

February 15, 2026

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**BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, MUMBAI – 400 001**

**National Stock Exchange of India Limited
“Exchange Plaza”, Bandra-Kurla Complex,
Bandra (East), MUMBAI – 400051**

Sub: Disclosure of transcript of earnings conference call held on February 10, 2026

Dear Sir/Madam,

This is in continuation of our intimation dated February 05, 2026 and February 10, 2026, regarding the earnings conference call of Embassy Developments Limited (“the Company”) held on February 10, 2026 at 11:00 a.m. (IST).

In this connection, pursuant to Regulation 30 of SEBI LODR Regulations, we enclose herewith the transcript of the said earnings conference call, which is being made available on the website of the Company.

Please take the above information on record.

Thank you,

Yours truly,

For Embassy Developments Limited

*(Formerly Equinox India Developments Limited
and earlier Indiabulls Real Estate Limited)*

Vikas Khandelwal

Company Secretary

EMBASSY DEVELOPMENTS LIMITED

(Formerly known as Equinox India Developments Limited and earlier Indiabulls Real Estate Limited)

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Embassy Developments Limited
Q3 and 9M FY '26 Earnings Conference Call
February 10, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 10th February 2026 will prevail.



Management: Mr. Aditya Virwani – Promoter and Managing Director, Embassy Developments Limited

Mr. Sachin Shah – Chief Executive Officer and Executive Director, Embassy Developments Limited

Mr. Rajesh Kaimal – Chief Financial Officer and Executive Director, Embassy Developments Limited

SGA - Investor Relations Advisor, Embassy Developments Limited

Moderator:

Ladies and gentlemen, good day and welcome to the Q3 and 9M FY '26 Earnings Conference Call hosted by Embassy Developments Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star then zero on your touchtone phone.

I now hand the conference over to Mr. Aditya Virwani, Promoter and Managing Director from Embassy Developments Limited. Thank you and over to you, sir.

Aditya Virwani:

Good morning, everyone and thank you for taking the time to join us today. It is a pleasure to welcome you to our first earnings call as Embassy Developments Limited. Joining me today are Sachin Shah, our CEO and Executive Director, Rajesh Kaimal, our CFO and Executive Director and our Investor Relations Advisor, SGA.

Our financial results and investor presentation have been uploaded on the stock exchanges and the company website and we hope you've had the opportunity to review them. This is our first earnings call as a merged entity and before we get into the quarter, I'd like to take a step back and share some context on the journey of the company and where we stand today.

Calendar year 2025 was a landmark year for the company, marked by the successful completion of the merger between the erstwhile Indiabulls Real Estate Limited and the Embassy Group's development entity, NAM Estates Private Limited. Following approval by the Honorable NCLAT in January 2025, the merged platform was rebranded as Embassy Developments Limited or EDL.

This merger was not simply about consolidation. It was a deliberate step to create a stronger, more resilient and future ready listed real estate platform, one with institutional scale, deeper operating capabilities and broader access to high quality markets. Through this consolidation, EDL now has a fully enabled presence across North and West India with established operating teams, active projects and on ground executional capability.

At the same time, it provides shareholders access to Embassy's home market of Bengaluru, India's largest commercial real estate market and one of the country's most resilient residential markets. The Embassy Group brings with it over three decades of experience and a proven track record of developing over 75 million square feet across commercial, residential, industrial and hospitality assets.

The Group has built its reputation on quality, trust and thoughtful development and these values now form the foundation of Embassy Developments Limited. A critical part of this transformation has been the integration of the legacy Indiabulls project portfolio.

Over the past several quarters, we have taken full ownership of these inherited assets and work systematically to bring them to completion. In the period leading up to and including FY '26, 6 previously delayed residential projects across MMR, NCR and Visakhapatnam reached handover stages, enabling more than 3,300 families to finally take possessions of their homes. For us, this was not just about completing projects, it was about restoring that confidence. We firmly believe that institutional credibility is built through delivery and through taking responsibility for inherited commitments.

Today, Embassy Developments operates at meaningful scale with a presence across 8 cities, a portfolio of 40 plus projects and approximately 38 million square feet of residential and commercial development. This includes over 30 million square feet of residential development and 7.4 million square feet of commercial assets supported by a land bank of over 3,100 acres.

Our near-term strategy is clearly defined and deliberately sequenced.

First, execution remains our top priority, completing ongoing projects with discipline and consistency.

Second, we are focused on organic growth through new launches, with plans to bring about an aggregating approximately 41,000 crores of GDV to the market over the next three years, entirely on fully paid-up land already within the platform.

And finally, we are keen to grow this portfolio beyond our existing land base.

We remain highly selective, focusing only on high-margin, high-conviction opportunities. By Q3 FY '26, we have secured RERA approval for 6 residential projects with a GDV of approximately 13,500 crores, along with a commercial project at Embassy East Business Park in Whitefield with a GDV of around Rs. 3,100 crores. We have recorded close to Rs. 2,000 crores of pre-sales in the first nine months of the year, and with the recent launches, approvals and existing unsold inventory, we remain confident of achieving our Rs. 5,000 crore FY '26 pre-sales target.

As the housing cycle continues to show momentum, we believe Embassy Development has a strong opportunity to grow market share, and that the consolidation towards leading trusted brands will continue. With the team and the product pipeline we have in place, we are excited to demonstrate what the Embassy brand can deliver at scale.

I would like to briefly provide an update on ongoing insolvency proceeding. The case relates to facilities availed by Sinnar Thermal Power Limited, in 2011 following a court-approved demerger under which the power business was separated from the erstwhile Indiabulls Group and certain historical corporate guarantee arrangements linked to equity infusion obligations.

Following the demerger, STPL has been part of the Ratan India Group since 2011. Canara Bank has initiated proceedings against the company alleging liability for repayment of loans of Rs. 372 crore under an erstwhile corporate guarantee framework and filed a Section 7 application under the Insolvency and Bankruptcy Code 2016.

