Management Discussion

Aditya Virwani - Managing Director, Embassy Developments Limited
Good morning, everyone, and thank you for joining us today. I'm Aditya Virwani, Managing Director of Embassy Developments Limited. I'm joined by Neil Virwani, Chief Business Officer, Sachin Shah, our CEO and Executive Director, Rajesh Kaimal, our CFO and Executive Director, and Kamal Mittal, Head of Investor Relations. I'm also joined by Reeza Sebastian, our Chief Revenue Officer, who will share her perspective on our sales journey, customer and channel partner feedback, and the evolution of the Embassy brand in greater detail during today's call.

Our investor presentation has been uploaded to the stock exchanges and is also available on our website. Q2 FY27 was the strongest quarter in Embassy Developments' history. Presales reached approximately INR3,225 crore, surpassing our previous record of INR2,632 crore set in Q4 of FY26. This takes H1 FY27 presales to a record INR4,900--INR4,093 crore which is up 574% year on year and around 51% of our full year guidance of INR8,000 crore. No deed to word that the first half of FY27 pre-sales of INR4,093 crores is nearly 90% of the entire fiscal FY26, which was INR4,631 crore.

Collections for Q2 FY27 stood at approximately INR546 crore, up 10% sequentially, taking H1 FY27 collections to approximately INR1,041 crore, an increase of approximately 53% year-on-year. That is around 35% of our full-year collection guidance of INR3,000 crores. Our focus now is on ensuring that the expanding presales base translates into milestone-linked as construction progresses. The work of the past few years is now translating into stronger sales momentum and market presence. Our recent launches show the trust customers place in the Embassy brand across geographies.

During Q2 FY27, we launched 3 projects: Riverine at Embassy Origins Bengaluru with a GDV of INR3,155 crore, South Reserve at Embassy Origins Bengaluru with a GDV of INR1,957 crore, and Embassy Terrazza Juhu Mumbai with a GDV of approximately INR3,285 crore. Together, that is INR8,397 crore of GDV, up from our pre-launch estimate of INR7,500 crore. The upward revision reflects the premium the Embassy brand commands and the quality of our products. The market response was equally strong. Within a couple of weeks of launch, Riverine itself achieved 933 crores of sales, South Reserve achieved 880 crores, and Terrazza 758 crores.

Embassy Terrazza at Juhu deserves a special mention. Terrazza's pre-sales included a transaction of approximately INR711 crores for a single residence, the largest single residential transaction in India to date. A buyer committing at that scale in Mumbai's most discerning market of Juhu, and within about 18 months of our entry into the city, speaks massive strength of the Embassy brand more clearly than anything that we could say ourselves. These milestones matter not only from a pre--not only for the pre-sales they deliver, but also because they give us greater visibility into near-term, into medium-term cash flows.

That visibility supports the funding of construction more efficient execution across our projects, and a stronger cycle of sales, collections, and reinvestment into growth, while continuing to take a disciplined approach to capital allocation and balance sheet management as we scale. Reeza will discuss the customer response on our--and our brand. Sachin will cover operations, and Rajesh will take us through the financials. Before I hand over to Reeza, I would like to share an important leadership update that the board announced on October 9th.

Sachin Shah has informed the board that he will step down as CEO and Executive Director with effect from the close of business on December 31st, 2026. This is part of a succession plan that

Sachin, our chairman Mr. Jitendra Virwani, and I have discussed and planned together So the transition happens in a responsible and orderly manner. Sachin will continue to lead as CEO until that date. From January 1st, 2027, he will remain associated with the company and the Embassy Group as a senior advisor to the chairman and to the managing director and CEO.

On the same date, and on the recommendation of the Nomination and Remuneration Committee, The board has approved my redesignation as managing director and CEO for the remaining of my existing term. I want to place on record my deep respect and gratitude to Sachin. He took charge of the erstwhile Indiabulls Real Estate in February 2023 and worked through the challenges of those years to bring it to a much stronger position today. Since then, he has been a trusted partner to our chairman and to me through the integration and the building of Embassy Developments into a platform it is today.

His steadiness and commitment to the team have left a lasting mark on the organization and to me personally. We are grateful for his counsel and will remain available to us. Sachin, on behalf of the board, the management team, and all our stakeholders, I'd like to thank you. We are confident in our ability to deliver our FY27 guidance across all operating parameters, launching approximately INR19,400 crores of GDV during that year, achieving presales of INR8,000 crore, which comprises of INR6,000 crores from our own projects and INR2,000 crores from our development managed projects, and delivering collections of approximately INR3,000 crores, which is the most important thing.

With strong H1 momentum and a substantial launch pipeline ahead, we are well positioned to execute against these objectives while keeping a disciplined focus on execution and cash flow conversion. Our ambition is to build a business that consistently converts demand into cash flow, strengthens its balance sheet, and creates substantial shareholder value. With that, let me hand over to Reeza to discuss our customers, sales experience, and, and the Embassy brand. Thank you.

