14th August, 2026

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

Security Code : 539301
Security ID : ARVSMART

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.

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 Friday, 7th August, 2026, at 05:00 PM IST, to discuss Q1 FY27 Business and Financial Results of the Company.

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

Thanking you,

Yours faithfully,
For Arvind SmartSpaces Limited

PRAKASH BHOGIBHAI MAKWANA
Digitally signed by PRAKASH BHOGIBHAI MAKWANA
Date: 2026.08.14 11:10:56 +05'30'

Prakash Makwana
Company Secretary

Encl.: As above

Arvind SmartSpaces Limited

Q1 FY27 Earnings Conference Call

August 07, 2026

Moderator: Ladies and gentlemen, good day, and welcome to Arvind SmartSpaces Limited Q1 FY27 Earnings Conference Call. As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand over the conference to Mr. Satya Prakash Mishra, Group Head, Investor Relations. Thank you, and over to you, sir.

Satya Prakash Mishra: Thank you, Pari. Good evening, everyone, and thank you for joining us for the Q1FY27 results conference call for Arvind SmartSpaces Limited. The financial results for the quarter and related presentations were uploaded to our website as well as on the stock exchanges. Hope you had enough time to go through it.

Before we begin, let me introduce the management team. Joining with me today on the call is our Chairman, Mr. Kulin Lalbhai; Mr. Priyansh Kapoor, our Managing Director and CEO. We also have Mr. Amit Chamaria, the CFO of the company.

Please 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: Good afternoon, everyone, and thank you for joining us today. It is a pleasure to welcome you all to the Arvind SmartSpaces Earnings conference call for the first quarter of FY27. We have started the year with a very strong Q1 with presales of INR432 crores, which is a 147% growth year-on-year.

Beyond the great momentum in sales, this quarter also marked the highest quarterly GDV booked in our BD as well as a very healthy growth in our construction rate. This achievement is a strong testament to the foundation we have built, and I'm confident that it marks just the opening chapter of a far more ambitious and transformative growth journey ahead for us.

Speaking of macro trends, India remains one of the fastest-growing major economies supported by strong domestic fundamentals like infrastructure investment, favorable demographics and urbanization despite the global uncertainty. We remain positive on the residential real estate sector, driven by rising incomes, better connectivity and evolving customer aspirations with a long-term growth opportunity ahead.

The industry is also witnessing a shift towards organized developers with customers, landowners and capital providers increasingly favoring players with strong governance, execution and financial discipline, creating a favorable environment for established companies like ours.

Our focus remains on building a sustainable, disciplined business with long-term growth rather than chasing short-term gains. We continue to strengthen our people capability, execution capability and governance structure to deliver consistent performance across cycles.

Our growth strategy centered on key markets like Gujarat, Bengaluru and MMR, allowing us to build deeper expertise and maintain disciplined capital allocation. At the same time, our partnership-led model ensures capital efficiency, enabling us to scale whilst preserving balance sheet strength and financial flexibility.

Another encouraging development during the quarter was the upgradation of our long-term credit rating by India Rating to AA- with a stable outlook. We see this as more than a financial milestone. It reflects the disciplined manner in which the business has been built over the years through prudent capital allocation, strong governance and consistent execution. It also enhances our financial flexibility as we continue to pursue future growth opportunities.

We believe our focused market strategy, partnership-led business model, strong balance sheet and unwavering commitment to governance and execution position us well to continue creating long-term value for our stakeholders.

With that, I would now like to hand it over to Priyansh, who will take you through the operational and financial performance for the quarter in greater detail. Thank you.

Priyansh Kapoor: Thank you, Kulin. Good evening, everyone, and thank you for joining us on this call. The first quarter of FY27 has been an encouraging start to the financial year. We delivered a strong operating performance driven by healthy demand across our existing portfolio. Our bookings for the quarter grew by around 147% year-on-year basis, reflecting the strength of the underlying business model, our current portfolio and continued momentum across our core markets.

What is particularly encouraging is that performance was achieved entirely through sustainable sales. Over the last few years, we have consciously focused on strengthening our sustenance sales engine by improving customer engagement, enhancing our sales process and maintaining consistent execution across projects.

