Real Estate

From shopping centers to consumption ecosystem

Emkay

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Real Estate ▸ Sector Report ▸ **July 24, 2026**

NIFTY 50: 23,870

We initiate coverage on India's organized retail mall/consumption center sector. We assign BUY to Nexus Select Trust (NXST) with TP of Rs190, valuing its assets based on the NOI capitalization method. We assign REDUCE to The Phoenix Mills (PHNX), with TP of Rs2,050, based on asset-level EV/EBITDA valuation. NXST and PHNX are the leading owners and operators of Grade-A retail consumption centers, with total area of ~22msf and 32 consumption centers. They have transformed their assets from traditional shopping destinations to integrated consumption ecosystems by continuously upgrading their tenant mix base. Both are well positioned to capitalize on India's long-term consumption growth, supported by favorable macro factors and a constrained supply of high-quality retail space.

India's consumption story remains structurally strong

India is expected to remain the fastest-growing major economy over the next five years. Private final consumption expenditure accounts for 57% of GDP. Despite this, India's per-capita PFCE ($1,765) remains significantly below that of other economies like China ($5,329), Japan ($19,466), Germany ($26,988), and the US ($57,676), indicating substantial headroom for growth. The country's demographic profile further strengthens the outlook, with Gen-Z and millennials accounting for half of the population. Moreover, expansion of middle- and high-income households and rising urbanization are expected to accelerate premium consumption, creating sustained demand for organized retail formats in the coming years.

Organized retail continues to gain market share

India's retail market is undergoing a transition from unorganized trade toward organized retail. Organized retail penetration in India (20%) remains well below that of China (50%), Indonesia (35%), and the US (80%), indicating significant headroom for long-term expansion. Given favorable macro factors, the number of international brands entering India has increased materially over the past few years. Luxury and international brands generally prefer Grade-A shopping centers. As supply remains selective, it enables established mall operators with strong execution capabilities to capture this demand.

Supply remains constrained despite healthy leasing demand

India currently has ~134msf of organized shopping center stock, of which ~50% comprises Grade-A assets. Vacancy levels in Grade-A malls remain significantly lower (6%) than in the overall market, reflecting strong tenant demand for institutional-quality retail assets. Leasing activity has remained robust over the past five years, supported by domestic retailer expansion, increasing international brand entry, and healthy consumption growth. Beyond metro cities, several Tier-2 cities have emerged as attractive consumption hubs. Rising urban incomes, improving retail infrastructure, and relatively low organized retail penetration provide significant opportunities for developers to establish destination malls in these cities.

Initiate coverage with BUY on NXST and REDUCE on PHNX

NXST and PHNX represent the two largest operators of institutional Grade-A retail assets in India. Both companies have diversified tenant portfolios and strong operational metrics. They have undertaken various initiatives (premiumization, tenant remix, creation of more experience-led ecosystems) in recent times to improve the operational performance of their assets, and they remain aggressive on portfolio expansion. We initiate with BUY on NXST (TP: Rs190), given the inherited model of incremental value creation on asset acquisition and reasonable valuations. For PHNX, we assign REDUCE, with TP of Rs2,050. The fundamentals for PHNX remain strong and the robust retail and commercial development pipeline should drive healthy growth in revenue and EBITDA. We apply 20x EV/EBITDA (asset level) to the operational retail portfolio (vs 14x for NXST) and separately account for the value of the development pipeline. We believe the current valuation adequately captures the company's growth potential, leaving limited room for further upside.

Biplab Debbarma
biplab.debbarma@emkayglobal.com
+91-22-66121344

Tanishk Khinvasra
tanishk.khinvasra@emkayglobal.com
+91-22-66121235

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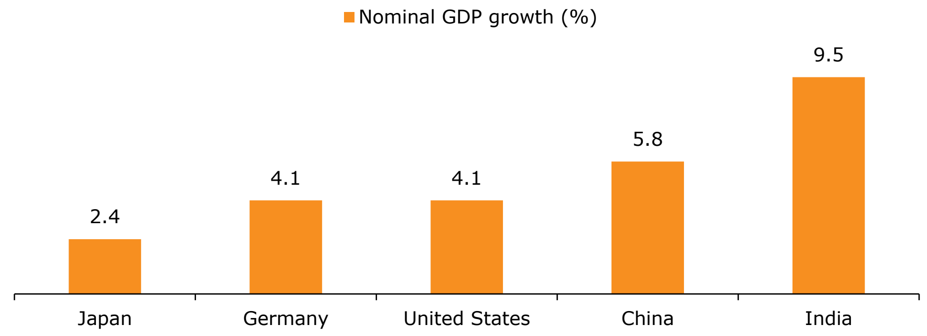
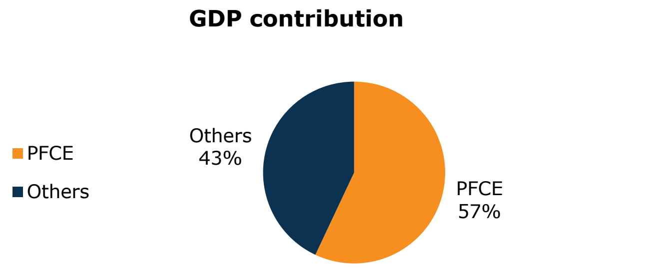


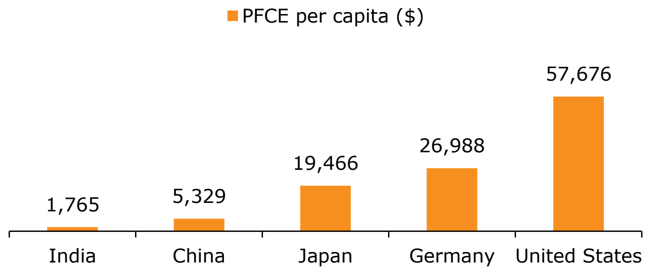
Source: IMF, Redseer, Emkay Research

Exhibit 2: PFCE contributes 57% to total GDP…



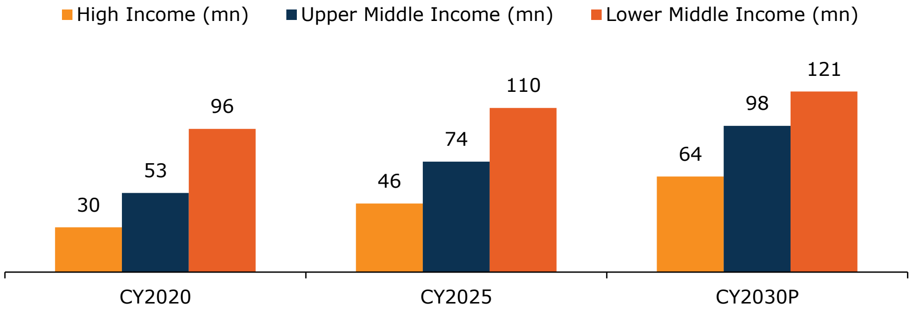
Source: MoSPI, World Bank, Emkay Research; Note: PFCE = Private Final Consumption Expenditure

Exhibit 3: …however, PFCE per capita remains the lowest, implying significant headroom for growth



Source: MoSPI, World Bank, Emkay Research

Exhibit 4: Middle- and high-income populations growing at a healthy rate



Source: Redseer, Zepto DRHP, Emkay Research

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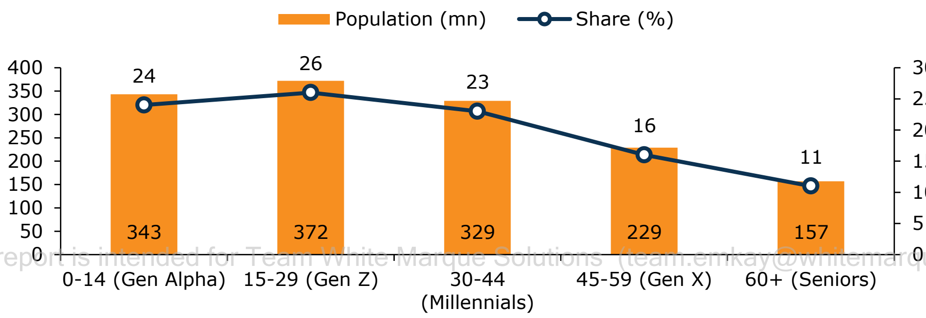
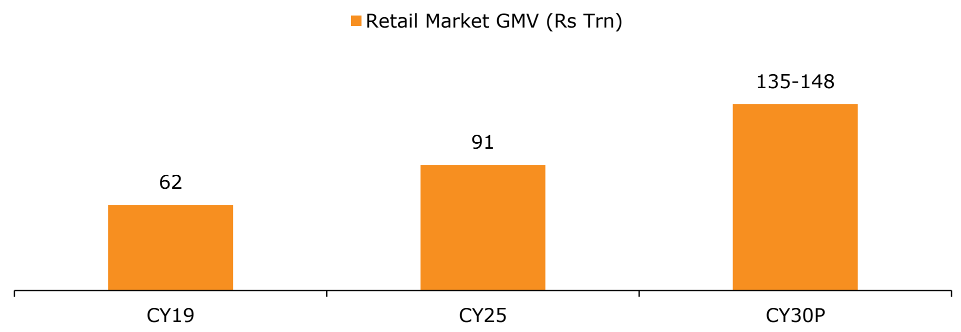


Source: Nexus annual report, Emkay Research

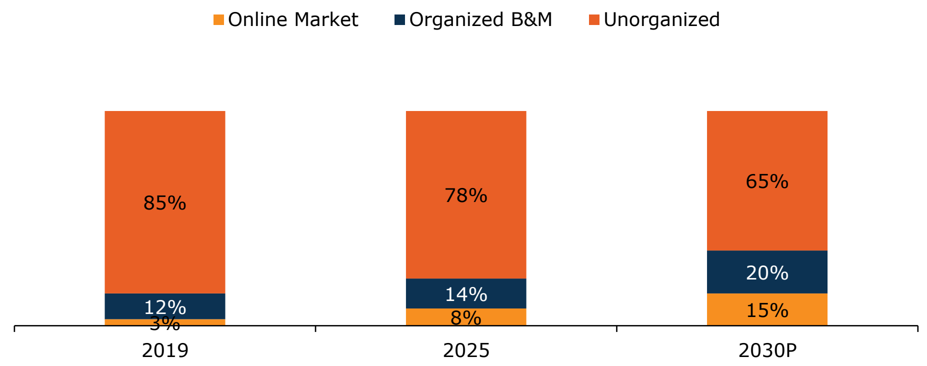
Retail Industry

Exhibit 6: Retail growth led by rising affluence, urbanization, and changing preference



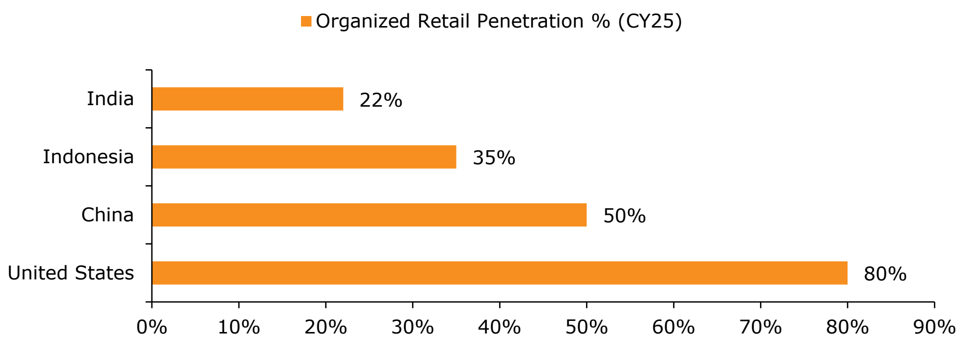
Source: UN, Redseer, Emkay Research

Exhibit 7: Organized B&M still contributes only 14% to total retail trade



Source: Redseer, Zepto DRHP, Emkay Research

Exhibit 8: Organized penetration is lower than in Indonesia and China



Source: Redseer, Zepto DRHP, Emkay Research

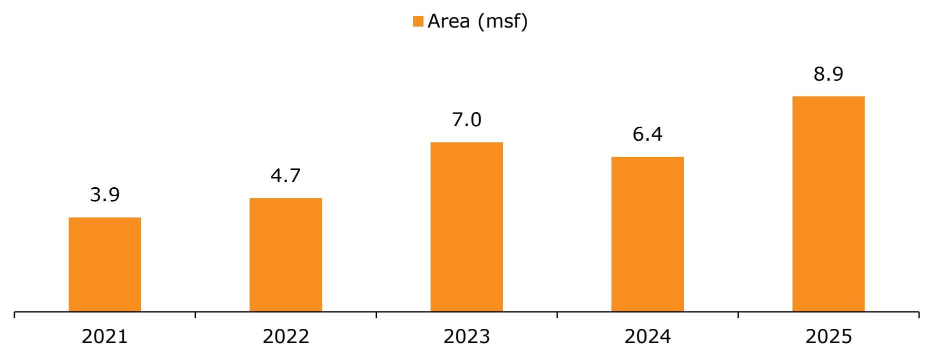
Retail Real Estate – Overview

Exhibit 9: India's organized retail stock

Particulars	Pan-India	Tier-I Cities	Tier-II Cities
Total shopping center stock (msf)	134	98	36
Grade-A share	50%	46%	61%
Grade-B share	30%	27%	38%
Grade-C share	20%	27%	1%
Grade-A vacancy	6%	4%	9%
Overall vacancy	23%	24%	16%
Grade-A new supply (CY20 onward; msf)	8	2	6

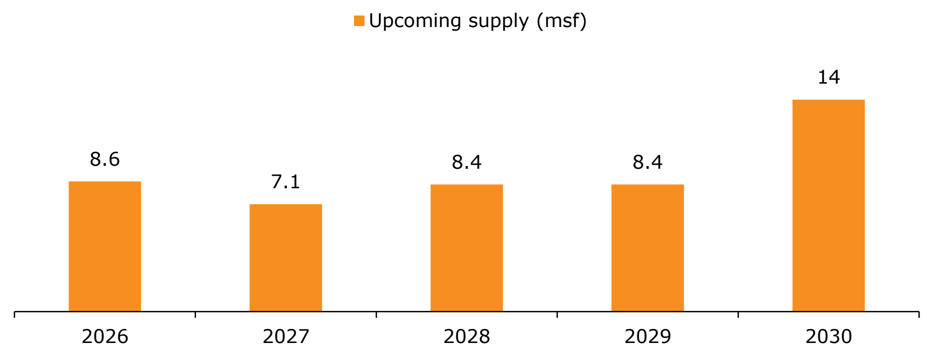
Source: Knight Frank, Emkay Research; Note: Data for 32 cities

Exhibit 10: Retail leasing activity, including high street



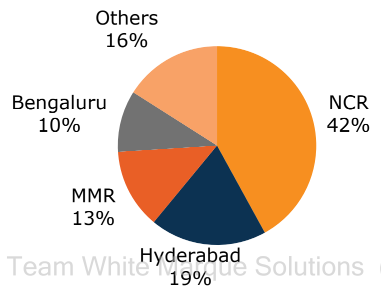
Source: CBRE, Emkay Research

Exhibit 11: Additional retail space totaling 46.5msf expected by FY30



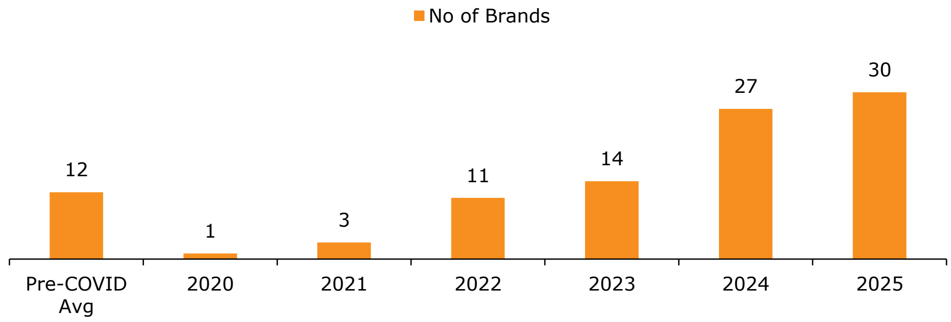
Source: JLL, Emkay Research

Exhibit 12: Majority (84%) of supply concentrated in NCR, Hyderabad, Bengaluru, and MMR



Source: JLL, Emkay Research

Exhibit 13: Increase in global brands entering India



Source: Cushman & Wakefield, Emkay Research

Exhibit 14: Brands entering India

Year	Brands
CY16	Armani Exchange, Cole Haan, Heatwave, Muji, Massimo Dutti, Neil Barrett
CY17	MINISO, Kate Spade
CY18	IKEA, American Eagle, Ted Baker
CY19	Under Armour, Go Sport, Replay, Hummel, Kenneth Cole
CY21	7-Eleven, Philipp Plein, Billionaire
CY22	Valentino, Tim Hortons, Popeyes, McLaren
CY23	Balenciaga, Apple, Pret A Manger, Pottery Barn Kids, Brioni, Läderach, Ligne Roset, Kiabi
CY24	NARS Cosmetics, Maison Margiela, Time Vallée, Charles Tyrwhitt, Next, Laura Mercier
CY25	Bershka, Shein, Galeries Lafayette, Lotto, Athletifreak, COS, Meller, OVS, Camicissima Milano, Ben Sherman, La Roche-Posay

Source: Cushman & Wakefield, Emkay Research

Exhibit 15: A glance at Tier-II markets

Urban MPCE (Rs)	City Coverage	Retail Landscape
13,425	Chandigarh	91% of shopping center stock is Grade-A; occupancy levels stand at 90%; city supports 58 international stores per million population.
8,325	Coimbatore	Occupied shopping center density remains low at 351sqft per 1,000 population.
8,169	Mangaluru, Mysuru, Hubballi	Highest occupied shopping center density among Tier-II cities – 1,521sqft per 1,000 population.
7,834	Kochi, Kozhikode, Thiruvananthapuram	257 international stores across three cities; 5.2mn sqft of total shopping center GLA.
7,415	Aurangabad, Nagpur	Nagpur has 22 international brands but only 51% mall occupancy, underscoring a major retail supply gap.
7,383	Amritsar, Ludhiana, Jalandhar	Vacancy levels remain elevated in Amritsar and Jalandhar at 41% and 34%, respectively.
7,198	Vadodara, Surat	Retail density in Surat stands at 118sqft per 1,000 population, the lowest among Tier 2 cities.
7,341	Vijayawada, Visakhapatnam	Visakhapatnam leads Tier-II cities in US-origin brand concentration, with 77% share.
6,913	Guwahati	Guwahati anchors organized retail across Northeast India.
6,640	Jaipur	Jaipur has a population of 4.0mn and retail vacancy of 18%, driven largely by aging Grade-B stock.
5,925	Bhubaneswar	Bhubaneswar is the most US-origin brand-skewed Tier-II market, with 56% share.
5,589	Indore, Bhopal	Indore has 115 unique international brands, the second-highest brand breadth among Tier-II markets.
5,475	Lucknow	Lucknow has 128 unique international brands across 6mn sqft, making it the largest shopping center stock among Tier-II cities.
5,114	Raipur	Raipur ranks among the lowest Tier-II markets in international brand penetration.

Source: Knight Frank, Emkay Research; Note: MPCE = Monthly Per Capita Expenditure

Nexus Select Trust vs Phoenix Mills

Exhibit 16: Comparison

Particulars	Nexus Select Trust	Phoenix Mills
Retail		
No of malls	19	12
Area (msf)	10.72	11.20
No of cities	15	8
FY26 consumption (Rs bn)	143.6	165.8
Consumption (Rs psf-pm)	1,092	1,234
FY26 rental income (Rs bn)	17.0	21.6
Rental (Rs psf-pm)	129.3	160.7
Rent to consumption	12%	13%
FY26 total income (Rs bn)	22.5	31.0
FY26 NOI/EBITDA (Rs bn)	17.3	22.4
Commercial		
No of assets	3	7
Area (msf)	1.4	4.8
FY26 total income (Rs bn)	1.3	2.2
FY26 NOI/EBITDA (Rs bn)	1.0	1.4
Hospitality		
No of assets	3	2
Keys	450	588
FY26 total income (Rs bn)	1.8	5.9
FY26 NOI/EBITDA (Rs bn)	0.8	2.7
FY26 Financials		
Revenue from operations (Rs bn)	26	44
EBITDA (Rs bn)	17	26
Net debt (Rs bn)	54	38

Source: Company, Emkay Research

BUY

Nexus Select Trust

Steady compounder

Real Estate | Initiating Coverage | **July 24, 2026**

CMP (Rs): 167 | TP (Rs): 190

We initiate coverage on Nexus Select Trust (NXST) with BUY and TP of Rs190 (upside: ~14%). NXST, sponsored by Blackstone, is India's first listed retail-focused REIT. It currently owns and operates 19 Grade-A urban consumption centers (UCCs) located in prime urban locations across 15 cities. We expect net operating income (NOI) and net distributable cash flow (NDCF) from the existing portfolio to expand at a CAGR of 8% each over FY26–29E, supported by active asset management including tenant churn, category remix, and mark-to-market opportunities in re-leasing. In addition, we expect the REIT to add 8.0msf of retail mall space over FY27–30E through greenfield development and acquisitions (currently: ~11msf), adding Rs10bn of additional NOI by FY30. Our TP of Rs190 translates to a return of 14% and annual yield of ~6.0%. We value the assets based on the NOI capitalization method, using a cap rate of 7.0% for retail assets and 8.0% for the commercial and hospitality portfolio.

