

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	DLFU IN
Equity Shares (m)	2475
M.Cap.(INRb)/(USDb)	1932.5 / 22
52-Week Range (INR)	929 / 601
1, 6, 12 Rel. Per (%)	-3/-2/-6
12M Avg Val (INR M)	2844

#### Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	79.9	81.7	81.7
EBITDA	21.1	30.1	17.9
EBITDA (%)	26.4	36.8	21.9
PAT	43.7	47.2	38.5
EPS (INR)	17.6	19.1	15.6
EPS Gr. (%)	60.3	8.2	-18.5
BV/Sh. (INR)	238.5	260.8	278.2

#### Ratios

Net D/E	0.0	-0.1	-0.1
RoE (%)	10.7	10.6	8.0
RoCE (%)	9.5	5.2	3.1
Payout (%)	30.0	15.7	19.3

#### Valuations

P/E (x)	44.3	40.9	50.2
P/BV (x)	3.3	3.0	2.8
EV/EBITDA (x)	91.6	62.5	104.6
Div Yield (%)	0.8	0.4	0.4

#### Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	74.1	74.1	74.1
DII	5.0	4.7	4.8
FII	16.0	16.3	16.2
Others	4.9	4.9	5.0

**CMP: INR781**

**TP: INR1,005 (+29%)**

**Buy**

### Privana launch lifts sales; but collections disappoint

#### Robust medium-term pipeline

- In 1QFY26, bookings surged 78% YoY/5x QoQ to INR114b (11% below our est.), fueled by healthy sales from the luxury project, DLF Privana North, launched during the quarter. Privana North contributed INR110b or ~96% of total presales, while the remaining 4% came from Dahlias.
- Collections declined 6% YoY/16% QoQ to INR28b (45% below est.). As a result, OCF fell 14% YoY/37% QoQ to INR16b. Net cash stood at INR80b vs. INR68b in 4QFY25.
- After the DLF Privana North launch, the medium-term launch pipeline stands at INR629b. DLF has guided for INR172b+ in launches in FY26, of which it has already achieved 64% in 1QFY26.
- **P&L performance:** In 1QFY26, revenue came in at INR27.2b, up 2x YoY and down 13% QoQ (62% above estimate).
- EBITDA was up 59% YoY/down 63% QoQ at INR3.6b. EBITDA was 41% below our estimate because the gross margin was hit by 30%. This was due to the recognition of One Midtown (a JV with GIC), which is a low-margin product. Employee and other expenses were largely stable vs. our expectations. EBITDA margin stood at 13.4% (down 3.4pp YoY).
- However, this gap was reduced in PAT as a higher contribution of other income led to PAT of INR7.6b, up 18% YoY (18% below estimate).

#### DCCDL: Healthy growth; debt-to-GAV dips 1% to 20% (down 13% from FY21)

- Total occupancy in DCCDL's office portfolio was stable at 94% (98% non-SEZ/ 87% SEZ / 98% Retail).
- Rental income grew 15% YoY to INR13.3b, led by steady growth across the portfolio.
- Net debt declined to INR173b from INR175b in 4QFY25, with a net debt-to-GAV ratio of 0.20x. The cost of debt fell to 7.67% from 8.06% in 4QFY25.

#### Key management commentary

- Housing demand in Gurgaon remains strong, aided by the rising preference for quality homes across ownership and rental segments.
- Gross margins were impacted by revenue recognition from One Midtown, a JV project with GIC.
- Collections remained muted due to construction delays, though they are expected to gain momentum shortly.
- Key upcoming launches include Goa (FY26), Mumbai Phase 2 (1.2msft, FY27), Dahlias (Mar/Apr 2027), and DLF City (FY27).
- Privana North was launched in 1QFY26 with 39% embedded margins, followed by a Mumbai project (~0.9msft) in 2QFY26.

- Projects worth INR629b are planned in the medium term, with FY26 presales guidance at INR200-220b (~50% achieved in 1QFY26).
- Cash escrowed under RERA stands at ~INR78b and is expected to reduce as high-rise projects progress; ~INR25b remains available for dividend payouts.
- The company remains focused on NCR, Tri-City, MMR, and Goa, with limited near-term acquisition scope but openness to future opportunities.
- Capex is guided at INR50b annually for FY26 and FY27 to support ongoing and upcoming residential projects.
- The effective tax rate is expected to remain steady over the next few years, based on current business visibility.

#### Valuation and view: Growth trajectory remains intact

- DLF continues to enhance its growth visibility as it replenishes its launches with its existing vast land reserves. However, our assumption of a 12-13-year monetization timeline for its remaining 150msf of land bank (including TOD potential) adequately incorporates this growth.
- DLF's business (Devco/DLF commercial) is valued at INR1,726b, wherein land contributes INR1,304b. DCCDL is valued at INR708b. GAV is at INR2,434b. After taking FY26E net cash of INR54b (incl. DCCDL) into consideration, NAV stands at INR2,488b. **We reiterate our BUY rating with a revised TP of INR1,005** (vs. INR967 earlier).

