

5th August, 2025

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 Tuesday, 29th July, 2025, at 01:00 PM IST, to discuss Q1 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

Arvind Smartspaces Limited :

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Arvind SmartSpaces Limited

Q1 FY26 Earning Conference Call

July 29, 2025

Moderator:

Ladies and gentlemen, good day and welcome to the Arvind SmartSpaces Limited Q1 FY '26 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 the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

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

Amit Sharma:

Thank you. Good afternoon, everyone, and thank you for joining us on the Q1 FY '26 Results Conference Call of Arvind SmartSpaces Limited. We have with us today on the call Mr. Kulin Lalbhai, Vice Chairman; Mr. Kamal Singal, Managing Director; Mr. Priyansh Kapoor, CEO; Mr. Vikram Rajput, Head - Business Development MMR and Investor Relations.

Please note that a copy of the disclosures is available on the Investors section 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, 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 June 30, 2025. I'm happy to be a part of this earnings call and look forward to interacting with all of you in times to come as well.

I would like to begin by discussing the recent initiatives we have undertaken to strengthen the leadership team. After my opening comments, Kamal-ji will, as usual, take you through how the real estate environment is shaping up and also the broad highlights of this quarter. This will be followed by a brief statement by Priyansh as well.

We, at Arvind SmartSpaces are very excited about the growth opportunity in front of us. Under Kamalji's leadership, we have built a wonderful platform with strong profitability and cash flow and have strongly established our brand in the geographies we are present in. This start point, along with the opportunity of a rapidly consolidating real estate market, presents a fantastic opportunity for us to significantly scale up our business. In this context, the recent leadership augmentation at Arvind SmartSpaces is a strategic move aimed at driving the company's next phase of growth and geographical expansion and also a part of its long-term succession planning. Priyansh Kapoor has been appointed as CEO and Whole-Time Director, bringing with him a proven track record in scaling businesses, particularly in the high-growth market like MMR. Kamal Singal will continue as Managing Director and Board member, ensuring continuity, strategic oversight, prudent capital allocation, and overall mentorship of the team. Under Kamal bhai's leadership, ASL has grown from strength to strength. We believe that this business is going to create significant value, and hence, the coming together of a very strong leadership team is a critical step in ASL's journey towards becoming a leading real estate player in India. I'm delighted to welcome Priyansh and I'm confident that with his vast experience and deep understanding of the real estate business, he will be able to build on this foundation that has been set and will further scale the company to the next orbit in the coming years.

With this, let me now take a moment to talk to you about other organizational changes we have implemented to future-proof the company. At Arvind SmartSpaces, we believe that building a scalable and agile organization is critical to sustaining long-term growth. One of the key success factors in our sector is the ability to respond swiftly when growth opportunities arise. With this in mind, we have been proactively restructuring our organization to be decentralized, get accountable as a model. We have created Chief Business Officers to drive city-level performance. These leaders are responsible for growth, profitability, and delivery within their geographies. Their

accountability is clearly defined in terms of contributing to the company's bottom line. This approach not only enables sharper execution, but also gives us the agility to scale into new markets while maintaining strong operational discipline.

Our long-term blueprint is built on disciplined capital allocation and asset-light development model and a thoughtful design-led product offering. As we look ahead, our strategic priorities will be to expand our footprint across high-potential micro markets, deliver differentiated products that resonate with the evolving customer aspirations and build a future-ready, talent-driven organization that consistently creates value for all stakeholders.

With that, I will now hand it over to Kamal bhai to take you through the operational and financial performance of the quarter.

Kamal Singal:

Thank You Kulinbhai, for the clear and thoughtful overview of where we stand today and the direction we are heading towards building a scalable, and high performing enterprise.

India has shown remarkable economic resilience through the first half of 2025, despite the ongoing global uncertainties, whether it's geopolitical tensions, evolving trade dynamics, or supply chain realignments. The macro indicators remain strong, and with the Reserve Bank projecting GDP growth of 6.5% for both FY25 and FY26, India continues to stand out as one of the fastest growing large economies in the world.

From a real estate standpoint, we are seeing the residential sector entering a healthy recalibration phase. The fundamentals remain solid and the sector seems poised for renewed growth. The recent reduction in the RBI's repo rate has helped improve affordability, especially in the mid income and affordable housing segments. This is boosting end user demand and also easing financing costs for developers, enabling faster execution and better capital flow.

On the regulatory front, we've seen some changes through FY25, but the environment is now showing signs of stabilising. We expect this to support a steady revival in project approvals and new launches, which in turn should act as a strong catalyst for growth in pre-sales and market activity. We believe the residential real estate sector is well positioned for a strong and sustained growth trajectory through the remainder of 2025 and beyond.

Moving to our operational performance for the quarter. Q1 Bookings stood at Rs. 175 crore and Q1 Collections at Rs. 191 crore. While the performance has been subdued, we are confident of post strong bookings growth with a slew of launches lined up in the remainder of the year. These include Bannerghatta, Orchads Phase 2, ITPL road, Pen-Khopoli, Surat, Industrial Park, Mankol and a couple of new projects which will have a shorter signing to launch cycle. So the plan is to ensure atleast five launches with a cumulative topline of Rs. 3000 – 4000 crore.