Reeza Sebastian Karimpanal - Chief Revenue Officer, Residential, Embassy Developments Limited
Thank you, Aditya. Good morning, everyone. I am Reeza Sebastian, Chief Revenue Officer. I want to focus on the engine behind our sales performance, the Embassy brand, and the trust it has earned among customers and channel partners. Let's start with our home market of Bangalore. Bangalore is where our brand recall and consumer trust run deepest. The moment we place the Embassy name on a project, the market responds instantly. What satisfies us most is that this demand is overwhelmingly driven by genuine end users--families buying homes to live in them.

They choose us because they know the brand stands for credibility and execution, quality, community, and post-handover governance. At Embassy Riviera and Embassy South Reserve, combined sales exceeded INR1,800 crores within 2 weeks of launch. To give you a sense of what this brand pull looks like on the ground, on the morning of the launch at our North Bangalore sales office, people queued up before the doors even opened. Anticipating an increased interest in our offerings and high footfall, our teams transformed the booking experience.

Bookings were fully transitioned online where a customer could choose an apartment online based on preferences, submit his KYCs, transact, and complete it in less than 7 minutes. To complement this digital speed, we completely elevated the onsite physical environment. We didn't just build waiting lounges, but based on the theme of natural intelligence of the project, we designed an ecosystem featuring children's recreation spaces, refreshment zones, interactive games, and a beautiful walkthrough botanical nursery where families could choose a plant to take home.

We turned what is traditionally a stressful financial transaction into a celebratory, deeply supportive milestone. The 93% conversion ratio from expressions of interest to completed bookings over those 2 weeks reflects 2 parameters. Firstly, the strength of the buyer's intent, and secondly, the strength of the brand. But the Embassy growth story is no longer confined to Bangalore. In Mumbai, we have expanded across Worli, Juhu, Thane, Panvel, Savroli, and Alibaug, building a presence across locations and asset classes.

Our performance in Worli is a perfect case study in brand equity. In less than 9 months of entering Worli, we clocked more than INR1,350 crores in sales at Embassy Citadel. What makes this extraordinary is that we achieved it with no sample flat and no lavish sales office on site. The inventory sold purely on the strength of the Embassy brand and our national reputation. To further accelerate this momentum, we are now opening a state-of-the-art customer experience center at One World Center, Lower Parel, which will optimize our conversion and pricing velocity even further.

At Embassy Terrazza, Juhu, the response was equally compelling, including the landmark residence transaction of INR711 crores making it the largest single home deal in India till date. This momentum is heavily backed by the trust of our channel partners. Whether in Bangalore, Mumbai, or NCR, the channel partner community has embraced the Embassy brand as a gold standard. They know that an Embassy project means guaranteed consumer interest, transparent dealing, and premium execution, making us their partner of choice.

Our objective is to replicate the trust we have built in Bangalore across our national platform. The response to recent launches gives us confidence as we enter the second half of the financial year. With that, I will hand over to Sachin for the operational update. Thank you.

Sachin Shah - Chief Executive Officer & Executive Director, Embassy Developments Limited
Thank you, Reeza, and good morning everyone. I will cover our project portfolio, execution progress, and launch pipeline. But before I begin, let me thank Aditya for his kind words. I've been lucky and privileged to lead such a wonderful, loyal, and hardworking team through the EMBDL years and its integration with Embassy. My transition from the role of CEO and Executive Director is part of a planned succession process. I have complete confidence in Aditya, Neil, and the team, and I will continue to support Jeetu and Aditya as senior advisors and remain committed to EDL's long-term success.

Our half-year presales are already close to 90% of fiscal year '26 full-year results. That progress reflects the strong market acceptance of the brand and differentiated product launches. Our key asset, Embassy Citadel, is showing signs--is showing early signs of robust bookings for October and November as well. The response to our new projects is a result of well-planned launch strategies, differentiated market offering, and good product design that offers strong customer proposition. The team puts in an immense amount of effort by the time we launch, having appropriate approvals in hand and thought-through construction planning, sales readiness, market activation.

The approach supports healthy absorption and pricing discipline, and as a company, we have not focused on the number of launches in any particular quarter. Our own--our ongoing own project portfolio consists of 13 projects having a total GDV in excess of INR27,422 crores, of which 55% of the area is sold. This excludes the DM projects. We have nearly, nearly INR25,536 crores of cumulative sold receivables and unsold inventory across our OC received and ongoing own project portfolios, providing a strong basis for future collections, cash flows, and revenue recognitions.

We also continue to see strong sales traction across all our 8 recently launched residential projects.

These include Embassy Riverine, Embassy South Reserve, Embassy Terrazza, Embassy Verde Phase 2, Embassy Greenshore, Embassy Eden, Embassy Paradiso, and Embassy Citadel, which are cumulatively, cumulatively over 52% area sold within 6 months of launch. Alongside new launches, we continue to advance construction across our ongoing portfolio in line with the planned schedules. We received the OC for the remaining towers of Golf City at Savroli during Q2 FY27, And our OC received portfolio remains over 95% sold in terms of area.

Embassy Paradiso at Embassy Springs is completely sold, nearing completion, and slated for OC in FY27. Similarly, Embassy Edge and Embassy East Avenue are progressing well towards completion in FY28, with both projects already substantially sold at about 90%. Embassy Citadel has secured approvals for all 81 floors an important differentiator in Worli's luxury market. This mix of nearing--this mix of projects nearing delivery and new projects under construction provides visibility into future revenue recognition, cash collection, and overall improvement in collection-to-presales ratio.

