Ref No.: ADL/SE/25-26/19

Date: May 17, 2025

To,	To,
The Manager	**The Manager**
Corporate Relationship Department	**Listing Department**
BSE Limited	**National Stock Exchange of India Limited**
Floor 25, Phiroze Jeejeebhoy Towers,	Exchange Plaza, Bandra Kurla Complex
Dalal Street,	Bandra (East),
Mumbai - 400 001	Mumbai - 400 051
BSE Scrip Code -544261	NSE Symbol :ARKADE

Dear Sir/Madam,

Sub-: Transcript of earnings conference call held with Investors to discuss the Financial Performance of the Company for the quarter and year ended March 31, 2025.

Ref: Our Intimation Letter dated May 7, 2025

Pursuant to Regulation 30 and 46 of the SEBI (Listing Obligation and Disclosure requirements) Regulation 2015 as amended from time to time, enclosed herewith the transcript of the Earning Conference Call with the Investors and Analysts group meet held on May 13, 2025 at 4.00 p.m. to discuss financial performance for the quarter and year ended March 31, 2025

The transcript of the Earning Conference Call is also available on the website of the company at https://arkade.in/earning-call-transcript/

You are requested to take the above information on your records.

Thanking You,
For Arkade Developers Limited
(Formerly known as Arkade Developers Private Limited)

Sheetal Haresh Solani

Digitally signed by Sheetal Haresh Solani
DN: c=IN, o=Personal, title=3974, pseudonym=898adf5ba09a48339c65d253ca85bdcb, 2.5.4.20=80826d70d04aa34c33d25ba89aec5fb89ebdb31004005bb583474976374c36c4, postalCode=400066, st=Maharashtra, serialNumber=d0d8f722dc970244a78f6557cae0e6b3d121cabca9941711637c6ad9fdc8c98d, cn=Sheetal Haresh Solani
Date: 2025.05.17 14:13:15 +05'30'

Sheetal Solani
Company Secretary and Compliance Officer
Membership No: A45964

“Arkade Developers Limited

Q4 & FY '25 Earnings Conference Call”

May 13, 2025

MANAGEMENT: **MR. AMIT JAIN – CHAIRMAN AND MANAGING DIRECTOR – ARKADE DEVELOPERS LIMITED**
MR. SAMSHET SHETYE – CHIEF FINANCIAL OFFICER – ARKADE DEVELOPERS LIMITED
MS. AMITA SINGH – CHIEF SALES OFFICER –ARKADE DEVELOPERS LIMITED
MS. DEEPTI NAIR – HEAD OF MARKETING –ARKADE DEVELOPERS LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Arkade Developers Limited Q4 and FY '25 Earnings Conference Call. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involves risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amit Jain, Chairman and Managing Director, Arkade Developers Limited. Thank you and over to you, sir.

Amit Jain: Good evening, everyone. I would like to extend a very warm welcome to you all for Arkade Developers Limited earnings conference call for the fourth quarter and year-ended 31st March 2025. I would like to begin by expressing my gratitude to you all for taking the time to join us today. We have on call with us Mr. Samshet Shetye, CFO, Ms. Amita Singh, CSO, Ms. Deepti Nair, Head of Marketing and Adfactors PR, our Investor Relations team. We have shared our results presentation. I hope you all must have gone through it.

As we navigate through today's complex global situation, I would like to begin by acknowledging the recent challenges posed by the Indo-Pak situation. Despite these difficulties, India has demonstrated resilience and is emerging stronger as a global superpower to reckon with. Our nation's growth trajectory remains robust with strategic alliances and recent agreements and dialogues of free trade. The recent interest rate cut by 25 basis points by RBI, and we expect further cuts in the year, will positively enhance liquidity and will boost consumption.

As we move forward, our industry is well positioned for steady growth driven by favorable economic conditions and strategic opportunities. We are optimistic about the future and committed to capitalizing on the emerging trends. Since this is our third earnings conference call, I would like our Head of Marketing Ms. Deepti to share a brief overview of our company before we get into our recent developments, business and financial performances for this period.

Deepti Nair: Thank you Mr. Jain. After being established in 1986 as a real estate development company, we have garnered reputation for developing top tier residential projects driven by our deep understanding of the market and commitment to quality. We have managed to create a niche for ourselves being among the top 10 developers in MMR.

Our strategic approach combining greenfields and redevelopment projects across Mumbai has allowed us to capture significant market share in high demand areas, especially along the eastern and western suburbs where we have built a strong presence. Backed by a reputation for delivering projects on time in prime locations and with exceptional quality, we continue to lead the charge in creating aspirational living spaces.

