INITIATING COVERAGE *on*

RAYMOND REALTY LTD.

Own-Land Monetisation to
Asset-Light JDA Scale-Up Across MMR

Arihant Capital
Generating Wealth

Initiating coverage
2nd July, 2026

Raymond Realty Ltd

CMP: INR 638

Rating: Buy

Target: INR 1025

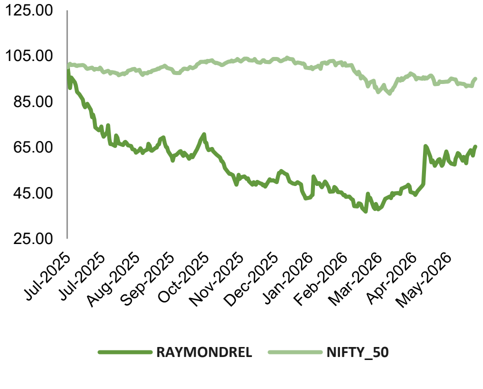
Stock Info	
BSE	544420
NSE	RAYMONDREL
Bloomberg	RAYMONDREL:IN
Sector	Real Estate
Face Value (INR)	10
Equity Capital (INR mn)	667
Mkt Cap (INR mn)	42,180
52w H/L (INR)	1055/349
Avg Yearly Volume (in 000')	525

Shareholding Pattern %
(As on January, 2026)

Promoters	50.7
DII	7.6
FII	4
Public & Others	37.7

Stock Performance (%)	1m	6m	12m
RAYMONDREL	14.5%	22.5%	-34%
NIFTY	2.7%	-8.2%	6%

RAYMONDREL vs Nifty



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Raymond Realty Limited (RRL) is a pure-play Mumbai Metropolitan Region (MMR) developer that entered real estate only in 2019 and has, in six years, built one of the most compelling development pipelines among listed MMR players, spanning a large inherited land bank of 100 acres in Thane at near-zero cost and a growing portfolio of Joint Development Agreements across Mumbai's highest-value and most supply-scarce micro-markets including Bandra, BKC, Mahim, Wadala, Sion, and Kandivali. The company demerged from Raymond Ltd and got individual listing on 1 July 2025. The company delivered its maiden project ahead of its RERA deadline, has consistently grown revenues and pre-sales each year since inception, and entered its listed phase with a clean and debt-free balance sheet.

Investment Rationale

Legacy land bank : RRL holds a rare and durable competitive edge through its inherited land bank of 100 acres in Thane, MMR, acquired from its parent, Raymond Ltd, at historical cost. At prevailing market values of INR 300 – 350 mn per acre, this translates into a multi-billion-rupee asset sitting on RRL's books at negligible cost a structural advantage that flows directly to project-level profitability. This cost advantage enables RRL to generate gross margins meaningfully ahead of peers, who must acquire land at prevailing market rates. Of the 100-acre land bank, 60 acres are currently under active development, housing marquee product brands - Ten X (Aspirational), The Address by GS (Premium) and Invictus by GS (Luxury). The remaining 40 acres, slated for phased launches between FY27 and FY34, represent a revenue potential of INR 97 bn providing multi-year earnings visibility that few peers can match.

Strong project pipeline across Thane and Mumbai- RRL has assembled a robust project pipeline spanning both its captive Thane land parcel and Joint Development Agreement (JDA) projects across key Mumbai micro-markets. The company has demonstrated an encouraging track record of delivering projects ahead of RERA timelines, reinforcing execution credibility. In H2FY26, RRL Launched 5 projects - 3 JDA's BKC, Wadala, & SION and 2 projects in Thane - 2BHK community District 9 and High Street Retail - Park Street. Two additional JDA's in Mahim expected to be launched in FY27 followed by the recent signing of INR 30,000 Mn JDA in Kandivali. Collectively, this development pipeline represents a scale several times the company's current annual revenue, providing a long runway for sustained top-line growth.

Asset light expansion into Mumbai micro markets- RRL has pursued an asset-light growth strategy by signing seven JDA agreements across premium Mumbai micro-markets, including Bandra, BKC, Mahim, Wadala, Sion, and Kandivali, with a combined Gross Development Value (GDV) of INR 170 bn. These agreements operate on a revenue share or area sharing model, thereby eliminating the need for upfront land acquisition capital. The company achieved its 50:50 owned-land/JDA presales mix, two years ahead of guidance. As this JDA portfolio further scales and transitions into the execution phase, it is poised to generate growing, high-margin revenues without meaningfully straining the balance sheet a structurally capital-efficient model that should drive improving return ratios over time.

Visible growth catalyst and strategic road map for margin rebound- RRL's financial trajectory is increasingly well-defined, supported by a combination of accelerating bookings, a widening project pipeline, and an improving cost structure. Management has guided for 20% growth in revenues and pre-sales, and target reaching 20%+ ROCE. Since its separate listing in July 2025, RRL has absorbed elevated central corporate costs and sales & marketing costs, which are putting pressure on margins. However, as JDA projects scale and early-stage costs moderate, margins recoverd to 16% in FY26, progressing toward 17–20% by FY27 - 28, driven by contributions from Wadala, Sion, Thane, and other asset light projects. Meanwhile, operational momentum is already building, pre-sales bookings grew 31% YoY in FY26 and for Q4FY26 it was up by 139% YoY, with three additional project launches queued to sustain this trajectory through FY27.

Outlook & Valuation

We remain positive on Raymond Realty's growth prospects, underpinned by its robust project pipeline and improving margin trajectory, and expect its financials to see healthy improvement over the coming years. Revenue is expected to grow at a CAGR of 20%, driven by new launches across legacy Thane land bank and a scaling JDA portfolio across prime MMR micro-markets. On the profitability front, EBITDA margins are expected to expand from 16% currently to 17–20% by FY27–29E, as upfront launch costs normalize and JDA project revenues begin flowing through under percentage-completion accounting. Pre-sales bookings are expected to accelerate sharply, crossing INR 30,230 Mn in FY26, the highest in the company's history.

On the valuation front, we have valued the company on a NAV basis by applying a multiple of 1x and have arrived at a target price of INR 1025, which represents a potential upside of 63% from current levels. We initiate coverage with a **BUY** rating.

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Investment Thesis

Legacy land bank: Raymond Realty has 100 acres of land in Thane that it inherited from its parent company at historical cost. Any other developer wanting to build in Thane today must pay INR 300-350 Mn per acre upfront before a single unit is sold. Raymond pays nothing. That land cost saving flows entirely to project level profit on every square foot developed. This is not a one-time advantage it is a permanent structural feature of the balance sheet that generates 22-30% points of additional gross margin on every Thane project, for every year until the last acre is developed.

The 60-Acre Active Pipeline

Approximately 60 acres of the land bank are currently under active development, with a total revenue potential of INR 1,58,000 million across projects spanning in the affordable, premium, and luxury segments. Of this, RRL has sold approximately 57% and collected 76% of the sold inventories as customer receipts, reflecting both strong demand and disciplined execution. The remaining unsold inventory provides near-term revenue recognition visibility through FY27–28.

The evolution of this portfolio since 2019 is itself a testament to RRL's execution track record and its ability to consistently read and serve demand across market cycles:

2019 - TenX Habitat: RRL's maiden project on the Thane land bank, positioned in the aspirational 1–2 BHK segment. As of today, the project is 100% sold and was delivered 2 years before RERA timelines, which established immense credibility, given they were the new player on the block

2021 - The Address by GS, Season 1: RRL's first foray into the premium segment on the same land parcel, establishing the brand's ability to move upmarket.

2023 - TenX Era, The Address by GS Season 2, Invictus by GS Tower A: A simultaneous three-project launch spanning the aspirational, premium, and luxury segments — demonstrating RRL's capacity to run parallel execution tracks and address the full demand spectrum. Invictus by GS marked RRL's entry into the luxury segment, a category that commands significantly higher ASPs and margins.

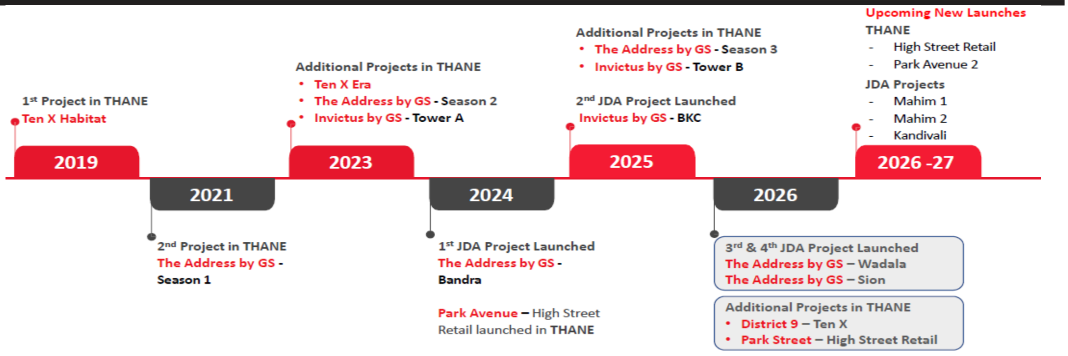
2024 - Park Avenue (High Street Retail): RRL's entry into retail, diversifying revenue streams and enhancing the overall township ecosystem on the Thane land parcel.

2025 - The Address by GS Season 3, Invictus by GS Tower B: The addition of a third season of Address and a second luxury tower in the same year underscores the depth of demand the brand has established. Repeat seasonal launches at scale are only possible when earlier phases have demonstrated strong sell-through which they have.

2026 - TenX District 9: The most recently launched project on the Thane land, adding further pipeline depth to the active development portfolio.

2026 - Park Street - (High Street Retail) – RRL another retail project , which is home to iconic brands, designer boutiques, and gourmet cafes.

Across this six-year launch history, every project has seen strong demand absorption, and the company has built a track record of delivering ahead of RERA timelines, a meaningful trust signal in a sector where execution risk is a primary investor concern.



The 40 Acre Unlaunched Pipeline - The Hidden Value Driver

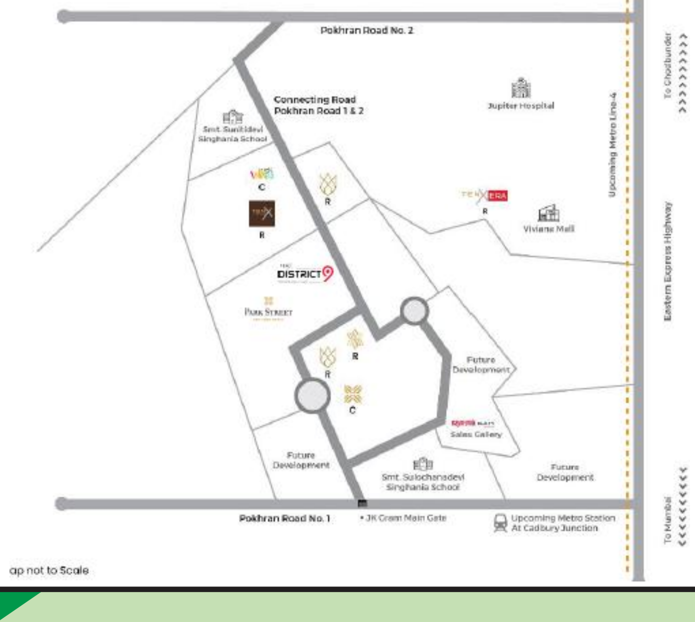
Out of 100 acres of thane land, 60 acres is already under development and the remaining 40 acres of land that has not yet been launched and not even valued till now. This land carries an estimated revenue potential of INR 97,000 mn across 4.8 mn square feet of RERA carpet area and will be brought to market in phases between FY27 and FY34. At RRL's current market capitalization of INR 44,000 mn, the market is assigning precisely zero value to this pipeline.

This is not a speculative future asset. It is the same land, in the same location, with the same historical cost basis as the projects RRL is already executing and selling at 45% sell-through rates. The only difference is that it has not yet been launched. The revenue potential of INR 160,000 mn on this pipeline alone is 6.4 times RRL's current market capitalization.

The valuation gap is further amplified by the macro tailwind building around this specific geography. Thane residential capital values have already appreciated 40% since 2022 and Metro Line 4 has not yet opened. Historically, metro connectivity in MMR has driven 15–25% ASP appreciation in adjacent micro markets within 12–18 months of opening, as evidenced by the Navi Mumbai and Andheri corridor precedents. Raymond's 40-acre unlaunched pipeline sits directly in the catchment zone of this re-rating event at historical land cost. When Metro Line 4 becomes operational, the revenue potential of this pipeline will be revised upward, and the market will be forced to price it.

