity and balancing investment in new opportunity with the funding requirement of ongoing projects. Looking ahead, our existing portfolio provides meaningful visibility on future cash flow and revenue.

As of 30th September 2026, receivable from sold unit together with sale value of unsold inventory stood at INR31,814 crores against estimated remaining project cost of INR19,297 crores. This represents projected project level marginal cash flow of INR12,517 crores. Including forthcoming projects, the projected state project level margin cash flow increased to INR19,748 crores. This figure provides visibility on the potential of our existing development portfolio.

To conclude, our priority remains clear, sustaining operating cash generation, progressing project execution, maintaining balance sheet strength and ensuring disciplined capital allocation. We remain committed to delivering sustainable growth, strengthening financial performance and creating long-term value for our shareholders.

Thank you. We can now take your questions.

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| Moderator: | Thank you very much. We will now begin with the question-and-answer session. Your first question comes from the line of Parikshit Kandpal with HDFC Securities. Please go ahead. |
| Parikshit Kandpal: | Yes sir. Hi. Congratulations on a great pre-sales for the H1. So, my first question is, in this quarter, we have seen very strong gross margins almost 48%, maybe I think the recent quarter highs. So, is it right to understand now that the legacy low-margin projects may be behind us? And as the deliveries improve from here on in the coming quarters, is this level of gross margin is maintained, so you can see a sharp uptick in the EBITDA margins from Q3 onwards? |
| Jagadish Nangineni: | Good evening, Parikshit. The EBITDA margins as we go forward, like I said, the remaining, the entire revenue to be recognized is close to INR22,000 crores. It has got excellent EBITDA margins. And we believe that we will be able to maintain our costs and be able to deliver those margins as we progress forward. |

So increasingly, you will definitely see an increased margins and whether that's going to come from Q3, Q4, yes they would. And like I mentioned in the opening remarks, as of now, we estimate that from a PAT point of view, this financial year, we will be able to deliver at least 50% of growth over the last financial year. And from the next financial year also, it's going to be even better.

So overall, from a P&L standpoint, we are quite confident considering what we have done in terms of pre-sales value that we achieved and the pace of development that we are doing and the handovers, the visibility that we have. So, we believe that it's going to be an uptick from now on. Also, in the previous quarters, I had guided that from Q3 onwards, this financial year, it should start looking better. And we believe, we should be on track for that.

Parikshit Kandpal: Okay. Thanks for that elaborate answer Jagadish. As my second question, in this first half, we have spent a significant amount, almost INR987 crores on the land outgo. So, if you can help us understand how much was this for this current year new acquisition? And how much GDV we have added corresponding to this land capex?

Jagadish Nangineni: Yes. So yes, this financial year in the first half, we did spend -- the cash outflow for land has been significant. Close to about 30% of that cash outflow was towards settlement of old dues for our existing projects which is now fully complete and any new cash outflow that would go from now on will be for addition of new lands.

So that's Number 1. Number 2 is, in the first half, we also added 3 more lands in Bangalore. And as and when they were -- we have started procurement of lands and as and when they reach the approval stage, they will become visible in the project pipeline. And I believe that it will take about 1 year, 1.5 years for them to show up in that and one more in Gurgaon.

So overall, we have not given specific GDV for the investment that we have done, but we have done significant progress in terms of adding new projects in Bangalore, in NCR. And we had purchased one land in Mumbai. So, all put together, we have -- and remaining parts, which is -- that's about another 50%, remaining 25% has gone towards existing lands where we had to do consolidation and remaining payouts to the landowners.

Parikshit Kandpal: So, is it right to assume, like what million square feet of GDV you have in it? It will be close to about INR9,000 crores, INR10,000 crores in 1H?

Jagadish Nangineni: We will be able to provide that estimate separately, Parikshit. I don't have that GDV right now.

Parikshit Kandpal: Just the last question on the launch pipeline now for Q3 and Q4, if you can help us understand how much. So, you did quantify in terms of million square feet, so, in terms of projects and sizes if you can help us and split this into Q3 and Q4, that will be helpful?

Jagadish Nangineni: Yes. Q3 and Q4, we have tentatively about, like I said, about 8 projects that we can -- we are looking at launching; 3 in Bangalore, 1 in Hyderabad, 1 in Chennai, 1 in Gurgaon, 1 in Greater Noida, and 1 in Thrissur. All of them put together, they will be about INR12 million odd crores, and that might be about a value of close to about INR18,000 crores.