We are very confident of achieving our target of INR19,400 crores of launch GDV, which comprises of 9 owned projects with a GDV of INR13,300 crores and 2 development management projects contributing an additional INR6,100 crores of GDP. The first half of this year, we have already launched 3 projects with an aggregate GDP of INR8,397 crores, up from the pre-launch estimated GDP of INR7,500 crores. This reflects the strong demand for the Embassy product offerings and the premium pricing for the, the brand commands.

The balanced launch pipeline in the second half remains well diversified across our 3 core markets of Bangalore, MMR, and NCR, and spread across luxury apartments, villas, and commercial. Beyond fiscal year '27, we have a development pipeline of 20.3 million square feet with an estimated GDV of approximately INR23,470 crores. There's also a fully paid 3,251-acre land bank, including 1,400 acres in Nasik Where we are making good progress in amicably resolving past issues with MIDC. We believe this land could ideally be suited for data center development as well.

We have strengthened our senior leadership in NCR with the hire of Ketan Nanda as business head for North, who's already augmenting that team. Also, we have brought on board Alok Sherry as the head of business development in Mumbai. This allows us to actively look for new projects in the NCR, MMR, and MMR region. The quarter is a good barometer of the strength of our launch preparedness and product design. I'm pleased this--pleased to hand this over with these strong headwinds. It's been a privilege running this company, and I thank Jeetu, Aditya, and the entire Embassy team for their trust and collaboration.

With that, I shall hand it over to Rajesh to provide EDL's financial update.

Rajesh Kaimal - Chief Financial Officer, Embassy Developments Limited
Thanks, Sachin, and good morning everyone. Before I start, I'd like to say that Sachin has not only been a great colleague but also a very dear friend. It has been a pleasure working closely with him, and I will miss his presence, presence in the operational role that he has performed so effectively over the years. Before I get into the numbers, it is worth briefly revisiting how financial performance is reflected in a real estate development business. As many of you know, this is a long-cycle industry.

While presales and collections provide an early indication of business momentum, revenue and profits are recognized only when the projects are completed and handed over under the project completion method. As a result, there is a gap between operating performance and reported

financial results in any given quarter. Hence, it is important to look at our reported numbers alongside project launches, presales, and collections, which together provide much better visibility into the future trajectory of revenue, cash flows, and profitability.

With that backdrop, I will now walk you through the 4 key financial parameters: financial performance, collections and cash flow, balance sheet and capital structure, And financial outlook. Financial performance Q2 FY27. In Q2 FY27, we reported revenue from operations of INR292 crore compared to INR494 crore in Q2 FY26. Total income stood at INR311 crore in Q2 FY27 compared to INR537 crore in the corresponding quarter last year. EBITDA for the quarter was negative INR131 crore with loss after tax of INR271 crore in Q2 FY27.

As I mentioned earlier, the timing difference between when we execute a sale and when it gets reflected in our reported financials--revenue and profit are recognized only when projects are completed and handed over. Therefore, the strong presales recorded during the quarter and the advances already collected from customers will translate into accounting revenue and profit when those projects are delivered. Collections and cash flow. Collections for Q2 FY27 stood at approximately INR546 crore compared to INR496 crore in Q1 FY27, representing sequential growth of 10% quarter on quarter.

For the first half of the year, collections were approximately INR1,041 crore, up 53% over H1 FY26 and around 35% of our full-year collection guidance of INR3,000 crore. As Sachin mentioned, we have nearly INR25,536 crore of cumulative sold receivable and unsold inventory across our OC received and ongoing projects. To break this number down, we have total sold receivable of INR8,290 crore and total unsold inventory of INR17,246 crore. This provides a strong basis for future collections, cash flows, and revenue recognition.

This improving cash flow profile, supported by disciplined working capital management, will translate into stronger operating cash flow over the coming quarters. It will provide us a sustainable internal source of liquidity to fund ongoing operations, construction, and future growth. Our priority is not just presale growth but conversion into operating cash flow. Balance sheet and capital structure. With respect to the balance sheet, we continue to take a disciplined approach while making sure we have adequate liquidity To support ongoing construction and future growth.

As of September 30th, 2026, our net institutional debt was approximately INR3,982 crore. After adjusting for cash and cash equivalents of approximately INR1,258 crore, net debt to equity stood at 0.42x. As of September 30th, 2026, Outstanding shareholder debt stood at INR1,103 crore. As part of our continued focus on strengthening the capital structure, we completed the allotment of INR3.25 crore convertible warrants to the promoter group at INR111.51 per warrant in October 2026. The proceeds from this issue were used to repay INR363 crore of the shareholder debt owed to the promoter group.

The promoter group has fully exercised the warrants well ahead of their tenure by paying the entire consideration, and no warrants remain outstanding for conversion as on date. We are pleased to highlight that our efforts to strengthen the balance sheet and maintain financial discipline resulted in one-notch upgrade in credit rating of bank loan facility from IBR A- Stable to IBR A Stable. This rating action is expected to support access to diversified funding sources and enhance financial flexibility to support our company's next phase of growth.

