

# LODHA

April 30, 2026

**BSE Limited**

Scrip Code: 543287

Debt Segment – 976262, 976764, 976895, 976923, 977163, 977293

**National Stock Exchange of India Limited**

Debt Segment

Trading Symbol: LODHA

Dear Sirs,

**Sub: Q4FY26 - Earnings Call Transcript**

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

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Pursuant to Regulation 30 of the Listing Regulations, we enclose herewith a copy of the transcript of the Company's Q4FY26 Earnings Conference Call held on April 27, 2026. The transcript is also being uploaded on the Company's website i.e. [www.lodhagroup.com](http://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  
Q4 FY 2026 Post Results Conference Call”

**April 27, 2026**

**Management:**      ***Mr. Abhishek Lodha: Managing Director and Chief Executive Officer***

***Mr. Sushil Kumar Modi: Executive Director, Finance***

***Mr. Sanjay Chauhan: Chief Financial Officer***

***Mr. Akshat Gupta: Deputy CEO – South & Central Mumbai***

***Mr. Nishant Bhasin: Deputy CEO – Luxury***

***Mr. Anand Kumar: Head of Investor Relations***

***Mr. Chintan Parikh: Co-Head of Investor Relations***

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**Moderator:** Ladies and gentlemen, good morning, and welcome to the Lodha Developers Limited Q4 FY '26 Earnings Conference Call. As a reminder, all participant lines will remain 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 the operator by pressing star then zero on your touchtone telephone. Please note that this conference is being recorded.

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

**Chintan Parikh:** Thank you, Iqra, and good morning everyone. Welcome to Lodha Developers Q4 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; Mr. Akshat Gupta, Deputy CEO, South & Central Mumbai; Mr. Nishant Bhasin, Deputy CEO, Luxury; Mr. Anand Kumar, Head, Investor Relations.

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

**Abhishek Lodha:** Thank you, Chintan. Good morning, everyone. Thank you for joining us today. I'm sure you've had the opportunity to look at our investor presentation, and hence, I will not go through the detailed numbers. I will keep my remarks focused on what we think is strategically most important. And I'll use this time to give an overview of where the business stands, what we got right this year, our learnings and improvement areas and how we are thinking about the period going ahead.

Starting with the macro backdrop. The global environment was particularly challenging last year. We started off with the India-Pakistan situation, followed by the U.S. tariffs and thereafter, the Middle East tensions. The current escalations in the Middle East have definitely injected uncertainty into global trade, financial conditions and particularly the energy markets. India is not immune. The growth forecast for the fiscal year has been moderately trimmed down, but India's fundamentals are meaningfully stronger than in previous external shock episodes.

The rate cuts of the last year are still working through the system. Corporate and bank balance sheets are healthy and the demand side of the economy, consumption, credit and government capex is holding up. Specifically for housing, the structural drivers remain intact. GCC has added over 300,000 high skill positions in India in 2025 alone.

Wage growth across the broader economy has run at 9% to 10% for many years now, and the same trend is expected even this year. And the supply side continues to consolidate in the housing market around branded trusted developers. These are not near-term tailwinds. They are the underpinning of a long expansion in the housing market, which we believe will drive India's conversion into a mid-income economy.

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One thing I would like to share candidly is that March, which was the peak of the Middle East news cycle, did see select deferral of closures as consumers looked at the situation around them and thought about what is the best time to make their decision. We've already started seeing that housing has converted into becoming a more preferred asset class, given its lower volatility and resilience. And we believe that going forward, housing on the whole will be a net beneficiary of the situation in the Middle East, particularly as Indians remit less money out to the Middle East and Indians across the world look at India as a place where they would like to establish a permanent home or establishment.

This call comes at the anniversary of 5 years since our listing, which was on the 19th of April 2021. I don't want to let this important moment pass without reflecting on what the business has become. In fiscal '21, which was the peak of COVID, we did INR60 billion of presales. In FY '26, we did INR205 billion, a 28% CAGR. More importantly, PAT has grown more than 6x over the same period, touching INR34.3 billion this year with a 20% margin.

Net debt, which stood at 3.5x equity at IPO, is now at 0.23x. We have grown at scale while simultaneously deleveraging. That combination, we believe, is genuinely rare in this sector, and it reflects both the strength of our brand and the discipline of our capital allocation. I must also thank all the investors, who have believed in us and stood by us during these 5 years and enabled us to create the value and the business that has been created.

