

# Real Estate

## Third consecutive year of strong demand

### Double-digit growth guidance intact

- In line with historical trends, 4Q has been the strongest quarter for most of the listed companies (among top 14). The cumulative bookings in 4QFY24 were the highest ever at INR344b, up 26% YoY/9% QoQ, and likewise, pre-sales reached a new peak in FY24 at INR1105b, up 41% YoY.
- Growth was driven by 35% increase in new launches to INR1t of which 53% were absorbed during the year and contributed 60% to pre-sales. Further, absorption rate (bookings divided by inventory + launches), improved for third consecutive year and stood at 53% in FY24 versus 48% in FY23 despite a healthy growth of 14% witnessed in blended realization.
- The listed universe is set to witness further pick-up in launches in FY25 to INR1.4t (up 40% YoY) as most of the players have less than 12 months of inventory now. Hence, despite high base we expect our coverage universe to deliver 26% YoY growth in pre-sales in FY25. If companies sustain the absorption rate clocked in FY24, they would deliver 36% growth and surpass the FY25 pre-sales guidance/estimate by 15%.
- With steady interest rates and affordability, the industry is likely to maintain healthy growth at least in the near term. The outperformance by listed players is expected to continue given that most of them are actively foraying in new markets
- Despite sharp run up in last 18 months, the Realty index has only caught up with strong pre-sales performance reported by companies since the beginning of CY22 and large part of expected growth over the next two-three years is yet to reflect in valuations. PEPL, GPL and SOBHA are our top picks

### FY24 ends on a high note; double-digit growth guidance intact

- Listed real estate companies ended FY24 on a high note as they delivered 26% YoY growth in pre-sales in 4QFY24 to INR344b, with 4Q turning out to be the best quarter for most of the companies. Top-14 companies cumulatively reported INR1.1t in pre-sales in FY24, up 41% YoY.
- Our coverage universe posted 13% growth in pre-sales in 4QFY24 and 37% YoY growth in FY24 to INR966b, with volume growth of 19% and price growth of 17%. While the individual performance of most of the companies was healthy, timely launches for a few companies, such as GPL, MLIFE, BRGD, and OBER, enabled them to outperform their peers.
- The cumulative bookings for top 14 listed companies clocked a 42% CAGR over FY21-24, and despite the high base, the companies continued to aspire for 20-30% growth in FY25.

### Absorption rate likely to remain intact at FY23 level (49%)

- Our coverage names ended FY24 with pre-sales of INR946b, up 44% YoY, driven by a 35% increase in launch value and a 500bp rise in the absorption rate (bookings divided by total beginning inventory and launches) to 53%.
- While the absorption rate for cumulative sales of coverage companies dipped to 37% in 1HFY24 from 48% in FY23, it recovered sharply in 2H, driven by increased launches, which generated encouraging responses.
- Going ahead, while cumulative launches for our coverage universe are expected to surpass INR1.4t, pre-sales guidance/our estimates imply an absorption rate similar to FY23 (49%). If companies are able to deliver similar churn like FY24, pre-sales are expected to be 9-10% higher than guidance/estimates at INR1.2t.

**Launches accelerating driven by low inventory**

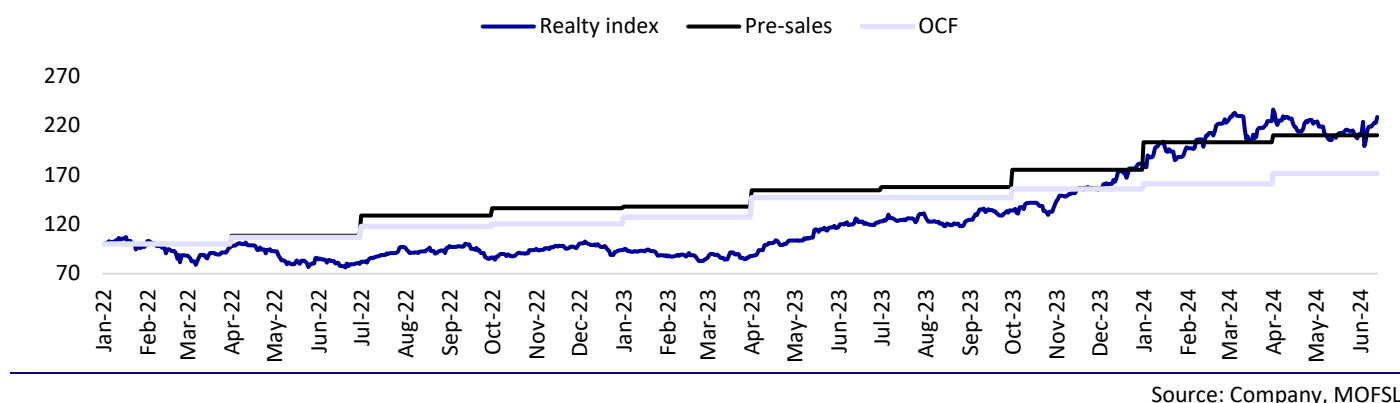
- At the beginning of FY24, inventory for most of the top-14 listed real estate players was below 12 months, which compelled them to scale up the launches in FY24 to ~INR1t from ~INR739b in FY23.
- Despite higher launches, the inventory overhang remained at 13 months at the end of FY24 for most of the companies due to a better churn rate and improved sales velocity.
- Our coverage companies now plan to launch over INR1.4t worth of projects in FY25, which will drive 26% growth in bookings in FY25 to ~INR1.2t.

