

18th February, 2026

BSE Limited
Listing Dept. / Dept. of Corporate Services,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

National Stock Exchange of India Ltd.
Listing Dept., Exchange Plaza, 5th Floor,
Plot No. C/1, G. Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai - 400 051.

Security Code : 539301

Security ID : ARVSMART

Symbol : ARVSMART

Dear Sir / Madam,

Sub: Transcript of conference call with Analysts / Investors.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are attaching herewith transcript of the conference call with analysts / investors held on Wednesday, 11th February, 2026, at 12:30 PM IST, to discuss Q3 & 9M FY26 Results of the Company.

The same is being uploaded on the website of the Company.

Thanking you,

Yours faithfully,

For Arvind SmartSpaces Limited

Prakash Makwana
Company Secretary

Encl.: As above

#DESIGNEDTOINSPIRE

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Arvind SmartSpaces Limited

Q3 FY26 Earnings Conference Call

February 11, 2026

Moderator:

Ladies and gentlemen, good day and welcome to the Arvind SmartSpaces Limited Q3 and 9M FY26 Post-Results Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing '*' then '0' on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amit Sharma from Adfactors. Thank you and over to you, sir.

Amit Sharma:

Thank you, Mark. Good afternoon, everyone, and thank you for joining us on the Q3 and 9M FY26 Results Conference Call of Arvind SmartSpaces Limited. Today on the call, we have with us Mr. Kulin Lalbhai, Chairman, Mr. Kamal Singal, Whole-Time Director, Strategy and Investments, Mr. Priyansh Kapoor, Managing Director and CEO, Mr. Amit Chamaria, Chief Financial Officer, and Mr. Vikram Rajput, Head Business Development, MMR and Investor Relations.

Please note that a copy of the disclosures is available on the investor sections of the website of Arvind SmartSpaces Limited as well as on the stock exchanges. Please do note that anything said on this call that reflects the outlook towards the future should be construed as a forward-looking statement and must be reviewed in conjunction with the risks that the company possesses.

I would now like to hand over the call to Mr. Kulin Lalbhai for his opening remarks. Thank you and over to you, sir.

Kulin Lalbhai:

Thank you. Good afternoon and a very warm welcome to everyone present on this call. Thank you for joining us today to discuss the operating and financial performance of Arvind SmartSpaces for the quarter ended December 31, 2025.

From a broader perspective, the residential real estate sector remains on a strong and well-balanced footing as we look ahead into 2026. Demand continues to be predominantly end-user driven, supported by favourable structural factors such as urbanization, rising disposable income and lifestyle-led upgrades. Inventory levels across key markets remain healthy and new supply continues to be calibrated, reflecting a more disciplined and mature market environment.

I am pleased to share that the strategic initiatives we put into motion are now beginning to show tangible results. Over the past few quarters, our focus has been on strengthening the organization, enhancing our leadership depth, decentralizing execution and building sharper accountability at the city level. We are encouraged by the early benefit of these efforts reflected in improved execution momentum, a stronger project pipeline and increasing organizational readiness to scale. Importantly, we believe these initiatives will continue to deliver incremental benefits as we move forward.

I would now like to address an important leadership transition at Arvind SmartSpaces. After successfully leading the company through a phase of significant growth and consolidation, Kamal Bhai will be stepping down from his role as Managing Director and taking over a broader role in the group. For over 15 years, his name has been synonymous with this company. I remember the early days in 2008 when ASL was just a budding vision, which has now become one of the most exciting platforms in the real estate space under his able leadership. The defining moment was the pivotal demerger in 2015 when he steered ASL into becoming a standalone listed company with its own identity and purpose. It was a move that reshaped our future. By carrying forward the 128-year-old Lalbhai legacy of integrity, ASL has not only built projects, but a pan-India brand anchored in trust, quality and values. From our roots in Ahmedabad to our growing presence in Bengaluru and MMR, Kamal Bhai has scaled ASL with strategic clarity and deep personal commitment. While he steps away from his role of Managing Director, it is deeply reassuring that we will continue to benefit from his wisdom and guidance as Whole-Time

Director overseeing strategy and investments. He will also work on a broader Group-level mandate with the promoters.

As we look ahead, I am very excited to announce that Priyansh Kapoor will be taking over as our new Managing Director. With his proven execution capabilities, extensive experience and deep understanding of the real estate business, he will build on this strong foundation and will further scale the company to the next orbit in coming years. In a short period of time, he has settled in wonderfully into our culture and has worked to bring a new momentum to our growth strategy.

With this, I would now like to invite Kamal Bhai to share a few thoughts on his journey at Arvind SmartSpaces and his perspective as we move to the next phase. Kamal Bhai, over to you.

Kamal Singal:

Thank you, Kulin Bhai and good afternoon everyone. Sitting here today along with this team, it feels like just yesterday that we were sitting in a small room dreaming of what a real estate company born out of Arvind DNA could look like. It is with a heart full of memories and a deep sense of fulfilment that I stepped down as Managing Director. Reflecting on this 15 years journey, it is deeply humbling to see how far we have come. What began as a modest extension of Arvind Limited gradually evolved into a distinct identity shaped by purpose, resilience, and conviction. The demerger was not merely a structural decision; it was a defining leap that tested our resolve that ultimately validated our belief that Lalbhai's legacy of integrity could flourish into the real estate sector. Watching ASL grow from those early foundations into a nationally respected platform has been the most fulfilling chapter of my professional life. As ASL is poised for a promising future, I look forward with enthusiasm to contribute at the Board level, working closely with Kulin and Priyansh. As I transition into the role of Whole-Time Director, Strategy and Investments, I do so with complete confidence and peace of mind knowing that ASL is in exceptional hands. Priyansh brings with him a sharp strategic insight, contemporary leadership, and a clear vision for the future. In passing on this responsibility, I am not merely handing over an organization but entrusting a culture built on excellence, discipline, and deeply held values. I am certain that under his leadership, ASL will scale greater heights while remaining firmly anchored into the principles that define Arvind's ethos.

