24 March 2025

Company Update | Sector: Real Estate

DLF

BSE SENSEX	S&P CNX
76,906	23,350

CMP: INR698 **TP: INR954 (+37%)** **Buy**

Focusing on sustainable and profitable growth ahead

We attended DLF's Analyst Day, which included visits to several projects followed by a meeting with management. The company laid out its detailed future roadmap for both business segments—development and annuity—highlighting an incremental potential of 27msf due to its revised TOD/TDR potential. Management is focused on sustainable and profitable growth, guided by a strong launch pipeline and under-development annuity assets, along with a strategically located land bank. However, we have not considered the incremental potential for our calculations due to the revised TOD/TDR potential. DLF has a strong portfolio of luxury residential projects that have received an extraordinary response at launches. Gurugram is emerging as a destination for uber-luxury residences, where DLF has an absolute monopoly. With pre-sales expected to clock a 20% CAGR over FY24-27, coupled with healthy collections visibility, a large land bank to support long-term growth, a cash-positive balance sheet, steadily growing rental income, and reducing debt, our confidence in DLF remains strong. Reiterate BUY with a TP of INR954.

Analyst meet highlights

- **Strong financial growth and shareholder commitment:** DLF reported over INR130b in revenue and more than INR70b in EBITDA in FY24, marking steady and rapid growth over the past five years. The company has consistently maintained dividend payments for 17 years, with a notable increase in recent years, reflecting its commitment to shareholder value.
- **Focused debt reduction and financial discipline:** Reducing net debt has remained a central focus. Over the past five years, DLF has brought down its net debt from INR240b to INR147b, a reduction of ~INR95b. This progress was accompanied by a decline in net debt/EBITDA ratio to ~2.5x as of December-end, driven by strong operational performance.
- **Core business structure and strategy:** DLF's operations center around two core businesses: development and annuity. Both business verticals are analyzed separately, with insights into their performance and strategic direction.
- **Land bank strength and business philosophy:** The company holds a high-quality land bank acquired at opportune times. This land bank is primed for high-value monetization in the coming years. DLF's customer-centric philosophy remains paramount and is continually emphasized across the organization. In addition, the company prioritizes margins and cash flow, considering them as two critical pillars of business development and performance tracking.
- **Conservative accounting approach:** DLF follows a conservative accounting policy, which means its financial statements may not immediately reflect current activities. Revenue is recognized only after project completion, typically with a lag of 3-5 years. As such, recent strong sales and operational performance will be reflected in future financials.

Bloomberg	DLFU IN
Equity Shares (m)	2475
M.Cap.(INRb)/(USDb)	1722.6 / 20
52-Week Range (INR)	968 / 622
1, 6, 12 Rel. Per (%)	-1/-11/-24
12M Avg Val (INR M)	3116

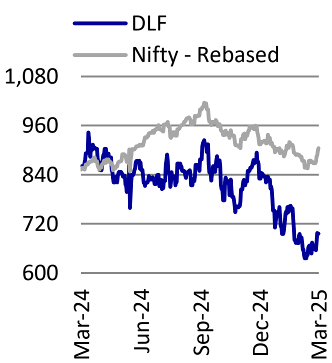
Financials & Valuations (INR b)

Y/E Mar	FY25E	FY26E	FY27E
Sales	68.3	74.8	57.0
EBITDA	16.2	26.3	12.3
EBITDA Margin (%)	23.7	35.2	21.6
PAT	14.8	43.3	32.3
EPS (INR)	6.0	17.5	13.0
EPS Gr. (%)	-45.5	191.7	-25.4
BV/Sh. (INR)	231.8	251.9	265.8
Ratios			
RoE (%)	3.7	10.0	7.0
RoCE (%)	4.1	4.5	2.0
Payout (%)	27.9	17.1	23.0
Valuations			
P/E (x)	116.3	39.9	53.5
P/BV (x)	3.0	2.8	2.6
EV/EBITDA (x)	103.9	63.5	132.9
Div yld (%)	0.4	0.4	0.4

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	74.1	74.1	74.1
DII	4.9	4.7	5.5
FII	16.4	16.7	15.8
Others	4.7	4.6	4.7

Stock's performance (one-year)



Abhishek Lodhiya – Research Analyst (Abhishek.Lodhiya@MotilalOswal.com)

Yohan Batliwala – Research Analyst (Yohan.Batliwala@MotilalOswal.com)

