Sector Update | 26 June 2025

Real Estate

Robust launches, strong CF and consolidation drive growth

Our coverage companies estimated to clock 21% CAGR in presales even after market deceleration

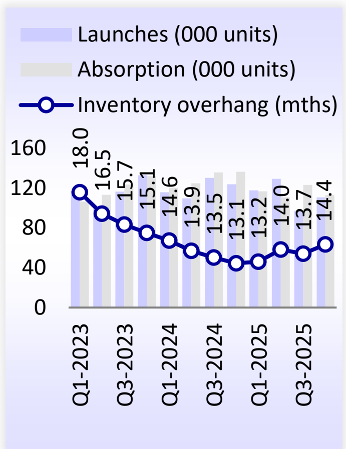
Valuation comparison

Company	Rating	TP
BRGD	Buy	1,580
DLFU	Buy	1,005
GPL	Buy	2,843
KPDL	Buy	560
LODHA	Buy	1,870
MLIFE	Neutral	382
OBER	Neutral	1,782
PHNX	Neutral	1,673
PEPL	Buy	2,000
SIGNATUR	Buy	1,760
SOBHA	Buy	1,778
SRIN	Buy	540

Source: Company, MOFSL

- FY25 started on a strong note for the sector, though by year end, the momentum decelerated in launches and absorption in the top seven cities. Launches declined 5% YoY and absorption fell 10% YoY in FY25. In 4QFY25, launches/absorption declined by 11%/17%.
- Launches in FY25 were affected by state and center elections, the absence of regulatory committees, delays in approval, and changes in some rules, among others. As there were limited launches, absorption also decelerated in the top seven cities.
- Inventory months started to mount for the first time after five years in FY25. Inventory stood at 14.4 months in FY25, as launches and absorption declined by 5% YoY and 10% YoY, respectively. In 4QFY25 too, inventory stood at 14.4 months, up QoQ for the first time after 19 quarters. However, absolute absorption was higher than launches.
- In the top seven cities, the top 10 developers have seen a notable consolidation in each market, with their cumulative contribution rising from 22.7% to 31.9% in launches and absorption is catching up from 19.0% to 23.1% over FY15-FY25. We believe consolidation will allow our coverage companies to gain market share and keep growing at a better pace compared to the broader market.
- We estimate a 12% CAGR in launches over FY25-27 for our coverage universe, as the launches planned for FY25 have spilled over to FY26 due to approval delays. We believe that even though presales for the broader market might grow at a lower pace of 7-10%, cumulative presales of our coverage would record a 21% CAGR over FY25-27E.

Tier 1 cities' absorption constantly higher than launches in last 12 quarters...

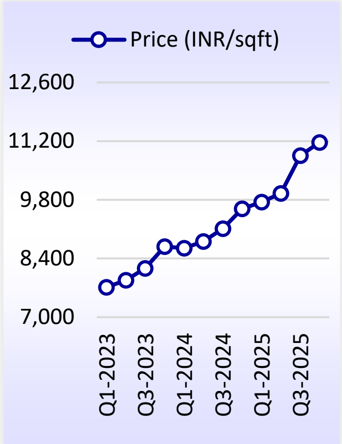


Tailwinds: Improving affordability, better rental and diversification

- The affordability index (EMI-to-income ratio) for all the top eight markets tracked by Knight Frank is in the range of 20-30%, which indicates better affordability in those markets and consequently consistent growth in housing sales. MMR is the only market where the affordability index is 50%; however, it is important to note that MMR is getting more affordable year after year.
- After Covid-19, the rental started increasing due to the supply constraint, and currently most of the cities have a rental yield of 3-6% because of negligible inventory of 14.4 months in FY25. Better rental yields are attracting investors to invest in residential real estate (RRE), which can give them better yields and strong capital appreciation.
- Demand is also in an uptrend in Indian markets. The Trump Tower in Gurgaon worth INR32.5b was launched in mid-May'25 and fully sold out within two days. DLF has concluded the booking of Privana North worth over INR110b, which was recently launched. The Birla Silas tower in MMR booked INR25b in sales within few days of its launch. Prestige Ocean Towers at Marine Lines saw majority of sales in the INR200m+ apartment. Godrej Madison Avenue in Hyderabad achieved INR10b in bookings within few weeks of launch.

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

…leading to price appreciation throughout quarters



- In the last 2-3 years, many top developers have diversified to other geographies and started demanding a higher market share, thereby adding an incremental income stream apart from their home market. GPL, which has a strong presence in MMR, NCR, Bengaluru and Pune, entered Hyderabad and is now scaling up. Similarly, PEPL and SOBHA are entering Pune and aspire to scale up very fast. PEPL and OBER are also entering NCR and taking up their share of the pie. BRGD is scaling up in Hyderabad and Chennai. DLF and PEPL entered Mumbai to take a piece of the high-demand market.

Healthy collections drive strong OCF generation, BD and debt reduction

- With the timely execution of strong project pipeline, companies will achieve robust collections. Collections are expected to clock a 36% CAGR to INR1.5t over FY25-27E.
- Strong collections should result in healthy OCF generation of INR600b by FY27E, while cumulative OCF is expected to be INR1.4t over FY25-27E.
- With strong cash flow generation, developers are shifting their focus to business development to sustain the strong growth trajectory.
- Additionally, strong OCF generation allows developers to keep net D/E in check and at the comfortable level of below 0.5x.

Strong collections should result in healthy cumulative OCF generation of INR1.4t over FY25-27E.

Strong recognition, improved profitability helps to keep balance sheet lean

- For our coverage companies cumulatively, we estimate a 22% CAGR in revenue over FY25-27E to INR861b, aided by strong collections and delivery lined up for next 2-3 years.
- EBITDA is expected to post a 26% CAGR to INR252b and blended operating margin is estimated to improve by 168bp to 29% over FY25-27E. OBER, PHNX, LODHA and BRGD are expected to report strong margin of 54%, 67%, 29% and 37%, respectively in FY27E, while the remaining companies are likely to be in the range of 15-25%.
- Adjusted PAT for our coverage is estimated to deliver a 25% CAGR over FY25-27E, with adjusted profit margin of 24% for FY27E.
- Recently, most of the companies under our coverage have completed one round of fundraising and are generating strong cash flow, which will allow them to continue growing without stressing the balance sheet.
- For our coverage universe, net D/E remains below 0.5x for some companies, while many have net cash status. However, SIGNATUR has the highest net D/E of 1.2x as of FY25.
- Due to strong profit accretion, the return profile (ROE/ROCE) has also been improving year on year.

Valuation and view

Coverage revenue to grow at 22% CAGR over FY25-27E to INR861b with 26% operating margin.

- The companies under our coverage are expected to record a CAGR of 21%/36% in presales/collections over FY25-27E, aided by the strong launch pipeline owing to strong BD in recent years, strong execution capability, and timely delivery.
- Healthy collections should generate healthy operating cash flow of INR1.4t cumulatively over FY25-27E for our coverage companies, which will allow most of them to keep their net D/E below 0.4x. Most of them are expected to have a net cash status.

- At this juncture, we will take the summation of the discounted cash flow from all the projects and bring it back to the present value, including the business development done by companies.
- To accommodate growth, we will apply premium/discount to 1x NAV and value office assets by applying capitalization rate to discounted NOI.
- Retail and hospitality assets are valued based on the multiple of EV/EBITDA depending the quality of cash flow generated by the assets.
- Currently, most companies are either trading at 1x NAV or at premium, as supply issues are waning and there are strong responses to recent launches. However, continuous business development demands higher valuation and provides leeway to increase the premium or assign a higher valuation.
- After an uncertain phase in RRE, the focus has shifted back to companies with strong geographical diversification and a fine balance of residential and commercial assets (office/retail/hospitality) to reap the benefit of strong growth visibility of both asset classes under. Consolidation in supply and strong absorption will act as additional catalysts for growth for our coverage companies in the residential space.
- Within our coverage universe, we have a BUY rating on BRGD, DLFU, GPL, KPDL, LODHA, PEPL, SIGNATUR, SOBHA, and SUNTECK and Neutral stance on MAHLIFE, OBER, and PHNX. We prefer LODHA , PEPL, and SIGNATUR for their strong growth visibility, geographical diversification and ability to generate income from multi-assets.

Exhibit 1: Valuation breakup including contribution from each segment and premium

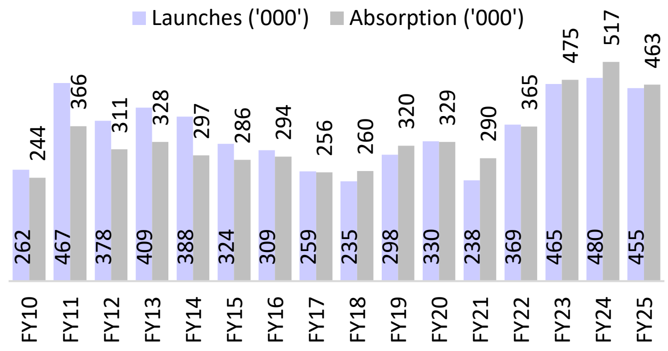
Company	Rating	Residential	Other assets	Land bank	GAV	Debt	1x NAV FY26	TV/ Premium	NAV including premium	TP
BRGD	Buy	122	117	77	316	2	314	72	386	1,580
DLFU	Buy	316	637	1,481	2,434	-54	2,488	0	2,488	1,005
GPL	Buy	451	23	0	474	-26	501	356	856	2,843
KPDL	Buy	42	0	6	49	6	43	0	43	560
LODHA	Buy	549	184	637	1,371	38	1,333	533	1,866	1,870
MLIFE	Neutral	44	18	4	66	7	59	0	59	382
OBER	Neutral	290	205	0	495	-4	499	148	648	1,782
PHNX	Neutral	17	608	0	625	27	598	0	598	1,673
PEPL	Buy	312	240	162	714	67	647	215	862	2,000
SIGNATUR	Buy	197	0	0	197	9	188	59	247	1,760
SOBHA	Buy	74	24	86	184	-6	190	0	190	1,778
SRIN	Buy	74	5	0	79	0	79	0	79	540

