LODHA

November 5, 2026

BSE Limited
Scrip Code: 543287
Debt Segment – 976262, 976764, 976895, 977163, 977293, 976923

National Stock Exchange of India Limited
Debt Segment
Trading Symbol: LODHA

Dear Sir/Ma'am,

Sub: Q2FY27 - Earnings Conference Call Transcript

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

In compliance with Regulation 30 of the Listing Regulations, we enclose herewith a copy of the transcript of the Company's Q2FY27 Earnings Conference Call held on November 2, 2026. The transcript is hosted on the Company's website at www.lodhagroup.com/investor-relations/financials.

Kindly take the above information on your record.

Thanking you,

Yours faithfully,

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

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Savita Kodain
Company Secretary & Compliance Officer
Membership No. A21240

Encl.: As above

“Lodha Developers Limited
Q2 FY 2027 Post Results Conference Call”
November 2, 2026

Management: ***Mr. Abhishek Lodha: Managing Director***

Mr. Sushil Kumar Modi: Whole-time Director, Group Finance Director

Mr. Sanjay Chauhan: Chief Financial Officer

Mr. Rajendra Joshi – Regional Chief Executive Officer, Bangalore

Mr. Anand Kumar: Head of Investor Relations

Mr. Chintan Parikh: Co-Head of Investor Relations

Moderator: Ladies and gentlemen, good day, and welcome to the Lodha Developers Limited Q2 FY27 Analyst 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 this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference has been recorded. I now hand the conference over to Mr. Chintan Parikh from Lodha Developers Limited. Thank you, and over to you, sir.

Chintan Parikh: Thank you, Swapnali. Welcome to Lodha Developers Q2 FY27 Conference Call. Today, we have with us Mr. Abhishek Lodha, Managing Director; Mr. Sushil Kumar Modi, Group Finance Director; Mr. Sanjay Chauhan, Chief Financial Officer; Mr. Rajendra Joshi, CEO of Bangalore. I would now like to invite Abhishek to make his opening remarks. Over to you, Abhishek.

Abhishek Lodha: Thank you, Chintan. Good afternoon, everyone, and thank you for joining us. Wishing all of you and your families a very Happy Diwali and a prosperous new year. The first half of fiscal '27 has been the strongest in Lodha's history. We've delivered profit after tax of INR 2,386 crores, which is up 63%.

Our revenue at INR 9,460 crores is up 30%. Our pre-sales of INR 96 billion are up by 7%; all 3 being the highest ever in our history. We have achieved this while moderately reducing our net debt, which now stands at about INR 52 billion, about 0.2x equity. As we had told you at the start of the year, our H1 pre-sales would be about 40% to 42% in the first half and the balance in the second half.

This came in at about 40.3%. The numbers for the second half of the year are likely to be coming with a mix of about INR 6000 crores to INR 7,000 crores of development company pre-sales in both Q3 as well as Q4 and 1 data center land transaction of about INR 1,500 crores in the fourth quarter for the full year number at about INR 24,000 crores of pre-sales.

Having said that, we expect to easily beat our profit guidance of 20% growth which would have taken us to just over INR 4,000 crores. And in the first half, having already touched INR 2,400 crores, we feel very confident of being able to beat this guidance quite comfortably. Over the medium term, we believe that the underlying profitability of the business is getting better.

And therefore, will support an improvement in our return on equity further and will also aid our DevCo to become net debt-free over the next 2 to 3 years, which is in line with our previous guidance. In terms of where we stand now, at the start of the second half, we've had a strong start to the third quarter. October, the festive season has been strong.

We expect that the momentum in the market will continue through this year, and this is in spite of the fact that the adverse effects, if any, of the rising interest rates have already started. Having said that, we believe that the segments that we serve are not really affected by the change in interest rates, and hence, we feel that there will be no adverse effect of any moderate further increase in interest rates from this point onwards.

I would like to highlight in terms of our Q2 performance that our new launch in Bangalore delivered significant success and therefore, Bangalore's pre-sales for the second quarter was over INR 1,800 crores. This tells you about the significance of the fact that we've delivered INR 96 billion of sales in the first half with only INR 4,000 crores of GDV of new launches.

In the second half of the year, we have a further almost just under INR 20,000 crores of new launches planned. And while 1 or 2 launches may move by a month or 2, overall, the program is a very solid and dispersed across different geographies, which will enable us to deliver on our guidance for the year.

I would also like to update you that we just entered and have started the pre-sales for our first project in Gurugram NCR and the start has been quite constructive; We believe that this will be the start of the for city, which will over time contribute to our growth and our profitability.

