




# V-Mart Retail

Estimate change   
TP change   
Rating change 

**CMP: INR2,380 TP: INR2,740 (+15%) Buy**

## LimeRoad integration continues to hurt profitability

- V-Mart Retail (VMART) posted a net loss of 219m (est. net loss of INR2m), primarily due to weak SSSG and losses from Limeroad losses. These factors contributed to a significant 740bp reduction in EBITDA margin. Revenue growth for V-Mart (Excl LR and Unlimited) grew 15%, mainly driven by footprint additions.
- We have cut FY24E EBITDA by 28%, led by INR800m EBITDA loss in LimeRoad and a prolonged recovery period. However, we maintain our FY25E EBITDA, as we anticipate a recovery in SSSG and the mitigation of losses of INR500m in LimeRoad.
- We model a revenue/EBITDA CAGR of 18%/30% over FY23-25. We **reiterate our BUY rating with a TP of INR2,740 (based on 12x EV/EBITDA on Mar'25E)**.

## Net loss of INR219m vs. INR205m PAT YoY (miss)

- Consolidated revenues grew 15.4% YoY at INR6.8b (in line), mainly driven by footprint addition.
- The quarter included revenue from Limeroad to the tune of ~INR170m (up 44% QoQ), which was integrated from Nov'22.
- Revenue from the Unlimited segment reported a 4% YoY growth to INR1.2b.
- Revenue for V-Mart reported a strong growth of 15% YoY, mainly driven by footprint addition. Although revenue/sqft at ~INR1,800 remained flattish YoY, it was still below pre-covid levels.
- Gross margins contracted 150bp on a YoY basis to 35.8% (vs. 36.8% estimated). Consequently, gross profits grew 11% YoY to INR2.4b.
- Employee cost/other expenses reported a steep growth of 29.8% /57.5% YoY, which could be attributed to Limeroad costs.
- Consequently, EBITDA declined 41% YoY to INR525m (31% miss), dragged by weak LTL growth and losses from Limeroad.
  - **Adjusted for Limeroad losses, EBITDA margins for 1QFY24 stood at 13%.**
- The company reported a net loss of INR219m (vs. INR2m loss est), adversely impacted by lower EBITDA.

## Highlights from the management commentary

- The company expects LFL growth of 5% on value and 8-9% on volume terms for FY24; expects recovery to flow in from 3QFY24 onwards with the onset of a festive period.
- Incurred a capex of INR560m toward the establishment of a new warehouse and store opening; expects some disruption in sales due to a shift in warehouse, which may take six months to normalize.
- Anticipates a rise in debt levels by the end of Q2FY24, primarily due to inventory buildup for an upcoming festive period. The intention is to subsequently normalize the debt levels by the end of FY24.
- Re-iterated its cap of 20% of overall EBITDA to fund losses in online segment.



Bloomberg	VMART IN
Equity Shares (m)	20
M.Cap.(INRb)/(USD\$)	47.1 / 0.6
52-Week Range (INR)	3162 / 1948
1, 6, 12 Rel. Per (%)	9/-16/-31
12M Avg Val (INR M)	137

### Financials & Valuations (INR b)

Y/E March	FY23	FY24E	FY25E
Sales	24.6	29.0	34.6
EBITDA	2.7	2.5	4.6
NP	-0.1	-0.4	1.1
EBITDA Margin (%)	10.9	8.8	13.2
Adj. EPS (INR)	-4.3	-20.8	59.0
EPS Gr. (%)	NM	379.7	-383.8
BV/Sh. (INR)	469.1	448.3	507.4

### Ratios

Net D:E	1.5	1.5	1.3
RoE (%)	NM	NM	12.4
RoCE (%)	3.2	2.7	9.7
Payout (%)	0.0	0.0	0.0

### Valuations

P/E (x)	NM	NM	38.8
EV/EBITDA (x)	20.3	21.2	11.7
EV/Sales (x)	1.7	1.5	1.2
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	-1.8	2.2	4.2

### Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	44.3	44.3	46.1
DII	31.0	31.8	25.6
FII	14.8	14.2	18.2
Others	9.9	9.7	10.1

FII Includes depository receipts

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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.

**Valuation and view**

- The inflationary pressures within the value segment is witnessing a soft MoM recovery. Further, incremental investments in the online segment with the acquisition of LimeRoad cold drag near-term profitability, with the management's target of investing 15-20% of EBITDA.
- Subsequently, we believe the recovery in earnings might take over two to three quarters. This could be triggered by the adjustment to declining RM prices and a revival in demand driven by the festive season.
- We have cut our FY24E EBITDA by 28%, led by losses in Limeroad and weak SSSG; however, we maintain FY25E estimates, as we anticipate a recovery in SSSG and the mitigation of losses in LimeRoad.
- We model a revenue/EBITDA CAGR of 18%/30% over FY23-25E.
- In the medium to long term, given the huge growth opportunity in the Value Fashion segment and VMART's strong execution capability, we believe it has the potential to garner sustainable double-digit revenue growth for a prolonged period, underpinned by SSSG and new store additions.
- Low price points, cost leadership, strong liquidity, and prudent inventory management render VMART an edge over its competitors.
- We reiterate our BUY rating on the stock with a TP of INR2,740 (premised on 12x EV/EBITDA on Mar'25E).