Quality retail portfolio with a diversified tenant base

NXST owns and operates a portfolio of 19 Grade-A UCCs (10.72msf leasable area) complemented by 3 hotel (450 keys) and office (1.3msf) assets. Acquisition of one retail asset, Diamond Plaza (Kolkata), has been announced; however, the deal is yet to be closed. The portfolio is diversified across 16 cities (including Kolkata), with assets located in prime urban locations and having healthy occupancy of 97%. With a tenant base of 1,100+ brands across segments, NXST is well positioned to benefit from India's consumption growth. The portfolio reported consumption of Rs143bn, NOI of Rs19.3bn, and distribution of Rs13.8bn, with distribution per unit (DPU) of Rs9.08 in FY26. We expect FY27E NOI and DPU of Rs20.5–20.7bn and Rs9.8–10.0, respectively, in line with the management's guidance. NXST distributes 100% of NDCF.

Acquisition-led growth, backed by proven value-creation track record

Acquisitions form a key pillar of NXST's growth strategy, with the management targeting to almost double the operational portfolio from 11.0msf in FY26 to 19-20msf by FY30. Since its IPO in May-23, NXST has acquired three malls, with combined area of 0.94msf and NOI of Rs1.5bn. In addition, NXST has demonstrated strong ability to enhance the performance of acquired assets through tenant remixing, asset upgrades, and operational improvements, leading to higher occupancy, tenant sales, and NOI.

Prudent balance sheet to support growth

NXST maintains a conservative balance sheet, with significant debt headroom available to fund future acquisitions. LTV currently stands at 18% – much below the regulatory ceiling of 49%. Stable cash flows and strong NOI generation provide healthy debt servicing capability and support incremental leverage. With portfolio expansion ongoing through swaps as well as debt, we expect LTV to increase to 27-28% by FY30, well below the comfort level of 35%.

Target Price – 12M	Jun-27
Change in TP (%)	**NA**
Current Reco.	BUY
Previous Reco.	NA
Upside/(Downside) (%)	13.8

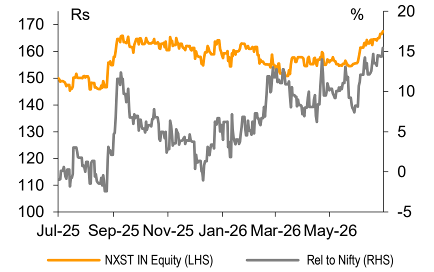
Stock Data	**NXST IN**
52-week High (Rs)	192
52-week Low (Rs)	143
Shares outstanding (mn)	1,515.0
Market-cap (Rs bn)	254
Market-cap (USD mn)	2,625
Net-debt, FY27E (Rs mn)	67,458.9
ADTV-3M (mn shares)	0.5
ADTV-3M (Rs mn)	66.1
ADTV-3M (USD mn)	0.7
Free float (%)	77.7
Nifty-50	23,869.6
INR/USD	96.6

Shareholding,Mar-26	
Promoters (%)	22.3
FPIs/MFs (%)	11.6/23.4

Price Performance

(%)	1M	3M	12M
Absolute	6.0	8.1	11.9
Rel. to Nifty	5.8	9.5	18.3

1-Year share price trend (Rs)



Nexus Select Trust: Financial Snapshot (Consolidated)

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	22,829	25,680	28,211	30,126	31,940
EBITDA	15,522	17,329	18,939	20,397	21,699
Adj. PAT	4,828	4,035	6,053	6,955	7,887
Adj. EPS (Rs)	3.2	2.7	4.0	4.6	5.2
EBITDA margin (%)	68.0	67.5	67.1	67.7	67.9
EBITDA growth (%)	20.9	11.6	9.3	7.7	6.4
Adj. EPS growth (%)	(19.3)	(16.4)	50.0	14.9	13.4
RoE (%)	3.3	3.0	4.7	5.9	7.2
RoIC (%)	3.6	3.2	4.7	5.4	6.1
P/E (x)	52.5	62.8	41.9	36.5	32.1
EV/EBITDA (x)	19.0	17.0	15.6	14.5	13.6
P/B (x)	1.8	1.9	2.1	2.2	2.4
FCFF yield (%)	4.7	4.4	4.7	6.4	6.8

Source: Company, Emkay Research

Biplab Debbarma
biplab.debbarma@emkayglobal.com
+91-22-66121344

Tanishk Khinvasra
tanishk.khinvasra@emkayglobal.com
+91-22-66121235

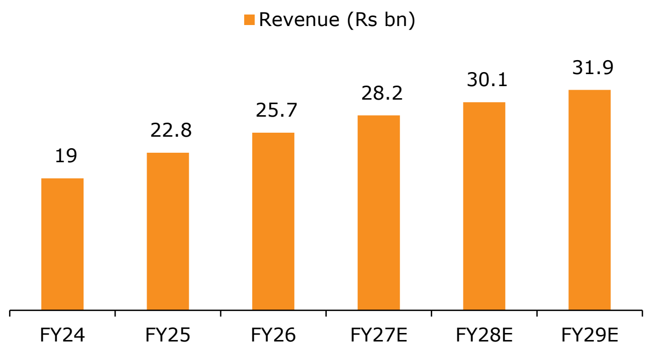
Story in Charts

Exhibit 17: Portfolio overview

Segment	No of assets	Total area / keys	FY26 revenue (Rs bn)	FY26 NOI (Rs bn)
Retail	20	10.96msf	22.5	17.3
Office	3	1.30msf	1.3	1.0
Hospitality	3	450 keys	1.8	0.8

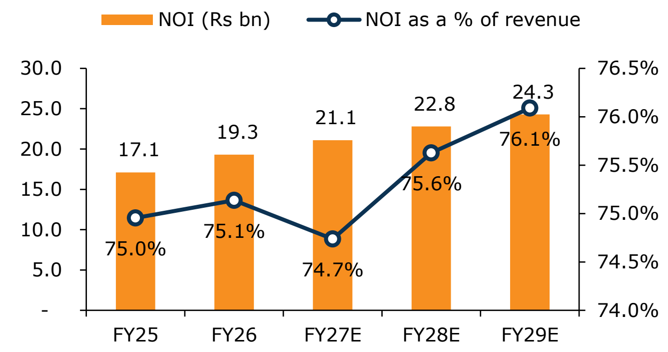
Source: Company, Emkay Research; includes Diamond Plaza acquisition

Exhibit 18: Revenue to see 8% CAGR over FY26-29E



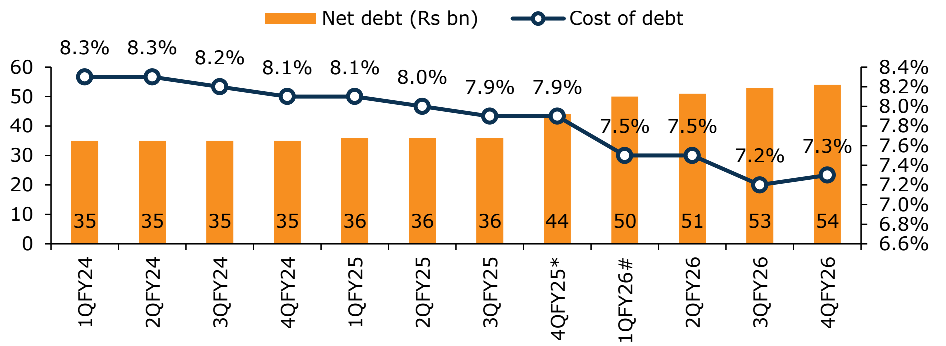
Source: Company, Emkay Research

Exhibit 19: NOI to expand at 8% CAGR over FY26-29E



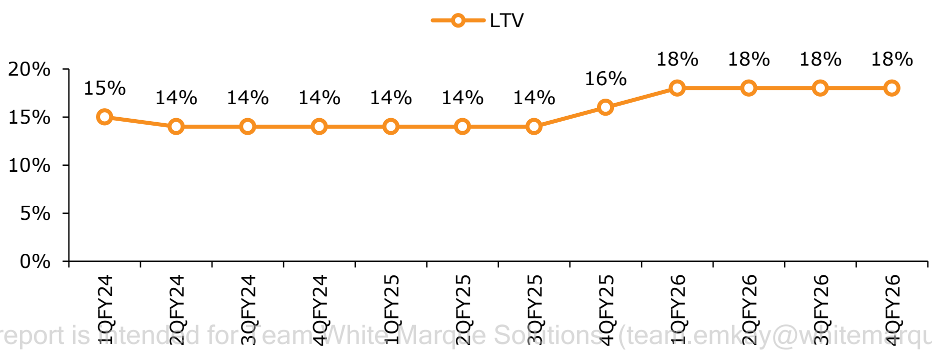
Source: Company, Emkay Research

Exhibit 20: Balance sheet remains healthy



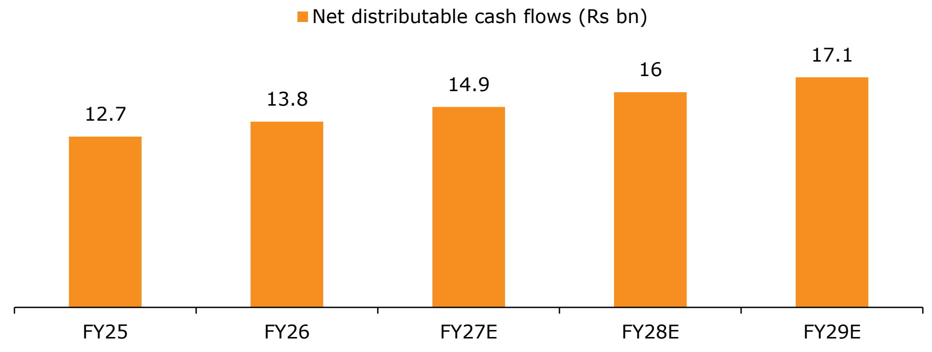
*Source: Company, Emkay Research; Note: *Vega City acquisition, #MBD Neopolis acquisition, net debt excludes restricted cash*

Exhibit 21: LTV at 18%, much below the regulatory requirement of 49%



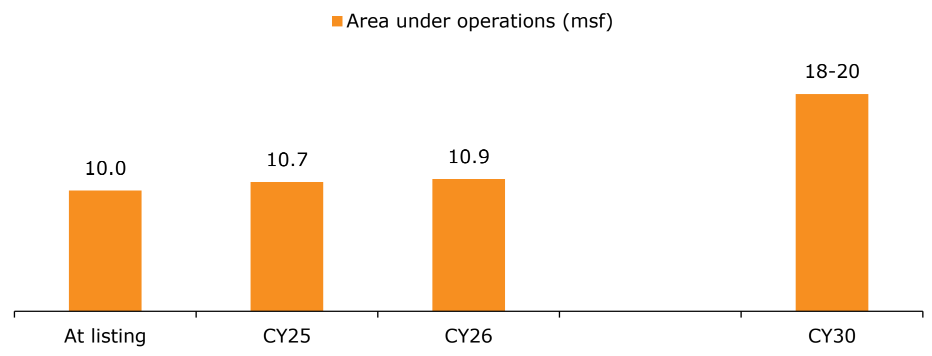
Source: Company, Emkay Research

Exhibit 22: Net distributable cash flows to expand at 8% CAGR over FY26-29E



Source: Company, Emkay Research

Exhibit 23: Aim to double retail area by FY30



Source: Company, Emkay Research

Exhibit 24: Changing category consumption mix to improve asset efficiency

	FY25	FY30E
Jewellery	4%	14%
Beauty and personal care	4%	8%
Food and beverage	10%	12%
Footwear and fitness	8%	10%
CDIT	16%	16%
Fashion and accessories	40%	34%
FEC and Multiplex	5%	3%
Hypermarket	5%	2%
Others	8%	1%

Source: Company, Emkay Research

Valuation

Existing assets: We value the existing operational retail portfolio at 7% cap rate, while commercial and hospitality are valued at 8% cap rate, based on Jun-28E annualized NOI given the high NOI CAGR of 8% over FY26-29E, implying NAV of Rs270bn (Rs178.2/unit).

Addition of new assets: In addition to NOI for existing assets, we factor in ~Rs10bn of incremental NOI by FY30 from future acquisitions. We assume incremental NOI additions of Rs1bn in FY27 (excluding for Diamond Plaza) and Rs2.2bn in FY28, with the remaining NOI being added over FY29 and FY30. Our valuation assumes assets acquired at cap rate of 9.3% and subsequently valued at a 7.5% cap rate, reflecting NXST's lower funding costs and ability to unlock value through operational enhancements. This results in an incremental NAV of ~Rs15.7bn (Rs10.4/unit), based on Jun-28E annualized NOI.

Exhibit 25: Valuation

Valuation	Rs mn
NAV of operational asset	2,69,907
NAV of potential acquisition	15,725
Equity value	2,85,633
No of units	1,515
TP per unit (Rs)	**190**

Source: Emkay Research

Dividend discount method (DDM): Excluding the impact of future acquisitions, our DDM approach, based on 7% NDCF CAGR over FY26–37E, 6% terminal growth rate, and 12% cost of equity, implies a fair value of Rs176/unit. At the current market price, we believe the market is discounting a lower long-term growth trajectory or assigning higher cost of equity.

Exhibit 26: Sensitivity of fair value

NDCF growth rate (FY26 to FY37E)	7%	7%	7%	7%	7%
Cost of equity	12%	12%	12%	**12%**	12%
Terminal growth rate	3%	4%	5%	**6%**	7%
Fair value	141	150	161	**176**	196

Source: Emkay Research

We believe NXST's incremental value creation lies in acquisitions, supported by its relatively low borrowing cost (~7.3%) and ability to enhance asset performance. A key driver will be higher asset acquisition velocity at a higher cap rate. Any delay in acquisitions or deviation from target NOI addition could lead to revision in target price.

Business Overview

Retail portfolio

NXST is a retail-focused REIT, owning and operating a portfolio of high-quality Grade-A consumption centers. The portfolio comprises 20 consumption centers (including the acquisition of Diamond Plaza, Kolkata), with a gross leasable area of 10.96msf. The portfolio is spread across 16 cities (including Diamond Plaza), with exposure to key metropolitan markets including Bengaluru, Delhi NCR, Hyderabad, Chennai, Pune, and Kolkata, complemented by presence in emerging Tier-II cities. Occupancy levels remain resilient at 97-98% across most of the assets.

NXST's portfolio hosts more than 1,100 domestic and international brands operating across ~3,200 stores. The portfolio recorded footfalls of 137mn in FY26. Some of its leading tenants include Apple, Zara, Gucci, Calvin Klein, H&M, M&S, Prada, Uniqlo, Sephora, Superdry, Tanishq, Indriya, Lifestyle, Shoppers Stop, Cinepolis, PVR Inox, and Starbucks.

In FY26, the retail portfolio recorded total consumption of Rs144bn, revenue of Rs22.5bn, and NOI of Rs17.3bn, with NOI margin of 77%.

Exhibit 27: Consumption centers

Property	Location	Leasable area (msf)	Occupancy	Tenant sales (Rs bn)
Nexus Select Citywalk	Delhi	0.55	99%	19
Nexus Elante Complex	Chandigarh	1.33	98%	19
Nexus Seawoods	Navi Mumbai	0.98	98%	16
Nexus Ahmedabad One	Ahmedabad	0.89	97%	10
Nexus Hyderabad	Hyderabad	0.83	99%	12
Nexus Koramangala	Bengaluru	0.31	99%	6
Nexus Vijaya Complex	Chennai	0.65	99%	9
Nexus Westend Complex	Pune	0.43	91%	5
Nexus Esplanade	Bhubaneswar	0.43	99%	8
Nexus Amritsar	Amritsar	0.54	98%	5
Nexus Shantiniketan	Bengaluru	0.63	98%	9
Nexus Whitefield Complex	Bengaluru	0.32	98%	3
Nexus Celebration	Udaipur	0.4	91%	3
Fiza by Nexus	Mangaluru	0.71	97%	5
Nexus Centre City	Mysuru	0.33	100%	4
Nexus Indore Central	Indore	0.25	87%	1
Nexus Vega City	Bengaluru	0.44	98%	6
Nexus MBD Neopolis	Ludhiana	0.26	95%	2
Treasure Island	Indore	0.44	87%	2
Diamond Plaza	Kolkata	0.24	94%	
Total		**10.96**		**144**

Source: Company, Emkay Research

Commercial and hospitality portfolio

In addition to its retail assets, NXST's portfolio includes three office properties with a total leasable area of 1.3msf and three hotels comprising 450 room keys. In FY26, the office portfolio recorded revenue of Rs1.3bn and NOI of Rs1bn, with NOI margin of 77%. Hospitality revenue and NOI stood at Rs1.8bn and Rs0.8bn, respectively, in FY26.

Exhibit 28: Office portfolio

Property	Location	Leasable area (msf)	Occupancy
Elante	Chandigarh	0.1	88%
Vijaya	Chennai	0.2	100%
Westend	Pune	1.0	93%
Total		**1.3**	

Source: Company, Emkay Research

Exhibit 29: Hospitality portfolio

Property	Location	Keys	Average daily rate	Occupancy
Hyatt Regency	Chandigarh	211	11,983	68%
MBD	Ludhiana	96	7,331	75%
Oakwood	Bengaluru	143	8,498	77%
Total		**450**		

Source: Company, Emkay Research

Investment Thesis

Quality retail portfolio with healthy operating metrics

NXST owns and operates a portfolio of 20 high-quality Grade-A urban consumption centers with a total leasable area of 10.96msf (including Diamond Plaza). The portfolio is geographically diversified across 16 cities, and the assets are in prime in-fill urban locations with strong catchment demographics. The portfolio hosts a diversified tenant base of over 1,100 domestic and international brands, attracting more than 137mn annual footfalls. As of FY26, the portfolio maintained an occupancy level of 97% and weighted average lease expiry (WALE) of 4.6 years, and recorded a trading density of Rs 1,806psf per month.

Strategically located assets with tenant base of 1,100+ brands

NXST's assets are strategically located in prime in-fill urban locations across 16 cities. These assets are situated within established residential and commercial catchments characterized by high population density, strong purchasing power, and well-developed infrastructure. The limited availability of land in these locations creates significant entry barriers for competing retail developments, enhancing long-term relevance and competitive positioning of the portfolio.

The superior geographical characteristics of these assets enable NXST to attract leading domestic and international brands, maintain high occupancy levels, and support healthy tenant sales productivity. NXST's assets maintain healthy occupancy levels of 97% and have a diversified tenant base of 1,100+ domestic and international brands across luxury, premium, and aspirational premium segments. Some of the marquee brands include Apple, Prada, Massimo Dutti, Onitsuka Tiger, Zara, H&M, Calvin Klein, and Hamleys.

Presence in Tier-II cities

In addition to its presence in major metropolitan markets such as Delhi, Bengaluru, Hyderabad, Pune, Chennai, and Ahmedabad, NXST has established a meaningful footprint across select Tier-II cities, including Chandigarh, Indore, Amritsar, Bhubaneswar, Udaipur, Ludhiana, Mysuru, and Mangaluru. These markets benefit from rising disposable incomes, increasing urbanization, and growing adoption of organized retail, while continuing to be relatively underpenetrated compared to larger metropolitan regions. As per Knight Frank, cities such as Chandigarh, Mangaluru, and Lucknow are outperforming much larger markets in international brand penetration.

With presence in these cities, NXST is well positioned to capture growth in discretionary consumption and retailer expansion. Grade-A malls have emerged as the preferred entry platform for international brands entering Tier-II cities, owing to their experience-led retail formats, strong consumer engagement, and operating environments that closely resemble those found in metropolitan and global markets.

Platform well positioned to capitalize on consumption growth

NXST is well positioned to capitalize on India's growing consumption opportunity, supported by its high-quality portfolio, proven asset management, and pan-India presence. The management of consumption centers requires expertise across leasing, tenant relationship management, center operations, marketing, and promotional activities. NXST has demonstrated strong capabilities in operating and enhancing retail assets, enabling it to maintain high occupancy levels and attract leading domestic and international brands. Its presence across 16 cities and established relationships with retailers make it a preferred partner for brands seeking to expand their footprint in India.

As rising disposable incomes, urbanization, and increasing discretionary spending drive growth across categories such as apparel, beauty, jewelry, electronics, food and beverage, and entertainment, NXST is well placed to benefit through higher tenant sales, sustained leasing demand, and positive rental reversions across its portfolio.

Organic initiatives to drive growth in existing assets

NXST's growth strategy is focused on acquiring high-quality, income-generating retail assets in key consumption markets, and enhancing the operational performance of existing portfolio assets. While inorganic expansion remains a key growth driver, NXST is undertaking several organic initiatives such as asset revamp, premiumization of tenant base, mark-to-market (MTM) opportunities, and marketing initiatives to drive growth in existing operational assets.

Premiumization of tenant mix

The Indian retail landscape is witnessing a growing trend toward premiumization, with international brands accelerating their expansion plans across the country. As these brands seek to establish and scale their presence in India, Grade-A retail assets have emerged as their preferred destination, owing to their superior catchment profiles, high footfalls, strong tenant ecosystems, and destination-led shopping experience.