- **Exceptional sales performance in FY24:** For the current fiscal year, DLF achieved approximately INR192b in new sales bookings. Project launches such as Privana South, Privana West, and Dhalias, particularly in the super-luxury segment, received exceptional market response, exceeding expectations. The company had to prioritize allocations due to oversubscription, highlighting the high demand for its offerings.
- **Margins and revenue recognition outlook:** Strong sales have been complemented by superior margins. As of Apr'20, DLF had INR94b of unrecognized margins. Since then, an additional INR257b in margins has been booked, with INR138b already realized in financial statements. As of Dec'24, over INR201b in residual margin is yet to be recognized and will be progressively reflected in P&L as projects are completed.
- **Operating cash flow and strategic investments:** Despite significant investment in land acquisition and approvals, DLF continues to generate robust operating cash flows. For instance, the acquisition of strategic parcels like Sector 61, located across from Golf Course Road, is expected to be highly value-accretive.
- **Strong liquidity position:** The company has achieved a net cash position of INR45b as of December-end, with INR71b held in RERA-regulated accounts. This liquidity serves as a foundation for growth and debt management.
- **Customer returns and investment performance:** Over a 10- to 15-year period, DLF projects have delivered strong long-term returns to customers across all categories: Super-Luxury at ~17-18% CAGR, Luxury at ~11-12% CAGR, Premium at ~9-10% CAGR. These returns are competitive with traditional asset classes like equities, debt, and gold.
- **Medium-term launch pipeline and execution:** DLF's medium-term launch pipeline consists of 37msf, with a GDV of INR1.15t. As of 9MFY25, ~35% of this pipeline (INR406b) has been launched and another ~15% (INR172b) is expected to be launched in FY26. This reflects that 50% of the defined launch pipeline is already underway.
- **Inventory and gross margin potential:** From the launched projects worth INR406b, INR174b has already been sold. The remaining INR232b in inventory will contribute significantly to future cash flows. The combined gross margin potential from sold and unsold launched projects is estimated at INR371b.
- **Future margin contributions:** Additionally, future pipeline projects are expected to contribute another INR300b in margin, bringing the total medium-term gross margin potential to ~INR670b.
- **Projected cash realization:** If these margins are converted into cash, DLF has INR90b of cash as of Dec'24, while receivables from sold inventory total INR300b. Project execution costs are estimated at INR200b, resulting in potential cash realization of INR190b from launched projects. Further, by adding another INR240b from unsold inventory (net of expenses), DLF projects generating INR430b in cash from launched projects alone.
- **Net cash surplus forecast:** After deducting operating expenses, taxes, and interest (estimated at INR170-190b), DLF expects a net medium-term cash surplus of approximately INR250b. New pipeline launches are anticipated to generate another INR240-260b, potentially bringing the total cash surplus to INR500b.
- **Land bank reassessment and long-term potential:** DLF reassessed its land development potential, revising it from 169msf to 196msf based on updated zoning and TOD/TDR regulations. Of this, 23msf is under development, 29msf is

in the pipeline, and 144msf remains as residual developable land bank. This inventory is expected to sustain development operations for the next 20 years. Segment-wise, super-luxury, luxury, and premium/commercial land bank assets carry margin expectations of 65%+, 40%+, and 30%+ respectively. Overall, the group targets a long-term gross margin of 45%+ from its development business.

- **Commitment to responsible growth:** DLF emphasized the importance of not chasing speculative growth or sales bookings. The focus remains on building communities, maintaining quality, and carefully managing the buyer mix—prioritizing end-users and long-term investors while avoiding speculative buyers. The company is committed to fostering customer loyalty, supporting distressed customers, and proactively managing receivables. Typically, as many as 25% of buyers exit early, and DLF facilitates these exits by prioritizing resale inventory before selling new units.
- **Land monetization strategy and upgrade potential:** With ~85msf of premium-segment land available, the company is confident that portions of this will upgrade to luxury or super-luxury status as market dynamics evolve. Not all land parcels will be monetized; 5-10% may be sold outright if they do not meet strategic criteria.
- **Geographic and segment focus:** DLF's geographic focus will remain on NCR (including Gurugram, Delhi, Noida), North India (e.g. Chandigarh), and Mumbai. The company is not inclined to expand into new regions unless the opportunity is both compelling and scalable.
- **Approach to affordability and mid-income segment:** While committed to affordability in concept, the company will continue to focus on premium offerings due to land cost and execution constraints. However, successful low-rise premium housing experiments like Garden City Enclave demonstrate DLF's openness to serving the middle-income segment where viable.
- **Launch capacity and execution planning:** The company is cautious in managing its launch bandwidth. While 2-3 launches per year have been typical, DLF is well-equipped to handle 4-5 residential and 2-3 rental/commercial project launches annually starting from FY26.
- **Annuity business portfolio:** In the annuity business, DLF currently has 44msf of operational portfolio, including 39msf of office space and 4.3msf of retail space, with the hospitality and services verticals further complementing rentals. In 9MFY25, the annuity business generated INR57b in total revenue, including INR38b in rentals. It delivered over 36% PAT and maintained a net debt/EBITDA ratio of 3.6x. DLF plans to expand the annuity portfolio to 73 msf (60 msf office + 13 msf retail) in five years. Estimated capex is INR200b (INR120b for DCCDL and INR80b for DLF rentals/hospitality). Rental income is expected to reach INR100b by FY30. Current occupancy rates are – Office at ~93% (97% excluding SEZ), Retail at 98%, and New Projects at 95% pre-leased.
- **Synergy between development and annuity businesses:** DLF's rental business maintains high efficiency and significant embedded growth potential. In most cases, the land for future expansion is already paid for, improving return on capital. Both development and annuity businesses complement each other: development generates cash for annuity growth; annuity returns provide capital for future development. Together, they enable integrated community creation and sustain financial performance. DLF remains confident in its ability to deliver long-term value while maintaining focus, discipline, and capital prudence.

