Embassy Office Parks REIT

Real Estate

Leasing outlook remains positive

The Embassy Office Parks REIT (Embassy REIT) delivered stable performance in Q4FY24 with NOI of INR7.7bn (up marginally QoQ) and NDCF of INR 4.9bn or INR 5.2/unit. FY24 gross leasing of 8.1msf has been strong with 2.4msf of pre-leasing commitments at Manyata and Tech Village, vs. 3.3msf of exits for the year. Driven by a combination of filling up of SEZ vacancy and pre-leased assets, we estimate portfolio occupancy of over 90% by FY26E, resulting in FY25E DPU of INR 22.7/unit vs. INR 21.3/unit in FY24 with FY26E DPU of INR 26.9/unit. The REIT manager has given FY25 guidance for 5.4msf of total leasing in FY25 and expects 10% NOI and 7% DPU growth in FY25. We retain **ADD** with a revised TP of INR 402/unit (earlier INR 405) based on 1x Mar'25E NAV. Key risks are slower recovery in leasing and higher portfolio vacancy levels.

Stable Q4FY24 performance

Embassy REIT clocked Q4FY24 NOI of INR 7.7bn (up marginally QoQ) and NDCF of INR 4.95bn or INR 5.2/unit. Portfolio occupancy, as of Mar'24, rose 100bps QoQ to 85% driven by new leasing of 1.6msf. For FY24, the REIT manager has achieved 8.1msf of gross leasing across 99 deals at 31% leasing spread with new deliveries of 2.2msf. Gross leasing includes 2.4msf of pre-commitments in Bengaluru, 4.4msf of new lease-up and 1.3msf of renewals.

Guidance for 10% NOI and 7% DPU growth for FY25

The REIT manager has given a formal guidance for total leasing of 5.4msf in FY25, which is a combination of new lease-up of 3.8msf, pre-commitments of 1msf and renewals of 0.6msf vs. 2.2msf of scheduled expiries for FY25. While Embassy REIT achieved FY24 NOI of INR 29.8bn, the REIT manager expects NOI to grow 10% YoY to INR 32.8bn in FY25 while FY24 DPU of INR 21.3/unit is expected to rise 7% to INR 22.7/unit in FY25. DPU growth is expected to trail NOI growth mainly owing to interest costs rising 15–18% YoY, driven by full-year impact of FY24 debt refinancing and interest expense of new deliveries scheduled for FY25.

Distributions to grow meaningfully from FY26E

Given the strong pre-leasing momentum and gradual filling up of SEZ vacancy over the next 12-18 months, we estimate FY25 DPU of INR 22.7/unit vs. INR 21.3/unit in FY24 with a meaningful pick in FY26E DPU to INR 26.9/unit.

Financial Summary

Y/E March (INR mn)	FY23A	FY24A	FY25E	FY26E
Net Revenue	34,195	36,852	41,917	49,086
EBITDA	25,444	27,693	31,865	37,146
EBITDA Margin (%)	74.4	75.1	76.0	75.7
Net Profit	5,060	9,640	11,722	12,320
Distribution/Unit (INR)	21.7	21.3	22.7	26.9
NDCF (INR mn)	20,578	20,246	21,545	25,496
P/E (x)	69.4	36.4	29.9	28.5
Distribution Yield (%)	5.9	5.8	6.1	7.3
RoCE (%)	3.6	4.7	5.5	5.8
RoE (%)	2.0	4.0	5,2	6.0

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Market Data

Market Cap (INR)	351bn
Market Cap (USD)	4,210mn
Bloomberg Code	EMBASSY IN
Reuters Code	EMBA BO
52-week Range (INR)	399 /281
Free Float (%)	69.0
ADTV-3M (mn) (USD)	4.8

Price Performance (%)	3m	6m	12m
Absolute	5.8	23.3	16.7
Relative to Sensex	0.7	7.3	(6.9)