In September 2024, we saw a key milestone in our growth journey as the company listed on the stock exchanges. Our IPO which raised INR410 crores through the fresh issue of 3.2 crores equity shares was met with a robust investor interest leading to 113 times over subscription. This move provides us with a major platform to access bigger markets and will help expand our business, while delivering sustainable value for our stakeholders.

Talking about the industry outlook, the recent report by Knight Frank shows that this sector has tremendous momentum and is accelerating in 2025. Strong sales and prices seen in the residential sector over the recent months is driving growth.

Overall the sales volumes increased 2% year-on-year during the January to March quarter of 2025. Growth was driven by key markets like Pune, Chennai and Mumbai. In fact, Mumbai saw the highest sales volume touching just about 25,000 units during this period. Moreover, continuing the trend towards aspirational and luxury spaces, the share of sales in the INR1 crores and above ticket size grew by 46% in the first quarter of this calendar year.

This share was 40% in the previous year. Sales in this subcategory grew 16% year-on-year driven by higher demand for larger living spaces and better lifestyles. If you look into the higher ticket size units, the share of the INR2 to INR5 crores segment, it has grown from 12% in Q1 of calendar year '24 to 16% in the Q1 of calendar year '25.

There is a clear trend towards higher category units among home buyers which is in line with our focus on premium spaces. We see a lot of scope in the Mumbai market both in terms greenfield, especially in the outskirts, and in terms of redevelopment opportunities.

For instance, as for real estate industry body MCHI-CREDAI, more than 25,000 buildings in MMR are eligible for redevelopment worth about INR30,000 crores. With Mumbai's unparalleled connectivity, robust infrastructure and thriving luxury real estate market, we stand at the cusp of tremendous opportunities. As a key player in the MMR, we are confident in our ability to contribute to and benefit from this positive trajectory.

We continue to see demand for luxury homes in MMR. We are well positioned to capitalize on the market growth and remain optimistic about the ongoing fiscal year. I would now like to hand back the mic to our Chairman, Mr. Amit Jain to take us through the developments and other highlights.

Amit Jain: Thank you. So the last quarter has been a significant one for Arkade Developers as we continue to build on our momentum and scale new heights in the MMR. This year we have seen the highest ever pre-sales standing at INR773 crores, a growth of 20% year-on-year basis, followed by a collection of INR716 crores, a growth of 22% year-on-year, and area sold of 2.5 lakh square feet, again an increase of 23%. These numbers showcase a strong operational excellence and outlook.

In line with our strategic focus on premium housing and deeper market penetration, we have made considerable progress on the redevelopment front. We recently acquired a prominent 4-acre land parcel in Goregaon West, currently leased to Filmistan Private Limited. The acquisition opens up tremendous development potential on a sought-after location, reinforcing our long-term vision for western market. The development marks our foray into the uber-luxury segment, designed to have 3, 4 and 5 bedroom residences and penthouses for the evolved customers.

Our commitment to cluster development also remains strong. We have signed key redevelopment agreements in Borivali West and Malad West, both of which are yet to play a pivotal role in driving our growth forward. These have estimated GDVs of INR850 crores and INR750 crores, respectively.

Moreover, also we have secured one of our largest redevelopment projects to date, a 6.5-acre land parcel in Anand Nagar, Dahisar, with a GDV estimate of INR1,700 crores. What continues to set us apart is our focus on delivering projects before time, which helps reduce rentals and other costs in redevelopment. It has always been one of our strongest commitments. It is a track record which makes Arkade a reliable name in the industry.

Looking ahead, we are poised for accelerated growth, driven by strategic expansion, high-potential redevelopment and future-ready greenfield projects. Our focus remains sharp to build sustainably, execute with discipline and create lasting value forever. I would now like to hand it over to Mr. Samshet, our CFO, who will take you through our financial performance for this period.

Samshet Shetye: Thank you, sir. Good evening, everyone. I will brief you all about the consolidated financial numbers for the fourth quarter and full year. Our revenue for Q4 FY '25 stood at INR134 crores as against INR123 crores in Q4 FY '24, growing 9% year-on-year. EBITDA for the quarter stands at INR46 crores as against INR27 crores in Q4 FY '24, registering 65% growth on year-on-year basis.

The EBITDA margin for Q4 FY '25 stands at 34% versus 22% in Q4 FY '24. The profit after tax stands at INR33 crores against INR20 crores in Q4 FY '24, registering 70% growth on year-on-year basis. The PAT margin for Q4 FY '25 stands at 25% against 16% in Q4 FY '24.