The one other number that I want to highlight is market share. Despite all the growth that we've had, we are currently at about 3.5% of primary housing sales in the top 6 cities. This is the clearest statement I can make about the long runway ahead.

Coming to fiscal '26. Fiscal '26 was a strong year operationally in spite of the macro challenges that we spoke about and the effect of the environmental clearances delay, which affected us on the construction side and in terms of new launches in the first 3 quarters of the fiscal. Presales of INR205 billion, up 16% with every single quarter delivering its best ever performance.

Q4 was the strongest quarter in our history at about INR 58.9 billion of presales, up 23% year-on-year. Collections grew 5% for the year. Operating cash flow was approximately INR71 billion. Our financial revenue grew 21%, adjusted EBITDA grew 14% and PAT grew 24%. And importantly, PAT margin touched 20% for the first time. The slight compression in EBITDA margin relative to last year was purely a function of lower land sales.

The underlying development margin at 33% of the full year remains healthy, and our Q4 embedded margin was around the same number. Business development was particularly a standout. We added 12 projects with INR600 billion of GDV, 2.4x, our own guidance. This was not acquisition for growth's sake. These are high-quality, well-structured transactions that reflect the continued flight of landowners and partners to developers they trust.

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As of 1st April 2026, our available GDV for sale is approximately INR2 trillion, excluding the long-term land in our townships, which will not be used in the next 5 years. This gives us exceptional visibility, and it means that we can meaningfully reduce business development capex over the next 2 years with the natural result being a significant step-up in free cash flow. Touching upon our key strategic initiatives last year, the NCR, we entered in fiscal '26 with acquisition of 2 land pieces under the JDA route.

And I want to explain how we think about it. NCR is India's second largest housing market. It has historically lacked the kind of large trusted developers that can set a new benchmark for quality and customer experience, excluding, of course, DLF. We think, therefore, that there is a large and significant opportunity in the NCR, if we can pull off our operational and brand capabilities in the same way that we have done in other markets.

The 2 projects that we've signed are in Gurgaon with a GDV of about INR33 billion. We have Amandeep Singh, who has joined us from DLF and before that was with Godrej Properties as CEO for the market. And Sushil Kumar Modi has been driving the setup of this market for the company.

The team is now slowly and gradually building out, and we expect to start operations in fiscal '27. Our approach here is the same pilot and scale model we have used in Bengaluru and Pune. We entered Bengaluru in FY '23 on a pilot basis. Three years later, Bengaluru in FY '26 contributed about INR24 billion in presales, about over 12% of our total.

We have confidence that NCR will follow a similar trajectory. Palava is one of our most important long-term value creation stories, and the infrastructure picture is meaningfully changing this year. Navi Mumbai International Airport, 40 minutes from Palava has been inaugurated and is ramping up operations.

Over time, this distance will further reduce from Palava. The Mulund-Airoli-Palava freeway is expected to open in the coming months, cutting travel time to Mumbai's Eastern suburbs and the Airoli IT hub from Palava to under 25 minutes. The bullet train station at Palava with a 20-minute commute to BKC is targeted for 2028, '29.

What does this mean economically? Palava sells at an average today of about INR11,000 per square foot of carpet area. Comparable suburbs like Mulund and Thane are upwards of INR25,000 per square foot and Airoli itself is over INR20,000 per square foot.

As that connectivity gap closes, we expect price appreciation to accelerate and with it, our EBITDA margins on this land holding, which we expect to gradually move up to approximately 50%. On data centers, we have 400 acres of shovel-ready land at Palava, for which we have so far secured 2 anchor operators, AWS and STT.

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The last transaction with STT was at approximately INR210 million to INR230 million per acre, up 8x in land value in 4 years. We are now planning to develop about 1 gigawatt of powered shell capacity on a build-to-suit basis, on about 100 acres out of these 400 acres of land with incremental cost in 2026 terms of about INR100 billion to INR110 billion, largely self-funded from the ongoing land sales in the park, which we expect value to reach INR0.7 billion per acre over the next few years and total to generate over INR120 billion from fiscal '27 and onwards in land sales value.

The Maharashtra Green Data Center policy provides substantial fiscal incentives that make Palava's cost of operations highly competitive globally. To give you an example to illustrate this, the cost of constructing a power shell in Palava is about 30% of that in the U.S. or Europe currently. It is not only a compelling cost advantage, but given the time to complete this construction, we believe that it is one of the most outstanding data center opportunities globally. Therefore, this is a structural long-duration annuity business that we are building at very low incremental cost.

