MOTILAL OSWAL FINANCIAL SERVICES

TOP PICK 2025

1 January 2025

Update | Sector: Real estate

Signature Global

CMP: INR1,353 | TP: INR2,000 (+48%) | Buy

Scaling high with strong OCF generation

Tapping into strong demand in the mid-premium segment

Signature Global (SIGNATUR), with its strong presence in strategic locations in Gurugram, is on track to capitalize on the ongoing demand, guided by a strong project pipeline of 24.3msf. With a projected 35% CAGR growth in pre-sales over FY24-27, the company is set to cumulatively collect INR285b. Its strategic shift from the affordable to mid/mid-premium segment is expected to drive a strong cumulative OCF of INR95b. This will enable the company to turn net cash positive and reinvest in land to fuel future growth. We reiterate BUY with a TP of INR2,000/share and a potential upside of 50%.

Key risks to our TP include: a) a slowdown in residential absorption, b) a delay in the monetization of forthcoming projects, and (c) slower BD convergence.

Expects to clock 35% CAGR in pre-sales over FY24-27

- Since commencing operations in 2014, SIGNATUR has focused on the underserved segment of affordable and mid-income housing in Gurugram through the state government's policy.
- Its quick turnaround strategy (acquisition to launch) has led to a rapid scale-up. Further, its focus on value homes led to oversubscription (3x demand on average) of units at the time of the launch.
- In the past decade, the company has sold over 32,000 units or ~25msf and posted a pre-sales CAGR of 63% over FY21-24.
- The company posted a CAGR of ~13% in volumes, reflecting a substantial improvement in average realization, guided by its shift toward premium offerings.
- With a focus on premium offerings and a strong pipeline of 25.4msf, the company's pre-sales are expected to clock a 35% CAGR in value terms.

Presence in a segment with a clear preference bodes well for strong growth

- During FY14-22, the Gurugram market saw 85-92% of supply in the ticket size below INR30m, with demand following a similar absorption trend. Notably, SIGNATUR also catered to the same ticket size, which enabled the company to capture significant volumes.
- The company's strategy of moving from affordable to premium homes after FY22 was well-aligned with the changing trends, as the preference shifted toward homes priced at INR10m+, contributing 85%-98% to date.
- SIGNATUR's recently launched projects, with realizations exceeding INR10,000/sft and sizes over 1,000sft, fall in the bucket where there is a clear preference among homebuyers.

Strategic land parcel allows future land aggregation

- Gurugram has four key micro-markets that drive maximum demand, including Golf Course, Golf Course Extension (GCE), South Peripheral Road (SPR), and Dwarka Express Highway (DEH). However, with the expansion of the master plan, Sohna and Manesar are also witnessing strong demand.

BSE SENSEX	S&P CNX
78,507	23,743

SIGNATURE GLOBAL
REALTY. RELIABILITY. RESPONSIBILITY.

Bloomberg	SIGNATUR IN
Equity Shares (m)	141
M.Cap.(INRb)/(USDb)	190.1 / 2.2
52-Week Range (INR)	1647 / 877
1, 6, 12 Rel. Per (%)	2/-3/38
12M Avg Val (INR M)	891

Financials & Valuations (INR b)

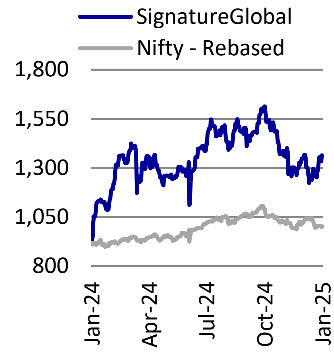
Y/E MARCH	FY25E	FY26E	FY27E
Sales	37.3	52.3	85.3
EBITDA	3.2	10.2	21.5
EBITDA Margin (%)	8.6	19.5	25.2
Adj PAT	2.7	8.2	16.9
Cons. EPS (Rs)	19.1	58.6	120.5
EPS Growth (%)	1522.4	207.1	105.7
BV/Share (Rs)	63.7	122.2	242.7
Ratios			
Net D:E	-0.2	-0.2	-0.1
RoE (%)	35.2	63.0	66.0
RoCE (%)	14.7	43.2	55.7
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	71.1	23.2	11.3
P/BV (x)	21.3	11.1	5.6
EV/EBITDA (x)	58.6	18.4	8.7
Div. Yield (%)	0.0	0.0	0.0

Shareholding Pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	69.6	69.6	69.6
DII	4.7	5.3	6.0
FII	12.2	8.3	5.4
Others	13.5	16.7	18.9

FII includes depository receipts

Stock Performance (1-year)



Abhishek Lodhiya - Research Analyst (Abhishek.Lodhiya@MotilalOswal.com)

