EMBASSY

**August 16, 2026**

| | |
|---|---|
| **Scrip Code: 532832** | **Symbol: EMBDL** |
| **BSE Limited** | **National Stock Exchange of India Limited** |
| Phiroze Jeejeebhoy Towers, | Exchange Plaza, C-1, Block G, |
| Dalal Street, Mumbai – 400 001 | Bandra Kurla Complex, Mumbai – 400 051 |

**Sub: Disclosure of transcript of earnings conference call held on August 11, 2026**

Dear Sir/Madam,

This is in continuation of our intimations dated August 6, 2026, and August 11, 2026, regarding the earnings conference call of Embassy Developments Limited (the **"Company"**) held on Tuesday, August 11, 2026 at 11:00 A.M. (IST) to discuss the operational and financial performance of the Company for the quarter ended June 30, 2026.

In this connection, pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the transcript of the said earnings conference call, which is also being made available on the website of the Company.

Kindly take the same on record.

**Yours truly,**
**For Embassy Developments Limited**
*(Formerly Equinox India Developments Limited)*

Vikas Khandelwal
Digitally signed by Vikas Khandelwal
Date: 2026.08.16 23:11:01 +05'30'

**Vikas Khandelwal**
***Company Secretary***

"Embassy Developments Limited

Q1 FY27 Earnings Conference Call"

August 11, 2026

**This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the website of the Company on 11th August 2026 will prevail**


**MANAGEMENT:** **MR. ADITYA VIRWANI – PROMOTER AND MANAGING DIRECTOR – EMBASSY DEVELOPMENTS LIMITED**
**MR. SACHIN SHAH – CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR – EMBASSY DEVELOPMENTS LIMITED**
**MR. RAJESH KAIMAL – CHIEF FINANCIAL OFFICER AND EXECUTIVE DIRECTOR – EMBASSY DEVELOPMENTS LIMITED**
**SGA – INVESTOR RELATIONS ADVISORS – EMBASSY DEVELOPMENTS LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Q1 FY27 Earnings Conference Call hosted by Embassy Developments 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 this 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. Aditya Virwani, Promoter and Managing Director from Embassy Developments Limited. Thank you, and over to you, sir.

**Aditya Virwani:** Good morning, everyone, and thank you for joining us today. I'm joined by Sachin Shah, our CEO and Executive Director; and Rajesh Kaimal, our CFO and Executive Director. Our investor presentation has been uploaded to the stock exchanges and is also available on our website. We have started FY27 with good momentum. The first quarter reflects the progress we have made over the past year, especially as the launches from the second half of FY26 continue to translate into healthy sales and collections.

We entered FY27 with substantial residential portfolio available for sale, comprising approximately of INR10,500 crores of ongoing inventory, around INR400 crores of completed OC received inventory and a INR19,400 crores pipeline of fresh launches.

Our priorities remain clear, which are, launch the right inventory at the right time, achieve healthy absorption, execute projects with quality and discipline, drive collections and continue building exceptional products. Done consistently, this will steadily strengthen Embassy's position as one of India's leading real estate developers.

The operating environment also remains supportive. Demand across our core markets continue to be healthy across both the premium and the luxury residential segments. Customers increasingly favor developers with proven track record and more importantly, a reputation for trust.

We believe India is in the midst of a multi-decade housing cycle, and the industry will continue to consolidate towards the strongest and most reliable developers. We believe Embassy is well positioned to benefit from this trend and the next few years represent a meaningful inflection point as we scale our residential platform and expand our market share.

Against this backdrop, we have had a great first quarter. Presales for Q1 stood at INR868 crores, which is up 338% year-on-year, while collections more importantly, increased 54% to INR496 crores. More importantly, demand remained healthy across our portfolio. Nearly 60% of our inventory launched in FY26 has already been sold, and Bangalore continues to perform especially well with approximately 72% of launch inventory sold within 6 months.

Execution remains equally important. During the quarter, Embassy One 09 in Gurgaon and 5 towers in Golf City Savroli received their occupancy certificate, moving us closer to customer handovers. We would also like to highlight that Embassy Citadel in Mumbai has approval for all 81 floors of development upfront. In a market where approvals are typically granted in stages, this provides significantly greater certainty around execution and reflects the strength of our planning and regulatory engagement. In addition, we have appointed Leighton as our civil contractor for Embassy Citadel.

While we did not launch any new projects during Q1, this was a deliberate decision. Our approach is not only to have secured building plan and RERA, but to have all checks in place before we officially launch.

This includes activating the market and channel partner networks, having majority of tender drawings in place, ensuring our marketing experience is ready and a very careful and deliberate sales strategy to ensure pricing is optimal and leaving room for our early customers to create value together. Investors should, therefore, expect some quarterly variability in launches. This is a function of discipline and not demand.

With that said, our FY27 pipeline comprises of 9 owned projects and 2 development management projects, both together representing a combined GDV of INR19,400 crores. We expect to launch 4 of these 11 projects in the current quarter, which is Q2. We remain comfortable with our FY27 guidance of INR6,000 crores in presales from the owned developments, INR2,000 crores from the developed managed projects and approximately INR3,000 crores of collections.

