

# Kolte Patil Developers

|                 |   |
|-----------------|---|
| Estimate change | ↓ |
| TP change       | ↔ |
| Rating change   | ↔ |

|                       |             |
|-----------------------|-------------|
| Bloomberg             | KPDL IN     |
| Equity Shares (m)     | 76          |
| M.Cap.(INRb)/(USD\$b) | 28 / 0.3    |
| 52-Week Range (INR)   | 585 / 356   |
| 1, 6, 12 Rel. Per (%) | -10/-36/-44 |
| 12M Avg Val (INR M)   | 152         |

## Financials & Valuations (INR b)

| Y/E Mar      | FY24   | FY25E  | FY26E |
|--------------|--------|--------|-------|
| Sales        | 13.7   | 20.3   | 29.7  |
| EBITDA       | 0.5    | 2.6    | 5.9   |
| EBITDA (%)   | 3.7    | 12.8   | 19.8  |
| PAT          | -0.7   | 1.0    | 3.2   |
| EPS (INR)    | -9.2   | 13.3   | 42.1  |
| EPS Gr. (%)  | -167.7 | -245.1 | 217.1 |
| BV/Sh. (INR) | 96.9   | 106.1  | 144.2 |

## Ratios

|            |      |      |      |
|------------|------|------|------|
| Net D/E    | 0.0  | 0.2  | 0.2  |
| RoE (%)    | -7.8 | 13.1 | 33.6 |
| RoCE (%)   | 3.3  | 9.6  | 19.5 |
| Payout (%) | 0.0  | 0.2  | 0.2  |

## Valuations

|               |      |      |     |
|---------------|------|------|-----|
| P/E (x)       | NA   | 27.9 | 8.8 |
| P/BV (x)      | 3.8  | 3.5  | 2.6 |
| EV/EBITDA (x) | 68.1 | 13.9 | 6.3 |
| Div Yield (%) | 1.1  | 1.1  | 1.1 |

## Shareholding pattern (%)

| As On        | Jun-24 | Mar-24 | Jun-23 |
|--------------|--------|--------|--------|
| Promoter     | 69.5   | 69.5   | 74.5   |
| DIIDIIDIIDII | 5.0    | 6.0    | 2.5    |
| FIIIFIIIFII  | 4.5    | 4.8    | 1.5    |
| Others       | 21.1   | 19.8   | 21.5   |

**CMP: INR370**

**TP: INR620 (+68%)**

**Buy**

## Steady pre-sales; strong show on cash flows

### Pre-sales flat YoY; upcoming launches to drive growth

- KPDL reported bookings of INR7.1b in 1QFY25, flat YoY/QoQ and in line with our estimate. Growth was largely constrained due to muted launches as the company launched 0.6msf of inventory worth INR4b at Life Republic in Pune. After Jun'24, the company has launched 1.4msf in Pune, taking the YTD launched GDV to INR15b.
- Pune contributed 85% or INR6b to total pre-sales (vs. 95% in FY24) as the contribution from MMR and Bengaluru ramped up to INR1b (or 15% of pre-sales) vs. INR1.4b in full year FY24. Excluding Life Republic, pre-sales from Pune sustained at INR3b per quarter, while the contribution from Life Republic declined by 20% from the FY24 quarterly run rate of INR3.7b.
- Collections rose the highest ever at INR6.1b, up 19% YoY, leading to a three-fold jump in OCF to INR2.5b. KPDL spent INR1.5b on land and approval, resulting into surplus of INR1b. Net cash as of Jun'24 was at INR370m.
- With the ramp-up in launches after the quarter and further targeted launches of INR65b for the rest of the year, we expect KPDL to exceed its INR7b pre-sales run rate and deliver 25% growth in FY25 to INR35b.
- **P&L performance:** Revenue declined 40% YoY to INR3.4b (16% miss) due to lower completions. EBITDA came in at INR278m, translating into EBITDA margins of 8.2% (down 800bp YoY but improved from loss in previous quarter). PAT was down 86% at INR62m.

## Key management commentary

- **Guidance:** So far in FY25, the company has launched INR15b worth of projects and it remains on track to launch INR80b of inventory and achieve bookings of INR35b in FY25. As a result, the quarterly sales run rate of INR7-7.5b will increase in 2Q.
- **Profitability:** KPDL expects to recognize INR18-19b in revenue in FY25 and would report EBITDA margin in early teens. As a framework, the company targets GM of 26-27%, EBITDA of 17-18% and PAT margin of 10-11%.
- **Business development:** A few deals have reached the advanced stage of negotiations and the management is confident of achieving BD of INR80b. The company has learned the dynamics of the redevelopment segment as it has delivered three projects, with five currently ongoing. It now aims to take on large projects.