In terms of other updates, the Mulund-Airoli-Palava Freeway is now clinically complete. And we think that it will open in the next few weeks. And with that, Airoli will be just 20 minutes from Palava and Mulund will be only a 25-minute travel from Palava. Both of these will make a big difference to allow our attractiveness.

We expect that calendar year 2027 will lead to a significant uptick in pre-sales at Palava on account of this infrastructure improvement. Obviously, the opening of the bullet train, which is scheduled for 2029, will be a significant step further in the direction of Palava moving from a secondary suburb to becoming a primary suburb.

In terms of our collections and cash flows. The first half collections were at about INR 76 billion, up 19% year-on-year, and the operating cash flow was about INR 27 billion. Q2 collections were about INR 35 billion following the usual pattern, whereas the Q1 collections obviously had the land transaction as a part of it and hence, were higher.

In the second half, we expect that our operating cash flow as it was in last fiscal, will significantly crank up, and we expect full year that our operating cash flow will be put around INR 85 billion or thereabouts. In terms of our data center platform, we are seeing good progress both in the land demand as well as in the BTS boxes.

We expect to have the definitive documents executed for the first BTS box of in this fiscal year and to start construction for the boxes also in this fiscal year with a view to delivering those boxes to the end tenant in fiscal '29, and therefore, starting the rental earnings from our data center BTS program in fiscal '29 itself.

In addition to this, we expect the land sales to be an ongoing and continuous and predictable pattern with 1 transaction happening every 6 months or thereabout. And this will lead to a significant not only cash flow but also positive impact on profitability.

Speaking of profitability, I would like to point out that the numbers that you see for Q2 are really the underlying profitability of our solid development business because there were no land sales in this quarter. Both the embedded EBITDA as well as the PAT are a real reflection of the strength of profitability of the business, driven by the strength of our brand.

In terms of the industry, there are a few questions which often come up, and I would like to share our views about these. The first 1 is the war in the Middle East and how it is affecting housing demand. In our opinion, the direct demand effect is limited to the NRI demand from the Gulf which is about 4% to 5% of the sales. The broader effects due to the effective management of the fuel availability as well as prices by the government have been largely absorbed and that is reflected in India's June quarter GDP growth at about 7.8% and industrial production growing by over 6.7% in September.

We are hopeful that as and when the Middle East situation stabilizes, there will be a positive momentum to Indian growth with oil prices coming down and as a consequence, is being supportive of both the Indian rupee as well as domestic growth.

In terms of the 25 basis points increase in the repo rate by the RBI in October. We would like to point out that about 50% of our sales by value come in the segment between INR 1 crores to INR 5 crores value of the unit and the balance comes from the segment above INR 5 crores. Impact of mortgages on the segment above INR 5 crores is negligible. And hence, we do not expect any impact of interest rate increases in that segment.

In the segment between INR 1 crores to INR 5 crores, we see an average LTV of high 40s, low 50s. And while there will be some moderate impact of the increase in interest rates on this segment, we see no change in our outlook which is really driven by the significant gap in high-quality supply in the marketplace.

The related point I would like to speak about is that is there an oversupply building up? And whether there is a likelihood of that impacting the market going forward? We've been speaking about the redevelopment phenomena in Mumbai for 3 years now. And as you can notice, us as well as other large developers continue to scale up their pre-sales.

This really is a reflection of the fact that the market is getting increasingly tuned towards large organized and branded developers. And the supply from these Grade A+ and Grade A developers is seen and dealt with by the market in a very different manner from the rest of the supply.

India, in the first 9 months of 2026 has seen about 60 million square feet of office absorption with about 40% of it by the global capability centers. We also see that AI is reorganizing workflows, but we also see that it is not all negative for India and on the contrary, as we saw in the example of PwC where PwC U.S. and PwC India have come together to set up a large-scale consulting venture to serve U.S. clients in India.

We believe that AI given the high level of technology and the high level of need for execution, implementation support will be a positive for Indian jobs and therefore, as by extension in housing. Our performance in Bangalore in the last quarter is an indication of our belief that for the strong brands, the demand continues to remain robust, and there is a significant supply-demand gap.

I would also like to highlight that Newsweek has again named Lodha amongst the World's 1,000 most trustworthy companies, the only Indian real estate company on the list for the second year running. We believe that this is a recognition of the way that our business is conducted and about how society at large as well as our direct sale stakeholders like employees and customers are perceiving our company.

