

# Macrotech Developers

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	LODHA IN
Equity Shares (m)	482
M.Cap.(INRb)/(USDb)	436.7 / 5.3
52-Week Range (INR)	1191 / 711
1, 6, 12 Rel. Per (%)	5/-12/-15
12M Avg Val (INR M)	505

## Financials & Valuations (INR b)

Y/E Mar	FY23	FY24E	FY25E
Sales	94.7	100.2	112.4
EBITDA	20.7	25.7	29.9
EBITDA (%)	21.8	25.6	26.6
Net profit	15.4	15.8	19.4
EPS (Rs)	31.9	32.9	40.4
EPS Growth (%)	27.2	3.0	22.7
BV/Share (Rs)	263.0	289.3	321.6

## Ratios

Net D/E	0.6	0.4	0.1
RoE (%)	12.4	11.9	13.2
RoCE (%)	10.1	8.7	10.7
Payout (%)	0.0	20.0	20.0

## Valuations

P/E (x)	28.5	27.7	22.5
P/BV (x)	3.5	3.1	2.8
EV/EBITDA (x)	24.7	19.1	15.7
Div Yield (%)	0.0	0.7	0.9

## Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	75.0	75.0	82.2
DII	4.4	4.1	1.5
FII	19.0	19.4	14.9
Others	1.6	1.5	1.4

**CMP: INR910**

**TP: INR1,250 (+37%)**

**Buy**

**Operationally in-line; guides for 20% pre-sales growth in FY24**

**Pre-sales down 12%YoY in 4QFY23, but exceeds FY23 guidance**

- LODHA reported a 12% YoY decline in pre-sales to INR30b (in line). Its residential pre-sales stood at INR29b, down 7% YoY, but flat QoQ. For FY23, total/residential pre-sales were up 33% YoY to INR121b /INR112b and exceeded the guidance of INR115b/INR105b.
- South and Central Mumbai, Eastern suburbs, and Pune primarily contributed to the FY23 growth with increased contribution of INR11b/INR7b/INR6b. Townships reported 16% YoY growth in pre-sales.
- Sales volume dipped 17% YoY to 2.5msf, but increased 16% YoY for FY23 to 9msf. Blended realization improved 14% YoY in FY23 to ~INR12,000 as the company reported 8% L-f-L pricing growth at a portfolio level. In 4QFY23, the company launched 3.7msf of projects and 10.3msf in FY23 of which 3msf were from projects added during FY23.
- In-line with its medium-term target, the company expects to deliver a 20% growth in pre-sales to INR145b in FY24. The growth will be largely driven by INR264b of ready and ongoing inventory and 10.6msf of launches with a GDV of ~INR130b, which can increase further with project additions in FY24.

**Net-debt down to INR71b with focus on continued reduction**

- Gross collections (incl. INR3b of repatriation from the UK) increased 3%/9% YoY/QoQ to INR29b, leading to OCF of INR16b, up 11% YoY. The company spent INR4b on land and approvals and INR2b on interest cost, leading to a surplus of INR9.7b, which led to a reduction in debt to INR71b, in-line with the company's revised guidance.
- In FY23, net collections stood at INR103b and are expected to increase to INR115-120b in FY24, leading to an estimated OCF of INR60b. In FY23, the company added INR198b GDV of projects and spent INR24b. In FY24, management expects to spend similar quantum to add projects with GDV of INR175b, leading to a healthy surplus of ~INR25b for debt reduction.

**Strong rebound in revenue recognition due to higher completions**

- Revenue increased 84% QoQ to INR32b and was 27% above our estimates, due to higher-than-anticipated number of project completions. The overall completions in FY23 stood at 9msf leading to topline of INR95b, flat YoY.
- Although the completion timeline indicates lower area getting delivered in FY24, the company expects to maintain its revenue run-rate from FY23 on the back of pricing growth in its overall portfolio and delivery of higher priced inventory.
- EBITDA declined 11% YoY, but rose almost 2x QoQ to INR7.7b. Adjusted EBITDA came in at INR9.8b, at a margin of 30%. Embedded EBITDA margin for pre-sales in FY23 stood at 32% and is expected to decline to 30% in FY24 led by rising share of JDA projects.
- Adj. PAT increased 38% YoY to INR7.5b, on account of tax reversal and in FY23, it stood at INR15.4b with a margin of 16%

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

**Key con-call highlights**

- **Walk-ins and conversion:** Management highlighted that despite the rate hikes, footfalls have remained strong throughout the year. The company witnessed the highest ever walk-ins of 1L customers in FY23, which is 15% higher than that in FY22. Conversions increased 11%YoY from 6.8% in FY22 to 7.5% in FY23. This, coupled with 8% price growth at portfolio level, enabled the company to deliver 33% growth in bookings in FY23.
- **Township segment:** Due to the completion of some important infra projects in the near term, the segment is expected to outperform. The company has already witnessed an improvement in traction, evidenced by 45k walk-ins in township projects and a record-high conversion of 10% achieved in FY23
- **Annuity business:** In order to generate a steady income stream which can support the overall business during the down cycle, management is targeting to gradually grow its annuity income to INR5b by FY26 and INR15b by the end of the decade, driven by a) Warehousing (platform deal done with PE partners), b) Facility management business and c) select grade A commercial office development.