Previous Reports

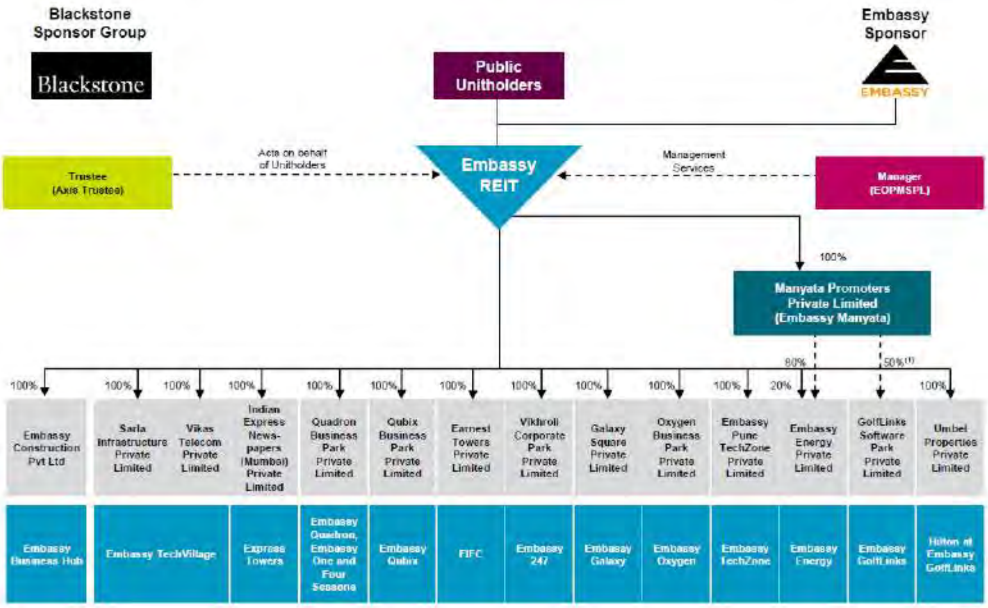
08-04-2024: Company Update

25-02-2024: Company Update

Company Profile

Embassy Office Parks is India's first listed REIT that owns eight high-quality office parks and four prime city centre office buildings with 36.5msf of completed leasable area and under construction; and development pipeline of 8.9msf. In addition to the offices, the REIT owns three operational hotels across 1,096 keys, an under-construction hotel of 518 keys and a solar park with 100MW of output. It was listed on April 1, 2019. Embassy REIT is sponsored by Embassy Group (Embassy Property Developments Private Limited) and Blackstone Group.

Exhibit 1: Embassy Office Parks REIT – company structure as of Mar'24



Source: I-Sec research, Company data, (1) Balance 50% owned by JV partner, (2) The 100% owned entities are held jointly with nominee shareholders for the Embassy REIT

Exhibit 2: Embassy Office Parks REIT – asset portfolio (as of Mar'24)

	Leasable Area (msf)/Keys/MW			WALE[2]	Occupancy	Rent (₹ psf / mth)		
Property	Completed	Development	Total	(yrs)	(%)	In-place	Market	MTM (%)
Embassy Manyata	12.4	3.2	15.6	7.0	87%	82	96	17%
Embassy TechVillage	7.3	2.3	9.6	8.1	96%	81	96	19%
Embassy GolfLinks[1]	3.1	-	3.1	7.4	95%	149	155	4%
Embassy One	0.3	-	0.3	8.6	82%	144	147	2%
Embassy Business Hub	0.4	1.0	1.4	14.6	0.9	57	65	14%
Bengaluru Sub-total	**23.5**	**6.5**	**30.0**	**7.5**	**91%**	**91**	**104**	**14%**
Express Towers	0.5	-	0.5	4.1	96%	268	285	7%
Embassy 247	1.2	-	1.2	3.9	100%	110	115	4%
FIFC	0.4	-	0.4	3.0	100%	320	290	(9%)
Mumbai Sub-total	**2.0**	**-**	**2.0**	**3.7**	**99%**	**184**	**185**	**1%**
Embassy TechZone	3.0	2.4	5.5	4.3	78%	54	48	(11%)
Embassy Quadron	1.9	-	1.9	4.6	54%	54	48	(10%)
Embassy Qubix	1.5	-	1.5	4.3	88%	47	48	2%
Pune Sub-total	**6.4**	**2.4**	**8.8**	**4.4**	**69%**	**52**	**48**	**(8%)**
Embassy Oxygen	3.3	-	3.3	8.4	58%	54	48	(11%)
Embassy Galaxy	1.4	-	1.4	7.0	97%	44	48	8%
Noida Sub-total	**4.6**	**-**	**4.6**	**8.2**	**69%**	**50**	**48**	**(4%)**
Subtotal (Office)	**36.5**	**8.9**	**45.4**	**6.8**	**85%**	**87**	**96**	**10%**
Four Seasons at Embassy One	230 Keys	0.0	230 Keys	-	47%	-	-	-
Hilton at Embassy GolfLinks	247 Keys	0.0	247 Keys	-	70%	-	-	-
Hilton & Hilton Garden Inn at Embassy Manyata (5 & 3 star)	619 Keys	-	619 Keys	-	69%	-	-	-
Hilton & Hilton Garden Inn at Embassy TechVillage (5 & 3 star)	-	518 Keys	518 Keys	-	NA	-	-	-
Embassy Energy	100MW	-	100MW	-	NA	-	-	-
Subtotal (Infrastructure Assets)	**1,096 Keys / 100MW**	**518 Keys**	**1,614 Keys / 100MW**					
Total	**36.5 msf/1,096 Keys/100MW**	**8.9 msf / 518 Keys**	**45.4 msf/1,614 Keys/100MW**					