Source: Company, MOFSL

Recovery in residential launches to drive demand

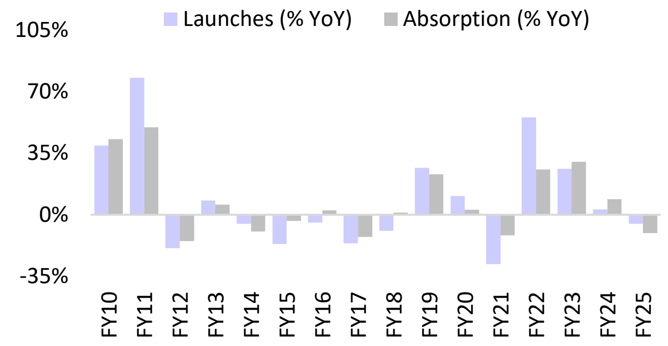
- Residential real estate (RRE) has witnessed strong growth in the last three years after Covid-19-induced disruption in FY21. However, baring FY21, the residential segment started showing improvement from FY18 after facing disruption caused by demonetization, RERA implementation, digitalization of records, the Benami Transaction Act, etc.
- For the top seven cities, launches and absorption reported a 4% CAGR each over FY10-25. Over the last 15 quarters, launches and absorption have seen a compounded quarterly growth rate (CQGR) of 4% and 5%, respectively. Absorption was higher than launches in last five years, backed by strong pent-up and intrinsic demand, resulting in a fast reduction in inventory.
- FY25 started on a strong note for the sector; however, by year end, the momentum decelerated in launches and absorption. Launches declined 5% YoY and absorption fell 10% YoY in FY25.
- Launches in FY25 were affected by state and center elections, the absence of regulatory committees, delays in approval, and changes in some rules, among others. As there were limited launches, absorption also decelerated in the top seven cities.
- The deceleration was recorded in most cities, though MMR, Kolkata, Hyderabad and Pune bucked the trend and reported higher absorption compared to launches.
- NCR was the only market that recorded growth in FY25. Though the region recorded a 224% YoY jump in launches in FY25, 56% of total launches were reported in 2QFY25. In 2QFY25, launches in NCR surged 13x YoY/5x QoQ, resulting in higher inventory accumulation.
- While analyzing launches and absorption growth for several years, it is observed that once growth in launches decelerates, demand also starts to deteriorate in the same year, and eventually faster inventory accumulation happens. A deceleration in launches and absorption was witnessed in FY25, though supply-demand dynamics started to improve in 4QFY25 as systemic issues started to resolve and top developers received strong responses to their launches across geographies during the quarter.
- We estimate a 12% CAGR in launches over FY25-27E for our coverage companies, which is significantly higher than the broader market. Accordingly, we believe that even though presales might grow at lower pace of 7-10% for the broader market, cumulative presales for our coverage would record a 21% CAGR over FY25-27E.

Exhibit 2: Launches and absorption fall 5%/10% YoY for top seven cites in FY25



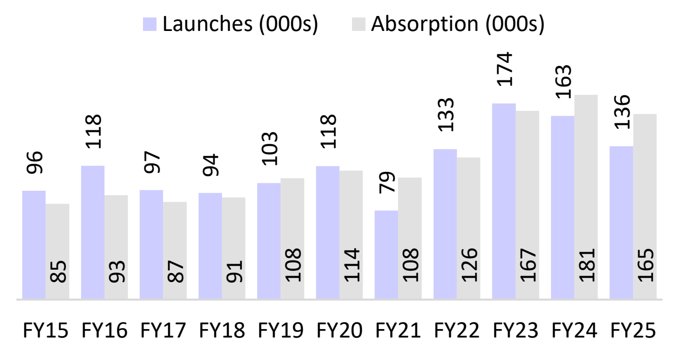
Source: Industry, MOFSL

Exhibit 3: Historically, a downtrend continues for a longer period than the growth phase (barring FY21 Covid year)



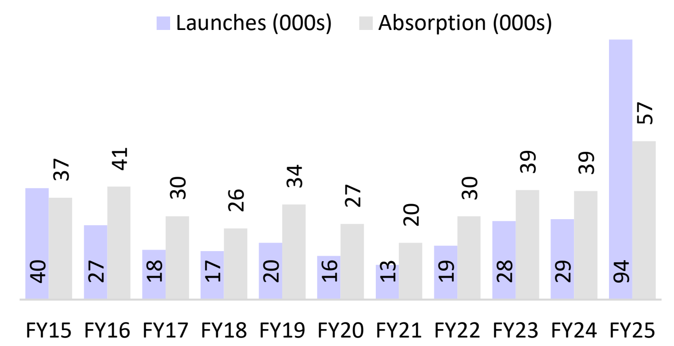
Source: Industry, MOFSL

Exhibit 4: In MMR, absorption higher than supply



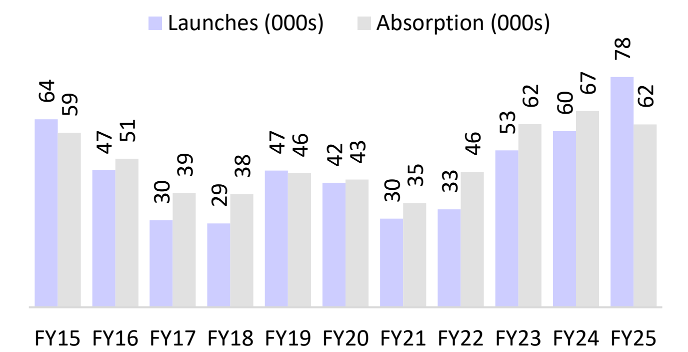
Source: Industry, MOFSL

Exhibit 5: Launch spike leads to higher inventory in NCR



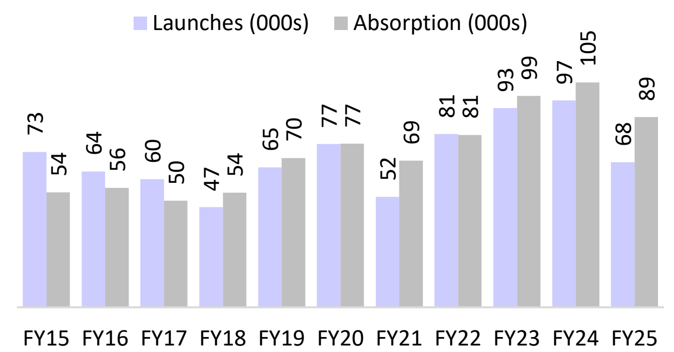
Source: Industry, MOFSL

Exhibit 6: Bengaluru witnessed 31% YoY growth in launches



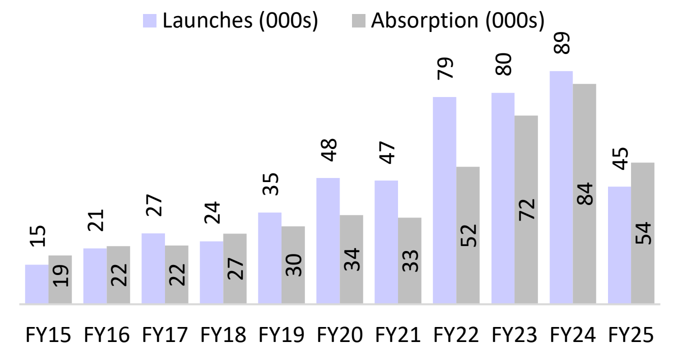
Source: Industry, MOFSL

Exhibit 7: Solid demand results in lower inventory in Pune



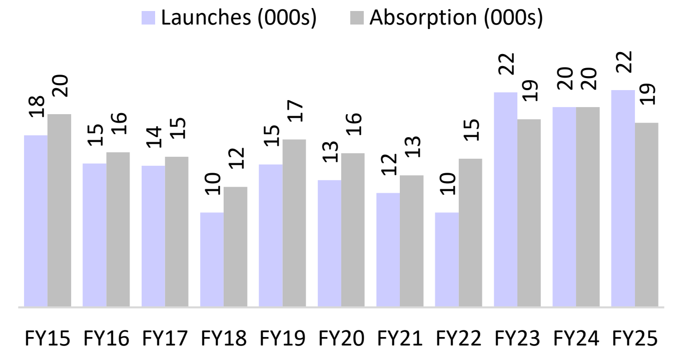
Source: Industry, MOFSL

Exhibit 8: FY19-24 launches outpace absorption in Hyderabad



Source: Industry, MOFSL

Exhibit 9: Launches higher than absorption in Chennai in FY25



Source: Industry, MOFSL

Exhibit 10: Tier 1 cities' absorption constantly higher than launches in last 12 quarters…

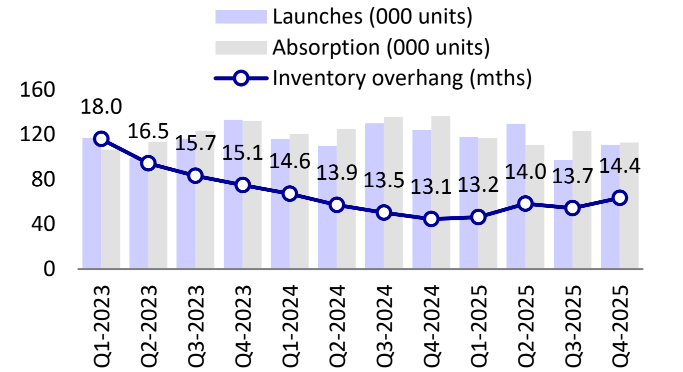


Exhibit 11: …leading to price appreciation throughout quarters

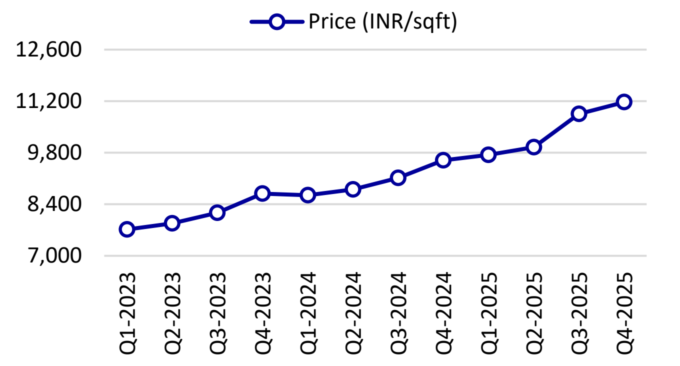


Exhibit 12: MMR sees a steeper decline in absorption compared to launches in 4QFY25

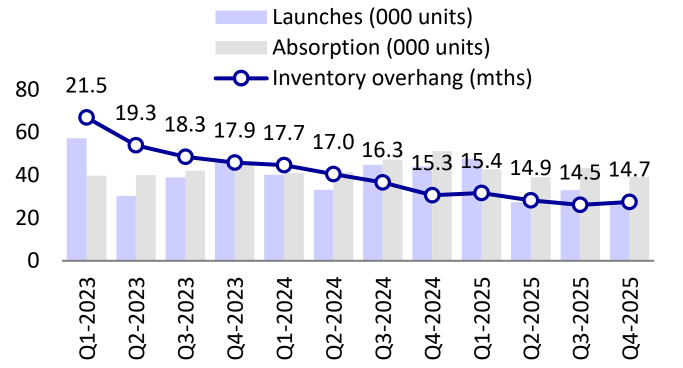


Exhibit 13: Prices on uptrend, showcasing good demand

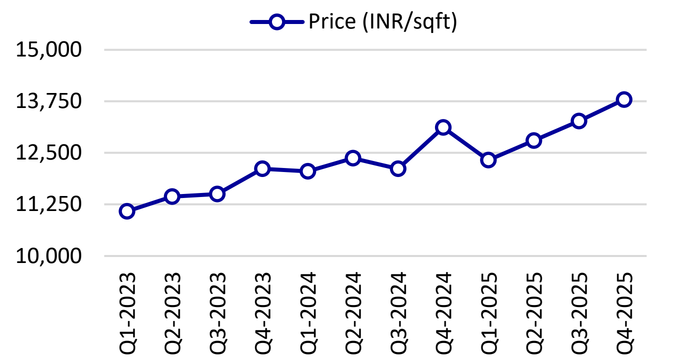


Exhibit 14: NCR achieves phenomenal launches in 2QFY25, leading to a steep rise in inventory overhang