**Consolidated - Quarterly Earnings Model****(INR m)**

Y/E March	FY23				FY24E				FY23	FY24E	FY24	Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	Var (%)
<b>Revenue</b>	<b>5,879</b>	<b>5,062</b>	<b>7,769</b>	<b>5,939</b>	<b>6,785</b>	<b>5,897</b>	<b>9,245</b>	<b>7,031</b>	<b>24,648</b>	<b>28,958</b>	<b>6,780</b>	<b>0</b>
YoY Change (%)	231.4	49.8	12.3	29.5	15.4	16.5	19.0	18.4	47.9	17.5	15.3	
Total Expenditure	4,992	4,526	6,732	5,710	6,261	5,499	7,997	6,653	21,959	26,409	6,017	4
<b>EBITDA</b>	<b>887</b>	<b>536</b>	<b>1,037</b>	<b>229</b>	<b>525</b>	<b>398</b>	<b>1,248</b>	<b>378</b>	<b>2,689</b>	<b>2,548</b>	<b>763</b>	<b>-31</b>
EBITDA Margin (%)	15.1	10.6	13.3	3.9	7.7	6.8	13.5	5.4	10.9	8.8	11.3	
Depreciation	402	441	473	484	499	499	499	440	1,800	1,937	484	3
Interest	247	279	307	336	330	330	330	306	1,169	1,297	324	2
Other Income	41	27	7	75	15	15	15	125	150	170	43	-65
<b>PBT</b>	<b>278</b>	<b>-157</b>	<b>264</b>	<b>-516</b>	<b>-290</b>	<b>-416</b>	<b>434</b>	<b>-244</b>	<b>-130</b>	<b>-516</b>	<b>-3</b>	<b>NM</b>
Tax	74	-44	64	-146	-70	-112	117	-74	-52	-139	-1	
Rate (%)	26.5	27.9	24.4	28.3	24.2	27.0	27.0	30.3	39.7	27.0	27.0	
<b>Reported PAT</b>	<b>205</b>	<b>-113</b>	<b>200</b>	<b>-370</b>	<b>-219</b>	<b>-304</b>	<b>317</b>	<b>-170</b>	<b>-78</b>	<b>-376</b>	<b>-2</b>	<b>NM</b>
<b>Adj PAT</b>	<b>205</b>	<b>-113</b>	<b>200</b>	<b>-370</b>	<b>-219</b>	<b>-304</b>	<b>317</b>	<b>-170</b>	<b>-78</b>	<b>-376</b>	<b>-2</b>	<b>NM</b>
YoY Change (%)	-171.2	-20.0	-65.0	1,314.5	-207.3	168.6	58.5	-54.1	-167.4	379.7	-101.2	

E: MOFSL Estimates

**Exhibit 1: Valuation based on FY24E EBITDA**

	Methodology	Driver (INR m)	Multiple	Fair Value (INR m)	Value/sh (INR)
EBITDA	FY25 EV/EBITDA	4,562	12	56,983	3,149
Less Net debt					7,423
<b>Total Value</b>				<b>49,560</b>	<b>2,740</b>
Shares o/s (m)					18.1
CMP (INR)					2,380
<b>Upside (%)</b>					<b>15</b>

Source: MOFSL, Company



## Concall highlights

### Key highlights

- The company expects LFL growth of 5% on value and 8-9% on volume terms for FY24; expects recovery to flow in from 3QFY24 onwards with the onset of festive period.
- Incurred a capex of INR560m toward the establishment of a new warehouse and store opening; expects some disruption in sales due to a shift in warehouse, which may take six months to normalize.
- Anticipates a rise in debt levels by the end of Q2FY24, primarily due to inventory buildup for an upcoming festive period. The intention is to subsequently normalize the debt levels by the end of FY24.
- Reiterated its cap of 20% of overall EBITDA to fund losses in the online segment.

### Highlights in detail

#### Detailed Highlights

##### Demand Scenario

- Overall, industry growth has been muted, as brands reported lower footfalls and conversion due to economic pressure.
- The management stated that it is seeing MoM improvement in the demand scenario, attributed to a recent reduction in pricing. Geographically, the eastern region of India has demonstrated promising progress, whereas the UP belt grapples with challenges stemming from the transition to a formal from an informal economy, compounded by weather disruptions during the quarter, which shortened the summer season.
- Within the Southern region of India, there has been a decline in growth for Telangana and Andhra Pradesh, whereas Tamil Nadu and Kerala have experienced noteworthy expansion.
- The management further stated that Q2FY24 is expected to be weak, while recovery is expected from 3QFY24 onwards, with the onset of Diwali and other festivities.