To the entire team, thank you for every brick that we laid together. The legacy is in safe hands and I'm sure that the best is yet to come. Thank you and over to you Priyansh.

Priyansh Kapoor:

Thank you Kamal Bhai. Good afternoon to everyone present on the call. Thank you to Kulin and Kamal Ji and the entire Board for the trust that you placed in me. Over the past six months as Whole-Time director and CEO, I have had the opportunity to work closely with the Board and the leadership team and have gained deep understanding of the Group's brand and legacy, the company's strength and the opportunities that are ahead of us. As I assume the new role, my focus continues to be on building a strong project pipeline, strengthening our execution capabilities so that we can delight our customers. I continue to remain committed to build a strong foundation laid by Kamal Ji and the team, driving sustainable and long-term growth for all stakeholders.

Coming to the performance, I am pleased to share that we have carried the momentum from the first half of the year into Q3. We have reported our highest ever 9M bookings and collections this year. 9M bookings improved by 5% YoY to Rs. 938 crore. Sales momentum during the quarter remained healthy, with bookings of Rs. 331 crore, a growth of 48% on a YoY basis. A notable highlight of the quarter was the continued traction in sustenance sales across several of our projects. This is in line with what was communicated during the last concall, about our focus on driving sustenance performance. This reinforces our ability to maintain sales velocity well beyond the launch phase and reflects sustained customer confidence in our pricing, product quality and delivery capabilities. Sustenance sales are increasingly becoming a meaningful contributor to overall bookings, which adds stability and predictability to our cash flows.

We reported our highest ever 9M Collections in FY26 amounting to Rs. 744 Cr, up 2% on a YoY basis, reflecting strong cash conversion and disciplined follow through on receivables. Quarterly Collections were also the highest ever during Q3, increased by 38% YoY to Rs. 317 crore.

On the business development front, we continue to expand our portfolio in a calibrated and selective manner, aligned with our focus on high-quality micro-markets and disciplined capital deployment. Our cumulative new business

development topline potential for the year stands at ~Rs. 2,510 Cr, which includes two new projects in Bengaluru, and one each in Ahmedabad and Vadodara. In Q3, we added a residential high-rise project in Vastrapur, Ahmedabad with a top-line potential of ~Rs. 400 Cr and saleable area of 3.6 lakh sq. ft. In Q3, we also added a premium residential high-rise project in Nallurahalli area of Whitefield, Bengaluru with a top-line potential of ~Rs. 550 Cr and saleable area of ~4.6 lakh sq. ft. Very recently in Jan 2026, we added a premium residential high-rise project in Sarjapur, Bengaluru with a top-line potential of ~Rs. 860 Cr and saleable area of ~6.8 lakh sq. ft. All of these projects have augmented our vertical development portfolio. Our business development pipeline remains robust, and we are actively evaluating multiple opportunities across our core markets of Gujarat, Bangalore and MMR.

Now moving from operational updates to the financial highlights, in 9M we have reported revenue of Rs. 409 crore as against Rs. 550 crore last year. 9M EBITDA stood at Rs. 100 crore as against Rs. 152 crore last year. And PAT amounted to Rs. 59 crore as against Rs. 97 crore last year.

In Q3 we reported a revenue of Rs. 166 crore as against Rs. 210 crore last year; while on sequential basis it grew 16%. Q3 EBITDA stood at Rs. 44 crore as against Rs. 60 crore last year, and an increase of 30% QoQ. PAT for the quarter amounted to Rs. 29 crore as against Rs. 50 crore last year, and a growth of 38% QoQ.

Our balance sheet position remains very strong despite expanding operations, with a net debt Rs. 79 crore as on Dec 31, 2025. A crucial parameter in real estate reflecting the underlying business performance quite well is the operating cash flows. Operating cash flows during the quarter and nine-month period remained robust, underscoring the strength of our business model, the quality of our project portfolio and execution. I would like to highlight that quarterly operating cash flows were the highest ever. Operating cash flows in Q3 amounted to Rs. 169 crore, a 128% YoY growth and for 9M it amounted to Rs. 321 crore, a 16% YoY growth. We estimate an unrealized operating cash flow exceeding Rs. 4,581 crore coming from the current pipeline of projects. This is expected to realise within 4-5 years.

Looking ahead, the residential real estate market remains on a strong and balanced footing. We are steering Arvind SmartSpaces toward an era of unprecedented scale, yet our 'DNA' remains uncompromisingly rooted in high capital efficiency and robust cash flow generation. We will continue to deliver the "Arvind experience" to our customers while maintaining the financial discipline that creates long-term value for our shareholders. As we look toward the final quarter of FY26, we look forward to launching our projects across our targeted markets and end the year on a strong note. Thank you. We can now open the floor for questions and answers session.

Moderator: Thank you very much. We will not begin the question and answer session. The first question is from the line of Eesha from Axis Securities.

Eesha: Good morning and thank you for the opportunity. The first question would be, can I just know what is the GDV of the launches in 9 months FY26 and what is the kind of sales at launch proportion that we are seeing on these launches?