We are now beginning to see meaningful outcomes from these efforts with sustaining sales becoming an increasingly important contributor to our overall business and providing greater predictability to our quarterly performance.

Our Aqua City project in Ahmedabad has been a standout performer this quarter with booking momentum that reflects both sustained demand and the enduring strength of our brand. This performance further strengthens our leadership position in horizontal development in Ahmedabad, reaffirming the depth of our market understanding and the trust homebuyers continue to place in us.

Our launch pipeline remains robust with a couple of launches expected in the current quarter and a strong lineup of additional launches planned over the balance of the year, providing a solid platform for sustained bookings growth.

Collection for the quarter has grown by 76% on a year-on-year basis to INR336 crores. Strong collections and healthy growth in construction spend enabled us to generate net operating cash flows of INR81 crores during Q1 FY27, further strengthening our financial position and reflecting the resilience of our business model.

Looking ahead, our existing project portfolio provides strong cash flow visibility with estimated operating cash flows of over INR5,119 crores expected to be realized over the next 4 to 5 years. Another important highlight during the quarter was the continued momentum on business development front.

We added projects with an aggregate gross development value of approximately INR2,600 crores, which includes redevelopment project in Goregaon, Mumbai and the horizontal residential development in South of Ahmedabad. Both these deals are under joint development model. We continue to evaluate opportunities selectively with a clear emphasis on project quality, capital efficiency and long-term value creation.

Let me now move to the financial highlights for the quarter. For the first quarter of FY27, the company reported revenue of INR318 crores compared with INR102 crores in the corresponding quarter of previous year. Adjusted EBITDA stood at INR150 crores versus INR25 crores in the previous year.

Profit after tax for the quarter has grown to INR97 crores as against INR12 crores in the corresponding quarter last year. The significant growth in the financial numbers is majorly driven by the BU received for Phase 1 of Orchards project in Bengaluru. Even as operations continue to scale, our balance sheet continues to be healthy.

Net debt to equity has remained at 0.29x, leaving enough headroom to raise fresh debt while maintaining healthy debt equity ratio. Further, as on the end of the quarter, the unrecognized revenue balance was INR3,825 crores.

Looking ahead, we remain optimistic about the demand environment across our core markets. Our launch pipeline, strengthened business development portfolio, consistent operating cash flow and healthy balance sheet provides us with confidence as we move through the year.

We continue to hold our guidance for the full year FY27. So we expect to reach a bookings growth of 35% to 40% over previous year, business development of INR4,000 crores to INR5,000 crores during this year and EBITDA margins on new sales in the range of 22% to 25%. The building blocks to achieve this are firmly in place.

With that, I will conclude my remarks, and we can now begin the question-and-answer session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Amit Srivastava from 360 ONE Capital.

Amit Srivastava: Congratulations sir, on a very good set of numbers. Sir, my first question is in terms of the presales of booking numbers, which we have seen is very strong. And this is one of the projects where we have seen a very strong sales which has come from Aqua City. So just wanted to understand the demand trend, what is the underlying demand for the overall market?

Is this a project-specific demand which has driven this kind of a response or is the underlying demand for the -- our core markets like Gujarat or Bangalore is strong that across the project line, we can expect a similar response going ahead?

Priyansh Kapoor: Right. Thanks, Amit, for the question. So Amit, I think it's a combination of both. I think the market, to our understanding, remains definitely strong enough to be able to absorb the kind of inventory and the projects we are to the market currently. Second, Aqua City, of course, the quality of the development, it's a very large project that we are doing.

And I think the concept itself has been very very appealing to the customer. So I think it's been a combination of both. But I think from our portfolio perspective, when we are looking at the market, I think we are seeing the markets as being reasonably strong, stable and responding quite well to most of the projects which we are bringing right now in terms of our offering.

Amit Srivastava: So underlying demand is still strong, that's what we can infer from that?

Priyansh Kapoor: Yes. I would say, Amit, the underlying demand is still quite strong.

