

## New launches holds key for sales volume growth

Oberoi Realty's (ORL) sales volumes grew 65.3% QoQ (de-grew 16.3% YoY) to 2.4 lsf. Revenues de-grew 32.0% YoY to ₹ 601.5 crore due to high base. EBITDA margins declined 12.7 percentage points YoY to 39.0% on account of higher revenue booking from low-margin Borivali projects. Consequently, PAT de-grew 50.2% YoY to ₹ 152.1 crore.

## Sales volumes grow 65.3% QoQ to 2.4 lsf in Q1FY20

ORL's sales volumes grew 65.3% QoQ (de-grew 16.3% YoY) to 2.4 lakh sq ft (lsf). While Sky City project clocked robust 1.24 lsf sales volumes, 30-40% of this was driven by subvention scheme. The subvention scheme has also aided sales at its Goregaon projects. However, the recent circular from NHB advising HFCs to desist from participating in subvention schemes could impact sales momentum for ORL in the interim although the company plans to offer bank-driven subvention schemes. Overall, we expect sales volume to grow to 1.5 msf/1.9 msf in FY20E, FY21E.

## Goregaon, Thane launches planned around Diwali

ORL plans to launch Exquisite Phase-III and Thane around Diwali. Thane project could be launched under Aspire brand for which the unit size could be 1,000-1,500 sq ft with an average ticket size of ₹ 1-2 crore. These new launches are key for ORL to maintain its sales momentum, going ahead. Secondly, it has, till date, sold 70% of the five already launched towers at Borivali. ORL shall decide the launch of the balance three towers once satisfactory sales at the already launched towers is achieved.

## Commerz-II achieves 95.7% occupancy in Q1FY20

ORL's lease revenues grew strongly by 28.0% YoY to ₹ 79.9 crore in Q1FY20. This was led by 79.8% YoY growth in Commerz-II revenues to ₹ 29.8 crore on account of higher occupancy (95.7% in Q1FY20 vs. 63.4% in Q1FY19). ORL is adding three more annuity assets to its portfolio through Borivali mall (GLA: 1.6 msf), Worli mall (GLA: 1.0 msf) & Commerz III (GLA: 1.8 msf). Borivali mall is expected to be launched in November, 2020, while Worli mall is expected to be launched one year post that. We expect significant growth in rental income once these assets become operational, going ahead.

## Valuation & Outlook

We like ORL given quality of land bank, healthy balance sheet & management bandwidth to execute large projects. Also, a ramp up in its annuity portfolio would provide stable secure cash flows, going ahead. However, following the NHB circular on subvention scheme, residential sales momentum could be impacted in the interim until launch of Goregaon & Thane projects. We downgrade recommendation on the stock to **HOLD** with a TP of ₹ 590/share.

### Key Financial Summary

₹ crore	FY17	FY18	FY19P	FY20E	FY21E	CAGR FY19-21E
Net Sales	1113.7	1265.4	2582.5	2655.2	3087.6	9.3%
EBITDA	569.9	675.3	1155.4	1174.0	1267.5	4.7%
EBITDA Margin (%)	51.2	53.4	44.7	44.2	41.1	
Net Profit	378.7	458.8	816.9	808.5	1071.2	14.5%
EPS (₹)	10.4	12.6	22.5	22.2	29.5	
P/E (x)	52.8	43.6	24.5	24.7	18.7	
EV/EBITDA (x)	32.8	27.3	15.1	14.7	14.1	
RoE (%)	6.6	7.5	10.1	7.6	7.3	
RoCE (%)	8.6	9.3	13.4	10.8	10.6	

Source: Company, ICICI Direct Research



### Particulars

Particular	Amount (₹ crore)
Market Capitalization	19,998.1
Total Debt	836.1
Cash	3,368.1
EV	17,466.1
52 week H/L (₹)	655 / 437
Equity capital	363.6
Face value (₹)	100

### Key Highlights

- ORL's sales volumes grew 65.3% QoQ (de-grew 16.3% YoY) to 2.4 lsf with sales value of ₹ 401.1 crore and achieved collections worth ₹ 408.3 crore in Q1FY20
- The company could launch Exquisite Phase-III at Goregaon and Thane project around the festive season of Diwali
- Borivali mall is expected to be launched in November, 2020, while Worli mall is expected to be launched one year post that
- Downgrade to HOLD with a target price of ₹ 590/share

### Research Analyst

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**Exhibit 1: Variance Analysis**

	Q1FY20	Q1FY20E	Q1FY19	YoY (Chg %)	Q4FY19	QoQ (Chg %)	Comments
Income from Operation	603.3	572.6	884.0	-31.8	573.5	5.2	Revenue de-growth was on account of base effect. Base was high on account of first time revenues recognition for Sky City project and higher revenue booking in Esquire project in Q1FY19
Other Income	14.9	10.0	7.1	108.6	23.8	-37.6	
Operating Cost	320.7	314.9	375.5	-14.6	316.8	1.2	
Employee cost	17.5	17.2	18.6	-6.2	18.1	-3.4	
Other expenditure	29.9	28.6	32.5	-8.0	28.9	3.5	
EBITDA	235.2	211.9	457.5	-48.6	209.7	12.1	
EBITDA Margin (%)	39.0	37.0	51.7	-1276 bps	36.6	242 bps	EBITDA margin contraction was due to higher revenue bookings from low-margin Borivali project.
Depreciation	11.1	11.0	10.6	4.5	11.0	0.5	
Interest	23.9	3.8	4.9	385.6	3.8	535.4	
PBT	215.1	207.1	449.1	-52.1	218.7	-1.7	
Taxes	64.3	62.1	145.0	-55.7	64.4	-0.2	
PAT	152.1	164.9	305.2	-50.2	155.8	-2.4	PAT de-growth on account of de-growth in topline growth and sharp EBITDA margin contraction

