

Brookfield India Real Estate Trust | BUY



New assets adding scale and diversity

Brookfield India REIT (BIRET) reported a subdued quarter with overall committed occupancy declining to 80% (82% in 1QFY24) as expiries (851K sqft) outpaced leasing (476K sqft). Accounting for income support at the Candor N2 asset and Candor G1 asset, the effective economic occupancy also decreased to 88% (89% in 1QFY24). In Aug'23, BIRET completed the acquisition of Downtown Powai and Candor Techspace G1 in an equal partnership with GIC. This acquisition has increased its scale, further diversified its tenant base and improved GAV by 74% to INR 285bn (as on Sep'23). Going forward, the management is confident it will achieve positive net leasing by 1QFY25E and a distribution of c. INR 5 per unit from 3QFY24. Furthermore, with income support at N2 coming to an end in Mar'24, leasing will be a key monitorable at this asset in 2HFY24E. We revise our estimates and maintain a BUY rating with an unchanged Sep'24 TP of INR 280 (23.6% total return; 15.7% capital appreciation; 7.9% dividend yield).

- New assets driving growth; income support at N2 coming to an end:** In 2QFY24, income from operating lease rentals (OLR) increased to INR 2.74bn (+33% YoY; +30% QoQ); out of the 33% YoY growth, INR 724mn (+35%) increase was due to addition of the Downtown Powai and G1 assets. However, this was marginally offset by a loss of INR 40mn (down 2%) due to same store expiries. NOI increased to INR 3.47bn (+44% YoY; +41% QoQ) buoyed by income support of INR 514mn (for N2 and G1 assets). Income support for the N2 asset is coming to an end in Mar'24 and the management has indicated its key focus will be to ramp up occupancy at this asset.
- Expiries concentrated in G1 and G2 assets:** Total area under lease has decreased to 16.5msf (16.8msf in Jun'23) as 851K sqft area was vacated and 476K sqft of gross leasing was executed (418K sqft of new leasing + 58K sqft of renewals; 318K sqft in its SEZ assets) in 2QFY24. A significant portion of the expiries were noted in G1 (314K sqft), G2 (303K sqft) and N2 (134K sqft). On the other hand, leasing was more evenly spread across N2 (134K sqft), N1 (94K sqft) and Kensington (86K sqft); 37% of the total gross leasing in 2QFY24 was by GCCs.
- NDCF temporarily impacted by dilution and partial contribution from new assets:** NDCF of INR 1.93bn was generated and distributions of INR 1.93bn (INR 4.4 p.u.) are to be paid in 3QFY24. The pre-acquisition pro-forma NDCF stood at INR 5.03 p.u. The difference in NDCF is due to the i) impact of dilution from the units issued at QIP and the preferential allotment, and ii) partial contribution from the two new assets as they were added to the REIT only in mid Aug'23. BIRET is also in the process of filing a capital reduction scheme for Downtown Powai (SEZ), N1 and K1 in order to enhance the dividend component (tax free) of distribution.
- Maintain 'BUY with a Sep'24 TP of 280:** We revise our estimates and maintain a BUY rating with an unchanged Sep'24 TP of INR 280 (23.6% total return; 15.7% capital appreciation; 7.9% dividend yield).

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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	280
Upside/(Downside)	15.7%
Previous Price Target	280
Change	0.0%

Key Data – BIRET IN

Current Market Price	INR242
Market cap (bn)	INR106.3/US\$1.3
Free Float	99%
Shares in issue (mn)	439.1
Diluted share (mn)	439.1
3-mon avg daily val (mn)	INR94.4/US\$1.1
52-week range	305/231
Sensex/Nifty	64,942/19,407
INR/US\$	83.3