On the business development front, we are actively evaluating several opportunities and are confident of maintaining a healthy addition run rate, in line with the performance seen over the past couple of years. We are on track to conclude the ongoing business plan of adding new projects with a cumulative topline potential of Rs 5,000 crore to add projects across Ahmedabad, Bengaluru and MMR.

Now, moving on from operational updates to the financial highlights. In Q1, we reported a revenue of Rs. 102 crore, up 37% year-on-year basis. EBITDA for Q1 amounted to Rs. 24.5 crore, up 205% year-on-year basis. PAT for the quarter amounted to Rs. 12 crore, up 159% year-on-year basis. Our P&L continues to show healthy growth, driven by strong execution and revenue recognition from our ongoing and completed projects. We expect this trend to sustain, supported by our disciplined approach and steady delivery momentum.

Our balance sheet remains strong, a noteworthy achievement as we continue to scale our operations. This reflects our consistent focus on maintaining financial discipline, ensuring liquidity and viability alongside growth. As of 30th June 2025, our net debt stands at negative Rs. 50 crore. During the quarter operating cash flows amounted to Rs. 27 crore. We estimate an unrealized operating cash flow exceeding Rs. 4,000 crore coming from the current pipeline of projects. This is expected to realise within 3-4 years.

We remain positive about the demand scenario we are witnessing in the sector. Lower interest rates, supportive government policies, and rising disposable incomes continue to support homebuyer demand. Over the medium to long term, we believe the sector will witness further consolidation in favour of organised players, driven by stronger execution, rising capital intensity, and improving cash flows. This is an opportunity we are well prepared to capture,

backed by our healthy balance sheet, growing brand equity, and disciplined approach to business development. Our strong launch pipeline for the year ahead makes us confident in our ability to deliver strong sales performance this year.

I am delighted to welcome Priyansh to ASL. I look forward to work closely with him as we move forward in pursuit of our corporate initiatives. All operational decisions will now be driven by him. From a strategy, growth and diversification perspective there are no changes in our plans. Our ambition to be a leading real estate company in the country remains very much in focus. Starting the real estate business at Arvind limited and serving as the MD & CEO of ASL over the past more than 15 years has been among the most fulfilling chapters of my 25 years journey at Arvind. As I envision my own role, I would like to focus on the strategic direction and business development initiatives of the company, making sure from a long-term perspective we are able to deliver our Company's vision.

With that, I will now like to hand over the call to Priyansh.

Priyansh Kapoor:

Thank you, Kulin and Kamalji, for a warm welcome, and good afternoon to everyone.

It is a pleasure to be part of Arvind SmartSpaces, a company with strong reputation in the real estate sector. I would like to thank Kulin Lalbhai, Sanjay Lalbhai, Kamalji and the entire ASL Board for trusting me with this leadership role. ASL is now well positioned to harness the full potential of its execution capabilities, a robust portfolio across key geographies, and the enduring strength of the group's brand and legacy. I look forward to partnering with the exceptional team at ASL to scale new heights and shape a bold future-ready and talent-centric organization.

Thank you and now we can open the floor for questions.

Moderator:

Thank you very much. We will now begin the question and answer session. The first question is from the line of Eesha from Axis Securities. Please go ahead.

Eesha:

I actually have a couple of questions from my side. First one being any changes in the presales guidance that we have currently? Are we still going for a 25%

to 30% growth for FY '26, which is around approx. INR1600 crores? And similarly, for FY '27, do we still see INR2,190 crores kind of presales?

Second would be related to the demand scenario. As we're seeing a lot of job cuts in the IT industry, do we see any changes in the demand coming from especially the Bangalore regions or probably the weekend home regions for Ahmedabad?

Kamal Singal:

Sure, Eesha. So as far as presales is concerned, we definitely see a growth which is more like 30%, 35% this year. As you are aware, we have normally been growing by this number, I mean, around 30% thereabouts in the past several years. Last year was a little down. We did more like a 15% kind of number, but we will maintain 30%, 35% growth this year because we'll also get some advantage of this pent-up growth, which was missed out last year to that extent. So yes, for sure, we are pretty confident that looking ahead and where we are talking right now, 30%, 35% growth should be achievable.

On the second question, job cuts, etc, I mean, these are some of the macro trends which are emerging, which we are seeing. We have been seeing some or the other of these uncertainties in the last few quarters. But per se, we believe that India is on a very strong path vis-a-vis other peer nations. We are one of the fastest growing economy. We remain so with a very healthy margin, so to say. And basic economic fundamentals remain very, very strong. So in the medium to long-term, we don't see any significant worry on that part. But yes, I mean, in the short-term, a few things will happen and some aberrations, some calibrations and recalibrations will continue to happen. But we see this momentum to be quite widespread and quite deep. And hence, there are no immediate worries that we see on the demand side.

Eesha:

And sir last question would be on the operating cash flows trend. We are seeing slower collections than before. So any particular reason for that?

