

May 29, 2026

Scrip Code: 532832

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, MUMBAI – 400 001

Symbol: EMBDL

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Mumbai – 400 051

Sub: Disclosure of transcript of earnings conference call held on May 21, 2026

Dear Sir/Madam,

This is in continuation of our intimations dated May 15, 2026 and May 21, 2026, regarding the earnings conference call of Embassy Developments Limited (the “Company”) held on May 21, 2026 at 11:00 A.M. (IST) to discuss the operational and financial performance of the Company for the quarter and financial year ended March 31, 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.

Thank you.

Yours truly,

For Embassy Developments Limited

*(Formerly Equinox India Developments Limited
and earlier Indiabulls Real Estate Limited)*

Vikas Khandelwal

Company Secretary

EMBASSY DEVELOPMENTS LIMITED

(Formerly known as Equinox India Developments Limited and earlier Indiabulls Real Estate Limited)

E: ir@embassyindia.com W: www.embassyindia.com CIN: L45101HR2006PLC095409

Bengaluru Office:

Embassy One- Pinnacle, 14th floor,
Bellary Road, Dena Bank Colony,
Bengaluru Karnataka – 560032.

T : (080) 69354859

Mumbai Office:

One World Center, Tower 2A,
4th floor, Senapati Bapat Marg,
Mumbai – 400013

T: (022) 65722233

Registered Office:

01-1001, WeWork,
Blue One Square, Udyog Vihar
Phase 4 Rd, Gurugram, Haryana-122016

T: (0124) 4609559



“Embassy Developments Limited
Q4 & FY '26 Earnings Conference Call”
May 21, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 21st May 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**

Moderator: Ladies and gentlemen, good day, and welcome to the Q4 and FY '26 Earnings Conference Call hosted by Embassy Developments Limited. As a reminder, all participant lines will be in a 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.

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 welcome to Embassy Developments Limited Q4 and FY '26 Earnings Conference Call. I'm joined today 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 available on our company website.

FY '26 has been a landmark year for Embassy Developments Limited, operationally, strategically and institutionally. It marked the first full year of the merged platform following the integration of NAM Estates and the erstwhile Indiabulls Real Estate Limited under the unified Embassy Developments brand.

I'm pleased to report that Q4 FY '26 was the strongest quarter in our company's history. Q4 presales stood at INR2,632 crores, up 89% quarter-on-quarter. FY '26 presales increased to INR4,631 crores, up 128% year-on-year. Q4 FY '26 collections stood at INR577 crores, reflecting a 39% quarter-on-quarter growth and FY '26 collections from operations were INR1,673 crores.

During FY '26, we launched projects with a cumulative GDV of approximately INR16,300 crores across 6 different launches. We achieved approximately 93% of our FY '26 presales guidance of INR5,000 crores. The marginal shortfall was attributable to approval delays of one planned project in Bangalore that has now shifted to Q1 of FY '27.

I will now talk about the two launches that we had in Q4. The two launches, which were Embassy Citadel and Embassy Verde Phase 2 were the two launches that drove the Q4 performance and one launch called Embassy Eden from Q3. Embassy Citadel, our entry into South Mumbai luxury segment, a 1 million square foot development with an estimated GDV of over INR8,800 crores.

The prelaunch achieved in Q4 was INR797 crores at roughly 8% of inventory absorbed, validating that both the product positioning and the pricing strategy is one of India's most competitive luxury markets. And just to note, we only brought this product out in mid of February, giving us only 45 days to clock almost INR800 crores in this project.

Embassy Verde Phase 2 at Embassy Springs delivered an 87% absorption within the quarter, generating Q4 presales of INR588 crores. Together, these two projects contributed to INR1,385 crores or approximately 53% of Q4 presales. Additionally, our Bangalore luxury portfolio, led by Embassy Eden, our luxury villa development at Embassy, established a clear category leadership position. Our Bangalore launches in the INR10 crores ticket size accounted for over

65% of all FY '26 sales in Bangalore in that segment, which was roughly INR2,000 crores. This really showcases Embassy's strength in the luxury segment in Bangalore.

On the legal and regulatory front, the company secured favourable outcomes in two significant legal and regulatory matters. First, the honourable NCLAT by order dated 4th May 2026, set aside the earlier NCLT admission order in the Section 7 application filed by Canara Bank, thereby squashing the CIRP proceedings in entirety. The NCLAT held inter alia that no deed of guarantee existed and that the application was barred under Section 10A of the IBC. Following this, the company exited the ASM framework and resumed normal trading on both BSE and NSE effective 6th May 2026.

Second, the Honourable High Court of Karnataka set aside the KIADB resumption order relating to 78 acres at Kadugodi, Bangalore, held by Embassy East Business Park based on the company's undertaking to comply with the lease terms and obtain KIADB's NOC prior to any third-party interest creation. Both rulings were delivered on merits, reinforcing the company's legal position and governance framework.

Our reported P&L for FY '26 reflects an accounting loss of INR872 crores at the PAT level. I would like to provide context for these numbers as they are structural in nature and rather than operational. This is largely a function of real estate revenue recognition accounting policy, under which income is recognized only on project completion and handover and reflect past project performance. Given that most of our projects will have target OCs from FY '28 onwards, revenue recognition from these projects will flow primarily through '28 onwards as constructed progressively meaningfully.