Amit Srivastava: Okay. And second, in terms of the launches pipeline, if you look at, how much the GDV we are going to launch during the next 3 quarters? And if you can give the project-wise now based on the revised plan?

Priyansh Kapoor: So Amit, we have guided for about INR3000 crores to INR3,500 crores of booking value that we are intending to put in terms of the fresh supply in the market. This is going to be largely 6 launches that we are working on. And one of them is going to be from Ahmedabad. We expect 3 projects from Bengaluru to hit the market and 2 from Mumbai. So put together about INR3,000 crores to INR3,500 crores because some of the projects we might only bring some phases, not the full project inventory. So this is the guidance.

Amit Srivastava: So INR3,500 crores, we will launch or the INR3,500 crores is the opportunity of GDV basically?

Priyansh Kapoor: So INR3000 crores to INR3,500 crores is what we intend to launch in these 6 projects in the market.

Amit Srivastava: Okay. Okay. Second, in terms of the project, if you look at, we have unrecognized revenue of around INR3,800 crores. And in this quarter, we have seen a very good jump up in our margin. But just to understand on a normalized EBITDA margin, how to understand the INR3,800 crores of revenue which we have? And how that will going to book it over the next 1 or 2 years, what would be the trend in terms of if you can give any kind of ballpark numbers for that in terms of profitability as well as in terms of number, in terms of the top line?

Priyansh Kapoor: So in terms of the margin profile, I think, of course, this quarter has been, I would say, quite a very strong one because of one of the projects that was booked in terms of the building use completion. But normally, I think our guidance is about 25% EBITDA margin on our portfolio. So I think over a period of time, we will expect to maintain that kind of average for both the unrecognized revenue and also the unsold inventory that we may have in our portfolio.

In terms of booking, I think we haven't put out very clear year-wise guidance. But when we are talking about INR5,100 crores of cash flows, which are probably sitting from unsold inventory plus the balance collectible. We are saying that INR5,000 crores of cash flows will come over the next 4 to 5 years. I think the revenue recognition is still a little sporadic because it is very, very approval linked. So we haven't come to annual guidance so far on the revenue recognition part.

Amit Srivastava: Any divergence in terms of the margin profile if we are doing any horizontal and vertical project, if you can give that range?

Priyansh Kapoor: Largely, I think, more than horizontal and I would say, vertical, I think for us, the margin percentage has varied, whether it's been an outright project or a JD project. When we give a range of 22% to 25%, probably I think our JD projects are slightly on the lower end of this particular range and our outright projects are on the higher end of the range. So together bringing us to this average between 22% to 25% on a portfolio level.

In our case, I think while we have maintained this guidance, our current portfolio that have currently got recognized, as you can see, are slightly on the higher side. But considering the outright mix plus basically the plotted and the high-rise mix, I think we expect finally we will be between this range of 22% to 25%.

Amit Srivastava: Okay. Last question, sir, in terms of the OCF generation, if you look at this quarter, we have done around INR81 crores. So we are growing very fast in terms of collection or booking value. But our OCF generation, it seems like it's flattening over the last 2 years, if you look at. So can you give us some guidance how much we can do this year? And what would be the percentage or numbers will be there for the -- over the period of this year, full year?

Priyansh Kapoor: So last year, we had done about INR400 crores of OCF. And what we mentioned even in our previous call that this year, we are targeting to be somewhere in the range of INR400 crores to INR500 crores on the OCF front. So quarter 1 is in line with what we have been chasing for the full year.

And if you see, I think while the OCF trend compared to last 2 quarters looks slightly slower, but we are quite happy about it because the larger incremental outflow is towards construction cost, which has been a conscious effort to ramp up from our end.

And even OCF of INR81 crores on a base of INR336 crores of collection is exactly in line with the kind of margin profile we are guiding for. So in a way, we are saying we are catching up well on construction. And it's generally one of the problems in the industry has been slower construction outflows. So we are quite happy that we are able to see these kinds of outflows in our portfolio. And still the OCF profile is largely in line with the project margin profiles.

Moderator: The next question is from the line of Dhananjay from Centrum Broking.