Margin Superiority - Structural, Not Cyclical

Raymond Realty's EBITDA margin at 16% for FY26 and it is expected to reach 17 - 20% through FY27-FY29E 4-6 percentage points above the peer median of 15-18% for MMR developers working from acquired land. This margin advantage does not require operational outperformance or favorable product mix to sustain. It is purely a function of land cost and their asset light model they are building. If Raymond is developing on its own Thane land, it will earn structurally higher margins than any comparable developer.



Investment Rationale – 2

Asset light expansion into Mumbai micro markets-

Asset-Light JDA Expansion INR 170,000 Mn of Mumbai Pipeline at Zero Land Outflow

The Model: Developer Economics Without Developer Capital

Beyond its Thane land bank, Raymond Realty Ltd has systematically assembled a second growth engine one that requires no land capital, carries no balance sheet risk on land acquisition, and yet delivers developer level margins on some of Mumbai's most supply scarce and highest value addresses. RRL has signed seven Joint Development Agreements across Bandra, BKC, Mahim, Wadala, Sion, and Kandivali, with a combined Gross Development Value of approximately INR 170,000 mn.

The mechanics of each JDA are straightforward. The landowner contributes the plot. Raymond contributes its brand, design capability, and construction expertise. Raymond puts in zero land capital no upfront cash, no debt, no balance sheet exposure on land acquisition. In return, RRL earns developer margins of 25–35% on the free-sale component, which typically constitutes 60–70% of total permissible floor space. The landowner receives their share of units or revenue. Raymond captures the full ASP premium of Mumbai's island city micro-markets without having paid a rupee for the privilege of being there.

This model of real estate development has been used in the industry for quite some time. It is precisely the model through which Godrej Properties constructed its INR 700,000 mn GDV national portfolio and it is the reason the market ascribes 7–8x Price to Book multiples to Godrej Properties today. Raymond Realty is executing an identical model in geographically superior, supply-constrained markets.

Why the JDA Model Works Specifically in Mumbai's Island City

The JDA strategy is not only a capital efficiency choice, it is the only viable strategy for accessing Mumbai's most valuable micro-markets. New greenfield land in Bandra, Mahim, Sion, BKC, and Wadala is not available for purchase at any price. These are fully built out, land locked micro-markets where the only path to new residential supply is through the redevelopment of existing, ageing housing stock, cessed buildings, MHADA colonies, and SRA-eligible clusters, where existing landowners retain legal title but require a credible, financially capable, and trusted developer to execute the redevelopment.

This creates a sourcing dynamic that is fundamentally different from greenfield markets. In redevelopment, the landowner is not simply selling a plot, they have a share in revenue as well. Brand trust and execution track record are the primary selection criteria, not just financial capacity. This is where Raymond Realty's positioning becomes a genuine competitive moat.

Raymond Group carries over 100 years of brand equity in the Indian consumer consciousness, a trust signal that no newly formed or regionally limited developer can replicate. More concretely, RRL has demonstrated Maha RERA-compliant, on-time delivery across multiple projects, with TenX Habitat delivered two years ahead of its RERA commitment date. In a sector where delayed possession is the norm and landowner anxiety in redevelopment negotiations is high, this delivery track record is a sourcing advantage that directly translates into JDA wins.

The Seven JDA Portfolio: Geography, GDV, and Strategic Positioning

RRL's seven signed JDAs are not randomly distributed across MMR. They are concentrated in the micro-markets that combine the highest residential ASPs, the greatest supply scarcity, and the strongest end-user demand in the entire Mumbai region:

JDA Project	Location	Revenue Protentional (INR. Mn)	Segment	ASP Range (INR. Sqft)	Status
Address by GS, Bandra (JDA 1)	Bandra East	20,000	Premium luxury	40,000-55,000	Ongoing; 57% sold
Invictus by GS, BKC (JDA 2)	BKC / Bandra East	20,000	Ultra-luxury	55,000 – 65,000	Launched Dec 2025
Address by GS, Wadala (JDA 3)	Wadala East	50,000	Premium	30,000 – 35,000	Launched Jan 2026
Sion (JDA 4)	Sion	14,000	Mid-premium	30,000 – 40,000	Launched March 2026
Mahim 1 (JDA 5)	Mahim West	17,000	Luxury	45,000 – 58,000	H2FY27E
Mahim 2 (JDA 6)	Mahim	18,000	Luxury	45,000 – 58,000	H2FY27E
Kandivali (JDA 7)	Kandivali West	30,000	Mid-premium	22,000 - 32,000	FY28E
Total		170,000			

The combined GDV of INR 170,000 million across these seven locations is not a future aspiration it is a contracted, legally structured pipeline sitting on RRL's books today. The Wadala project, The Address by GS, with a GDV of INR 50,000 million, has already been launched in H2FY26, providing the first proof of concept for the JDA model's ability to generate pre-sales at scale in Mumbai's island city markets.

Investment Rationale 3

Strong project pipeline across Thane and Mumbai-

Raymond Realty is entering the most active launch phase in its six-year operating history. Between FY26 and the end of FY27, the company is set to launch projects aggregating approximately INR 170,000 mn+ of revenue potential nearly five times its FY26 annual revenue. Five of these launches have already executed: Invictus by GS BKC in December 2025, The Address by GS Wadala in January 2026, TenX District 9 in March 2026, Park Avenue in March 2026 and Sion in March 2026. Four more are planned over the next 12-15 months across Mahim (2 Projects), Kandivali and 2 at legacy land of thane.

The financial mechanics of this launch cadence are straightforward and powerful. Every launch adds bookings. Every booking adds revenue recognition 12–24 months later. Every revenue recognition drives EBITDA and PAT growth. The pre-sales inflection is already visible in reported numbers, booking value grew 31% YoY to INR 30,230 mn in FY26 and critically, most of the pipeline launches have not yet contributed a single rupee to that figure. The current market capitalization does not reflect the earnings trajectory that this launch sequence will mechanically produce.

The Launch Calendar: What Is Coming and When

The six launches that constitute this 18-month pipeline span both RRL's owned Thane land and its JDA portfolio across Mumbai, covering the full segment spectrum from aspirational to ultra-luxury:

The Launch Pipeline in Detail

Project	Revenue Potential (INR Mn)	Launch Status	Rev Recognition Start
Invictus by GS, BKC	~20,000	Launched Dec 2025	FY27E
Address by GS, Wadala	~50,000	Launched Jan 2026	FY27E
Ten X District 9, Thane Park Street	~20,000	Launched Mar 2026	FY27E
Sion JDA	~14,000	Launched Mar 2026	FY27-28E
Mahim 1	~17,000	H2FY27E	FY28E
Mahim 2	~18,000	H2FY27E	FY27
Kandivali	~30,000	FY28E	FY28-29E
Total	~170,000	--	

Five projects launched, three queued. The pipeline is not aspirational, it is legally structured, RERA-bound, and in active pre-launch preparation. The simultaneous H2FY26 launches across BKC, Wadala and Sion mark RRL's first multi-geography launch calendar outside Thane, with Mahim and Kandivali extending it through FY27 - a structural shift in the company's operating scale and geographic reach.

Rapid absorption validates demand depth - Every FY26 launch has drawn demand within its launch quarter, and the March 2026 openings within days. Sion booked ~4% of launched inventory in its opening week, Ten X District 9 ~12% almost immediately, Wadala ~30% within a quarter, and BKC ~38% since its December 2025 launch, with Park Street retail ~73% sold converting newly launched GDV into contracted pre-sales early and pulling collections forward.

The ASP Uplift: JDAs Generate 2–4x Revenue Per Square Foot vs Thane

One of the most consequential financial implications of this launch calendar is the step-change it creates in RRL's blended revenue per square foot, entirely independent of volume growth.

A Thane apartment currently generates INR 17,000–23,000 per square foot on saleable area. A Bandra or BKC apartment generates INR 35,000–65,000 per square foot. A Wadala apartment generates INR 30,000–35,000 per square foot and a Sion apartment generates INR 28000 – 35000 Per sq. ft. As JDAs scale from ~22% of pre-sales in FY25 to 54% in FY26, achieving management's medium-term 50% target two years ahead of an FY28 timeline the portfolio's revenue base shifts decisively toward Mumbai's higher-value micro-marketsThe earnings impact is largely mechanical. JDA flats sell at much higher prices per square foot than Thane, so as they make up a bigger share of the mix, RRL's average realisation rises even if total units sold stay flat — we estimate a ~20–25% lift as the mix matures. It needs no extra land, approvals, or repricing; geography alone does the work.This is the part the market is missing. JDA pre-sales start converting into reported revenue from FY27, as the Bandra, BKC and Wadala towers hit their construction milestones, and the richer mix feeds the top line with a lag. We think consensus underestimates this, making it a recurring source of earnings upgrades through FY27–FY28.

Wadala: The Pivot Proof Point

The Address by GS, Wadala is the redevelopment project of RRL. At a total GDV of INR 50,000 mn across 8.5 acres offering ~1.7 lac sq.ft of recreational area in Wadala East, it is the largest single project the company has ever launched. This project is in partnership and of the total GDV, INR 30,000 mn accrues to Raymond Realty, with the balance of INR 20,000 mn retained by the partner.

Structure and Execution Readiness. The project is being developed in partnership, they have already cleared 6.5 of the 8.5 acres, the single most time consuming element of any redevelopment project. Raymond's involvement commenced at a late stage of the land preparation process, which materially reduces time-to-revenue recognition relative to a greenfield or early-stage JDA. The project holds its Commencement Certificate and is fully RERA registered, eliminating the two most common sources of pre-launch execution risk in Mumbai redevelopment.

Product and Pricing. The project offers 2 and 3 BHK homes from INR 24 million, a price point that sits at the accessible end of central Mumbai pricing while benefiting from a location that is 8 minutes from BKC, 4 minutes from the Eastern Freeway, and 5 minutes from the Monorail.

Early Sales Validation. The project received a phenomenal response on launch, with 80 units sold within the first 10 days a velocity that, if sustained, would make Wadala one of the fastest-selling large-format launches in the Mumbai mid-premium segment in recent years.

The Macro Tailwind. Wadala East capital values have already appreciated 26% since 2022 and the area's primary infrastructure catalyst, metro connectivity, is yet to fully commission. The appreciation seen so far has occurred before the complete benefit of the transit upgrade has materialized. When metro connectivity becomes fully operational, the pricing dynamics in Wadala East are expected to strengthen further, directly benefiting the project's remaining inventory.

Investment Rational 4

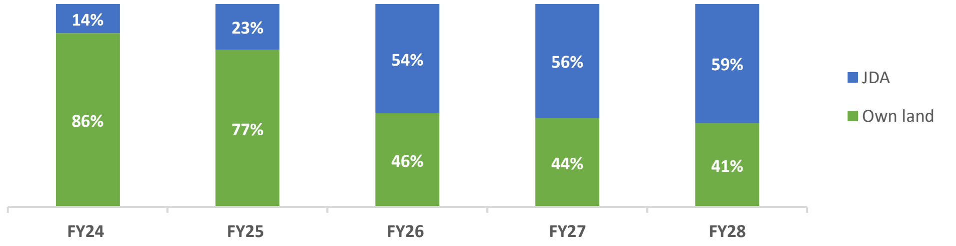
Visible Growth Catalysts and Strategic Roadmap for Margin Rebound

RRL was demerged from Raymond in July 2025, many of the parent's shareholders had no mandate to hold a small-cap real estate stock and exited forced selling tied to the demerger, not the fundamentals, pushing the price to a 52-week low of INR 349 even as the business kept growing. Since then, the company has met every target it had set, and even delivered some projects ahead of schedule, and the stock has recovered by about 70%. The numbers back this up: FY26 pre-sales reached a record INR 30,230 Mn, up 31% over the previous year, with Q4FY26 up 139%. Even after this recovery, the stock still looks cheap compared with what the company is actually worth its 40-acre Thane land, which has not even been launched yet, could on its own be worth several times today's market value. We see room for the share price to roughly double from here as this value is unlocked and the catalysts below play out over the next 6–18 months.