Coming to the full year FY '25 numbers, consolidated revenue for FY '25 was INR695 crores vis-a-vis INR636 crores in FY '24, registering a growth of 9%. The EBITDA for this year stands at INR206 crores as against INR167 crores in previous financial year, registering a growth of 23% on year-on-year basis. The EBITDA margin for FY '25 came in at 30% versus 26% in FY '24.

Profit after tax stands at INR157 crores against INR123 crores, growing at 28% on year-on-year basis. The PAT margin for FY '25 was 22% vis-a-vis 19% in FY '24. Now speaking of some of the key operational highlights for the quarter, during this quarter we achieved pre-sales worth INR217 crores, a growth of 11% year-on-year basis.

The area sold during the quarter increased 9% year-on-year to 70,000 square feet. Collection for Q4 FY '25 stood at INR238 crores, having growth of 35% year-on-year. That's all from our side. We can now open the floor for questions.

Moderator: Thank you very much. We will now begin the question-and-answer-session. The first question is from the line of Heet Parikh from Ashika Institutional Equities. Please go ahead.

Heet Parikh: Good evening and thank you for the opportunity. My first question is on the launch pipeline. So, how is the launch pipeline looking for FY '26? And secondly, how is the existing inventory at our four projects where OC has already been received? What are the number of units here and the value of the inventory still pending to be sold? Thank you.

Amit Jain: For this year, financial year '26, we are looking at four launches. We have Filmistan, which is our biggest acquired project to be launched this year. We have three redevelopment projects also in pipeline, which we wish to launch this year. One is in Santacruz, one is in Goregaon West and the third one is in Malad West. So, four launches and the cumulative top line would be INR3.5 to INR4,000 crores estimated.

Coming back to second part of your question, unsold inventory in four occupation obtained projects. So, we have, I guess, 11 or 12 units, valuing around INR70 crores, which is unsold and which we are expecting to be sold very soon, in a couple of months. Yes.

Heet Parikh: Yes, that answers my question. Thank you.

Moderator: Thank you. The next question is from the line of Paras Chheda from Purpleone Vertex Ventures. Please go ahead.

Paras Chheda: Yes. Hello, sir. Thank you for the opportunity. I was just trying to understand a couple of questions, sir. Our execution in March '24 was almost triple that of 2023. However, in general, our execution for March '25 has been 10% higher versus 3X. So, you know, I mean, in that context, I mean, first of all, why was it execution growth limited? And what do you expect for FY '26 and '27 now? And the efficiency is now improved. I can see the EBITDA margin has gone up quite substantially. Is that sustainable or about mid-20s is what best we should take it as a long-term EBITDA margin?

Amit Jain: So, coming to your first part of your question, '24, we launched four new projects, and our accounting method is percentage completion method. So, only after we complete 25% of expenses of the construction part, we recognize the revenue of those projects. So, in '24, the increase was more because we recognized four new upcoming projects, and which was not the case in the preceding year.

And the second part is the percentage profit margins have increased from 19% to 22% this year. So, we are trying to maintain good margins. Our profit margins are amongst the best in the industry. Part of 22% is amongst the best, and we strive and manage the same going forward also.

Paras Chheda: So, EBITDA margin that I was talking about, which is 33%.

Amit Jain: Yes, I was talking about profit after tax.

Paras Chheda: Yes, yes. But I was talking about the EBITDA margin. So, is that sustainable or broadly mid-20s is what one should...

Amit Jain: So, if you see over the past five years, you will see our figures to be in and around that range only. So, we strive to maintain that. And hopefully, we should be able to maintain it going forward also.

Paras Chheda: Okay. So, last question from my side, the total development value of 6,790 is executable in your opinion over what time frame of or what time frame?

Amit Jain: Over a horizon of 5 years, we can look at achieving this figure.

Paras Chheda: Okay, understood. Thank you, sir. I'll come back.

Amit Jain: Yes, thank you.

Moderator: The next question is from the line of Anurag Hitesh from JayRam Stock Brokers. Please go ahead.

Anurag Hitesh: Thank you so much for the presentation. So, my first question is, why isn't the management aggressive on other cities of India like Tier 2 cities? Why is so much into Mumbai only?

Amit Jain: Because we have a lot of work opportunities in Mumbai, our home ground where we are able to do better justice. There is a lot of immense potential. In fact, people from rest of the cities are trying to come in Mumbai because of the potential in Mumbai. We have DLF come in Mumbai from Gurgaon, we have Prestige come in Mumbai from Bangalore. We have Shobha coming in Mumbai, Purvankara is in Mumbai because there is immense potential. We are yet at a baby stage, like there is a lot to do and you can always do better justice at your home ground. So, we are cautiously aggressive, I would say.