**Key Metrics**

Sales Volume (in sq ft)	239,968	145,000	286,689	-16.3	145,178	65.3	Sales volume growth was higher QoQ on account of activation schemes and robust sales at Sky City project
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Source: Company, ICICI Direct Research

**Exhibit 2: Change in estimates**

	FY18	FY19		FY20E		FY21E		Comments
(₹ Crore)	Actual	Actual	Old	New % Change		Old	New % Change	
Revenue	1265.4	2582.5	2698.9	2655.2	-1.6	3031.7	3087.6	1.8
EBITDA	675.3	1155.4	1237.5	1174.0	-5.1	1229.5	1267.5	3.1
EBITDA Margin (%)	53.4	44.7	45.9	44.2	-169 bps	40.6	41.1	45 bps
PAT	458.8	816.9	893.7	808.5	-9.5	1061.7	1071.2	0.9
EPS (₹)	12.6	22.5	24.6	22.2	-9.5	29.2	29.5	0.9
								We tweak our estimates

Source: Company, ICICI Direct Research

**Exhibit 3: Assumptions**

	FY16	FY17	FY18	FY19	FY20E	FY20E	FY21E	FY21E	Comments
Volume sold in msf					New	Earlier	New	Earlier	
Goregaon	0.2	0.1	0.2	0.3	0.4	0.5	0.4	0.4	
Andheri/Borivali	1.1	0.2	0.2	0.3	0.4	0.4	0.4	0.4	
Worli	0.0	0.2	0.1	0.1	0.1	0.1	0.2	0.2	
Mulund	0.0	0.1	0.1	0.1	0.2	0.2	0.2	0.2	
Pune	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2	
Thane	0.0	0.0	0.0	0.0	0.4	0.4	0.4	0.9	
<b>Total</b>	<b>1.3</b>	<b>0.6</b>	<b>0.55</b>	<b>0.8</b>	<b>1.5</b>	<b>1.8</b>	<b>1.9</b>	<b>2.4</b>	

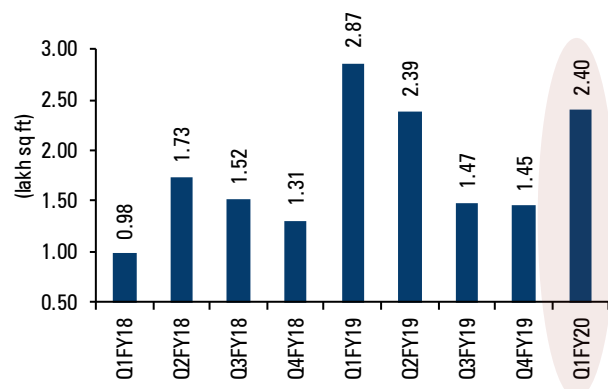
Source: Company, ICICI Direct Research

## Conference Call Highlights

- Subvention schemes:** Recently, the National Housing Bank (NHB) advised housing finance companies (HFC) to desist from offering schemes in which developer's service loans on behalf of borrowers, citing rampant fraud in such subvention schemes. The management sees this move as a positive development that could further accelerate consolidation within the sector. Nonetheless, with ORL offering subvention schemes to customers whose loans are already approved by banks, the company plans to continue to offer bank-driven subvention schemes at its various projects
- Sales volumes:** ORL clocked sales volume growth of 65.3% QoQ to 2.4 lsf in Q1FY20. Sales growth was on account of robust sales at its Sky City project aided by subvention scheme. Overall, it reported sales value of ₹ 401.1 crore and achieved collections worth ₹ 408.3 crore in Q1FY20. The management clarified that realisation at certain projects like Esquire, Eternia, etc, are optically lower on account of sales mix
- Launch pipeline:** The company plans to launch Exquisite Phase-III at Goregaon and Thane project around Diwali
- Sky City project:** ORL achieved 1.24 lsf sales volume at this project in Q1FY20. Subvention scheme at the project drove 30-40% of sales while balance sales was through construction-linked plan. The company is aiming to finish Tower B in coming one month. ORL has, till date, sold 70% of the five already launched towers. While the other three towers are under construction, the company shall launch these towers after achieving higher satisfactory sales at the already launched towers
- Worli residential project:** The project is likely to hit revenue recognition in Q2FY20. While RERA date for completion of the Worli project is December, 2020, OC is expected to be received by December, 2019. The management highlighted that the JV partner for the Worli project has mortgaged its stake with NBFC. However, the management believes this will not have any impact as the project sales and collections are under ORL's control
- Investment properties:** Oberoi Mall reported good revenue growth by 11.4% YoY to ₹ 39.6 crore mainly on account of 12.3% YoY rental rate growth to ₹ 247/sq ft per month in Q1FY20. The company achieved 95.7% occupancy at Commerz-II, which aided 79.8% YoY growth in revenues to ₹ 29.8 crore at a rental rate of ₹ 143/sq ft per month (19.2% YoY growth) in Q1FY20
- Upcoming annuity portfolio:** Construction work at Worli and Borivali malls is in full swing. Construction work on the ground floor of the Borivali mall is completed. The company plans to launch the mall in November, 2020. At the Worli mall, excavation work is complete and the mall is expected to be launched one year after launch of Borivali mall. While malls are not yet opened for leasing, ORL sees minimal challenge on leasing out these assets

