Arvind Smartspaces Ltd. (ARVINF)

CMP: ₹ 602 | Target ₹ 845 (40%) | Target Period: 12 months | BUY

November 9, 2026

Robust H1FY27, guidance revised upward...

About the stock: Arvind SmartSpaces (ASSL), is the real estate arm of Lalbhai group, which has a 120-year legacy. Post demerger from Arvind Ltd, it got listed in 2015.

- Real estate development across Gujarat (Ahmedabad, Surat, Gandhinagar), Karnataka (Bangalore) and Maharashtra (MMR, Pune). Presence in Horizontal (Plotting, Villas) and Vertical (Luxury, MIG) projects.
- Residential portfolio 10.3 msf completed, 59.8 msf ongoing and 30.3 msf planned projects.

Q2FY27 performance: Arvind Smartspaces reported strong pre-sales of ₹ 906 crore, up 110% YoY (110% QoQ) for Q2FY27 led by strong response to both new launches and sustenance sales. Bangalore comprised 69% and rest from Gujarat. Collections were up 77% YoY (+24% QoQ) at ₹ 418 crore. Consequently, operating cash up 22% YoY to ₹ 157 crore in Q2FY27. Net debt decreased by ₹ 15 crore QoQ to ₹ 200 crore. In Q2FY27 company secured new business development of ₹ 470 crore in Sarjapur, Bengaluru. On earnings front, consolidated revenues for Q2FY27 at ₹ 157 crore up 12% YoY (-51% QoQ), EBITDA margins up 1410 bps YoY (- 1413 bps QoQ) at 35.1% and net profit up 26% YoY (-82% QoQ) at ₹ 18 crore.

Investment Rationale:

- **Strong H1FY27 performance, prompts upward revision in guidance:** The company has received a robust response to project launches and healthy sustenance sales of ₹1338 crore helping H1FY27 presales reach 86% of FY26 presales of ₹1550 crore. Further the company has four projects in pipeline for launch during H2FY27 having cumulative GDV of ~+₹ 2250-2500 crore. The launch pipeline comprises two projects each in Bengaluru and Mumbai (Khopoli phase I - ₹ 500-600 crore) and Santacruz (~₹ 300 crore). Additionally, sustenance sales from existing projects is expected to contribute over 30% of pre-sales in FY27 (almost 40% contribution in FY26). Consequently, the company has revised its pre-sales guidance upwards to ₹2600-2700 crore in FY27 while keeping its longer-term pre-sales growth guidance intact at 25-30% YoY.
- **Strong business developments during H1FY27; balance sheet remain under levered:** The company added three new projects having cumulative GDV of ₹ 3100 crore (~62% of annual guidance). One project was acquired on an outright basis and are premium residential high-rise projects. In September 2026 it has secured a project in Sarjapur, Bengaluru (GDV of ₹ 470 crore, ~67% area share). Going ahead it continues to eye new business developments across Ahmedabad/Bengaluru/MMR having ~₹ 4000-5000 crore GDV in FY27. It's under levered balance sheet (Net Debt/Equity: 0.26x), strong OCF generation (₹ 233 crore during H1FY27) and accessibility to HDFC Capital Platform Fund can be utilised in new business development.

Rating and Target Price:

- We retain our BUY rating with a revised Target Price of ₹ 845/- on project NAV basis (factoring newly acquired projects).

ARVIND SMARTSPACES

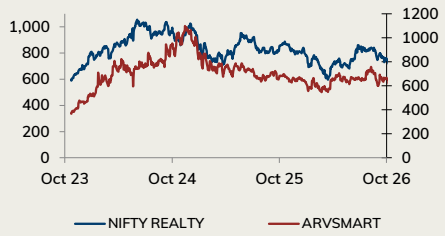
Market data

Particulars	Rs. in crore
Market Capitalisation	2,798
Debt (FY26)	577
Cash (FY26)	174
EV	3,201
52 Week H/L (Rs.)	707/487
Equity Capital	46.0
Face Value (Rs.)	10.0

Shareholding pattern

	Dec-25	Mar-26	Jun-26	Sep-26
Promoter	49.8	49.8	53.8	53.8
FII	1.0	0.8	0.7	0.7
DII	14.7	15.8	8.6	9.0
Others	34.5	33.5	36.9	36.5