##### Performance

- The corrected pricing mix during the quarter aided in 23% improvement in footfalls and same store volumes growth of 6%
- The share of Digital (Limeroad +Online) within the overall mix stood at 5% in 1QFY24 from 3% earlier. The company expects this share to go up in the near term.
- Tier 3 stores have faced adverse effects from reduced sales, primarily due to inflationary pressures that have strained household budgets. Additionally, the increased presence of new retailers has contributed to heightened supply in the market.
- The newer stores in the South recorded ~27% higher sales performance as compared to other stores.
- The company expects the LFL growth of at least 5% on value and 8-9% on volume level.

##### Lime road

- The recent projects initiated within this segment have received a positive response.

- The company is witnessing improved operating efficiencies within the segment with 43% QoQ growth in NMV being seen in 1QFY24.
- The company has launched “fashion first LR studio” for women, within which, it has identified best sellers, which will be incorporated within the V-Mart stores.
- The company will maintain its emphasis on category supply, as well as search and discoverability, in order to enhance the overall customer experience and provide greater value to its customers.
- The segment ASP currently ranges between ~INR600 and INR650. Going ahead, it will look to soften ASP with focus on improving the items per cart, backed by cross selling.
- The company stated that it remains committed to contain the losses from Limeroad on to 20% of group EBITDA on an annual basis and expects the narrowing down of losses from 3QFY24 onwards.

#### **Capex and store adds**

- The shift towards newly operational warehouse led to disruptions in its supply chain, leading to a sales loss during the period of 45 days in Jun-Jul’23.
- The management expects six months for the warehouse to stabilize and see results with better turnaround time and inventory replenishment.
- The company opened nine New stores (one in South) during the quarter and closed one store in Karnataka.
- The company incurred an overall capex of INR560m toward the new warehouse completion, nine new store openings, and some store refurbishments.

#### **Expenses**

- Expenses for the quarter included ~INR530m toward online spends (LR +online channel) mainly pertaining to marketing cost. Excluding this, expenses for the quarter grew 8% YoY.
- The company foresees a consolidation of marketing expenditures in the upcoming period, with the majority of integration efforts focused on the online business now nearing completion.
- Decline in EBITDA was mainly due to higher inflation and lower gross margins.
- 20% of Group EBITDA limit losses of Online.
- Due to higher rent costs, Unlimited's EBITDA margins are comparatively lower than VMart's on a pre-Ind AS basis.

#### **Working Capital**

- The quarter reported a reduction in Inventory by INR1500 QoQ, which helped improve working capital cycle. Of this, 10% inventory was from partner brands, which had no risk.
- The inventory pertaining to Kirana was higher, due to the presence of some inventory at warehouse.
- Store-level inventory stands at ~50 days and this does not include perishable commodity, which has lower shrinkages.

#### **Leverage**

- The management stated that it anticipates a rise in debt levels by the end of Q2FY24, primarily due to inventory buildup for an upcoming festive period. The intention is to subsequently normalize the debt levels by the end of FY24.

**Other highlights**

- The company is currently grappling with challenges stemming from changes in the behavior of rural customers, attributed to increased availability of products and information.
- It further stated that it continues to focus on its existing customer base, rather than shifting its focus toward ultra-modern customers. It also expressed that it does not anticipate any significant cannibalization of existing customers by these new players.
- The new design and sourcing team is settling in and new autumn collection has been launched in certain stores.

**Exhibit 2: Quarterly performance**

	1QFY23	4QFY23	1QFY24	YoY%	QoQ%	1QFY24E	v/s est (%)
<b>Revenue</b>	<b>5,879</b>	<b>5,939</b>	<b>6,785</b>	<b>15.4</b>	<b>14.2</b>	<b>6,780</b>	<b>0.1</b>
Raw Material cost	3,686	4,043	4,358	18.2	7.8	4,288	1.6
<b>Gross Profit</b>	<b>2,192</b>	<b>1,896</b>	<b>2,427</b>	<b>10.7</b>	<b>28.0</b>	<b>2,492</b>	<b>-2.6</b>
<b>Gross Margin (%)</b>	<b>37.3</b>	<b>31.9</b>	<b>35.8</b>	<b>-152bps</b>	<b>385bps</b>	<b>36.8</b>	<b>-98bps</b>
Employee Costs	552	680	717	29.8	5.3	712	0.7
Other Expenses	753	987	1,186	57.5	20.2	1,017	16.6
<b>EBITDA</b>	<b>887</b>	<b>229</b>	<b>525</b>	<b>-40.9</b>	<b>128.8</b>	<b>763</b>	<b>-31.2</b>
<b>EBITDA margin (%)</b>	<b>15.1</b>	<b>3.9</b>	<b>7.7</b>	<b>-736bps</b>	<b>NM</b>	<b>11.3</b>	<b>-352bps</b>
Depreciation and amortization	402	484	499	24.0	3.1	484	3.1
EBIT	485	-255	25	-94.7	NM	278	-90.8
EBIT margin (%)	8.2	-4.3	0.4	-787bps	NM	4.1	-373bps
Finance Costs	247	336	330	33.6	-1.8	324	1.8
Other income	41	75	15	-63.1	-80.0	43	-64.5
Exceptional item	0	0	0	0.0	0.0	0	NM
<b>Profit before Tax</b>	<b>278</b>	<b>-516</b>	<b>-290</b>	<b>-204.1</b>	<b>-43.8</b>	<b>-3</b>	<b>8756.1</b>
Tax	74	-146	-70	-195.1	-52.0	-1	7848.2
Tax rate (%)	26.5	28.3	24.2	-229bps	-410bps	27.0	-277bps
<b>Profit after Tax</b>	<b>205</b>	<b>-370</b>	<b>-219</b>	<b>-207.3</b>	<b>-40.6</b>	<b>-2</b>	<b>9092.1</b>