Priyansh Kapoor: Eesha, so far, among the new launches that we have done, we did Everland, as you know, which was launched actually in Quarter 2, so that was about Rs. 500 crores of inventory. And so far in 9 months, we have had about Rs. 450 crores odd of sales. If you see, we launched Everland and in 3 months we have been able to sell 90% of the inventory in that project. Other than that, all our other launches are actually now lumped in this Quarter 4. So, what we are looking forward to is now launching our Baroda project and we have also got approvals in Quarter 4. In the month of January, we got approvals for Orchards Phase 2. So, we are working on launching Baroda, Orchards Phase 2 and we are also at an advanced stage of approvals for our industrial project which is coming up in Ahmedabad, and we continue to work on the Bangalore project. So, so far what we have launched actually in the first 9 months in terms of new project is Everland which was Rs. 500 crores but we are having a very strong pipeline now which is going into Quarter 4 right now. And for Baroda, we will be launching about Rs. 400 crores of inventory. That is what we are looking at which is the first phase of the Rs. 700 crores of total inventory in the project. For industrial, we will be getting approval for our first phase which is targeted in this quarter that is approximately Rs. 600-650 crores of inventory. So, these are the two large inventories which are coming in. Other than this, we have

already got approval for Orchards Phase 2 which is a smaller quantum of inventory, and we are working on the two Bangalore projects.

Eesha: So, the total inventory that we will be launching in Quarter 4, if I am not wrong, will be around Rs. 1500 crores. Am I right?

Priyansh Kapoor: That's correct.

Eesha: And what is the kind of sales at launch that we are expecting for these projects going forward? Like 90% is something which is a euphoric thing. What is the sustainable rate that we are seeing going forward?

Priyansh Kapoor: See generally, if you see all our guidance and all our project underwriting, we do that 30%-40% in the launch. That is what we do. Fortunately, we have been selling a lot more than that but today I would say I think we should look at what is the general underwriting norms in the market that is about 40%-50%. That is what I would say will be a fair way of assessing the absorption. And second, it will also vary by the type of asset class. So, something like an industrial probably will be slightly lower, residential might be slightly better.

Eesha: Correct. And my last question would be on sustenance sales run rate. What is the kind of run rate? Like we are seeing good sustenance sales for the past quarter that has gone by. So, what is the kind of run rate that we are seeing? Are we looking at a Rs. 300 crores to 350 crores going forward as well?

Priyansh Kapoor: So, if you see last quarter, we did almost Rs. 280 crores which came from sustenance excluding the Everland spillover of the launch volume. So, we are actually doing quite well on the sustenance number and I think going forward, we have a reasonable chance that we can maintain this Rs. 200 crores kind of guidance on the sustenance number. It is also a function of the amount of inventory we are able to replace and get in terms of launches, but I think this is almost a Rs. 200 crores kind of a number.

Eesha: Got it. That's it from my side. Thank you for asking. All the best. Thank you.

Moderator: Thank you. The next question is from the line of Shreyans Mehta from Equirus. Please go ahead.

Shreyans Mehta: Thanks for the opportunity. So just to follow up on the previous question. So how should one look at the pre-sales. We had guided for closer to Rs. 1600 crores and looking at Rs. 1000 crores odd and assuming 70%-80%, so, it seems we will easily surpass our guidance. On top of it, we will be also having the sustenance sales. So, A) how should one look at it? Second question is on the BD. BD we were closer to Rs. 5000 crores odd guidance and right now we are at 50%. So how should one look at that? And in terms of outright deals, how should one look at BD? Will it be more towards JV, GDA or towards outright? These are the two questions on my side.

Priyansh Kapoor: Thanks, Shreyans. So just on sales, we are maintaining our guidance, which like you said was about Rs. 1600-1700 crores, largely because I said we have different asset classes and we are also getting our industrial project which is going to come in. So, with our absorption ratio on residential and industrial expected to be slightly slow because of the longer lead time of conversion in that particular asset. So, we still want to maintain our guidance on sales right now.

Coming to the BD, so we have done a GDV of about Rs. 2510 crores and last time we mentioned that we are aiming for about close to about Rs. 3500 crores to Rs. 4000 crores in terms of our BD guidance. We remain on track. The pipeline is very, very healthy. But like we mentioned last time on BD, it's always binary. So, we, of course, want to lock the right kind of deals. Today we feel quite confident that we should be able to meet our guidance with the kind of project pipeline that we are seeing on the BD front.

On your question on the mix of BD, so last few acquisitions have been outright, that is primarily to balance the portfolio because we have been saying we will largely be 60%-70% JD on our strategy. So currently we were actually more, and last few assets were quite lucrative. So, the Bangalore projects that we have done, they are on an outright basis. But largely we expect to be in the same range of doing 60%-70% of our GDV on BD on, I would say, a medium term basis.

Shreyan Mehta: One last question from my side, on the industry, we have been hearing a lot of noise that there has been some slowdown. Some of the participants have also lowered their guidance. So how should one look at industry. And secondly,

Bangalore per se, we had planned a few launches, but in the remarks you have not mentioned Bangalore. So, is it because of approval related issues or is it because of some demand slowdown which we are seeing in Bangalore?