On the same lines, beyond data centers, our annuity income from retail, offices and warehousing touched about INR3 billion in FY '26. We have a strong pipeline, 8.8 million square feet of total area across these asset classes, of which 3.8 million square feet is already complete and generating income.

The estimated annual rental income from these existing assets will be about INR10 billion by fiscal '31, excluding any data center contribution. Thus, we target reaching 10x of the fiscal '26 rental number in the next 6 years. As this grows, it will add meaningfully to PAT, strengthen our resilience and provide the kinds of earnings stability that complement our development business through its natural cycles.

On our balance sheet, the net debt ended the year at INR53.8 billion, reducing by INR8 billion during Q4. Net debt to equity is at 0.23x, well within our self-imposed ceiling of 0.5x. Our average cost of debt is 7.8%, down 90 basis points for the year. Our DevCo is on track to become debt-free over the next few years and any future debt in the business will be against rental income that the RentCo generates.

And this, we believe, again, provides a very solid low leverage, highly secure position for the business to grow it from. Our guidance for FY '27, we are guiding to presales of about INR240 billion with an embedded EBITDA margin of 32% to 34%. This includes single-digit percentage contribution from land sales.

We have a launch pipeline of INR218 billion GDV already identified for the year. We continue to watch the geopolitical situation closely, and we have assumed that the Middle East situation will normalize by the end of the first quarter in this forecast. In terms of the split of sales, we expect the first half to be in the low 40s and the balance to be in the second half, in line with the trend of the past years.

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Over the medium term, our goal is focused on 20% CAGR in PAT and therefore, moving from about INR34 billion for fiscal '26 to more than INR85 billion by fiscal '31. The building blocks are all in place, a strong development pipeline, a deepening annuity income base, a balance sheet with significant capacity and a brand that continues to command a very strong market position amongst consumers on the back of superior product and service delivery.

I close by saying this, the Indian housing market is in the early stages of a structural expansion that is likely to last for decades. The convergence of rising incomes, urbanization, supply consolidation and improving infrastructure creates a backdrop that is truly unique. We are well positioned to grow our market share in this environment, and we intend to do so profitably and with discipline. Thank you for your time today, and I now hand it back over to Chintan.

**Chintan Parikh:**

Akshat and Nishant will talk about the South & Central Market. Akshat, over to you.

**Akshat Gupta:**

Thank you, Chintan. Thank you, Abhishek. Good morning, everyone. Let me now take you through Mumbai's South & Central market, especially how the market is shaping and the underlying demand trends that we are seeing in this market. This market continues to present a large and structurally growing opportunity for us with an estimated yearly size of over INR 400bn primary market and a healthy 15% CAGR since financial year 2022, driven by both volume and price growth.

At the same time, as Abhishek suggested, the market is witnessing a shift towards branded developers with their share increasing from roughly 30% to about 40% over similar time period, underscoring rising consumer preference for trust, quality and execution.

If we especially talk about our current position, we have been growing at a strong pace of 25%-plus CAGR in the South & Central Mumbai, primarily led by our residential portfolio, maintaining our market leadership with expanding market share. Our growth is anchored on focused micro market selection, deep understanding of evolving consumer preferences and being able to identify market gaps to build differentiated segment-specific products.

We continue to strengthen our presence in established high-demand locations such as Worli, which have consistently demonstrated strong demand. Alongside this, we are expanding into emerging hotspots like Sewri, near the Eastern Seafront, which has seen 5x growth in the same period, supported by both planned and completed infrastructure upgrades such as the Coastal Road, Atal Setu and the upcoming Worli-Sewri connector.

We are also actively addressing opportunities in the commercial segment, where we see a clear demand/supply mismatch. There is a strong pent-up demand for high-quality office spaces, while the availability of Grade A developments remain limited. Some of our marquee commercial developments have seen prices double in the last 3, 4 years.

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A significant portion of the existing commercial inventory continues to be rental-led, creating a clear gap for institutional grade for-sale office spaces. We identified this opportunity and have been able to establish a leadership position in the for-sale office, capturing a large pie of the sales.

On the resi consumer side, we are continuing to see a clear shift towards premium and experience-led living. Customers are increasingly seeking larger homes, better connectivity and a superior lifestyle with a growing willingness to pay for quality and brand. As a result, market growth has been skewed towards premium and luxury segments. While the sub 3-bed segment has seen relatively muted growth of roughly 4% CAGR, the 3- and 4-bed segment has grown significantly faster at 15% to 20% CAGR, reflecting clear premiumization.