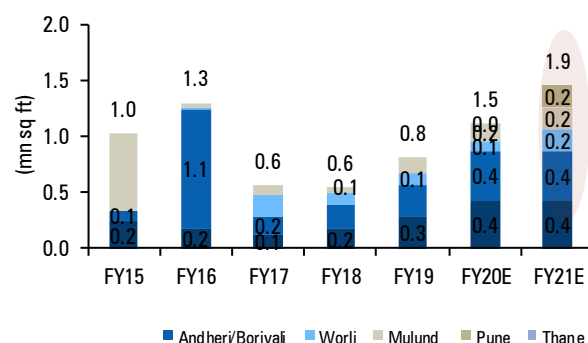
## Company Analysis

**Exhibit 4: Quarterly sales volumes trend**



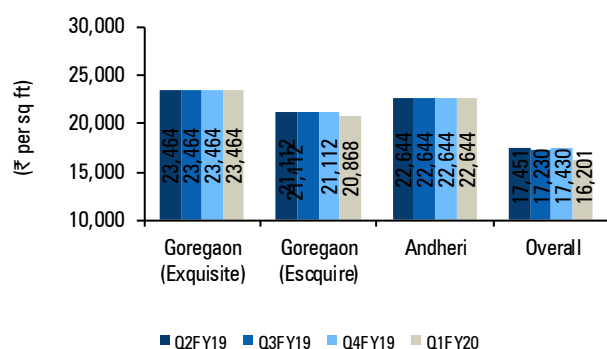
Source: Company, ICICI Direct Research

**Exhibit 5: Sales volumes to improve from here on**



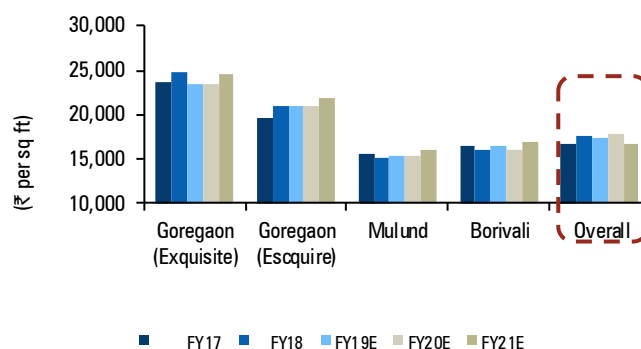
Source: Company, ICICI Direct Research

**Exhibit 6: Quarterly average realisation trend**



Source: Company, ICICI Direct Research

**Exhibit 7: Annual realisation trend across projects**



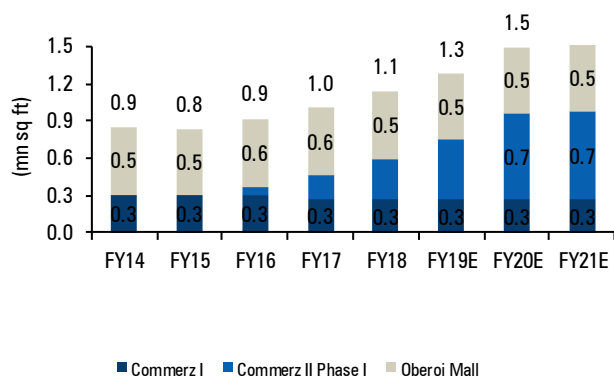
Source: Company, ICICI Direct Research

**Exhibit 8: Ongoing residential projects operational metrics**

Particulars	Q1FY20	Q4FY19	Q3FY19	Q2FY19	Q1FY19
<b>Area Booked (sq ft)</b>					
Oberoi Esquire	63204	46700	29865	52322	129633
Oberoi Exquisite	-	-	1690	17030	5070
Three Sixty West	1821	24420	-2052	51583	35324
Priviera	-	-	-	-	-
Prisma	8004	-	-	8397	14588
Eternia	20260	9970	21840	24170	30190
Enigma	22541	12580	20738	7650	14005
Sky City	124138	51508	75195	77482	57879
<b>Total</b>	<b>239,968</b>	<b>145,178</b>	<b>147,276</b>	<b>238,634</b>	<b>286,689</b>
<b>Sales Value (₹ crore)</b>					
Oberoi Esquire	124.1	97.8	66.7	110.5	267.4
Oberoi Exquisite	-	-	4.4	40.0	12.0
Three Sixty West	11.5	105.1	(13.8)	223.9	166.4
Priviera	-	-	-	-	-
Prisma	16.4	-	-	17.3	26.3
Eternia	27.1	14.8	32.3	34.6	42.3
Enigma	34.3	17.5	32.3	10.9	20.0
Sky City	187.7	83.9	119.7	130.4	89.1
<b>Average Realization for the quarter (₹/sq ft)</b>					
Oberoi Esquire	19,631	20,942	22,334	21,112	20,626
Oberoi Exquisite	-	-	26,133	23,464	23,669
Three Sixty West	-	43,053	-	43,402	47,112
Priviera	-	-	-	-	-
Prisma	20,528	-	-	20,555	18,049
Eternia	13,382	14,818	14,788	14,332	14,011
Enigma	15,234	13,872	15,566	14,246	-
Sky City	15,119	16,281	15,921	16,830	15,389
<b>Project Completion (%)</b>					
Oberoi Esquire	100.0	100.0	100.0	100.0	97.4
Oberoi Exquisite	100.0	100.0	100.0	100.0	100.0
Three Sixty West	*	*	*	*	*
Priviera	100.0	100.0	100.0	100.0	100.0
Prisma	100.0	100.0	100.0	100.0	82.7
Eternia	49.0	42.0	34.0	28.0	*
Enigma	*	*	*	*	*
Sky City	56.0	49.0	40.0	32.0	26.0
<b>Inventory as on Date (sq ft)</b>					
Oberoi Exquisite	121645	121645	121645	123335	140365
Three Sixty West	1728981	121645	1755222	1753170	1804753
Priviera **	0	0	0	0	0
Prisma	28750	36754	36754	36754	45151
Eternia#	566470	586730	434690	328080	243720
Enigma#	861851	884392	662419	497506	417134
Sky City#	838591	962729	954134	560162	632740