Through the Lodha Foundation, the Lodha Mathematical Sciences Institute hosted 55 researchers this quarter with more than 90 from 15 countries expected in the coming semester. The team comprising of 6 Students from Lodha Genius Program placed second at the Eking 2026 in Switzerland.

And we continue to support the communities that we work in by direct cash transfers as well as health insurance for a large number of families. With this, I would like to hand over and call in Mr. Rajendra Joshi, the CEO of our Bangalore business to speak about the Q2 launch that we had and what we're seeing on the ground in Bangalore.

Rajendra Joshi: Thank you, sir. Good afternoon to everyone. I will speak in brief about the Bangalore market and our journey in Bangalore. The Bangalore residential real estate market is now over INR 1 lakh crores as of FY '26, nearly tripling in size over the last 4-to-5-year period, driven by both volume and price.

The market has continued to premiumize with homes priced over INR 2 crores, increasing their contribution from 40% in FY '24 to 50% in FY '26 over the last 2 years, while the aggregate volume in square feet terms have largely remained steady, premium housing has continued to grow.

Pricing growth has been healthy at about 10% in most locations during this period with some pockets witnessing stronger price growth on account of improving connectivity and new job hub creation. Supply continues to be on the healthy side with an average inventory position of about 18 months in the last 2 years.

The market continues to remain robust in FY '27 with the first half of this year, recording an absorption of about INR 52,500 crores, up 10% over the same period of last year. Pricing momentum continues to be steady as well with an average increase of about 6% compared to first half of FY '26.

The INR 2 crores and above segment in which we operate continues to perform strongly, as we've mentioned, contributes about 50% of the overall market demand. Demand continues to be strong across the key growth corridors of North, East and Southeast Bangalore, supported by cities growing base of white-collar professionals across GCC technology companies.

And the start-up ecosystem with majority of these buyers belonging to mid - to senior managers in these organizations. Office absorption being a lead indicator of residential demand remains at record levels. Bangalore recorded nearly 17 million square feet of net office absorption in calendar year '25, the highest ever for the city.

This is followed by 8.3 million square feet in first half of this calendar year. GCC is continuing to be an important driver of this demand and Bangalore remains a major GCC hub. Global giants such as Google, Microsoft, JPMorgan continue to have significant GCC presence in Bangalore, and many of these centers have moved beyond just being back-office work locations to strategic hub for digital engineering and core product development.

This, I think, is something that is really driving the recent demand in the Bangalore City. The city's Cyber ecosystem is another source of demand, spanning late-stage and well-funded early-stage companies. Consumer tech in particular, has boomed over the last 3 to 4 years with names such as Swiggy, Razorpay, Meesho, Zepto contributing to a growing uniform base and the wave of IPOs.

Looking ahead, strong job creation, sustained investor confidence in the start-up ecosystem and ongoing infrastructure development, such as the upcoming North Bangalore Metro line and the Satellite Town Ring Road are expected to be key catalysts for the continued residential growth.

Coming to our journey in Bangalore. We entered Bangalore with the launch of Lodha Mirabelle next to Manyata's Business Park in North Bangalore in November. Our first couple of years were focused on establishing Lodha as a premium brand in the city, building a strong local organization and demonstrating our ability to deliver a differentiated product and a customer experience. Having successfully completed this initial phase, we are now firmly in the growth phase of our Bangalore journey.

From two projects in FY '25 and about INR 700 crores in pre-sales. We have now grown through 4 operating projects in FY '26, and we achieved about INR 2,300 crores in sales. In this year, in the second quarter, as Lodha mentioned, we have launched a project and are ready to launch another project in the second half of this year.

With this, we would have six operating projects by the end of FY27 and we are likely to cross about INR 3,000 crores in pre-sales from Bangalore in this financial year. Over this period, we've also established presence across key group corridor for Bangalore and as we have scaled our strategic focus; has remained consistent; build, premium and luxury developments in locations where we believe the depth of end user demand; and to differentiate ourselves through the quality of our product and customer experience.

I would like to talk a little about the launch of Lodha Beaumont Estate, as Mr. Lodha mentioned, the significant milestones in this year for us. This is a 70-acre development in North Bangalore. We have reported sales of about INR 1,500 crores plus in the first 3 months since launch. Response to Beaumont estate has been particularly encouraging for us for a few reasons.

First, the product differentiation. We introduced large-format premium homes in a micro market where much of the existing supply was at a relatively smaller typologies and lower ticket sizes. Beaumont estate were priced above INR 3 crores with a few units going up to as high as INR 13 crores to INR 14 crores compared to the fact that most of the competition supply was at around INR 2 crores. Importantly, larger premium homes have much greater demand by our customers.