We believe collections are one of the most important operating metrics for assessing our progress over the next few years. Sustained execution and strong collections should progressively strengthen our balance sheet and create opportunities to lower our cost of capital over time. Our balance sheet also continues to strengthen.

The Board has just approved a preferential allotment of convertible warrants to the promoter Embassy Group, subject to shareholder approval. The proceeds will be used to repay outstanding shareholder debt of Embassy Group, further strengthening our balance sheet and reducing our cost of capital over time. More importantly, the continued support of our shareholders and promoters reflect their confidence in the business we are building and the opportunity that lies ahead.

As we have said before, residential development is a long-cycle business. Given the nature of our completion accounting, there can be a significant timing difference between our operating performance and our reported financial results. So, to conclude, we are pleased with the start of the year, but we believe we are still in early stages of what Embassy can achieve in the residential development space. We have a strong pipeline, healthy demand and a clear plan for the year ahead.

Our focus now is disciplined execution and creating exceptional products, developing long-term value for all our shareholders. Thank you to our customers, shareholders, lenders, partners and employees for your continued support. We appreciate the confidence you have placed in Embassy.

With that, let me hand over to Sachin. Thank you.

**Sachin Shah:** Thank you, Aditya, and welcome, shareholders. I shall add to what Aditya spoke about with respect to the operational performance for the first quarter of FY27, highlighting our business updates, progress and outlook for the year.

We have been focused on project execution this first quarter, progressing construction across our ongoing developments, advancing regulatory approvals and preparing for the next phase of launches. While Q1 saw us maintain momentum across presales and collections, we have 11 launches planned over the next few quarters, holding us in good stead to deliver our full year guidance.

Customer demand across our existing portfolio remained healthy, supported by the strength of the Embassy brand and our differentiated product offerings. Construction spend during the quarter was INR276 crores, representing approximately 56% of collections. As projects come out of the ground, we expect construction activity, collections and operating cash flows to strengthen meaningfully over the coming quarters.

Construction progressed broadly in line with planned schedules across our portfolio, and we achieved several key milestones during the quarter, including the receipt of the OC certificate for our One 09 Phase 1 Gurgaon and for 5 additional towers at Golf City, Savroli. Our OC received product portfolio remains approximately 98% cumulative sold.

Our ongoing development portfolio of 11 assets is approximately 70% sold based on saleable area, and we continue to make steady progress across the multiple projects with Embassy Paradiso at Embassy Springs and balance towers of Golf City, Savroli nearing completion and stated for OC in FY27.

Similarly, Embassy Edge and Embassy East Avenue are progressing well towards completion in FY28 with both projects already substantially sold. We also continue to see strong traction across our newer launches. Embassy Verde Phase 2, Embassy Greenshore and Embassy Eden have recorded healthy sales while construction advanced in line with plan.

In Mumbai, Embassy Citadel has secured approvals for all 81 floors, a significant differentiator in the Mumbai market. Combined with its prime Worli location, this positions the project as one of the most compelling luxury residential developments in our portfolio with strong long-term value and surplus.

Overall, our portfolio reflects a healthy mix of projects nearing delivery and new developments progressing on construction. This phased maturity provides good visibility into future completions, revenue recognition and cash flow generation over the coming years.

Across our launched and under construction portfolio, we now have INR13,630 crores of cumulative unsold inventory across residential and commercial launches, providing a strong basis for future collections, cash flows and revenue recognition.

FY27 launch pipeline. We continue to target approximately INR19,400 crores of launch GDV, comprising 9 owned projects with a GDV of INR13,300 crores, along with 2 development management projects contributing an additional INR6,000-plus crores of GDV.

Some of the key launches planned over the coming quarters include, Embassy One North tower in Bengaluru, which has 400,000 square feet of residential space with a GDV of approximately INR1,400 crores, Embassy Knowledge Park villas and apartments in North Bengaluru on 80-plus acres with a combined GDV of approximately INR4,450 crores, the front parcel villa and apartments at Embassy Springs, where we have 1.7 million square feet of residential development with a GDV of roughly INR1,900 crores.

Our Whitefield JDA project, where we have a 68.5% JDA share on a 1.7 million square foot development with a GDV of roughly INR2,000 crores, Embassy Hub plot A in Hebbal, Bengaluru, where we have 1.2 million square feet to sell and a GDV of roughly INR2,100 crores and our share being 91%. And finally, 109 Commercial Phase 2 in Gurgaon, where we have a GDV of INR800 crores across 0.5 million square feet.

In addition, we are pleased to announce that just last week, we received RERA approval for Embassy Terazza, our Juhu Development Management project, which is a low-density uber luxury residential development. This launch pipeline remains well diversified across our 3 core markets of Bengaluru, Mumbai, our metropolitan region and NCR, while continuing to focus on premium apartments, luxury residences and villa developments.

Beyond 2027, we have a development pipeline of roughly 20.3 million square feet with an estimated GDV of approximately INR23,470 crores. There's also a fully paid 3,000-plus acre land bank, which includes a 1,400-plus acre Nashik land for which we are looking to seek an amicable solution with MIDC.