Anurag Hitesh: Okay. So, sir, there are more than 2000 buildings currently in line like in Mumbai and there are so many developers as you mentioned as well. So, how do you see yourself competing with them and what is the unique selling point of Arkade?

Amit Jain: The consistency is the unique selling point. Consistently delivering over past four decades, more than 5000 plus units delivered without any litigation, without any stalled project and all the projects up to the last unit is having occupation in place. So, consistency is the key differentiator and our micro market presence says it all.

The delivery on time which is the biggest concern for a buyer. He will be okay with one or two fancy amenities here and there, but his possession on time is the biggest differentiator and we give our possession before time and that is only possible because we understand our business in and out.

Our project launches which are always only when we have full approvals in place, the cash flow closure, the financial closure of the project, everything is taken care of before taking money for booking and once we take the bookings, the buyer is 100% sure of timely possession and that is the big differentiator. Consistency and delivery.

Anurag Hitesh: Okay. Thank you so much.

Moderator: Thank you. The next question is on the line of Majid Ahamed from TradeWalk Research. Please go ahead.

Majid Ahamed: Yes, sir. Very good set of numbers, sir. So, my first question is what is the going forward pre-sales guidance for FY '26? And second to that is, like what is the guidance in terms of GDV addition going forward for this year.

Amit Jain: So, we will always strive to have a healthy growth. If you look at our past, we have had a CAGR of 20% over the past not only few years but over past few decades also and we will try to maintain the same going forward also. It won't be appropriate to give any precise number for the same but we have been growing and we continue to grow. We have a good inventory of unsold goods. We have good numbers of ongoing projects and with those itself we are confident of maintaining a positive growth next year as well.

And GDV is like, say so far as the business development is concerned, it is an ongoing process. You know, you keep on scouting for new projects and you are able to add good number of projects more than what you have done the preceding year. So, that is an ongoing process. Very difficult to predict numbers, you know, like it would be more of like a prediction, number, prediction game. So, we will avoid that, but we are looking at healthy growth.

Majid Ahamed: And if you can give me like a ballpark number, what is that healthy growth percentage?

Amit Jain: I have given you an indication that we have had a CAGR of 20% over the past few decades. So, that is…

Majid Ahamed: Okay. You are going to maintain this CAGR growth rate?

Amit Jain: Yes, we definitely wish to maintain, beat also.

Majid Ahamed: Okay, okay. Fine, sir. And secondly, sir, how do you feel like, this is a follow-up question on the earlier participant who asked on competitive intensity. But you know, there are multiple players but again, apart from the timely submission, like how are you trying to build a brand? Like what type of activity you are trying to build the brand?

Amit Jain: So, if you notice, sir, our margins are more than what is there in the industry average. That is possible only because we get a premium for our inventory and getting premium is possible only if you are a brand. So, it is already proven that you are a brand. So -- and because you are a brand, you are able to get premium and because you are getting premium, you are able to make healthy margins. All the micro markets, so you are among the top three players who is getting the maximum rate in the micro market. So, barring maybe first or second, you are third in the micro market where there are 30-50 developers present.

Majid Ahamed: Got it, sir. But are you like into the redevelopment projects as well?

Amit Jain: We are also into redevelopment but we are primarily a land developer and we are also into redevelopment.

Majid Ahamed: Okay. Thank you, sir. Thanks. All the very best.

Amit Jain: Thank you.

Moderator: Thank you. The next question is from the line of Sagar Shah, an individual investor. Please go ahead. Mr. Sagar, your line has been unmuted. Please go ahead with your question. As there is no response, we will move on to the next question. It is from the line of Paras Chheda from Purpleone Vertex. Please go ahead.

Paras Chheda: Sir, my understanding was that this Malad project has got stalled for some claims, etcetera. Now, I just wanted to understand the status on that. That was one. And secondly, now we have got quite a bit of cash still in hand. And so, do you think for your future projects, would you need to sort of go for working capital or this is enough for the current GDV that is being proposed or at least that is under construction?

Amit Jain: So, first part to your question is that none of our project is stalled. Forget Malad, none of our project is stalled just for your information. And everything is in smoothly process of approval and we are -- I have mentioned it that we target to launch also this year Malad project. And the second part is that having a cash reserve is always a healthy sign and it helps you have good cash flows for your ongoing project.

And we will be able to maintain our project cash flows with the sales velocity and the sales cash flow. And if need be, we are open to taking construction finances as and when required. But we are hopeful that we will be able, we have always been good with our management of cash flows and so will be the case in future.

