

10th November, 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, 4th November, 2025, at 12:00 Noon IST, to discuss Q2 & H1 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 :

Regd. Office: 24, Government Servant Society, Near Municipal Market, Off C.G. Road, Navrangpura, Ahmedabad. 380009, India.

Tel. : +91 79 68267000 | **Web.:** www.arvindsmartspaces.com | **CIN :** L45201GJ2008PLC055771



Arvind SmartSpaces Limited

Q2 FY26 Earning Conference Call

November 04, 2025

Moderator:

Ladies and gentlemen, good day, and welcome to Arvind SmartSpaces Limited Q2 FY26 Post Results Earnings 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. 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 Good afternoon, everyone, and thank you for joining us on the Q2 and H1 FY26 Results Conference Call of Arvind SmartSpaces Limited. We have with us today on the call, Mr. Kulin Lalbhai, Chairman; Mr. Kamal Singal, Managing Director; Mr. Priyansh Kapoor; Chief Executive Officer; 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 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 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 and the half year ended September 30, 2025.

As we progress through FY26, I'm pleased to share that we have continued to make steady progress on the strategic steps we undertook to build a strong and scalable platform for Arvind SmartSpaces. The past few quarters have been transformative for us as we sharpened our organizational structure, strengthened our leadership bandwidth and reinforced the foundation for sustained growth. The structure we have put in place with city-level leadership, agile decision-making and clear accountability is now beginning to demonstrate tangible results. We are witnessing greater execution velocity, wider project funnels and enhanced customer satisfaction across our projects.

Very recently, we have had 2 CXO additions, further augmenting our leadership team. Dharmesh Vyas has joined us as Chief Operating Officer. Dharmesh brings with him over 3 decades of experience in leading large-scale real estate development projects across India. We also have a new CFO who has joined us, Amit Chamaria. I'm sure the company will benefit tremendously from his extensive experience in the finance field.

Looking ahead, we have a very bold ambition for this company. We are going to see a significant scale up, but keep the DNA still focused on profitability and cash flow. We remain focused on maintaining disciplined capital allocation and delivering design-led, high-quality products that reinforce Arvind SmartSpace's reputation as one of the most trusted real estate brands in the country. With a strengthened leadership team, a robust financial position and a clear strategic road map, we are confident of sustaining our growth momentum and creating long-term value for all stakeholders.

With that, I will now hand it over to Kamal Bhai to take you through a few operational and sector-related updates.

Kamal Singal:

Thank you, Kulin Bhai. Good afternoon, and a very warm welcome to everyone present on this call. Thank you for joining us today.

India's real estate sector has come a long way over the past decade, transforming from a largely fragmented and unorganized space into a more transparent, accountable, and institutionalized growth driver. Today, it is one of the key pillars of India's economic engine, contributing close to USD 0.3

trillion in value addition to the Indian economy in 2025, accounting for an estimated 6–8% of India's GDP. This progress coincides with India achieving a major economic milestone, becoming the 4th largest economy in the world during 2025. Importantly, inflation has moderated meaningfully over recent quarters, providing monetary headroom for a growth-supportive policy stance. Further, the simplification measures in the GST structure will have far reaching positive implications across consumption linked sectors.

From a broader sectoral perspective, we see multiple structural drivers shaping the next phase of real estate growth in India. Across most markets, affordability has improved since the previous peak in the housing cycle, led by higher household income and lower interest rates. Overall, with a comfortable inventory overhang of 13-14 months, a sustained favorable affordability across cities, and increasing preference for quality and branded products, we believe the demand environment shall remain buoyant. Listed and branded developers will continue to capitalise better on sector opportunities due to their ability to create higher & diverse supply, achieve superior sales velocities and successfully expand to newer markets.

We continue to strengthen our geographic footprint across high potential micro markets of Gujarat. Very recently we have entered into the Vadodara residential market, our 23rd project in Gujarat. This is a large-scale horizontal project with a topline potential of around Rs. 700 crore. The project is spread over ~98 acres and signed under the joint development model with 68% Revenue share coming to ASL. Looking ahead, we have a strong BD pipeline and we look forward to adding projects across Gujarat, Bengaluru and Mumbai, supported by our disciplined capital allocation framework.

Overall, the performance during the first half has been encouraging, and we continue to focus on scaling up launches and enhancing our presence across key markets while maintaining operational discipline and strong cash flow generation.

With that, I would now like to hand over the call to Priyansh, who will share the operational and financial performance update for the quarter. Thank You.

Priyansh Kapoor:

Thank you, Kulin, and Kamal bhai. Good afternoon, everyone. I will firstly want to congratulate Kulin on taking over as the Chairman.