**Valuation and view**

- After a stagnant pre-sales performance for the last seven quarters, we expect KPDL to get back to its growth trajectory in 2QFY25, given the pick-up in launch and a strong pipeline. Further, with the upcoming project pipeline of INR250b, healthy growth should continue. We expect the company to deliver 18% CAGR in pre-sales over FY24-27E.
- The scale-up in pre-sales run rate and progress on business development after the recent management change will provide visibility on future growth and drive confidence on business continuity, thereby leading to re-rating.
- We cut our FY25E pre-sales by 13% to INR35b (in line with guidance) as we incorporate the phased launch pipeline of INR80b. We await further clarity in progress on business development after the management change; hence, we for now eliminate the value of INR40b for expected new project additions from our SOTP calculation and revise the TP to INR620 from INR700 earlier, still indicating 68% upside. **Reiterate BUY.**

**Financial and Operational Summary (INR m)**

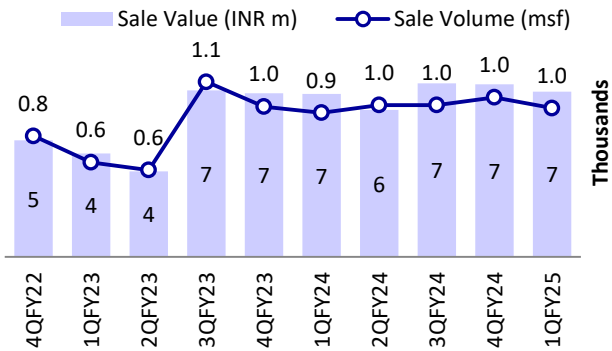
| Y/E March                      | FY24         |              |             |              | FY25E        |              |              |              | FY24          | FY25E         | FY25E        | Variance   |
|--------------------------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|------------|
|                                | 1Q           | 2Q           | 3Q          | 4Q           | 1Q           | 2Q           | 3Q           | 4Q           |               |               |              |            |
| <b>Gross Sales</b>             | <b>5,712</b> | <b>1,982</b> | <b>758</b>  | <b>5,264</b> | <b>3,408</b> | <b>5,083</b> | <b>4,575</b> | <b>7,267</b> | <b>13,715</b> | <b>20,332</b> | <b>4,066</b> | <b>-16</b> |
| YoY Change (%)                 | 185          | 61           | -79         | -34          | -40          | 157          | 504          | 38           | -7.9          | 48.2          | -28.8        |            |
| Total Expenditure              | 4,800        | 1,947        | 1,124       | 5,332        | 3,130        | 4,434        | 3,991        | 6,182        | 13,204        | 17,736        | 3,767        |            |
| <b>EBITDA</b>                  | <b>912</b>   | <b>35</b>    | <b>-367</b> | <b>-68</b>   | <b>278</b>   | <b>649</b>   | <b>584</b>   | <b>1,085</b> | <b>511</b>    | <b>2,595</b>  | <b>299</b>   | <b>-7</b>  |
| Margins (%)                    | 16.0         | 1.8          | -48.4       | -1.3         | 8.2          | 12.8         | 12.8         | 14.9         | 3.7           | 12.8          | 7.4          |            |
| Depreciation                   | 31           | 31           | 42          | 39           | 42           | 44           | 46           | 39           | 142           | 170           | 40           |            |
| Interest                       | 366          | 94           | 308         | 210          | 187          | 245          | 220          | 326          | 979           | 978           | 196          | <b>-4</b>  |
| Other Income                   | 74           | 67           | 79          | 13           | 95           | 58           | 52           | 27           | 233           | 233           | 47           | <b>105</b> |
| <b>PBT before EO expense</b>   | <b>588</b>   | <b>-24</b>   | <b>-637</b> | <b>-303</b>  | <b>144</b>   | <b>419</b>   | <b>370</b>   | <b>747</b>   | <b>-377</b>   | <b>1,680</b>  | <b>110</b>   | <b>31</b>  |
| Extra-Ord expense              | 0            | 124          | 0           | 111          | 0            | 0            | 0            | 0            | -235          | 0             | 0            |            |
| <b>PBT</b>                     | <b>588</b>   | <b>-147</b>  | <b>-637</b> | <b>-414</b>  | <b>144</b>   | <b>419</b>   | <b>370</b>   | <b>747</b>   | <b>-611</b>   | <b>1,680</b>  | <b>110</b>   | <b>31</b>  |
| Tax                            | 100          | 93           | -42         | -185         | 104          | 139          | 123          | 191          | -34           | 557           | 36           |            |
| Rate (%)                       | 17.0         | -63.0        | 6.6         | 44.6         | 72.2         | 33.2         | 33.2         | 25.6         | 0.1           | 0.3           | 33.2         |            |
| MI & Profit/Loss of Asso. Cos. | 29           | 13           | 34          | 41           | -22          | 29           | 26           | 83           | 116           | 116           | 23           |            |
| <b>Reported PAT</b>            | <b>460</b>   | <b>-253</b>  | <b>-629</b> | <b>-270</b>  | <b>62</b>    | <b>251</b>   | <b>221</b>   | <b>472</b>   | <b>-694</b>   | <b>1,006</b>  | <b>50</b>    | <b>24</b>  |
| <b>Adj PAT</b>                 | <b>460</b>   | <b>-253</b>  | <b>-629</b> | <b>-270</b>  | <b>62</b>    | <b>251</b>   | <b>221</b>   | <b>472</b>   | <b>-693</b>   | <b>1,006</b>  | <b>50</b>    | <b>24</b>  |
| YoY Change (%)                 | 116          | 188          | 134         | -123         | -86          | -199         | -135         | -275         | -167.6        | -245.3        | -89.1        |            |
| Margins (%)                    | 8.0          | -12.8        | -83.0       | -5.1         | 1.8          | 4.9          | 4.8          | 6.5          | -5.0          | 5.0           | 1.2          | 59bp       |