The 3- and 4-bed segment has demonstrated strength both across volume and pricing. The segment has seen double-digit price growth compared to 6% growth for the overall market, reflecting superior willingness to pay premium to larger formats. We have seen an even sharper trend play out in the luxury segment within the last few years, trending above 30% plus CAGR. I'd like to now invite Nishant, who leads luxury portfolio, who can shed some more light on this.

**Nishant Bhasin:**

Thank you, Akshat. Good morning, everyone. Let me quickly take you through the luxury portfolio, how the segment is evolving and key drivers shaping performance. The share of INR50 crores plus residences has nearly doubled since financial year '24, increasing from 7% to 13% of the overall market. At the same time, supply remains highly constrained with Grade A developers contributing to 75% of the INR50 crores plus category and 100% of the INR100 crores plus category.

What this essentially indicates is a clear consolidation and consumer preference towards branded, trusted developers at the top end. Against this background, we have made significant strides in South & Central market over the past few years, scaling from a relatively limited presence in INR100 crores plus segment to becoming the leading player by sales in the region with a growth trajectory of 30% CAGR since financial year '23.

This has been driven by strong adoption across marquee micro markets such as Malabar Hill and Worli. In this context, this segment continues to be a key strength for us, where we command a 40% market share in INR100 crores plus category today. Importantly, this segment also demonstrates a clear pricing premium with realizations of INR50 crores plus projects, being 30% higher on a per square feet basis as compared to projects in a similar micro-market. This reflects the increasing importance of brand, product differentiation and curated experiential leading pricing value.

From a demand standpoint, this shift is underpinned by multiple structural factors. The scarcity of prime land parcels, rising preference for privacy and exclusivity and increasing focus on high-quality amenities are key drivers. As a result, ultra-luxury housing is largely end-user driven

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with buyers viewing these as long-term legacy assets rather than investment products, leading to a fundamentally different purchase mindset.

To summarize, we are operating in a large and growing market with a clear shift towards branded players and are well positioned across key micro markets, commercial opportunities and across different consumer and price segments. This positions us strongly to maintain our status as the market leader, while continuing to deliver sustainable long-term value. Thank you all, and over to Chintan.

**Chintan Parikh:** Thank you, Nishant. Iqra, we can open the floor for Q&A.

**Moderator:** Thank you very much. The first question is from the line of Gaurav Khandelwal from JP Morgan. Please go ahead.

**Gaurav Khandelwal:** I just wanted to better understand this guidance on moving to gross debt zero and prioritizing free cash flows. Is it going to be more operating cash flow driven? Or we will be pulling back on capex to an extent because we've already done a lot of BDs and hence, the capex need in the incremental years in FY '27, '28 will be lower and hence, we see positive FCF. So, what's the kind of combination on OCF and capex on how we get to a positive FCF at some point? And my second question is, I don't see a guidance for OCF for FY '27. Is there a specific reason for that?

**Abhishek Lodha:** Gaurav, thank you for your question. The focus of the business is obviously to deliver sustainable, predictable growth on account of the significant success in business development in fiscal '26 on the back of some stronger years previously. We now have sufficient visibility on our supply side for quite some time and therefore, can afford to be a lot more choosier in terms of the new business development that we do.

As a consequence of that, we expect that the investment into new business development will be muted over the next 2 years. And as a consequence, we expect the FCF to be therefore, higher. In terms of OCF, we believe that overall, with our very clear guidance on PAT growth, all other contributing or linked factors are then not relevant in guidance terms.

Having said that, we expect OCF to grow in line with PAT growth and therefore, grow at about 20% or thereabouts per annum from the current base of about INR71 billion, which we delivered in fiscal '26.

**Moderator:** The next question is from the line of Murtuza Arsiwalla from Kotak Securities.

**Murtuza Arsiwalla:** Just on the launch pipeline of FY '27, INR218 billion, 5 new projects, about 14 new phases for existing projects. If you could give some colour on how ready this pipeline is in terms of being able to launch? Which are the key projects which would make for a chunky part of the contribution? Where are we in terms of RERA approvals, et cetera? So just some colour on how sales ready is this launch pipeline? And which are the key projects which would contribute?

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**Abhishek Lodha:** Murtuza, in terms of the launch pipeline for fiscal '27, the first thing to note is that last year, our new launches contributed around 1/3 of sales. And this year, that number will become even slightly lower than that. What it's really telling you is that the inherent predictability of our sales is increasing and improving each year and the dependence on new launches is becoming lower, which is really where we find ourselves as more predictably placed internally as a business.