Kamal Singal:

So collection obviously is a function of what we've sold in the past and what we are selling right now. This quarter has been primarily driven by sustenance sales and launches are getting a little bunched up towards Q2, Q3, and Q4 as we sell more towards the launch, I mean, pretty much two-third of what we sell every year on an average basis comes from new launches, which have not happened in the current quarter. But they will obviously be covered up and made up in the quarters to come. And hence, we are very confident that our

collections will catch up with the sales that we are expecting to catch up in any case.

Eesha: Okay. Thank you.

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

Shreyans Mehta: Sir, if you could highlight the launches which you are expecting this year, which quarter and what could be the GDV, I'm assuming that it would be under phases, especially Surat and other projects. So if you can provide some color on the launches which you are expecting this year and especially on the time lines, which quarter?

Kamal Singal: So Shreyans, launch, obviously, is one of the most important target that we are chasing this year. We definitely want to achieve a number between INR3,000 crores to INR4,000 crores of fresh inventory to be launched within this financial year. The breakup of this INR4,000 crores is broadly like INR1,000 crores each coming from Ahmedabad and MMR, and INR2,000 crores coming from Bangalore. Now within this, there are quite a few moving pieces. We might end up exceeding this number as well. But broadly speaking, INR4,000 crores is the broad number that we're looking at in terms of fresh launches. And that should be comfortable for us in achieving our target of growth of around 30%, 35% in the fresh sales. That's the perspective. And obviously, I mean, it's getting bunched up more towards Q3 and Q4. Q2 will definitely see at least 1 launch. But if you were to count 5 launches on an average basis, we might be 1 plus or 1 minus, but 5 launches we were to do this year to achieve this INR4,000 crores, then 4 will happen between Q3 and Q4 and 1 will happen in Q2. That's the target, and that's the expectation that we have at this point in time.

Shreyans Mehta: And Surat would be skewed towards Q4. Is that the broader understanding?

Kamal Singal: Yes. Surat is looking more like Q4. Yes. Correct.

Shreyans Mehta: Sir, in the presentation, we've written a statement that we had pilot launched the Industrial Park. So any specific reason why we did a pilot? And how should one read into it?

- Kamal Singal:** So I mean, we always do that. I mean if you recollect, a couple of times in the past as well. So this is basically to say that while the formal launch will happen, we'll have a big bang event, a lot of channel partners will be mobilized not only within the city and state, but also outside, etc. Industrial is a little different cup of tea. We need to do things a little differently in terms of where and who to approach, etc.. So what we've done is we've fixed the launch to be formally done within this quarter. That is one. And then we started talking to a few people, explaining them the product, explaining them what is the offering really. And when you talk directly to some of the potential users, you get to know about the product tweaking to be done, some changes to be done, etc.. That's our last opportunity that we take for the launch or the phase that we're launching for a particular project. We did that and a very similar pattern was followed for Aqua City as well. So we did that, and we've done a little bit of a sale coming out of this pilot. Now it's the time to roll it out on a bigger basis.
- Shreyans Mehta:** Got it. And sir, lastly, on the BD guidance, which you are saying of, say, INR5,000-odd crores, broadly speaking, how much would be Mumbai, how much would be Bangalore, A? And will it be -- now given the comfortable debt levels, will we go for land acquisition or we'll still continue to have that JV/JDA model?
- Kamal Singal:** New BD, I mean, it's more like in the context of how much we'll invest in what city. What is the directional quantum of investment we have in mind. If that is the right way to approach this question, then the answer is 40-40-20. 40% each going into the markets of Bangalore and Ahmedabad and 20% going into the new market of MMR.
- MMR obviously is going to take time before it becomes a full-fledged market for us. So we have to take baby steps. And hence, this number will be a little lower in the short-term. Eventually, it should exceed Ahmedabad for sure. But in the short-term, it is 40-40-20. That's how the investment plans are. What was the second part of the question, if you can repeat that?
- Shreyans Mehta:** So it was just in continuation, whether -- I mean, how much would be towards land acquisition and how much towards JV/JDA?
- Kamal Singal:** Sure. So we have been JD heavy traditionally speaking. And that broad trend will remain. Obviously, it has to, in our scheme of things, moderate a little bit towards outright as well. On the funding side, as we've been talking, we have

enough ammunition there to invest more like in the region of INR900 crores to INR1,000 crores in next three quarters, so to say.

That means we have flexibility. JD/JVs remain a priority because in terms of capital allocation, return, etc. and optimization of return on equity, they make a lot of sense. The brand is firing in the marketplace. We get a lot of opportunity. We get a lot of offers and we continue to do so.

In fact, a couple of very interesting deals are under discussion right now as we speak as well. So JD will keep firing. It will remain most likely the most important source of structuring for us. At the same time, we have enough firepower to get into some deals which are on an outright basis. So you'll see a mix of both as we have always been doing, but a little more heavier on outright going forward as compared to the last four quarters.

Shreyans Mehta: Got it. Sure, sir. Thank you. That's it from my side. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Ritwik Sheth with One-Up Financial. Please proceed.

Ritwik Sheth: Sir, just one question from my end to Kulin-ji. Sir, what would be your 3- to 5-year view in terms of the contributions we are focusing on Ahmedabad and Gujarat along with MMR and Bangalore, these three geographies? So what would be the contribution that you would expect would be a reasonable scale in the next 3 to 5 years from these geographies? And in terms of mix also in vertical and horizontal, if you could just give your vision for the company?