Priyansh Kapoor: So, on overall slowdown, I think, yes, when we are also looking at, I would say, secondary data, yes, we do believe I think the markets are not showing further euphoric growth from the base of the last financial year. Having said this, the markets really expanded in this last 4-5 year cycle. So, at our base, the opportunity that we have in all the markets is still very, very huge, even with stabilised market. And generally, what we are also noticing that there is some amount of growth coming in terms of the value growth of the market, while the volumes could be flattish, but the values are still growing and the segment that we are focusing on, I think we feel fairly confident those segments are actually doing very, very well. So, we are not seeing any worry with respect to the kind of portfolio and the markets we are in with respect to any slowdown of assets. Approvals in Bangalore, yes, we have actually been slower than expected. I think, like you mentioned, there were some changes in the Bangalore regulatory environment, and the processes are getting streamlined from a long-term basis with multiple municipal corporations and authorities getting created. We believe, I think, that will start showing long-term advantages in the way approvals will move. But in the short-term, it has actually, yes, brought in some, I would say, unpredictability for us or a slight slowdown in terms of the pace of approvals. But now, our understanding is a lot of these processes and the new way of working in Bangalore is stabilized and these GBAs are getting operational. So, we expect to start seeing momentum now over the next coming months on the approval front as well.

Shreyan Mehta: So, just to hop on it, so you feel, you know, Bannerghatta or any other Bangalore project could come into 4Q or probably we are looking at towards next year only?

Priyansh Kapoor: So, currently, when we are actually looking at our launch guidance, we are considering that we should be able to bring one project from Bangalore to the market. So, we are working on, in parallel, all two approvals, as you know, in Bangalore. So, we are hoping one of those will actually come to the market by the end of the current financial year.

- Shreyan Mehta:** Got it. That's it from my side. Thank you and all the best.
- Priyansh Kapoor:** Thank you.
- Moderator:** Thank you. The next question is from the line of Varun Julasaria from 360 One Capital.
- Varun Julasaria:** Thank you for the opportunity, sir. Just wanted to check, like, earlier we were guiding for Rs. 2500 crores to Rs. 3000 crore of launch for this quarter. So, what is the possible reason for the number going down to Rs. 1500 crore now?
- Priyansh Kapoor:** So, we were actually aiming for about Rs. 2500 crore for the year, you are right, actually, and we had done only Rs.500 crore. So, it meant that we should have at least launched about Rs. 2000 crore of inventory in the last quarter. One reason, like I said, is in Bangalore, out of the two projects that we were thinking that we will get in the current year, we are going to probably get one of those, that's our current best estimate on the approval front. Second, we had also mentioned earlier that the industrial project may come in parts, and Baroda also, we are launching in phases. So, Baroda, we are doing Phase 1, we are putting about Rs. 400 crores of inventory and industrial, we are getting approval for the first phase. Like I said, that is about Rs. 600 to Rs. 700 crores of total topline potential in the industrial, while the total project of industrial is actually close to about Rs. 1500 crores. So, it's also a function of this phase-wise approval, phase-wise strategy that we have taken on execution, that the inventory quantum is slightly lower. Having said this, with the same inventory quantum, we are maintaining the sales guidance that we are actually given for the year.
- Varun Julasaria:** So, the launches which we mentioned, we are very sure to launch this, I mean, there's no risk for a spillover to next quarter.
- Priyansh Kapoor:** I would say fairly confident we are working on this, but regulatory approvals, difficult to exactly pinpoint a date, and we have almost about two months to go in the year. We will hope, we will assume that will come in the year, but I would say whether you can be absolutely 100% confident on a regulatory approval on the exact date, slightly difficult. But we are, I would say reasonably confident that one of these projects in Bangalore is in the current year. Baroda industrial, we see the risk is very low because Baroda, we have

already got the approval. It's now in our hands to our pre-launch activities are on, and we are actually looking at launching in the current quarter. Orchard Phase 2, in Bangalore, like I said, we secured the approval already. So, I think the only uncertainty remains on the two projects in Bangalore, out of which most likely we will get one of those in the current year.

Varun Julasaria: As for next year, sir, what is the kind of launch?

Priyansh Kapoor: So, next year, we will be discussing that guidance, probably in our next call, what are we looking at? But I think largely with the BD momentum being quite strong, we are quite confident we will be looking at a strong pipeline of launches in the next year as well.

Varun Julasaria: And sir, anything on the redevelopment opportunities that we were exploring? Have we come across anything that we probably at active stage of consideration?

Priyansh Kapoor: So, you're talking specifically Mumbai?

Varun Julasaria: Yes, Mumbai.

Priyansh Kapoor: So, Mumbai, the pipeline remains quite strong and includes redevelopment projects. And we have mentioned some projects were at very, very advanced stage, and we are again seeing good momentum. It takes slightly longer because, again, multiple stakeholders that we have to deal with in terms of locking those, but the quality of the assets and the kind of pipeline we have built, we are very excited about it. So, Mumbai, our pipeline of projects has really moved quite well over the last few months, gives us confidence that we should be looking at some decent amount of closures over the next 2-3 months.

Varun Julasaria: And sir, on the BD, which we have done for a year, is there any other land payment or CAPEX which is pending for the BD which we have already concluded?

Priyansh Kapoor: So, Vastrapur is one land, I think, but we can give you the details offline if you want. So, Vastrapur is a land which we have already locked, some payments that we need to continue to make. So, that is one project. That's the only one.

And otherwise, I think Vikram can share the details offline with you. There is nothing very significant, I would say.

Varun Julasaria: Okay, sir. That's it from my side. Thank you.

Moderator: Thank you. The next question is from the line of Amit Agicha from HG Hawa. Please go ahead.

Amit Agicha: Thank you for the opportunity and congratulations for a good set of members, sir. So, my question is like, what is the percentage marketing cost compared to the bookings?