**Robust cash flows and healthy balance sheet will continue to support future growth**

- In FY24, collections for top 14 players grew by 23% YoY to INR700b and collection efficiency stood at over 90% of FY23 pre-sales and 65% of FY24 pre-sales, indicating the strong quality of pre-sales and healthy execution progress.
- These companies cumulatively generated OCF of INR256b, of which they spent INR152b on new project additions. The surplus money was largely utilized to reduce leverage as net debt declined by INR25b to INR225b.
- As collections coincide with the existing pre-sales rate, OCF will further scale up and, coupled with healthy balance sheet (0.3x of equity for Top-14 players), will provide a strong headroom to fund growth opportunities, enabling further growth visibility.

**Valuation and view**

- Residential real estate sector continued its growth momentum with 14% growth in absorption for top-7 cities in FY24 and realizations grew by 10%. As supply continue to lag the demand (547k units in FY24) and inventory overhang of 11 months, we believe gradual price hikes will continue keeping demand momentum intact.
- Further, with industry growth sustaining at 10-15%, listed players are bound to report growth that is at least 10-15% higher than industry growth, as they continue to gain market share by consolidating their position in existing markets as well entering at least two new markets.
- With a favorable demand-supply balance, a comfortable inventory position, healthy pricing power and a market consolidation opportunity, we expect buoyancy in the real estate sector to continue at least for the next two-three years. Accordingly, we remain constructive on the sector.
- While the Realty Index has jumped three-fold since the RBI took a pause in rate hikes in Apr'23, it has just caught up to strong pre-sales performance reported by companies since the beginning of CY22. It is trading at a 10% premium to pre-sales growth (refer Exhibit 1). Thus, a large part of expected growth over the next two-three years is yet to reflect in valuations.
- We have a BUY rating on LODHA, GPL, PEPL, BRGD and SOBHA and are Neutral on DLFU, MLDL, and OBER. **PEPL, GPL and SOBHA** are our top picks

**Exhibit 1: Realty Index has only caught up with strong performance delivered by companies since CY21**

### Key management commentaries

- LODHA | Launches:** The company intends to launch 10msf with GDV of INR121b in FY25. **Guidance:** The management is confident of achieving a 20% CAGR in pre-sales over the next few years. **Township:** LODHA achieved INR22b in sales across two townships and anticipates 30% growth in FY25, given the progress in infrastructure.
- OBER | Launches:** The Pokhran project remains on schedule for launch during the festive season (Oct'24). Additionally, OBER plans to launch a new tower at Borivali and offer inventory on higher floors in Mulund in FY25. **BD:** The company is mindful of significant cash flow that can be generated from existing developments and intends to redeploy it in a prudent way.
- GPL | Guidance:** The management remains confident of sustaining 20% growth over the medium term. The company plans to launch new projects worth INR300b and it is fair to say that new launches will continue to drive sales in FY25. **BD:** BD is largely dependent on the kind of opportunities available and the guidance of INR200b is not a limit to new additions. **Margin:** On a pro forma basis, EBIT margin stood at 27% in FY24. It will remain in the 25-30% range and is not dependent on the performance of any single market.
- DLF | Launches:** The pipeline has increased to INR360b (vs. INR295b in 3QFY24) and includes the second phase of Privana (already launched in 1QFY25), Goa (2Q), a super luxury project in DLF 5 (3Q), and the third phase of Privana, along with the Mumbai project in 4QFY25. **Cash flow:** The company aims to grow collections by 15% in FY25. It has surplus cash of INR20b (excluding INR40b locked in RERA escrow), of which INR10b will be utilized for debt repayment.
- PEPL | Launches and guidance:** Despite a high base of INR210b, the management is confident of achieving 25-30% growth (INR260b) in bookings in FY25, driven by a vast launch pipeline of INR600b. Timely launches can also enable it to comfortably exceed the guidance. **ADIA Fund:** The capital will be used to develop four large projects – one each in Bengaluru, Goa, Mumbai, and NCR. PEPL has so far received INR5b, which will be used to retire the debt in the Ocean Towers project in Mumbai.
- BRGD | Launches:** Of the 12.6msf of new launches, 7.5msf is planned in Bengaluru, 3msf in Chennai, and 2msf in Hyderabad. BRGD generated ~INR55b of bookings from Bengaluru and it can grow at a steady pace in the near term.