Exhibit 1: Downtown I & II

Source: Company, MOFSL

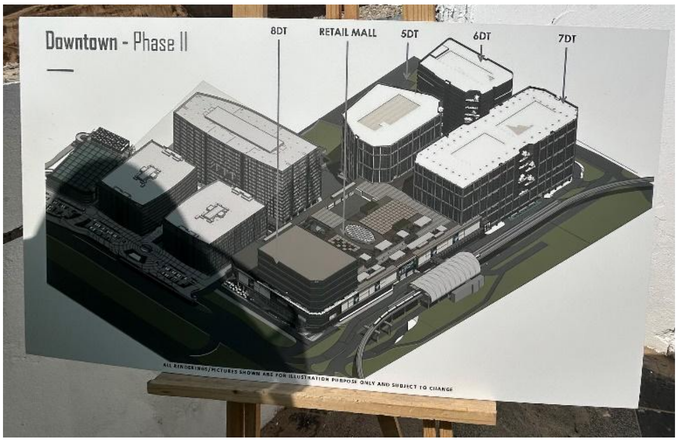
Exhibit 2: Excavation for Downtown VII & VIII with mall

Source: Company, MOFSL

Exhibit 3: Artistics Plan for Downtown

Source: Company, MOFSL

Exhibit 4: Downtown Phase II plan



Source: Company, MOFSL

Exhibit 5: Excavation for Downtown tower IV, V & VI

Source: Company, MOFSL

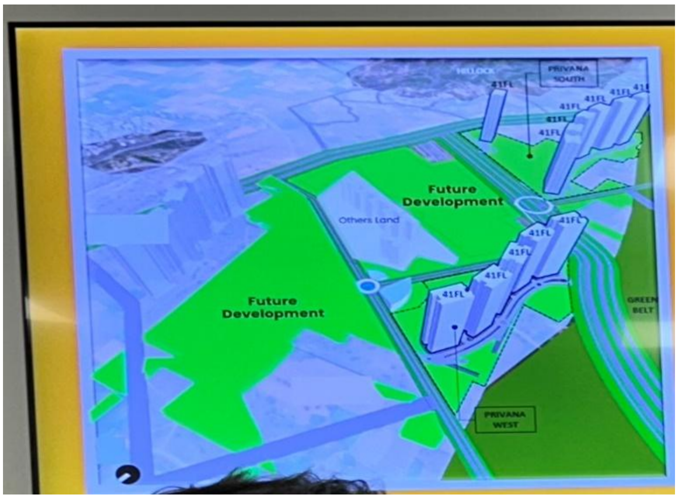
Exhibit 6: Arbour's under construction Tower B & C

Source: Company, MOFSL

Exhibit 7: Arbour's under construction Tower A

Source: Company, MOFSL

Exhibit 8: Privana site plan with future launch potential



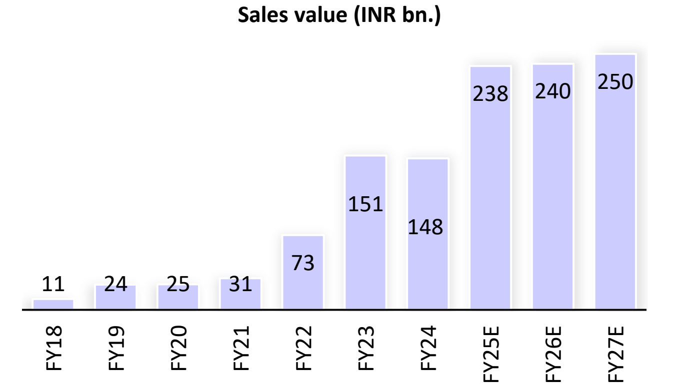
Source: Company, MOFSL

'The Dahlias' to drive 32% of the combined FY25-27 pre-sales

- While FY24 experienced flat bookings, DLF still achieved ~INR148b of pre-sales. About 82% of sales came from new launches, whereas 18% came from existing luxury projects – Camellias and Chennai land sales. Conversely in FY25, DLF surpassed its full-year pre-sales guidance in just nine months due to the ultra-luxury project launch 'The Dahlias', which clocked ~INR118b of sales in one quarter.
- In Dec'24, the total remaining unsold inventory stood at INR253b, of which ~90% belonged to 'The Dahlias' (INR230b; 247 units), which is expected to be sold out in the next 3-4 years. Inventory excluding 'The Dahlias' comprises ~48-50%-margin projects, while 'The Dahlias' can garner better numbers.
- Considering its 37msf of upcoming launches in the pipeline with a balance future potential of 131msf, we expect pre-sales to grow to INR250b by FY27, up ~20% CAGR from FY24. Over the three years (FY25-FY27), ~32% of the combined sales, is estimated to be achieved from The Dahlias.
- Of the 37msf launch pipeline, ~9msf is planned for FY25, whereas 28msf would be launched in the medium term. This brings its total launch pipeline potential to INR1,145b, of which INR704b is planned for the medium term. About 83% of these planned launches will be contributed by the Luxury segment with ~22msf of area to be launched.
- The Mumbai project (0.9msf) is expected to be launched in 4QFY25, while the super luxury projects in Goa and Privana Phase 3 are expected to be launched in the next 6-12 months.
- This strategic focus on luxury developments reflects the growing demand for high-end properties and is expected to significantly enhance the brand's market position. These launches will cater to an affluent clientele seeking top-tier amenities and exclusive living spaces, further strengthening the portfolio's value. As the market for luxury homes continues to expand, these developments are poised to play a key role in driving future growth and revenue generation.
- DLF is currently focusing its efforts on well-established markets, such as the National Capital Region (NCR), Tri-City, Mumbai Metropolitan Region (MMR), and Goa, all of which are supported by a substantial land bank. This strategic emphasis enables the company to capitalize on its existing assets while continuing to advance and expand within these pivotal regions. By targeting these high-demand areas, DLF is optimally positioned to unlock the full potential