Price Performance

%	1M	6M	12M
Absolute	1.3	-11.5	-17.8
Relative*	2.9	-16.8	-22.6

* To the BSE Sensex

Financial Summary					(INR mn)
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E
Net Sales	8,768	20,340	21,698	23,566	26,287
Sales Growth (%)	2.8	132.0	6.7	8.6	11.5
EBITDA	6,183	14,536	18,127	18,942	20,306
EBITDA Margin (%)	70.5	71.5	83.5	80.4	77.2
Adjusted Net Profit	2,463	869	4,337	4,323	4,390
Diluted EPS (INR)	7.3	2.6	9.9	9.8	10.0
Diluted EPS Growth (%)	-60.8	-64.7	280.8	-0.3	1.5
ROIC (%)	3.8	6.6	6.5	6.7	7.2
ROE (%)	2.9	1.0	4.8	4.3	4.6
P/E (x)	32.9	93.3	24.5	24.6	24.2
P/B (x)	0.9	1.0	1.0	1.1	1.1
EV/EBITDA (x)	25.2	15.2	10.8	10.4	9.9
Dividend Yield (%)	8.5	8.4	7.4	7.8	8.4

Source: Company data, JM Financial. Note: Valuations as of 07/Nov/2023

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

- **Lease expiry schedule:** In total, 1.08msf of expiries are expected in 2HFY24E (Kensington – 0K, G2 – 126K, N1 - 122K, N2 – 23K, K1- 327K, Downtown Powai - 393K and G1 – 84K; 7% of gross rentals); the company is expected to exit 0.6msf of space. In 2QFY24, same-store expiry has increased by 0.4msf, and 0.7msf of expiries is expected in FY25 (5% of rentals).
- **Key conference call takeaways:**
 - In advanced discussions to lease 0.4msf at Downtown Powai at a re-leasing spread.
 - NDCF per unit was lower QoQ as contribution from newly acquired assets Downtown Powai and Candor Techspace G1 was only for 34 days and 44 days respectively during the quarter.
 - Quarterly distributions to increase from INR 4.4 per unit (in 2QFY24) to c. INR 5.0 per unit from 3QFY24 onwards.
 - Portfolio committed occupancy should remain at 80% in 2HFY24E without SEZ denotification.
 - Majority of the expiries for FY24E have taken place in 1HFY24E and the management expects portfolio occupancy to improve from 1QFY25E.
 - Achieved 19% rental re-leasing spread on new leasing and 6% on existing spaces.

Exhibit 1. Financial snapshot

INR mn	2QFY24	2QFY23	YoY (%)	1QFY24	QoQ (%)	1HFY23	1HFY24	YoY (%)
Net Sales	3,997	3,036	32%	3,141	27%	5,946	7,138	20%
Cost of Sales	17	11	47%	14	16%	18	31	68%
Gross Margin (%)	100%	100%	-4bps	100%	4bps	100%	100%	-12bps
Employee Expenses	104	80	30%	91	15%	164	195	19%
Other Expenses	1,187	880	35%	925	28%	1,689	2,112	25%
EBITDA	2,689	2,065	30%	2,111	27%	4,074	4,801	18%
EBITDA Margin (%)	67.3%	68.0%	-72bps	67.2%	7bps	68.5%	67.3%	-127bps
Depreciation	838	638	32%	1,197	-30%	1,329	2,036	53%
Interest Costs	1,847	1,082	71%	1,202	54%	2,041	3,049	49%
Other Income	193	80	140%	66	190%	178	259	46%
PBT	197	425	-54%	-222	-189%	883	-25	-103%
Tax	177	158	NM	48	NA	145	226	56%
PAT	20	267	-93%	-270	-107%	738	-250	-134%
NDCF	1,927	1,717	12%	1,644	17%	3,436	3,571	4%

Source: Company, JM Financial

Exhibit 2. NOI growth on the back of new assets and income support

Particulars (INR mn)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	QoQ	YoY
Income from Operating Lease Rentals (OLR)	2,034	2,056	2,068	2,109	2,113	2,741	30%	33%
(+) CAM / Other Revenue	876	980	931	915	1,028	1,256	22%	28%
Revenue from Operations	2,910	3,036	2,999	3,024	3,141	3,997	27%	32%
(-) CAM / Other Direct Expenses	-742	-802	-778	-763	-866	-1,044	21%	30%
Net Operating Income (NOI)	2,168	2,234	2,222	2,262	2,275	2,953	30%	32%
% Margin on OLR	107%	109%	107%	107%	108%	108%	0bps	-100bps
Income support	178	179	183	183	178	514	189%	187%
Adjusted NOI	2,346	2,413	2,405	2,444	2,453	3,467	41%	44%

