

Initiating Coverage

11th September 2025



ARKADE



**SNM VALUE EDUCATOR RESEARCH
SERVICES LLP:**

Emerging Titans

RA No: INH000019789

 **ARKADE AURA**



Arkade Developers Ltd | BUY

Emerging Player on India's Real Estate Sector

We recommend a **BUY** on Arkade Developers, given its strong growth trajectory, strategic land acquisitions, and robust project pipeline. reinforce its main position in Mumbai's premium housing market. Additionally, the company's commitment to timely project completion is evident from its early OC receipts for multiple projects, boosting customer trust and financial stability. Arkade has a strong track record of operational excellence and healthy financial profile. With a potential revenue pipeline of ₹10,000+ crore and a strong execution track record, Arkade Developers is well-positioned for sustainable growth, making it an attractive long-term investment opportunity in the real estate sector.



Recommendation	BUY
Allocation	3%
CMP (at initiation)	₹179
Market Cap (₹ Cr)	₹3333 Cr
52 Week High/Low	₹214 - ₹128
NSE code	ARKADE

Customer centric Approach & Timely Deliveries

Arkade Developers has consistently demonstrated a strong commitment to customer satisfaction by prioritizing timely project deliveries and high-quality construction standards. A testament to this approach is the company's recent achievement of obtaining Occupancy Certificates (OCs) for four premium projects Arkade Crown, Arkade Aspire, Arkade Aura, and Arkade Prime one year ahead of the RERA deadline. This milestone shows Arkade's ability to efficiently manage construction timelines, ensuring that customers receive their homes well before the regulatory timeline, reducing uncertainty, and enhancing trust in the brand. By consistently exceeding expectations in terms of execution speed and quality.

Expanding in MMR and entering in Thane

Arkade Developers is actively expanding its footprint across the Mumbai Metropolitan Region (MMR), with a strong focus on Western suburbs and entering into Thane. The company's strategic growth plan includes a mix of redevelopment and greenfield projects, targeting high-demand locations with significant residential and commercial potential.

Shareholding pattern

Promoter	71.09%
FII+DII	0.61%
Others	28.30%

Financial Summary

(₹ Cr)	FY23	FY24	FY25
Revenues	220	635	683
EBITDA (%)	27%	26%	30%
PAT	51	123	157
ROCE (%)	24%	45%	30%



Company Overview:

Arkade Developers Limited, established in 1986, is a prominent real estate development company with a core focus on high-end residential properties in Mumbai. Over the years, the company has built a strong reputation for delivering premium residential projects, backed by a deep understanding of market dynamics and an unwavering commitment to quality.

Arkade Developers is recognized as one of the top 10 luxury developers in the Mumbai Metropolitan Region (MMR), which is among India's most lucrative and high-growth real estate markets. The company has successfully completed over 30 projects, covering 5.5 million square feet of residential space, with an additional 2 million square feet currently under development. This extensive portfolio has led to the creation of homes for more than 5,500 satisfied families across the city.

The company employs a strategic mix of greenfield and redevelopment projects to maintain its competitive edge. Greenfield developments involve the construction of new residential spaces on undeveloped land, while redevelopment projects focus on revitalizing existing properties. This approach has allowed Arkade to establish a significant presence in high-demand areas such as Borivali, Goregaon, and Santa Cruz.

Arkade Developers is known for its steadfast commitment to timely delivery, consistently completing projects ahead of schedule. This reliability has fostered trust among homebuyers and stakeholders alike. The company emphasizes:

- ✓ Sustainability - Implementing eco-friendly construction practices and energy-efficient designs.
- ✓ Innovative Design - Creating modern, aesthetically pleasing, and functional living spaces.
- ✓ Superior Construction Quality - Partnering with top-tier contractors and architects to ensure world-class standards.

With a robust pipeline of upcoming projects and a strategic focus on key suburban markets, Arkade Developers is poised to continue its growth trajectory and contribute significantly to Mumbai's evolving real estate landscape.

The company maintains an average Turnaround Time (TAT) of 3 years, from acquiring land possession to delivering possession to the first customer. Notably, certain projects have been successfully executed ahead of schedule, demonstrating efficiency in execution and project management.



Project	Location	Constructed Area in Sq. ft.	Date of C.C.	Date of OC	RERA Completion date	Completed Before Time (No. of Months)
Arkade Earth	Kanjurmarg (East)	890,000	November 2015	Phase DEFG Wing February 2020	Phase DEFG Wing - December 2022	20
				Phase 2 ABC Wing- April 2021	Phase 2 ABC Wing- December 2023	20
				H Wing April 2022	H Wing December 2022	8
Arkade Darshan	Vile Parle (East)	36,074	October 2020	November 2022	June 2023	7
Arkade Rise*	Carmichael Road	50,000	June 2017	February 2020	December 2021	22
Arkade Serene	Malad (West)	1,30,000	July 2021	February 2023	June 2024	16
Arkade Crown	Borivali (West)	401,073	May 2022	June 2024	December 2025	18

Business Model :

1. Greenfield Development Model

Greenfield projects involve acquiring vacant land parcels and developing them into residential or mixed-use properties from scratch

Arkade's Greenfield Strategy:

Land Acquisition: Arkade strategically buys land in emerging and high-demand areas like Goregaon West (₹2,000 Cr project) and Thane expansion plans.

Project Planning: Since the land is unoccupied, Arkade has complete flexibility in design, planning, and execution

Profitability: These projects typically have higher PAT margins (~25%) due to lower regulatory hurdles and greater control over costs.

2. Redevelopment Model

Redevelopment involves revamping older buildings or societies by demolishing existing structures and constructing modern high-rises with better amenities.

Arkade's Redevelopment Strategy:

Land Utilization: Arkade focuses on densely populated areas in Mumbai where land is scarce, making redevelopment a cost-effective alternative.

