

29th May, 2026

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

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

Security Code : 539301

Security ID : ARVSMART

Symbol : ARVSMART

Dear Sir / Madam,

Sub: Transcript of conference call with Analysts / Investors.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are attaching herewith transcript of the conference call with analysts / investors held on Thursday, 21st May, 2026, at 12:30 PM IST, to discuss Q4 & FY26 Results of the Company.

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

Thanking you,

Yours faithfully,

For Arvind SmartSpaces Limited

Prakash Makwana
Company Secretary

Encl.: As above

#DESIGNEDTOINSPIRE

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Arvind SmartSpaces Limited

Q4 and FY26 Earnings Conference Call

May 21, 2026

Moderator:

Ladies and gentlemen, good day, and welcome to Arvind SmartSpaces Limited Q4 and FY26 Post Results Earnings Con-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 touch-tone phone.

Please note that this conference is being recorded. I now hand the conference over to Mr. Amit Kumar Sharma from Adfactors. Thank you, and over to you, sir.

Amit Sharma:

Thank you, Iqra. Good afternoon, everyone, and thank you for joining us on the Q4 and full year FY26 Results Conference Call of Arvind SmartSpaces Limited. On the call today, we have with us Mr. Kulin Lalbhai, Chairman, Mr. Priyansh Kapoor, Managing Director and CEO; Mr. Amit Chamaria, CFO; Mr. Vikram Rajput, Head, Business Development, MMR and Investor Relations; and Mr. Satya Prakash Mishra, Head, Investor Relations, Arvind Limited.

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:

Thanks, Amit. Good afternoon everyone, and a very warm welcome to all of you joining us today. Thank you for taking the time to participate in the Arvind SmartSpaces FY26 and Q4 earnings call.

India today stands at the intersection of multiple structural tailwinds that are reshaping residential real estate demand. Sustained economic growth, rising formalisation, increasing household incomes, rapid urbanisation, improving infrastructure, expanding mortgage penetration and growing aspirations toward global standards of living are collectively transforming the sector's long-term outlook. Residential real estate demand in India is increasingly being shaped by lifestyle aspirations, community preferences, wellness considerations and the desire for superior living environments.

Even amidst global geopolitical uncertainty, evolving trade alignments and periodic economic volatility, India's domestic growth engine has remained remarkably resilient. The country continues to be among the world's fastest-growing major economies, supported by strong demographics, rising consumption and sustained infrastructure creation.

Against this backdrop, the residential real estate sector in FY26 entered a phase of healthy normalisation and growing maturity. Demand remained fundamentally end-user driven. Inventory levels across major markets stayed broadly balanced. Supply-side discipline improved materially compared to previous cycles. Additionally, interest rate moderation and RBI repo rate reductions improved affordability, particularly within the mid-income and aspiring premium segments that define our core addressable market.

Perhaps the most important structural shift underway is the accelerating consolidation of the sector in favour of organised and branded developers. Customers, landowners and capital providers are increasingly gravitating toward developers with credibility, governance standards, execution capability and balance sheet discipline.

At Arvind SmartSpaces, we believe we are very well positioned to participate in this opportunity. We are focused on building an organisation capable of navigating economic cycles, understanding evolving customer aspirations, allocating capital prudently, attracting talent, executing consistently at scale

and maintaining trust over decades. This is the architecture we have consciously built at Arvind SmartSpaces.

Over the past several years, we have invested patiently in strengthening every key growth driver that defines a modern real estate enterprise — leadership depth, organisational capability, capital discipline, market selection, product strategy, digital capability, governance frameworks and customer engagement.

FY26 was the year when many of these investments began translating into visible momentum. Today, we have an increasingly diversified portfolio across Ahmedabad, Bengaluru and the Mumbai Metropolitan Region, with growing strength across both horizontal and vertical developments. At the same time, we have continued to strengthen leadership bandwidth, deepen city-level operating structures and build a more agile and execution-focused organisation. We believe the organisation we have built is now increasingly ready to scale responsibly, strategically and sustainably.

The foundations have been built carefully and we believe the next orbit of growth for Arvind SmartSpaces has only just begun.

With that, I would now like to hand over the call to Priyansh to take you through the operational and financial performance for the quarter and the year, along with the business outlook going forward. Thank you.

Priyansh Kapoor:

Thank you, Kulin. Good afternoon, everyone, and thank you for joining us on this call. FY26 has been a landmark year for Arvind SmartSpaces, marked by record bookings, strong cash generation and strategic expansion across the key growth markets. During the year, we achieved our highest ever annual booking value of INR1,550 crores, representing a strong 22% year-on-year growth. This performance was driven by sustained demand across our existing portfolio as well as excellent traction in our newly launched projects. New launches contributed nearly 60% of annual bookings amounting to approximately INR930 crores, reflecting both healthy market demand and strong customer confidence in our offerings. Our performance demonstrates the strength of our brand, execution capabilities and our ability to identify high potential micro markets aligned with evolving customer aspirations. What is particularly encouraging is the strong response we received in newer geographies, which

validates both our market selection strategy and our product positioning approach.