#### Quarterly performance

Y/E March	FY25				FY26E				(INR m )			
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY25	FY26	FY26E 1Q Est.	1QE Var (%/bp)
<b>Gross Sales</b>	<b>13,624</b>	<b>19,750</b>	<b>15,287</b>	<b>31,276</b>	<b>27,167</b>	<b>19,621</b>	<b>20,056</b>	<b>14,901</b>	<b>79,937</b>	<b>81,745</b>	<b>16,750</b>	<b>62</b>
YoY Change (%)	-4.3	46.5	0.5	46.5	99.4	-0.7	31.2	-52.4	24.4	2.3	22.9	
Total Expenditure	11,337	14,730	11,287	21,496	23,525	12,393	12,668	3,046	58,850	51,633	10,580	
<b>EBITDA</b>	<b>2,286</b>	<b>5,020</b>	<b>4,000</b>	<b>9,780</b>	<b>3,642</b>	<b>7,228</b>	<b>7,388</b>	<b>11,855</b>	<b>21,086</b>	<b>30,113</b>	<b>6,170</b>	<b>-41</b>
Margins (%)	16.8	25.4	26.2	31.3	13.4	36.8	36.8	79.6	26.4	36.8	36.8	-2343bps
Depreciation	373	377	387	369	345	382	390	473	1,507	1,589	326	
Interest	1,012	935	939	1,086	786	772	789	870	3,972	3,217	659	
Other Income	3,675	2,058	2,088	2,202	2,642	1,275	1,304	93	10,022	5,313	1,089	
<b>PBT before EO expense</b>	<b>4,576</b>	<b>5,766</b>	<b>4,761</b>	<b>10,527</b>	<b>5,153</b>	<b>7,350</b>	<b>7,512</b>	<b>10,605</b>	<b>25,630</b>	<b>30,620</b>	<b>6,274</b>	<b>-18</b>
Extra-Ord expense	0	0	3,024	0	0	0	0	0	3,024	0	0	
<b>PBT</b>	<b>4,576</b>	<b>5,766</b>	<b>1,737</b>	<b>10,527</b>	<b>5,153</b>	<b>7,350</b>	<b>7,512</b>	<b>10,605</b>	<b>22,606</b>	<b>30,620</b>	<b>6,274</b>	<b>-18</b>
Tax	1,183	-4,668	-8,396	1,666	1,332	933	933	4,904	-10,214	7,704	1,992	
Rate (%)	25.9	-81.0	-483.3	15.8	25.8	12.7	12.4	46.2	-45.2	25.2	31.8	
Minority Interest & Profit/Loss of Asso. Cos.	3,054	3,378	6,183	4,108	3,806	5,836	5,965	8,706	16,723	24,312	4,982	
<b>Reported PAT</b>	<b>6,447</b>	<b>13,812</b>	<b>16,316</b>	<b>12,969</b>	<b>7,627</b>	<b>12,252</b>	<b>12,544</b>	<b>14,406</b>	<b>49,544</b>	<b>47,228</b>	<b>9,263</b>	<b>-18</b>
<b>Adj PAT</b>	<b>6,447</b>	<b>13,812</b>	<b>10,587</b>	<b>12,822</b>	<b>7,627</b>	<b>12,252</b>	<b>12,544</b>	<b>14,406</b>	<b>43,668</b>	<b>47,228</b>	<b>9,263</b>	<b>-18</b>
YoY Change (%)	22.5	122.1	61.5	39.4	18.3	-11.3	18.5	12.4	60.3	8.2	43.7	
Margins (%)	47.3	69.9	69.3	41.0	28.1	62.4	62.5	96.7	54.6	57.8	55.3	-2723bps

#### Operational Metrics

##### Residential (INR b)

Pre-sales	64	7	121	20	114	47	35	37	212	233	128	<b>-11</b>
Collections	30	24	31	33	28	44	41	57	118	170	51	<b>-45</b>
Net Debt	-29	-28	-45	-68	-80	0	0	-51	-68	-51		

Source: Company, MOFSL



## Key takeaways from the management commentary

### Residential business

- **Housing demand:** Housing demand remains strong in Gurgaon, driven by a growing preference for quality residential options, both for ownership and rental.
- **Gross margin:** Gross margin was lower due to the recognition of One Midtown in revenue, which is a JV with GIC.
- Collections were subdued due to construction delays, which impacted the release of demand; however, momentum is expected to improve in the near term.
- **Launches and guidance:** Goa remains under approval. Phase 2 of the Mumbai project (1.2msft) is expected to be launched in FY27. The main launch of Dahlias is scheduled for Mar/Apr'27, (50% of the inventory already sold out). The upcoming DLF City project is also set to be launched in FY27. Projects valued at INR629b are planned over the medium term. In 1QFY26, DLF launched Privana North, achieving 39% embedded gross margins, followed by the Mumbai project (~0.9msft of area) in 2QFY26. The Goa project is slated for launch in the remainder of FY26. Presales guidance for FY26 stands at INR200-220b, with ~50% already achieved in 1QFY26, led by Privana.
- **RERA cash:** With the virtuous cycle of high-rise coming into play in the future, cash escrowed with the RERA account (at ~INR78b) will reduce. ~INR25b is the balance from which the company will pay dividends.
- **Business development:** Currently, DLF focuses only on NCR, Tri-City, MMR, and Goa (existing land bank). There is little scope for acquisitions, though DLF will surely evaluate good opportunities in the future.
- **Capex guidance:** Capex is expected to be around INR50b each in FY26 and FY27.
- The **effective tax rate** is expected to remain stable over the next few years, based on current visibility.