Catalyst 1 - JDA Mix Inflection: Delivered, One Year Ahead of Schedule

Management had originally guided for a 50:50 split between Thane and JDA pre-sales by FY28. RRL achieved it in FY26 itself, with JDAs contributing 54–56% of annual booking value up from just 22% in FY25. This is not a rounding difference; it is a structural shift in the earnings quality of the business. As JDA projects are concentrated in Mumbai's island city and inner western suburbs Bandra, BKC, Wadala, Sion where ASPs are 2–4x Thane levels, the blended revenue per square foot sold will step up materially as this mix sustains. The 50:50 target is now archived, and it is expected to sustain and increase.

Pre-sales from FY24 - FY28E



Against guidance of a 50% JDA pre-sales share by FY28, RRL has delivered it in FY26 - two years early.

Catalyst 2 - EBITDA Margin Recovery to 17-20%

The EBITDA margin compression from 18% in FY25 to 16% in FY26 is a timing artifact, not a business deterioration.

RRL launched Seven projects simultaneously in FY26 : Wadala, Sion, Ten X District 9,Park Street, Invictus by GS BKC, Invictus by GS Tower B, Thane and The Address by GS Season 3. Launch-related costs, sales and marketing costs are expensed upfront, while revenue is recognized only as construction milestones are achieved, typically 12–24 months post-launch. FY26 absorbed the full cost load of four concurrent launches with minimal offsetting revenue inflow. The margin dip is a function of launch cadence, not pricing pressure or execution stress.

From FY27, the equation flips. All four projects enter active construction, converting booked pre-sales into recognized revenue against a cost base already fully absorbed. We model margins recovering to 16–18% in FY27E, expanding toward 19–20% by FY28–29E as JDA revenue begins flowing through at scale. Q1FY27 results will be the first clean read on this recovery.

Catalyst 3 - Metro Line 4 Commissioning: Structural ASP Re-Rating in Thane (FY26-27)

Metro Line 4 - the 32.3 km Wadala-Thane-Kasarvadavali corridor is targeted for commissioning in FY26-27. When it opens, Thane-to-BKC travel time falls from 60+ minutes by road to approximately 25-30 minutes, structurally merging Thane's residential catchment with BKC's employment zone. Thane capital values have already risen 40.21% from 2022 to Q1 2025 in anticipation of this connectivity upgrade. Historical MMR precedent is unambiguous: every major metro commissioning Metro Line 1 Versova-Ghatkopar, Coastal Road Phase 1 Marine Lines-Worli delivered 15-25% additional ASP appreciation within 18-24 months of opening. Raymond Realty's 100-acre Thane land bank, with approximately 40 acres yet to launch, is directly adjacent to the Metro Line 4 corridor. Every future Thane project will be priced and marketed as a Metro Line 4-connected development. A 15% ASP uplift from current levels on the 40-acre unlaunched pipeline translates directly to approximately INR 24,000 Mn of incremental revenue at near-zero marginal cost.

Outlook & Valuation

Raymond Realty Ltd is a real estate developer primarily focused on residential projects across the Mumbai Metropolitan Region. The company brings over a decade of operating experience and holds a 100-acre land bank in Thane, acquired at historical cost, giving it a structural and permanent cost advantage over peers. It has developed projects across the full residential spectrum on its own land, from affordable to luxury, and has since expanded into seven Joint Development Agreements across Bandra, BKC, Wadala, Sion, Mahim and Kandivali, a deliberate pivot to an asset-light model with a combined revenue potential of INR 170,000 Mn. The company guided that JDA projects will contribute 50% of annual pre-sales within the next two to three years, but this was achieved it in this financial year itself with 54% JDA share in pre sales of Fy26 .

We remain positive on Raymond Realty's growth prospects and expect its financials to see healthy improvement over FY26–29E. Revenue is expected to grow at a CAGR of approximately 20%, rising from INR 29,908 Mn in FY26 to INR 51,684 f by FY29E, supported by a strong launch calendar and deepening geographic presence across MMR. Pre-sales bookings are already accelerating, with the company recording its highest-ever booking value of INR 30,230 Mn, and we are targeting a further 20% YoY growth going ahead. Early sell-through across the FY26 launches quick within each launch quarter, with Wadala 30% and BKC 38% sold and the March 2026 District 9 and Sion openings already at 12% and 4% corroborates the depth of demand behind these estimates.

On the profitability front, EBITDA margins are currently at around 16%, reflecting elevated corporate costs and sales & marketing costs, absorbed following the company's independent listing. Due to a change in accounting standards, the rehabilitation component handed over to landowners/slum dwellers is booked as revenue at a presumptive margin of only 5%, which drags down blended EBITDA margin even though the saleable business's economics remain intact. This compression is a temporary accounting phenomenon rather than a structural concern. Margins are expected to improve to 16–17% in FY27E and progress towards 19–20% by FY28-FY29E and beyond. PAT is expected to grow from INR 3,046 Mn in FY26 to INR 5,790 Mn by FY29E, representing a CAGR of approximately 24%.

Growth will be driven by launches across the Legacy Thane land bank, scaling JDA revenues in Mumbai's highest-value micro-markets, and the Metro Line 4-led ASP uplift in the Thane corridor by FY27.

With the stock re-rating off its lows, still continues to be at a steep discount to intrinsic value, we value the company on a NAV basis at a 1x multiple for a target price of INR 1025 — a 63% upside from current levels. We initiate coverage with a **BUY** rating.

Valuation	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Pre-Sales	3023	3628	4353	5224	6268
Collections	1725	2215	3105	4041	4562
Cost of Project	796	2018	2451	3223	3536
Project Value	929	197	655	818	1026
Less: Taxes	204	43	144	180	226
Net Cash Flow (Pre-discounting)	724	154	511	638	800

Particular	INR Mn
NPV of Projects	2,232
Less: Net Debt	1,221
NPV of Projects	1,010
Revenue Potential (FY30)	6,306
EBITDA Margin	1,198
Tax (22%)	195
PAT	778
Terminal value(Pre- Discount)	9,155
Terminal value	5,818

Equity Value	6828
O/S Shares (Cr)	7
NAV per Share	1025
Multiple (x)	1
Target Price	1025
Upside (%)	**63%**
Rating	**Buy**

SWOT Analysis

STRENGTHS

Legacy Thane land bank
100 acres at historical book value; structurally superior gross margins vs open-market developers

100-year Raymond brand
Pricing power, faster inventory absorption, NRI buyer credibility no new-entrant can replicate

Asset-light JDA model
Seven signed JDAs across Bandra east, BKC, Mahim, Sion, Wadala; and Kandivali

Execution track record
Ten X Habitat OC received 2 years ahead of RERA deadline; timely delivery as brand differentiator

Net Debt surplus
Net debt – 6,560 Mn, D/E ration is 0.6 times, well below the 1 times.

Revenue growth momentum
INR 29,910 Mn in FY26; 29% YoY growth; 15% EBITDA margin with 10% PAT margin sustained

WEAKNESSES

Geographic concentration
100% MMR exposure; no city-level diversification; single macro-market creates cyclical dependency

Scale gap vs peers
INR 29,910 Mn revenue vs Lodha INR 166,760 Mn and Godrej INR 51,310 Mn FY26; limited bargaining leverage

JDA execution complexity
Multi-stakeholder society approvals; SRA/MHADA dependency; consent risk can delay launch timelines

Newly listed entity
Limited history and being a new player, limited track record.

OPPORTUNITIES

INR 420,000 Mn+ GDV pipeline
10+ year secured revenue visibility; INR 80,190 Mn cumulative from FY23-26 against total GDV

Luxury premiumisation
INR 20 Mn+ segment grew 124% indexed FY22-FY25; outpacing overall MMR market by 2x

Further JDA additions
10+ opportunities under evaluation; scalable asset-light model replicable across MMR micro-markets

Metro Line 4 re-rating
Wadala-Thane commissioning FY27; as an impact Thane and Wadala project ASP will get uplift.

NRI and HNI demand
USD 1.2 Bn institutional RE flows in 9M 2025; BKC/Bandra luxury demand structurally expanding

MH cluster redevelopment
Maharashtra Housing Policy 2025; FSI unlock; 6-month clearance target boosts JDA pipeline velocity

THREATS

Intense competition
Lodha, Godrej, Oberoi, Hiranandani, Rustomjee competing in overlapping MMR micro-markets

Demand volume slowdown
MMR residential sales -18% YoY in 2025; macro headwinds and affordability stress on mid-segment

Input cost inflation
Steel costs up 15% in 2025; cement prices elevated; sustained construction margin compression risk

Regulatory approval delays
BMC/MHADA NOC timelines; SRA society disputes; RERA registration delays risk launch calendar

Interest rate reversal risk
Any RBI rate hike compresses affordability for the INR 10-30 Mn buyer pool -- core Thane segment

Company Overview

Background and Raymond Group Parentage-

Raymond Realty Limited (RRL) is the real estate arm of the Raymond Group, one of India's most recognised consumer and industrial conglomerates with roots dating to 1925. The Group built its franchise over nearly a century in textile manufacturing before diversifying into engineering, lifestyle apparel, and property development. Raymond Realty was incorporated as a wholly-owned subsidiary of Raymond Limited to hold and develop the Group's 100-acre-plus land bank in Thane, Maharashtra, which the parent company had accumulated over decades of industrial operations.

The Thane land parcel, situated in the heart of one of Mumbai Metropolitan Region's (MMR) fastest-growing nodes, provides RRL with a structural cost advantage: the land was inherited at historical book values. This distinguishes Raymond Realty from peers that must compete in an open market for land acquisition, and lends it a materially superior margin profile on own-land projects.

Raymond Realty entered real estate development in 2019 with its maiden project, Ten X Habitat (originally branded 'Aspirational District'), on a 14-acre plot within the 100-acre Thane parcel. The project comprising 42-storey towers with over 3,000 smart-sized homes established RRL's credentials for design quality and execution discipline. Ten X Habitat received its Occupancy Certificate two years ahead of the RERA deadline, setting a benchmark for on-time delivery that has since become a core brand differentiator.

Demerger History and Listing-

Raymond Realty's path to independent listing is the product of Raymond Group's deliberate, phased restructuring strategy designed to eliminate conglomerate discount and create focused, pure-play listed entities. The Board of Raymond Limited approved the demerger of its real estate business into Raymond Realty Limited in July 2024, following the earlier separation of its apparel business, Raymond Lifestyle Limited, which listed on BSE and NSE in September 2024.

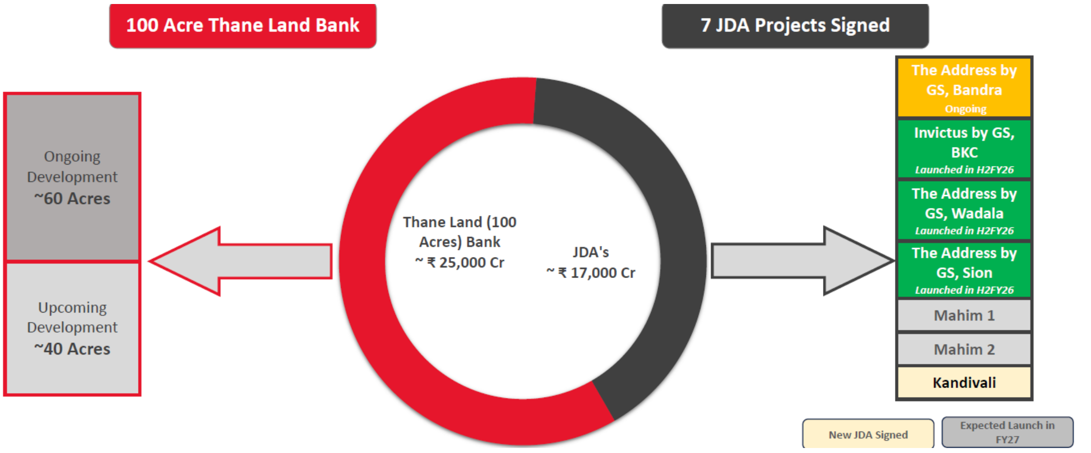
The NCLT formally approved the demerger scheme on 28 March 2025, and the demerger became effective on 1 May 2025 upon filing of e-Form INC-28 with the Registrar of Companies, Pune and Mumbai. The record date for share entitlement was set at 14 May 2025; eligible shareholders of Raymond Limited received one equity share of Raymond Realty for every one share held in Raymond Limited (1:1 ratio). In total, 66.6 Mn equity shares of Raymond Realty (face value INR10 each) were allotted to Raymond Limited shareholders.

Raymond Realty Limited listed on BSE and NSE on 1 July 2025, completing the Group's second major corporate restructuring in under twelve months. Post-demerger, Raymond Limited retains its engineering and auto-component businesses, having exited both lifestyle and real estate. Raymond Realty now operates as an independent, pure-play listed real estate entity with no cross-holding overhang from the parent.