Dhananjay: Am I audible, sir?

Priyansh Kapoor: Yes, Dhananjay.

Dhananjay: So in terms of launch pipeline for this year, so have we also included this Goregaon project, which we got or this will happen next year?

Priyansh Kapoor: So Dhananjay, we are saying in Mumbai, we are looking at 2 launches currently. As you know, we have 3 projects in the portfolio in Mumbai, which have been added. And we are hoping one of the launches that we are going to do is the Goregaon project for now.

Dhananjay: And what is the construction area in this? I mean for this project, entire construction area versus saleable area?

Priyansh Kapoor: So the carpet area that we are generating for the market is about 6.7 lakh square feet. It's a redevelopment project. So this is the area that we will be putting for sale. Remaining, of course, there is a redevelopment component that we are building for the members.

Dhananjay: How much of that redevelopment we are doing for members in terms of construction area?

Priyansh Kapoor: We can get back to you on that. There are about 200-plus units that we have to give to the members there, but we can get back to you on the construction area exactly for the members.

Dhananjay: And how long it will take in terms of once we put for launches so to complete this project about 3 years time?

Priyansh Kapoor: Dhananjay, sorry, could not understand the question.

Dhananjay: How long it will take to complete the project, this Goregaon after launch?

Priyansh Kapoor: So Goregaon is it's a typical 35-floor plus building in Mumbai. So we are expecting to take about 4 years to complete the project once we hit the ground.

Dhananjay: In terms of overall investment for this year as we have. we are targeting 4,000 to 5,000 in BD so what will be the total investment for this year in terms of balance sheet?

Priyansh Kapoor: So it's a combination. It's going to be a combination of our JD plus outright. So today, when we look at the land outflows, we might be closer to in the range of INR600 crores to INR900 crores. So that is the kind of outflows we are likely to see. But it's a combination of what finally we do in terms of outright, what do we do in terms of JD, which will determine the fresh land outflows from our end. But right now, I would say INR600 crores to INR900 crores, maybe that could be the kind of range you might look at.

Dhananjay: In terms of revenue recognition for this financial year, we started very well because of OC on certain projects. So what will be the run rate for this financial year -- I mean out of completed projects will come for recognition...

Priyansh Kapoor: Right. So Dhananjay, I think we have started very very well. But because some of the OCs are lined up in quarter 4, of course, we are reasonably sure we're going to see a strong growth over the previous financial year in terms of the revenue number. But very difficult to give an exact range at this particular stage because some of the OCs are lined up in the fourth quarter as well, and that can sometimes meaningfully swing the revenue recognition because it's just dependent on the last approval.

So we have taken that feedback, and we are thinking whether we will start talking about this more explicitly. But for now, what you can expect is a reasonably strong growth over the previous year, but we're not guiding for it at this stage.

Dhananjay: Okay, sir. In terms of labor cost, have you seen any cost increase because of shortage of labor in your side of project?

Priyansh Kapoor: So I think so generally, the cost of manpower labor, I think, has been on the uptick in the last few years with a lot of construction activity, which is ongoing. Having said this, I think from a project perspective, are these costs big enough to impact the project profitability? Not at this particular stage.

So there could be some increases that are happening, which are gradual, but they are not impacting project profitability in our case because we budget for some of these upfront when we are signing up on the project.

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

Vishal: Congratulations on a great quarter. So you obviously recognized a lot of revenue this quarter and you have OCs lined up in Q4. So are you looking at revenue recognition to moderate in next 2 quarters in Q4 of this financial year and Q1 of next financial year, it picks up again?

Priyansh Kapoor: So Vishal, we are, of course, hoping to recognize revenue as soon as many of these OCs come in. We do have a good pipeline for the current year in terms of OCs, which are currently lined up. But the quarters are slightly difficult to predict whether we will have some of those in Q3 or Q2, I think that's slightly difficult to predict at this particular stage. But we are definitely going to see some, I would say, reasonably large uptick over the previous financial year when it comes to the accounting revenue that has been reported.