NXST is increasingly focusing on enhancing the quality of its tenant mix through the introduction of premium and power brands, increasing the presence of international retailers, and strengthening categories with higher sales productivity. The trust has already demonstrated its ability to attract leading international and luxury-oriented brands, with recent additions including Foot Locker, YSL Beauté, Nespresso, and Prada Beauty.

Premium brands typically exhibit higher trading densities and attract a more affluent consumer base, resulting in higher-quality footfalls and stronger tenant sales productivity. Improved tenant economics enhance retailers' willingness to pay higher rents, enabling NXST to achieve superior leasing spreads and sustain rental growth across its portfolio.

Exhibit 30: Increasing proportion of premium and luxury brands

Premium Brands	Under Armour, Snow World, Skechers, Levi's, PVR, Uniqlo, M&S, Tommy Hilfiger, Hamleys
Aspirational Premium Brands	Zara, H&M, Steve Madden, Tim Hortons, Onitsuka Tiger, Superdry®, Calvin Klein
Luxury / Bridge to Luxury Brands	White Crow, Brooks Brothers, The Collective, A|X Armani Exchange, Prada, Nespresso, Massimo Dutti, NARS

Source: Company, Emkay Research

Shift in category mix, more experience-led shopping destinations

NXST is increasingly focusing on expanding share of high-productivity categories such as jewelry, beauty and personal care (BPC), and food and beverage (F&B) within the tenant mix. These categories typically generate higher sales densities and exhibit greater rent-paying capacity than traditional retail segments, supporting higher rental growth and positive leasing spreads. In addition, categories such as F&B and BPC can contribute to higher revenue-linked rentals.

Exhibit 31: Category mix to incline toward jewelry, BPC, and F&B

	FY25	FY30E
Jewelry	4%	14%
Beauty and personal care	4%	8%
Food and beverage	10%	12%
Footwear and fitness	8%	10%
CDIT	16%	16%
Fashion and accessories	40%	34%
FEC and multiplex	5%	3%
Hypermarket	5%	2%
Others	8%	1%

Source: Company, Emkay Research

The category remix is also aimed at creating a more experience-led retail environment that enhances footfalls, increases customer dwell time, and strengthens the premium positioning of the malls. Jewelry and BPC brands attract affluent consumers and improve the quality of the tenant ecosystem, while F&B offerings increase visit frequency and customer engagement.

Exhibit 32: Creation of jewelry zone in Nexus Elante

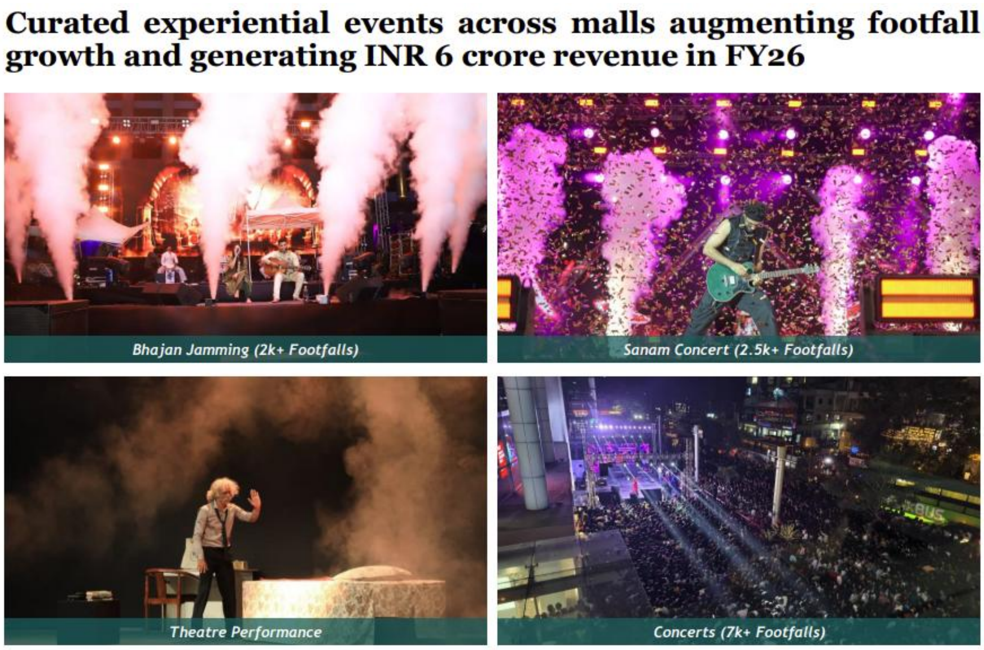
Source: Company, Emkay Research

Exhibit 33: Elevating F&B mix

Source: Company, Emkay Research

NXST is leveraging concerts, live events, seasonal festivals, promotional activities, and interactive digital displays to increase footfalls and customer dwell time. In addition, investments in digital infrastructure, including large-format digital screens and other advertising platforms, are creating new avenues for customer engagement and revenue generation.

Exhibit 34: Marketing initiatives increasing dwell time and generating additional income

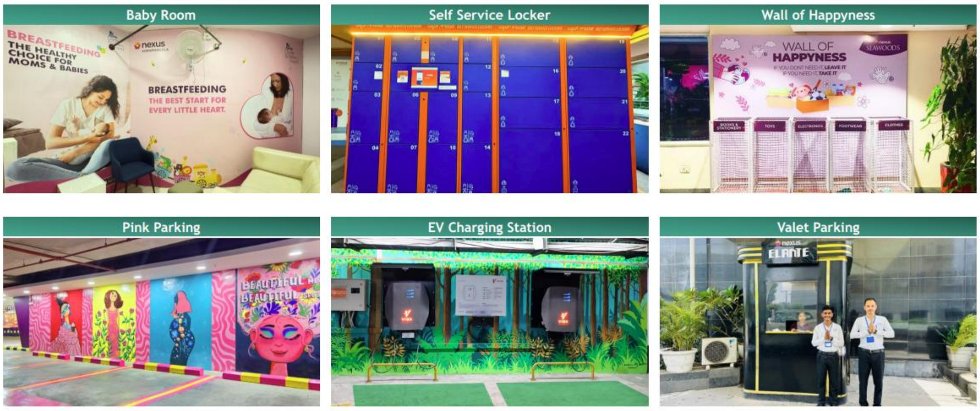


Source: Company, Emkay Research; Note: INR 6 crore = Rs60mn

Enhancing asset productivity

NXST is improving customer experience and maximizing asset productivity through targeted capital expenditure and operational enhancements. Initiatives include creation of premium customer amenities such as valet parking, women's parking zones, digital lockers, creche facilities, pet-friendly zones, and EV charging stations. The objective is to increase customer convenience, improve dwell time, and reinforce the positioning of Nexus malls as a preferred consumption destination.

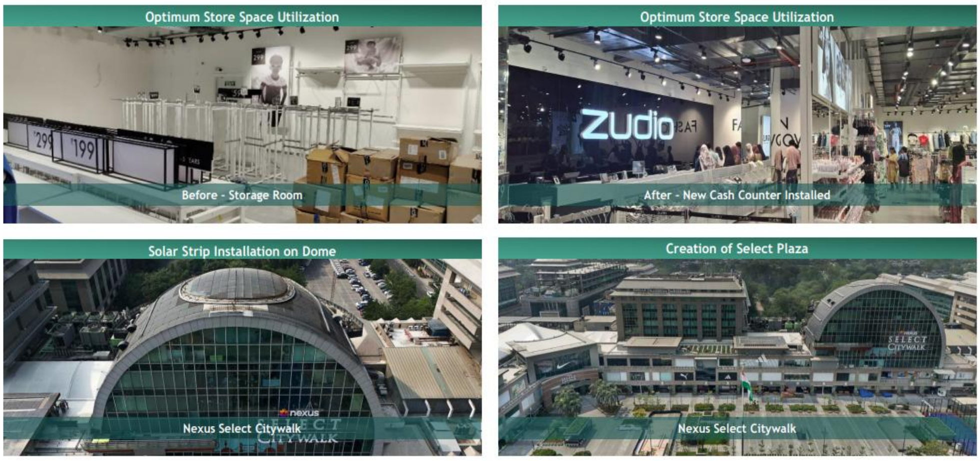
Exhibit 35: Introduction of various services to increase dwell time



Source: Company, Emkay Research

NXST is also undertaking mall upgrades and space optimization projects to improve utilization of existing assets. These initiatives include reconfiguring underutilized spaces, developing new customer engagement zones, and deploying energy-efficient technologies. Such measures are expected to improve tenant productivity and contribute to operating efficiency.

Exhibit 36: Space optimization to improve asset efficiency



Source: Company, Emkay Research

Rental growth through contractual rent escalation and tenant-sales linked turnover

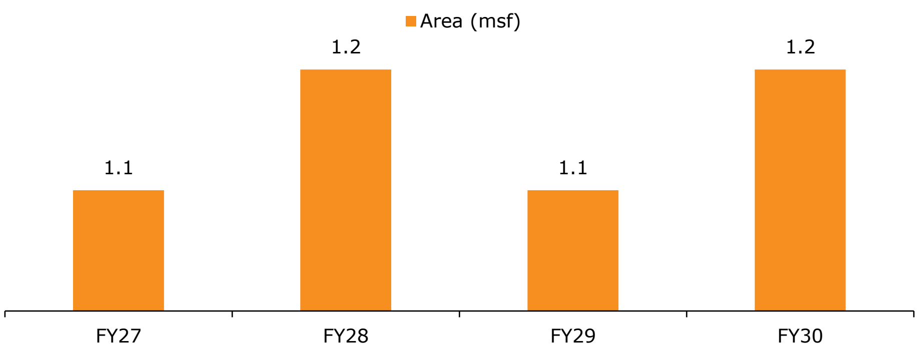
NXST's tenant leases provide for minimum guaranteed (MG) rentals with contractual escalation and turnover-linked rentals to capture incremental rentals from tenant sales growth. Majority of the tenants provide minimum guaranteed rentals, with a contractual rental escalation of 12-15% over a period of 3-5 years. In addition to MG rentals, NXST has a turnover-linked rental model that ties rent to the sales generated by tenants, allowing it to benefit from increased tenant sales. This helps NXST capitalize on consumption growth.

MTM opportunity on re-leasing

NXST possesses a significant embedded mark-to-market (MTM) opportunity within its existing lease portfolio, providing visibility for organic rental growth. Given the strong operating metrics and locations of its portfolio, prevailing market rents are higher than the in-place rents for a meaningful portion of the portfolio. As leases expire and come up for renewal, NXST is able to reprice these closer to prevailing market levels, resulting in positive rental reversions and higher leasing spreads.

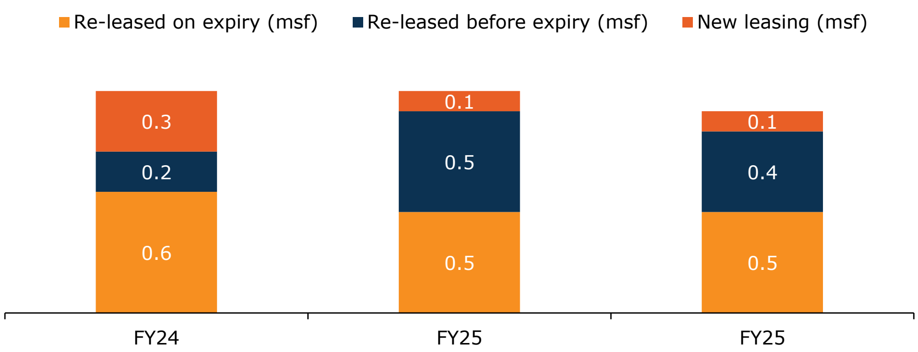
Over the past three fiscals, NXST re-leased 1msf of area every year, with an average re-leasing spread of 20%. In FY25 and FY26, NXST was able to re-lease 0.5msf and 0.4msf of 1msf, respectively, before expiry. NXST has a substantial lease renewal pipeline over the next four years, with ~1.2msf of area expiring annually, representing ~45% of gross rental income. The current rental spread stands at 18-20%. As these leases come up for renewal, the trust is well positioned to capture the embedded mark-to-market (MTM) opportunity, which is expected to support rental growth and drive NOI expansion.

Exhibit 37: Area with lease expiring in next 4 years



Source: Company, Emkay Research

Exhibit 38: Re-leasing details

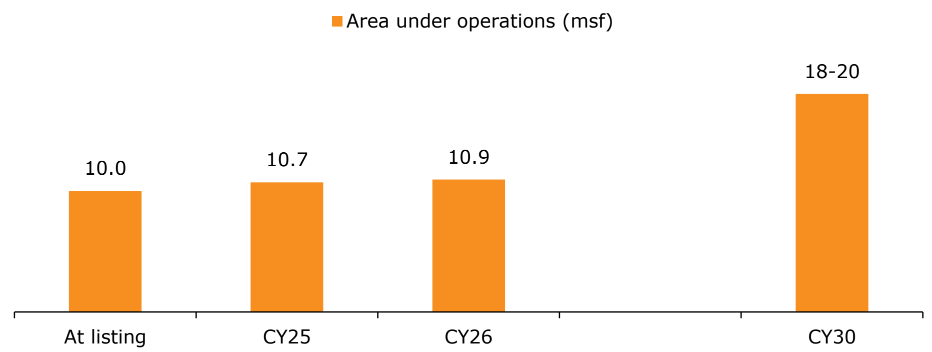


Source: Company, Emkay Research

Acquisitions to drive portfolio expansion

NXST's growth strategy is centered on acquiring retail assets in key consumption markets and enhancing their operating performance through active asset management. Under its **Nexus 2.0 strategy unveiled in CY25, the management has outlined plans to expand the portfolio from ~20 consumption centers currently to 30–35 assets by CY30, while increasing gross leasable area from ~11msf to 18–20msf.** NXST has demonstrated a strong track record of creating value from acquisitions by leveraging its expertise in leasing, tenant remixing, marketing, and mall operations.

Exhibit 39: Management guides for 18-20msf of area under operations by CY30



Source: Company, Emkay Research

Disciplined acquisition strategy

Acquisitions represent a key pillar of NXST's growth strategy. Under its Nexus 2.0 strategy, the management has outlined plans to expand the portfolio from ~20 consumption centers currently to 30–35 assets by CY30. The acquisition-led expansion strategy focuses on acquiring assets (typically underperforming ones) located in key consumption markets with strong catchment demographics and long-term consumption growth potential. Acquisitions provide benefits beyond incremental earnings growth by expanding the scale and reach of the platform, enabling NXST to strengthen relationships with retailers and position itself as a preferred partner for expansion, supporting better rentals.

Three acquisitions post-IPO and healthy pipeline

Since its IPO in May-23, NXST has demonstrated its commitment to inorganic growth through the acquisition of three retail assets and one hotel. In CY25, the trust expanded its retail portfolio through the acquisition of Nexus Vega City, Bengaluru, and Nexus MBD Neopolis, Ludhiana, adding a combined leasable area of ~0.7msf. In Apr-26, NXST acquired Diamond Plaza, Kolkata, for a consideration of Rs3.5bn, adding 0.24msf of leasable area to the portfolio. In addition to the completed acquisitions, **NXST maintains a healthy acquisition pipeline, with eight retail assets under evaluation and ~1msf of area currently under due diligence.**

Exhibit 40: Acquisition details

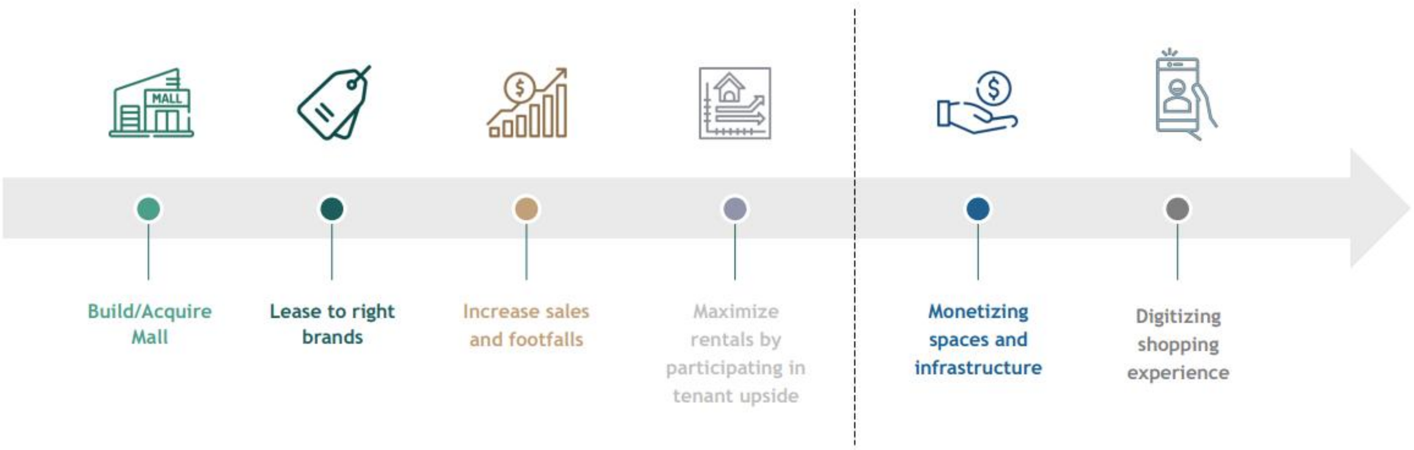
Asset	Vega City	MBD Neopolis	Diamond Plaza
Status	Operational	Operational	Operational
Leasable area	0.45	0.25	0.24
Occupancy	96%	95%	94%
Key tenants	H&M, Hamleys, Starbucks, PVR, Croma	Sephora, Armani exchange, Superdry, Calvin Klein, Da Milano	NA
Total enterprise value (Rs bn)	9.13	5.31	NA
Acquisition cost (Rs bn)	8.7	4.9	3.5
Expected retail NOI (Rs bn)	0.8	0.4	0.3
Implied cap rate	8.50%	9.70%	9.7%*
Others		Hotel asset with 96 room keys	

*Source: Company, Emkay Research; Note: *Emkay estimates on acquisition cost*

Value creation through active asset management

NXST has demonstrated a strong track record of enhancing the performance of acquired assets through its institutional operating platform and expertise in retail asset management. Following acquisitions, NXST is focusing on i) improving asset productivity through strategic capex for upgrading the existing structure and store-space optimization; ii) tenant remixing along with the introduction of premium and international brands, aimed at repositioning the asset; and iii) creating a more experience-led ecosystem by introducing F&B categories aimed at improving footfalls and dwell time. In addition to these, NXST undertakes various marketing initiatives and operational enhancements like cost optimization. These initiatives help improve occupancy levels, increase trading density, and strengthen tenant sales productivity, leading to higher rentals over a period and enhancing the value of the asset. By leveraging its relationships with leading retailers and through its experience in managing large-scale consumption centers, NXST is able to unlock value from acquired assets and improve their earnings potential over time.

Exhibit 41: Improvement in operational efficiency and transforming into experiential hub

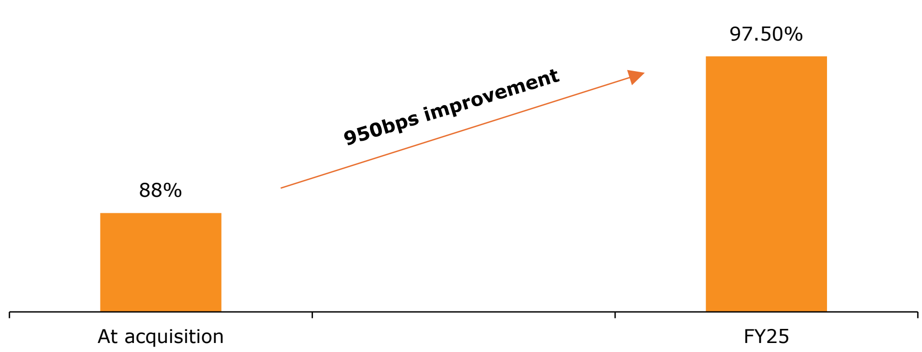


Source: Company, Emkay Research

Demonstrated ability to enhance acquired asset performance

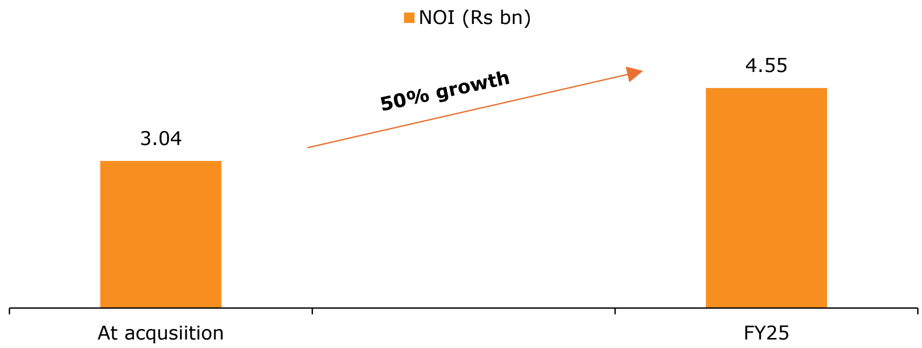
The Prestige portfolio, comprising eight assets with a leasable area of 4.2msf, demonstrates NXST's ability to enhance asset productivity and create value following acquisitions. NXST has undertaken a series of strategic initiatives, including comprehensive asset upgrades, premiumization of the brand mix, tenant churn and store resizing, CAM cost rationalization, focused marketing campaigns to increase footfalls, and optimization of ancillary revenue streams such as signage and parking. These initiatives have significantly improved the operating performance of the portfolio, with occupancy increasing from 88.0% at the time of acquisition to 97.5% by Mar-25. Over the same period, tenant sales and NOI increased by approximately 60% and 50%, respectively, with NOI rising from Rs3.0bn to Rs4.5bn.