Parikshit Kandpal: And in Q3, specifically, if you can call out some large projects in Q3, which are the ones that you can name or call out and also on the RERA, what is the status for these projects?

- Jagadish Nangineni: Yes. So, these are highly time-sensitive in terms of approvals. So, we are on track for some of them, but you never know what's the next surprise that we might get. So, I would -- while Q3, we are confident of doing at least 2 to 3 projects of this. I'm hoping that it can be higher, and probably half of this in Q3 and half of this in Q4, but they are very, very tight in terms of timelines, any slip up here and there because of any reason, they might quickly go towards Q4. That's Number 1.
- Number 2 is, even while we might get all approvals, we might choose not to launch them for better preparation and better response. And hence even like, for example, this time even though we got the plotted development approval for Boulevard in Q1, but we actually chose to launch it in Q2, so that we can have a slightly better preparation.
- It's a smaller project, but at the same time the same approach we will be able -- we would take further larger projects and also the new launches. So, while approvals are one aspect of launching a project, some preparation for that also is required. So Q3, Q4 in both these quarters together, we should be able to do these launches, and we are fairly in advanced stage in terms of all approvals for all these projects.
- Parikshit Kandpal: And any specific projects that you can call out should be that will be helpful. I think Crystal Meadows which was pending for quite some time, so if you can name some projects for Q3. I mean, then you have high visibility on getting approvals and launching. So that will be helpful for analysis?
- Jagadish Nangineni: Yes. We can give those details separately Parikshit.
- Parikshit Kandpal: Okay. Sure. Thank you. I will join back in the queue.
- Moderator: Thank you. Your next question comes from the line of Parvez Qazi with Nuvama Group. Please go ahead.
- Parvez Qazi: Hi, good evening and congrats for the great set of numbers. So, my first question is, I mean, you mentioned about INR11,200 crores as the GDV of which is in H1; ballpark what would have been the yields in H1 from these INR11,000-odd crores?
- Jagadish Nangineni: So, from -- our sales of about INR5,800 crores, what we have done in the first quarter -- first half, sorry, about 70%-odd has come from the new launches.
- Parvez Qazi: Sure. And the second question is you have also given a segment-wise breakup of our H1 sales, roughly 36%-odd has come from our ticket size above INR5-odd crores. And I think that ties in with general trend of premiumization in the industry. Now looking towards H2 and the 11-odd million square feet of launches that we are looking at H2. In general, what would be a segment-wise split of these 11 million, 12 million?
- Jagadish Nangineni: Good questions, Parvez. I would not generalize like that because it's heavily dependent on the project mix and the kind of products that we initially launched. And the sales value that we are achieving in the last few quarters, majority of the sales is coming through new launches. So, considering the mix of the new launches, it typically varies.
- Like for example, you can see, even in Q2, the mix from about 36%-odd of the total overall H1, you can see that greater than INR5 crores is only 26.2%. So, there are certain projects that do contribute to higher ticket size. But the launches we are going to do in the future,

they are largely -- I mean, there is a huge mix of all across ticket sizes mainly between, I would say, between INR2 crores to INR5 crores.

So hence, whenever you see a spike in terms of -- in the higher ticket sizes, that might be because of good traction in that particular segment in that quarter. But overall, if I look at, again, the inventory that we have. So, majority of that inventory would lie between INR2 crores to INR5 crores, I would assume it's more than 70%.

Parvez Qazi: Sure. And last question. Fair to assume that this INR5 crores plus ticket size would largely be in the NCR?

Jagadish Nangineni: Yes, you're right. Most of the units that have contributed to more than INR5 crores are from Gurgaon specifically. And we have one-odd project in Bangalore and in one, of course, what we have in Mumbai as well. But you're right, majority comes from our NCR or Gurgaon sales.

Parvez Qazi: Thanks, and all the best.

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

Girish Choudhary: Hi, good evening Jagadish. My first question -- so you've seen strong sustenance sales and on that specifically, if you could give some more details on the Hoskote project, I mean, what kind of sales you have seen this quarter and how and when are you thinking about the Phase 2 launch?

Jagadish Nangineni: Well, good evening, Girish. So, Hoskote the entire project is a very large one. We have overall value of about INR7,500 crores and we have done over INR2,500 crores till now. And that too, we have not launched all the towers in the project. But the response to the project and sustenance to that is quite good.