**Mahindra**  
Lifespaces



**Sunteck**

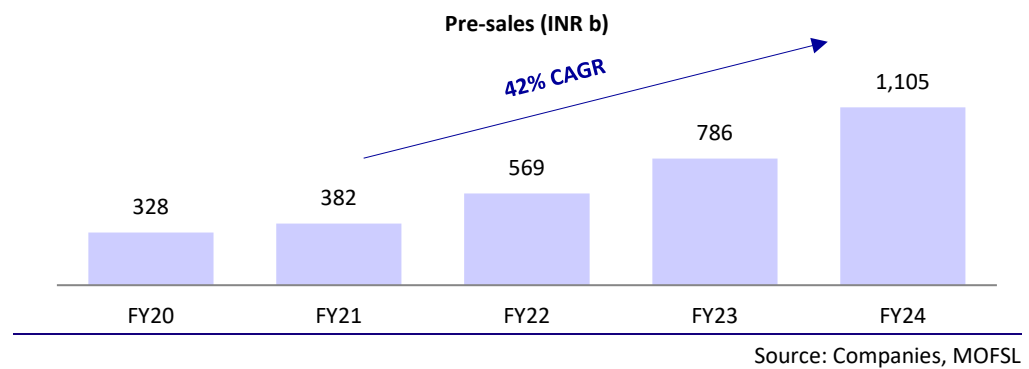
**Annuity portfolio:** Office demand is expected to be robust in FY25, driven by medium and large-sized tenants, dominated by automobile, technology, manufacturing, and engineering sectors. The rental income can grow by 15-16% YoY and reach INR7b by the end of FY25.

- **SOBHA | Launches and guidance:** Of the 17msf pipeline, SOBHA expects to launch 9msf of projects in FY25 with a GDV potential of >INR90b. Of the 9msf, 60% will be in Bengaluru, 2.8-3.0msf in Gurugram, and the balance in Chennai and Kerala. It expects pre-sales of INR85b in a base case in FY25 and aims to reach INR100b if the inventory offtake is better than expected.
- **MLIFE | Launches:** The contribution of projects launched at the end of 4QFY24 will be reflected in 1QFY25. Additionally, the two redevelopment projects and the recently acquired small land parcel in Whitefield (Bengaluru) are also expected to be launched in FY25. **Capital raise:** In order to increase the scale of business by 5x by FY28, the company needs to achieve INR450b worth of BD, which would require a capital commitment of INR70-75b. This would be partly funded by accruals and debt headroom, and for the balance amount, the management is exploring multiple options to raise capital (either a platform deal or QIP).
- **KPDL | Guidance:** KPDL will launch INR80b worth of new projects in FY25, with Mumbai projects expected to be launched in 2HFY25. Given the strong launch pipeline, the management is confident of achieving bookings of INR35b in FY25, of which INR20-25b can be from new launches and the balance from existing inventory.
- **SRIN | Guidance:** Sunteck is aiming to launch the Napean Sea and Bandra projects in FY25, and these projects have a combined GDV of INR30b. The management expects 30-35% pre-sales growth in FY25 and it is confident of achieving it even if the launch of Napean Sea is delayed.

### Third consecutive year of sustained tailwind

- Listed real estate companies ended FY24 on a high note as they delivered 26% YoY growth in pre-sales in 4QFY24 to INR344b, with 4Q turning out to be the best quarter for most of the companies. Top-14 companies cumulatively reported INR1.1t in pre-sales in FY24, up 41% YoY.
- FY24 was the third consecutive year of sustained tailwinds as cumulative pre-sales for the top-14 companies saw a 42% CAGR over FY21-24 and a few companies, including DLF, GPL and PEPL, delivered an over 50% CAGR during the same period.