Bengaluru continues to be a key growth engine for us, contributing INR485 crores and accounting for almost 31% of our annual bookings. Over the years, we have built strong operating capabilities and developed a deep understanding of several important micro markets within the city. We continued infrastructure-led growth and scale up of our vertical portfolio in Bengaluru. We remain highly optimistic about the long-term opportunity in this market.

Another encouraging trend during the year was increasing contribution from sustenance sales. This reflects growing customer confidence in our product quality, pricing strategy and execution track record. Over the past few years, we have consciously focused on improving sustenance sales performance, and we are beginning to see now meaningful results from those efforts.

Q4 FY26 was especially strong for us. During the quarter, we achieved our highest ever quarterly booking and collections with bookings crossing INR600 crores milestones for the first time. We launched 1 project each in Bengaluru and Vadodara during the quarter. In Bengaluru, we launched Arvind Skycrest in Bannerghatta towards the end of the quarter, where we achieved bookings of 164 units amounting to INR262 crores, translating to approximately 53% of the total inventory. This was within a week of the launch. Similarly, in Vadodara, we launched Arvind Greenfields on Ajwa road and achieved bookings of 323 units, amounting to INR178 crores, representing nearly 42% of the launched inventory. These launch outcomes reinforce the strength of underlying end-user demand as well as our ability to execute differentiated products across diverse markets.

On the business development front, FY26 was transformational for us. During the year, we added projects with an estimated cumulative top line potential of INR3,140 crores, significantly enhancing our medium-term growth visibility. We entered the Mumbai residential apartment market through a premium redevelopment project in Santacruz, expanded our Bengaluru footprint through acquisition in Sarjapur and Whitefield and we strengthened our Ahmedabad presence with a high-rise development in Vastrapur. These additions further deepen our presence within the vertical developments, which are becoming an increasingly important part of our portfolio mix. Subsequent to the year-end,

we also signed our largest ever high-rise project in Mumbai with an estimated top line potential of approximately INR2,400 crores. This further reinforces our conviction in the long-term opportunity within the Mumbai Metropolitan region. At the same time, our approach towards MMR remains disciplined and partnership led. We continue to focus on asset-light structure, redevelopment opportunities and micro markets where demand visibility, capital efficiency and execution feasibility remains strong.

While discussing business development, I would also like to share an update on Surat. After detailed evaluation, we have decided not to proceed with the project as we were not comfortable with certain technical and legal complexities associated with it. We continue to believe Surat remains an attractive long-term market, and we will evaluate future opportunities there selectively on a case-to-case basis.

Let me now move to the financial highlights. For FY26, we reported revenues of INR564 crores as against INR713 crores last year. Adjusted EBITDA stood at INR156 crores compared to INR196 crores last year, while PAT came in at INR103 crores versus INR119 crores in FY25. The decline in annual revenue was primarily due to the timing of the revenue recognition of some of the projects. Importantly, from a broader perspective, our profitability trajectory remains strong with PAT margins remaining healthy and annual PAT continuing to sustain around the INR100 crores mark for the second consecutive year.

Q4 performance, however, was particularly encouraging. For the quarter, our revenue stood at INR155 crores compared to INR163 crores last year. Q4 adjusted EBITDA grew 26% year-on-year to INR56.4 crores, while PAT grew 103% year-on-year to INR44 crores against INR21.8 crores in the corresponding quarter last year.

Strong collections and healthy profitability translated into net operating cash flows of INR417 crores during FY26, further reinforcing the resilience and quality of our business model. During Q4 alone, operating cash flow stood at INR96 crores. Based on the current project pipeline, we estimate unrealized operating cash flows exceeding INR4,970 crores, which we expect to realize over the next 4 to 5 years.

Our focus continues to remain firmly anchored on creating sustainable long-term value for our shareholders. In line with this commitment, the Board of Directors has recommended a final dividend of INR2.25 per equity share of face value of INR10 each.

Looking ahead, we remain optimistic about the long-term structural demand outlook for residential real estate, particularly for organized and trusted developers. With a strengthened pipeline, deeper business across key growth markets, improving operating capabilities and a disciplined approach towards capital allocation, we believe we are well poised to sustain growth momentum over the long term and create value for all the stakeholders.

With that, I will now conclude our opening remarks, and we can start the question-and-answer session.

Moderator: We will take our first question from the line of Amit Srivastava from 360 ONE Capital.