**Strong visibility on consistent growth; reiterate BUY**

- On the back of lower completions and the company's decision to hold on to its annuity assets (v/s earlier plans to monetize), we marginally lower our FY24 revenue, resulting in 6%/15% drop in EBITDA/Adj. PAT.
- The company's future pipeline and sector tailwinds will help to sustain pre-sales growth rate of 20% over the next two to three years. Furthermore, the company's indication on existing profitability assures that the growth will be driven by healthy profitability too.
- At the CMP, the stock trades at par to P/NAV, indicating no premium assigned to growth beyond FY24. **We reiterate our Buy rating on the stock with an unchanged TP of INR1,250.**

## Financial Performance (INR m)

Y/E March	FY22				FY23				FY22	FY23	FY23E	Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%/bp)
<b>Gross Sales</b>	<b>16,054</b>	<b>21,238</b>	<b>20,594</b>	<b>34,446</b>	<b>26,758</b>	<b>17,654</b>	<b>17,738</b>	<b>32,554</b>	<b>92,332</b>	<b>94,704</b>	<b>25,717</b>	<b>27</b>
YoY Change (%)	221	135.8	36	36	67	-17	-14	-5	69.5	2.6	-25.3	
Total Expenditure	12,295	17,320	15,737	25,733	22,091	13,414	13,701	24,837	71,085	74,042	19,741	
<b>EBITDA</b>	<b>3,759</b>	<b>3,918</b>	<b>4,858</b>	<b>8,713</b>	<b>4,667</b>	<b>4,240</b>	<b>4,038</b>	<b>7,717</b>	<b>21,247</b>	<b>20,661</b>	<b>5,976</b>	<b>29</b>
Margins (%)	23.4	18.4	23.6	25.3	17.4	24.0	22.8	23.7	23.0	21.8	23.2	
<b>Adj. EBITDA (as per co.)</b>	<b>5,370</b>	<b>7,780</b>	<b>6,980</b>	<b>12,300</b>	<b>9,030</b>	<b>5,250</b>	<b>5,700</b>	<b>9,800</b>	<b>32,430</b>	<b>29,780</b>	<b>7,264</b>	<b>35</b>
Margins (%)	33.5	36.6	33.9	35.7	33.7	29.7	32.1	30.1	35.1	31.4	28.2	
Depreciation	186	184	187	190	196	219	217	296	748	928	180	
Interest	2,451	1,562	1,573	1,218	1,193	1,249	1,176	1,172	6,803	4,791	1,033	<b>13</b>
Other Income	1,070	778	893	719	0	-42	1,286	163	3,460	1,408	30	<b>436</b>
<b>PBT before EO expense</b>	<b>2,191</b>	<b>2,950</b>	<b>3,991</b>	<b>8,023</b>	<b>3,278</b>	<b>2,730</b>	<b>3,931</b>	<b>6,412</b>	<b>17,156</b>	<b>16,350</b>	<b>4,793</b>	<b>34</b>
Extra-Ord expense	0	0	0	0	0	-11,774	0	0	0	-11,774	0	
<b>PBT</b>	<b>2,191</b>	<b>2,950</b>	<b>3,991</b>	<b>8,023</b>	<b>3,278</b>	<b>-9,044</b>	<b>3,931</b>	<b>6,412</b>	<b>17,156</b>	<b>4,576</b>	<b>4,793</b>	<b>34</b>
Tax	588	719	1,131	2,643	559	270	-119	-1,080	5,080	-370	959	
Rate (%)	26.8	24.4	28.3	32.9	17.0	-3.0	-3.0	-16.8	0.3	-0.1	20.0	
MI & Profit/Loss of Asso. Cos.	-5	-2	-3	0	6	16	0	58	-10	80	30	
<b>Reported PAT</b>	<b>1,608</b>	<b>2,234</b>	<b>2,864</b>	<b>5,380</b>	<b>2,713</b>	<b>-9,330</b>	<b>4,050</b>	<b>7,434</b>	<b>12,085</b>	<b>4,866</b>	<b>3,805</b>	<b>95</b>
<b>Adj PAT (as per co.)</b>	<b>1,220</b>	<b>2,870</b>	<b>2,790</b>	<b>5,730</b>	<b>1,200</b>	<b>3,670</b>	<b>3,000</b>	<b>7,500</b>	<b>12,610</b>	<b>15,370</b>	<b>3,805</b>	<b>97</b>
YoY Change (%)	-188	362.9	123	97	-2	28	8	31	270.9	21.9	-33.6	
Margins (%)	7.6	13.5	13.5	16.6	4.5	20.8	16.9	23.0	13.7	16.2	14.8	824bp

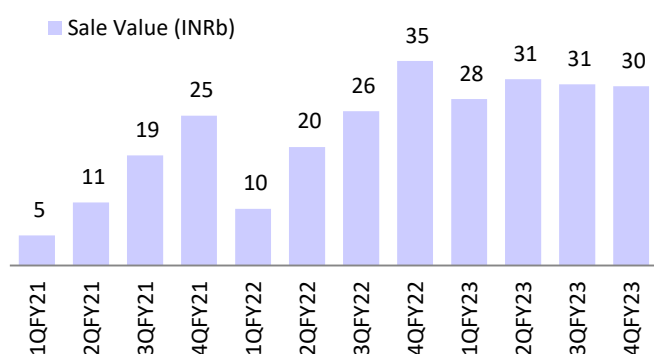
## Operational Performance

Key metrics	FY22				FY23				FY22	FY23	FY23E	Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%/bp)
Sale Volume (msf)	0.7	1.8	2.4	3.0	2.2	2.1	2.5	2.5	8.0	9.3	3.0	<b>-16</b>
Sale Value (INRb)	9.6	18.9	26.1	34.6	28.1	31.5	30.7	30.3	90.2	120.6	31.1	<b>-3</b>
Collections (INRb)	17.1	19.1	21.3	28.4	26.2	23.8	26.8	29.3	86.0	106.0	22.5	<b>30</b>
Realization (INR/sft)	11,729	10,483	10,842	10,410	11,027	13,743	11,920	11,680	10,554	12,056	9,427	<b>24</b>