### Commercial business:

- **Vacancies** for office and retail stand at 13% and 2%, respectively.
- **Downtown Gurugram:** The Phase 2 construction has commenced. Block-4 (2msft) is 97% pre-leased and OC was received in 4QFY25. Rentals will commence in 2Q-3QFY26. Cost of construction initially was INR6,200psft of GLA, which, post-inflation and other adjustments, lies at INR8,000psft. Construction has commenced for Block-5/6/7/8 and Mall of India (total ~7.5msft). On Retail, the cost of construction stands at ~INR10,000psft on GLA.
- **Downtown Chennai:** Downtown-3 (1.1msf) received OC in 1QFY26. Downtown-3 is currently pre-leased at 99%. Rentals to commence in 2Q-3QFY26, while construction for Downtown 4&5 (3.6msf) has already commenced in Jul'24 and should take ~36 months for commissioning.
- **Atrium place:** OC is expected in 2QFY26. Pre-leased at 73%. Rentals for 2.1msf Phase-1 to start from 2Q, which will give rentals for 9-10 months. And the next tower (1.1msf) is slated to be completed in 4QFY26, for which rentals will start from May/Jun'26.
- **Malls:** Highstreet Plaza Mall is 85% leased, with rental income expected to commence by 3QFY26. DLF 5 Mall is projected to begin generating rentals from 4QFY26. Promenade Goa is scheduled for completion by 4QFY26.

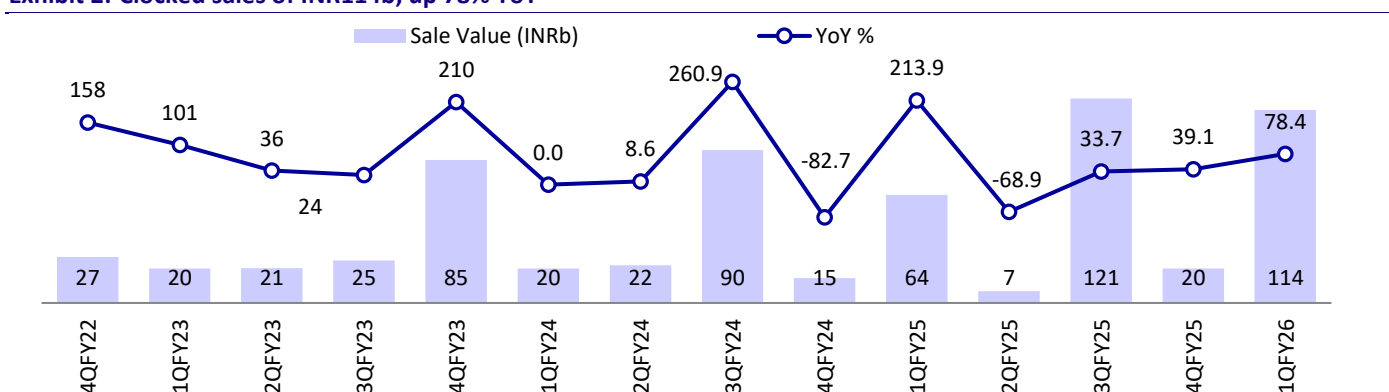
## Key exhibits

**Exhibit 1: DLF launched 4.7msf of projects worth INR110b in 1QFY26**

Projects	Planned Launches (FY25 onwards)		Launched (FY25)		Launched (1QFY26)		To be launched	
	Size (msf)	Value (INRb)	Size (msf)	Value (INRb)	Size (msf)	Value (INRb)	Size (msf)	Value (INRb)
Super Luxury	5.5	375	4.5	350			1	25
Luxury Segment	29	740	2.9	56	4.7	110	22	574
Premium/value homes	2.3	20					2.3	20
Commercial	0.2	10					0.2	10
<b>Total</b>	<b>37</b>	<b>1,145</b>	<b>7.5</b>	<b>406</b>	<b>4.7</b>	<b>110</b>	<b>25</b>	<b>629</b>