In addition, we have strengthened our senior leadership in NCR as well as our business development team in Mumbai and are actively looking for new projects in the NCR and MMR region.

In closing, Q1 has provided a strong foundation for the rest of the year. We continue to see healthy demand across our key markets supported by strong interest in premium and luxury housing and an ongoing shift towards trusted and branded developers. We have a strong launch pipeline and continue to execute well on our launch projects. And therefore, we remain optimistic of achieving our FY27 guidance for presales collections, construction milestones and approvals.

With that, I will now hand it over to our CFO, Rajesh Kaimal, who will take you through the financial performance of the company.

**Rajesh Kaimal:** Thank you, Sachin, and good morning, everyone. I will take you through the financial performance for the quarter ended June 30, 2026. Before discussing the reported numbers, it is important to reiterate the accounting characteristics of our business. Under the applicable accounting standards, revenue from residential projects is recognized only upon project completion and handover.

Consequently, there can be a timing difference between our operating performance reflected in presales and collections and our reported financial results. Accordingly, our reported P&L should be viewed alongside the underlying operating metrics, which continue to provide strong visibility into future revenue recognition and cash flow generation.

Financial performance, Q1 FY27. During Q1 FY27, revenue from operations stood at INR217 crores compared to INR681 crores in Q1 FY26. Total income was INR241 crores versus INR694 crores in the corresponding quarter last year. EBITDA for the quarter was negative INR106 crores compared with positive INR2 crores in Q1 FY26.

Consequently, the company reported a net loss of INR234 crores compared with a net loss of INR166 crores in the corresponding quarter last year. While reported earnings continue to be influenced by the timing of project completions, the underlying operating performance remained healthy during the quarter.

Collections and cash flow. Collections during the quarter increased 54% year-on-year to INR496 crores, supported by steady customer inflows across our ongoing projects. As our launch pipeline gathers pace and execution advances across ongoing projects, milestone-linked collections are expected to accelerate over the balance of FY27. The resulting improvement in operating cash flows will enhance capital flexibility, support timely project execution and further strengthen the balance sheet.

We remain on track to deliver our FY27 collections guidance of approximately INR3,000 crores. Our continued focus remains on improving cash conversion through disciplined execution, timely collection and efficient working capital management.

Balance sheet and capital structure. We continue to maintain a disciplined approach towards balance sheet management while ensuring adequate liquidity to support our growth plans. As of June 30, 2026, our gross institutional debt stood at approximately INR4,500 crores, while cash and cash equivalents were approximately INR1,200 crores, resulting in net institutional debt of approximately INR3,300 crores and a net debt to equity of 0.35x.

As on date, the outstanding shareholder debt stands at INR1,063 crores, INR700 crores from Blackstone and INR363 crores from Embassy Group. Consistent with our commitment to strengthening the company's capital structure, the Board has approved a preferential allotment of convertible warrants to Embassy Group at INR111.51 per share, in line with the previous preferential issue price.

The proceeds of this preferential allotment are earmarked for repayment of outstanding shareholder debt at Embassy Group. This will reduce Embassy Group's debt to nil. We are seeking shareholder approval for this preferential allotment through the requisite special resolution in accordance with applicable laws. This is a strategic step to deleverage the balance sheet and reduce our cost of capital.

As against the maximum permitted tenor of 18 months for conversion of warrants, the promoters have voluntarily committed to convert all the warrants into equity shares within a shorter period of 6 months. The proposed subscription by the promoter group at a significantly higher price and with a shorter conversion period reflects its continued confidence in the company's short as well as long-term business fundamentals, growth strategy and value creation potential.

We remain focused on optimizing our capital structure by refinancing existing borrowings and reducing our overall cost of debt. This is expected to improve profitability, enhance operating cash flows and strengthen the company's financial position over time.

As our launch pipeline gathers pace, collections accelerate and operating cash flows continue to strengthen, we expect this to naturally support a gradual reduction in institutional debt over time while preserving the financial flexibility required to execute our growth strategy.

In closing, our capital allocation philosophy remains disciplined and unchanged. We will continue to prioritize project execution, maintain adequate liquidity for ongoing construction, selectively pursue high-quality business opportunities and preserve financial flexibility.

Supported by a robust launch pipeline, improving collections, a healthy liquidity position and a proactive liability management strategy, we believe we are well positioned to fund future growth while continuing to strengthen our balance sheet and enhance long-term shareholder value. Overall, we remain confident in the company's financial outlook and our ability to support the operational targets outlined for FY27.

With that, we would now be happy to take your questions. Thank you.

**Moderator:** Thank you very much. The first question is from the line of Kartik Subramaniam, an Individual Investor. Please go ahead.

**Kartik Subramaniam:** So great job on the quarter. So, Prestige on their Q1 earnings call said that 4 of their projects in Bangalore shifts from Q1 to Q2 due to RERA and building plan delays. Are we seeing the same issue?

**Aditya Virwani:** Hi, Kartik. Good morning. Thanks for your question. Bangalore has been a little problematic because when the new government or the change in Chief Minister happened, unfortunately, the GBA, which is a planning authority has not been able to sit for meeting, but I would not attribute our non-launching in Q1 to that.