Source: MOFSL, Company

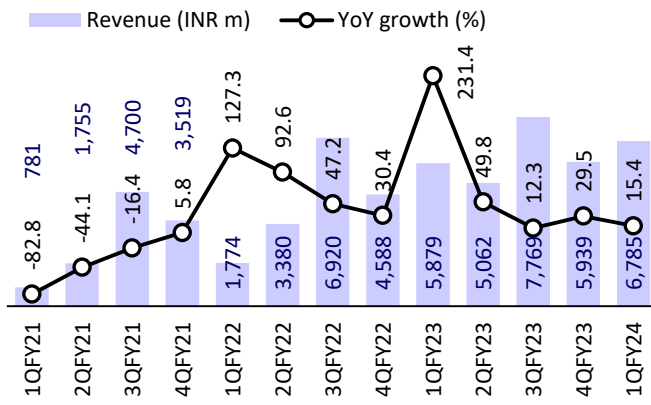
**Exhibit 3: Summary of our estimate changes**

Particulars	FY24E	FY25E
<b>Revenue (INR m)</b>		
Old	28,293	33,845
Actual/New	28,958	34,563
Change (%)	2.3	2.1
<b>EBITDA (INR m)</b>		
Old	3,537	4,467
Actual/New	2,548	4,562
Change (%)	-27.9	2.1
<b>EBITDA margin (%)</b>		
Old	12.5	13.2
Actual/New	8.8	13.2
Change (bp)	-370	0
<b>Net Profit (INR m)</b>		
Old	435	999
Actual/New	-376	1,068
Change (%)	-186.5	6.9
<b>EPS (INR)</b>		
Old	24	55
Actual/New	-21	59
Change (%)	-186.5	6.9

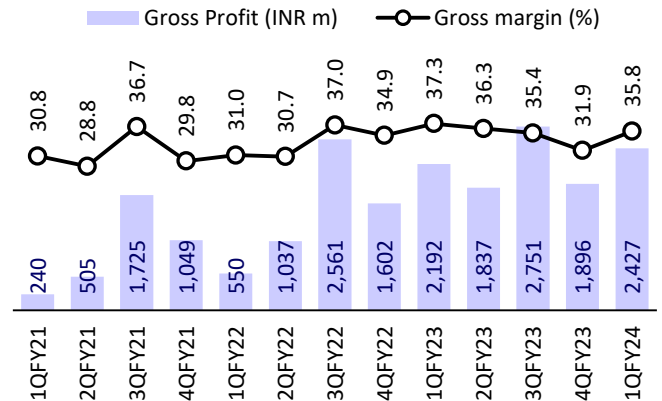
Source: MOFSL, Company

## Story in charts

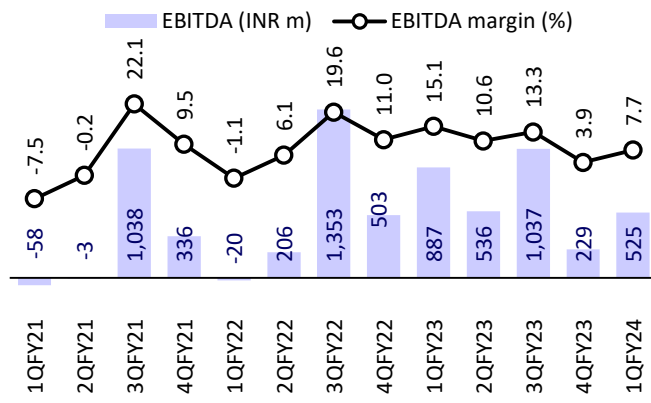
**Exhibit 4: Reported revenue growth of 15% YoY**