Similarly, in our projects in NCR as well what we have launched in Gurgaon specifically Crescent and also Aranya that's where we have been doing the project for the last 2 years. So, things have -- the sustenance sales have been good. And also this quarter, the sustenance sales in one of our projects SOBHA Neopolis which was quite flat for the last 1.5 years or so has picked up quite well after we started completing our towers and handing over to the customers.

So, the sustenance sales are again quite steady. And we see that as a positive sign for projects where we have launched and also seeing steady traction.

Girish Choudhary: Got it. Any thoughts on Phase 2 launch of Hoskote?

Jagadish Nangineni: When you say Phase 2 launch, what exactly you mean?

Girish Choudhary: The total GDV. I believe the total GDV of the project is INR7,000 plus crores, right?

Jagadish Nangineni: So, in this quarter itself we launched one more tower. And so that will take us to almost 65% of the total inventory being released and a little lower. And as we progress towards higher sales, I mean, more inventory getting released and also consumed we will keep releasing based on two factors.

One is on the extent of sales that we are seeing. And second is the kind of -- the development plan that we have. So, on both these -- based on both these parameters, we'll keep releasing the inventory. It's not that we have specifically Phase 2 as a separate launch that we will do. We will do tower-wise launches going forward.

Girish Choudhary: Got it. That's helpful. And my second question on the acquisition of SOBHA Trade and Projects, if you could give us more details around what's the profitability debt of this company and also I mean going ahead, how do you see the numbers? I mean, will this require any capex? So if you can just give some details of how should we look about this acquisition?

Jagadish Nangineni: Sure. SOBHA Projects and Trade, we are acquiring the fire and safety business of it. So which -- in which essentially the fire and safety business has been delivering about 70% of its business has been for SOBHA itself. So -- and they have an order book of about INR180 crores now of which, again, 70% of that is SOBHA's projects.

As we scale, we believe that there are -- from both from a strategic and financial point of view it makes sense for us. Strategic will just help us increase our ability to coordinate better and also deliver faster or in -- for our projects. That's number one. Number two is from a cost standpoint it would reduce our cost because there is a GST benefit that we currently lose, there is a certain ability to procure better through our scale of operations, and some of the synergies that we might bring in. So, with that some cost reduction can happen and hence that will help us. So overall, we think that it is quite help quite strategic and advantageous for us to have this business within our own operations.

From a revenue standpoint, they have been doing roughly about INR60 crores to INR65 crores a year. But as we scale our own delivery, this is going to significantly increase from hereon. And from a margin point of view -- I mean, there is no going to be no capex involved because it's a services business. And whatever capex is already there, that's good enough.

And going forward, if at all, if there is any working capital requirement that we will have to fund it. But otherwise, there is no additional incremental investment that needs to be done apart from what we are doing at the time of acquisition.

Girish Choudhary: Got it. Thank you.

Moderator: Thank you. The next question comes from the line of Biplab Debbarma with Emkay Global. Please go ahead.

Biplab Debbarma: Yes. Hi, Jagadish. Good evening. And congratulations on the strong quarter. So, we see that in the forthcoming projects, you have now three MMR projects. Last quarter, it was one. So, just wondering, what would be the -- where you have acquired these two new projects? And overall, what would be estimated GDP of these three MMR projects?

Jagadish Nangineni: Biplab, I mean, I think there is a slight conclusion there we should have corrected it. Actually, three would -- three is actually -- actually two. One is additional FAR -- or, let's say, saleable area that we would load into the existing one after what we have already released in Inizio, which is an ongoing project. And second is the new Chandivali project. So, actually, the addition of that new FAR is coming in two stages, and hence, we counted it as two and plus one is the Chandivali project three. So, that's a clarification that we get.