I think last time we mentioned that Embassy One was a project that we are targeting the launch in Q1 and Embassy Knowledge Park would be either end of Q1 or Q2. Embassy One is actually RERA received and quite uniquely, it's a ready building that we've already applied for our OC. We actually just had a TDR FSI issue, which we solved and we even got our building plan in Q1.

We just intentionally didn't want to do it. And you might have seen the news that this was earlier branded as a Four Seasons part of the hotel, which is owned by Embassy REIT. Now Embassy REIT has terminated Four Seasons, and therefore, we had also terminated Four Seasons from the branded residences here.

We're now just going to be launching Embassy One North tower under the Embassy banner. We believe this is more profitable for the company as well. And therefore, we intentionally have pushed it to Q2, and it is a launch project of Q2, I can officially say that.

And on Embassy Knowledge Park, we're very, very close on getting our building plan. This is a very exciting project where we have 85 acres of residential, a huge villa concept that's gone viral on social media, and we're seeing a lot of interest for it.

I think we've really engaged the market and have a lot of prelaunch interest locked up. We think this will be a very successful launch. And I do feel quite confident that we will get both the launches, the villa and apartment in Q2, hopefully in this month, in fact.

**Kartik Subramaniam:** Fantastic. Are we -- so given that the changes that have happened with the planning commission and such, are we looking to get fast track approvals for the other 5 own projects in Bangalore to ensure that all INR13, 800 crores of GDV launches within this financial year?

**Aditya Virwani:** Yes. I mean our plan is to fast track everything and Bangalore is our home market. We understand the system here well. We're very comfortable with Bangalore, quite comfortable with Mumbai as well at this point. But definitely, Bangalore is a place we're more comfortable.

And the other projects that we have lined up, the Bangalore ones, especially, are all on track to launch between Q3. Maybe some might spill into Q4, but we have a pretty fair amount between Q2, Q3, Q4. So just to recap, we have 4 projects which will launch Q2, which are North tower and Juhu, which are already RERA received. So those are already launched projects.

And Knowledge Park is 2 different projects. And we do feel beyond that, Alibag in Mumbai, we have RERA, we're just waiting for the monsoon to subside before we officially launch it. And the other projects between Gurgaon and Bangalore, we feel comfortable that Q3 is what we're targeting, but I know this business, Q3, Q4 is where I can see the rest of the projects landing.

**Kartik Subramaniam:** Perfect. I have more questions, but I can wait if there are other questions.

**Aditya Virwani:** Sure. Thank you.

**Moderator:** Thank you. The next question is from the line of Rusmik Oza from 9 Rays EquiResearch. Please proceed.

**Rusmik Oza:** Thanks for the opportunity. I wanted to understand the cash flows. If you can just refer the reported numbers because of the accounting entry don't reflect the potential. But if you can help us, what could be the operating cash flows maybe for Q1 as against the INR106 crores EBITDA loss? And for this fiscal year, if you can just give some color of what could be the potential operating cash flows, that would be helpful?

**Aditya Virwani:** Sure. Thanks for your question. I'll just redirect that to Rajesh Kaimal, our CFO.

**Rajesh Kaimal:** So, we started off the year with about INR1,165 crores of cash balance. And we had -- in the first quarter, since we didn't launch any projects, we had a negative operating cash flow of INR285 crores. But this is a factor, if you know that most of our projects got launched in Q3, Q4 of last financial year. And as these projects progress, the collections will kick in 6 months ahead. That is in Q2, Q3 and Q4, the collections for the projects launched in Q3 and Q4 will kick in.

So, we are going to see a very robust collection in the next -- from the next quarter onwards. We had a very good collection in Q1, that is about INR500-odd crores against the INR1,680-odd crores of collection last financial year. So, I think we are well positioned in terms of cash flow from operations. Barring this one quarter where there was a negative operating cash flow, the next quarter will see positive trend.

**Aditya Virwani:** And if I could just add to that, I just want to point out that the big launches we did last year was Verde, Greenshore, Eden and obviously, the big one was Citadel, the Worli project. And I really feel that the inflection point in this company will really happen at some point mid of next calendar year. And I say that because we collect a lot once the slab cycle start.

We are early in our capex cycle where excavation is going on in most of these projects. When we get out of ground and you start seeing the slab cycle come up quite rapidly is when a significant amount of collections start coming into the company. And I believe that's a big inflection point for us. I just want to state 2 facts is last year, our collection to presales ratio was around 35%.

This year, we're targeting INR3,000 crores of collections compared to the INR6,000 crores, which is our fully owned projects, that's a 50% ratio. Now I know industry average is 70%. We are on our way to get to that industry average

And I do feel that mid of next year is when we reach that inflection point around, let's say, April, May is my prediction when all these projects, Greenshore, Verde, Citadel will be out of ground and also the projects that we're launching now will start bringing home significantly more cash than presales. So just something to keep in mind as you track our execution.

**Rusmik Oza:** Thanks for the detailed reply. My second question was regarding this GDV for this year, INR19,400 crore. If I have to split in the first half and second half of the fiscal year, how do you see this launches in the first half and the second half? If you can just break it, it will be helpful.