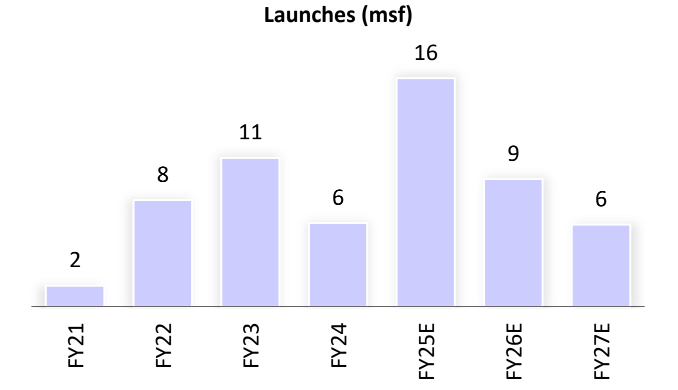
of its current landholdings. In the coming months, DLF is set to unveil several highly anticipated ventures, including transformative developments in Mumbai, Goa, and Privana Phase 3. These projects are anticipated to strengthen DLF's presence in sought-after markets, appealing to both astute investors and discerning homebuyers. With unwavering dedication to these initiatives and the vast scale of its landbank, DLF is well on track to surpass INR250b in sales. Moreover, the company's strategic land acquisitions and forward-thinking development projects ensure it is well-placed to sustain long-term growth and retain its leadership in premier real estate markets.

Exhibit 9: Pre-sales to grow to INR250b in FY27



Source: Company, MOFSL

Exhibit 10: Launches are estimated at 16msf in FY25E

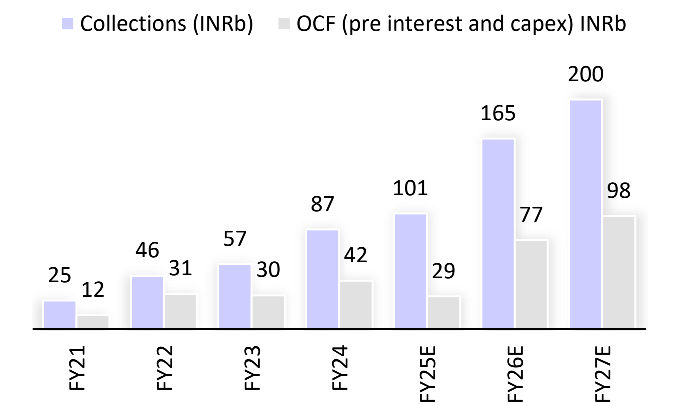


Source: Company, MOFSL

Collections and OCF to double; net cash position improves further

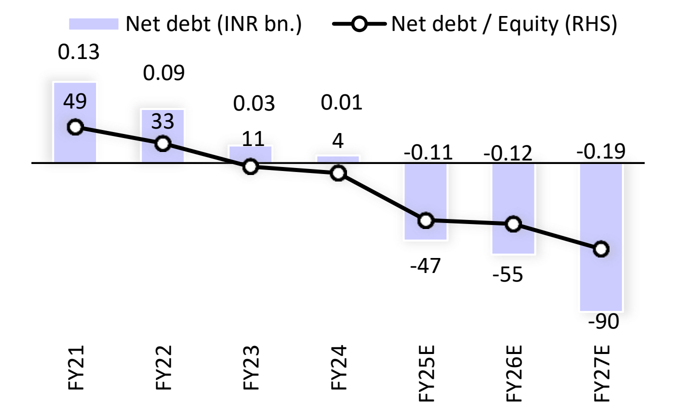
- Collections improved significantly in YTD FY25. While we see 66% of projects being constructed by FY27, we anticipate the collections to double to INR200b (at 32% CAGR) over FY24-27, where we estimate ~50% of combined collections (FY25-FY27) to come from Projects Dahlias and Privana.
- These impressive collections will also lead to an OCF (pre-interest and capex) of INR98b by FY27E, which are likely to clock a 33% CAGR. We estimate an average of INR3.5b of capex to be spent over FY25-27 resulting in NCF (post-interest and capex) at INR103b, 39% CAGR over FY25-27. NCF, post-interest, is higher due to the positive impact of interest from cash.
- The company is net cash at INR45b, and we expect the position to grow even stronger and will reach INR89b by FY27.

