ADD (Downgrade from BUY)

CMP: **INR 355** Target Price: **INR 393 (INR 382)** ▲ 11%

ICICI Securities

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02 May 2024

India | Equity Research | Q4FY24 results review

Mindspace Business Parks REIT

Real Estate

Leasing momentum picks up, to flow into distributions from FY25E

Mindspace Business Parks REIT (MREIT) delivered stable Q4FY24 performance, as revenue/NOI remained flat QoQ at INR 6bn/INR4.8bn. While physical occupancy dipped 120bps QoQ to 83.8%, the REIT manager achieved gross leasing of 2msf in Q4FY24 (1.1msf of re-leasing/0.9msf of new leasing). This led to portfolio committed occupancy rising 250bps QoQ to 88.6%, as of Mar'24. With the REIT receiving approval for SEZ de-notification of 0.4msf in FY24 and a further 1.5msf of SEZ area up for de-notification in FY25, the manager is targeting overall portfolio occupancy of 88–90% in FY25E and >90% by FY26E. We lower our rating to **ADD** from Buy with a revised DCF-based TP of INR 393/unit (earlier INR 382) based on 1x Mar'25E NAV. Key risks: Further rise in vacancies across assets and fall in lease rentals.

Stable revenue and NOI traction; leasing uptick

In Q4FY24, the REIT delivered revenue of INR 6bn, which was flat QoQ, while Q4FY24 adjusted NOI of INR 4.8bn was up marginally QoQ. While portfolio physical occupancy dipped 120bps QoQ to 83.8%, the REIT manager achieved gross leasing of 2msf in Q4FY24, consisting of 1.1msf of re-leasing and 0.9msf of new leasing. This has led to portfolio committed occupancy rising 250bps QoQ to 88.6%, as of Mar'24 (90.6% excluding Pocharam asset, which is to be sold). The REIT manager expects the gap between physical and committed occupancy to narrow in H1FY25 as new tenants complete their fit-outs. The REIT has scheduled expiries of 2msf in FY25; and the ability to re-lease, or get new tenants remain key to shoring up overall occupancy.

SEZ de-notification; leasing inertia to flow into distributions

Post the announcement of the SEZ de-notification in Dec'23, the REIT manager has applied and received approval for floor-wise de-notification of 0.4msf at its Airoli asset and has applied for de-notification of an additional 1.5msf of area, mainly in Airoli (balance vacant SEZ area stands at 1.9msf, as of Mar'24). The manager is targeting overall portfolio occupancy of 88–90% in FY25E and >90% by FY26E – backed by leasing demand from Global Captive Centres (GCCs), increased workforce attending office physically, SEZ de-notification benefits and possible decline in interest rates. While FY24 DPU was flattish at INR19.2/unit, we expect significant growth in DPU to kick in from H2FY25, as new leasing and completions drive NOI growth. We expect DPU of INR21.3/unit in FY25E and INR23.0/unit in FY26E. At CMP of INR355/unit, we estimate NDCF yield of 6.0% in FY25E and 6.5% in FY26E.

Financial Summary

Y/E March (INR mn)	FY23A	FY24A	FY25E	FY26E
Net Revenue	22,821	24,292	24,853	28,989
EBITDA	15,376	17,511	18,409	21,520
EBITDA Margin (%)	67.4	72.1	74.1	74.2
Net Profit	4,204	5,614	5,628	6,918
Distribution/Unit (INR)	19.1	19.2	21.3	23.0
NDCF (INR mn)	11,326	11,362	12,608	13,625
P/E (x)	50.1	37.5	37.4	30.4
Distribution Yield (%)	5.4	5.4	6.0	6.5
RoCE (%)	5.7	6.7	7.1	8.3
RoE (%)	2.8	3.9	4.1	5.2

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Market Data

Market Cap (INR)	211bn
Market Cap (USD)	2,523mn
Bloomberg Code	MINDSPCE IN
Reuters Code	MINS BO
52-week Range (INR)	365 /296
Free Float (%)	37.0
ADTV-3M (mn) (USD)	0.6

Price Performance (%)	3m	6m	12m
Absolute	10.4	14.8	11.8
Relative to Sensex	6.6	(1.8)	(10.1)