In terms of the new launches for the year, these are all launches where the land acquisition was completed in the last fiscal or before that. The design has already been completed and the approvals are either already available or well under process. Of these, we have launches in Pune. We have launches in Bangalore.

And of course, we have launches in Mumbai. We haven't included the potential 2 launches in NCR in this launch guidance because we expect to start construction in the next quarter. And we expect to launch either in Q4 of this fiscal or early in fiscal 2028. So, we've just been conservative in keeping that out.

So, it's a very broad-based basis of launches. The visibility, in our opinion, is quite high. And unless there are some extraneous factors, for example, that environmental clearance issue, which affected last year, we don't see any risk to these launches.

**Murtuza Arsiwalla:** Abhishek, if I could follow up since you bring up the environmental issue, is that largely behind us for both MMR and larger MMR market? And we're seeing clearances coming at a steady sort of pace now?

**Abhishek Lodha:** Yes, Murtuza. The Supreme Court brought the situation to where it was in late 2024 back in August 2025. So, we all lost about 9 months in getting back to the same starting point. And the clearances then started getting given by, I think, sometime in November 2026 - sorry, November 2025. So, we are very much that issue is behind for the entire market, including for Lodha.

**Moderator:** The next question is from the line of Abhinav Sinha from Jefferies.

**Abhinav Sinha:** A couple of questions. So firstly, on data center, can you give us some milestones to expect such as when do we see the first announcements on the build-to-suit? And when do you start seeing lease income from that? So that's the first question.

**Abhishek Lodha:** Abhinav, it's a question which I would love to give you a very precise answer to, but I can tell you is that we have good and strong advanced discussions on the first set of BTS boxes. Things we expect definitely for the announcements to happen this fiscal. We are hoping sooner rather than later. And income from these, we expect to start coming in fiscal '29, which is about 2 years after the sign-up.

**Abhinav Sinha:** Okay. Sir, secondly, on the guidance that you have given of 17% growth this time. So, I understand that there's a Middle East conflict likely impact. Can you tell us how, say, April is

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shaping up versus March? And do you think it can be like similar to the last time in first half where we had single-digit growth and then second half was much stronger?

**Abhishek Lodha:**

So Abhinav, difficult for us to predict how this whole Middle East thing will pan out, etcetera. As I mentioned in my remarks, we have assumed that this Middle East situation settles down, i.e., stop being something which affects in a significant manner, energy flows or economic impact by the end of this quarter. I also mentioned, we expect sales in the first half to be about early 40s of the overall guidance and the balance to be in the second half.

This number was similar in the previous fiscal. And therefore, in growth terms, probably the first half growth will be in line with that 15-ish percent growth compared to last year. However, I would urge you and all the others attending the call to look into our focus on PAT growth. As the primary way of measuring our business, this is the actual PAT in the P&L, not a number which is a derived number or an unaudited number.

We believe this provides a lot more clarity, a lot more visibility in terms of how the business is likely to perform going forward. And ultimately, as they say, cash is king, and that's really where now as a business, we expect to focus on. So, while we have a presales guidance, which is sort of in the mid-teens, our medium-term PAT guidance is at 20% or thereabouts.

**Moderator:**

The next question is from the line of Pritesh Sheth from Axis Capital.

**Pritesh Sheth:**

A couple of questions. First one, just trying to understand which segment would have been impacted most by this Middle East. We had a INR500 crores shortfall from our guidance last year. And again, if I assume ideal guidance would have been 20%, we are at 17%, again, a INR500 crores shortfall. So which segment was impacted and which one has remained kind of immune to this conflict? Yes, that's my first question.

**Abhishek Lodha:**

Pritesh, we'd like to say that March, obviously, was more driven at individual level. We had some shortfall in sales from NRIs, who are based in the Middle East. We had some shortfall in closures in the luxury segment because everybody was just grappling with what had suddenly happened. We don't expect any persistent sort of single segment impact of this war, and we think it was just the shock of the event, and we expect things to normalize unless there is a persistent energy shock. So that's really our view on the Middle East crisis.

In terms of the pre-sales guidance question and its linkage to the Middle East situation, our view is that presales as a guidance tool has been something, which is probably less reflective of the underlying health of the business. And hence, we have now chosen to focus in terms of our guidance on PAT in a more specific manner. We think that the underlying health, which comes from a contribution of margin growth as well as presales growth, ultimately leading to a delivered profitability is the better way of looking at the health of any real estate company.