Taken together, these steps demonstrate both the continued commitment of our promoters and our focus on steadily deleveraging the balance sheet. To conclude, the first half of FY27 has demonstrated substantial growth in presales, while collections have also increased year-on-year.

We will continue to maintain adequate liquidity to support project execution and strengthen our financial position over time. Thank you for your continued support and confidence in Embassy Developments. With that, we would be happy to take your questions.

Questions & Answers

Operator
Thank you very much. We will now begin the question and answer session. [Operator Instructions] The first question is from the line of Kiran Gogri from Family Office. Please go ahead.

Kirit Gogri - Analyst, Family Office
Uh, hi, uh, thank you for the opportunity, uh, and congratulations on wonderful results. I had 2 key questions. One, uh, How do you see the collection for the second half, uh, in order to achieve our target of INR3,000 crore? And, uh, second is, how do we see our debt levels, which have remained at the very elevated level, and where do you see it by end of this year and the next year? Thank you. Sir,

Aditya Virwani - Managing Director, Embassy Developments Limited
So let me address your collections point. See, most of what we've sold has been launched in the last 12 months. So those projects are at foundation stage and now progressing, and therefore the cash is also kind of at this foundation stage. But we see now as execution picks up, we predict that the--we're very confident that we'll hit the collections guidance that we've given, which is INR3,000 crores. Over the next 2 quarters. And actually, then the year after that, we'll see a big upswing because naturally all these projects that we've launched and sold will start reaching those milestones.

So it's just, it's just a reflection of the journey of where this company is. Um, pre-Embassy stepping in, this company had very lumpy project launches. In fact, it didn't really have any project launches. So most other real estate companies are in the middle of their cycle where old projects are translating to collections. We are launching all new projects. Pretty much all the projects we've launched have been in the last 12 months. So, so basically that's just a natural journey of where our collections will be.

And therefore on the debt as well, you know, what, what we've been consistently saying is some point in Q2, end of Q2 or Q3 next year, is when we start seeing enough surplus being generated in the company where then debt starts coming down. We first see cost of debt coming down and then we start seeing debt as a whole come down. Essentially, once collection starts exceeding the CapEx spends and the overall spends of the company is when you'll see debt come down. And we predict that's going to be somewhere this time next year. Operator, should we move to the next question?

Kirit Gogri - Analyst, Family Office
Yeah, yeah, thank you. Thank you very much.

Operator
The next question is from the line of--go ahead.

Unidentified Participant - Analyst
Uh, hi, am I audible? Yes. Yeah, hi, congrats to the team and thanks for the opportunity. Just want to understand the schedule of new launches, INR11,900 crore spending for Q3 and Q4. Could you

break up in terms of Q3 and Q4 quarters how this spreads across?

Aditya Virwani - Managing Director, Embassy Developments Limited
Yeah, so quite evenly spread, I would say. There's some projects that we already have are rarer and, you know, technically are already launched on that pre-sales phase, not Tower Embassy One Residences is one of those examples where actually the building is near complete and we secured RERA. We had an FSI issue, but we've already launched that basically this quarter and we're pushing for approvals. You know, I know the market softens up in December towards the mid of December and reopens up mid of January, so some launches we might intentionally secure RERA, but only officially launch them at the end of January.

But I would say a mix between Q3, Q4. Q4 would, would have probably a larger share of the launches if I had to predict.

Unidentified Participant - Analyst
Okay, okay, thanks. My second question, as I said, was, you know, earlier you used to provide some details about erstwhile revived projects of Indiabulls Real Estate. Uh, I presume a lot of money has gone into reviving all these projects. I want you to understand that till date, in the last maybe 1-2 years, how much money you would have infused in reviving the projects of India Bulls Real Estate? And how is the timeline of cash flows or completion of these projects in terms of recognition of revenue?

That's--and a particular linked question to this is, uh, since, you know, there's almost 1,500 employees working in Panvel, If you could just give us a little information on Panvel project, that how many towers are we building over there, how much units, uh, are coming up, and what could be the timeline of completion, completion and recognition of revenue from this Panvel project of Firstwhile India Bulls Real Estate?

Aditya Virwani - Managing Director, Embassy Developments Limited
Yeah, so when you refer to Firstwhile India Bulls, Panvel is the big one, and we have--I think we put in around INR500 crores into Panvel. And when you're seeing debt going up a little bit, that's because we're also tapping into some existing sanctions to make sure that Panvel is ongoing. Now that project consumes INR40 crores every month. It's a massive project. It's 17 towers. I believe it's 8 million square feet. And those towers keep getting operational or have their OC starting from mid of next year.

Around June is when 2 towers get OC. And then there's a phase-wise completion date from there onwards. And that is really, you know, because we have--well, unfortunately, the erstwhile management, India Bulls team, had done a lot of back-ended sales. So the issue that the company has is we need to see this through to OC, and then we start collecting our money. And that's a little bit of a drain on infusing cash flow to get to that point. But it's a very important milestone to hit because, you know, if you look at our--I think this is slide 11--you'll see Park Panvel has INR1,800 crores of sold receivables and inventory.