On operational performance for the first half of the year, H1 FY26 bookings stood at Rs. 607 crore compared to Rs. 666 crore in H1 FY25. In Q2, we achieved bookings of Rs. 432 crore as against Rs. 464 crore in Q2 FY25. However, on a sequential basis, bookings grew 147%. This performance was led by strong demand to our newly launched project Arvind Everland in Mankol. The project, launched towards the end of quarter, witnessed strong traction and generated sales bookings of 954 units amounting to Rs. 400 crore, which was 82% of the launched inventory. This success reaffirms our strong brand equity and horizontal leadership in the Gujarat market.

Collections stood at Rs. 427 crore in H1 FY26 as against Rs. 497 crore last year. While Q2 collections were at Rs. 236 crore as against Rs. 263 crore last year, on a sequential basis quarterly collections improved by 23%.

Now moving from operational updates to the financial highlights, in H1 we have reported revenue of Rs. 242 crore as against Rs. 340 crore last year. H1 EBITDA stood at Rs. 55.5 crore as against Rs. 91 crore last year. And PAT amounted to Rs. 30 crore as against Rs. 47 crore last year.

In Q2 we reported a revenue of Rs. 140 crore as against Rs. 266 crore last year; while on sequential basis it grew 38%. Q2 EBITDA stood at Rs. 31 crore as against Rs. 83 crore last year, and an increase of 27% QoQ. PAT for the quarter amounted to Rs. 18 crore as against Rs. 43 crore last year, and a growth of 51% QoQ.

Our balance sheet position remains strong despite expanding operations, our net debt was negative at Rs. (32) crore as on Sep 30, 2025 from a negative net debt of around Rs. (50) crore as on June 30, 2025. A crucial parameter in real estate reflecting the underlying business performance quite well is the operating cash flows. During the half year operating cash flows amounted to Rs. 152 crore. During the quarter operating cash flows grew 4% YoY and 368% QoQ to Rs. 125 crore. Further, we estimate an unrealized operating cash flow exceeding Rs. 4,110 crore coming from the current pipeline of projects.

Looking ahead, from a sectoral perspective, the momentum within the mid income and premium housing segments continues to be strong, underpinned by healthy buyer sentiment and rising preference for quality developers with strong execution track records. We see multiple structural drivers including low interest rates, improving affordability, government focus on housing and

infrastructure, and rising disposable incomes, shaping the next phase of real estate growth in India. We believe that the current environment offers an excellent platform to build on our operational momentum and create long-term value for all stakeholders.

Our asset-light model driving Joint Development Agreements for horizontal & vertical developments provides us with agility and scalability while ensuring capital efficiency and consistent cash flow generation. We are confident of maintaining a healthy pace of project additions, in line with the momentum of the past couple of years. Supported by a strong balance sheet, proven execution capabilities and growing brand visibility we remain well-positioned to sustain our growth trajectory through FY26 and beyond.

Thank you, and we can now open the floor for question and-answer session.

Moderator: The first question is from the line of Shreyans Mehta from Equirus.

Shreyans Mehta: My first question is the launches which are lined up for second half? And what are the stages at which they are? That's my first. Second is on BD. BD, we've just closed Baroda, and we were guiding for closer to Rs. 4,000 crore, Rs. 5,000-odd crore. So how are we placed as far as BD is concerned? And my last question is on execution. How should one look at the execution for this year? These are the 3 questions from my side.

Priyansh Kapoor: Shreyans, and very good questions. So to come to the first one, from a launch perspective, Shreyans, we have a very healthy pipeline for H2. In H1, as we know, we've already launched one project, which I mentioned, Arvind Everland. And now when we are looking at H2, we have a very good pipeline.

We are looking at four projects to five projects we are working on approvals simultaneously. So like we had earlier mentioned that there are two projects in Bangalore that we are very advanced stage in terms of approval on. So those are the projects that we are looking at launching in quarter 3, quarter 4. We have also added Baroda as a new project. So, we are actually targeting to launch Baroda in the current financial year. So, we are targeting to launch that also in quarter 4 in the current year. We continue to work on our Mumbai project, Pen-Khapoli, which is also currently looking for a quarter 4 launch from our perspective. Other than this, we are also working on our industrial project, which we are looking at launching in Q4.

So we have a very healthy pipeline of about 4 projects to 5 projects that we are working on, and that gives us good confidence on achieving our sales guidance for the current year. So these projects are a little lopsided towards H2 in the current year context. But from December onwards, we are seeing these projects coming to the market. So that is on the launch.

On BD, again, excellent momentum. So, we have a great pipeline. We have already announced one project, which Kamal Bhai referred to in Baroda. And we are very confident. We have a good pipeline in all the three markets that we are focused on, so whether it is Mumbai, Bangalore and Gujarat market. So, we have a very healthy pipeline. And we do see a strong chance that we will be aiming that Rs. 4,000 crore guidance that we have given at the start of the year. Having said this, in BD, we always continue to be opportunistic. So depending on the right deals, the number can be around that particular range. But today, the pipeline gives us confidence of meeting the guidance that we have given on the BD front.