Second, the premium lifestyle proposition. The project has been designed as a premium garden estate with a strong emphasis on open spaces, landscaping and high-quality amenities, including a large signature club house. We believe this differentiates proposition has related strongly with customers in the macro market.

Third, an expensive customer experience. As we have done in our previous projects in Bangalore, we place significant emphasis on the quality of customer journey at Beaumont estate. It included a pointed customer engagement, consultative sales and high hospitality standards including curated F&B experiences. We believe the customer experience during the purchase journey gives buyers an early indication of the service standards and leading experience we aim to provide after possession as well.

Fourthly and most importantly, the success also allays some concerns over AI-led job disruptions in Bangalore. The disruption, we believe, is more a phenomenon at the entry-level jobs, which pays around INR 500,000 to INR 600,000 per annum salaries, a segment which is not our customers. Most of our target segments in this project are those who have household income of above INR 50 lakhs and are probably net gainers of the AI net productivity gains and are actually very, very confident cohort.

The success of Beaumont estate gives us further confidence in the premium positioning that we've been building in Bangalore over the last few years. More importantly, the depth of demand across ticket sizes, including at the upper end of the project, reinforces I believe that there is a meaningful and growing customer base for differentiated premium and luxury housing in the city of Bangalore.

Looking over the past few years, we have re-established Lodha as an aspirational premium development in Bangalore and Beaumont estate launch reflects this. As we scale, we will keep our focus on premium luxury projects and on delivering exemplary customer experience and product across all our projects.

We continue to actively evaluate land parcels, which align with these criteria, build a healthy project pipeline. The high growth North-east and South-east Bangalore corridors remain a priority, and we continue to explore opportunities closer to the city as well. Over the longer period, we want to become a meaningful player in the city and see ourselves having a mid-teen market share.

From a people's point, we have scaled significantly from starting up in 2023 to about 350 plus employees across all functions. We expect this number to grow significantly over the next year, especially in operations, in line with our growth ambitions. As always, we will continue to leverage support from our head office, which has a strong employee base who support us in every functions, while depending on a strong core team in Bangalore to lead and deliver. Thank you.

Abhishek Lodha: We can open the floor for Q&A.

Moderator: Sure, sir. Thank you very much. We will now begin with the question-and-answer session. We will take the first question from the line of Karan Khanna from Ambit Capital.

Karan Khanna: Congrats on the strong operating profit growth for the quarter and also the Bangalore success. My first question to you, Abhishek, and while you did briefly talk about this during your opening remarks. We've had two quarters since the start of the West Asia war. Based on the trends that you're seeing, which segment has been impacted the most in terms of footfalls because of the crisis?

And as a follow-up for your portfolio, South and Central Mumbai accounted for about INR 8,000 crores of sales in FY '26. So how is the luxury segment trending overall since the start of the war and of the 5.6 million sq. ft slated for launch in MMR, what's the share of South and Central in the launch pipeline?

Abhishek Lodha: Karan, thank you for your questions. In terms of the impact on the footfall from the Gulf war, as I mentioned in my opening remarks, the only impact we've seen so far in terms of sales is from the NRI sales in the Middle East, which make up about 4% to 5% of our sales. And these tend to be more focused entry level, which are homes between INR 1 crores to INR 3 crores.

So that's where sort of the impact has been seen. We haven't seen any other meaningful change in terms of our footfalls on account of the Middle East situation. In terms of the strength of the market in a Central Mumbai or what you refer to as a luxury buyer, we continue to see strong demand. We see that the consumer for that segment is constructive.

They're making their sales decisions. And they are clearly differentiating between the options that they have on the basis of the credibility of the brand and the location. So, we find that all these factors are supportive of our continued scale up in this segment. In terms of the launch pipeline, we have about INR 100 billion GDV in the MMR of which about South-Central Mumbai launches will be approximately INR 40 billion.

Karan Khanna: Sure. This is helpful, Abhishek. Secondly, can you talk a bit about the office opportunity in NCR, while it is too early, how is the initial response for your commercial project that was launched on Golf Course Road? And is this part of the strategy for NCR where you build brand visibility with commercial followed by our Q4 launch at Sohna Road? As a follow-up, when you're looking at future opportunities, are you evaluating both commercial as well as residential or will the focus largely remain on adding more residential projects in this region?

Abhishek Lodha: Development business focuses on for sale product across office as well as residential with residential obviously being by far the dominant component of that strategy. In terms of the launch that we've recently started this festive season in NCR. The response so far has been quite encouraging. Obviously, these are early days. So, we will have a more detailed update for you in the next quarter's analyst call.