- SIGNATUR has a strong presence in four of the hottest markets—SPR, DEH, Sohna, and Manesar—with 23.4msf of future potential. This is expected to generate a strong response similar to the recent launch of 9.6msf projects.
- Each sector of Gurugram spans over 300 acres, and the company has projects located adjacent to highway, which allows it to utilize FSI at its optimal level.
- While the remaining land in the same sector is situated behind the company's land, landowners are unable to fully utilize the potential FSI. Therefore, their options for monetizing the land are limited to either entering into a joint venture/development with SIGNATUR or selling the land. Since joint venture/development involves additional investments in approvals, the preferred option for many landowners is to sell the land directly to SIGNATUR.
- Therefore, the current strategic land parcels allow SIGNATUR to acquire land at highly competitive prices. However, the current cost of land is just INR1,000/sft or 10% of the sales realization, demonstrating the management's efficiency in procuring land at an optimal price.

Strong cash flow allows future investments in land and reduction of debt

- Currently, SIGNATUR is executing ~51msf of projects, with 25.3msf underway and 25.4msf in forthcoming projects that are set to be launched in the next 12-24 months.
- The company is estimated to cumulatively collect INR724b over FY25-30, while netting off construction, other overheads, and taxes will leave a cumulative net OCF of INR275b.
- Guided by strong cash flow generation, the company's balance sheet is expected to turn cash positive by the end of FY25, enabling it to utilize the surplus to fuel future growth.
- With strong OCF generation, SIGNATUR is set to continually reinvest in land to replenish its raw materials and capitalize on the ongoing demand in the residential segment.

Excellent execution ensures 90% CAGR topline growth over FY24-27

- SIGNATUR's approach of treating residential as an FMCG business, along with standardized offerings with respect to the design, layout, and adoption of construction technology, has enabled the company to shorten its construction cycle and reduce costs.
- As of Mar'24, the company has delivered 6msf and expects to deliver 16msf by FY26, achieving this within just one decade of operations, while some of its peers took more than a decade to reach this scale.
- SIGNATUR is scheduled to deliver ~51msf of ongoing and forthcoming projects in a record time of eight years, according to estimates. This will drive revenue growth at a projected 90% CAGR over FY24-27.
- SIGNATUR expects to recognize cumulative revenue of INR926b over FY25-32, with the delivery of ~51msf setting an execution benchmark for future projects.

Margin expansion not visible due to strong launches

- SIGNATUR's embedded operating margins for its projects are upwards of 35%, while reported margins are far lower.
- The lower operating margins are attributed to higher indirect costs currently charged to the P&L for projects with lower realizations, which are in the revenue recognition phase. However, reported EBITDA margins are expected to show visible expansion from FY26 and steadily move toward embedded margins in the near future.
- FY26 and FY27 are expected to report 20% and 25% margins, respectively, as higher realization projects come up for recognition. Additionally, with the current visibility, all projects are expected to be launched by FY27, resulting in lower indirect cost recognition thereafter. As a result, a convergence of reported and embedded margins is expected beyond that.

Valuation and view

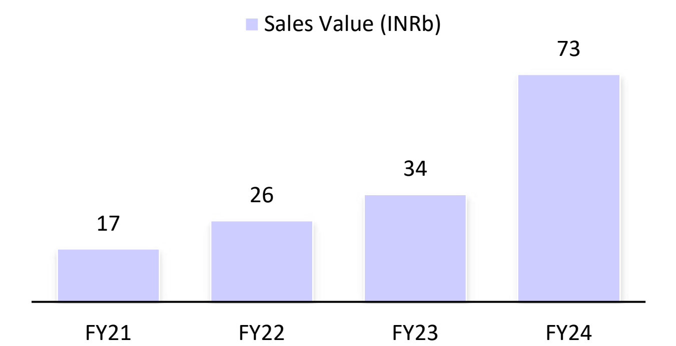
- As SIGNATUR prepares for a strong launch pipeline of premium projects, we expect it to deliver a 35% CAGR in bookings over FY24-27, sustaining the growth momentum.
- Strong pre-sales growth will drive a rapid scale-up in operations across key parameters, such as cash flows, revenue, and profitability, enhancing confidence in the company's execution capabilities and future growth potential.
- Based on the NPV method, we value SIGNATUR's existing project pipeline of ~30msf (includes recent launch) at INR150b. Thus, the current valuation implies 34% of the going concern premium for the company, indicating that a significant portion of the future growth potential is yet to be accounted for.
- We reiterate our BUY rating with a TP of INR2,000/share, indicating a 50% upside potential.