On execution, we are doubling down. So, Kulin Bhai also referred to Dharmesh also coming on board. We have strengthened our team. So, there's a lot of focus going on execution so that we can increase our speed in H2. And now these are the best months that we also get in our industry from an execution perspective with monsoon and the festive season behind us. So we are very confident in H2, our execution is going to be extremely strong, and we have accordingly strengthened our team, our processes to move in this particular direction.

Shreyans Mehta: Sure. That was helpful. So as far as my understanding is, we are trying to indicate that the launches would be towards fourth quarter or probably towards 3Q end. Is that the understanding?

Priyansh Kapoor: Yes. So, we are currently, like you said, working on multiple projects. And you're right. So we see approvals coming in around from November, December onwards. So most of the launches should be in this particular window of next 6 months.

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

Amit Srivastava: So, my first question is to Kulin Bhai. So, he has highlighted in the opening remarks that we are in the last couple of quarters in a transformation of business where he has mentioned that some of the CXO level hiring has happened. So

just wanted to understand more in detail that what are the changes in processes is going to happen other than the people which has got hired?

And how this will get controlled in terms of the BD from the centralized Ahmedabad operation or it is the city level execution and BD will happen? How the overall scheme of things will change after this transformation?

Kulin Lalbhai:

I think let me try and just step back for a second. I think one of the things that is at the core of our way of building this company moving forward is to say that we need a combination of agility and control. I think in real estate, both of those are very critical because there are a lot of moving pieces. And still there are many decisions which have very large impact financially. So agility and control are both extremely critical. And that is why the core organizational design where we say we have got very strong functional heads at a center. But we also have an entire city-led organization where you, in a sense, have a city business head who is running like almost a small version of a city P&L to drive the last-mile decision-making and to ensure that level of agility and controls is there. That's the big shift which we have executed in our business. And so we have very capable strong leaders in our two existing markets, and we will have the same sort of organizational approach to the Mumbai market where we are very keen to build a long-lasting business. So I think in the last couple of quarters, we have moved to this new way of doing things, and I'm very happy with the trend lines and the way I'm seeing benefits of moving in this direction.

I think the second bit is how we have strengthened the leadership of this company. And I think the first very, very exciting thing for us is Priyansh being with us. I mean he's knowledge of executing at scale and seeing what real scale in this industry looks like is a great asset for this company. His familiarity, of course, with one of the largest markets where we intend to be a material player is fantastic.

And also, it goes to the third part of what your question indicated, which was on processes. I think Priyansh is now designing his way of driving processes and flow in this company. And on the back of that, he has great senior talent that is joining the company. So I think our philosophy generally in businesses where we are expecting hyperscale is to invest ahead of time and ensure the best talent comes together, the best sort of teams come together. And then we'll

invest ahead of time to build this into a very exciting platform in the real estate space.

Amit Srivastava: Okay, helpful. My next question is on operations side. So we have a very good unsold inventory of ongoing projects, but we noticed that sustenance sales have been relatively slower in the last couple of quarters.

And in fact, in some of the projects, there is a cancellation also visible. So could you share what's driving this trend? You have observed any moderation in ground level demand or a change in customer sentiment? What is happening actually on the sustenance side? How do you see this going ahead?

Priyansh Kapoor: Right, Amit. And I think Amit is a very fair observation and something we are also conscious of. So to tell you very frankly, Amit, I think sustenance sales for the quarter were not something which we are very excited about. We did feel we could have done better. But we actually made a strategic choice on focusing on Everland to make it a very large success. And if you see Everland, I think it was slightly unique from perspective because at least the feedback we had from the market was probably not most robust for everyone and a lot of other developers gave that particular feedback. So we wanted to double down in terms of our effort plus Everland was smaller ticket sizes. So it required us to sell about 900 units to achieve this kind of booking value.

So we frankly focus a lot very heavily on ensuring the launch succeeded. That required some diversion of resources to be frank, in terms of ensuring this launch was successful. And that reflected probably in sustenance being slightly weaker than usual. But we are very confident that this quarter onwards, sustenance will pick up. And I also mentioned that now we are seeing most of the approvals coming probably November onwards. So we are also seeing this as an opportunity to ramp up our sustenance number. So quarter 3, we are fairly confident with the teams fully mobilized on the sustenance projects. We expect momentum to pick up. At the same time, we are also gradually expanding teams to ensure that we are able to handle multiple launches and multiple sustenance activities at the same time.

So going forward, we do feel we'll be a lot more consistent. So it's not a function of, I would say, market not reacting positively to us. I think it's been a little more function of where we have actually put our energies and focus in. So fairly confident that with quarter 3, we will get this opportunity before the

launch approvals start coming in quickly from November onwards, we can use this window.

