



## KEY HIGHLIGHTS

### 1. RESULTS OVERVIEW:

- In Q3FY25, consolidated revenue surged 193.2% YoY to Rs. 969cr, driven by delivery of 2.6msf of projects.
- EBITDA surged 84.7% YoY to Rs. 280cr, driven by higher revenue and other operating income, though margins contracted by 1,700bps YoY to 28.9%.
- Reported profit soared 152.2% YoY to Rs. 158cr, supported by lower interest expenses.
- Collections in Q3FY25 rose 27.3% YoY to Rs. 3,069cr, while net operating cashflow stood at Rs. 615cr.

### 2. MANAGEMENT COMMENTARY:

- GPL has accomplished 71% of its FY25 booking value target of Rs. 27,000cr. From the business development standpoint, it secured 12 new projects in 9MFY25, adding a total estimated saleable area of 16.9msf with a potential booking value of Rs. 23,450cr, surpassing its FY25 guidance of Rs. 20,000cr.
- The management remains confident in achieving its FY25 launch guidance of Rs. 30,000cr. With Rs. 7,000cr worth of projects set for launch in Q4FY25, upcoming developments are expected across key markets, including Hyderabad, Noida, Gurugram, Mumbai Metro-politan Region, Pune and Indore.
- In Q3FY25, GPL raised Rs. 6,000cr through a qualified institutional placement (QIP), issuing 23.1 million shares for Rs. 2,595 per share. The company plans to utilize these funds to strengthen its project pipeline to enable rapid business expansion in the coming years.
- During the quarter, the commercial project launched at Golf Course Road, Gurugram, received its occupancy certificate and 40% of it was leased out. Meanwhile the near-completion asset at Koregaon Park, Pune, has secured 16% pre-leasing.

### 3. PRICE PERFORMANCE (%)

| Particulars           | 3 M     | 1 Y     |
|-----------------------|---------|---------|
| Godrej Properties Ltd | -26.1%  | -14.62% |
| Nifty Realty          | -12.63% | -8.27%  |
| Nifty 50              | -2.58%  | -3.14   |

### 4. CONCALL SUMMARY:

- Promoter stake: The promoter stake reduced to 46.5% following the QIP issue in Q3, vs 58.5% in Q2.
- Launches: The company launched seven projects across four cities in 3QFY25, with a total saleable area of ~2.2msf, contributing ~77% of Q3 pre-sales.
  - \* MMR: Reserve, Avenue Eleven, Godrej City, Horizon
  - \* Pune: Evergreen Square
  - \* NCR: Miraya
  - \* Kolkata: Blue
- Upcoming launches: Management is confident in meeting the FY25 launch guidance of INR300b. The remaining inventory to be launched in Q4 is currently at INR64b. Upcoming launches are expected in Hyderabad, Noida, Gurgaon, MMR, Pune, and Indore.
- NCR market: Management believes that there is demand and pricing opportunity in both the premium and luxury segments. The Golf Course Road project is expected to drive growth in terms of value, while Noida is poised to deliver volume growth.
- The company spent Rs. 26.8b on new land investments and approvals. This, along with the capital raise, led to a cash surplus of Rs. 37.2b and reduced the net debt to Rs.38b.

### 5. VALUATION AND OUTLOOK:

- With a robust near term launch pipeline across, the sales run rate is expected to remain strong over the next three- to-four years.
- The company remains on track for a healthy launch pipeline in FY25 and company remains hopeful of closing a few land deals in the coming quarter, which is expected to drive up pre-sales growth.
- We initiate BUY rating on stock and value the stock at 36.3x FY26 earnings to arrive at the target of Rs.2405.**

## RECOMMENDATION – BUY

CMP –1942

TARGET – 2405 (23.84%)

| Industry                   | Construction- Real Estate |
|----------------------------|---------------------------|
| NSE CODE                   | GODREJPROP                |
| BSE CODE                   | 533150                    |
| Market Cap (₹ Cr)          | 58478                     |
| Shares outstanding (in Cr) | 30.12                     |
| 52 wk High/Low (₹)         | 3403/1901                 |
| P/E                        | 39.5                      |
| P/BV                       | 5.38                      |
| Face Value (₹)             | 5.00                      |
| Book Value (₹)             | 360.00                    |
| EPS (₹)                    | 26.08                     |
| Dividend Yield (%)         | 0.00                      |
| Debt / Equity              | 1.25                      |
| Interest coverage          | 12.0                      |