Source: Company, JM Financial

Exhibit 3. Asset-wise operating metrics

Kensington	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Operating Area (msf)	1.5	1.5	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Area Leased (msf)	1.3	1.4	1.4	1.5	1.5	1.4	1.4	1.2	1.3
Same-Store Occupancy %	82%	87%	90%	95%	95%	90%	87%	79%	84%
WALE (years)	2.1	2.3	2.1	2.0	2.0	2.0	11.5	12.4	11.7
In-place Rent (Rs PSF)	94	97	98	100	100	99	104	102	105
G2	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Operating Area (msf)	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
Area Leased (msf)	3.1	3.1	3.2	3.3	3.3	3.3	3.3	3.3	3.1
Same-Store Occupancy %	81%	81%	83%	85%	85%	84%	85%	84%	78%
WALE (years)	7.5	8.4	8.1	8.0	8.2	7.4	7.7	7.7	8.4
In-place Rent (Rs PSF)	80	79	79	80	80	83	83	84	84
N1	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Operating Area (msf)	1.9	1.9	1.9	2.0	2.0	2.0	2	2.0	2.0
Area Leased (msf)	1.3	1.4	1.5	1.6	1.7	1.8	1.9	1.9	1.9
Same-Store Occupancy %	94%	NA	77%	81%	86%	90%	96%	94%	97%
WALE (years)	6.8	6.9	7	7.3	7.2	7.1	7.3	8.2	8.4
In-place Rent (Rs PSF)	47	47	48	47	48	48	49	50	52
K1	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Operating Area (msf)	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1	3.1
Area Leased (msf)	2.7	2.7	2.6	2.6	2.6	2.5	2.6	2.6	2.6
Same-Store Occupancy %	88%	87%	84%	84%	84%	82%	84%	83%	83%
WALE (years)	7.6	7.7	7.5	7.3	7.1	7.1	7.1	6.8	6.3
In-place Rent (Rs PSF)	42	42	42	42	42	43	43	45	45
N2	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Operating Area (msf)	NA	3.6	3.6	3.8	3.8	3.8	3.8	3.8	3.8
Area Leased (msf)	NA	3.0	2.9	2.9	2.8	2.9	2.9	2.8	2.8
Same-Store Occupancy %	NA	83%	80%	77%	76%	77%	77%	73%	73%
WALE (years)	NA	8.2	8.2	7.9	7.6	8.0	7.4	7.7	8.1
In-place Rent (Rs PSF)	NA	52	53	53	54	55	56	57	57
Downtown Powai	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Operating Area (msf)	NA	NA	NA	NA	NA	NA	NA	2.7	2.7
Area Leased (msf)	NA	NA	NA	NA	NA	NA	NA	2.4	2.4
Same-Store Occupancy %	NA	NA	NA	NA	NA	NA	NA	86%	89%
WALE (years)	NA	NA	NA	NA	NA	NA	NA	3.6	3.4
In-place Rent (Rs PSF)	NA	NA	NA	NA	NA	NA	NA	164	165
G1	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Operating Area (msf)	NA	NA	NA	NA	NA	NA	NA	3.7	3.7
Area Leased (msf)	NA	NA	NA	NA	NA	NA	NA	2.8	2.5
Same-Store Occupancy %	NA	NA	NA	NA	NA	NA	NA	75%	67%
WALE (years)	NA	NA	NA	NA	NA	NA	NA	6.5	7.0
In-place Rent (Rs PSF)	NA	NA	NA	NA	NA	NA	NA	75	75
Total REIT including acquisition	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Operating Area (msf)	10.3	13.9	14.1	14.2	14.3	14.3	14.3	20.6	20.7
Area Leased (msf)	8.4	11.5	11.6	11.8	11.9	11.9	12.0	16.8	16.8
Committed Occupancy (%)	82%	83%	83%	83%	84%	83%	84%	82%	80%
WALE (years)	6.6	7.3	7.1	7.0	6.9	6.8	7.9	7.2	7.4
In-place Rent (Rs PSF)	65	62	63	63	64	64	65	81	82