Exhibit 11: Residential collections to jump to INR200b by FY27



Source: Company, MOFSL

Exhibit 12: Net cash position to strengthen further



Source: Company, MOFSL

DCCDL – Healthy occupation levels; on course to the next growth phase

- DLF's Rentco business is focused on achieving strong double-digit rental growth through both organic expansion and mark-to-market escalation. The strategy includes increasing its office and retail presence, with the overall goal of doubling its portfolio in the next 4-5 years. Its portfolio includes 23.5msf of projects, with ~12msf allocated to mixed-use developments, 10.1msf to office spaces, and 1.4msf to retail plazas. Overall, 19msf of projects are under development.
- Currently, Block 4 in Gurugram, encompassing a total area of 1.9msf, is 94% pre-leased and anticipated to reach completion by FY25. Rent collection for this block is expected to commence in FY26. In addition, the development of Blocks 5, 6, 7, and 8, with a combined footprint of 5.4msf, has already begun and is expected to be finalized by FY28. Over the next three years, Gurugram is expected to witness the development of a prestigious 2msf shopping mall, with construction already in progress.
- In Chennai, Office Blocks 1 and 2, covering a total of 2.2msf, are fully leased, while Block 3 (1.1msf) and subsequent phases, totaling 3.6msf, are currently under development. Atrium Place in Gurugram is also advancing its office projects in phases—Phase 1, covering 2.1msf, is expected to commence rental income in FY26, while Phase 2, spanning 1msf, is still under construction.
- Additionally, the company has three retail plazas, collectively covering 1.4msf, which are projected to start generating rental income in FY26. This influx of large-scale projects further underscores the region's dynamic growth trajectory in both commercial and retail sectors.
- The company's substantial land bank, with an additional potential of 16.2msf, offers ample opportunities to further scale its rental operations, positioning it for sustained growth and profitability in the commercial real estate sector.
- Backed by strong growth and future opportunity, we estimate 97% of the projects to be leased out by FY27 with average rentals of INR106/month leading to an overall 13% CAGR FY24-27 in lease income to INR80b.
- DCCDL's EBITDA is estimated at INR60b, up from INR44b in FY24. Net debt stood at INR167b by the end of Dec'24 and is on a downward trajectory, guided by strong cash flow generation from the rental business.

P&L Performance

- Going forward, as the projects are complete and revenue recognition increases, total revenue will grow to INR75b in FY26, showcasing ~8% CAGR growth over FY24-FY26. For FY27E, the company will witness a decline in revenue recognition as the next big projects, i.e., The Arbour and Privana South, hit the threshold in FY29 as these projects come for completion.
- EBITDA is expected to be INR26b for FY26, showcasing ~11% CAGR over FY24-FY26, with a strong margin of 35%.
- Adjusted PAT is expected to clock a 26% CAGR over FY24-26 to reach INR43b for FY26, guided by the strong dividend amounting to INR24b from the DCCDL.

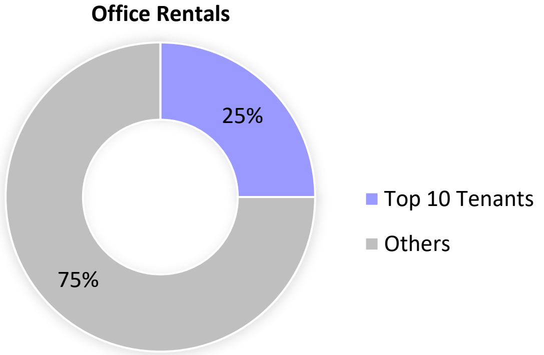
Story in charts

Exhibit 13: DLF has plans to launch 9msf of projects worth INR441b in FY25E

Projects	Planned Launches		Planned FY25		Beyond FY25	
	Size (msf)	Value (INRb)	Size (msf)	Value (INRb)	Size (msf)	Value (INR b)
Super Luxury	6	375	5	350	1	25
Luxury Segment	26	665	4	81	22	584
Midtown, DLF-GIC JV	3	75	0	0	3	75
Premium/value homes	2	20	1	5	2	15
Commercial	0	10	0	5	0	5
Total	**37**	**1145**	**9**	**441**	**28**	**704**