Exhibit 42: Occupancy improved by 950bps after acquisition of Prestige portfolio



Source: Company, Emkay Research

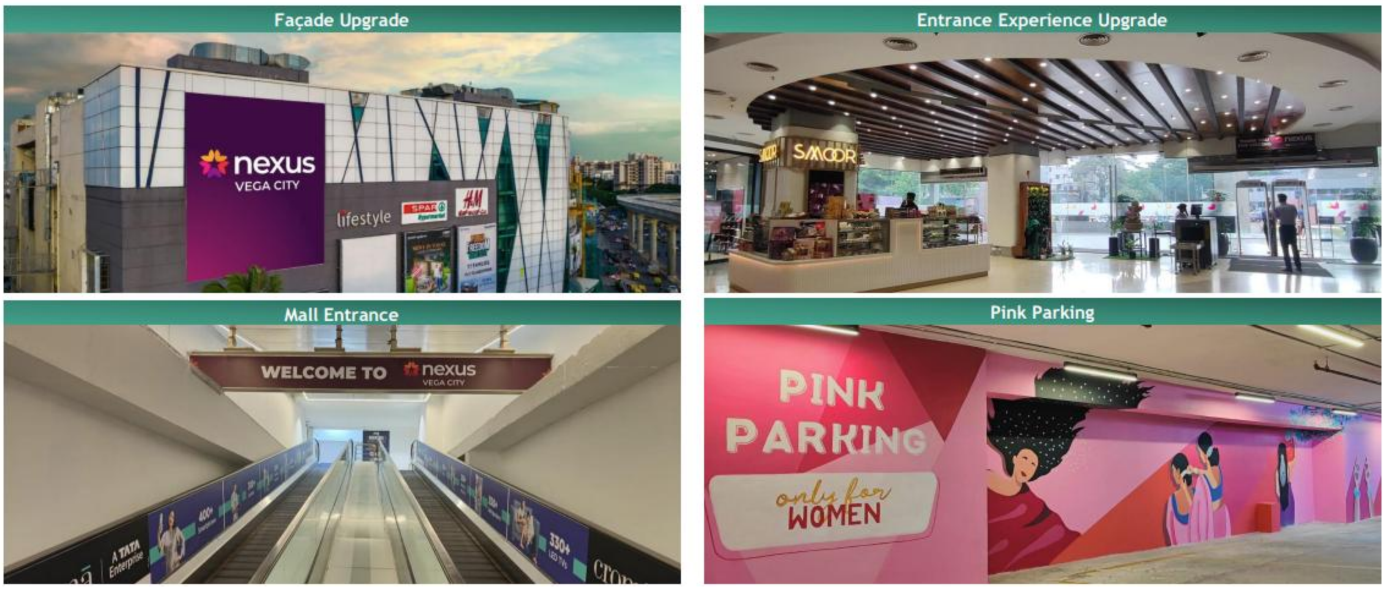
Exhibit 43: NOI grew 50% after acquisition of Prestige portfolio



Source: Company, Emkay Research

Further, malls acquired in CY25—Vega City and MBD Neopolis—have started witnessing improvement in performance. **Vega City witnessed 15% yoy growth in consumption as against negative tenant sales growth pre-acquisition. MBD Neopolis also witnessed 16% yoy growth in consumption.**

Exhibit 44: Improvement in Vega City post-acquisition



Source: Company, Emkay Research

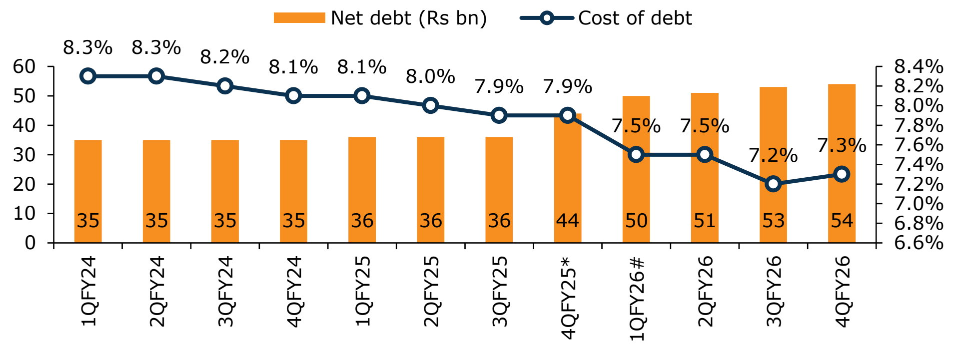
Exhibit 45: Improvements at MBD Neopolis

Source: Company, Emkay Research

Robust balance sheet to support growth opportunities

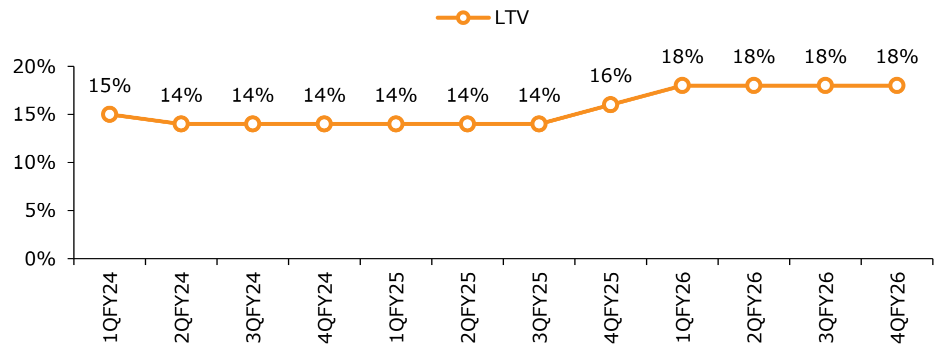
Asset acquisition for NXST occurs through debt funding, given the regulatory guideline of distribution of at least 90% of cash flows. NXST maintains a prudent balance sheet, providing significant debt headroom to support its acquisition-led growth strategy. SEBI regulations permit REITs to maintain leverage of up to 49% of the fair value of their assets. As of FY26, NXST's LTV stands at 18%, well below the regulatory threshold. With an available debt headroom of ~Rs90bn, NXST is well positioned to fund its acquisition pipeline and portfolio expansion plans while maintaining a prudent leverage profile. Further, cost of borrowing has reduced from 8.2% in 1QFY24 to 7.3% in FY26. Stable cash flows and strong NOI generation provide healthy debt servicing capability and support incremental leverage.

Exhibit 46: Net debt and cost of debt



*Source: Company, Emkay Research; Note: *Vega City acquisition, #MBD Neopolis acquisition, net debt excludes restricted cash*

Exhibit 47: NXST LTV trend



Source: Company, Emkay Research

Expansion opportunity beyond acquisitions

Although acquisitions remain a key growth driver, NXST is also exploring other avenues like tie-ups with developers for under-construction malls, expansion in existing malls, and sponsor pipeline for inorganic expansion.

Tie-ups with developers for under-construction malls

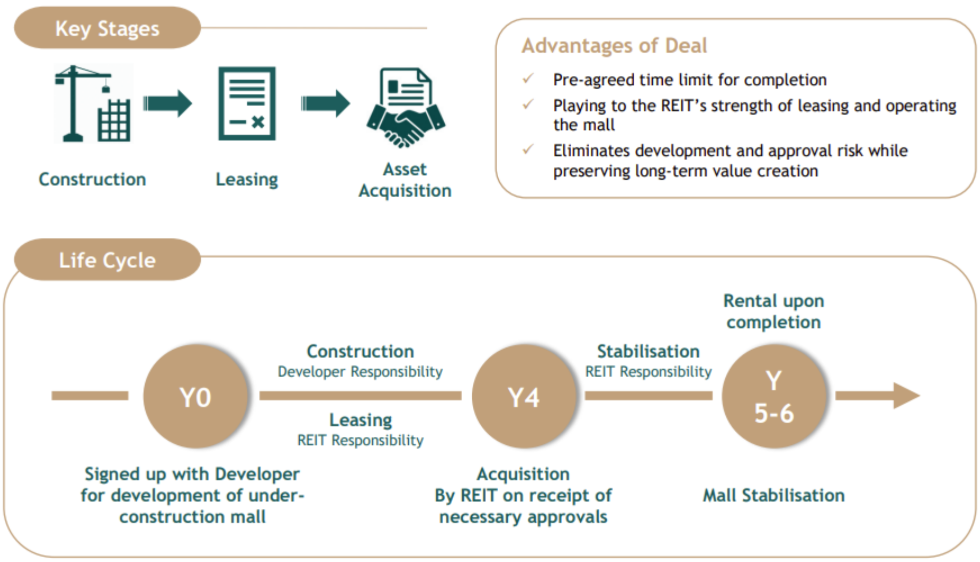
NXST has partnered with Runwal Enterprises (Subodh Runwal Group) for a 0.7msf under-construction Grade-A mall in MMR. The mall is part of a large township of 30,000 residential units and construction is expected to be completed by FY30. Such partnerships enable NXST to expand its footprint in key consumption hubs while limiting development and execution risks associated with greenfield projects.

Exhibit 48: Nexus Runwal Garden Mall details

Asset	Nexus Runwal Garden Mall
Location	MMR (Dombivli)
Expected completion year	CY30
Leasable area	0.7msf
Stabilized occupancy	95%
Total enterprise value	Rs9bn
Initial stake	50%
Acquisition cost	Rs4.3bn
Stabilized NOI	Rs0.8bn
Stabilized cap rate	9.30%

Source: Company, Emkay Research

Exhibit 49: Deal structure for tie-ups with developers for under-construction assets



Source: Company, Emkay Research

Expansion within existing malls and sponsor pipeline

NXST is also pursuing strategic expansion opportunities within its existing portfolio. During FY26, it acquired ~60,000sqft of retail space within the Nexus Elante complex in Chandigarh, further strengthening its presence at one of its flagship assets. The management has identified similar expansion opportunities across 2–3 other malls within the portfolio, which are currently under evaluation.

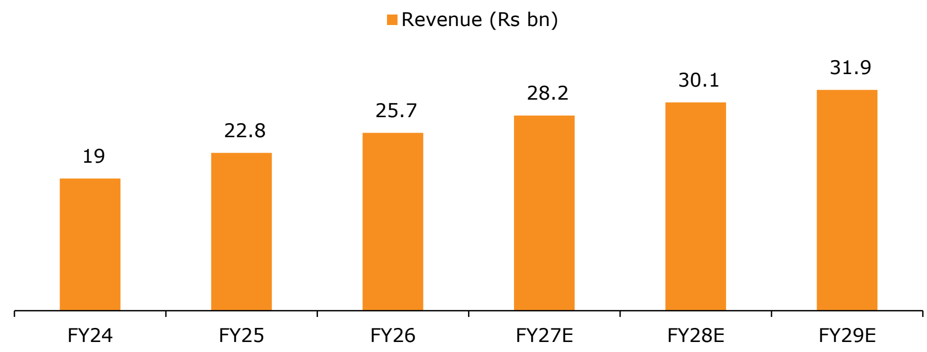
Sponsor pipeline provides visibility on potential future acquisitions. NXST's sponsor, Blackstone, currently holds the South City asset in Kolkata – acquired in CY25. This could present an opportunity over time for NXST to expand its portfolio.

Financial Analysis

Revenue to see 8% CAGR over FY26-29E

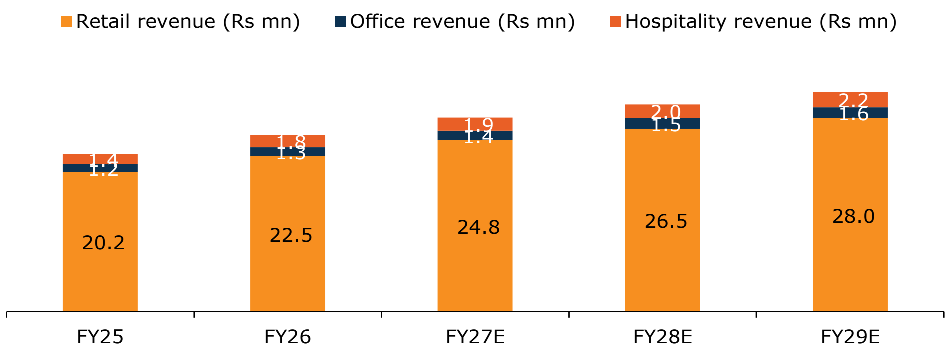
NXST maintains a high-quality portfolio of retail assets, complemented by three office assets and three hotels, with healthy occupancy and strong operating metrics. We expect retail revenue to expand at 8% CAGR, driven by annual contractual rental escalations of 4–5%, mark-to-market (MTM) leasing spreads of ~20% on lease renewals (with ~10% of leasable area expiring annually), and contribution from the Diamond Plaza acquisition. Office revenue is expected to see 7% CAGR, driven by contractual escalations and occupancy improvement, while hospitality revenue is also projected to expand at 7% CAGR, supported by higher ADRs and occupancy.

Exhibit 50: Revenue to expand at 8% CAGR over FY26-29E



Source: Company, Emkay Research

Exhibit 51: Revenue break-up

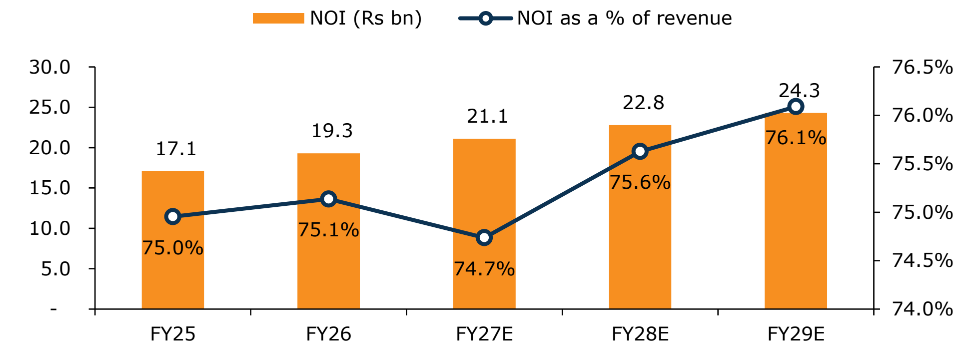


Source: Company, Emkay Research

NOI to clock 8% CAGR over FY26-29E

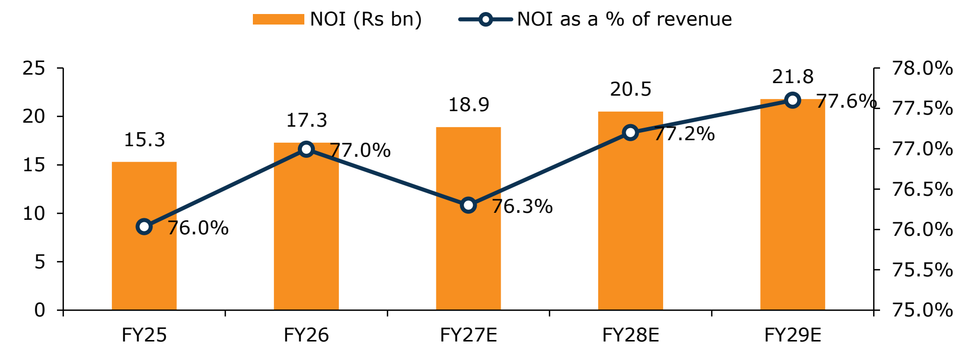
We expect consolidated NOI to see 8% CAGR over FY26–29E, driven by healthy revenue growth across the portfolio. Retail NOI is projected to expand at 8% CAGR, while office and hospitality NOI are expected to register CAGR of 7% and 11%, respectively, over FY26–29E.

Exhibit 52: NOI to see 8% CAGR over FY26-29E



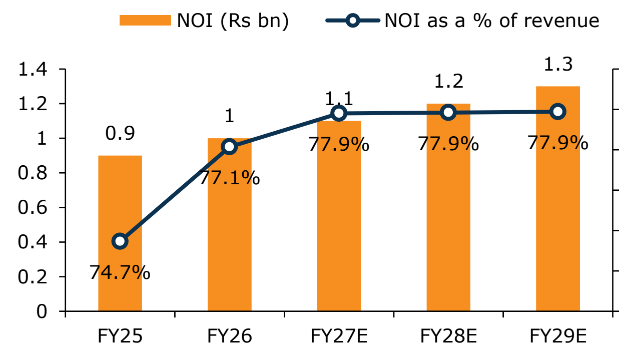
Source: Company, Emkay Research

Exhibit 53: Retail NOI



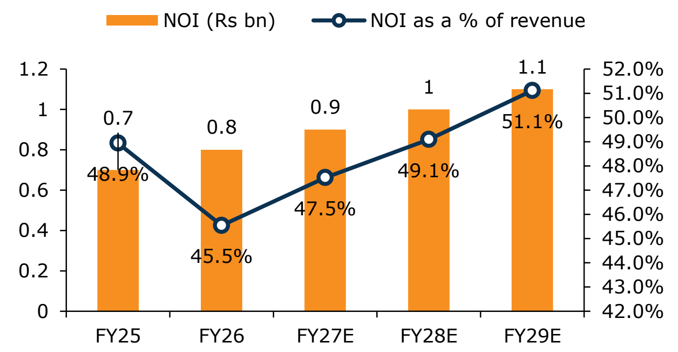
Source: Company, Emkay Research

Exhibit 54: Office NOI



Source: Company, Emkay Research

Exhibit 55: Hospitality NOI



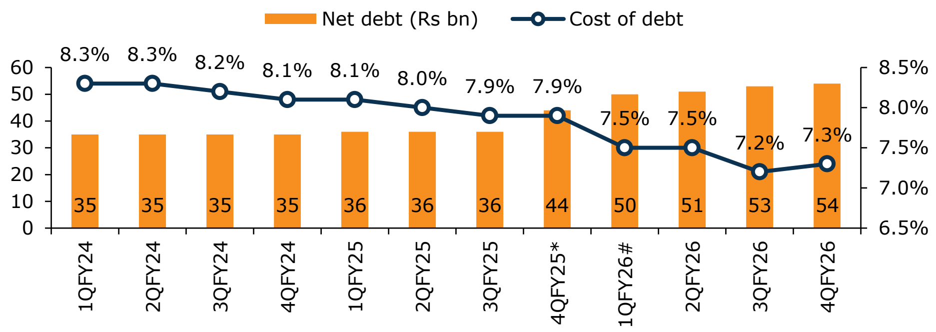
Source: Company, Emkay Research

Healthy balance sheet provides enough headroom for growth

NXST maintains a prudent balance sheet, providing significant debt headroom to support its acquisition-led growth strategy. SEBI regulations permit REITs to maintain leverage of up to 49% of the fair value of their assets. As of FY26, NXST's LTV stands at 18%, well below the regulatory threshold. With an available debt headroom of ~Rs90bn, NXST has enough headroom for growth through acquisitions.

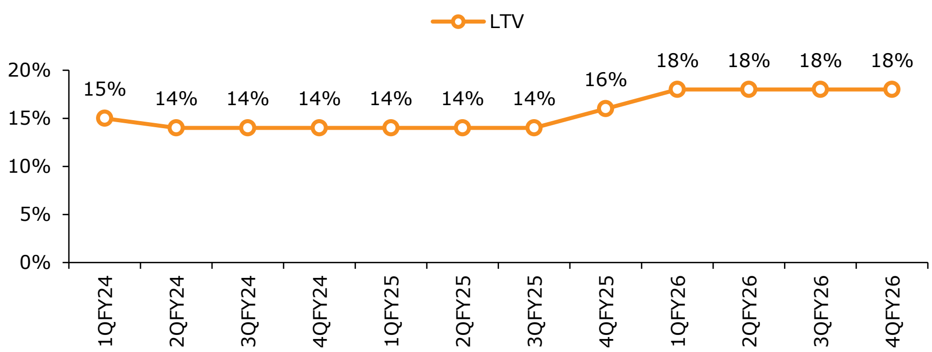
The increasing share of debt at the REIT level has lowered the overall cost of borrowing, with the average cost of debt declining from 8.3% in 1QFY24 to 7.3% in 4QFY26.

