Management Discussion

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

Jagadish Nangineni - Managing Director, SOBHA Limited
Thank you, Adhidev. Good evening, everyone, and thank you for joining today's call for Q2 and H1 '27 earnings. I extend a warm welcome to all our investors, analysts, and stakeholders. I'll briefly highlight our business performance and key developments before we hand over to our CFO Yogesh Bansal.H1 '27 was the strongest half year in the SOBHA's history with sales value of INR5,862 crores, a strong 47.2% year-on-year growth. We sold 3.76 million square feet across 2,260 units, with sales volume growing at 32.4%. SOBHA's share of sales value also reached a record of INR4,874 crores. In Q2 FY '27, this is our second-highest quarterly sales of INR2,206 crores with a growth of 16% year-on-year, with 1.42 million square feet across 828 units. Average price realization improved to INR15,522 per square feet in Q2 from INR13,648, representing 13.7% growth. For H1, realization increased to INR15,604 per square feet compared to INR14,028 last year, reflecting our strong product positioning and favorable sales mix.From a city market -- a city performance point of view, Bangalore remained our largest market contributing INR3,385 crores or about 58% of first half of sales, an NCR of about INR1,974 crores which is again 30 -- about 34%. Kerala at INR357 crores, which is about 6%, and remaining cities at 2.5%. Following significant launches in Q1 and Q2, Q2 witnessed healthy sustained sales, particularly from our launched project in Q1, SOBHA OneWorld and SOBHA Neopolis in Bangalore, and SOBHA Crescent and Aranya in Gurgaon. This demonstrates sustained customer demand beyond the initial launch phase. Overall, we are on track for our guidance and hopefully exceed in terms of sales for the entire financial year. Coming to new launches, during this quarter we launched two projects, which is SOBHA Boulevard, which is a plotted development project in Mysore, and SOBHA Bellevue, a high-rise and apartment project, about 4.3 acres, 298 homes of about 0.83 million square feet in Calicut. Overall, for the half -- for the first half, we launched five projects across Bangalore, Gurgaon, and Calicut, aggregating to 7.91 million square feet with an estimated sales potential of close to INR11,200 crores.On forthcoming launch pipeline remains robust at 20.42 million square feet across 18 projects. We are quite confident of launching at least nine projects exceeding 11 million square feet during the remainder of FY '27. As of September 30, 2026, our unsold inventory stood at approximately 15 million square feet, providing a healthy growth visibility. On execution front, we completed 720 homes covering 1.49 million square feet across nine wings and blocks in Q2. H1 completion stood at 1,391 homes covering 2.56 million square feet across 17 wings.Our balance sheet -- coming to cash flows and financials briefly, our balance sheet continues to be our key strength. We maintained a net cash position of about INR322 crores with a competitive borrowing cost of 7.75% and remaining focused on sustaining a zero net debt position throughout FY '27. We achieved our highest-ever cash inflows for the -- for both for the quarter and half year. Q2 collections reached more than INR2,000 crores -- at INR2,084 crores, and our net operational cash flow was INR422 [Phonetic] crores. This financial strength supports our future investments while maintaining prudent capital allocation.As of end of this quarter, we had INR22,040 crores of revenue yet to be recognized from units already sold. We expect, while the quarter-level margins appear lower, we continue -- as we

continue to recognize lower-margin projects, and as we recognize future projects which we are on course for completion and handovers, we are quite confident that our margins will significantly improve and we should be able to deliver at least 50% over PAT -- over 50% growth of PAT over last financial year by the end of this financial year.During Q2, our contracts, manufacturing, and retail businesses generated about INR225 crores, an increase of 31% quarter on quarter, and the external order book stood at INR540 crores. Our commercial rental portfolio contributed INR24 crores in income during the quarter. We expect these businesses to maintain steady performance and with the scope for marginal growth.Also, this -- in this quarter, as part of our plan to deepen our expertise in terms of execution, we have acquired a small business of fire and safety from SOBHA Projects and Trade Limited, SPTL. And this would enable us to execute fire protection services across all our projects as we scale towards a larger volume delivery.With these remarks, I would conclude my opening remarks, and then I would hand over the forum to our CFO, Mr. Yogesh Bansal, for his remarks on the financial performance.

