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Operator: Good morning, everyone. Today is the third day of the Bharat Connect Conference, and I welcome you all to the call of Lodha Developers Ltd. From the management team, we have Mr. Anand Kumar, Head of Investor Relations, and Mr. Chintan Parekh, Co-Head of Investor Relations. Before I hand over the call to the management, I will lay out the flow of the event. We will start with a brief introduction to the company and recent developments, and then move forward to the Q&A round. Participants who would like to ask questions can raise their hands or write their questions in the chat box below. Thank you, and over to you, sir.

Management: Thank you, and a warm good morning to everyone. As you know, Lodha was listed 5 years ago, and we have completed 5 years as a listed company. During these 5 years, we have delivered a 28% CAGR in pre-sales, from about 6,000, {? 6,600 ?} crores in 2021 to 20,500 crores in FY26. More importantly, we have delivered more than 6 times growth in profits, from approximately 500 crores to more than 3,400 crores in FY26. During this period, alongside this strong growth, we also lowered our leverage from 3.5 times of equity to less than 0.23 times of equity.

As we stand today and look ahead to the next 5 years, the company is planning to grow its profits by a 20% CAGR over the next 5 years. This essentially means reaching more than 8,500 crores by FY31, from about 3,450 crores, which is the end of the decade. ROE should be very close to 20%. Right now, it is about 16% or thereabouts, and we should be very close to 20% by the end of the decade.

During this period, we will have very conservative leverage. In fact, our Devco business, which is the development business, will become net cash positive in the next 2 to 3 years. Any remaining debt on the corporate balance sheet will be backed by rental assets in the form of LRDs.

Essentially, our company has 3 pillars in our business. One is the Devco business, which is the development arm of the company. The second is Rentco, where we have all the rental assets, and the third is Landco, which essentially owns all the surplus land in Palava.

Coming to the Devco business, currently, despite all the growth that we have seen in the last 5 years, our market share remains at a very modest level of 3.5% in the top 6 cities, which is our target segment. This provides us with significant headroom for growth because the market share to begin with is very small.

More importantly, we have tied up more than 2 lakh crore worth of unsold GDV, which includes ready inventory, under-construction inventory, and whatever we are going to launch in the next 5 years. This inventory gives us great visibility of growth and allows us to capture the headroom for growth that lies ahead of us.

Looking ahead, what we want to achieve from the Devco business is high-teens pre-sales growth, which will help us deliver 20% PAT growth. We also expect a modest amount of margin expansion consistently. This will be driven, first, by the consistent strengthening of the brand. We are investing in our brand not in terms of capital, but more in terms of senior management bandwidth and effort, which enhances the customer experience and subsequently helps us drive stronger price growth.

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Generally, we aim for 5% to 6% price growth, which is well below the 10% to 12% salary growth seen in white-collar jobs. However, we feel that we can take it slightly higher, perhaps to 6% to 7% or 7% to 8% price growth, while still remaining below white-collar salary growth. It is important to maintain affordability if price growth remains below white-collar salary growth.

This will help us drive slightly better margins consistently and raise the margin thresholds. Currently, we are in the early 30s in terms of EBITDA margin for the Devco business, and we feel that by the end of the decade, we should be close to the mid-30s or slightly ahead of the mid-30s.

Coming to Rentco, last year we exited the year at 300 crores of annualized rental income. We believe that we can scale it up by more than 10 times over the next 6 years. This would take rental income to more than 3,000 crores by the end of FY32.

How will this be delivered? There are 3 pillars to our rental business. The first is warehousing and industrial, where we have 5 locations. Two or three of them are partly complete and partly rent-generating, including 2 in Palava and 1 in Kurla, which is a high in-city fulfillment center. We also have 1 in Chennai and 1 in NCR; the last 2 are under development.

All these assets will become ready in the next 2 to 3 years and will generate rent. By the end of FY32, they should be generating close to 400 crores of rental income. Last year, the annualized exit rental income was about 100 crores.