**Pritesh Sheth:**

Sure, sure. Makes sense. Makes sense. And just on Palava, I think we ended quite well in Q4 with almost INR800 crores of presales. What would be your outlook for Palava's residential

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segment next year, given that we are on the verge of seeing completion of that Airoli-Katai Naka. Even Upper Thane developments that are in progress would also be on the verge of completion. So, what's your thought process on where would we be in FY '27 for Palava Residential, if you have any numbers, you have thought about? Yes.

**Abhishek Lodha:**

Pritesh, we are very excited about the infrastructure in both Palava and Upper Thane now becoming operational. It's expected that the Palava-Airoli-Mulund freeway will be operational imminently, i.e., next 2 to 3 months unless the monsoon pushes it to post monsoon, but we hope it's pre-monsoon. And the completion of the Mumbai-Nagpur Super Highway, the Thane portion of it is a key priority, which is being monitored at the highest level of the state government, and we hope that, that will also be completed before Diwali.

So, both of these make us very, very excited about the potential for the impact on residential sales, particularly in these 2 locations. And we expect strong growth ahead of our average pre-sales growth for this fiscal. Once the exact timing of these openings is known, we may be able to give even a more precise number. But overall, we expect presales growth in the Extended Eastern suburbs to be ahead of our company level presales growth for this fiscal.

**Pritesh Sheth:**

Got it. Got it. That's helpful. And lastly, on the cost side, if you want to quantify on how much has been the impact? And I mean, we follow the disclosures that you give towards the end of the slide presentation. But overall, how much has been changed since last 2, 3 months because of these concerns and the inflations that we see around?

**Abhishek Lodha:**

Key and important question, Pritesh. Our assessment of the impact of construction cost increases has been currently running at approximately 3% to 5% of overall construction cost. The highest affected categories are the ones which are gas dependent. This includes tiles, paints, PVC pipes, aluminium formwork and certain waterproofing elements. There has been a more moderate impact on windows and facade systems, gypsum and steel. And then there is sort of a little bit in other categories.

This impact of 3% to 5% on construction cost, if it was to persist through the entire construction cycle of 3 years, it would give an impact on margin of about 1.7%. If it was to run for 6 months, which is, I would say, probably the more conservative view right now, you are talking about a very modest impact of roughly 0.35% of the sales value for those given projects. So right now, our assessment of the impact of the Middle East crisis on construction cost is that, yes, there has been some impact in select categories, but the overall impact on margin is very, very nominal.

The other aspect which people have spoken about is labour attrition. Labour attrition in March, April is running at about 5% to 10% over seasonal norms. Part of it is obviously things which may be linked to the war like LPG or general sentiment. But there's also the state elections in various parts of the country and therefore, we don't see anything significant in terms of this labour attrition being abnormal.

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Obviously, we've made a lot of effort over the long term to have our labour think about working for us in a very different manner from normal construction workforce, and that's helped keep the attrition low. And we've, of course, also made special efforts to make sure that the LPG issue does not affect their day-to-day welfare. So overall, an issue to watch, but nothing which is worrying right now.

**Pritesh Sheth:** Sure. That's it from my side. Thank you for the detailed answers. Thank you. All the best.

**Moderator:** Thank you. The next question is from the line of Kunal Tayal from Bank of America. Please go ahead.

**Kunal Tayal:** A couple of questions from me. First one, Abhishek, given the accretion that you are expecting in value of the data center park land, just curious as to what were the puts and takes you were looking at in terms of developing your own data center as opposed to just monetizing it by way of selling the land. From the outside, it seems like it's a strategic call of creating an asset versus maximizing profitability. So, is that the right read?

**Abhishek Lodha:** Thanks. It's a key question. We've, of course, thought of it in multiple ways. We do think that the creation of the long-term compounding steady annuity stream is a strategic gap in our business. We have been working on improving on that front through our warehousing, industrial, retail and offices. And the data center opportunity gives us a significant step-up in the scale of our annuity business, which we think is strategically valuable.

Having said that, out of the 400 acres of land which is currently earmarked in our green data center park, about 100 acres will be used for building our own portfolio and the balance will be sold. So obviously, we are monetizing a significant part of that land and using the proceeds from that monetization to build a significant long-term annuity stream. So, it's really a strategic call to take a modest portion and build the long-term income rather than to take all the profit today.