Paras Chheda: Okay. So, when do you intend to launch the Malad project?

Amit Jain: This year only, very difficult to pinpoint the exact month, but this year.

Paras Chheda: Specifically quarter wise?

Amit Jain: Say towards last quarter.

Paras Chheda: FY '26, you mean to say.

Amit Jain: Yes.

Paras Chheda: Okay. So, basically early next year.

Amit Jain: Yes, early next year.

Paras Chheda: Okay. Thank you. This is the last query from mine. There is this inventory that has caught up, nearly doubled. So, that I believe is under construction status. Can you elaborate a little bit on that for my better understanding?

Amit Jain: Which has always been the case because the demand is also growing. Even if we go back a decade back, like it's been like close to three decades that now I am into real estate and the inventory has always been on the incremental side, you know, and there is always a set of people who will be pessimists or who will say inventory is a lot. But the supply has always out beaten the inventory. The per head consumption of real estate has increased.

Like earlier there used to be more people staying in a 700 square feet apartment and then now there are lesser people staying in 1700 square feet apartments. Per capita consumption of real estate has gone up and people want newer, better projects to stay in, with amenities. So, the requirement is always there.

Paras Chheda: Now, I understand real estate is quite a strong cycle. So, just two queries, I don't know if there is time. One is just for my understanding, I mean, I'm new to this real estate business in general. But trying to understand what proportion of this inventory would be unsold? Is it a fair way to look at it?

Amit Jain: No. So, we completed four projects last year and we are having less than 5% of the inventory that is available in those four projects. More than 95% is already sold. So, with good developers and good projects, by the time you get an occupation, you are always fully sold, unless otherwise you don't want to sell.

Paras Chheda: Okay, okay. And sir, just, you know, I mean, everywhere around, at least, you know, what we see in Mumbai is there is huge redevelopment that is ongoing. What is your outlook on real estate in general prices next, you know, let's say 3, 4 years down the line?

Amit Jain: Very strong.

Paras Chheda: There is a huge amount of redevelopment activity that we see around and that's the reason I, you know…

Amit Jain: Huge amount of demand also. Huge amount of demand also, you know, people coming in from rest of India to Mumbai, that is huge and people wanting bigger and better homes. People ready and willing to take home loans for a tenure of 15 to 20 years, the attractive interest rates at which the home loans are available. The dual income family structure, which makes them eligible for a bigger amount of home loans. All of these factors combined will make it very interesting.

Paras Chheda: So, real estate prices are -- your outlook would be, prices would be stable even 3 years down the line, more or less.

Amit Jain: So, pricing is subject to many factors, but historically it's always been on the upswing, you know, barring interim or maybe it's always been on swing, on the upswing. And if there are recessions, then those recessions will not affect real estate alone. It will affect land, which is the raw material, it will affect everything. So, everything will be hand in hand. If there is a fall in real estate prices, then the cement and steel prices will also fall, which will get your construction cost downwards. Then the land prices will also fall, which will get your raw material of land prices downwards. You know, it will not be only alone, real estate will fall and everything else will go up.

Paras Chheda: Understood, understood.

Amit Jain: Your margins of value addition, we are concerned with the margins of value addition from a land piece to a house, you know, so the margins will be there. The value addition margins cannot go anywhere.

Paras Chheda: Right. Understood. Thank you.

Moderator: Thank you. The next question is from the line of Akash Sharma. Please go ahead.

Akash Sharma: Yes. Hi, sir. So, I have a couple of questions. My first one is that, you know, with our growing pipeline of redevelopment projects, how do we see our margins panning out in these projects?

Amit Jain: And second part?

Akash Sharma: And sir, you know, what kind of margins are we, you know, expecting from the greenfield projects that we have or will be doing in the Goregaon land parcel?

Amit Jain: So, with the increase in competition, the first part you said, like the margins may go down a little, but there will always be room enough for everyone. So, a branded developer will manage to get a buyer who wants to deal with him and who's ready and willing to pay that added premium for the brand. Just like any consumer products, say a cell phone, you have a cell phone available, a smartphone from say 10,000 to INR1 lakh and there is scope enough for everyone. And the costliest mobile phone that we have is having the highest cash reserve by any company on earth.

So, it is not like anything that's expensive won't make margin. There is a buyer for everything. So, if there are more players, there are players who are ready to pay premium also. So, the margins can be intact if you are able to add that value addition to your product and be a differentiator for your buyer. So, you just keep on adding value and you get margins.

Akash Sharma: Okay. Okay, sir. And so, lastly, what is our overall GDV under execution right now and the target GDV over the next 2 to 3 years?