Yogesh Bansal - Chief Financial Officer, SOBHA Limited
Good evening, everyone. Let me take you through the key financial highlight of SOBHA's performance for the second quarter and first half of FY '27. The first half has been marked by strong operational cash flow collection, continued investment in project acquisition and expansion of our development pipeline while maintaining a healthy balance sheet. We recorded our highest-ever half-yearly operation cash inflow of INR4,009 crore, generated positive operation cash flow of INR755 crore, and closed September with a net cash position of INR322 crore.Coming to cash flow, operational cash inflow for the quarter stood at INR2,084 crore compared with INR2,046 crore in the corresponding quarter last year. Real estate collection contributed INR1,922 crore. Again, this operational outflow was INR1,642 crore, resulting in positive operation cash flow INR442 crore for the quarter. For the first half, operation cash inflow reached INR4,009 crore, with positive operational cash flow of INR755 crore. Construction expenditure continued to be an important area of cash deployment during the quarter.Real estate project-related outflows stood at INR826 crore, while sales and marketing expenditure was INR103 crore. We have made land payment amounted to INR617 crore during Q2 and INR987 crore for the first half. These payments are aligned with our objective of strengthening the development pipeline while continuing to fund existing projects. After accounting for land payments, capital expenditure, and financing-related movements, the overall net cash movement was negative INR337 crore for Q2 and negative INR486 crore for H1. Our operation continued to generate positive cash flow while we deployed capital towards existing projects and further growth.Moving to our reported financial performance, total income for quarter stood at INR1,017 crore compared with INR1,469 crore in Q2 for -- of the previous year. Real estate revenue contributed INR749 crore while contractual, manufacturing, and retail operation contributed INR225 crore. Quarterly EBITDA stood at INR119 crore representing a margin of 11% while profit after tax was INR33 crore. For the first half, total income stood at INR2,347 crore, EBITDA was INR249 crore, and profit -- PAT amounted to INR84 crore.Our gross debt as on 30th September 2026 stood at INR1,505 crore against cash and cash equivalent of INR1,827 crore. Our debt-to-equity ratio stood at negative 0.07, while our average borrowing cost was 7.75%. Maintaining financial discipline remains a key priority. We continue to focus on optimizing borrowing costs, maintaining adequate liquidity, and balancing investment in new opportunities with the funding requirements of ongoing projects.Looking ahead, our existing portfolio provides meaningful visibility on future cash flow and revenue. As of 20 -- as on 30th September 2026, receivable from sold units together with sale value of unsold inventory stood at INR31,814 crore against estimated remaining project cost of INR19,297

crore. This represents projected project-level marginal cash flow INR12,517 crore. Including forthcoming projects, the projected real estate project-level marginal cash flow increased to INR19,748 crore. This figure provides visibility on the potential of our existing development portfolio.To conclude, our priority remains clear: sustaining operating cash generation, progressing project execution, maintaining balance sheet strength, and ensuring disciplined capital allocation. We remain committed to delivering sustainable growth, strengthening financial performance and creating long-term value for our shareholders.Thank you. Now we can open -- we can now take your questions.

Questions & Answers

Operator
Thank you very much. We will now begin with the question-and-answer session. [Operator Instructions] Your first question comes from the line of Parikshit Kandpal with HDFC Securities. Please go ahead.

Parikshit Kandpal - Analyst, HDFC Securities
Yes, sir. Hi, congratulations on the great, pre-sales for the H1. So, our first question is, in this quarter we have seen very strong gross margins, almost 48%, maybe I think the recent quarter highs. So, is it right to understand now that the legacy low-margin projects may be behind us, and as the deliveries improve from here on in the coming quarters, if this level of material -- if this level of gross margin is maintained, so you can see a sharp uptake in the EBITDA margins from Q3 onwards?

Jagadish Nangineni - Managing Director, SOBHA Limited
Good evening, Parikshit. The EBITDA margins as we go forward, like I said, the remaining -- the entire revenue to be recognized is close to INR22,000 crores. It has got excellent EBITDA margins and we believe that we will be able to maintain our costs and be able to deliver those margins as we progress forward. So, increasingly you will definitely see increased margins, and whether they'll -- there's going to come from Q3, Q4, yes, they would. And like I mentioned in the opening remarks, as of now we estimate that from a PAT point of view, this financial year we will be able to deliver at least 50% of growth over the last financial year.And from the next financial year also, it's going to be even better. So, overall, from a P&L standpoint, we are quite confident considering what we have done in terms of pre-sales, the sales value that we achieved and the pace of development that we are doing and the handovers, that the visibility that we have. So, we believe that it's going to be an uptick from ours from now on. Also, in the previous quarters, I had guided that from Q3 onwards, this financial year, it should start looking better. And we believe we are on -- we should be on track for that.