**Kunal Tayal:** I understand. Got it. On the residential business, you're, of course, exiting FY'26 with a lot of inventory. And I do understand that's about the reason why you're also saying that the pressure on business development next couple of years will be low, and therefore, they should moderate. But that apart, do you also think it's part of the cycle where carrying more inventory makes sense because the percentage conversion might be lower than earlier?

**Abhishek Lodha:** No, we don't think of it that way. We don't expect that we are likely to see any reduction in our conversion rates or our sales throughput. We've just had a very strong year in business development, and that gives the business a lot more optionality, a lot more visibility for the long term. And we did some launches in the last quarter of the year, which were deferred from earlier. So, you end the year with a higher elevated level of unsold inventory, but nothing out of the normal.

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On the contrary, as my colleagues, Akshat and Nishant remarked, we continue to see further development of brand preference in the consumer. And we expect over time that we will gain market share as well as have improved conversions on account of the fact that our product and brand are both compelling.

**Moderator:** The next question is from the line of Parvez Qazi from Nuvama Group.

**Parvez Akhtar Qazi:** So, one question from my side. I wanted to get your views on 2 parameters. How was our performance on these parameters in FY '26? And what is the outlook going ahead? The first one is on sales volumes and the second one is on price appreciation? Thank you.

**Abhishek Lodha:** Thank you. Price growth last year came in at about 5%, and we expect a similar trend for fiscal '27. It, of course, therefore, implies that the rest of the growth is coming from volume. Last year's volume growth came in, in square foot terms, at about the 11%, 12% mark, and we expect a similar number for this fiscal too.

**Moderator:** The next question is from the line of Vivek Ramakrishnan from DSP Mutual Fund.

**Vivek Ramakrishnan:** To start with, let me give my sincere appreciation of the Lodha Foundation for the work in theoretical physics and mathematical sciences. And since it's part of your presentation, I thought I'll say that. But the questions which I have are more in line with what people had asked. In terms of the sales that you see, let's say, in the Mumbai area, is it linked to something specific like the stock market prices going up and down?

And are you seeing any delays in collections for even projects that have been sold? Or for example, in Bangalore, would it be linked to the tech sector and tech sector hiring, which seems to be a bit choppy. So, what will determine your sales? And are the collections from existing projects getting hampered in any way?

**Abhishek Lodha:** Vivek, thank you for your call-out on the Lodha Foundation. We appreciate it, and we hope that the foundation will continue to make some positive and significant contribution to both learning innovation and India's growth. In terms of your questions about how the real estate demand is linked to various factors like the stock market, we don't see any direct linkages between the real estate demand and the stock market. Obviously, for individuals that can vary, but on average, that is not the case.

Really, real estate demand is a function of future confidence in one's earning capability. And that really is how people make their choice on when to buy the home. Job confidence, economic growth confidence, sectoral as well as systemic leverage levels, all of these are determiners of political stability, all of these are determiners of confidence about the future.

At the current time, we find that in spite of all the narrative around the impact of AI on job creation in the country, we are going to end up with white-collar jobs incomes growing at 9% to 10% per annum. It's important to emphasize that the median buyer of a Lodha home has an

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average household income close to INR50 lakhs per annum and the entry-level buyer of a Lodha home has an annual household income of INR25 lakhs per annum.

This segment has to be understood carefully because it is not the mass consumer segment. It is really the upper top tier of the consumer segment. And this segment, in our opinion, will of course, be ups and downs, but over time, benefit from the productivity gains unleashed by AI.

We, of course, are not macro specialists, but we do expect that the housing demand as it stands right now is pretty strong, driven by a combination of the factors of better lifestyle combined with belief in one's future potential that I mentioned earlier. And in terms of collection impact, no, there is no collection impact that we've seen on account of any short-term aberrations in the equity market. So, no impact there.

**Vivek Ramakrishnan:** I have just one more question. You made a strong statement on leverage. And given the muted business development growth this year, would you expect leverage levels to actually come down in the next year because you're going to be generating such strong free cash flows?

**Abhishek Lodha:** Vivek, yes, we do expect that our DevCo part of the business will reduce its leverage significantly going forward and perhaps might even become net debt 0, the DevCo part of the business over the next few years. So yes, on an overall basis, we would expect that the overall debt levels in the business at the end of fiscal '27 should be somewhat lower than what it is at the end of fiscal '26 in spite of the investments that we make in the build-out of our annuity assets.