Priyansh Kapoor: So, thanks, Amit. And so, your question is on marketing and the marketing cost as a percentage of the total top line, right?

Amit Agicha: Yes.

Priyansh Kapoor: Okay. So, generally, as a thumb rule, while there could be quarter and quarter project level variation, but as a thumb rule, pure marketing costs will be close to about 1% to 1.5% Including brokerage, typically, what we might be incurring on our portfolio might be closer to about 3.5% to 4%. So, marketing and support activities, everything added about 3.5% to 4% is what we must be spending.

Amit Agicha: And so, would it be possible for you to give the number like what would be the percentage digital bookings?

Priyansh Kapoor: We can come back to you offline on this, Amit. We don't have the exact number, but digital is something that has been moving up now as a share of our booking value, but I would still say channel partner that remains the most significant part of our business in general.

Amit Agicha: And sir, last question from my side, sir, in Mumbai, like specially in Maharashtra, any leadership changes like you must have done? Any new appointments?

Priyansh Kapoor: You are saying from our own internal team perspective?

Amit Agicha: Yes.

Priyansh Kapoor: So, Mumbai, we continue to strengthen our team as we are now getting a strong pipeline of projects that we are working on with these various term sheets and various discussions which are very active. So, we continue to strengthen our team on all fronts, whether it is sales marketing, execution, legal, all fronts. So, we are in process of actually scaling up and adding more and more members. So, that's something which is happening on a very regular and ongoing basis. And now the urgency, like you said, is of course much higher because we are seeing a strong traction on the pipeline of projects.

Kamal Singal: Amit Kamal here, on team building, maybe we can put a little special focus here. And it's a great question to ask at this point in time. The way the team looks today as compared to how it used to look, maybe one month back, and then two months back, and then three months back, I think this is one area where Priyansh has really taken off. And we have gotten some very, very senior levels and some very talented people across functions in the business. And this is one change which is very, very visible in the organization. So, this is one area where a lot of effort, a lot of focus of all of us have gone into. Priyansh has had a very, very special kind of effort on this that he has put in. Even Kulin Bhai, this is one agenda that he has been personally driving, and team building, adding newer people, making the team future ready, which is imminent as such, is happening on ground and it's very clearly visible on ground.

Amit Agicha: Thank you, sir. I appreciate you answering my questions and all the best for the future. Thank you.

Moderator: Thank you. The next question is from the line of Ritwik Sheth from One Up Fina. Please go ahead.

Ritwik Sheth: Hi, good afternoon, sir. So, a couple of questions. So, firstly, what is the update on the Karjat project?

Priyansh Kapoor: So, Ritwik, that's a project, you are talking about the Mumbai-Khopoli project that's there. So, that's a project where we are working on our approvals right now. So, we are actually looking at getting the approvals in the next few months. Most likely, it's a launch that will come in the next financial year. But our approvals are moving very well now. Our process readiness, pre-readiness, I think all that is on track. So, expecting to launch that project in the next financial year.

- Ritwik Sheth:** And Surat would also be in FY27?
- Priyansh Kapoor:** Surat, actually, we have given an update. It is status quo as the last update we gave. So, we don't see, I would say launch at least in the next couple of quarters. And we are talking to our partner there. We should hopefully have greater clarity by the next quarter. And if you recall, last call, we had mentioned that because Surat was going slow, that was the reason why we added Vadodara because we wanted to really play the Ahmedabad Plus One opportunity in the Gujarat market. So, Vadodara, we were able to add in record time, we have been able to turn around approvals very, very quickly. So, we believe, I think, at least we have got a good project from our immediate replacement perspective. And next couple of quarters, I think we should be able to give more clarity on how we are going about launching the project.
- Ritwik Sheth:** And, sir, if we look at one of your slides where you mentioned the total operating cash flow, and there is an inventory of upcoming inventory of about Rs. 10,000 crores which the projects we have acquired over the last couple of years. So, what would be an internal timeline to launch these projects? Would three years be a reasonable internal timeline to launch these projects? So, what is our internal estimates for that?
- Priyansh Kapoor:** So, you are talking about the project that the entire inventory that we have actually listed, right?
- Ritwik Sheth:** Yes, the upcoming yet to be launched inventory.
- Priyansh Kapoor:** So, most of these projects, they are work-in-progress. And some of these are very, very large projects. So, there is a possibility some of the phases of these projects will come in over the next 1-1.5 years. But largely, when we are looking at that kind of inventory, we are looking at monetizing most of these assets over the next 4 to 5 years from a launch, selling and construction perspective. So, that is the duration we are looking at. This is still quite Ahmedabad heavy from an inventory perspective. So, launch may be also a function of the kind of opportunity where we see. But over, I would say 18 months, we will expect most of this inventory to start coming into the market.
- Ritwik Sheth:** Wow. Okay. So, basically FY27 and FY28. That's what.