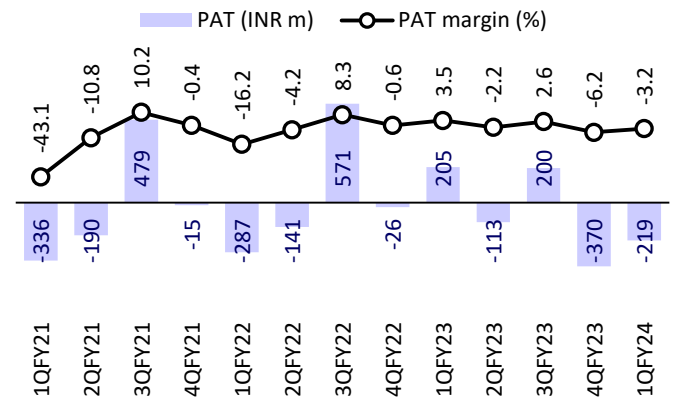
**Exhibit 5: Gross margin contracted YoY**



**Exhibit 6: EBITDA margin contracted to 7.7%**

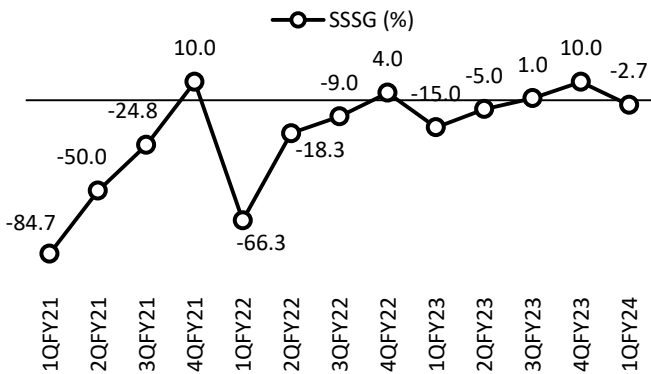


**Exhibit 7: VMART reported a loss of INR219m**



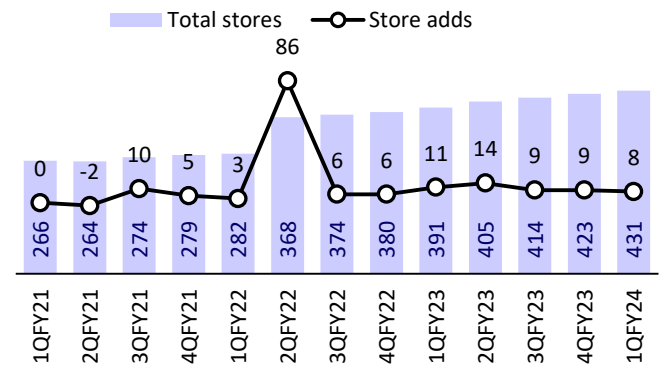
Source: Company, MOFSL

**Exhibit 8: SSSG turned negative in 1QFY24**

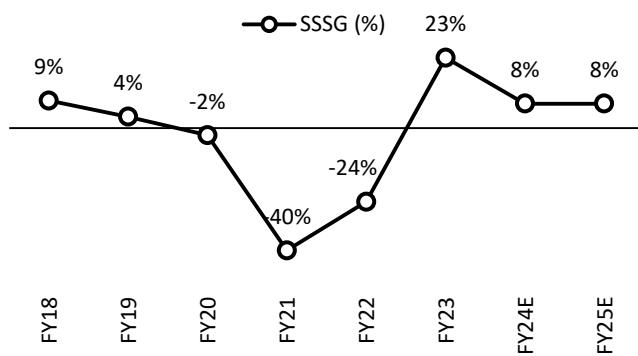


Source: Company, MOFSL

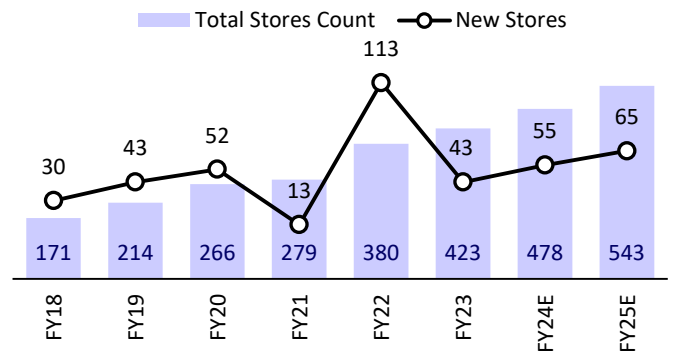
**Exhibit 9: Total stores stood at 431**



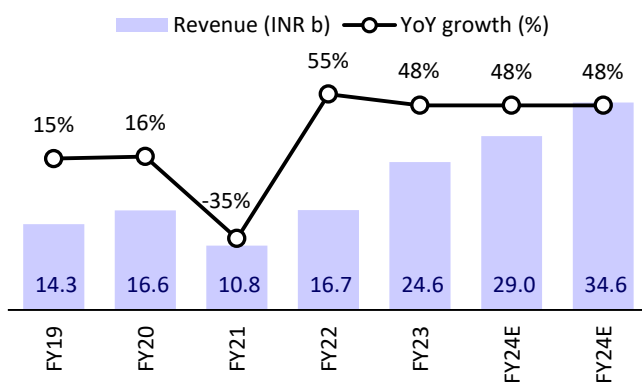
\*incl 74 stores for unlimited from 2QFY22 Source: Company, MOFSL

