6th November, 2024

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, 25th October, 2024 to discuss Q2 & H1 FY25 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: 2024.11.06 12:58:14 +05'30'

Prakash Makwana
Company Secretary

Encl.: As above

#DESIGNEDTOINSPIRE

Arvind SmartSpaces Limited

Arvind SmartSpaces Limited

Q2 & H1 FY25 Earnings Conference Call

October 25, 2024

Moderator: Ladies and gentlemen, good day, and welcome to the Q2 and H1 FY '25 Earnings Conference Call of Arvind SmartSpaces Limited.

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 "*" then "0"on your touchtone phone. Please note that this conference is being recorded.

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

Amit Sharma: Thank you. Good evening, everyone and thank you for joining us on the Q2 and H1 FY '25 Results Conference Call of Arvind SmartSpaces Limited.

We have with us today on the call, Mr. Kamal Singal – Managing Director and CEO; Mr. Avinash Suresh – Chief Operating Officer; Mr. Mitanshu Shah – Chief Financial Officer; Mr. Prakash Makwana – Company Secretary; and Mr. Vikram Rajput – Head, 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, which would be construed as a forward-looking statement must be reviewed in conjunction with the risk that the company possesses.

I would now like to hand over the call to Mr. Kamal Singal for his opening remarks. Over to you, sir. Thank you.

Kamal Singal: Good evening, and a very warm welcome to everyone present on this call. Thank you for joining us today to discuss operating and financial performance of Arvind SmartSpaces for the second quarter and the half year ending September 30, 2024.

Diwali is just around the corner, I want to wish all of you a very Happy Diwali and a prosperous New Year.

Brief thoughts on the sector. The current real estate cycle is being driven by a strong affinity for home ownership and premiumisation. Launches continued to track lower than demand, leading to a decline in inventory levels. Inventory overhang for the industry remains comfortable at 12 months. Further, according RBI data, home loan deployments exhibited a robust 40% YoY increase in FY24. Also, credit deployment to the housing sector expanded by 13% YoY as of July 2024, indicating a sustained upward trend in both home ownership and credit uptake. We expect buoyancy to persist in the near term where branded developers with low leverage and high design premiumisation capabilities will continue to capture emerging opportunities.

Coming to the Operational update for the quarter, I am pleased to share that the quarter just concluded has been the best ever quarter for Arvind SmartSpaces with some notable achievements in terms of bookings and launches. For the first time, we have crossed the Rs. 400 crore milestone for quarterly bookings. Q2FY25, Bookings improved by 26% YoY to Rs. 464 crore. We had a new launch Aqua City in Kalyangadh, South Ahmedabad towards the end of quarter, which received a landmark response, probably the biggest ever plotted and villa launch in Gujarat. Arvind Aqua City has achieved bookings of more than Rs. 500 crore at the launch. It is heartening to see all our new launches over the last several quarters in several different micro markets have created bookings milestones.

Our half yearly performance, has also been best ever in terms of bookings and collections. H1 Bookings Value grew 32% YoY to Rs 666 crore and H1 collections grew 6% YoY to Rs 497 crore.

Our Business Development initiatives, especially in the vertical development segment are progressing well. Recently, we've signed a new residential project on ITPL Road in Bengaluru with 4.2 lakh sq. ft. of saleable area and a potential of ₹600 crore. Located near Whitefield's IT hub, this is our 12th project in Bengaluru, further strengthening our presence in this growing market. This follows the announcements of Bannerghatta and Forest Trails high-rise phase, both vertical projects.

Now moving from operational updates to the financial highlights, H1 we have reported revenue of around Rs. 340 croreore up 144% on a year-on-year basis. EBITDA for H1 grew by 153% to Rs. 91 croreore, PAT for H1 grew 137% to Rs. 47 croreore. In Q2 we reported a revenue of Rs. 265 croreore up 265% year-on-year and EBITDA grew by 320% to Rs. 83 croreore, PAT for the quarter grew 293% to Rs. 43 croreore for the quarter.