**Key operational performance**

| Key metrics           | FY24  |       |       |       | FY25E |       |        |       | FY24   | FY25E  | FY25E | Variance  |
|-----------------------|-------|-------|-------|-------|-------|-------|--------|-------|--------|--------|-------|-----------|
|                       | 1Q    | 2Q    | 3Q    | 4Q    | 1Q    | 2Q    | 3Q     | 4Q    |        |        |       |           |
| Sale Volume (msf)     | 0.9   | 1.0   | 1.0   | 1.0   | 1.0   | 1.2   | 1.3    | 0.9   | 4.1    | 4.1    | 1.04  | <b>-8</b> |
| Sale Value (INR m)    | 7,010 | 6,320 | 7,460 | 7,430 | 7,110 | 8,500 | 12,000 | 7,312 | 29,912 | 29,912 | 7500  | <b>-5</b> |
| Collections (INR m)   | 5,130 | 4,720 | 4,930 | 5,920 | 6,120 | 5,664 | 6,409  | 6,480 | 20,128 | 20,128 | 5643  | <b>8</b>  |
| Realization (INR/sft) | 7,545 | 6,426 | 7,579 | 7,226 | 7,406 | 7,200 | 9,500  | 8,163 | 7,296  | 7,296  | 7,200 | <b>5</b>  |