So at the end of the tunnel, there is light, and we can unlock a significant amount of cash flow once we bridge it there. That would be the main project that, you know, we are infusing capital into. The other ones, which is Thane, Thane is actually selling pretty well. Savroli is actually fully now OC complete. We do have a little bit of inventory in there, 400 crores, which now the team post-monsoon is focused on selling it. And, you know, Savroli is less of an issue. Park Panvel, from

an execution point when we took over, was virtually a ghost site.

Now if you go there, it's fully, you know, I think we have close to 2,000 laborers on site as of today. And it's fully back on track. And actually now it's selling and we're actually getting a much higher price than what we once thought it would. You know, the market's now like INR15,000. We're still slightly at a discount at INR12,000-13,000 with some headroom to grow. So we feel pretty good about Panvel finally.

Unidentified Participant - Analyst
Related question, Aditya, is that this 8, which is classic of Panvel, uh, what could be the total amount, uh, that can be realizable at the end? Like in the slide level, it's mentioned INR1,841 crores of receivables plus inventory. Is that the right amount to look for,

Aditya Virwani - Managing Director, Embassy Developments Limited
uh, in terms of what the surplus will be, or what will be the

Unidentified Participant - Analyst
realization? Realization and the surplus, if you can help us. Nikhil, please.

Aditya Virwani - Managing Director, Embassy Developments Limited
I think the realization is this 1,800 with the potential upside if we can keep taking pricing up, and we feel quite bullish about that whole Mumbai 3.0, you know, that whole Panvel, Raigad region due to the airport. We're seeing a lot of activity there. So we feel that this 1,800 has potential upside as well. And from a surplus point of view, I believe we have maybe 300 to 400-odd crores that we can have at the end of this after all our construction costs and interest.

Unidentified Participant - Analyst
Okay, okay. One last question before I come in with you is, uh, we had, uh, INR1,041 crores of collections, and against that we had a negative operating cash flow of INR94 crores. Uh, basis the INR3,000 crore target we have, we should do another INR2,000 crores of collections. So I just wanted to understand from operating cash flow, how does this number look at the end when we do INR3,000 crores of collection, uh, will be simpler. Will we have a positive operating cash flow at the end of the year? Just to understand.

Rajesh Kaimal - Chief Financial Officer, Embassy Developments Limited
Yes, this is Rajesh here. So yes, by March we will have a positive operating cash flow because you see INR2,000 crores of collection in the next 6 months. Because as Aditya said, most of the projects that we launched Q3 and Q4 of last year will come up for the slab cycle and As the slab cycle continues, we will have more collections in the second half of this financial year, and we are expecting operating cash surplus in this by end of March.

Unidentified Participant - Analyst
Uh, thanks. I'll come back in. Thank you so much.

Operator
Thank you. The next question is from the line of Roshan from Inven Capital Fund. Please go ahead.

Unidentified Participant - Analyst
Yeah, uh, am I audible?

Aditya Virwani - Managing Director, Embassy Developments Limited
Yes, we can hear you.

Unidentified Participant - Analyst
Yeah, thank you for the opportunity. Uh, I just wanted to understand the financials of the company as the losses are increasing from the last 4 quarters, so the investors are not happy a little bit. And also wanted to understand the reverse merger benefit as the balance sheet is not benefiting through the Indiabull reverse merger what was planned today. And we just wanted to know that Embassy could have come out with the IPO instead, right? As investors have entered with the name of Embassy.

Rajesh Kaimal - Chief Financial Officer, Embassy Developments Limited
Yeah, this is Rajesh. Yeah, let me answer that question. See, the--what you see in the profit and loss today is the legacy projects, uh, which are coming up for completion, and revenues booked and costs are booked. That is not a correct representation of the company. What I would more focus And I would, I would urge you to focus on our pre-sales today and collections and the new launches that we have planned for the next 6 months and the next year as well, which we have shown on our slides. That will be more a depiction of what we are doing in the--what we have done in the last 12 to 18 months and what we are going to foresee in the next 2 to 3 years.

Uh, I will urge you towards that because what you're seeing here is something--some of the projects which started 3, 4 years back before the merger. And those are coming up for completion and the costs are getting booked over here, and that's why you see a negative. It will be a temporary negative for, for some time, but as we see, whatever we have done in the last 18 months or 24 months will start showing fruit maybe in the next year and a couple of years going forward. As far as the reverse merger accounting is concerned, I covered that in the last few earnings calls.

Just to reiterate, you know, we did the reverse merger accounting last January 2025, and our March 2025 results were depictive of the reverse merger accounting. We did some fair valuation of, uh, of the India Bulls, uh, erstwhile India Bulls Real Estate, uh, assets, and that is shown as goodwill in the books, which is tested for impairment every, every 6 months. And, uh, we are pretty, uh, you know, since you can see all these projects are cash surplus And we think we are okay from that perspective.

Unidentified Participant - Analyst
Okay.

Rajesh Kaimal - Chief Financial Officer, Embassy Developments Limited
And if you--just to conclude, if you see slide number 16, you can see that our overall cash surplus is close to the tune of INR30,000 crores, which we will realize over the next 3 to 4 years as projects come up for completion.