In terms of our strategy, whether again, residential or office in the NCR. NCR, as you know, we are in pilot phase. We will do a very modest number of projects in the early days. And we have currently this launch project, 1 more, which we have visibility of, and we'll perhaps add a third site soon and then take it from there. So, as it stands right now, this is the first of our office projects, and we expect to have 2 more residential projects in our pilot phase and then evaluate.

Karan Khanna: Sure. And then last question, if I look at Slides 14 and 15, the launch guidance for FY '27 in July was about INR 25,000 crores, but now that stands reduced to INR 23,100 crores and yet you maintained the pre-sales guidance of INR 24,000 crores. So, is it safe to assume that sustaining sales should continue remaining stronger?

And as a follow-up, while sustaining sales have been very strong this quarter as well as in first half. How should one think about the sustenance sales from completed unsold inventory? If I look at Slide 17 of the presentation and the number 3.9 million square feet on completed unsold inventory, that remains unchanged this quarter versus last quarter. So, are you seeing a trend where completed inventory is still taking longer to sell versus launched, but have we completed the inventory?

Abhishek Lodha: Karan, I think that question on completed inventory, almost no completed inventory actually stays. Completed inventory is the fastest moving when you imagine that we have deliveries of 10 million, 11 million, 12 million square feet depending on the year. We will obviously have each quarter a significant amount completing and that gets added.

It's just a coincidence that last quarter and this quarter, the math has just added up to 3.9 million. It's not the same 3.9 million feet, which is remaining unsold. And in terms of the launch pipeline. See launches move around, there'll always be a month here or on there. It doesn't change our outlook.

You've seen that even in previous years, we never really on a full year basis, been explaining the fact that just because the launch moved from 1 year to the start of the next year, that should not affect the expectation from us in terms of our delivery on our KPIs. So yes, while 1 project seems to have moved from Q4 into Q1 of the next fiscal, that doesn't change our outlook in terms of our pre-sale's performance. And it also tells you that overall, the underlying momentum is good, which is what really sustainable sales is all about.

Karan Khanna: That is helpful Abhishek. Greetings to you and to the entire team for the festive season.

Abhishek Lodha: Thank you. To you, too.

Moderator: Thank you. Will take the next question from the line of Abhinav Sinha from Jefferies.

Abhinav Sinha: A couple of questions. So firstly, on the data center a bit where you've seen the availability now being increased to 5 gigawatts from 3. So, can you talk a bit about what is driving this higher visibility? And also, how do you see that transmission and distribution aspect of this panning out in the next couple of years?

Abhishek Lodha: Abhinav, in terms of the power, the update is really reflective of the approvals that we've received from the concerned authorities. So, we've updated it in line with those approvals. This 5 gigawatts is an outcome of the available transmission ecosystem in and around the site, and it doesn't require a significant upgradation of the existing transmission network.

We obviously are carrying out the tapping of that network by building the substations at our own cost, for which work is underway, but that is being done by us at our cost. So, we see that with this scale of availability, the fact that we have 3 marquee tenants already building on the site, AWS, STT and digital edge.

With these tenants what they are building, a lot of it is getting taken up quite quickly by the world's largest companies. And as a whole, there is a good bounce when it comes, like I said, to our own progress as well as additional land requirements from existing as well as new companies to start within the campus. It's important to note that with this campus of about 5 gigawatts of input power, which will translate into a little over 4 gigawatts of IT output.

The level of investment that India will get will be in the range of $150 billion or more. And this will become 1 of the largest, if not the very largest locations for FDI in the country. So, what we're building is not just about 1 more project, but we are building a nationally strategic piece of infrastructure, which we think will be critical for India's long-term ambitions and we are receiving strong support from the government because they recognize how important this is for India's future strength.

Abhinav Sinha: Second question is on pre-sales for the first half of the year. Can you detail a bit on the trends that you have seen in Mumbai, which segments or geographies are doing better?

Abhishek Lodha: We Abhinav saw that we ended up with good sales across the different price points. So, there isn't anything specifically to report in terms of 1 geography, Mumbai performing stronger or weaker than the other? The monsoon quarter typically is quite soft. So, we were very pleased with the overall sales for this quarter. Especially, since there was no land contribution to it.

The mid-income segment contribution went up modestly in this quarter compared to the last quarter. But there's nothing really in terms of a larger trend that we are seeing. Sales across the different price points continue to remain quite positive.

Moderator: Thank you. We will take the next question from the line of Biplab Debbarma from Emkay Global.