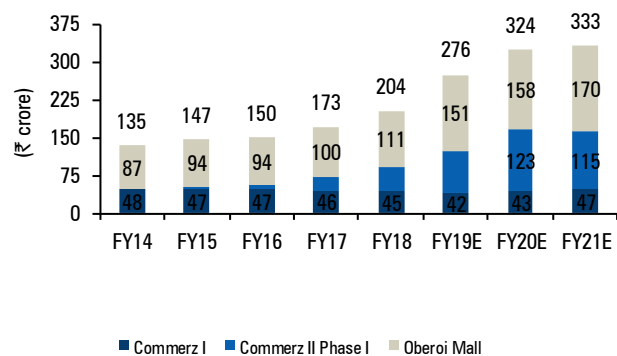
Source: Company, ICICI Direct Research

**Exhibit 9: Leasing trend**



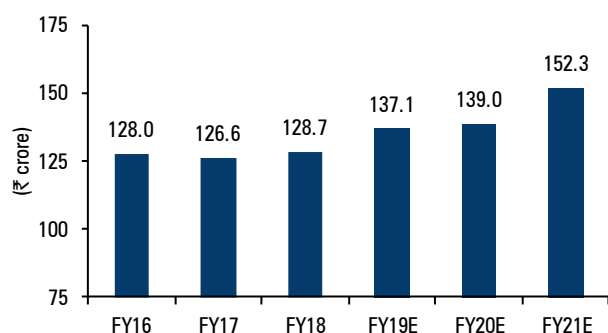
Source: Company, ICICI Direct Research

**Exhibit 10: Leasing revenue trend**



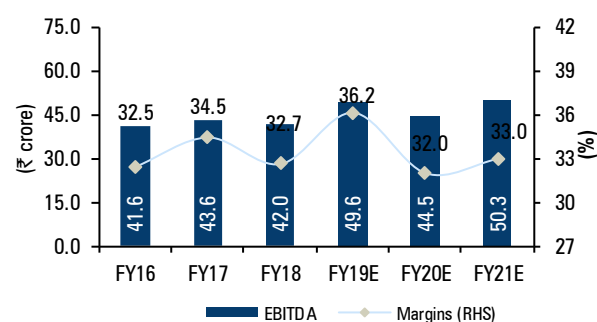
Source: Company, ICICI Direct Research

**Exhibit 11: Hotel revenue trend**



Source: Company, ICICI Direct Research

**Exhibit 12: Westin's operating profit trend**



Source: Company, ICICI Direct Research

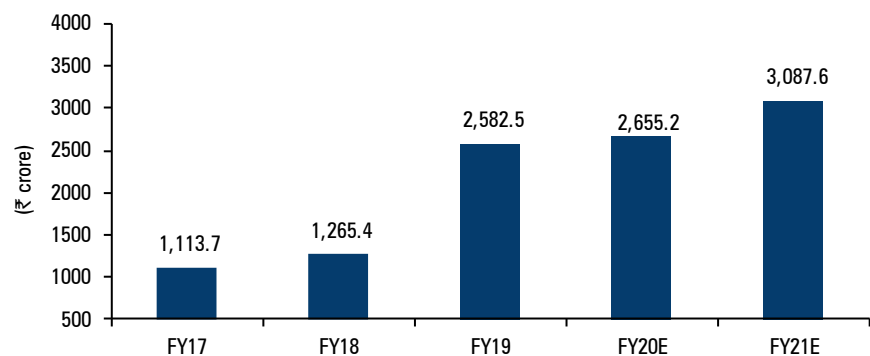
**Exhibit 13: Operational trend in Oberoi's rental and hospitality portfolio**

Particulars	Q1FY20	Q4FY19	Q3FY19	Q2FY19	Q1FY19
<b>Oberoi Mall (Retail Property)</b>					
Operating Revenue (₹ crore)	39.6	39.0	38.9	37.5	35.4
EBITDA margin (%)	95.5	95.9	95.5	95.1	94.0
Occupancy (%)	96.6	96.7	96.9	96.9	97.3
Realisation (₹/sqft/month)	247	243	242	233	220
<b>Commerz I (Commercial Space)</b>					
Operating Revenue (₹ crore)	10.4	10.4	10.4	10.1	10.7
EBITDA margin(%)	94.9	97.1	94.8	97.8	98.3
Occupancy (%)	77.4	77.4	77.7	77.7	78.5
Realisation (₹/sqft/month)	141	141	140	136	143
<b>Commerz II Phase I (Commercial Space)</b>					
Operating Revenue (₹ crore)	29.9	25.7	22.6	18.5	16.6
EBITDA margin(%)	93.5	92.7	90.8	89.0	87.5
Occupancy (%)	95.7	74.4	63.7	63.4	63.4
Realisation (₹/sqft/month)	143	136	141	134	120
<b>The Westin Mumbai Garden City (Hospitality)</b>					
Operating Revenue (₹ crore)	32.1	37.2	36.9	32.1	30.9
EBITDA margin(%)	32.0	39.2	37.1	33.2	34.5
Average Room Rate (₹)	8946	9905	9712	8715	8366
Occupancy (%)	79.9	84.3	80.2	81.1	84.3
RevPAR (₹)	7148	8360	7775	7055	7052