The strategic rationale, articulated by Group Chairman Gautam Hari Singhania, rests on the premise that focused, standalone companies attract superior valuations by eliminating the conglomerate discount, enabling cleaner capital allocation, and allowing markets to evaluate each business on its own fundamentals.

Business Model - Self-Development and Joint Development

Raymond Realty operates two complementary development models, which together constitute its total portfolio of approximately INR 400,000 Mn in potential revenue.

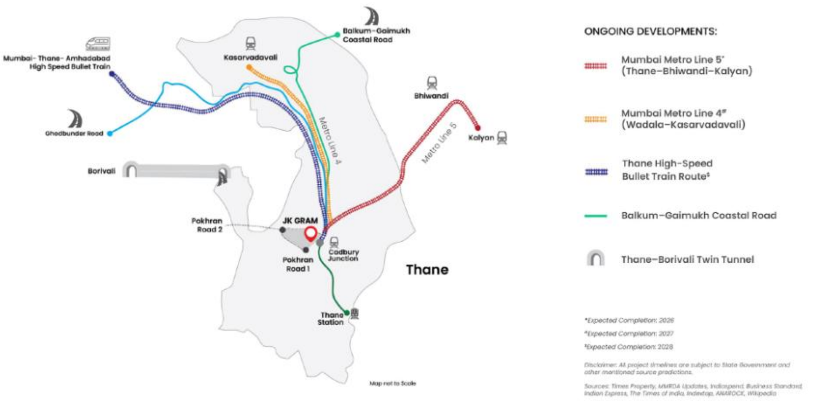


Own-Land Development (Thane Land Bank)

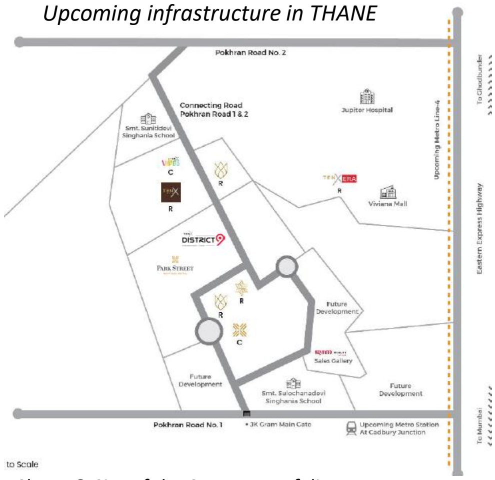
RRL's primary operating asset is its 100-acre land parcel in Thane West, carrying a total estimated revenue potential of approximately INR 250,000 Mn based on current regulatory norms and prevailing market prices. Of this, roughly 60 acres are currently under active development, with the balance 40 acres earmarked for upcoming launches through FY27. The land was acquired at negligible historical cost, enabling structurally superior gross margins relative to competitors who must factor open-market land costs into project economics.

RRL launched new TenX district 9 project in Q4FY26 , GDV value of INR 20,000 Mn, Grand 2-bedroom residences (~600–820 sq. ft.), 9 Acres acre residential development and Park Street was launched which is 0.5 million sqft area high street retail project in thane.

Own-land projects carry a RERA-approved carpet area of 11.4 million sq ft. across the Thane parcel. Projects are positioned across the affordable-premium to luxury spectrum, targeting a broad buyer base within Thane's deep end-user market.



Upcoming infrastructure in THANE

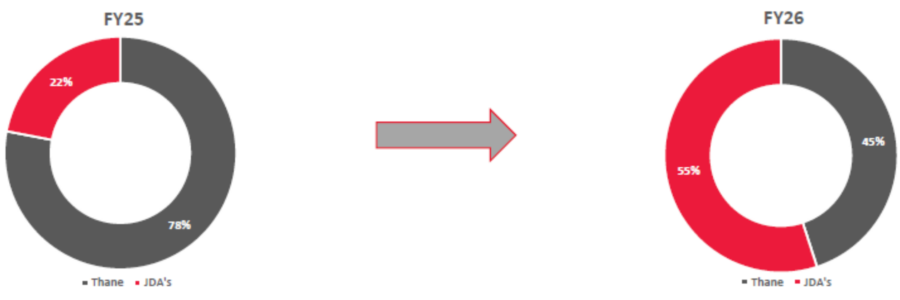


Shape & Size of the Current Portfolio: THANE LAND

Joint Development Agreements (JDA) - Asset-Light Mumbai Expansion

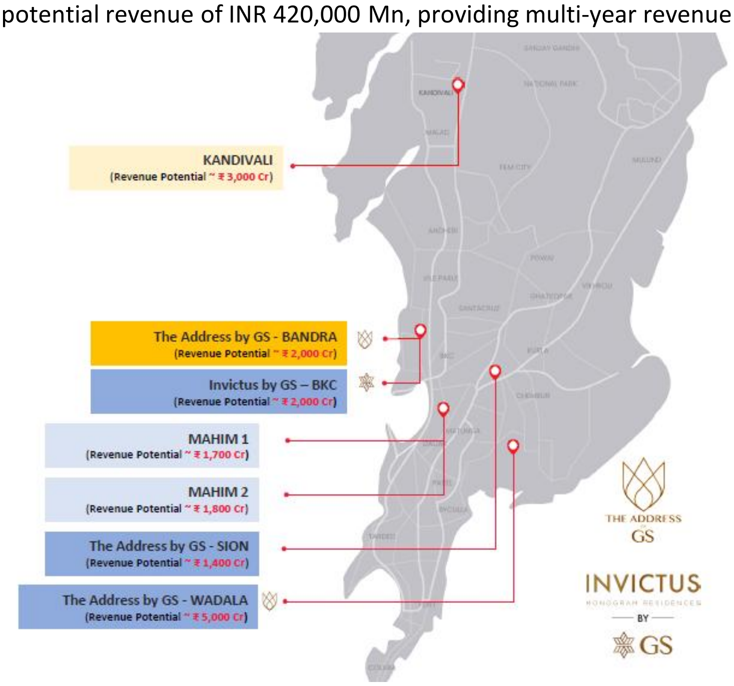
Since 2023, Raymond Realty has pursued an asset-light expansion strategy in Mumbai's high-value micro-markets through Joint Development Agreements. Under this model, RRL contributes construction expertise, brand value, and development management capabilities, while the landowner contributes the land in exchange for a predetermined share of revenue or developed area. The model requires minimal upfront capital deployment, preserving balance sheet flexibility and delivering high returns on equity.

RRL has signed seven JDAs across Bandra, BKC, Mahim (two projects), Sion, Wadala, and Kandivali, with a combined GDV of INR 170,000 Mn. JDA projects contributed 54% of booking value in FY26, a portfolio mix target management had originally guided for FY28, achieved a full year ahead of schedule. This shift meaningfully reduces RRL's historical concentration in Thane and diversifies both geography and segment exposure across MMR's highest-value micro-markets.
Within the JDA portfolio, Wadala (GDV INR 50,000 Mn) and two projects in Mahim West (GDV INR 35,000 Mn) represent the two largest standalone opportunities outside the Thane land bank. The recently signed Kandivali redevelopment (GDV INR 30,000 Mn) further deepens the pipeline and extends RRL's asset-light footprint into the western suburbs, a corridor with strong mid-premium demand and limited new supply.



JDA projects already account for 56% of annual pre- sales 2 year ahead of schedule in FY26

Raymond Realty targets a revenue run-rate of INR 40,000 Mn per annum as a medium-term objective, with premium and ultra-luxury projects (ticket size above INR 20-200 Mn) target achieved to contribute half of that quantum by FY26. The combined own-land and JDA portfolio gives RRL a total potential revenue of INR 420,000 Mn, providing multi-year revenue visibility.



Current JDA Portfolio Location and size

Brand Architecture — Three-Tier Portfolio in a Commoditised Industry

One of Raymond Realty's most strategically distinctive characteristics is its deliberate construction of a **three-tier product brand architecture**, an uncommon discipline in Indian residential real estate, where most developers treat every project as a standalone launch without coherent brand equity building. RRL has systematically created three product brands, each targeting a specific buyer segment and price point, allowing the company to address the full premium spectrum within MMR without brand dilution or positioning confusion.

TEN X - Aspirational: The foundational brand, anchored in Thane's 100-acre own-land portfolio. TEN X targets the aspirational premium buyer 1, 2, and 3 BHK configurations in the INR 70 lakh–INR 20 Mn ticket size, positioned around community living, efficient layouts, and value-for-money design. Ten X Habitat (the Group's maiden project, delivered two years ahead of RERA) and Ten X ERA are the flagship expressions. The brand's delivery credibility is its core equity in a market where smaller developers routinely miss RERA deadlines, TEN X's track record converts directly into pricing power and faster sales velocity.

The Address by GS - Premium: The mid-tier brand targeting the premium buyer in the INR 20–60 Mn range, deployed in both Thane (The Address by GS Season 1, Season 2, Season 3) and Mumbai city (The Address by GS, Bandra; The Address by GS, Wadala). The 'GS' suffix signals Gautam Singhania's personal brand association, a deliberate credentialing device that attaches the Group Chairman's legacy to the product and resonates with buyers seeking assurance of group-level governance. The Address format combines spacious premium 3, 4, 5, and 6 BHK configurations with large podium landscaping, high-street retail, and luxury amenities, differentiating it clearly from the aspirational TEN X tier.

Invictus Monogram Residences by GS - Luxury/Ultra-Luxury: The premium-most brand, launched in Thane and now the vehicle for RRL's strategic pivot into Mumbai's ultra-luxury segment via the Bandra 2 / BKC JDA (Invictus by GS, BKC). Positioned at INR 50 Mn and above, Invictus targets the HNI and NRI buyer seeking branded residences with design-led excellence, concierge-level amenities, and address-value in Mumbai's most coveted business corridor. The BKC launch, six towers of 3 and 4 BHK ultra-luxury residences adjacent to Jio World Drive is the clearest expression of the brand's upward ambition and represents RRL's entry into the competitive set of Oberoi Realty and DLF's branded luxury segment in MMR.

Aspirational	Premium	Luxury
TEN X	THE ADDRESS BY GS	INVICTUS MONOGRAM RESIDENCES BY GS

Brand Portfolio

Geographic Focus — Mumbai Metropolitan Region

Raymond Realty's development activity is concentrated entirely within the Mumbai Metropolitan Region, India's most liquid and high-value real estate market. The company's portfolio spans two distinct geographic clusters.

Thane West (own land): The original base of operations. Thane West has undergone significant residential upgrading driven by infrastructure investment (Metro Line 4, Thane-Borivali tunnel, Eastern Freeway extension) and the emergence of a professional millennial buyer base. The 100-acre parcel on Pokhran Road sits within one of the node's most established residential corridors, with direct connectivity to Thane station, the Eastern Express Highway and upcoming Metro Lines 4, 4A & 5, and the Thane–Borivali twin-tube tunnel

Mumbai City - Bandra, Mahim, Sion, Wadala (JDA portfolio): Raymond Realty's JDA pipeline targets premium and luxury micro-markets within the island city and Western Suburbs, characterized by acute land scarcity, high replacement costs, and deep NRI and HNI demand. Bandar East (adjacent to BKC) represents the ultra-luxury tier; Mahim West and Wadala serve the INR 20–50 Mn premium buyer segment; Sion provides access to mid-premium demand. The combined JDA footprint spans approximately INR 170,000 Mn of addressable GDV and reflects RRL's deliberate move up the value chain as Mumbai's redevelopment cycle accelerates.