Source: Company, MOFSL

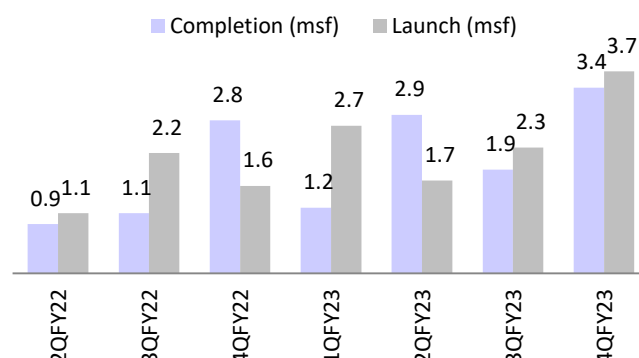
## Key exhibits

**Exhibit 1: LODHA reported pre-sales of INR30b, down 12% YoY**



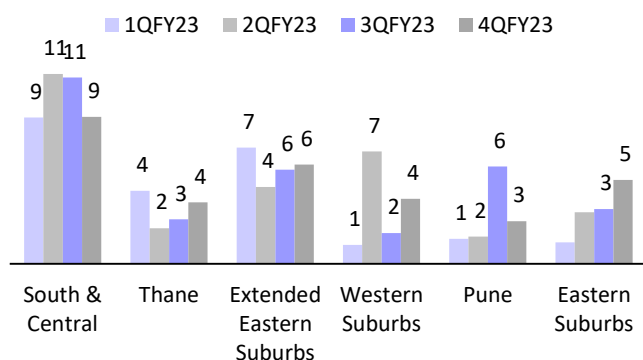
Source: Company, MOFSL

**Exhibit 2: During the quarter, the company launched 3.7msf and delivered 3.4msf**



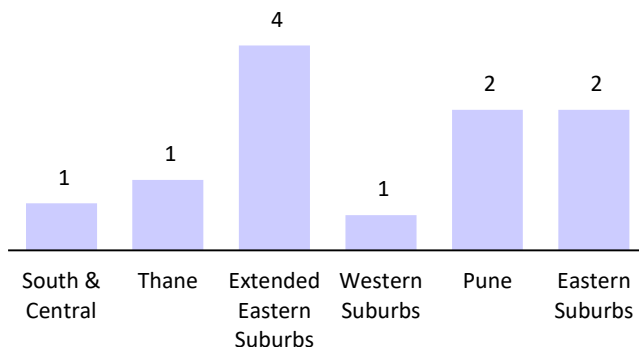
Source: Company, MOFSL

**Exhibit 3: Sales momentum sustains across micro-markets in MMR with consistent growth from eastern suburbs**



Source: Company, MOFSL

**Exhibit 4: Strong launch pipeline of 11msf for the next 12 months**



Source: Company, MOFSL

**Exhibit 5: Launch pipeline for FY24 has a healthy mix of Own/JDA projects**

Micro-market	Own/JDA	Area (msf)	Est. GDV (INRb)	No. of Projects
South Central	JDA	0.5	21.7	1
South Central	Own	0.3	13.5	1
Ext. Eastern Suburbs	Own	3.5	22.8	2
Eastern Suburbs	JDA	1.3	21.8	4
Eastern Suburbs	Own	0.3	3.8	1
Western Suburbs	JDA	0.6	8.1	2
Pune	Own	0.6	6.1	2
Pune	JDA	1.8	13.5	3
Thane	Own	1.2	12.6	3
Bengaluru	JDA	0.7	5.5	1
<b>Total</b>		<b>10.8</b>	<b>129.4</b>	<b>20</b>

Source: MOFSL, Company

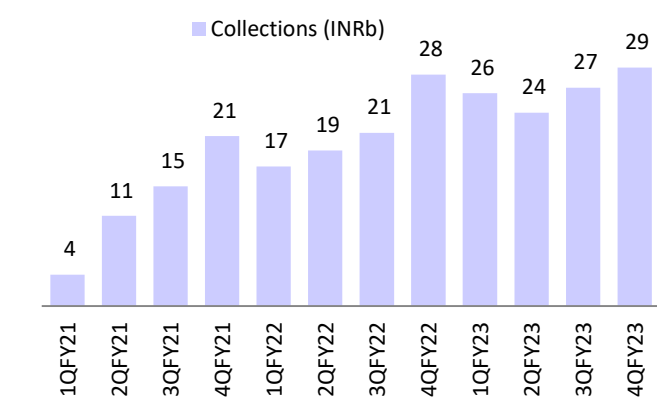
**Exhibit 6: The company signed 12 new JDA projects in FY23 with GDV of INR198b**