Our balance sheet position remains very strong despite expanding operations, our net debt decreased to negative Rs. 195 croreore from a negative net debt of around Rs. 58 croreore as on June 30, 2024. A crucial parameter in real estate reflecting the underlying business performance quite well is the operating cash flows. During the quarter operating cash flows amounted to Rs. 106 croreore and Rs. 203 croreore during the half year. We estimate an unrealized operating cash flow exceeding Rs. 2,986 croreore coming from the current pipeline of projects.

As we look ahead, the optimism in residential real estate, especially mid income and premium segment remains strong. At ASL, we've reached a key inflection point in our growth journey. Our asset-light business model, which combines quicker-cycle horizontal projects and Joint Development Agreements, ensures faster project turnaround, strong cash flow generation and higher returns. With robust cash flows, platform funding and sufficient leverage capacity, we are well-positioned for scalability in the medium to long term. From an FY25 perspective, we are progressing well to end the year on a strong note, driven by a solid pipeline of launches and business development in the upcoming quarters.We can now take questions.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. Our first question is from the line of Shreyans Mehta from Equirus. Please go ahead.

Shreyans Mehta: So, sir, first, coming on our pre-sales, we are guiding for closure to 30% to 35% growth. And given the strong 1H, is there any possibility to revise these numbers? How should one look at the pre-sales numbers? That's the first question.

Second, in terms of new BD pipeline, we were guiding for closure to 4,000 - 5,000-odd crore. So in terms, we have done 1,000-odd crore. So, how should one see the second H, especially from the Mumbai market? These are the two questions from my side.

Kamal Singal: Thanks, Shreyans. Yes, we have had a very strong Q1 on fresh sales. Last year, whole year, it was around 1,100 crore that we clocked on the fresh bookings. And Q1 is already kind of midway, etc. So, we are very confident that we will be able to achieve the 30% to 35% growth that we have communicated earlier. This has been the trend for the last several years and quarters. And we are all hoping that the same should be continued.

On BD, yes, in the first half or cumulatively till the first half, we have done only 1,000-odd crore of BD, fresh BD, while the target has been to do 4,000 to 5,000 crore. Last year, we did in excess of 4,000, as you very well remember. But we are confident it's bunching up towards the remaining two quarters. But we are very confident that we should be able to achieve our target of anything between 4,000 to 5,000 crore of BD for this year as a whole.

Shreyans Mehta: And sir, any sense on how much bids we are currently evaluating which could give us some flavor in terms of the new BD which we can achieve? Like Mumbai, Bangalore, how many projects or the size of GDV which we are evaluating?

Kamal Singal: As I said, we are targeting to achieve Rs. 4,000-5,000 crore as a top-line addition this year. In terms of valuation, the pipeline is normally supposed to be very big. In terms of the number of projects, it will be fairly large. A very large team of professionals is out there, on ground, scouting every day. Of course, so many deals will have different stages to cross and at stage A, B, and C, etc, there will be quite a few. So, numbers are not that relevant. The stages at which the deals are very important and sitting today, I can tell that the number of fairly mature stage projects are fairly healthy and that gives us confidence that we should be able to clock Rs. 4,000-5,000 crore of BD for this year.

Shreyans Mehta: And sir, one last question from my side. The NH47 project which we launched, so the entire phase was launched, or we are launching it in phases?

Kamal Singal: No, it launched in several phases. So this phase was, I mean, we have sold just about two-third of the phase that we launched in these initial days.

Shreyans Mehta: So, two-third of 435 or cumulatively we have crossed 600 odd crore?

Kamal Singal: Around 900 crore phase, so we would have sold around 600 crore as on the date of the announcement that we did on this. So, 600 out of 900 crore, give and take few crore here and there as a ballpark, so we would have sold two-third of what we have launched in this phase, and this is only Phase-1 of the project and we will have one more phase coming.