Source: Company, ICICI Direct Research

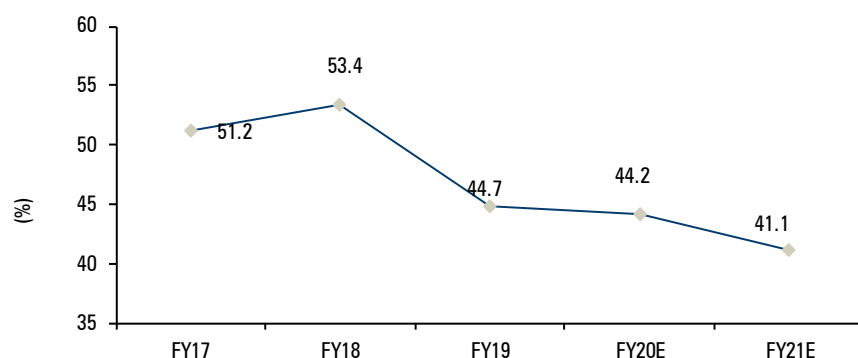
## Financial story in charts

**Exhibit 14: Revenues to grow at 9.3% CAGR in FY19-21E**



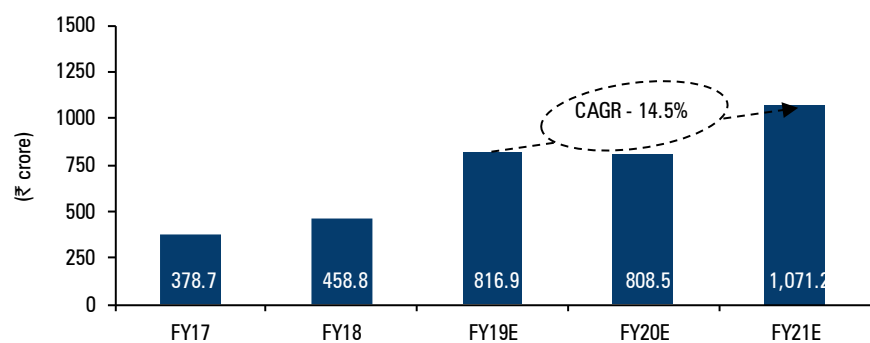
Source: Company, ICICI Direct Research

**Exhibit 15: EBITDA margin trends**



Source: Company, ICICI Direct Research

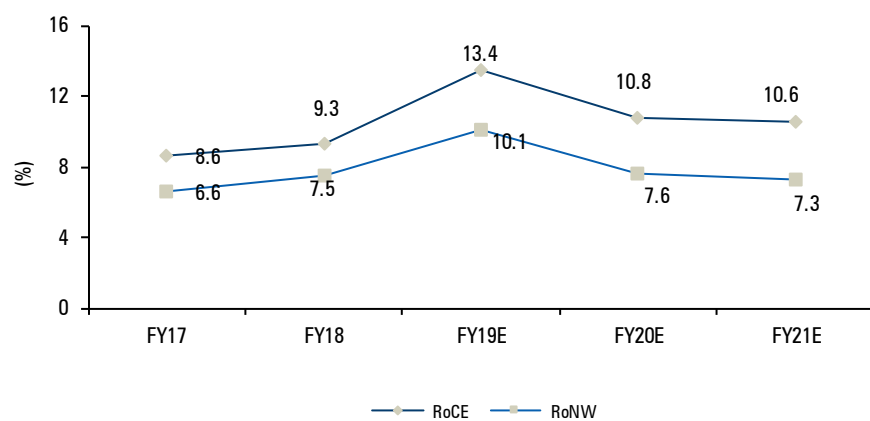
**Exhibit 16: PAT to grow at 14.5% CAGR in FY19-21E**