Amit Jain: So, under execution is INR2000 crores plus and as mentioned in this call only, the in-pipeline figure is around 6700 or something.

Akash Sharma: Okay, sir. Thank you. Thank you, sir.

Moderator: Thank you. The next question is from the line of Srisad Vermani. Please go ahead.

Srisad Vermani: So, Amit ji, thanks a lot. Strong, good set of numbers. I guess in the last…

Moderator: I'm sorry to interrupt, sir. Can you use your handset, please?

Srisad Vermani: Hello. Okay. So, Amit ji, I was saying you have built one of the best real estate businesses in the country, at least definitely in the Mumbai region, amongst the ones we have evaluated. Congratulations on building a good business. I have three questions. First, on the growth prospects. Second, on the inventory.

And third, on the cash and the debt balances. On the growth prospects, in the last call, you said you will be able to do a INR10,000 crores of cumulative revenue with a 20% PAT so broadly INR2,000 crores of PAT in the next 5-year time horizon. How does that stand right now? Are there any changes in that assumption or it's still the same view?

Amit Jain: We are still working towards the same. And as of date, everything is intact. Everything is in place.

Srisad Vermani: Okay. Excellent. So, if you see, you already have INR2,000 crores of stock in the pipeline, but pipeline as in under construction, but contract one is around INR6,700 crores. So, I assume you will be able to get more land parcels in the time going forward to be able to complete the INR10,000 crores target.

Amit Jain: Yes, hopefully, if all goes well, which should be the case.

Srisad Vermani: Okay. Excellent. So, in that context, just a quick question. How does the land parcel acquisition work? From whom do you acquire this land? And how long would a process take for you to acquire either a redevelopment land or a greenfield? Could you please talk something on those lines and how the payment is made?

Amit Jain: So, normally, the land is bought from the landowner. You know, there were many bungalows, many factories, and many greenfield also in MMR region, which are owned by individual families and corporates and they are vendors for the land. Normally, once the handshake happens, it takes, on an average, maybe around a year to close the transaction. This is the due diligence and the title search and all the processes involved, the CPs of the condition precedence for the transaction.

If there is a factory running, it needs to be closed, labor NOC needs to be obtained. So, on an average, maybe a year from handshake, it takes to close the transaction. And so is the case with the society, society redevelopment. Also, once you get an LOI, then we need to close the development agreement and opt-in approval, which also takes, on an average, a year after which the society vacates. And the money is…

Srisad Vermani: Okay. And the amount be transferred through…

Amit Jain: In terms of the transaction, which vary on transaction-to-transaction basis. Society normally, when it vacates, we pay them rent and the corpus is paid at various stages. Yes.

Srisad Vermani: Okay. Okay. Got you. Thank you. Thanks for this explanation. Second question was on the terms of inventory. If I say around INR900 crores of inventory sitting in the book, can you please help me understand what proportion of this inventory is under the construction and what proportion is the fully built-out flats?

Amit Jain: Come again, like?

Srisad Vermani: Around INR900 crores of inventory sitting in the balance sheet right now.

Amit Jain: Yes.

Srisad Vermani: So, what percentage of that is fully built-out flats and what percentage is under construction?

Amit Jain: Okay. So, out of INR900 crores, I'll hand over to my CFO, who will give you the breakup. We have part cash in hand, part in newly acquired projects and part in ongoing projects.

Samshet Shetye: Yes. So, Samshet here. So, out of that INR900 crores, INR45 crores is inventory for the OC-received projects. We received OC for four projects during the current year. So, finished goods inventory is around INR45 crores. We have started recognizing the revenue during current year for two more projects, that is Arkade Pearl and Arkade Eden. So, inventory for those two projects is INR85 crores. Then INR175 crores is lying in inventory, what we paid for the Filmistan land.

Srisad Vermani: Okay.

Samshet Shetye: And the balance inventory is basically for the other projects, which is Arkade Nest, Arkade Rare, and Arkade Vistas and Views, which we haven't yet started recognizing the revenue, because that 25% threshold is not yet met.

Srisad Vermani: Okay. Got you. Got you. That does make sense. So, you're saying broadly, the initial buckets that you mentioned are around INR250 crores. By when, can we expect this to be fully sold out?

Samshet Shetye: This 100 and so, during the first six months, 250, which one you're referring?

Srisad Vermani: Sorry. You mentioned about 45 plus around, the first three components that you mentioned, right?

Samshet Shetye: Yes. So, finished goods inventory, we plan to sell it in a quarter, three to four months. And balance, Pearl and Eden, in a year's time. And balance inventory for the other projects which is yet to start recognition, will take about 2, 2.5 years.