Micro-market	Saleable Area (msf)	Est GDV (INR b)	Launched/ Est. Launch
<b>Signed in FY23</b>			
MMR - South Central	0.5	24	FY23
Pune - North West	3.3	26	FY23
Pune - Central	0.2	4	FY24
MMR - Thane	0.7	8	FY24
MMR - Thane	0.5	6.5	FY23
MMR - Western Suburbs	0.8	12.5	FY23
Bengaluru - North	1.3	12	FY24
MMR - Eastern Suburbs	1.7	43	FY23
MMR - Eastern Suburbs	0.4	11	FY24
MMR - Eastern Suburbs	0.4	11	FY24
Pune - North East	2.6	20	FY23
MMR - Eastern Suburbs	1.5	20	FY24
<b>Total</b>	<b>14</b>	<b>198</b>	

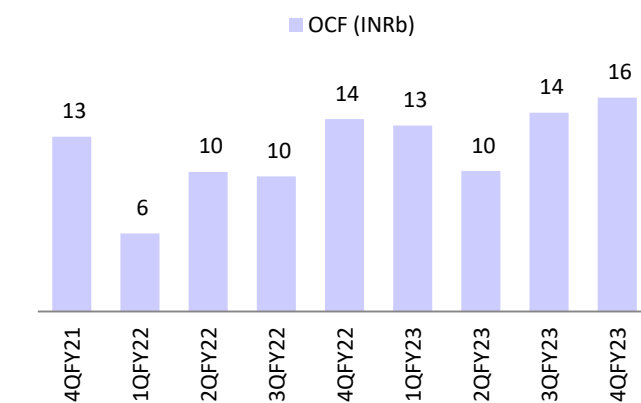
**Exhibit 7: Annualized cost inflation for the company's portfolio cooled off since Mar'22**

Commodity/Component	% Share in total cost	% Change over Mar'21 to Mar'22	Mar'21 to Mar'23	
			% Change	Weighted Impact
Steel	12.9	35.1	12.7	1.6
Flooring Tiles	5.0	23.9	15.3	0.8
Electrical/Plumbing	11.8	10.1	7.3	0.9
Labour	34.4	3.0	4.3	1.5
External Windows	3.9	21.9	8.7	0.3
RMC	11.0	6.3	12.1	1.3
Lifts & Elevators	3.3	16.6	37.7	1.2
Carpentry Materials	3.5	15.5	5.6	0.2
Painting	3.8	13.1	29.9	1.1
<b>Overall</b>		<b>13.7</b>		<b>11.4</b>