What you are thereby seeing in FY '26 is a cost structure built ahead of the revenue curve. We expect this profile to progressively normalize as projects move towards completion and revenue recognition accelerates.

On the FY '27 outlook, based on our launch pipeline, ongoing inventory sales and market momentum, we are providing the following FY '27 guidance. A presales of INR6,000 crores from our own projects, representing a 30% year-on-year growth, along with an additional INR2,000 crores from the DM projects totalling INR8,000crores. Collections of approximately INR3,000 crores, reflecting around 75% year-on-year growth driven by the milestone-linked inflows from existing launches and ongoing projects.

New launch GDV of approximately INR19,400 crores across 11 owned projects and along 2 DM projects, Juhu and Sky Terraces in Bangalore, with the combined GDV of DM projects is approximately INR6,100 crores. This launch pipeline, together with sustained demand for Embassy Citadel and our Bangalore portfolio underpins our FY '27 outlook. To sum up, FY '26 has been a transformational year. We have delivered record quarterly presales and built a launch pipeline that we believe is industry-leading for our scale.

Another significant milestone undertaken was our brand evolution, shifting from a legacy-led identity to a more forward-looking brand with renewed philosophies, values and visual identity.

Our priority for FY '27 are clear, deliver on the launch pipeline, accelerate construction progress to drive collections and reduce financing costs through refinancing.

With that, I will hand over to Sachin, who will take you through the operational performance in detail.

Sachin Shah:

Thank you, Aditya. FY '26 was a year of clear sequential ramp-up in operating performance as we accelerated launches and increased presales and collections over the quarters. To provide perspective on this trajectory, quarterly presales increased from INR198 crores to INR409 crores to INR1,392 crores over the first 3 quarters of the fiscal year before we finally closed at an impressive INR2,632 crores in Q4. Quarterly collections increased steadily from INR322 crores in Q1 to INR577 crores in Q4.

The area sold increased from 206,000 square feet in Q1 to 1.78 million square feet in Q4. As construction milestones progress on these projects, we expect a meaningful contribution in operating cash flow generation in FY '27 and '28. Construction spend during FY '26 stood at INR1,182 crores, representing approximately 71% of collections, reflecting a capital deployment that's disciplined.

During Q4, we made progress on delivering our projects as well. We submitted the OC application for 109 Phase 1 in Gurgaon, and we received partial OC for Golf City, Savroli Phase 1. Our OC received portfolio is now 98% sold with FY '26 presales of INR573 crores and collections of INR645 crores from this portfolio, reflecting a healthy monetization of completed inventory. Across our ongoing projects, construction and delivery time lines remain broadly on track.

Embassy Paradiso at Embassy Springs, it's 100% sold, 80% complete with target OC in FY '27. Embassy East Avenue in Whitefield Bangalore, 94% sold, 73% complete with target OC in FY '28. Embassy Verde at Embassy Springs in North Bengaluru, 90% sold, 17% complete with the target OC in FY '29. Embassy Edge at Embassy Springs, 74% sold, 66% complete with the target OC in FY '28. Embassy Park in Panvel, 74% sold, 41% complete, target OCs in between FY '28 and FY '30. Embassy Greenshore at Embassy Springs, 63% sold, 8% complete, target OC in FY '31. And lastly, Embassy Eden, 49% sold with the target OC in FY '31.

Across the launch and under construction portfolio, FY '26 presales aggregated to INR4,058 crores, 27.5% of the unsold inventory value of INR14,728 crores, (this should be pr, ~18% of the GDV of the launched and ongoing projects) allowing for sustained sales to continue into the fiscal year and providing substantial visibility for future monetization.

Looking ahead, our FY '27 launch program consists of 9 projects, which are owned with a cumulative GDV of INR13,300 crores. And this is supplemented by 2 DM projects, taking our total launch GDV to approximately INR19,400 crores. The key headline launches over the coming months include, Embassy One North Tower in Bengaluru, adjacent to the Four Seasons Hotel, where we have 400,000 square feet to sell and a GDV of approximately INR1,400 crores; Embassy Knowledge Park, Villas and Apartments in North Bangalore with a combined GDV of

approximately INR4,500 crores and strategically located adjacent to the Embassy Riding School in North Bangalore.

Front Parcel Villas & Apartments at Embassy Springs, where we have 1.7 million square feet in area to sell and a GDV of INR1,900 crores and our newly acquired Whitefield JDA project, where we have 1.7 million square feet and a GDV of INR2,000 crores where Embassy has a 68.5% share. Plot A at Embassy Hub in Hebbal, Bengaluru, where we have 1.2 million square feet to sell and a GDV of approximately INR2,100 crores, where Embassy's share is 91% and lastly, 109 Commercial in Gurgaon, where we have a GDV of INR800 crores across 0.5 million square feet.

The two DMs with a total GDV of INR6,000 crores are in addition, where this year, we plan to launch our super exclusive and ultra-luxury Juhu project, where we expect to receive our IOD shortly and Sky Terraces in Bangalore, where we expect to have a robust demand at launch. This pipeline is geographically balanced across our 3 core markets, Bangalore, MMR and NCR and is weighted towards product categories where we have demonstrated strong absorption, which is luxury residences and villas, premium apartments and lifestyle second homes.