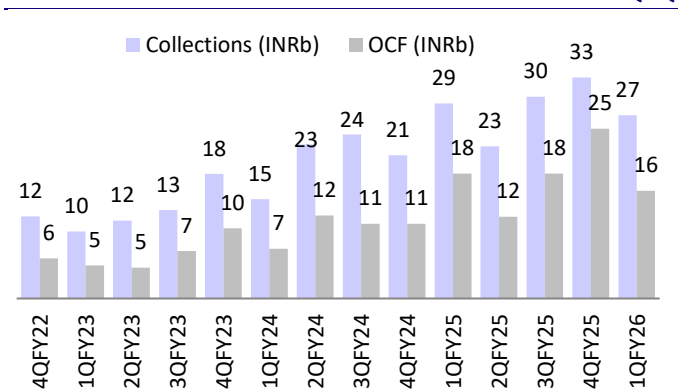
Source: Company, MOFSL

**Exhibit 2: Clocked sales of INR114b, up 78% YoY**



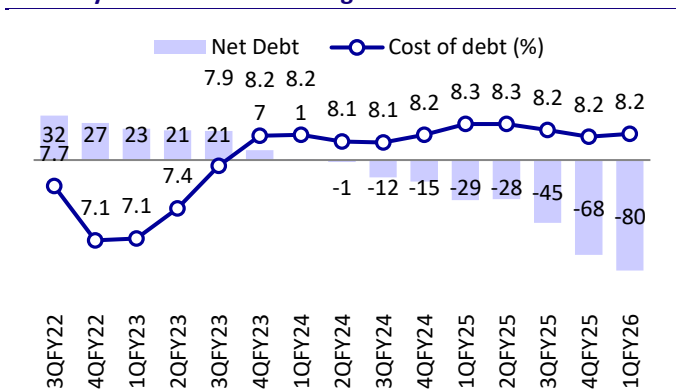
Source: Company, MOFSL

**Exhibit 3: Collections from sales down 6% YoY and 17% QoQ**



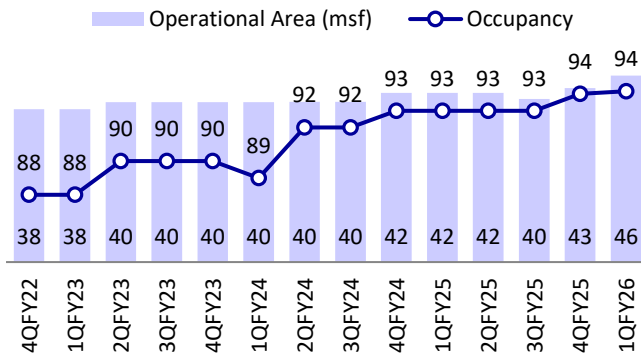
Source: Company, MOFSL

**Exhibit 4: DLF's balance sheet has a net cash of INR80b, aided by consistent cash flow generation**



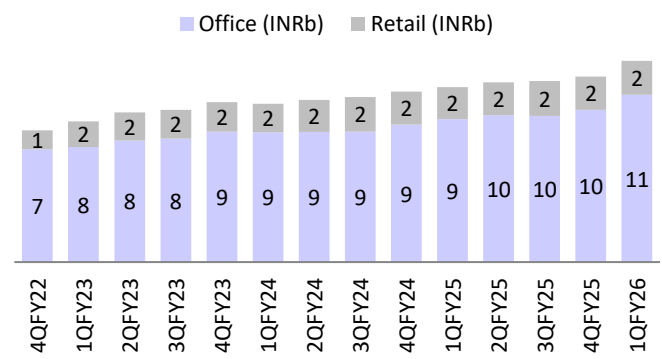
Source: Company, MOFSL

**Exhibit 5: Occupancy steady in the annuity portfolio...**



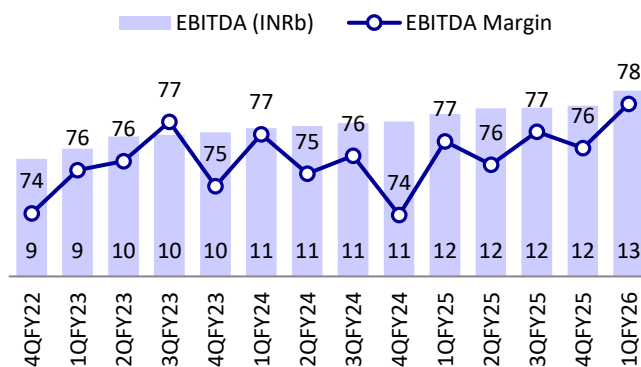
Source: MOFSL, Company

**Exhibit 6: ...and rental income continued to grow gradually**



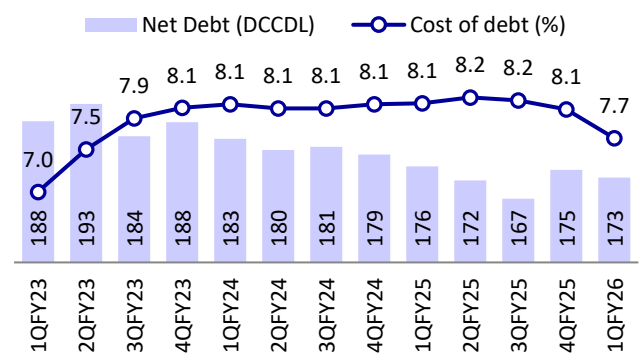
Source: MOFSL, Company