Source: Company, JM Financial

Exhibit 4. Operating lease rental

INR mn	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	YoY	QoQ
Kensington	438	447	432	435	415	352	-21%	-15%
G2	576	585	607	618	610	557	-5%	-9%
N1	220	228	243	258	289	303	33%	5%
K1	333	328	324	320	332	342	4%	3%
N2	468	469	462	478	467	462	-1%	-1%
Downtown Powai	0	0	0	0	0	435	NA	NA
G1	0	0	0	0	0	289	NA	NA
Total	2,034	2,056	2,068	2,109	2,113	2,741	33%	30%

Source: Company, JM Financial

Exhibit 5. Revenue from operations

INR mn	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	YoY	QoQ
Kensington	476	482	466	468	446	397	-18%	-11%
G2	837	869	871	915	908	884	2%	-3%
N1	397	446	475	433	528	540	21%	2%
N2	724	731	695	713	727	735	1%	1%
K1	476	508	493	495	531	561	10%	6%
Downtown Powai	0	0	0	0	0	478	NA	NA
G1	0	0	0	0	0	401	NA	NA
CIOP	133	141	146	149	150	175	24%	17%
Intercompany Eliminations	-133	-141	-146	-149	-150	-175	24%	17%
Total	2,910	3,036	2,999	3,024	3,141	3,997	32%	27%

Source: Company, JM Financial

Exhibit 6. Net operating income

INR mn	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	YoY	QoQ
Kensington	413	420	397	406	383	331	-21%	-14%
G2	606	629	646	667	649	603	-4%	-7%
N1	238	266	281	272	329	345	30%	5%
N2	495	491	486	509	491	482	-2%	-2%
K1	334	339	321	332	338	354	4%	5%
Downtown Powai	0	0	0	0	0	439	NA	NA
G1	0	0	0	0	0	303	NA	NA
CIOP	83	88	91	75	85	96	9%	13%
Intercompany Eliminations	0	0	0	-	0	0	NA	NA
Total	2,168	2,234	2,222	2,262	2,275	2,953	32%	30%
Amount attributable to identified assets	0	0	0	0	0	0	NA	NA
Income support	178	179	183	183	178	514	187%	189%
Comparable Total	2,346	2,413	2,405	2,444	2,453	3,467	44%	41%

Source: Company, JM Financial

Exhibit 7. NDCF walk-down

Particulars (INR mn)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Income from Operating Lease Rentals	2,034	2,056	2,068	2,109	2,113	2,741
CAM / Other Revenue	876	980	931	915	1,028	1,256
Revenue from Operations	2,910	3,036	2,999	2,999	3,141	3,997
CAM / Other Direct Expenses	(742)	(802)	(778)	(763)	(866)	(1,044)
Income support	178	179	183	183	178	514
NOI	2,346	2,413	2,405	2,444	2,453	3,467
Property Management Fees	(58)	(60)	(62)	(58)	(62)	(71)
Net Other Income/(Expenses)	30	5	3	(56)	(16)	(43)
EBITDA	2,318	2,357	2,345	2,331	2,374	3,353
Cash Taxes (Net of Refund)	95	(33)	309	(112)	(167)	(22)
Working Capital and Ind-AS Adjustments	131	70	2	74	(12)	(115)
Repayment of Tenant Deposits	(131)	(136)	(59)	(286)	(181)	(245)
Cashflow from Operations	2,413	2,258	2,597	2,007	2,014	2,971
Capex	(370)	(284)	(356)	(304)	(429)	(236)
EDC Refund	-	-	374	-	-	-
Net Financing Activities	601	649	389	972	1,160	719
Addition of Shareholder Debt in N2/K1	335	-	280	80	600	510
Non Refundable Advances	85	68	-	68	-	-
Interest Cost on External Debt	(902)	(1,024)	(1,073)	(1,082)	(1,132)	(1,916)
NDCF (SPV Level)	2,162	1,667	2,211	1,741	2,213	2,048
Interest on Shareholder Debt	860	825	816	813	800	1,013
Dividends	22	30	35	-	-	-
Repayment of Shareholder Debt	1,196	886	1,195	990	1,465	1,359
Investment of Shareholder Debt in N2	(335)	-	(280)	(80)	(600)	(510)
REIT Expenses	(24)	(25)	(88)	(50)	(21)	65
NDCF (REIT Level)	1,719	1,717	1,678	1,672	1,644	1,927
NDCF per Unit (REIT Level)	5.1	5.1	5.0	5.0	3.9	4.4
Distribution per Unit (REIT Level)	5.1	5.1	5.0	5.0	3.9	4.4