## SHAREHOLDING PATTERN

|                   | Dec 24 | Sep 24 | June 24 |
|-------------------|--------|--------|---------|
| Promoters         | 46.50  | 58.47  | 58.47   |
| FIIs              | 30.85  | 28.33  | 29.91   |
| DIIIs             | 9.41   | 7.12   | 5.62    |
| Public            | 13.27  | 6.08   | 5.98    |
| Promoter Pledging | 0.00   | 0.00   | 0.00    |

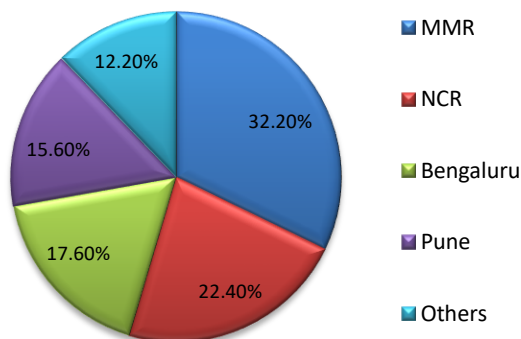
## FINANCIAL SNAPSHOT (₹ Cr)

| Y/E March        | 2024A  | 2025E | 2026E |
|------------------|--------|-------|-------|
| <b>Core</b>      |        |       |       |
| Sales            | 3035.6 | 4714  | 6592  |
| Sales Gr. (%)    | 34.8   | 55.3  | 39.8  |
| EBITDA           | -129.7 | 542   | 1140  |
| EBITDA mrg. (%)  | -4     | 11.5  | 17.3  |
| PAT              | 746.7  | 1516  | 1992  |
| EPS (₹)          | 26.1   | 50.4  | 66.2  |
| EPS Gr. (%)      | 27     | 93    | 31.3  |
| <b>Ratios</b>    |        |       |       |
| RoE (%)          | 7.77   | 7.1   | 7.3   |
| RoCE (%)         | 6.38   | 7.1   | 7.9   |
| <b>Valuation</b> |        |       |       |
| P/E (x)          | 88.1   | 39.7  | 30.2  |
| Net Debt/ equity | 1.1    | 0.7   | 0.6   |

| Particulars      | TTM  | 5 Yr Avg |
|------------------|------|----------|
| Historical P/E : | 42.0 | 81.6     |
| Industry P/E :   | 64.0 |          |
| Historical P/B : | 3.7  | 4.6      |
| Industry P/B :   | 4.8  |          |



## GEOGRAPHIC DISTRIBUTION OF LAUNCHES (%) CYFY24



## QUARTERLY PERFORMANCE (CONSOLIDATED)

(₹ Cr)

| Y/E March                        | FY23         |             | FY24       |            |             |             | FY25        |            |             |                | FY24        | FY25E* |
|----------------------------------|--------------|-------------|------------|------------|-------------|-------------|-------------|------------|-------------|----------------|-------------|--------|
|                                  | 4Q           | 1Q          | 2Q         | 3Q         | 4Q          | 1Q          | 2Q          | 3Q         | 4QE*        |                |             |        |
| <b>Net sales</b>                 | <b>1646</b>  | <b>936</b>  | <b>343</b> | <b>330</b> | <b>1426</b> | <b>739</b>  | <b>1093</b> | <b>969</b> | <b>1913</b> | <b>3035.6</b>  | <b>4714</b> |        |
| YoY change (%)                   | 23.72        | 282.6       | 107.8      | 68.39      | -13.4       | -21.05      | 218.73      | 193.21     | 34.2        | 34.8           | 55.3        |        |
| <b>Total Expenditure</b>         | <b>1,300</b> | <b>1085</b> | <b>405</b> | <b>372</b> | <b>1303</b> | <b>864</b>  | <b>1061</b> | <b>941</b> | <b>1306</b> | <b>3165.3</b>  | <b>4172</b> |        |
| <b>EBITDA</b>                    | <b>346</b>   | <b>-149</b> | <b>-62</b> | <b>-42</b> | <b>123</b>  | <b>-125</b> | <b>32</b>   | <b>28</b>  | <b>607</b>  | <b>-129.68</b> | <b>542</b>  |        |
| Margins (%)                      | 21%          | -16%        | -18%       | -13%       | 9%          | -17%        | 3%          | 3%         | 32%         | -4%            | 11.5        |        |
| Depreciation                     | 7            | 7           | 7          | 14         | 16          | 17          | 18          | 18         | 38          | 44.6           | 91          |        |
| Interest                         | 54           | 30          | 48         | 43         | 31          | 41          | 45          | 42         | 73          | 152.1          | 201         |        |
| Other income                     | 193          | 330         | 262        | 218        | 489         | 960         | 253         | 271        | 287         | 1326           | 1771        |        |
| <b>PBT</b>                       | <b>478</b>   | <b>144</b>  | <b>145</b> | <b>119</b> | <b>564</b>  | <b>778</b>  | <b>222</b>  | <b>239</b> | <b>782</b>  | <b>999.6</b>   | <b>2021</b> |        |
| Tax                              | 116          | 59          | 39         | 32         | 123         | 197         | -115        | 62         | 360         | 252.9          | 505         |        |
| Rate (%)                         | 24%          | 41%         | 27%        | 27%        | 22%         | 25%         | -51%        | 26%        | 46%         | 25%            | 25%         |        |
| <b>Adjusted PAT</b>              | <b>363</b>   | <b>85</b>   | <b>106</b> | <b>87</b>  | <b>441</b>  | <b>581</b>  | <b>337</b>  | <b>176</b> | <b>422</b>  | <b>746.7</b>   | <b>1516</b> |        |
| YoY change (%)                   | 18.7         | -10.6       | -2.76      | -7.70      | 21.61       | 584.19      | 217.1       | 102.32     | -4.3        | 20.3%          | 103         |        |
| <b>Key Performance Indicator</b> |              |             |            |            |             |             |             |            |             |                |             |        |
| RM Cost (% of Sales)             | -            | -           | -          | -          | -           | -           | -           | -          | -           | -              | -           |        |
| Staff Cost (% of Sales)          | -            | -           | -          | -          | -           | -           | -           | -          | -           | -              | -           |        |
| Other Costs (% of Sales)         | -            | -           | -          | -          | -           | -           | -           | -          | -           | -              | -           |        |
| EBITDA Margin (%)                | 21%          | -16%        | -18%       | -13%       | 9%          | -17%        | 3%          | 3%         | 32%         | -4%            | 11.5        |        |
| PAT Margin (%)                   | 22%          | 9%          | 31%        | 26%        | 31%         | 79%         | 31%         | 18%        | 22%         | 24.6%          | 32.2        |        |