Our planned project pipeline beyond FY '27 carries a further 20.4 million square feet with an estimated GDV of approximately INR23,500 crores. Combined with our 3,250-acre fully paid land bank, it gives us a multiyear revenue visibility and the flexibility to phase launches in line with market conditions.

In summary, FY '26 has been a year of growth, solidifying our operations, integrating and building our teams and executing in a disciplined manner while managing cash flows effectively. This has led to sales velocity and accelerated launches in the second half of the year. We enter fiscal '27 with strong momentum and a healthy inventory pipeline across ongoing projects.

With that, I will hand it over to Rajesh, who will walk you through the financial performance and the balance sheet position. Thank you.

Rajesh Kaimal:

Thank you, Sachin, and good morning, everyone. I will take you through the financial performance for the quarter and the full year ended March 31, 2026. The reported P&L for FY '26 reflects a timing mismatch inherent to the development business model and additionally carries the accounting consequences of the reverse merger treatment from the NAM-EDL combination.

Reported numbers for FY '26. Revenue from operations stood at INR1,732 crores versus INR2,180 crores in FY '25. Total income of INR1,905 crores versus INR2,547 crores in FY '25. EBITDA, a negative INR300 crores versus INR531 crores positive in FY '25. PAT at a negative INR872 crores versus a positive INR194 crores in FY '25.

As Aditya mentioned earlier, the reported numbers must be read in context of the following two points. First, the real estate revenue for RERA registered projects under Ind AS 115 is recognized on completed contract basis. The revenue from sale of residential units is recognized only on receipt of OC and offered for possession to the customers and not at the point of presale. Over 80%

of our FY '26 presales were concentrated in H2, predominantly from launches such as Embassy Citadel, Embassy Greenshore, Embassy Eden and Embassy Verde Phase 2.

These projects have target OC dates ranging from FY '28 through FY '32. Revenue from these projects will be recognized from FY '28 onwards in the respective years when the OC for these projects are received. Accordingly, the FY '26 P&L reflects the fixed cost structure that has been incurred ahead of the revenue recognition curve. As we receive OC for the projects launched, we expect the revenue recognition profile to progressively normalize and accounting profit margins to improve over the years.

Second, under the reverse merger accounting treatment, Ind AS 103, the existing shareholders of NAM became the largest shareholders of the company and the transaction was accordingly treated as a reverse merger with NAM as accounting acquirer and EDL as accounting acquiree. As this fair value inventory sold over time, the accounting profit margin reported in the consolidated P&L is reduced to the extent of the differential between historical cost and the fair value step-up. Importantly, this does not impact the underlying cash flows on these assets.

Cash flow for FY '26. On the cash flow side, the year was characterized by ramp-up in operating cash flows, disciplined investing activity and a positive financing inflow driven by warrant conversions. With over 80% of FY '26 presales concentrated in H2, the corresponding milestone-linked collections will largely flow through FY '27 and FY '28. This is the principal reason why FY '26 collections of INR1,673 crores were marginally lower than FY '25 collections of INR1,852 crores even as presales grew 128% year-on-year. The presales to collection conversion is a structural lag and not an operational issue. We expect FY '27 collections to grow approximately 75% to around INR3,000 crores as construction milestones are achieved in H2 FY '26 launches.

Debt position. As of March FY '26, our gross institutional debt stood at approximately INR4,100 crores with cash and cash equivalents of around INR1,100 crores, resulting in net institutional debt of approximately INR3,000 crores. Our net debt to equity ratio stood at 0.3x while gross debt equity was at 0.4x. In addition, we carry shareholder debt of approximately INR1,121 crores. Upcoming launches and strategic projects are expected to generate meaningful cash flow surpluses, supporting a structured reduction in institutional debt while also funding future growth.

In closing, FY '26 has been a transition year marked by integration of the merged entity, an accelerated launch program and the resolution of legal overhangs. The reported P&L reflects the mismatch of revenue recognition timing and merger accounting, but the underlying operating fundamentals point to a platform with strong fundamental visibility and cash flow generation. We enter FY '27 with confidence in the strength of our launch pipeline, a strong balance sheet positioned to support our INR6,000 crores presale guidance and a INR3,000 crores collection target.

With that, we would be happy to take questions.