The second pillar is office and retail. While we do not plan to get heavily into office leasing or mall development, we already own an office building where our headquarters is located. We occupy some floors and have leased out some floors. We also have a mall in Palava. Apart from that, we do not want to do much more in these 2 asset classes.

What we plan to do is high-street retail on the footprint of our developments, including very high-quality restaurants, art galleries, and other high-street-related shops. We used to sell this high-street retail before our IPO 5 years ago, but we have now started retaining it and creating a portfolio out of it.

As we deliver more and more residential developments, you will see the high-street retail component continue to increase in our portfolio. Last year, the exit run rate was about 200 crores. We believe that this segment will become close to 600 crores on a rental basis by FY32. These 2 asset classes essentially take rental income from 300 crores to 1,000 crores.

The incremental capex required will be around 1,800 crores, which means that this will be largely self-funded through the rentals that we continue to receive.

Coming to the third and most exciting part of our rental strategy, this is the data center business. We entered the data center business about 2 years ago by first selling powered land. When I say powered land, I mean land with power connectivity.

We started selling powered land in Palava to various data center operators. The first transaction was with Amazon, at 11 crore per acre. Subsequently, within 6 months, we sold land to STT, the Singapore Telecom entity, in a transaction that took place at close to 21 crore per acre.

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More recently, in June 2026, within 12 months, another transaction took place at 42.5 crore per acre. Land prices have consistently moved higher, and we believe that the journey has only started. There will be many more milestones to be achieved as we progress.

What we have decided to do in the data center business is allocate and earmark 660 acres of land for data center purposes in Palava. We have divided these 660 acres into 2 phases. The first phase comprises 360 acres, for which we already have 3 gigawatts of power connectivity allocated to us by the government.

This 660-acre park has been approved under the Green Data Center Policy of the Maharashtra government. Among many other things, this provides us with several fiscal incentives, including tax waivers. However, the most important aspect is that any operator operating from this park can tie up power with any power producer in the country because we have 5 different transmission lines passing through our land.

This gives us access to power from anywhere in the country and allows it to be delivered to the park. This means that the landed power cost in the park will be among the lowest in the world, if not in India. Power can essentially be delivered here at about 6 to 7 rupees per unit, compared with the 10 to 12 rupees that is often seen in industrial tariffs across Maharashtra.

This has resulted in significant interest from various data center operators who want to establish data centers in Palava. In the first phase of 360 acres, we have sold 130 acres of land to the 3 players I mentioned earlier: Amazon, STT, and Digital Edge.

We are left with 230 acres. Of this 230 acres, we will have our own data center on 90 acres, comprising 1 gigawatt of build-to-suit powered-shell capacity. I repeat, 1 gigawatt of build-to-suit powered-shell data centers.

What does powered shell mean? It means that we are only building a concrete shell with power and water connectivity available at one location within the shell. What does build-to-suit mean? Build-to-suit means that we will start construction only after signing a client. Therefore, there is no speculative construction here.

This 1 gigawatt of powered shell will be divided into 8 smaller boxes of 125 megawatts each. We will sign 2 boxes every year, with 18 months for construction and 24 months for rent commencement. By FY30, everything should be signed, and by FY32, everything will be generating rent.

The first signing will happen in this financial year. Therefore, FY27 will see the first signing, and rents will essentially start flowing in from FY29 onwards.

What are the economics of this 1 gigawatt of powered shell? The 1 gigawatt of powered shell will entail incremental capex of 10,000 to 11,000 crores. This capex will be funded by the sale of the remaining 140 acres in Phase 1, which will generate between 9,000 and 10,000 crores. This will fund the capex for the build-out of the 1 gigawatt of powered shell, which will be on our own balance sheet.

This will generate more than 2,000 to 2,500 crores of rental income by FY32. This is going to be a very strong growth driver for us in terms of rental generation. Given that there is a significant

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amount of demand for data centers, especially for land where power and water connectivity is already in place, and that is what we have, this is going to be one of the most lucrative land parcels for setting up data centers.