Unidentified Participant - Analyst
Okay.

Rajesh Kaimal - Chief Financial Officer, Embassy Developments Limited
And this depicts about 53% margin.

Unidentified Participant - Analyst
Okay, yeah, understandable. But I just wanted to know that, uh, like as you said, the balance sheet will improve slowly because I had a con call like 3 quarters back also and they, uh, we like the management spoke about it and they told by more 1 year or 1.5 years we should see the balance sheet improve, but still there are not much improvements. So I just want to understand the timeline for the improvements of the balance sheet as investors. Who have invested at price of INR120 or above. We all are just hoping that the balance sheet improves because the market price will depend on your balance sheet and the profit what is being shown in the numbers, not the pre-sales and the collection.

Rajesh Kaimal - Chief Financial Officer, Embassy Developments Limited
Yeah, so what, what, uh, as Aditya mentioned a little while back, what you should track is what cash collections we have, our net debt to, uh, to equity, and this will start improving from next year onwards. While the second half of this year we will show substantial collection, but this collection will compound and exponentially increase from next year onwards as all the projects that we started in the last 12 months will start generating slab cycle cash flow.

Aditya Virwani - Managing Director, Embassy Developments Limited
So I think we'd been consistent with this, saying that around the end of Q2, Q3 next year is when really the company will start seeing that. We'll see that surplus cash flow beyond construction spends and other overheads, and we'll start then seeing debt come down and strengthen the balance sheet. So we continue to maintain that. That is the prediction, and we're very on target for that.

Unidentified Participant - Analyst
That's good. That's great. Thank you.

Aditya Virwani - Managing Director, Embassy Developments Limited
Thank you.

Operator
Thank you. Before we take the next question, [Operator Instructions] The next question is from the line of Ranjay Pokhri from Banyan Capital. Please go ahead.

Ranjay Popli - Analyst, Banyan Capital
Hello, am I audible?

Aditya Virwani - Managing Director, Embassy Developments Limited
Yes, sir, we can hear you.

Ranjay Popli - Analyst, Banyan Capital
Yeah, I have 2 questions. Uh, the first one is the debt of Blackstone, INR700 crores of debt. So is there any timeline when you will convert the debt?

Aditya Virwani - Managing Director, Embassy Developments Limited
We're still discussing with Blackstone. You know, for us to convert that debt today at this price makes zero sense. It's extremely dilutive given we're trading at, you know, significantly under book value as well. So we are still talking to them. We're hopeful that, you know, all the execution that we're doing will eventually reflect in the stock price and then we can have that conversation. But as

of now, we don't intend to convert them at this price. Pricing.

Ranjay Popli - Analyst, Banyan Capital
Okay. And there are 2 projects, the upcoming projects, one being Whitefield and Sky Terraces. These projects are inside GBA, right? And the last time we discussed, you said that the GBA has not had convened a meeting yet. So is there any update on that?

Aditya Virwani - Managing Director, Embassy Developments Limited
Yeah. So Whitefield is not a GBA. I think you were referring to GBA. Whitefield doesn't come under GBA planning authority. STRR, and that, that one's fully on track. Sky Terraces has been getting delayed due to that GBA meeting not getting taken place, but I think right now we've had some positive movement where while the meeting has not taken place, through our good offices we've been able to move our file, and we're still targeting to launch this by Q4. And this is a very exciting project because I can tell you the launch on this will be extremely successful.

There are a lot of channel partners and customers eager to make their bookings on this project.

Ranjay Popli - Analyst, Banyan Capital
Okay. Can this hinder our aspiration of the target of INR8,000 crore presales by FY27 if this project is delayed?

Aditya Virwani - Managing Director, Embassy Developments Limited
Um, I actually think not, you know. I, I--because firstly, the Sky Terraces, just to point out, comes under the INR2,000 crores of the DM budget. Now we didn't expect Juhu would do such a good performance. We're already at close to 800 on Juhu. So I feel Juhu can take up for some of that potential loss in case Sky Terraces doesn't come out in Q4. But I also feel just the amount of supply that we have, if you look at our ongoing projects and OC received, I believe we have 25 or 26 thousand crores of stock that the company has, and we can keep selling the stock.

The market is really good, and sometimes intentionally we don't want to sell too much. Let me give you an example. At Embassy Origins, at Riverine, we believe we can actually keep selling, but we want to keep taking pricing up because we feel that it's a perfect hedge for us against inflation. If we just sell 100%, then all that money gets stuck in our RERA account, and technically the company doesn't really benefit. So there's an art for us to keep selling and taking pricing up and maximizing margin.

And therefore, in case we have any one project that doesn't launch, we can kind of accelerate sales on another project. And that's the beauty of us today, is we're finally now a mature company with enough stock to move into sustenance as well.

Ranjay Popli - Analyst, Banyan Capital
Got it. Thank you.

Operator
Thank you. The next question is from the line of Kevin Gandhi from Capgro Capital. Please go ahead.

Kevin Gandhi - Analyst, CapGrow Capital Advisors LLP
Uh, hello sir, uh, thanks for taking my question. I hope my voice is audible.