Tenant Negotiation & Approvals: The company handles tenant agreements, legal approvals, and infrastructure planning before launching the project.



Longer Timelines: Greenfield projects usually take 3-5 years to complete, depending on approvals and construction phases.

Lower Margins: Due to higher negotiation costs, regulatory compliance, and stakeholder approvals, PAT margins in redevelopment projects are around 15%.

Faster Execution: Since redevelopment sites are already approved for residential use, projects can be executed within 2-4 years.

Comparative Overview: Greenfield vs. Redevelopment

Aspect	Greenfield Development	Redevelopment
Land Ownership	New land acquisition	Existing land (revamped buildings)
Flexibility	High (complete design control)	Moderate (tenant considerations)
Project Duration	3-5 years	2-4 years
Margins (PAT)	~25%	~15%
Regulatory Complexity	Moderate	High (tenant approvals, legal compliance)
Example Projects	Goregaon West (Filmistan), Thane Expansion	Dahisar, Andheri, Malad, Borivali Redevelopment

**Ongoing Projects :**

PROJECT NAME	LOCATION	CATEGORY	NATURE OF DEVELOPMENT	PLOT SIZE (SQ. MTRS)	SALEABLE AREA (SQ.FT.)	COMPLETION DATE*	PROJECTED TURNOVER (₹ CR)
Arkade Crown	Borivali (W)	Aspirational	Society Redevelopment	5,711	113,805	Jun'24**	331
Arkade Aspire	Goregaon (E)	Aspirational	Greenfield	5,933	168,643	Aug'24**	494
Arkade Aura	Santacruz (W)	Premium	Society Redevelopment	3,791	59,279	Dec'24**	261
Arkade Prime	Andheri (E)	Aspirational	Greenfield	2,091	65,566	Jan'25**	165
Arkade Nest	Mulund (W)	Aspirational	Greenfield	8,327	249,163	Jun'27	619
Arkade Pearl	Vile Parle (E)	Premium	Society Redevelopment	4,153	75,145	Dec'26	300
Arkade Eden	Malad (E)	Premium	Society Redevelopment	3,101	49,981	Dec'26	150
Arkade Vistas/ Arkade Views	Goregaon (E)	Aspirational	Society Redevelopment	4,487	81,960	Dec'27	242
Arkade Rare	Bhandup (W)	Aspirational	Greenfield	11,967	313,070	Dec'28	750
Total				49,561	1,176,612		3,312

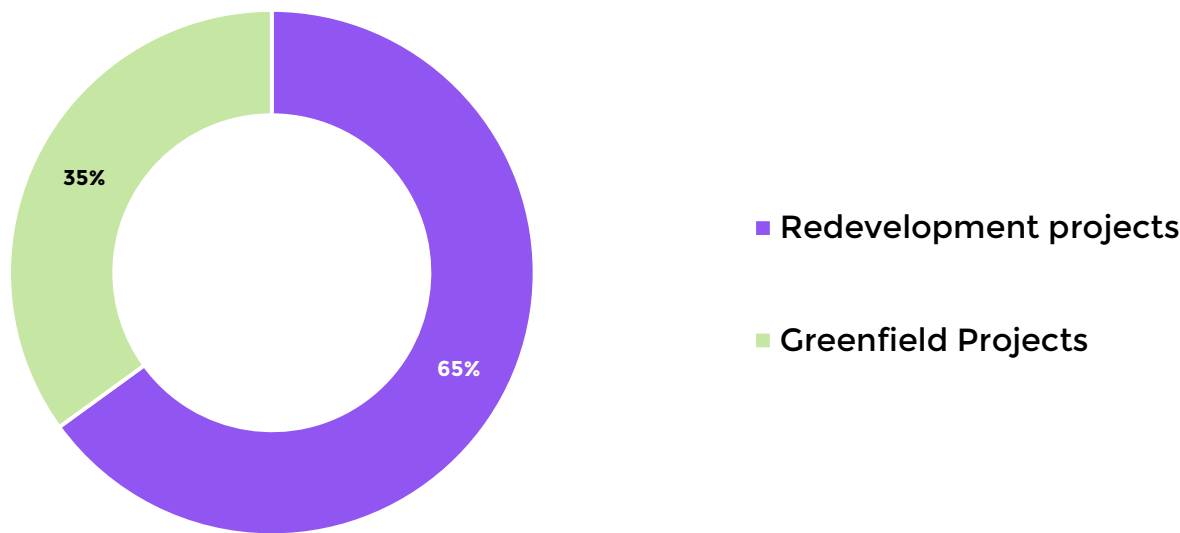
**Upcoming Projects :**

PROJECTS NAME	LOCATION	CATEGORY	NATURE OF DEVELOPMENT	PLOT SIZE (SQ.MTRS)	SALEABLE AREA (SQ.FT.)	PROJECTED TURNOVER (₹ CR)
Nutan Ayojan	Malad (W)	Premium	Society Redevelopment	6,830	2,33,000	740
Laxmi Ramana	Goregaon (W)	Premium	Society Redevelopment	4,619	59,793	213
Maheshwari Niwas	Santacruz (W)	Premium	Society Redevelopment	2,290	38,700	200
Apna Ghar	Andheri (W)	Premium	Society Redevelopment	7,381	83,212	388
Bussa CHS	Santacruz (W)	Premium	Society Redevelopment	2,902	45,000	190
Rani Sati	Malad (W)	Premium	Society Redevelopment	6,337	2,11,940	757
Satya Shripal	Borivali (W)	Premium	Society Redevelopment	7,084	2,44,000	865
Jumbo Darshan	Andheri (E)	Premium	Society Redevelopment	6,811	1,29,300	526
Filmistan	Goregaon (W)	Premium	Greenfield	16,200	8.04,000	3,216
Anand Nagar	Dhaisar (E)	Premium	Society Redevelopment	26,286	6,76,000	1,700
Thane	Thane	Premium	Greenfield	25,415	9,26,000	2,000
Jal Ratna	Goregaon (W)	Premium	Society Redevelopment	4,620	86,810	350
Total				1,16,805	35,37,755	11,145



Upcoming 5 years project pipeline

10,000Cr Pipeline Project Mix



This revenue projection further reinforces Arkade Developers' strategic focus on redevelopment projects while maintaining a balanced expansion into greenfield developments.