Phase 2 has 300 acres and will give us further optionality in terms of setting up more data centers. Remember that these 300 acres will be located right in the data center ecosystem, where marquee operators such as Amazon, STT, and others will be operating. Therefore, this will be some of the most valuable data center land.

Coming to the third value block, which is our Landco, in Palava, as you know, we have more than 4,300 acres of land, of which we have allocated 660 acres. We are still left with nearly 3,700 acres.

Management: This amounts to more than 600 million square feet of developable area. Palava is transforming. Earlier, it was more of a peripheral suburb; now it is increasingly becoming one of the main core suburbs of Mumbai.

Several infrastructure projects are now nearing completion, and some of them have already been completed. There are 2 infrastructure projects that I would like to highlight because they are transformative in nature.

The first is the Palava-to-Airoli freeway, which is ready now and should be commissioned sometime by December. This essentially connects Airoli to Palava. Today, the journey from Palava to Airoli takes about 45 minutes. Once this freeway is fully ready, the travel time will come down to 20 minutes.

As you know, Airoli has many IT jobs and is an IT job hub of Mumbai. However, it does not have a strong residential ecosystem. Palava has already established itself as a high-quality residential ecosystem, with 6 operating schools, Jupiter Hospital, multiple clubhouses, sports fields, a golf course, a cricket ground, a football stadium, and other facilities.

The quality of life in Palava is already very strong. We therefore believe that once the Airoli-Palava freeway is ready, a significant amount of demand will start coming to Palava, leading to both volume growth and pricing growth. Palava is currently at 50% of Airoli's per-square-foot rates, and there is no reason why that discount should persist once this connectivity is in place.

The second transformative infrastructure project is the Mumbai-Ahmedabad bullet train project. As you know, the first station of this project is in BKC, which is the originating station. The second station after BKC is Palava. Therefore, the journey from BKC to Palava will become a 20-minute door-to-door train ride. This will unlock a significant amount of additional demand.

We believe that even if you assume that Palava reaches Airoli prices in the next 4 to 5 years and thereafter grows in line with Airoli prices, the margin expansion will be significant. We believe that the NPV of this 600 million square feet over the next 3 to 4 decades will be more than 75,000 to 80,000 crores.

In a nutshell, we have 3 value blocks. The first is Devco, which generated more than 3,400 crores of PAT last year. We are aiming for consistent 20% growth in PAT, which means that this year we will generate about 4,100 to 4,200 crores of PAT. Next year, that number will grow to more than 5,000

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crores.

A multiple can be applied to this value block of PAT. We are in an increasingly branded industry where the brand is very important. It is a B2C industry where we are serving end consumers. ROEs are close to 20%, PAT growth is 20%, leverage is very modest, and we are becoming net debt-free. Therefore, the type of multiple that such companies attract is very strong. It could be as high as 25, 30, or 35 times as well.

The second value block is the rental business, where we are going to generate 3,000 to 3,500 crores of net operating income. Even if you apply a cap rate of 7% to 7.5%, we are talking about 40,000 to 45,000 crores of value coming from that business.

The third is the Landco valuation, which I already mentioned, of between 75,000 and 80,000 crores. Therefore, there is potential value unlocking of more than 2.5 to 3 times, and this could happen over some time.

There are near-term triggers in all of these businesses. For example, in the case of data centers, we expect to sign a BTS deal very soon, within the next 3 to 4 months. In the case of land valuation, the Mulund-Airoli-Palava freeway will become operational very soon, which will start to re-rate the location.

These are some of the opening comments. If you have any other questions, I am happy to answer them.

Operator: Thank you very much, sir. I request participants to please raise their hands if they have any questions or write them in the chat box.

Analyst1: To start with, how do you think inflation is affecting pricing, especially in the MMR market? As you enter a new market, how do you see pricing developing there?

Management: We feel that pricing in MMR and Pune, especially in MMR and Pune, has been in the sub-5% to 6% range over the last 5 to 6 years. That is a very healthy level of price growth because it is well below salary growth of 8% to 10%. This continues to improve affordability.