Shreyans Mehta: I have a couple of more questions. I will join back in the queue.

Moderator: Our next question is from the line of Biplab Debbarma from Antique Stock Broking. Please go ahead.

Biplab Debbarma: Diwali wishes in advance to you all. My first question is regarding revenue recognition. Sir, on a plotted development, when do you recognize the revenue?

Kamal Singal: For a plotting, the revenue to be developed is when the project is completed and that is it. I mean, in a project completion environment, it is about completing the project. The moment project is completed, we start recognizing the project.

Biplab Debbarma: So, when do you say the project is completed? When all the infrastructure amenities are delivered? I am just trying to understand because for a vertical project we know, after OC receives, after few months you hand over the key, but for a plotted, when exactly do we say the project is complete?

Kamal Singal: So, in a horizontal project it depends upon what kind of amenities and what kind of things that you promise to the customer. On a physical infrastructure side, normally, it's supposed to be ready with all the roads, all the drainage works, all the electrical works, electrical connection should be coming, NOCs from Pollution Board and other relevant authorities, electricity etcetera should come, power should be charged.

So, it's kind of a plug and play situation that needs to be ready for the customer to come, take and then start construction of house if they want it, whenever they want it. So, it's all physical infrastructure required as a fully developed plot that needs to be ready before you see that the project is completed.

Biplab Debbarma: Sir, my second question and third question is, what are the key launches in the second half of this financial year and what will be the beginning of each launch? This is my second question. And third question is, is there a strong possibility of deal closure in MMR market in second half of FY '25?

Kamal Singal: So, there are at least two to three very important launches planned for the remaining part of the year. This includes a high-rise apartment project, one of the finest that we are designing or rather we have designed already in Bangalore that is situated at Bannerghatta Road. Then we have couple of new phase launches coming up at our existing projects, one at the Greatlands. So, There is one entirely new phase to be launched that should happen in next couple of months.

And similarly, we have one fresh new launch adjacent to the existing Orchard project as a new phase. So, these are the three and then we have one lined up at Surat. Surat is one of those bigger projects and this is going to be our first one in Surat. That is also planned to be launched somewhere towards the end of Q3 or Q4 latest for the year. So, four to five launches, four launches rather are the visible launches at this point in time.

Biplab Debbarma: What would be the GDV of these four launches?

Kamal Singal: The GDVs of these launches should be to the extent of, one second, around 2,000 crore, if you were not to bifurcate all these projects into further phases. For example, Surat is a little big project, but the entire top line of Surat if launched in one shot will be more than a 1,000 crore. If you were to count that, then around 2,000 crore in total, if Surat was to be divided into two phases of say 500 odd crore, then it is going to be around 1,500 crore for the year as a whole in terms of the balance launches for the year.

Biplab Debbarma: And the third question about the possibility of a deal closure in MMR in this financial year?

Kamal Singal: Yes, so MMR, I mean, first fairly decent size project, we are very close to kind of announcing it, although there are still few things to be done. We, in our initial plan, would have done that by now, but it is taking a little longer than what we had anticipated. Nevertheless, we are apparently very close to closing everything which is relevant, and then come out with the details for the same project. So, we should be announcing something in near future.

Moderator: Our next question is from the line of Akshay Kothari from JHP. Please go ahead.

Akshay Kothari: Sir, I wanted to understand, in the NH47, Kalyangadh launch, suppose I did a booking for a plot of, say, 50 lakhs. And today, I have to pay only 1 lakh. Is that correct?

Kamal Singal: No. As we speak today, it's 10% received.

Akshay Kothari: But you have done bookings of around 540, 528 crore and received only, collection is only around, what, 15 crore?

Kamal Singal: So, cumulatively, if you were to see, we would have easily done more than maybe 55, 60 crore at this point in time. I don't have the exact number, but definitely it will be in excess of 55 crore that we are talking right now for the cumulative bookings.