**Aditya Virwani:** Sure. So, I'll break it. And if you do have our investor deck in front of you, I'd refer you to Page 13, where first -- so North tower, both the Embassy Knowledge Park and Juhu, which is the DM project, are Q2 launches. And like I mentioned, Embassy One and Juhu are already launched. Embassy Knowledge Park is the key focus for Q2.

And then I would say, the other projects are scattered between Q3 and Q4. Our target is to actually launch all of them in Q3, but they might spill over in Q4. So, I mean, I guess if I could just sum it up, those 4 projects I named will be in the first half and everything else will be in the second half.

**Rusmik Oza:** Okay. That's helpful, Aditya. The third question was regarding any developments on that, 2 commercial opportunities we have in Bangalore. So, any progress or any time lines when you will start developing those commercial projects?

**Aditya Virwani:** Yes. So, the company has 2 large commercial lands, which is Embassy East Business Park and Embassy Knowledge Park, the commercial portion. So, Embassy East first phase we launched last year, excavation is going on. And we want to build out that asset, potentially hold it as an annuity asset or potentially get a right exit closer to completion. We look at the REIT as an exciting strategy that the group has.

And Embassy Knowledge Park is something that we have intentionally told the market, please don't look at it. We've not taken it in any surplus or any in the GDV, in any of our decks. Because we said when we have clarity on what the product is, we will come to the market on that. I want to say that we're in very early days of finalizing that product.

It's not going to be a typical office asset like Embassy Manyata or any of the REIT assets that we've built. This will be a low-rise R&D type of a center. And we are in the planning phases of it. And we feel by end of the fiscal, we will come out with clear timelines, clear GDV, clear surplus of what that project will entail. So just request to be a little bit patient on that one.

It's not the typical metro connectivity, extremely prime office buildings that we have done in the past or Embassy East. Embassy East is ITPL Main Road, as prime as you can get. So that one is a little bit different and request by end of this fiscal for us to come back with more clarity on that.

**Rusmik Oza:** Thanks Aditya. The third question was regarding the entire land bank that we have. Any update of progress on how will the monetization of these pan out in the next 1, 2, 3 years?

**Aditya Virwani:** Yes. I always say the land bank is a priority, but it's not the most immediate priority. We've understood what the land bank is of the company. And interestingly, it's all in the Raigad region where we see a lot of land compounding and a lot of growth that's going to happen. But unless Nashik, other than Nashik, sorry, the other lands are a little bit scattered.

They need a lot of capital to make whole, cheese holes that need to be bought, access that needs to be purchased. And we feel that, that is something that we will address when the company has sufficient amount of surplus to deploy into that. But our first priority is to just launch the launchable lands, generate surplus, collect money, look at BD opportunities as well where we can get off the ground very fast, like the Whitefield, the land that we did last September

We're already launching it in Q3 this year. So, 12 months is quite fast for any project to move from greenfield to launch. So yes, we are going to address the land bank at some stage, but we don't feel it's the right focus for management to address today. On the Nashik one, maybe since that's a significant, that's half the land bank almost, maybe I'll just give this one to Sachin to give a status update on Nashik.

**Sachin Shah:** Sure. Thanks, Aditya. On Nashik, what we have is 1,400-plus acres. And we are working with MIDC. We've met them a couple of times to try to see if we can reach an amicable solution. At the same time, we are working through the debonding exercise as well. The debonding exercise requires us to go through 5 different agencies, government agencies. And so, we're working through that entire process.

My sense is the debonding process will from today still take probably another 6 to 9 months to get completed. At the same time, we're working through figuring it out with MIDC. And while the case is going on, it's moving slowly, one like a company that we have subleased 80-odd plus acres has also now been intervened in the application. So, I think legally, it will go slowly. I think the solution over here will be a mix of amicably working out something with MIDC and at the same time, carrying on the debonding exercise. Back to you Aditya.

**Aditya Virwani:** Yes.

**Rusmik Oza:** Thanks. Thank you so much. I'll come back into queue. Thank you.

**Moderator:** Thank you. The next question is from the line of Kevin Gandhi from CapGrow Capital Advisors. Please proceed.

**Kevin Gandhi:** Thank your for the question. I hope my voice is audible? Sir, just wanted to know about annualized run rate of interest cost currently for the company? And what's the rate of interest for Gross Debt And what is the rate of interest for your Blackstone Debt? That's the first question.

**Aditya Virwani:** Okay. I'll just ask Rajesh to take this one.

**Rajesh Kaimal:** So, our average cost of debt is around 14% and we are looking to reduce the cost of debt as all the projects progress and collection kicks in. Your second question was on Blackstone conversion. We are in talks with Blackstone for converting their portion of the debt to equity, and we are waiting to hear from them. Sorry, I didn't catch the first part of the sentence. Your line was not clear. Can you just repeat that, please?

**Kevin Gandhi:** Sir, so my question was that what is the rate of interest which we are paying to Blackstone for servicing of debt right now?

**Rajesh Kaimal:** We are paying Blackstone at a rate of 18%. That interest is being accrued in the books and being added to the capital or the gross debt. It's not a payout [inaudible 0:34:42].