On the one hand, this incentivizes the new buyer because at least the price growth is positive, but at the same time, it does not hurt affordability. Entering a new market is a strategy; it is not a short-term decision based on pricing. It is a long-term strategy.

We believe that the top 6 cities are our target segment. To grow the business, it is important to be present in our target segment, and we take a longer-term view.

NCR has seen slightly higher price growth over the last 4 to 5 years, at more than a 15% to 20% CAGR. Price growth is now cooling off, so this is a good time to enter the market because expectations have moderated to some extent. This helps a long-term player enter the market.

Operator: That is correct. We will take the next question from Mr. Shivam Agarwal. Shivam Agarwal, sir, please unmute yourself and ask your question.

Management: Shivam, you are on mute.

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Operator: Mr. Shivam [inaudible] I think he left the call; something might have happened. There is a question from Anish. Sir, please unmute yourself and ask your question.

Anish: Hi, am I audible?

Operator: Yes, sir.

Anish: You mentioned that 10,000 to 11,000 crores of capex will be required for the 1 gigawatt facility. That would be around 10 crores per megawatt. You will build only the infrastructure there, correct? You will not support the other side, such as installing the servers or anything of that sort?

Management: No. We are only building the concrete shell, with the power and water infrastructure available outside the shell. We will not take care of the interiors of the data center, which include cooling, HVAC, chips, racks, and those other elements. Those will be taken care of by the clients themselves.

Anish: Apart from the cooling and HVAC, will those parties need to put in additional effort on the infrastructure, or will it be infrastructure-ready, where they only need to install the HVAC, cooling, and other elements before starting their operations? Would it work that way?

Management: Yes. The external infrastructure will obviously be supported by us, and that is included in the cost. The external infrastructure cost is not very high because we are fortunate to have power connectivity on the land. The transmission lines pass through our land, so we do not need to invest much in creating transmission infrastructure or anything of that sort.

The only thing we need is a substation that will serve the entire park, not just one client. That substation can draw power from our land itself through these transmission lines.

Anish: Understood. My next question is that you mentioned Devco will deliver a 20% PAT CAGR, Rentco will generate around 3,000 to 3,500 crores of net operating income with the data center business, and Landco is also there with Palava. If I combine Devco, Rentco, and Landco, what would FY30 or FY29 look like in terms of the top line and bottom line?

Management: We have given the bottom-line figure. For FY31, at the end of the decade, we have said that PAT will be more than 8,500 crores.

Anish: Understood. Would the top line follow a similar growth trajectory to the bottom line?

Management: Yes. Bottom-line growth will be higher than top-line growth because, as I said, there will be some margin expansion. To that extent, top-line growth could be a high-teens CAGR of around 17% to 18%. Bottom-line growth will be closer to a 20% or higher CAGR.

Anish: Understood. I wanted to know, purely out of curiosity, whether there are any specific reasons for this. Other real estate players, such as smaller real estate companies like Anant Raj, are entering data center operations because they have IT parks and other assets. They will provide cloud services and other offerings, whereas we are only building the infrastructure. Is there any technological constraint that prevents us from operating the data centers? Are there any other factors that we need to understand? I am asking only from an overall perspective.

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Management: You mentioned Anant Raj, but the scale we are discussing is very different. The data centers that will be built in Palava will not serve Indian demand. They are more focused on the global AI-led demand that is exploding right now.

We are talking about gigawatt-scale, or multi-gigawatt-scale, data centers. This 660 acres of land will eventually house approximately 8 gigawatts of data centers. This will make it the largest single-location data center site that exists today across the entire planet. This will be the largest data center site across the planet. That is the scale we are discussing.

Secondly, while we are now entering the powered-shell segment, that does not mean that we will always remain in powered shell. As I said, there are multiple opportunities that can be explored in the Phase 2 land, which is approximately 300 acres. We may choose to become a turnkey shell provider, where we also provide cooling, HVAC, power distribution, and other elements.

These are different opportunities that will emerge as we progress and continue learning the business. At the end of the day, you have to understand that we first started by selling powered land, and now we are graduating to powered shell. Eventually, we will most likely graduate to turnkey shell.