Source: I-Sec research, Company data, WALE = Weighted Average Lease Expiry

Exhibit 3: Q4FY24 walk down of financial metrics

Particulars (₹ mn)	Q4 FY2024	Q4 FY2023	YoY Var (%)	FY2024	FY2023	YoY Var (%)	
Revenue from Operations	9,458	8,676	9%	36,852	34,195	8%	
Property Taxes and Insurance	(360)	(355)	1%	(1,371)	(1,295)	6%	NOI
Direct Operating Expenses	(1,443)	(1,519)	(5%)	(5,661)	(5,237)	8%	
Net Operating Income	**7,656**	**6,802**	**13%**	**29,819**	**27,663**	**8%**	
Other Income	379	212	79%	1,682	1,006	67%	
Dividends from Embassy GolfLinks	175	175	-	700	920	(24%)	
Property Management Fees[1]	(181)	(180)	1%	(766)	(695)	10%	NDCF at SPV level
Indirect Operating Expenses	(264)	(296)	(11%)	(963)	(1,038)	(7%)	
EBITDA	**7,764**	**6,712**	**16%**	**30,472**	**27,856**	**9%**	
Working Capital Adjustments	(139)	1,145	(112%)	473	2,540	(81%)	
Cash Taxes	106	(312)	(134%)	(1,008)	(1,228)	(18%)	Distribution
Principal Repayment on external debt	(1)	(10)	(93%)	(3)	(69)	(95%)	
Interest on external debt	(1,041)	(871)	19%	(3,333)	(3,329)	0.1%	
Non-Cash Adjustments	(309)	(143)	116%	(1,055)	(711)	48%	
NDCF at SPV level	**6,380**	**6,521**	**(2%)**	**25,547**	**25,060**	**2%**	
Distribution from SPVs to REIT	6,365	6,509	(2%)	25,756	25,001	3%	
Distribution from Embassy GolfLinks	470	470	NR	2,074	2,070	NR	
Interest on external debt	(1,797)	(1,565)	15%	(7,207)	(6,018)	20%	
REIT Management Fees[1]	(58)	(62)	(7%)	(238)	(239)	(0%)	
Other Inflows at REIT level (Net of Expenses)	(22)	(26)	(16%)	(138)	(205)	(32%)	
NDCF at REIT level	**4,958**	**5,325**	**(7%)**	**20,247**	**20,608**	**(2%)**	
Distribution	**4,948**	**5,318**	**(7%)**	**20,219**	**20,579**	**(2%)**	

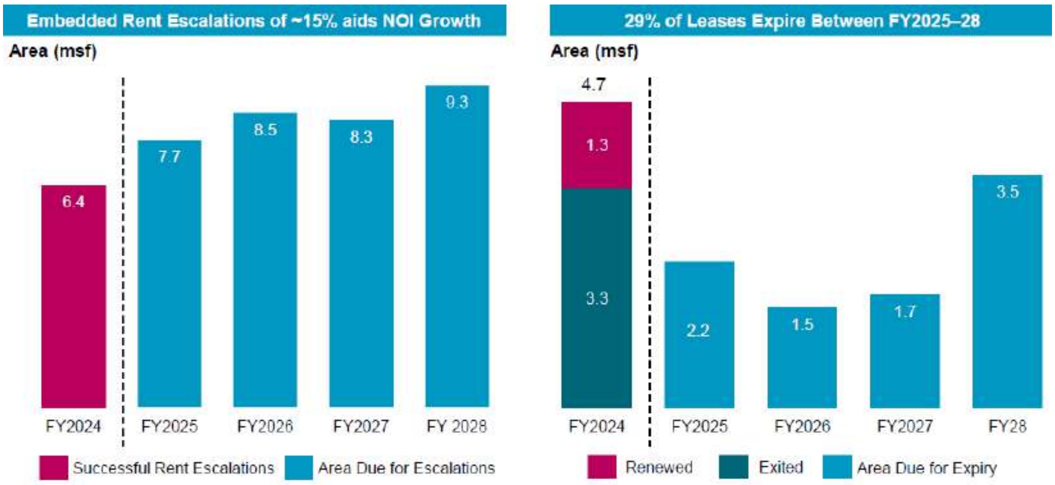
Source: Company data, I-Sec research, (1) Property management fees includes 3% of facility rentals from only Commercial Office segment and does not include fees on Hospitality and Other segments and REIT Management fees is 1% of REIT distribution

Exhibit 4: Embassy REIT – sectoral and tenant-wise breakup (as of Mar'24)

Top 5 Occupiers	Sector	% of Rentals
JP Morgan	Financial Services	6.1%
Global Technology and Consulting Major	Technology	5.8%
ANSR	Consulting	3.8%
Cognizant	Technology	3.7%
NTT Data	Technology	3.1%
Total		**22.4%**

Source: I-Sec research, Company data, (1) Represents industry diversification percentages based on Embassy REIT's share of gross rentals