Source: Company, Hem Securities Research.

### \*Insights into the assumptions:

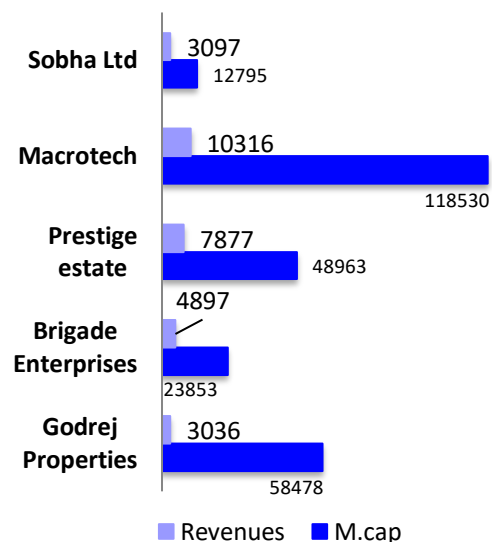
- 1> Expected to see sharp growth in FY25 on the back of Owning to the improving demand dynamics and a strong sales performance in FY24.
- 2> We expect EBITDA and PAT margins to improve in line with dedicated cost cutting efforts by the company.



## INDUSTRY OVERVIEW

- Real estate sector is one of the most globally recognized sectors. It comprises of four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth in the corporate environment and the demand for office space as well as urban and semi-urban accommodations.
- By 2040, real estate market will grow to Rs. 65,000 crore (US\$ 9.30 billion) from Rs. 12,000 crore (US\$ 1.72 billion) in 2019. Real estate sector in India is expected to reach a market size of US\$ 1 trillion by 2030 from US\$ 120 billion in 2017 and contribute 13% to the country's GDP by 2025. Retail, hospitality, and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.
- Demand for residential properties has surged due to increased urbanization and rising household income. India is among the top 10 price appreciating housing markets internationally.
- As per ICRA estimates, Indian firms are expected to raise >Rs. 3.5 trillion (US\$ 48 billion) through infrastructure and real estate investment trusts in 2022, as compared with raised funds worth US\$ 29 billion to date.
- Private market investor, Blackstone, which has significantly invested in the Indian real estate sector (worth Rs. 3.8 lakh crore (US\$ 50 billion), is seeking to invest an additional Rs. 1.7 lakh crore (US\$ 22 billion) by 2030. Overall Real Estate sector is in bull trend.