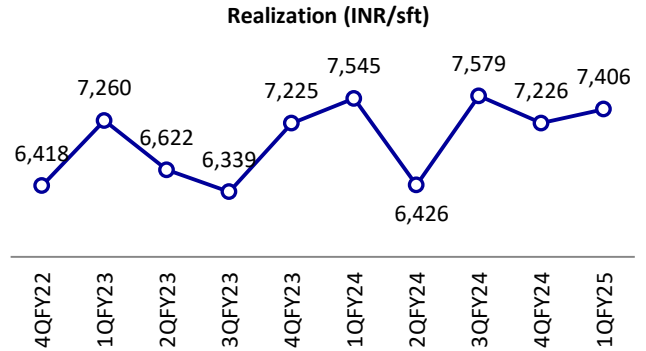
Key exhibits

Exhibit 1: Pre-sales were flat at INR7b



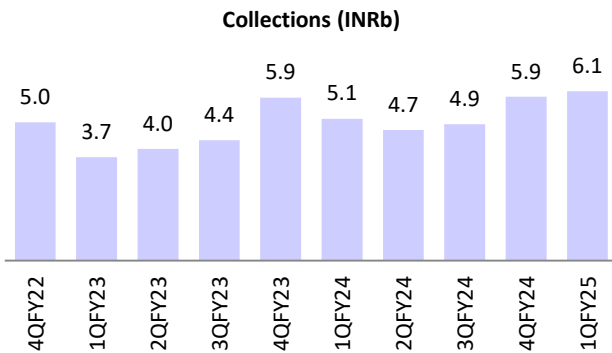
Source: Company, MOFSL

Exhibit 2: Realization stood at INR7,200 psf



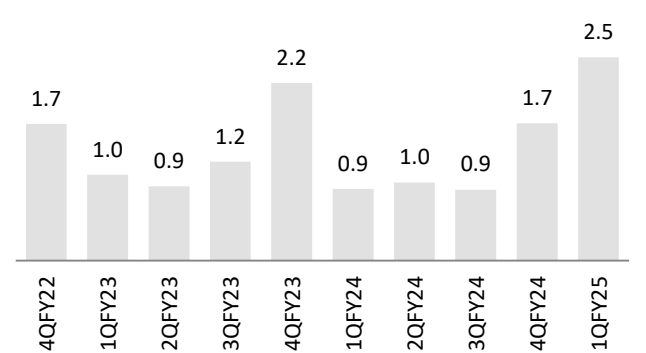
Source: Company, MOFSL

Exhibit 3: Collections increased 19% YoY to INR6b



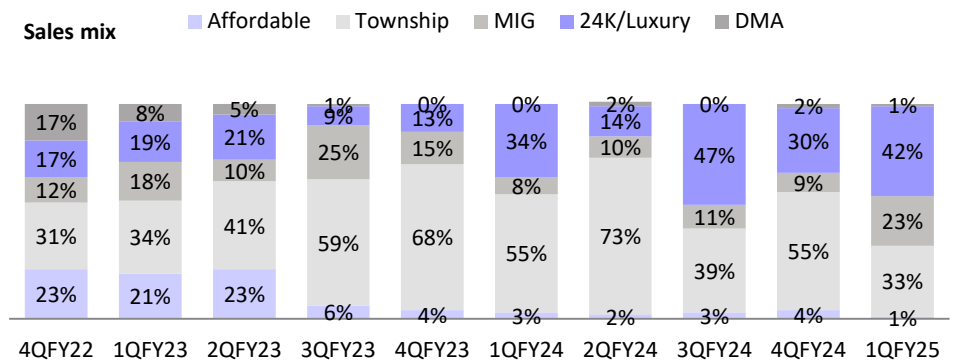
Source: MOFSL, Company

Exhibit 4: OCF increased 3x YoY to INR2.5b



Source: MOFSL, Company

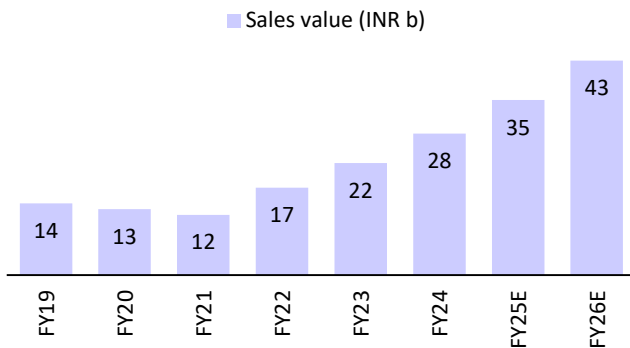
Exhibit 5: Township project accounted for 33% of sales in 1QFY25