#### Exhibit 2: Pre-sales for top-14 companies saw 42% CAGR over FY21-24



#### Exhibit 3: Sales for top-14 listed companies increased 41% YoY in FY24

Pre-sales (INR b)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	YoY (%)	QoQ (%)	FY23	FY24	YoY (%)
DLFU	27	20	21	25	85	20	22	90	14.6	-83	-84	151	148	-2
GPL	32	25	24	33	41	23	50	57	95.0	135	66	122	225	84
LODHA	35	28	31	30	30	34	35	34	41.9	38	23	120	145	20
OBER	9	8	12	6	7	5	10	8	17.8	164	124	32	40	24
PEPL	33	30	35	25	39	39	71	53	47.1	21	-12	129	210	63
BRGD	10	8	8	10	15	10	12	15	22.4	50	54	41	59	44
SOBHA	11	11	12	14	15	15	17	20	15.0	3	-23	52	66	28
MLIFE	3	6	4	5	4	4	5	5	10.9	201	113	18	24	33
SRIN	5	3	3	4	5	4	4	5	6.8	27	49	16	19	20
KPDL	5	4	4	7	7	7	6	7	7.4	5	-1	22	28	26
PURVA	8	5	8	8	10	11	16	12	19.5	94	57	31	59	90
ASFI	2	2	2	5	4	4	3	2	8.6	98	396	13	18	37
RUSTOMJE	10	2	5	4	5	5	3	6	8.4	78	37	16	23	41
CENT	13.2	4.3	5.6	3.8	8.1	2.1	7.1	1.9	28.8	257	1424	22	40	83
<b>Total</b>	<b>181</b>	<b>158</b>	<b>174</b>	<b>180</b>	<b>274</b>	<b>182</b>	<b>262</b>	<b>316</b>	<b>344</b>	<b>26</b>	<b>9</b>	<b>786</b>	<b>1,105</b>	<b>41</b>

Source: Company, MOFSL

#### Exhibit 4: Volume growth for FY24 stood at 23% YoY

Pre-sales (INR b)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	YoY (%)	QoQ (%)	FY23	FY24	YoY (%)
DLFU	2.4	1.2	1.6	1.5	5.0	0.9	0.8	5.0	0.8	-85	-85	9.3	7.5	-20
GPL	4.2	2.8	2.7	4.4	5.3	2.3	5.2	4.3	8.2	56	88	15.2	20.0	31
LODHA	3.0	2.2	2.1	2.5	2.5	2.8	2.6	2.6	3.3	32	27	9.3	11.3	22
OBER	0.5	0.4	0.4	0.4	0.2	0.1	0.2	0.3	0.5	100	75	1.4	1.1	-21
PEPL	4.9	3.6	4.6	2.9	4.0	3.8	6.8	5.5	4.1	3	-25	15.1	20.2	34
BRGD	1.5	1.2	1.2	1.5	2.4	1.5	1.7	1.7	2.7	13	60	6.4	7.5	19
SOBHA	1.3	1.4	1.3	1.5	1.5	1.4	1.7	1.7	1.3	-9	-19	5.7	6.1	7
MLIFE	0.4	0.7	0.5	0.6	0.5	0.4	0.7	0.5	0.9	73	60	2.2	2.5	12
SRIN	NA	NA	NA	NA	NA	NA	0.4	0.4	0.6	NA	52	0.0	1.4	NA
KPDL	0.8	0.6	0.6	1.1	1.0	0.9	1.0	1.0	1.0	6	5	3.3	3.9	20
PURVA	1.2	0.7	1.1	1.0	1.2	1.4	2.0	1.6	2.0	66	23	4.0	7.0	76
ASFI	0.5	0.3	0.5	0.9	0.9	0.7	0.6	0.3	1.1	23	216	2.6	2.6	2
RUSTOMJE	0.7	0.2	0.3	0.3	0.3	0.3	0.2	0.4	0.4	36	3	1.0	1.2	15
<b>Total</b>	<b>21.4</b>	<b>15.3</b>	<b>16.7</b>	<b>18.6</b>	<b>24.7</b>	<b>16.4</b>	<b>23.9</b>	<b>25.4</b>	<b>26.8</b>	<b>9%</b>	<b>6%</b>	<b>75.4</b>	<b>92.5</b>	<b>23%</b>

Source: Company, MOFSL

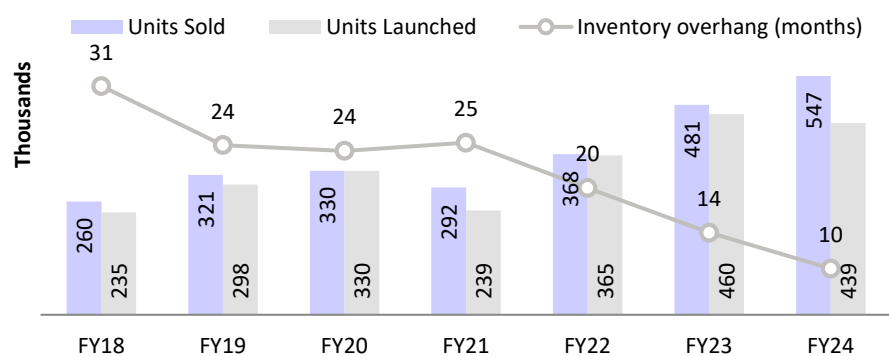
**Exhibit 5: Realization grew by 15% YoY in FY24**