Kulin Lalbhai: So as I was saying in the opening comments, I think we have a very bold ambition for this company. I think, Arvind, in whichever businesses it operates in, tends to always be one of the leaders. In both textiles and the fashion space, we are a top company, in the top 3, top 5. And our ambition also in real estate will be to become a top 10 developer in the country. And that is why all the moves which we are making in terms of our organizational readiness, our talent density, our capital base, which we need to deploy towards the growth opportunities. I think all of this is being aligned with that bold vision of becoming a leading player in the space. And I think the fact that we have also opened up Mumbai is kind of with that thought in mind that there is a different kind of scale that the company has an ambition to reach. I think we have been talking about 30% growth in the last 5 years. And I think even on a much larger

base, we intend to keep that kind of growth ambition and maybe even accelerate it a bit.

So in the next 5 years, you will see us significantly increase our base in both Bangalore and Mumbai. Bangalore, of course, we have deep roots. We've been there for more than 10 years, and we are now in a position to almost participate in every micro market of Bangalore, which means there will be a large number of new project launches in Bangalore. And the next 5 years will also see us seed Mumbai. As a company, our DNA has always been to lay the foundation first, so we don't sprint into markets. We go step by step, understand them deeply. We've been a company where profitability and focus on cash flows has been the mantra. We are never going to leave that mantra. That has been our strength in the past, and it will remain our strength in the future. So in a sense, we are going to augment the scale significantly, but keep the DNA still focused on profitability and cash flow. And I do believe the next 5 to 10 years should be the most exciting of the company.

Ritwik Sheth:

And sir, in terms of your group time and commitment, where would Arvind SmartSpaces be versus the overall other companies that you would also be managing? So if you can give us some color on that? And incrementally, is that incremental time and energy is going towards Arvind Smart or it is similar across the group companies as we've seen before?

Kulin Lalbhai:

You will see all the moves which we are making are clearly not a business as usual way of taking decisions. As a promoter group, we have identified this company as being a very special opportunity. We believe that it can become one of the biggest companies in the group overall. And that is why from a commitment of capital and time, and more importantly, the inputs that are being put into the business, all of them have been thought through to ensure that we really capitalize on the opportunity, not look at it as just one more interesting business, but look at it as a business which can significantly scale.

In fact, in terms of the capital that will be deployed in this business over the next 3 years will be the largest in the entire group. And that kind of gives you an indication of how the asset base is going to compound. So we are taking this very seriously and a lot of time, focus, energy, and all the right inputs we will put to ensure that the opportunity gets converted into reality.

Ritwik Sheth: And just one more question to Priyansh. Hello, sir, just 1 question. Where do you see and what is your vision for Arvind SmartSpaces in next 3 to 5 years? And we've seen your previous firm growing from sub-INR2,000 crores to today, INR30,000 crores. What kind of excitement brings to you for a similar trajectory over the next decade or so for Arvind Smart?

Priyansh Kapoor: Thank you, Ritwik. Very interesting question. And I think just in fact, building on the answer that Kulin mentioned, so we are all very excited about this opportunity the platform presents. And I think Arvind brand has a huge legacy. Real estate is moving towards branded players. So we see a lot of synergy coming our way. Like Kulin mentioned, we are trying to be in the top 10 developers. That is our medium-term goal in terms of what we are trying to work towards. I don't want to put a specific 3- to 5-year plan to it, but I think that is what we are working towards. We want to scale meaningfully, but at the same time, continue to focus on profit as well as cash flow as a key metric, and of course, looking at building a fairly large business in the 3 markets that we have currently identified.

Ritwik Sheth: Okay. Great sir. All the best and thank you.

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

Dhananjay Mishra: So in MMR region, how do you see this society redevelopment business? I mean, a lot of other players are looking here because there is no outright land availability -- lack of land availability in this MMR region. So a lot of other players are entering into this space, and it is equally asset-light. So how do you see this market from Arvind Smart perspective? And also, do we have a team who are good enough to deal in this market?

Kamal Singal: It's a very good and important question to answer. MMR as a market has three, four very important kind of keywords. One of them is the market is huge. Number two, there are quite a few established players. But at the same time, there are quite a few more than what one could have expected, unorganized players, and they still kind of take up a very significant chunk of the overall market.

And the third thing about MMR is that there are projects which are very different in size and scale. There are very small projects to medium-sized

projects to very large projects, not only in terms of the top line, bottom line, also in terms of the scale of construction, etc.. So you've got markets, you've got scale, you've got size, you've got organized players, you've got unorganized players.

And we are talking put together a very, very large market, the largest in India. And hence, we see a play for various kinds of players within the market. Having said, what Priyansh also said and Kulin-bhai also said in their earlier comment, the most important trend that we kind of identify is the consolidation that is happening across India and more so in Mumbai. Mumbai has very little space, very little land to expand and hence redevelopment is the mantra. I mean, majority of the action that you see in terms of new development is happening out of redevelopment. And hence, this is the biggest opportunity within the biggest market that we are talking about.