Biplab Debbarma: Sir, I missed the part on data center…

Moderator: Sorry to interrupt in between, Biplab, could you please with your handset mode as you are not audible?

Biplab Debbarma: Is it better now?

Moderator: Yes. Please go ahead.

Biplab Debbarma: Abhishek and team, I missed the part on data centers. Could you please update us on the progress of BTS data center deal closures and any recent developments? And also, could you confirm the target of 1 gigawatt BTS data center capacity by FY '30 and whether you foresee any challenges in resuming it?

Abhishek Lodha: I had responded to Abhinav that there is good demand in terms of the data center, which continues to gather momentum. The 3 existing clients who are already building at the site have seen a lot of leads with the top corporates. Our progress on the BTS is very positive and we expect to have definitive documents signed in this fiscal year and construction this fiscal year with a view to deliver the buildings to the client in fiscal '29 and rent commencing then.

So, we are moving much close to the actualization of our BTS strategy. In terms of the sign-up for 1 gigawatt of input power by fiscal '30 and delivery by fiscal '32 we remain very substructive about that goal. And hopefully, we can deliver on that and perhaps even more. So that's the latest update on the BTS and the existing tenants because the existing companies who are operating there are seeing good demand.

They are also seeking more land from us. And there are also other companies who are not yet in the park in to buy land. And we expect to have at least 1 land transaction in Q4, which will be at about INR 15 billion and then to have 1 land transaction every 6 months. So, there are land transactions for data center, we expect to be a recurring and predictable part of our sales mix.

Biplab Debbarma: Just a follow-up question on this. Is that what could be the size of the BTS transaction that is expected to get closing? Like is it 100 megawatt, 300 megawatts, what could be the size?

Abhishek Lodha: It's in multi-hundred megawatts; Being a confidential transaction at this stage, we won't reveal specifics, but it's a multi-100-megawatt transaction plant.

Biplab Debbarma: Okay. Thank you, and wish you all a happy Diwali.

Abhishek Lodha: Same to you. Thank you.

Moderator: Will take the next question from the line of Parvez Qazi from Nuvama.

Parvez Qazi: So, my first question is for launches, while in Q1, we didn't have many launches but clearly the launches have picked up in Q2. So, of this quarter's total sales, what proportion came from the projects that we launched in Q2?

Abhishek Lodha: Typically, in any quarter for us when we are regular in our launch pipeline, about 1/3 sales come from launches and the balance 2/3 from sustenance. This quarter, a little less than 1/3 came from the launches.

Parvez Qazi: And should we expect this 1/3, 2/3 mix to sustain for the INR 19,000-odd crores of launches that we're looking in H2?

Abhishek Lodha: One-third, two-third mix in Q3 and Q4 is likely to sustain maybe even slightly higher because we have a heavy volume of launches in Q3, Q4 compared to Q1, Q2.

Parvez Qazi: Sure. Secondly, some commentary on the pricing trend that you are witnessing in the market would be helpful?

Abhishek Lodha: Sure. So, our YTD price growth is at about 4%. This is partly a reflection of our stronger pricing power, which is reflecting in our underlying profitability. In terms of the overall market, I think pricing power is getting concentrated in the hands of the top brands and there is less pricing traction for what I would say, commoditized supply.

Parvez Qazi: Sure. And as far as demand is concerned, would there a similar trend also we witnessed that maybe Tier 1 developers are seeing better demand than Tier 2, especially considering the volatile economic environment?

Abhishek Lodha: Yes. I think the Tier 1 developer, the brand, see what we call Grade A+ and Grade A are clearly seeing differentiated demand for their product and that demand is more solid and resilient and is able to convert. So yes, we clearly see the increasing brand orientation and flight to higher-quality companies and locations happening in the marketplace, which we think is a very healthy, which over the long term leads to a much more balanced and consolidated marketplace.

Parvez Qazi: That's it from my side. Thanks, and all the best and Diwali greetings to the entire team.

Abhishek Lodha: Thank you to you too.

Moderator: We have the next question from the line of Gaurav Khandelwal from JPMorgan.

Gaurav Khandelwal: I've got a few follow-ups on the data center park. Number one, if you could confirm that the land transactions, which may happen towards the end of this year, these running at per acre or higher, lower. This is a number which you've given in the past, the first. Number two, in terms of rental for the BTS box, are we still working with the rental of around INR 20 billion per gigawatt. Is that the number still holding up? And number three, for this 3-gigawatt moving to 5 gigawatts, is there any potential upgrade to our longer-term rental guidance from data centers?