Pre-sales (INR b)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	YoY (%)	QoQ (%)	FY23	FY24	YoY (%)
DLFU	11,277	17,000	12,825	16,713	16,916	22,667	27,850	18,094	19,000	12	5	16,190	19,783	22
GPL	7,669	8,906	8,889	7,357	7,716	10,018	9,607	13,180	11,628	51	-12	8,042	11,254	40
LODHA	11,520	12,791	14,990	12,140	12,120	11,964	13,577	13,115	12,697	5	-3	12,932	12,814	-1
OBER	17,586	18,972	31,210	17,568	29,922	32,647	43,699	30,778	39,378	32	28	23,761	37,296	57
PEPL	6,740	8,298	7,716	8,660	9,722	10,300	10,369	9,755	11,460	18	17	8,570	10,412	21
BRGD	6,640	6,590	6,680	6,599	6,208	6,822	7,479	8,555	8,235	33	-4	6,465	7,866	22
SOBHA	8,265	8,431	8,687	9,660	9,898	10,532	10,224	11,747	11,200	13	-5	9,196	10,926	19
MLIFE	8,200	9,262	8,489	7,377	7,367	8,333	6,691	9,623	12,776	73	33	8,162	9,681	19
SRIN	NA	NA	NA	NA	NA	NA	10,395	10,974	10,794	NA	-2	NA	13,456	NA
KPDL	6,423	7,295	6,554	6,336	7,258	7,538	6,449	7,612	7,184	-1	-6	6,826	7,191	5
PURVA	6,983	7,544	7,393	7,804	8,322	8,279	7,960	7,613	9,701	17	27	7,807	8,441	8
ASFI	4,095	4,555	4,900	5,374	5,073	6,677	5,500	5,191	8,137	60	57	5,079	6,811	NA
RUSTOMJE	15,803	12,200	15,690	16,037	16,893	17,310	19,125	16,649	22,184	31	33	15,433	18,892	NA
<b>Total</b>	<b>8,226</b>	<b>10,110</b>	<b>10,184</b>	<b>9,471</b>	<b>10,883</b>	<b>10,864</b>	<b>11,000</b>	<b>12,445</b>	<b>12,833</b>	<b>18</b>	<b>3</b>	<b>10,222</b>	<b>11,739</b>	<b>15</b>

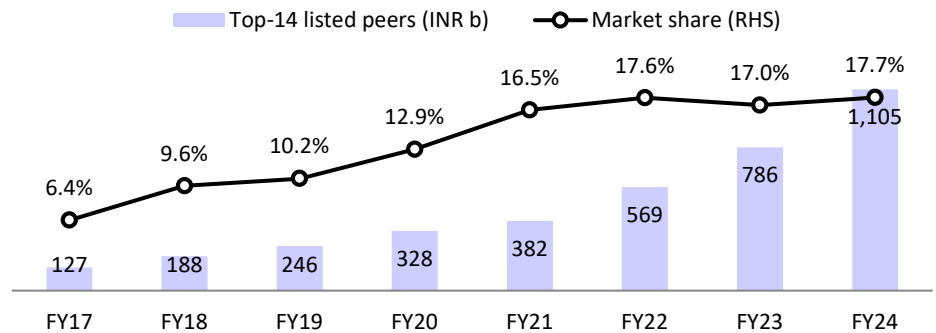
Source: Company, MOFSL

**Market share gains to continue**

- Over FY20-24, the listed players have outperformed the industry growth in terms of bookings by 1.4x, resulting in a consistent increase in their market share to 18% from 13%
- During this period, sales across the top 7 cities recorded 25% CAGR with cities like NCR, Pune and Hyderabad witnessing ~2x jump in sales since the pandemic. With steady interest and improving affordability, the industry is likely to maintain healthy growth at least in the near term
- However, most of the listed peers have a very strong launch pipeline and are targeting at least two new markets apart from their home market, which will lead to a further pick-up in the market share of the listed peers.