Price Chart



Key risks

(i) Operational risks in terms of project execution

(ii) Macro risks & Regulatory risks

Research Analyst

Ronald Siyoni
ronald.siyoni@icicisecurities.com

Samarth Khandelwal
samarth.khandelwal@icicisecurities.com

Result Update

ICICI Securities – Retail Equity Research

Key Financial Summary

Particulars (₹ crore)	FY24	FY25	FY26	3-year CAGR (FY23-26)	FY27E	FY28E	FY29E	3-year CAGR (FY26-29E)
Revenues	341.2	713.3	564.1	28.6%	1007.9	1147.5	1365.0	34.3%
EBITDA	111.5	168.2	151.9	16.7%	279.6	317.2	381.6	35.9%
EBITDA margin (%)	32.7	23.6	26.9		27.7	27.6	28.0	
Net Profit	41.6	110.5	97.6	53.2%	152.4	178.1	224.5	32.0%
EPS (Rs)	9.1	24.1	21.3		33.2	38.8	48.9	
P/E (x)	71.6	26.9	30.5		19.5	16.7	12.5	
P/B (x)	6.0	4.9	4.6		3.8	3.2	2.5	
RoCE (%)	14.6	15.0	9.9		16.5	16.9	18.2	
RoE (%)	6.6	13.7	10.9		14.8	15.0	16.1	

Source: Company, ICICI Direct Research

Q2FY27 – Earnings call summary

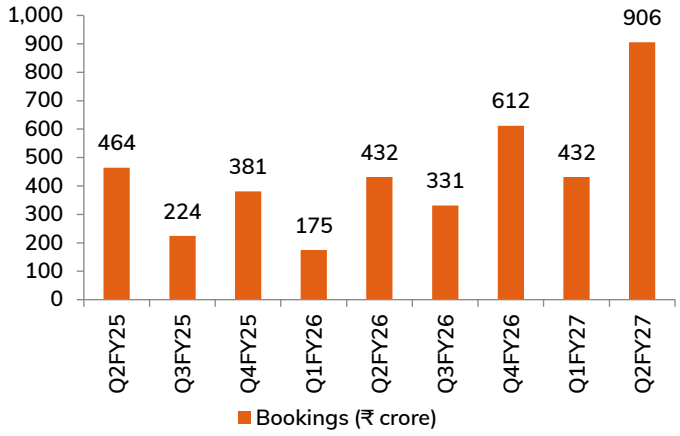
- **Guidance:** The management has revised its presales guidance to ₹ 2600-2700 crore resulting in an implicit YoY growth of ~67% from ₹ 1550 in FY26. It aims to launch four projects having estimated gross development value of ₹ 2250-2500 crore in H2FY27E.
- **FY27 Launch Pipeline**: ASSL plans to launch four projects during H2FY27 having estimated GDV of ₹ 2250-2500 crore. The projects are distributed two each in Mumbai and Bengaluru. Additionally, sustenance sales in existing projects is expected to grow at 15% over FY26 to ~₹ 640 crore contributing about 30% of presales guidance of ~₹2000-2100 crore in FY27E.
- **Business Development:** ASL has secured BD of ₹ 3100 crore (~62% of annual guidance) in H1FY27. ASL secured one high rise project in Goregaon (₹ 2400 crore) in a JV with 43.5 % profit share, one horizontal project in Ahmedabad (~₹ 180 crore) and a high-rise project in Sarjapur north Bengaluru (~₹ 470 crore). The management has provided full year business development guidance of 4000-5000 crore for FY27E. It is looking at both ownership and JDA models for BD. It invested ~₹ 338 crore in H1FY27 in business development.
- **Project launches:** During Q2FY27 it launched two projects worth ~ ₹ 1250 crore, a) Arvind Sylva at Sarjapur north Bengaluru with GDV of ~₹ 861 crore. It received a strong response to the project with 60% bookings in 30 days of launch. b) Arvind Iconia in Vastrapur, Ahmedabad having estimated GDV of ₹ 394 crore towards end of Q2FY27 and received healthy response of ₹ 81 crore i.e. ~21% of total project size.
- **Cashflows and Debt**: The Collections grew 77% YoY to ₹ 418 crore in Q2FY27 whereas construction and land out flows of ₹ 172 crore generating a healthy ~₹ 152 crore operating cash flows in Q2FY27.Currently it has net debt position of ₹ 200 crore and Net Debt to Equity of 0.26x, company has guided the net debt to equity will remain under 1:1.