Abhishek Lodha: Sorry, could you repeat the third question again, please?

Gaurav Khandelwal: For the data capacity increase that we've got from 3 gigawatts to 5 gigawatts, is there any upgrade to guidance, the longer-term guidance from data center rentals?

Abhishek Lodha: So, in terms of the land value, we had guided that we feel that the fair market value is between around INR 650 million per acre which we expected to achieve over an 18-month period. The current transaction is likely to be at a significantly higher from price compared to the last transaction, which happened at INR 42 crores per acre, and it will be in the ballpark of high 50s or thereabout.

So, it's a template step progression on the land value. In terms of the rental from the BTS box of about INR 20 billion per annum - we do think that, that number is a conservative estimate, and we expect that number to move up over time. But right now, there is no change in our guidance with respect to the quantum of rentals, which we had earlier guided to between INR 20 billion to INR 23 billion for the 1 gigawatt of BTS.

In terms of the overall scale of the opportunity, whether it is for land sale or whether it is for BTS, clearly, the availability of higher amount of power increases and scales up the level of the opportunities. We have not yet articulated what that would be, and we expect that we will articulate further after the first BTS signed.

Gaurav Khandelwal: Got it. And if I can just ask 1 more follow-up on the Polar sales. So, the extended Eastern suburb sales were a bit slower this quarter. And now with interest rates moving up, that may be a pocket which can see some demand slowdown, given higher rates. How are you thinking about that? And if you could, particularly for that, if you could give us some visibility on what is the launch pipeline over the next 6, 12 months? And how much presales are you expecting from there?

Abhishek Lodha: So, you're correct in saying that the entry-level housing homes beginning of INR 1 crore, INR 2 crores, INR 3 crores are the ones which are likely to have impact from the increase in interest rates. The biggest impact, obviously, is at the homes below INR 1 crores, which we don't really sell.

Having said that, the thing in Palava is that the connectivity, which has been long delayed has finally now completed, that should be operational in the next few weeks. As a consequence, that upside from the improved connectivity for the pricing, for example, in Airoli almost two times of the pricing in Palava. In our opinion, this will provide a meaningful positive thrust to demand in Palava in spite of the fact that a modest increase in interest rates will have some kind of downward effect. So net that the sales in the Extended Eastern suburbs will grow quite robustly in calendar 2027. We don't have a specific guidance for that number, but we expect significant growth from the sales, which were reported in Fiscal '26 and also in the first half of fiscal '27.

Gaurav Khandelwal: Got it. And just a final follow-up, and this is more forward-looking. With some of the noises around more pollution and MMR and water scarcity to some degree, do you see any risks to construction in the next 3, 4 months? Anything at all?

Abhishek Lodha: The Maharashtra government is very rightly concerned about ensuring that air quality for our citizens continues to remain good and all the necessary measures that are required to be taken in order to ensure good air quality are taken. Studies have obviously indicated that there are different industries. We have different contributions to the air pollution.

In case of the construction industry, there are some very stringent guidelines, which have been implemented in the calendar year 2025 and they will continue now in 2026. And we are hopeful that if there is good adherence to those standards, there will be no negative impact on construction activity. Having said that, the health of citizens is much more important than a week or 2 of construction disruption. So, if that happens, it happens.

Gaurav Khandelwal: Got it, sir. In that case, actually, the base case now is that we continue with construction expenses of INR 13 billion, INR 13.5 billion, which is the accelerated run rate per quarter in first half of this year. Would that be a fair assessment?

Abhishek Lodha: We would expect to further pick up construction spend because the first half of the quarter, especially the second quarter monsoon period is slower. So, we would expect a further pickup in construction spend, all other things being equal.

Moderator: We have the next question from the line of Kunal from Bank of America.

Kunal: Just 1 question from my side. Abhishek, you mentioned at the start of the call that medium-term prospects and profitability are getting better. We saw some of that pretty much within the quarter itself. But historically, you've not been very aggressive on pricing as a tool or strategy. So, assuming that isn't what drives this, could you take us through as to what is driving this improved prospect on the profitability side? And then just the second question is trying to understand this is specifically on the residential side and not as a mix between residential, land and the annuity part of the business?

Abhishek Lodha: Yes, my comment was in relation to the development business, not a mix of the development business with the land sales. And in terms of the price growth, we expect that price growth will be well contained within that level of 5% to 7% per annum, and that itself is marginal because cost growth tends to run in the range of about 4% per annum.