Akshay Kothari: So, wanted to understand, say, I have heard many investors actually investing, say, for a 50 lakh plot, 1 lakh today. And they have booked, say, two plots. But some of them were saying, we are allowed to cancel. So, in case they wish to cancel the plot, would we be refunding that 1 lakh back?

Kamal Singal: Yes, so there is a window. So, what happens is that we can launch two ways. One is the EOI route, the other is the direct selling route. In this case, we followed the EOI route where we first generat the interest, asked people to apply, got all these applications, scrutinized them. And then there is a day or the event which goes for two to three days at a location where you can handle the kind of crowd that is expected to get a booking number of, say, 500 -, 600 or thereabouts. For that, maybe you expect at least 2,000 people to come and take time to actually choose and do all those things. So, that happened.

That 1 lakh is only for the initial interest that the customer has to show. Now, after this phase, if they were to cancel, they can cancel. But during this period or on the day of event, you have to pay a minimum 10% before the booking is confirmed, announced, and taken into books of account as being sales which has happened. So, whatever numbers we are talking about here is post that event and post receipt of 10% money that we take, anybody who wants to cancel would have cancelled already, and only those who have paid 10% are getting counted in the sales number that we announce. So right now in booking forms etc., all those formalities are already done.

Akshay Kothari: By when will this Phase-1 be completed?

Kamal Singal: In terms of development?

Akshay Kothari: Yes.

Kamal Singal: It is a very large development. So, the total project is more than 25 lakh square yards, which is almost like 2.5 crore square feet. So, it is 3 to 4 years' time that we have kept and then the next phase etcetera will also be parallelly running at some point in time depending on the sales velocity etc.

One great news about this project is also that the top line estimation for this project has gone up almost by 20-30% and that is because we are able to realize from start itself more than what we had anticipated and more than what we had mentioned in our earlier presentations on the potential top line coming from this project. So, we have already kind of gone above the threshold pricing and now the estimation for the project has gone up by around 10% in terms of top line.

Akshay Kothari: That is great news. Secondly, also wanted to understand, what is your view on land aggregation? Last time I did ask about annuity based and you told us that there is currently no interest in going into any sort of annuity portfolio, but land aggregation, since we are currently net debt free, in fact, we have cash balance, any views on land aggregation?

Kamal Singal: So, we are not a land banking company per se. Generally, the asset model of the business model is very asset light. Most of these very, very large projects, which are in excess of say 10 lakhs square yard, a crore of square feet or going up to 2.5 crore square feet, etc., I think most of these, in fact, all of these are broadly on joint development basis including AquaCity.

To that extent, aggregation is outsourced and there are people out there who need to have a couple of capabilities, one being capability to aggregate from farmers, dealing with the farmers etc; two, them being having a reputation to be trusted as partners in a long-term arrangement like a JD, which spans anywhere between 4 to 5 to 6 years of relationship with us or for that matter with any developer.

Finding this combination is something which needs expertise, needs credibility from the developer's standpoint etc. And our company has been able to do it repeatedly. Some of the largest JD transactions have been carried out by us in recent past and even earlier, and every single sort of relationship is a very, very fruitful relationship for us and for the developer, for the landlords as well. So, this is broadly done on that basis.

Aggregation is great, but then it has its own risk. We mitigate this risk to a very large extent by outsourcing it, and that's how we will continue to do. Having said that, there are opportunities where we could directly acquire. Directly doesn't or almost never means directly acquiring from the farmers, but there are aggregators who you can send into the market and say that look this parcel looks interesting, looks like 40, 50 acres is already ready and can be done, but why don't you work and make it 100, and we start investing in those?

Now, those are few, but nevertheless they can also be done. In a right proportion, this kind of aggregation risk can be taken, but broadly speaking, aggregation risk is outsourced as I just mentioned with some little bit of salt and pepper being spread where we directly involve ourselves in aggregation through mediators.