Source: Company, MOFSL

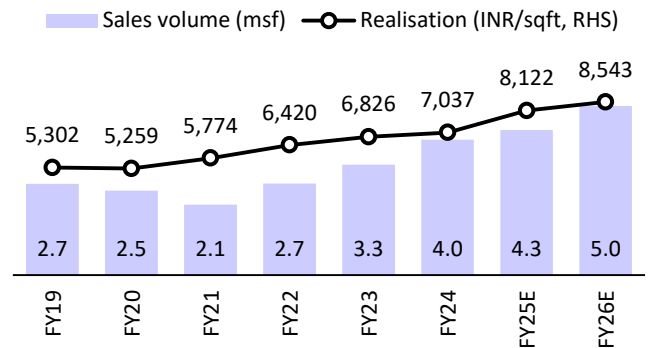
Story in charts

**Exhibit 6: We expect KPDL to report 25% CAGR in bookings over FY24-26E**



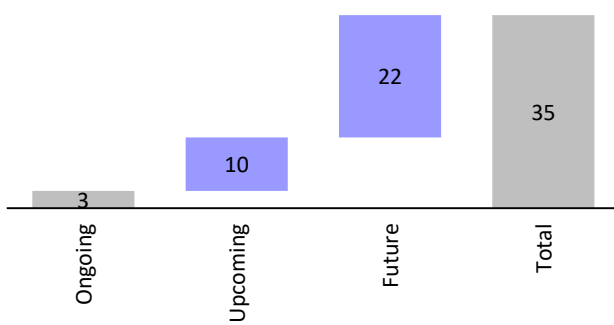
Source: Company, MOFSL

**Exhibit 7: Volumes could increase to 5msf by FY26**



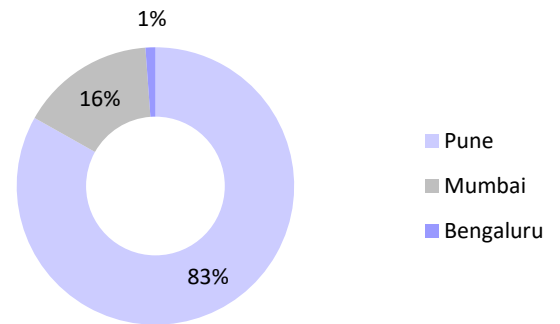
Source: Company, MOFSL

**Exhibit 8: Project pipeline stands strong at 35msf...**



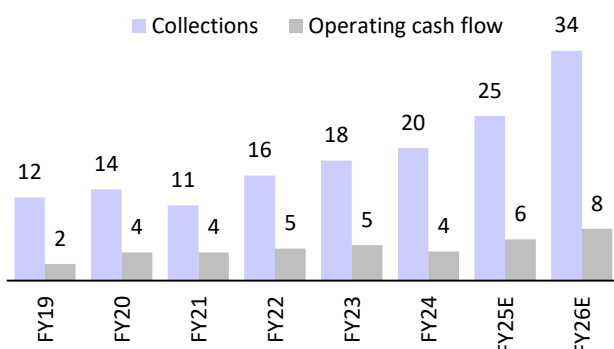
Source: Company, MOFSL

**Exhibit 9: ...and bulk of it is in Pune**



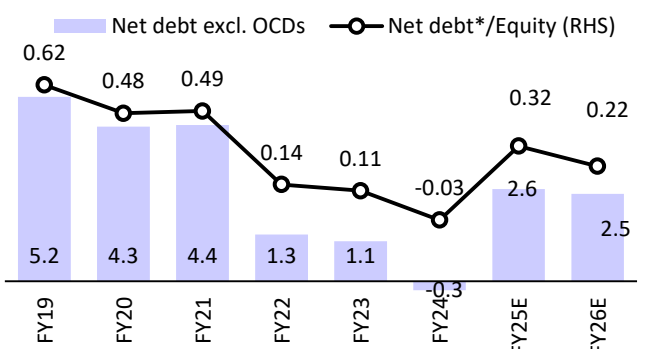
Source: Company, MOFSL

**Exhibit 10: Expect collections to increase by 30% in FY25**



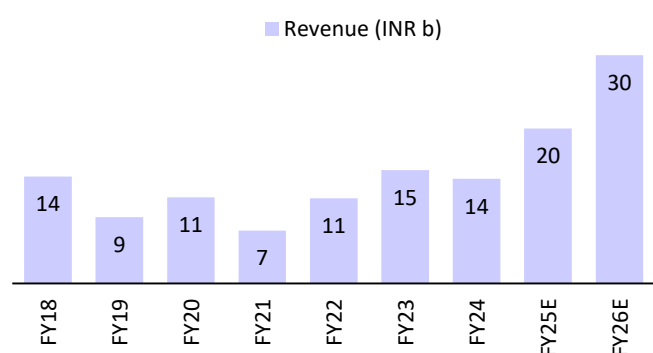
Source: MOFSL, Company

**Exhibit 11: Leverage at comfortable level**



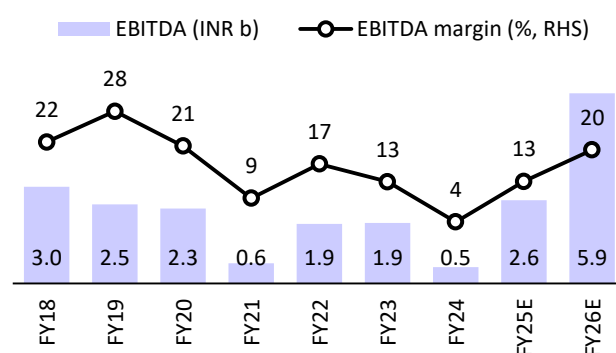
Source: MOFSL, Company

Exhibit 12: Expect strong growth in revenue...



Source: MOFSL, Company

Exhibit 13: ...coupled with gradual recovery in EBITDA margin



Source: MOFSL, Company

Exhibit 14: Changes to our estimates

| (INR m)     | Old    |        | New    |        | Change |       |
|-------------|--------|--------|--------|--------|--------|-------|
|             | FY25E  | FY26E  | FY25E  | FY26E  | FY25E  | FY26E |
| Revenue     | 20,332 | 29,961 | 20,332 | 29,704 | 0%     | -1%   |
| EBITDA      | 2,595  | 5,941  | 2,595  | 5,878  | 0%     | -1%   |
| Adj. PAT    | 1,006  | 3,234  | 1,006  | 3,192  | 0%     | -1%   |
| Pre-sales   | 40,268 | 44,760 | 34,922 | 42,805 | -13%   | -4%   |
| Collections | 26,413 | 36,392 | 24,673 | 34,498 | -7%    | -5%   |

Source: MOFSL, Company

## Valuation and view

### We value KPDL based on net present value of....

- **Ongoing projects** have a net cash flow potential of INR14b. This includes INR18b in pending inventory, INR24b in pending receivables, and INR28b in balance costs to be incurred, discounted over three to four years.
- KPDL's **upcoming portfolio comprises** 28msf with a revenue potential of INR220b and a net post-tax cash flow potential of INR45b. These projects are discounted at a WACC of 12% over a period of seven to eight years.
- **The future pipeline** includes projects with limited launch visibility over the next one to two years, featuring a saleable area of 7msf, revenue potential of ~INR47b, and expected cash flows of INR10b, discounted over eight to 10 years.

Based on the above approach, we arrive at a gross asset value of INR49b. After adjusting for FY25E net debt of INR1.b, we calculate the NAV of INR46b7, equivalent to INR620/share, indicating an upside potential of 68%.

**Exhibit 15: Our SoTP-based TP of INR620 indicates an upside potential of 68%**

| NAV Summary                 | Description   | INR m         | Per Share  | as % of NAV |
|-----------------------------|---|---------------|------------|-------------|
| Ongoing projects            | ❖ INR14b worth of gross cash flows discounted over period of next 3-4 years at a WACC of 12.3%                      | 7,669         | 101        | 16%         |
| Upcoming projects           | ❖ 28msf of pipeline worth >INR220b with post tax cash flow potential of INR45b monetized over a period of 7-8 years | 34,719        | 457        | 74%         |
| Future Pipeline (Land bank) | ❖ Value of 7msf of projects with limited clarity on launches discounted over a period of 8-10 years                 | 6,430         | 85         | 14%         |
| <b>Gross Asset value</b>    |   | <b>48,818</b> | <b>642</b> | <b>103%</b> |
| Net (debt)/cash             | ❖ FY25E   | (1,567)       | (21)       | -3%         |
| <b>Net Asset value</b>      |   | <b>47,250</b> | <b>622</b> | <b>100%</b> |
| No. of share                |   | 76.0          |            |             |
| <b>NAV per share</b>        |   | <b>620</b>    |            |             |
| CMP                         |   | 370           |            |             |
| Upside potential            |   | 68%           |            |             |