**Moderator:** The next question is from the line of Akash Gupta from Nomura Holdings.

**Akash Gupta:** Congratulations, sir, on a great performance. Just my question on the Extended Eastern suburbs. For the past 4 years, our sales value from Extended Eastern suburbs has been kind of flattish at INR20 billion to INR25 billion. I think we have a guidance of doing INR80 billion by FY '30. Are we still holding on to that number? And when do we see that pickup happening? Would it be this year likely to reach to that INR80 billion mark by FY '30? That's my first question.

**Abhishek Lodha:** It's a very relevant question. We expect that this year, sales in the Extended Eastern suburbs will significantly benefit from the completion of the long-delayed infrastructure projects. That delay in infrastructure projects has definitely impacted sales in fiscal '26. We had expected sales to be stronger than these levels on the basis of the fact that these infrastructure projects should have been completed about 12 months ago.

But be as it may, as there's a saying better late than never. So, we look forward to the completion of these infrastructure connectivity pieces now very, very soon. And as a consequence, expect that a significant step-up in presales for the extended Eastern suburbs will be visible in this fiscal, most likely starting from the second half. And from thereafter, the compounding engine kicks in.

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The guidance of INR80 billion per annum was a combination of obviously, residential presales combined with the presales of all other asset classes in the Extended Eastern suburbs. So that number has to be seen holistically, but there is no real change in our viewpoint. There may be 12 months of deferral on account of the delay in some of these infra projects.

But overall, we remain very strongly constructive on the potential of the Extended Eastern suburbs to become a key driver, not just of the company's presales growth, but more importantly, of the margins, given the fact that the land has been acquired by us already, and therefore, all price growth leads to significant flow-through into margin growth.

**Akash Gupta:**

Understood. And sir, my second question is on the slide, we have given that for our 3,900-acre land parcel, we have roughly 600 million square feet of potential. What is the understanding of by when, like in how many decades should we be able to utilize this 600 million square feet number? Because currently, we are selling like roughly 4 million square feet. So, what is the understanding here? How should we think about it?

**Abhishek Lodha:**

It's a key question. And as you would have noticed, we have our focus of the development company, the DevCo and the RentCo. Both the DevCo and the RentCo benefit from the land in the Extended Eastern suburbs, and we create value through residential sales, sales of other asset classes and creation of annuity assets like warehousing, data center, retail and so on.

The third element of our operating business, what we have now called LandCo, has now been created in order to generate a strategic plan for expedited monetizing of the land, which is not going to be likely to be used by the RentCo and the DevCo in the near term.

We expect over the next 12 months to have a clearer strategy of monetization, including potentially monetizing some of the land through third-party land sales so that there can be an expedited monetization of these land parcels. So hopefully, we'll provide a more detailed strategic update on how we can further fast track that monetization at the next annual earnings call.

**Moderator:**

The next question is from the line of Muralikrishnan from Sundaram Mutual Fund.

**Muralikrishnan:**

Sir, partially, you would have answered my question. So mostly on the launches. So just to understand our logic for having higher existing project launches over limited new project launches. We see Mumbai, I mean, in Western suburbs, there is a new project launch. With the environmental clearances, one would have expected much more launches to come from Mumbai. So just to understand the logic for increasing phase launches over the new launches in MMR specifically?

**Abhishek Lodha:**

Thanks, Murali, for your question. I think this question goes to the root of how we think about as a business and our focus on cash flow and profitability over any headline sales number. Having established a large set of operating projects where the land cost has already been incurred and where construction is partly underway, that is the most ROE accretive part of our

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business, and that's the one where we focus most on to monetize and generate both cash flow as well as profitability.

The new launches are really a function of where we see gaps in the existing markets in terms of supply, and that's where we bring new launches to the table. So once again, I would like say as I've stated this before in the call and reemphasize the fact that please think about our business as one which is most focused on profitability and ROE resilience and predictability rather than driven by headline sales. For us, the presales are a means to an end. The end is ultimately profitability, and that's what our focus is.

So whatever trade-offs we make, our ultimate goal is to deliver the highest level of sustainable compounding in our underlying profitability.

**Moderator:** That was the last question for today. I now hand the conference over to Mr. Chintan Parikh for closing comments. Over to you, sir.

**Chintan Parikh:** Thank you, Iqra. Thanks for joining the call. If you have any queries, reach out to the Investor Relations team. Over to you, Iqra.

**Moderator:** Thank you very much. On behalf of Lodha Developers Limited, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.