Revenue Breakdown for the Next 5 Years (₹10,000 Cr Total)

- ₹6,500 Cr (65%) from Redevelopment Projects
- ₹3,500 Cr (35%) from Greenfield Projects

Redevelopment Projects :

Redevelopment Continues to Drive Growth (65%)The majority of revenue (₹6,500 Cr) will come from cluster redevelopment projects, reaffirming Arkade's expertise in transforming older societies into modern housing complexes. Mumbai's high demand for redevelopment projects ensures a stable revenue pipeline, minimizing land acquisition cost.

Key upcoming redevelopment projects include:

- Dahisar (₹1,700 Cr GDV)
- Andheri, Malad, Borivali (₹2,150 Cr GDV)

Greenfield Projects

Greenfield Expansion Remains Strategic (35%)Greenfield projects contribute ₹3,500 Cr, ensuring long-term scalability and premium housing developments.

Notable greenfield projects include:

- Goregaon West (Filmistan Land) – ₹2,000 Cr GDV
- Planned Expansion in Thane & Other MMR Locations



Strategic Implications for Arkade Developers

- **Revenue Visibility:** The ₹10,000 Cr revenue projection over five years provides strong financial clarity for investors.
- **Risk-Optimized Portfolio:** The 65%-35% mix reduces dependency on land acquisition, balancing short-term cash flow stability and long-term profitability.

Project Completion and Revenue Recognition

Arkade Developers records revenue based on the Percentage of Completion Method (POCM), ensuring that revenue is recognized only when significant construction progress is made.

Project Completion Overview:

Completed Projects:

- **Arkade Crown, Arkade Aspire, and Arkade Aura:** These projects were completed in 25–26 months, from construction commencement to occupancy certificate (OC) issuance.
- **Revenue Status:** The total revenue from these projects stands at ₹1,091 crores, with ₹100 crores still to be recognized by the end of FY25.

Ongoing Projects & Revenue Recognition:

- Revenue is recorded only when 25% of the construction work is completed.
- Projects still below 25% completion (Revenue yet to be recorded):
 - Arkade Nest
 - Arkade Rare
 - Arkade Vistas/Views
- Projects where revenue recognition has started:
 - Arkade Prime
 - Arkade Pearl
 - Arkade Eden
- The remaining ₹100 crores from completed projects will be recognized within FY25 and Ongoing projects will begin contributing to revenue in FY26, as they surpass the 25% completion threshold with a strong project pipeline and timely execution, Arkade Developers expects steady revenue growth.



Amit Jain:

We are almost always in the top two, three projects available in terms of pricing in the micro-markets. In Goregaon, Baring, Oberoi, our rates are second highest. In Borivali and Santa Cruz, we are first highest. In Eastern suburbs also, we may be, say, in the top three people as per the pricing, if not first and second.

This statement from Arkade Developers highlights their premium pricing strategy in various micro-markets of Mumbai. Arkade Developers is pricing their projects among the top two or three developers in micro-markets of Mumbai. Their pricing strategy indicates buyers are willing to pay a premium for Arkade's projects, reinforcing their reputation for quality construction and timely delivery. Being at the top tier of pricing suggests Arkade is targeting the upper-middle and luxury segments, rather than competing solely on affordability.

Strong Presence in Prime Locations –

- Goregaon: Second highest pricing (excluding Oberoi projects).
- Borivali & Santa Cruz: Highest-priced projects, indicating strong buyer confidence and premium offerings.
- Eastern Suburbs: Among the top three developers in pricing,

Peer Comparison:

Company	Business Model	Key Strengths
Arkade Developers	Redevelopment & Greenfield Projects	Strong presence in Mumbai's western suburbs timely execution premium pricing
Oberoi Realty	Luxury & Premium Housing	Brand equity. high-end luxury segment dominance
Sunteck Realty	Mid Luxury Housing Commercial Assets	Presence in Goregaon BKC and Naigaon
Godrej Properties	Joint Development & Pan-India Expansion	Strong sales network asset-light strategy
Rustomjee	Redevelopment & Luxury Housing	Focused on gated communities premium branding



- Arkade Developers has a balanced redevelopment + greenfield model, reducing capital-intensive land purchases while ensuring steady project inflows.
- Oberoi & Rustomjee are premium players, while Godrej & Sunteck follow a mix of JV & owned projects.

Market Position and Pricing :

Micro-Market	Arkade's Pricing	Peer Comparison
Goregaon	2nd highest (after Oberoi)	Oberoi Realty leads
Borivali, Santacruz	Highest-priced projects	Competes with Rustomjee Kalpataru
Eastern Suburbs	Among Top 3	Competes with Lodha, Runwal

- Arkade is a premium player, ranking in the top two or three in most locations.
- Competes with Oberoi in Goregaon, Rustomjee in Borivali, and Lodha in Eastern Suburbs.

Execution and Delivery :

Company	Timely Delivery Track Record
Arkade Developers	4 projects received OC year before RERA deadline
Oberoi Realty	High-quality but takes longer timelines
Sunteck Realty	Some project delays in mid-segment projects
Godrej Properties	Strong execution with asset-light strategy
Rustomjee	Delays in large-scale projects (townships)

- Arkade has a strong reputation for timely delivery, enhancing its credibility in redevelopment projects.
- Competitors like Oberoi & Rustomjee take longer on luxury projects, while Godrej is faster due to its JV model.