We clearly see a very important niche for us as a brand, as a company with a very strong Gujarat connect and a very, very strong Gujarat-oriented demand in that city makes getting our pace a little better than many others. The brand has a very strong resonance. It is known, it is identified, and it is associated with all the kind of positives in terms of legacy, etc. And when it comes to micro markets, I mean, I was surprised to see many of the large micro markets where redevelopment space is pretty much 90% still occupied by unbranded players in this market. And hence, a very, very big opportunity still remains untapped when it comes to organized players. So despite competition, despite a lot of players now jumping into the -- into this market segment, we see a lot of scope still untapped for the organized players like us, and hence, a clear niche and opportunity.

Dhananjay Mishra: Yes. Thank you and all the best.

Moderator: Thank you. The next question is from the line of Amit Srivastava from B&K Securities. Please proceed.

Amit Srivastava: Yes. My first question is to Kulin-bhai. So basically, he highlighted given a good road map for the next 5 years to 10 years. And as we are trying to position ourselves in the top 10 players as a well-known name in real estate market. So just wanted to understand that in the process, what are the changes which we can feel are going to witness like today, we are still have done a reasonable scale.

But still our positioning is towards more plotted second home kind of positioning. So can this business model will shift towards a more luxury, more premium, or more main market kind of positioning? And now we'll be slightly going ahead positioning in MMR market, which is a large market of Bangalore.

Some kind of restriction can come or we can maybe scale up much more in Ahmedabad itself in a bigger way. How the things will change over the next 3 to 5 years looking at the business metrics?

Kulin Lalbhai:

Thanks for that question. I think first thing I'd like to highlight is how the last decade of exceptional kind of work in building a very profitable business model allows us to now have the dream that we are having. I think the way in the last 5 years we have been able to identify opportunities and scale up the business, that is now driving an incredible growth in our operating cash flows. So the reason we are going to be investing INR1,000 crores a year is actually a function of the platform now achieving the scale, and we are able to now reinvest at this scale. So the first highlight I would like to make is the next 5 years look very different because of the hard work that has happened in the last 5 years, where we now have a right to play, a right to bet, and much bolder and bigger.

Second big theme which is going to be there in the next 5 years, unlike the past 5 years, is that we have two extremely large markets outside of Gujarat, where we can really go deep. And Bangalore is a market we really like. It is a market which has a very vibrant middle class, which is the space we play in. And we have learned that city and established our roots there very well in the last 10 years. So with this now ability to deploy much larger capital, accelerating Bangalore is a very natural thing for us. We understand Bangalore very well, and we are confident of launching multiple project, infact Bangalore has been a vertical first city for us. It's not been horizontal rich. Horizontal has been a larger part of our overall mix because Gujarat has historically been the larger part of the mix. So as we double down on Bangalore, it's actually just scaling up what we know how to do well, which is the vertical design-led product, which is delighting customers in Bangalore.

And Mumbai will be, as I mentioned earlier, seeded in a very smart way. We do believe the brand resonates with the Gujarati community in Mumbai in a very unique way. And we want to bring both our second home horizontal

capability, where I believe the company is very, very strong and the redevelopment capability, which we will build to provide, as Kamal-bhai said, a new niche and carve out a new niche for ourselves in the Mumbai market. So the second big transition that you will see in the company is how the share of non-Gujarat will go up.

The third shift, which is linked to the second shift will be kind of vertical being much more as a mix because naturally, the 2 markets we are talking about scaling up are going to be vertical first. So as a natural kind of outcome of these 2 cities going up, you will see the vertical mix going up. And as Kamal-bhai mentioned, since we are going to be deploying broadly INR1,000 crores a year, you will see much more capital of our own at play, which means the outright component in the overall business model will go up. So I think these are some of the things you should look at. And as we are going to become a 3-city model, we have structured our company to reflect that reality. So we will have 3 empowered leaderships and companies with a very strong central kind of role and that complementarity of strong city leadership with a very strong backbone of the center is what we feel will allow us a great combination of agility as well as controls.

Amit Srivastava: Just to add into that, so can we expect gradually our business model in terms of from asset-light model will slightly going towards a more capital intensive given more ownership will happen, more vertical side will happen?

Kulin Lalbhai: I think as Kamal bhai said, we will remain still JD intensive, which means as a percent, JD will still be larger than outright. But today's JD percentage will probably be going down and the outright percentage will be going up.

Amit Srivastava: Next question to Kamal bhai, just he has already given an outline for the new phases of launches. Just wanted to understand, sir, the last 2 quarters, Q3, Q4, we slightly missed our guidance. And one of the reasons we gave that certain projects got slipped. So logically, it should have been come in Q1, but still in this quarter also launches were not there. So what has happened, sir? We understand that it will be more back-ended, but what is the problems we are facing in terms of the launches?