## KEY PLAYERS



## PEER PERFORMANCE

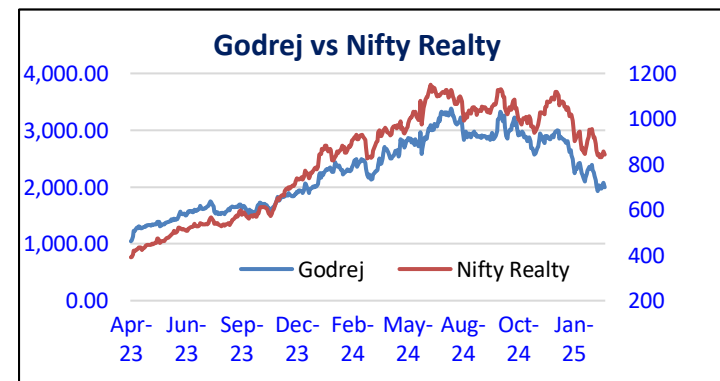
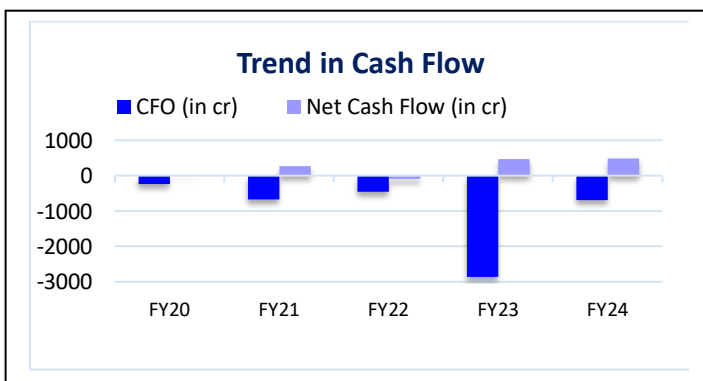
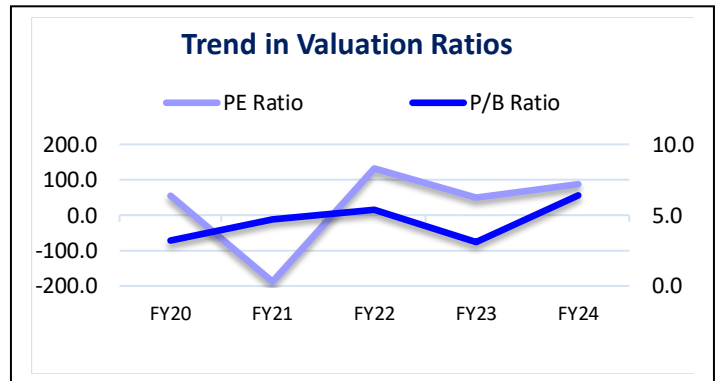
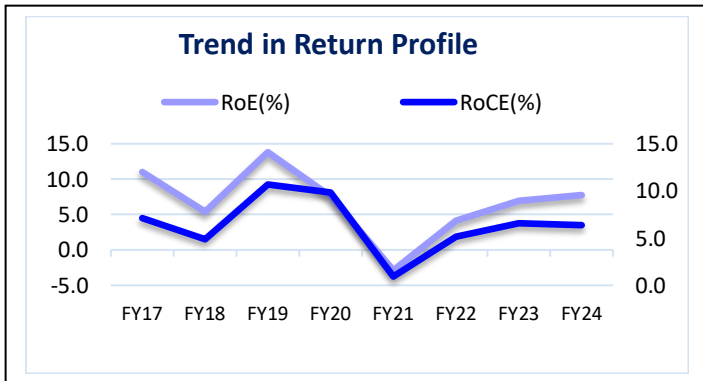
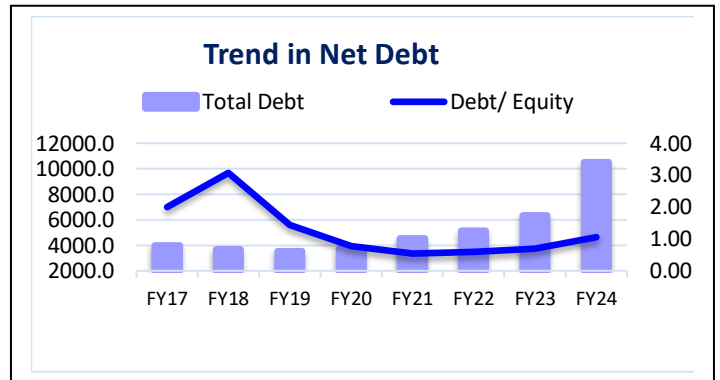
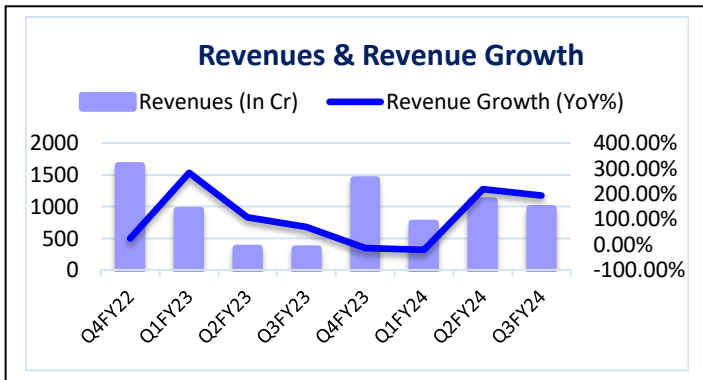
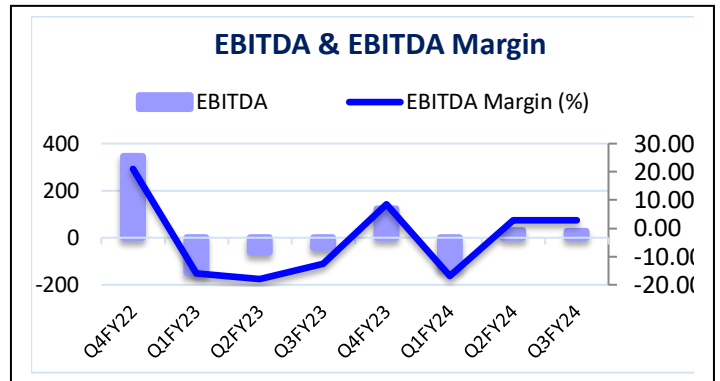
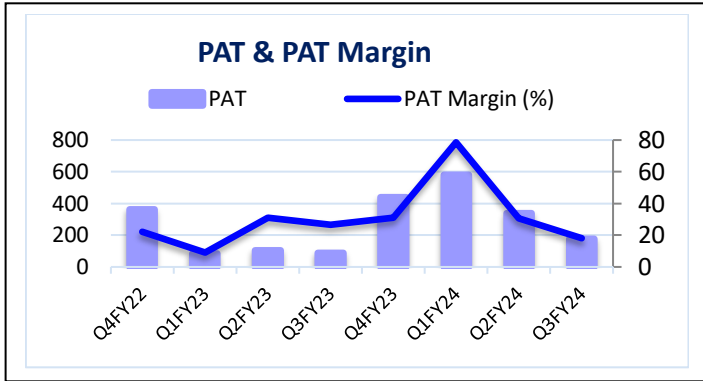
(₹ Cr)