Amit Srivastava: Okay. Great. So last question on MMR market. We have always a big plan for the MMR. So -- but after the Khopoli project, we have not heard anything. So would you prefer to first accept the response of Khopoli project launch before committing further -- or already we are evaluating more projects and it's a more matter of time, which we'll see the scale up which will happen after Mumbai market?

Priyansh Kapoor: I think, Amit, again, Mumbai remains a very, very attractive market. And if I may say, probably I also have an emotional attachment beyond the numbers considering I would like to say I'll probably understand that market fairly well. So we are looking at the market. We are even evaluating other assets. So it's not linked to the Pen-Khopoli launch. We are looking at multiple assets.

Having said this, our framework in terms of choosing assets is very, very specific. So we are creating a funnel right now. And from the funnel, the deals that meet our criteria, we are fairly sure that they are going to come in over the subsequent few quarters, which we will be able to share. So not linking it to Pen-Khopoli, of course, that will further increase our confidence once we have done that particular launch. Having said this, at the same time, we continue to evaluate deals. At the same time, Mumbai can be sometimes a very, very risky market if you don't understand risk well. So we are very particular about the kind of partnership we want to get into the kind of assets we choose. So that particular process is currently ongoing.

Amit Srivastava: Okay. And last, just a clarification on Surat project, what is the status of that project? Is it in development? Or what is the current trend?

Kamal Singal: Yes. Surat, as we know, is a project that we are very excited about. Surat as part of our overall strategy, geographical expansion strategy is a location which is Ahmedabad plus 1 for us. And this project has taken a little longer than what we would have otherwise anticipated and what our track record has been. But we are working on it. As of now, things are moving, but at a slower pace. And we realize that.

In fact, the whole effort which went into Baroda also was a result of something where we said, okay, Ahmedabad plus 1 has to hit the ground while we are

solving and we are moving and progressing on Surat, and that's why this great project in Baroda has taken shape, and we are very confident that this should actually be getting launched in next quarter or next quarter for sure within this financial year.

But having said, Surat should come on track. We should be able to launch it this year, and we are resolving and solving some of the approvals and revenue issues, which are there in the project per se. But to compensate Baroda possibly will play a very important role in the medium term, so to say.

Moderator: The next question is from the line of Dhananjay Mishra from Sunidhi Securities.

Dhananjay Mishra: Yes. So, based on this four projects to five projects we are going to launch in H2, so are we still maintaining 30% presales growth guidance for this year because first half, we are on lower side like-to-like basis? That is the first question. And secondly, for the new business development, are we going towards ownership or more kind of JDA or what kind of investment we are looking from our side for the full year?

Priyansh Kapoor: Right. Dhananjay, from a sales perspective, largely, we are pretty confident of meeting our guidance. And H1, like you said, probably if you do an exact division of the fourth quarter looks slightly slower. But if you see quarter 2 onwards, our run rate is now getting close to the required run rate to hit the guidance of 30%, 35% that we had given at the start of the year. So fairly confident that we should be able to meet the guidance. And if you see one thing that gives us greater confidence, our absorption on the launch percentage is actually very, very strong. So with the 82%, that was actually 3 days, 4 days is what we got in the September quarter. So that absorption was corresponding to the last week of September itself. So considering that, we are fairly confident with these launches coming in that we should be able to meet the guidance that we have given from a sales front. So don't see any risk there right now.

On the second part, the assets that we are looking at, like you said earlier, we will continue to look at a mix of ownership and JDA both as a company strategy. So JDA asset-light has always been our focus. So that will continue to be the focus. Having said this, today, we are in a situation where we have a lot of cash sitting in our books, and we have opportunity to deploy more money in deals. So deals that are coming in, we are evaluating them on a select basis.

So if the deals are very, very lucrative and we feel there is merit in considering them on an outright basis, we are currently more open to that particular scenario as well. But having said this, we'll continue with our strategy on mix so that we are able to maintain our margin and profit percentages accordingly.

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

Naysar Parikh: My question is I just wanted to understand given our current whatever project mix that we are doing, from a collection perspective, generally, how should we think about it at launch, what percentage collection do we get? And then year 1, year 2, year 3, how does that collection percentage generally trend?

Kamal Singal: So, I mean, in our portfolio, we have a little heavier product mix centered around horizontal projects, which are generally either plotting projects or villa projects. And then we obviously have vertical projects. The cash flows vary to a significant extent and horizontal has been quicker in generating cash.

So on a very, very broad basis, horizontal projects are projects which are sold over a period of maybe 1.5 years, 2 years to 3 years maximum. That's what has been the track record for us. And payment terms have been generally 2 years to 2.5 years. So what we generally would believe and assume is a total collection cycle of around 3 years for a midsized plotting project.