Based on the management's assessment and legal advice, we believe the admission was not warranted on merits. The company has since obtained a stay from NCLAT. The next hearing is scheduled for 19 February and we remain confident in the strength of our case. I would like to assure investors that our company has adequate financial capacity to address the matter and we do not expect any impact on business continuity or long-term value creation.

With that, I now hand over to Sachin who will take you through the operational performance of the quarter. Rajesh will then walk you through the financials and after which we will open the floor for questions. Thank you.

Sachin Shah:

Thank you, Aditya and welcome shareholders. I will now take you through the operational progress of the business for the nine months of FY '26, providing color on what we have achieved versus target, updates across our core markets and key milestones achieved during the period.

We have launched three residential projects over the last nine months resulting in cumulative pre-sales of approximately Rs. 2,000 crores and cumulative collections of roughly Rs. 1,100 crores. During the quarter ended December 31, 2025, the company recorded pre-sales of Rs. 1,392 crores representing a quarter-on-quarter growth of around 240% and this was driven by recent launches and strong absorption in our core market of Bengaluru. Collections during Q3 FY 2026 were approximately Rs. 415 crores reflecting a 15% quarter-on-quarter increase.

Our key residential launches this financial year includes:

- Embassy Paradiso, a luxury plotted development within the master planned Embassy Springs in North Bengaluru. The project is fully sold out and achieved realizations of approximately Rs. 200 crores against an estimated GDV of Rs. 175 crores. This reflected strong demand and pricing strength in premium plotted formats for the Embassy Developments.
- Embassy Greenshore launched in November 2025, also within Embassy Springs. It comprises of 878 units across 1.5 million square feet of saleable area and recorded pre-sales of approximately Rs. 804 crores within five days of launch with over 480 units sold as of December 31, 2025. The response validated our product strategy focus on larger layouts, good planning and premium specifications at accessible price points.
- And lastly, Embassy Eden - Launched in December 2025, Embassy Eden is a premium villa development in North Bengaluru with 95 units and a GDV of Rs. 1,800 crores. The project has seen a remarkable demand with units worth Rs. 286 crores sold shortly after launch.

Each project is progressing independently with approvals obtained, construction planning to meet deadlines and disciplined capital deployment.

We've also begun construction on Embassy East Business Park where we plan to develop 2.7 million square feet in Phase I. This aptly represents the large-scale institutional grade commercial assets that Embassy is best known for. As we move forward, we remain keen to increase the contribution of commercial assets to the EDL portfolio.

We are on track for 4 new launches in Q4, 2 each in Bengaluru and Mumbai, including our marquee 1 million square feet 300 plus meter luxury tower in Worli called Embassy Citadel, which would result in total FY '26 GDV of launch projects exceeding Rs. 19,000 crores.

Other upcoming projects this quarter include

- Embassy Verde Phase 2 for which RERA approvals have just been obtained,
- Embassy Sky Terraces, a development management project, a premium residential development in Hebbal adjacent to the sold-out Embassy Lake Terraces in Bengaluru, and
- Embassy Serenity, a 111-unit managed residences in Alibaug for which RERA approval has just come in this month.

Combined with the existing unsold inventory across ongoing projects, as Aditya also stated, we remain optimistic about achieving our FY '26 pre-sale guidance of Rs. 5,000 crores. Collectively, these projects provide strong visibility on execution continuity beyond the launches already completed.

Mumbai represents an important next phase of growth for Embassy Developments. We recently announced an entry into the Mumbai metropolitan region with the Mumbai campaign in early January. Many of you would have seen billboards across the city. The three initial residential projects across Worli, Juhu, and Alibaug represent a combined gross development value of over Rs. 12,000 crores and a planned investment of approximately Rs. 4,500 crores. These will be our first residential

developments under the Embassy brand in Mumbai. Our approach to Mumbai has been deliberate and execution-led, with an immense amount of attention being paid to design a hallmark feature that customers in Bengaluru have known Embassy for. Mumbai is also being approached as a credibility-driven expansion than a volume-led market.

During the period, we achieved several important regulatory and execution milestones, including the occupancy certificate for 239 apartments at Serene Amara, a senior living project in Bengaluru developed through a joint venture with Columbia Pacific Communities. A key area of focus for us is free cash flow generation and surplus visibility.

Across launched, upcoming, and planned projects, the company has an estimated project surplus of approximately Rs. 28,000 crores, it represents a net operational cash margin of 47% based on our management estimates. This surplus is distributed across OC and ongoing projects, new launches in FY '26 and planned launches in FY '27 and '28. This level of cash flow visibility underpins our ability to fund construction, service debt, and pursue growth while maintaining balance sheet discipline.

With that, I will hand over the call to Mr. Rajesh Kaimal, our CFO and Executive Director, who will take you through the financial performance, capital structure, and liquidity position of the company. Thank you.

Rajesh Kaimal:

Thank you, Sachin. I am pleased to walk you through our financial performance, liquidity position, and fundraise.

Revenue and profitability.

Total income for nine-month FY '26 is Rs. 1,495 crores and Q3 stood at Rs. 264 crores.

Gross profit for nine-month FY '26 is Rs. 254 crores and EBITDA for the same period is negative Rs. 107 crores.

This loss is due to higher cost of goods sold on two legacy Indiabulls real estate projects, Vizag and Thane Phase 1, and advance CAM (Common Area

Management') payments currently absorbed by the company, which we expect to taper over calendar year 2026.

While the EBITDA impact is visible this quarter, our new launches are being executed at strong net surplus margins, and as the mix shifts towards new generation projects, we expect profitability to strengthen meaningfully.

Collection and construction -

For nine-month FY '26, our collection stood at Rs. 1,096 crores and Q3 collection stood at Rs. 414 crores, representing a strong 15% quarter-on-quarter growth.

For nine-month FY '26, construction spends totals Rs. 868 crores, a clear reflection of our strong execution cadence and maintaining a healthy spend-to-collection ratio of 79%.

Fundraise and liquidity -

We have closed Q3 FY '26 with Rs. 670 crores in cash and bank balance. Net institutional debt stood at approximately Rs. 3,000 crores, translating to a 0.29X net debt-to-equity ratio. There is an additional Rs. 1,058 crores of shareholder debt outstanding as on December 31, 2025.