Moderator: Our next question is from the line of Eesha Shah from Axis Securities. Please go ahead.

Eesha Shah: I have two questions, first one being again on the cash that we have reduced our net debt further to 195, and we have an operating cash flow for the quarter of 100 crore. Along with this, we also have our unutilized funds from HDFC. So, what are BD plans going forward? Are we being more aggressive because as we can see, we do not see a lot of deals coming up apart from the ones that are already launched?

And the second question is on AquaCity. What are the kind of realizations that we are seeing right now? And what is the growth rate that we are expecting in the realization for AquaCity going forward?

Kamal Singal: So, essentially three questions. Yes, as you very rightly said, OCF has been at a healthy 100 crore for the quarter, 200 plus crore for the half one etc, and we are sitting on a Rs. 195 crore cash in the balance sheet at this point. And of course, there is scope to leverage the balance sheet to some extent conservative, but at least some extent, and we have little more expensive money in the form of platform money as well. So, put together, quite a bit of headroom exists to acquire new projects.

In fact, that is the task number one for this entire group. The team is absolutely busy doing that. It is bunching up a little more towards these two quarters left for the year, but we are very confident this money will be deployed, and we will be able to create more than Rs. 4,000 crore - Rs. 5,000 crore of inventory or pipeline, fresh pipeline for the year as we have been talking in the last few calls. So, that's on track.

We are, at this point, quite confident of deployment. We have always had a very fine lens on what we acquire. This also reflects the ratio of projects which have been able to hit the market almost on time and at this point, as we speak, there is nothing at all which is stuck anywhere in the pipeline. I mean that says something about the lens which is possibly a little finer than the average fineness that industry applies. To that extent, we are conservative, but at this point as I said, very confident of deploying this and creating a pipeline of Rs. 4,000 crore - Rs. 5,000 crore for the year.

Coming to AquaCity, as I just mentioned, we have exceeded our targets in terms of what average realization we would have got in the number of units sold till date, and this is approximately 10% more than what we had as a business plan. We launched this project at something like Rs. 5,200 plus 1,800 other charges, which roughly translates to Rs. 7,000 per square yard plus taxes and other stuff and some PLC charges etc.

So, the base price was more like Rs. 7,000 per square yard. As we speak, it has gone up to something like Rs. 8,300, Rs. 8400 plus, plus, plus. And as we progress, obviously this should increase further, but that is something in time. We are very comfortable on price in terms of achieving our numbers because we already got a head start and margin out there in addition to what was planned, but generally, terminally we do see further increases in price as we progress towards the project.

One orbital change comes into the project in terms of pricing when the project starts showing look and feel and the quality of development etc., etc. That is one point in time, maybe 2 to 3 years into the project when a substantial change comes, but otherwise a terminal increase, a normal increase will keep coming.

Moderator: Our next question is from the line of Amit from City Advisory. Please go ahead.

Amit: Sir, my question is regarding how this JV works. So, usually we work on 20%-25% EBITDA. So, let's say, a JV project is of Rs. 100, sorry, for a Rs. 100 project, if JV is 50%, then do we get 25% on this 50% or 25% on the entire 100%?

Kamal Singal: No, no, whatever margins we say and we target and the number is absolutely right. 20%-25% is supposed to be on the total value. So, whatever is the business value or the sales value, whosoever gets it, I mean eventually landlord or us on the total top line, it's supposed to be 20%-25%. So, if the property value is 100, then my margin should be 20. If the total value is 100, just to repeat, if 50 goes to the landlord on account of land within this Rs. 100, then out of 50 which is remaining with us, I should not spend more than 30.

Amit: And sir, my second question is regarding this Pune project Elan. So, by when do we foresee that we will be able to sell off the entire inventory? So, it is already completed and exiting that?