For a large project, it will obviously go into different phases like the project at Kalyangarh, which is called Arvind Aqua City. So each of the phase will be big enough to be qualifying as a phase as a project and accordingly, it will have those kind of time lines. Vertical projects typically will have a 48 months of total execution cycle. And generally, we end up selling 95% to 100% by the time project gets completed and hence, the payment cycles are like that. Having said that, at the launch, we generally would target 30% to 40% inventory to be sold in a vertical scenario. And we are ending up selling more than 70%, 80% in case of horizontal ones. I'm talking about either a project if it is midsized or a phase if it is part of a very large project that we sell. These are actual numbers achieved. From a business planning point of view, if we sell 40% in a horizontal project at the launch, that's considered to be good. We obviously are far exceeding that number as a track record in the last 3, 4 projects.

- Naysar Parikh:** Understood. Okay. Got it. That's helpful. So related question was that... As a result, if we look at collection rate as bookings generally grow would be and every year, your construction is increasing. So typically, year-on-year collections with new bookings and construction growing should just increase, right? Why will we see a dip in collections like we are seeing in H1?
- Kamal Singal:** Yes, great question, but very simple to answer. If we are growing in terms of fresh sales to the extent of 30% to 40%, 35%, obviously, everything has to move in that direction. Quarter-on-quarter, there can be variability because comparatively, we are a smaller base company. But then, of course, within a block of 2 years or thereabouts, if you were to add up and see what is the trajectory in any given number, it could be sales, it could be collections, it could be free cash, it could be construction expenses, etcetera, etcetera.
- They all are supposed to be moving in tandem and they are moving in tandem, except for the quarter-on-quarter, some variability, which is obviously expected. So if we are growing by 30%, 35% last 4 years, 5 years, everything will fall in place and everything is falling in place accordingly.
- Naysar Parikh:** Yes. But I mean, just for H1, our collection is around some 15-odd percent, right, 6-month period. So will H2 compensate for it? Or is there some delay in construction somewhere? What is it that is causing that 15% decline? Because logically, it's a bit difficult to understand that.
- Kamal Singal:** Sure, sure. So as I said, this is quarter-on-quarter variability and some bit of it will also kind of flow into half versus half, etcetera. In fact, within the first half, if you see the numbers and compare them between quarter 1 and quarter 2, you'll see a lot of difference. The free cash flows in quarter 1 was just about Rs. 25 crore and the last quarter is more than Rs. 125 crore. So it's just adding up to Rs. 150 crore, which is a decent run rate that we would have otherwise achieved. And for the year, then this trend should continue, I mean, in general. But ignoring these variabilities across individual quarters and all, the growth rate of 25% to 30% in fresh sales and accordingly, collections is expected, and we should end the year like that.
- Moderator:** The next question is from the line of Ritwik Sheth: from One Up Financial Products and Solutions.

- Ritwik Sheth:** Sir, a couple of questions. Firstly, you mentioned about 4, 5 launches in H2. Can you guide us for the total GDV of these projects?
- Priyansh Kapoor:** Right. So Ritwik, I think the projects that we're talking about includes Baroda, two projects in Bangalore and I think Mumbai. So put together, I think we are looking at from a launch perspective, while the approval for the inventory could be slightly more, we're just thinking might be close to about Rs. 3,000 crore of stock that we might want to put in the market.
- There's a possibility because Pen-Khopoli and the industrial, these are very large projects. So I'm thinking we may actually want to do a phase-wise launches. So approximately, I would say between Rs. 2,500 crore to Rs. 3,000 crore what we are looking to, I would say, bring to the market. Approval could be for slightly more. And just to reclarify, we have already brought this Mankol launch in the market. That is approximately Rs. 490 crore of inventory, which has already been launched from our guidance perspective.
- Ritwik Sheth:** Got it. So launches of Rs. 3,000 crore to Rs. 3,500 crore for FY26? Got it.
- Priyansh Kapoor:** Yes. Close to Rs. 3,000 crore. That's correct.
- Ritwik Sheth:** Yes. So on BD, you mentioned that we are looking to add Rs. 4,000 crore. So will this slow down if we are unable to launch any of these targeted projects? Or this is completely independent of the launches?
- Priyansh Kapoor:** So Ritwik, I think completely independent of launches because in BD the intent is actually more long term. These are very strategic decisions that we take. So they are not dependent on probably one approval delay. And our industry is such that regulatory timelines can slightly be unpredictable. While, of course, we want very high level of certainty as far as possible. But a quarter here or there is something that we have to always learn to live with. And BD is a more strategic decision, so it's not linked to these launches. And currently, our balance sheet remains very healthy. So, we definitely want to ensure that we lock the future supply at the right terms.
- Ritwik Sheth:** Right, right. And what amount do we expect to spend on these BD in FY26?
- Kamal Singal:** So Ritwik, I mean, this is a great question. BD is generally supposed to be a function of 2 things. One is the lens that you want to apply on the deals which are coming our way. And we have been having a little finer lens as compared

to what generally would have been applied in the industry, and that's very visible in our portfolio historically. So that's one. So we continue to apply this finer lens.