Parikshit Kandpal - Analyst, HDFC Securities
Okay, thanks, thanks for that. A great answer, Jagadish. That's my second question. In this first half, we have spent a significant amount, almost INR987 crores on the land outgo. So, if you can help us understand how much was this for this current year new acquisitions and how much GDV we have added corresponding to this land tickets.

Jagadish Nangineni - Managing Director, SOBHA Limited
Yeah, so yes, this financial year in the first half we did spend -- the cash outflow for land has been significant. See, close to about 30% of that cash outflow was towards settlement of old dues from --

for our existing projects, which is now fully complete. And any new cash outflow that would go from now on will be for addition of new lands. So, that's number one. Number two is, in the first half we also added three more lands in Bangalore, and as and when they would -- we have started procurement of land, and as and when they reach the approval stage, they will become visible in the project pipeline.And I believe that it will take about a year, year and a half for them to show up in that. And one more in Gurgaon. So, overall, we have not given specific GDV for the investment that we have done, but we have done significant progress in terms of adding new projects in Bangalore, in NCR, and we had purchased one land in Mumbai. So, all put together, we have -- and remaining parts, which is, that's about another 50%. Remaining 25% has gone towards existing lands where we had to do consolidation and remaining payouts to the landowners.

Parikshit Kandpal - Analyst, HDFC Securities
So, is it right to assume, like, what million square feet of GDV? I mean, it will be close to about INR,9,000 crores, INR10,000 crores in 1H?

Jagadish Nangineni - Managing Director, SOBHA Limited
We will be able to provide that estimate separately, Parikshit. I don't have that GDV right now.

Parikshit Kandpal - Analyst, HDFC Securities
This is the last question on the launch pipeline now for Q2 and -- Q3 and Q4. If you can help us understand how much -- so you did quantify in terms of million square feet. So, in terms of projects and sizes, if you can help us and split this into Q3 and Q4, that will be helpful.

Jagadish Nangineni - Managing Director, SOBHA Limited
Yeah, Q3 and Q4, we have tentatively about, I said, about eight projects that we can, we are looking at launching. Three in Bangalore, one in Hyderabad, one in Chennai, one in Gurgaon, one in Greater Noida, and one in Thrissur. All of them put together, they will be about 12 million-odd, and that might be about a value of close to about INR18,000 crores.

Parikshit Kandpal - Analyst, HDFC Securities
And in Q3 specifically, you can call out some large projects in Q3, which are the ones if you can name or call out. And also on the RERA, what is the status for these projects?

Jagadish Nangineni - Managing Director, SOBHA Limited
Yeah, so this is -- these are highly time sensitive in terms of approvals. So, they -- we are on track for some of them, but you never know what's the next surprise that we might get. So, I would -- it's -- while Q3 we are confident of doing at least two to three projects of these, I'm hoping that it can be higher and probably half of this in Q3 and half of this in Q4. But they are very, very -- they're very, very tight in terms of timelines. Any slip-up here and there because of any reason, they might quickly go towards Q4. That's number one.Number two is, even while we might get all approvals, we might choose not to launch them for better preparation and better response. And hence, even like, for example, this time, even though we got the plotted development approval for Boulevard in Q1, but we actually chose to launch it in Q2 so that we can have a slightly better preparation. It's a smaller project, but at the same time, the same approach we will be able -- we would take for the larger projects and also the new launches.So, while approvals are one aspect of launching a project, some preparation for that also is required. So, Q3, Q4, both -- in both these quarters together, we should be able to do these launches. And we are fairly in advanced stage in terms of all approvals for all these projects.

Parikshit Kandpal - Analyst, HDFC Securities
But any specific projects which you can call out, Jagadish, that would be helpful. Like, I think Crystal Meadows was one which was pending for quite some time. So, if you can name some projects for Q3, I mean, there you have high visibility on getting approvals and launching. So, that would be helpful for our analysis.

Jagadish Nangineni - Managing Director, SOBHA Limited
Yeah, we, we can give those details separately, Parikshit.