Previous Reports

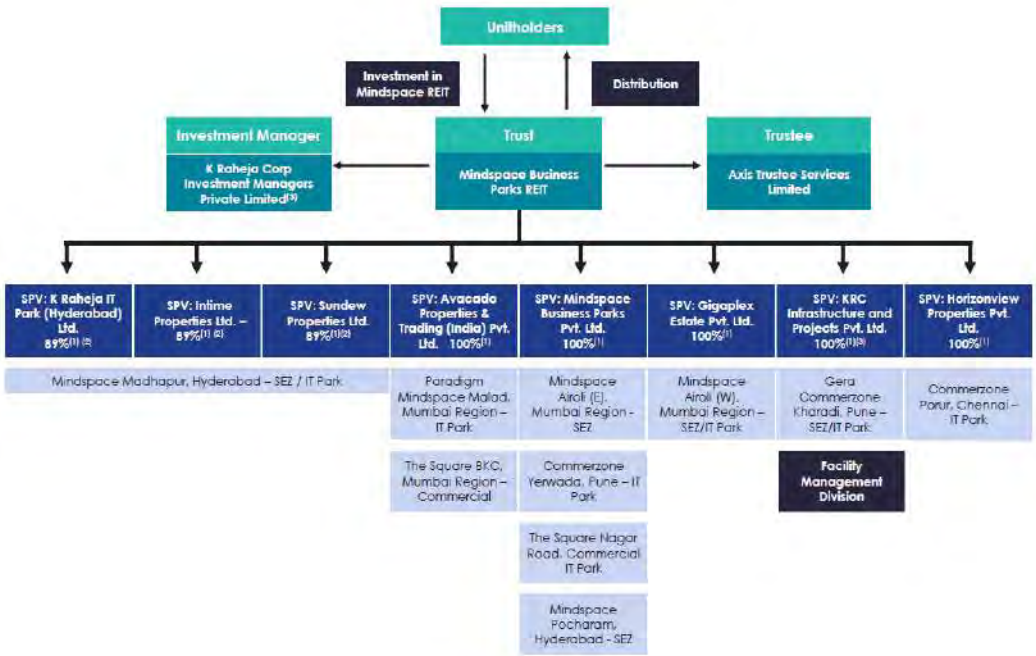
01-02-2024: Q3FY24 results review
20-12-2023: Company Update

Company Profile

Mindspace Business Parks REIT owns five integrated business parks and five quality independent office assets across India with 26.3msf of completed leasable area and 7msf of under construction and future development pipeline. As of 31 Mar'24, the portfolio is stabilised with 88.6% Committed Occupancy and a Weighted Average Lease Expiry (WALE) of 6.8 years. It was listed on 7 Aug'20.

Mindspace REIT is sponsored by the KRC Group (K Raheja Corp.), a prominent real-estate development and retail business group, with experience of over four decades in developing and operating assets across commercial, hospitality, retail, malls and residential segments).

Exhibit 1: Mindspace Office Parks REIT company structure



Source: I-Sec research, Company data, (1) % indicates Mindspace REIT's shareholding in respective Asset SPVs, (2) 11% shareholding in these Asset SPVs is held by Telangana State Industrial Infrastructure Corporation Limited (TSIIC), (3) Investment Manager 'K Raheja Corp Investment Managers LLP' has been re-constituted as 'K Raheja Corp Investment Managers Private Limited' from July 07, 2023