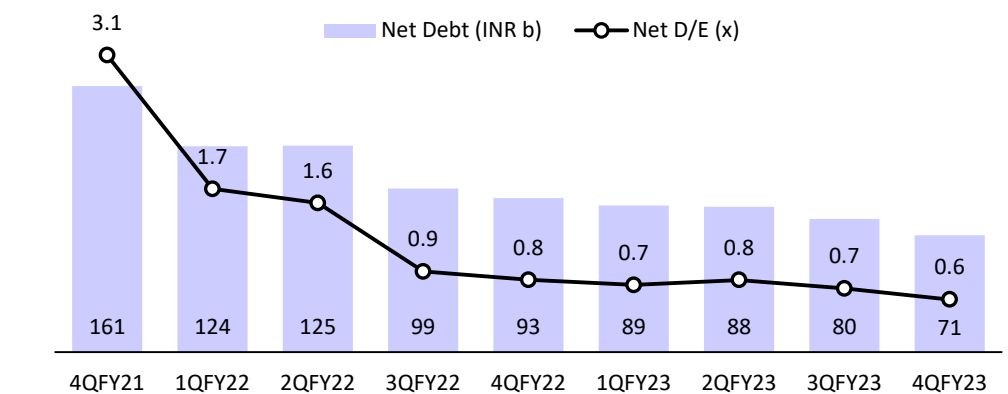
Source: Company, MOFSL

**Exhibit 8: Collections were healthy at INR29b**

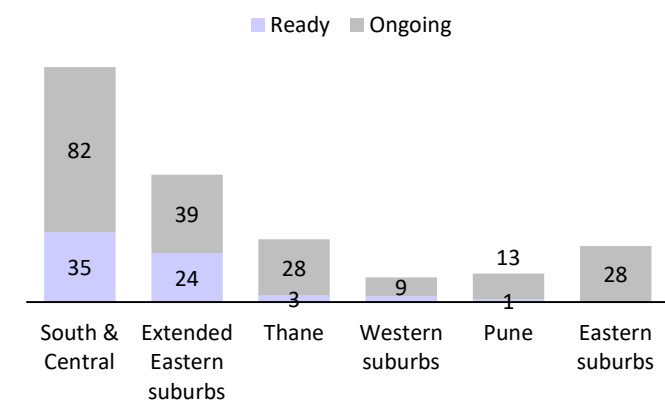
Source: MOFSL, Company

**Exhibit 9: The company generated an OCF of INR16b**

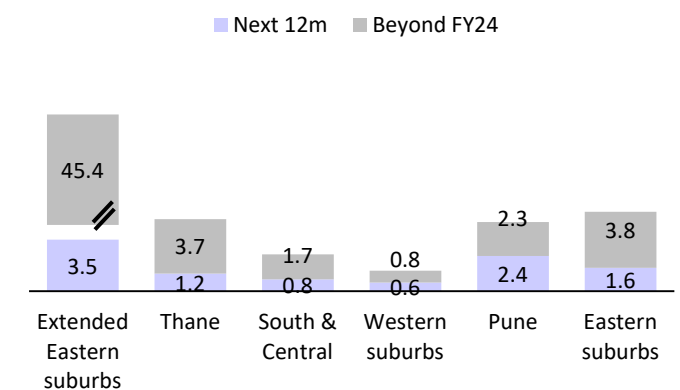
Source: MOFSL, Company

**Exhibit 10: Since IPO, the company has seen consistent reduction in net debt**

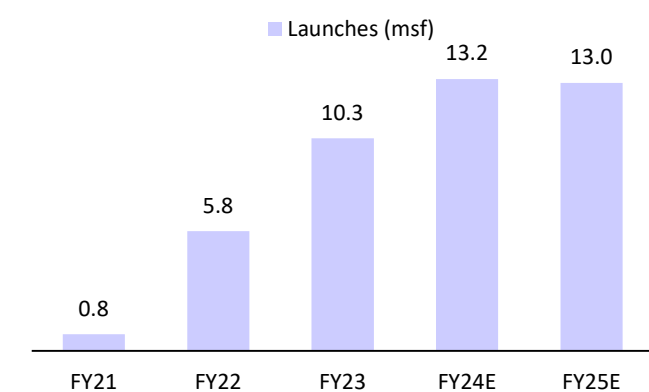
Source: MOFSL, Company

**Exhibit 11: Focus on execution led to INR66b of ready inventory, with INR200b of inventory in progress**

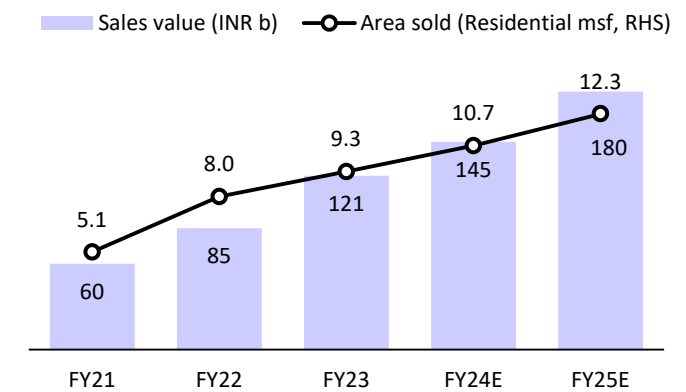
Source: Company, MOFSL

**Exhibit 12: The company has a strong ~80msf of pipeline to be launched in the medium term**

Source: Company, MOFSL

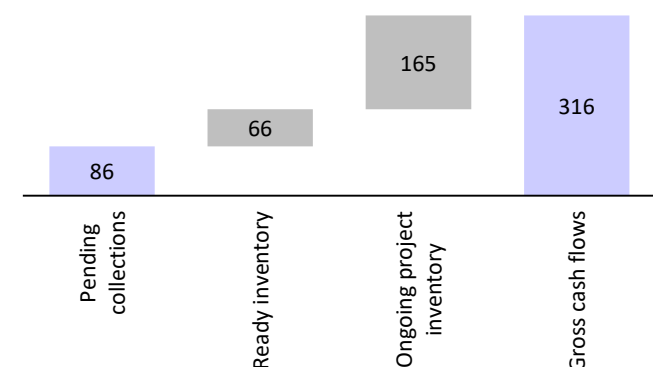
**Exhibit 13: Expect launches to further rise from FY24**

Source: MOFSL, Company

**Exhibit 14: The company to report 22% CAGR in pre-sales over FY23-25 to INR180b**

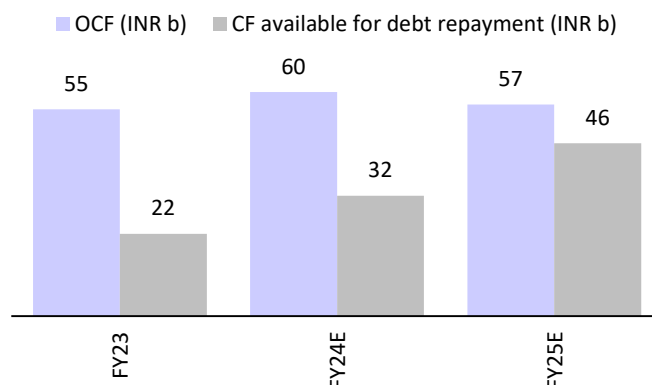
Source: MOFSL, Company

**Exhibit 15: Over the next 4-5 years, ongoing and completed project pipeline can generate ~INR300b of gross cash inflows**