Exhibit 5: Mark-to-Market opportunity for REIT portfolio

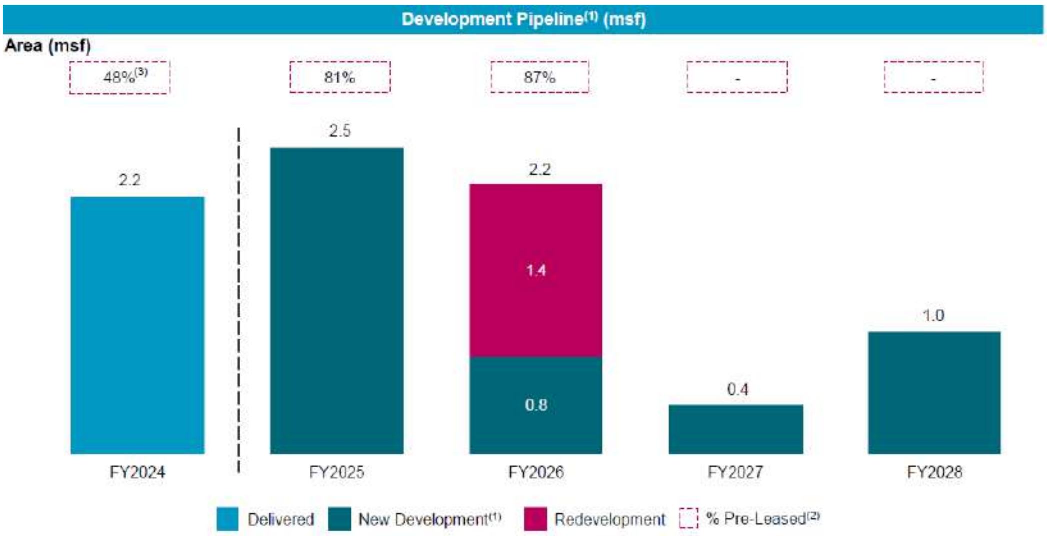


Rent Escalations Due	13%	13%	14%	14%
Post-escalation MTM Opportunity	0.4%	NM	14%	1%

MTM opportunity[1]	33%	8%	8%	15%
Rents Expiring[2]	6%	6%	5%	12%

Source: I-Sec research, Company data, (1) MTM potential refers to balance FY2024 expiries. MTM potential computed basis market rent per latest C&W estimate and in-place rent for respective leases, (2) Refers to annualized rent obligations

Exhibit 6: Embassy REIT – development pipeline



Source: Company data, I-Sec research, (1) Excludes 518 hotel keys at Embassy Tech Village; (2) Includes expansion option of 275k sf available with US based tech company in Embassy TechVillage and expansion option of 313k sf available with Australian Banking Major in Embassy Manyata, (3) Excluding Oxygen Tower 1 which got delivered in Apr'24, pre-leasing in FY2024 is 58%

Exhibit 7: Embassy REIT – debt profile, as of 31 Mar'24

Debt Analysis
as of 31-Mar-2024
Debt Maturity Schedule (Rs. mn)