**Exhibit 7: EBITDA (ex-CAM) stood at INR13b with a margin of 78%**



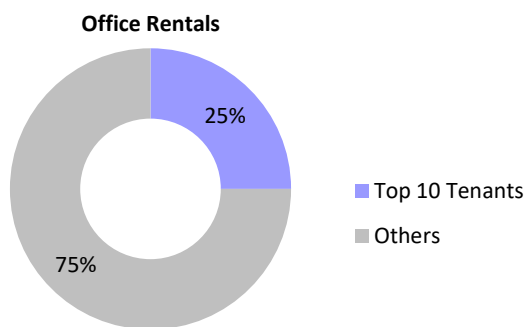
Source: MOFSL, Company

**Exhibit 8: DCCDL portfolio's debt level down at INR173b**



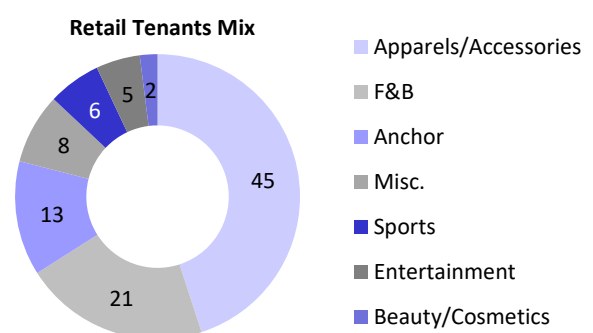
Source: MOFSL, Company

**Exhibit 9: DCCDL generates 25% rentals from the top 10 tenants**



Source: MOFSL, Company

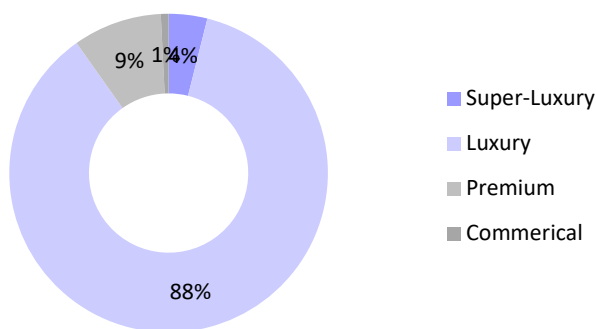
**Exhibit 10: Retail portfolio has a diversified tenant mix**



Source: MOFSL, Company

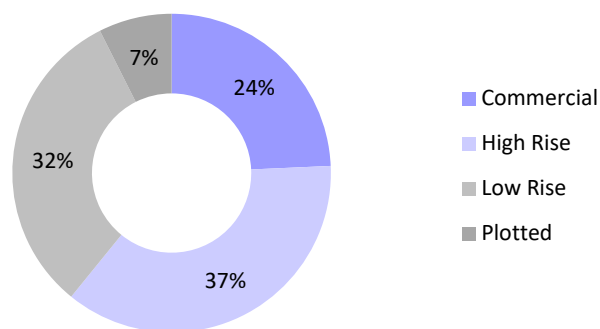
## Story in charts

**Exhibit 11: Around 92% of upcoming launches are in the Luxury / Super-Luxury segments**



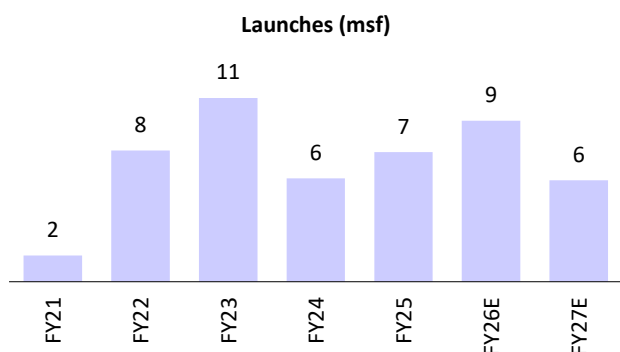
Source: Company, MOFSL

**Exhibit 12: Diverse products across fast-turnaround, low-rise projects, as well as the flagship premium high-rise projects**