Source: Company, JM Financial

Exhibit 8. 2QFY24 occupancy bridge

Asset	1QFY24			Leasing	Expiries	Renewed	2QFY24		
	Operating area	Leased area	Committed occupancy				Operating area	Leased area	Committed occupancy
Downtown Powai	4,218	3,606	85%	129	-55	20	4,242	3,701	87%
Non-SEZ (Downtown Powai)	2,656	2,372	89%	43	-55	20	2,661	2,380	89%
SEZ (Kensington)	1,563	1,234	79%	86	-	-	1,581	1,320	84%
G1	3,694	2,758	75%	-	-314	36	3,694	2,480	67%
G2	3,920	3,302	84%	59	-303	-	3,926	3,058	78%
N1	1,973	1,865	94%	94	-45	0	1,983	1,914	97%
N2	3,776	2,752	73%	134	-133	1	3,791	2,755	73%
K1	3,065	2,557	83%	1	-1	-	3,065	2,557	83%
REIT	20,646	16,840	82%	418	-851	58	20,700	16,464	80%

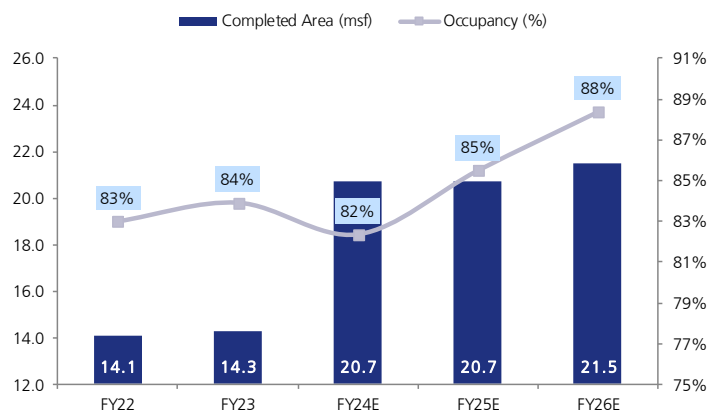
Source: Company, JM Financial

Exhibit 9. Portfolio snapshot

Asset	Area (in msf)		Leased Area Metrics				Asset Value (INR bn)	
	Operating Area	Development Potential	Leased Area (msf)	Office Tenants	Committed / Econ. Occ. (%)	WALE (yrs)		In-place Rent (INR psf pm)
Downtown Powai	4.2	0.1	3.7	57	87%	6.4	143	96
Non-SEZ (Downtown Powai)	2.7	0.1	2.4	50	89%	3.4	165	71
SEZ (Kensington)	1.6	-	1.3	7	84%	11.7	105	25
G1	3.7	0.1	2.5	17	67% / 100%	7.0	75	50
G2	3.9	0.1	3.1	15	78%	8.4	84	45
N1	2.0	0.9	1.9	27	97%	8.4	52	25
N2	3.8	0.8	2.8	20	73% / 89%	8.1	57	42
K1	3.1	2.7	2.6	12	83%	6.3	45	26
Total	20.7	4.6	16.5	134	80% / 88%	7.4	82	285

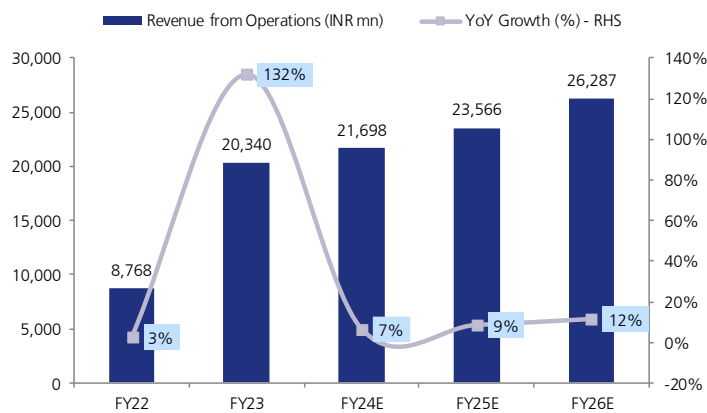
Source: Company, JM Financial

Exhibit 10. Occupancies to start improving from FY25E...