**Exhibit 10: SSSG witnessed a strong surge in FY23**

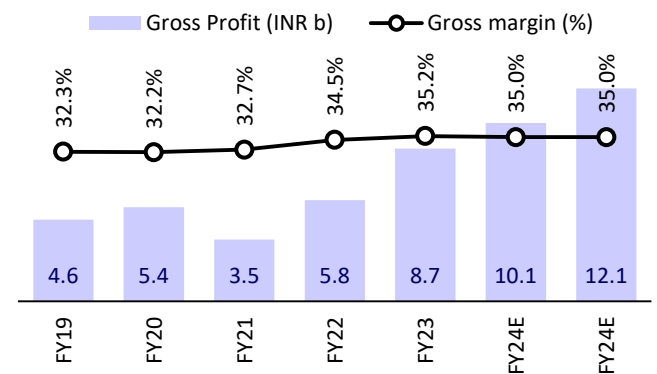
Source: Company, MOFSL

**Exhibit 11: Store expansion trend to support revenue**

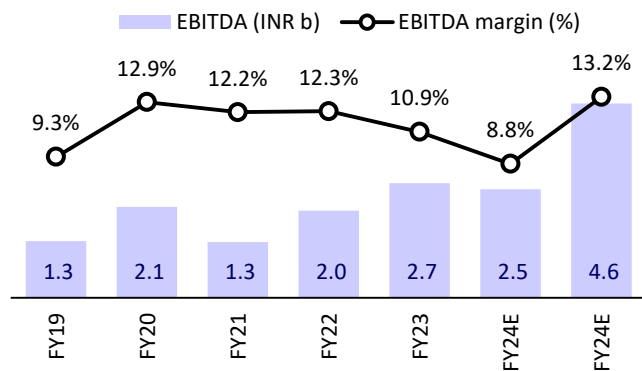
Source: Company, MOFSL

**Exhibit 12: Revenue growth and trend**

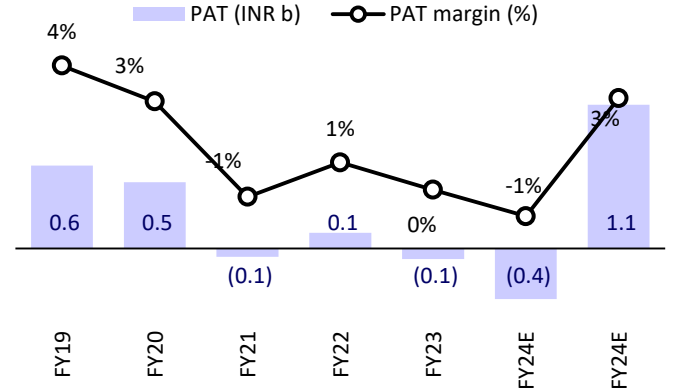
Source: Company, MOFSL

**Exhibit 13: Gross margin trend**

Source: Company, MOFSL

**Exhibit 14: EBITDA margin trend**

Source: Company, MOFSL

**Exhibit 15: Expected PAT trend to improve from FY25**

Source: Company, MOFSL



## Financials and valuations

### Consolidated - Income Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Total Income from Operations</b>	<b>12,224</b>	<b>14,337</b>	<b>16,620</b>	<b>10,755</b>	<b>16,662</b>	<b>24,648</b>	<b>28,958</b>	<b>34,563</b>
Change (%)	22.0	17.3	15.9	-35.3	54.9	47.9	17.5	19.4
Raw Materials	8,303	9,703	11,263	7,236	10,911	15,971	18,823	22,466
Employees Cost	984	1,257	1,536	1,169	1,796	2,555	3,098	3,283
Other Expenses	1,083	996	396	1,038	1,821	3,178	4,233	3,996
<b>Total Expenditure</b>	<b>10,896</b>	<b>13,008</b>	<b>14,483</b>	<b>9,442</b>	<b>14,618</b>	<b>21,959</b>	<b>26,409</b>	<b>30,000</b>
% of Sales	89.1	90.7	87.1	87.8	87.7	89.1	91.2	86.8
<b>EBITDA</b>	<b>1,328</b>	<b>1,329</b>	<b>2,137</b>	<b>1,312</b>	<b>2,043</b>	<b>2,689</b>	<b>2,548</b>	<b>4,562</b>
Margin (%)	10.9	9.3	12.9	12.2	12.3	10.9	8.8	13.2
Depreciation	229	276	939	1,030	1,307	1,800	1,937	1,992
<b>EBIT</b>	<b>1,099</b>	<b>1,053</b>	<b>1,198</b>	<b>282</b>	<b>736</b>	<b>889</b>	<b>611</b>	<b>2,570</b>
Int. and Finance Charges	15	16	548	589	772	1,169	1,297	1,326
Other Income	41	59	45	210	140	150	170	220
<b>PBT Bif. EO Exp.</b>	<b>1,125</b>	<b>1,096</b>	<b>695</b>	<b>-97</b>	<b>104</b>	<b>-130</b>	<b>-516</b>	<b>1,464</b>
EO Items	0	-98	0	0	0	0	0	0
<b>PBT after EO Exp.</b>	<b>1,125</b>	<b>998</b>	<b>695</b>	<b>-97</b>	<b>104</b>	<b>-130</b>	<b>-516</b>	<b>1,464</b>
Total Tax	348	382	202	-35	-12	-52	-139	395
Tax Rate (%)	30.9	38.3	29.0	35.8	-12.0	39.7	27.0	27.0
Minority Interest	0	0	0	0	0	0	0	0
<b>Reported PAT</b>	<b>777</b>	<b>616</b>	<b>493</b>	<b>-62</b>	<b>116</b>	<b>-78</b>	<b>-376</b>	<b>1,068</b>
<b>Adjusted PAT</b>	<b>777</b>	<b>715</b>	<b>493</b>	<b>-62</b>	<b>116</b>	<b>-78</b>	<b>-376</b>	<b>1,068</b>
Change (%)	76.9	-8.0	-31.0	-112.6	-287.7	-167.4	379.7	-383.8
Margin (%)	6.4	5.0	3.0	-0.6	0.7	-0.3	-1.3	3.1

### Consolidated - Balance Sheet

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	181	181	182	197	197	198	198	198
Total Reserves	3,293	3,911	4,408	8,055	8,299	8,292	7,916	8,984
<b>Net Worth</b>	<b>3,474</b>	<b>4,093</b>	<b>4,589</b>	<b>8,252</b>	<b>8,496</b>	<b>8,490</b>	<b>8,114</b>	<b>9,182</b>
Minority Interest	0	0	0	0	0	0	0	0
Total Loans	6	0	11	0	0	1,478	1,100	1,100
Deferred Tax Liabilities	-92	-118	-160	-253	-386	-531	-531	-531