Expansion Strategy :

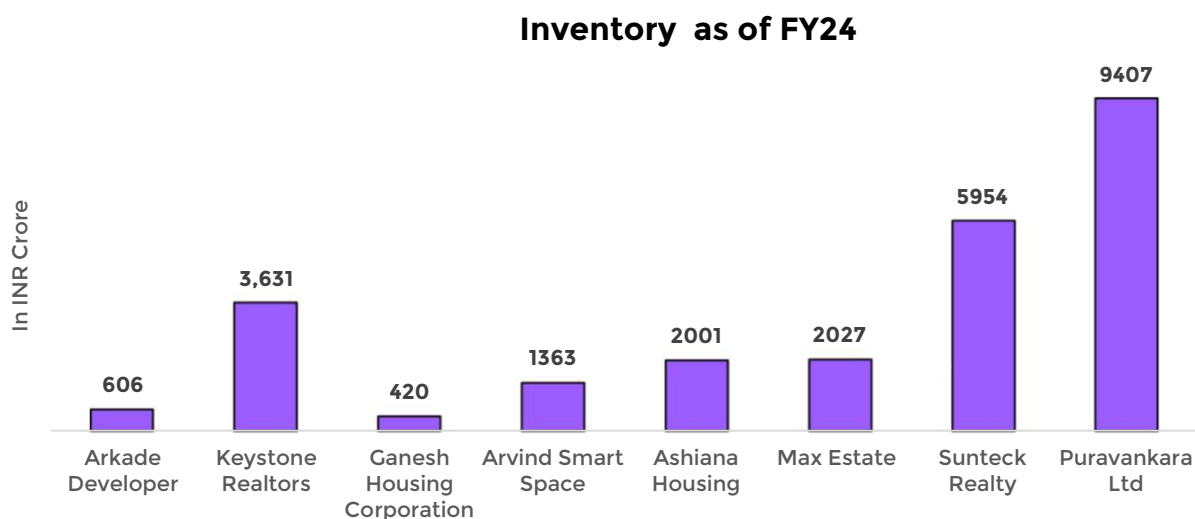
Company	Key Expansion Plans
Arkade Developers	Strong in MMR. expanding into Thane
Oberoi Realty	Focus on Luxury Housing, Commercial Assets
Sunteck Realty	Expanding into Navi Mumbai, Thane
Godrej Properties	Aggressive Pan-India Growth
Rustomjee	Large townships & gated communities

- Arkade is focusing on MMR & Thane, avoiding over-diversification.
- Godrej have wider geographic presence but require higher capital investment.

Why Arkade Stands Out:

- **Strong Execution** – Proven track record of early project completion.
- **Balanced Business Model** – redevelopment and greenfield ensures steady growth
- **Low Debt, High Profitability** – Financially robust with a low debt-to-equity ratio.
- **Premium Positioning** – Competes with Oberoi, Rustomjee in pricing.
- **Future Pipeline** – ₹10,000 Cr revenue visibility for the next 5 years.

Peer Inventory & OPM comparison :

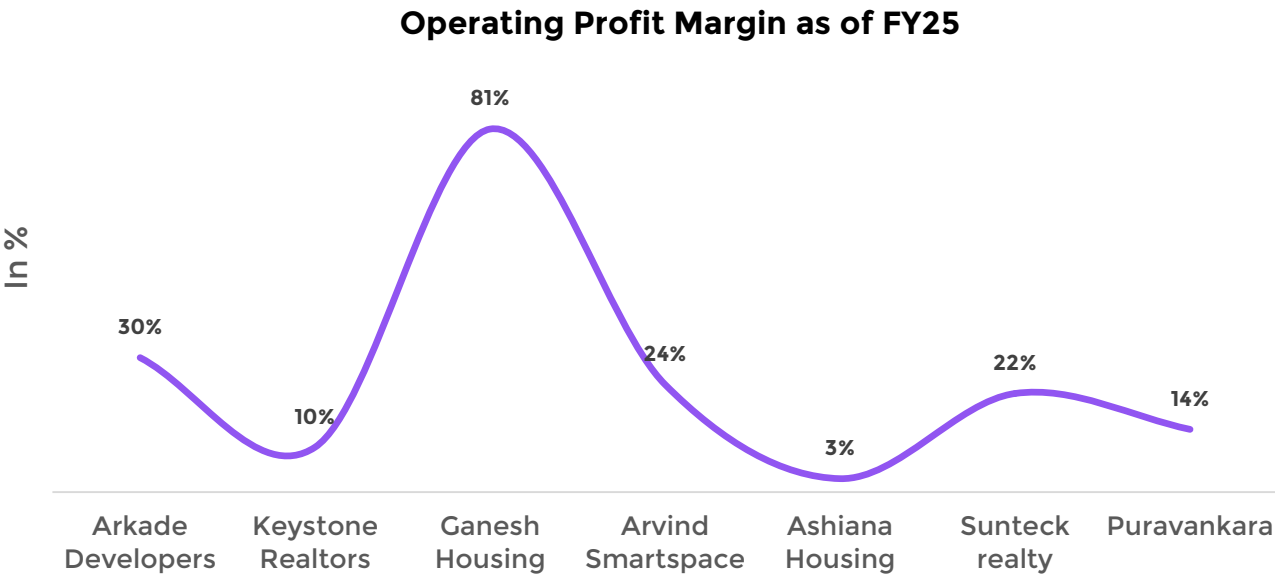




Comparison of Inventory: The chart allows for a straightforward comparison of the inventory values held by different real estate developers. This chart visually presents the value of unsold inventory held by various real estate developers, allowing for easy comparison and providing insights into their current market position.

Inventory Analysis : High inventory might indicate slow sales, oversupply, or pricing issues in a particular market segment. Low inventory could suggest strong demand or limited supply.