Source: Company, ICICI Direct Research



**Exhibit 17: Return ratios trend**



Source: Company, ICICI Direct Research

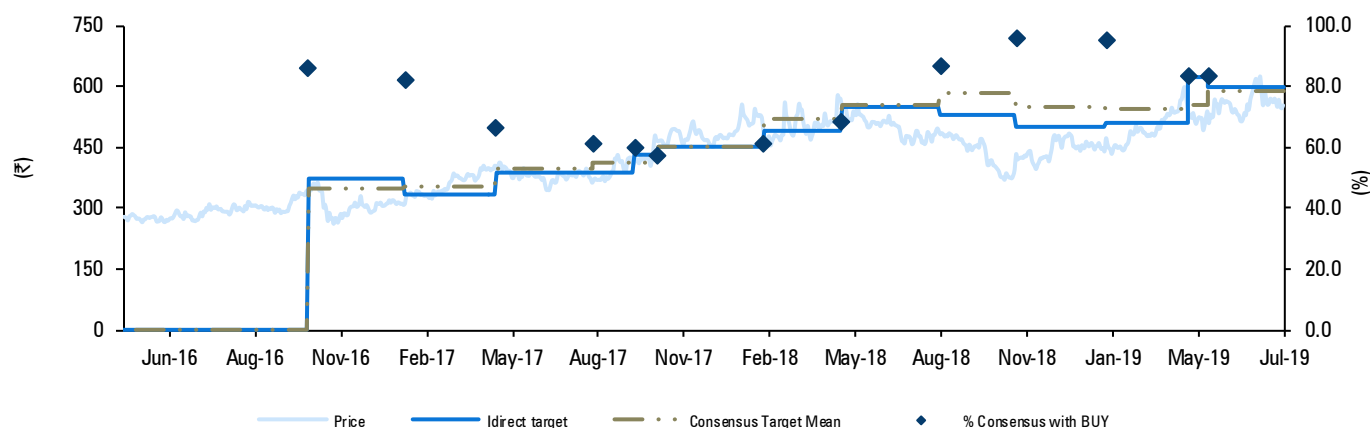
## Valuation & Outlook

We like ORL given quality of land bank, healthy balance sheet & management bandwidth to execute large projects. Also, ramp up in its annuity portfolio would provide stable secure cash flows, going ahead. However, following the NHB circular on subvention scheme, residential sales momentum could be impacted in the interim until launch of Goregaon & Thane projects. We downgrade the stock to **HOLD** recommendation with a TP of ₹ 590/share.

Exhibit 18: Valuation

Location	Type	Status	Saleable Area ( in mn sq ft)	NAV	NAV Multiple	Value (₹ cr)	₹/share
<b>Goregaon</b>			<b>10.1</b>	<b>8,990.2</b>		<b>8,990.2</b>	<b>247.3</b>
Oberoi Mall	Retail	Completed	0.6	1,889.8	1.0	1,889.8	52.0
Commerz I	Commercial	Completed	0.4	513.2	1.0	513.2	14.1
Westin	Hotel	Completed	0.4	983.2	1.0	983.2	27.0
Exquisite I	Residential	Ongoing	1.5	259.4	1.0	259.4	7.1
Exquisite II	Residential	Ongoing	1.5	610.3	1.0	610.3	16.8
Commerz II Phase I	Commercial	Ongoing	0.7	1,287.0	1.0	1,287.0	35.4
Exquisite III	Residential	Planned	1.9	1,013.0	1.0	1,013.0	27.9
Commerz II Phase II	Commercial	Planned	1.7	2,322.3	1.0	2,322.3	63.9
Oberoi International school	Social Infrastructure	Ongoing	0.3				
Education complex		Planned	0.9	111.9	1.0	111.9	3.1
Hospital		Planned	0.4				
<b>Andheri/Khar/Borivali</b>			<b>3.1</b>	<b>5,288.3</b>		<b>5,288.3</b>	<b>145.4</b>
Oberoi Maxima	Commercial	Ongoing	0.3	246.9	1.0	246.9	6.8
Oberoi Prisma	Residential	Ongoing	0.7	36.9	1.0	36.9	1.0
Oberoi Splendour IT park	Commercial	Planned	0.1	77.2	1.0	77.2	2.1
Oberoi Splendour school	Social Infrastructre	Planned	0.4	14.7	1.0	14.7	0.4
Borivali	Residential	Ongoing	4.5	2,942.1	1.0	2,942.1	80.9
Borivali	Mall	Planned	1.6	1,970.5	1.0	1,970.5	54.2
<b>Worli</b>			<b>3.6</b>	<b>2,353.1</b>		<b>2,353.1</b>	<b>64.7</b>
Oasis Residential	Residential	Ongoing	2.3	627.9	1.0	627.9	17.3
Oasis Hospitality	Hospital	Ongoing	0.3	586.5	1.0	586.5	16.1
I-Ventures	Mall	Planned	1.0	1,138.7	1.0	1,138.7	31.3
<b>Thane</b>	Residential	Planned	10.2	3,484.8	1.0	3,484.8	95.8
<b>Mulund</b>			<b>3.2</b>	<b>1,252.1</b>		<b>1,252.1</b>	<b>34.4</b>
Eternia	Residential	Ongoing	1.6	715.1	1.0	715.1	19.7
Enigma	Residential	Ongoing	1.6	448.9	1.0	448.9	12.3
Mulund Commercial	Commercial	Planned	0.1	88.1	1.0	88.1	2.4
<b>Pune</b>			<b>1.3</b>	<b>115.6</b>		<b>115.6</b>	<b>3.2</b>
Sangam city - Residential	Residential	Planned	0.8	52.3	1.0	52.3	1.4
Sangam city - Commercial	Commercial	Planned	0.3	33.7	1.0	33.7	0.9
Sangam city - Retail	Retail	Planned	0.3	29.7	1.0	29.7	0.8
<b>Net cash/ (Debt)</b>				<b>(109.4)</b>	<b>1.0</b>	<b>(109.4)</b>	<b>(3.0)</b>
<b>Total</b>			<b>31.6</b>	<b>21,374.7</b>	<b>1.0</b>	<b>21,374.7</b>	<b>588</b>
<b>Rounded off Target price</b>							<b>590</b>