Net institutional funds raised through debt in the last nine months of FY '26 is Rs. 880 crores and our liquidity position remains comfortable, supporting both construction activity and upcoming launches.

This funding approach reflects our strategy of raising capital in line with execution needs while preserving balance sheet flexibility and maintaining financial discipline. In summary, the quarter reflects strong operating momentum, disciplined capital allocation and a robust balance sheet. We remain focused on sustaining cash flows, supporting project execution and maintaining financial prudence as we scale this business.

With that, we would be happy to take your questions.

- Moderator:** Thank you. Ladies and gentlemen, we will now begin the question and answer session. We take the first question from the line of Niteen S Dharmawat from Auram Capital. Please go ahead.
- Niteen S Dharmawat:** Yes, thank you for the opportunity. Sir, what is the inventory of unsold projects and OC-received projects?
- Sachin Shah:** Sure. Aditya, do you want to take that?
- Aditya Virwani:** Yes. So, I would refer you to slide 12 on our investor presentation. Our unsold inventory is roughly Rs. 4,500 crores and our sold receivables is Rs. 4,000 crores. And this is what we consider the first priority of the company is execute, unlock our receivables and sell existing inventory that the company already has.
- Niteen S Dharmawat:** Okay. And on one of the slides, you mentioned about the GDV value of Rs. 24,200 crores. So, this is across all the projects or there are some projects outside this also?
- Aditya Virwani:** So, referring to slide 21, this is all the future pipeline of projects beyond FY '26.
- Niteen S Dharmawat:** So, what is the GDV as of today?
- Aditya Virwani:** So, the total GDV in the company stands at Rs. 52,000 crores.
- Niteen S Dharmawat:** Sorry?
- Aditya Virwani:** The total GDV in the company stands at Rs. 52,000 crores.
- Sachin Shah:** And I would like to add over here that we have not included our second (commercial) phase of Embassy Knowledge Park in this number as well. And our land bank numbers are not in this GDV.
- Niteen S Dharmawat:** Okay. And what were the approximate values of those?
- Sachin Shah:** The reason we did not put them in there is because we are still working through what we develop and doing our planning on it. So, over time, we will

come with what our plan would be and then based on that, we will come up with the GDV number on those assets.

Niteen S Dharmawat: Okay. And what is the total debt at consol level? You mentioned about the gross institutional net institutional debt. So, I wanted to know specifically the debt at consol level?

Rajesh Kaimal: So, the institutional debt stood at Rs. 3,700 crores and that is the institutional debt. Shareholder debt is approximately Rs. 1,100 crores. So, we are looking at a gross total debt at about Rs. 4,700 to Rs. 4,800 crores.

Niteen S Dharmawat: Okay. And what is the plan to reduce the debt? How do we repay the amount? What is the timeline that we are keeping in mind?

Rajesh Kaimal: So, most of these debts are project debts and from the collection, we will be paying this down over the next few years. While the shareholder debt is something that we are talking about, the two main shareholders, which is Blackstone and Embassy Property Developments are holding these debts. We are discussing with Blackstone as to what best to do, whether to convert to equity or what to do with this debt is something that we are still contemplating.

Sachin Shah: Rajesh, I would like to add over here, if you refer to our slide 11, even our next three years projects provide a net surplus of Rs. 21,000 crores, which we will start seeing the cash flow for that over the next two, three or four years. And that itself would be sufficient to cover not only our cost of construction, but also then our debt repayment out here.

Niteen S Dharmawat: Got it. Got it. Thank you so much, sir.

Moderator: Thank you. We take the next question from the line of Rusmik Oza from 9 Rays EquiResearch. Please go ahead.

Rusmik Oza: Thanks for the opportunity. I have three questions. First is on the erstwhile projects of Indiabulls. If you can just give us some ballpark, how much investments you have done to revive or the cost involved to revive the erstwhile Indiabulls projects now? And going forward, when do you feel these

projects or the collections could surpass the cost or probably could generate positive EBITDA from these projects going forward? That is my first question.

Rajesh Kaimal:

Sachin, I will take the construction spend. In the first nine months, we have spent Rs. Rs. roughly about Rs. 200 odd crores for the erstwhile projects of Indiabulls Real Estate and reviving them.

Sachin Shah:

And Rajesh, maybe I can add some color to this as well qualitatively. So just to give you some sense, a lot of the projects were 85% to 90% complete, but were not at the finish line. So what we did was we stepped in over here and just finished the project. There wasn't a lot of construction spend that was necessarily to be done, but the project just had to be finished out here.

So Sky Forest is a good example of that, Indiabulls Blue, Thane Phase 1, Vizag project. They were all kind of 85%, 90% done and we spent, as Rajesh was indicating, Rs. 200 crores to kind of take them to OC stage. They have all received their OCs now. We have delivered these homes and handed over possessions and, in fact, created RWAs and societies also in many of these projects. So that's really the tough work that's happened out here over the last 12 months in terms of getting it to this stage.

And your second part of the question, which was, will we see any upside out here? I think Panvel would be a very good example out here of a project that was stalled for a very long time. So this is Panvel Park. I think when we had stepped in, there were almost only 50 people at the site doing construction work.

Today, there are more than 1,500 construction workers out there and we are expecting our sales price, which originally was Rs. 9,000 to Rs. 10,000, to go up to roughly Rs. 14,000 to Rs. 15,000 out there. So yes, we do expect some amount of additional kind of surplus coming from the existing projects as well, just because of us coming in and stepping in and rebranding these things.

Rusmik Oza:

Okay. Thanks for that. So my second question is regarding the land bank. If you can just give us an update on the 1,400-acre Nasik land bank near Sinnar and plans to actually monetize some parts of that 35 or 70 acres land in

Panvel. I just wanted to understand in the next three years, what kind of cash flows can we generate from monetizing some of these land banks which we own erstwhile?

Sachin Shah:

Right, sure. Maybe, Aditya and Rajesh, I can take this question. So as you know, we've got roughly 1,500 acres in Nasik where we were sent a termination and eviction notice by MIDC. We challenged that in Mumbai High Court, which then referred us to Nasik District Court and in Nasik District Court, we were successful in obtaining a stay against this eviction.