The second, obviously, is the availability of funds. So today, the company is debt free. We obviously can take very, very easily Rs. 300 crore to Rs. 400 crore of debt on our books. Internal accruals are very healthy. We have been generating Rs. 300 crore to Rs. 400 crore, out of which Rs. 150 crore generated already in the first half. So that money is available to us.

And HDFC platform today is totally paid back. Today, there is no outstanding as far as HDFC platform is concerned, but that money on tap is available. So funding side is pretty comfortable. In fact, we are a little underinvested at this point in time, and we've got catch-up to do on that front. So to that extent, all these 2 factors are in place.

And hence, BD is an independent engine which is firing and we're supposed to be firing irrespective of what is happening on the sales side or the launch side. That is very, very clear in our case.

And coming back to how much of funds that we intend to deploy, back of the envelope tells us that a debt of around Rs. 300 crore to Rs. 400 crore is easily doable given the size of the balance sheet as we speak right now. We might be -- rather we'll be generating Rs. 150 crore to Rs. 200 crore more coming from the operations side from here onwards. And we are sitting on some surplus cash already. So all that gives us a headroom of investing anything between Rs. 600 crore to Rs. 700 crore in addition to HDFC platform. HDFC platform obviously is competitively a higher cost kind of option. And that in the pecking order is the last unless we exhaust our internal and this debt, which is a very low-cost debt supposed to be in single digit, we exhaust that. HDFC obviously will remain behind the curve. But having said that, Rs. 700-odd crore without HDFC plus HDFC is something that we have funds availability in terms of investing to create this pipeline of around Rs. 4,000 crore for the year.

Moderator:

The next question is from the line of Harsh Pathak from Emkay Global.

Harsh Pathak:

First of all, congratulations, Kulin Bhai for your elevation and also extending best wishes to Amit for his appointment as the CFO. So my first question is on the lines of the recent BD that we did in the Vadodara market. So we

understand that earlier, we had additions in Ahmedabad and Surat, which are driving real estate residential markets, particularly in Gujarat. So how do we view Vadodara and overall Gujarat with perspective of addition of new cities, how do we view Gujarat market structurally?

Amit Chamaria: Thank you.

Kamal Singal: So I mean, yes, there are 2 ways that we look at Vadodara as a market. One is it is Ahmedabad plus 1 for us. So we look at Ahmedabad as a market, which is one of the most promising market, expanding growing from multiple kind of points of view. There are triggers which keep coming. We talked about Sabarmati, -- we talked about GIFT City. We talked about bullet train. We just talked about Commonwealth now and potentially and hopefully, Olympics at the end of everything else. So all these triggers are not only impacting Ahmedabad as a market, but generally speaking, Gujarat is doing absolutely great in terms of creating employment, creating this positive sentiment, etcetera, etcetera. And this is very clearly reflecting in good quality products which are being offered in this market. We see Baroda to be a vicinity to Ahmedabad, and that's why it's truly deserving a status of Ahmedabad plus one to be called as. And hence, it's not very, very different from what we do in Ahmedabad. Horizontal has been our forte in the city of Ahmedabad and Gujarat. We have done some of the best known and acknowledged projects and products in this state. And that expertise, obviously, we are going to be replicating in Baroda.

Baroda, from the consumer segmentation point of view, offering point of view, from the point of view of pricing, etcetera, is very similar to what an Ahmedabad premium is. In fact, Baroda is now growing very, very fast. I mean, especially on the industrial side with the newer and newer industries being set up, sectoral performance that you see there and the momentum that the cities is now showing is quite different from what it used to be a decade back for that city. Otherwise, Baroda was supposed to be laid back more like a retirement city a decade back. But today, it's very, very vibrant. We have seen some of the projects that are happening. But at the same time, it offers a great opportunity for a brand like us to be there. I mean 90% of the market is occupied by local developers there and a brand coming as good and as acknowledged like Arvind should make a lot of sense to everybody. And

hence, we treat this market as very, very strategic and very, very promising for us. So it can give us very consistent volumes and value going forward.

Harsh Pathak: That's helpful. So my other question is on resource hiring since you highlighted that we had a launch this quarter and some resources had to be diverted. So to ensure that our sustainable sales also moves at a healthy pace, are we planning for some resource hiring? And how do we ensure that the inventory gets liquidated in a fair amount of time?

Priyansh Kapoor: Yes. So I think, Harsh, like I said, we are augmenting the team so that we are able to handle the growing scale that we are looking at and multiple launches in a quarter. So you're right, we are expanding the team. So that is on in all the markets that we are operating. And of course, Bangalore and Gujarat, we are expanding faster because this is where all the inventory is currently available. So we're confident from with that perspective, we should be able to meet our sustenance as well as launch guidance that we are looking at from a year perspective.