Source: Company, ICICI Direct Research

**Exhibit 19: Recommendation History vs. Consensus**


Source: Bloomberg, Company, ICICI Direct Research

**Exhibit 20: Top 10 Shareholders**

Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1	Oberoi (Vikas Ranvir)	31-Mar-19	58.5%	212.9	0.0
2	R S Estate Developers Pvt. Ltd.	31-Mar-19	9.2%	33.3	0.0
3	OppenheimerFunds, Inc.	31-Mar-19	2.9%	10.6	6.5
4	Fidelity Management & Research Company	31-May-19	1.7%	6.2	0.1
5	Franklin Templeton Investment Management Ltd.	31-Mar-19	1.6%	5.7	5.7
6	Reliance Nippon Life Asset Management Limited	31-Mar-19	1.4%	5.2	-0.3
7	APG Asset Management N.V.	31-Mar-19	1.3%	4.9	0.7
8	L&T Investment Management Limited	31-Mar-19	1.2%	4.3	0.5
9	Wellington Management Company, LLP	31-Mar-19	1.1%	4.2	0.3
10	The Vanguard Group, Inc.	30-Jun-19	1.0%	3.5	0.0

Source: Reuters, ICICI Direct Research

**Exhibit 21: Recent Activity**

Buys			Sells		
Investor name	Value (m)	Shares (m)	Investor name	Value (m)	Shares (m)
OppenheimerFunds, Inc.	49.3	6.5	TT International	-11.7	-1.5
Franklin Templeton Investment Management Ltd.	43.8	5.7	Fidelity International	-3.2	-0.4
Caisse de Depot et Placement du Quebec	5.0	0.8	Norges Bank Investment Management (NBIM)	-2.1	-0.3
APG Asset Management N.V.	5.3	0.7	Reliance Nippon Life Asset Management Limited	-1.9	-0.3
L&T Investment Management Limited	3.9	0.5	Legato Capital Management LLC	-1.9	-0.3

Source: Reuters, ICICI Direct Research

**Exhibit 22: Shareholding Pattern**

(in %)	Dec-18	Mar-19	Jun-19
Promoter	67.7	67.7	67.7
FII	25.4	25.4	26.1
DII	4.5	4.5	3.9
Others	2.4	2.4	2.4

Source: Company, ICICI Direct Research

## Financial summary

Exhibit 23: Profit and loss statement ₹ crore				
(Year-end March)	FY18	FY19	FY20E	FY21E
<b>Net Sales</b>	<b>1,265.4</b>	<b>2,582.5</b>	<b>2,655.2</b>	<b>3,087.6</b>
Other Operating Income	0.0	0.0	0.0	0.0
Total Operating Income	1,265.4	2,582.5	2,655.2	3,087.6
Growth (%)	13.6	104.1	2.8	16.3
Operating Costs	467.9	1,247.2	1,292.3	1,621.8
Employee Expenses	67.2	73.4	77.0	80.9
Other Expenses	55.1	106.6	111.9	117.5
Total Operating Expenditure	590.1	1,427.1	1,481.2	1,820.1
<b>EBITDA</b>	<b>675.3</b>	<b>1,155.4</b>	<b>1,174.0</b>	<b>1,267.5</b>
Growth (%)	18.5	71.1	1.6	8.0
Depreciation	49.1	44.0	57.4	60.9
Interest	6.9	19.4	37.4	56.0
Other Income	26.6	78.8	42.5	28.7
PBT	645.9	1,170.7	1,121.8	1,179.2
Prior Period Adjustments	0.0	0.0	0.0	0.0
Total Tax	190.7	360.7	370.2	389.1
PAT before profit from associates	455.2	810.0	751.6	790.1
Minority Interest	0.0	0.0	0.0	0.0
Profit from associates	3.6	6.9	56.9	281.2
<b>PAT</b>	<b>458.8</b>	<b>816.9</b>	<b>808.5</b>	<b>1,071.2</b>
EPS (₹)	12.6	22.5	22.2	29.5

Source: Company, ICICI Direct Research

Exhibit 24: Cash flow statement ₹ crore				
(Year-end March)	FY18	FY19E	FY20E	FY21E
<b>Profit after Tax</b>	<b>458.8</b>	<b>816.9</b>	<b>808.5</b>	<b>1,071.2</b>
Depreciation	49.1	44.0	57.4	60.9
Interest	6.9	19.4	37.4	56.0
Others	-23.4	-85.7	-14.4	-252.5
Net Increase in Current Assets	-452.8	11.1	-1062.6	-1,112.2
Net Increase in Current Liabilities	-224.3	-924.6	69.0	349.6
<b>Net cf from operating activities</b>	<b>-205.8</b>	<b>-111.0</b>	<b>-104.8</b>	<b>173.1</b>
(Purchase)/Sale of Fixed Assets	-77.3	-142.7	-735.7	-769.9
Others	-23.4	-85.7	-14.4	-252.5
<b>Net cf from Investing Activities</b>	<b>-588.3</b>	<b>-575.7</b>	<b>-721.2</b>	<b>-517.4</b>
Inc / (Dec) in Equity Capital	1.7	1,242.4	1,200.0	2.4
Inc / (Dec) in Loan Funds	854.6	-108.3	0.0	0.0
(Payment) of Dividend & Div. Tax	-81.7	-122.5	-121.3	-160.7
Interest paid	-99.6	-19.4	-37.4	-56.0
<b>Net cf from Financing Activities</b>	<b>675.0</b>	<b>992.2</b>	<b>1,041.4</b>	<b>-214.3</b>
<b>Net Cash flow</b>	<b>-119.1</b>	<b>305.5</b>	<b>215.4</b>	<b>-558.7</b>
Opening Cash/Cash Equivalent	235.9	116.8	422.3	637.6
<b>Closing Cash/ Cash Equivalent</b>	<b>116.8</b>	<b>422.3</b>	<b>637.6</b>	<b>79.0</b>