Description	Rating	Fixed/ Floating	Total Facility	Balance Facility	Outstanding Principal	Amortized Cost	Interest Rate	Maturity Date	Principal Repayment Schedule FY25	FY26	FY27	FY28	FY29	FY30 & Beyond	Total
A) REIT															
Embassy Office Parks REIT Series IV NCD	CRISIL AAA/Stable	Fixed	3,000	-	3,000	2,987	6.80%	Sep-26[1]	-	-	3,000	-	-	-	3,000
Embassy Office Parks REIT Series V NCD (Tranche A)	CRISIL AAA/Stable	Fixed	20,000	-	20,000	19,974	6.25%	Oct-24[2]	20,000	-	-	-	-	-	20,000
Embassy Office Parks REIT Series V NCD (Tranche B)	CRISIL AAA/Stable	Fixed	11,000		11,000	10,952	7.05%	Oct-26[3]	-		11,000	-	-	-	11,000
Embassy Office Parks REIT Series VI NCD	CRISIL AAA/Stable	Fixed	10,000	-	10,000	9,968	7.35%	Apr-27[4]	-	-	-	10,000	-	-	10,000
Embassy Office Parks REIT Series VII NCD	CRISIL AAA/Stable	Fixed	10,500	-	10,500	10,450	7.77%	Jun-25[5]	-	10,500	-	-	-	-	10,500
Embassy Office Parks REIT Series VIII NCD	CRISIL AAA/Stable CARE AAA/Stable	Fixed	5,000	-	5,000	4,990	8.10%	Aug-26[6]	-		-	-	5,000	-	5,000
Embassy Office Parks REIT Series IX NCD	CRISIL AAA/Stable	Fixed	5,000	-	5,000	4,997	8.03%	Sep-25[7]	-	5,000	-	-	-	-	5,000
EOP REIT Series X NCD	CRISIL AAA/Stable	Fixed	10,000	-	10,000	9,994	8.17%	Sep-25	-	10,000	-	-	-	-	10,000
EOP REIT - CP Tranche I	CRISIL A1+ / CARE A1+	Fixed	2,500	-	2,460	2,459	8.20%	Jun-24	2,460	-	-	-	-	-	2,460
EOP REIT - CP Tranche II	CRISIL A1+ / CARE A1+	Fixed	7,500	-	7,067	7,053	8.30%	Jan-25	7,067	-	-	-	-	-	7,067
Term Loan	-	Floating	10,000	-	7,600	7,574	8.24%	Feb-33	-	-	57	712	771	6,061	7,600
Sub-total (A)			**94,000**	-	**91,617**	**91,447**	**7.44%**		**20,527**	**25,500**	**14,057**	**10,712**	**5,771**	**6,061**	**91,617**
B) SPV															
VTPL Series I NCD (Green Bond)	CRISIL AAA/Stable	Fixed	4,900	-	4,900	4,940	7.65%	Aug-25[8]	-	4,900	-	-	-		4,900
MPPL Series I NCD (Embassy Manyata)	CARE AAA/Stable	Fixed	10,250	-	10,250	10,179	7.90%	Oct-26	-	-	10,250	-	-		10,250
EOPL Series I NCD	CRISIL AAA/Stable	Fixed	2,600		2,600	2,490	8.10%	May-26[9]			2,600				2,600
Term Loan (Embassy Manyata)	NA	Floating	9,000		8,998	8,966	8.10%	Feb-39	53	102	240	297	362	7,968	8,998
Term Loan (Embassy Manyata)	CRISIL AAA/Stable	Floating	1,380		1,380	1,356	8.60%	May-33	1	3	3	6	24	1,344	1,380
Term Loan (Embassy Manyata)	CRISIL AAA/Stable	Floating	6,500		4,871	4,846	8.60%	May-31	-	108	206	791	980	2,407	4,871
Term Loan (Embassy Manyata)	CRISIL AAA/Stable	Floating	5,880	1,350	4,434	4,424	8.55%	Dec-37	77	100	115	147	237	3,758	4,434
Term Loan (Embassy Manyata)	CRISIL AAA/Stable	Floating	5,000	-	5,000	4,997	8.25%	Sep-25			5,000				5,000
Term Loan (Embassy Manyata)	CRISIL AAA/Stable	Floating	3,500	-	3,479	3,460	8.00%	Aug-38	43	55	67	72	107	3,135	3,479
Term Loan (Embassy Manyata)	NA	Floating	4,500	3,500	1,000	1,000	8.47%	Mar-26	-	1,000	-	-	-	-	1,000
Term Loan (Embassy TechVillage)	CARE AAA/Stable	Floating	7,212	-	7,212	7,197	8.36%	Oct-25	-	7,212	-	-	-		7,212
Term Loan (Embassy TechVillage)	CARE AAA/Stable	Floating	3,000	-	2,954	2,954	8.62%	Oct-25	30	2,924	-	-	-	-	2,954
Construction Finance (Embassy TechVillage)	CRISIL AAA/Stable	Floating	5,670	2,050	3,620	3,606	8.70%	Dec-25	-	3,620	-	-	-	-	3,620
Term Loan (Embassy Quadron)	NA	Floating	3,000	-	3,000	2,996	8.35%	Jan-27	-	-	3,000	-	-	-	3,000
Term Loan (Embassy Quadron)	NA	Floating	4,600		4,462	4,446	8.35%	Jan-39	70	111	126	161	196	3,796	4,462
Term Loan (Embassy Oxygen)	CARE AAA/Stable	Floating	2,000	-	1,999	1,999	8.09%	Nov-31	15	20	30	30	50	1,874	1,999
Term Loan (Embassy Business Hub)	CRISIL AAA/Stable	Floating	2,750	-	2,750	2,746	8.53%	Mar-25	2,750	-	-	-	-	-	2,750
Overdraft Facility (Various)	CARE AAA/Stable	Floating	3,775	-	3,775	3,750	8.91%	Jul-25	225	2,550	1,000	-	-	-	3,775
Others	-	-	109		55	55		Various	55	-	-	-	-	-	55
Sub-total (B)			**85,476**	**7,730**	**76,880**	**76,633**	**8.27%**		**3,334**	**20,045**	**22,715**	**1,473**	**1,953**	**24,360**	**76,880**
Total (A+B)			**179,576**	**7,730**	**168,497**	**168,080**	**7.82%**		**32,851**	**48,545**	**36,771**	**12,185**	**7,724**	**30,420**	**168,497**