Aditya Virwani - Managing Director, Embassy Developments Limited
Yeah, hi Kevin.

Kevin Gandhi - Analyst, CapGrow Capital Advisors LLP
Yeah, hello. Uh, just an extension on the financial question asked from the earlier participant. So I think like just you mentioned that all the new launches which has happened, that has happened like in past 12 months. So as far as the receipt of OC comes from these projects, like what's the estimate of revenue which you have actually built for like FY27 and FY28? Like when we can start expecting revenue from those new launches? And like what's the estimate figure which you have built into like into your estimates?

Aditya Virwani - Managing Director, Embassy Developments Limited
Yeah, so most of the launches that would have happened at the end of last fiscal and are happening in Q2 this quarter Right now and the next quarters ahead will naturally take 3 to 4 years to basically complete. Some of them are villas, some of them are mid-rises. In Bangalore, we typically go up to, let's say, 22 floors. Citadel is obviously the outlier one, which is FY 2033, but 3 to 4 years is what it takes. In between, we do have a few projects that will come up. For example, Panvel will keep having few towers that will hit the revenue as of starting from mid of next year.

We also have East Avenue and Verde, which will get their OC and completion by Q2 or Q3 next year, as well as Embassy Edge. So these are few projects that Embassy was doing even before the merger that will come up and hit the revenue.

Kevin Gandhi - Analyst, CapGrow Capital Advisors LLP
Okay. And, uh, any estimated revenue figure for this, uh, the whole process which you mentioned?

Aditya Virwani - Managing Director, Embassy Developments Limited
Um, you know what, I'll have to--maybe, maybe in Q3 or Q4 when we come out with next year's guidance, we'll kind of also try to guide on revenue, uh, because we'll have a more accurate, uh, completion date on all these projects and we'll just put them together So right now off the top of my head, I don't want to give a number that's not accurate.

I would say if you can refer to slide 11, we've also changed RERA dates to completion dates. And maybe I can just explain that. RERA dates, we always take a little bit of a buffer. Just, you know, that's firstly industry practice, but I think it's just prudent as developers to take a little bit of buffer. Offer before you start facing RERA penalties. We've now changed that to completion dates. This will help people understand when are we completing each of these projects, and we've decided that we'll update, update them once in 6 months if needed.

Kevin Gandhi - Analyst, CapGrow Capital Advisors LLP
Okay, okay, understood. Thank you.

Operator
Thank you. The next question is from the line of Vinayak from Vinayak Capital. Please go ahead.

Unidentified Participant - Analyst
Hello, sir. This side, Vinayak. Sir, I had, I had 3 or 4 questions. Sir, am I audible?

Aditya Virwani - Managing Director, Embassy Developments Limited
Yes, Vinayak, we can hear you.

Unidentified Participant - Analyst
So, sir, this is the first time you haven't given any detail about the legal cases in your investor presentation. That's why I would like to know if the developments are unfavorable for us, if the unfavorable verdict comes, what will be the implication for us?

Rajesh Kaimal - Chief Financial Officer, Embassy Developments Limited
Vinayak, you are referring to the, uh, Canara Bank case?

Unidentified Participant - Analyst
Sir, to both the, to both the cases, NCLT as well as the Tanatra Industrial Goods case.

Rajesh Kaimal - Chief Financial Officer, Embassy Developments Limited
So on the NCLT case, which is in the Supreme Court, uh, we have, we have a very strong case. And you would have seen the NCAT order, which is very scathing on, on the NCLT as well as Canara Bank. And we think we have a very strong case. Last year, uh, after the appeal was filed, the last hearing, nobody from the Canara Bank side turned up. So the next hearing is posted for November 19th, and we are very confident of our matter because, uh, we, we know that there is no such, uh, outstanding loan that we need to pay or corporate guarantee that we have given.

Uh, that's, that's on the, uh, and Canara Bank matter. On the KIDB matter, if you would have seen, we have already got a stay from the High Court on the KIDB's resumption notice, and the matter is being heard. Here again, we have a very, very strong case in our favor, and we think that ultimately justice will prevail and we will have the land back. But as of today, there is nothing stopping us from going ahead with our projects in these places.

Unidentified Participant - Analyst
Okay, so my second question is that during the merger there were many of the work in progress or projects in progress for NAM Estate as well as for the India Bulls. So sir, we are bearing the losses for all the India Bulls project as the management was not of a particular level or not, uh, they didn't perform well. So I wanted to know, [Foreign Speech] it has been 2 years since the merger has been completed. But hasn't any NAM estate work in progress or the project in progress has achieved the OC as of now? I mean to say, when I went through the--went through the investors' presentation, there were several of the Bangalore projects OC which has been received in this quarter or maybe the earlier quarter.

So I assume that those were the NAM projects. So why still we are in losses? I mean to say, when will the NAM projects Come for the OC, or when will the profit from the ma'am project come in the profit loss account? If you can guide us, sir. Hello? Hello?

Operator
Ladies and gentlemen, we have the management line disconnected. Please stay connected while we reconnect the management.

Unidentified Participant - Analyst
Hello,

Rajesh Kaimal - Chief Financial Officer, Embassy Developments Limited
just hold on for one second. The Bangalore team's coming on board. Okay, we'll answer that question.