- Priyansh Kapoor:** Yes, that's the timeline. But like I said, for it, for large projects, it could be in phases.
- Ritwik Sheth:** Sure. Got it. And just one clarification, you mentioned four projects we plan to launch in Q4. What would be the GDV of these four projects if all were launched?
- Priyansh Kapoor:** So, close to about Rs. 1500-1600 crores of GDV, because like I said, we are launching part of the industrial and part of the Baroda project. So, about Rs. 1500-1600 crores from these four projects that we are bringing in. And Orchard is also a phase. So, when I'm saying four, it includes Orchard Phase 2, which is there too.
- Ritwik Sheth:** So, each would be approximately Rs. 400 crores odd of GDV.
- Priyansh Kapoor:** Orchard Phase 2 is close to about 100 crores. So, it's not a very large phase.
- Ritwik Sheth:** And Baroda, you said is 450 crores.
- Priyansh Kapoor:** Baroda is close to about Rs. 400-450 crores odd, in that range, that is the size of the first phase that we have.
- Ritwik Sheth:** And the industrial park is how much?
- Priyansh Kapoor:** Industrial will be between Rs. 600-650 crores of inventory. That is what we are getting approval for in the first phase.
- Ritwik Sheth:** Got it. This is helpful. Thank you and all the best, Priyansh, for your new role. And thank you, Kamal Ji and all the best.
- Priyansh Kapoor:** Thank you so much Ritwik.
- Moderator:** Thank you. The next question is on the line of Harsh Pathak from Emkay Global. Please go ahead, sir.
- Harsh Pathak:** Hi, team. Good afternoon. So, my first question is on your project mix. So, when I see your slide 24 even ex of MMR when your projects are getting added in Gujarat and Bangalore market, your mix has moved, your horizontal mix used to be 80% that has now moved to around close to 70%. So, even ex of

MMR, how are we thinking of this project mix over the medium term? If you can please highlight some of your strategy.

Priyansh Kapoor: Harsh, overall, from a medium term 4-5 year guidance, what we have been saying that vertical will be 60%-70% of our portfolio. So, gradually, the shift that you are noticing in the portfolio where horizontal is coming down, this shift is something that you will structurally see over the next 3-4 years. So, something which is part of our strategy. And, of course, as Mumbai comes in as a part of the portfolio, it will automatically be able to also augment the more vertical development considering the booking value of single projects are very large.

Harsh Pathak: Right, understood. And even your share of luxury segment has moved up. I think it earlier used to be around 10%. Now, it's slowly and gradually moving up. So, what are the dynamics you are seeing on ground and how do you intend to pivot your portfolio across segments?

Priyansh Kapoor: So, Harsh, I can tell you, we will still say that we are not focused on luxury as a segment too much. So, when we define our customer segment, we focus on what I would say from mid-income to the higher income segment the most. So, that is how we have defined our strategy. So, mid to higher income portfolio, I think that gives us enough flexibility and enough market size to play with. So, currently, we are not focused, I would say, on what we traditionally would want to define luxury as a market.

Harsh Pathak: Understood. And, sir, final question from my side, the Rs. 4000 crore of BD that you highlighted for this fiscal, so does that include any incremental projects from the MMR market or that could be over and above this?

Priyansh Kapoor: So, in terms of pipeline, we have pipeline actually in all the three cities that we work in. And we are quite hopeful that as we are currently at Rs. 2500 crores and as we are looking at adding further Rs. 1000 crores to Rs. 1500 crores in the current year, we are quite hopeful that Mumbai will contribute, but it is a function of which of those deals that are in the pipeline is able to be fructified first. But I would say the basis of the pipeline today gives us confidence that Mumbai should be contributing to the GDV in this year.

Harsh Pathak: Understood. Yes, that is it from my side and all the best for your new role as the MD.

Moderator: Thank you. The next question is from the line of Dhananjay Mishra from Sunidhi Securities. Please go ahead.

Dhananjay Mishra: Congrats on adding on BD side, high rise and that is also on outright basis. So, we have done significantly in this quarter. My question is that as you said that quarterly sustenance sales would be around Rs. 200 crores. And now we are targeting close to Rs. 1500 crores GDV to be launched in Q4. So, if I assume 30% or 25%, so can we do close to Rs. 500 crores pre-sales in Q4 if everything goes on that?

Priyansh Kapoor: Yes, so like I said, I think if you see today we have done about Rs. 938 crores. To be close to our guidance what we need to do close to about Rs. 700 crores to 750 crores odd what we have to do in the current quarter. With the inventory and the absorption ratios we are talking about and with sustenance, I think we are largely in that particular range. So, it is a function of which launches come in, what exact date we get the approval. But largely I think if you see the map that is where it is adding to right now.

Dhananjay Mishra: And next year, how do you see launches? It will be more H2 driven launches or you will see fairly distributed in H1 as well as H2?

Priyansh Kapoor: So, if you look at the next year, see whatever BD we are doing in the current year and also the past projects that we have logged, we are actually quite sure that we are building a very decent pipeline for launches in the coming financial year. Slightly difficult to be able to predict the exact quarter at this particular stage where we would be doing the launches. But our guidance as saying we will continue to grow our pre-sales at about 25%-30%. With the kind of BD we are doing, we remain quite confident that is something which is quite achievable for us. So, that is what we will be looking at. We are hoping that eventually we will be able to go away completely from the quarter level vagaries. But in my own understanding, it has been something which has been slightly tough in the real estate business. I think the only way is building enough options by getting right kind of land acquisition in multiple markets which is what we are currently focused on. So, we feel quite good about the next year when we look at the pre-sales opportunity for us.