Whether we graduate to operating the data centers ourselves, we will think through that over time. We do not want to run ahead of ourselves, enter something that we do not know, and start promising it. However, nothing prevents us from learning the business and having a small capacity where we operate our own data center as well.

Analyst1: Understood. Is there anything in the plan that could also involve colocation services, or are we focusing only on powered shell, with turnkey shell as the next step, and eventually moving to colocation or something similar at a later stage? Is that a fair understanding?

Anand Kumar: I will not talk about colocation or running the data center ourselves at this point because that is a capability we do not have right now. We are currently studying the space, and perhaps over time we will build that capability. However, right now, I will not build that into any assumption.

Analyst1: Understood. I just wanted to know, after we provide the powered shell, whether you could break down the rental on a per-megawatt basis.

Anand Kumar: As I said, the 1 gigawatt will generate between 2,000 and 2,500 crores of rental income. That automatically gives us an indication of the rental economics.

Analyst1: Understood. Thank you, Anand Kumar.

Operator: Thank you very much, sir. We will take the next question from Mr. Shivam. In the meantime, I request participants to please ask questions if they have any or write them in the chat box. Mr. Shivam, are you able to unmute? Yes. Hello?

Shivam Agarwal: Hello. Am I audible?

Operator: Yes, Shivam. You can go ahead with your question.

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Shivam Agarwal: Thank you very much, sir, for the presentation. My first question is about the plan and progress in NCR and the Bangalore region. What type of returns are we expecting, similar to what we achieved in MMR? I wanted to understand your perspective on this.

Anand Kumar: Every 2 to 3 years, we enter a new city. Whenever we enter a new city, we first enter it through a pilot phase. Therefore, our entry is always a 2-phase entry. The first phase is the pilot phase, where we initially attempt to build our local empowered team because this business cannot be run from headquarters. It needs a local empowered team that can take decisions on a day-to-day basis.

That is what we initially achieved in Pune and Bangalore. As someone who has followed our company may recall, we entered Bangalore in 2023, FY23, with 2 JDAs. Whenever we enter a new city, we always enter through the JDA model because we do not want to put a lot of capital at risk. These 2 JDAs were providing us with approximately 700 crores of sales in FY25.

By then, we had completed our pilot phase, established our team, understood customer preferences, and built our execution capability on the ground. We were therefore comfortable entering the growth or expansion phase in Bangalore in FY26, last year.

Last year, from 4 operating projects, we delivered more than 2,300 crores of sales. This year, from 6 operating projects, we should cross 3,000 crores of sales.

That is the expansion phase. In about 4 years, we have gone from zero to approximately 3,000 crores or more. Whenever we enter the growth phase in a city, that is when we look for the next city to enter in the pilot phase.

We have now entered NCR in the pilot phase. It will remain in the pilot phase for the next 2 to 3 years. We have added 2 small projects with a combined GDV of about 4,000 crores in NCR. These are also JDA projects.

Both should be launched soon. One of them should be launched next quarter, which is coming very soon, and the next project should also be launched within the next 6 months.

That is where we stand in NCR. For the next 2 years, you should not assume a lot of sales from NCR, although there will be some sales, similar to what we achieved in Bangalore. After 2 years, we believe that we will have successfully completed our pilot phase and should start expanding in NCR. That is when you can assume that we will enter the next city in the pilot phase.

Shivam Agarwal: Understood, sir. We first enter through the JDA structure, and if we believe that the market is attractive, we can acquire land and undertake a greenfield project.

Anand Kumar: Yes. We always look at both types of land acquisition models. We believe that the combination of the two gives us the ability to deliver a 20% PAT margin and 20% ROE.

For JDAs, when we underwrite them, we underwrite them with IRRs of more than 30% and profit margins, or PBT margins, in the high teens, around 18% to 19%.

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For outright land, where we acquire the land outright, the economics reverse. The PBT margin will be 28% to 30%, but the IRRs will be 18% to 19%.

The combination of the two gives us a 20% PAT margin and 20% ROE, which is what we are aiming to achieve at the company level. To a large extent, we have already achieved that.