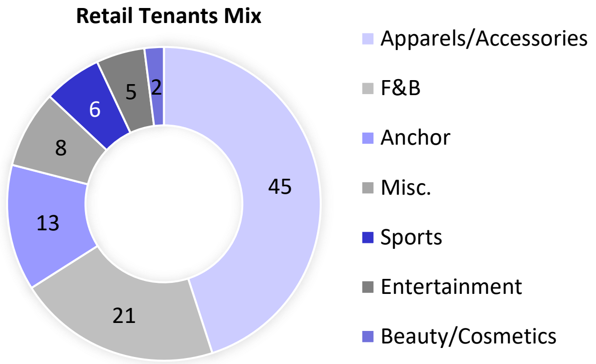
Source: Company, MOFSL

Exhibit 14: DCCDL generates 25% rentals from the top 10 tenants



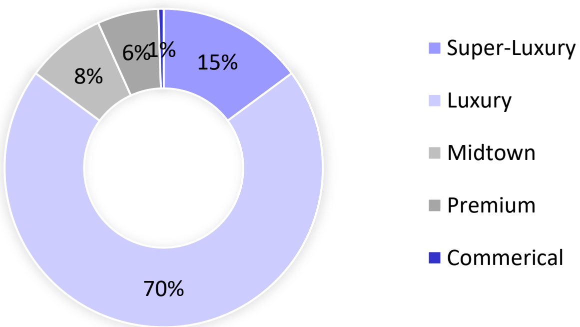
Source: MOFSL, Company

Exhibit 15: The retail portfolio has a diversified tenant mix



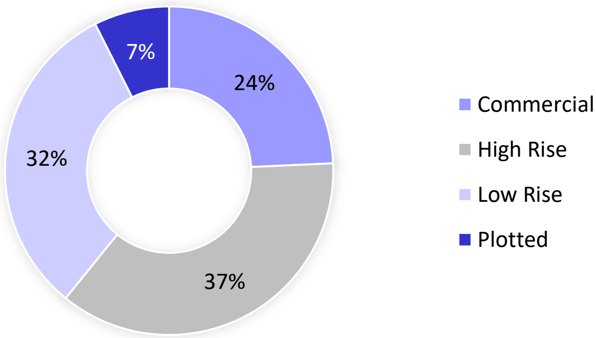
Source: MOFSL, Company

Exhibit 16: Around 70% of upcoming launches are in Luxury



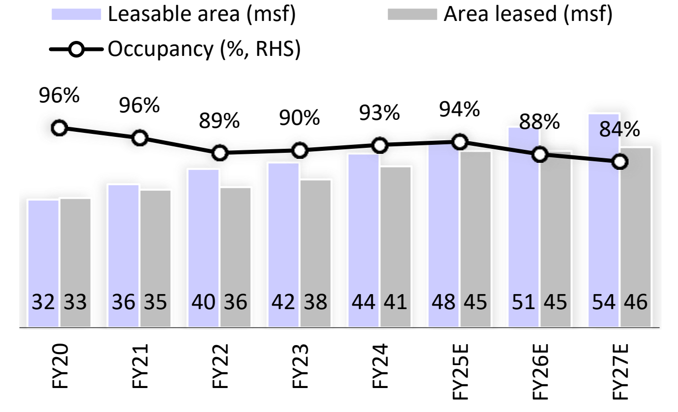
Source: Company, MOFSL

Exhibit 17: Diverse products across fast-turnaround, low-rise projects as well as the flagship premium high-rise projects



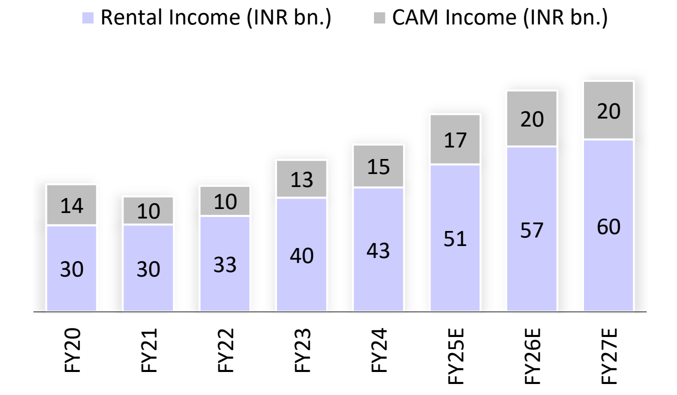
Source: Company, MOFSL

Exhibit 18: Portfolio to expand to ~50msf by FY26



Source: Company, MOFSL

Exhibit 19: Expect rentals to post 11% CAGR to reach INR60b through FY24-FY27



Source: Company, MOFSL

Valuation and view

We value DLF using an SoTP-based approach:

- The values of completed, ongoing, and upcoming projects and the landbank are derived through the NAV-based approach discounted at a WACC of 11.6%.
- The value of the operational portfolio is derived by applying an 8% cap rate on Mar'26E EBITDA for office and a 6.5% cap rate for retail on Mar'26E EBITDA.
- Our GAV stands at INR2,439b, and after netting off FY25E debt of INR78b (DLF's share), we arrive at an NAV of INR2,361b or INR954/share, indicating a fair valuation. **Reiterate BUY.**

Exhibit 20: Our SoTP-based approach for DLF implies a fair valuation

Segment	Rationale	Value (INR b)	Per share	as % of NAV
DLF - Devco		**1,731**	**699**	**73%**
Residential - Completed projects	❖ Inventory of 253b + Receivables of 300b - pending construction cost of 1-2b discounted over two years at WACC of 11.6%	23	9	1%
Upcoming launches	❖ 37msf of launch pipeline with revenue potential of INR 1145bn (DLF stake) at 50-55% cash flow margin discounted over 5-6 years at 12.5% WACC	298	120	13%
Commercial - Operational	❖ Mar'26E EBITDA of ~INR3.3b at a cap rate of 8% on Office and 6.5% on Retail	45	18	2%
Commercial - Ongoing/Upcoming	❖ Value of upcoming office and retail assets based on DCF at 12.5% WACC	62	25	3%
Land bank - development	❖ Carries a book value of ~INR150bn and is recorded in inventory	1,304	527	55%
DCCDL		**708**	**286**	**30%**
Commercial - Operational	❖ Mar'26E EBITDA of ~INR57bn at a cap rate of 8% on Office and 6.5% on Retail	495	200	21%
Commercial - Upcoming	❖ Based on DCF with a terminal value calculated using rental at a stabilized state, discounted using WACC of 10%	36	14	2%
Land bank - DCCDL	❖ Carries a book value of ~INR77bn at DLF stake	177	71	7%
Total GAV		**2,439**	**985**	**103%**
Less: Net debt		(78)	(32)	(3%)
Total NAV		**2,361**	**954**	**100%**
No. of shares (m)		2,475		
NAV per share		**954**		
CMP		698		
Upside potential		**37%**		