Kamal Singal: Just to add to what Priyansh is saying today, from the point of view of building up organization both qualitatively and quantitatively, I think there are some very, very -- I mean, tangible actions being taken, and we are seeing progress every day. As it was just said, 2 CXO level positions have come, but that's something which is visible to the outside world. What is happening below these levels is even more important. We are very eagerly strengthening our Level 2, the mid-managers and senior mid-managers. And that number itself has gone up and it's going up consistently. And it's all very, very thought through. It's all upfront, and we are investing ahead of its time. So that's very clear.

And Priyansh coming into the team means that we have now got a view from outside in terms of how to scale up and how and what kind of build-up we need if the aspiration is to continue to grow 35%, 40% going forward, what will it mean? And he's seen that cycle through. So all this is becoming very clear to all of us that the first challenge that we have that we need to focus on is to build the team upfront, and that's where the focus has been.

Harsh Pathak: Sir, any timelines we have in mind on till when we are expecting to liquidate the inventory because in some of the projects like Aqua City and Adroda, we had a very stellar launch, but sustenance has been slow. And there is a

significant inventory lying in there. So any time lines by when we are expecting to liquidate a significant portion of that inventory?

Kamal Singal:

So Aqua City and Adroda are kind of projects that are called LTVCs in our scheme of things. LTVC is a long-term value creation project. These are the projects which are spanning into more than, say, 600 acres, 700 acres. They obviously will have to be phased out very carefully. And while we phase them out, more and more projects are supposed to be coming, not in the exact same vicinity, but at a distance, which is not too far.

For example, Everland when it was launched this quarter, it is possibly as the crow flies not more than 15 kilometers in the same direction. So to that extent, we are timing and juggling and seeing which micro market, what kind of inventory we should be releasing. So this is a very careful assessment of when and how much to release inventory from the existing options, especially within the long-term value creation while we keep optimizing newer and finer micro markets within the bigger chunk, so to say. that extent, these kind of projects will keep happening. They will be more and more phase will keep coming. And sustain, obviously, sustenance has to fire a little better, as Priyansh also said in his initial comments, and that's something which is a focus area for us.

Harsh Pathak:

That's helpful. And my last question is on MMR market. So what kind of GDV are we into active discussions and which are the micro markets within MMR that we are very actively looking at or maybe our go-to-market?

And what's the size of the project? Because earlier, we understand we were focusing on the Rs. 500 crore to Rs. 1,000 crore of project size. Any revision there? And what kind of projects are we looking at?

Priyansh Kapoor:

Right. So, Harsh, I think from a focus perspective, that Rs. 500 crore to Rs. 1,000 crore that continues to be our preferred size and scale of the project to look at right now. From a segment perspective, generally, most of the projects that we are evaluating are, I would say, upwards of Rs. 25,000, Rs. 30,000 per square foot on the carpet area. So that is what we have tried to define as the segment that we want to play in.

In Arvind brand actually resonates very strongly. So the feedback that I've actually got from people and when we've been speaking to landowners, considering a very large base of people who are closely connected to Gujarat

in the Mumbai market, and they have a very good understanding of the Arvind Group there. So we're getting a lot of positive traction. So we are trying to define a criteria accordingly. Rs. 30,000-plus price point is something we are ideally looking at Rs. 500 crore to Rs. 1,000 crore remains the preferred size of project.

But having said this, I think there are -- Mumbai is a unique market where you have JDAs available, you have different schemes, whether redevelopment, SRA, everything. So many other options are available. So if the deal is extremely opportunistic where we feel it is meeting all our criteria, we could be open beyond this particular range also to evaluate on a case-to-case basis.

Harsh Pathak: Understood. And the JDA under active discussion, if you could highlight?

Priyansh Kapoor: They are currently in the range that you mentioned. Those are the ones which are currently, I would say, at more advanced stage because that is the pipeline that we have been actively focusing on sourcing.

Moderator: The next question is from the line of Eesha from Axis Securities.

Eesha: First of all, congratulations on a successful launch. I actually had a question on sustenance sales, which are have mostly answered. Just an extension on that. I wanted to understand, you said most of our launches are happening in quarter 4.

So are we expecting a slower quarter 3 because our sustenance sales are seeing a slug or a laggish behavior. So are we seeing a slower quarter 3 and most of our presales being pushed towards quarter 4?

Priyansh Kapoor: So Eesha, I think, like I said, we are looking approval from November onwards is what we're targeting. So we are still targeting to bring some launches in quarter 3, if we are able to get secure the approvals in time. Having said this, we have about Rs. 2,400 crore of inventory from the current projects.

So that remains a large focus, and we are confident that using this particular window, and this is generally a good month, good quarter generally from a sales perspective where a lot of auspicious dates come in from a customer perspective. So fairly sure that we should be able to push numbers there. And if we get a launch which is binary in our industry, then we should be able to have a pretty exciting quarter from a number four end perspective.