- Moderator:** Thank you. We will now begin the question-and-answer session. The first question comes from the line of Mohit Agrawal with IIFL Capital. Please go ahead.
- Mohit Agrawal:** Yes, good morning everyone and thanks for the opportunity. My first question is on the launch pipeline. And if you could give some colour around the launch time lines. So let's say, the larger projects like Embassy One, Knowledge Park, the Whitefield and the Embassy Springs project. Yes, that's my first question.
- Aditya Virwani:** Hi Mohit, good morning, [inaudible 0:21:59] the projects that you refer to?
- Mohit Agrawal:** Yes. No, I'm saying the larger ones like the Knowledge Park Villas and Apartments, Embassy Springs, the Whitefield project and Embassy One North Tower, these are the larger projects. What is the like if you could put it into quarters, which quarter do you expect them to get launched?
- Aditya Virwani:** Sure. So I'll just give you a flavour. The pipeline that we have of roughly 11 projects, INR19,000-plus crores in GDV is pretty scattered across the entire year. Embassy One North Tower, we've actually already got our building plan. So we are going to launch this project this quarter. And Embassy Knowledge Park, which is quite a big project, would probably be towards the end of this quarter or might spill over to Q2. Juhu will be Q2, Sky Terraces will be end of Q1 or Q2. And I'll just name the Embassy Springs Front Parcel will be probably Q2 or maybe Q3.
- Mohit Agrawal:** Okay. Okay. So bulk of the launches seems to be in the first half or probably the early second half, is that understanding correct?
- Aditya Virwani:** That's right.
- Mohit Agrawal:** Okay. Now on your guidance of around INR6,000 crores presales for next year, I just want to understand, it's a two-part question. Firstly, if you could share your thoughts on what has been the response in the Worli project, Citadel project? Because obviously, these numbers fourth quarter numbers, obviously, is towards the fab end, so it doesn't reflect the momentum. So could you explain how is the momentum? And also like in your INR6,000 crores of presales number, what is the implied assumption, let's say, for this year? Or what is the kind of expectation you have for this year presales for the Worli project?
- Aditya Virwani:** Yes. So if you look at our unsold inventory, including the Worli project, we roughly have INR12,000-odd crores of GDV. If you take out the commercial asset because that's an asset that we'd like to build out and monetize towards the end of towards closer to OC, I would say we have close to INR10,000 crores of unsold inventory. We are factoring in around INR2,000 crores from the INR10,000 crores that we will sell out of the INR6,000 crores guidance we are giving and INR4,000 crores from the new launches.
- Embassy Citadel has been received pretty well. And given that we only had 45 days in Q4 to launch this project and collect our sales to do INR800 crores, then it is quite commendable. We're quite proud about it. And we feel Q1 as well, we already have some decent momentum on it. We believe that Citadel should contribute to INR1,000 crores of the INR2,000 crores from the existing stock.

Mohit Agrawal: Understood. And my last question is on this entire cash flows and net debt number. This year, FY '27, you will see a marked improvement in your collections at about INR3,000 crores. How do you see the construction cost and then the resultant impact on net debt levels? Would we start to see the leverage levels coming down? And what is the time line for the leverage levels, if you could give some colour on that?

Sachin Shah: Hi Mohit, it's Sachin here. So, while we are expecting collections of roughly INR3,000-odd crores this year, we also want to spend approximately INR2,500-odd crores on construction. So, we want to really use our collections to keep pushing construction, get those milestone-linked payments to keep coming in. And so you might not see a huge reduction in debt for this year. But what you'll see the company in a much stronger position by the end of this year as we kind of move forward to be able to kind of receive more inflow next year and then pay down debt probably over the course of the next kind of 24 months.

Mohit Agrawal: Okay. But is there a comfortable level of net debt, let's say, INR3,000 crores, where do you see the net debt levels comfortable at? Or let's say, in the next 3 years, you want to go net debt free. Any target internally around that?

Rajesh Kaimal: Hi Mohit, this is Rajesh here. So, we want to keep our net debt levels to 0.5x or less. And as Aditya said, this year, we want to spend all the collections or most of the collections on construction, so not a great reduction in the net debt numbers. But starting from the next financial year, there will be a progressive reduction in the net debt levels. And we are comfortable with the net debt levels of 0.3x because we want to spend on construction as well as spend on new projects over the next 2 to 3 years. So, I would guess in the short term, a 0.3x net debt is a comfortable number for us.

Mohit Agrawal: Okay. Great. Those are my questions. Thanks a lot and all the best.

Aditya Virwani: Thank you.

Rajesh Kaimal: Thank you, Mohit.

Moderator: The next question comes from the line of Reuben with Equity Intelligence. Please go ahead.

Reuben: Hi, good morning. Could you just help me understand this revenue recognition across we've got now 3 different business models in Embassy. You have the legacy Indiabulls project, that seems to be on the completion and handover basis. And then you have the development management that appears to be more on percentage of completion method, right? So I want to understand, did you just mention that the newer Bangalore and Mumbai projects how would that revenue be recognized? And I'm just trying to understand when will that start reflecting in the P&L?

Rajesh Kaimal: Yes. So the legacy projects, this is Rajesh here. The legacy projects of the erstwhile Indiabulls Real Estate is coming up for completion and as we get OC, we recognize the revenues. That is not only true for legacy projects, the legacy projects of Embassy, as well as Indiabulls Real Estate.

The current launches where we just started construction, most of the purchase costs launched in Q3 and Q4 of last financial year is something that will get recognized from '28 onwards as we attain OC, give position to our customers and do substantial collection. That's when we recognize the revenue and the corresponding cost to it. The DM projects is only a fee income that will be recognized over a period of the construction as we progress in construction and as we collect the fees, that revenue will be recognized at that point in time.

Reuben: Okay. Okay. So maybe is there any estimate on the revenue guidance in FY '27, '28? Or would you like to refrain?