Shivam Agarwal: Understood, sir. My second question is regarding the guidance that H1 will be 40% to 42%. Therefore, the second quarter should be a large quarter. Do you see any launches coming in the second quarter that will help us achieve that guidance?

Anand Kumar: You are right that we mentioned that the 40% to 41% guidance number will be achieved in H1, and we are on track to do that. We had 1 launch in Bangalore, which has performed well and in line with our expectations. We remain confident of achieving this number.

Shivam Agarwal: Understood, sir. That is all from my side.

Operator: There are also some questions in the chat box. Mr. Adarsh wants to know whether there is any plan to start a new project abroad in the coming years.

Anand Kumar: No. We are an Indian real estate company, and we will remain an Indian real estate company that is now entering the AI infrastructure provider space. These are the only 2 segments we will serve.

Operator: Mr. Ajay wants to know how much data center rental income will increase year by year.

Anand Kumar: As I mentioned, we aim to reach approximately 2,000 to 2,500 crores by FY32. Rentals will start from FY29 because the first deal will be signed in the next 3 to 4 months. Therefore, rentals will naturally start in FY29.

From FY29 to FY32, the ramp-up will take place from zero to 2,000 to 2,500 crores. Each year, you will see approximately 500 to 1,000 crores being added.

There are also upside cases, as I mentioned earlier, in the data center space. Nothing prevents us from going beyond powered shell. We can move to turnkey shell. If we undertake turnkey shell, the economics change dramatically.

We can deploy 3 to 4 times more capital, and the implied yield on cost increases from 11%, 12%, or 13% to approximately 16%, 17%, or 18%. On the same capacity, the rental income that you can earn, or the economics that you can generate, from turnkey shell will be 4 times higher.

Operator: I hope Ajay has received his answer. Anyone else with further questions can raise their hand or write in the chat box. Sir, I would like to know about our segment margin division. How much are luxury and mid-income contributing?

Anand Kumar: Regarding segment margin division, our margin is not very different across the various segments. There may be a difference of 2% to 3% between the mid-income segment and the luxury segment.

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In the luxury segment, land cost is substantially higher, while construction cost may be lower as a percentage of sales value. This reverses significantly in the mid-income segment, where construction cost as a percentage of sales value is very high, but land cost could be moderate.

As a rule of thumb, what we have seen is that construction plus land cost, where land cost includes all types of FSI costs, approvals, and other related costs, is typically between 55% and 60% across the different types of products that we have.

Within that, the difference is not very high. The same applies to different cities. Mumbai is slightly ahead of other cities when it comes to margins, perhaps by a couple of percentage points, but the IRRs are broadly the same.

Operator: Yes, sir. Thank you very much for that. We will take the next question from Mr. Raghav. Sir, please unmute yourself and ask your question.

Raghav: Hi, sir. I wanted to understand the pre-sales momentum for the second quarter and going forward, considering that interest rates are starting to increase and macroeconomic conditions are still not looking very good. How do you see the demand situation?

Anand Kumar: I do not know why people say that macroeconomic conditions are not looking good. We just had 7.8% GDP growth, and yesterday I saw IIP growth at 8%. Interest rate concerns are definitely present and are affecting the market.

However, Indian real estate is not as interest-rate-sensitive as it is often made out to be, although the market perception remains that it is interest-rate-sensitive. This is especially because listed players operate more in the premium and luxury segments.

In these segments, people do not take very high leverage to purchase a primary home. In the premium segment, LTVs are generally 20% to 30%. Even in the mid-income segment, which is above 1.5 crore, LTVs will not be more than 40% to 50%.

This segment has sufficient savings. Therefore, even if loan eligibility comes down slightly, buyers have enough savings to deploy, and demand does not suffer as much.

There could, of course, be a second-order impact if an increase in interest rates slows the economy dramatically. In that case, you may see a knock-on effect on real estate as well. However, real estate alone will not be the only sector affected; everything else will also be affected.