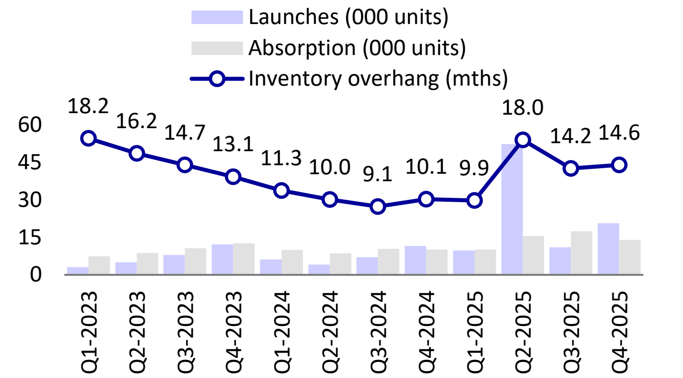


Exhibit 15: Prices slashed by ~INR1,928/sqft due to sudden rise in inventory in 2QFY25

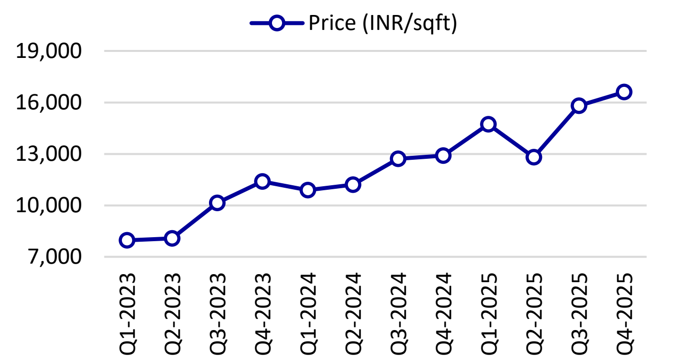


Exhibit 16: BLR sees inventory getting accumulated since 1QFY25 due to incremental rise in launches as compared to absorption

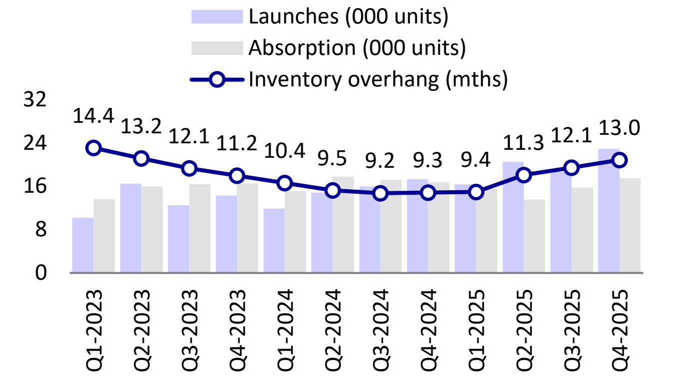


Exhibit 17: Constant rise in demand backs the rise in prices in BLR

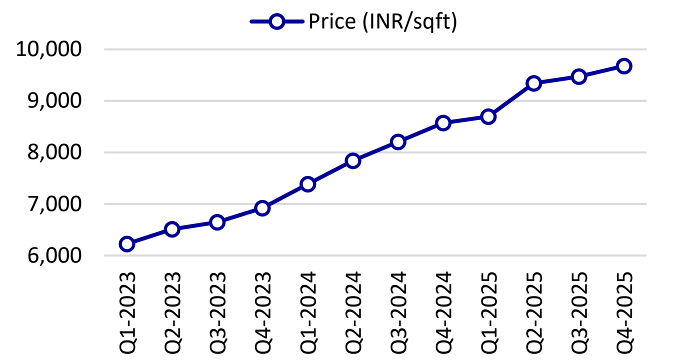


Exhibit 18: Chennai witnesses rapid increase in launches in 4QFY25

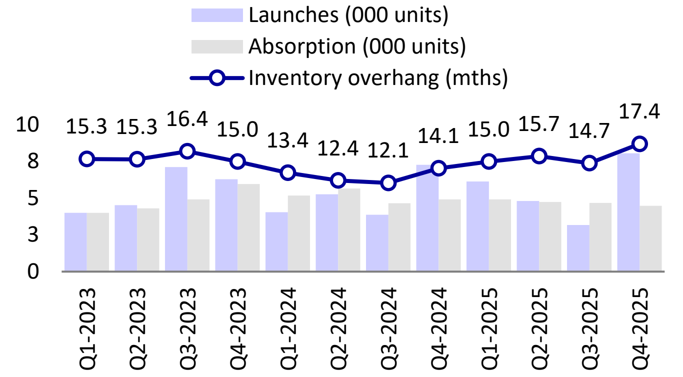


Exhibit 19: Price moderation is seen between Jul-23 and Jun-24 after a rapid increase

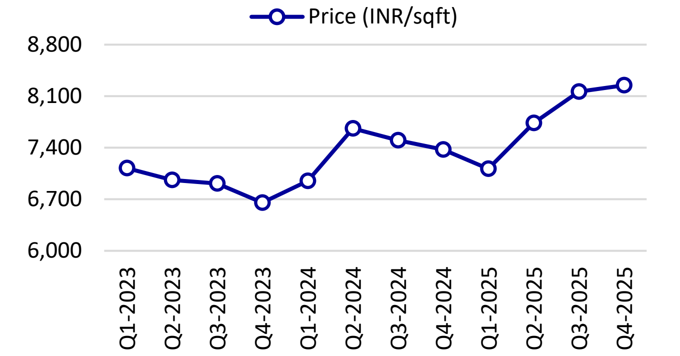


Exhibit 20: Hyderabad witnesses rapid increase in inventory months from 2QFY25

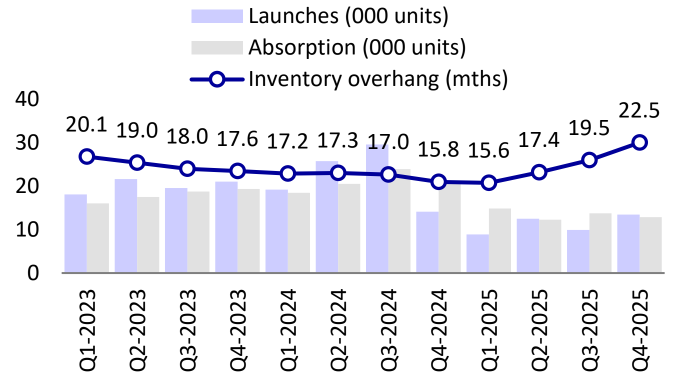


Exhibit 21: Price realization keeps increasing every quarter

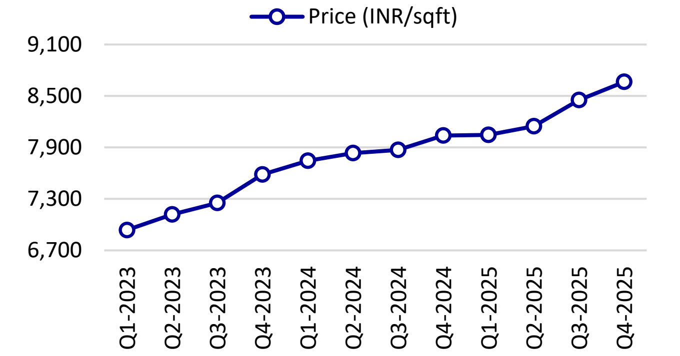


Exhibit 22: Kolkata inventory months stabilizing after declining for nine quarters

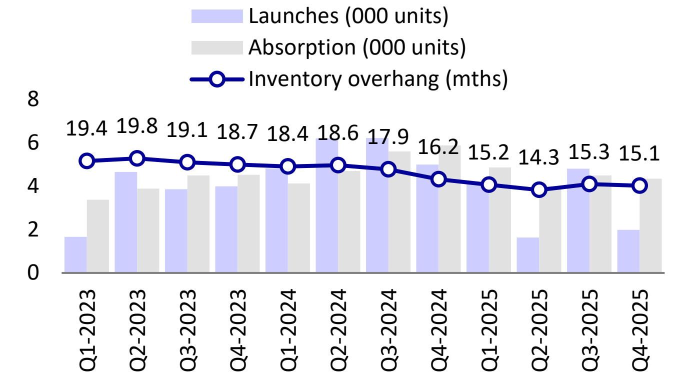


Exhibit 23: Price realization on an uptrend from 4QFY24

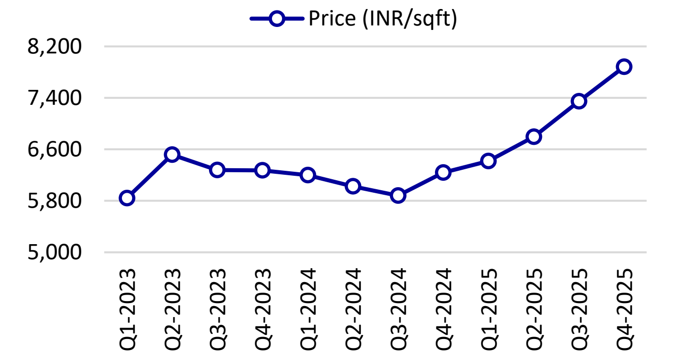
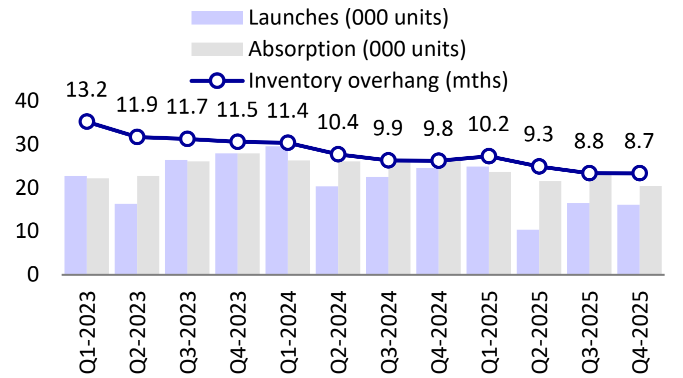
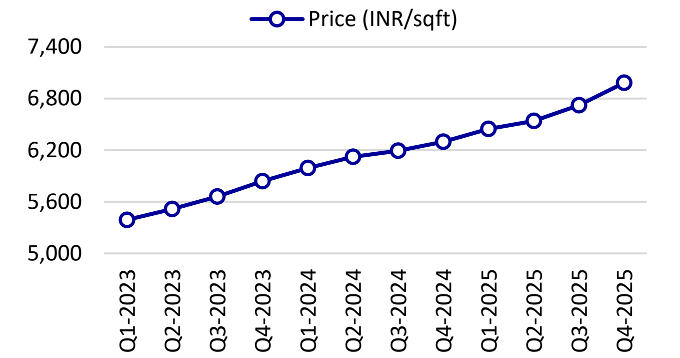