Amit Srivastava: Sir, my first question is regarding the BD, which we have done for the FY26 around INR3,200 crores. Can you share how much is the corresponding equity investment for these projects? And what would be the guidance for the BD for the coming year in FY27? And if you can give us the breakup also that which geography you are more aggressively looking, which geography or you want to maintain the mix currently, whatever you have?

Priyansh Kapoor: Thanks, Amit, for the question. So Amit, for FY26, like you said, we have done BD, which is approximately about INR3,200 crores. We've generally not been giving breakup of capital deployed across each project. But there is a very specific question, we can probably take it offline, and you can reach out to the team.

To give the BD guidance for the new financial year FY27, we have a strong momentum, which has continued in the current year. And as you know, we've already locked one project in Mumbai with a top line of about INR2,400 crores. We believe this year, we can have BD lock in about INR4,000 crores to INR5,000 crores for the financial year.

Amit Srivastava: Sir, I just wanted the total commitment, sir, not the breakup on project-wise.

Priyansh Kapoor: So last year, if you see across our portfolio, Amit, we have actually got investing activities exceeding about INR600 crores. So that is the amount which is actually going towards the BD, which has been done.

Amit Srivastava: Okay. And if we look at our Mumbai project pipeline, which is around INR4,200 crores, where we are looking implied OCF of around INR750 crores, whereas in Karnataka, we have a INR2,800 crores of pipeline. There, the OCF would be around INR1,300 crores. So is this primarily to do with the redevelopment project or any other specific reason why there is an OCF generation that's significantly higher...

Priyansh Kapoor: Amit, you've correctly identified. So Bengaluru, quite a few of our recent acquisitions, as you know, were outright in nature. And Mumbai the 3 projects that we have, one, is a joint development, the other 2 are actually redevelopment. So hence, the OCF numbers are actually lower than the outright project.

Amit Srivastava: So how to see this going ahead the trend, sir, because 2 years back, we have a very strong OCF generation as a percentage of collection if you look at. Last 2 years, we are around 36%, 37% of the collection. Can we expect this is a sustainable number or it will further go down because project mix are changing?

Priyansh Kapoor: Amit, see, I think if you see in terms of generally the OCF as a percentage of collection, so while we have been doing exceedingly well, in the long run, we expect it to be closer to the margin profile of the portfolio that we have. And our guidance is we are looking at projects with a 22% to 25% EBITDA margin. So in the long run, we do expect it will start getting closer.

I think today, for us, because the plotted portfolio is also a fairly large part of our offering, so the percentage is on the higher side. Second, with the last few years of cycle that we have seen, our percentage has been slightly more, in fact, because of the pricing advantage. In the long run, our guidance remains closer to that 25%. But I think for now, we might be somewhere in the 25% to 30% range for the next few years.

Amit Srivastava: Okay. And sir, for the next year, the pipeline, if you can explain us how the pipeline would be there for the FY27 launch project-wise, if you can give on a quarter-wise also, if you can give, that would be...

- Priyansh Kapoor:** For the launch pipeline?
- Amit Srivastava:** Yes, launch pipeline, sir.
- Priyansh Kapoor:** Amit, we are expecting in the current year, we are looking at almost 6 launches across our portfolio. So while difficult to break it quarter-wise, but in terms of market, our expectation is that we'll be launching one project at least in Ahmedabad. So that is a project in Vastrapur. We are looking at 3 launches in Bengaluru, and we are at least looking at 2 launches coming up in Mumbai. So that is currently our expectation.
- We think put together, we might be putting out inventory about INR3,000 crores to INR3,500 crores with these 6 launches as some of the launches which are fairly big will be brought in the market in phases.
- Amit Srivastava:** And this year, we are expecting 30%, 35% growth in our bookings, sir?
- Priyansh Kapoor:** Yes. So long-term guidance remains at 25% to 30% CAGR over the 4 to 5 years. I think this year, we have a chance of being able to do better. So I think we have a chance that we can do about 35% to 40% in the current financial year.
- Amit Srivastava:** Okay. And sir, last one clarification regarding the Forest Trails Bengaluru project, which was launched 2, 3 years back despite a strong overall market environment that time because the project still appears to have 50% unsold inventory. And in FY26, we have seen a cancellation also. There is no incremental sales. So can you give some idea what is happening in that project? What would be the strategy to liquidate...
- Priyansh Kapoor:** Actually, you're right. So Forest Trails, purely on the numbers front looks like there is less movement on the sales, but I think there was a conscious strategy we wanted to have, some readiness on the site from an experience perspective because these are essentially row houses and villa projects. So we wanted to create some sort of a customer experience to be able to get the right kind of pricing and right kind of appreciation from the customer.
- So that work is on where we are creating some sort of a site experience with the show villa and some landscape, so which has actually taken quite a few months to get ready. I think we expect it to be ready over the next 3, 4 months. And then we will be going forward with a stronger sales activation so that we

are able to convey the premium proposition that we are offering in this project. So we do expect the sales will be far better in the current year, and that should start reflecting.