Exhibit 56: Net debt and cost of debt



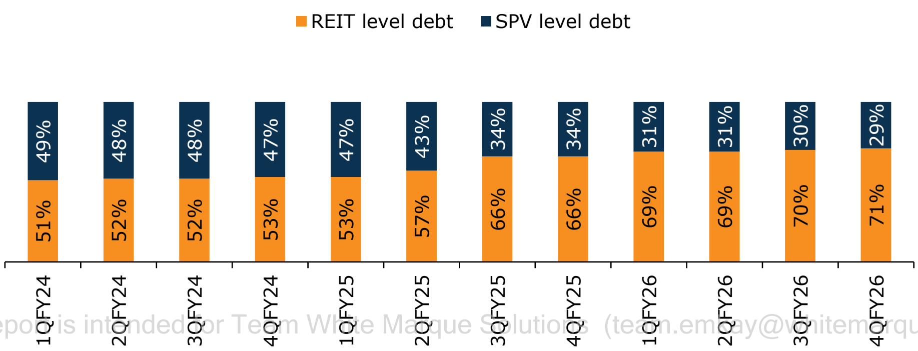
*Source: Company, Emkay Research; Note: *Vega City acquisition, #MBD Neopolis acquisition, net debt excludes restricted cash*

Exhibit 57: NXST LTV trend



Source: Company, Emkay Research

Exhibit 58: REIT-level debt increasing



Source: Company, Emkay Research

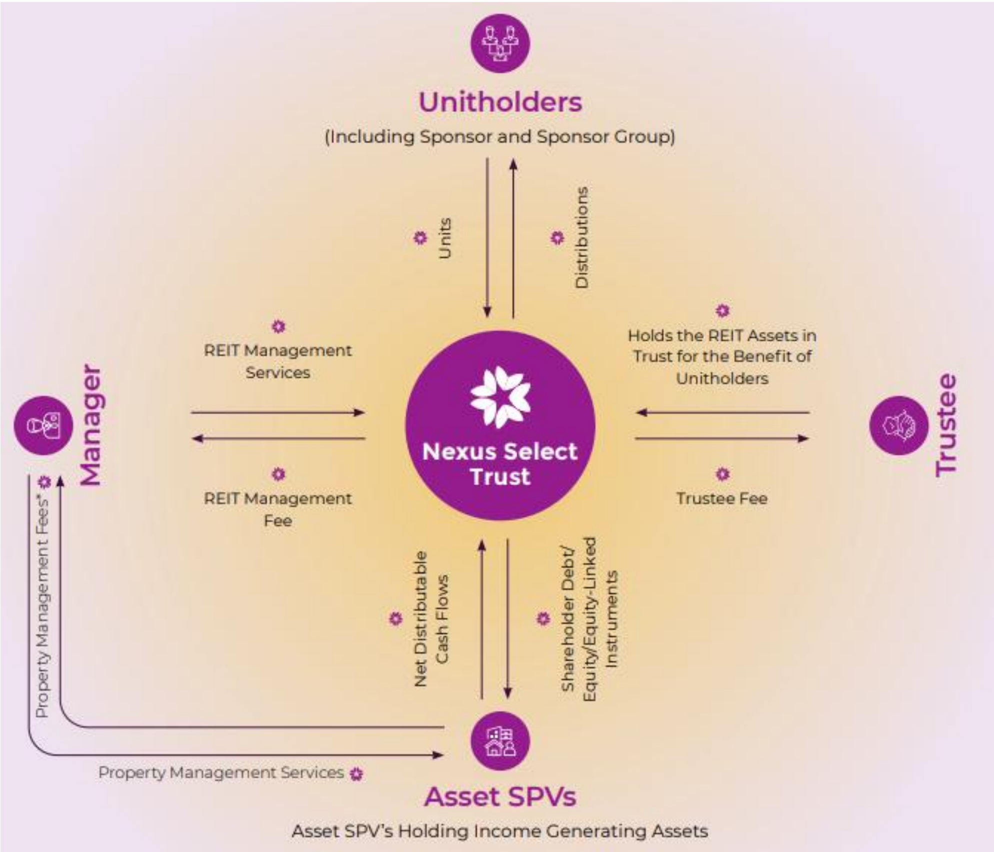
Company Overview

Nexus Select Trust (NXST), sponsored by Wynford Investments – an affiliate of Blackstone, is India's first listed retail-focused REIT. It provides investors with exposure to a portfolio of income-generating retail real estate assets. The REIT primarily focuses on owning and operating urban consumption centers that benefit from strong catchment demographics, high footfalls, and established retailer ecosystems. Its assets are strategically located across major metropolitan regions and emerging consumption markets, enabling the platform to capture India's long-term consumption growth and increasing penetration of organized retail.

The portfolio comprises 20 consumption centers with leasable area of 10.96msf across 16 cities, complemented by three office properties with an aggregate leasable area of 1.3msf and three hotels comprising 450 room keys.

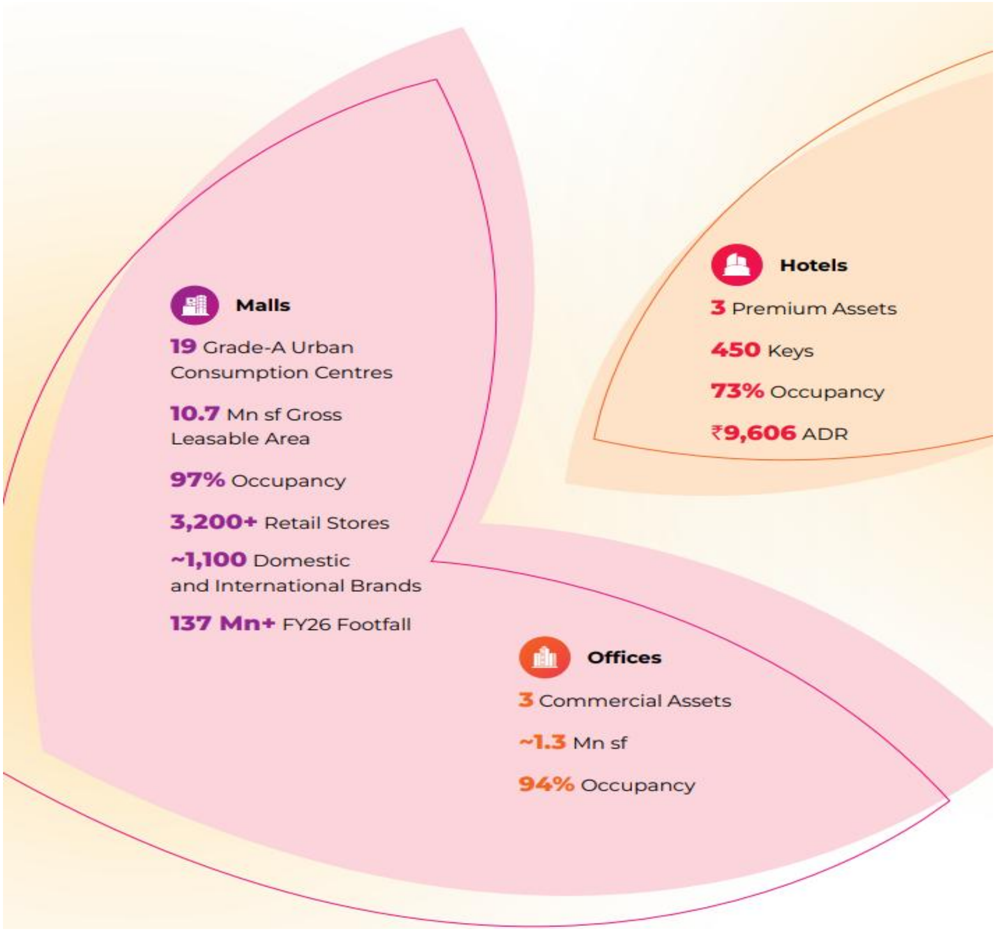
The trust's growth strategy is focused on acquiring high-quality, income-generating retail assets in key consumption markets while enhancing the operational performance and productivity of its existing portfolio through asset upgrades, tenant remixing, and leasing initiatives. Following its IPO, the REIT has acquired 3 retail assets – Vega City (Bengaluru), MBD Neopolis (Ludhiana), and Diamond Plaza (Kolkata), as well as 1 hotel property (Radisson, Ludhiana).

Exhibit 59: NXST structure



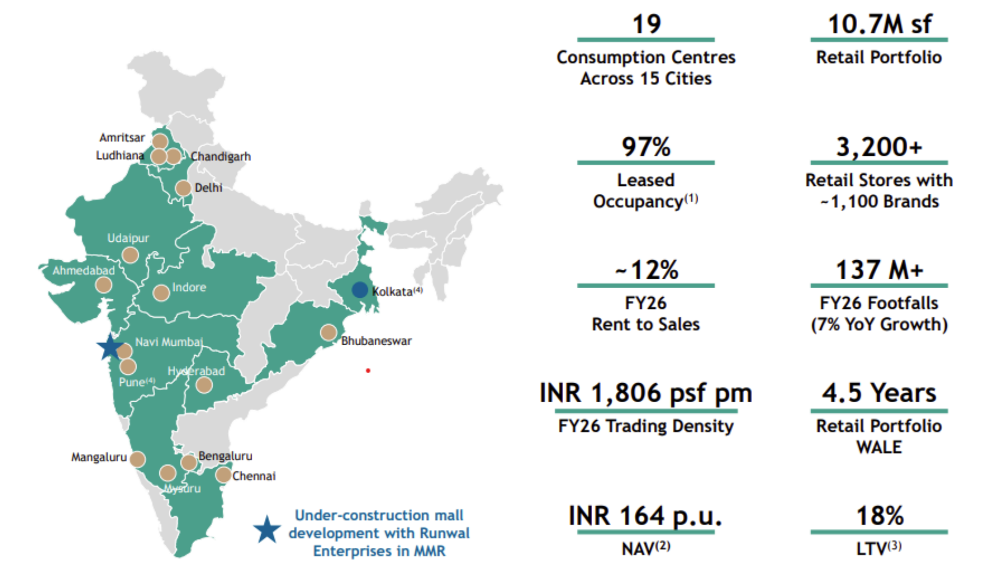
Source: Company, Emkay Research

Exhibit 60: Portfolio at a glance



Source: Company, Emkay Research; Note: Malls exclude Diamond Plaza acquisition

Exhibit 61: Retail portfolio overview



Source: Company, Emkay Research; Note: Excluding Diamond Plaza, NAV calculation as per company data for all assets

Management Profile

Exhibit 62: Management profile

Key Management Personnel	Designation	Description
Dalip Sehgal	CEO	Sehgal has been involved in the management of portfolio assets owned by the sponsor group for over 8 years. He holds a Bachelor's degree in Arts and Master's degree in Business Administration from the University of Delhi. He has over four decades of work experience.
Rajesh Deo	CFO	Deo has been involved in the management of portfolio assets owned by the sponsor group for over 9 years. He holds a Bachelor's degree in Commerce from Utkal University and completed General Business Administration and Management Course from Indian School of Business. He has over two decades of work experience.
Jayen Naik	President – Operations	Naik has been associated with the trust for over 9 years. He holds a Bachelor's degree in Science from St Xavier's College, Gujarat, and Master's degree in Business Administration from BK School of Business Management, Gujarat. He has close to three decades of work experience.
Nirzar Jain	President – Leasing	Jain has been associated with the platform for over 7 years. He holds a Diploma in Hotel Management and Catering Technology from the National Council for Hotel Management and Catering Technology, New Delhi. He has over three decades of work experience.
Nishank Joshi	CMO	Joshi has been associated with the platform for over 9 years. He holds a Bachelor's degree in Science from Ramnarain Ruia College and Master's degree in Marketing Management from the University of Mumbai. He has over 27 years of work experience.
Pratik Dantara	Head – Strategy	Dantara has been associated with the platform since CY23. He holds a Bachelor's degree in Commerce from the University of Mumbai. He is also an associate member of the Institute of Chartered Accountants of India. He has close to two decades of work experience.
Rohan Vaswani	CHRO	Rohan Vaswani has been associated with the platform for over 9 years. He holds a Bachelor's degree in Commerce from Jai Hind College and Master's degree in Business Administration from Mumbai Educational Trust's Asian Management Development Centre. He has over two decades of work experience.
Gautam Vaswani	Chief Acquisition Officer	Gautam Vaswani holds a Master's degree in Marketing from Narsee Monjee Institute of Management Studies. He has close to three decades of experience.

Source: Company, Emkay Research

Key REIT regulations

- A REIT must be established as a trust under the Indian Trusts Act and registered with SEBI, with key participants including Sponsor, Manager, Trustee, Valuer, and Auditor.
- A REIT cannot primarily invest in vacant land or agricultural land, except where land is incidental to a development project.
- At least 80% of the value of REIT assets must be invested in completed, income-generating, and rent-yielding real estate.
- If properties are held through special purpose vehicles (SPVs), a REIT should hold a controlling interest. The SPV should predominantly own real estate assets and generally should not invest in another SPV.
- A REIT must distribute at least 90% of NDCF generated by the REIT, holding companies, and SPVs.
- A REIT can borrow up to 49% of total asset value. If borrowing exceeds 49% of asset value, then credit rating requirements and unitholder approval are required for additional borrowing beyond prescribed conditions.
- Independent valuation is mandatory. The REIT must obtain full valuation at least once every financial year and provide a half-yearly valuation update.
- Taxation – Interest and dividend received from SPVs are taxable at unitholder level, while the same is exempt at trust level. If an SPV pays tax under the old regime at a higher rate, dividend is exempt in the hands of unitholders (otherwise taxable). In case of NXST, an SPV pays tax at a higher rate, leading to tax-free dividends in the hands of unitholders.

Nexus Select Trust: Consolidated Financials and Valuations

Profit & Loss

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**22,829**	**25,680**	**28,211**	**30,126**	**31,940**
Revenue growth (%)	19.1	12.5	9.9	6.8	6.0
EBITDA	**15,522**	**17,329**	**18,939**	**20,397**	**21,699**
EBITDA growth (%)	20.9	11.6	9.3	7.7	6.4
Depreciation & Amortization	5,861	6,198	6,472	6,410	6,317
EBIT	**9,661**	**11,131**	**12,467**	**13,987**	**15,382**
EBIT growth (%)	26.5	15.2	12.0	12.2	10.0
Other operating income	-	-	-	-	-
Other income	1,165	873	917	962	1,011
Financial expense	3,943	4,580	4,808	5,085	5,196
PBT	**6,883**	**7,424**	**8,576**	**9,864**	**11,196**
Extraordinary items	0	0	0	0	0
Taxes	2,150	3,398	2,573	2,959	3,359
Minority interest	0	0	0	0	0
Income from JV/Associates	96	9	50	50	50
Reported PAT	**4,828**	**4,035**	**6,053**	**6,955**	**7,887**
PAT growth (%)	(19.3)	(16.4)	50.0	14.9	13.4
Adjusted PAT	**4,828**	**4,035**	**6,053**	**6,955**	**7,887**
Diluted EPS (Rs)	**3.2**	**2.7**	**4.0**	**4.6**	**5.2**
Diluted EPS growth (%)	(19.3)	(16.4)	50.0	14.9	13.4
DPS (Rs)	**8.4**	**8.8**	**9.8**	**10.6**	**11.3**
Dividend payout (%)	**264.9**	**330.2**	**245.5**	**230.7**	**216.7**
EBITDA margin (%)	68.0	67.5	67.1	67.7	67.9
EBIT margin (%)	42.3	43.3	44.2	46.4	48.2
Effective tax rate (%)	31.2	45.8	30.0	30.0	30.0
NOPLAT (pre-IndAS)	**6,643**	**6,036**	**8,727**	**9,791**	**10,768**
Shares outstanding (mn)	1,515	1,515	1,515	1,515	1,515

Source: Company, Emkay Research

Balance Sheet

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	150,950	150,950	150,950	150,950	150,950
Reserves & Surplus	(9,563)	(18,849)	(27,654)	(36,747)	(45,949)
Net worth	**141,387**	**132,101**	**123,296**	**114,204**	**105,001**
Minority interests	0	0	0	0	0
Non-current liab. & prov.	276	926	1,955	3,139	4,482
Total debt	**53,286**	**61,972**	**67,972**	**69,472**	**70,972**
Total liabilities & equity	**196,162**	**196,144**	**194,478**	**188,190**	**181,965**
Net tangible fixed assets	152,203	158,520	160,098	158,036	155,962
Net intangible assets	31,032	27,303	23,653	20,004	16,461
Net ROU assets	-	-	-	-	-
Capital WIP	693	93	93	93	93
Goodwill	0	0	0	0	0
Investments [JV/Associates]	2,139	2,104	2,154	2,204	2,254
Cash & equivalents	**770**	**599**	**513**	**713**	**987**
Current assets (ex-cash)	12,981	12,867	12,944	13,030	13,090
Current Liab. & Prov.	9,318	9,900	10,664	11,557	12,430
NWC (ex-cash)	**3,664**	**2,966**	**2,280**	**1,474**	**660**
Total assets	**196,162**	**196,144**	**194,478**	**188,191**	**181,966**
Net debt	52,515	61,373	67,459	68,760	69,986
Capital employed	196,162	196,144	194,478	188,190	181,965
Invested capital	**186,898**	**188,789**	**186,030**	**179,514**	**173,083**
BVPS (Rs)	93.3	87.2	81.4	75.4	69.3
Net Debt/Equity (x)	0.4	0.5	0.5	0.6	0.7
Net Debt/EBITDA (x)	3.4	3.5	3.6	3.4	3.2
Interest coverage (x)	2.7	2.6	2.8	2.9	3.2
RoCE (%)	**5.6**	**6.2**	**6.9**	**8.0**	**9.1**

Source: Company, Emkay Research

Cash flows

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	6,979	7,433	8,576	9,864	11,196
Others (non-cash items)	0	0	0	0	0
Taxes paid	(682)	(1,478)	(1,544)	(1,775)	(2,015)
Change in NWC	615	826	711	832	814
Operating cash flow	**15,324**	**16,620**	**18,237**	**19,594**	**20,650**
Capital expenditure	(1,456)	(3,601)	(4,400)	(700)	(700)
Acquisition of business	-	-	-	-	-
Interest & dividend income	173	123	917	962	1,011
Investing cash flow	**(9,648)**	**(7,314)**	**(4,658)**	**237**	**410**
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	10,542	8,631	6,000	1,500	1,500
Payment of lease liabilities	0	0	0	0	0
Interest paid	(3,632)	(4,423)	(4,808)	(5,085)	(5,196)
Dividend paid (incl tax)	(12,788)	(13,324)	(14,858)	(16,047)	(17,090)
Others	0	(23)	0	0	0
Financing cash flow	**(5,877)**	**(9,138)**	**(13,666)**	**(19,632)**	**(20,786)**
Net chg in Cash	(201)	168	(87)	199	274
OCF	15,324	16,620	18,237	19,594	20,650
Adj. OCF (w/o NWC chg.)	14,710	15,794	17,527	18,763	19,837
FCFF	13,868	13,019	13,837	18,894	19,950
FCFE	0	0	0	0	0
OCF/EBITDA (%)	98.7	95.9	96.3	96.1	95.2
FCFE/PAT (%)	0	0	0	0	0
FCFF/NOPLAT (%)	**208.8**	**215.7**	**158.6**	**193.0**	**185.3**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	52.5	62.8	41.9	36.5	32.1
EV/CE(x)	1.5	1.5	1.5	1.6	1.7
P/B (x)	1.8	1.9	2.1	2.2	2.4
EV/Sales (x)	12.9	11.5	10.5	9.8	9.2
EV/EBITDA (x)	19.0	17.0	15.6	14.5	13.6
EV/EBIT(x)	30.5	26.5	23.7	21.1	19.2
EV/IC (x)	1.6	1.6	1.6	1.6	1.7
FCFF yield (%)	4.7	4.4	4.7	6.4	6.8
FCFE yield (%)	0	0	0	0	0
Dividend yield (%)	5.0	5.3	5.9	6.3	6.7
DuPont-RoE split					
Net profit margin (%)	21.1	15.7	21.5	23.1	24.7
Total asset turnover (x)	0.1	0.1	0.1	0.2	0.2
Assets/Equity (x)	1.3	1.4	1.5	1.6	1.7
RoE (%)	**3.3**	**3.0**	**4.7**	**5.9**	**7.2**
DuPont-RoIC					
NOPLAT margin (%)	29.1	23.5	30.9	32.5	33.7
IC turnover (x)	0.1	0.1	0.2	0.2	0.2
RoIC (%)	**3.6**	**3.2**	**4.7**	**5.4**	**6.1**
Operating metrics					
Core NWC days	58.6	42.2	29.5	17.9	7.5
Total NWC days	**58.6**	**42.2**	**29.5**	**17.9**	**7.5**
Fixed asset turnover	0.1	0.1	0.1	0.1	0.2
Opex-to-revenue (%)	31.2	31.6	32.0	31.4	31.1

Source: Company, Emkay Research

REDUCE

Phoenix Mills

The mall maestro

Real Estate | Initiating Coverage | **July 24, 2026**

CMP (Rs): 2,036 | TP (Rs): 2,050

We initiate coverage on The Phoenix Mills (PHNX) with REDUCE and TP of Rs2,050 (SOTP-based), implying EV/EBITDA of 25x on Jun-28E EBITDA. PHNX is a leading retail mall developer and operator in India. Its portfolio comprises 12 malls with 11.2msf of retail leasable area across eight cities (Mumbai, Pune, Bengaluru, Chennai, Ahmedabad, Lucknow, Indore, and Bareilly); a commercial portfolio of ~4.8msf in Mumbai, Pune, and Bengaluru; and two hotels with 588 keys in Mumbai and Agra. Over the past five years, PHNX has significantly expanded its retail (1.6x) and commercial footprint (2.5x). It is now embarking on the next phase of growth, with plans to add ~7.2msf of retail space and ~3.1msf of commercial space by CY30. We expect EBITDA CAGR of 13% over FY26-29E, driven by mall expansion and consumption growth. We apply 20x EV/EBITDA (asset level) to the operational retail portfolio (vs 14x for NXST) and separately account for the value of the development pipeline. We believe the current valuation adequately captures the company's growth potential, leaving limited room for further upside.