Parikshit Kandpal - Analyst, HDFC Securities
Okay, sure, sure. Thank you, sir. I'll join back in the queue.

Jagadish Nangineni - Managing Director, SOBHA Limited
Thank you, Parikshit.

Operator
Thank you. [Operator Instructions] Your next question comes from the line of Parvez Qazi with Nuvama Group. Please go ahead.

Parvez Akhtar Qazi - Analyst, Nuvama Group
Yeah, hi, good evening, and congrats for the great set of numbers. So, my first question is, I mean, you mentioned about INR11,200 crore as the GDV of residences in H1. Ballpark, what would have been the sales in H1 from these INR11,000 crore-odd?

Jagadish Nangineni - Managing Director, SOBHA Limited
So, from our sales of about INR5,800 crores, what we have done in the first quarter -- first half, sorry -- about 70%-odd has come from the new launches.

Parvez Akhtar Qazi - Analyst, Nuvama Group
Sure. And the second question is, you've also given a segment-wise breakup of our H1 sales. Roughly 36%-odd has come from ticket size above INR5 crore-odd, and I think that ties in with the general trend of premiumization in the industry. Now looking towards H2 and the 11-odd million square feet of launches that we're looking at H2, in general, what would be a segment-wise split of these 11 million, 12 million square feet?

Jagadish Nangineni - Managing Director, SOBHA Limited
Good question, Parvez. I would not generalize like that because it's heavily dependent on the project mix and the kind of product that we initially launched. And the sales value that we are achieving in the last few quarters, majority of the sales is coming through new launches. So, considering the mix of the new launches, it typically varies. Like for example, you can see even in Q2, the mix from about 36%-odd of the total overall Q1 -- H1, you can see that greater than INR5 crores is only 26.2%.So, there are certain projects that do contribute to higher ticket size. But the launches we are going to do in the future, they are largely -- I mean, there is a huge mix of all across ticket sizes, mainly between, I would say, between INR2 crores to INR5 crores. So, hence, whenever you see a spike in terms of in the higher ticket sizes, that might be because of good traction in that particular segment in that quarter. But overall, if I look at again the inventory that we have, so majority of that inventory would lie between INR2 crores to INR5 crores. I would assume it's more than 70%.

Parvez Akhtar Qazi - Analyst, Nuvama Group
Sure. And last question, fair to assume that this INR5 crore plus ticket size would largely be in the NCR?

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

Parvez Akhtar Qazi - Analyst, Nuvama Group
Thanks, and all the best.

Jagadish Nangineni - Managing Director, SOBHA Limited
Thank you, Parvez.

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

Girish Choudhary - Analyst, Avendus Spark
Yeah, hi, good evening, Jagadish. My first question -- yeah, so you've seen strong sustenance sales, right? And on that specifically, if you could give some more details on the Hoskote project, I mean, what kind of sales we have seen this quarter and how and when are you thinking about the phase two launch?

Jagadish Nangineni - Managing Director, SOBHA Limited
Well, good evening, Girish. So, the entire project is a very large one. We have overall value of about INR7,500 crores, and we have done over INR2,500 crores till now, and that too we have not launched all the towers, in the project. But the response to the project and the sustenance of that is quite good. Similarly, in our projects in NCR as well, what we have launched in Gurgaon, specifically Crescent and also Aranya, that's where we have been doing the project for the last two years.So, things have -- the sustenance sales have been good. And also, this quarter, the sustenance sales in one of our projects, SOBHA Neopolis, which was quite flat for the last one-and-a-half years or so, has picked up quite well after we started completing our towers and handing over to the customers. So, the sustenance sales are again quite steady, and we see that as a positive sign for projects where we have launched and also seeing steady traction.

Girish Choudhary - Analyst, Avendus Spark
Got it, got it. Any thoughts on phase two launch of Hoskote?

Jagadish Nangineni - Managing Director, SOBHA Limited
When you say phase two launch, what exactly?

Girish Choudhary - Analyst, Avendus Spark
The total GDV -- I believe the total GDV of the project is INR7,000 crores-plus, right? So [Speech Overlap] yeah.