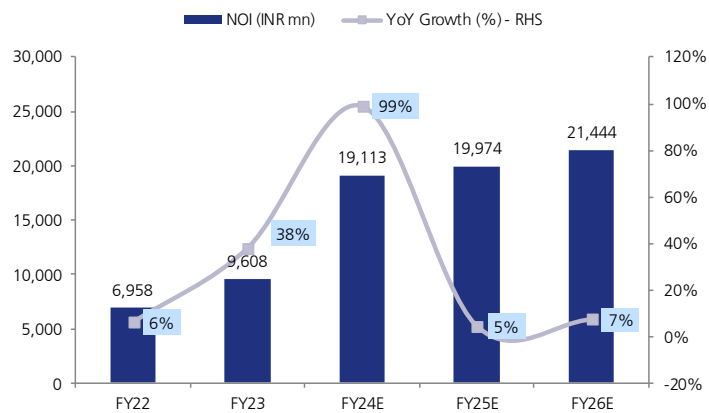
Source: Company, JM Financial

Exhibit 11. ...resulting in revenue growth



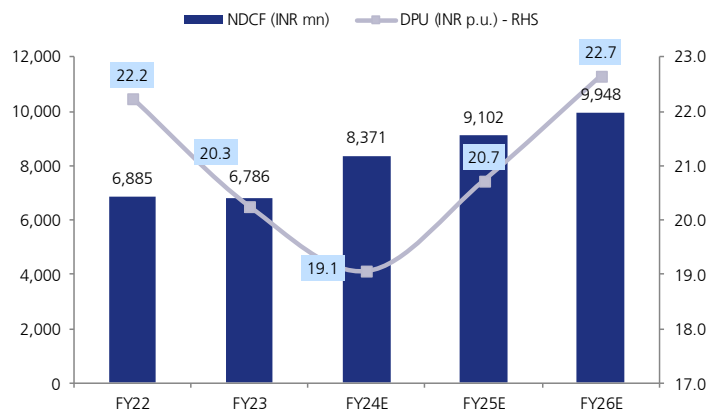
Source: Company, JM Financial

Exhibit 12. NOI growth due to addition of Kairos and G1



Source: Company, JM Financial

Exhibit 13. Healthy distributions



Source: Company, JM Financial

Exhibit 14. Stable operating performance

Particulars (INR mn unless specified)	FY21	FY22	FY23	FY23 (Pro-Forma)	FY24E	FY25E	FY26E	FY24-26E CAGR (%)
Completed Area	10.3	14.1	14.3	20.6	20.7	20.7	21.5	
Facility Rentals	6,100	6,476	8,268	NA	16,333	17,736	19,734	6.5%
Growth (%)	NM	6%	28%	NM	98%	9%	11%	
Revenue from Operations	8,532	8,768	11,970	20,340	21,698	23,566	26,287	6.6%
Growth (%)	-11%	3%	37%	NM	81%	9%	12%	
NOI	6,552	6,958	9,608	NA	19,113	19,974	21,444	3.9%
Growth (%)	NM	6%	38%	NM	99%	5%	7%	
NOI Margin (%)	77%	79%	80%	NM	88%	85%	82%	
EBITDA	6,234	6,183	8,156	14,536	18,293	19,122	20,505	3.9%
Growth (%)	5%	-1%	32%	NM	124%	5%	7%	
EBITDA Margin (%)	73%	71%	68%	71%	84%	81%	78%	
NDCF	NM	6,885	6,786	NA	8,371	9,102	9,948	5.9%

Source: Company, JM Financial

Note: NDCF adjusted for 50% share of BIRET in Kairos and G1

Exhibit 15. Sep'24 SOTP-based TP

SOTP	Sep'24
Enterprise Value (Rs mn)	255,321
Less: Net debt	95,797
Adj. for GIC stake	34,539
Equity Value (INR mn)	124,895
Shares Outstanding (mn)	439
Target Price (INR)	280
CMP	242
Upside (%)	16%