- 1. **Arkade Developer's Position:** Arkade Developer has the lowest inventory value among its peers, indicating either strong sales performance or a smaller scale of operations compared to the others.
- 2. **Mid-range Developers:** Keystone Realtors, Ganesha Housing Corporation, Arvind Smart Space, Ashiana Housing, and Max Estate fall within the mid-range, suggesting a moderate level of inventory compared to the leaders.
- 3. **Inventory Leaders:** Sunteck Realty and Puravankara Ltd have significantly higher inventory values, potentially indicating a larger scale of operations, slower sales, or a focus on larger projects.





Industry Overview:

Robust Demand:

India's real estate sector is experiencing unprecedented growth, driven by rising urbanization, increasing household incomes, and strong economic expansion. According to Savills India, real estate demand for data centers is expected to grow by 15-18 million sq. ft. by 2025. The luxury housing market has also seen substantial momentum, with a 37.8% increase in sales of properties valued over Rs. 4 crore (US\$ 0.48 million) between January and September 2024.

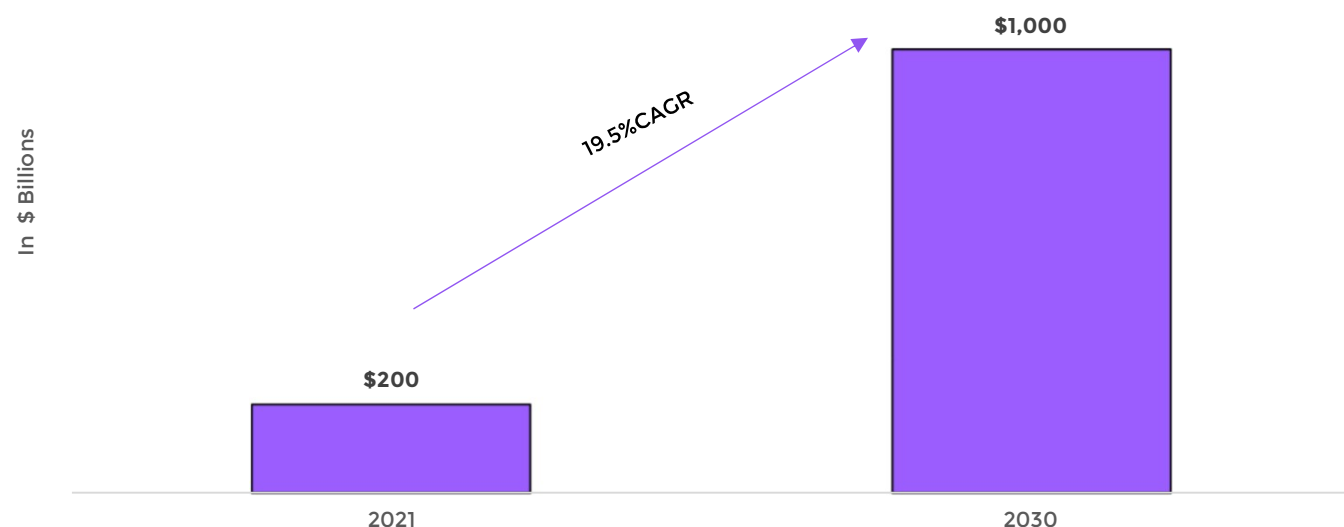
Market Performance and Future Projections

The Indian real estate market is expected to reach US\$ 1 trillion in market size by 2030, up from US\$ 200 billion in 2021. By 2025, it is projected to contribute 13% to the country's GDP. Looking further ahead, the sector could potentially be valued at US\$ 5-7 trillion by 2047, with the possibility of exceeding US\$ 10 trillion.

Residential real estate has been a major contributor to this growth. In FY23, home sales hit an all-time high of Rs. 3.47 lakh crore (US\$ 42 billion), reflecting a 48% year-on-year surge. Sales volume also grew by 36%, with 379,095 units sold. The luxury housing market saw unprecedented demand, with a 75% rise in sales of properties priced at Rs. 4 crore (US\$ 481,927) and above.

Commercial real estate has also shown remarkable resilience. Gross leasing activity in India's top seven markets surpassed the 60 million sq. ft. mark, hitting a record 62.98 million sq. ft. in 2023—an increase of 26.4% compared to the previous year. Additionally, CBRE anticipates a 14% rise in gross leasing transactions for office spaces in major cities, reaching an estimated 70 million sq. ft. in 2024.

Indian Real Estate Industry





Indian Real Estate Market Growth Outlook (2021-2030):

The Indian real estate sector has witnessed significant expansion over the past decade, driven by urbanization, infrastructural development, and increasing investment from domestic and international players. The market, valued at \$200 billion in 2021, is projected to grow to \$1 trillion by 2030, reflecting a Compound Annual Growth Rate (CAGR) of approximately 19.58%.

Attractive Opportunities:

The Indian real estate sector is poised for a robust expansion with a projected CAGR of 9.2% from 2023 to 2028. The year 2024 is expected to be a key driver of this growth, fueled by rapid urbanization, an expanding rental market, and increasing property prices. Global investors are showing strong interest in the sector, with Blackstone—a leading private market investor—planning to invest an additional Rs. 1.7 lakh crore (US\$ 22 billion) by 2030, adding to its existing Rs. 3.8 lakh crore (US\$ 50 billion) investments in India.

Policy Support:

Government initiatives have played a crucial role in propelling the growth of the real estate sector. Increased transparency and higher returns have attracted substantial private investments. Foreign Direct Investment (FDI) norms have been liberalized, allowing up to 100% FDI in township and settlement development projects. The Union Budget 2024-25 has further supported the sector through the launch of PM Awas Yojana Urban 2.0, with an ambitious investment of Rs. 10 lakh crore (US\$ 120.16 billion) to address housing needs for 1 crore urban poor and middle-class families.

RERA Implementation: Ensures transparency, boosting investor confidence in luxury real estate.