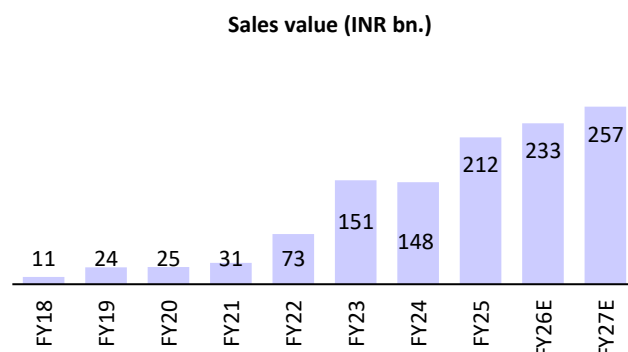
Source: Company, MOFSL

**Exhibit 13: DLF will launch ~9msf of projects in FY26...**



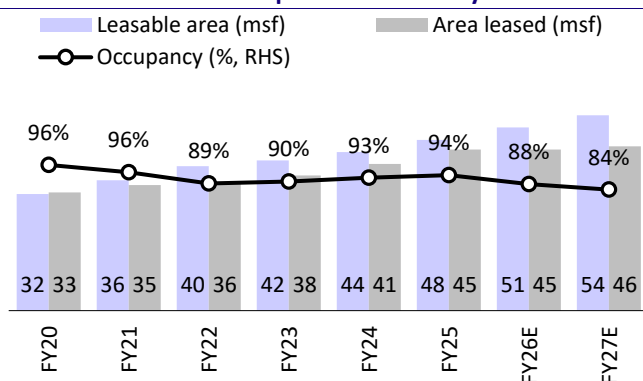
Source: MOFSL, Company

**Exhibit 14: ...and we expect sales momentum to improve**



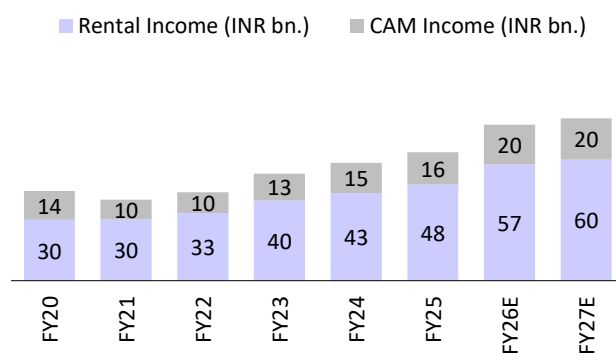
Source: MOFSL, Company

**Exhibit 15: Portfolio to expand to ~54msf by FY27**



Source: Company, MOFSL

**Exhibit 16: Expect rentals to post 12% CAGR to INR60b through FY25-FY27**



Source: Company, MOFSL

**Exhibit 17: Our earnings revision summary**

(INR m)	Old		New		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	81,745	81,744	81,745	81,744	0%	0%
EBITDA	30,113	17,897	30,113	17,897	0%	0%
Adj. PAT	47,228	38,496	47,228	38,496	0%	0%
Pre-sales	2,32,623	2,56,740	2,32,623	2,56,740	0%	0%
Collections	1,70,136	1,98,768	1,70,136	1,98,768	0%	0%

Source: MOFSL, Company

### Valuation and view:

We value DLF using an SoTP-based approach:

- The values of completed, ongoing, and upcoming projects, as well as the land bank, 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 INR2,434b and, after netting off FY26 net cash of INR54b (DLF's share), we arrive at an NAV of INR2,488b or INR1,005/share, indicating a fair valuation. **Reiterate BUY.**

#### Exhibit 18: Our SoTP-based valuation approach for DLF implies a fair valuation

Segment	Rationale	Value (INR b)	Per share	as % of NAV
<b>DLF - Devco</b>		<b>1,726</b>	<b>697</b>	<b>69%</b>
Residential - Completed projects	❖ Inventory of INR253b + Receivables of INR300b - pending construction cost of INR1-2b discounted over two years at a WACC of 11.6%	10	4	0%
Upcoming launches	❖ 37msf of launch pipeline with revenue potential of INR1145b (DLF stake) at 50-55% cash flow margin discounted over 5-6 years at 12.5% WACC	306	124	12%
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	2%
Land bank - development	❖ Carries a book value of ~INR150b and is recorded in inventory	1,304	527	52%
<b>DCCDL and DLF</b>		<b>708</b>	<b>286</b>	<b>28%</b>
Commercial - Operational	❖ Mar'26E EBITDA of ~INR57b at a cap rate of 8% on Office and 6.5% on Retail	495	200	20%
Commercial - Upcoming	❖ Based on DCF with terminal value calculated using rental at stabilized state, discounted using WACC of 10%	36	14	1%
Land bank - DCCDL	❖ Carries a book value of ~INR77b at DLF stake	177	71	7%
<b>Total GAV</b>		<b>2,434</b>	<b>983</b>	<b>98%</b>
Less: Net debt		54	22	2%
<b>Total NAV</b>		<b>2,488</b>	<b>1,005</b>	<b>100%</b>
No. of shares (m)		2475		
<b>NAV per share</b>		<b>1005</b>		
CMP		781		
<b>Upside potential</b>		<b>29%</b>		

Source: MOFSL, Company



## Financials and valuations

### Consolidated - Income Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Total Income from Operations</b>	<b>54,141</b>	<b>57,174</b>	<b>56,948</b>	<b>64,270</b>	<b>79,937</b>	<b>81,745</b>	<b>81,744</b>
Change (%)	-11.0	5.6	-0.4	12.9	24.4	2.3	0.0
<b>Total Expenditure</b>	<b>39,963</b>	<b>39,748</b>	<b>39,690</b>	<b>43,034</b>	<b>58,850</b>	<b>51,633</b>	<b>63,847</b>
% of Sales	73.8	69.5	69.7	67.0	73.6	63.2	78.1
<b>EBITDA</b>	<b>14,178</b>	<b>17,426</b>	<b>17,259</b>	<b>21,236</b>	<b>21,086</b>	<b>30,113</b>	<b>17,897</b>
Margin (%)	26.2	30.5	30.3	33.0	26.4	36.8	21.9
Depreciation	1,595	1,494	1,486	1,480	1,507	1,589	1,626
<b>EBIT</b>	<b>12,583</b>	<b>15,932</b>	<b>15,773</b>	<b>19,757</b>	<b>19,580</b>	<b>28,523</b>	<b>16,271</b>
Int. and Finance Charges	8,534	6,246	3,921	3,565	3,972	3,217	3,487
Other Income	5,308	4,205	3,173	5,313	10,022	5,313	5,313
<b>PBT bef. EO Exp.</b>	<b>9,358</b>	<b>13,891</b>	<b>15,024</b>	<b>21,505</b>	<b>25,630</b>	<b>30,620</b>	<b>18,097</b>
EO Items	-962	-2,244	0	0	-3,024	0	0
<b>PBT after EO Exp.</b>	<b>8,396</b>	<b>11,647</b>	<b>15,024</b>	<b>21,505</b>	<b>22,606</b>	<b>30,620</b>	<b>18,097</b>
Total Tax	3,623	3,210	4,015	5,201	-10,214	7,704	4,553
Tax Rate (%)	43.2	27.6	26.7	24.2	-45.2	25.2	25.2
Minority Interest	-6,163	-6,567	-9,330	-10,931	-16,723	-24,312	-24,952
<b>Reported PAT</b>	<b>10,936</b>	<b>15,004</b>	<b>20,340</b>	<b>27,235</b>	<b>49,544</b>	<b>47,228</b>	<b>38,496</b>
<b>Adjusted PAT</b>	<b>11,483</b>	<b>16,629</b>	<b>20,340</b>	<b>27,235</b>	<b>43,668</b>	<b>47,228</b>	<b>38,496</b>
Change (%)	513.4	44.8	22.3	33.9	60.3	8.2	-18.5
Margin (%)	21.2	29.1	35.7	42.4	54.6	57.8	47.1