Source: Company, JM Financial

Exhibit 16. Total expected returns

Total Return till Sep'24	(%)
Capital Appreciation	15.7%
Dividend Received	7.9%
Total	23.6%

Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Net Sales	8,768	20,340	21,698	23,566	26,287	
Sales Growth	2.8%	132.0%	6.7%	8.6%	11.5%	
Other Operating Income	0	0	0	0	0	
Total Revenue	8,768	20,340	21,698	23,566	26,287	
Cost of Goods Sold/Op. Exp	24	64	65	66	68	
Personnel Cost	197	467	491	515	541	
Other Expenses	2,364	5,273	3,016	4,042	5,373	
EBITDA	6,183	14,536	18,127	18,942	20,306	
EBITDA Margin	70.5%	71.5%	83.5%	80.4%	77.2%	
EBITDA Growth	-27.5%	135.1%	24.7%	4.5%	7.2%	
Depn. & Amort.	2,085	3,855	5,356	5,840	6,521	
EBIT	4,098	10,681	12,770	13,102	13,784	
Other Income	224	511	0	0	0	
Finance Cost	2,081	10,773	8,587	8,723	9,136	
PBT before Excep. & Forex	2,242	420	4,183	4,378	4,648	
Excep. & Forex Inc./Loss(-)	0	0	0	0	0	
PBT	2,242	420	4,183	4,378	4,648	
Taxes	-221	-7	89	98	101	
Extraordinary Inc./Loss(-)	0	0	0	0	0	
Assoc. Profit/Min. Int.(-)	0	-443	-243	-43	157	
Reported Net Profit	2,463	869	4,337	4,323	4,390	
Adjusted Net Profit	2,463	869	4,337	4,323	4,390	
Net Margin	28.1%	4.3%	20.0%	18.3%	16.7%	
Diluted Share Cap. (mn)	335.1	335.1	439.1	439.1	439.1	
Diluted EPS (INR)	7.3	2.6	9.9	9.8	10.0	
Diluted EPS Growth	-60.8%	-64.7%	280.8%	-0.3%	1.5%	
Total Dividend + Tax	6,885	6,786	7,837	8,282	8,947	
Dividend Per Share (INR)	20.5	20.3	17.8	18.9	20.4	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Profit before Tax	2,242	1,404	4,183	4,378	4,648	
Depn. & Amort.	2,085	3,855	5,356	5,840	6,521	
Net Interest Exp. / Inc. (-)	1,849	4,296	8,587	8,723	9,136	
Inc (-) / Dec in WCap.	97	886	1,114	1,221	1,341	
Others	-39	-258	-243	-43	157	
Taxes Paid	-175	259	-89	-98	-101	
Operating Cash Flow	6,059	10,442	18,909	20,021	21,702	
Capex	-916	-940	-960	-4,029	-6,367	
Free Cash Flow	5,143	9,502	17,949	15,993	15,334	
Inc (-) / Dec in Investments	-13,208	0	0	0	0	
Others	90	159	0	0	0	
Investing Cash Flow	-14,034	-780	-960	-4,029	-6,367	
Inc / Dec (-) in Capital	3,703	-4	24,050	0	0	
Dividend + Tax thereon	-5,148	-6,802	-8,371	-9,102	-9,948	
Inc / Dec (-) in Loans	10,283	2,833	-19,899	4,329	6,567	
Others	-2,164	-4,412	-8,587	-8,723	-9,136	
Financing Cash Flow	6,674	-8,385	-12,807	-13,497	-12,516	
Inc / Dec (-) in Cash	-1,300	1,276	5,142	2,496	2,819	
Opening Cash Balance	3,344	2,044	3,320	8,462	10,958	
Closing Cash Balance	2,044	3,320	8,462	10,958	13,777	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Shareholders' Fund	88,821	77,754	103,179	98,357	92,956	
Share Capital	89,867	86,557	110,607	110,607	110,607	
Reserves & Surplus	-1,046	-8,803	-7,428	-12,250	-17,650	
Preference Share Capital	0	0	0	0	0	
Minority Interest	0	-5,583	-5,826	-5,869	-5,712	
Total Loans	51,655	123,132	103,232	107,561	114,129	
Def. Tax Liab. / Assets (-)	-3,755	-1,174	-1,233	-1,294	-1,359	
Total - Equity & Liab.	136,721	194,128	199,352	198,754	200,013	
Net Fixed Assets	136,320	196,173	197,428	195,616	195,463	
Gross Fixed Assets	138,161	192,363	198,974	203,003	209,370	
Intangible Assets	0	5,651	5,651	5,651	5,651	
Less: Depn. & Amort.	1,841	1,841	7,197	13,037	19,559	
Capital WIP	0	0	0	0	0	
Investments	0	0	0	0	0	
Current Assets	7,782	12,288	17,636	20,363	23,439	
Inventories	0	0	0	0	0	
Sundry Debtors	225	393	412	433	455	
Cash & Bank Balances	2,044	3,320	8,462	10,958	13,777	
Loans & Advances	0	0	0	0	0	
Other Current Assets	5,514	8,575	8,761	8,972	9,207	
Current Liab. & Prov.	7,382	14,333	15,712	17,226	18,888	
Current Liabilities	2,852	4,901	5,337	5,814	6,336	
Provisions & Others	4,530	9,432	10,374	11,411	12,552	
Net Current Assets	400	-2,045	1,924	3,138	4,551	
Total - Assets	136,721	194,128	199,352	198,754	200,013	