Exhibit 24: Absorption in Pune higher than launches in the last three quarters



Source: Industry, MOFSL

Exhibit 25: Pune prices rallying faster

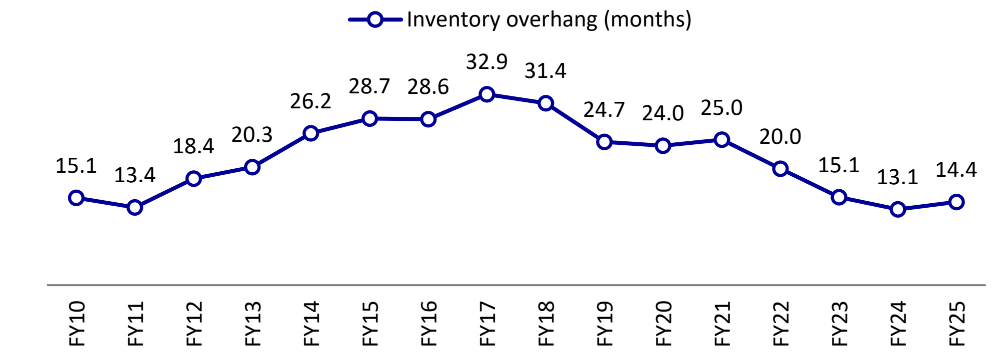


Source: Industry, MOFSL

Inventory accumulating across regions, except for MMR, Pune and Kolkata

- RRE inventory witnessed consistent depletion over FY17-24 as inventory came down from the peak of 32.9 months to 13.1 months, guided by significantly higher absorption than launches.
- Inventory level is the function of inventory divided by absorption for the year, wherein the increase in inventory might be due to higher launches than absorption or steeper deceleration in absorption than in launches.
- In FY25, inventory months increased for the first time after five years. Inventory in FY25 stood at 14.4 months as launches and absorption declined by 5% YoY and 10% YoY. In 4QFY25, launches and absorption declined by 11% and 17% YoY.
- RRE is currently at the same level from where inventory had started to accumulate 15 years ago (~14-15 months).
- However, inventory on an absolute basis declined from 562.6k units in FY24 to 554.5k units in FY25, as absorption was higher than launches in FY25.
- Among the top seven cities, MMR, Pune and Kolkata saw their inventory months decline from 15.3/9.8/16.2 months in FY24 to 14.7/8.7/ 15.1 months in FY25, as launches declined at a higher pace compared to absorption, leading to inventory reduction.

Exhibit 26: Inventory month reduction over the period



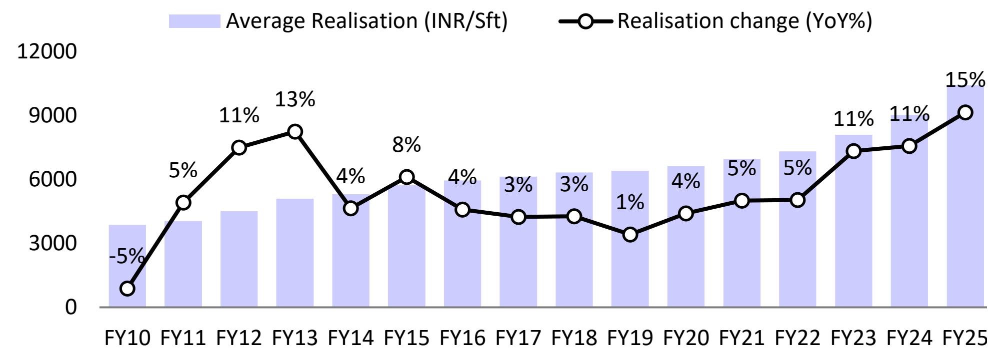
Source: Industry, MOFSL

Realization marked double-digit growth in last two years

- Average realization in the last 10 years has increased from INR5,700/sqft to INR10,431/sqft at 6% CAGR. After Covid-19 in FY21, it has seen an 11% CAGR over FY21-25 for the top seven cities. Similarly, in the last 15 quarters, realization saw a CQGR of 3%. In 4QFY25, realization grew 19% YoY.
- As absolute average realization for RRE has never come down, it is important to study the growth trend. From the data series, we found that after every two consecutive years (or one year) of double-digit growth, prices start tapering, which makes us cautious regarding the price trend.
- Interestingly, the top seven tier-1 cities witnessed growth of 11%/15% in FY24/FY25. So, there is a chance that growth in average realization to start tapering, which may result in demand slowdown too.
- A similar trend is also visible in all the top seven cities of India. MMR is an exception as the region’s realization is higher. Hence, due to the base effect, it generally remains in single digits, while realization growth is coming off.

- We have observed that when average realization starts to witness growth deterioration, homebuyers start deferring decision-making, which affects demand.
- The sector appears to be entering a new cycle where price growth might moderate to 5-10%, potentially prompting slower buyer decisions. Nevertheless, top developers, due to their limited inventory and proven timely delivery, will likely experience strong demand for their projects.

Exhibit 27: Average realization recorded double-digit growth in last two consecutive years

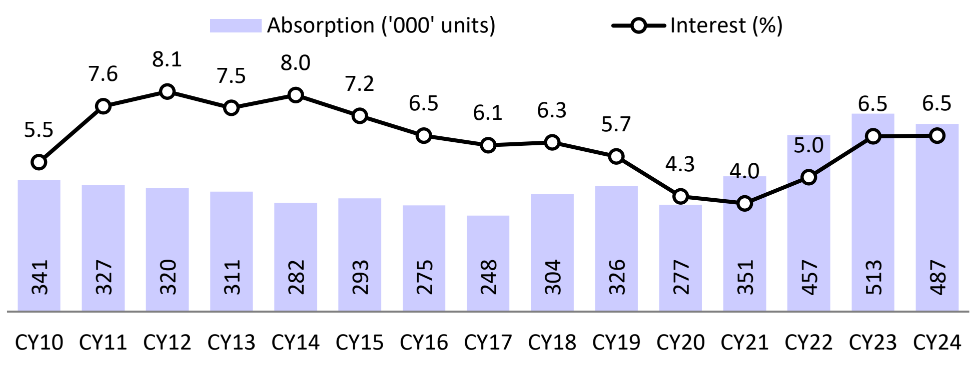


Source: Industry, MOFSL

Interest rate directly proportional to demand

- Interest rate has always been perceived as inversely proportional to housing demand. Actually, it is otherwise.
- Chart below clearly shows that when interest rate starts declining, demand starts deteriorating.
- In last four years after Covid-19, interest rates increased steadily and demand also witnessed robust growth. This shows the same trend as growth seen in FY10-12, wherein it is seen that absorption is growing with interest rates.
- In the Feb'25 monetary policy, the RBI cut the interest rate by 25bp to 6.25%, which might be a precursor to demand starting to stagnate or even decline on the overall basis.
- If interest rates stabilize at a lower level for a long time, then we believe demand will be more inclusive and can be witnessed across the segment.

Exhibit 28: Demand increased with increase in interest rate in the last 4-5 years



Source: RBI, MOFSL

Consolidation to still allow top players to grow

- We remain positive on the top 10 players/listed players on the back of a fall out of weak players in each micro market, a lack of delivery track record, product innovation, and a lack of credit facility to unorganized/weak developers.
- After the formalization of the sector following the RERA implementation, demonetization, the Benami Act, and digitalization of land records, the sector is steadily getting organized and the top 10 players in each micro-market are gaining market share each year.
- In the top seven cities, the top 10 developers in each market cumulatively have witnessed strong consolidation, with their contribution rising from 22.7% to 31.9% in launches and absorption catching up from 19.0% to 23.1% over FY15-FY25. Absorption is a lagging indicator and catches up over time.
- Although most cities show a similar trend, Hyderabad and Chennai have seen higher consolidation in absorption because top players from different markets have entered these two cities and started gaining share quickly.
- While Pune has strong potential for a consolidation in absorption, as launches of the top 10 developers contribute 27% and absorption is currently at 19%. Hence, there is lot of space to catch up as strong organized players are entering the market and gaining share. Pune has recently witnessed the entry of Puravankara, Sobha and Prestige Estates Projects, while LODHA and Godrej Properties are expanding aggressively in the area.
- NCR is a classic case of consolidation. The top 10 developers in NCR contribute 74.3% to total launches and 59.7% to absorption. The region is due to see a fall-out of weak players, and good developers are coming to NCR from other regions and gaining market share.
- Similarly, we believe going ahead other cities will follow a similar trend as there is clear preference of the end users for strong players with a credible track record of delivering projects on time with promised quality.
- Accordingly, we believe that even if the broader market grows at a lower pace, the top players will keep gaining market share. Moreover, most of the names in our coverage universe like PEPL, BRGD, SOBHA, LODHA, GPL, OBER and SIGNATUR are the top developers in their home micro-market and diversified in other markets to get the incremental income stream and gain market share in those markets too.