Source: MOFSL

## Financials and valuations

### Consolidated - Income Statement

(INR M)

| Y/E March                           | FY20          | FY21         | FY22          | FY23          | FY24          | FY25E         | FY26E         |
|-------------------------------------|---------------|--------------|---------------|---------------|---------------|---------------|---------------|
| <b>Total Income from Operations</b> | <b>11,295</b> | <b>6,917</b> | <b>11,175</b> | <b>14,884</b> | <b>13,715</b> | <b>20,332</b> | <b>29,704</b> |
| Change (%)                          | 29.9          | -38.8        | 61.5          | 33.2          | -7.9          | 48.2          | 46.1          |
| <b>Total Expenditure</b>            | <b>8,959</b>  | <b>6,294</b> | <b>9,313</b>  | <b>12,992</b> | <b>13,204</b> | <b>17,736</b> | <b>23,826</b> |
| % of Sales                          | 79.3          | 91.0         | 83.3          | 87.3          | 96.3          | 87.2          | 80.2          |
| <b>EBITDA</b>                       | <b>2,336</b>  | <b>624</b>   | <b>1,862</b>  | <b>1,893</b>  | <b>511</b>    | <b>2,595</b>  | <b>5,878</b>  |
| Margin (%)                          | 20.7          | 9.0          | 16.7          | 12.7          | 3.7           | 12.8          | 19.8          |
| Depreciation                        | 172           | 120          | 104           | 116           | 142           | 170           | 184           |
| <b>EBIT</b>                         | <b>2,164</b>  | <b>504</b>   | <b>1,758</b>  | <b>1,777</b>  | <b>369</b>    | <b>2,425</b>  | <b>5,694</b>  |
| Int. and Finance Charges            | 797           | 703          | 500           | 407           | 979           | 978           | 978           |
| Other Income                        | 470           | 167          | 190           | 326           | 233           | 233           | 233           |
| <b>PBT bef. EO Exp.</b>             | <b>1,837</b>  | <b>-32</b>   | <b>1,448</b>  | <b>1,696</b>  | <b>-377</b>   | <b>1,680</b>  | <b>4,949</b>  |
| EO Items                            | 0             | 0            | -69           | 0             | -235          | 0             | 0             |
| <b>PBT after EO Exp.</b>            | <b>1,837</b>  | <b>-32</b>   | <b>1,379</b>  | <b>1,696</b>  | <b>-611</b>   | <b>1,680</b>  | <b>4,949</b>  |
| Total Tax                           | 840           | 7            | 514           | 563           | -34           | 557           | 1,641         |
| Tax Rate (%)                        | 45.7          | -21.5        | 37.3          | 33.2          | 5.5           | 33.2          | 33.2          |
| Minority Interest                   | 273           | 17           | 70            | 109           | 116           | 116           | 116           |
| <b>Reported PAT</b>                 | <b>724</b>    | <b>-55</b>   | <b>794</b>    | <b>1,025</b>  | <b>-694</b>   | <b>1,006</b>  | <b>3,192</b>  |
| <b>Adjusted PAT</b>                 | <b>724</b>    | <b>-55</b>   | <b>837</b>    | <b>1,025</b>  | <b>-694</b>   | <b>1,006</b>  | <b>3,192</b>  |
| Change (%)                          | -4.0          | -107.6       | -1,617.2      | 22.3          | -167.7        | -245.1        | 217.1         |
| Margin (%)                          | 6.4           | -0.8         | 7.5           | 6.9           | -5.1          | 5.0           | 10.7          |

### Consolidated - Balance Sheet

(INR M)