Kamal Singal: So Amit, I mean, last year, last quarter, we definitely missed and we grew just about 15% instead of 30% that we would normally do. And this was mainly on account of 1 project which got shifted. This is the project at Bannerghatta Road

in Bangalore that we are talking about with a top line potential of around INR400-odd crores. In this project there are a couple of regulatory changes which came about in Bangalore. Initially, it was to do about single site approval that was made mandatory, which was earlier not the case of the size that we are doing. So we've overcome that hurdle. We've gone through the drill and got that approved. Unfortunately, there is one more change, which has very recently come into the market of Bangalore, which says that you need to leave 5% land in addition and over and above what you used to do earlier for a project of this size, scale, and this vicinity and geography. So this change is being incorporated right now. Unfortunately, we hit two new guidelines, which came on the way while the project was almost about to getting approved, etc. This has happened with many developers. And hence, it's a market trend, so to say. And that's why, we've seen that there have been persistent kind of over and off time lines on project launches in Bangalore happening in many, many cases. And broadly, these are falling into these two buckets that we just talked about. Unfortunately, this one of the project got stuck into both these buckets one after another. But other than that, I think on the rest of it, last year was okay. I mean, barring this one exception. This should get resolved by the end of this quarter. And hence, I mean, either by end of this quarter or early next quarter, we should be able to launch and cover up for this. So the rest of the things are moving.

And as we just said, we are very hopeful that within this year, we should be launching anything between INR3,000 crores to INR4,000 crores, minimum 5-odd launches that we are talking about, and we might actually exceed this number. And once that is done, we obviously will show a very healthy growth in terms of fresh sales. We'll not only do our normal 20%, 25% -- 25%, 30% growth, we should also do a little more than that because we are also hoping to cover up on the missed launch that we just talked about last year.

Amit Srivastava:

Okay. Thank you. It's really helpful. Thank you for the opportunity.

Moderator:

Thank you. The next question is from the line of Harsh Pathak from Emkay Global. Please proceed.

Harsh Pathak:

Congratulations, Priyansh, for your role as the CEO. So my question is, first of all, on the Surat project. So what is our progress there? Are we are facing some issues with the JV partner. Is that behind? And how should we look at the launch this year?

- Kamal Singal:** So yes, I mean, this project is running a little behind the curve now. But we're all trying to move ahead. It is a little techno-legal kind of issue that we are resolving right now, very hopeful. I mean, while these are issues which take time to resolve and move ahead, per se, the project is pretty much on track. And we are very, very hopeful that this will be done. These are very large projects. We call them as LTVC, Long-Term Value Creation projects, basically more than 200 acres, 300 acres, etc. And hence, to get all these things sorted on the land, multiple kind of owners involved, etcetera, takes a little bit of a time. This time, it has taken a little longer than what we had anticipated. But the good news is that this project is on track. We are very hopeful of entering Surat in a very big way. This is a very decent size or rather large sized project that we'll be starting with and hence, extremely excited about this project as a company, as a group here. But we should be able to move ahead on this pretty soon.
- Harsh Pathak:** So since the launch is scheduled for this year, Q4, in case if the legalities don't get resolved, if the project slips to the next year, so do we still remain confident with the 30% to 35% growth guidance that we have given for this year?
- Kamal Singal:** So when we say INR3,000 crores to INR4,000 crores of launch, it will have some in-built flexibility, some margins, etc.. So if we have 6 to 7 projects to launch, we'll plan for 5 this year. And hence, any individual project slipping does not necessarily jeopardize the overall kind of target that we are chasing. So we should still be in a decent position. But yes, of course, it all depends upon the size, scale, and number of launches that we're able to achieve at the end of the year. But generally speaking, we would have some in-built margins and in-built kind of flexibilities within our plans.
- Harsh Pathak:** And sir, when is the Khopoli project launch plan, in this year or the next?
- Kamal Singal:** I mean, most probably end of this year.
- Harsh Pathak:** So are we facing any NGT problems there? Because this is the case which we are seeing across MMR. So is that the case for this project? And how are we placed there?
- Kamal Singal:** No, there are no NGT issues here. This land is pretty much in an area which otherwise is an area where environment clearances, etc, are all happening. Even zoning-wise and otherwise, we are pretty comfortable. All the processes

are on right now as we speak, approval, conversion, environment, etc. We don't anticipate and see any known issue at this point in time. And hopefully, we should be able to launch this before this year-ends.

Harsh Pathak:

And sir, one last question from my side. So like you explained regarding the redevelopment space in the MMR region. And with Priyansh also joining now, his focus has been more towards the MMR side in his earlier stints. So how do we look at MMR now? And what kind of GDV additions can we look for during the current year and the next in MMR region?

Kamal Singal: So I mean, MMR, as I just said, it's a market we are seeding. We have generally been conservative when we enter into a new market. We took a decent time before we established ourselves in Ahmedabad, then we went into Bangalore took baby steps. We would always prefer to walk before we run. That's what we have done historically because we think that every market, every geography is a new business for us. And that's how we are going to be taking Mumbai also in that sense. But Priyansh's entry into the business changes quite a few of these dynamics because we strongly believe that Priyansh knows these markets for a very long time. He's delivered scale there. He understands the nitty-gritties. And hence, addition of Priyansh and his joining and leading the team will change quite a few dynamics as far as scaling up and speeding up of MMR as a market for us. That should really, really help. In the very short term, we are allocating almost like 20% of our capex for this market. But this should get augmented very, very soon with Priyansh entering and leading the team.

Harsh Pathak:

Sure, sir. Those are my questions. Thanks a lot.