**Exhibit 6: Sales volume across top 7 cities increased 14% YoY and with launches lagging absorption, inventory overhang is down to 10 months**

Source: Companies, MOFSL

**Exhibit 7: Market share of the top 14 listed companies expanded to 18% in FY24 from 13% in FY20**

Source: Companies, MOFSL

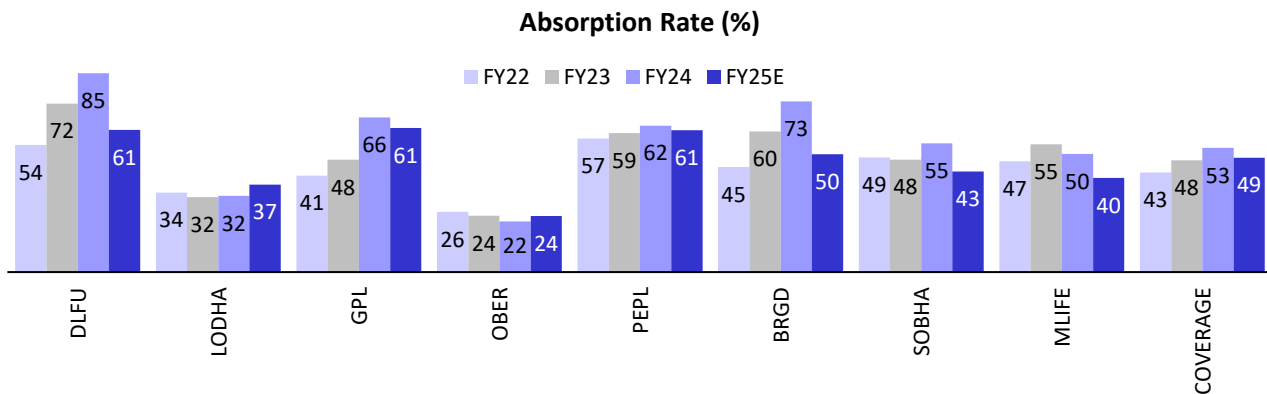
**Exhibit 8: Large players foraying into other markets in pursuit of growth**

Company	Core Market	New market
LODHA	Mumbai	Bengaluru
OBER	Mumbai	Gurgaon
PEPL	Bengaluru	Goa and NCR
SOBHA	Bengaluru	Pune and Hyderabad
BRGD	Bengaluru	Hyderabad
MLIFE	Mumbai & Pune	Bengaluru
GPL	MMR, Pune, NCR & Bengaluru	Hyderabad

Source: Knight Frank, MOFSL

### Encouraging response to new launches drives improvement in absorption

- Our coverage names ended FY24 with pre-sales of INR946b, up 44% YoY, driven by a 35% increase in launch value and a 500bp rise in the absorption rate (bookings divided by total beginning inventory and launches) to 53%.
- Bookings in 1HFY24 were primarily driven by a strong momentum in sustenance sales as launches were subdued for most of the companies, which led to a decline in the absorption rate to 37%. However, it recovered sharply in 2H, driven by increased launches, which generated encouraging response.
- Except LODHA and OBER, all companies have witnessed an improvement in the absorption rate, with GPL and BRGD being the major outperformers.
- Going ahead, while cumulative launches for our coverage universe are expected to surpass INR1.4t, the pre-sales guidance/our estimates imply an absorption rate similar to FY23 (49%). If companies are able to deliver similar churn like FY24, pre-sales are expected to be 9-10% higher than guidance/estimates at INR1.2t.

**Exhibit 9: Our coverage universe to sustain the absorption rate similar to FY23**

Source: Companies, MOFSL

**Exhibit 10: In FY22, the inventory churn for coverage universe stood at 43%...**

FY23	Ready + Ongoing inventory (A)	Launched (B)	Total (C=A+B)	Bookings (D)	Absorption (D/C) (%)
DLFU	60	74	134	73	54
LODHA	197	52	249	84	34
GPL	108	80	189	78	41
OBER	126	25	151	39	26
PEPL	75	107	182	104	57
BRGD	43	25	67	30	45
SOBHA	64	15	79	39	49
MLIFE	12	10	22	10	47
<b>Total</b>	<b>685</b>	<b>388</b>	<b>1,073</b>	<b>457</b>	<b>43</b>

Source: Companies, MOFSL

**Exhibit 11: ...and the same increased to 48% in FY23**

FY23	Ready + Ongoing inventory (A)	Launched (B)	Total (C=A+B)	Bookings (D)	Absorption (D/C) (%)
DLFU	56	153	209	151	72
LODHA	187	164	351	112	32
GPL	120	135	255	122	48
OBER	116	18	134	32	24
PEPL	78	140	218	129	59
BRGD	33	35	68	41	60
SOBHA	40	68	108	52	48
MLIFE	9	24	33	18	55
<b>Total</b>	<b>639</b>	<b>739</b>	<b>1,377</b>	<b>658</b>	<b>48</b>