Source: MOFSL, Company

Financials and valuations

Consolidated Income Statement							(INR m)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
Total Income from Operations	**54,141**	**57,174**	**56,948**	**64,270**	**68,286**	**74,791**	**56,994**
Change (%)	-11.0	5.6	-0.4	12.9	6.2	9.5	-23.8
Total Expenditure	**39,963**	**39,748**	**39,690**	**43,034**	**52,104**	**48,453**	**44,671**
As a percentage of Sales	73.8	69.5	69.7	67.0	76.3	64.8	78.4
EBITDA	**14,178**	**17,426**	**17,259**	**21,236**	**16,182**	**26,338**	**12,323**
Margin (%)	26.2	30.5	30.3	33.0	23.7	35.2	21.6
Depreciation	1,595	1,494	1,486	1,480	1,724	1,788	1,852
EBIT	**12,583**	**15,932**	**15,773**	**19,757**	**14,459**	**24,550**	**10,472**
Int. and Finance Charges	8,534	6,246	3,921	3,565	4,028	4,100	4,440
Other Income	5,308	4,205	3,173	5,313	10,243	4,861	3,705
PBT bef. EO Exp.	**9,358**	**13,891**	**15,024**	**21,505**	**20,673**	**25,311**	**9,736**
EO Items	-962	-2,244	0	0	-9,000	0	0
PBT after EO Exp.	**8,396**	**11,647**	**15,024**	**21,505**	**11,673**	**25,311**	**9,736**
Total Tax	3,623	3,210	4,015	5,201	2,937	6,368	2,450
Tax Rate (%)	43.2	27.6	26.7	24.2	25.2	25.2	25.2
Minority Interest/Profit from JV	-6,163	-6,567	-9,330	-10,931	-17,897	-24,365	-25,005
Reported PAT	**10,936**	**15,004**	**20,340**	**27,235**	**26,633**	**43,308**	**32,292**
Adjusted PAT	**11,483**	**16,629**	**20,340**	**27,235**	**14,846**	**43,308**	**32,292**
Change (%)	513.4	44.8	22.3	33.9	-45.5	191.7	-25.4
Margin (%)	21.2	29.1	35.7	42.4	21.7	57.9	56.7

Consolidated Balance Sheet							(INR m)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**	**FY27E**
Equity Share Capital	4,951	4,951	4,951	4,951	4,951	4,951	4,951
Total Reserves	3,48,489	3,58,672	3,71,925	3,89,358	4,08,564	4,44,447	4,69,312
Net Worth	**3,53,439**	**3,63,623**	**3,76,875**	**3,94,308**	**4,13,515**	**4,49,397**	**4,74,263**
Minority Interest	203	195	44	8	8	8	8
Total Loans	66,634	41,818	33,340	48,339	52,367	56,977	61,417
Deferred Tax Liabilities	5,408	21,416	25,743	27,902	27,902	27,902	27,902
Capital Employed	**4,25,684**	**4,27,051**	**4,36,002**	**4,70,557**	**4,93,791**	**5,34,284**	**5,63,590**
Gross Block	21,313	21,780	20,434	22,034	23,634	25,234	26,834
Less: Accum. Deprn.	7,730	9,224	10,710	12,190	13,914	15,701	17,553
Net Fixed Assets	**13,582**	**12,556**	**9,723**	**9,844**	**9,720**	**9,533**	**9,281**
Investment Property	**25,545**	**26,626**	**28,688**	**20,257**	**20,257**	**20,257**	**20,257**
Goodwill on Consolidation	9,443	9,443	9,443	9,443	9,443	9,443	9,443
Capital WIP	942	811	611	681	3,300	5,919	8,537
Total Investments	**1,96,455**	**1,97,795**	**1,94,811**	**2,01,377**	**2,19,273**	**2,43,639**	**2,68,644**
Curr. Assets, Loans&Adv.	**2,86,835**	**2,77,810**	**2,96,004**	**3,61,766**	**3,69,639**	**3,98,329**	**3,69,060**
Inventory	2,10,866	2,01,075	1,93,612	2,11,541	1,68,376	1,74,171	1,32,727
Account Receivables	5,813	5,636	5,492	5,381	6,586	7,213	5,497
Cash and Bank Balance	14,069	9,316	22,747	43,843	99,077	1,12,237	1,51,045
Loans and Advances	56,087	61,783	74,152	1,01,000	95,600	1,04,707	79,792
Curr. Liability & Prov.	**1,07,118**	**97,988**	**1,03,278**	**1,32,067**	**1,37,098**	**1,52,091**	**1,20,889**
Account Payables	12,345	23,229	24,379	25,820	33,546	31,196	28,761
Other Current Liabilities	93,727	73,820	78,041	1,04,916	1,02,429	1,19,666	91,191
Provisions	1,046	940	858	1,331	1,122	1,229	937
Net Current Assets	**1,79,717**	**1,79,822**	**1,92,726**	**2,29,699**	**2,32,542**	**2,46,238**	**2,48,171**
Misc Expenditure	0	0	0	0	0	0	0
Appl. of Funds	**4,25,684**	**4,27,051**	**4,36,002**	**4,70,557**	**4,93,791**	**5,34,284**	**5,63,589**