**Kevin Gandhi:** Hello? Am I audible?

**Moderator:** Yes.

**Rajesh Kaimal:** Yes you are.

**Kevin Gandhi:** Yes. Sir, my second question was just wanted to understand what is like, what road map do we envisage to reduce this debt of INR4,500 crores? So like just to actually add on that, we were planning a collection of close to kind of INR3,000 crores. So, what will be the estimated construction cost and how much would be actually left so as to repay the debt? And how are we seeing this debt repayment go on for another [inaudible 0:35:20] something which I just wanted to understand. Thank you.

**Rajesh Kaimal:** So, the debt that we have today, our net debt is around INR3,300-odd crores. And this debt was taken over last year and the current year, predominantly to launch the 16 projects -- sorry, the INR16,000 crores of inventory that we launched last year. and the INR19,000 crores of inventory that we are trying to launch this year. So that's a total of about INR35,000 crores. Against that, we have a net debt of about INR3,300 crores.

If you see our debt to equity, it's about 0.35x, which is a comfortable level of debt on our balance sheet. Our priority will be to execute well. That will bring in collections as the project progresses. And once we start kicking -- as the project starts throwing back cash, we will refinance this high-cost debt and bring down the debt to much lower levels than the current 14%.

So, it's basically the projects which will pay for this debt. And our first priority is refinance the debt to a low cost and then try and repay the debt over a period of time. We think our debt-to-equity ratio based on the future launches as well will be in the region of 0.3x to 0.35x net debt to equity is what we are targeting.

**Aditya Virwani:** And if I could just add to that, I feel our evolution will be the following, which is we did INR4,600 crores of presales last year. I feel very confident we'll hit our INR6,000 crores of our own projects guidance this year. And when you look at that and look at the amount of receivables the company will have, we will, at some point, March, April next year, go and refi the whole portfolio.

Like Rajesh said, initially first bring our cost of debt down and then as the projects start throwing out surplus cash beyond the construction spend, then debt as a whole will start coming down. So just to sum that up, you can expect cost of debt to first come down and then debt overall will start coming down.

**Kevin Gandhi:** Okay sir, got it. So, like next year, March to April is something which you are estimating that this number of the like the total gross debt actually would start coming down. Is my assumption correct?

**Aditya Virwani:** That's right. The cost of debt, yes.

**Kevin Gandhi:** Okay sir. Thank you.

**Aditya Virwani:** Thank you.

**Moderator:** Thank you. The next question is from the line of Abhishek Lodhiya from Antique Stock Broking. Please proceed.

**Abhishek Lodhiya:** Yes, good morning Aditya and Sachin. Just one question. I mean how do you see the perception changing for Embassy as a brand with the completion of projects under the name Indiabulls, right? And similarly, how demand is panning out for the new project? And what could be the sales percentage we would be achieving in the first 6 months of launch?

**Aditya Virwani:** So, I'll answer your last question first. The first 6 months, like I mentioned, Bangalore, 72%, in Mumbai it's 60%.(please read 60% as pan India and not Mumbai) And I think Citadel skews that a little bit because it's such a large project that INR8,000 crores, INR9,000 crores of stock that we'll sell over the next few years. So, I would look at the Bangalore ratio to really give a sense of what kind of a launch and what kind of a robust demand that we're seeing on ground.

Your earlier question on how do we change, how do we, how does Embassy cement our brand? Look, this is the big thing in the company because from a Bangalore point of view, we have an amazing brand. We are the top developer in Bangalore from a luxury residential. We always have been.

We have been focusing a lot on commercial, but now it's a refocus back into residential. And that's actually how the brand has started, how my father started the company. And we now want to play across segments, not just luxury, but also target that premium segment, which is what you're seeing with Embassy Springs, and you're seeing a lot of our sales actually come through that premium segment. So now we need to replicate this in Mumbai.

And the journey has started, and it's been a very honest journey with Citadel, Juhu, we just launched. These are 2 marquee locations, irreplaceable locations, I would say. The Juhu one is a 2.5-acre touching the sea and this is a place where we can really create an exceptional product and really tell our story there. Yes, we have the legacy projects of Indiabulls that we have taken up that liability to fix it. And I really feel that the customers they are feeling the honesty that Embassy is putting forward, going in there, making good of the earlier management's mistakes and rectifying things, that most developers would shy away from and run away from.

Now it's not perfect, but we are doing it. Panvel was a ghost site when we took it over. There were 40 laborers on site. Today, there are 1,500 laborers. The project is fully back. Banks are funding the customers. Sales is happening. The whole project is revamped, and we're very proudly putting our name on it.

There are some projects that we intentionally said, let's not put our brand on it because they were too close to completion. So, you're seeing that with Savroli, you're seeing that with 109 in Gurgaon for the first phase. But we finished it. We've got OCs. A lot of the collections were back-ended. The earlier management had done a lot of 20:80 schemes. So, we started unlocking a lot of those collections.