Relaxed FDI Norms: Encourages foreign investment in premium residential and commercial projects.

Stamp Duty Concessions: Temporary stamp duty reductions have contributed to increased luxury property transactions.

Increasing Investments:

Investment in real estate has been consistently rising, particularly through new financing models such as Real Estate Investment Trusts (REITs). The introduction of a new framework for Small and Medium REITs (SM REITs) has been widely welcomed, with industry leaders like CREDAI predicting enhanced capital inflow into the sector. Foreign investment remains a key driver, with US\$ 3.1 billion pumped into Indian real estate annually, marking a 37% year-on-year increase in foreign inflows in the first half of 2024.



Government Initiatives and Infrastructure Growth:

The Indian government has undertaken various measures to boost real estate development, including the Smart Cities Mission, which aims to develop 100 smart cities. This initiative is expected to drive growth in commercial and residential real estate. Similarly, demand for industrial and logistics spaces has surged, with a record-breaking 38.8 million sq. ft. occupied across eight cities in 2023.

MMR Luxury Premium Market:

The Mumbai Metropolitan Region (MMR) stands as India's most dynamic luxury real estate market, offering a strategic location, and high investment potential. With its growing economy, robust infrastructure, and increasing high-net-worth individual (HNWI) population, MMR continues to attract domestic and global investors to its premium real estate sector.

Segment-wise Growth Projections:

- **Residential:** Increasing affordability, government incentives, and low home loan interest rates because RBI recently cut the interest rate by 25 basis points which come after the last reduction in may 2020 are fueling demand.
- **Commercial:** IT parks, co-working spaces, and Grade A office demand are expected to rise, especially in Tier-1 and Tier-2 cities.
- **Retail & Logistics:** Growth in e-commerce and organized retail is driving demand for modern warehousing and shopping complexes.

Recent Developments at Arkade Developers

- Arkade Developers has experienced significant growth and milestones in its ongoing journey of expansion. The last quarter has been particularly eventful, with several new developments across the Mumbai Metropolitan Region (MMR). The company continues to focus on luxury housing while strategically expanding its footprint into various suburbs.
- To grow its presence in Western Mumbai, Arkade has added three new redevelopment projects in Andheri East, Malad West, and Borivali West. These projects collectively span approximately 5 acres, offering 5.85 lakh square feet of saleable carpet area. The projected turnover from these projects is ₹2,150 crores, distributed as follows:
- Andheri East (Western Express Highway): 1.29 lakh sq. ft. with an estimated turnover of ₹527 crores.
- Malad West: 2.12 lakh sq. ft., expected revenue of ₹750 crores.
- Borivali West : 2.44 lakh sq. ft., with an anticipated turnover of ₹865 crores.



- One of the standout achievements in the luxury segment is Arkade Aura (Santa Cruz West), which received its Occupancy Certificate (OC) a year ahead of the targeted RERA date. The project was completed in just 26 months from commencement to OC. Additionally, OCs were granted for Arkade Crown and Arkade Aspire in the past two quarters, while Arkade Prime is expected to receive its OC shortly. The company has recently launched two new towers at Arkade Nest and Arkade Pearl, both of which have garnered an enthusiastic market response. Moreover, Arkade is actively working on a robust pipeline of eight upcoming projects that promise continued growth.
- As part of its brand-building efforts, Arkade has partnered with Happy Streets, an initiative aimed at increasing brand awareness while reinforcing the company's family-first philosophy. Arkade's core belief remains rooted in developing family-centric living spaces that contribute to an enhanced standard of living.
- **Arkade Developers has recently acquired a 4-acre land parcel in Goregaon West, Mumbai, for ₹165 crore.**
 - Goregaon West, a prime suburb in Mumbai known for its robust infrastructure and connectivity. The project will offer over 500,000 square feet of saleable space, catering to the growing demand for luxury housing in the region. The development is projected to generate approximately ₹2,000 crore in revenue upon completion.
- **Arkade Developers Secures 6.5-Acre Redevelopment Project in Dahisar**
 - Arkade Developers has achieved a significant milestone by securing a 6.5-acre redevelopment project in Dahisar with a Gross Development Value (GDV) of approximately ₹1,700 Crore. This large-scale project underscores the company's strategic focus on redevelopment opportunities in Mumbai's MMR region, which form a major part of its growth strategy.
- **Project Highlights:**
 - Total Plot Area: 26,286 square meters (~6.5 acres)
 - Total Saleable Area: ~676,000 square feet
 - Development Mix: Residential & Commercial Spaces
 - Projected GDV: ₹1,700 Crore



- **Arkade Developers Secures 6858 Square meter Redevelopment Project in Malad West**

Recently Arkade Developers has secured redevelopment rights for Nutan Ayojan, a co-operative housing society in Malad West. The project spans 6,858.90 square meters and has a Gross Development Value (GDV) of ₹740 crores. It includes a total saleable RERA carpet area of approximately 233,000 square feet, featuring 2 & 3 BHK luxury residences. The proposed structure will have 2 basements, 4 podium parking levels, an eco-deck, and 32 residential floors, offering a total of 408 homes, out of which 215 units will be available for sale.

Chairman and Managing Director Amit Jain stated that the project aligns with Arkade Developers' vision of redevelopment, strategic asset acquisitions, and unlocking land bank value. Malad West is a fast-growing real estate market with strong connectivity via the Western Express Highway, Link Road, and upcoming metro corridors. Arkade Developers aims to expand its presence in Mumbai's MMR region with a focus on premium construction quality and timely delivery.

FUTURE OUTLOOK

- **Future Revenue Projections**

Arkade Developers has outlined ambitious growth plans for the upcoming years. The company has shared a list of eight upcoming projects with a potential revenue of ₹5,000 crores. Additionally, another ₹5,000 crores worth of projects are in the final stages of acquisition, expected to be disclosed by the end of this quarter.