Source: Company, JM Financial

Dupont Analysis						
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
Net Margin	28.1%	4.3%	20.0%	18.3%	16.7%	
Asset Turnover (x)	0.1	0.1	0.1	0.1	0.1	
Leverage Factor (x)	1.4	2.1	2.3	2.1	2.2	
RoE	2.9%	1.0%	4.8%	4.3%	4.6%	

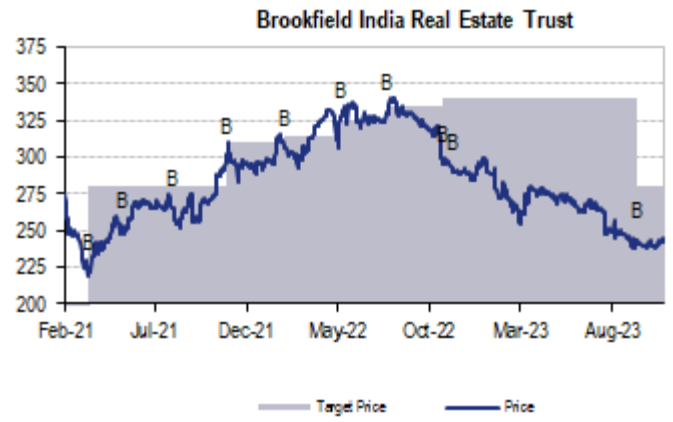
Key Ratios						
Y/E March	FY22A	FY23A	FY24E	FY25E	FY26E	
BV/Share (INR)	265.1	232.0	235.0	224.0	211.7	
ROIC	3.8%	6.6%	6.5%	6.7%	7.2%	
ROE	2.9%	1.0%	4.8%	4.3%	4.6%	
Net Debt/Equity (x)	0.6	1.5	0.9	1.0	1.1	
P/E (x)	32.9	93.3	24.5	24.6	24.2	
P/B (x)	0.9	1.0	1.0	1.1	1.1	
EV/EBITDA (x)	25.2	15.2	10.8	10.4	9.9	
EV/Sales (x)	17.8	10.8	9.0	8.4	7.6	
Debtor days	9	7	7	7	6	
Inventory days	0	0	0	0	0	
Creditor days	90	66	113	91	74	

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
26-Mar-21	Buy	280	
22-May-21	Buy	280	-0.1
12-Aug-21	Buy	280	0.2
11-Nov-21	Buy	310	10.5
15-Feb-22	Buy	315	1.7
19-May-22	Buy	325	3.3
4-Aug-22	Buy	335	3.0
7-Nov-22	Buy	340	1.5
24-Nov-22	Buy	340	0.0
24-Sep-23	Buy	280	-17.7

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
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