Kamal Singal: We will be exiting this project this year, hopefully yes. I mean, the number of units, we show only our inventory there, not the landlord's. Okay, 20 units are left and we are hoping that we should be able to exit this. I mean, OC has just come. Handovers have started happening. We have handed over most of the units maybe barring a very few number of units from the units which are already sold. And now that the project is up and running and visible, footfalls have already increased and we are hopeful that on a substantive basis, by the end of this year, we should be able to clear this inventory up.

Moderator: Our next question is from the line of Ritwik Sheth from Arkay Ventures. Please go ahead.

Ritwik Sheth: Firstly, sir, best wishes for the upcoming festival season to the entire team. Sir, a couple of questions from my end. This quarter, if we see the sustenance sales, it has been lowest in the last six to eight quarters despite having a good inventory of 1,500 crore of ongoing projects. So, any specific reason that you would want to point out or anything which was slow moving? Because yes, that's the first question.

Kamal Singal: Ritwik, it's a very good question. In fact, this is one question we are addressing ourselves within our system. Although as we speak, the sustenance inventory is almost like 1,800 crore, including now the inventory which is getting added due to AquaCity. But you know, other way to look at the same data is that out of 1,800 crore, almost like 700 crore to 800 crore worth of inventory now is coming from AquaCity and Uplands 2.0 & 3.0, which have been launched in last few months of this one or two quarters.

So, it basically means two things. One as we are launching more and more projects, availability of inventory is improving. Sustenance inventory is improving. Before this, sustenance inventory itself was so low in the context that we are talking about and spread across so many projects that the focus, which was required to be put into sustenance sales, was not coming in itself because the inventory level itself was so low.

Now that we have started building this inventory and assuming that four to five new projects will be launched this year once again, obviously this component will now become more and more important. And hence, a very, very clear focus has now been brought about on this inventory and we are very hopeful and confident that we will be able to start locking healthy numbers on sustenance as well in the coming quarters.

Ritwik Sheth: So, assuming we do a 30%-35% pre-sales growth in FY '25, what can be the expected contribution from the sustenance sales this year? Any sense that…

Kamal Singal: So, it's about saying what you count in sustenance and what you count in not. Now for example, AquaCity from now onwards will be what? Is it sustenance or is it a new launch? But having said that, I think industry trend is more like a 20%-25% coming for sustenance in a high growth environment.

I know this also has to do with the cycle that the industry is going through and if people are growing at 30%-35% and even more in many cases, then obviously the component of new launches is going to remain very high comparatively rather than a steady-state situation where the growth rates could be for an industry more like a 10% to 15%, but we are in the zone and most of the players, blended players are growing at 20-30-35%. There is a component of fresh launches, in the overall sales mix will remain high, and normally it's supposed to be 20%-25% that the sustenance can get for you.

Ritwik Sheth: And sir, one more question. In the current context of the real estate industry, most of your peers have been raising funds in last 12 months, and we are on the opposite side of the spectrum, like we have had cash over the last one year, two years, and we are deploying and still throwing out cash and still our balance sheet continues to improve. So, what is your view? Are we on the conservative side of acquiring projects or we are a bit slower on the acquisition, not as aggressive as the other players because we want to maintain our IRR? So, just wanted your view on this.

Kamal Singal: So, again, it's a very, very good question. I would rather say we are more towards the prudent side of investment. Our lens obviously, possibly is a little finer as compared to the average industry lens that I just talked about. But having said that, we need to invest faster from here onwards. That's what the challenge is, and that's what the task is, and that's what the KRA is for the team, and we are doing this at this point.

I mean, in real estate to invest 1,000 crore is a five hours job. That's what we don't have actually. We have less than that. So to do it, if you were to do it is not something that we are talking about a very difficult ask. But if you do optimize, if you were to be worried about returns on effort, profit-less growth in our understanding doesn't make sense.