Jagadish Nangineni - Managing Director, SOBHA Limited
In this quarter itself we launched one more tower, and so that will take us to almost 65% of the total

inventory being released. And little over -- and as we progress towards a higher sale, I mean, more inventory getting released and also consumed, we will keep releasing based on two factors. One is on the extent of sales that we are seeing, and second is the kind of the development plan that we have. So, on both these, based on both these parameters, we'll keep releasing the inventory. It's not that we have specifically phase two as a separate launch that we would do. We would do tower-wise launches going forward.

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

Jagadish Nangineni - Managing Director, SOBHA Limited
Sure. So, SOBHA Projects and Trade, we are acquiring the fire and safety business of it. So, which -- in which essentially the fire and safety business has been delivering about 70% of its business has been for SOBHA itself. So -- and they have an order book of about INR180 crores now, of which again 70% of that is SOBHA's projects. As we scale, we believe that there are -- both from a strategic and financial point of view, it makes sense for us. Strategic, it will just help us increase our ability to coordinate better and also deliver faster for our projects. That's number one. Number two is from a cost standpoint, it would reduce our cost because there is a GST benefit that we currently lose. There is a certain ability to procure better through our scale of operations and some of the synergies that we might bring in. So, with that, some of the cost reduction can happen and hence that will help us. So, overall, I -- we think that it is quite help -- quite strategic and advantageous for us to have this business within our own operations.From a revenue standpoint, they have been doing roughly about INR65 crores to INR70 crores -- INR60 crores to INR65 crores a year. But as we scale our own delivery, this is going to significantly increase from here on. And from a margin point of view, I mean, there is not going to be no capex involved because it's a service business, and whatever capex is already there, that's good enough. And going forward, if at all, if there is any working capital requirement, that we will have to fund it. But otherwise, there is no additional incremental investment that needs to be done apart from what we are doing at the time of acquisition.

Girish Choudhary - Analyst, Avendus Spark
Got it. Thank you.

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

Biplab Debbarma - Analyst, Emkay Global
Yeah, hi, Jagadish, good evening and congratulations on the strong quarter. So, we see that in the forthcoming projects you have now three MMR projects. Last quarter it was one. So, just wondering, what would be the -- where you have acquired these two new projects? And overall, what would be estimated GDV of these three MMR projects?

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

Biplab Debbarma - Analyst, Emkay Global
So, you have added Chandivali projects?

Jagadish Nangineni - Managing Director, SOBHA Limited
Yes. So, our land acquisition for Chandivali is complete. And now we are at the design stage and going forward for the approvals.

Biplab Debbarma - Analyst, Emkay Global
And how big would that project be, like in terms of GDV? INR1,000 crores or INR800 crores?

Jagadish Nangineni - Managing Director, SOBHA Limited
Yeah, about INR1,000 crores is what we estimate.

Biplab Debbarma - Analyst, Emkay Global
Okay, okay, okay. And my second question is on the margins. You have guided the margins will see uptake from 3Q onwards and would be very healthy in FY '28 onwards. So, could you give us some insight, like when you see uptake now currently it is in single digits, should we expect, say, in the second half or third quarter, fourth quarter onwards, something like 15% consolidated basis per EBITDA margin? I mean, what range the margin would be, and FY '28 onwards steady state, what kind of consolidated EBITDA margin should we expect?

Jagadish Nangineni - Managing Director, SOBHA Limited
From a -- for the second half of FY '27, I think the EBITDA margin should fairly be much higher than 15% for the whole of FY '27. From FY '28, of course, I have been mentioning in the previous calls also that it will go towards 20% and beyond. See, one of the main reasons for us, like probably I have mentioned it previously in the previous calls, these current lower margins are, or at least it's visible like it's lower margins, is because of four to five factors. One, in -- I mean, particularly if you see this quarter and the last quarter, the -- or specifically this quarter, what we could recognize as the revenue itself has been lower because of -- because handovers that we could do and also the completions that we did. It's a part of cyclicality in terms of, in some quarters there would be more and some quarters it might be less, but over a period of time they would normalize. As whenever we recognize a lower revenue, however, our fixed cost in terms of overheads and also the elevated sales and marketing costs will continue to be there, and hence you can see a lower margin. And as the new revenue, that scale of revenue that we will start recognizing, those would normalize. That's one.So, second is also is that some of the new projects that we would recognize in future are the ones where we have our own land and there the margins would still be far superior than typical projects that we do. And those will also start contributing much higher. And third is we still have some of the old projects where the margin is lower, and till the time we completely recognize those, those will weigh down on the overall margins. That I think in the next two quarters also, those will reduce quite a bit, and the effect of the higher margin projects will start looking up from next two

quarters. And also, as I mentioned earlier, it would be an upward curve in terms of overall margins and should stabilize over about 20% plus in terms of EBITDA.