While we are fighting with MIDC legally, we have also tried to – we are working through, talking to them and seeing how we can actually, amicably sort this between us. So those talks have progressed over the last several months. They are continuing to progress. Our neighbor out here was RattanPower India that built a power plant, and now that's been taken over by Mahagenco as well as NDPC.

And so again, I think it's in the government's interest, it's in our interest to try to see if we can amicably settle this between us to then develop this 1,500-odd acres. One of the key factors on this 1,500 acres is also that it's SEZ land. We believe more than SEZ demand out there today, there's demand for small industrial plots.

And so our goal would be to solve with MIDC, get the debonding done with respect to the SEZ, and then basically do a plotted kind of development out here for industrial plots where we're kind of selling wholesale to retail. We've not really sat and worked through kind of what this would yield us, but we do believe, our cost in this project is roughly Rs. 70-odd crores.

We believe, the multiple on this would exceed far more than what we've invested, even though that's been invested over time. So we remain very positive about this 1,500 acres kind of yielding a good net surplus for us because it's plotted and because there is a demand out there for industrial plots.

And with respect to Panvel, we looked at our Panvel portfolio and we realized there are a bunch of land parcels that were not contiguous, while some of them, they had accumulated some amounts but maybe stopped at a certain point. So we're taking a strategic decision out here where certain parcels that we just don't feel today would be valuable to kind of spend more money to, aggregate. We sell those, which will be the non-co-assets, and we...

Moderator: Ladies and gentlemen, we have lost the line of the management. Please stay connected while I reconnect the management. Thank you. Ladies and gentlemen, we have the management line reconnected. Rusmik, if you could please repeat your question for the management. Thank you.

Rusmik Oza: I think Sachin was continuing with the land bank monetization of Panvel. I just wanted to get a sense of that. And if also, in two or three years, if we can get a little ballpark, kind of estimate that how much money can be realized from monetizing this land bank, it will be helpful? Thanks.

Sachin Shah: Hi. So, sorry, I got cut off somewhere. I think you heard my comments about Nasik, right?

Rusmik Oza: Yes, that's right.

Sachin Shah: Yes. So look, Panvel, again, you know, I think the land parcel that we feel that we can aggregate more and make contiguous parcel of land where we can do development is the one that we're keeping. And anything that we think is non-core, if it's non-contiguous, it's small amounts in a certain village, it doesn't have road connectivity.

They had started aggregating these some time ago, but then it stopped doing it. Those would be kind of the non-core land parcels that we look to sell. You know, this won't be a big amount over the next year or so. But I think, again, like Aditya was saying, our focus is, we've already got a huge amount of land bank that's there today that we own, which we are converting into projects, which are long-term projects, planned projects, upcoming projects.

That's really our first focus. Our second focus will be then dealing with these land banks. Besides Nasik.

Rusmik Oza:

Thanks. And my third question relates to the commercial project in Whitefield East Business Park. It's a Rs. 1,100 crore project. I think earlier in the presentation, previous presentation, you all had spoken about tying up with the Embassy REIT, actually, or probably building on own. Can you just throw some light on the timelines and how this is getting funded and how do you.

Aditya Virwani:

Sure. So, Embassy East Business Park is a project that we broke ground on in Q3. We are in excavation stage. The first phase is 2.7 million square feet. And this will represent exactly what Embassy is best known for, which is large-scale institutional commercial assets, these REITable assets.

Yes, you are right. We had a thought about forward purchasing it with Embassy REIT. We have decided now to just build it out. And on completion, the management will take a call whether we feel we should exit this asset to the right buyer, and REITs are very competitive buyers, or should we hold this and build a little bit of annuity in this development company too. This decision has been pushed for much later, given it takes three to four years to build this asset.

Rusmik Oza:

A follow-up question is, you've spoken about building more commercial assets in this company. Can you give a little bit of understanding, going forward, maybe three years down the line, five years down the line, what could be the ratio of residential versus commercial and any plans to enter the commercial side in Bombay also? That's my last question. Thanks.

Aditya Virwani:

Sure. So, today the company would represent roughly an 80%-20% split between residential and commercial. And to be honest with you, given how deep the residential market is, I can see that 80%-20% continuing for the foreseeable future too, maybe 70%-30%, 30% is commercial. And we as Embassy are just focused on trophy-like selective commercial assets.

We don't feel you can build commercial anywhere and everywhere like you could have done once upon a time. We feel now, so post-COVID and during

this whole AI revolution, office has to be very selectively chosen. And if we find the right site and we are looking at many sites, we will definitely double down and back a high conviction thesis and do more commercial.

But right now, we feel Whitefield ticks that bucket of being the right asset, right location, and right size as well to cater to these GCCs. So, we're going to continue building that. And if the right opportunity comes in Mumbai, if it comes in Gurgaon, if it comes in Hyderabad, this is the development company that's going to be building those large-scale assets.

Rusmik Oza: Thanks. I'll come back in the queue for follow-up, if any. Thank you so much.

Moderator: Thank you. We take the next question from the line of Gaurav Khanna from CapGrow Capital Advisors. Please go ahead. Gaurav, please unmute your line and proceed with your question.

Gaurav Khanna: I have some questions. First question is the cash balances are continuously reducing due to operational losses. And the second question is that you have given a guidance of Rs. 5,000 crores, but we have only reached Rs. 2,000 crores in the first nine months?

Sachin Shah: Rajesh, can I have you please take that first question on the cash balance reducing with the losses? I think that's the question he was asking. And then, Aditya, can I have you take the guidance on how from Rs. 2,000 we get to Rs. 5000 by the end of the year?

Rajesh Kaimal: Yes. See, on the losses, this is P&L loss. But if you see the cash balance, that is mostly money deployed in our projects for execution for a new project. What reflects the loss in the P&L is actually historical numbers, which has come for completion, OC, and possession. So, these are historical numbers, nothing to do with the cash balance. Our cash balance is pretty robust.