Rajesh Kaimal: We would refrain from giving a revenue guidance. We have already given a presale guidance and collection. I think we'll stick to that at this moment.

Reuben: Fair enough. Just a few questions on the land. So see, we've got like 500 acres in the North, but NCR we all know it's very dominated by a few large players. So have you considered maybe monetizing that land if a good valuation comes along? Because wouldn't that help the P&L and balance sheet? And if so, what do you expect the market value of that land to be?

Sachin Shah: Right. So this is Sachin. Look, of course, every time when we get an offer for a land parcel that's not core and not strategic to us, we always consider whether we should monetize it or not. As you've seen in our balance sheet and in our P&L for the last 2 years, we have been doing that. And wherever we have land parcels which are not mutated or scattered or the aggregation was not done by the erstwhile Indiabulls, we are definitely looking at monetizing that.

We do have 500-plus acres in North on Sohna Road. A lot of this land today since there's forest land. We could probably develop 75 acres of that land. And so yes, we are looking at seeing if someone comes along looking at a different type of development out there. Of course, we would look at monetizing that. We don't have a kind of an estimate of market value for that as of now yet.

Reuben: Okay. Fair enough. And one last question on the SEZ. Could you give us an update of what's happening there? Is there any development plans for the next 12 to 24 months? And what are the projects that you're envisioning? If you could just guide us on the SEZ update.

Sachin Shah: Sure. So the Nashik SEZ, as you know, we had a legal issue going on with MIDC on which we've received a stay. The next hearing date is on June 12. At the same time, I'd have to say that we have approached the authorities and we are trying to find an amicable way that we can settle this between us and them, so we can develop this land.

The most likely use of this land will be small and mid-market kind of industrial use. I don't think it's well suited today for SEZ use and nor is it well suited for kind of warehousing. So again, it will be an industrial plotted play that we would look at for this transaction once we've settled our issues with the government.

Reuben: Okay, thank you. I'll get back in the queue. Thank you so much.

Moderator: The next question comes from the line of Nikhil Kothari with Antara Capital. Please go ahead.

Nikhil Kothari: Hello. Good morning. Thank you so much for the opportunity. So my questions are regarding the Embassy Citadel project. So for the Citadel project, as I can see in the presentation, the completion date has been moved from 2032 to 2035. So, what's the reason for such a 3-year push?

Aditya Virwani: So that is just for our RERA filings. Our target date is '31 or '32, but we like to keep a little bit of a buffer also given that this is a large tower, our first large asset in Mumbai. And actually, it's also in line with the market norms. If you look at most 300-meter towers, they give a generous buffer on the RERA dates.

Nikhil Kothari: Okay. Okay. But it is nothing as such there is lack of interest, right? The interest is reliable, right, in this project?

Aditya Virwani: It is really good. And honestly, if I have to tell you about Worli and all the supply there, we are positioned as a value proposition there, also given that the ticket size is intentionally smaller. And from a pricing point of view, we are coming in much lower than what I think the top developers are. We're just being a little bit humble about it that we are conscious we need to build our brand, build the same luxury moat that we have in Bangalore, in Mumbai, that will take some time.

And therefore, we're not shying away from discounts. So I really think that this is an outlier product in Worli. And I'm also happy to say that we have more or less closed on closing La Tim as our contractor. I think La Tim is the best contractor in the country, probably a notch even higher than L&T. And we have just engaged them, and we feel comfortable about the time lines that we have.

Nikhil Kothari: Okay. So we have not officially launched the project yet, right?

Aditya Virwani: We have launched the project. Excavation is going on, and it's well underway.

Nikhil Kothari: Okay. Okay. Understood. And just one last question. What is the construction spend in such huge projects in luxurious project?

Aditya Virwani: Yes. So the total spend in Citadel, including all approvals, FSI, everything is INR3,000 crores. So we have a generous INR5,000 crores to INR6,000 crores plus surplus in this project.

Nikhil Kothari: Okay. Understood. That's it from my side. Thanks so much.

Moderator: The next question comes from the line of Sanjay Shah with Alphaline Wealth. Please go ahead.

Sanjay Shah: Good morning gentlemen. Thanks for the opportunity. Sir, my main question was to really understand our company that what are the top 3 milestone investors should track over the next 12 to 18 months, whether Embassy transformation is succeeding or not?

Aditya Virwani: Yes. So I think the top milestones that investors should focus on, is the presales. It's also backed by collections and the eventual reduction of cost of capital will eventually come down. So when we borrow this money to launch all these projects, and I hope everyone appreciates that we

launched INR16,000 crores last year, we're launching close to INR20,000 crores this year. Now all that pipeline is on comparable terms of the largest listed developers in the country.

And to do that, we needed a decent amount of equity to do it. So the raising of financing at slightly higher rates were what I term as a one-and-done exercise. And that will start graduating to cheaper financing and less debt as we start selling, as banks start seeing receivables. So I would say the top 3 are presales collections and cost of debt and debt in general coming down over the next 12 to 18 months.

Sanjay Shah: My next question was regarding we have entered when really there is a rise in construction cost, finance cost and the sale of real estate are getting a bit slower. That is what market update we get. How do we highlight upon that?