Exhibit 1: Quarterly trend

Year	Q2FY27	Q2FY26	YoY (Chg %)	Q1FY27	QoQ (Chg %)	Comments
Operating Income	**157.4**	**140.5**	**12.0**	**317.6**	**-50.5**	Revenue growth on project handovers
Other Income	5.1	3.5	44.1	4.4	15.5	
Total Revenue	162.4	144.0	12.8	322.0	-49.6	
Raw materials costs	21.6	66.2	-67.4	73.5	-70.7	
Employees Expenses	38.4	19.7	94.5	32.3	18.8	
Other Expenses	42.2	25.1	68.3	55.4	-23.9	
Total Expenditure	102.1	111.0	-8.0	161.2	-36.7	
EBITDA	**55.3**	**29.5**	**87.2**	**156.4**	**-64.7**	
EBITDA margins (%)	**35.1**	**21.0**	**1410 bps**	**49.2**	**-1413 bps**	EBITDA margins expansion in Q2FY27 on project mix
Interest	25.7	6.4	305.3	22.1	16.3	
Depreciation	2.2	1.4	58.7	4.8	-53.4	
PBT	**32.4**	**25.3**	**28.0**	**133.9**	**-75.8**	
Tax	9.6	7.2	33.0	36.5	-73.7	
Minority Interest	4.9	3.9	25.7	-1.6	-402.3	
Income from Assoc.	0.0	0.0	-	0.0	-	
PAT	**17.9**	**14.2**	**26.0**	**99.0**	**-82.0**	