Source: Companies, MOFSL

**Exhibit 12: Strong demand in new launches resulted in further uptick in absorption to 53% in FY24**

FY24	Ready + Ongoing inventory (A)	Launched (B)	Total (C=A+B)	Bookings (D)	Absorption (D/C) (%)
DLFU	74	100	174	148	85
LODHA	264	182	446	145	32
GPL	110	231	341	225	66
OBER	131	54	185	40	22
PEPL	91	246	337	210	62
BRGD	27	56	83	60	73
SOBHA	58	63	121	66	55
MLIFE	19.2	27	46	23	50
KPDL	14.8	38	53	28	53
<b>Total</b>	<b>788</b>	<b>998</b>	<b>1,786</b>	<b>946</b>	<b>53</b>

Source: Companies, MOFSL

**Exhibit 13: The pre-sales guidance/our estimates for FY25 imply an absorption rate similar to FY23**

FY24	Ready + Ongoing inventory (A)	Launched (B)	Total (C=A+B)	Bookings (D)	Absorption (D/C) (%)
DLFU	37	260	297	180	61
LODHA	362	121	483	180	37
GPL	139	300	439	270	61
OBER	159	85	244	59	24
PEPL	129	300	429	260	61
BRGD	40	130	170	85	50
SOBHA	99	99	198	85	43
MLIFE	34.7	40	75	30	40
KPDL	21.5	80	102	40	40
<b>Total</b>	<b>1,021</b>	<b>1,415</b>	<b>2,436</b>	<b>1,189</b>	<b>49</b>

Source: Companies, MOFSL

### Low inventory driving scale-up in launches

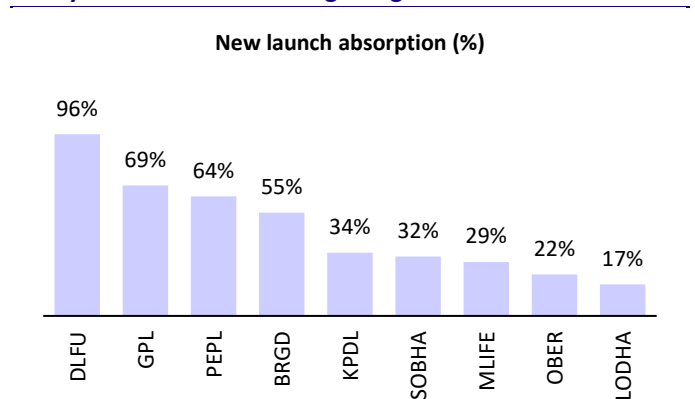
- At the beginning of FY24, inventory for most of the top-14 listed real estate players was below 12 months, which compelled them to scale up the launches in FY24 to ~INR1tn from ~INR739b in FY23.
- Despite higher launches, the inventory overhang remained at 13 months at the end of FY24 for most of the companies due to a better churn rate and improved sales velocity.
- Our coverage companies now plan to launch over INR1.4t worth of projects in FY25, which will drive 26% growth in bookings in FY25 to ~INR1.2t.

**Exhibit 14: 58% of sales were generated from new launches**

Companies	FY24 pre-sales (INRb)	Sustenance share %	New launch share %
DLFU	148	35	65
LODHA	145	79	21
GPL	225	29	71
OBER	40	70	30
PEPL	210	26	74
BRGD	60	49	51
SOBHA	66	70	30
MLIFE	23	43	57
KPDL	28	37	63
<b>Total</b>	<b>946</b>	<b>42</b>	<b>58</b>

Source: Companies, MOFSL

**Exhibit 15: In FY24, companies witnessed 30-100% of their newly launched inventories getting absorbed**



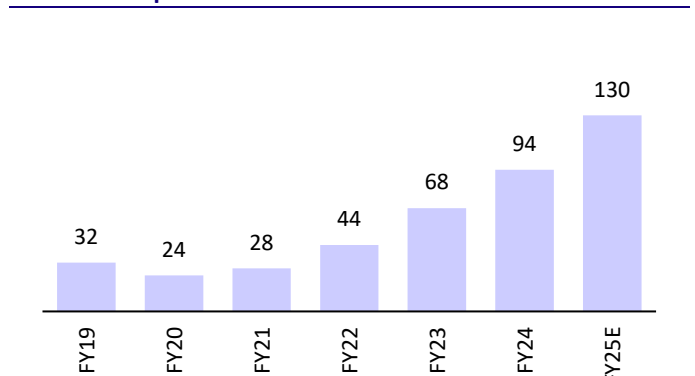
Source: Companies, MOFSL

**Exhibit 16: Inventory overhang for top companies remains at significantly low level...**

Company	Inventory (msf)	Value (INR b)	Trailing 12m sales	Months of Inventory
DLFU	NA	37	148	3
GPL	14.0	140	225	7
LODHA	27.2	362	145	30
OBER	3.7	159	40	48
PEPL	10.7	129	210	7
BRGD	4.1	40	59	8
SOBHA	7.6	99	66	18
MLIFE	5	35	24	17
KPDL	3	22	28	9
<b>Total</b>		<b>1022</b>	<b>946</b>	<b>13</b>