Aditya Virwani: To be honest with you, we're not seeing that yet. There's a lot of noise about real estate slowing down, and we appreciate this is a cyclical industry. But if you just look at the Q4 launches, Verde, which sold out 80-plus percent; Embassy Eden, which in Bangalore is a INR20 crores plus ticket size. The INR20 crores in Bangalore is as high as you can get. We have sold 48% in 6 months. So actually, we're still seeing pretty robust traction on ground. And I think the top developers just stay on top of that funnel.

While the market slows down, that consolidation only happens more, and we are actually coming back into this whole residential game in a big way, where our consolidation to eat up market share, we're coming off lows. This brand is very, very strong, especially in Bangalore. We're going to bring that same strength into Mumbai. And I think that's going to help us have some tailwinds to continue eating market share. Even if the market slows down and contracts a bit, I still feel we will be a bit of an outlier and grow market share. So we feel pretty good.

Also, if you look at the FY '27 pipeline, it's actually a great balance between the luxury, the ultra-luxury where we have Juhu, Sky Terraces and Embassy One. But beyond that, it's actually a very fast-moving mid-segment product which we feel is a perfect hedge to have as well going into this stage of the cycle. So we feel pretty good. Costs have gone up a little bit. We do feel they will come down. We have a great procurement strategy where we've delayed non-crucial items, but at the same time, not stopping construction. But because we have fully paid up land and high gross margins in all our projects, we hardly have any JVs.

I think we actually benefit the most from this because our pressure will sustain the most. Most other developers who have a land cost, a JD ratio that they have to share will find the cost increase hurting them a lot more. I think we actually are in a very comfortable place even if costs go up a little bit. And real estate is a hedge on inflation. We also feel pricing will go up to catch up to that. Maybe it will play catch up, but eventually, we'll catch up to the price increase that the country will face during the energy shocks.

Sanjay Shah: It was really helpful. And thanks for, and your confidence. Good luck to you, sir. Thank you very much.

Aditya Virwani: Thank you.

- Moderator:** The next question comes from the line of Kevin Gandhi with CapGrow. Please go ahead.
- Kevin Gandhi:** Hello. Thank you sir for taking the question. Sir, I just have two questions. So right now, what is the cost of debt currently for the company? And second one, at this price level, are the promoters thinking of upping their stake or buying from the open market? Thank you.
- Rajesh Kaimal:** The current cost of debt is around 14.8%. And Aditya mentioned, our endeavour in the next 12 to 18 months to bring this cost of capital down as all our project starts kicking in and cash flow starts picking up. Sorry, the second question, I didn't get correctly.
- Kevin Gandhi:** Yes. So my question was that at this price level, are the promoters thinking of upping their stake in the company or buying from the open market?
- Rajesh Kaimal:** The price of shares today are still low. And we have a shareholder debt today along with Blackstone, we have a shareholder debt of INR1,100 crores, which we will convert to equity over a period in time, but we're waiting for the **market to correct**, both the market to correct as well as our share price to correct, which will take a little more a few more months maybe. And then we will up our equity in the company along with Blackstone. (The intention was to convey that the prevailing share price levels are presently low from the perspective of any potential equity conversion and corresponding dilution. Accordingly, the reference to the share price "to be corrected" was intended to mean improvement in the share price and reaching appropriate, fair and "correct" valuation levels for such dilution.)
- Kevin Gandhi:** Okay. Sir, just my last question of the cost of debt. So like, how much decrease are we expecting from the current levels across 24 months?
- Rajesh Kaimal:** Our expectation is to bring it to 10% over a period of time, but this will be a gradual decrease over the next 12 to 18 months.
- Kevin Gandhi:** Okay, sir. Got it. Those are my questions. Thank you.
- Moderator:** The next question comes from the line of Kapil Aggarwal with Daksh and Associates. Please go ahead.
- Kapil Aggarwal:** Yes. My question is regarding the land bank in Sohna. So whether that is located within master plan area or it's outside master plan? And what is the plan for this land?
- Sachin Shah:** So as I was mentioning before, the land is in the Aravalli, closer to Sohna, closer to the Aravalli Hills. Part of the land is forest land. Part of the land can be cultivated and be developed. We believe approximately 75 acres can be developed of this land. So we're working towards that, and we're putting a plan together on how we do that. But right now, with respect to kind of in our investor deck, we've just shown it as land because we're focusing on other high-priority projects right now.
- Kapil Aggarwal:** So I just asked because Sohna market is doing very well right now. So we can say peak the rates and everything demand, everything is good. So why we are not we can say, taking up this project? Any particular reason for this thing?
- Sachin Shah:** So even on the 75 acres, we have to do actually three seasons of cultivation before we can actually develop farmhouses. So there's a whole process. It's not that it is being ignored. It will happen over time.

Aditya Virwani: We started the land conversion process. So that is underway. As Sachin said, it does take some time for this to get done. So it is on the back of our mind. But if I have to be completely honest, the pipeline that we have launched and will launch this year and what we have actually for FY '27 is very exciting. It does take a little bit of a priority. At the same time, we are evaluating options of even disposing this land because only 75 acres of developed portion that we can do only suits really a resort or some type of a farmhouse, bungalow.