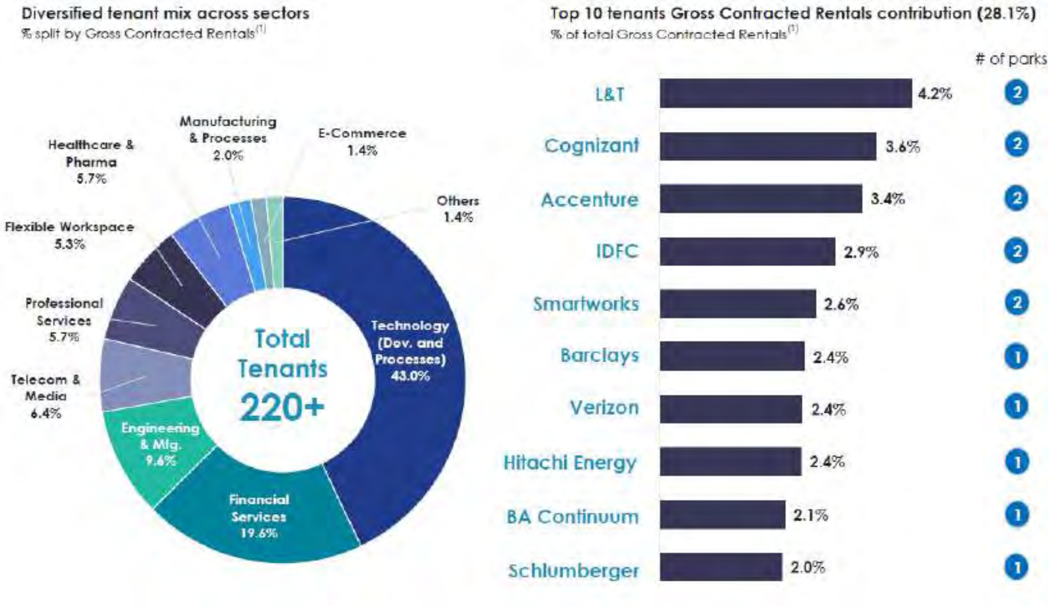
Overview of assets

Exhibit 2: Mindspace Business Parks REIT asset portfolio, as of Mar'24

Asset	Total Leasable Area (msf)	Completed Area (msf)	UC/Future Area (msf)	Occupancy (%)	Committed Occupancy (%)	WALE on area (years)	In-place Rent (INR psf)
Mindspace Airoli East	6.4	4.8	1.6	72.7%	82.2%	4.5	62.8
Mindspace Airoli West	5.3	5.0	0.3	70.1%	80.0%	8.5	59.5
Mindspace Malad	0.8	0.8	-	99.6%	99.6%	3.9	100.1
The Square BKC	0.1	0.1	-	100.0%	100.0%	2.7	240.0
Mumbai Region	**12.6**	**10.6**	**2.0**	**73.8%**	**82.7%**	**6.1**	**68.3**
Gera Commerzone Kharadi	2.9	1.9	1.0	100.0%	100.0%	8.6	80.2
The Square Nagar Road	0.8	0.8	-	100.0%	100.0%	4.4	76.8
Commerzone Yerwada	1.7	1.7	-	94.0%	97.6%	3.7	74.7
Pune	**5.4**	**4.4**	**1.0**	**97.7%**	**99.1%**	**6.0**	**77.6**
Mindspace Madhapur	13.1	9.6	3.6	94.4%	96.4%	7.5	66.3
Mindspace Pocharam	1.0	0.6	0.4	0.0%	0.0%	0.0	-
Hyderabad	**14.1**	**10.1**	**4.0**	**89.1%**	**90.9%**	**7.5**	**66.3**
Commerzone Porur	1.1	1.1	-	76.0%	84.0%	8.5	59.1
Chennai	**1.1**	**1.1**	**-**	**76.0%**	**84.0%**	**8.5**	**59.1**
Portfolio Total	**33.2**	**26.3**	**7.0**	**83.8%**	**88.6%**	**6.8**	**69.0**

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

Exhibit 3: MREIT sectoral and tenant-wise breakup



Source: I-Sec research, Company data, (1) Basis Gross Contracted Rentals as on 31 Mar'24

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Exhibit 4: Quarterly asset-wise performance