Srisad Vermani: Okay. Okay. Got you. Got you. And the third question was on the cash and the debt balance. If I see debt has slightly increased in this balance sheet to around INR50 crores of additional debt coming into a long-term liability. But obviously, you did a negative kind of net debt component.

That's totally fine. But do you think there will be a risk of you loading more debt on your balance sheet in the time going forward as you do more reconstruction and more new development, given that your IPO cash is near exhaustion? So, what is the roadmap for the management to take on debt?

And how would they make the decision? Are they going to be using their internal cash flow to finance future development? Or are they going to load up more debt and get into maybe more vulnerable situations?

Samshet Shetye: So, cash on balance, you might have seen that INR110 crores is lying in our FD, which is a cash and bank balance. Then another INR120 crores, you'll find that it is mutual funds, which is the current investment. So, this will help us to run the show, construction. But if need arises, we'll look for the construction finance for a shorter period, which Amit sir has already explained earlier.

Srisad Vermani: Yes, but are you planning to pay construction finance significantly more, let's say a INR500 crores, INR600 crores construction finance? Or would that be under maybe INR100 or INR200 crores?

Samshet Shetye: No, that won't require because, you know, even from the current projects, we are generating good cash flow.

Srisad Vermani: Okay, okay. So, what is the maximum level of debt to EBITDA ratio that we can expect the management to be comfortable with?

Samshet Shetye: It depends. I mean, as need arises, but as I'm telling you, that won't be the long term debt, you know, construction finance for a shorter period, which won't sit in our balance sheet for a long time.

Srisad Vermani: Okay, okay. Got you. Can you put any number? What is the maximum that you're willing to go even in terms…

Samshet Shetye: No, way. Yes, again, I'm telling you that it's difficult because it depends on the scenario. And we are pretty much confident that we may not require to take much debt, looking at the investments, what we have, your funds, what we have, and the strong cash flow from the whatever inventory we have sold.

Srisad Vermani: Okay, got you. So now, my final question is, what are the new projects that are coming up for sale in this year? And what is the guidance of management for revenues of FY '26?

Amita Singh: Hi, this is Amita. So, the project that we are looking and we are targeting for this year is in the chronological order, it will starts from Goregaon West, then Malad, Filmistan, and Maheshwar Nivas. And the timeline that we are looking for is in this, maybe after festive season. We are not that keen to launch any projects during the monsoon, we don't want that wash off thing. So, we are planning and targeting.

Srisad Vermani: No, that makes sense. Yes, that's makes sense.

Amita Singh: Makes sense, correct. Correct.

Srisad Vermani: Okay. And guidance for FY '26?

Samshet Shetye: No, as I said, we don't want to give any guidance, but we are sure that we will keep a growth of 20%, 25% year-on-year.

Srisad Vermani: Okay. Both the top and the bottom.

Samshet Shetye: Yes.

Srisad Vermani: Okay, okay. Thanks, Amit ji. Thanks, Samshet ji. Nice talking to you. Thank you.

Moderator: Thank you. The next question is from the line of Paras Chheda. Please go ahead.

Paras Chheda: Yes, just for the sake of simplicity, out of this INR900 crores inventory, how much can -- from a clear understanding, how much can be monetized within, let's say, the next 6 months? And what bucket will fall beyond that?

Samshet Shetye: So, the completed projects, which is INR45 crores will be monetized in the next 3, 4 months, that I have cleared. Then for Filmistan, obviously, the project launch will happen towards the end of this financial year. So, that will take time. But the other inventory is for sale.

Paras Chheda: Okay. Other inventory will be how much, sir?

Samshet Shetye: So, 175 plus 45, it's 210. So, balance inventory is for sale. And we're pretty sure that we'll maintain the growth to what we have maintained till now.

Paras Chheda: No, sorry. So, the 45 is available for sale outright. And Filmistan will be, of course, only after the launch. So, what is that balance inventory that will be available for sale you said, I mean, the quantum?

Samshet Shetye: So, 45, so 210, the total to Filmistan and OC received.

Paras Chheda: Right. So, the balance is INR600 crores, is it? Hello?

Samshet Shetye: So, the balance, balance inventory is for sale. Available for sale.

Paras Chheda: It should be INR600 to INR700 crores?

Samshet Shetye: Yes, the balance. Out of 900, if we remove 210.

Amit Jain: That is the capex and inventory…

Samshet Shetye: Yes, that -- so, yes, obviously, this is cost incurred till date. What is lying in inventory INR900 crores is cost incurred till date. The actual value of this inventory is INR1500 crores, which is for sale.