Premium retail portfolio with a proven execution track record

PHNX has built one of India's highest-quality retail portfolios with 12 destination malls across key consumption markets, aided by integrated commercial and hospitality assets. Its dominant market positioning, strong leasing capabilities, and proven execution across development and asset management have enabled industry-leading leasing occupancy of 94%, trading density of Rs2,048/sqft, and 18% rental CAGR over FY23-26.

Large development pipeline of retail provides growth visibility

PHNX is entering its next phase of expansion, with ~7.1msf of retail development planned by CY30, complemented by brownfield expansions at Palladium, Mumbai, and PMC, Bengaluru. Kolkata (1msf) and Surat (1msf) malls are expected to be completed in CY27; Thane (1.3msf), Coimbatore (1msf), and Chandigarh (1.5msf) malls are expected to be completed by CY30. The pipeline should drive sustained growth in rental income and EBITDA. We expect incremental EBITDA of ~Rs11.3bn from new malls, once stabilized. PHNX's healthy operating cash flow (Rs19.5bn in FY26; 80% share) and low net debt-to-EBITDA of 1.2x provide ample financial flexibility to pursue growth opportunities.

Asset densification

PHNX is pursuing an asset densification strategy by developing office and hospitality assets within its existing retail destinations, thereby enhancing asset productivity and diversifying annuity income streams. Its commercial portfolio has expanded from 2.0msf in FY24 to ~5.0msf in FY26, with three recently completed office assets commencing leasing and a pipeline of ~3.1msf under development at Palladium, Mumbai, and PMC, Bengaluru. In addition, PHNX plans to expand its hospitality portfolio from 588 keys to 2,188 keys by CY30, further unlocking value from its existing retail assets.

Target Price – 12M	Jun-27
Change in TP (%)	**NA**
Current Reco.	REDUCE
Previous Reco.	NA
Upside/(Downside) (%)	0.7

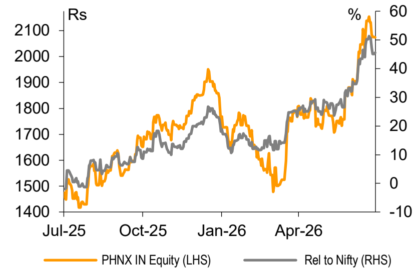
Stock Data	**PHNX IN**
52-week High (Rs)	2,170
52-week Low (Rs)	1,403
Shares outstanding (mn)	357.7
Market-cap (Rs bn)	728
Market-cap (USD mn)	7,539
Net-debt, FY27E (Rs mn)	53,365.7
ADTV-3M (mn shares)	0.6
ADTV-3M (Rs mn)	1,295.7
ADTV-3M (USD mn)	13.4
Free float (%)	52.0
Nifty-50	23,869.6
INR/USD	96.6

Shareholding,Jun-26	
Promoters (%)	47.3
FPIs/MFs (%)	31.7/17.4

Price Performance

(%)	**1M**	**3M**	**12M**
Absolute	9.9	14.0	40.0
Rel. to Nifty	9.7	15.5	48.0

1-Year share price trend (Rs)



Phoenix Mills: Financial Snapshot (Consolidated)

Y/E March (Rs mn)	**FY25**	**FY26**	**FY27E**	**FY28E**	**FY29E**
Revenue	38,136	44,228	48,201	53,726	64,761
EBITDA	21,612	26,371	28,073	31,860	37,958
Adj. PAT	9,715	12,528	13,183	14,736	19,204
Adj. EPS (Rs)	27.2	35.0	36.9	41.2	53.7
EBITDA margin (%)	56.7	59.6	58.2	59.3	58.6
EBITDA growth (%)	(0.7)	22.0	6.5	13.5	19.1
Adj. EPS growth (%)	(11.7)	29.0	5.2	11.8	30.3
RoE (%)	9.8	11.7	12.1	13.6	17.4
RoIC (%)	10.1	11.6	12.3	14.1	15.2
P/E (x)	73.9	59.5	55.2	49.4	37.9
EV/EBITDA (x)	35.5	29.1	27.3	24.1	20.2
P/B (x)	7.0	6.6	6.7	6.7	6.5
FCFF yield (%)	(0.7)	1.3	1.1	1.5	2.0

Source: Company, Emkay Research

Biplab Debbarma
biplab.debbarma@emkayglobal.com
+91-22-66121344

Tanishk Khinvasra
tanishk.khinvasra@emkayglobal.com
+91-22-66121235

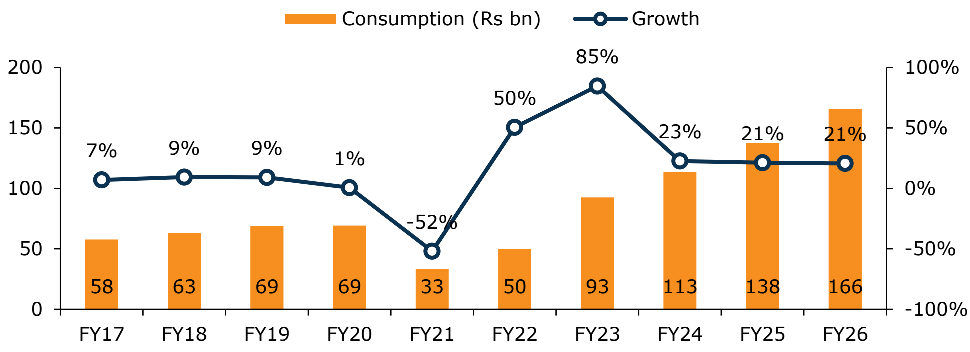
Story in Charts

Exhibit 63: PHNX portfolio overview

Segment	No of Assets	Total Area/Keys	FY26 Income (Rs bn)	FY26 EBITDA (Rs bn)
Retail	12	11.2msf	31.0	22.5
Office	7	5msf	2.2	1.4
Hospitality	2	588 keys	6.0	2.8

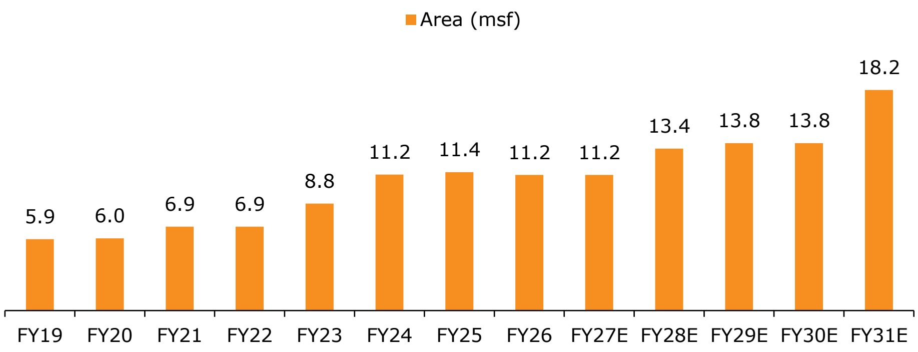
Source: Company, Emkay Research

Exhibit 64: Consumption trend



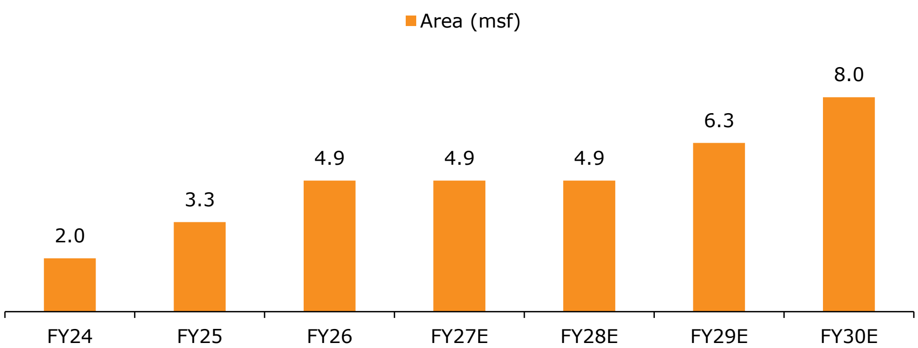
Source: Company, Emkay Research

Exhibit 65: PHNX – retail portfolio expansion



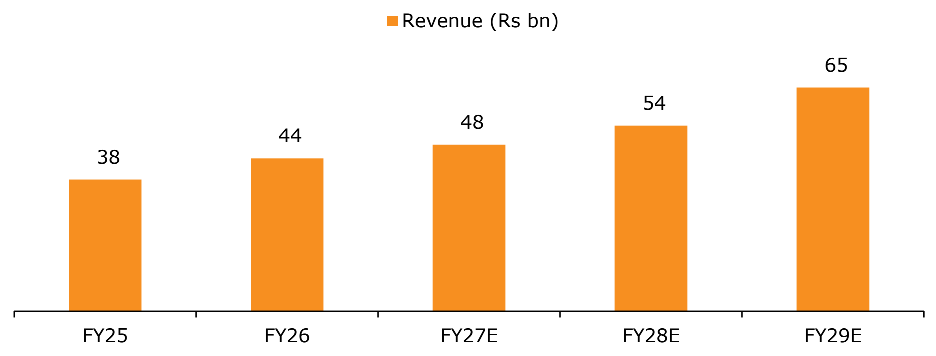
Source: Company, Emkay Research

Exhibit 66: PHNX – commercial portfolio expansion



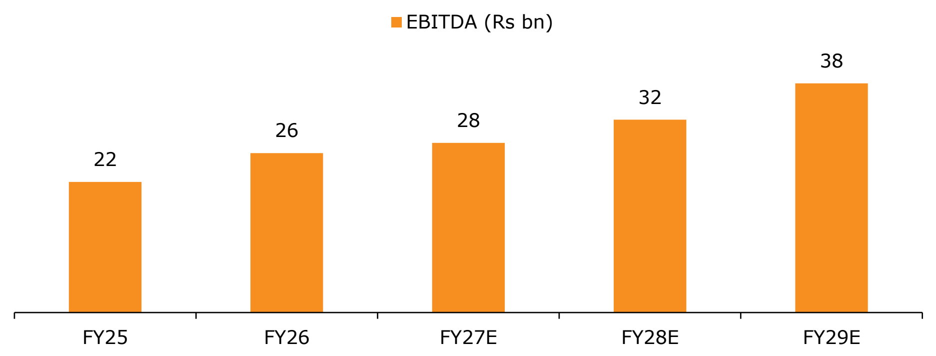
Source: Company, Emkay Research

Exhibit 67: Revenue CAGR of 14% over FY26-29E



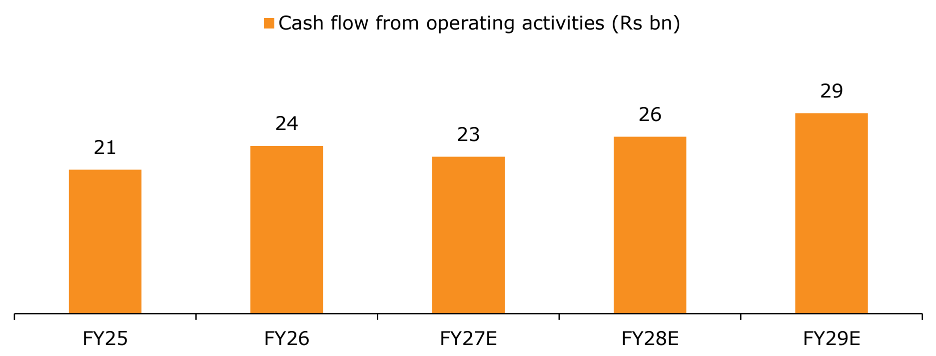
Source: Company, Emkay Research

Exhibit 68: EBITDA CAGR of 13% over FY26-29E



Source: Company, Emkay Research

Exhibit 69: Operating cash flow trend



Source: Company, Emkay Research

Valuation

Operational: We value PHNX using SOTP methodology by assigning EV/EBITDA of 20.0x to the operating retail portfolio, 12.5x to the operating commercial portfolio, and 20.0x to the operating hospitality portfolio, based on their respective Jun-28E EBITDA. Its residential segment is valued based on the NAV approach.

Ongoing: The ongoing retail developments are valued based on their stabilized FY33E EBITDA, discounted at 12%, and assigning EV/EBITDA of 18x to derive the enterprise value and adjust for the estimated remaining development capex to arrive at the attributable asset value. Ongoing commercial and hospitality developments are valued similarly, by assigning EV/EBITDA of 12x and 15x, respectively.

Island Star Mall Developers (ISMDPL): We account for PHNX's 100% ownership of ISMDPL and deduct the residual consideration payable to CPPIB from the valuation.

Exhibit 70: Valuation

Valuation			
	Jun-28E EBITDA (Rs mn)	**Multiple (x)**	**EV (Rs mn)**
Retail			
Operational	26,234	20	5,24,673
Ongoing	8,897	18	1,60,155
Commercial			
Operational	2,716	12.5	33,954
Ongoing	2,053	12	24,638
Hospitality			
Operational	2,645	20	52,909
Ongoing	744	15	11,166
Residential			9,217
FSI at Palladium (1.46msf)			24,886
Total			8,41,598
Net debt			46,054
Less: CPPIB payment			41,920
Less: Remaining capex			25,403
Equity Value			7,28,221
No of equity shares (mn)			357.63
TP (Rs)			**2,050**

Source: Emkay Research

Business Overview

Retail portfolio

Retail assets constitute the largest component of PHNX's portfolio, contributing most of its EBITDA (~85% of total EBITDA in FY26). PHNX owns and operates a portfolio of large-scale destination malls strategically located across key cities, including Mumbai, Pune, Bengaluru, Chennai, Lucknow, Ahmedabad, Indore, and Bareilly. The portfolio comprises 12 consumption centers (malls) with a leasable area of 11.2msf and healthy leasing occupancy of more than ~95% across most of the assets.

The assets are strategically located in high-growth consumption corridors and house a diversified mix of international luxury brands, global fashion retailers, leading domestic brands, multiplexes, family entertainment centers, and extensive dining options, creating a comprehensive shopping experience. In FY26, the retail portfolio recorded total consumption of Rs166bn, rental income of Rs22bn (total income of Rs31bn, including CAM and other income) and EBITDA of Rs22bn.

PHNX has 5 new retail projects under development. Phoenix Grand Victoria in Kolkata and Palladium Surat—with leasable area of 1msf each—are expected to be operationalized in CY27. The remaining three assets—Thane (1.3msf), Chandigarh (1.5msf), and Coimbatore (1msf)—are scheduled for completion by CY30. Additionally, the company is undertaking expansion in its existing operating assets – Palladium Lower Parel (0.6msf) and Phoenix Market City (PMC), Bengaluru (0.8msf). The company also has additional FSI of 1.46msf in Palladium Lower Parel which was purchased for ~Rs5.9bn.

Exhibit 71: Retail asset portfolio - operational

Property	Location	Leasable Area (msf)	Trading Occupancy	Tenant Sales (Rs bn)	PHNX Share
Phoenix Palladium	Mumbai	1.0	96%	26	100.0%
Phoenix Market City	Bangalore	1.0	84%	20	58.3%
Phoenix Market City	Pune	1.2	86%	18	67.1%
Phoenix Market City and Palladium	Chennai	1.2	91%	17	100% (50% in Palladium)
Phoenix Market City	Mumbai	1.1	92%	14	67.1%
Phoenix Pallasio	Lucknow	0.9	96%	14	100.0%
Phoenix United	Lucknow	0.3	82%	2	100.0%
Phoenix United	Bareilly	0.3	89%	3	100.0%
Phoenix Citadel	Indore	1.0	91%	6	58.3%
Palladium	Ahmedabad	0.8	95%	9	50.1%
Phoenix Mall of the Millennium	Pune	1.2	94%	15	58.3%
Phoenix Mall of Asia	Bangalore	1.2	87%	22	58.3%
Total		**11.2**		**166**	

Source: Company, Emkay Research; Note: Phoenix Market City Pune rebranded as Phoenix Avenue of Stars

Exhibit 72: Retail asset portfolio – upcoming

Property	Location	Leasable Area (msf)	PHNX share
Phoenix Grand Victoria	Kolkata	1.00	51%
Palladium, Surat	Surat	1.00	54%
PMC Bengaluru (expansion)	Bengaluru	0.60	100%
Project Rise (retail), Lower Parel	Mumbai	0.20	51%
Phoenix Palladium, Lower Parel (expansion)	Mumbai	0.25	100%
Thane	Mumbai	1.30	100%
Coimbatore	Coimbatore	1.00	67%
Chandigarh	Chandigarh	1.50	100%
Total leasable area for upcoming malls		**6.85**	

Source: Company, Emkay Research

Commercial portfolio

Complementing its retail business, PHNX has a portfolio of high-quality commercial office assets, with leasable area of 4.8msf across four cities. The office assets are primarily located within or adjacent to the company's integrated mixed-use developments, creating synergies through shared infrastructure, superior connectivity, and access to retail, hospitality, and lifestyle amenities. The commercial portfolio comprises Grade A office spaces leased to a diversified base of multinational corporations, technology companies, financial institutions, and global capability centres under long-term lease agreements. In FY26, the commercial portfolio recorded total income of Rs2bn and EBITDA of Rs1.4bn.

PHNX has a commercial development pipeline of ~3.1msf of Grade A office space across two key mixed-use developments. The company is developing 1.5msf of commercial space at Phoenix Palladium, Lower Parel, and 1.6msf at PMC, Bengaluru.

Exhibit 73: Commercial portfolio – operational and under-construction

Asset	Location	Net Leasable Area (msf)	Area Leased (msf)	Occupancy	Gross Rent (psf-pm)	PHNX Share
Operational assets						
Art Guild House	Mumbai	0.63	0.56	89%	128	67.1%
Phoenix Paragon	Mumbai	0.31	0.19	62%	140	67.1%
The Centrium	Mumbai	0.11	0.04	38%	123	67.1%
Fountain Head	Pune	0.84	0.76	91%	97	100.0%
Total – Existing operational assets		**1.88**	**1.55**	**83%**		
Offices completed during 2025						
Phoenix Asia Towers	Bengaluru	0.82	0.27	33%	95	58.3%
Millennium Towers	Pune	1.47	1.15	78%	85	58.3%
One National Park	Chennai	0.6	0.36	60%	99	50.0%
Total – New offices		**2.89**	**1.78**	**62%**		
Total operating portfolio		**4.77**	**3.33**	**70%**	**113**	
Project Rise, Lower Parel Palladium Office, Lower Parel	Mumbai	1.1 0.4			Under- construction	51% 100%
PMC Bengaluru	Bengaluru	1.6			Under-construction	100%
Total – Offices under-construction		**3.1**				

Source: Company, Emkay Research

Hospitality portfolio

Phoenix Mills' hospitality portfolio currently comprises two operational hotels—The St Regis Mumbai with 395 keys and Courtyard by Marriott Agra with 193 keys.

Exhibit 74: Hospitality portfolio – operational

Property	Keys	ADR (Rs)	Occupancy	PHNX Share
The St Regis, Mumbai	395	21,626	86%	73%
Courtyard by Marriott, Agra	193	5,873	76%	100%
Total – operational	**588**			

Source: Company, Emkay Research

The company is also expanding its hospitality presence, with approximately 400 additional keys under development at PMC, Bengaluru, in Phase 1 and 300 keys in Phase 2.

Exhibit 75: Hospitality portfolio – upcoming

Property	Location	Keys	Status
Grand Hyatt at PMC Bengaluru	Bengaluru	400	Under-construction
Phase 2 hotel at PMC Bengaluru	Bengaluru	300	Future
Total upcoming		**700**	

Source: Company, Emkay Research

Residential portfolio

PHNX also has a residential portfolio comprising two projects in Bengaluru – One Bengaluru West (1.8msf) and Kessaku (1.03msf). The projects currently have saleable inventory of 0.17msf. In FY26, the company's average realization stood at Rs28,600psf. Apart from this, PHNX is planning to launch 1msf of area in Kolkata in FY27.

Exhibit 76: Residential portfolio details

Project Name	Total Saleable area (msf)	Area launched (msf)	Cumulative Area Sold (msf)	Ready-to-sell inventory (msf)	Cumulative Sales Value (Rs bn)
One Bangalore West	2.46	1.8	1.77	0.02	20.61
Kessaku, Bengaluru	1.03	1.03	0.88	0.15	16.65
New Alipore, Kolkata	1.00	Not launched			
Total	4.49	2.83	2.66	0.17	37.25

Source: Company, Emkay Research

Investment Thesis

Quality portfolio with proven execution track record

PHNX has a portfolio of 12 consumption centers across 8 cities with leasable area of 11.2msf. Over the years, the company has built one of the highest-quality retail portfolios in India, comprising dominant destination malls located in densely populated, high-income consumption catchments across key metropolitan cities. This enables PHNX to consistently attract leading domestic and international brands while maintaining high occupancy and healthy trading densities.