Exhibit 29: Top 10 developer's contribution in Tier I cities

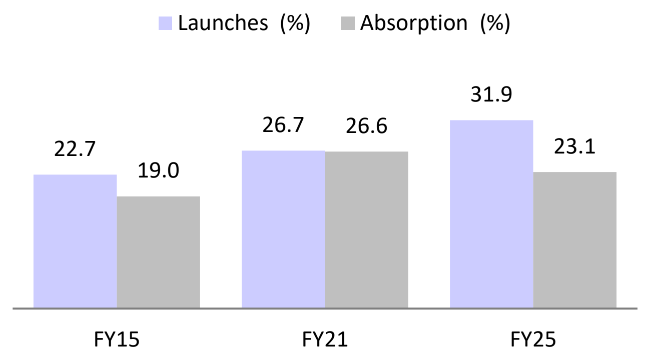


Exhibit 30: MMR has lot of space for consolidation

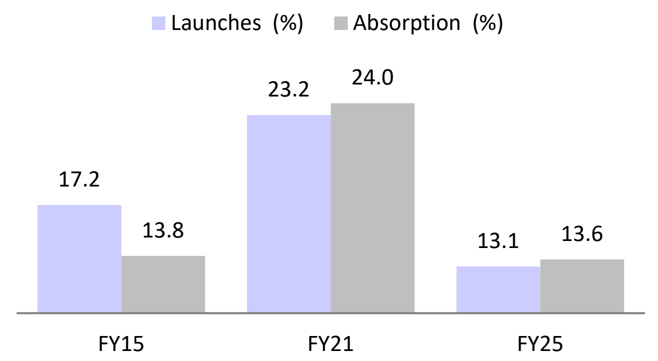


Exhibit 31: Strong consolidation from top 10 players in NCR

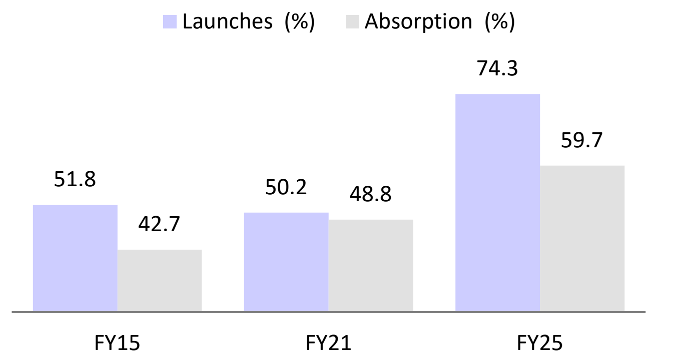


Exhibit 32: Top 10 players recouping its share in Bengaluru

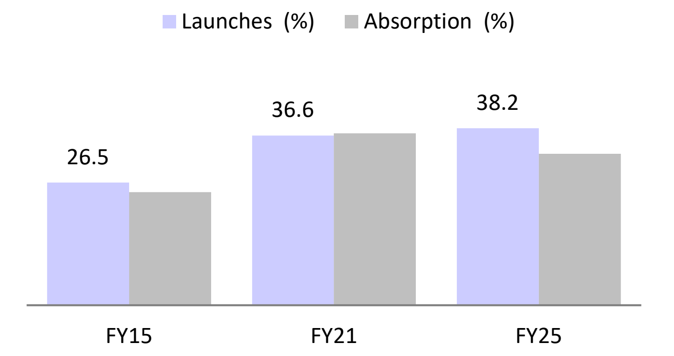


Exhibit 33: New entrants gaining share in Hyderabad

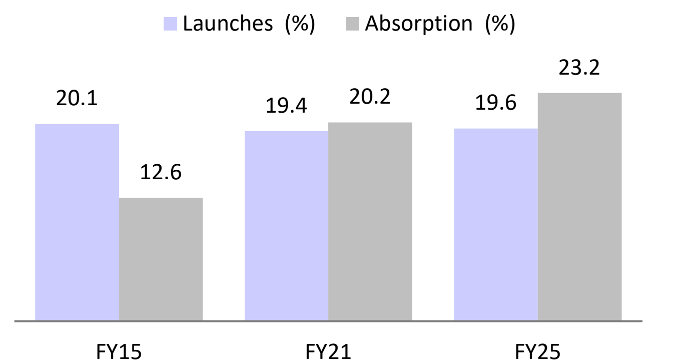


Exhibit 34: Chennai witnessing similar trend as Hyderabad

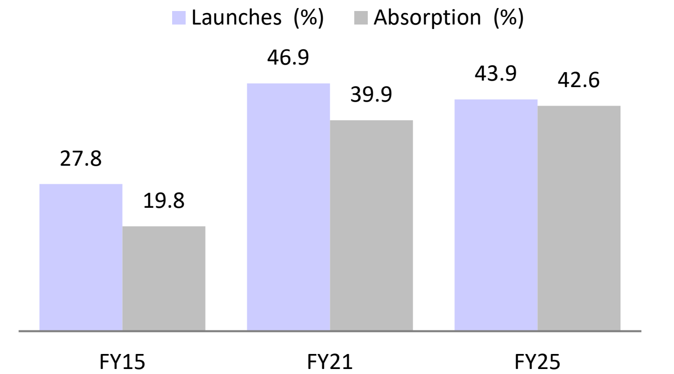
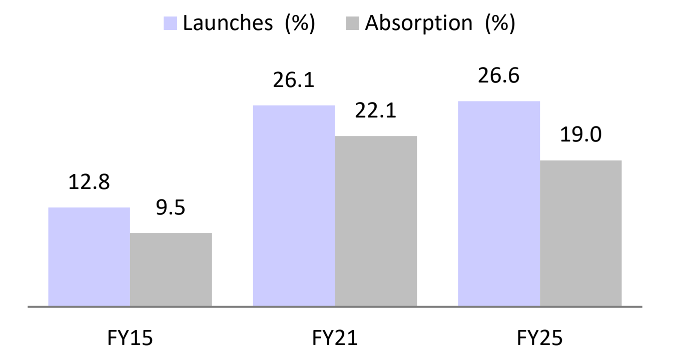
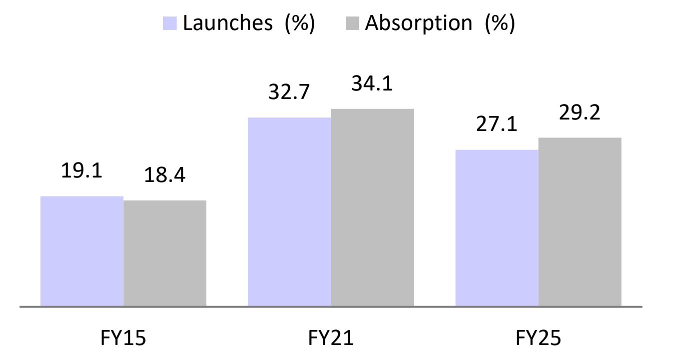


Exhibit 35: Top players gaining share in Pune; absorption to catch up



Source: Industry, MOFSL

Exhibit 36: Top 10 developers recouping and gaining market share in Kolkata



Source: Industry, MOFSL

Affordability improves across cities; MMR still expensive

- As RRE is a high-ticket size buy, there is always a debate regarding the affordability of houses. For many, buying a house is once-in-a-lifetime event, so it is important to understand affordability at the micro market basis, as prices and salaries/income patterns are very different for each city.
- Knight Frank tracks the Affordability Index, which is basically the EMI-to-income ratio for the different market, wherein basic assumption is loan tenure of 20 years, loan to value of 80%, and home loan interest rate at the median MCLR of all scheduled commercial banks with 40bp spread and median housing price for that city.

- The Affordability Index, created by Knight Frank, clearly depicts that affordability for the top 8 markets is continuously getting favorable. MMR had the highest EMI-to-income ratio of 50% in CY24, which came down from 93% in CY10.
- Data also shows that affordability has spiked in CY22, and since then it started getting favorable again.
- All the top 8 markets tracked by Knight Frank falls in the range of 20-30%, which makes them very affordable and clearly indicates the continuation of demand for housing sales as affordability is getting better and better.
- MMR is the only market where the affordability index is at 50%. It is important to note that MMR is getting more affordable year after year.
- We believe that as affordability is improving every year for all the markets, housing sales are expected to remain intact, though each market will have its own growth trajectory. However, Pune, Chennai, NCR and Bengaluru seem to be most favorable micro markets.

Exhibit 37: Except Hyderabad all the top cities are witnessing encouraging trends

City	CY10	CY19	CY20	CY21	CY22	CY23	CY24
Mumbai	93	67	61	52	53	51	50
NCR	53	34	38	28	29	27	27
Bengaluru	48	32	28	26	27	26	27
Pune	39	29	26	24	25	24	23
Chennai	51	30	26	24	27	25	25
Hyderabad	47	34	31	28	30	30	30
Kolkata	45	32	30	25	25	24	24
Ahmedabad	46	25	24	20	22	21	20

Source: Knight Frank, MOFSL

RRE: Tailwind of strong rental yields

- RRE has recently witnessed strong demand, backed by pent-up demand after Covid and intrinsic demand due to favorable demographics.
- However, the strengthening of rental yields across all markets is also one of the reasons behind the incremental demand.
- In CY21, Covid-led disruption led to lower launches, which continued for the next four years, wherein demand was higher than launches. As a result, inventory continued to decline.
- Due to the supply constraint, rental started increasing, and currently most of the cities have a rental yield of 3-6% because of negligible inventory of 14.4 months. The attractive rental yields are attracting investors to the RRE segment, which offers better yields and strong capital appreciation.
- Moreover, Covid-19 has shown the household how much disposable income they generate and their spending on luxury, travel and need-based expenses. So, instead of paying higher rental, they consider buying home.
- We believe strong rental, along with improving affordability, creates a case for investment in RRE.
- For MMR, as capital value is too high, the yield looks suppressed, though it is still attractive in absolute terms.

Exhibit 38: Rental yields across the top markets in India

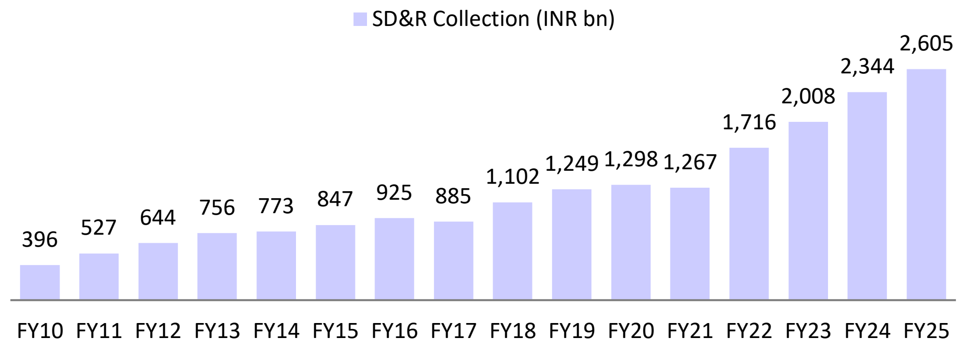
City	Average Rental Yield Range
Mumbai	2% - 3%
Bangalore	3% - 6%
Delhi-NCR	2% - 4%
Pune	3% - 5%
Chennai	3% - 5%
Hyderabad	3% - 5%
Kolkata	3% - 5%
Ahmedabad	4% - 6%
Gurugram	3% - 5%

Source: Nobroker, MOFSL

Stamp duty registration data reflects encouraging trend

- The RRE segment has been in the spotlight over the past 3-4 years, driven by a strong demand rebound, as reflected in the steady rise in stamp duty registration data.
- Stamp duty and registration data posted a 13% CAGR over FY19-25.
- While this data reflects a mix of both secondary and primary sales, it serves as a strong indicator of overall housing demand. Looking ahead, we expect housing demand to remain resilient, although the pace of growth may moderate in line with evolving demand-supply dynamics.