Paras Chheda: No, no, I understand. Just for the sake of clarity. So, out of this, and I understand there is a market value on this. But just, you know, what can be monetized within 6 months, more or less, and what will go beyond, or can go beyond it, put it that way.

Amit Jain: No, what is the question, actually, if you can repeat your...

Paras Chheda: My, out of the -- okay. Again, you know, forgive me, I'm new to the industry, but just, there is this inventory INR900 crores. So, I was just trying to understand...

Amit Jain: INR900 crores is the capital, it is INR900 crores...

Paras Chheda: It is what we spend. At cost, yes. Yes, understood, at cost. And there is certain market value on that, right. I'm just trying to understand, of this block of inventory, in the next 6 months, what is immediately -- what can be monetized within only the next 6 months?

Amit Jain: So, our revenue for the last year, for year '25, has been 775. Very difficult to predict it going forward. But assuming a growth of 20%, which we've been achieving for the past, the top line should be close to, say, 950, 1000. And out of which, if you say, on a pro-rata basis, it should be half or 6 months. Okay.

Paras Chheda: Okay.

Amit Jain: Yes, INR400 to INR500 crores. But it is very difficult that's broad, broad number, same thing, you know it was there, yes.

Paras Chheda: Yes, it's subject to a lot of factors. No, I understand that.

Amit Jain: So, we should -- there is a disclaimer, it should not be taken as any guidelines. Yes.

Paras Chheda: Understood. Yes, no, no, I understand. That's a ballpark benchmarking. Okay. And just one more thing, sir. What net debt to equity, as a peak, are we looking to cap ourselves at? So, for now, our debt is very, very comfortable, the net debt I'm talking about. But as a project progresses, and you might need working capital, et cetera. What net debt to equity, peak net debt to equity are you looking at?

Amit Jain: We are sensitive to taking debt only. So, there is nothing called as a comfortable figure. Like, only if we need an SOS situation where we are required to take debt, we will consider it. But as on now, we are very sensitive towards taking debt. So, we have not even thought of taking debt. So, forget the ratio.

Paras Chheda: Understood.

Moderator: The next question is from the line of Sagar Shah, an individual investor. Please go ahead.

Sagar Shah: Thank you, sir, for the opportunity. Just a few basic questions. I'm new to the company. So, just wanted to know the sales or revenue expectation, new projects you have, that is Arkade Rare, Arkade Nest, and all those projects. What is the revenue expectation do you see in the financial year '26? That's the first one. And second one, can you elaborate more on the redevelopment project that you mentioned? That is the Dahisar project you have got. Yes, sir.

Amit Jain: So, Arkade Nest and Arkade Rare, you want the revenue potential is combined close to INR1400 crores.

Sagar Shah: Revenue expectation from '26, right.

Amit Jain: '26, it's difficult to give you project-wise, but consolidated basis, I just...

Sagar Shah: You can provide consolidated as well.

Amit Jain: Yes, better. We will try and achieve 20% CAGR on a year-on-year basis.

Sagar Shah: Okay. And about this Dahisar redevelopment project is it more like -- what is the ...

Amit Jain: Dahisar is a 6 plus acre land parcel size of the cluster of societies that we've undertaken for redevelopment. And we'll be coming up with high rises in it. It is going to be a luxury project having, loaded with amenities, like because of a bigger land size parcel.

Sagar Shah: And when will it start, like when will -- like, construction phase and all will start?

Amit Jain: But we are having it in this project coming up in the next year. We don't have this project lined up for this year.

Sagar Shah: Okay.

Amit Jain: And it's going to be a mixed user, a combination of resi and commercial.

Sagar Shah: Okay.

Amit Jain: Yes, it's close to Anand Nagar metro station is all I can share information with you.

Sagar Shah: And just a follow-up question, what earlier participant asked about your existence in the MMR region, like Mumbai metropolitan region. Do you want to -- within the Maharashtra, like Pune or Bangalore, looking at the saturation of the Mumbai region?

Amit Jain: As of now, we are focusing only on MMR.

Sagar Shah: Okay, sir.

Amit Jain: Yes.

Sagar Shah: Yes. Thank you. Thank you, sir. That's it from me.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today's conference call. I now hand the conference over to Mr. Amit Jain for closing comments.

Amit Jain: So I thank the entire team of Arkade Developers for their efforts, hard work and dedication, which drives the company forward through various market conditions. Also, I appreciate all of you for taking the time to participate in our conference call. Please do get in touch with our investor relation team for any further questions. Thank you.

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