| Particulars     | Godrej Properties | Brigade Enterprises | Prestige Estates | Macrotech developers | Sobha Ltd |
|-----------------|-------------------|---------------------|------------------|----------------------|-----------|
| Market Cap      | 58478             | 23853               | 48963            | 118530               | 12795     |
| Net Sales       | 3035.6            | 4896.7              | 7877             | 10316                | 3097      |
| EBITDA          | -129.7            | 1202                | 2498             | 2665                 | 277       |
| PAT             | 747               | 401                 | 1629             | 1554                 | 49        |
| EPS (Rs)        | 26.1              | 19.54               | 34.28            | 15.58                | 4.59      |
| EBITDA MARGIN % | -4%               | 25                  | 32               | 26                   | 9         |
| PAT MARGIN %    | 24.6              | 8.2%                | 20.68            | 15.1                 | 1.6       |
| ROCE %          | 5.7%              | 12.7                | 14.9             | 10.7                 | 7.12      |
| ROE %           | 6.8%              | 11.7                | 12.9             | 11.1                 | 1.97      |
| P/E             | 39.5              | 37.4                | 84.1             | 47.2                 | 210       |
| P/B             | 5.4               | 4.60                | 2.98             | 6.57                 | 3.67      |
| EV/EBITDA       | 34.5              | 15.4                | 17.4             | 30.7                 | 33.9      |
| Dividend Yield  | 0.00              | 0.19                | 0.15             | 0.19                 | 0.25      |
| Mcap/Sales      | 13.8              | 4.49                | 6.13             | 8.73                 | 3.59      |

Source: Company, Hem Securities Research.