- Dhananjay Mishra:** So, can we expect 30% growth on FY26 pre-sales in this?
- Priyansh Kapoor:** So, Dhananjay, like we say, we have guided for the next 3-4 years that this is the kind of run rate we want to maintain over the next 4 years, about at 25%-30%. And next year also we are looking at that. Having said this, again approval is the only ambiguity that you factor in. But today, feel quite confident that this kind of growth rate is something that we can maintain.
- Dhananjay Mishra:** In terms of total investment, till now, I think in the presentation, we can see Rs. 265 crore for the land acquisition. So, what will be the total capital investment for this financially?
- Priyansh Kapoor:** So, Dhananjay, when we talked about the BD pipeline, there are quite a few projects which are actually either JD or many of the projects which are outright. So, the number and capital for a quarter basis could just significantly shift basis the nature of the deal. We had commented last time that over the medium term; we are looking at investing about Rs. 700-1000 crores. So, that number is something that we are continuously monitoring. And this is the kind of BD investment that we are going to see over the next few quarters from our end. If the outright mix is slightly more in the current year, then you might actually see a larger outflow in the current quarter. Otherwise, those outflows will come in the next 2 or 3 quarters.
- Dhananjay Mishra:** Okay. Thank you and all the best.
- Moderator:** Thank you. The next question is from the line of Ronald Siyoni from ICICI Securities. Please go ahead.
- Ronald Siyoni:** Thank you, sir, for the opportunity and congratulations on strong collections and sustenance sales. So, firstly, sir, on these four projects which we have done, like three were outright. So, if you can shed some light, what kind of EBITDA margins and land cost structures were there in this project. So, this new business development, how it compares with the older ones, say, over the last trailing one year which we have been doing. So, this new project acquisitions at what kind of return ratios or margin profile they would be having.
- Priyansh Kapoor:** So, our average margin that we target EBITDA margin is between the range of 22% to 25% because the project what we have done recently are on outright

basis. So, the margin might be slightly more than 25%. But I would say at the portfolio level still because we have JD projects also in the pipeline. So, I would say considering that average of 22% to 25% will probably be more appropriate because some of these individual deals will probably be higher basis the amount of investments going in. So, these outright projects might be slightly higher, but we have a JD pipeline. So, we will come back to that average of 22% to 25%. On IRR basis also, we are actually looking at similar returns. So, we continue to clock 25% IRR which is what we were also saying for our historical deals. So, we continue to maintain the same. So, this outright project, probably the margin slightly more, but IRR terms similar. That's what we are currently looking at.

Ronald Siyoni:

Great. And on this cash flow front, what we have noticed is there was one launch during 9-month and still your collections velocity has improved, your construction velocity has improved over the trailing two quarters. So, is there some structurally you have done in terms of execution improvement or efficiency that has changed or if you can shed some light on your execution capability scale up?

Priyansh Kapoor:

That's a good question and like Kamal Bhai also mentioned, we have been focusing a lot on strengthening teams. So, over the last few quarters, and we mentioned in the last call, we had a new COO coming on board. So, the amount of energy coming in from a lot of new team members who have started coming in, augmenting, bringing all the effort. So, execution is one area where we are putting in a lot of extra effort. So, the amount of effort going in in terms of scaling up our COP spends, ensuring that we are able to construct faster and that of course, improves the collections and cash flow from the customers as well. Second thing which also helped the collections is also that the proportion of our sustenance sales has been slightly higher and sustenance typically allows you more billing opportunity because as you know, the project would have been launched in the past and billing percentages are higher. So, that has also helped us actually in terms of our collection mix. So, both execution and sustenance sales where we are focused on capabilities is helping drive better collections and better operating cash flows.

Ronald Siyoni:

And lastly, sir, on the leverage part, we have taken about 110 loan drawdowns to pay for the outright purchases. So, now do we have any particular guidance

in terms of the leverage that parameter that we would not surpass that parameter in terms of, say, net debt to EBITDA or net debt to equity, something of that sort. So, leverage would not go beyond this point.

Priyansh Kapoor: So, Ronald, on the debt equity front while today we are actually still very low. So, we are not seeing any worry or any concern on that front. We are at 0.13 and when we have internally drawn up our plans, we are quite clear that we want to keep this debt equity below 1:1. So, that is what we want to be operating below at. Having said this, that even when we are looking at a pipeline, our sense is, I think we probably will not get close to this mark for a reasonable time at this particular stage because a mixture of JD projects and outright still continues in favour of JD, at least in terms of the future pipeline.

Ronald Siyoni: Okay, sir. Yeah. Thank you very much. Best of luck.

Moderator: Thanks. The next question is from the line of Akshay Shetty from Mirae Asset Sherkhana. Please go ahead.

Akshay Shetty: Good afternoon, sir. Thank you for the opportunity. My question is regarding the new labour codes. So, do you expect the implementation of new labour code is expected to have any impact on the cost of profitability going forward?

Priyansh Kapoor: I request Amit to take this.

Amit Chamaria: Thank you, Akshay, for the question. So, right now, as you know, the labour codes got implemented from November onwards. So, we have done an assessment on our side, and we have taken a provision of Rs. 2.59 crores in our numbers for quarter ending December. And we continue to monitor this space and implement the guidelines as they crystallize even further. And the impact of this on our P&L is about 1.5% for the quarter. And the numbers are what we discussed earlier, Rs. 2.59 crores for this current present quarter.

Akshay Shetty: Thank you. That was all. All the best.

Priyansh Kapoor: Thank you, Akshay.

Moderator: The last question is a follow-up question from Amit Agicha from HG Hawa. Please go ahead.

Amit Agicha: Sir, my question is that with this IT slowdown, as well as overall the stock market not doing very well so do we have a plan B as to how we will conduct the selling for our under construction projects? And generally, we have seen that real estate recessions last for many years. So, will we then at that moment be unable to cut prices, but yet keep on selling or we will wait for the prices to come to our level?