Project Portfolio

The table below summarizes Raymond Realty's ongoing and upcoming project pipeline (based on launched)

Key Details of the Operational & Upcoming Projects (own land)					
Project	**Key Highlights**	**Project Status**	**Units sold (%)**	**Revenue potential (INR Mn)**	**Model**
TenX Habitat	5-acre landscape 50K+ sqft clubhouse 45+ Amenities Cross ventilation; 1-3 BHK	OC received, sold out	100%	33,759	Own land
TenX ERA	Centrally located; next to Vivana Mall 26.5K sqft Clubhouse 40 indoor/outdoor amenities Efficiently planned 2 & 3 BHKs Vaastu compatible homes	Tower (A) 4th floor slab WIP Tower (B) 17th floor slab WIP Tower (C) 30th floor slab WIP	90%	12,734	Own land
TenX Vibes	Retail shops	Complete	100%	1,380	Own land
The Address by GS	1.4 acres of landscape Premium 3, 4, 5 & 6 BHKs Clubhouse 45K sqft Host of amenities & clubhouse	Tower (A) Above Terrace external & internal finishing & MEP WIP Tower (B) Above Terrace external & internal finishing & MEP WIP	98%	15,070	Own land
The Address by GS Season 2	Premium 3, 4, 5 & 6 BHKs with expansive decks Podium top landscape amenities 70K sq. of high street retail	Tower (C) 6th floor slab WIP Tower (D) 2nd floor slab WIP	84% Of unit launched	15,995	Own land
The Address by GS Season 3	Premium 3 & 4 BHKs Podium landscape amenities Continuation of Address by GS brand in Thane Launched Q2 FY26	Newly launched — Q2 FY26 Excavation / foundation stage	34% of the unit launched	37,125	Own land
Invictus by GS Tower A	4.5-bed luxury homes 70K sq. of high street retail Concierge-level amenities	4th floor slab WIP	86%	5,521	Own land
Invictus by GS, Tower B	Ultra-luxury 4.5-bed homes Extension of Invictus Thane complex Launched Q2 FY26	Recently launched, Q2 FY26	18% of the unit launched	7,950	Own land
Park Avenue	Retail shops High-street commercial concept Integrated lifestyle retail	Under development	88%	4217	Own land
Ten X District 9	9-acre new township project 2 BHK homes: 600-820 sq.ft 45,000 sq.ft retail Launched March 2026	Newly launched — March 2026 Pre-launch / early construction	12% of the unit launched	18,533	Own land
Park Street	Retail shops High-street commercial concept 0.4 Mn Sqft Area	Launched in Q4FY26, under development	73% of the unit launched	3,316	Own land
Total				**155,600**	

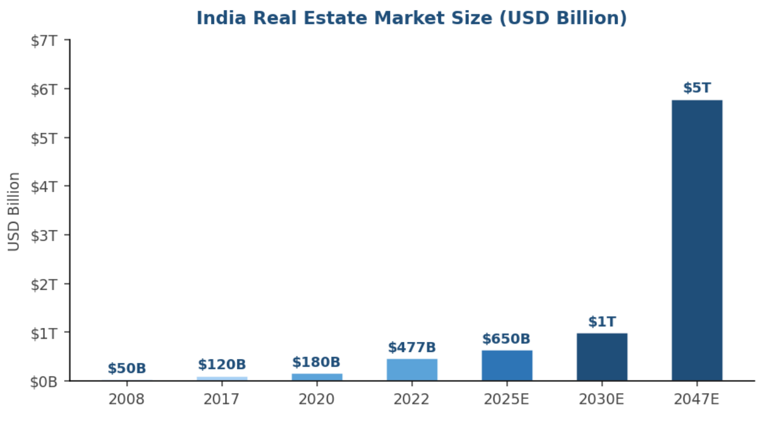
Project	Location	Key Highlights	Project Status	Units sold (%)	Revenue potential (INR Mn)	Model
The Address by GS	Bandra	Opulent 2, 3 & 4 BHKs with private sundeck Portuguese-inspired architecture & landscape design 30+ landscape & clubhouse amenities	Tower A — Excavation done Towers B, C & D — Excavation WIP RERA registered	62% of the unit launched	20,000	JDA
Invictus by GS	Bandra / BKC	2-acre ultra-luxury redevelopment 6 towers; 23 habitable floors + 4 basements 3, 3.5 & 4 BHKs from INR 6.5 Cr+ IGBC-aligned sustainability; MahaRERA registered	Launched December 2025 Foundation / early construction stage Possession target: Q4 2031	38% of the unit launched	20,000	JDA
The Address by GS, Wadala	Wadala	5.62-acre luxury residential project 2 & 3 BHKs (696-1,315 sq.ft) CC issued; RERA registered BKC 8 min; Eastern Fly 4 min; possession Dec 2030	Launched January 2026 Early construction stage	30% of units Launched	50,000	JDA
Sion	Sion	Mid-premium residential redevelopment Metro Line 2B corridor connectivity Planned Q4 FY26 launch per management	Launched in Q4 FY26	4% of units launched	14,000	JDA
Mahim — 1	Mahim	Luxury residential redevelopment Premium micro-market: INR 25,000-35,000/sq.ft Sales guided to commence 2026	launching in FY27E	Not launched	17,000	JDA
Mahim — 2	Mahim	Luxury residential redevelopment Adjacent to Mahim 1 micro-market	Launching in FY27E	Not launched	18,000	JDA
Kandivali	Kandivali	7th Mumbai JDA; definitive agreement signed March 2026 Residential project in western suburbs High-demand mid-premium corridor	Signed March 2026 — pre-launch stage	Not launched	30,000	JDA
Total					170,000	

Industry overview –

Indian Real Estate - A Branded Developer Market

India's real estate sector is one of the largest engines of the economy, valued at roughly USD 650 bn in 2025 and tracking toward USD 1 trillion by 2030, with its share of GDP rising from ~7% historically toward ~13%. The demand base keeps widening rising incomes, nuclearisation and a deepening HNI/NRI pool while financing has turned supportive: the RBI cut the repo rate by a cumulative 125 bps through 2025 to 5.25%, pulling home-loan rates toward the low-7s. That directly improves affordability in the INR 10–30 Mn ticket band that anchors Raymond Realty's Thane portfolio.

Across the top-7 cities, new launches rose sharply post-2021 yet absorption kept pace, pulling pan-India inventory overhang to ~14 months by CY2024 its lowest in 6–7 years (Anarock). Alongside, RERA, escrow discipline and MahaRERA oversight have permanently tilted share toward listed, branded developers with delivery records. As a branded, listed, RERA-compliant developer with an on-time delivery track record, Raymond Realty sits firmly on the right side of this consolidation.

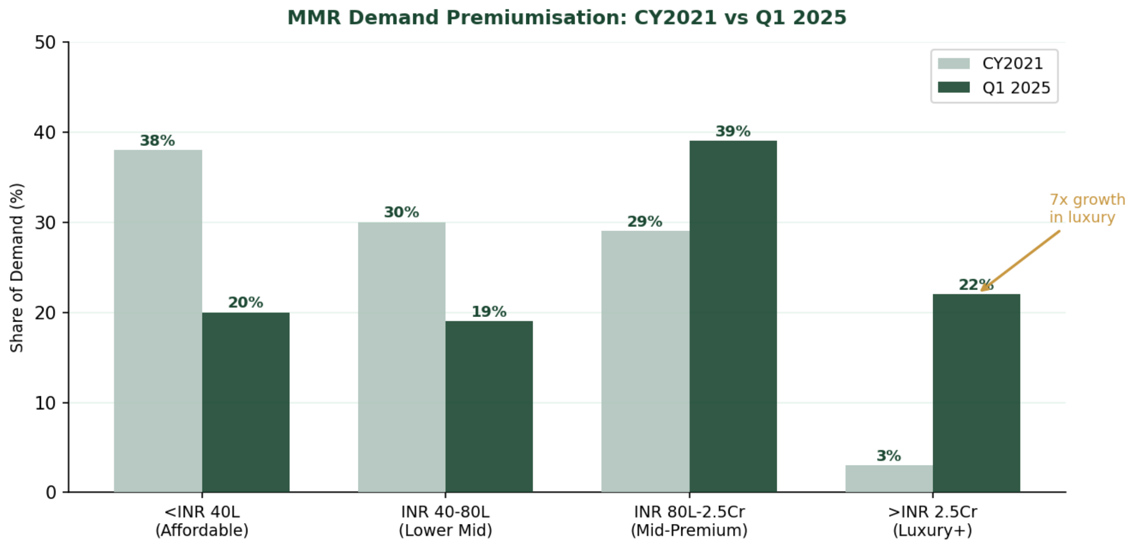


India Real Estate Market Size (USD Billion), 2008 to 2047E

MMR - The Market Raymond Realty Plays In

The Mumbai Metropolitan Region is India's largest and most valuable residential market. MMR has held the highest launch share among the top-7 cities (24–35% through CY2021–Q1 2025) and contributed ~32–34% of total absorption and MMR, together with Bengaluru, made up close to half of all housing sales in Q1 2026. Mumbai's role as the country's financial, corporate and GCC hub keeps a steady stream of high-income employment feeding the exact corridors Thane, Bandra/BKC, Wadala where RRL operates.

Supply-demand remains tight rather than loose. MMR launched ~40,000 units in Q1 2026 (+30% YoY) and sold ~32,800 (+4% YoY), with inventory overhang at ~17 months well below CY2022 levels and consistent with a balanced, end-user-led market. Underlying momentum is intact: MMR clocked a record ~12,200 registrations in November 2025 (+20% YoY), and Mumbai drew over USD 1.2 bn of institutional inflows in 9M 2025.

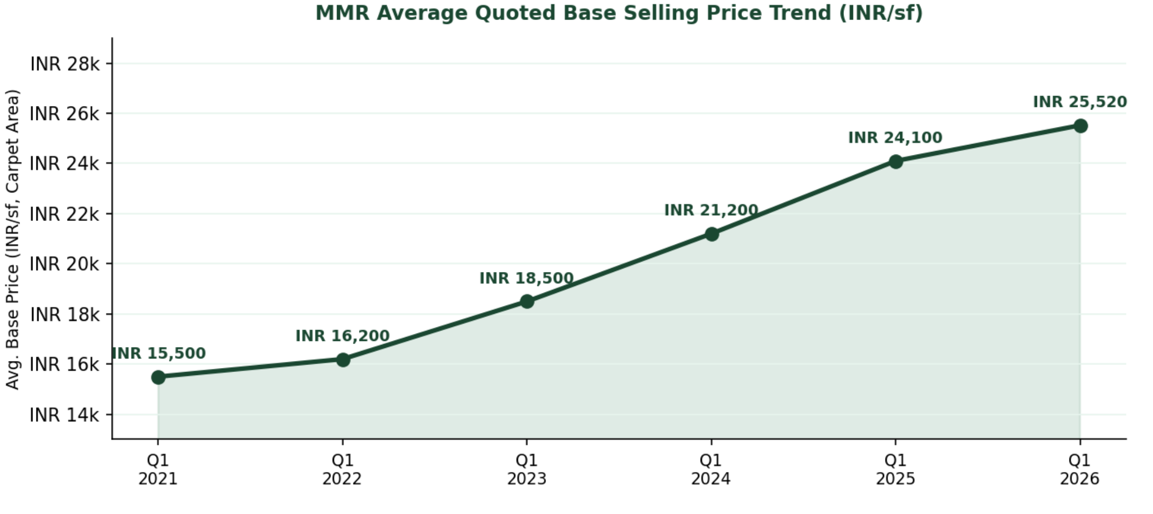


Source: ANAROCK Research | Demand shift by price segment, CY2021 vs Q1 2025

Thane - Raymond Realty's Core Own-Land Geography

Thane is one of MMR's fastest-maturing residential nodes and the single most relevant micro-market for RRL's owned land. It contributed ~15% of MMR launches in Q1 2026 and led the region on sequential sales momentum (Thane sales up ~31% QoQ), with branded launches in adjoining Kalwa pricing around INR 18,700/sq.ft. evidence of how far the node has re-rated from its value-housing roots. MMR shows that demand growth has shifted toward the suburbs, extended suburbs and Thane versus the island city, driven by connectivity and a professional buyer base migrating outward.

RRL's 100-acre Thane land bank on the Pokhran Road corridor sits at the centre of this. The land was inherited at historical cost, giving RRL a structural gross-margin advantage over peers buying at today's rates, and it lies directly in the path of the region's biggest connectivity upgrade Metro Line 4. As that corridor commissions, Thane's catchment effectively merges with the BKC employment zone a re-rating event for the exact land RRL is yet to launch.