Vishal: So my next question is basically on business development and MMR region. You've done BD in MMR recently. Do you feel a higher chunk of your project would be in MMR as compared to Gujarat soon? And what is the progress with the Khopoli project?

Priyansh Kapoor: So I think, Vishal, we remain quite bullish, in fact, on the Mumbai market. So we are continuously looking for more opportunities there. And currently, we have INR4,000 crores plus of GDV already locked in the market, and we are looking at more opportunities. So we do expect, yes, Mumbai is going to be a very large contributor. But it won't be at the cost of probably any defocus on Gujarat or Bangalore. I think we remain focused on adding projects in these 2 cities as well.

But I think Mumbai, every incremental project can bring a lot of addition in terms of booking value. So yes, there is a possibility Mumbai grows faster than these 2 markets in terms of addition of GDV. That's a possibility.

Second, I think from a launch perspective, Pen Khopoli, we are working on this particular project in terms of approval. And like I said, we are hopeful that we are able to bring at least 2 out of the 3 projects in Mumbai, in the market, in the current year. And H2, we do have some of these projects which are part of our launch pipeline, including the Pen Khopoli one.

Moderator: The next question is from the line of Ishita Lodha from SVAN Investments.

Ishita Lodha: What were the incremental efforts taken by the company on sales and marketing to drive up the sustenance sales? And can we expect a similar or a higher run rate in coming quarters?

Priyansh Kapoor: So Ishita, I think from a sales perspective, we have been trying to strengthen our distribution capabilities and the way our processes and the teams work. So I think we have invested quite a bit in terms of one, strengthening the team all across, across all the 3 cities where we are now present and even ensuring that our distribution in terms of our channel partner reach, our marketing reach is further enhanced.

So I think that has started to show in terms of the results and the numbers that we are seeing on the sustenance front. Compared to what we were aiming for probably on sustenance, we may. with the first quarter being much better, it's possible that sustenance may be slightly more than maybe what we were aiming for.

But having said this, we are in a industry where inventory is always a function of the approvals you get. So while we are maintaining the overall sales guidance for the year, there's a possibility that sustenance may contribute slightly more because of the buildup in terms of our own teams internally.

Moderator: The next question is from the line of Anirudh Sharma from Ekaant Investments.

Anirudh Sharma: So a few questions from my side. So my first question is your unrecognized revenue has increased to approximately INR3,800 crores. Could you help us understand the expected time line for converting this into reported revenue over the next few years?

Amit Chamaria: Anirudh, thank you for the question. See this INR3,800 crores of unrecognized revenue is essentially like Priyansh was mentioning, is a combination of the OCs that we'll get. So broadly, when we look at our project portfolio, it's a combination of plotted as well as high-rise. Plotted projects will typically get recognized over 2 to 3 years.

And the high-rise component, the OC comes in, in about 4 years or so. So it is going to be a mixture of these 2 things. Broadly, I would say that all of this would get recognized over the next 4 years.

Anirudh Sharma: Okay. Understood. So my next question is that the presentation highlights an estimated unrealized operated cash flow exceeding INR5,100 crores from the existing portfolio. What are the key assumptions behind this estimate? And how should investors think about its realization over the project life cycle?

Priyansh Kapoor: So Anirudh, I think like I mentioned, when we talk about this INR5,100 crores of cash flow, we are saying, we are targeting to look most of this probably getting realized over the next 4 to 5 years as the projects continue to move ahead. And this is, of course, from the existing set of projects, this number keeps on changing depending on as and when new projects start getting into the portfolio. So over the next 5 years, we feel we should be able to monetize most of it.

And in terms of assumptions, generally, when we gave out these assumptions, the price is based on what we would have underwritten that particular project at. And even when it comes to our costing, we have a robust process where when we are underwriting a project, we look at what exactly is expected outflow. So we have taken those assumptions and basis that concluded and estimated this INR5,100 crores of future cash flow.

Anirudh Sharma: Okay. So sir, your net debt to equity has increased to 0.29x as the company continued to invest for growth. What would be the comfortable leverage range over the medium term, especially considering the strong project acquisition pipeline?