Moderator: Next question is from the line of Jainam Shah from Equirus Securities.

Jainam Shah: Congratulations on the good set of numbers. My question is mainly on the presales part. So as you guided that for next 4, 5 years, we will be targeting 25% CAGR. This year, we might be doing like a 35%, 40% growth. And on the other hand, we are saying that our launches would be upwards of INR3,000 crores, INR3,500 crores. So just wanted to check on this part, launches would be patented largely maybe in the second half, given that the current geopolitical situation, there might be some, you can say, issue with the footfalls and all.

And let's say, conversion into the launches has been great across the projects, maybe at 60%, 70%. In that case, this 35%, 40% number is conservative in terms of presales guidance or we are, let's say, not sure of a few projects might roll over to the next year?

Priyansh Kapoor: Thanks, Jainam. And so a good question. So Jainam, I think it's a combination of both. One, I think while we are looking at 6 launches in the current year and -- but I think we have a stronger pipeline towards the second half of the year than actually first half. So among all the projects, our project in Ahmedabad is ahead probably in terms of the approval time line, and it is looking like more like an H1 launch right now. But when we are looking at most of the other projects, they are looking somewhere closer to.

I would say, H2 from a time line. So when we have given this guidance on the sales, we have considered that as a key factor. And second, of course, this risk of some slippage always remains in our business from an approval standpoint. While when we are -- today, when we are guiding, I think we are reasonably sure we are not very, very late in the year. But I think we're just trying to maintain that guidance, keeping in mind that H2 pipeline is stronger than H1.

Jainam Shah: Got it. Got it. Sir, from the costing point of view, given that a few of the commodity costs have increased, how we are seeing the realization for our existing project going forward? Are we able to pass on this to the customer or we are not yet, you can say, passing it on and taking hit on our own books as of now? It might be smaller in this case.

Priyansh Kapoor: So Jainam, I think your question is about the commodity price increase, right?

Jainam Shah: Yes.

Priyansh Kapoor: Jainam, yes, we are noticing an increase across the costing and the material that we are procuring. So there is an increase across the portfolio. So what we have seen actually pre-war and post-war, if I were to compare it immediately across the portfolio, we are seeing almost a 4% increase in the costing of the product that we are actually offering to the customer. Having said this, in our own budgeting, we have taken a sufficiently large cushion in the form of contingency and inflation that we normally budget as a part of our practice.

So we are not worried about at least today passing this on to the customer because it won't be needed with the kind of budgeting process that we have followed. However, we have to continue to watch this particular situation very closely and how the prices of commodity and material moves over the next few quarters will be quite important for us to determine what needs to be passed on in terms of increase to the customer.

Jainam Shah: Got it. And if you can just throw some light on the new platform that has been created with the HDFC Capital and the already existing platform, what's the status over there?

Priyansh Kapoor: So Jainam, so currently, we have been using, in fact, the current platform with HDFC quite actively. And the idea of this new platform is an extension of that. I would request Amit to share maybe numbers of how much have we used from the current one...

Amit Chamaria: Yes. So Jainam, we had a platform of about INR600 crores with HDFC. From that, we have already used INR350 crores. So the idea is to kind of backfill that number and create additional capital available for us as we expand and grow. So we're creating those lines, which are available for us on call essentially.

Jainam Shah: Got it. Got it. But nothing on the project specific thing like luxury or ultra-luxury or maybe affordable, something like that. So for that, we have not created the separate, it's more of a line of credit for the future projects?

Amit Chamaria: Yes. This is not specific to any particular product type. This line is available to us for any kind of products that we get into.

- Moderator:** Next question is from the line of Bajrang Bafna from Sunidhi Securities.
- Bajrang Bafna:** Congratulations for a good set of numbers. Your unrecognized revenue is close to INR3,700 crores as on 31st March. So last year, we have seen our P&L revenues have seen slight dip, though our margins were better. So how do you see the delivery in the FY27 in terms of recognizing this revenue in the P&L? So what sort of delivery pipeline of this number is there lined up for FY27?
- Priyansh Kapoor:** Right. Thanks, Bajrang, for the question. So Bajrang, we currently have not been giving exact guidance on the revenue target because, as you know, that is largely because of the way real estate accounting works and again, the impact of binary approvals on being able to recognize the revenue. So largely, I think this year was a slight dip because some of the occupation certificates that we were expecting probably are deferred to FY27.
- So while we are expecting FY27 numbers to be better from a reporting accounting perspective, I don't want to give an exact guidance on this particular thing, but we do expect to show strong growth over what we have reported in the FY26 financial year.
- Bajrang Bafna:** Any band is possible, within that band, it is doable, if that could help us to...
- Priyansh Kapoor:** We'll take this as a feedback, Bajrang. Maybe if we feel, I think this needs to be added in the guidance, we will probably consider in future.
- Bajrang Bafna:** Done, sir. And if you see the cash flows from all the ongoing and the future projects is close to INR5,000 crores right now, which is shown in the latest presentation. So just to get a sense what could be the average time period within which this is expected to be realized, some ballpark guidance on that, maybe 3 years or 3.5 years or maybe 4 years.
- Because now you have entered into the residential projects also, which are a little lengthy in terms of your earlier model. So just to get a sense on that, what could be the average cash flows that we could see for next -- out of this INR5,000 crores.
- Priyansh Kapoor:** So I think when you look at this current portfolio, I think largely, we're expecting to monetize most of this in the next 4 to 5 years. That is what we are currently targeting from this.