### Consolidated - Balance Sheet

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	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	4,20,552	4,60,354	4,91,424
<b>Net Worth</b>	<b>3,53,439</b>	<b>3,63,623</b>	<b>3,76,875</b>	<b>3,94,308</b>	<b>4,25,502</b>	<b>4,65,304</b>	<b>4,96,374</b>
Minority Interest	203	195	44	8	0	0	0
Total Loans	66,634	41,818	33,340	48,339	41,027	44,754	48,242
Deferred Tax Liabilities	5,408	21,416	25,743	27,902	15,148	15,148	15,148
<b>Capital Employed</b>	<b>4,25,684</b>	<b>4,27,051</b>	<b>4,36,002</b>	<b>4,70,557</b>	<b>4,81,677</b>	<b>5,25,206</b>	<b>5,59,764</b>
Gross Block	21,313	21,780	20,434	21,291	22,212	23,133	24,054
Less: Accum. Deprn.	7,730	9,224	10,710	12,190	13,697	15,286	16,912
<b>Net Fixed Assets</b>	<b>13,582</b>	<b>12,556</b>	<b>9,723</b>	<b>9,101</b>	<b>8,515</b>	<b>7,847</b>	<b>7,142</b>
<b>Investment Property</b>	<b>25,545</b>	<b>26,626</b>	<b>28,688</b>	<b>20,257</b>	<b>17,065</b>	<b>17,065</b>	<b>17,065</b>
Goodwill on Consolidation	9,443	9,443	9,443	9,443	9,443	9,443	9,443
Capital WIP	942	811	611	681	771	3,390	6,009
<b>Total Investments</b>	<b>1,96,455</b>	<b>1,97,795</b>	<b>1,94,811</b>	<b>2,01,377</b>	<b>2,13,356</b>	<b>2,37,668</b>	<b>2,62,621</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>2,86,835</b>	<b>2,77,810</b>	<b>2,96,004</b>	<b>3,61,766</b>	<b>4,45,604</b>	<b>4,08,692</b>	<b>4,22,722</b>
Inventory	2,10,866	2,01,075	1,93,612	2,11,541	2,46,215	1,90,366	1,90,362
Account Receivables	5,813	5,636	5,492	5,381	8,022	8,204	8,203
Cash and Bank Balance	14,069	9,316	22,747	43,843	43,381	95,678	1,09,714
Loans and Advances	56,087	61,783	74,152	1,01,000	1,47,986	1,14,444	1,14,441
<b>Curr. Liability &amp; Prov.</b>	<b>1,07,118</b>	<b>97,988</b>	<b>1,03,278</b>	<b>1,32,067</b>	<b>2,13,076</b>	<b>1,58,898</b>	<b>1,65,236</b>
Account Payables	12,345	23,229	24,379	25,820	30,552	26,805	33,146
Other Current Liabilities	93,727	73,820	78,041	1,04,916	1,81,253	1,30,793	1,30,790
Provisions	1,046	940	858	1,331	1,271	1,300	1,300
<b>Net Current Assets</b>	<b>1,79,717</b>	<b>1,79,822</b>	<b>1,92,726</b>	<b>2,29,699</b>	<b>2,32,527</b>	<b>2,49,794</b>	<b>2,57,485</b>
Misc Expenditure	0	0	0	0	0	0	0
<b>Appl. of Funds</b>	<b>4,25,684</b>	<b>4,27,051</b>	<b>4,36,002</b>	<b>4,70,557</b>	<b>4,81,677</b>	<b>5,25,206</b>	<b>5,59,764</b>