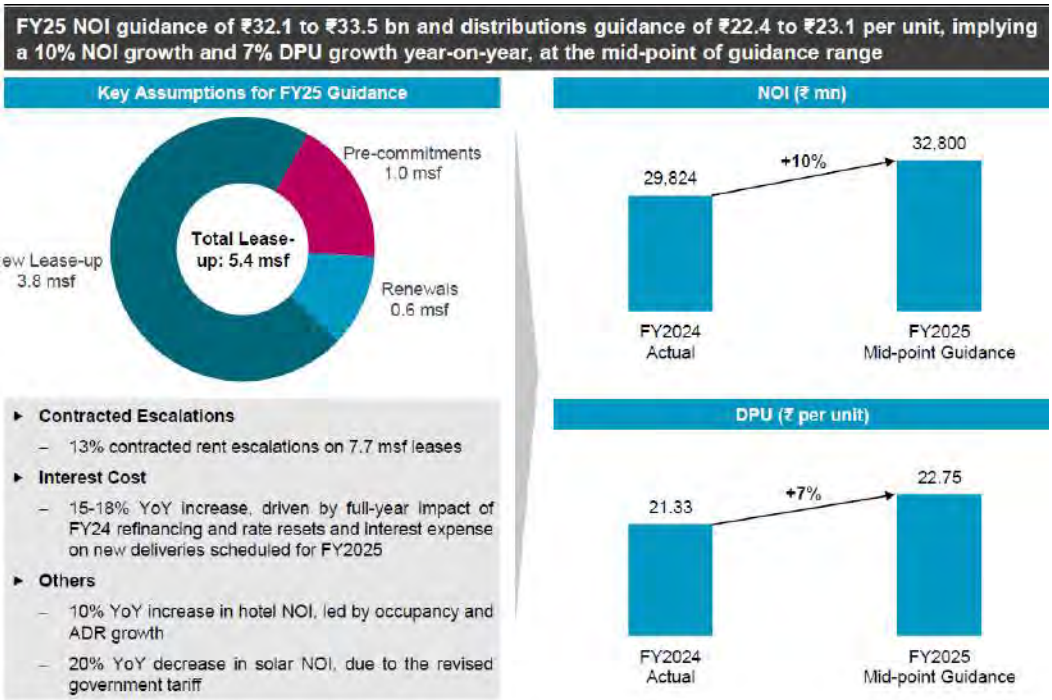
Source: Company data, I-Sec research

Exhibit 8: Embassy REIT – net debt, as of Mar'24 (in INR mn)

Gross Debt	168,080
Less: Cash and cash equivalents	5,351
Net Debt	**162,729**

Source: I-Sec research, Company data

Exhibit 9: Embassy REIT – FY25 guidance



Source: Company data, I-Sec research

Valuation

REITs derive cash flows in the form of interest, debt repayment and dividend payments from owned assets which have differing cash flow profiles. Unlike assets in Infrastructure Trusts such as toll/annuity roads or power transmission assets, which have a fixed tenure of operations, the underlying assets in REITs consist of offices, malls and hotels that are perpetual in nature and carry an element of capital appreciation as well through escalation in rentals, addition of new assets and ramp-up in occupancies. Hence, the total return offered by a REIT should be measured as a mix of annual distributions and capital appreciation of the units of the REIT. Hence, we prefer a DCF-based approach, which captures the upside from uptick in rental income along with the annual distribution of at least 90% of the Net Distributable Cash Flow (NDCF) to REIT unitholders.

Our key assumptions include:

- 5% annual increase in rentals from FY24E.
- Cap rate of 8% on Net Operation Income (NOI) of each asset.
- WACC of 12% assuming 0.3x debt/equity with cost of equity of 14% and cost of debt of 8.5%.

We retain our **ADD** rating with a revised target price of INR 402/unit (earlier INR 405) based on 1x Mar'25E NAV. Key risks to our call are a slower recovery in office leasing and higher portfolio vacancy levels.

Exhibit 10: Embassy REIT – return profile

Embassy REIT Cash Flows (INR mn)	FY21	FY22	FY23	FY24	FY25E	FY65E
Revenue from Operations*	23,603	29,626	34,195	36,852	41,917	49,086
Net Operating Income (NOI)*	**20,324**	**24,913**	**27,661**	**29,817**	**33,435**	**39,448**
EBITDA*	18,508	22,981	25,444	27,693	31,865	37,146
NDCF at SPV level^	18,740	24,785	25,058	25,244	29,620	34,184
NDCF at REIT level^	**18,356**	**20,638**	**20,608**	**20,276**	**21,545**	**25,496**
NDCF Distribution Payout (%)	100%	100%	100%	100%	100%	100%
NDCF Distribution by REIT^	**18,364**	**20,626**	**20,578**	**20,246**	**21,545**	**25,496**
Distribution per Unit	21.5#	21.8	21.7	21.3	22.7	26.9
Distribution Yield (%)	**6.0#**	**5.9**	**5.9**	**5.8**	**6.1**	**7.3**

Source: I-Sec research, Company data, *excludes Golflinks and includes Tech Village from Q4FY21 onwards, ^ includes Golflinks, #assuming proforma diluted shares post ETV acquisition which was done in Dec'20

Exhibit 11: Valuation of Embassy REIT (INR mn)

Enterprise Value	564,664
Less: Mar'25 REIT level net debt*	174,281
Less: Security deposits	9,577
Equity Value	380,806
Equity Value per Unit	**402**

Source: I-Sec research estimates, *adjusted for NDCF distribution in Q4FY24

Exhibit 12: Sensitivity of target price to cap rate and cost of equity

		WACC (%)					
	Target Price = 402	**10%**	**11%**	**12%**	**13%**	**14%**	**15%**
Cap Rate (%)	**6%**	648	608	570	535	501	470
	7%	558	523	489	458	429	401
	8%	490	459	429	401	375	350
	9%	438	409	382	357	332	310
	10%	396	370	345	321	299	278
	11%	362	337	314	292	271	252

Source: I-Sec research, Company data

Proposed Chennai RoFO asset acquisition transaction contours

The Board of the REIT manager of Embassy Office Parks REIT announced on 6 Apr'24, that it has agreed to purchase Embassy Splendid TechZone (ESTZ), a Grade-A business park, from Embassy Sponsor, for an Enterprise Value of INR 12.7bn. Embassy REIT intends to raise unit capital of INR 25bn, primarily to finance the acquisition and reduce the current 30% leverage of the portfolio, providing flexibility for future growth.