Operator
Ladies and gentlemen, we have the management line reconnected, so you may please go ahead with your comments.

Aditya Virwani - Managing Director, Embassy Developments Limited
I've been--I'm sorry that we dropped off. I think what you are asking is that how come no Embassy projects which were happening prior to the merger is reflecting on the revenue, is that correct?

Unidentified Participant - Analyst
Yes, sir, exactly.

Aditya Virwani - Managing Director, Embassy Developments Limited
Yes, so it has been. So Embassy Lake Terrace, Embassy Grove, and Embassy Boulevard are 3 projects that we had finished, and as--because they have OC, as and when the balance sales happen, they keep hitting. But largely a lot of that stock was sold prior to the merger. The ongoing ones are Embassy Edge, Embassy Verde, and Embassy East Avenue. These are 3 projects that you'll see that are completing FY28. Maybe Verde will do early FY29. Those are the first leg of residential projects that will hit the revenue.

And, you know, the balance are actually the new projects that we launched in the last 12 months, as you

Unidentified Participant - Analyst
Okay, sir, it has been around 2 years since you have been around. I mean to say, you are the managing director of the company for around 2 years. So can you quantify how much more losses we have to see? I mean to say, how much more losses the company has to bear for the coming quarters?

Rajesh Kaimal - Chief Financial Officer, Embassy Developments Limited
So basically,

Unidentified Participant - Analyst
you have the sufficient idea regarding--basically, you have the sufficient idea now But how much more losses we have to see in the future? So I wanted to know it, sir.

Aditya Virwani - Managing Director, Embassy Developments Limited
Yeah, so look, it's very hard to predict that, and I would again refer you to that completion slide of all the projects, because until those projects get completed, essentially you naturally won't see that revenue hit. So that--it is what it is, you know, we're early on in the cycle, and that's just something that we have to live with.

Rajesh Kaimal - Chief Financial Officer, Embassy Developments Limited
And Vinayak ji, I would urge you again, uh, to say--to see our pre-sales momentum, the projects we have launched, the pre-sales momentum and collections that we are doing. That will show a good indicator as to what you can expect.

Unidentified Participant - Analyst
So that is correct on your part, but the market is keeping the--I mean to say, the stock market is keeping the company quite buggy. So although we understand this, whatever you are telling,

that--but, uh, The market wouldn't--I mean to say, discount--a market wouldn't discount all these things that we'll be seeing the good quantum of profit in the future. They are seeing the present, and presently we are giving the losses since, since last 3 or 4 quarters. I don't know for how many more quarters it shall continue.

So basically, if you could guide us, sir, regarding how many more quarters we will be seeing losses, around how many quarters?

Rajesh Kaimal - Chief Financial Officer, Embassy Developments Limited
We will come back to you. As Aditya said, a little difficult to predict. Uh, we will try and see if we can, uh, liaise with you one-on-one and give you some guidance as to, you know, how we can predict this better.

Unidentified Participant - Analyst
Okay, thank you, sir. That will be all.

Rajesh Kaimal - Chief Financial Officer, Embassy Developments Limited
Thank you.

Operator
Thank you. The next question is from the line of Ruzmiq Oza from 9 Rays Equi Research LLP. Please go ahead.

Ruzmiq Oza - Analyst, Nine Rays Equiresearch LLP
Hello,

Operator
Mr. Roza, your line has been unmuted. Please go ahead with the question.

Ruzmiq Oza - Analyst, Nine Rays Equiresearch LLP
Yes, I just wanted to get an update on this, uh, land bank. Sachin just mentioned, you know, that it could also be used for data center, uh, and any developments on how actually that monetization process is going on for this particular land bank of Nasik?

Sachin Shah - Chief Executive Officer and Executive Director, Embassy Developments Limited
Yeah, I could take that. So look, I think as I said, the first step that we have to do in this process would be to solve our issues with MIDC, and those talks have progressed quite well over the last several months from 2 angles. One is solving our issues with MIDC, and secondly is a debonding exercise that we need to do on the land. With respect to the data center development, we think it can make a lot of sense for data centers because you have a power plant that's our next-door neighbor that will have a 1,350 megawatt total capacity.

So technically speaking, it could provide powers up to--power up to 950 megawatts. So we are exploring that and, you know, discussing that with a few players out here. But I think it's very early on to talk about monetization yet. I think we need to first pass through the first 2 steps out here. But I do believe that there's immense value in this land and our focus really has been on you know, trying to figure out how we reach that value realization on this property.

Ruzmiq Oza - Analyst, Nine Rays Equiresearch LLP
Okay, okay. Thanks. That's it from my side. Thank you.

Operator
Thank you. Ladies and gentlemen, due to time constraints, we will take that as the last question for the day. And now I would like to hand over the conference to the management for closing comments.

Aditya Virwani - Managing Director, Embassy Developments Limited
Okay. On that note, I'd like to wish everyone a very happy Diwali. May the festive season bring happiness, prosperity, and new beginnings to you and your families. Thank you for joining us today, and we look forward to sharing more good news in the quarters ahead. Thank you. Bye.

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