Assets	Revenue from Operations (INR Mn)[3]			NOI (INR Mn)			% of NOI
	Q4 FY24	Q4 FY23	FY24	Q4 FY24	Q4 FY23	FY24	Q4 FY24
Mindspace Airoli (E)	981	974	3,879	730	723	2,913	15%
Mindspace Airoli (W)	874	681	3,451	641	472	2,544	13%
Mindspace Malad	255	231	975	221	203	856	5%
The Square BKC	108	116	431	100	108	405	2%
Mumbai Region	**2,218**	**2,001**	**8,736**	**1,692**	**1,506**	**6,717**	**35%**
Gera Commerzone Kharadi [1][2][5]	577	431	2,235	416	362	1,566	9%
The Square Nagar Road	236	198	868	181	157	667	4%
Commerzone Yerwada	482	477	2,011	357	361	1,550	7%
Pune	**1,294**	**1,106**	**5,114**	**954**	**880**	**3,783**	**20%**
Mindspace Madhapur [5]	2,194	2,157	8,837	1,836	1,840	7,468	39%
Mindspace Pocharam	1	21	66	(8)	12	28	0%
Hyderabad	**2,195**	**2,178**	**8,904**	**1,828**	**1,852**	**7,496**	**38%**
Commerzone Porur	229	67	723	177	32	530	4%
Facility Management Business	429	348	1,424	117	95	430	2%
Inter Company Eliminations	(417)	(339)	(1,390)	-	-	-	0%
Total	**5,948**	**5,360**	**23,512**	**4,768**	**4,364**	**18,959**	**100%**

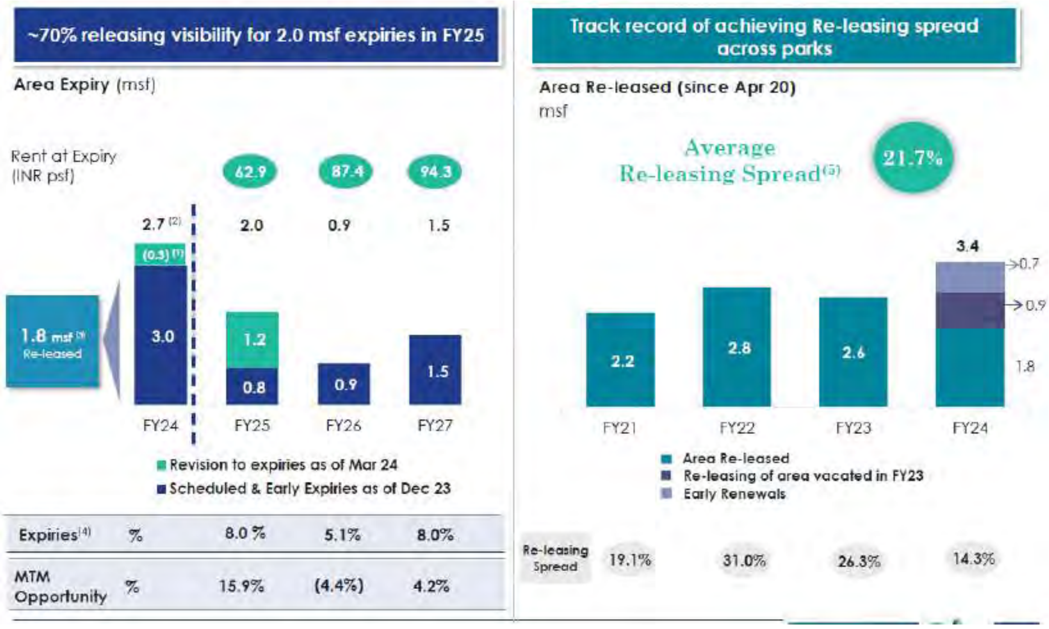
Source: I-Sec research, Company data, (1) Revenue from Operations & NOI numbers above include Regulatory Income/(Expense) of Power Business post re-classification, (2) Revenue from Operations excludes Revenue from Works Contract Services amounting to INR130 Mn in Q4FY24, INR280Mn in Q4FY23, INR655Mn in FY24 and INR2,278Mn in FY23, (3) NOI Includes Margin on work contract services amounting to INR12 Mn in Q4FY24, INR12mn in Q4FY23, INR(55)Mn in FY24 and INR97Mn in FY23, (4) Considered escalations only on area out of lock in, as escalations within lock in have straight lining impact, (5) Includes one off income of INR33Mn in FY24 and INR 186Mn in FY23

Exhibit 5: Quarterly NDCF build up (INR mn)