Moderator:

Thank you. The next question is from the line of Ronald from ICICI Securities. Please proceed.

Ronald:

Sir, on the launch pipeline front, like what I was assuming that around INR400 crores would be sustenance sales and these 5 projects would be around INR3,700 crores. So you would have to sell almost about 30% odd in these projects to achieve that target of 30% growth, which seems a very tough task, especially for NH47, Surat project, the INR1,000 crores odd projects to sell 30%, especially a few projects are back ended in Q3, Q4.

So are you confident enough to sell that much in a larger project when the launches are skewed more towards the end of the year?

Kamal Singal:

Sure. I mean, when we said 5-odd launches should help us achieve these numbers, we have a very strong launch pipeline otherwise, more than 5. For example, we have ITPL Whitefield project in Bangalore. We have Bannerghatta. We have Orchard Phase 2. We have Industrial Park to be launched. We've got Mankol, which we announced a couple of quarters back. It's ready to launch. Of course, Surat remains a strong candidate for launch. MMR, we have 1 project already announced, and we are very hopeful that 1 more should be announced very soon, and it might end up getting launched this year. And we're also kind of trying to add a couple of such projects in all these 3 markets put together, which have shorter sign-up to launch cycle. And hence, it should also be getting added into this year's launch pipeline. So all in all, it's a very widespread launch pipeline that we're talking about. And picking and choosing five of them is something that we are targeting. Otherwise, the probability and possibility of launching more than 5 is pretty decent, healthy, and achievable.

That's one. On the volumes and sales, because they are all getting bunched more towards H2, not necessarily Q4. They are more getting bunched towards H2. Historically, we have been selling more like 30% to 40% in the first burst itself. In fact, that's how the company is configured and that's what our target has always been that at the time of launch, we price it right, we propagate it right. We do product in that sense right and other things aligned to that kind of objective, where we end up selling 30% to 40% at the time of launch for the phase that we launch. That is something that we have been achieving in the last several, several launches and years. And we are pretty confident that selling 30% should be something which is a bare minimum to sell at the time of launch of any project.

Ronald:

And secondly, sir, on the Industrial Park project, like transactions comes to around INR550 per square feet, while your estimate of INR1,350 crores for the project gives around INR700. So per square foot is about 20% odd discount to the current pricing which you have done for the prelaunch.

So are we confident enough that we would be able to get more than 20%, 25% hike for this project to achieve that GDV of INR1,350 crores for the project?

So are we confident that such kind of pricing movement in a year would be possible?

Kamal Singal: Yes. I mean I think we are a little more than INR550 per square feet in this particular case where we've just started. Plus, this is just a prelaunch. And second aspect is that in our Industrial Park, there are quite a few concepts which we're bringing to the market for the first time, and there are some very, very significant value add, which will improve our top line and bottom line. One such example is the introduction of ZLD, for example, in a private kind of setup, which is never offered or rarely offered by any private developer for industry. So we'll have in-built CETP. We are planning to have in-built ZLD, Zero Liquid Discharge facility, which is normally not the case. And these value adds will significantly increase our realizations compared to the industry norm, et cetera. And hence, the guidance of INR1,350 crores is pretty much achievable. I mean, we are on track, and this is quite achievable.

Moderator: Thank you. The next question is from the line of Raj from Arjav Partners. Please proceed.

Raj: The figures which you have given in the PPT, it consists of only our share or it consists of the overall business, including the JD share?

Kamal Singal: No, this is our share. So you're talking about the INR4,000 crores something?.

Raj: Unrealized cash flows and all the figures given in the PPT. Its kind of our share only, right?

Kamal Singal: That is our share net of all expenditure, money to be paid to the landlord, JD share, JV share, etc. It will be retained by us, our share, yes.

Raj: And if I do some calculations. So in the ongoing sale, total unrealized sale will be around INR5,300 crores. Am I right, something, something around that?

Kamal Singal: Okay. So if you have calculated something, it will be good to connect offline with Vikram. I'm sure you'll have Vikram's contact available or you can take it and just get whatever clarifications you wanted. Otherwise, the presentation has many data, I mean, a lot of data, but you can get clarifications that you need.

Moderator: Thank you. The next question is from the line of Naysar Parikh from Native Investment Managers. Please proceed.

Naysar Parikh: I just want to understand from a growth perspective, which even the previous participant asked, last year, we grew, I think, bookings 15%. This quarter, obviously, we are down. Full year guidance also, I think bookings, we're seeing single-digit growth maybe. So how do we look at the bookings growth going forward? If you can just talk a bit about it because 2 years seem to be not -- we are not reaching that 20% plus growth that we want to do?

Kamal Singal: No, it's only about the last year for the first time that we grew by 15%. Before that, it's always been more than 25%, 30%. And very specific reason that we just discussed for the last year and rather last quarter was 1 miss on the launch, which we are now trying to make happen, I mean, this quarter or possibly next quarter. Apart from that, we are broadly on track. We've always achieved 25%, 30%. And this year, the math that we have done and we've explained and discussed in this call and even earlier is that we should be growing by 30%, 35%. There will obviously be some additional sales coming from the launch that we missed last year. And this year, specific launches are on track. And we are pretty confident that we will end up doing something like 5 launches this year, which will be more in the region of INR3,000 crores to INR5,000 crores of fresh inventory coming into the sales pipeline. So to that extent, I mean, at this point, we're pretty hopeful and confident that a growth of 30%, 35% should be achievable.