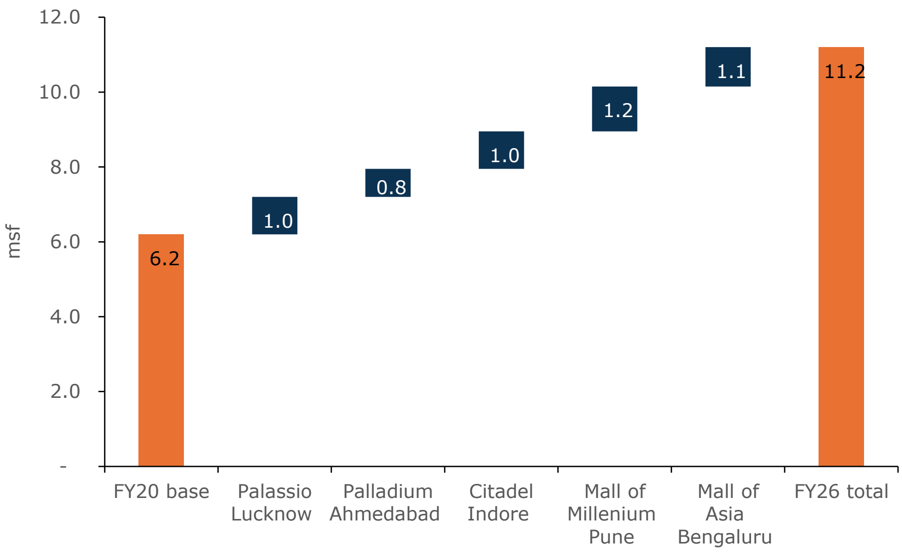
Further, the company is focussing on developing large-scale, mixed-use destinations, integrating retail, Grade-A commercial, and hospitality assets. This should further strengthen the long-term value proposition of its assets by creating self-sustaining ecosystems with multiple demand drivers.

Strong execution track record

Beyond the quality of its portfolio, PHNX has demonstrated a strong execution track record across the entire value chain—from land acquisition and project planning to development, leasing, and ongoing asset management. The company has successfully developed and operationalized several landmark retail destinations while consistently delivering brownfield expansion and asset upgrades that have enhanced rental income and capital values.

PHNX has expanded its retail footprint over the past two decades, growing from a single mall in 2005 to a portfolio of 12 operational destination malls with total leasable area of 11.2msf as of FY26. The pace of expansion has accelerated in recent years, with the company adding five malls since FY20, increasing its retail portfolio by ~5.0msf. These additions include Phoenix Palassio, Lucknow (1.0msf; FY21), Palladium Ahmedabad (0.75msf; FY23), Phoenix Citadel, Indore (1.0msf; FY23), Phoenix Mall of the Millennium, Pune (1.2msf; FY24), and Phoenix Mall of Asia, Bengaluru (1.2msf; FY24). All the assets have been stabilized, achieving healthy trading occupancy of over 90%, demonstrating the company's strong execution capabilities and reinforcing its track record of creating high-quality destination retail assets.

Exhibit 77: Mall portfolio expansion (FY20-26)



Source: Company, Emkay Research

PHNX has demonstrated the ability to identify evolving consumer preferences and reposition its assets through tenant remixing, premiumization, and experiential offerings, ensuring that its malls remain relevant over time. PHNX's disciplined execution is reflected in its ability to achieve high occupancy levels, deliver healthy rental growth, and generate industry-leading trading densities across its retail portfolio.

Exhibit 78: Operational mall metrices

Mall	Trading density (Rs psf-pm)		Trading occupancy	
	FY24	FY26	FY24	FY26
Palladium, Mumbai	3,436	3,578	95%	96%
PMC, Mumbai	1,330	1,498	92%	92%
PMC, Pune	1,798	2,211	94%	86%
PMC, Bengaluru	2,425	2,987	97%	84%
PMC + Palladium, Chennai	1,701	1,944	93%	91%
Phoenix Palassio, Lucknow	1,495	2,011	96%	96%
Phoenix United, Lucknow	798	916	83%	82%
Phoenix United, Bareilly	924	1,045	84%	89%
Phoenix Citadel	634	811	88%	91%
Palladium, Ahmedabad	1,116	1,685	72%	95%
Phoenix Mall of Millennium	1,074	1,744	59%	94%
Phoenix Mall of Asia	1,196	2,606	53%	87%

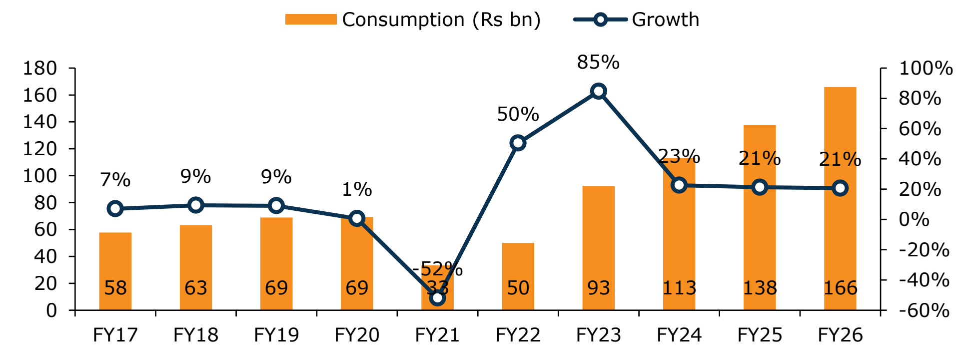
Source: Company, Emkay Research

Strong consumption growth

PHNX's overall consumption in malls has expanded at a CAGR of 13% over FY19-26, while like-for-like consumption, excluding five malls, has seen 5% CAGR over FY19-26. The company delivered robust consumption growth of 21% in FY26, driven by a combination of strategic initiatives, including the repositioning of PMC assets, tenant remixing, premiumization of the brand portfolio, and continued ramp-up of recently operationalized malls. These initiatives enhanced the quality of the retail portfolio and assisted in improving trading densities. We believe PHNX will continue to deliver mid to high-teens growth in consumption in FY27, underpinned by healthy discretionary consumption, increasing penetration of premium and international brands, and continued operational improvements.

As rising disposable incomes, urbanization, and increasing discretionary spending drive growth across categories such as apparel, beauty, jewelry, electronics, food and beverage, and entertainment, PHNX is well placed to benefit through higher tenant sales, sustained leasing demand, and positive rental reversions across its portfolio.

Exhibit 79: Consumption trend



Source: Company, Emkay Research

Expansion of retail portfolio underway

PHNX has grown from a single mall in 1999 to 12 destination malls (11.3msf) as of FY26, adding five malls (~5.0msf) since FY20 alone, all of which have stabilized at >90% occupancy – a strong track record of execution the company now looks to build on, with 5 greenfield developments lined up to drive the next leg of growth.

Greenfield developments to drive the next leg of growth

The company is undertaking the next phase of expansion by adding 5 new malls with an aggregating area of ~5.8msf. Two malls—Phoenix Grand Victoria in Kolkata (1msf) and Palladium, Surat (1msf)—are expected to be operationalized in CY27, while the other three malls—Thane (Phase 1 with leasable area of 1.3msf), Coimbatore (1msf), and Chandigarh (phase 1 with leasable area of 1.5msf)—are expected to be operationalized in CY30. The upcoming developments are concentrated in large urban centers, characterized by rising disposable incomes, favorable demographics, and increasing penetration of organized retail.

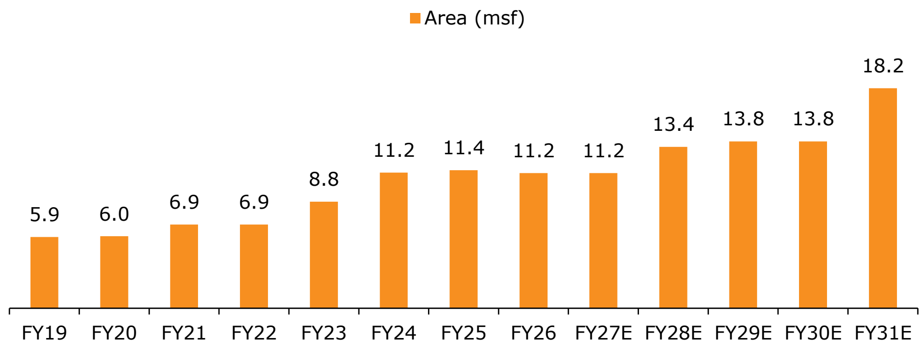
Exhibit 80: Greenfield asset details

Asset	Area (msf)	PHNX share	Expected completion
Grand Victoria, Kolkata	1.0	51%	CY27
Palladium, Surat	1.0	54%	CY27
Thane	1.3	100%	CY30
Coimbatore	1.0	67%	CY30
Chandigarh	1.5	100%	CY30

Source: Company, Emkay Research

Given PHNX's proven track record of developing integrated retail-led mixed-use destinations, strong relationships with leading retailers, and premium brand positioning, we expect these assets to witness healthy leasing traction and ramp up steadily. As the malls mature and stabilize, they are expected to drive healthy growth in rental income and EBITDA.

Exhibit 81: PHNX – operational area



Source: Company, Emkay Research

Brownfield expansion at its existing assets – Phoenix Palladium (Mumbai) and PMC (Bengaluru)

In addition to its greenfield development pipeline, PHNX is undertaking brownfield expansions at two of its flagship retail destinations—Palladium, Lower Parel, and PMC, Bengaluru. The company plans to add ~0.6msf of retail space at Palladium, Mumbai, and 0.8msf at PMC, Bengaluru, taking advantage of the strong demand witnessed at these established assets. These expansions are expected to benefit from the existing infrastructure, mature customer catchments, strong brand recall, and proven operating performance of the malls, resulting in lower execution risk and faster stabilization. Apart from this, PHNX has FSI potential of 2.7msf across complexes at Phoenix Citadel, Phoenix Mall of the Millennium, and Phoenix Mall of Asia.

Plan to enter new cities

PHNX currently has presence in key metropolitan cities, MMR, Bengaluru, Pune, Chennai, Kolkata, Ahmedabad, with select presence in Tier 2 cities such as Surat, Lucknow, and Indore. Beyond its current presence, PHNX has identified potential growth markets, including Hyderabad, NCR, Navi Mumbai, Goa, Jaipur, Visakhapatnam, Nagpur, Kochi, Trivandrum, and Varanasi.

India continues to have a limited supply of Grade-A destination malls, creating a significant demand-supply mismatch. At the same time, the continued expansion of international retailers, luxury brands, and premium domestic brands into India has led to the need for high-quality retail spaces capable of supporting their store formats and customer experience. Luxury and international brands prefer Grade-A retail assets, as these developments offer a well-established ecosystem that complements premium brand positioning and enhances the overall customer experience. Tier 2 cities continue to benefit from rising disposable incomes, increasing urbanization, and growing adoption of organized retail, while remaining relatively underpenetrated compared to larger metropolitan regions.

Exhibit 82: PHNX – target cities

Thane ✓	Coimbatore ✓	Chandigarh ✓	Hyderabad
NCR	Navi Mumbai	Goa	Jaipur
Vishakapatnam	Nagpur	Cochin	Trivandrum & Varanasi

Source: Company, Emkay Research; Note: Check marks refer to cities where PHNX has commenced development

Value creation through asset repositioning

Although greenfield expansion remains a key driver of growth, PHNX has also undertaken several initiatives to unlock value from its existing retail portfolio. These include strategic tenant remixing, premiumization of the brand mix, enhancement of the food and beverage and entertainment offerings, and creation of a more experience-driven ecosystem to increase customer engagement and dwell time.

Exhibit 83: Trading density

(Rs psf-pm)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Phoenix Palladium	2,943	3,167	2,494	2,181	3,097	3,436	3,355	3,578
PMC, Mumbai	1,174	1,226	817	773	1,130	1,330	1,215	1,350
PMC, Pune	1,334	1,453	1,056	1,090	1,636	1,798	1,892	2,211
PMC, Bengaluru	1,680	1,795	1,481	1,746	2,160	2,425	2,424	2,987
PMC + Palladium, Chennai	1,505	1,363	1,040	1,123	1,446	1,701	1,708	1,944
Phoenix Palassio, Lucknow			984	977	1,273	1,495	1,691	2,011
Phoenix Citadel, Indore					510	634	674	811
Phoenix Palladium, Ahmedabad					1,007	1,116	1,464	1,685
Phoenix Mall of the Millennium, Pune						1,074	1,478	1,744
Phoenix Mall of Asia						1,196	1,502	2,606

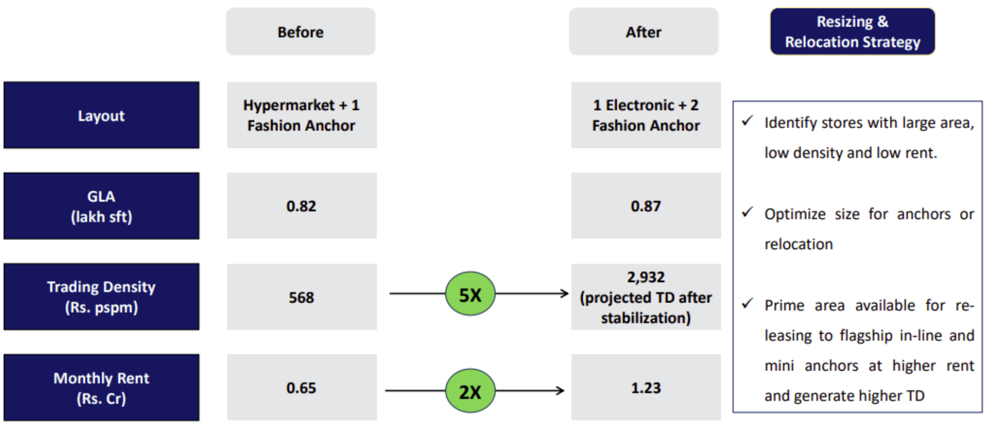
Source: Company, Emkay Research; PMC Pune rebranded as Phoenix Avenue of Stars

Remixing and optimization driving growth

PHNX has undertaken strategic tenant remixing and asset optimization initiatives to drive growth in its existing assets. The company has optimized space utilization by replacing underperforming tenants with stronger-performing domestic and international brands, while introducing new retail concepts aligned with evolving consumer preferences. Further, it has undertaken activities to identify stores with large area, low density, and low rent, which follows optimizing size or relocation, leading to area available for re-leasing at higher rent.

These initiatives have improved the overall quality of the tenant mix, increased customer footfalls, and dwell time, and supported higher trading densities across its malls. As tenant sales improve, PHNX can command higher rentals and generate stronger rental reversions while maintaining healthy occupancy levels. It has undertaken repositioning at PMC in Bengaluru and Pune, which is yielding results. It has also taken gradual actions at PMC in Mumbai and Chennai.

Exhibit 84: Asset repositioning at PMC, Bengaluru



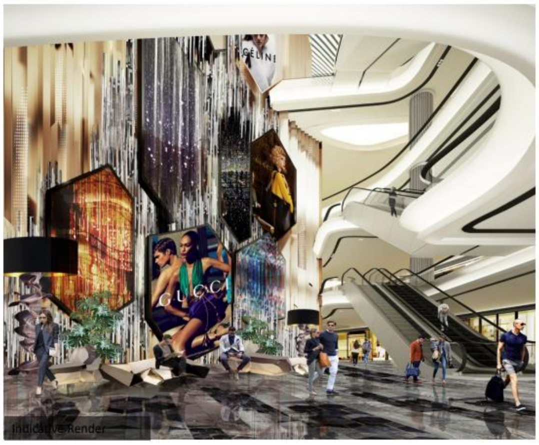
Source: Company, Emkay Research

Premiumization of assets

Most of PHNX's assets are in high growth consumption catchments with strong demographics and complemented by commercial space. PHNX is increasingly focusing on expanding the presence of luxury and premium brands across its portfolio. These brands typically have a higher rental paying capacity and improved trading density, enabling PHNX to achieve stronger rental growth and higher asset productivity. Further, luxury brands attract a more affluent customer base, resulting in higher-quality footfalls, increased dwell time, and stronger tenant sales productivity. Grade-A malls have emerged as the preferred entry platform for international brands entering Tier-II cities or expanding their presence in metropolitan areas, owing to their experience-led retail formats and strong consumer engagement.

Exhibit 85: Premiumization driving higher rentals

Luxury and Star Brands Addition Driving Higher Rentals
Growth Trigger 3: Case Study: Phoenix Mall of Asia



Trading Occupancy Q4 FY26	Leased Occupancy (Period ended Mar-26)
91%	97%

- Largely (50k sq ft / 5% of mall GLA) of vacancy located at prime Upper Ground Level
- Strategically leased last to select Star and Luxury Brands driving higher TD and highest rental per sq ft.
- Most watch brand deals at Rs. 550 pspm++
- Mall average rental – Rs. 170 pspm, UG floor average rental – Rs. 250 pspm++

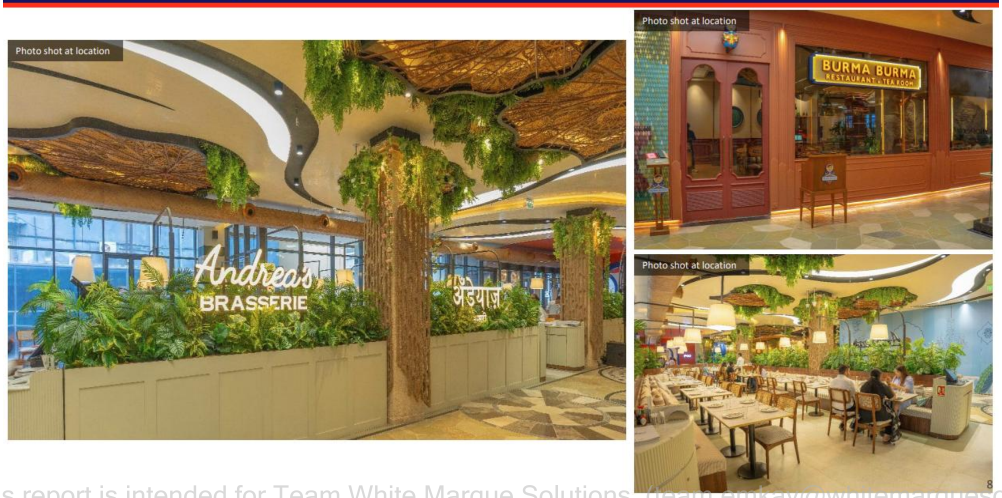
Source: Company, Emkay Research

Creation of a more experience-led ecosystem

PHNX has undertaken selective reconfiguration of retail spaces, involving expansion of food and beverage and entertainment offerings, while enhancing common areas to create a more experiential shopping environment. The development of Gourmet Village and introduction of a racquet club at Palladium Mumbai are key examples. By transforming its malls into lifestyle and social destinations rather than purely shopping venues, PHNX can attract a broader consumer base and encourage more frequent visits. These initiatives increase footfalls, extend customer dwell time, and enhance overall consumer engagement, translating into higher tenant sales and improved trading densities.

Exhibit 86: Gourmet village at Palladium, Mumbai

Successful pilot at Phoenix Palladium, the Gourmet Village concept is now set to scale across other centres



Source: Company, Emkay Research

Densification of operational assets

In addition to greenfield developments, PHNX is currently undertaking brownfield expansion/densification at Palladium, Mumbai, and PMC, Bengaluru, adding both retail and Grade-A commercial space. By further densifying these established destinations, PHNX aims to unlock greater value from the existing land parcel, create vibrant ecosystems, and reinforce the competitive positioning of its flagship assets.

Integrated development approach to enhance asset performance

PHNX has adopted an integrated development strategy by combining retail and commercial office spaces within the same development. This approach enables its assets to benefit from the complementary nature of both segments, creating integrated ecosystems that seamlessly bring together shopping, working, and leisure. Such mixed-use developments are expected to enhance the attractiveness and utility of the destination, supporting long-term asset performance. Phoenix Mall of Asia and Phoenix Mall of the Millennium involve integrated development, and both assets have witnessed strong ramp up in operations.

Exhibit 87: Asset densification

Source: Company, Emkay Research

Asset densification at Palladium, Mumbai, and PMC, Bengaluru

PHNX is currently undertaking large-scale expansions at its flagship destinations – Palladium, Mumbai and Phoenix Mall of the Millennium (PMC), Bengaluru. At Palladium, Mumbai, the company is developing approximately 1.5msf of Grade-A commercial space and 0.6msf of retail space. To support future development, PHNX also acquired additional FSI in CY25, securing development rights for 136,000sqm.

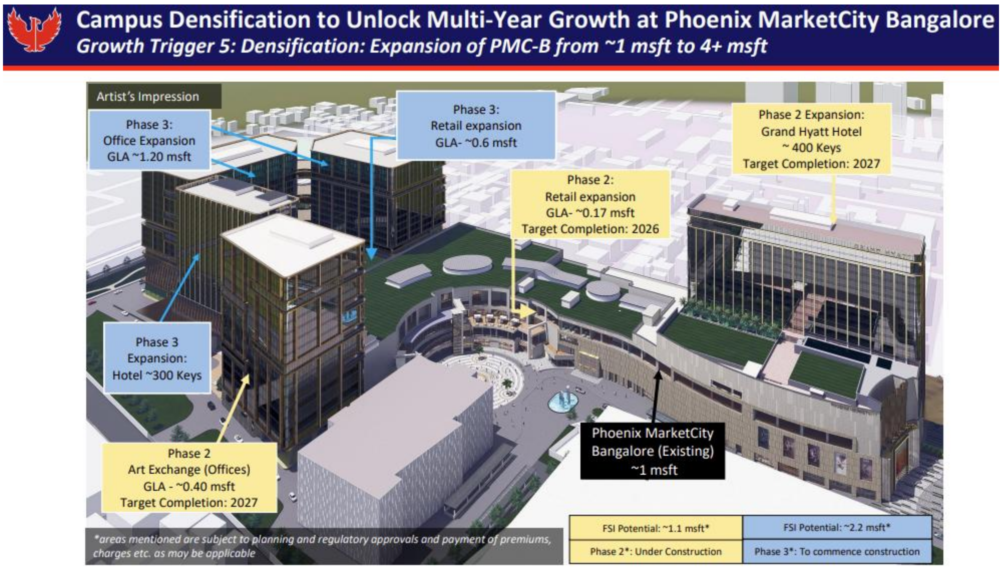
At PMC, Bengaluru, PHNX is executing a phased expansion that will increase the operational area from 1.0msf currently to approximately 4.0msf upon completion. Phase II, expected to be completed by CY27, comprises 0.4msf of commercial space, 0.17msf of retail space, and a 400-key hotel. Phase III includes the development of 1.2msf of commercial space, 0.6msf of retail space, and a 300-key hotel.