## Financials and valuations

### Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Basic (INR)</b>							
<b>EPS</b>	<b>4.6</b>	<b>6.7</b>	<b>11.4</b>	<b>11.0</b>	<b>17.6</b>	<b>19.1</b>	<b>15.6</b>
Cash EPS	7.3	10.2	12.2	16.1	25.3	27.4	22.5
BV/Share	198.1	203.8	211.3	221.0	238.5	260.8	278.2
DPS	2.0	3.0	4.0	4.0	6.0	3.0	3.0
Payout (%)	45.3	49.5	48.7	36.4	30.0	15.7	19.3
<b>Valuation (x)</b>							
P/E	168.3	116.2	68.5	71.0	44.3	40.9	50.2
Cash P/E	106.5	76.9	63.8	48.5	30.8	28.5	34.7
P/BV	3.9	3.8	3.7	3.5	3.3	3.0	2.8
EV/Sales	36.7	34.4	34.1	30.1	24.2	23.0	22.9
EV/EBITDA	140.1	112.8	112.6	91.2	91.6	62.5	104.6
Dividend Yield (%)	0.3	0.4	0.5	0.5	0.8	0.4	0.4
FCF per share	6.2	10.8	9.3	9.8	20.8	21.8	6.5
<b>Return Ratios (%)</b>							
RoE	3.3	4.6	5.5	7.1	10.7	10.6	8.0
RoCE	2.4	3.5	3.4	4.5	9.5	5.2	3.1
RoIC	3.3	5.3	5.3	6.8	12.7	10.3	6.6
<b>Working Capital Ratios</b>							
Fixed Asset Turnover (x)	2.5	2.6	2.8	3.0	3.6	3.5	3.4
Asset Turnover (x)	0.1	0.1	0.1	0.1	0.2	0.2	0.1
Inventory (Days)	1,422	1,284	1,241	1,201	1,124	850	850
Debtor (Days)	39	36	35	31	37	37	37
Creditor (Days)	83	148	156	147	140	120	148
<b>Leverage Ratio (x)</b>							
Current Ratio	2.7	2.8	2.9	2.7	2.1	2.6	2.6
Interest Cover Ratio	1.5	2.6	4.0	5.5	4.9	8.9	4.7
Net Debt/Equity	0.1	0.1	0.0	0.0	0.0	-0.1	-0.1

### Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	8,396	11,646	15,024	21,505	22,606	30,620	18,097
Depreciation	1,595	1,494	1,486	1,480	1,507	1,589	1,626
Interest & Finance Charges	5,562	6,247	3,921	3,564	3,972	-2,097	-1,826
Direct Taxes Paid	4,015	2,198	-858	-2,572	-1,219	-7,704	-4,553
(Inc)/Dec in WC	-7,020	7,540	5,628	7,908	32,251	35,031	6,344
<b>CF from Operations</b>	<b>12,547</b>	<b>29,124</b>	<b>25,202</b>	<b>31,885</b>	<b>59,118</b>	<b>57,440</b>	<b>19,688</b>
Others	2,055	-806	-1,450	-6,497	-6,765	0	0
<b>CF from Operating incl EO</b>	<b>14,602</b>	<b>28,318</b>	<b>23,752</b>	<b>25,388</b>	<b>52,352</b>	<b>57,440</b>	<b>19,688</b>
(Inc)/Dec in FA	692	-1,484	-637	-1,155	-960	-3,540	-3,540
<b>Free Cash Flow</b>	<b>15,294</b>	<b>26,833</b>	<b>23,115</b>	<b>24,233</b>	<b>51,392</b>	<b>53,900</b>	<b>16,148</b>
(Pur)/Sale of Investments	-5,318	4,085	-13,014	-27,856	-53,748	0	0
Others	6,131	6,327	9,026	13,725	19,277	5,313	5,313
<b>CF from Investments</b>	<b>1,505</b>	<b>8,928</b>	<b>-4,626</b>	<b>-15,287</b>	<b>-35,431</b>	<b>1,774</b>	<b>1,774</b>
Issue of Shares	5,087	0	0	0	0	0	0
Inc/(Dec) in Debt	-17,459	-26,785	-8,736	8,876	-6,128	0	0
Interest Paid	-7,202	-6,328	-3,702	-2,914	-3,844	510	0
Dividend Paid	-1,987	-4,969	-7,428	-9,869	-12,336	-7,426	-7,426
Others	-276	-200	-266	5,673	-1,718	0	0
<b>CF from Fin. Activity</b>	<b>-21,838</b>	<b>-38,282</b>	<b>-20,131</b>	<b>1,766</b>	<b>-24,026</b>	<b>-6,916</b>	<b>-7,426</b>
<b>Inc/Dec of Cash</b>	<b>-5,731</b>	<b>-1,037</b>	<b>-1,005</b>	<b>11,867</b>	<b>-7,104</b>	<b>52,297</b>	<b>14,036</b>
Opening Balance	16,084	10,353	3,079	2,071	14,619	7,515	59,813
<b>Closing Balance</b>	<b>10,353</b>	<b>9,316</b>	<b>2,074</b>	<b>13,938</b>	<b>7,515</b>	<b>59,813</b>	<b>73,849</b>

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

## NOTES

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](http://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](http://www.nseindia.com), [www.bseindia.com](http://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](mailto:grievances@motilaloswal.com).

Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

#### Specific Disclosures

- 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
- 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
- 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.
- 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.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
- 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.
- MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
- 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 alterations 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.