- Biplab Debbarma: So, you have added Chandivali projects.
- Jagadish Nangineni: Yes.
- Biplab Debbarma: So our...
- Jagadish Nangineni: The land acquisition for Chandivali is complete. And now, we are at the design stage and going forward for the approvals.
- Biplab Debbarma: And how big would that project be like in terms of GDP INR1,000 crores or INR800 crores?
- Jagadish Nangineni: Yes. About INR1,000 crores is what we estimate.
- Biplab Debbarma: Okay. And my second question is, you know, on the margins. You have guided the margins, will see uptake from 3Q onwards and would be very healthy in FY28 onwards. So, could you give you some insight like when you see uptake. Now, currently, it is in single digit. Should we expect, say, in the second half or third quarter, fourth quarter on or something like 15% consolidated basis, the EBITDA margin? I mean, what range the margin would be? In FY28 on what steady state, what kind of consolidated EBITDA margin should we expect?
- Jagadish Nangineni: From -- as far as for the second half of FY27, I think the EBITDA margin should fairly be much higher than 15% for the whole of FY27. And from FY28, of course, I've been mentioning in the previous calls also that it will go towards 20%.
- Biplab Debbarma: Okay.
- Jagadish Nangineni: And beyond. See, one of the main reasons for us like probably I have mentioned it previously in the previous call, these current lower margins -- or at least, it's visible like, it's lower margins is because of 4 to 5 factors. One in -- I mean, particularly if you see this quarter and the last quarter, the -- or specifically this quarter, what we could recognize as the revenue itself has been lower because of -- because handovers that we could do, and also, the completions that we did. It's a part of cyclicity in terms of -- in some quarters, there will be more and some quarters, it might be less.
- But over a period of time, they would normalize. And whenever we recognize lower revenue, however, our fixed cost in terms of, you know, overheads, and also, the elevated sales and marketing costs will continue to be there. And hence, you can see a lower margin. And as the new revenue that -- scale of revenue that we will start recognizing, those would normalize.
- That's one. So, second is also is that the -- some of the new projects -- that the projects that we would recognize in future are the ones some of -- where the -- we have our own land and there, the margins would still be far superior than typical projects that we do. And those will also start contributing much higher.
- And third is we still have some of the old projects where the margin is lower. And till the time we completely recognize those, those will pay down on the overall margins, that I think in the next 2 quarters also, those will reduce quite a bit. And the effect of the higher-margin projects will start looking up from next 2 quarters. And also, it will -- as I mentioned earlier, it would be an upward curve in terms of overall margins and should stabilize over about 20% plus in terms of EBITDA.

- Biplab Debbarma:** And, you know, you have done exceedingly well in first half in terms of sales, almost INR5,800 crores or INR5900-odd crores. And considering seasonality, you know, that's what we see the trend. Second half does always better than the first half. So, does it mean that in a simple arithmetic, we'll cross INR12,000, INR13,000 of prepaids in this financial year considering we have seen decent sustenance sales? And also, we have a healthy launch pipeline. So, what's your thought on this?
- Jagadish Nangineni:** Yes. Both factors, like you mentioned, Biplab, can contribute to a good sales number. So, hence, we would hope, and also, not go towards exceeding what we have given as a guidance from a sales point of view. If all of the factors come through, then definitely, we should see much better than what we have guided at the beginning of the year. So, both factors, which is sustenance sales being strong and new launches being successful, we should do much better than what we have guided.
- Biplab Debbarma:** Okay. Thank you, and all the best.
- Moderator:** Thank you. The next question comes from the line of Murtuza Arsiwalla with Kotak Securities. Please go ahead.
- Murtuza Arsiwalla:** Hi, Jagadish. Just a question, on your segment sort of financials, when we look at the numbers, there is another unallocable expenses, which is reasonably large, generally across quarters between 70-75%. How should we think of it when we think of EBITDA margin, the other unallocable expenses? You know, what is the nature of these expenses where we can't be apportioned to the resi or the contract and manufacturing segment. That's my first question.
- Jagadish Nangineni:** Good evening, Murtuza. So, these expenses, what you're talking about is -- can you help me what numbers are you looking at?
- Murtuza Arsiwalla:** So, if I look at the reported financials, for instance, in the second quarter, we have other unallocable expenditure in the consolidated segment report of INR977.57 million, which on a net revenue of about INR9.6 billion, so, it's about 10% in the coming quarters.
- Jagadish Nangineni:** Yes. That's essentially the overhead expense which is a fixed expense for us on a quarter-on-quarter, which is essentially including our own staff and overheads, and also, part of marketing and incentive that we pay out. So, that -- so -- it has two components. One is the fixed component, which is for fixed overheads, which is inflationary or as we, you know, probably slightly lower than the growth that we are experiencing. Second is -- the second part of it is directly proportional to the sales that we will end up doing.
- Murtuza Arsiwalla:** So, shouldn't we allocate the sales related expenses to part of either real estate or contract and manufacturing? I mean, I'm just trying to appreciate that when we look at your segment results, which is, you know, a few lines about that. It obviously shows a slightly better margin than when you look at the consolidated, which is the combination of the real estate and contract and manufacturing where the margins may appear even weaker because one, it takes into consideration the other unallocable expenditure. So, I'm just trying to understand how do you better appreciate this particular item?
- Jagadish Nangineni:** Sorry, you are right. Most likely -- sorry, in this part, I would like to clarify again. Sales and marketing expenditure would remain in the real estate segment. This is unallocable

expenditure is largely the overheads that we -- and that should be quite flat or, let's say, inflationary in nature.