Exhibit 88: Asset densification

	Current	Post-densification
Palladium, Mumbai		
Retail (msf)	1	1.45
Commercial (msf)	0	1.5
PMC, Bengaluru		
Retail (msf)	1	1.8
Commercial (msf)	0	1.6
Hotel (keys)	0	700

Source: Company, Emkay Research

Exhibit 89: Asset densification at PMC Bengaluru



Source: Company, Emkay Research

Exhibit 90: Project Rise at Palladium, Mumbai

Source: Company, Emkay Research

Significant expansion in commercial portfolio

PHNX has built a high-quality Grade-A commercial office portfolio that complements its retail platform, providing a stable, long-duration annuity income stream. The portfolio is strategically located in established retail developments of PHNX. The commercial portfolio has grown from 2msf in FY24 to ~5msf in FY26.

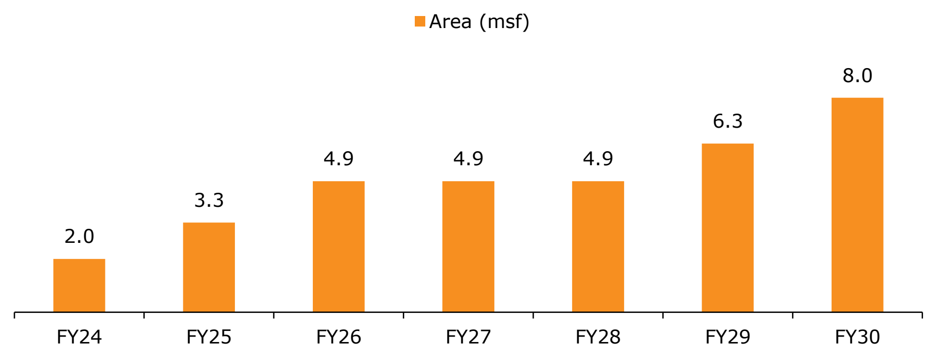
Commercial real estate is expected to be an increasingly important growth driver for PHNX. Three new assets—Phoenix Asia Towers, Bengaluru (0.82msf), Millennium towers, Pune (1.47msf) and One national Park, Chennai (0.6msf)—will start generating income from this fiscal year. Apart from this, the company has a sizeable development pipeline, including brownfield expansions at existing assets such as Palladium, Mumbai (1.5msf) and PMC, Bengaluru (1.6msf). As these developments are completed and stabilized, the commercial portfolio is likely to contribute an increasing share of the company's rental income and EBITDA. PHNX is also planning to develop commercial space in Thane and Chandigarh.

Exhibit 91: PHNX assets – additional details

Asset	Area	PHNX share	Completion
Project Rise	1.1	51.0%	CY28
Project Rise 3	0.4	100.0%	CY28
PMC Bengaluru Phase 1	0.4	58.3%	CY27
PMC Bengaluru Phase 2	1.2	58.3%	CY30

Source: Company, Emkay Research

Exhibit 92: PHNX – commercial portfolio



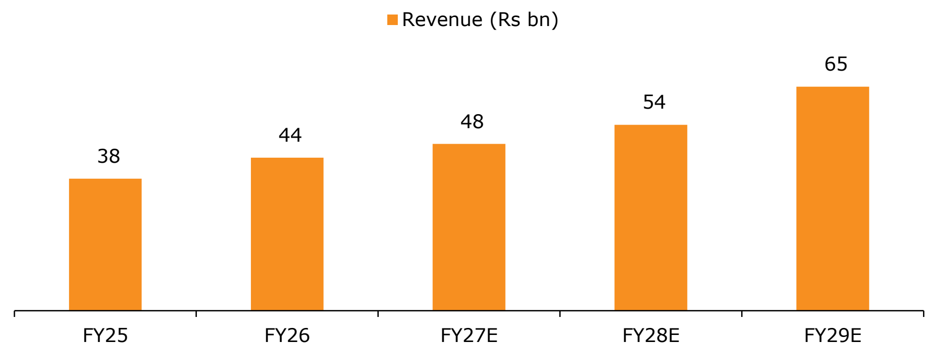
Source: Company, Emkay Research

Financial Analysis

Revenue to expand at 14% CAGR over FY26-29E

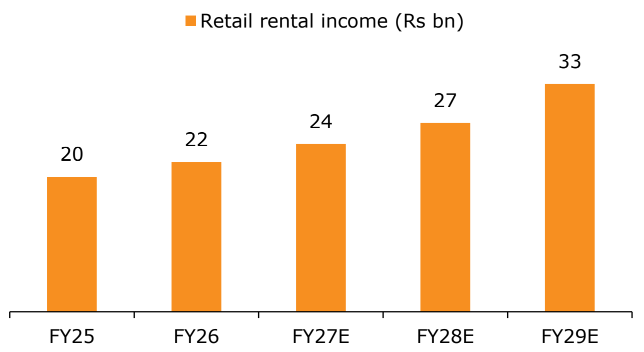
PHNX maintains a high-quality portfolio of retail assets, complemented by commercial and hospitality portfolios. We expect retail revenue to expand at 15% CAGR over FY26-29E, driven by annual contractual rental escalations of 4–5%, mark-to-market (MTM) leasing spreads of ~20% on lease renewals, and contributions from two new malls – Kolkata and Surat. Office revenue is expected see 44% CAGR, driven by contractual escalations and ramp-up of new assets – Millennium Towers, Pune; Asia Towers, Bengaluru; and One national park, Chennai. We also expect the operationalization of commercial towers at PMC, Bengaluru, and Palladium, Mumbai. Hospitality revenue is expected to see 15% CAGR, supported by higher ADRs, occupancy, and operations of the new 400-key hotel in PMC, Bengaluru.

Exhibit 93: Revenue CAGR of 14% over FY26-29E



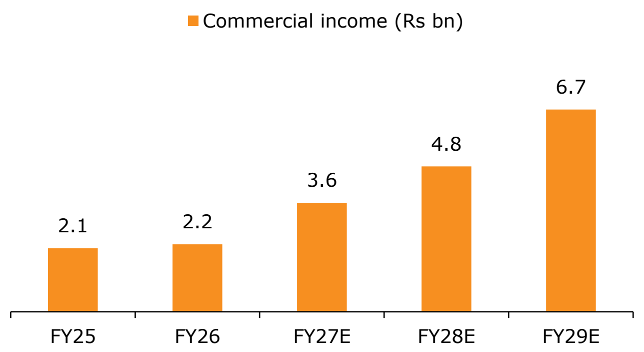
Source: Company, Emkay Research

Exhibit 94: Retail rental income



Source: Company, Emkay Research

Exhibit 95: Commercial income

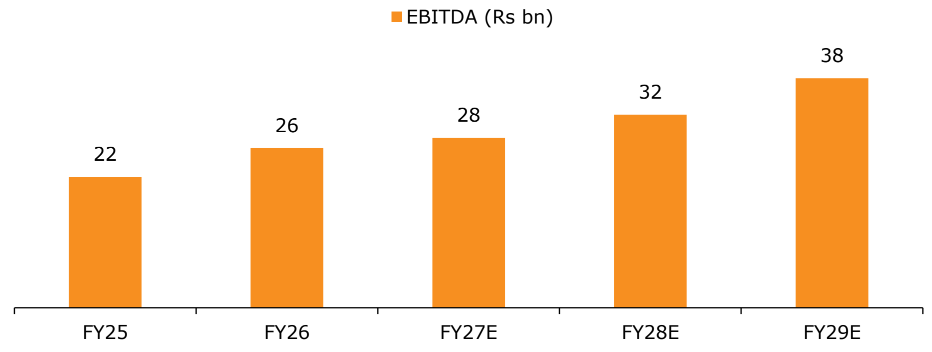


Source: Company, Emkay Research

EBITDA to see 13% CAGR over FY26-29E

We expect consolidated EBITDA to expand at 13% CAGR over FY26–29E, driven by healthy revenue growth across the portfolio. Retail EBITDA is expected to see 15% CAGR, while office and hospitality EBITDA are expected to register CAGR of 45% and 14%, respectively, over FY26–29E.

Exhibit 96: EBITDA CAGR of 11% over FY26-29E



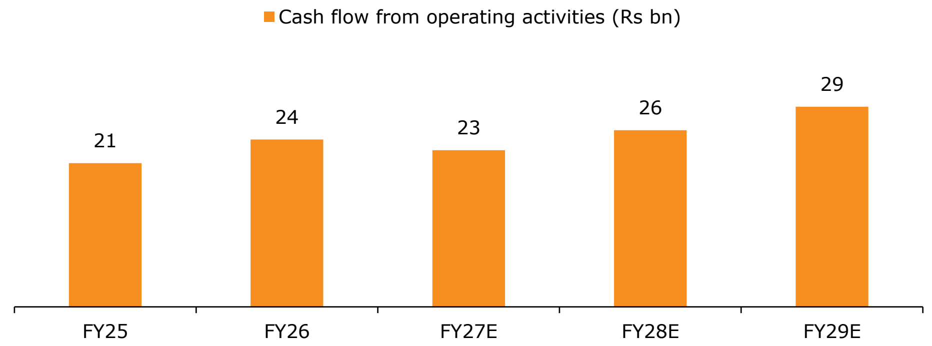
Source: Company, Emkay Research

Healthy balance sheet and robust operating cash flows

PHNX currently has a development pipeline of 5 retail assets and brownfield capex at Palladium, Mumbai and PMC, Bengaluru. We expect the company to incur annual capital expenditure of ~Rs14–15bn over the next 4-5 years. In addition, PHNX has an outstanding payment obligation of ~Rs42bn toward its acquisition transaction with CPPIB.

PHNX is well positioned to fund most of its growth capex and acquisition payments through internal accruals, supported by strong and growing operating cash flows from its annuity portfolio. We expect the balance sheet to remain comfortable, with net debt-to-EBITDA staying below 2.0x (1.2x as of FY26).

Exhibit 97: OCF trend



Source: Company, Emkay Research

Company Overview

The Phoenix Mills (PHNX) is one of India's leading owners, developers, and managers of premium retail-led mixed-use developments. Over the years, the company has established a market-leading retail platform, comprising 12 consumption centers with a leasable area of 11.32msf. In addition to its retail portfolio, PHNX owns a commercial portfolio spanning approximately 4.9msf of leasable area and a hospitality portfolio comprising two hotels with an aggregate 588 keys. PHNX's business model is anchored by high-quality annuity assets generating stable and recurring cash flows.

Retail is the core of PHNX's business, with a portfolio of destination malls strategically located across major metropolitan cities, including Mumbai, Pune, Bengaluru, Chennai, Lucknow, Ahmedabad, Indore, Agra, and Kolkata. The company's malls are positioned as experiential consumption destinations, offering a curated mix of international luxury brands, leading domestic retailers, entertainment, food and beverage hubs, and lifestyle experiences. Apart from annuity assets, the company also has selective presence in the residential segment in Bengaluru and Kolkata.

Exhibit 98: PHNX's presence across India

Source: Company, Emkay Research

Exhibit 99: PHNX portfolio

Segments	2025	By 2027	By 2030
Retail	~11 msft	>14 msft	>18 msft
Offices	~5 msft	~7 msft	~9 msft
Hotels	~588 keys	~988 keys	~2,188 keys
Residential^	~3.5 msft	~4.5 msft	~7 msft

Source: Company, Emkay Research

Management Profile

Exhibit 100: Management profile

Key Management	Designation	Description
Atul Ruia	Chairman	Ruia is a graduate in Chemical Engineering from the University of Pennsylvania and holds a degree in Business Management from the Wharton School of Finance. He joined the Board of PHNX in 1996 and is the key visionary, pioneer, and force behind the development of High Street Phoenix – Mumbai's first retail-led mixed-use destination.
Shishir Shrivastava	Non-executive Vice Chairman	Shrivastava has been with PHNX since 1999. He has over 26 years of experience with the group, spanning multiple businesses and varied functions, including operations, acquisitions, capital raise, project management, and asset management. He spearheads strategy and all business verticals including retail, commercial offices, hotels, and new businesses.
Rajesh Kulkarni	CEO – Project Delivery and Architecture; Wholetime Director	Kulkarni has over 34 years of experience in design and project management, and has been associated with PHNX for close to 19 years. He has a stellar track record of delivering on many award-winning, market-leading assets in a timely and cost-efficient manner.
Rashmi Sen	CEO – Malls; Wholetime Director	Sen has over 27 years of rich and varied experience in developing business plans, building innovative marketing strategies, leasing, sales, and business development for retail, residential, and commercial assets. At PHNX, she is responsible for driving overall strategic intent for the future expansion of the retail business.

Source: Company, Emkay Research

Phoenix Mills: Consolidated Financials and Valuations

Profit & Loss

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**38,136**	**44,228**	**48,201**	**53,726**	**64,761**
Revenue growth (%)	(4.1)	16.0	9.0	11.5	20.5
EBITDA	**21,612**	**26,371**	**28,073**	**31,860**	**37,958**
EBITDA growth (%)	(0.7)	22.0	6.5	13.5	19.1
Depreciation & Amortization	3,265	3,603	3,824	4,067	4,580
EBIT	**18,347**	**22,768**	**24,248**	**27,792**	**33,378**
EBIT growth (%)	(3.8)	24.1	6.5	14.6	20.1
Other operating income	-	-	-	-	-
Other income	1,509	1,708	1,708	1,708	1,708
Financial expense	4,032	3,868	4,464	5,936	6,656
PBT	**15,823**	**20,607**	**21,492**	**23,564**	**28,429**
Extraordinary items	127	(290)	0	0	0
Taxes	2,936	4,751	4,943	5,655	6,823
Minority interest	3,231	3,327	3,415	3,223	2,452
Income from JV/Associates	58	(1)	50	50	50
Reported PAT	**9,842**	**12,238**	**13,183**	**14,736**	**19,204**
PAT growth (%)	(10.5)	24.3	7.7	11.8	30.3
Adjusted PAT	**9,715**	**12,528**	**13,183**	**14,736**	**19,204**
Diluted EPS (Rs)	**27.2**	**35.0**	**36.9**	**41.2**	**53.7**
Diluted EPS growth (%)	(11.7)	29.0	5.2	11.8	30.3
DPS (Rs)	**2.5**	**2.5**	**2.5**	**2.5**	**2.5**
Dividend payout (%)	**9.1**	**7.3**	**6.8**	**6.1**	**4.7**
EBITDA margin (%)	56.7	59.6	58.2	59.3	58.6
EBIT margin (%)	48.1	51.5	50.3	51.7	51.5
Effective tax rate (%)	18.6	23.1	23.0	24.0	24.0
NOPLAT (pre-IndAS)	**14,943**	**17,519**	**18,671**	**21,122**	**25,367**
Shares outstanding (mn)	358	358	358	358	358

Source: Company, Emkay Research

Balance Sheet

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	715	715	715	715	715
Reserves & Surplus	103,766	109,170	107,760	108,021	111,681
Net worth	**104,481**	**109,885**	**108,475**	**108,736**	**112,396**
Minority interests	34,046	33,163	36,579	39,801	42,253
Non-current liab. & prov.	3,500	3,804	3,804	3,804	3,804
Total debt	**46,631**	**52,958**	**61,958**	**69,958**	**77,958**
Total liabilities & equity	**199,792**	**210,153**	**220,003**	**230,238**	**243,104**
Net tangible fixed assets	138,735	142,076	141,252	140,185	177,205
Net intangible assets	16	12	12	12	12
Net ROU assets	-	-	-	-	-
Capital WIP	31,428	38,793	49,793	60,793	33,193
Goodwill	5,917	5,627	5,627	5,627	5,627
Investments [JV/Associates]	2,950	2,866	2,916	2,966	3,016
Cash & equivalents	**5,120**	**8,231**	**8,592**	**9,467**	**12,046**
Current assets (ex-cash)	21,845	23,004	23,411	23,948	26,027
Current Liab. & Prov.	15,520	18,374	19,822	21,316	22,944
NWC (ex-cash)	**6,325**	**4,630**	**3,589**	**2,632**	**3,082**
Total assets	**199,795**	**210,153**	**220,003**	**230,237**	**243,104**
Net debt	41,511	44,727	53,366	60,491	65,912
Capital employed	199,792	210,153	220,003	230,238	243,104
Invested capital	**150,993**	**152,346**	**150,481**	**148,456**	**185,926**
BVPS (Rs)	292.2	307.4	303.3	304.0	314.3
Net Debt/Equity (x)	0.4	0.4	0.5	0.6	0.6
Net Debt/EBITDA (x)	1.9	1.7	1.9	1.9	1.7
Interest coverage (x)	4.9	6.3	5.8	5.0	5.3
RoCE (%)	**11.2**	**12.8**	**12.9**	**13.9**	**15.6**

Source: Company, Emkay Research

Cash flows

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	15,951	20,317	21,492	23,564	28,429
Others (non-cash items)	0	0	0	0	0
Taxes paid	(2,849)	(3,053)	(4,943)	(5,655)	(6,823)
Change in NWC	2,192	900	1,041	957	(450)
Operating cash flow	**20,837**	**24,257**	**22,712**	**25,577**	**29,073**
Capital expenditure	(26,173)	(13,968)	(14,000)	(14,000)	(14,000)
Acquisition of business	-	-	-	-	-
Interest & dividend income	511	448	1,708	1,708	1,708
Investing cash flow	**(21,623)**	**(16,456)**	**(12,292)**	**(12,292)**	**(12,292)**
Equity raised/(repaid)	53	51	0	0	0
Debt raised/(repaid)	1,571	7,572	9,000	8,000	8,000
Payment of lease liabilities	0	0	0	0	0
Interest paid	(3,454)	(3,479)	(4,464)	(5,936)	(6,656)
Dividend paid (incl tax)	(895)	(894)	(894)	(894)	(894)
Others	2,252	(10,556)	(13,700)	(13,580)	(14,650)
Financing cash flow	**(473)**	**(7,306)**	**(10,058)**	**(12,410)**	**(14,200)**
Net chg in Cash	(1,259)	495	362	874	2,580
OCF	20,837	24,257	22,712	25,577	29,073
Adj. OCF (w/o NWC chg.)	18,645	23,357	21,671	24,620	29,522
FCFF	(5,336)	10,289	8,712	11,577	15,073
FCFE	0	0	0	0	0
OCF/EBITDA (%)	96.4	92.0	80.9	80.3	76.6
FCFE/PAT (%)	0	0	0	0	0
FCFF/NOPLAT (%)	**(35.7)**	**58.7**	**46.7**	**54.8**	**59.4**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	73.9	59.5	55.2	49.4	37.9
EV/CE(x)	4.1	3.9	3.7	3.5	3.3
P/B (x)	7.0	6.6	6.7	6.7	6.5
EV/Sales (x)	20.1	17.3	15.9	14.3	11.8
EV/EBITDA (x)	35.5	29.1	27.3	24.1	20.2
EV/EBIT(x)	41.8	33.7	31.6	27.6	23.0
EV/IC (x)	5.1	5.0	5.1	5.2	4.1
FCFF yield (%)	(0.7)	1.3	1.1	1.5	2.0
FCFE yield (%)	0	0	0	0	0
Dividend yield (%)	0.1	0.1	0.1	0.1	0.1
DuPont-RoE split					
Net profit margin (%)	25.5	28.3	27.4	27.4	29.7
Total asset turnover (x)	0.2	0.2	0.2	0.2	0.3
Assets/Equity (x)	1.9	1.9	2.0	2.1	2.1
RoE (%)	**9.8**	**11.7**	**12.1**	**13.6**	**17.4**
DuPont-RoIC					
NOPLAT margin (%)	39.2	39.6	38.7	39.3	39.2
IC turnover (x)	0.3	0.3	0.3	0.4	0.4
RoIC (%)	**10.1**	**11.6**	**12.3**	**14.1**	**15.2**
Operating metrics					
Core NWC days	60.5	38.2	27.2	17.9	17.4
Total NWC days	**60.5**	**38.2**	**27.2**	**17.9**	**17.4**
Fixed asset turnover	0.2	0.3	0.3	0.3	0.3
Opex-to-revenue (%)	37.6	33.8	34.7	34.2	34.9

Source: Company, Emkay Research

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Emkay Global Financial Services Ltd.
CIN - L67120MH1995PLC084899
7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India
Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

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Seshadri Kumar Sen

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