Source: Company, ICICI Direct Research

Exhibit 25: Balance sheet ₹ crore				
(Year-end March)	FY18	FY19E	FY20E	FY21E
Equity Capital	339.6	363.6	363.6	363.6
Preference Capital	0.0	0.0	0.0	0.0
Reserve and Surplus	5,752.8	7,665.6	9,552.8	10,465.8
Total Shareholders funds	6,092.4	8,029.2	9,916.4	10,829.4
Total Debt	944.4	836.1	836.1	836.1
<b>Total Liabilities</b>	<b>10,225</b>	<b>11,129</b>	<b>13,085</b>	<b>14,347</b>
Assets				
Gross Block	1,123.5	1,253.6	1,303.6	1,353.6
Less Accumulated Depreciation	147.0	191.0	248.4	309.3
Net Block	976.5	1,062.5	1,055.2	1,044.3
Capital WIP	112.5	125.1	810.8	1,530.7
Total Fixed Assets	1,089.0	1,187.7	1,865.9	2,575.0
Goodwill on consolidation	0.0	0.0	0.0	0.0
Investments	2,424.2	2,942.8	2,942.8	2,942.8
Inventory	4,246.7	4,165.5	4,934.8	5,659.9
Debtors	181.3	109.4	225.2	266.4
Loans and Advances	1,874.9	1,946.7	2,124.2	2,470.1
Cash	116.7	425.3	637.6	79.0
Other Current Assets	146.2	216.4	216.4	216.4
Total Current Assets	6,565.8	6,863.3	8,138.2	8,691.7
Creditors	3,183.5	2,258.9	2,327.9	2,677.5
Provisions	4.4	4.4	4.4	4.4
Net Current Assets	3,378.0	4,600.0	5,805.9	6,009.8
Deferred Tax Assets	145.8	134.8	134.8	134.8
<b>Total Assets</b>	<b>10,225</b>	<b>11,129</b>	<b>13,085</b>	<b>14,347</b>

Source: Company, ICICI Direct Research

Exhibit 26: Key ratios				
(Year-end March)	FY18	FY19E	FY20E	FY21E
<b>Per share data (₹)</b>				
EPS	12.6	22.5	22.2	29.5
Cash EPS	14.0	23.7	23.8	31.1
BV	167.6	220.8	272.7	297.8
Operating profit per share	18.6	31.8	32.3	34.9
Cash Per Share	3.2	11.7	17.5	2.2
<b>Operating Ratios (%)</b>				
EBITDA Margin	53.4	44.7	44.2	41.1
PBT / Net Sales	51.0	45.3	42.2	38.2
PAT Margin	36.0	31.4	28.3	25.6
Inventory days	1,225	589	678	669
Debtor days	52	15	31	31
Creditor days	920	320	321	317
<b>Return Ratios (%)</b>				
RoE	7.5	10.1	7.6	7.3
RoCE	9.3	13.4	10.8	10.6
RoIC	14.8	21.2	17.9	17.3
<b>Valuation Ratios (x)</b>				
P/E	43.6	24.5	24.7	18.7
EV / EBITDA	27.3	15.1	14.7	14.1
EV / Net Sales	14.5	6.8	6.5	5.8
Market Cap / Sales	15.8	7.7	7.5	6.5
Price to Book Value	3.3	2.5	2.0	1.8
<b>Solvency Ratios (x)</b>				
Debt / EBITDA	1.4	0.7	0.7	0.7
Debt / Equity	0.2	0.1	0.1	0.1
Current Ratio	2.0	2.8	3.2	3.2
<b>Quick Ratio</b>	<b>0.7</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>

Source: Company, ICICI Direct Research

**Exhibit 27: ICICI Direct coverage universe (Real Estate)**

Sector / Company	CMP		Rating	M Cap (₹ Cr)	EPS (₹)			P/E (x)		EV/EBITDA (x)			P/B (x)		RoE (%)				
	(₹)	TP(₹)			FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E	FY19E	FY20E	FY21E
Oberoi Realty (OBEREAA)	550	590	Hold	19,998	22.5	22.2	29.5	24.5	24.7	18.7	15.1	14.7	14.1	2.5	2.0	1.8	10.1	7.6	7.3
Mahindra Lifespace (MAHLIF)	381	410	Hold	1,956	23.3	27.5	28.3	16.3	13.9	13.5	63.1	56.8	33.1	0.9	0.9	0.8	5.6	6.3	6.2
Sobha (SOBDEV)	537	620	Buy	5,266	31.3	35.3	43.0	17.1	15.2	12.5	11.2	10.3	8.5	2.3	2.1	1.9	13.3	13.7	15.1
Sunteck Realty (SUNRE)	470	520	Hold	6,594	16.2	21.3	26.4	29.1	22.1	17.8	18.2	14.1	11.4	2.3	2.1	1.9	8.0	9.7	10.9
The Phoenix Mills (PHOMIL)	615	765	Buy	9,418	27.5	23.1	25.6	22.4	26.7	24.0	13.5	12.6	12.0	2.5	2.2	2.0	9.8	8.4	8.5
Brigade Enterprises (BRIENT)	234	330	Buy	3,198	17.6	18.0	10.0	13.3	13.1	23.4	8.2	8.6	8.7	1.4	1.3	1.2	10.3	9.9	5.3

Source: Company, ICICI Direct Research

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Reduce: -15% to -5%;

Sell: <-15%



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