The key point is that mortgages in India are not fixed-rate products in the way they are in the Western world. Over the 20-year underwriting tenure, interest rates may go up 5 times and come down 5 times, and consumers understand that.

The segment where interest rates have an impact is at the very entry level, for homes priced below, say, 1 crore or below 75 lakhs, where consumers take the maximum LTV loans of 75% to 80% or more and do not have savings.

If they do not have savings, when interest rates rise, loan eligibility falls. Because they do not have sufficient savings, they need to contribute more equity, which they do not have. Therefore, demand

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in that segment comes under pressure.

Apart from that, other segments are not impacted as much. As you move up the value chain from mid-income to premium to luxury, hardly anyone in the luxury segment takes a mortgage. Therefore, there is no question of interest-rate sensitivity in that segment.

Raghav: My other question is that after 2 to 3 good years in this real estate cycle, we are seeing a large build-out, at least in Mumbai. Wherever we look, there is redevelopment and new construction. Do you see competition becoming a threat, or do you think our positioning will help us mitigate it?

Anand Kumar: Mumbai is a very large real estate market. Last year, the industry sold approximately 1 lakh 25,000 units in Mumbai. That is the level of demand in the MMR region, so construction will naturally take place.

The question is whether supply is increasing so much that months of inventory are rising dramatically. I do not see that in the numbers, even if you assume that all inventory is the same.

Inventory from a Grade-A developer such as us and inventory from an unknown developer are treated very differently from the consumer's perspective because consumers still remember the risks associated with investing in real estate projects.

Anand Kumar: Consumers remember the risks of investing their hard-earned money with Tier 2 and Tier 3 developers. To that extent, I do not think there is any concern that supply will become so large that it will hurt demand itself. It is actually the reverse: credible supply is much lower.

You mentioned that there is a significant amount of redevelopment. However, approximately 80% of that redevelopment is on plots of less than a quarter of an acre or half an acre, which larger developers are generally not interested in. Consumers also do not want to enter those types of developments.

This happens either because credible supply from better developers is not available in that region or because of pricing concerns. Otherwise, every consumer who has access to supply from credible developers and has the budget will obviously choose the better developers.

That is why, although this concern about demand and supply has existed for the last 2 to 3 years, listed players have continuously shown growth in pre-sales. This is precisely because of that.

You also have to understand that Mumbai is a land-starved market. If redevelopment does not happen, land will not come into the market at all, and there will be no supply. What would consumers do then? Would they not live in homes?

That is what we have to consider when we look at redevelopment. A lot of this redevelopment is also often delayed. It is easy for a developer to enter into a redevelopment project, but it is not easy to execute because there are so many stakeholders that have to be satisfied. That is not easy. It often takes more than 7, 8, or 10 years to execute a redevelopment project.

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Analyst1: Thank you very much, Raghav, sir. Continuing my question, last quarter's EBITDA margin was 43%, boosted by the land sale. What is the sustainable margin for the core residential business?

Anand Kumar: As I mentioned in my opening remarks, our EBITDA margin from the Devco business is in the early 30s—31%, 32%, or 33%. As we progress, we will see some margin expansion because of the effort on the brand, as well as the fact that we have 2 lakh crore worth of inventory already with us. Therefore, there is always natural price growth, which improves the margin.

This means that by the end of the decade, we should be close to a mid-30s EBITDA margin in the Devco business.

Analyst1: Do you have any comments on price movement in the last quarter, particularly in the luxury segment?

Anand Kumar: We report like-for-like price growth in our portfolio. Last quarter, it was 3%, and we feel that annual price growth of 6% to 7% is sufficient.

You can assume that if we took a price increase of approximately 3% in the first quarter itself, the full-year price increase would be closer to 6% to 7%.

Analyst1: Okay, sir. That is all from my side. Does anyone else have any further questions?

Operator: Due to time constraints and there being no further questions, I would like to end today's call here. I would like to thank the management and the participants for taking the time to join and share their insights. If participants have any further questions, they can get in touch with {? Arin Capital's ?} team. Thank you very much.

Anand Kumar: Thank you.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.