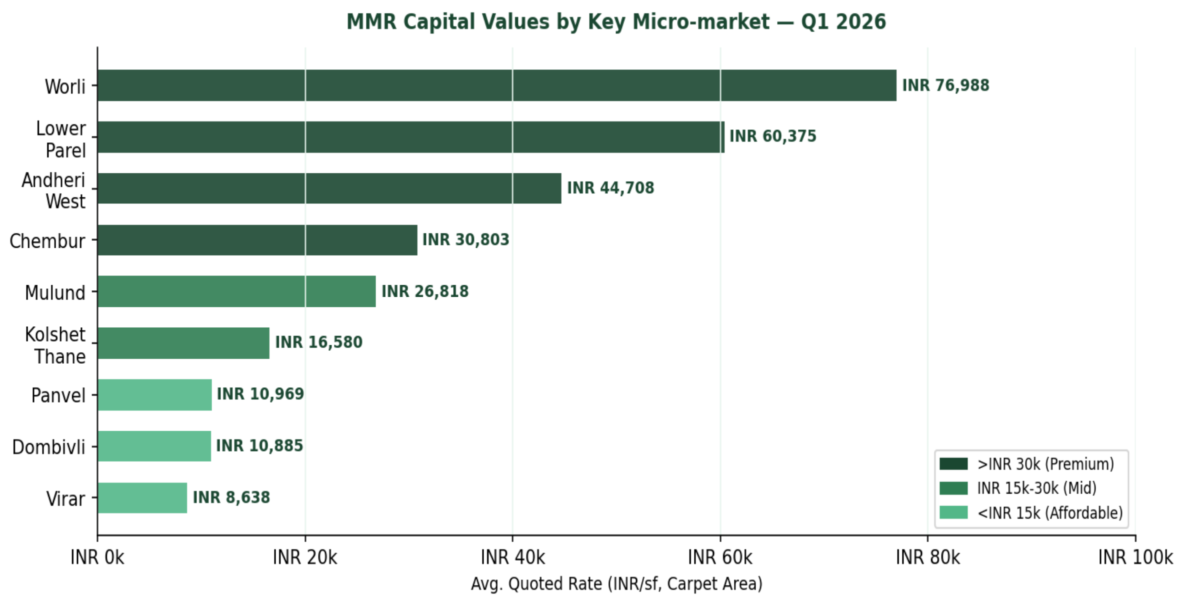


Source: ANAROCK MMR Q1 2026 | Average Quoted Base Selling Price on Carpet Area

The Island-City Redevelopment Wave - The JDA Opportunity

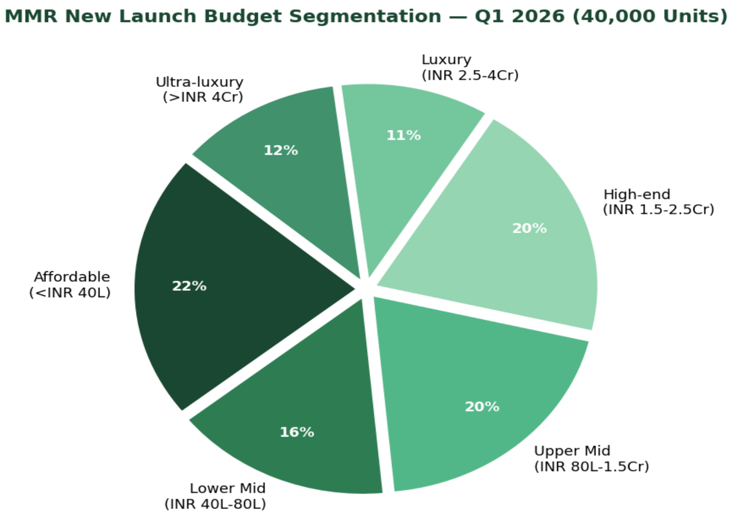
Greenfield land in Mumbai's municipal core is effectively exhausted, and the Western Suburbs has been characterises explicitly as dominated by redevelopment and concentrated in high-end and luxury demand (Bandra, Juhu, Andheri). The only mechanism creating new supply in Bandra, BKC, Mahim, Sion and Wadala is the redevelopment of ageing stock society redevelopment, MHADA colonies and SRA schemes where the developer brings brand, capital-light execution and delivery credibility rather than buying land. This is precisely the model behind RRL's seven signed JDAs across these micro-markets (INR 170,000 Mn combined GDV).

The pricing backdrop makes the economics compelling. On Anarock's saleable-area series, Greater Mumbai capital values have re-rated hard over CY2021–Q1 2025: the Western Suburbs reached INR 25,800/sq.ft. (+36% over the period), South-Central Mumbai ~INR 37,700/sq.ft. (+26%), and the Eastern Suburbs ~INR 23,000/sq.ft. (+39%, the fastest) with forecasting a further ~12% rise across all three micro-markets through 2027. In an undersupplied, redevelopment-only market, that pricing power accrues to credible developers launching new product.



Source: ANAROCK MMR Q1 2026 | Average Quoted Rate (INR/sf, Carpet Area)

Policy is widening the runway. Maharashtra's Housing Policy 2025 backs redevelopment with a dedicated funding pool, self-redevelopment incentives, single-window clearances and additional FSI for green buildings, while DCPR 2034's Transit-Oriented Development provisions lift permissible FSI along metro corridors directly improving the economics of the Mahim, Sion and Wadala JDAs. In redevelopment, a society selects its developer primarily on brand trust and delivery record, which turns Raymond's century-old franchise and on-time delivery into a genuine sourcing advantage.



Source: ANAROCK MMR Q1 2026 | Budget Segmentation of 40,000 New Units

Infrastructure, Demand Drivers and Risks

A once-in-a-generation infrastructure cycle is compressing travel times across every corridor RRL operates in. Metro Line 4 (the 32.3 km Wadala–Thane–Kasarvadavali Green Line, 30 stations) is opening in phases through 2026 and cuts the Thane-to-mainland commute from 60–75 minutes to 30–40 the direct catalyst for RRL's Thane land. The MTHL/Atal Setu (operational January 2024) and Coastal Road Phase 1 have already re-rated Wadala and Bandra, lifting RRL's island-city JDAs, while Metro Line 3 (Colaba–Bandra–SEEPZ) deepens the BKC catchment and the Navi Mumbai International Airport unlocks the eastern corridor. The Thane–Borivali twin tunnel will further cut that crossing from ~23 km to a fraction.

Demand drivers: falling rates (repo at 5.25%) widening the buyer pool; structural premiumisation toward larger, branded homes; resilient HNI/NRI and institutional capital; and the permanent post-RERA tailwind for branded developers.

Key risks:

Geopolitics / NRI sentiment - Middle East tensions weighed on Gulf-NRI demand in early 2026; prolonged disruption would soften absorption and lengthen revenue recognition.

Input-cost inflation - elevated steel, cement and oil-linked construction costs compress margins; RRL's land-cost advantage provides a partial buffer.

Approval / execution risk - MHADA/SRA consents and RERA timelines are the principal delay risk on JDA projects.

Rate reversal - any RBI tightening compresses affordability in the core INR 10–30 Mn Thane buyer pool.

Peer comparison -

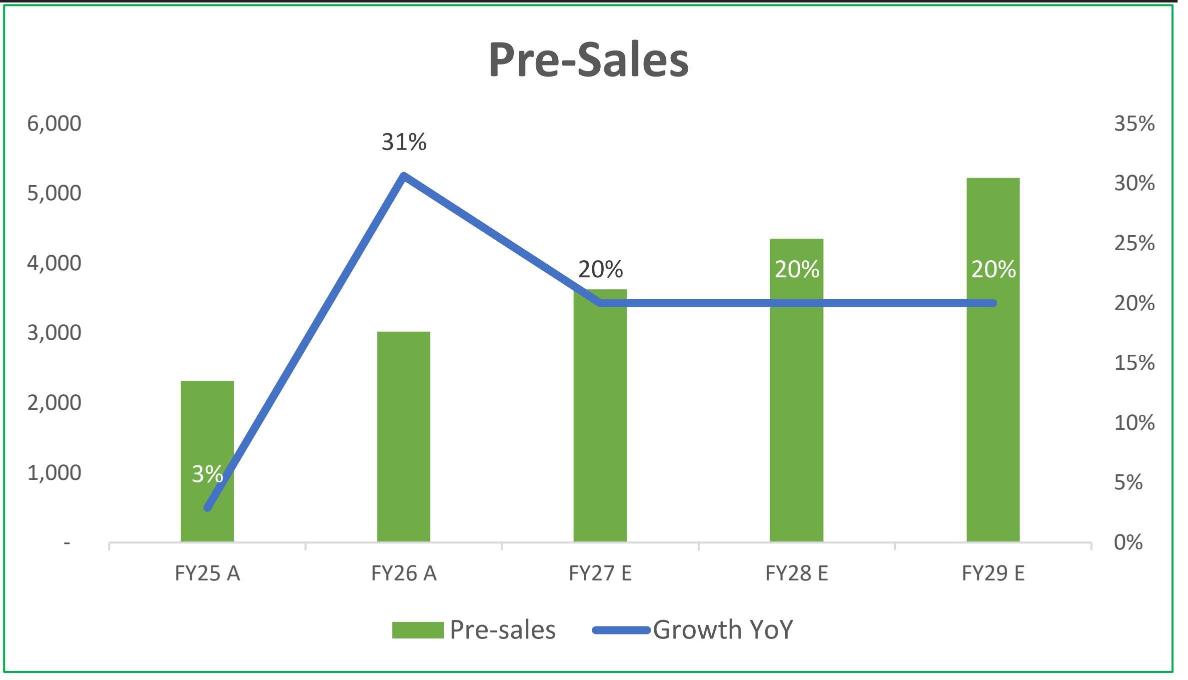
Company (FY26 - 1st July,2026)	CMP	Mkt Cap (INR Mn)	Pre sales (INR Mn)	Revenue (INR Mn)	Revenue YoY (%)	EBITDA Margin (%)	EV/EBITDA	P/E	EPS	ROE (%)
Raymond Realty Ltd	**621**	**43,007**	**30,230**	**29,908**	**29**	**15**	**11**	**14**	**46**	**22**
Keystone Realtors Ltd	411	52,958	40,220	26,345	31	5	25	67	6	3
Sunteck Realty Ltd	311	46,799	31,570	11,238	32	27	15	23	14	6
Sri Lotus Developers & Realty Ltd	149	72,184	11,570	7,690	40	36	22	31	5	17
Godrej Properties Ltd	1,869	5,71,290	3,41,710	51,310	4	-9	22	31	61	10
Oberoi Realty Ltd	1,767	6,42,012	54,470	60,090	14	56	18	26	69	15
Lodha Developers Ltd	957	9,72,069	2,05,300	1,66,760	21	30	18	28	34	15
Marathon Nextgen Realty Ltd	402	27,433	5,760	4,961	14	24	12	14	30	12
Mahindra Lifespace Developer	368	79,118	34,050	11,783	217	-10	22	29	14	10

*Mahindra Lifespace's reported EBITDA margin is distorted by a large non-operating income component against a small core revenue base and is not comparable; excluded from margin analysis

RRL trades at 14x FY26 earnings and 11x EV/EBITDA, the cheapest valuation in peers on both metrics, while delivering the highest return on equity among listed peers at 22%. This is a structurally unusual combination. Sunteck, Keystone, Sri Lotus, and Mahindra Lifespace all trade at 22–29x P/E despite ROEs of 3–17%; RRL matches the cheapest name in the set on multiple (Marathon NextGen, 14x) while nearly doubling its return profile (22% vs. 12%). Large-cap peers Godrej and Lodha command 28–31x earnings on ROEs of 10% and 15% respectively, RRL's capital efficiency exceeds both at less than half the multiple.

The valuation gap is not explained by growth. RRL's FY26 revenue growth of 29% ranks in the top half of the peer set, ahead of Oberoi (14%), Lodha (21%), and Godrej (4%), and comfortably clear of the two names posting revenue declines (Mahindra Lifespace, Marathon NextGen). Nor is it explained by scale of pre-sales momentum RRL's INR 30,230 Mn FY26 pre-sales, up 31% YoY, sits mid-pack among peers and directly comparable to Sunteck's INR 31,570 Mn.

The one legitimate offset to the re-rating case is margin. RRL's 15% EBITDA margin trails Oberoi (56%), Sri Lotus (36%), Sunteck (27%), and Marathon NextGen (24%), reflecting the company's still-maturing JDA-heavy launch mix and the cost drag of simultaneously executing Wadala, Sion, and Ten X District 9. We see this as a near-term feature of the growth phase rather than a structural ceiling, pre-sales at 56% JDA mix (achieved two years ahead of management's own guidance) should improve blended realizations as these projects move from launch to sell-through, supporting margin expansion into FY27-28E.
We view RRL's current multiple as attributable to its limited post-listing trading history, the stock has traded independently for less than a year following the April 2025 demerger, rather than to any fundamental deficiency relative to peers. As execution track record builds and margin trajectory normalizes.


