11th September, 2026

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

**Security Code: 539301**
**Security ID : ARVSMART**

To,
**National Stock Exchange of India Limited**
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: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

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Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby inform you that Arvind SmartHomes Private Limited, a material subsidiary of the Company, has been assigned following ratings by India Ratings and Research **("IRA")**:

| Sr. No. | Instrument type | Size of Issue (INR in million) | Rating / Outlook | Rating Action |
|---|---|---|---|---|
| 1 | Proposed Optional Convertible Debentures ("OCDs") | 1,000 | IND A/Stable | Assigned |

We are attaching herewith the Rating Action Commentary for your information.

You are requested to take note of the same.

Thanking you,
Yours faithfully,
**For Arvind SmartSpaces Limited**

PRAKASH
BHOGIBHAI
MAKWANA

Digitally signed by PRAKASH BHOGIBHAI MAKWANA
Date: 2026.09.11 13:09:24 +05'30'

**Prakash Makwana**
**Company Secretary**

**Enscl. As above**

India Ratings & Research
A Fitch Group Company

# India Ratings Assigns Arvind SmartHomes Debt Facilities 'IND A/Stable'

Sep 11, 2026 | Arvind SmartHomes Private Limited | Diversified

India Ratings and Research (Ind-Ra) has rated Arvind SmartHomes Private Limited's (ASHPL) debt facilities as follows:

### Details of Instruments

| Instrument Type | Regulator of Instrument | Date of Issuance | Coupon Rate | Maturity Date | Size of Issue (INR million) | Rating Assigned with Outlook/Watch | Rating Action |
|---|---|---|---|---|---|---|---|
| Proposed optional convertible debentures | MCA | - | - | - | 1,000 | IND A/Stable | Assigned |

### Analytical Approach

Ind-Ra has taken a top-down rating approach under its Parent Subsidiary Rating Linkage Criteria and factored in the strong operational and strategic linkages between ASHPL and its 100% parent Arvind SmartSpaces Limited (ASSL; 'IND AA-'/Stable).

### Detailed Rationale of the Rating Action

The rating factors in ASHPL's strong operational and strategic linkages with ASSL as the former is a wholly owned subsidiary and due to the common management, tangible support, and the brand name Arvind. Additionally, both the entities are in the real estate business and operate in the same jurisdiction. On a consolidated basis, ASSL housed 15 ongoing projects as on 30 June 2026 with a total developable area of 58.6 million square feet (msf), of which three projects covering 2.3msf were housed under ASHPL. Also, ASHPL has no external debt except optionally convertible debentures (OCDs) with a tenor of eight years extendable to 10 years after prior approval.

ASHPL's collection efficiency was 27% in FY26, due to new projects launched at end-FY26 with 61% of the total cost incurred till March 2026, improving to 229% in 1QFY27. ASSL on a consolidated basis maintained robust collections during FY26, with somewhat steady collection efficiency of about 71% (FY25: 74%). Ind-Ra expects a similar range of 60%-65% through FY28, reflecting ongoing project advancements. ASHPL has yet to launch three projects spanning 1.60msf, which the agency expects would boost FY27 revenue recognition and help maintain a healthy revenue run-rate in FY27 and FY28.

### List of Key Rating Drivers

#### Strengths

- Linkages with parent and group
- Healthy operational performance
- Strong credit metrics likely to sustain despite strong business development

#### Weaknesses

- Moderate project concentration and diversification in terms of ticket size and geography
- Cyclical industry; exposed to regulations

**Detailed Description of Key Rating Drivers**

**Linkages with Parent and Group:** ASHPL, ASSL's wholly owned subsidiary, is part of the Lalbhai Group (flagship companies – Arvind Limited and Arvind Fashions Limited) and benefits from common management, tangible support, and the common brand name. The parent has infused funds as and when needed in the company. As on 31 March 2026, the holding company extended loans to extent of INR3,233 million (FY25: INR989 million). Additionally, both the entities are in the real estate business and operate in the same jurisdictions.

**Healthy Operational Performance:** ASHPL had a collection efficiency of 27% in FY26 (FY25: 292%), with about 61% of the total cost incurred till March 2026, improving to 229% in 1QFY27. The sharp variations in collection efficiency were due to projects being at a nascent stage, particularly the Skycrest launch (67% of the gross development value (GDV)), at end-FY26. ASHPL has INR2,630 million in receivables against pending construction cost of nearly INR2,130 million. It has three projects yet to be launched spanning 1.60msf. Ind-Ra expects the projects to boost the company's FY27 revenue recognition, aiding them in maintaining a healthy revenue run-rate in FY27 and FY28.