Murtuza Arsiwalla: Okay. The second question is generally when I think of your business mix, what proportion of your projects would be through a joint development agreement where there is a share of revenue to the landowner versus projects which are doing 100% outright purchase of land. And there's no share of payment to the landowner, because you outright purchased it. So, is it an 80-20? Is it 70-30? What's the mix, generally speaking, on a particular quarter or a particular year?

Jagadish Nangineni: Sure. Yes. On an aggregate level, Murtuza, out of overall sale or the inventory that we have, roughly 82% to 85% is what is our share in the sense, typically, as an overall example, is 50% is own projects and the remaining 50% are joint development projects. The joint development, let's assume it's a 35% landowner share, then it's roughly 17.5%. So about 82.5% is what...

Murtuza Arsiwalla: Got it.

Jagadish Nangineni: We take it as our share.

Murtuza Arsiwalla: So, in terms of projects, it would be roughly 50-50, half the projects that you would do through joint development mechanism, half would be 100%?

Jagadish Nangineni: As of the current land bank and the outlook of the projects that we plan to launch, yes, that's the case. And at an aggregate level, it is about 80% to 83%.

Murtuza Arsiwalla: Yes. That I get. All right. Thank you so much, sir.

Jagadish Nangineni: Thank you, Murtuza.

Moderator: Thank you. Your next question comes from the line of Pritesh Sheth with Axis Capital.

Pritesh Sheth: Yes. Hi. Thanks for the opportunity, Jagadish, and congrats on a good sustenance quarter. Just a couple of questions. One, continuing the previous question on the unallocable expenses. So that has increased considerably versus last year. Last year, full year, we had INR200-odd crores. In first half itself, we have done INR190 crores, reasons for that. And when you talk about 30% as the project level EBITDA margin, should we then exclude another 10%, which would be the corporate overhead and hence, your EBITDA margin should be around for the resi segment is how should we look at? Or yes, so some insights on that.

Jagadish Nangineni: Good question, Pritesh. I do not have the exact details of that. Can we get back to you?

Pritesh Sheth: Sure. No worries. I'll take it offline. Second question on the launches. So, I think when we talked about the contribution of launches in first half, that was 70% of the current sales. So, we would have done roughly INR4,000 crores from the launches, which are around INR11,000 crores of total GDP. So we have sold 40%.

But in this, we had one large project that was SOBHA OneWorld, which should have, obviously, in terms of proportion would have done lesser. Wanted to understand if there are any such large projects planned in H2, which have a GDP of more than INR3,000 crores

at the launch time itself. Just trying to understand how should we think about the velocity that way.

Jagadish Nangineni: Right. So, when we do a launch of the project, we typically do take the entire value of the project as part of the launch value instead of taking what's been released. So hence, you would tend to see that it is smaller portion of the overall.

And specifically, like you mentioned, for a larger project, it is more prominent. So some of the projects pipeline that we have, which is over INR3,000 crores, we have one such project in Bangalore, which we plan to launch in the second half. That should be also of similar size slightly lower -- similar or slightly lower than the OneWorld project -- that's one. And second, there is one more project in Bangalore, which we plan to launch towards the end of the year. That also will not be maybe INR3,000 crores, but towards INR2,500 crores plus.

Pritesh Sheth: Sure. So, two projects of large size in second half?

Jagadish Nangineni: That's right.

Pritesh Sheth: Sure. Okay. And just one last on the approvals. While I think it's business as usual for most of the cities, but specifically checking for Chennai after the new government came in, any delays in terms of approvals that you're noticing considering they've just come in and trying to settle down. So, what are the timelines for Chennai launch that you are seeing now?

Jagadish Nangineni: We have very limited presence in Chennai. We are planning to launch one project in this next half. And we have just completed on project in SOBHA Arbor. And most of the approvals, even after the new government has come in, has been quite swift. We have not experienced any kind of delays. In fact, it's quite quick in terms of transition and business as usual.

Pritesh Sheth: Got it. Fair enough. Okay. That's it from my side. Thanks, and all the best for the second half.

Jagadish Nangineni: Thank you, Pritesh.

Moderator: Thank you. Your next question comes from the line of Parikshit Kandpal with HDFC Securities. Please go ahead.