This brings the total potential revenue to ₹10,000 crores in the near future, excluding the ₹2,000 crores of ongoing unsold inventory.

Revenue Timeline & Profit Projections

Revenue Target: ₹10,000 crores over the next five years.

Expected PAT Margin: Approximately 20%, which translates to a Profit After Tax (PAT) of ₹2,000 crores.

The company's strategy involves a mix of greenfield and redevelopment projects to achieve these targets while maintaining a strong focus on premium residential developments in key Mumbai suburbs.

- **Geographic and Segment Expansion Strategy:**

Arkade Developers currently focuses on premium residential projects within Mumbai and its surrounding areas.

- **Geographic Expansion:**

The company is actively expanding into Thane, which lies just outside Mumbai's city limits.

No plans for other cities like Pune or Nashik at this stage. Future expansion opportunities may be evaluated after successful establishment in Thane.

- **Project Segmentation:**

Arkade primarily focuses on residential projects, delivering luxury living spaces.

While some projects include retail shop lines and partial commercial components, the core inventory remains residential.



➤ **Redevelopment Projects**

Redevelopment projects have faced margin compression due to increased market competition.

In the past, margins were more favorable, but growing competition has led to downward pressure on profitability.

Projected PAT margins: ~15%.

RISK

1. Dependence on Third-Party Contractors

Arkade Developers relies on external contractors for construction activities, which poses operational and financial risks:

- **Lack of Direct Control** – Since contractors handle execution, delays, cost overruns, or quality issues may arise, impacting project timelines and costs.
- **Labor Shortages & Material Delays** – Unavailability of skilled labor or supply chain disruptions (e.g., cement, steel) can lead to delayed possession and increased costs.
- **Regulatory & Compliance Risks** – Any contractor failing to meet safety, labor, or environmental regulations could expose Arkade to legal liabilities.

2. Intense Market Competition & Pricing Pressure

The Mumbai real estate market is highly competitive, with players like Oberoi Realty, Sunteck, Rustomjee, and Godrej Properties competing for the same customer base. Risks include:

- **Competitive Pricing Strategies** – While Arkade positions itself among the top-priced projects in key micro-markets, developers with larger financial backing might undercut prices, affecting sales velocity.
- **Changing Consumer Preferences** – Buyers increasingly seek integrated townships, smart homes, and sustainable features, requiring Arkade to continuously innovate.
- **Land Acquisition Costs** – Given high entry barriers in MMR, securing land at competitive rates is critical to maintaining margins.



3. Inventory Management & Sales Cycle Risks

A significant portion of Arkade's revenue depends on the timely sale of residential units. If sales slow down, it may cause:

- **Liquidity Issues** – Delayed sales lead to higher interest costs on borrowed funds, reducing profitability.
- **Cash Flow Constraints** – Unsold inventory ties up capital, limiting expansion opportunities.
- **Market Sentiment & Economic Slowdowns** – Factors like rising interest rates, economic downturns, or policy changes (e.g., RERA norms) could impact buyer sentiment, delaying sales.

4. Mitigation Strategies for Arkade Developers

- **Strong Vendor & Contractor Partnerships** – Ensuring long-term contracts with reliable vendors and contractors can improve execution efficiency.
- **Strategic Pricing & Product Differentiation** – Maintaining premium positioning while offering customer-centric features can drive demand.
- **Diversification Across MMR** – Expanding into Thane, Eastern & Western suburbs helps reduce dependence on a single market segment.

IPO Fund Utilization as of 16th Sept

₹410 crores was raised through the IPO.

₹10 crores were gone in IPO expense

₹100 crores have already been deployed.

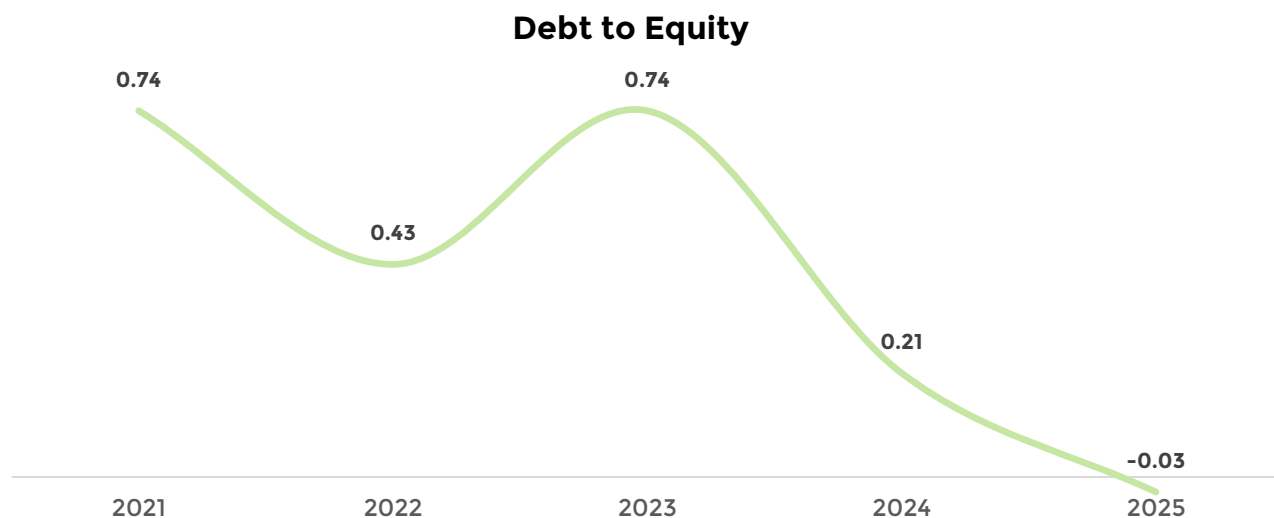
₹300 crores remain, from this ₹165 crores has now been deployed in Goregaon West for the acquisition of 4 acres of land, utilizing ₹165 crores of IPO funding. The remaining ₹135 crores will be allocated by year-end, primarily toward land acquisition in Thane or another identified location.