Priyansh Kapoor: So we have said also in the past, and we are maintaining our comfort at 1:1 debt equity. So till that level, we are quite comfortable. So we do expect a gradual increase in our debt level, which is a part of our conscious strategy to expand and increase the portfolio size. And we remain quite comfortable when we are looking at this particular debt level because when we look at the debt, it's also a function of the kind of OCF we generate.

And equity base is a function of the revenue recognition point that we all were speaking about for quite some time. So when you look at the total collections and total OCF that we look at, this 1:1 is a very comfortable threshold in our view.

Anirudh Sharma: Understood, sir. So one last question from my side. So you had a great start to this financial year. Could you share your expectations for the bookings, your collections and the business development for the full year? And what are the key opportunities and risks that investors should monitor over the next 3 quarters?

Priyansh Kapoor: So in terms of our guidance for the bookings, we've said we expect to grow by about 35% to 40% over previous year, which takes us to a range of INR2,100 crores to INR2,200 crores in terms of a number for the current year.

When it comes to business development, INR4,000 crores to INR5,000 crores was the GDV target or the aim we were looking at. And we've already done close to about INR2,600 crores. So we feel we are on track, maybe aiming for the higher band in terms of the GDV on the BD front. And I think for now, we remain quite confident that we are giving these guidances out, I think, fairly on track.

From a collection perspective, we have not put out a total annual guidance. But if you see, I think the quarter we have had, this is actually our second best quarter in terms of collections in our history. So quarter 4 was our best ever quarter. And we -- so we are happy to see that we are now clocking INR300 crores quite frequently in terms of our collection numbers. So we do expect to have a decent growth over the last year in terms of collections as well.

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

Jainam Shah: Congratulation on a great set of numbers. Sir, my question is more from a futuristic perspective. Firstly, if we see your journey eventually after getting demerged from the current entity and now doing a good sustenance sales, we have came a long way.

Earlier, what used to happen is that whenever we had any specific, what you can say, launch at that point in time at that quarter, we'll be having a good sale for a quarter or so and then sustenance eventually dried up.

Now we are doing good sustained sales eventually after you can say, going into this market. And the question would be, let's say, after reaching this INR2,000 crores plus kind of presales, how we would be seeing, let's say, next 5 to 10 years' time? We are still not a very large player in any of the market, which is Mumbai, Bangalore and NCR. We are still a large player in Ahmedabad. How do we see our overall journey to be, let's say, national player or something like that?

And because real estate cycle has been good between, let's say, FY'22 to till date, even if it goes for next few years, how do we able to do it in a better way to let's say go towards INR5,000 crores, INR10,000 crores, whatever maybe the number for the presales, considering we already have a good overall project pipeline along with the BD that we are doing?

Priyansh Kapoor: Right. Jainam, very interesting question. And so when we look at, firstly, our 4- to 5-year plan, I think our guidance has been that we can continue to grow at about 25% to 30% CAGR. And I think we remain quite confident that we should be able to achieve this.

Now when you look at the split, I think what has interestingly happened on our portfolio now and which is by our strategy and design, the inventory that we have sitting in our portfolio, now we have actually reasonable stock in all the 3 markets. And like I said, if you see Mumbai is sitting at INR4,000 crores plus worth of stock.

Bangalore is close to INR3,000 crores worth of stock. So now we are truly moving beyond one market in the right possible way. So I think this 25%, 30% CAGR will also bring us to a very reasonable scale in the next 5 years.

And while we are maintaining this particular trajectory, I think if we are able to do this particular phase of growth quite well, we believe, I think from there, I think truly becoming one of the large developers on a national level, I think, gets incrementally easier once you have put your foothold in 3 markets which are fairly large. I think that opportunity, and I think now that particular vision is seeming, I think, within our plan, within our reach.

At the same time, I think we've always said we will continue to maintain a very deep focus on profitability. So while we expect to be one of the large national developers over this 10-year journey that you were talking about, but at the same time, I think we are not going to compromise financial discipline just to achieve booking value growth. So we are feeling nearer to our plans. I think the way this company, like you said, is getting built over the last 10 years and the next 5-year plan. And maybe I think after 5 years, we'll probably take a stock whether we look at more markets, whether we -- how do we evaluate our next set of growth.