Particulars	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24
Revenue from Operations	**5,639**	**5,880**	**6,213**	**5,963**	**6,079**
Property Taxes & Insurance	-168	-192	-184	-207	-191
Other Direct Operating Expenses	-1,108	-1,118	-1,119	-1,025	-1,120
Net Operating Income (NOI)	**4,363**	**4,570**	**4,910**	**4,731**	**4,768**
Property Management Fees	-128	-135	-139	-116	-145
Net Other Expenses	-143	-92	-192	-140	-131
EBITDA	**4,092**	**4,343**	**4,579**	**4,475**	**4,492**
Cash Taxes (Net of Refunds)	-402	-326	-502	-663	-423
Working Capital changes and other changes	203	138	-585*	216*	-345
Cashflow from Operations	**3,893**	**4,155**	**3,492**	**4,028**	**3,724**
Capex including capitalized Interest	-2,349	-,2589	-3,332	-3144	-2,490*
Net Debt (repayment) / drawdown	2,617	2,463	3,836	3,462	1,819^
Equity infusion	-	-	-	200	1,050
Debt drawn to service REIT debt	-	-	-	-	-
Finance Costs paid for the period (excluding interest to REIT)	-583	-488	-441	-409	-486
Proceeds to shareholders other than Mindspace REIT	-246	-220	-176	-171	-154
NDCF (SPV Level)	**3,332**	**3,321**	**3,379**	**3,966**	**3,463**
Net Distributions from SPV to REIT	3,241	3,306	3,372	4,003	3,443
Net Debt (repayment) / drawdown	-	-	-	-554	-
Other Inflows / (Outflows) at REIT Level	-381	-442	-518	-577	-604
NDCF (REIT Level)	**2,860**	**2,864**	**2,854**	**2,872**	**2,839**
Distributions	**2,852**	**2,846**	**2,841**	**2,846**	**2,829**
Dividend	2,591	2,568	2,550	2.544	2,556
Interest/Other income	261	278	291	303	273

Source: Company data, I-Sec research, *Working Capital includes Net Fitout Capex INR419Mn and INR(87)Mn pertaining to works contract; Adjusted for the above, Working capital would have been INR(14)Mn and Capex would have been INR(2,822)Mn, ^Net debt drawdown of INR2,819Mn (excluding INR1,000Mn equity infused in Horizonview SPV by Mindspace REIT)

Exhibit 6: MREIT REIT lease expiry profile



Source: I-Sec research, Company data, (1) Termination notice of 0.3msf deferred to FY25, (2) Excludes early renewals of 0.7msf during FY24, (3) Includes efficiency adjustment of 146,000, (4) Gross rent as % of total rent of Completed Area as of 31Mar'24, (5) Re-leasing spread includes spread on extensions and on leasing of vacant area

Exhibit 7: MREIT REIT SPV-wise breakup of lease expiry profile

Asset	FY25			FY26			FY27		
	Area Expiring (msf)	% of Gross Contracted Rentals	Rent at Expiry (INR psf)	Area Expiring (msf)	% of Gross Contracted Rentals	Rent at Expiry (INR psf)	Area Expiring (msf)	% of Gross Contracted Rentals	Rent at Expiry (INR psf)
Mindspace Airoli East	0.6	16.3%	57.2	0.3	9.0%	69.5	0.1	3.2%	69.5
Mindspace Airoli West	0.1	2.8%	48.0	0.1	2.8%	68.5	0.3	8.7%	68.2
Mindspace Malad	0.0	2.9%	101.5	0.3	44.9%	107.7	0.2	18.8%	103.5
The Square BKC	-	0.0%	-	-	0.0%	-	0.1	100.0%	240.0
Mumbai Region	**0.8**	**8.0%**	**57.0**	**0.7**	**10.9%**	**86.0**	**0.7**	**13.8%**	**111.0**
Gera Commerzone Kharadi	0.0	0.0%	-	0.0	0.2%	90.5	0.0	1.4%	84.5
The Square Nagar Road	-	0.0%	-	-	0.0%	-	0.4	44.2%	78.1
Commerzone Yerwada	0.6	33.2%	67.9	0.2	13.6%	98.7	0.1	3.4%	91.1
Pune	**0.6**	**12.5%**	**67.9**	**0.2**	**5.2%**	**98.5**	**0.5**	**9.7%**	**80.0**
Mindspace Madhapur	0.6	6.3%	64.9	0.1	0.7%	75.8	0.3	2.9%	74.9
Mindspace Pocharam	-	0.0%	-	-	0.0%	-	-	0.0%	-
Hyderabad	**0.6**	**3.4%**	**64.9**	**0.1**	**0.7%**	**75.8**	**0.3**	**2.9%**	**74.9**
Commerzone Porur	-	0.0%	-	-	0.0%	-	0.0	0.2%	91.7
Chennai	**-**	**0.0%**	**-**	**-**	**0.0%**	**-**	**0.0**	**0.2%**	**91.7**
Portfolio Total	**2.0**	**8.0%**	**62.8**	**0.9**	**5.1%**	**87.4**	**1.5**	**8.0%**	**94.3**