Bajrang Bafna: Okay. And from a broader perspective, I think you have already guided on the presales numbers, how do you see this year. But just from a strategic perspective, like you have entered into the Maharashtra also and you want to be asset-light model. So how the debt situation because we have already moved from negative cash to right now, INR167 crores of debt. So considering next 2, 3 years, you have the HDFC platform availability also where little funds are still there to be utilized. But broadly, how do you see the debt position to move over FY27 and '28?

Priyansh Kapoor: Right. So Bajrang, currently, our debt position even right now remains very comfortable. We are at 0.26 net debt-to-equity ratio, as you see. So we are quite cautious in terms of what we want to add. Having said this, we do want to have some good mix of debt because we also believe that the structural demand in real estate is strong.

And there might be also opportunities to be able to add good assets, keeping in mind the current market situation. But our guidance remains that we will not exceed a ratio of 1:1. So that is our net debt-to-equity ratio that we have already guided for. So we will maintain that discipline throughout.

Bajrang Bafna: Okay. And just my last question, sir. Sir, broadly, because we are hearing a lot of adoption of AI and most of the larger companies, not only in India, but across the globe, we are hearing that a lot of firing is happening and layoffs are pretty much high. So since you are there in Bengaluru, which is the IT hub of the country. So what is your prognosis and sense considering these situations are also happening in India also. So how do you see the ground experience and the ground reality?

Because earlier, we used to see whatever projects that we had launched in Bengaluru within the first few hours, everything was getting sold. So now we see 50%, 60% are getting sold in the first week and all. So just your sense on that. Of course, we know that now these are larger projects, so earlier projects were pretty small. So obviously, that point is well taken. But just your ground reality, what you are sensing in terms of demand when we see a lot of layoffs are happening in the IT sector?

Priyansh Kapoor: So I think, Bajrang, we are also continuously tracking all the markets that we are in quite closely. So something definitely we also want to keep a watch on.

But today, at least our interpretation is that markets have become more stable. So maybe the euphoria of the last 4, 5-year cycle, the level at which the market was growing probably is not definitely at the same level. But we are not seeing, I would say, any major worrying sign because of the structural demand being quite strong from our perspective.

Second, like we've said in the past, I think the locations that we have picked up are very, very, very strong. So I think real estate still remains a very micro market and location-driven business. So I think with the locations that we are looking at, we still believe there is a strong enough interest coming in. The Bannerghatta absorption it's not actually a quarter absorption. This project got its approval in the last 7 days of the quarter.

So it is actually not a quarter sales. This is frankly, this 50% plus absorption is frankly 1 weekend that we were able to get within the financial year. So we do believe, I think interest remains strong. Having said this, I think the euphoria probably that real estate was enjoying may have gone more towards a stable and more, I would say, organized demand. And if you see even our sustenance sales is actually reflecting that.

So we have done more than INR600 crores of sustenance sales in the last financial year. And even the last quarter, we did almost close to INR180 crores from sustenance. So that is reflecting that even when people are actually taking their time evaluating assets, there is strong enough demand coming in. And even on sustenance, this will be one of our much stronger quarters what we've managed to deliver in Q4. So I think stable, and that is what we are currently seeing, but we are very watchful of the market.

Moderator: We will now take our next question from the line of Pankaj from Avis Capital.

Pankaj: Firstly, congratulations on a good set of numbers. I know, from a statutory financial standpoint, they are not reflecting that, but that's the nature of business. My quick couple of questions, and this is in continuation to what my earlier friends have also asked. One is on account of the EBITDA margins or profitability margins. You mentioned that you are uncomfortable giving a quick guidance on FY27 top line numbers.

But my question is that are you going to hold on the EBITDA margins, more especially considering because we are into a Middle East crisis, and we have

seen inflation should go up considering the fuel price increase, which we have seen recently, and there may be more also coming in, which obviously will have an impact on cost of raw material for you.