Pre-Sales
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3,000
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35%
30%
25%
20%
15%
10%
5%
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31%
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20%
20%
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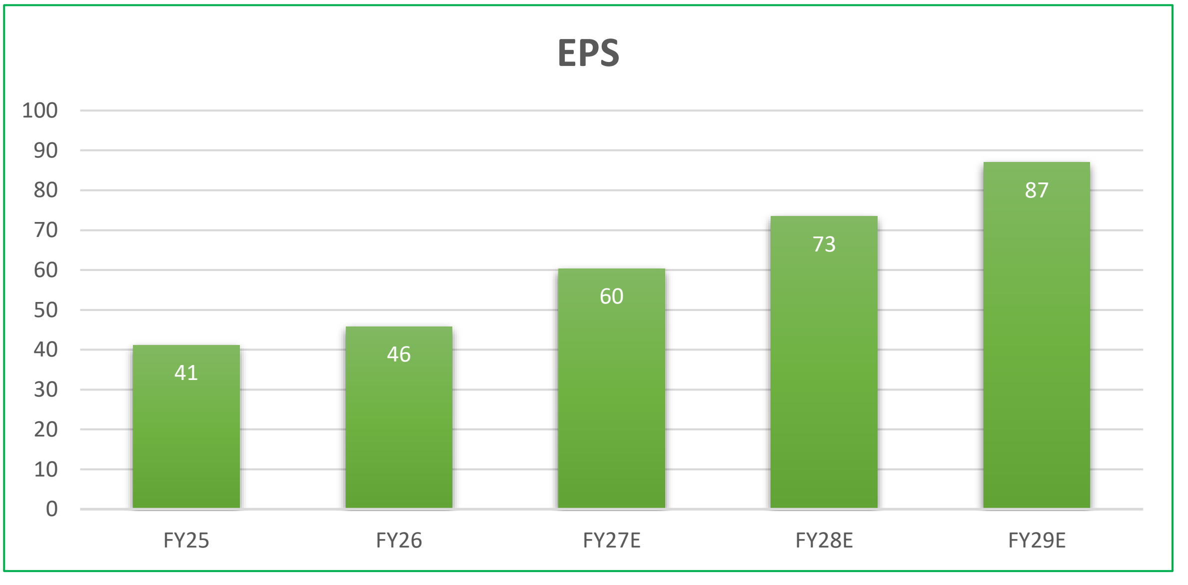
FY25 A
FY26 A
FY27 E
FY28 E
FY29 E
Pre-sales
Growth YoY


EPS
100
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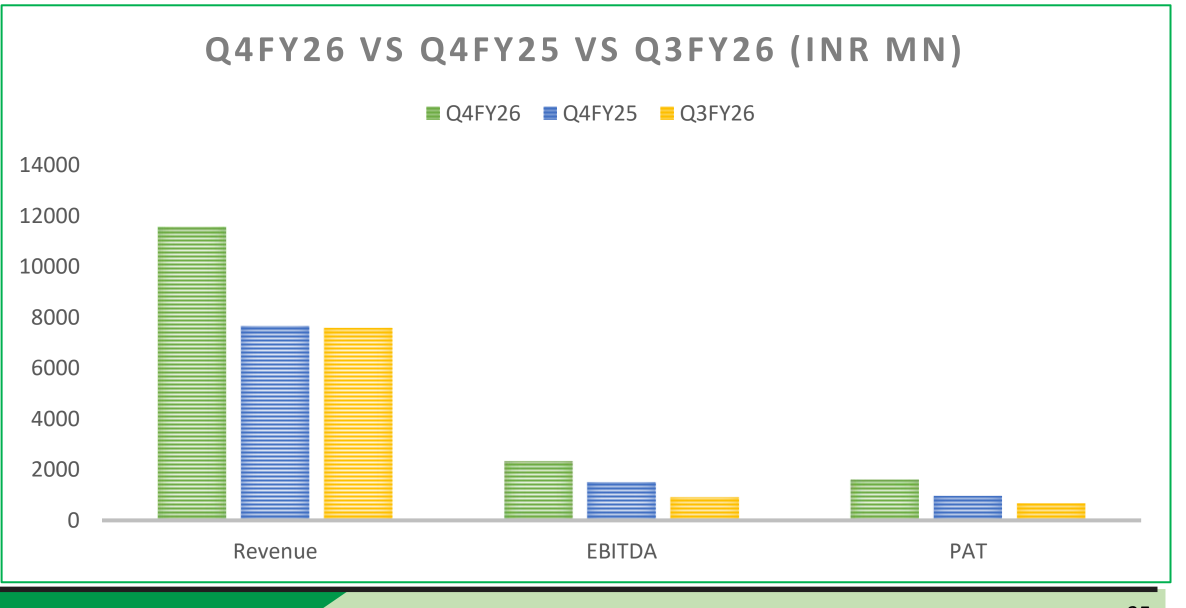
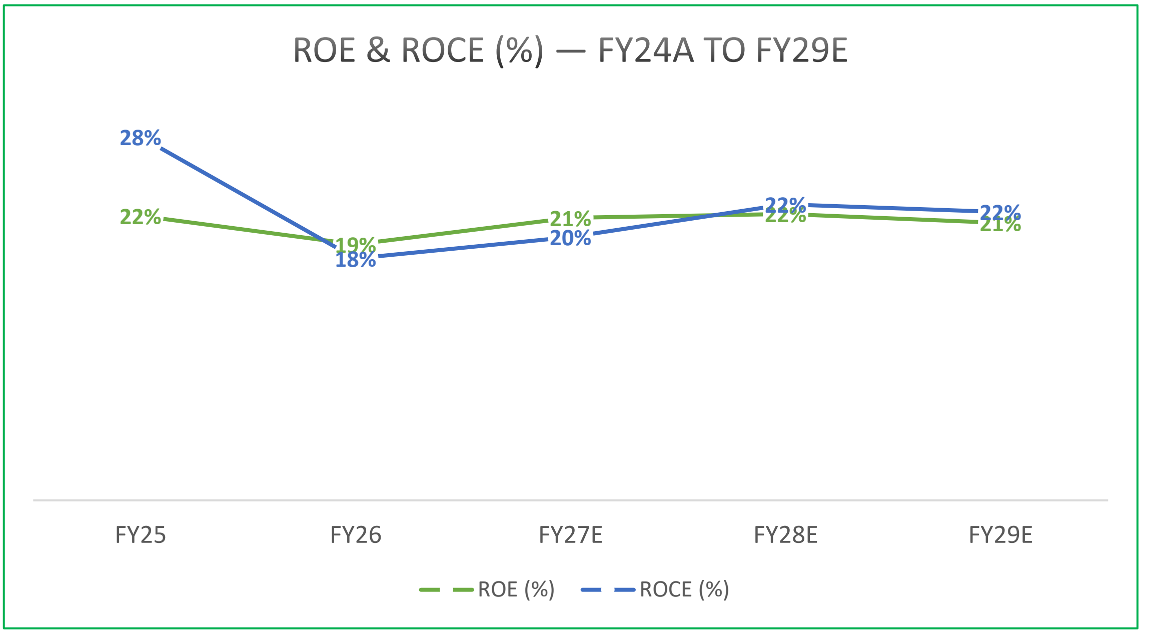
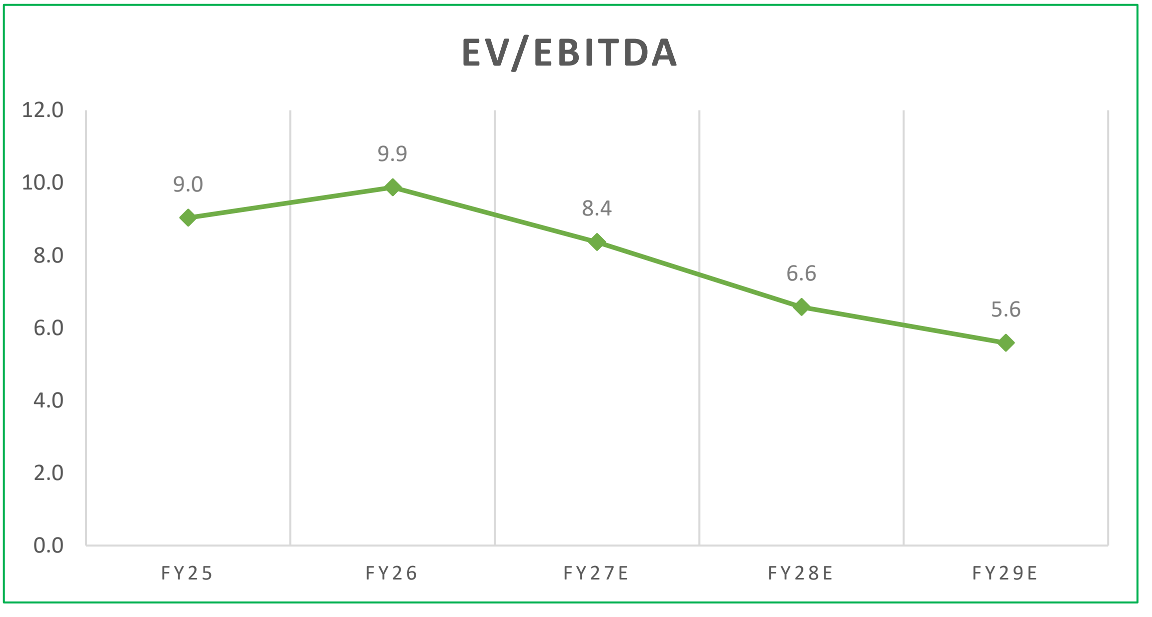
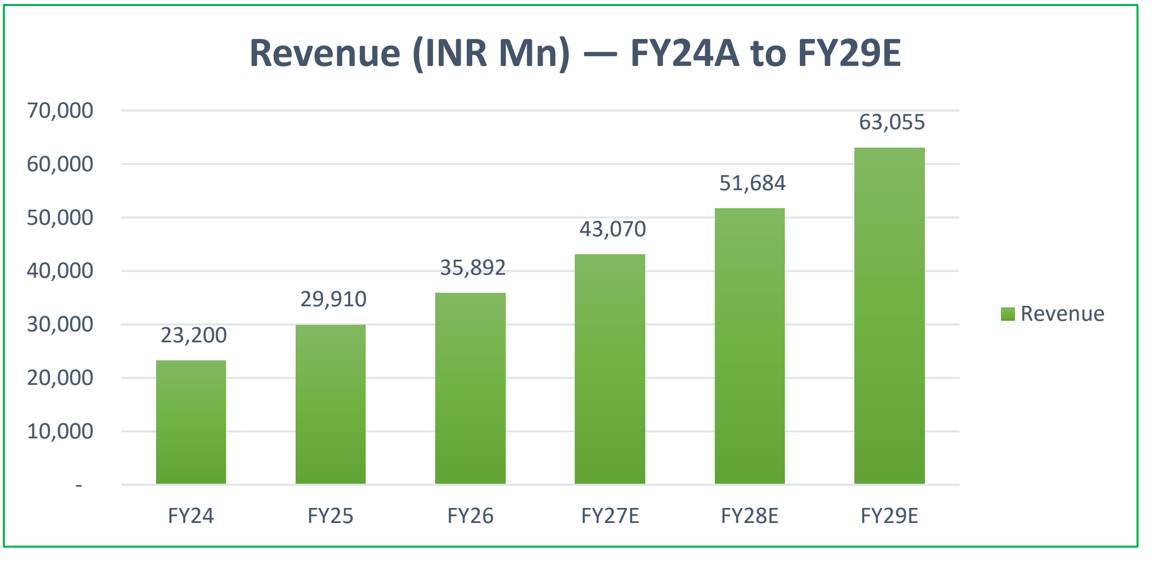
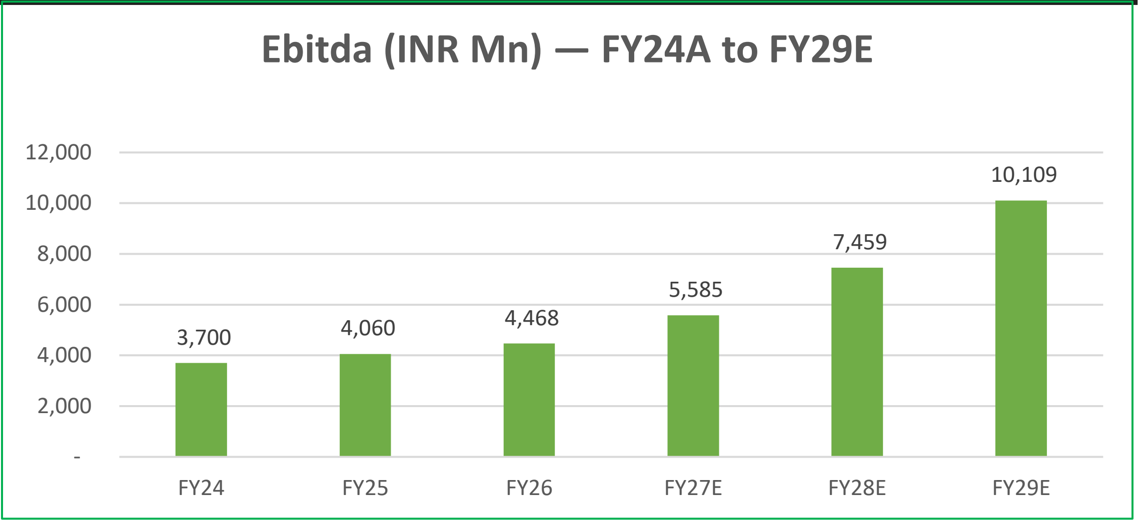
FY29E