What we are generating collections, we have roughly Rs. 2,000 crores of cash collection. Sorry, Rs. 1,000 crores of cash collection in the first nine months, and we see that increasing. So, that's not a correct depiction, loss vis-a-vis collection. Collection is pretty robust. Cash balance is pretty robust. And

whatever you see a decrease in cash balance in the current quarter is mainly because of deployment in new projects.

Aditya Virwani:

And to answer your second question on how we reach our guidance of Rs. 5,000 crores, that this company was a little bit heavier on Q3, Q4 going into it, and Q1, Q2 has been muted, given that most of our launches have been Q3 and Q4. And now, as for Q3, we have secured RERA approval on 90% of our projects, roughly launching, by Q4, we would have launched Rs. 19,000 plus crores of GDV. And I think 12,000 of that will basically be in, so we feel confident. We have a really marquee, one in Worli, Embassy Citadel, that's seeing a lot of good traction. We only got RERA approval on 30th of December. But Q4 has been a great quarter for Citadel. We also have one upcoming launch in Bangalore for Sky Terraces, Embassy Sky Terraces. And then, between the launches at Embassy Springs, we've seen much robust demand.

Frankly, not seeing a slowdown in the housing sector, has also gone much higher than our early underwriting. So, we still feel confident. It's two months away. We feel confident that we can hit this 5,000 number.

Gaurav Khanna:

Thank you.

Moderator:

We take the next question from the line of Rohit Chaudhary from Integrity Capital. Please go ahead.

Rohit Chaudhary:

Yes, hi. I have a question. Beyond the Canara Bank fiasco, do you see any other legacy issues that could come out to haunt us in the future? Have you done an evaluation on that front?

Aditya Virwani:

Sachin, maybe you can take it just by explaining what you and the management did in the interim of the merger process, and then I'll just add on to that.

Sachin Shah:

Sure. So, I think the key over here is while the merger got over last year in January, the two years before that, I stepped in to start cleaning up the company. And we spent a lot of time cleaning up the balance sheet, which

has been completed, doing a change of guard of senior management, instilling HR policies.

We had an independent Board that was running and looking after the company while the merger was being completed. So, a lot of the cleanup, including litigations and legal issues, had been taken care of. In our mind, it wasn't even a corporate guarantee. It was an obligation to fund, which had been fulfilled by the borrower itself.

So, it should not have come on to us. But it's something that did happen, and it got us unaware. We actually believe that we have a pretty good understanding of the combined company, the erstwhile Indiabulls as well. And we don't expect really anything new. We do have certain kind of ongoing NSE kind of discussions going on with respect to certain past things. So, there's nothing new that's out there today that we feel can, again, create surprises. And we feel we're in pretty good shape out here.

So, Aditya, with that, I'll hand it over to you to give your thoughts on this.

Aditya Virwani:

Yes, I think you answered it pretty well. So, I feel, we feel pretty comfortable about the way ahead. And most of the legacy issues are behind us. It took a little bit of teething issues for us to get to this stage. And we intentionally didn't start our earnings call for those reasons. But we now feel really comfortable that the company is comfortably in third gear, moving into fourth gear.

And we actually feel that the next FY '27 is going to be a very exciting year for the company because we have so much pipeline of these launches that we have for FY '26, as well as a great pipeline for the next year too. And we can now build on this story and catch up to where Embassy deserves to be.

Rohit Chaudhary:

Thank you so much. I have one more follow-up question. Beyond 2030, so I see a lot of these projects getting executed over the next three to four years. What would be our strategy beyond 2030 to how we use our cash that comes in? Do we go for an asset-light model or an asset-heavy model, if you have any thoughts on that?

Aditya Virwani:

Yes, so maybe I can take that. Look, for the next three years, it's very clear that we have a lot of raw material to execute on. And whatever we do on the business development side is going to be very, very selective, especially at this time of the housing cycle, where we see land prices inflated and we see a plateauing on selling price. And this is quite normal in any cycle that we've seen in the past too.

So in a sense, we're quite happy that we're not having surplus liquidity to go out there and buy lands. We don't feel that's the right strategy as a company, but we're being very selective. We did one JD in Whitefield. It's a residential JD. We love those type of margins. We put in Rs. 50 crores as the deposit. We'll put in another Rs. 20 crores of working capital, and we can see Rs. 450 plus crores of surplus back to the company. So that is a high IRR deal that we like.

We definitely want to do more of those, probably a little bit more asset light in the early days. But as we go on and as we build enough surplus, we want to actually unlock our land bank. That's one. And two, we want to go high conviction, buy lands where we can have a higher margin, play bigger games, create city style developments, create large scale office type of developments.

That's the eventual plan post 2030, is to do more ourselves. But I think up until then, we'll be more selective, more asset light and focus on just making our brand known in these new markets. In Mumbai, we have two small projects in NCR. We consider them a pilot into NCR. We're building out a team there. It seems like the most obvious market to go deeper into after Mumbai. But right now, we have a great halo effect in Bangalore. We want to build on that. We want to take that into Mumbai, go deep into Mumbai with the right projects.

We don't want to be desperate for any redevelopment. We feel the margins that too thin. At the same time, we're very relevant. We're in pretty much most deals being relevant and seeing if there's a play there for us. But I think we're going to take it step by step and not rush into it, especially at this time of the housing cycle.

Rohit Chaudhary: Thank you so much, Aditya. Best of luck.

Moderator: Thank you. We take the next question from the line of Siddhartha Barman from Sagun Capital. Please go ahead.

Siddhartha Barman: Hi, very good afternoon. So most of my questions were already answered. It just asks you, on EBITDA level, we are not profitable. Is it because of the pricing pressure of the market or any demand supply mismatch in the project locations or anything?

Sachin Shah: Sure. Rajesh, would you want to take this? And maybe I can add to it if needed.

Rajesh Kaimal: So as I said, the EBITDA margin that you're seeing in the P&L today, these are historical projects which have been completed, OC received, and now started handing over to customers. Or some of them are OC received and we are doing the balance sell-out. So this is not depictive of the projects that are ongoing now and what we have launched in the last two quarters.