- Eesha:** Okay. Okay. And by when do we see the function of expanding teams to maintain sustenance to kick in? Like how many quarters do we see that it will take for it to actually to be implemented?
- Priyansh Kapoor:** See, some of these things are actually something which build out gradually. So there is no specific date where one could say everything would be built out. So these are things where you build, I would say, quarter-on-quarter, month-on-month. So of course, my sense is that we should be able to start seeing progress from the current quarter itself on putting that particular momentum and effort on the inventory.
- But these are things that we are quite confident we are going to build over the subsequent few quarters coming in. And this is also a function of, it's not only about just team hiring. We are actually building our engine in terms of our technology, the way we operate our processes. So everything is actually getting structured in a way where we are able to balance both launches as well as sustenance sales so that there is greater predictability in terms of the numbers we are able to hit.
- So we are building our systems and processes also accordingly. So this is something which I feel we are going to be progressing over the subsequent quarters. I'm quite sure we should start seeing some results from the current quarter itself, but this is going to be a gradual buildout over the period.
- Moderator:** The next question is from the line of Shreyans Mehta: from Equirus.
- Shreyans Mehta:** So my first question is any thoughts on Bangalore plus one because that's a market which is really doing well. And second, Kamal Bhai touched upon Commonwealth games, which will be coming up in Ahmedabad. So any thoughts what sort of demand will it create? Will it more be towards vertical, horizontal? And how as an organization, we are placing ourselves?
- Kamal Singal:** Sure. I mean Commonwealth is one of those triggers which a city like Ahmedabad keeps getting. As I said, there are quite a few others which have come in the recent past last few years. And obviously, when an event as important as Commonwealth is announced and it gets formalized for a city, it's all positive. Apart from the physical need of better facilities and infrastructure, I think it's also about the sentiment in the market.

And when I say sentiment, it's about everybody. It's about all stakeholders. It's about investors, it's about end consumers, it's about people who want to enhance their portfolio, etcetera, etcetera. So this is a great trigger for the city, and it's supposed to be bringing some very, very tangible sort of positives in terms of what kind of volume, what kind of value, what kind of prices that one can expect from the city.

The city is one of the finest in terms of how urban development is planned and carried out on ground. And this definitely gives a great feel. So that's as far as Commonwealth is concerned, horizontal projects obviously get a very significant momentum because of this.

City expansion, most of the infrastructure which comes up happens in the outskirts. Obviously, the core portion of the city doesn't have space enough to create these large infrastructures. So this does create demand, which is in the periphery.

And once peripheries start getting developed, people who have hold over the peripheral lands or people who have experience of selling and developing peripheral lands, or general projects, they are actually the first beneficiary of this kind of development in a city like Ahmedabad. So very excited. This is a great positive, and it's up to us to exploit this opportunity to the maximum possible extent.

And Arvind, in the context of what we have done and what kind of projects and products we brought to this market, this specifically does very well to the potential that we can exploit from this.

Shreyans Mehta:

All right. Sure. And any thoughts on Bangalore plus 1 because we've pretty stabilized in Bangalore. So how should one look at it?

Kamal Singal:

So Bangalore plus 1, I mean, Bangalore is a market which is Bangalore plus 10 in itself. So Bangalore is not Bangalore. Bangalore is like 10 markets put together and together called as Bangalore. Each of the micro market is that sizable that one can actually have five projects in each of the micro markets, and there must be at least 10 in Bangalore.

So Bangalore, we have not, as a developer, even scratched the surface. We think there's a huge opportunity in Bangalore to go deeper. We are just about

there. We've done some great work. We've demonstrated our capability and commitment. We have demonstrated our design language, etcetera, etcetera, and that has seen and that has worked.

But having said that, to become really meaningful and visible in Bangalore, I think we've got a very, very long way to go. And hence, the mantra is to go deeper within the city of Bangalore at this point.

Moderator: As there are no further questions from the participants, I would now like to hand the conference over to Priyansh Kapoor, CEO of Arvind SmartSpaces Limited for closing comments.

Priyansh Kapoor: Thank you, everyone, for participating in this earnings call of Arvind SmartSpaces.

The last 3 months have been quite exciting. As I stepped into ASL's unique culture, I have deeply immersed myself in the company's operations, listened actively and thoughtfully from the team, engaged key stakeholders; assessed organizational readiness while reinforcing a performance-driven culture. All this with a focus on laying a strong foundation for Arvind SmartSpaces' next growth phase. Along with the guidance of Board, we intend to elevate ASL's brand as a trusted, design-led national real estate leader, all geared towards sustainable, scalable, and stakeholder-focused growth.

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

This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings. Since it is a transcription, it may contain transcription errors. The Company takes no responsibility of such errors, although an effort has been made to ensure a high level of accuracy