Source: Company data, I-Sec research

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Exhibit 8: MREIT Debt Maturity Schedule, as on 31 Mar'24

Description (INR Mn)	Fixed/ Floating	Total Facility	Undrawn Facility	Principal O/S	Interest Rate (p.a.p.m.)	Wt. Avg. Maturity (Years)	Principal Repayment FY25	FY26	FY27	FY28	FY29	FY30 & Beyond	Total
At REIT Level													
MLD	Fixed	3,750	-	3,750	6.5%	0.1	3,750	-	-	-	-	-	3,750
NCD (Tranche 2)	Fixed	750	-	750	6.6%	0.1	750	-	-	-	-	-	750
NCD (Tranche 3)	Fixed	5,000	-	5,000	6.3%	0.8	5,000	-	-	-	-	-	5,000
NCD (Tranche 4)	Fixed	5,000	-	5,000	7.9%	3.3	-	-	-	5,000	-	-	5,000
Green Bond	Fixed	5,500	-	5,500	8.0%	2.0	-	-	5,500	-	-	-	5,500
NCD (Tranche 6)	Fixed	5,000	-	5,000	7.7%	2.3	-	-	5,000	-	-	-	5,000
NCD (Tranche 7)	Fixed	5,000	-	5,000	7.9%	2.7	-	-	5,000	-	-	-	5,000
CP	Fixed	1,446	-	1,446	7.7%	0.2	1,446	-	-	-	-	-	1,446
NCD (Tranche 8)	Fixed	3,400	-	3,400	7.8%	3.0	-	-	3,400	-	-	-	3,400
At SPV Level													
TL/LRD - MBPPL	Floating	12,830	1,912	8,853	8.5%	7.7	3,571	420	483	538	593	3,248	8,853
TL/LRD - Sundew	Floating	4,813	1,442	2,511	8.0%	11.9	151	169	184	213	234	1,561	2,511
NCD - Sundew	Fixed	4,000	-	4,000	6.1%	0.2	4,000	-	-	-	-	-	4,000
TL/LRD – KRIT	Floating	2,550	-	2,519	8.3%	11.7	92	112	152	176	208	1,779	2,519
TL/LRD - KRC Infra	Floating	9,690	-	8,554	8.4%	9.8	575	697	851	973	1,102	4,356	8,554
TL/LRD- Horizonview	Floating	4,500	1,884	2,601	8.2%	13.4	43	62	89	122	174	2,111	2,601
TL/LRD - Gigaplex	Floating	3,300	950	2,031	8.4%	6.5	73	92	166	189	209	1,301	2,031
TL - Avacado	Floating	3,000	-	2,852	8.6%	10.3	99	118	145	178	201	2,111	2,852
OD / LOC	Floating	4,476	2,967	1,146	8.4%	8.6	283	21	23	25	27	766	1,146
Total		84,005	9,155	69,914	7.8%	5.2	19,833	1,691	20,993	7,416	2,749	17,233	69,914
Repayment (%)							28.4%	2.4%	30.0%	10.6%	3.9%	24.6%	100.0%

Source: Company data, I-Sec research

Valuations

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 like toll/annuity roads or power transmission assets which have a fixed tenure of operations, the underlying assets in REITs which consist of offices, malls and hotels 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 for Mindspace REIT include –