Biplab Debbarma - Analyst, Emkay Global
And you have done exceedingly well in first half in terms of pre-sales, almost INR5,800 crore or INR5,900 crore-odd. And considering seasonality, that's what we see the trend. Second half does always better than the first half. So, does it mean that, simple arithmetic, we will cross INR12,000 crore, INR13,000 crore of pre-sales in this financial year considering we have seen decent sustained sales and also, we have a healthy launch pipeline? So, what's your thought on it?

Jagadish Nangineni - Managing Director, SOBHA Limited
Yes, both factors like you mentioned, good luck can contribute to a good sales number. So, hence we would hope and also not -- we would work towards exceeding what we have given as a guidance from a sales point of view. If all of the factors come through, then definitely we should be seeing much better than what we have guided at the beginning of the year. So, both factors, which is sustained sales being, being strong and new launches being successful, we should do much better than what we have guided.

Biplab Debbarma - Analyst, Emkay Global
Okay, okay. Thank you, thank you, and all the best.

Operator
Thank you. The next question comes from the line of Murtuza Arsiwalla with Kotak Securities. Please go ahead.

Murtuza Arsiwalla - Analyst, Kotak Securities
Hi, Jagadish. Just a question on your segment sort of financials. When we look at the numbers, there is another unallocable expenses which is reasonably large, generally across quarters between 7% to 10%. How should we think of it when we think of EBITDA margins, the other unallocable expenses? What is the nature of these expenses? Down their portion to either the resi or the contract and manufacturing segment? That's my first question.

Jagadish Nangineni - Managing Director, SOBHA Limited
Good evening, Murtuza. So, these expenses what you're talking about is -- can you help me -- where you -- what numbers are you looking at?

Murtuza Arsiwalla - Analyst, Kotak Securities
So, if I look at the reported financials, for instance, in the second quarter, we have other unallocable expenditure in the consolidated segment report of INR977.57 million, right, which on a net revenue of about INR9.6 billion, so it's about 10% in the current quarter.

Jagadish Nangineni - Managing Director, SOBHA Limited
Yeah, that's essentially the overhead expense, which is a fixed expense for us on a quarter-on-quarter, which is essentially including our own staff and overheads, and also part of marketing and incentive that we pay out. So, that should -- it has two components. One is a fixed component, which is for fixed overheads, which is inflationary, or as we probably slightly lower than the growth that we are experiencing. Second is -- the second part of it is directly proportional to the sales that we will end up doing.

Murtuza Arsiwalla - Analyst, Kotak Securities
So, shouldn't we allocate the sales-related expenses to part of either real estate or contract and manufacturing jobs only? I mean, I'm just trying to appreciate that when we look at your segment results, which is a few lines above that, it obviously shows slightly better margins than when you look at the consolidated, which is the combination of the real estate and contract and manufacturing, where the margins may appear even weaker because one takes into consideration the other allocable expenditure. So, I'm just trying to understand how do we better appreciate this particular line item.

Jagadish Nangineni - Managing Director, SOBHA Limited
Sorry, you are right. Most likely -- sorry, in this part I would like to clarify again. Sales and marketing expenditure would remain in the real estate segment. This is unallocable expenditure is largely the overheads that we -- and that should be quite flat or let's say inflationary in nature.

Murtuza Arsiwalla - Analyst, Kotak Securities
Okay. The second question, generally when I think of your business mix, what proportion of your projects would be through a joint development agreement where there is a share of revenue to the landowner versus projects which you're doing 100% sort of outright purchase of land and there's no share of payment to the landowner because it's outright purchase. So, like, is it an 80-20? Is it a 70-30? What's the mix between, generally speaking, not a particular quarter or a particular year?

Jagadish Nangineni - Managing Director, SOBHA Limited
Sure, yeah. On an aggregate level, out of overall sale or the inventory that we have, roughly 82% to 85% is what is our share. In the sense, typically the -- I mean, as an overall example, is 50% is, let's say, own projects and remaining 50% are joint development projects. The joint development, let's assume it's a 35% landowner share, then it's roughly 17.5%. So, about 82.5% is what [Speech Overlap]

Murtuza Arsiwalla - Analyst, Kotak Securities
Got it.