Priyansh Kapoor: So, Amit, this is a very good macro question. Today, when you look at our position, I think we are slightly, I would say in a very unique position because one, we are diversified across three markets as a company. So, we are looking at Gujarat, we are looking at Mumbai, we are looking at Bangalore. So one, we have a market diversification. Second, in assets also, we are doing again multiple assets. So, we are doing vertical as well as we are doing plotted. So, in the customer segment, the kind of job and the background that these customers will come from for different asset classes are probably I would say getting their income from different sources. So one, this gives us one natural edge. Our JD strategy also puts, I would say, less pressure on us to worry about cash flows too much if at all there was a very tight situation. And also, most importantly, having said this at our scale, when we are with our brand, when we are actually going to any market, the response that we are getting is still very, very strong. So, while these questions have been in and around with AI coming in, what is going to happen, but when we are actually going to the market and testing our product acceptance and customer's willingness to buy with us, I think we are still getting a very, very strong response. And all the three markets that we sit actually that we are looking at are very, very large. And considering there, I think the share that we might be talking about for the next 2-3 years as a share of these markets still will be a very small percentage. So, I think with a good brand, with a good pedigree, having strong execution and design skills, we feel I think we are reasonably protected on this particular front.

Kulin Lalbhai: I would like to just add to this, if you just step back and look at Arvind SmartSpaces as a strategy over a decade plus, and which continues to be our guiding force moving forward is that we are very, very focused on selling first home ownership and land ownership to the middle class. And I think this is a very structural story in India. It is underpinned by various macro forces, one being the financialization of our economy where EMI as a tool for home

ownership is so fundamental. There's so much of India where people still do not own their first home. So, with this focus, Rs. 1 crore to Rs. 2 crore ticket size product, I think this market is not really a volatile stock market link. It is a very structural home ownership, financialization backed, middle class lifestyle upgrade story. And we will ensure that that is the core of this company. And that's a very robust, multidecadal story in our view.

Amit Agicha: But my question still remains that if there is a drying up of incomes overall, will the company's strategy be to just complete a project, sell it out totally and move on even if it means cutting prices a bit? Because if I buy a stock or a company like Arvind's SmartSpaces, I am buying it for 3-4 years outlook. So, I need to know as to what strategy the company will take place in view of different probabilities. All the points that you have made, and they are very valid and good arguments, but they are more with the past in mind, whereas the future looks like a lot of the old structures of employment may be broken.

Kulin Lalbhai: We have always, as you know, been a very cash flow focused company. We believe in velocity, our mantra is velocity. We are not the variety to bank land and wait for market and prices to inch up. That has never been the DNA of this company. It has always been IRR and cash flow. So, if you are in any cycle, we will always look to having velocity of cash flow over looking at banking and just protecting value of the land bank. That is not the way we think.

Amit Agicha: That was exactly the answer I was looking for. And second, sir, even though it's overall a commodity space, but we have a strong corporate logo, is there any other way that we could differentiate the product in terms of marketing strategy or something which there is some to and fro within the company about?

Kulin Lalbhai: See, we as a Group, our roots have come from being a product company. The reason we also felt there is a space for us in this real estate business, beyond trust, integrity and connect with the brand is that in whichever business we have been in, we are obsessed on product. And therefore, even if you look at our tagline in real estate or our positioning, it's around design. Design to inspire. We believe your home and the spaces you live in really opens up your mind and releases the right sort of energy, thought process. So, design is something which we believe is a space which is very unique, which we want

to operate in. And the other is customer obsession. We have been in the consumer business also in our other group companies. So, for us being a very obsessed, NPS focused, customer focused thought process, again, I feel this is a white space in real estate. It's one of the most important products a person buys. And the experience of real estate still is not best in class in our country. There is a lot more we can do to improve the experience of buying a home and owning a home. So, I think design and customer obsession are the two spaces which underpin our entire way of operation and our worldview. And we hope as we progress in this business, we keep redefining excellence, even for ourselves on these two dimensions.

Amit Agicha: And do you see a Prop Tech helping us really selling these spaces easily? Or do you see any kind of other verticals like co-living or senior living or even, for example, student living coming through or re-adopting those models to sell our properties?

Kulin Lalbhai: See, I think many models are going to evolve as the market matures. We want to remain core to what we do. One of the things this company has done very well is focus. So, we will continue to focus on the structural areas we are in. But if your question is around technology, I think there is no business in India today which does not have to reinvent itself using technology. The technology we are using to manage our projects and velocity, I feel we are working on some amazing new age approaches on how we look at project management. I think there are technologies around construction. We have given the whole online digital sales as a percentage of turnover. I think Arvind SmartSpaces remains one of the leaders in our entire digital lead generation management that skill set we borrowed from our other businesses. We are also very, very clear that AI is going to play a role in various use cases in real estate. We have started projects on that as well. So, I think as a Group, we gravitate to technology pretty easily and well. It has been a strength, and we are bringing that in this business as well.

Amit Agicha: Sir, I really appreciate your answering my questions so well. Thanks a lot for your time, sir.

Moderator: Thank you. As there are no further questions, I now hand the conference over to Sir Priyansh for the closing comments.

Priyansh Kapoor: Thank you everyone for participating in this earning call of Arvind SmartSpaces. I hope we have been able to address most of your queries. However, if there is anything missed out on any of your questions, kindly reach out to Vikram and he will connect with you offline and clarify and give further information as may be required. Looking forward to interacting with all of you in the coming quarter. Thanks for your time.

Moderator: Thank you. On behalf of Arvind SmartSpaces Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.

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