So I would say that all our current projects are good projects with high cash margins, excess of 45%, 47% to 60% kind of cash margins. We are seeing good robust sales in all our projects, especially Bombay and Bangalore. Sachin, if you want to add to that.

Sachin Shah: Yes, I think you said it correctly. I think what you're seeing today as our EBITDA is reflected from our revenue number of Rs. 1,386 crores for the nine months. But when you kind of break down a cost of goods sold over there, the main bulk of it is coming from One Indiabulls, Thane and Vizag.

And then, you know, completion of certain Golf City, Enigma, Indiabulls Blu projects. These projects have been in the pipeline for the last 10 years. They've just received their OC. So what's happened is the revenue was clocked several years ago in terms of the pre-sales number, in terms of the price per square foot. And the cost to complete, because it dragged on for so long, went on for 10 years. And finally, when the OC comes in, it gets taken into our P&L.

So I don't think our EBITDA is reflective of what the company is doing today. The net cash surplus margins that we're generating on the projects today and how we're looking at getting cash surplus in the system over the next kind of two or three years, which will then obviously help us grow the business even more. So I think there's a big difference in kind of what EBITDA is reflecting versus where the company is operationally today.

Siddhartha Barman: Okay, sir, understood. And one more thing, what is the average ticket size of our residential projects? And also the average ticket size of residential projects, specifically in Mumbai locations? What kind of ticket size we're looking for?

Sachin Shah: Look, I think that's a very tough question to answer, because it's a micro market specific answer on what our price per square foot will be. But what will be in Thane will be very different than what will be in Worli versus what will be in Alibaug. So I think it's really dependent on the project and the location.

I think it's tough to average it out across projects. That might not be the right way of looking at it.

Siddhartha Barman: Okay. Thank you, sir. That's all from me.

Moderator: Thank you. We take the next question from the line of Roshan from Inven Capital Fund. Please go ahead.

Roshan: Hello, good morning. I just wanted to ask two questions. First is, when will the balance sheet show profitability? Because main investors look for profit, like from the last three to four quarters, it's in loss. And second is, why was the revenue hit by 50% this quarter?

Sachin Shah: Rajesh, would you like to take this?

Rajesh Kaimal: Yes. So because we are now closing out all the legacy projects, the balance sheet profit will take at least four to six quarters to show on the P&L. And as far as revenue is concerned, as I earlier said, we have limited number of projects. Most of our projects are OC received now. And what we are doing booking

now is the balance sales that we are clocking and we are recognizing the revenue and EBITDA.

So some of these new projects when it comes for OC is when you will see the revenue in the P&L going up. But you can progressively see pre-sales and collection accelerating at a much faster pace as what you would see in the P&L.

Roshan: And one more thing, which Whitefield project, one of the CEOs had spoken about, that Rs. 70 crores investment and a surplus of Rs. 400 crores, when will that come into the sheet or when will the project be completed?

Aditya Virwani: Yes, I'll take that. So we closed that JD in September or October of last year, and we're going to launch it in Q3 of FY '27.

Roshan: Okay. That's a good thing. I'm just looking for some profitability numbers too. Thank you.

Rajesh Kaimal: So Roshan, just to reiterate, while profitability in the P&L will be a little different, but the embedded EBITDA and profit in each of these projects has already started. So you can see the cash flow is something that will be relevant over here. You can see good collections, good pre-sale, good collection, and a good cash margin that we will be clocking every quarter starting from now. I think that will be a good benchmark for you to follow, as compared to the P&L revenue and profit.

Aditya Virwani: And I guess, Roshan, if I could add to that, the way to look at it is any Embassy project that we have brought in, once we get OCs on those projects, it will hit the top and bottom line. The erstwhile Indiabulls projects like Visakhapatnam, for example, or any of the old legacy projects, because of the mismanagement, is hurting and reflecting today.

So what's reflecting today is actually the sins of the last few years. And it's going to take some time, naturally, while Rajesh Kaimal had said four, six quarters, it could even take a little bit longer as more OCs of the Embassy projects come in and take care of that number.

So yes, unfortunately, headlines might not be great, but we are just focusing on pre-sales, on collections, on just basic business principles, and hoping that real estate investors who understand how accounting works will be able to see through this and understand. But frankly, there's not much that the management can do to remedy this in the short term.

Roshan: Okay, understood. I got it. I got your point.

Moderator: Thank you. We take the next question from the line of Kevin Gandhi from Capgrow Capital Advisors. Please go ahead.

Kevin Gandhi: Sir, I had a couple of questions. So basically, I actually missed out on the point of your comment on the Nasik and the Panvel projects. So can you just please repeat, what is the plan's land parcels?

Sachin Shah: So look, Nasik is roughly 1,500 odd acres, and our plan is to figure out how to amicably reach a resolution with MIDC and the government to solve this, right? Can you hear me?

Rajesh Kaimal: I think we can hear you, Sachin, but I think Kevin's line is a little bad.

Moderator: Kevin has left the question queue, sir. We'll move on to the next question which is from the line of Amish Kanani from Knowise Investment Managers. Please go ahead.

Amish Kanani: Yes. Hi, sir. Congratulations on a successful integration of the company. And also, congratulations on continuously updating the investors, at least through the presentations that we have been seeing all these quarters. And also, again, congratulations on starting the conference so that we get the clarity on the company's progress. I have two questions, sir.

One, Worli project, we had seen through press release that we had received RERA. But it's such a large project and such a marquee, maybe evaluation, maybe launch price of between Rs. 80,000 to a lakh of rupees. What is holding the launch, if at all, or is it a soft launch? And maybe we'll announce the collection in due course of time. So, one specific to Worli, if you can give us some update of where are we and when will we launch a soft launch?

And is it a typical MOU type of sales that Godrej Group does in Mumbai? And, sir, we have a medium term GDV and pre-sales target versus pre-sales and GDV target for this year. If you can give us some early indication, if possible, what kind of GDV or pre-sales is possible in FY '27? Or should we deduct the three-year target minus this year's target and deduce something on FY '27?