**STORY IN CHARTS**





## INVESTMENT RATIONALE:

- Company is one of India's most established brands and is one of the key beneficiary of the current housing upcycle. Company also has a strong land bank in NCR region, which is seeing rapid infrastructure development.
- Exceptional calendar year: GPL achieved a record-breaking pre-sales of Rs.288b in CY24, securing the top position amongst its peers. This strong performance reflects the company's strategic focus on high-demand markets and its ability to capitalize on growth opportunities.
- With demonetization and RERA implementation, organized players such as Godrej Properties benefited immensely from their brand value and high quality. Also, company gained from historically low lending rates, tax cuts, and consumer preference for ready-to-move-in/timely-completed projects.
- Given the established brand and favourable dynamics, company will continue to capitalize on upcoming opportunities.
- Company has a strong corporate governance framework driven by its Board of Directors.
- Company's operating performance has remained strong in FY2024, which is expected to be sustained in FY2025, aided by healthy end-user demand, good sales velocity in its ongoing projects and a strong launch pipeline resulting in expected healthy collections and cash flows from operations (CFO)
- 4QFY25 anticipation: The management is optimistic about building on the current momentum and is confident in meeting its FY25 sales guidance of Rs.270b, which would translate to a 4QFY25 run rate of Rs.77b.
- Upcoming launches: Management is confident in meeting the FY25 launch guidance of INR300b. The remaining inventory to be launched in Q4 is currently at INR64b. Upcoming launches are expected in Hyderabad, Noida, Gurgaon, MMR, Pune, and Indore.
- Company's strong leadership position in the Mumbai and NCR residential real-estate markets as well as the Group's established track record of over four decades are the positive points of company.

## RISK FACTORS:

- Any decline in property prices could exert pressure on the real estate market. Further, there is uncertainty about events such as government policy changes, market movements and in general demographic preferences, which could cause considerable damage to players operating in the real estate industry.
- Interest rates play a pivotal role in real estate and are one of the key demand boosters. Any adverse movement in interest rates can lead to a reduction in demand and impact the industry and the company's growth prospects.

## COMPANY RECAP

- Godrej Properties Limited (GPL) is the real estate development arm of the Godrej Group, which was started in 1897 and is today one of India's most successful conglomerates. Established in 1990, Godrej Properties is India's largest developer and is a pan India Real estate developer focusing mainly on residential development.
- Business overview:** Company is one of the largest real estate developers in India. Established in 1990, company has successfully delivered ~59 million sq ft. of real estate since FY2018. Also company has received 400 awards in the last 5 years.
- Access to Land Holdings of Godrej:** The company is part of Godrej Group, a multinational conglomerate with a diversified presence across many industries. It has access to large land banks of the group entities and has entered into agreements with various group companies to develop land.
- Booking value:** Highest ever booking value and area sold achieved by any Indian real estate developer in a calendar year- booking value grew 69% to Rs.28800 cr from sale of 26.38 million sq ft. of area, a volume growth of 54%.
- Market Share:** Co. has significantly increased its market share in the real estate market of NCR from 2% in FY15 to 7.7% in FY21. It increased its market share in Bangalore from 0.8% to 5% in the same time frame and it increased its market share in Pune from 1% to 4.3%. Its share in MMR has also seen a rise from 0.9% to 1.4% but overall the market share in MMR remains comparatively low.
- Qualified Institutional Placement:** In FY25, company has declared largest ever QIP of Rs.6000 cr at Rs.2595/share. The issue saw a strong demand of 4x the size of the QIP and was fully covered with long only demand.
- Long-term goal:** The Company aspires to lead in each individual market besides maintaining a strong national presence.
- Sustenance sales:** Management believes that sustenance sales momentum is in line with the strategy and will continue to build on it in future.
- NCR market:** Management believes that there is demand and pricing opportunity in both the premium and luxury segments. The Golf Course Road project is expected to drive growth in terms of value, while Noida is poised to deliver volume growth.