Jainam Shah: Got it, sir. So one more thing on this future plan is that if we see all the larger players, here or there, they will always have some kind of a commercial or a retail portfolio wherein they'll get annuity kind of an income. Of course, the upfront capex will be higher in that case. We are only focused as of now on the residential part.

Are we planning to have anything on the -- you can say annuity portfolio, maybe not today, but maybe after 2, 3 years time or something like that? Even in the worst-case scenario, let's say something goes off for the real estate market as a whole, we'll have a sustenance kind of even the cash flow, which will eventually take care of our overall company in the worst-case scenario?

Priyansh Kapoor: Right. I think, Jainam, it's a very fair point and something we are also thinking about and we take your input and feedback on this. This is something which we are also thinking about. There's a possibility, I think after a few years, we will want to look at this particular opportunity.

Today, I think step one for us is that we also want to develop some of these assets probably, I think, and test out the development even if they are done with an intent for sale basis. So we may actually look at probably understanding more assets from a for-sale basis. And then maybe once we have delivered some of these, we know the nuances of delivering some of these assets, and then we can probably at a future date, also look at what you probably mentioned that we can hold it in our portfolio.

It's a few years away, but something that we are thinking about as we grow. I think that could also be an interesting use of capital once this cash flow that we are talking about, which is in a way going to realize over the balance sheet starts coming in and we can think about this.

Moderator: The next question is from the line of from Prisha from Shah Family Office.

Prisha: So I have a couple of questions. So first being the company now has a sizable pipeline of projects planned for a launch across Gujarat, Mumbai, Bangalore, etc. So which of these launches are expected over the next 2, 3 years? And what level of presale contribution we can expect coming from these recently launched projects?

Priyansh Kapoor: So Prisha, for this year, like I said, one project in Ahmedabad, we are definitely looking at launching, one of the new projects that we had acquired, which is in Vastrapur in Ahmedabad. So that is what we'll bring to market.

Bangalore, we expect 3 projects. One of them already, in fact, which has received approval is the new Sarjapur project that we had acquired. So that has already got approvals as well. So that is also going to be one of the launches. Other than that 2 more projects in Bangalore that we are working on in terms of getting to the market.

Mumbai, 2 more projects, so which will allow us, frankly, launches in all the 3 cities that we operate in. I think, again, when we talk about next year, we are building our BD pipeline for all the 3 markets, and we are hoping that we can continue and in fact, augment this run rate of about INR3000 crores to INR3,500 crores of booking value that we intend to bring in the current year. We are hoping next year, in fact, we will be able to bring more inventory with BD actually going quite well for us.

Prisha: Okay. Understood, sir. And coming to the operating cash flow, which fairly remained strong during the quarter despite the continuous investment which we are doing in land and the approvals and everything. So keeping that in mind, how do you intend to balance the capital deployment towards the business development while also maintaining the leverage -- the healthy leverage, which we are having currently along with the cash generation?

Priyansh Kapoor: So Prisha, if you see generally our quarterly run rate, so if you probably were analyzing our operating cash flow, we can do about INR400 crores to INR500 crores of cash flow, which can come from our operating business itself. So that is the first part, which will go towards new BD and new land acquisition.

Second, like we said, I think on the balance sheet, we have enough room to be able to add quite some debt. We are at 0.29, and we have said we are comfortable 1:1. So that also gives us a fairly large chunk of money which we can borrow. And when I'm giving our BD guidance, I'm saying we are looking at about INR600 crores to INR1,000 crores from a cash deployment within the current year.

So I think with INR400 crores coming from operating side and with debt lines being comfortably available, I think we have enough room to be able to meet this guidance of the business development land deployment that we're talking about.

Prisha: Understood, sir. Very well answered. And coming to just one more last question, if I may. So the adjusted EBITDA margin, which improved meaningfully at around 48% to 49% this particular quarter. So how should we as an investor view this like should we consider it as a sustainable margin profile or were there any project mix or revenue recognition factors that could have benefited this quarter? So basically, 2 viewpoints.