So what kind of margin of safety or cushion you have created so as to continue giving healthy margins? That's one. Second is, I see some negative on Forest Trails project in Karnataka, INR11-odd crores, 5-odd units. So I assume these are cancellations in FY26. If yes, how are you reading it?

Is it a matter of concern for you? Because anyways, more than 50% of the project is still unsold and we see cancellations on top of it. Is it really worrying you? Or maybe you may like to add some color on that?

Priyansh Kapoor:

Right. Thanks, Pankaj. So Pankaj, on EBITDA margin, of course, the margins that get visible outside are more accounting margins because that is what gets reported. But when we look at the margins for the new sales that we are doing, so we are fairly confident that we can continue to maintain the trajectory of 22% to 25% even in the current year. And the way we have started and what we are actually seeing in quarter 1, we don't feel that there is any margin risk.

Like I mentioned that while we are seeing some cost increase, but in our budgets, we have taken sufficient cushion to be able to absorb this. So I think if this is not very, very long drawn and this commodity increase is probably for maybe a quarter or more, I think quite comfortable for us to be able to manage this in the current P&L comfortably without even passing on the increase of prices to the customers.

So that is something we are confident about. On Forest Trails, I think, just like I mentioned earlier to the earlier question, so Forest Trails, some of the projects across the portfolio, I think some cancellations are a part of regular business. So for projects which are, I would say, in sustaining stage. Most of those cancellations are not visible outside because we also have fresh sales, which are focused from the new sourcing and new activations that were going in.

So Forest Trails, we have been trying to get the customer experience ready. So this is a row house villa project. So we have been taking time to complete, I would say, what we believe will add to the customer experience. So we wanted a certain readiness in. So last financial year, we have not been able to take a

very large activation on that particular asset. And with especially the new launches coming in, we have actually now planned that coming in FY27.

So once the site experience is ready and we start getting new sales coming in, I think this negative will not be visible in FY27. So we believe we are quite confident of the product there. I think it's simply about just restarting the sales activation after getting customer experience to a level where we feel it is justifying the premium product that we have tried to bring to the market.

Moderator: Next question is from the line of Harsh Pathak from Motilal Oswal.

Harsh Pathak: So my first question is on the sustenance sales. So while we have seen improvement in velocity there in the recent quarter. So what measures have we taken at the corporate level to keep this engine running? Because as our base is growing and we have 6 launches also lined up for the current year, I think it will be also important for the sustenance sales to keep growing. So what measures have we taken on that front?

Priyansh Kapoor: Right. So Harsh, this is something that we have been tracking now quite regularly as a part of our strategy because this we understand brings greater stability and certainty to what we do on a quarterly level. And I think the results are actually quite visible. So in terms of strengthening the team, ensuring that they have the right tools and a focus on looking at all the key inputs that translate eventually into the customer buying.

So whether it is experience, whether it is the digital tracking, lead management, lead generation. So all those things we are quite focused on. So we believe I think we can continue to show good sustenance growth even in the new financial year.

Harsh Pathak: I mean, the growth target that we have given 35% to 40% for this year. So what kind of proportion is expected from the sustenance sales?

Priyansh Kapoor: So while this, of course, will change depending on the mix of launches and the sustenance inventory also that is available because some of the inventories in sustenance also comes to the market stage-wise. But when we are looking at our current mix today, our understanding is sustenance can show a growth of about 15% over what we have delivered in FY26. So 15% of growth can come from there. Of course, when we are guiding for total sales growth of 35% to

40%, that means launches will be growing faster. So that is something which is a function of the inventory that we will be bringing from the new launches.

Harsh Pathak: Understood. Sir, my next question is on the new launches. I think you highlighted that in Mumbai, we are planning for a couple of launches. So which projects would this be?

Priyansh Kapoor: So we have 3 projects right now, as you know, in the portfolio. So while we are working on all the 3 at the same time, and we are hoping to work and then we will see the market. I think today from a, I would say, approval process and readiness perspective, maybe the plotted project in Pen-Khopoli is actually ahead. The other one probably either between the Santacruz or Goregaon, that is what we feel we should be able to launch in the current year.

Harsh Pathak: Understood. And finally, on the Goregaon project, I think we have a JV partner, can you throw some color on who our JV partner is and what kind of arrangements we have?

Priyansh Kapoor: So as you know, I think we've taken this project from a partner who had been working with the -- this is a MHADA redevelopment. So there are -- there is a society, there are tenants from MHADA who are actually there. So there is a group called Oxford Sigma. So they have actually worked with these tenants in the past, and they have brought the project to a certain stage.

So our joint venture is with them. So there is a profit sharing agreement that we have with the Oxford Sigma Group. So they have a certain responsibility in terms of managing the site, bringing approvals to a certain stage. And of course, once they bring it to that particular stage, Arvind SmartSpaces plays a larger role in terms of the development, design, sales and construction to take the project ahead.