| Y/E March                           | FY20          | FY21          | FY22          | FY23          | FY24          | FY25E         | FY26E         |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Equity Share Capital                | 758           | 760           | 760           | 760           | 760           | 760           | 760           |
| Total Reserves                      | 8,292         | 8,179         | 8,833         | 9,704         | 6,579         | 7,282         | 10,170        |
| <b>Net Worth</b>                    | <b>9,050</b>  | <b>8,939</b>  | <b>9,593</b>  | <b>10,464</b> | <b>7,339</b>  | <b>8,042</b>  | <b>10,930</b> |
| Minority Interest                   | 149           | 2             | 79            | 86            | 16            | 16            | 16            |
| Total Loans                         | 7,391         | 6,748         | 5,216         | 5,415         | 10,867        | 10,867        | 10,867        |
| Deferred Tax Liabilities            | -1,408        | -1,791        | -1,719        | -1,789        | -1,903        | -1,903        | -1,903        |
| <b>Capital Employed</b>             | <b>15,181</b> | <b>13,897</b> | <b>13,169</b> | <b>14,175</b> | <b>16,320</b> | <b>17,022</b> | <b>19,910</b> |
| Gross Block                         | 957           | 1,024         | 1,044         | 1,184         | 2,014         | 2,184         | 2,368         |
| Less: Accum. Deprn.                 | 415           | 512           | 579           | 685           | 827           | 997           | 1,181         |
| <b>Net Fixed Assets</b>             | <b>736</b>    | <b>627</b>    | <b>640</b>    | <b>680</b>    | <b>1,187</b>  | <b>1,187</b>  | <b>1,187</b>  |
| <b>Investment Property</b>          | <b>193</b>    | <b>188</b>    | <b>183</b>    | <b>178</b>    | <b>174</b>    | <b>174</b>    | <b>174</b>    |
| Goodwill on Consolidation           | 2,013         | 2,040         | 2,040         | 2,040         | 0             | 0             | 0             |
| Capital WIP                         | 6             | 3             | 0             | 100           | 0             | 0             | 0             |
| <b>Total Investments</b>            | <b>6</b>      | <b>176</b>    | <b>607</b>    | <b>465</b>    | <b>1,248</b>  | <b>1,132</b>  | <b>1,016</b>  |
| <b>Curr. Assets, Loans&amp;Adv.</b> | <b>32,935</b> | <b>34,188</b> | <b>34,512</b> | <b>36,949</b> | <b>44,661</b> | <b>48,157</b> | <b>57,189</b> |
| Inventory                           | 27,582        | 28,640        | 28,369        | 28,938        | 34,685        | 39,789        | 47,138        |
| Account Receivables                 | 615           | 331           | 376           | 355           | 557           | 485           | 709           |
| Cash and Bank Balance               | 973           | 1,639         | 2,757         | 3,533         | 4,100         | 2,800         | 1,915         |
| Loans and Advances                  | 3,766         | 3,579         | 3,011         | 4,123         | 5,319         | 5,083         | 7,426         |
| <b>Curr. Liability &amp; Prov.</b>  | <b>20,708</b> | <b>23,324</b> | <b>24,814</b> | <b>26,237</b> | <b>30,950</b> | <b>33,627</b> | <b>39,655</b> |
| Account Payables                    | 3,054         | 3,125         | 2,878         | 3,750         | 5,737         | 5,122         | 7,483         |
| Other Current Liabilities           | 17,101        | 19,608        | 21,389        | 21,870        | 24,927        | 28,219        | 31,886        |
| Provisions                          | 553           | 592           | 547           | 617           | 286           | 286           | 286           |
| <b>Net Current Assets</b>           | <b>12,227</b> | <b>10,864</b> | <b>9,698</b>  | <b>10,712</b> | <b>13,711</b> | <b>14,530</b> | <b>17,534</b> |
| <b>Appl. of Funds</b>               | <b>15,181</b> | <b>13,897</b> | <b>13,169</b> | <b>14,175</b> | <b>16,320</b> | <b>17,022</b> | <b>19,910</b> |

## Financials and valuations

### Ratios

| Y/E March                     | FY20       | FY21        | FY22        | FY23        | FY24        | FY25E       | FY26E       |
|-------------------------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Basic (INR)</b>            |            |             |             |             |             |             |             |
| <b>EPS</b>                    | <b>9.6</b> | <b>-0.7</b> | <b>11.1</b> | <b>13.5</b> | <b>-9.2</b> | <b>13.3</b> | <b>42.1</b> |
| Cash EPS                      | 11.8       | 0.9         | 12.4        | 15.0        | -7.3        | 15.5        | 44.6        |
| BV/Share                      | 119.4      | 118.0       | 126.6       | 138.1       | 96.9        | 106.1       | 144.2       |
| DPS                           | 0.0        | 0.0         | 0.0         | 0.0         | 4.0         | 4.0         | 4.0         |
| Payout (%)                    | 0.0        | 0.0         | 0.0         | 0.0         | -43.8       | 30.2        | 9.5         |
| <b>Valuation (x)</b>          |            |             |             |             |             |             |             |
| P/E                           | 54.5       | -715.1      | 47.1        | 38.5        | -56.3       | 27.9        | 8.8         |
| Cash P/E                      | 44.0       | 612.0       | 41.9        | 34.6        | -70.7       | 23.8        | 8.3         |
| P/BV                          | 4.4        | 4.4         | 4.1         | 3.8         | 5.3         | 3.5         | 2.6         |
| EV/Sales                      | 4.1        | 6.4         | 3.8         | 2.8         | 3.3         | 1.8         | 1.2         |
| EV/EBITDA                     | 19.6       | 71.5        | 22.5        | 21.9        | 89.6        | 13.9        | 6.3         |
| Dividend Yield (%)            | 0.0        | 0.0         | 0.0         | 0.0         | 0.8         | 1.1         | 1.1         |
| <b>Return Ratios (%)</b>      |            |             |             |             |             |             |             |
| RoE                           | 8.3        | -0.6        | 9.0         | 10.2        | -7.8        | 13.1        | 33.6        |
| RoCE                          | 10.7       | 5.1         | 8.0         | 9.2         | 3.3         | 9.6         | 19.5        |
| RoIC                          | 8.3        | 4.7         | 10.1        | 11.9        | 3.3         | 13.5        | 25.3        |
| <b>Working Capital Ratios</b> |            |             |             |             |             |             |             |
| Asset Turnover (x)            | 0.7        | 0.5         | 0.8         | 1.1         | 0.8         | 1.2         | 1.5         |
| Inventory (Days)              | 891        | 1,511       | 927         | 710         | 923         | 714         | 579         |
| Debtor (Days)                 | 20         | 17          | 12          | 9           | 15          | 9           | 9           |
| Creditor (Days)               | 99         | 165         | 94          | 92          | 153         | 92          | 92          |
| <b>Leverage Ratio (x)</b>     |            |             |             |             |             |             |             |
| Interest Cover Ratio          | 2.7        | 0.7         | 3.5         | 4.4         | 0.4         | 2.5         | 5.8         |
| Net Debt/Equity               | 0.5        | 0.5         | 0.1         | 0.1         | 0.0         | 0.2         | 0.2         |

