Company Name: Arihant Superstructures Ltd

Quarter under review: Q4-FY26

Arihant Superstructures Ltd – Q4-FY26/FY26 Concall Highlights:

Arihant Superstructures Ltd. (Consolidated)								
INR In Mn	Q4-FY26	Q4-FY25	Y-o-Y	Q3-FY26	Q-o-Q	FY26	FY25	Y-o-Y
Operational Income	1,808	1,526	18.5%	1,263	43.2%	5,510	4,988	10.5%
EBITDA	302	220	37.4%	291	3.8%	1,266	1,046	21.0%
EBITDA M (%)	16.72%	14.41%	231 bps	23.06%	-634 bps	22.97%	20.97%	200 bps
PAT	119	113	5.8%	83	44.1%	460	547	-15.8%
PAT M (%)	6.59%	7.38%	-79 bps	6.55%	4 bps	8.36%	10.96%	-260 bps
Diluted EPS	2.75	2.60	5.8%	1.91	44.0%	10.65	12.64	-15.7%

Operational Highlights:

- Q4 FY26 sales bookings stood at 395 units aggregating 3.98 lakh sq. ft. with booking value of INR 313 crore. FY26 sales bookings reached 1,155 units covering 12.58 lakh sq. ft. with total booking value of INR 977 crore, reflecting 10% YoY growth.
- Q4 FY26 average realization improved to INR 7,870/sq. ft. versus INR 7,461/sq. ft. in Q4 FY25, while FY26 average realization rose to INR 7,769/sq. ft., reflecting strong pricing traction led by premium and mid-income housing contribution.
- Average ticket size for units sold during FY26 increased to around INR 84.6 lakh, indicating stronger premium and mid-income housing contribution.
- Collections remained healthy with INR 169 crore in Q4 FY26 and INR 539 crore during FY26.
- The company achieved Occupancy Certificate (OC) for two towers in Arihant Aspire Phase 1 during Q4 FY26.
- Delivered 657 units aggregating around 7.37 lakh sq. ft. in Arihant Aspire Phase 1 during the quarter.
- FY26 became a landmark execution year with total deliveries of 1,721 units, reflecting a sharp improvement over previous years. The strong delivery momentum highlights improved execution capabilities and focus on timely project completion.
- Launched a new tower “Benita” at Arihant Aspire, Panvel comprising approximately 3.82 lakh sq. ft. of saleable area.
- Gross Development Value (GDV) increased to approximately INR 14,000 crore from around INR 12,000 crore last year despite strong deliveries during FY26
- Unsold inventory as of March 2026 stood at only 71 units, reflecting healthy absorption and sustained demand across the portfolio.
- Multiple ongoing projects are expected to enter delivery stages from FY27 onwards, supporting the next phase of growth.
- Around 5,855 units are currently under execution, providing strong visibility for future deliveries and revenue recognition.
- Company is witnessing gradual migration of corporates and related ecosystems towards Navi Mumbai, supporting residential demand across key micro-markets.

Key Questions & Answers discussed during the Concall:

- **Do you foresee any demand slowdown from NRI buyers for premium projects like World Villas following recent geopolitical concerns and PM Modi's appeal?** No demand slowdown has been observed. In fact, inquiries and conversions from NRI buyers for premium projects have increased over the last two and a half months. The company expects higher costs to be offset through price increases in the remaining inventory.

- **What led to the rise in interest costs and what is the outlook for debt reduction?** Debt levels vary across projects depending on their stage of development. As projects progress and sales improve, debt is gradually repaid through internal accruals. The company expects debt repayment in projects like Arihant Aspire, Arihant Advika, and World Villas as they near completion, although annuity asset development may add some incremental debt.

- **Why did unit sales decline while pre-sales value increased?** The company witnessed stronger demand in the mid-income and luxury housing segments during FY26. While affordable housing continues to contribute significantly to transaction volumes, the focus is increasingly shifting toward premium and mid-income projects.

- **With gross debt and unsecured borrowings remaining elevated, what is the current borrowing cost structure and repayment strategy for unsecured loans?** The average cost of unsecured borrowings is around 13–13.5%, while secured debt carries an average cost of approximately 12.5%, resulting in a blended borrowing cost of around 12.75%. Unsecured promoter loans are expected to be repaid after secured lenders are serviced as projects approach completion.

- **Despite a decline in units sold and total area sold during FY26, sales value increased significantly. What drove the improvement in realizations and what trends are being seen in the company's operating markets?** Average realization increased from INR 6,082 per sq. ft. in FY25 to INR 7,769 per sq. ft. in FY26, reflecting a 27% increase. The improvement was mainly driven by a higher contribution from premium and mid-income housing projects.

- **How much pricing appreciation has the company witnessed in World Villas since launch, and what is the outlook for future price increases?** Realizations at World Villas have increased by more than INR 1 crore per villa since launch. The company expects further price increases across projects due to infrastructure-led demand and rising construction costs linked to the geopolitical environment.

- **Has rupee depreciation and geopolitical uncertainty impacted construction costs or imported materials?** Yes, rising commodity prices and geopolitical factors are expected to increase costs by around 3–5% over the long term. Current commodity prices are already higher compared to three months ago.

- **GDV increased from around INR 12,500 crore to INR 14,000 crore. How much of this increase was driven by land additions versus price appreciation?** company added around 20 acres of land during FY26, mainly in the Town Villas project. However, the majority of the GDV increase was driven by higher realizations and improved pricing expectations across projects following major infrastructure developments such as the Navi Mumbai airport and surrounding connectivity projects.

- **What are the key project launches and pipeline expectations for FY27?** Company expects new launches in projects such as Arihant Aspire, Arihant Avanti, and Town Villas during FY27, with Town Villas likely to be launched by Q4 FY27.

- **EBITDA margins declined sharply in Q4 FY26 despite revenue growth. What were the key reasons for the lower margins, and how does the company see margin trends going forward?** The decline in Q4 margins was mainly due to the first-time revenue recognition of World Villas, which led to the booking of pre-operative and marketing expenses in the quarter. Going forward, margins are expected to improve as these initial expenses have already been absorbed, while new sales and construction progress are expected to contribute to higher profitability. The company expects EBITDA margins to improve to around 25–27% in FY27.

- **Pre-sales and collections have scaled up significantly, but reported revenues remain relatively lower. When does the company expect revenues to meaningfully catch up with execution and delivery progress?** Since the company follows the percentage completion method, revenues are recognized progressively as construction advances. With multiple projects such as Arihant Aalishan, Aspire, and Advika nearing completion and possession, the company expects revenue to increase from the current INR 500–550 crore range to over INR 700 crore in FY27.

- **Despite strong infrastructure developments around Navi Mumbai, why has sales velocity at World Villas remained relatively moderate, and will Phase 2 launches depend on stronger traction in Phase 1?** The company remains focused on maintaining pricing discipline and preserving margins rather than driving volumes through discounts. Management believes the project stands out in terms of design and positioning, and customers are gradually accepting higher pricing levels. Sales momentum is expected to improve further during FY27.

- **What is the planned CAPEX for FY27, particularly for the hotel and gymkhana developments at World Villas, and how will it be funded?** The company plans to incur around INR 75 crore of CAPEX toward the hotel and gymkhana developments during FY27, which will be debt-funded. Overall construction CAPEX across projects is expected to exceed INR 400 crore during the year. Net debt may increase by around INR 50 crore, although repayments from nearing-completion projects are also expected simultaneously.

Key Participants:

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