Other long term liabilities	42	111	5,218	5,751	9,131	11,964	11,521	11,156
Lease Liabilities			5,157	5,678	9,022	11,838	11,448	11,083
<b>Capital Employed</b>	<b>3,430</b>	<b>4,086</b>	<b>9,658</b>	<b>13,750</b>	<b>17,240</b>	<b>21,400</b>	<b>20,204</b>	<b>20,907</b>
<b>Net Fixed Assets</b>	<b>1,447</b>	<b>1,655</b>	<b>6,670</b>	<b>6,965</b>	<b>11,110</b>	<b>14,455</b>	<b>13,637</b>	<b>12,952</b>
Right to use assets			4,921	5,180	8,283	10,643	9,930	9,241
Capital WIP	35	40	25	22	64	1,092	22	22
<b>Total Investments</b>	<b>340</b>	<b>607</b>	<b>79</b>	<b>3,189</b>	<b>1,248</b>	<b>85</b>	<b>85</b>	<b>85</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>3,584</b>	<b>3,898</b>	<b>5,302</b>	<b>5,836</b>	<b>8,186</b>	<b>11,261</b>	<b>12,730</b>	<b>15,332</b>
Inventory	3,071	3,290	4,779	4,283	6,682	8,706	9,917	11,836
Account Receivables	0	0	0	0	0	0	0	0
Cash and Bank Balance	196	166	50	275	351	202	48	195
Loans and Advances	317	443	473	1,278	1,153	2,353	2,765	3,300
<b>Curr. Liability &amp; Prov.</b>	<b>1,977</b>	<b>2,114</b>	<b>2,418</b>	<b>2,261</b>	<b>3,368</b>	<b>5,493</b>	<b>6,270</b>	<b>7,484</b>
Account Payables	1,668	1,483	1,968	1,917	2,906	4,883	5,554	6,628
Other Current Liabilities	267	534	451	345	462	610	717	855
Provisions	42	97	0	0	0	0	0	0
<b>Net Current Assets</b>	<b>1,607</b>	<b>1,784</b>	<b>2,884</b>	<b>3,574</b>	<b>4,818</b>	<b>5,768</b>	<b>6,459</b>	<b>7,848</b>
<b>Appl. of Funds</b>	<b>3,430</b>	<b>4,086</b>	<b>9,657</b>	<b>13,750</b>	<b>17,240</b>	<b>21,400</b>	<b>20,204</b>	<b>20,907</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>42.9</b>	<b>39.5</b>	<b>27.3</b>	<b>-3.4</b>	<b>6.4</b>	<b>-4.3</b>	<b>-20.8</b>	<b>59.0</b>
Cash EPS	55.6	54.8	79.2	53.5	78.7	95.1	86.2	169.1
BV/Share	192.0	226.1	253.6	456.0	469.5	469.1	448.3	507.4
DPS	0.0	1.7	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	0.0	6.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Valuation (x)</b>								
P/E	53.4	58.0	84.1	NM	356.3	NM	NM	38.8
Cash P/E	41.2	41.9	29.0	42.9	29.1	24.1	26.6	13.6
P/BV	11.9	10.1	9.0	5.0	4.9	4.9	5.1	4.5
EV/Sales	3.4	2.9	2.5	3.8	2.5	1.7	1.5	1.2
EV/EBITDA	31.1	31.1	21.9	35.7	24.5	20.3	21.2	11.7
Dividend Yield (%)	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	9.2	19.7	17.5	60.1	-88.7	-53.9	65.5	123.1
<b>Return Ratios (%)</b>								
RoE	25.2	18.9	11.4	NM	1.4	NM	NM	12.4
RoCE	24.1	18.1	12.7	2.7	6.2	3.2	2.7	9.7
RoIC	29.9	21.2	13.3	1.8	6.4	3.0	2.2	9.2
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	8.4	8.7	2.5	1.5	1.5	1.7	2.1	2.7
Asset Turnover (x)	3.6	3.5	1.7	0.8	1.0	1.2	1.4	1.7
Inventory (Days)	92	84	105	145	146	129	125	125
Debtor (Days)	0	0	0	0	0	0	0	0
Creditor (Days)	50	38	43	65	64	72	70	70
<b>Leverage Ratio (x)</b>								
Current Ratio	1.8	1.8	2.2	2.6	2.4	2.0	2.0	2.0
Interest Cover Ratio	71.9	65.3	2.2	0.5	1.0	0.8	0.5	1.9
Net Debt/Equity	-0.2	-0.2	0.0	-0.4	-0.2	0.1	0.1	0.1

### Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
OP/(Loss) Before Tax	1,125	993	695	-97	104	-130	-516	1,464
Depreciation	222	268	939	1,030	1,307	1,800	1,937	1,992
Interest & Finance Charges	15	16	548	589	772	1,169	1,297	1,326
Direct Taxes Paid	-381	-332	-241	-35	-118	-182	139	-395
(Inc)/Dec in WC	-346	-270	-1,091	182	-1,985	-857	-897	-1,241
<b>CF from Operations</b>	<b>635</b>	<b>674</b>	<b>850</b>	<b>1,669</b>	<b>80</b>	<b>1,800</b>	<b>1,960</b>	<b>3,146</b>
Others	8	89	13	-176	-192	8	-170	-220
<b>CF from Operating incl EO</b>	<b>643</b>	<b>763</b>	<b>863</b>	<b>1,493</b>	<b>-113</b>	<b>1,808</b>	<b>1,790</b>	<b>2,926</b>
(Inc)/Dec in FA	-478	-407	-546	-406	-1,494	-2,783	-606	-699
<b>Free Cash Flow</b>	<b>166</b>	<b>357</b>	<b>317</b>	<b>1,087</b>	<b>-1,606</b>	<b>-976</b>	<b>1,185</b>	<b>2,227</b>
(Pur)/Sale of Investments	395	-339	550	-3,092	2,676	1,192	0	0
Others	-68	12	2	-690	54	5	170	220
<b>CF from Investments</b>	<b>-151</b>	<b>-734</b>	<b>5</b>	<b>-4,188</b>	<b>1,237</b>	<b>-1,586</b>	<b>-436</b>	<b>-479</b>
Issue of Shares	9	19	13	3,713	76	35	0	0
Inc/(Dec) in Debt	-351	-3	8	-11	0	1,478	-378	0
Interest Paid	-15	-16	-933	-589	-772	-1,164	1,070	0
Dividend Paid	-27	-44	-31	0	0	-15	0	0
Others	0	0	0	-244	-349	-708	-2,201	-2,299
<b>CF from Fin. Activity</b>	<b>-384</b>	<b>-44</b>	<b>-943</b>	<b>2,869</b>	<b>-1,045</b>	<b>-374</b>	<b>-1,509</b>	<b>-2,299</b>
<b>Inc/Dec of Cash</b>	<b>109</b>	<b>-14</b>	<b>-75</b>	<b>174</b>	<b>80</b>	<b>-152</b>	<b>-154</b>	<b>148</b>
Opening Balance (excluding bank bal.)	29	137	123	48	222	302	150	-4
<b>Closing Balance</b>	<b>137</b>	<b>123</b>	<b>48</b>	<b>222</b>	<b>302</b>	<b>150</b>	<b>-4</b>	<b>143</b>
Bank balance	59	43	1	53	49	52	52	52
<b>Closing Balance (including bank balance)</b>	<b>196</b>	<b>166</b>	<b>50</b>	<b>275</b>	<b>351</b>	<b>202</b>	<b>48</b>	<b>195</b>

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NOTES

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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