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)							
EPS	**4.6**	**6.7**	**11.4**	**11.0**	**6.0**	**17.5**	**13.0**
Cash EPS	7.3	10.2	12.2	16.1	9.3	25.3	19.1
BV/Share	198.1	203.8	211.3	221.0	231.8	251.9	265.8
DPS	2.0	3.0	4.0	3.0	3.0	3.0	3.0
Payout (%)	45.3	49.5	48.7	27.3	27.9	17.1	23.0
Valuation (x)							
P/E	150.4	103.9	61.2	63.4	116.3	39.9	53.5
Cash P/E	95.2	68.7	57.0	43.4	75.1	27.6	36.5
P/BV	3.5	3.4	3.3	3.2	3.0	2.8	2.6
EV/Sales	32.9	30.8	30.5	26.9	24.6	22.4	28.7
EV/EBITDA	125.5	101.0	100.7	81.5	103.9	63.5	132.9
Dividend Yield (%)	0.3	0.4	0.6	0.4	0.4	0.4	0.4
FCF per share	6.2	10.8	9.3	-0.6	21.2	6.1	17.2
Return Ratios (%)							
RoE	3.3	4.6	5.5	7.1	3.7	10.0	7.0
RoCE	2.4	3.5	3.4	4.5	4.1	4.5	2.0
RoIC	3.3	5.3	5.3	6.8	5.5	10.7	5.1
Working Capital Ratios							
Fixed Asset Turnover (x)	2.5	2.6	2.8	2.9	2.9	3.0	2.1
Asset Turnover (x)	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Inventory (Days)	1,422	1,284	1,241	1,201	900	850	850
Debtor (Days)	39	36	35	31	35	35	35
Creditor (Days)	83	148	156	147	179	152	184
Leverage Ratio (x)							
Current Ratio	2.7	2.8	2.9	2.7	2.7	2.6	3.1
Interest Cover Ratio	1.5	2.6	4.0	5.5	3.6	6.0	2.4
Net Debt/Equity	0.1	0.1	0.0	0.0	-0.1	-0.1	-0.2

Consolidated Cash Flow Statement (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	8,396	11,646	15,024	21,505	11,673	25,311	9,736
Depreciation	1,595	1,494	1,486	1,480	1,724	1,788	1,852
Interest & Finance Charges	5,562	6,247	3,921	-1,749	-6,215	-761	735
Direct Taxes Paid	4,015	2,198	-858	-5,201	-2,937	-6,368	-2,450
(Inc)/Dec in WC	-7,020	7,540	5,628	-15,877	52,390	-536	36,874
CF from Operations	**12,547**	**29,124**	**25,202**	**158**	**56,636**	**19,434**	**46,747**
Others	2,055	-806	-1,450	0	0	0	0
CF from Operating incl EO	**14,602**	**28,318**	**23,752**	**158**	**56,636**	**19,434**	**46,747**
(Inc)/Dec in FA	692	-1,484	-637	-1,670	-4,219	-4,219	-4,219
Free Cash Flow	**15,294**	**26,833**	**23,115**	**-1,512**	**52,417**	**15,215**	**42,529**
(Pur)/Sale of Investments	-5,318	4,085	-13,014	12,797	0	0	0
Others	6,131	6,327	9,026	5,313	10,243	4,861	3,705
CF from Investments	**1,505**	**8,928**	**-4,626**	**16,441**	**6,024**	**643**	**-514**
Issue of Shares	5,087	0	0	0	0	0	0
Inc/(Dec) in Debt	-17,459	-26,785	-8,736	-22,000	0	0	0
Interest Paid	-7,202	-6,328	-3,702	-490	0	510	0
Dividend Paid	-1,987	-4,969	-7,428	-7,426	-7,426	-7,426	-7,426
Others	-276	-200	-266	0	0	0	0
CF from Fin. Activity	**-21,838**	**-38,282**	**-20,131**	**-29,916**	**-7,426**	**-6,916**	**-7,426**
Inc/Dec of Cash	**-5,731**	**-1,037**	**-1,005**	**-13,317**	**55,233**	**13,160**	**38,807**
Opening Balance	16,084	10,353	9,316	8,311	-5,006	50,227	63,388
Closing Balance	**10,353**	**9,316**	**8,311**	**-5,006**	**50,227**	**63,388**	**1,02,195**

N O T E S

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore.This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL .

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

.

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
   MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
   Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
   MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
   MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
   MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).

6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

****

The associates of MOFSL may have:
financial interest in the subject company
actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
received compensation/other benefits from the subject company in the past 12 months
any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
Served subject company as its clients during twelve months preceding the date of distribution of the research report.
The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report
Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification
The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:
This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:
The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.
This report is meant for the clients of Motilal Oswal only.
Investment in securities market are subject to market risks. Read all the related documents carefully before investing.
Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.
Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN .: 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.
Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.