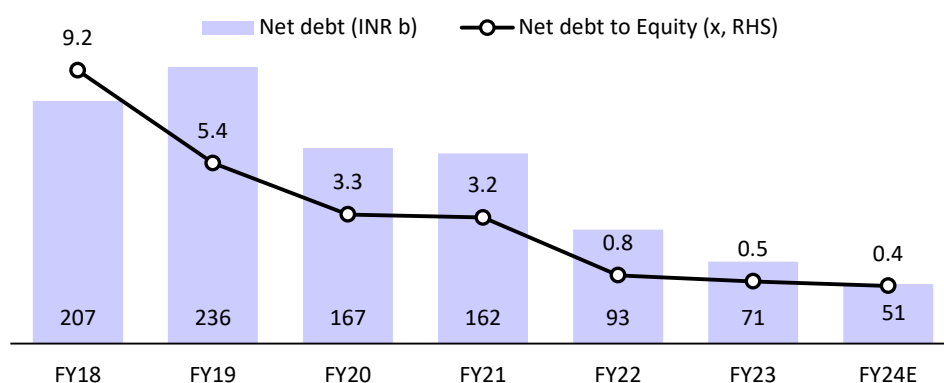
Source: Company, MOFSL

**Exhibit 16: Expect the company to generate ~INR60b OCF for the next two years**



Source: Company, MOFSL

**Exhibit 17: Healthy cash flows could enable accelerated deleveraging**



Source: MOFSL, Company

**Exhibit 18: Earnings change summary**

(INR m)	Old			New			Change		
	FY23E	FY24E	FY25E	FY23	FY24E	FY25E	FY23E	FY24E	FY25E
Revenue	95,284	1,03,039	1,12,424	94,704	1,00,184	1,12,424	-1%	-3%	0%
EBITDA	21,412	27,257	30,267	20,661	25,683	29,919	-4%	-6%	-1%
Adj. PAT	14,410	18,700	21,040	15,370	15,839	19,441	7%	-15%	-8%
Pre-sales	1,23,837	1,50,283	1,79,867	1,21,109	1,44,796	1,79,867	-2%	-4%	0%
Collections	1,01,979	1,19,947	1,29,017	1,00,151	1,15,371	1,27,206	-2%	-4%	-1%
OCF	51,663	54,978	58,333	55,690	59,848	56,523	8%	9%	-3%

Source: MOFSL, Company

## Highlights from management commentary

### Digital Infra

- Regarding the warehousing platform signed with PE investors, the investment period is expected to be between 3.5 and 4 years and the business will scale up to a mature level by the 5-6<sup>th</sup> year after the deal signing.
- Beyond this too, the company remains positive toward monetizing land parcel worth INR5b each year.

### Sales mix and profitability

- During the quarter, JDA contributed 26% to overall sales and will move to 40% in FY24.
- Sales mix remains largely consistent across categories with 33% coming from RTM, 34% from Ongoing, and 32% from the new launches
- Management expects its RoE (on pro-forma basis) to inch up to 20% in FY24.

### Pricing trend

- At a portfolio level, realization growth stood at 8% in FY23.
- The company witnessed good price growth in RTM inventory along with Pune and eastern suburbs projects. Overall, the pricing trend was consistent across segments/markets without much deviation within them.

### Impact of rising rates

- The 1BHK segment has been the most affected by the rising interest rates, but the company was compensated by strong traction observed in 2BHK and above category.
- With interest rates now stabilizing, company expects the lower segments such as the 1BHK to witness a rebound.



**Valuation and view: Profit-led growth trajectory intact; reiterate BUY**

- We value LODHA on an SoTP basis: 1) The Residential segment is valued using the DCF of four-year cash flows at a WACC of 12% and a terminal growth rate of 2.5%, 2) the commercial business is valued at a cap rate of 8% for operational assets and DCF for ongoing assets, 3) The Industrial and UK Investment is valued at a present value of future cash flows, discounted at a WACC of 12%.
- We arrive at an NAV of INR602b, assuming a net debt of INR51b in FY24. Applying zero discount to its NAV, we arrive at a TP of INR1,250, indicating a 37% upside potential.

**Exhibit 19: Based on our SoTP approach, we arrive at an NAV of INR602b (or INR1,250 per share), implying a 37% upside potential**

Particulars		Value (INR b)	Per share	% contribution	% of CMP
Residential	❖ DCF of 4 years cash flow at WACC of 12% and terminal value assuming 5% long term growth	546	1,134	91	125
Commercial	❖ Cap rate of 8% for operational assets and DCF for ongoing assets	29	61	5	7
Industrial	❖ PV of future cash flows discounted at WACC of 12%	69	144	11	16
UK Investment	❖ PV of future cash flow discounted at WACC of 12%	8	18	1	2
<b>Gross asset value</b>		<b>653</b>	<b>1,355</b>	<b>108</b>	<b>149</b>
Net debt	❖ FY24E	(51)	(105)	-8	-12
<b>Net asset value</b>		<b>602</b>	<b>1,250</b>	<b>100</b>	<b>137</b>
No. of share (m)		481.5			
<b>Price Objective</b>		<b>1,250</b>			
CMP		910			
Upside (%)		37			