Harsh Pathak: Understood. And finally, on the Khopoli project, I think it's a large INR1,500 crores worth of project. So what proportion of inventory will we be launching in the first phase?

Priyansh Kapoor: I think our sense is we might be breaking into 3 phases most likely. So I think while the first phase should be somewhere between INR500 crores to INR600 crores is currently what we think, but it's going to be a function of also the execution logistics. So today, we have made our plans ready, and we are just

probably doing some final work there. So this is a function of how the approvals and also how the construction logistics works. But INR500 crores to INR600 crores is what we believe should be the first phase.

Moderator: Next question is from the line of Ritwik Sheth from One Up Financial Services.

Ritwik Sheth: So a couple of questions from my end. So firstly, what is the BD target for FY27?

Priyansh Kapoor: Right. Thanks, Ritwik. So BD target, Ritwik, we are looking about INR4,000 crores to INR5,000 crores of GDV to lock in for FY27.

Ritwik Sheth: Okay. And the spend will be similar in FY27 versus '26?

Priyansh Kapoor: So I think slightly more because last year, as you know, we logged about INR3,200 crores, and our spends are closer to INR600 crores. So we may probably have slightly more than last year, but it is a proportion of how much we actually get in the JD and how much in the outright structure. So it could be slightly more.

One positive from, I would say, the first project perspective that we've logged, it is actually a joint venture. So probably has a lower amount of outflow that goes for the top line. So slightly more than INR600 crores, but maybe not a very drastic shift.

Ritwik Sheth: Okay. Got it. And what can be the OCF trajectory in FY27? You've done a very good growth in FY26 of close to 25%, which is tracking the presales. So FY27, can it track the presales as well?

Priyansh Kapoor: Yes. So I think our OCF has been extremely strong. But I think, Ritwik, there are 2 forces that are going in. And if you also see our results will display that our construction spends have really caught very good speed in quarter 3 and quarter 4. So we want to continue the trajectory in FY27.

So while we're expecting growth on collections, but at the same time, we do expect, I think, quite some rapid growth in terms of our outflow and focus on construction. So somewhere, I think we are looking at maintaining the same

trajectory for OCF that we have probably delivered in FY26 in terms of the absolute numbers.

Ritwik Sheth: Okay. So OCF will be flat in FY27?

Priyansh Kapoor: Largely. But again, I think very difficult to probably give an exact guidance because it's a function of how much outflow goes towards construction. But we will be quite happy if we are able to maintain the same number actually. So because that will reflect that our construction speed has also been at a level that we are comfortable with.

Ritwik Sheth: Got it. Got it. And sir, one final question from my end on the inventory. So we have about INR3,000 crores from launch projects, which is unsold. And you mentioned in the previous question that 15% to 20% of sustenance sales is possible in FY27. So would it be a fair assumption that this unsold inventory will take anywhere from 3 to 4 years to get sold, the current unsold inventory?

Priyansh Kapoor: Right.

Ritwik Sheth: And you mentioned that we are looking at 15% to 20% sustenance sales in FY27 also.

Priyansh Kapoor: Right.

Ritwik Sheth: So would it be fair to assume that we can liquidate this unsold inventory, which is already launched in the next 3 years? Or that is the...

Priyansh Kapoor: Yes, I think that's a fair assumption. So I think from a time perspective, I think when we are also talking about our current projects, most of the large we are saying 4 to 5 years for the overall inventory. So what is launched, I think 3 years is a fair assumption to make right now.

Moderator: Next question is from the line of Ashish Nayal from Aditya Birla Housing Finance.

Ashish Nayal: Sir, first, I wanted to ask that, sir, you are standing at a net debt of INR167 crores, approximately INR167 crores. Sir, what are your debt plans for the future in FY27, if I talk about and FY28 if I -- specifically like if you want to bifurcate between '27 and '28 for debt plans?

Amit Chamaria: So thank you, Ashish, for that question. We are generally not giving a guidance on our debt positions. But like Priyansh was mentioning earlier, we have internally defined a threshold for ourselves where we will always try to keep the debt equity ratio to below 1:1. Having said that, like Priyansh mentioned, we would be generating a healthy OCF next year as well. So that is the first source that we tap in for our BD deployments.

And then over and above that, there will be some amount that could be required, which we'll be generating externally through bank and NBFC debt. We have also taken an internal sign-off on NCD. So that is something that we are keeping as an option available for ourselves as well. So we'll be utilizing all of these 2, 3 different avenues available for us, but our first source will always be the OCF that we are generating.

Ashish Nayal: Understood. Sir, are there any future investments or equity that will -- that you are expecting to infuse so that like to keep that debt equity below 1%...