Exhibit 39: Stamp duty and registration data reflects continued growth



Source: RBI, MOFSL

Debt not a concern in the current cycle

- The RRE sector has undergone a series of reforms that have improved transparency and helped revive demand. Historically, debt has played a key role in supporting the sector's growth.
- Maintaining a prudent balance between debt and equity is critical. During FY10-20, many companies fell into a debt trap due to subdued demand, resulting in higher interest servicing. Net D/E across companies ranged from 0.7x to 2x, with BRGD recording the highest at 1.8x and OBER the lowest at 0.1x.
- Notably, the COVID-19 period proved beneficial for the RRE sector as demand for apartments—particularly for completed inventory—began to rise, resulting in strong free cash flow generation.
- Strong cash flows have enabled players to reduce debt, thereby accelerating growth. Currently, most companies maintain a net D/E ratio below 0.5x, providing ample headroom to drive growth at a faster rate.

- Moreover, post-FY18, following the IL&FS crash, credit lines for small-scale developers have been severely constrained. In contrast, listed players—with their highly de-levered balance sheets and strong growth visibility—continue to enjoy easy access to credit lines.
- We believe that the previous cycle was marked by aggressive launches of large-scale projects by developers, resulting in elevated commitments amid weakening demand.
- In response, developers have shifted to a phased launch strategy, backed by stronger risk control measures, such as initiating new phases only after achieving 60% sales in the previous phase. This approach has lowered overall commitments, kept projects cash-positive, and significantly reduced the risk of non-completion.
- We believe that listed players, with their strong de-levered balance sheets and strong cash flow generation, are well-positioned to sustain steady growth.

Exhibit 40: Most developers maintain net D/E below 0.5x

Net D/E	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
BRGD	1.2	1.5	0.8	1.3	1.5	1.8	1.6	1.2	0.9	1.0	0.3
DLFU	0.8	0.9	1.0	0.4	0.4	0.2	0.1	0.1	0.0	0.0	-0.0
GPL	1.4	1.5	1.7	2.3	0.9	0.2	0.0	0.1	0.4	0.6	0.2
KPDL	0.6	0.9	0.8	0.6	0.9	0.7	0.6	0.2	0.1	0.8	0.7
LODHA				9.3	6.1	3.7	3.5	0.8	0.6	0.3	0.2
MLIFE	0.6	-0.1	-0.1	-0.3	-0.0	0.1	0.1	0.0	-0.4	0.4	0.6
OBER	0.1	0.0	0.1	0.3	0.1	0.1	0.1	0.2	0.3	0.1	0.0
PHNX	1.9	1.8	1.6	1.3	1.2	1.1	0.7	0.2	0.3	0.3	0.3
PEPL	0.9	1.3	1.0	1.3	1.8	1.4	0.2	0.5	0.6	0.8	0.5
SIGNATUR							-4.0	-2.5	22.1	1.9	1.2
SOBHA	0.8	0.8	0.8	0.8	1.1	1.3	1.2	0.9	0.6	0.5	-0.1
SRIN				0.2	0.2	0.2	0.2	0.2	0.2	0.0	-0.0

Source: Company, MOFSL

Top developers diversifying geographically

- RRE has traditionally been viewed as a regional play, primarily due to the challenges of navigating varying regulatory requirements across states.
- Additionally, operating in new geography demands a deep understanding of local market dynamics and strong on-field experience, which have historically limited developers from venturing beyond their home markets.
- In the past, several developers who ventured into new geographies struggled due to challenges such as intense competition, regulatory complexities, and limited on-field market understanding.
- More importantly, these businesses were largely promotor-driven, with most departments tightly controlled by them, often hindering scalability and limiting their growth potential.
- Post-COVID-19, the sector witnessed the exit of several developers due to poor track records and related issues.
- The decentralization of responsibilities led to the formation of regional teams and leadership structures, with regional heads assuming full P&L responsibility.
- This approach has yielded strong results, enabling top developers to quickly make inroads into new geographies through strong regional teams. These teams manage sales, business development, and regulatory matters, with promoters stepping in only at the final stages.

- Over the past 2-3 years, several top developers have expanded into new geographies, demanding higher market share and creating incremental income streams beyond their home markets.
- A classic example is Godrej Properties, which entered the Pune market and quickly emerged as the market leader. LODHA is now following a similar path in Pune. PEPL has also entered the MMR region with 5-6 projects and is consistently gaining market share.
- Most leading players are now either entering new geographies or actively scaling up their presence. GPL, for instance, has entered Hyderabad and is scaling up operations, complementing its strong presence in MMR, NCR, Bengaluru, and Pune. Similarly, PEPL and SOBHA are expanding into Pune, with plans for rapid scale-up. PEPL and OBER are also entering the NCR region with the aim of capturing a meaningful market share. Meanwhile, BRGD is actively scaling its presence in Hyderabad and Chennai.
- We believe that going forward, developers with a multi-geography presence will hold an edge over single-market players, as this strategy also enables better risk diversification.

Strong BD offers visibility and strengthens launch pipeline

- Following a phenomenal phase of BD in the RRE sector in recent years, inventory replenishment has become critical to sustaining the current growth momentum.
- Strong sales and steady execution in recent years have fueled robust cash flows, with optimal debt levels supporting faster growth.
- Strong cash flows are enabling developers to shift focus toward portfolio expansion to maintain the ongoing growth trajectory.

Exhibit 41: BD addition by coverage companies in FY25

Company	Area Addition (msf)	GDV (INR bn)	Geographies of project addition
BRGD	13.51	120	❖ Bengaluru, Chennai
GPL	19.00	265	❖ Across geographies and Indore
KPDL		40	❖ Pune
LODHA	15.40	237	❖ MMR, Bengaluru & Pune
MLIFE		181	❖ MMR & Bengaluru
Oberoi	4.19		❖ MMR
PHNX	3.13		❖ Bengaluru, Coimbatore, Chandigarh
PEPL	14.99	165	❖ Bengaluru, MMR, Goa, Hyderabad
SIGNATUR	7.90	124	❖ Gurugram
SRIN	1.00	114	❖ Dubai, MMR

Source: Company, MOFSL

Healthy launch pipeline supports strong booking momentum

- Companies are actively focusing on business development to sustain their growth trajectory, resulting in a strong project launch pipeline.
- The launch pipeline across our coverage universe is expected to remain robust for the next 15 months, supported by strong business development activity over the past 12-24 months.
- A key trend highlighting the robust launch pipeline is the ongoing geographic expansion by several developers.

- The diversified nature of launches across players is expected to minimize market cannibalization and support continued growth, even on the high base of the past few years.
- Backed by a strong launch pipeline, aggregate pre-sales of our coverage companies are expected to record a 21% CAGR in value terms over FY25-27, while volumes are projected to record a 20% CAGR during the same period.

Exhibit 42: Strong project pipeline for FY26

Company	Area (msf)	Value (INR b)	Period	Comments
BRGD	12.0		FY26	❖ Eight projects planned in Bangalore, five in Chennai, one in Hyderabad, and one in Mysuru
DLFU	9.0		FY26	❖ 9msf is expected to be launched during the remainder of FY25 across Gurugram (commercial and luxury), Mumbai (luxury), Goa (luxury), and Chandigarh Tri-city (premium)
GPL		400	FY26	❖ Key projects include 0.9msf with a GDV of INR67b in MMR; 0.6msf with a GDV of INR37b in NCR, 3.3msf with a GDV of INR25b in Pune; and 1.8msf with a GDV of INR23.7b in Kolkata, Nagpur, and other regions
KPDL	1.2	20	1H FY26	❖ Mumbai projects
LODHA	13.1	188	FY26	❖ ~17 projects
MLIFE		40	FY26	❖ Upcoming launches include a new tower in Citadel with a GDV of INR1.5-1.8b; Project Navy in Malad with a GDV of INR10b, slated for launch in Q1-Q2FY26; Project Pink in Jaipur (INR2b plotted development); Citadel Phase 3 in Pune; Saibaba redevelopment in Borivali with a GDV of INR18b; and Bhandup Phase 1
OBER			FY26	❖ One tower in Elysian launched in 1QFY26; for FY26, one tower planned in Borivali, one in Goregaon, and two in Forestville Thane; additional launches planned in Gurugram, Adarsh Nagar, Worli, and Tardeo in FY26
PHNX	1.0		FY26	❖ Kolkata residential and Grand Victoria Mall Phase 1
PEPL	44.8	421	FY26	❖ 20 projects
SIGNATUR		100-110	1H FY26	❖ In 1QFY26, 1.6-1.7msf is planned for launch in Sector 71 as part of Phase 2 of Titanium, with an additional 3.3msf planned for Sector 70. Other planned launches include Project Iconic in Sector 37D, along with additional inventory in the Sohna market, including inventory from Project Dakshin, and a new project—Park in Sector 36, Sohna. Inventory/projects worth INR100-110b are planned for 1HFY26. Projects for 2HFY26 are currently in the planning stage, with additional launches expected in Sector 37D and Sector 71.
SOBHA	3.5		1H FY26	❖ Key upcoming launches include a 0.7msf project in Greater Noida and the Marina One development in 1QFY26, followed by a 0.6msf launch in Bengaluru. A commercial project is planned in Gurgaon for 2QFY26, along with another 0.5msf launch in Bengaluru. Overall, the company plans to launch 3-3.5msf in 1HFY26. Around 45% of new launches in FY26 will be from NCR.
SRIN		40	Q4-25	❖ In FY26, SRIN will launch a new phase of ODC (Goregaon West), with a GDV of INR30b (two towers with 0.8-1.0msf area, of which ~0.5msf in one tower will be launched initially). SRIN will also launch Beach Residences with a GDV of ~INR2.5-3b, along with Sunteck Skypark in Mira Road with a GDV of ~INR6-7b. Projects in Bandra West (with a GDV of INR10b) and the Burj Khalifa Community, Dubai (with a GDV of INR90b) are expected to be launched by the end of FY26 or early FY27.

Source: Company, MOFSL

How was the last cycle different and what lies ahead?

- The Indian RRE sector has undergone multiple cycles over the past decade. In the previous cycle, most developers operated within a single geography, or, at most, in two adjacent micro-markets with similar characteristics.
- Additionally, in the decade leading up to FY21, companies were burdened with high debt levels due to higher delivery commitments. At the same time, homebuyer preferences were largely skewed toward newly launched projects.