**Financials (all figures in cr unless stated otherwise)****Profit & Loss Statement**

	2021	2022	2023	2024	2025
Sales	106	225	220	635	683
Sales Growth %		113%	-2%	188%	7.62%
Expenses	80	170	160	467	477
Operating Profit	26	54	60	168	206
OPM %	24%	24%	27%	26%	30%
Other Income	5	15	8	2	12
Interest	1	4	1	3	2
Depreciation	0	0	0	1	5
Profit before tax	29	66	67	165	211
Tax %	25%	22%	24%	26%	26%
Net Profit +	22	51	51	123	157
EPS in Rs	105.95	252.35	253.90	8.08	8.45

Balance Sheet

	2021	2022	2023	2024	2025
Equity Capital	2	2	2	152	186
Reserves	97	148	198	171	698
Borrowings	14	64	149	71	115
Other Liabilities	237	156	206	180	252
Total Liabilities	350	370	555	575	1251
Fixed Assets	0	2	2	14	19
CWIP	0	0	0	0	0
Investments	114	40	17	18	138
Other Assets	236	329	536	543	1093
Total Assets	350	370	555	575	



- **Stronger Financial Stability:** A ratio of suggests low financial risk, making the company more resilient during economic downturns or rising interest rate environments.
- **Better Profitability & Valuation:** Lower debt leads to reduced interest expenses, improving net profit margins and increasing the potential for higher valuations in the market.
- **Investor Confidence:** Investors generally favor low-leverage companies, especially in the real estate sector, where debt-heavy firms can face operating leverage issue.

Debt and Equity Strategy

Arkade Developers maintains a conservative financial strategy when it comes to debt and equity management. The company has no immediate plans for debt-led expansion or equity dilution. The current approach is to utilize the funds raised through the IPO effectively.

Debt Strategy

Arkade is comfortable with a debt-to-equity ratio of up to 20% if needed. The company has strong cash flows and generally avoids taking on debt unless absolutely necessary.

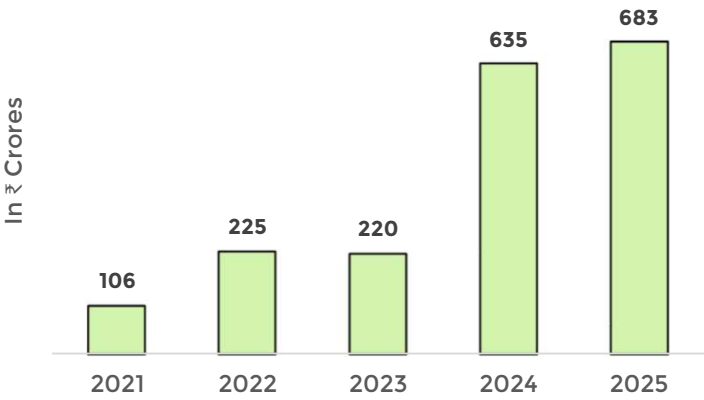
Equity Plans

There are no plans for equity dilution at present.

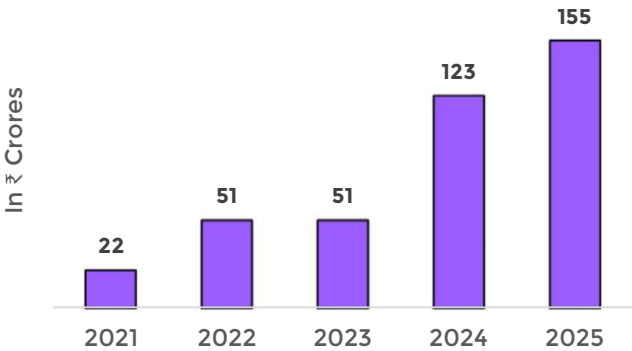


Financials

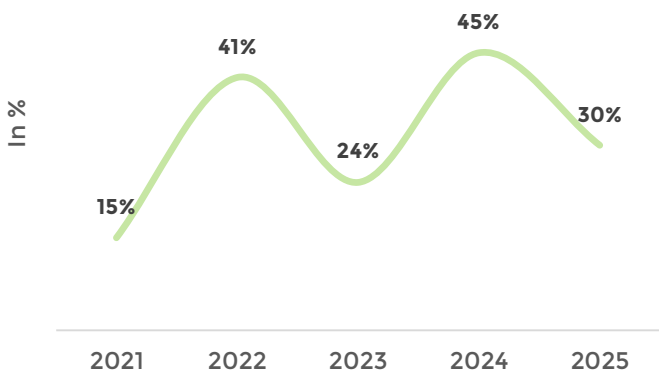
Revenues



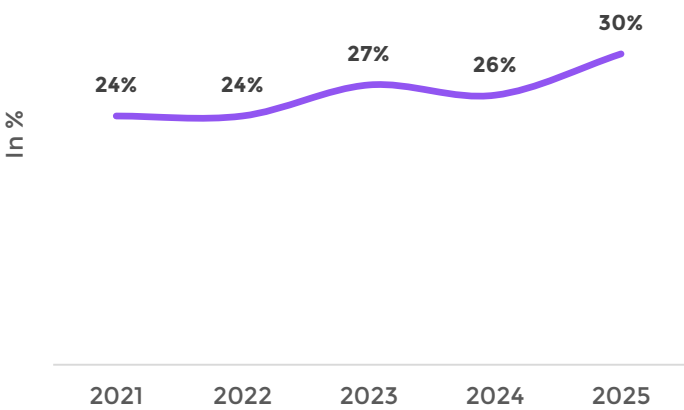
Net Profit



ROCE



OPM





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