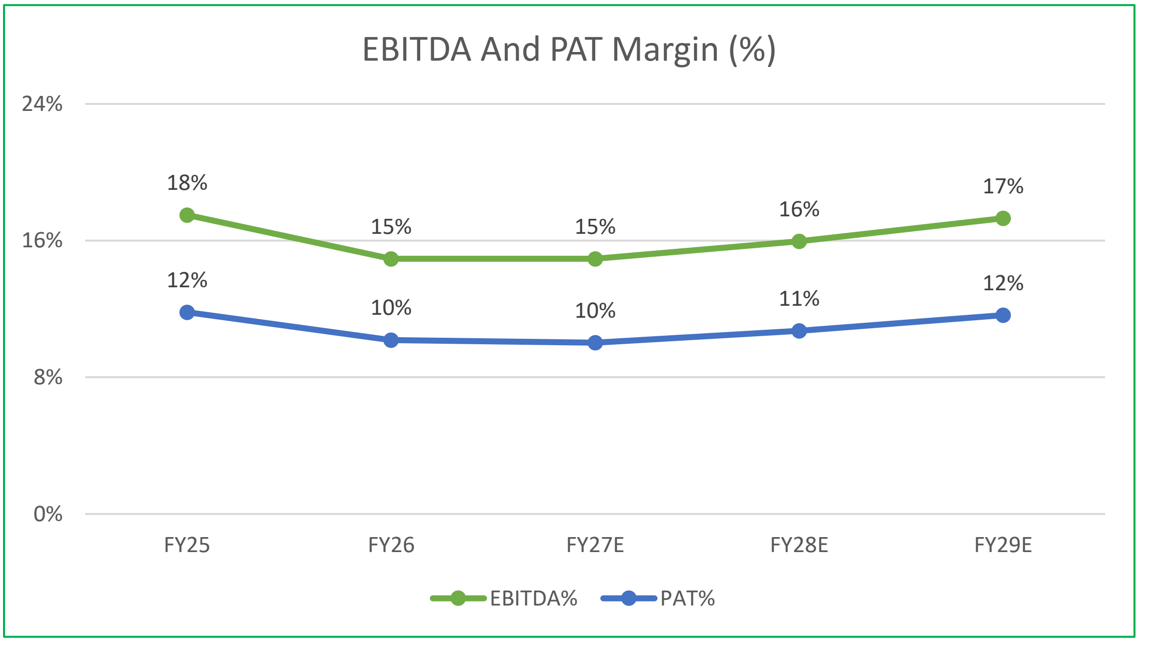

Q4FY26 VS Q4FY25 VS Q3FY26 (INR MN)
Q4FY26
Q4FY25
Q3FY26
14000
12000
10000
8000
6000
4000
2000
0
Revenue
EBITDA
PAT

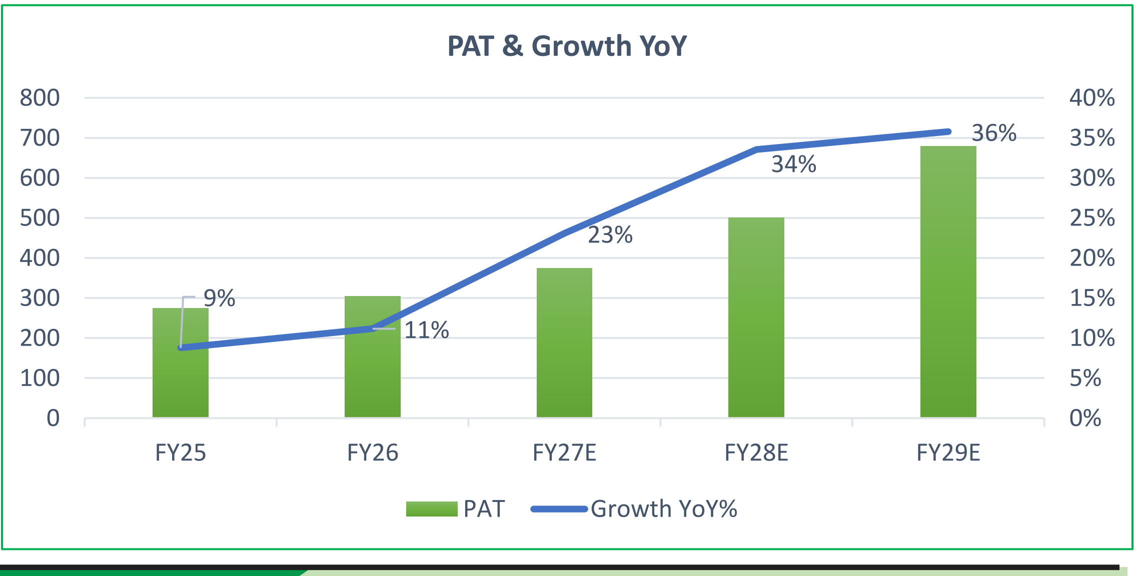

ROE & ROCE (%) — FY24A TO FY29E
28%
22%
19%
18%
21%
20%
22%
22%
22%
21%
FY25
FY26
FY27E
FY28E
FY29E
ROE (%)
ROCE (%)


EV/EBITDA
12.0
10.0
8.0
6.0
4.0
2.0
0.0
9.0
9.9
8.4
6.6
5.6
FY25
FY26
FY27E
FY28E
FY29E


Revenue (INR Mn) — FY24A to FY29E
70,000
60,000
50,000
40,000
30,000
20,000
10,000
-
23,200
29,910
35,892
43,070
51,684
63,055
FY24
FY25
FY26
FY27E
FY28E
FY29E
Revenue


Ebitda (INR Mn) — FY24A to FY29E
12,000
10,000
8,000
6,000
4,000
2,000
-
3,700
4,060
4,468
5,585
7,459
10,109
FY24
FY25
FY26
FY27E
FY28E
FY29E


EBITDA And PAT Margin (%)
24%
16%
8%
0%
18%
15%
15%
16%
17%
12%
10%
10%
11%
12%
FY25
FY26
FY27E
FY28E
FY29E
EBITDA%
PAT%


PAT & Growth YoY
800
700
600
500
400
300
200
100
0
40%
35%
30%
25%
20%
15%
10%
5%
0%
9%
11%
23%
34%
36%
FY25
FY26
FY27E
FY28E
FY29E
PAT
Growth YoY%

Profit and Loss Statement					
Particulars (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Net sales	**23,200**	**29,910**	**35,892**	**43,070**	**51,684**
Growth %	46%	29%	20%	20%	20%
Total expenditure	19,140	25,440	29,946	35,504	42,605
EBITDA	**4,060**	**4,470**	**5,946**	**7,566**	**9,080**
EBITDAM (%)	*18%*	*15%*	*17%*	*18%*	*18%*
Depreciation	170	231	281	341	415
EBIT	3,890	4,239	5,666	7,225	8,665
Other income	310	490	624	792	1,002
Interest expenses	500	980	1,328	1,981	2,429
PBT	3,700	3,749	4,962	6,036	7,238
Tax	960	701	943	1,147	1,448
Reported PAT	**2,740**	**3,049**	**4,019**	**4,889**	**5,790**
PAT Margin %	*12%*	*10%*	*11%*	*11%*	*11%*
EPS	41	46	60	73	87

Balance Sheet

Particulars (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Share Capital	666	666	666	666	666
Reserves & Surplus	12,010	15,009	18,054	21,803	26,809
Total Shareholder's Fund	**12,676**	**15,674**	**18,720**	**22,469**	**27,475**
Minority Interest					
Non - current Liabilities					
Long term borrowings	1,350	7,188	9,346	9,346	11,683
Long term provision	60	201	251	314	393
Other financial liability	-	-	-	-	-
Other long term liabilities	-	-	-	-	-
Total	**1,410**	**7,389**	**9,597**	**9,660**	**12,075**
Current Liabilities					
Short term borrowing	560	2,950	7,103	7,944	9,930
Trade payables	6,640	16,530	8,194	10,242	12,803
Short term provisions	50	165	206	258	322
Deferred tax liablities	40	141	748	935	1,168
Other current financial liability	3,010	17,602	7,477	9,346	11,683
Other current liabilities	9,950	10,164	17,571	21,964	27,455
Total	**20,250**	**47,552**	**41,299**	**50,689**	**63,361**
Total liabilities	**34,336**	**70,615**	**69,617**	**82,818**	**1,02,912**
Application of Assets					
Net Block	1,660	886	3,348	4,881	6,297
Current work in process	170	53	-	-	-
Intangible	-	5	10	10	10
Non current investment	-	11	14	17	21
Tax assets	17	97	122	152	190
Other Financial assets	130	32	40	50	63
Other non-current assets	60	2	374	467	584
Total	**2,037**	**1,085**	**3,907**	**5,577**	**7,165**
Current Assets					
Current investments	3,920	14	17	21	27
Inventories	14,880	42,809	35,849	44,811	56,013
Trade receivables	1,140	2,256	2,868	3,585	4,481
Cash balance	2,759	3,538	4,236	5,073	8,457
Other Financial asset	140	247	309	386	482
Other current assets	9,460	20,667	22,431	23,366	26,286
Income tax aseets	-	-	-	-	-
Total	**32,299**	**69,530**	**65,709**	**77,241**	**95,747**
Total assets	**34,336**	**70,615**	**69,617**	**82,818**	**1,02,912**

Cash Flow Statement

Particulars (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Net profit after tax	**2,740**	**3,046**	**3,749**	**5,006**	**6,798**
Less: Other Income	-310	-486	-681	-953	-1,334
Add: Interest cost	500	977	1,368	1,915	2,681
Add: Depreciation	170	231	271	317	370
Operating profit before working capital changes	3,100	3,768	4,706	6,284	8,514
Changes in working capital	-127	-13,065	-1,710	-1,275	-2,412
Cash flow from Operations	2,973	-9,297	2,996	5,009	6,103
Cash flow from Investing	-5,398	5,015	-2,407	-1,028	-616
Cash flow from Financing	4,499	5,061	110	-3,145	-2,101
Net cash Inflow/Outflow	**2,074**	**779**	**699**	**836**	**3,385**
Opening cash	684	2,759	3,538	4,236	5,073
Closing cash	**2,759**	**3,538**	**4,236**	**5,073**	**8,457**

Key Financial ratios

Particulars (INR Mn)	FY25	FY26	FY27E	FY28E	FY29E
Per share Data					
EPS (Rs)	41	46	60	73	87
Book value per share (Rs)	190	235	281	338	413
Profitability Ratios					
EBITDAM(%)	18%	15%	17%	18%	18%
PBTM (%)	16%	13%	14%	14%	14%
NPM (%)	12%	10%	11%	11%	11%
RoE (%)	22%	22%	22%	24%	24%
RoCE (%)	28%	18%	20%	22%	22%
Efficiency Data					
Debt-Equity (x)	0	1	1	1	1
Debt/EBITDA (x)	0	2	3	2	2
Interest Cover (x)	8	4	4	4	4
Fixed Asset (x)	0.07	0.03	0.09	0.11	0.12
Debtors (Days)	18	28	28	28	28
Inventory (Days)	234	522	350	350	350
Payable (Days)	104	202	80	80	80
WC (Days)	148	348	298	298	298
Valuation					
P/E (x)	13.7	12.3	9.3	7.7	6.5
P/BV	3.0	2.4	2.0	1.7	1.4
EV/EBITDA	9.0	9.9	8.4	6.6	5.6
EV/Sales	1.6	1.5	1.4	1.2	1.0

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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