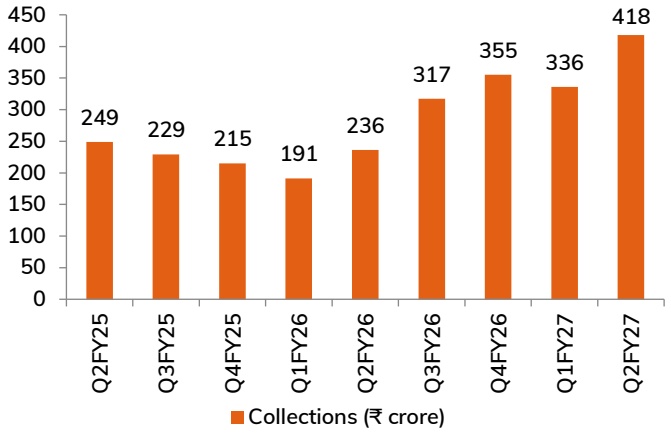
Source: Company, ICICI Direct Research

Exhibit 2: Pre-sales quarterly trend booking



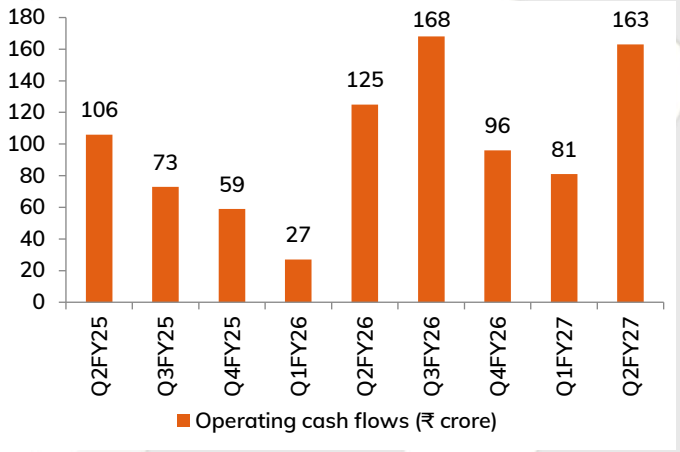
Source: Company, ICICI Direct Research

Exhibit 3: Collections quarterly trend



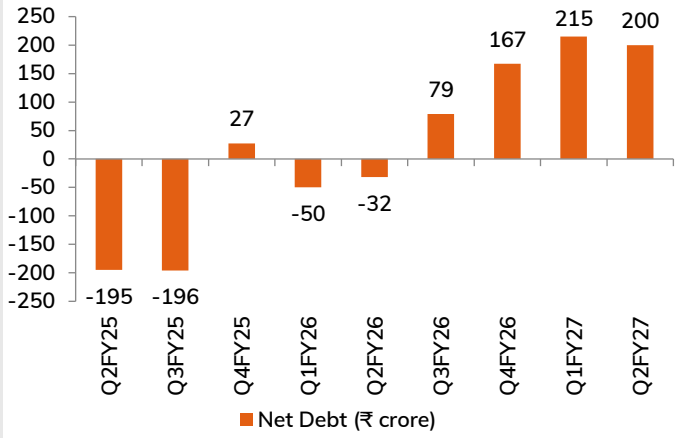
Source: Company, ICICI Direct Research

Exhibit 4: Operating cashflow trend



Source: Company, ICICI Direct Research

Exhibit 5: Net debt trend



Source: Company, ICICI Direct Research

Valuation

We value ASL on project NAV basis for its ongoing, completed and upcoming residential projects. We factor in new business development estimated to conclude over the next two years. Consequently, we arrive at our SOTP based price target price of ₹ 845.

ASL is currently trading at a discount to its NAV which we believe unduly factors in the strong sales booking performance over the trailing year. Considering its high pre-sales growth trajectory over the next two years and consistent new business developments, the stock offers a buying opportunity. Hence, we retain our Buy rating on the stock with a revised price target of ₹ 845.

Exhibit 6: Valuation mix

Particulars	Valuation Methodology	Value per share (Rs.)
Residential (Ongoing+Completed)	Project NAV basis	264
Residential (Upcoming)	Project NAV basis	418
Business Development	Over the next two years	208
Less Net Debt		44
NAV		846
Price Target (Rs.) (Rounded)		**845**

Source: Company, ICICI Direct Research

Financial summary

Exhibit 7: Profit and loss statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Revenue	**564.1**	**1,007.9**	**1,147.5**	**1,365.0**
% Growth	(20.9)	78.7	13.8	19.0
Other income	20.4	22.5	24.7	27.2
Total Revenue	584.5	1,030.4	1,172.2	1,392.2
% Growth	(20.6)	76.3	13.8	18.8
Raw Material Costs	194.6	504.0	573.8	682.5
Employee Expenses	84.8	93.3	107.3	123.4
Other expenses	132.7	131.0	149.2	177.5
Total Operating Exp.	412.1	728.3	830.3	983.4
EBITDA	**151.9**	**279.6**	**317.2**	**381.6**
% Growth	(9.7)	84.1	13.5	20.3
Interest	30.9	72.3	76.5	78.9
PBDT	141.4	229.8	265.5	329.9
Depreciation	6.3	7.0	7.0	7.0
PBT	**135.1**	**222.8**	**258.5**	**322.9**
Total Tax	31.7	62.4	72.4	90.4
PAT before MI	103.4	160.4	186.1	232.5
PAT	**97.6**	**152.4**	**178.1**	**224.5**
% Growth	(11.7)	56.2	16.9	26.1
EPS	**21.3**	**33.2**	**38.8**	**48.9**

Source: Company, ICICI Direct Research

Exhibit 8: Cash flow statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Profit after Tax	**97.6**	**152.4**	**178.1**	**224.5**
Depreciation	6.3	7.0	7.0	7.0
Interest	30.9	72.3	76.5	78.9
Cash Flow before WC changes	156.6	302.1	342.0	408.8
Change in working capital	(260.9)	293.1	280.5	235.2
Tax paid	(64.4)	(62.4)	(72.4)	(90.4)
Net CF from Operations	**(168.8)**	**532.8**	**550.1**	**553.6**
(Purchase)/Sale of Fixed Assets	(47.0)	(12.0)	(12.0)	(12.0)
Others	40.6	(399.7)	(400.0)	(400.0)
Net CF from Investing	**(6.5)**	**(411.7)**	**(412.0)**	**(412.0)**
Inc/(Dec) in Loan	328.3	50.0	20.0	20.0
Dividend and Dividend Tax	(27.5)	(27.5)	(27.5)	(27.5)
Others	(7.9)	(72.3)	(76.5)	(78.9)
Net CF from Financing	**293.0**	**(49.8)**	**(84.0)**	**(86.4)**
Net Cash flow	117.7	71.2	54.1	55.2
Opening Cash	56.4	174.2	245.4	299.5
Closing Cash	**174.2**	**245.4**	**299.5**	**354.7**