There's not a whole lot of FSI we can consume here. So while the land size is high, management does not feel that there's a whole lot of value attributed to that. But we just want to reaffirm that we are not saying that there's no work happening. We are moving along the conversions and entertaining any offers that come around.

Kapil Aggarwal: Okay. And we have had an interest cost of approximately INR550 crores in this financial year. So it should not be capitalized to the project, why we have expensed out in the P&L?

Rajesh Kaimal: So whatever we could capitalize to the projects we have capitalized. This is the cost that we have taken to P&L because these are OC received projects which we have deployed on OC received projects. As we said in the previous earnings call, our priority in the first 6 to 8 months was complete the legacy projects, make our customers happy. So we deployed capital to complete all legacy projects, sort out all the finishing of all the legacy projects. And because it is OC received, we couldn't capitalize it.

Kapil Aggarwal: So actually, our total borrowing is in the range of INR5,000 crores. So taking 14% cost of that, total we can say interest cost for the year should be INR700 crores. Out of that, you are saying INR550 crores would be OC project?

Rajesh Kaimal: Yes. Most of it has been deployed in OC projects and in corporate expenses. Whatever we could capitalize, we have already capitalized.

Kapil Aggarwal: Okay. Thanks.

Rajesh Kaimal: And also the INR5,000 crores debt is including the shareholder debt. The institutional debt is only INR4,100-odd crores.

Kapil Aggarwal: That's why I was surprised that on INR4,000 crores, like total debt is for the OC project, there is no debt for the new project. Are you getting my point? And total our debt is INR5,000 crores, so interest cost at the rate of 14%, which you are saying, it should be INR560 crores for the year. So this entire amount we have expensed out in the P&L. So this is the question, actually.

Sachin Shah: So actually maybe clarify that a little bit. So while we borrow sometimes against the OC project, so the money becomes kind of our GCP funds. We, for example, have used that to pay for the premium approval charges for Blu. So what happens is that allows our Blu project to get going. So it's really kind of maybe not -- like you said, apples-to-apples comparison. But whatever we could capitalize, we capitalize. The rest has been expensed.

Kapil Aggarwal: Okay. Okay. Thank you.

Moderator: Thank you. The next question comes from the line of Rohit Chaudhary with Integrity Capital. Please go ahead.

Rohit Chaudhary: Yes, hi. I have a question regarding your court case with KIADB, which says that the lease cum sale agreement ends in June 6, 2029. A year back, Embassy sold 25 acres parcel land to Lam Research from the same entity. What happens to this deal if the lease is not extended? Do we end up losing that revenue?

Aditya Virwani: So firstly, we didn't sell land to Lam Research. We subleased a portion of the land 25 acres to them, so just to clarify that. And mutually, we will go and get seek an extension, which is very normal in KIADB. In fact, we have seek extensions before the same land. So Lam Research is well aware that the current term ends in '29. If that project is not done by them and they are investing over \$1 billion into a very high-end R&D fab. So if it's not executed by that time line, we will mutually seek an extension from KIADB, which is common practice.

Rohit Chaudhary: Okay. And I have a second question for you, I'd like to take up on that question that you just answered that you will convert the debt from Blackrock at a suitable time. Does that mean you still feel that this is -- that the share price is overvalued? I didn't understand your comment on that.

Aditya Virwani: No. We actually think it's undervalued, which is why us and Blackstone would not like to convert our shareholding now because it will be dilutive. So, we feel what's happened in the last few months has been a factor of two legal overhangs that the company has had. Now as those two overhangs have gone, the company has performed really well in that time. The overall market, yes, has corrected, especially the realty market. But we feel that given a few months that the stock should come back and maybe we will revisit this conversation with Blackstone on the share conversion at the appropriate time.

Rohit Chaudhary: Okay. Thank you so much.

Moderator: The next question comes from the line of Amish Kanani with Knowise Investment Managers. Please go ahead.

Amish Kanani: Yes, hi sir. Congrats on a good launch and presales. Sir, my question is on the EBITDA margin steady state. I understand that we will recognize the revenue when the OC is received. So the question is, sir, given the pipeline surplus is looking like more than 50% of the GDV on a steady state, say, from FY '28 onwards, sir, how do we look at EBITDA margin, if possible, some range because right now, it's negative and last year was 21%. A good real estate company does give an EBITDA margin in the range of anywhere between 35% to 45%. So if you can give us some range on a steady-state EBITDA margin given the kind of premium launch that we have?

Sachin Shah: Yes. So look, I'd like to again, EBITDA is a P&L item. And it again depends on what your revenue for that quarter or the year might be, which is again based on revenue recognition and as projects get built. I'd like to change our focus a little bit to the net surplus margin that we'll produce from our projects that we've launched and as we go into the future over the next 2 years.

And we expect that to be close to 50% over the course of the next several years as these projects get delivered. And so we're really focusing on that kind of cash coming into our system that will eventually help us to do more projects, do more BD as well as kind of service our debt.

Amish Kanani: So you're saying cash flow at some stage should reflect 50% kind of a number is what you're saying?

Sachin Shah: Yes, net surplus margins will reflect that sort of a number.