On a consolidated basis, ASSL has shown consistent operational improvement, with pre-sales growing about 22% yoy to INR15,500 million in FY26 (FY25: INR12,710 million) and collections rising 16.6% yoy to INR11,000 million (INR9,420 million). The growth was mainly supported by new project launches and additional phases, accounting for 60% of bookings, while maintaining acceptable sales velocities in ongoing projects, surpassing Ind-Ra's base case expectations. Collection efficiency remained healthy at about 71% in FY26 (FY25:74%). Given few projects would reach advanced stage in the next two years, Ind-Ra expects this ratio to remain in the range of 60%-65% over FY27 and FY28. ASSL's net operational cash flow (OCF) Increased to INR4,170 million in FY26 (FY25: INR3,510 million), ensuring low credit dependency. Ind-Ra expects bookings and collections to show similar yoy growth through FY28, with pre-sales in the range of INR20,000 million- 22,000 million and collections in band of INR14,000 million-16,000 million.

**Strong Credit Metrics Likely to Sustain, despite Strong Business Development:** ASHPL has no external debt except outstanding INR1,950 million OCDs as on 30 June 2026. The entity is planning to issue additional INR1,000 million OCDs with a coupon rate of 3% p.a. The OCD term shall be eight years from the date of allotment of first tranche or such date as may be extended by a mutual agreement with debenture holders, subject to the maximum of 10 years unless redeemed or converted earlier at the option of debenture holder. The existing OCDs are secured against receivables from the upcoming projects in Sarjapur and Whitefield. The existing OCDs offer payment flexibility, coupon deferral, project-linked cash flow distributions, long tenor, and loss absorption capacity. However, redemption obligations, optional conversion, and investor put rights limit the risk. The proposed OCDs are likely to be secured against receivables of the Skycrest project.

ASSL had reported low consolidated debt over FY23-FY25, primarily relying on reinvesting OCF for growth and business continuity. However, net debt (including HDFC Platform debentures) sharply increased to INR3,298 million in FY26 (FY25: INR377.09 million) to fund business development activities of about INR6,000 million. Ind-Ra expects INR10,000 million-12,000 million of business development over FY27 and FY28. A continued strong collection performance over FY26 and an inclination towards joint development projects have enabled the company to aggressively pursue newer projects and land parcels, while maintaining low net leverage. These are in line with Ind-Ra's expectations of the company maintaining low leverage levels, with net debt in the range of INR8,500 million-9,000 million (including OCDs) in the medium term. ASSL's net debt/net OCF was about 0.79x in FY26 (FY25: 0.11x), and the agency expects it to remain in the range of 1.5x-2x. FY26 presales-to-net debt ratio remained strong at 4.70x in FY26 (FY25: 33.71x), and Ind-Ra expects it to remain above 2.5x over the medium term.

**Moderate Project Concentration and Diversification in Ticket Size and Geography:** ASHPL has three ongoing projects, out of which Arvind Skycrest constitutes about 67% of ASHPL's GDV and 7% of ASSL's GDV. The three ongoing projects in total contribute about 10% to ASSL's GDV and are spread across Ahmedabad and Bengaluru.

ASSL's historical sales have been fairly diversified across mid-segment and luxury projects, along with a few affordable housing and commercial/industrial projects. From the ongoing and planned projects at end-FY26, 14% are from the luxury segment, 84% from mid-market, and 2% from affordable housing. ASSL's top three projects – Aquacity, Uplands 2.0 & 3.0, and Forest Trails - constitute about 40% of the total ongoing projects' GDV. The largest project, Aquacity, contributes about 19%, closely followed by Uplands 2.0 and 3.0 which contributes 12%. ASSL is primarily focused on residential projects, with 74% of the ongoing operations concentrated in Ahmedabad and remaining 26% in Bengaluru. However, the company is looking to launch six projects in FY27, inching towards an almost equal split between MMR, Bengaluru, and Ahmedabad in the medium term. Ind-Ra expects this to reduce dependence on a single micro-market, while project execution and performance are key near-term monitorables.

**Cyclical Industry; Exposed to Regulations:** Players in the real estate industry have volatile cash flows due to high cyclicality, which during a downturn impacts demand severely. Also, the sector is exposed to several regulatory requirements, including local bodies' clearances/master plans that are subject to frequent changes, which may lead to confusion, non-compliance, and delays in project execution.

**Liquidity**

**Adequate**: ASHPL has about INR716 million of cash and cash equivalents including liquid investments in FY26 (FY25: INR492 million). This includes INR271 million held in escrow account for a project under RERA act (FY25: NIL). There are no near- to medium-term debt obligations . The proposed OCDs are likely to have terms similar to the existing ones. The existing OCDs include payment flexibility, coupon deferral, project-linked cash flow distributions, long tenor, and loss absorption capacity. However, the presence of redemption obligation, optional conversion, and investor put rights caps the risk.