Sachin Shah:

Let me maybe take a cut in, Aditya, you can step in. So, look, I think, with respect to the Bombay launch, we were just waiting for RERA approval, which came, as Aditya was saying, on December 30th of last quarter. And so, in January, we started our Mumbai campaign. You should be seeing our hoardings all across the city.

And so, Mumbai pre-sales have started for the project. And in due course, we will come out with kind of what numbers look like for this quarter with respect to Citadel sales. So, I think that was your one question on Citadel. With respect to FY '27, we will be coming out with guidance in around the March time frame, March or April time frame for the second year of our three-year kind of guidance that we had. So, give us a few months and maybe we will come out with guidance. But it's looking strong for FY '27.

In FY '26, in terms of GDV, we've hit Rs. 19,000 crores across several projects. And we are still confident even though we've hit Rs. 2,000 crores of pre-sales in the first three quarters. If you just look at our numbers, the first six months, we were at Rs. 600 crores. Then now we are at Rs. 2,000 crores. And we think we can get that Rs. 2,000 crores up to Rs. 5,000 crores by the end of March 31st.

So, we're sticking to our guidance. We have a plan in place. And we are trying to execute on that over the next kind of 60-odd days or so.

Amish Kanani:

Yes. And, sir, on the debt side, how comfortable we are with this kind of debt? What kind of construction needs that we have? I understand you said the surplus that we'll be generating is enough to repay the debt. But the question is, one, what is the current cost of capital? If at all, what is the range of costs

that we are facing? Because at least on paper, it's a company which is undergoing through a so-called bankruptcy process?

I know we are fighting in the court. But one, cost of capital. And in that context, there was a reference that shareholder debt is also there, which we were wondering whether we should convert. So, if you can give some color there, what are the current thoughts, if at all?

Sachin Shah:

Sure, Rajesh, would you like to take this?

Rajesh Kaimal:

Yes. So, yes, thank you for your compliment. And on the debt side, we have sufficient funds for executing our current launch projects. Some of the projects which are coming up for launch in the next financial year, we will be raising some construction finance for those particular projects.

The current cost of capital is a little high because we are in the cycle where we are launching projects. And we see that over the next four to six quarters, we'll bring down the cost of debt progressively. Today, the average cost of debt is around 14%. And some of the new construction finance that we are raising today is sub 9%.

And that's the indication that in the in-principle term sheet that we have got from many of the lenders whom we are talking to is sub 9%. So, some of these debts are historical in nature and we will pay them down over the next few quarters. Bring down this – our endeavor is to bring down this cost of capital from the current 14% to the 10% kind of range over the next year or so. It might take a little longer than that, but it will progressively come down.

Amish Kanani:

Sure. And so, one last question on this. You know, I hope our bankers understand the cases, not so much, this more hindrance and irritant on the whole thing, given the scale of operation of our company and surplus that we will generate. I hope bankers are not getting – bankers are, you know, giving us a normal treatment. They are not scared the way, say, maybe equity market investors are because of whatever reasons.

Rajesh Kaimal: Absolutely, you are right. And we have engaged with the bankers right from December 12th, the next day of our NCLAT stay. We have engaged with our bankers on a regular basis and happy to say that all the bankers understand this is a very bizarre kind of a judgment where the first corporate guarantor was discharged and five minutes later, we were included.

They completely understand we have a strong legal case in our favor. And they have been very supportive of us and as you can see, none of them have called back their loans or even issued a letter to us. They have only taken clarifications from us and they are very, very confident of us getting out.

And we have not even received a kind of adverse remark or a letter from any of our bankers today. We have, in fact, speaking to bankers on the next phase of capital raise for like, for example, Embassy East Business Park, which we have launched today. We are trying to raise construction finance from Bank of Baroda, SBI.

They are not even concerned about all these things. They know that we have a pretty strong case. Our balance sheet is very strong. And these are the banks who are talking to us that construction finance of 9%.

Sachin Shah: And I just want to add, even the rating agencies have not downgraded us. They've understood this situation. You met them, so I think people understand what's happened out here.

Amish Kanani: Sure. Thanks a lot. And all the best.

Moderator: Thank you. We take the next question from the line of Deepak Purswani from SVAN Investments. Please go ahead.

Deepak Purswani: Yes. Hi. Good afternoon, sir. And thank you for taking my question. So just wanted to get your perspective on two things. Firstly, from the next three-year perspective, we have given the pre-sales and collection. If you can also get a broader sense in terms of the construction, as well as the approval budget, as well as the media activity, which we are looking at from the next three-year perspective, which can give us a sense in terms of the net cash flows?

And second part of the question is, in terms of the launch pipeline, which we have indicated, I mean, significant one in the near term appears to be the Embassy Citadel, which is in Worli itself. So if you can get a broader sense, what, I mean, how has been -- how has been we are assessing the market? Because from the market perspective in general, there are large developers also come up with the significant project pipeline in this area. So what would be our sales strategy there? And how has been our assessment in terms of the sales response in this macro market?

Sachin Shah:

Sure. Aditya, do you want to take the first part of the question? Or even the second part with respect to pricing strategy for Citadel?

Aditya Virwani:

Well, let me take the second question first. So look, yes, we know that there's a lot of supply in Worli. We have intentionally positioned ourselves quite differently. From a ticket size point of view, from a product itself, we are not a full flow plate. We are not, and by the way, we are not launching at one lakh square foot. We're way more competitive than what's out there in the market. Also, our starting ticket sizes, units started also 1,800 square feet.

So I think this positions us quite uniquely because yes, we're a luxury developer. Yes, the Mumbai home buyer might take some time to understand the Embassy brand. And the early days, we will be a little bit more generous with our selling strategy.

But as the show suite is ready, which is going to be ready in April, May, we will do a little bit of pre-sales now that we have RERA from now until April, clock some numbers, some good numbers, and then we feel this brand can really get its premium and we can really showcase the product. So this is our strategy.

We're very aware about the market and what's happening there. There are some developers who are asking a much higher price than what we are going out in the market. And I feel that's where we can be a little bit unique with our offering.

Also, on the cash margin for Citadel, sorry, was your question on Citadel specifically or?