## ANNUAL PERFORMANCE

### Financials & Valuations

#### Income Statement

|                         | 2019        | 2020        | 2021        | 2022        | 2023        | 2024        | 2025E        | 2026E        |
|-------------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
|                         |             |             |             |             |             |             | (₹ Cr)       |              |
| <b>March</b>            | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> | <b>2025E</b> | <b>2026E</b> |
| Revenue from operations | 2817        | 2441.42     | 764.92      | 1,825       | 2,252.26    | 3,035.6     | 4714         | 6592         |
| Growth YoY (%)          | 75.7        | -13.34      | -68.67      | 138.57      | 23.42       | 34.78       | 55.3         | 39.8         |
| Total Expenditure       | 2639        | 2181        | 1,213.92    | 1,881       | 2,045.26    | 3,165.3     | 4172         | 5452         |
| (%) of sales            | 93.7        | 89          | 159%        | 103%        | 91%         | 104%        | 88.5%        | 82.7%        |
| EBITDA                  | 178         | 260         | -449.00     | -56.00      | 207.00      | -129.68     | 542          | 1140         |
| EBITDA Growth (%)       | -           | 46          | -273%       | -88%        | -470%       | -163%       | -            | 110%         |
| EBITDA Margin (%)       | 6           | 11          | -59%        | -3%         | 9%          | -4%         | 11.5%        | 17.3%        |
| Depreciation            | 14          | 20.5        | 19.54       | 21.43       | 24.14       | 44.56       | 91           | 115          |
| EBIT                    | 164         | 239         | -468.54     | -77.43      | 182.86      | -174.24     | 451          | 1025         |
| Growth (%)              | -           | 46          | -296%       | -83%        | -336%       | -195%       | -            | 127          |
| Interest Expenses       | 234         | 220.1       | 184.86      | 167.48      | 174.23      | 152.11      | 201          | 295          |
| Other Income            | 419         | 473.1       | 568.17      | 760.81      | 786.74      | 1,326       | 1771         | 1926         |
| Exceptional Items       | 0.00        | 0.0         | 0.00        | 0.00        | 0.00        | 0.00        | 0.0          | 0.00         |
| Earnings before Taxes   | 348         | 492.8       | -85.23      | 515.90      | 795.37      | 999.6       | 2021         | 2656         |
| Growth (%)              | 197         | 42%         | -117%       | -705%       | 54%         | 26%         | 102          | 31%          |
| EBT Margin (%)          | 12.4        | 20%         | -11%        | 28%         | 35%         | 33%         | 42.8         | 40.3         |
| Tax-Total               | 95          | 218.9       | 103.64      | 165.78      | 174.67      | 252.9       | 505          | 664          |
| Rate of tax (%)         | 27          | 44          | -122%       | 32%         | 22%         | 25%         | 25.0         | 25.0         |
| Net Profit              | 253         | 273.6       | -188.87     | 350.12      | 620.70      | 746.7       | 1516         | 1992         |
| Growth (%)              | 190.8       | 8           | -1.69       | -285%       | 77%         | 20%         | 103          | 31.4         |
| PAT Margin (%)          | 8.98        | 11          | -25%        | 19%         | 28%         | 25%         | 32.2         | 30.2         |
| EPS                     | 11.04       | 10.7        | -6.81       | 12.68       | 20.5        | 26.1        | 50.4         | 66.2         |
| EPS Growth (%)          | 175.31      | -3          | -           | -           | 62%         | 27%         | 93           | 31.3         |

### Balance Sheet

| Y/E March                                   | 2019        | 2020           | 2021           | 2022          | 2023           | 2024           |
|---|-------------|----------------|----------------|---------------|----------------|----------------|
| Equity Share Capital                        | 115         | 126            | 139            | 139           | 139            | 139            |
| Reserves & Surplus                          | 2354        | 4682           | 8181           | 8536          | 9125           | 9853           |
| <b>Total Shareholder's Funds (A)</b>        | <b>2469</b> | <b>4808</b>    | <b>8320.0</b>  | <b>8675</b>   | <b>9264</b>    | <b>9992</b>    |
| Long Term Borrowings                        | 500         | 0              | 1000           | 1000          | 0              | 2660           |
| Non-Controlling Interest                    | 0           | 0              | 0              | -2            | 23             | 309            |
| <b>Total Non-Current Liabilities (B)</b>    | <b>500</b>  | <b>0</b>       | <b>1000.0</b>  | <b>998.0</b>  | <b>23</b>      | <b>2969.0</b>  |
| Advance from customers                      | 1484.0      | 321.0          | 745            | 846           | 2262.0         | 8812.0         |
| Trade Payables                              | 248.0       | 720.0          | 1902           | 2254          | 3357.0         | 3756.0         |
| Other Liability Items                       | 3391.0      | 4242.0         | 4278           | 5029          | 8200.0         | 10206          |
| <b>Total Current Liabilities (C)</b>        | <b>5123</b> | <b>5283.0</b>  | <b>6925.0</b>  | <b>8129.0</b> | <b>13819.0</b> | <b>22774.0</b> |
| <b>Total Equity and Liabilities (A+B+C)</b> | <b>8092</b> | <b>10091.0</b> | <b>16245.0</b> | <b>17802</b>  | <b>23106</b>   | <b>35735</b>   |
| Property, Plant & Equipment                 | 97.0        | 113.0          | 174            | 183           | 218            | 997            |
| Capital Work in progress                    | 100.0       | 163.0          | 229            | 340           | 653            | 250            |
| Investments                                 | 2637.0      | 3571.0         | 5243           | 4883          | 2534           | 3150           |
| <b>Total Non-Current Assets (A)</b>         | <b>2834</b> | <b>3847.0</b>  | <b>5646.0</b>  | <b>5406</b>   | <b>3405</b>    | <b>4397.0</b>  |
| Inventory                                   | 2211        | 2125           | 4801           | 5668          | 12073          | 22565          |
| Debtors                                     | 160         | 433            | 251            | 192           | 359            | 310            |
| Cash and Bank Balance                       | 343         | 507            | 673            | 1339          | 2016           | 2920           |
| Loans and advances                          | 886         | 1438           | 2287           | 2678          | 2593           | 2117           |
| Other Current Assets                        | 1660        | 1740           | 2587           | 2521          | 2658           | 3425           |
| <b>Total Current Assets (B)</b>             | <b>5260</b> | <b>6243</b>    | <b>10599.0</b> | <b>12398</b>  | <b>19699</b>   | <b>31337</b>   |
| <b>Total Assets(A+B)</b>                    | <b>8092</b> | <b>10,090</b>  | <b>16245.0</b> | <b>17802</b>  | <b>23104</b>   | <b>35734</b>   |