I mean, we are very conscious of the fact that while top line is extremely important and it can't be the importance of top line cannot be underestimated and volumes and scales do throw up benefits, although to a limited extent in our industry, I buy a house not because I bought the last house on the same developer. I buy the next house because I like the next house irrespective of the previous house that I bought. So, that's what the underlying assumption is in our case. And hence, we believe that it's important to earn, it's important to have healthy margins that is reflected in books of account.

Of course, that compounds the issue that you are saying, but we remain vigilant about profitability being reasonable, at least. At the same time, the risks have to be mitigated. And the money that we have is not large enough. It's a question of when three deals and a thousand crore is deployed. I mean, the value of land that we are talking about in any micro market, for example, Bangalore outskirts where mid price is around Rs. 10,000, Rs. 9,000, a Rs. 300 crore investment doesn't mean more than maybe 3000 crore of - 2,500 crore of total top line.

So, that's where it is and we are very hopeful that this should work out and it's not a big amount of money in absolute sense that we need to deploy and we will be deploying. So, this should happen by the end of this year.

Ritwik Sheth: So, just one last question, if I can squeeze in. The estimated value of our unsold inventory is close to about 7,000 crore as per our presentation. And we are looking to add another 3,000 to 4,000 crore in the second half. So, we have around 10,000 crore by the end of March '25 and this is probably a very significant jump versus three years ago. So, do you see FY '26-'27 being an inflection point to go from this 1,000 crore presales figure to exponentially higher in FY '26 since we launched new projects in FY '26 around 2,500 to 3,000 crore?

Kamal Singal: Yes, sure. This 7,000 crore is the inventory, which is the inventory inventory and also the pipeline, which is the firm pipeline in terms of everything which is contacted for etc., etc. So, that's one.

I mean, I think the broad answer to this question remains very similar to what we have been talking in the past. Last year was 1,100. We are hopeful that we do 30%, 35% this year, and this trajectory needs to be maintained. So, what we are busy doing is to ensure what happens next year, for example, do I have enough launches? Do I have enough investments? Do I have enough pipeline which will be ready to launch after approvals et cetera, when the year starts and ends?

I mean, that's how we are taking it. And as a benchmark, they are saying that investments, approvals, pipelines should all align in a way that my growth trajectory of this percentage, 30 odd percent should be maintained. Obviously, that's what we are working on. And that's what we have delivered in the past. And that's what we will keep doing.

Moderator: Our next question is from the line of Raaj from Arjav Partners. Please go ahead.

Raaj: Sir, how much is the GDV of our existing ongoing project?

Kamal Singal: All the projects put together you are saying?

Raaj: Yes, ongoing projects.

Kamal Singal: If you could repeat the question, please? I didn't get the question. You are asking for the GDV of the entire pipeline?

Kamal Singal: So, it's mentioned as Page #20, although the sheet number is this. So, yes, page number 20. This is a figure which is 6,900 something that is a breakup of the existing kind of inventory and the value GDV of that.

Raaj: And what would be the time of completion of these projects?

Kamal Singal: So, mostly, I mean, we are saying that 70%-80% of our portfolio is horizontal at this point. Of course, vertical is now becoming bigger and bigger. And as we end the year, it should be substantially higher than what it is today. Normally, it is three to four years that we complete any project that we launch.

Raaj: On this existing 7,000 crore of GDV, so it will be completed in two to four years.

Kamal Singal: If you look at the previous slide, slide number 19, it will give you project-wise visibility on when an individual project is getting completed or targeted to be completed.

Raaj: Yes, I just saw it. All right. And we are planning to launch 3,000 to 4,000 crore projects in H2 FY '25, right?

Kamal Singal: No, we said 2,000 odd crore, if you were to assume Surat as one entire phase, although there is a possibility that Surat might be divided into two phases. So, if it is two phases, then 1,500 odd crore, if it is one phase together launched, then 2,000 crore from the existing pipeline. We might be lucky that from the inventory that we create from here onwards, the new project acquired in the remaining part of the year and if the projects are such that can be launched this year, that will be in addition to that. But from the existing visible inventory already contracted for, or the projects already contracted for, it should be anything between 1,500 crore to 2,000 crore, depending upon how we launch Surat.