Amish Kanani: Sure, sir. And sir, if you can explain us, one, you've done quite a bit of detailed presentation and explanation by DM projects and launch date with CC and all. Only thing on the DM projects, at least we'll start to kind of recognize the revenue and profits upfront. I think one of the reasons why the share price is affected is because of the losses and parent thing?

The point is if you can give us some sense of how the DM projects will get executed where probably revenue and EBITDA will be recognized upfront, that will be helpful maybe for future presentation, that is a suggestion. And if you can explain us how is the receivables sold being -- it's a dumb question, but how does our balance sheet gets affected with receivables sold being converted into debt and at the time of possession, how does it get -- if you can explain that, that will be helpful. It's long, maybe I can take it offline, but very briefly, you can?

Rajesh Kaimal: Yes. No, I'll try and explain that. So, as far as DM projects are concerned, as and when the project sells and we progress in construction, this billing will be raised on a quarterly basis and the revenue and the cost will be recognized in that particular year. So you're right, it's upfront, and we don't have to wait for OC for these projects to recognize revenue in a DM project.

That will show an uptick in the -- or reduction in the losses and an uptick in the revenue over the next 2 to 3 years, both for Juhu project and the Sky Terraces project will show because the construction is over the next 3 to 4 years, this revenue will come in periodically every quarter over the next 3 to 4 years. So that's the first part of the question. As far as sold receivable is concerned, while if it is an OC received project, which are few today, that will go into revenue and as we hand over position.

But if it is still an OC to be received project, this will continue to come as liability as an advance received from customer. And once the OC is received is when we will recognize this as revenue. But this cash flow surplus, which will be the collection, which we will do over a period of time over the next 2, 3, 4 years as we do milestone completion and we keep collecting from the customer, this will be used, a, first for construction and second will be to service this debt. So it doesn't have to wait for OC received or something like that to basically pay down the debt.

Amish Kanani: Sure, sir, that's helpful. Thanks a lot and all the best. And sir, one last question was, if possible. The promoters leverage, sir, and I think it's one of the reasons why probably share price is affected. If you can give us some sense of, if at all, there is some plan of how to slowly reduce promoter's pledge. I know it's not a company-related question. It's a promoter related question. But if you can give us some clarity, that will be really, really helpful, sir.

Rajesh Kaimal: So I'll give on the promoter pledge. I'll give a broad perspective. See, the promoter pledge -- had pledged about 47-odd percent of the promoter shares has pledged before this entire NCLAT matter came up. And because the share price dipped, we had increased that 47% pledge to 68% pledge. And no additional debt was taken, mind you. The promoter had not taken any additional debt.

It was only because the share price fell that additional shares were pledged. And now that the share price is moving up, this will come back to the old levels to 48%. And then what we understand from the promoters is, they plan to pay off this debt over a period of time. Maybe in the next 2 to 3 years, this pledge will keep reducing and the shares will be completely unpledged.

Amish Kanani: Sure sir. That's helpful. Thanks a lot and all the best.

Moderator: The next question comes from the line of Raghav with VIRA Equities. Please go ahead.

Raghav: Hello. Am I audible?

Sachin Shah: Yes.

Raghav: Congratulations on a good set of results and positive legal outcomes. My question is regarding the Nasik SEZ land for which the case is going on. And if there's a positive outcome of the land, then how we are going to monetize the property?

Sachin Shah: Yes. So the first thing would obviously to have a positive outcome with MIDC and the government on this. The second thing that we are in the process of doing is basically doing a debonding exercise. So converting the land from SEZ to not having an SEZ status out here. We are already underway in that process. This will take several months to complete, but we expect to hopefully get that done during this fiscal year.

And then the idea would be to look at maybe doing industrial plotted out here for small and medium-sized manufacturing companies. We think there's a lot of demand out there in that belt for companies that are looking for land to do light manufacturing, to put it to industrial use. So we actually do believe there's quite a bit of demand out there, but not as SEZ status. So we do have to remove that to be able to sell the land.

Raghav: Okay, thank you sir for the answer. And one more question was regarding this NCLAT issue, so are there any legacy regulatory agreements which are not launched yet, so in case any future similar things happened like for the Indiabulls group. So are those old agreements closed apart from this?

Sachin Shah: Look, we don't know of anything else that's out there today that can harm the company and the stock. This did catch us a little bit by surprise. But I think we've overcome it and we're looking forward out here, but there is nothing else out there.

Raghav: Okay. Thanks for the answer.

Moderator: Thank you. Ladies and gentlemen, due to time constraint, that was the last question for today. I now hand the conference call over to the management for closing comments.

Aditya Virwani: In closing, FY '26 has been a transition year, marked by the integration of the merged entity, an accelerated launch program and the resolution of legal overhangs. The reported P&L reflects the mismatch of revenue recognition timing and merger accounting, but the underlying operating fundamentals point to a platform with strong forward visibility on cash flow generation. We enter FY '27 with confidence in the strength of our launch pipeline and the strong balance sheet position to support our INR6,000 crores presales guidance and our INR3,000 crores collection target. With that, I'd like to close today's call.

Rajesh Kaimal: Thank you.

Aditya Virwani: Thank you.

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.