- 4% increase in market rentals post FY23
- 4% terminal growth rate from FY31E
- Cap rate of 8% on Net Operation Income (NOI) of each asset
- Maximum stabilised long-term occupancy of 95% across assets
- WACC of 12.6% assuming 0.2x debt/equity with cost of equity of 14% and cost of debt of 10%.
- We have not assumed any injection of ROFO assets into the REIT

We cut our rating to **ADD** (from Buy) with a revised DCF-based target price of INR 393/unit (earlier INR 382) based on 1x Mar'25E NAV. At CMP of INR 355/unit, we estimate NDCF yield of 6% in FY25E and 6.5% in FY26E, of which over 80% is estimated to consist of tax-free dividends and capital return. Key risks to our call are further rise in vacancies across assets and fall in lease rentals.

Exhibit 9: Cash flow/Distribution profile of Mindspace REIT

Mindspace REIT Cash Flows (INR mn)	FY22A	FY23A	FY24A	FY25E	FY26E
Revenue from Operations	17,501	20,686	24,135	24,853	28,989
Net Operating Income (NOI)	**14,863**	**17,102**	**18,979**	**20,838**	**24,263**
EBITDA	13,649	15,376	17,511	18,347	21,464
NDCF at REIT level	**10,985**	**11,352**	**11,429**	**12,608**	**13,625**
NDCF Distribution Payout (%)	100%	100%	100%	100%	100%
NDCF Distribution by REIT	**10,942**	**11,326**	**11,362**	**12,608**	**13,625**
Distribution per Unit	**18.5**	**19.1**	**19.2**	**21.3**	**23.0**
Distribution Yield (%)	**5.2**	**5.4**	**5.4**	**6.0**	**6.5**

Source: I-Sec research, Company data, *For 6 months in FY21 from Oct 2020 to Mar 2021

Exhibit 10: Valuation of Mindspace REIT

Enterprise Value (INR mn)	300,172
Less: FY25E REIT level net debt (INR mn)	67,006
Equity Value (INR mn)	**233,166**
Equity Value per Unit (INR)	**393**

Source: I-Sec research, Company data

Exhibit 11: Sensitivity of target price to Cap Rate and WACC

		WACC (%)				
NAV	**393**	**11%**	**12%**	**13%**	**14%**	**15%**
	6%	566	534	504	475	448
	7%	490	462	436	410	387
	8%	433	**408**	384	362	341
Cap Rate (%)	**9%**	389	366	344	324	305
	10%	353	332	313	294	276
	11%	324	305	286	269	253

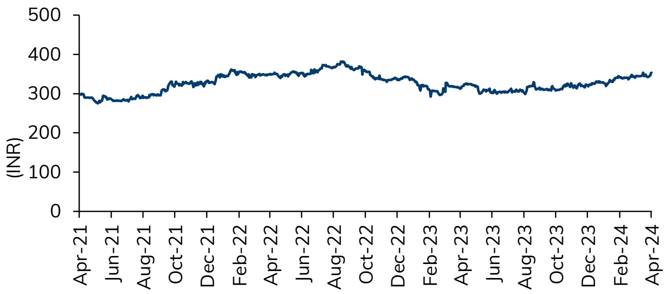
Source: I-Sec research, Company data

Exhibit 12: Sensitivity of target price to Cap Rate and Rental Growth

		Rental Growth Rate – FY24E onwards (%)				
NAV	**393**	**3%**	**4%**	**5%**	**6%**	**7%**
	6%	493	515	539	563	589
	7%	426	445	466	488	511
	8%	376	**393**	412	431	452
Cap Rate (%)	**9%**	337	353	369	387	406
	10%	305	320	335	352	369
	11%	280	293	308	323	339