- Developers also tended to hold back inventory for sale at later stages of the project to achieve higher realization, which led to slower cash flow generation and an accumulation of completed but unsold inventory.
- Historically, developers often funded land banks using cash flows generated from newly launched projects, which, in some cases, led to default situations due to strained liquidity.
- Prior to FY21, most developers were trapped in a vicious debt loop, compelling them to continuously launch new projects to generate upfront cash flows and fund ongoing construction. This approach only added to their development and delivery burden over time.
- However, COVID-19 turned out to be a blessing in disguise, as developers adapted to a more calibrated approach to new launches during that period, leading to a steady depletion of completed inventory.
- Sales of completed inventory generated strong cash flows for developers, helping them break free from the debt trap and paving the way for accelerated growth going forward.
- However, developers have taken key lessons from the last cycle and implemented risk control measures, most notably by launching projects in smaller phases. This approach has helped reduce delivery commitments while enabling faster cash flow generation.
- Further, companies have adopted a calibrated launch strategy, where subsequent phases are launched only after at least 60-65% of inventory from the previous phase is sold, helping to mitigate completion risk.
- Post the COVID-19 disruption, weaker developers exited the market, either due to project delivery failures or lack of access to credit lines, leading to a supply constraint. Capitalizing on this situation, several companies expanded beyond their home geographies, gradually establishing execution track records and becoming local players in new markets. For instance, GPL and SOBHA are now considered local in NCR, PEPL in MMR, and LODHA & GPL in Pune.
- This geographical diversification has strengthened their brand equity and created additional income streams.
- However, after a strong run over the past 3-4 years, we believe the RRE sector is expected to witness sustenance. Top players are expected to grow at 10-20% YoY in the coming years, guided by around 7-10% realization growth and 10-13% volume growth, depending on their geographies of operation.
- We believe pre-sales of our coverage universe will register a 21% CAGR over FY25-27, backed by a strong launch pipeline and ongoing consolidation. Among the coverage companies, KPDL, OBER, SIGNATUR, SOBHA, and SRIN are projected to record strong growth of 31%, 36%, 31%, 40%, and 24%, respectively, benefiting from a lower base. Notably, even on a higher base, PEPL is expected to post a 36% CAGR over the same period.

Exhibit 43: Pre-sales for coverage companies to post a 21% CAGR over FY25-27

Pre-sales (INR b)	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	CAGR 25-27E (%)
BRGD	14	12	10	9	16	24	28	30	41	60	78	105	115	21%
DLFU	15	31	12	11	24	25	31	73	151	148	212	233	257	10%
GPL	27	50	20	51	53	59	67	79	122	225	294	321	341	8%
KPDL	17	13	12	12	14	13	12	17	22	28	28	41	48	31%
LODHA							60	85	121	145	176	213	253	20%
MLIFE	7	8	5	6	10	8	7	10	18	23	28	34	35	12%
OBER			87	-4	33	13	33	12	32	39	61	98	112	36%
PHNX														
PEPL	50	32	25	33	46	46	55	104	129	210	170	262	315	36%
SIGNATUR							17	26	34	73	103	123	178	31%
SOBHA	22	21	20	29	31	29	31	39	52	66	63	101	124	40%
SRIN	5	6	6	6	12	12	10	13	16	19	25	30	39	24%
Total	**158**	**174**	**198**	**151**	**241**	**228**	**350**	**487**	**739**	**1,037**	**1,239**	**1,561**	**1,815**	**21%**

Source: Company, MOFSL

Collections to post a 36% CAGR over FY25-27

- Our coverage companies have strong visibility for pre-sales growth, guided by a healthy launch pipeline and business development activity.
- Not only are the companies expected to achieve strong bookings, but with timely execution, they are also likely to generate robust collections. Cumulatively, collections are projected to post a 36% CAGR over FY25-27, guided by strong collection growth from MLDL, PEPL, SIGNATUR, SOBHA, and SRIN.
- Strong collections are expected to result in healthy OCF of INR600b by FY27, with cumulative OCF over FY25-27 projected at INR1.4t.

Exhibit 44: Strong collections visibility backed by timely execution and strong bookings

Collection (INR b)	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	CAGR 25-27E (%)
BRGD				12	16	18	21	32	37	42	54	78	94	32%
DLFU					37	28	25	46	57	87	118	170	199	30%
GPL			26	40	44	43	44	78	105	129	189	263	284	23%
KPDL			10	11	12	14	11	16	18	21	24	33	41	30%
LODHA								86	101	107	131	183	223	30%
MLIFE	6	6	7	6	10	9	8	12	12	14	18	29	34	37%
OBER				12	19	21	16	30	27	40	53	74	90	30%
PHNX														
PEPL	39	40	41	43	40	47	51	75	98	120	121	220	294	56%
SIGNATUR							8	13	19	31	44	63	103	53%
SOBHA	18	16	18	21	22	24	22	32	43	50	55	70	113	43%
SRIN	5	5	5	5	7	7	8	11	12	12	13	23	31	57%
Total	**68**	**66**	**107**	**151**	**206**	**210**	**214**	**428**	**529**	**653**	**819**	**1,205**	**1,505**	**36%**

Source: Company, MOFSL

Commercial on strong footing for next two years

- The commercial market has shown encouraging trends over the past three years, following the recovery from COVID-19 disruption. The top eight markets tracked by Knight Frank recorded gross leasing of ~72msf in CY24, marking a 21% YoY growth. Vacancy levels also declined to 15% from 16% last year. Additionally, 1QCY25 saw a 74% YoY growth in gross leasing at 28.2msf.
- Strong leasing activity has been driven by increased space uptake from Global Capability Centers (GCC), MNC banks, IT/ITES, E-commerce, and fintech companies.

- Bengaluru recorded its highest-ever leasing of 18.1msf in CY24, resulting in a decline in vacancy to 12% from 15% in CY23. 1QCY25 followed a similar trend, with Bengaluru posting the highest gross leasing among other cities at 12.7msf (+3.6x YoY).
- Chennai, MMR, NCR, Hyderabad, and Pune reported strong gross leasing of 8.1msf, 10.4msf, 12.7msf, 10.3msf, and 8msf, respectively, in CY24 and 1.8msf, 3.5msf, 2.1msf, 4msf, and 3.7msf, respectively, in 1QCY25.
- In CY24, Chennai's vacancy rate declined by 4ppts to 7%, while Pune saw an increase in vacancy to 12%, from 7% in CY23.
- Rentals for most markets grew in the range of 3-6%, with MMR recording the highest rental rate of INR118/sft/month in CY24.
- Management commentary in Q4FY25 suggests a strong pipeline of GGC space uptake over the next two years, supported by favorable global dynamics.

Exhibit 45: Gross leasing up 72% YoY to 28.2msf for top eight cities in 1QCY25

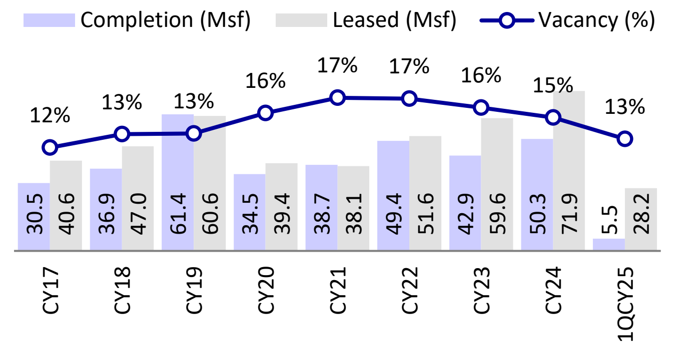


Exhibit 46: Bengaluru reported 12.7msf of leasing in 1QCY25

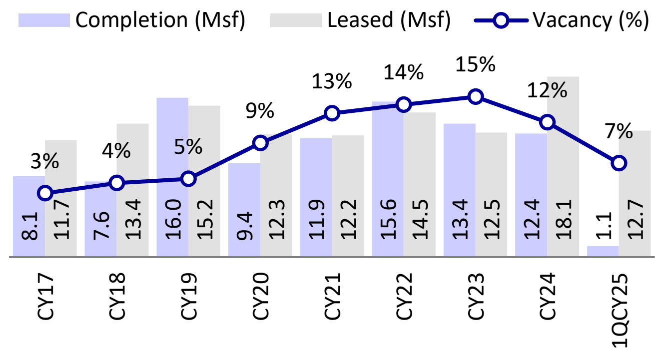


Exhibit 47: Hyderabad's vacancy reached 15% in 1QCY25

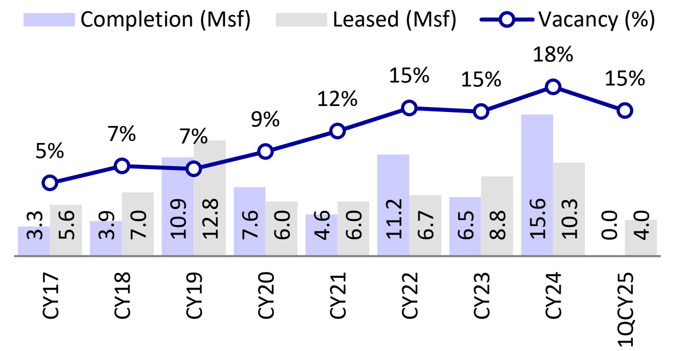


Exhibit 48: 3.5msf of leasing for MMR led to 17% vacancy

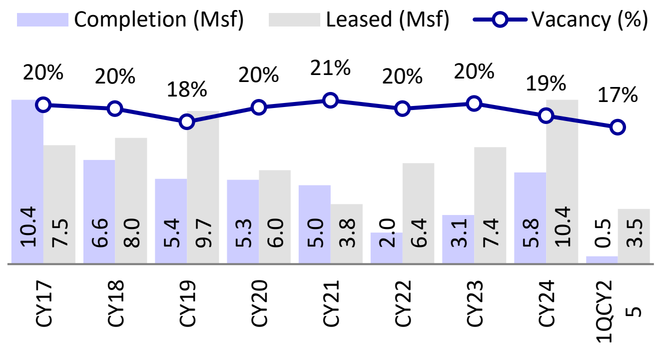
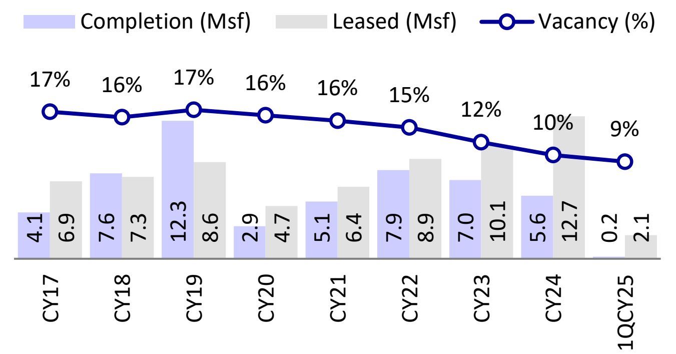
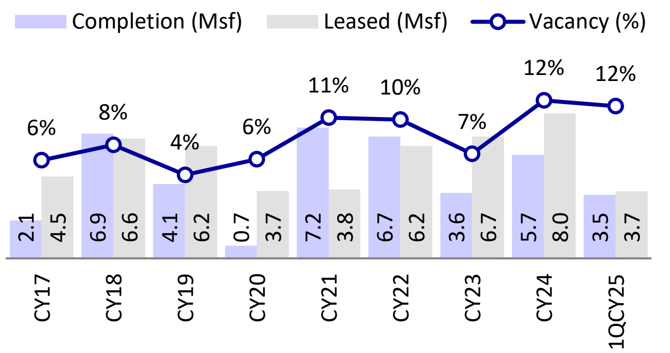