So yes, that's a little bit of a -- I don't want to say headache, but it's a painful job that the company has to do and fulfill those obligations, close those books and honor it. At the same time, we're building our brand, building the trust aspect that I mentioned. I think that's such a key factor for a development company. And it's a journey. It's going to take some time. We know that in Bangalore, we get a premium to all the other developers when we launch projects.

And Worli, I think it's a huge value proposition we've come out with. The first set of inventories, we want people to make a lot of money. We want to build our reputation, showcase the product a little bit before we start taking up the pricing and competing with the top developers of Mumbai. Juhu is quite a special project. From that point of view, I feel we're already on par with our competitors in that region. But it's just going to take some time. The fact that we acknowledge it, recognize it and just take it head on is the key thing.

**Abhishek Lodhiya:** Aditya, one more question, right? In Gurgaon, right, Indiabulls the erstwhile company is also active, right? And we also -- I mean, active in NCR as a whole. So, are we facing any challenges because of the perception and name of the erstwhile company?

**Aditya Virwani:** Not really, to be honest, some landlords who I meet because we're actively trying to grow in Gurgaon and looking for pipeline. I spent a lot of my time there. We're building out a team there. We've hired someone who's heading that region for us. Here and there, some people are a little bit asking that question. It will just take a little bit of time because I think this whole -- the terminology of merger has confused people. In reality, it was a takeover. We took over this company, acquired it and changed the brand, but the technical definition was a merger.

So, some landlords think, hey, are you working together, but absolutely not. We have nothing to do with Indiabulls. They are doing their own thing. We are doing our own thing. It might just take a little bit more time and education as we launch projects there for people to understand, okay, it's 2 different companies. We're not too worried about that. I think most people know -- very few. I haven't got this in a long time, but yes, there were some comments maybe 9, 10 months ago, when I met some landlords there.

**Abhishek Lodhiya:** Thanks for the answer.

**Moderator:** The next question is from the line of Amish Kanani from Novice Investment Managers.

**Amish Kanani:** Congrats on a reasonably good operational quarter. Sir, collection for this as a guidance, is it dependent on any of the launches for this year? Or we should presume that collection will continue, if the construction continues because we know that even Q-o-Q, the dip in presales is high, but construction spend and collection dip on Q4 over -- Q1 over Q4 is not so bad.

So, the question is collection guidance, how confident are we, that it will be collected if the progress on construction continues and is not dependent on the new launches for this year? Also, because quite a few of Bangalore projects is planned for this year. And as was mentioned previously, there's a change of government, we may slip by a quarter here and there. So that's the first question, sir.

**Aditya Virwani:** Okay. So, thanks for that question. It's a great question because I only focus on collections. I think actually our collections guidance is far more important than even the presales guidance. And this is what I request everyone to keep tracking us that if you see collections going up, that means we are executing well. And we can't shy away or hide anything from collections. So, it is a big focus for us.

I would say most of our INR3,000 crores collections will actually come from the ongoing projects that are already launched because they start hitting a period where milestones bring home far more cash. The launch projects that are scheduled for Q2, Q3, we roughly say, let's say, 10% to 20% is what we collect. So, we collect 10% on booking and another 10% in 90 days.

So Q2 will have 20%, Q3 will have 10% to 20% and Q4 will really only have 10%. The majority of the collections will come from Greenshore, from Verde, from Eden, all the projects that were launched basically second half of last year. That's where majority of the collections are. I feel very, very strong about the INR3,000 crores. I don't want to say anything yet, but I do feel we can -- that's -- I feel we can even better that, but maybe Q3 can give you a bit more accuracy on what we can see with those collections.

**Amish Kanani:** Sure, sir. That's good to hear. And sir, coming back to the debt part, we are doing a promoter preference at 111 and which is a very good signal at least to the market that we are very confident about our old transaction and the value. The question is, sir, why was it required in the first place if it's promoters' debt because anyway, it's not cash outflow if the structure of the debt was similar to what probably a Blackstone debt what you explained, where it's getting accumulated.

So, one, the need for this transaction? Is it signalling or it's the need for liquidity? And second, sir, in that context, how do you -- if you can give us some sense of construction spend as a percentage of sales is only 56%. So why do we need this liquidity is the context of the question?

**Aditya Virwani:** I'll let Rajesh take this question.

**Rajesh Kaimal:** Just to –I mean, just to clarify, this is not bringing in additional liquidity into the system. This is basically a promoter conversion – this is -- and this is just to give confidence. So, this debt was growing at upwards of 15% because the interest was getting accrued. And we wanted to send a very clear signal that the promoters are very, very confident of the platform that they have created and the business opportunity that it provides.

And the pricing of 111.5 was very deliberate. This was the price that we did the previous prep at a couple of years back before the merger. And that's the reason why we did it at 111.5. Just -- I hope that answers your question.

**Amish Kanani:** Yes. And sir, the question is that is it -- yes, so the last question, sir, in that context is we give this surplus as a valuation parameter for us to kind of give us some sense of what will be the potential value. But we can -- globally, there were a few things where the NAV was also actually calculated and shared with the investors because we are challenging -- the accounting profits is a challenge for us.