Source: MOFSL, Company

## Financials and valuations

### Consolidated - Income Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Total Income from Operations</b>	<b>1,19,070</b>	<b>1,24,426</b>	<b>54,486</b>	<b>92,332</b>	<b>94,704</b>	<b>1,00,184</b>	<b>1,12,424</b>
Change (%)	-12.0	4.5	-56.2	69.5	2.6	5.8	12.2
<b>Total Expenditure</b>	<b>87,399</b>	<b>1,05,223</b>	<b>40,766</b>	<b>71,085</b>	<b>74,042</b>	<b>74,501</b>	<b>82,505</b>
% of Sales	73.4	84.6	74.8	77.0	78.2	74.4	73.4
<b>EBITDA</b>	<b>31,670</b>	<b>19,203</b>	<b>13,720</b>	<b>21,247</b>	<b>20,661</b>	<b>25,683</b>	<b>29,919</b>
Margin (%)	26.6	15.4	25.2	23.0	21.8	25.6	26.6
Depreciation	1,944	3,064	734	748	928	814	846
<b>EBIT</b>	<b>29,726</b>	<b>16,139</b>	<b>12,985</b>	<b>20,499</b>	<b>19,733</b>	<b>24,869</b>	<b>29,073</b>
Int. and Finance Charges	5,556	7,315	11,257	6,803	4,791	3,470	2,680
Other Income	719	1,184	3,231	3,460	1,408	1,342	1,494
<b>PBT bef. EO Exp.</b>	<b>24,889</b>	<b>10,008</b>	<b>4,959</b>	<b>17,156</b>	<b>16,350</b>	<b>22,741</b>	<b>27,887</b>
EO Items	0	56	-4,628	0	-11,774	0	0
<b>PBT after EO Exp.</b>	<b>24,889</b>	<b>10,064</b>	<b>332</b>	<b>17,156</b>	<b>4,576</b>	<b>22,741</b>	<b>27,887</b>
Total Tax	8,449	2,615	-147	5,080	-370	6,822	8,366
Tax Rate (%)	33.9	26.0	-44.4	29.6	-8.1	30.0	30.0
Minority Interest	78	130	77	61	80	80	80
<b>Reported PAT</b>	<b>16,361</b>	<b>7,319</b>	<b>402</b>	<b>12,014</b>	<b>4,866</b>	<b>15,839</b>	<b>19,441</b>
<b>Adjusted PAT</b>	<b>16,361</b>	<b>7,278</b>	<b>7,084</b>	<b>12,014</b>	<b>15,370</b>	<b>15,839</b>	<b>19,441</b>
Change (%)	-8.4	-55.5	-2.7	69.6	27.9	3.0	22.7
Margin (%)	13.7	5.8	13.0	13.0	16.2	15.8	17.3

### Consolidated - Balance Sheet

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	3,959	3,959	3,959	4,815	4,815	4,815	4,815
Total Reserves	34,451	41,564	42,031	1,16,235	1,21,809	1,34,480	1,50,032
<b>Net Worth</b>	<b>38,410</b>	<b>45,523</b>	<b>45,990</b>	<b>1,21,050</b>	<b>1,26,624</b>	<b>1,39,295</b>	<b>1,54,847</b>
Minority Interest	5,348	5,192	5,269	568	596	596	596
Total Loans	2,56,406	1,84,232	1,81,669	1,15,367	90,602	63,602	43,602
Deferred Tax Liabilities	-3,206	-935	-2,098	1,911	332	3,557	8,567
<b>Capital Employed</b>	<b>2,96,958</b>	<b>2,34,011</b>	<b>2,30,829</b>	<b>2,38,896</b>	<b>2,18,153</b>	<b>2,07,049</b>	<b>2,07,611</b>
Gross Block	17,704	17,499	17,608	18,318			
Less: Accum. Deprn.	4,877	5,649	6,383	7,130	19,487	20,302	21,148
<b>Net Fixed Assets</b>	<b>12,827</b>	<b>11,851</b>	<b>11,226</b>	<b>11,187</b>	<b>8,059</b>	<b>8,873</b>	<b>9,719</b>
<b>Investment Property</b>	<b>1,933</b>	<b>2,882</b>	<b>2,767</b>	<b>2,650</b>	<b>11,429</b>	<b>11,429</b>	<b>11,429</b>
Goodwill on Consolidation	6,627	5,477	5,471	5,388	1,539	1,539	1,539
Capital WIP	63	63	63	0	5,303	5,303	5,303
<b>Total Investments</b>	<b>14,050</b>	<b>15,529</b>	<b>15,794</b>	<b>5,740</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>4,59,933</b>	<b>3,70,188</b>	<b>3,55,663</b>	<b>3,59,824</b>	<b>2,460</b>	<b>2,380</b>	<b>12,300</b>
Inventory	4,15,124	2,90,314	2,83,007	2,73,583			
Account Receivables	4,843	7,943	6,545	6,461	3,70,816	3,78,267	3,90,011
Cash and Bank Balance	6,575	1,870	3,668	12,457	3,01,167	3,04,670	3,14,172
Loans and Advances	33,390	70,061	62,442	67,322	7,393	4,117	4,620
<b>Curr. Liability &amp; Prov.</b>	<b>1,98,475</b>	<b>1,71,979</b>	<b>1,60,153</b>	<b>1,45,892</b>	<b>18,242</b>	<b>10,467</b>	<b>12,206</b>
Account Payables	22,631	22,728	16,978	15,087	44,013	59,013	59,013
Other Current Liabilities	1,75,490	1,49,012	1,42,963	1,30,581	1,73,393	1,91,868	2,12,970
Provisions	354	239	212	224	20,962	19,213	21,561
<b>Net Current Assets</b>	<b>2,61,457</b>	<b>1,98,210</b>	<b>1,95,509</b>	<b>2,13,932</b>	<b>1,52,129</b>	<b>1,72,353</b>	<b>1,91,107</b>
Misc Expenditure	0	0	0	0	302	302	302
<b>Appl. of Funds</b>	<b>2,96,958</b>	<b>2,34,011</b>	<b>2,30,829</b>	<b>2,38,896</b>	<b>1,97,422</b>	<b>1,86,399</b>	<b>1,77,041</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>45.1</b>	<b>41.3</b>	<b>18.4</b>	<b>17.9</b>	<b>25.0</b>	<b>31.9</b>	<b>32.9</b>	<b>40.4</b>
Cash EPS	55.2	46.2	26.1	19.7	26.5	33.8	34.6	42.1
BV/Share	56.1	97.0	115.0	116.2	251.4	263.0	289.3	321.6
DPS	0.0	0.0	0.0	0.0	0.0	0.0	6.6	8.1
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0	20.0	20.0
<b>Valuation (x)</b>								
P/E	23.8	25.9	58.3	59.9	43.0	28.5	27.7	22.5
Cash P/E	19.4	23.2	41.0	54.3	40.4	26.9	26.3	21.6
P/BV	19.1	11.0	9.3	9.2	4.3	3.5	3.1	2.8
EV/Sales	4.8	5.7	4.9	11.1	6.7	5.4	4.9	4.2
EV/EBITDA	19.6	21.3	31.6	43.9	29.1	24.7	19.1	15.7
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.9
FCF per share	16.5	-14.2	94.6	63.9	41.7	57.4	59.7	82.0
<b>Return Ratios (%)</b>								
RoE	80.5	54.0	17.3	15.5	14.4	12.4	11.9	13.2
RoCE	16.4	7.4	4.4	10.2	7.3	10.1	8.7	10.7
RoIC	17.5	7.9	4.8	8.8	6.7	10.2	8.9	10.8
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	8.0	6.7	7.1	3.1	5.0	4.9	4.9	5.3
Asset Turnover (x)	0.6	0.4	0.5	0.2	0.4	0.4	0.5	0.5
Inventory (Days)	1,057	1,273	852	1,896	1,082	1,161	1,110	1,020
Debtor (Days)	20	15	23	44	26	28	15	15
Creditor (Days)	58	69	67	114	60	81	70	70
<b>Leverage Ratio (x)</b>								
Current Ratio	1.9	2.3	2.2	2.2	2.5	2.1	2.0	1.8
Interest Cover Ratio	7.6	5.4	2.2	1.2	3.0	4.1	7.2	10.8
Net Debt/Equity	10.0	6.5	4.0	3.9	0.9	0.6	0.4	0.2

### Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
OP/(Loss) before Tax	27,095	24,889	10,007	4,959	17,156	4,576	22,741	27,887
Depreciation	3,979	1,944	3,064	734	748	928	814	846
Interest & Finance Charges	29,349	30,032	31,119	25,246	19,923	13,890	7,710	5,360
Direct Taxes Paid	-5,647	-3,116	-821	857	-1,778	-2,110	-3,597	-3,356
(Inc)/Dec in WC	-47,652	-59,476	-4,112	-1,218	-7,271	-1,091	3,249	11,097
<b>CF from Operations</b>	<b>7,124</b>	<b>-5,726</b>	<b>39,257</b>	<b>30,579</b>	<b>28,778</b>	<b>16,194</b>	<b>30,917</b>	<b>41,833</b>
Others	-164	1,095	-1,525	-5,339	-2,500	11,306	-1,342	-1,494
<b>CF from Operating incl EO</b>	<b>6,960</b>	<b>-4,632</b>	<b>37,732</b>	<b>25,239</b>	<b>26,278</b>	<b>27,499</b>	<b>29,575</b>	<b>40,339</b>
(Inc)/Dec in FA	-416	-991	-292	65	78	149	-814	-846
<b>Free Cash Flow</b>	<b>6,544</b>	<b>-5,622</b>	<b>37,439</b>	<b>25,304</b>	<b>26,356</b>	<b>27,648</b>	<b>28,761</b>	<b>39,493</b>
(Pur)/Sale of Investments	-5,583	-300	-2,822	-176	1,491	6,817	0	-10,000
Others	-553	-552	5,231	4,310	9,820	10,812	1,342	1,494
<b>CF from Investments</b>	<b>-6,552</b>	<b>-1,843</b>	<b>2,117</b>	<b>4,199</b>	<b>11,389</b>	<b>17,778</b>	<b>528</b>	<b>-9,352</b>
Issue of Shares	0	0	0	0	63,466	100	0	0
Inc/(Dec) in Debt	30,454	37,050	-11,362	-10,325	-72,916	-25,393	-27,000	-20,000
Interest Paid	-30,214	-29,691	-30,534	-18,027	-19,427	-11,756	-7,710	-5,360
Dividend Paid	0	0	0	0	0	0	-3,168	-3,888
Others	0	0	0	0	0	-6	0	0
<b>CF from Fin. Activity</b>	<b>239</b>	<b>7,359</b>	<b>-41,896</b>	<b>-28,351</b>	<b>-28,878</b>	<b>-37,054</b>	<b>-37,878</b>	<b>-29,248</b>
<b>Inc/Dec of Cash</b>	<b>647</b>	<b>885</b>	<b>-2,047</b>	<b>1,087</b>	<b>8,789</b>	<b>8,223</b>	<b>-7,775</b>	<b>1,739</b>
Opening Balance	1,858	2,552	3,525	1,185	3,668	12,457	20,680	12,905
<b>Closing Balance</b>	<b>2,505</b>	<b>3,437</b>	<b>1,479</b>	<b>2,272</b>	<b>12,457</b>	<b>20,680</b>	<b>12,905</b>	<b>14,644</b>

## NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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