Exhibit 49: NCR recorded the lowest vacancy rate in the top eight cities at 9%



Source: Knight Frank, MOFSL

Exhibit 50: Pune vacancy flat at 12% despite higher leasing



Source: Knight Frank, MOFSL

Strong financials guided by excellent execution

- Cumulatively, revenue for the coverage companies is expected to record a 22% CAGR over FY25-27, reaching INR861b, guided by strong collections and a robust delivery pipeline over the next 2-3 years.
- Most coverage companies are expected to grow at 17-28% over FY25-27, while BRGD and GPL are likely to post weaker growth of 10% and 9%, respectively. However, MLDL, PEPL, SIGNATUR, and SRIN are expected to grow at 49%, 38%, 72%, and 60%, respectively, over FY25-27.
- Cumulative EBITDA for coverage companies is expected to grow at a 26% CAGR over FY25-27, reaching INR252b, with a blended operating margin of 29%—an improvement of 168bp over the same period. OBER, PHNX, LODHA, and BRGD are expected to report strong margins of 54%, 67%, 29%, and 37%, respectively, for FY27, while other companies are expected to remain in the range of 15-25%.
- Adjusted PAT for the coverage companies is expected to post a 25% CAGR over FY25-27, reaching INR210b, with an adjusted profit margin of 24% projected for FY27.
- Recently, most companies in our coverage have completed a round of fund raising and are generating strong cash flows, enabling them to pursue growth without stressing their balance sheets. Net D/E remains below 0.5x for several companies, with many in a net cash position. However, SIGNATUR stands out with the highest level at 1.2x net D/E for FY25.
- Driven by strong profit accretion, the return profile—ROE/ROCE—is expected to improve consistently YoY.

Valuation and view

- Companies under our coverage universe are expected to post a pre-sales CAGR of 21% over FY25-27, reaching cumulative pre-sales of INR4.6t, guided by a strong launch pipeline and BD undertaken in recent years. Collections are expected to outpace pre-sales growth with a 36% CAGR and cumulative inflows of INR3.5t, supported by strong execution capabilities, timely deliveries, and strong pre-sales.
- With strong collections in place, companies under our coverage are expected to generate healthy operating cash flows of INR1.4t cumulatively over FY25-27. This should enable most of them to maintain net D/E below 0.5x, with several likely to turn net cash, supported by the current visibility.
- At this juncture, we consolidate the discounted cash flows from all projects, including those arising from the companies' business development efforts, and derive their present value.
- To accommodate growth, we will apply a premium/discount to 1x NAV and value office assets by applying a capitalization rate to discounted NOI.
- Retail assets are valued on relative valuation multiples of EV/EBITDA, depending on the quality of cash flows generated by assets and growth in trading density.
- The land bank is calculated at a discount to the current market value, with benchmarks taken from similar recent transactions.
- Most companies are currently trading at 1x NAV or at a premium, driven by easing supply issues and strong responses to recent launches. Continued

business development activity demands higher valuations and offers headroom to raise premiums or assign higher valuations.

- Following a period of uncertainty in the RRE sector, the focus has shifted back to companies with strong geographical diversification and a well-balanced mix of residential and commercial assets (office/retail/hospitality). These players are well-positioned to reap the benefits of strong growth visibility across both asset classes under the real estate umbrella. Additionally, ongoing consolidation in both supply and absorption is expected to further enhance growth visibility, particularly for our coverage companies in the residential segment.
- Within our coverage universe, we have a BUY rating on BRGD, DLFU, GPL, KPDL, LODHA, PEPL, SIGNATUR, SOBHA, and SUNTECK and Neutral stance on MAHLIFE, OBER, and PHNX. We prefer LODHA , PEPL, and SIGNATUR for their strong growth visibility, geographical diversification and ability to generate income from multi-assets.

Exhibit 51: Valuation breakup including contribution from each segment and premium

Company	Rating	Residential	Other assets	Land bank	GAV	Debt	1x NAV FY26	TV/ Premium	NAV including premium	TP
BRGD	Buy	122	117	77	316	2	314	72	386	1,580
DLFU	Buy	316	637	1,481	2,434	-54	2,488	0	2,488	1,005
GPL	Buy	451	23	0	474	-26	501	356	856	2,843
KPDL	Buy	42	0	6	49	6	43	0	43	560
LODHA	Buy	549	184	637	1,371	38	1,333	533	1,866	1,870
MLIFE	Neutral	44	18	4	66	7	59	0	59	382
OBER	Neutral	290	205	0	495	-4	499	148	648	1,782
PHNX	Neutral	17	608	0	625	27	598	0	598	1,673
PEPL	Buy	312	240	162	714	67	647	215	862	2,000
SIGNATUR	Buy	197	0	0	197	9	188	59	247	1,760
SOBHA	Buy	74	24	86	184	-6	190	0	190	1,778
SRIN	Buy	74	5	0	79	0	79	0	79	540

Source: Company, MOFSL

Peer operational & valuation tables

Exhibit 52: Coverage Pre-sales / Collections to grow at 21% / 36% CAGR over FY25-27

Companies	Pre-sales (INR b)			Collection (INR b)			OCF (INR b)		
	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E
Brigade	78	105	115	54	78	94	21	35	41
DLF	212	233	257	118	170	199	72	81	95
Godrej Prop	294	321	341	189	263	284	75	74	80
Kolte Patil	28	41	48	24	33	41	4	5	5
Macrotech	176	213	253	131	183	223	65	73	99
Mahindra Life	28	34	35	18	29	34	-	1	0
Oberoi	61	98	112	53	74	90	38	58	73
Phoenix Mills	-	-	-	-	-	-	21	15	34
Prestige	170	262	315	121	220	294	57	50	79
Signature Global	103	123	178	44	63	103	16	14	40
Sobha	63	101	124	55	70	113	14	9	41
Sunteck	25	30	39	13	23	31	4	8	12

Exhibit 53: Strong execution leads to 22% Revenue CAGR over FY25-27

Companies	Revenue (INR b)			EBITDA (INR b)			EBITDA Margin (%)		
	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E
Brigade	51	50	61	14	18	22	28%	35%	37%
DLF	80	82	82	21	30	18	26%	37%	22%
Godrej Prop	49	54	58	0	7	9	1%	13%	15%
Kolte Patil	17	29	26	2	6	5	10%	21%	20%
Macrotech	138	181	189	40	52	54	29%	29%	29%
Mahindra Life	4	5	8	-2	-1	0	-46%	-19%	-1%
Oberoi	53	69	90	31	41	48	59%	59%	54%
Phoenix Mills	38	47	52	22	29	35	57%	62%	67%
Prestige	73	114	141	26	27	29	35%	24%	21%
Signature Global	25	44	74	0	8	18	2%	18%	24%
Sobha	40	50	58	3	6	8	7%	13%	15%
Sunteck	9	12	22	2	2	5	22%	18%	21%

Exhibit 54: Adjusted Profit to grow at 23% CAGR over FY25-27 for coverage

Companies	PAT (INRb)			PAT Margin (%)			EPS		
	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E
Brigade	7	9	13	14%	18%	21%	33.6	44.9	64.2
DLF	44	47	38	55%	58%	47%	17.6	19.1	15.6
Godrej Prop	14	25	24	28%	46%	42%	50.0	89.2	86.7
Kolte Patil	1	4	3	6%	13%	13%	14.1	47.9	43.6
Macrotech	28	36	39	20%	20%	20%	28.7	37.9	40.2
Mahindra Life	1	1	3	16%	10%	32%	4.0	3.3	16.8
Oberoi	22	29	35	42%	42%	39%	61.2	79.4	96.9
Phoenix Mills	10	16	21	26%	33%	40%	27.5	43.8	59.0
Prestige	5	8	10	7%	7%	7%	13.6	22.6	25.9
Signature Global	1	8	18	4%	18%	24%	7.2	55.7	125.3
Sobha	1	4	5	2%	7%	9%	8.9	33.7	50.6
Sunteck	2	2	4	18%	14%	18%	10.3	12.2	26.1

Exhibit 55: Improving financials bargains better valuations

Companies	EV/EBITDA			P/E			P/BV		
	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E
Brigade	18	13	10	34.5	23.7	16.6	4.2	3.3	2.8
DLF	100	69	115	48.4	44.8	54.9	3.6	3.3	3.1
Godrej Prop	1,602	96	65	48.6	27.3	28.0	3.9	3.4	3.0
Kolte Patil	24	5	5	28.7	8.4	9.2	4.2	2.6	2.0
Macrotech	37	29	27	50.9	39.4	37.1	7.0	6.1	5.4
Mahindra Life	-41	-64	-550	93.1	102.6	19.8	3.0	2.7	2.4
Oberoi	24	18	14	32.5	25.0	20.5	4.6	4.0	3.4
Phoenix Mills	29	22	17	58.9	38.0	28.2	5.5	5.0	4.2
Prestige	31	26	25	128.5	77.6	67.6	4.3	3.9	3.7
Signature Global	415	22	10	174.0	22.5	10.0	24.2	11.6	5.4
Sobha	53	21	17	172.2	45.2	30.2	3.6	3.1	2.8
Sunteck	36	23	13	43.6	33.0	15.4	2.0	1.7	1.6

Exhibit 56: Net D/E for coverage companies is expected to remain well below 0.5x even after accelerating growth

Companies	Net D/E			ROE			ROCE		
	2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E
Brigade	0.3	0.2	0.0	15.0	15.1	18.3	10.8	11.3	13.6
DLF	-0.0	-0.1	-0.1	10.7	10.6	8.0	9.5	5.2	3.1
Godrej Prop	0.2	-0.1	-0.4	10.2	13.4	11.5	6.5	8.5	8.2
Kolte Patil	0.7	0.0	-0.4	13.6	35.9	24.3	6.9	18.3	14.4
Macrotech	0.2	0.2	0.1	14.6	16.7	15.4	12.1	13.8	13.3
Mahindra Life	0.6	0.4	0.2	3.3	2.7	13.0	-3.4	-3.1	-0.2
Oberoi	0.0	-0.0	-0.2	15.1	17.0	17.7	13.7	15.4	16.5
Phoenix Mills	0.3	0.2	0.0	9.9	14.0	16.3	11.1	13.9	15.7
Prestige	0.5	0.2	0.4	3.8	5.3	5.8	7.2	6.8	7.1
Signature Global	1.2	-0.2	-0.2	14.9	70.0	73.6	5.3	26.0	40.9
Sobha	-0.1	-0.5	-0.2	2.7	7.6	10.5	4.6	7.8	10.2
Sunteck	-0.0	-0.3	0.0	4.7	5.3	10.6	5.1	5.6	10.4

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.