And then share price because of the regulatory risk is fluctuating very, very widely, and there is a pledge also on the promoter side. So, if you can give us more information regarding the valuation of say, either a land bank or a NAV of the whole value, that will help us to kind of give comfort to the market that we are on track. So that's just a suggestion.

And in that context, if you can just briefly give us the sense that the cash has -- the way bridge you've given is showing us an incremental cash not needed, but operating cash flow is negative. So, if you can just explain for the year, how are we kind of looking at construction spend versus collection and debt repayment, that was also kind of referred to by one of the previous participants, sir.

**Rajesh Kaimal:** So, if you see Slide number15, we have given our GDV at INR57,000 crores and cash surplus at INR30,000 crores. Just to give you a kind of a nuance into the business of development, around 30% to 35% is your land cost, 30% to 35% is your construction spend and around 30%, 35% is your profit margin.

**Amish Kanani:** EBITDA

**Rajesh Kaimal:** The projects -- yes, so this is the rough breakup. And if you see all the projects that we've launched last year and the projects that we're going to launch now and our future projects, barring, I think, one project, most of them are from our own land banks and the land is fully paid for. So, we are seeing a cash surplus of more than 50% on all our projects.

So, from that point of view, you can see the next few years, the cash surplus really picking up, and that will then reflect in the P&L over the next, let's say, 2 years later. So that's how I think you should look at this business and rather than just going on an NAV on today's basis.

**Amish Kanani:** Sure, sir. And sir, last clarification, sir, a few of the companies do adopt percentage completion method on the project rather than waiting for completion of the projects and then booking the entire income. Just if you can explore whether that's possible in our case and without any taxation liability, it will probably give us a better flavor of the accounting profit as well. So that's just a suggestion.

**Rajesh Kaimal:** We are actually actively exploring this suggestion. And we will review it over the next couple of quarters and make the required changes if needed.

**Moderator:** The next question is from the line of Vinayak from Vinayak Capital.

**Vinayak:** My question is, you have declared that we will be declaring the losses for another 5, 6 quarters, then why can't we means -- I mean to say, we can sort of take a provision and for all the quarters rather than declaring losses continuously for another 5, 6 quarters. This is my first question.

**Aditya Virwani:** Vinayak, if I understood your question correctly, you said that because of this accounting issue that the company will be declaring losses for the next 3 quarters.

**Vinayak:** Sir, you are correct. I mean to say we can take a provision -- once and for all we can take the total provisions, whatever the losses we are visioning in the future whatever losses we have to take in the 5 or 6 different quarters, we can take it once and for all. Isn't it so?

**Rajesh Kaimal:** Okay, I'll just explain that. So Vinayak accounting standards don't permit us to make a provision without a reason in anticipation of costs. So, that's really not possible to do.

**Vinayak:** Sir, my second question is, in the layman terms, how can I understand the goodwill which is being reflected in your balance sheet? Although I know the accounting standards, but if you could explain it in the layman terms?

**Rajesh Kaimal:** So, the goodwill that we have on the balance sheet today was done during the reverse merger accounting, which we did in last January. So, this reflects the price of the share at that point in time vis-a-vis the project that were there in the company. So, this was the Indiabulls real estate, which was there at that point of time.

So, the share price prevailing at that time vis-a-vis the value of the project at that point of time, the difference is treated as goodwill in the books. So, let's say, the share price was at INR100 and value of all the projects was, let's say, INR90, INR10 is the goodwill that is recorded in the books.

**Vinayak:** So ultimately, INR2,500 crores are of not much use. I mean to say, it's not much of use, this particular INR2,500 crores goodwill.

**Rajesh Kaimal:** No, sir. So, it is not that it's not of much use. Because if you see in India, the land price keeps going up every year. So, we will -- we always -- every 6 months, we test this for impairment. And as the project value increases, the beauty of Indian real estate is land prices go up every year and the project value goes on increasing. So, it's not that it is of no value. It is just that it is priced in a little ahead of the schedule.

**Vinayak:** My other question is, out of 3,200 acres of land, 1,400 acres if of Nashik, rest 1,600, 1,800 acres is other land. So, sir, out of these 1,800 acres of land, which is that particular stretch of land and the quantity of this land that can be capitalized in the very near future? I mean to say, what is the actual value of this remaining 1,800 acres? Actually, what is the actual quantity of the land which can be used for development?

**Aditya Virwani:** I understood your question. You know, besides Nasik, we have a 500 acres on the Sohna road, out of that 75 acres is developable, and we started the process to get that ready. The balance plans are all scattered lands. I wouldn't even say anything on launching now, because I know how land aggregation works in this country. It takes a considerable amount of time. For those reasons, it is not a focus and we don't really want to come out to the market and say, this is anywhere in the pipeline. When we start working on it and it is ready, we will not put it anywhere in the pipeline and we will not put it on the scattered lands.

**Vinayak:** Sir, that will be all sir. Thanks a lot.

**Aditya Virwani:** Thank you.

**Moderator:** Ladies and gentlemen, due to time constraints, that was the last question for today. I now hand the conference over to the management for closing comments. Over to you, sir

**Aditya Virwani:** Thank you, everyone, for joining and for all the confidence you give Embassy. We're very grateful for your support. Thank you, and have a good week.

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