Source: Company, Hem Securities Research.



| <b>Ratios</b>                                 |             |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Y/E March</b> (Basic (INR))                | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
| <b>Profitability and return ratios</b>        |             |             |             |             |             |             |
| Net profit margin (%)                         | 9.0         | 11.22       | -24.75      | 19.21       | 27.55       | 24.61       |
| EBITDA margin (%)                             | 20.7        | 33.53       | 30.70       | 48.99       | 45.93       | 38.51       |
| EBIT margin (%)                               | 20.7        | 29.20       | 12.97       | 37.47       | 43.05       | 37.95       |
| ROE (%)                                       | 13.8        | 7.54        | -2.89       | 4.13        | 6.92        | 7.77        |
| ROCE (%)                                      | 10.7        | 9.83        | 0.93        | 5.14        | 6.59        | 6.38        |
| <b>Working Capital &amp; liquidity ratios</b> |             |             |             |             |             |             |
| Payables (Days)                               | 47          | 113         | 1007        | 635         | 825         | 718         |
| Inventory (Days)                              | 385         | 324         | 1653        | 1047        | 1438        | 2082        |
| Receivables (Days)                            | 20.5        | 44.3        | 163         | 44          | 44.6        | 40          |
| Current Ratio (x)                             | 1.1         | 1.5         | 1.9         | 1.8         | 1.5         | 1.4         |
| <b>Valuations Ratios</b>                      |             |             |             |             |             |             |
| EV/sales (x)                                  | 7.8         | 7.5         | 56.2        | 27.5        | 14.7        | 23.6        |
| EV/EBITDA (x)                                 | 37.5        | 22.5        | 183.1       | 56.2        | 32.0        | 61.2        |
| P/E (x)                                       | 73.8        | 56.2        | 0.0         | 132         | 50.1        | 88.1        |
| P/BV (x)                                      | 7.6         | 3.2         | 4.7         | 5.4         | 3.1         | 6.4         |
| Dividend Yield (%)                            | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         | 0.0         |
| Return on Assets (%)                          | 3.3         | 3.2         | -1.5        | 2.1         | 3.1         | 2.6         |
| <b>Leverage Ratio</b>                         |             |             |             |             |             |             |
| Debt/Equity (x)                               | 1.4         | 0.8         | 0.5         | 0.6         | 0.7         | 1.1         |

| <b>Cash Flow Statement</b>              |             |             |             |             |             |             |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Y/E March</b>                        | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> |
| <b>CF from Operating activities (A)</b> |             |             |             |             |             |             |
|   | 478         | -232        | -671        | -452        | -2,861      | -693        |
| <b>CF from Investing Activities (B)</b> |             |             |             |             |             |             |
|   | -971        | -1721       | -3,322      | 124         | 2,488       | -2079.76    |
| <b>CF from Financing Activities (C)</b> |             |             |             |             |             |             |
|   | 970         | 1974        | 4,259       | 235         | 832         | 3,258       |
| Net Cash Flow                           | 477         | 21.3        | 265.9       | -92.54      | 459.61      | 486         |
| Add: Opening Bal.                       | <b>-501</b> | <b>-24</b>  | <b>-2</b>   | <b>269</b>  | <b>179</b>  | <b>715</b>  |
| <b>Closing Balance</b>                  | -24         | -2          | 269         | 179         | 715         | 1,306       |

Source: Company, Hem Securities Research.



## RATING CRITERIA

| INVESTMENT RATING | EXPECTED RETURN |
|-------------------|-----------------|
| BUY               | >=15%           |
| ACCUMULATE        | 5% to 15%       |
| HOLD              | 0 to 5%         |
| REDUCE            | -5% to 0        |
| SELL              | <-5%            |

## RECOMMENDATION SUMMARY

| DATE                    | RATING | TARGET |
|-------------------------|--------|--------|
| 27 <sup>th</sup> Feb 25 | BUY    | 2405   |
|                         |        |        |
|                         |        |        |
|                         |        |        |
|                         |        |        |

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Name of the Research Analyst: Deepanshu Jain

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