Deepak Purswani: So if you can also give the broader sense for the cash flow profile from the next three-year perspective, the way we have mentioned about the pre-sales and collection, if you can also give a sense on what would be your approval cost budget and construction cost budget and what is the kind of new BD budget we are looking at from the next three-year perspective.

Aditya Virwani: Got it. So for all the FY '26 launches, we have secured all our approval funding from the debt that we raised from Kotak and enough money to working capital to even pass through RERA and initial sales period. For FY '27, if you look at some of our projects that we have lined up for next year, a lot of them are also in Embassy Springs, which is an established township, where we already have the DP, we have the master plan approvals.

We are unlocking lands there where we don't need a whole lot of working capital to do so. The other one would be Embassy Knowledge Park, another large land where we've already secured building plan on. So we actually feel that we are in a unique situation where we don't need too much more approval money going forward.

It was all done when we did this raise and it was a one-and-done exercise where, yes, it's an inverted U-curve chart in the sense debt will go up, has gone up slightly for us to execute this. Maybe a few projects will top up a little bit, but everyone will see the company graduate to a lower cost of capital and a much lower debt base as well over time.

So I don't have an exact number for you, but feel comfortable that it's not a whole lot of money needed to launch even the future projects for next year.

Deepak Purswani: Okay, thank you.

Sachin Shah: I think your slide 11 talks about the launches for the next year, what the cost to complete is and what the net surplus we expect to make from it in our investor deck.

Deepak Purswani: Okay, thank you and wish you all the best.

Moderator: Thank you. All right, sir. We take the next question from the line of Varun Dujari from Vinayak Udyog. Please go ahead.

Varun Dujari: Good afternoon to you, sir. Sir, actually, basically, I wanted to ask whether -- Actually, I've been answered in my -- Actually, the question has been raised earlier, but I would put it differently. Sir, when can we turn 11%-12% ROE positive company? Till when we can turn ROE 11%-12%?

Sachin Shah: Yes, I think, Look, it's an interesting question you're asking about return on equity. Look, I think firstly, it's very important to note that this is a merger of two companies that have come together, where during the merger itself, there was reverse merger accounting that took place. There were assets that were fair market valued with respect to when the combination took place.

And today, what you're seeing is actually at least from a P&L perspective, you're seeing a PAT number that reflects projects that have been in the system for the last several years that have finally received its OC.

I think we will have to wait for this next cycle of assets that we are developing today to be completed, reach OC, and that's when you'll start seeing kind of actually probably even maybe a higher ROE, but it'll be from this next set of projects that will take the next kind of two, three years to kind of get finished, completed, develop cash surplus to come out of it, and then obviously a PAT number to be reflected based on that as well.

I think it's tough to project when exactly it would happen, but I think we're moving in the right direction out here with respect to completing the problems that we had in the company, in the merger entity, putting that behind us, and then focusing on what we have today, which is our land bank, developing that, and kind of growth out there over the next several years.

Aditya and Rajesh, please feel free to add to this.

Rajesh Kaimal: So you covered it Sachin, well. I think that's... I don't know, Varun, if you have any further questions on this?

Varun Dujari: Sir, wouldn't it be right to assume that for another year or half, we shall be loss-making company, at least from the profit and loss account sense?

Rajesh Kaimal: Yes, we will be PAT negative for the next six or quarters, but cash flow will be cash flow profitable. You can see that from the cash flow.

Varun Dujari: Okay. And sir, regarding the land parcel in the Panvel, where we have huge land parcels, so when do we plan to develop the project in the Panvel, sir, where we have a large land parcel?

Aditya Virwani: Varun, maybe I can take that. yes, the company does have a significant amount of land in the whole Panvel-Raigad region, which is quite exciting. But if I have to be honest, from a timing point of view, we don't see this as a number one priority. We see the number one priority, unlocking the existing receivables and selling the unsold inventory.

We see priority number two, launching the projects that can be launched very quickly, which included Citadel, which includes all the Embassy Springs projects and all the pipeline that we have for FY '26 and '27. The lands that we have are lands that can be aggregated, completed, because they might not be complete parcels today. They need conversions. These take a lot of time in real estate and something that's not very predictable.

So we intentionally wanted to keep it out of the GDV, because when the company has surplus money that we can address all of these lands with, and when we can bake the cake a little bit more and have more predictable timing and sense planning on what the projects can do, that's when we'll bring this to the market.

But frankly, it is a priority number three for the company. It's not something that we're focusing a lot of our energy on. In fact, we are more keen on deals out there, third-party deals that we can do, like the Whitefield one I explained, where within 12 months we should be able to launch. And that really, I feel, is the art of this business, is how fast can you move from land to launch.

And we are going to demonstrate that with the Whitefield launch. It will be the first new project. I think we will generate a huge IRR there. And those are the type of deals we want to do. And then when the company generates surplus after paying construction, after deleveraging, and we have further cash flow to deploy, then I feel it is the right time to address the land banks that we have, except for Nasik.

Nasik is an outlier, large piece, 1,500 acres. That is something of top priority that the management is addressing immediately.

Varun Dujari: Aditya, aren't you worried? The promoter's pledge is down about 50% and the prices of the shares are under heavy pressure.

Aditya Virwani: I'm not too worried, to be honest, Varun, because from a promoter's side, we have enough assets backing the loans that we have. We have quite a unique structure where we have three listed entities. We have our REIT, we have WeWork, and we have the development company. And this is where we see the most value creation.

So we feel comfortable that over time the family can pay down its shareholding loan. And that is the idea of the family is to eventually, over the next couple of years, get to a place where we pay down that shareholder loan.

Varun Dujari: That would be all, sir. Thanks a lot.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, we take that as the last question and conclude the question and answer session. I now hand over the conference to the management for their closing comments.

Aditya Virwani: Thank you for your time and joining us today. We appreciate your continued interest in Embassy Developments Limited. Should you have any further questions or require additional information, please feel free to reach out to us or to SGA, our Investor Relations Advisor, who will be happy to assist you. Thank you all and have a good day.

Moderator:

Thank you. On behalf of Embassy Developments Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.