Source: Companies, MOFSL

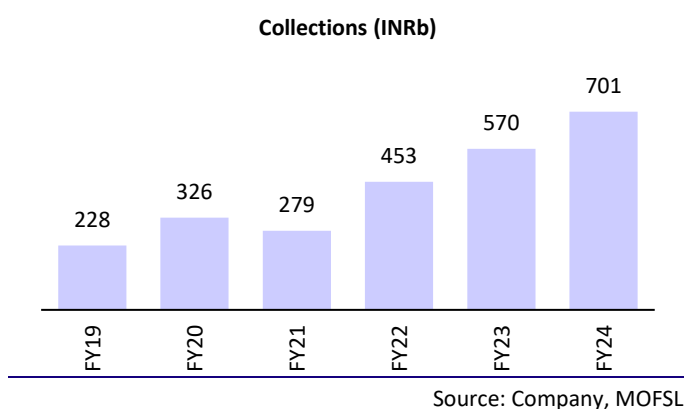
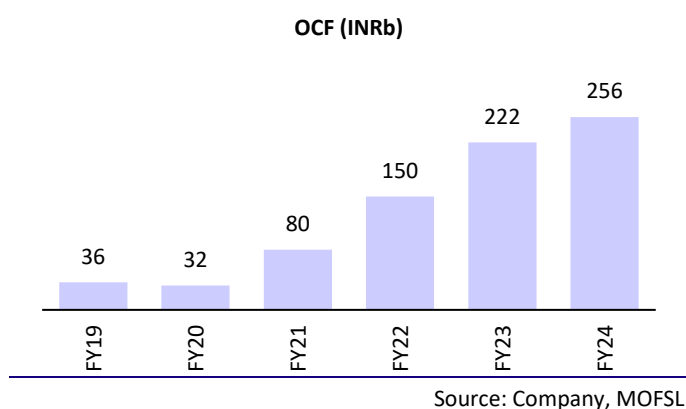
**Exhibit 17: ... leading to a further rise in new launches, which are expected to reach ~130msf in FY25**



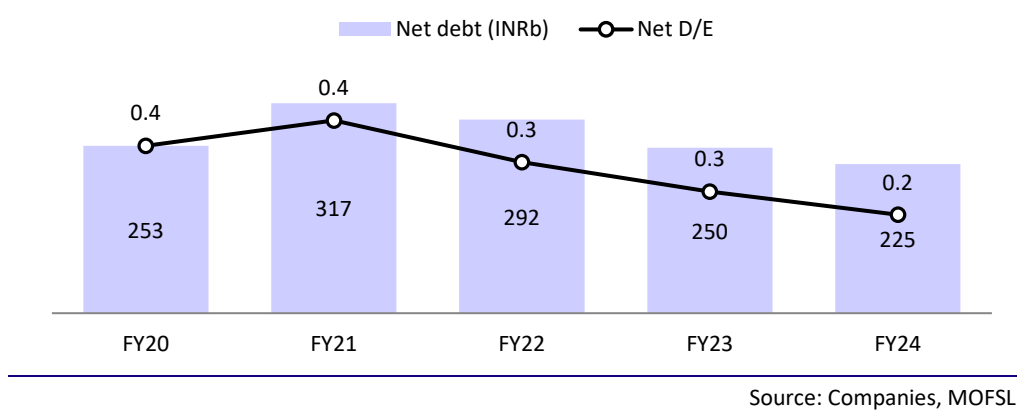
Source: Companies, MOFSL

### Robust cash flows driving growth investments

- In FY24, collections for top-14 peers grew by 23% YoY to INR700b and collection efficiency stood at over 90% of FY23 pre-sales. It declined to 65% in FY24 due to the higher share of sales from new projects. With progress in construction, we expect efficiency to pick up going forward, resulting in higher collections.
- These companies cumulatively generated OCF of INR256b, of which they spent INR152b on new project additions.

**Exhibit 18: Collections increased by 23% YoY****Exhibit 19: Cumulative OCF stood at INR256b**

- Despite continued spending on business development, leverage has been on a downward trajectory, with net D/E declining from 0.4x in FY21 to 0.2x in FY24.

**Exhibit 20: Coverage universe boast a strong balance sheet with D/E of 0.2x**

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