Source: I-Sec research, Company data

Exhibit 13: Price chart



Source: Company data, I-Sec research

Financial Summary

Exhibit 14: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Revenue from operations	**22,821**	**24,292**	**24,853**	**28,989**
Operating expenses	5,719	5,335	4,015	4,727
Net Operating Income (NOI)	**17,102**	**18,957**	**20,838**	**24,263**
NOI margin (%)	74.9%	78.0%	83.8%	83.7%
Other expenses/REIT expenses	1,726	1,446	2,429	2,743
EBITDA	**15,376**	**17,511**	**18,409**	**21,520**
% margins	67.4%	72.1%	74.1%	74.2%
Depreciation & Amortisation	3,554	3,827	3,807	4,099
Interest expenses	3,431	4,566	5,990	6,805
Other Income	220	477	501	526
Exceptional items	141	(125)	-	-
PBT	**8,752**	**9,470**	**9,113**	**11,142**
Less: Taxes	4,299	3,494	3,007	3,677
PAT before Minority/Associate	**4,453**	**5,976**	**6,106**	**7,465**
Minority Interest	249	362	477	547
Net Income (Adjusted)	**4,204**	**5,614**	**5,628**	**6,918**

Source Company data, I-Sec research

Exhibit 15: Balance sheet

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Assets				
Total Current Assets	8,015	13,037	14,694	17,360
of which cash & cash eqv.	4,268	6,100	7,700	10,307
Total Current Liabilities & Provisions	13,820	30,280	31,545	32,874
Net Current Assets	(5,805)	(17,243)	(16,851)	(15,514)
Other non-current assets/Goodwill	4,861	9,389	9,339	9,289
Investments	29	33	33	33
Net Fixed Assets	2,06,441	2,05,167	2,01,360	1,97,261
Capital WIP	7,867	14,567	19,737	25,329
Total Assets	**2,13,393**	**2,11,913**	**2,13,618**	**2,16,398**
Liabilities				
Borrowings	55,117	58,896	65,896	74,836
Net Worth	1,47,827	1,41,689	1,35,917	1,29,210
Minority Interest	7,955	7,596	8,073	8,621
Deferred Taxes	2,494	3,732	3,732	3,732
Total Liabilities	**2,13,393**	**2,11,913**	**2,13,618**	**2,16,398**

Source Company data, I-Sec research

Exhibit 16: Cashflow statement

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Operating Cashflow	14,137	15,634	15,402	17,843
Working Capital Changes	(207)	(369)	2,466	1,319
Capital Commitments	(7,638)	(10,824)	(5,170)	(5,592)
Free Cashflow	**6,292**	**4,441**	**12,697**	**13,570**
Other investing cashflow	132	(3,763)	526	552
Cashflow from Investing Activities	**(7,506)**	**(14,587)**	**(4,670)**	**(5,066)**
Issue of Share Capital/Distribution	(12,090)	(12,078)	(12,608)	(13,625)
Interest Cost	(3,871)	(4,561)	(5,990)	(6,805)
Inc (Dec) in Borrowings	11,411	15,016	7,000	8,940
Others	(13)	(12)	-	-
Cash flow from Financing Activities	**(4,563)**	**(1,635)**	**(11,598)**	**(11,489)**
Chg. in Cash & Bank balance	1,861	(957)	1,600	2,607
Closing cash & balance	**4,268**	**6,100**	**7,700**	**10,307**

Source Company data, I-Sec research

Exhibit 17: Key ratios

(Year ending March)

	FY23A	FY24A	FY25E	FY26E
Per Share Data (INR)				
Earnings per Unit	7.1	9.5	9.5	11.7
Distribution per unit (DPU)	19.1	19.2	21.3	23.0
Book Value per Unit (BV)	249.3	238.9	229.2	217.9
Growth (%)				
Net Sales	30.4	6.4	2.3	16.6
Net Operating Income	15.1	10.8	9.9	16.4
EBITDA	12.7	13.9	5.1	16.9
PAT	(17.3)	33.5	0.3	22.9
Valuation Ratios (x)				
P/E	50.1	37.5	37.4	30.4
P/BV	1.4	1.5	1.5	1.6
Distribution Yield	5.4	5.4	6.0	6.5
Operating Ratios				
Debt/EBITDA (x)	3.6	3.4	3.6	3.5
Net D/E	0.3	0.4	0.4	0.5
Profitability Ratios				
RoE	2.8	3.9	4.1	5.2
RoCE	5.7	6.7	7.1	8.3
EBITDA Margins	67.4	72.1	74.1	74.2
Net Income Margins	18.4	23.1	22.6	23.9

Source Company data, I-Sec research

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