So, we believe that just doing this with discipline, price growth around 6%, cost growth around 4%, is adding 100, 150, 200 basis points to margin each year, which really is helpful. And that's really where you start seeing most of the improved profitability come from through the discipline of keeping cost growth at that 4% number, which is partly operational leverage. And partly, it is about making sure that we are extracting greater value as we can up from our supply chain.

Kunal: Right. And they should also absorb your expansion into newer cities, right?

Abhishek Lodha: Yes, this is our overall blended profitability. So obviously, it takes into account the expansion into new cities.

Moderator: We have the next question from the line of Pritesh Sheth from Axis Capital.

Pritesh Sheth: Just two questions. Firstly, on the inflation, if you were to highlight or if you can on the construction cost side, specifically for the last 6 months, any impact because of these geopolitics? I know you commented initially in your initial commentary, but just to re-quantify these last 6 months impact?

Abhishek Lodha: Pritesh, the impact of the Middle East crisis has clearly been visible in select categories of construction costs. Thankfully those categories make up only a very modest percentage of the overall construction cost mix. And therefore, the impact has not been very high at an aggregate level. Any of the categories which are energy intensive in their production for example, tiles, there the cost inflation is starting to have some impact.

But overall, if I look at the Indian supply chain for construction materials plus the global supply chain, we find that there is a good availability of materials across the board. And as a consequence, while this is a trajectory period and there is some increase in oil prices, there's an increase in energy cost and there is some impact, therefore, on selective material costs.

But overall, we don't see construction cost inflation being something which is going much higher than 1 would have normally expected. As I have said in previous calls, we anyway are quite conservative in our underwriting. We carry a 10% construction cost contingency when we launch a project. And in addition to that, we carry a 3% project revenue contingency in the project. And as a consequence, are well placed to deal with any such construction cost escalation or exigency.

Pritesh Sheth: Sure, sure. That's helpful. And just on this potential upward revision on the PAT number for this year, right? Does it have a bearing for next year's number as well? Like is it something which was restricted this year, which is leading to higher PAT or even next year's number, which is like around INR 5,000 crores of PAT - will we see an upward revision in PAT because of probably an upward revision of margin?

Abhishek Lodha: While we are not giving next year's guidance at this time, we do see that there is a higher profitability in the business, which is not a one-off for this year. And as a consequence, we do expect that rather than 20% compounding on last year's INR 34 million, this year, we will deliver a higher number, then that will beat that quite easily. And as a consequence, when one sees for next year and gives guidance, we will obviously take into account the level of profitability that we have achieved this year.

Moderator: We have the next question from the line of Akash Gupta from Nomura.

Akash Gupta: Congrats on a good set of numbers. I have only 1 question. So, there is a lot of protests going around data centers in the U.S. with issues related to sound issues, water conservation, et cetera. And obviously, Mumbai is having water scarcity problem. So, I just wanted to understand what precautions are we taking in order to ensure that these types of issues don't happen for our data center segment?

Abhishek Lodha: Yes. This is an important question and 1 where public participation and public awareness becomes very important. We've designed our data centers to be highly environmentally sustainable. The water used in the data center is almost entirely recycled water, which is typically historically been thrown away by the municipal authorities into the sea.

Bombay generates about 4,000 MLD, 4,000 million litres per day of wastewater and almost all of it is on a way into the sea because we had no use for it. Now our data centers are taking this wastewater, which is what is going to be used within the data centers for their water utilization.

So, there is almost no fresh water utilization. And this makes this data center one of the most environmentally sustainable in the world. Similarly, on the power side, we have undertaking that at least 51% of the power that we will be using will be renewable. And we hope over time that, that number will increase as the overall renewable capacity combined with battery storage and pump storage growth in the country.

So, on both those metrics, there is a high level of sustainability focus which we hope will set our data center apart from others. Having said that, there is a lot of misinformation and vested interest who may over time, share information, which may be incorrect. And so, it's an endeavour from our side to make sure that the information about our data center operations, in job creation, its economic impact and its national strategic importance, which I covered earlier in the call, are articulated and understood.

Akash Gupta: Understood. Thank you.

Moderator: Thank you very much. Ladies and gentlemen, that was the last question. And with that, we conclude the question-and-answer session. I now hand the conference over to Mr. Anand Kumar for the closing comments.

Anand Kumar: Thank you, everyone, for joining the call today. In case you have any further questions, please reach out to the IR team and wish you a very Happy Diwali. Thank you.

Moderator: Thank you, members of the management. On behalf of Lodha Developers Limited, we conclude this conference. Thank you, everyone, for joining with us today, and you may now disconnect your lines.