Jagadish Nangineni - Managing Director, SOBHA Limited
We take as our share.

Murtuza Arsiwalla - Analyst, Kotak Securities
In terms of projects, it would be roughly 50-50. Half the projects that you would do are through joint development mechanism, half would be 100% kind of owned.

Jagadish Nangineni - Managing Director, SOBHA Limited
As of the current land bank and the outlook of the projects that we plan to launch, yes, that's the case. And at an aggregate level, it is about 82%, 83%.

Murtuza Arsiwalla - Analyst, Kotak Securities
Yeah, that I get. That I get. All right, thank you so much, sir.

Jagadish Nangineni - Managing Director, SOBHA Limited
Thank you, Murtuza.

Operator
Thank you. The next question comes from the line of Pritesh Sheth with Axis Capital. Please go ahead.

Pritesh Sheth - Analyst, Axis Capital Ltd.
Yeah, hi, thanks for the opportunity, Jagadish. And congrats on a good sustenance quarter. Just a couple of questions. One, continuing the previous question on the unallocable expenses. So, that has increased considerably versus last year. Last year full year we had INR200 crores-odd, in first half itself we have done INR190 crores, reasons for that. And like when you talk about 30% as the project-level EBITDA margin, should we then exclude another 10% which would be the corporate overheads and hence your EBITDA margin should be around 20% for the resi segment is what -- how should we look at? Or yeah, so some insights on that.

Jagadish Nangineni - Managing Director, SOBHA Limited
Good question, Pritesh. I do not have the exact details of that. Can we get back to you?

Pritesh Sheth - Analyst, Axis Capital Ltd.
Sure, no worries. I'll take it offline. Second question on the launches. So, I think, when we talked about the contribution of launches in first half, that was 70% of the current sales. So, we would have done roughly INR4,000 crore from the launches, which were around INR11,000 crore of total GDV. So, we have sold 40%. But in this, we had one large project that was SOBHA OneWorld, which would have obviously in terms of proportion would have done lesser. Wanted to understand if there are any such large projects planned in H2 which have a GDV of more than INR3,000 crore at the launch time itself. Just trying to understand, how should we think about the velocity that way. Yeah.

Jagadish Nangineni - Managing Director, SOBHA Limited
Right. So, when we take a -- when we do a launch of the project, the -- we typically do take the entire value of the project as part of the launch value instead of taking what's been released. So, hence you would tend to see that it is a smaller portion of the overall. And specifically, like you mentioned, it's -- for a larger project it is more prominent. So, the -- some of the projects that we -- the project pipeline that we have, which is over INR3,000 crores, we have one such project in Bangalore which we plan to launch it this -- in the second half. That should be also of similar size, slightly lower -- similar or slightly lower than the OneWorld project. That's if that's one. And second, there is one more project in Bangalore which we plan to launch towards the end of the year. That also will not be maybe INR3,000 crores but towards INR2,500 crores-plus.

Pritesh Sheth - Analyst, Axis Capital Ltd.
Sure. So, two projects of large size in second half.

Jagadish Nangineni - Managing Director, SOBHA Limited
That's right.

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

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

Pritesh Sheth - Analyst, Axis Capital Ltd.
Got it. Fair enough. Okay, that's it from my side. Thanks, and all the best for the second half.

Jagadish Nangineni - Managing Director, SOBHA Limited
Yeah, thank you, Pritesh.

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

Parikshit Kandpal - Analyst, HDFC Securities
Jagadish, thanks for the follow-up. So, just to clarify, so when you said 15% margins, EBITDA margins, was it for FY '27 or second half of FY '27?

Jagadish Nangineni - Managing Director, SOBHA Limited
Second half of FY '27.

Parikshit Kandpal - Analyst, HDFC Securities
Okay, and the other question is like, how -- what is the deliveries plan for H2 FY '27? If you can help us quantify in million square feet or in value. So, how much deliveries you're looking for FY -- second half?

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

Parikshit Kandpal - Analyst, HDFC Securities
This will come in, that means almost INR10,000 or INR11,000, which it will be about INR3,000 crores to INR4,000 crores of revenues for second half.