ESTZ comprises 1.4msf of completed area, which is 95% occupied and leased to large global companies such as Wells Fargo and BNY Mellon, among others. It also comprises 1.6msf of under-construction area, of which 0.4msf is pre-leased, and 2.0msf of future development potential. The Board of the Manager to Embassy REIT has approved the ESTZ acquisition and an institutional placement via an enabling resolution of up to INR 30bn, subject to unitholder approval.

At the proposed acquisition cost of INR 12.7bn for ESTZ, Chennai, the implied NOI yield stands at 8.5% for completed portion and 10% on development portion. The transaction is at a 6.7% discount to the average of two independent valuation reports and provides estimated accretion of 2.9% to FY24E NOI and Distribution Per Unit ('DPU') on a proforma basis.

Exhibit 13: Embassy Splendid Techzone, Chennai asset profile

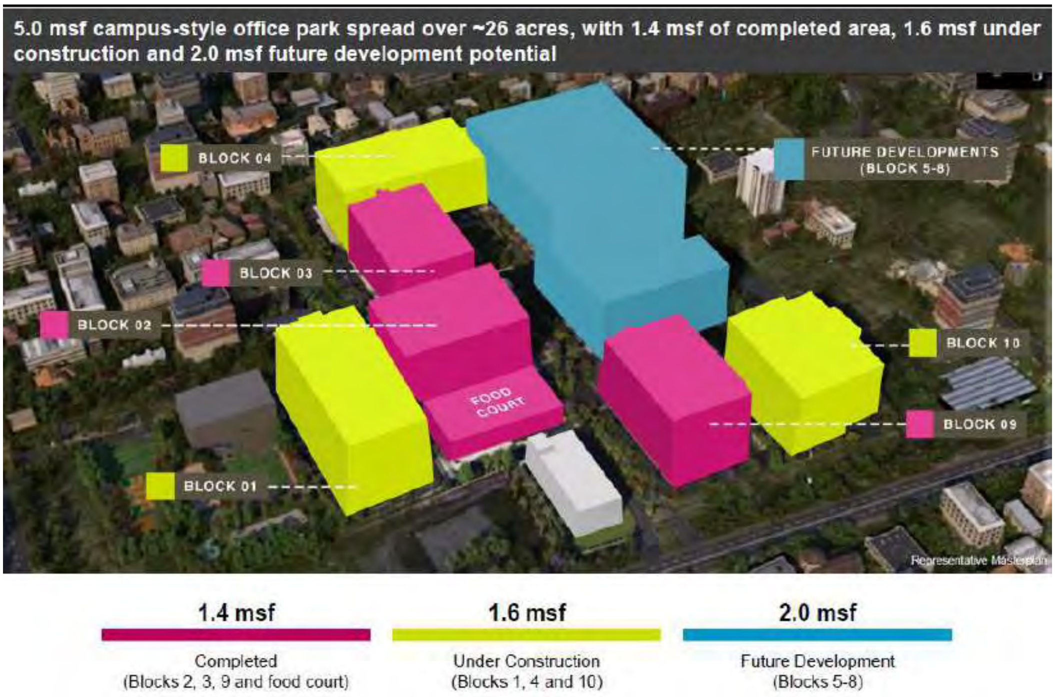
Location	Pallavaram-Thoraipakkam Road, Chennai
Total Leasable Area	5.0 msf
Completed Area / Occupancy	1.4 msf / 95%
Under Construction Area / Pre-Leased %	1.6 msf / 26%
Future Development Area	2.0 msf
In-Place Rent (psf p.m.)	₹69
Gross Rentals from GCCs	81%
WALE	14 years

100% Multinational Occupier Base

Wells Fargo | BNY MELLON | TEKION

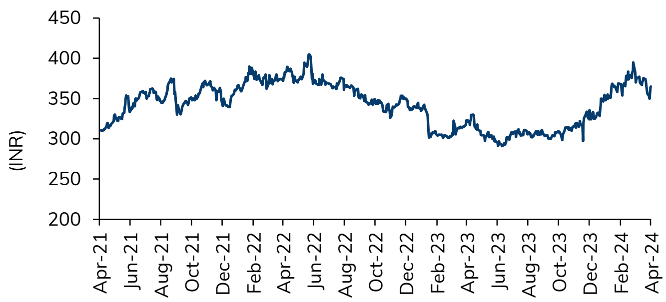
Source: I-Sec research, Company data, (1) All data as of March 31, 2024