### Consolidated - Cash Flow Statement

(INR M)

| Y/E March                        | FY20          | FY21          | FY22          | FY23         | FY24          | FY25E         | FY26E         |
|----------------------------------|---------------|---------------|---------------|--------------|---------------|---------------|---------------|
| OP/(Loss) before Tax             | 1,837         | -32           | 1,448         | 1,696        | -611          | 1,680         | 4,949         |
| Depreciation                     | 172           | 120           | 104           | 116          | 142           | 170           | 184           |
| Interest & Finance Charges       | 797           | 703           | 500           | 407          | 979           | 978           | 978           |
| Direct Taxes Paid                | -649          | -469          | -460          | -563         | -354          | -557          | -1,641        |
| (Inc)/Dec in WC                  | 1,533         | 2,068         | 2,068         | 324          | -1,450        | -2,119        | -3,889        |
| <b>CF from Operations</b>        | <b>3,690</b>  | <b>2,390</b>  | <b>3,660</b>  | <b>1,980</b> | <b>-1,294</b> | <b>153</b>    | <b>581</b>    |
| Others                           | -341          | 848           | -110          | -55          | 184           | -233          | -233          |
| <b>CF from Operating incl EO</b> | <b>3,349</b>  | <b>3,238</b>  | <b>3,549</b>  | <b>1,925</b> | <b>-1,110</b> | <b>-80</b>    | <b>348</b>    |
| (Inc)/Dec in FA                  | -95           | -57           | -109          | -183         | -431          | -170          | -184          |
| <b>Free Cash Flow</b>            | <b>3,255</b>  | <b>3,181</b>  | <b>3,440</b>  | <b>1,742</b> | <b>-1,541</b> | <b>-251</b>   | <b>164</b>    |
| (Pur)/Sale of Investments        | 22            | 0             | -137          | 119          | -1,265        | 0             | 0             |
| Others                           | -670          | -1,146        | -127          | -405         | 359           | 233           | 233           |
| <b>CF from Investments</b>       | <b>-744</b>   | <b>-1,202</b> | <b>-374</b>   | <b>-470</b>  | <b>-1,338</b> | <b>63</b>     | <b>49</b>     |
| Issue of Shares                  | 0             | 28            | 0             | 0            | 0             | 0             | 0             |
| Inc/(Dec) in Debt                | -783          | -638          | -1,178        | 119          | 4,566         | 0             | 0             |
| Interest Paid                    | -822          | -709          | -593          | -529         | -1,074        | -978          | -978          |
| Dividend Paid                    | -197          | -2            | -1            | -152         | -304          | -304          | -304          |
| Others                           | -469          | -49           | -286          | -120         | 0             | 0             | 0             |
| <b>CF from Fin. Activity</b>     | <b>-2,271</b> | <b>-1,369</b> | <b>-2,058</b> | <b>-682</b>  | <b>3,188</b>  | <b>-1,282</b> | <b>-1,282</b> |
| <b>Inc/Dec of Cash</b>           | <b>335</b>    | <b>666</b>    | <b>1,118</b>  | <b>773</b>   | <b>740</b>    | <b>-1,300</b> | <b>-885</b>   |
| Opening Balance                  | 638           | 973           | 1,639         | 2,760        | 3,533         | 4,274         | 2,974         |
| <b>Closing Balance</b>           | <b>973</b>    | <b>1,639</b>  | <b>2,757</b>  | <b>3,533</b> | <b>4,274</b>  | <b>2,974</b>  | <b>2,089</b>  |

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| Explanation of Investment Rating |  |
|----------------------------------|--|
| Investment Rating                | Expected return (over 12-month)  |
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| SELL                             | < - 10%  |
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