Jagadish Nangineni - Managing Director, SOBHA Limited
Yes, in that we will have to take, which is our share, that will be one. And second is, while we complete this, does not necessarily translate into handovers, which at which point we actually recognize the revenue. So, there might be some inconsistencies there, but largely what you are saying is -- are ballpark numbers.

Parikshit Kandpal - Analyst, HDFC Securities
Okay, got it. And just the last thing, if you can, given what is happening on the geopolitics, on interest rate increase, macro. So, how are you looking at your macro markets? Surprisingly, Gurgaon has been holding up despite everyone on the analyst calling out that will be the first market to pull down. It's been holding up quite well. Developers are reporting good sales, sustained sales has been strong. So, just wanted to pick your brain, next couple of quarters or three to four quarters, how do

you think the macro market will behave?

Jagadish Nangineni - Managing Director, SOBHA Limited
It's very difficult for me to comment on what exactly is going to happen on macro, but clearly there is a certain caution related to what's happening in terms of interest rate increase and combination of geopolitics and AI. There are several factors which can lead to, let's say, someone being a little cautious. But when I -- when we look at the data in terms of what's the interest levels that we are seeing on a leading indicators basis, which is our inquiries and visits to our marketing offices, so they seem to be quite steady. And like you're seeing, sustained sales seems to be quite good.So, if there is any further worsening of it, then it might be different, or any positive thing also will turn to be even better for us. So, I see it quite positively in the sense that even in spite of these negatives, so-called negative sentiments being playing out, most of the leading indicators seem to be quite steady and what we are seeing on the ground seems to be quite good. Interest levels are high and that is quite positive, which in fact means that if there is any kind of positive event that would turn out -- that can turn out from here on, then things can be even better than what we are seeing today.

Parikshit Kandpal - Analyst, HDFC Securities
So, you are seeing good demand across your markets like NCR, Bangalore, Mumbai too, but the key markets, I mean, the demand continues to remain quite strong on the ground for you?

Jagadish Nangineni - Managing Director, SOBHA Limited
Yes, I -- we, we see that it's quite good. There might be pockets, some of the projects where we have one project, capacities [Phonetic]. There it might be specific to micro market, specific to project, but otherwise overall I would still think that we are quite -- the overall demand seems to be quite steady.

Parikshit Kandpal - Analyst, HDFC Securities
The Noida project is doing well now. I mean, the one which we have launched in 1Q, I think towards just about when the geopolitics started, the war started. So, have you -- are you seeing good momentum on the sustainment side there?

Jagadish Nangineni - Managing Director, SOBHA Limited
SOBHA Rivana, it started out well. I would not say that it is that we have seen a rapid start. But post that, we launched the project in March of the last financial year, which is in the midst of just the war has begun, and there was quite a bit of caution in the air. So, it started out a little slower, but the interest levels are quite good and sustenance is the demand and the walk-ins that we are seeing is quite robust. And hence, we have started to make good progress at the site as well. So, I would see it's an end-user market specifically for that project, and I believe that it's going to be a very steady project in terms of sales and overall completion of the project.

Parikshit Kandpal - Analyst, HDFC Securities
Okay, thank you.

Jagadish Nangineni - Managing Director, SOBHA Limited
Thank you, Parikshit.

Operator
Thank you. Your next question comes from Biplab Debbarma with Emkay Global. Please go ahead.

Biplab Debbarma - Analyst, Emkay Global
Just one small clarification I wanted. I think I missed that part. So, in the second half, what is your pipeline in terms of GDV and million square feet? I missed that part.

Jagadish Nangineni - Managing Director, SOBHA Limited
Yeah, Biplab because we have about eight projects that are lined up. And roughly about 12 million square feet should, at the same average price of about INR15,000, it's about INR18,000 crores.

Biplab Debbarma - Analyst, Emkay Global
Okay, okay. Thank you, thank you.

Operator
Thank you. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for closing comments. Over to you.

Jagadish Nangineni - Managing Director, SOBHA Limited
Thank you, everyone, for joining today's call. Wish you and your families a very happy Vijayadashami. I hope we have answered most of your queries. For questions where we said we will have to revert to you, we will do so very quickly. And for any other further questions, please reach out to us. We'll be happy to clarify those. Thank you, everyone, and wish you the best.

Operator
[Operator Closing Remarks]