Priyansh Kapoor: So Ashish, I think, yes, the stage at which it is needed, I think we will definitely evaluate that. But today, if you see we are at 0.26 from a debt-equity ratio perspective. So we are quite comfortable. So I think the way it is we are seeing the trajectory for at least the current financial year, very unlikely that we will be getting to that particular threshold. So at this stage, this question is probably not arising. Maybe subsequent financial years, when this is applicable and we are near that debt threshold, it will definitely be evaluated.

Ashish Nayal: Got it, sir. Sir, there are many projects in Bengaluru, you have like HDFC is a partner there. Sir, are they a partner as debt or they have for the equity in the project, sir? And to throw some more light on it, sir, which are the projects in which HDFC is a partner?

Amit Chamaria: The projects where HDFC is a partner, we are already disclosing that in our slides. If you just refer to the project-wise details and the economic interest, you will be able to see there are currently 3 projects where they are involved. And yes, and the structure is, again, is an OCD kind of a structure. So that's where they're investing.

Ashish Nayal: It is an OCD kind of a structure, sir. Okay.

Moderator: Next question is from the line of Biplab Debbarma from Emkay Global.

Biplab Debbarma: Congratulations on the excellent results. Sir, first question is on the deal pipeline in MMR. How does the deal pipeline in MMR look like currently? And are we targeting smaller projects, I mean, relatively smaller projects with GDV of, say, around INR500 crores or larger projects around INR2,000 crores or opportunistic, whatever you get. We will do INR3,000 crores as well as INR2,400 crores. So that is my first question.

Priyansh Kapoor: Right. Thanks, Biplab. So the deal pipeline, Biplab, in Mumbai still remains strong for us. So there is, of course, a lot of deals that are coming in. But having said this, now in Mumbai, we are moving to the next stage focus that is bringing some of our projects that we have already logged to the market. At the same time, we continue to evaluate the right kind of deals that are coming and getting discussed with us.

As a strategy, I think our sweet spot is somewhere between INR500 crores to INR1,000 crores. So that is, I would say, our sweet spot where we are actively sourcing deals in the Mumbai market. Having said this, like you said, business development is one area in Mumbai, you have to take a call, which is deal by deal.

Looking at the economics of that particular project involved and also the location that is available. But INR1,000 may be our sweet spot, plus or minus maybe 20%, 25% in Mumbai. That is what we are looking at. So actively, the focus is in this particular category.

Biplab Debbarma: Okay. Great. And second question is we have seen quite a few additions in your team. So just wondering how many senior executives have been added to key roles in the last 1 year?

Priyansh Kapoor: So quite a few, in fact. So a lot of CXOs who have actually joined in the last 1 year. Maybe I think if you look at almost close to 50% of the team that is now working directly with me has actually come in the last 1 year. So that is what we have managed to get. And I think we are very happy with the quality of the talent now we are adding, and that is reflecting in the way we are building the organization.

Biplab Debbarma: So the bandwidth might have increased. I mean, earlier, you may be doing 4, 5 launches a year. So does it mean that we'll see a ramp-up in launches going forward as well as execution?

Priyansh Kapoor: Biplab, I think these are all actually steps to build the organization in the long run and strengthen our ability to execute, which will reflect in the number of launches, the quality of execution, the quality of product, quality of sales that we bring in. So these are steps in that particular direction. And I think at the same time, I think we we have a very clear defined internal goalpost in the way we are looking at growth.

So the quality of talent is bringing in the foundations first for the organization. And this, of course, in the subsequent years will allow us to change completely the orbit also that we are trying to aim as an organization.

Biplab Debbarma: That's great. And the final question is on the Goregaon project and the JV structure. I thought it is JD. So JV structure, can you give us like some color on the structure? What is your profit share? What is its responsibilities? And is the partner contributing any incremental capital to the project? Or going forward, all the capital would be brought in by you and the project debt?

Priyansh Kapoor: So it becomes see, this becomes effectively a 2-level structure because we have a partner who has already brought the project to a certain stage. And the way we have structured the deal, both of us actually have the right to be able to invest. So there are some investments that have already happened from the partner in the past, and we are clear what investments we need to make in the future.

So after, I would say, looking at the full nature of the deal, our economic interest, like you mentioned, comes to about a 44% kind of profit share. But good thing is that actually also ensures our investments are commensurate with the kind of returns we are taking. And I think all the responsibilities in terms of some of the critical areas are also managed by the partner. We've already given...

Biplab Debbarma: So your share is -- sorry, sir. Sir, just a clarification. Your share is 44% profit share.

Priyansh Kapoor: 44% profit share, that's correct.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Priyansh Kapoor, Managing Director and CEO, for closing comments.

Priyansh Kapoor: Thank you, everyone, for participating in this earnings 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 our IR team. And they will be happy to connect with you offline and clarify and give further information as may be required. Looking forward to interacting with all of you in the coming quarter. Thanks for your time.

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

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