Raaj: So, by FY '25 end, we will have a total GDV of around 9,000 crore or so of the ongoing project.

Kamal Singal: Between 9,000 crore to 10,000 crore, yes.

Raaj: And sir, how much would be is our EBITDA on this GDV?

Kamal Singal: So, roughly 20, around 25%, plus minus couple of percentage here and there, which varies from quarter to quarter, half to half, year to year. But generally a ballpark is 23% to 25% thereabouts.

Raaj: And it will take three to four years for completion, right? Roughly?

Kamal Singal: Any individual project, but you have a sheet which tells you specifically about whenever it was launched etc. Some of them are at a fairly mature stage, so they won't take this much. But normally, average project life cycle is three to four years and the sheet is attached, 19, sheet number 19.

Raaj: Yes. Sir, every year, do we have a specific, like an estimate of launches?

Kamal Singal: So, that list is there. That also in the Investors Presentation, the list of, we just discussed five launches or rather four launches which are expected in the remaining part. We have already launched a couple of projects this year. And that list is also available in the investor's presentation. Anything between six to seven projects at this stage of our journey is something which is an average number for the year to be launched.

Moderator: Our next question is from the line of Shreyans Mehta from Equirus Securities. Please go ahead.

Shreyans Mehta: So, two questions. One, in terms of pricing, what's your take on the pricing? Do you feel there is more scope for improvement from here on, specifically to our projects or probably the best is now behind us? That's first.

And second, in terms of the launches, which we are planning of 1,500 to 2,000-odd crore, at what stages are the approval? Are we at the advanced stage? Could there be any risk in terms of approvals?

Kamal Singal: So, first question about the pricing. Obviously, the numbers that we plotted in our forecast sheet for individual projects take care of our best understanding of the pricing at this point in time. Normally, achieving those prices has not been an issue and we have rather bettered them in many or most cases.

So, that's what has happened even in the case of AquaCity, that last quarter, the numbers that we projected were lower than what we actually ended up achieving in a very, very big launch. So, that should continue. To that extent, some delta, positive delta will remain.

We mostly are doing long-term projects and in long-term projects, you create value from two different variables. One is that as time passes, inflation etc., etc., itself takes care of 5% to 7% of value increase on an annualized basis. On top of that, if you are creating a destination yourself where the whole area develops and becomes better in terms of liability, look and feel, etc., that value is in addition to the inflationary things that we are talking about. Most of the projects deliver that as well for us, and that is why our growth rates in prices have been more than inflation or the industry sort of averages etc.

So, that's what we keep doing but just to remind that those numbers are already there in the forecast sheet, and we might better them to a little extent here and there, but normally speaking, they are all projected there in the sheet.

The second question is about the approval stages. Maybe four projects that we are talking about launching, mostly they are at a fairly advanced stages, rather last legs of their launches. Surat is a little, I mean it's a very, very large one. It has set of more approvals to be done. At this point, we are quite okay in terms of ensuring that it is getting launched this year, but otherwise, the rest of the projects don't have this long tails also. So, at this point fairly comfortable about launching these projects as per schedule.

Moderator: Thank you. Ladies and gentlemen, that was the last question for the day. I would now like to hand the conference over to Mr. Kamal Singal for closing comments.

Kamal Singal: Thanks a lot, everybody, for participating in this earning call of Arvind SmartSpaces, and thanks again for your continued support on this. I hope we have been able to address most of your queries. However, if there is anything missed out on any of your questions, kindly reach out to Vikram, and he will connect with you offline and clarify and give further information as may be required. Looking forward to interacting with you all in the coming quarters. And once again, wish you all a very, very Happy Deepavali, and thanks a lot once again. Thank you.

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

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