Exhibit 14: ESTZ, Chennai asset layout



Source: I-Sec research, Company data, (1) All data as of March 31, 2024

Exhibit 15: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 16: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Revenue from Operations	**34,195**	**36,852**	**41,917**	**49,086**
Operating expenses	6,534	7,618	8,482	9,639
Net Operating Income (NOI)	**27,661**	**29,817**	**33,435**	**39,448**
Operating Expenses	80.9%	79.3%	79.8%	80.4%
Other expenses/REIT expenses	2,217	2,124	1,569	2,302
EBITDA	**25,444**	**27,693**	**31,865**	**37,146**
EBITDA Margin (%)	74.4%	75.1%	76.0%	75.7%
Depreciation & Amortization	11,284	8,853	10,724	12,622
Interest expenditure	9,761	10,872	10,565	11,194
Other Non-operating Income	1,441	2,031	2,270	2,383
Exceptional items	-	-	-	-
Recurring PBT	**5,840**	**9,999**	**12,847**	**15,714**
Less: Taxes	1,558	1,250	3,212	3,928
PAT	**4,282**	**8,748**	**9,635**	**11,785**
Less: Minority Interest	777	892	1,031	1,153
Net Income (Adjusted)	**5,060**	**9,640**	**11,722**	**12,320**

Source Company data, I-Sec research

Exhibit 17: Balance sheet

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Total Current Assets	35,550	24,592	24,930	26,376
of which cash & cash eqv.	8,754	10,268	9,798	10,367
Total Current Liabilities & Provisions	12,396	12,166	13,303	14,420
Net Current Assets	**23,154**	**12,426**	**11,627**	**11,956**
Investments	23,081	22,910	22,410	21,910
Net Fixed Assets	3,20,615	3,35,167	3,29,383	2,96,982
Capital Work-in-Progress	12,668	18,035	23,220	26,389
Total Intangible Assets	64,045	64,045	64,045	64,045
Deferred Tax Assets	-	-	-	-
Total Assets	**4,43,564**	**4,52,584**	**4,50,685**	**4,47,822**
Liabilities				
Borrowings	1,48,055	1,68,080	1,84,080	2,03,080
Deferred Tax Liability	51,826	51,763	51,763	51,763
provisions	-	-	-	-
other Liabilities	-	-	-	-
Total Net Worth	**2,43,683**	**2,32,742**	**2,14,843**	**1,92,980**
Minority Interest	-	-	-	-
Total Liabilities	**4,43,564**	**4,52,584**	**4,50,685**	**4,47,822**

Source Company data, I-Sec research

Exhibit 18: Cashflow statement

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Operating Cashflow	**24,353**	**26,969**	**28,224**	**33,348**
Working Capital Changes	1,302	(1,060)	329	239
Capital Commitments	(10,921)	(16,149)	(16,088)	(18,115)
Free Cashflow	**14,735**	**9,760**	**12,465**	**15,472**
Other investing cashflow	5,776	4,352	3.,175	2,787
Cashflow from Investing Activities	**(16,697)**	**(11,797)**	**(12,913)**	**(15,329)**
Issue of Share Capital	(20)	(28)	-	-
Interest Cost	(9,862)	(11,200)	(10,565)	(11,194)
Inc (Dec) in Borrowings	21,439	19,647	16,000	19,000
Distribution/Others	(20,267)	(20,618)	(21,545)	(25,496)
Cash flow from Financing Activities	**(8,710)**	**(12,199)**	**(16,110)**	**(17,690)**
Chg. in Cash & Bank balance	**249**	**1,912**	**(470)**	**569**
Closing cash & balance	**8,754**	**10,268**	**9,798**	**10,367**

Source Company data, I-Sec research

Exhibit 19: Key ratios

(Year ending March)

	FY23A	FY24A	FY25E	FY26E
Per Share Data (INR)				
Earnings per Unit	5.3	10.2	12.4	13.0
Distribution per unit (DPU)	21.7	21.3	22.7	26.9
Book Value per Unit (BV)	257.1	245.5	226.7	203.6
Growth (%)				
Net Sales	15.4	7.8	13.7	17.1
EBITDA	10.7	8.8	15.1	16.6
EPS (INR)	(43.0)	90.5	21.6	5.1
Valuation Ratios (x)				
P/E	69.4	36.4	29.9	28.5
P/BV	1.4	1.5	1.6	1.8
Distribution Yield	5.9	5.8	6.1	7.3
Operating Ratios				
Debt/EBITDA (x)	5.8	6.1	5.8	5.5
Net D/E	0.6	0.7	0.8	1.0
Profitability Ratios				
RoE	2.0	4.0	5.2	6.0
RoCE	3.6	4.7	5.5	5.8
EBITDA Margins	74.4	75.1	76.0	75.7
Net Income Margins	14.8	26.2	28.0	25.1

Source Company data, I-Sec research

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