On a consolidated basis, ASSL's cash and cash equivalents (including liquid investments) were INR2,476 million at end-FY26 (FY25: INR2,412 million). Ind-Ra expects the annual net OCF of INR5,000 million-6,000 million as against estimated debt repayment requirements of INR7,000 million-8,000 million from FY27 to FY29. Ind-Ra expects business development spend to be INR9,000 million-10,000 million in FY27. The gross debt stood at INR5,774 million end-FY26 (FY25: INR 2789). ASSL repaid OCDs of INR490 million in FY26. Additionally, about INR1,100 million of the gross debt is attributed to an additional OCD drawdown in 4QFY26 from the HDFC platform. New debt facilities of about INR3,100 million were sanctioned in FY26 for the construction of ongoing projects, with one of them having a moratorium of 12 months and both having a tenor of about four years. The company has undrawn working capital facilities of INR225 million at end-FY26. The agency expects peak debt to be about INR10,500 million, with net debt of INR8,000 million-8,500 million in the medium term.

**Rating Sensitivities**

**Positive:** An improvement in ASHPL's credit profile along with strengthening of the linkages with the parent could lead to a positive rating action.

**Negative:** Sustained deterioration of ASHPL's credit profile along with a weakening of the linkages with and/or a weakening of the parent's credit profile could lead to a negative rating action.

**Any Other Information**

ASHPL reported revenue of INR873 million in FY26 (FY25: INR0.1 million) and EBITDA margins of around 36% (FY25: not material). The large difference in presales and reported revenues, as well as the fluctuations in EBITDA margins was primarily due to revenue recognition as per Ind-AS.

**About the Company**

Headquartered in Ahmedabad, ASSL is the real estate arm of Lalbhai group (flagship company - Arvind Limited) and was set up in December 2008. ASHPL is a wholly owned subsidiary of ASSL. ASSL is primarily focused on the development of residential projects. Its residential projects comprising villas, apartments, and plots are targeted towards middle income and high-income customers. Its existing integrated townships comprise executive golf course with villas, apartments, retail, commercial, and recreational areas. It also undertakes commercial and industrial projects on a selective basis. As on 30 June 2026, ASSL completed 10.3msf of projects, while 58.6msf projects were under construction and around 31.2msf projects are under pipeline and future developments.

**Key Financial Indicators**

| **Particulars (Consolidated)** | **FY26** | **FY25** |
|---|---|---|
| Pre-sales (INR million) | 15,500 | 12,710 |
| Collections (INR million) | 10,990 | 9,420 |

| Particulars (Consolidated) | FY26 | FY25 |
|---|---|---|
| Net debt (INR million) | 3,299 | 377 |
| Revenue from operations (INR million) | 5,641 | 7,133 |
| Operating EBITDA (INR million) | 1,519 | 1,682 |
| EBITDA margin (%) | 27 | 24 |
| Gross finance cost (INR million) | 309 | 208 |
| EBITDA/Gross finance cost (x) | 4.92 | 8.08 |
| Collection efficiency (%) | 71 | 74 |
| Net debt/Net OCF (x) | 0.79 | 0.11 |
| Source: ASSL, Ind Ra | | |

| Particulars - Standalone | FY26 | FY25 |
|---|---|---|
| Pre sales (INR million) | 3,107 | 532 |
| Collections (INR million) | 832 | 1,551 |
| Gross external debt (INR million) | 1,119 | 549 |
| Cash and cash equivalents (including liquid investments and escrow balances; INR millionn) | 716 | 492 |
| Revenue from operations (INR million) | 873 | 0.1 |
| Source: ASHPL, Ind Ra | | |

### Status of Non-Cooperation with Previous Rating Agency

Not applicable

### Rating History

| Instrument Type | Current Rating/Outlook | | |
|---|---|---|---|
| | Rating Type | Rated Limits (INR million) | Current Rating |
| Proposed optionally convertible debentures | Long-term | 1,000 | IND A/Stable |

### Disclosure on instruments / activities and names of regulators:

A list of products/activities or ratings of instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by Ind-Ra on its website. A link to the same has been provided below for ready reference:

Rating Activities

**Note:** Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

### Complexity Level of the Instruments

| Instrument Type | Complexity Indicator |
|---|---|
| Optional convertible debentures | Moderate |

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

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### About India Ratings

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

### Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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## APPLICABLE CRITERIA AND POLICIES

**Corporate Rating Methodology**

**Treatment and Notching of Hybrids in Nonfinancial Corporates**

**Parent and Subsidiary Rating Linkage**

**The Rating Process**

**Evaluating Corporate Governance**

## DISCLAIMER