Naysar Parikh: But, I mean, it basically means we'll have to book INR500 crores almost every quarter, right?

Kamal Singal: Yes, on an average basis.

Naysar Parikh: And do you see collections have been a bit tepid. I know you mentioned that it drives, but it collections are growing slower than bookings. And so do you see collection space also picking up in the later part of the year from a growth perspective?

Kamal Singal: Yes. I mean I think both these questions are in a way, connected. Sales and collections, both are driven by launches. Pretty much two-third of what a real estate company typically does these days comes from fresh launches and the rest is supposed to be sustenance. To that extent, the sustenance side is taken

care in Q1 as well and INR75 crores broadly coming from sustenance is the average that we wanted in any case. So that's done. So it's about launches really. If we are able to launch the kind of projects and the kind of number that we want to achieve in the remaining three quarters, then sales and collection is a sub-function of that and should happen. It will happen automatically. But otherwise, collection efficiency-wise and otherwise, they're very healthy. They're very decent. From whatever was collectible, etc, for the sales that we've done in the past, obviously, there were no fresh launch. We've done very, very decent, and this is as per what we would have anticipated. And hence, otherwise collection engine and efficiency is pretty healthy. Now it's a function of launching from here onwards. And if launches go right as planned, sales and collections both should be on track.

Moderator: Thank you. The last question is from the line of Amit Agicha from H.G. Hawa. Please proceed.

Amit Agicha: Thank you for the opportunity. Sir, my question was connected to the employees, like with only 456 employees and high reliance on outsourcing like our project quality and execution control, like any plans to scale in-house execution team or technology usage to improve the efficiency?

Kamal Singal: So if I understood your question correct, then you are saying that we are a 450 I mean odd outfit. And are we scaling up or not and up for the volume and the skill that you are talking about? Is that the question?

Amit Agicha: Yes.

Kamal Singal: Yes. So it's a great question. It's about team. It's about being future ready. We've always invested upfront in teams. I remember we talking and discussing this point in the last call as well, where I said that we would normally prepare and size the team based on what we'll need the next year. So if next year target is INR2,000 crores, we'll rather be ready by the end of this year to take that kind of a volume. That philosophy has been followed for last several years. We are doing that right now. So you can rest assured that if we are building the team today, it's supposed to be ready and size enough for next year's volumes. This 450-number has to go up definitely. All this very detailed exercise has already been done. Right now, we are under execution of that strategy and recruitment, etc. You will see the data on that pretty soon, and we are obviously scaling up to the size that we are talking about.

Amit Agicha: And sir, second question is like what are the top three strategic risks you foresee in scaling to INR5,000 crores-plus top line?

Kamal Singal: So I mean these are external and internal. External, obviously, is macro factors. I mean India is, at this point, at least poised pretty decent and healthy. But there are still some geopolitical risk, which we all carry as economy, as country, as region, etc. That's one.

On the internal side, rather than calling them a risk, I'll rather call them as challenges and something that we need to overcome. Mostly, it's about execution. Fortunately, we have seen a very stable demand cycle and environment for the last few years, and hopefully, that continues. The cost side is also pretty stable for the last at least 4 to 5 quarters, and it's expected to remain so. And hence, cost side is also not something which is worrying us too much. Sales side is broadly being taken care and we are ramping up our sales engine. We've done pretty well on our digital sale technology on that, etc.. But one thing that we should all be very, very focused on is execution. When one scales up, execution is something which tends to get a little on the back foot. And that's one important kind of focus that we don't want to lose. That needs scaling up the team, getting into right technologies. Our controls and SOPs have to be up there. Our selection of vendors have to be absolutely right. Our financial engine has to continue to work so that we can perform and pay on time. That has never been the challenge. But nevertheless, this is something which is an important ingredient.

So the overall execution engine is something that we should all be focused on. That is what we are right now focusing. At the same time, for the long-term and medium-term growth, it's important to keep acquiring fresh projects which are profitable.

And this company, as Kulin bhai very rightly said, is not only about adding to the top line and scaling up the business, it's about scaling up profitably and meaningfully. And another challenge other than execution will also be to keep finding projects which are not only of size that we wanted, but also profitable enough for us to cross the lens that we apply on profitability side of it.

The third challenge, if I were to count one more is to make sure that our entry and our establishment into the new market of MMR goes right, that clearly is an important piece in overall scheme of things. But there, the addition of

Priyansh coming as a leader is obviously one step that we have taken, one of the most important steps that we've taken to make sure that we are prepared and prepared in advance to do that and achieve that in this very, very critical market going forward for us in that sense. So these are the three things that I'll be very focused on or I'll say that the company needs to be very focused on.

Moderator: Thank you very much, that was the last question. I now hand the conference over to the management for the closing comments. Over to you, sir.

Kamal Singal: Great. 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'll connect with you offline and clarify and give further information as may be required. Looking forward to interacting with you all in the coming quarters. Thanks again for your time. Thank you.

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

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