Parikshit Kandpal: Hi Jagadish, thanks for the follow-up. Just to clarify, so when you said 15% EBITDA margins, was it for FY27 or second half of FY27?

Jagadish Nangineni: Second half of FY27.

Parikshit Kandpal: Okay. And the other question is like what is the deliveries planned for H2 FY27, if you can help us quantify in million square feet or in value? So, how much deliveries you're looking for second half?

Jagadish Nangineni: Overall, our plan for deliveries this year is about 6 million square feet. So, which would mean, again, we have already done close to 2.56 million. So, about another 3.5 million is what we plan to do in the second half.

Parikshit Kandpal: This will come in, that means almost INR10,000, INR11,000, so it will be about INR3,000 crores to INR4,000 crores of revenues for second half?

- Jagadish Nangineni: Yes. In that, we will have to take, which is our share. That will be one. And second is, while we complete this does not necessarily translate into handovers, at which point we actually recognize revenue. So, there might be some inconsistencies there but largely what you are saying is our ballpark numbers.
- Parikshit Kandpal: Got it. And just the last thing, if you can given what is happening on the geopolitics on interest rate increase across so how are you looking at your macro markets? Surprisingly, Gurgaon has been holding up despite everyone, all on the analysts calling out that will be the first market holding up quite well. Developers are reporting good sales, sustenance sales have been strong. So just wanted to pick up your brain next couple of quarters -- three to four quarters, how do you think the macro market will behave?
- Jagadish Nangineni: It's very difficult for me to comment on what exactly is going to happen on macro. But clearly, there is certain caution related to what's happening in terms of interest rate increase and the combination of geopolitics and AI. There are several factors which can lead to, let's say, someone being a little cautious.
- But when I -- when we look at the data in terms of what is the interest levels that we are seeing on a leading indicator basis, which is our inquiries and visits to our marketing offices, so they seem to be quite steady and like the sustenance sales seems to be quite good. So, if there is any further worsening of it then it might be different or any positive thing also will turn to be even better for us. I see it quite positively in the sense that even in spite of this negative -- so-called negative sentiment playing out, most of the leading indicators seem to be quite steady and what we are seeing on the ground seem to be quite good. Interest levels are high and that's quite positive, which, in fact, means that if there is any kind of positive events that would turn out -- that can turn out from hereon, then things can be even better than what we are seeing today.
- Parikshit Kandpal: So you are seeing good demand across your markets like NCR, Bangalore, Mumbai the key markets, I mean, the demand continues to be on quite strong on the ground for you?
- Jagadish Nangineni: Yes, we see that it's quite good. There might be pockets, some of the projects where we have one project cities. There it might be specific to micro market specific to project. But otherwise, overall, I would still think that we are quite -- the overall demand seems to be quite steady.
- Parikshit Kandpal: The Noida project is doing well now. I mean the one which we have launched in 1Q, I think, towards just a month politics started and war started. So, are you seeing good momentum on sustenance side there?
- Jagadish Nangineni: SOBHA Rivana has started out well. I would not say that it is -- that we have seen a rapid start. But post that, we launched the project in March of last financial year, which is, in the midst of just war has begun and there was quite a bit of caution in the air. It started out in slower, but the interest levels are quite good and sustenance is the demand and the walk-ins that we are seeing is quite robust. And hence, we have started to make good progress to site as well. So, I would see the end user market specifically for that project. And I believe that it's going to be a very steady project in terms of sales and overall completion of the project.
- Parikshit Kandpal: Thank you.

- Jagadish Nangineni: Thank you, Parikshit.
- Moderator: Thank you. The next question comes from Biplab Debbarma with Emkay Global.
- Biplab Debbarma: Just one small clarification I wanted. I think I missed that. But so in the second half, what is your pipeline in terms of GDV and million square feet I missed that part.
- Jagadish Nangineni: Yes. We have about eight projects that are lined up and roughly about 12 million square feet should at the same average price of about INR15,000 it's about INR18,000 crores.
- Biplab Debbarma: Okay. Thank you.
- Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments. Over to you.
- Jagadish Nangineni: Thank you, everyone, for joining today's call. Wish you and your families a very happy Vijayadashami. I hope we have answered most of your queries. For questions where we said we'll have to revert to you, we will do so very quickly. And for any other further questions, please reach out to us. We'll be happy to take -- clarify those. Thank you, everyone, and wish you the best.
- Moderator: Thank you. Ladies and gentlemen, on behalf of ICICI Securities Limited, that concludes this conference. Thank you, everyone, for joining us and you may now disconnect your lines.