Source: Company, ICICI Direct Research

Exhibit 9: Balance sheet ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Equity Capital	46	46	46	46
Reserve and Surplus	850	983	1,142	1,347
Total Shareholders' funds	**896**	**1,029**	**1,188**	**1,393**
Total Debt	**577**	**627**	**647**	**667**
Total Liabilities	**1,474**	**1,656**	**1,835**	**2,060**
Gross Block	85	97	109	121
Acc: Depreciation	25	32	39	46
Net Block	60	65	70	75
Capital WIP	62	62	62	62
Total Fixed Assets	**122**	**127**	**132**	**137**
Non Current Assets	150	550	950	1,350
Inventory	2,222	2,111	2,111	2,111
Debtors	15	19	22	27
Other Current Assets	904	1,244	1,655	2,160
Cash	174	245	299	355
Total Current Assets	**3,317**	**3,619**	**4,088**	**4,652**
Current Liabilities	2,108	2,632	3,328	4,072
Provisions	7	7	7	7
Total Current Liabilities	**2,115**	**2,639**	**3,335**	**4,079**
Net Current Assets	1,202	980	753	573
Total Assets	**1,474**	**1,656**	**1,835**	**2,060**

Source: Company, ICICI Direct Research

Exhibit 10: Key ratios

(Year-end March)	FY26	FY27E	FY28E	FY29E
Per Share Data				
EPS	21.3	33.2	38.8	48.9
Cash per Share	22.8	35.0	40.6	50.8
DPS	6.0	6.0	6.0	6.0
BV	142.5	169.9	202.9	246.2
Operating Ratios				
EBITDA Margin	26.9	27.7	27.6	28.0
PAT Margin	17.3	15.1	15.5	16.4
Return Ratios				
RoE	10.9	14.8	15.0	16.1
RoCE	9.9	16.5	16.9	18.2
Valuation Ratios				
EV / EBITDA	22.4	12.1	10.6	-
P/E	31.1	19.9	17.0	13.5
EV / Net Sales	6.0	3.4	2.9	-
Sales / Equity	0.6	1.0	1.0	1.0
Market Cap / Sales	5.3	3.0	2.6	2.2
Price to Book Value	4.6	3.9	3.3	2.7
Working Capital Management Ratios				
Inventory Days	1,438.0	764.5	671.5	564.5
Debtor Days	10.0	6.7	7.1	7.1
Creditor Days	130.6	90.5	111.3	93.6
Asset Turnover	0.4	0.6	0.6	0.7
Solvency Ratios				
Debt / Equity	0.6	0.6	0.5	0.5
Current Ratio	1.6	1.4	1.2	1.1
Quick Ratio	0.5	0.6	0.6	0.6

Source: Company, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavours to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

Pankaj Pandey | Head – Research | pankaj.pandey@icicisecurities.com

ICICI Direct Research Desk,
ICICI Securities Limited,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Ronald Siyoni, PGDBM, Samarth Khandelwal, Chartered Accountant, Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products.

ICICI Securities is Sebi registered stockbroker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stockbroker. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal

Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Jeetu Jawrani Email address: headservicequality@icicidirect.com Contact Number: 18601231122

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

ICICI Securities or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as a entity are engaged in various financial service businesses, they might have financial interests or actual/beneficial ownership of one percent or more or other material conflict of interest various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

ICICI Securities Limited has not used any Artificial Intelligence tools for preparation of this Research Report

SEBI Guidelines for Research Analyst (RA) requires all RAs to disclose terms and conditions pertaining to Research Services to all clients. Please go through the "Mandatory terms and conditions" and "Most Important Terms and Conditions".