Priyansh Kapoor: Yes. So I think, of course, we are quite delighted that some of our projects in our portfolio are reporting this kind of margin. But when we are advising you, we will always say, I think look at the aggregate and the average portfolio margin. Average portfolio margin that we look at is about 25%. Fortunately, in our case, many of our projects have overperformed on that particular -- on that margin.

And one of the projects which got into revenue recognition in this quarter was Orchards, where we are way above our guidance. So we will advise and treat it maybe as one project which has done exceedingly well. But at the same time, probably factor in a 25% EBITDA at this particular stage as a company average.

Moderator: The next question is from the line of Arvind Singh from Maitryi Investments.

Arvind Singh: Am I audible, sir?

Priyansh Kapoor: Yes, Arvind.

Arvind Singh: So congratulations on great set of numbers. So I just wanted to ask a question on the industry side. So how much price appreciation do you see in the upcoming next 2 to 3 years on the overall real estate industry? Because I think there are a lot of price appreciation happened in the last 3, 4 years. So just wanted to know your broad view on the pricing?

Priyansh Kapoor: So I think you're right, Arvind, over the last few years, I think a lot of price appreciation has happened. My personal view is, I think now the price increase cycle, I think, is stabilizing. While because the demand remains strong, there are pockets where there are opportunities to pull up the pricing.

But at least when we are underwriting, our business plan, we are ensuring we are not dependent on very large price hike. So that is generally something we have avoided as a part of our underwriting strategy.So we believe, I think now the price increases should be slightly moderated.

The demand continues to be very, very strong. I think in most of the markets where we are operating, I think the absorption is strong. But at the same time, I don't think we will now see the kind of price increases that we may have seen in the last 3, 4 years. I think it's going to be slightly moderated in terms of the increases.

Arvind Singh: Okay. Great to hear, sir. And sir, one more question that many of the investors said that the real estate cycle is almost done, but you guys are posting robust numbers. So where do you see the cycle -- where we are in the real estate cycle, if you can give us just broad picture?

Priyansh Kapoor: I think my own reading is that when we were probably looking at a very, very rapid uptick in growth in the cycle probably when we were talking 2 years ago. I think now we are in a stage where probably the cycle demand is stabilizing. But when we look at a country like ours, I think the structural demand still remains very, very strong.

So even when we talk about these markets, the 3 markets, particularly which we are tracking very actively, I think these markets, depending on the reports you look at, I think you will be -- one will be looking at anywhere between INR3 lakh crores to INR4 lakh crores in terms of annual residential absorption.

So these are fairly deep and large markets in terms of the size that we look at. So even if they see some stable growth, we believe I think there is a lot of opportunity for developers like us to continue to grow even if the current, I would say, structural demand adding to it without the cycle demand giving a lot of uptick.

Arvind Singh: Okay. And sir, one last question, please. How do you see -- if you are planning to go into the Tier 2 markets, so how do you see the margin trajectory there?

Priyansh Kapoor: So for now, Arvind, our focus remains on largely these 3 cities, which are all Tier 1: so Bangalore, Mumbai and Ahmedabad. That's what we are continuing to focus on. And these 3 cities, I think, like I said, they give us an EBITDA of between 22% to 25%. So we are able to maintain these margins in all the 3 cities.

Between the 3, the price uptick in Bangalore has probably ensured that there are probably better margins in some of the projects that we may have underwritten in the past in Bangalore. So that's something which is happening as a part of the pricing cycle that you have spoken about in the last few years.

Moderator: Ladies and gentlemen, that was the last question from the participants. I now hand over the conference to Mr. Priyansh Kapoor for closing comments. Over to you, sir.

Priyansh Kapoor: Thank you, everyone, for participating in today's earnings call and for your continued interest in Arvind SmartSpaces. I hope we have been able to address most of your questions today. However, if there is anything we may have missed or if you require any further information, please feel free to reach out to our Investor Relations team, who will be happy to assist you.

Thank you once again for your time and continued support. We look forward to interacting with you all once again in the next quarter. Thank you.

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

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