Expects to post 35% CAGR in pre-sales over FY24-27

Strong performance backed by improved demand

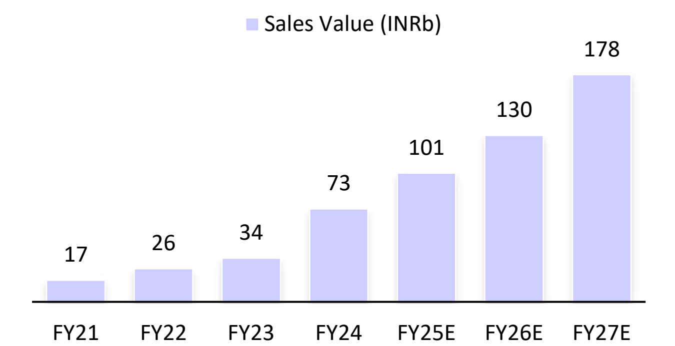
- Since commencing operations in 2014, SIGNATUR has focused on the underserved segment of affordable and mid-income housing in Gurugram through the state government's policy.
- Development through government initiatives has enabled the company to improve its cost economics and gain exposure to a wider customer base.
- Its quick turnaround strategy (acquisition to launch) has led to a rapid scale-up. Further, its focus on value homes has led to oversubscription (3x demand on average) of units at the time of launch.
- In the past decade, the company has sold over 32,000 units or ~25msf and posted a pre-sales CAGR of 63% over FY21-24.
- Its standardized offerings with respect to the design, layout, and adoption of construction technology have enabled the company to shorten its construction cycle and reduce costs.
- The company posted a CAGR of ~13% in volumes, reflecting a substantial improvement in average realization, guided by its shift toward premium offerings.
- With a focus on premium offerings and a strong pipeline of 25.4msf, the company's pre-sales are expected to post a 35% CAGR in value terms, with volumes clocking a 21% CAGR over the same period.

Exhibit 1: Pre-sales posted a 63% CAGR over FY21-24…



Source: Company, MOFSL

Exhibit 2: …with a 35% CAGR expected over FY24-27



Source: Company, MOFSL

Exhibit 3: SIGNATUR's launch pipeline for forthcoming projects

Location	Development mix	Area (msf)
Sector 71, SPR	Group housing, commercial and retail	14.9
Sector 37D, DXP	Group housing and low rise floors	3.5
Sohna Corridor	Low rise floors and industrial plots	3.4
Manesar	Low rise and industrial plots	1.6
Others	Residential housing and retail	2
Total		**25.4**

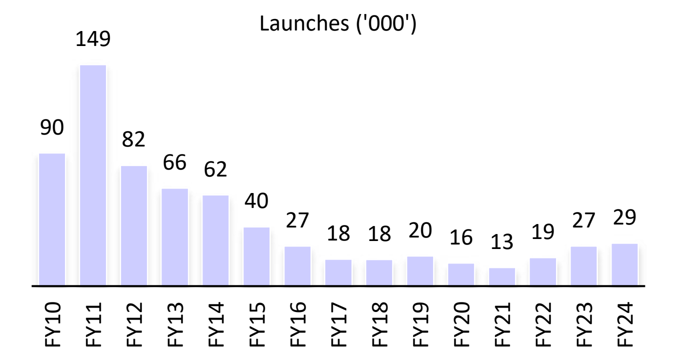
Source: Company, MOFSL

SIGNATUR's strong presence in Gurugram positions it as a beneficiary of recovery

- Over the past 15 years, Delhi has experienced a significant decline from its peak until FY18. In FY19, there were some signs of recovery; however, due to the impact of COVID-19, the situation deteriorated again in FY20. Fortunately, this decline was reversed in FY21.

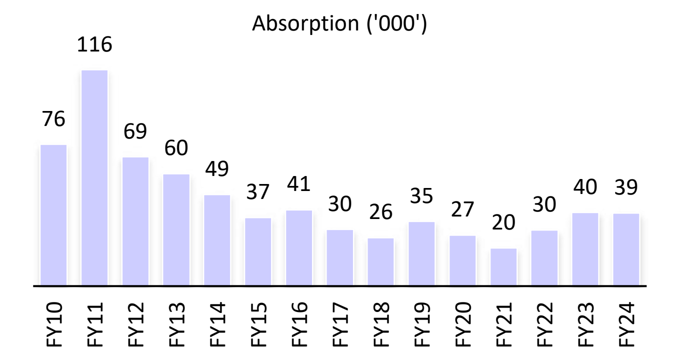
- Although the RE sector began to show positive trends in FY22, the NCR markets were only at one-tenth of their peak levels in FY11, both in terms of launches and absorption.
- In FY24, with ~30k units launched, this represents only 20% of the peak. The absorption rate was 33% of the 116k units at the peak in FY11, indicating significant potential for improvement moving forward.
- Notably, inventory has consistently decreased since FY16, as absorption has typically outpaced launches. This trend has led to a reduction in the inventory overhang, declining from a peak of 46 months to just 10 months by the end of FY24.

Exhibit 4: Launches are just 20% vs. the peak



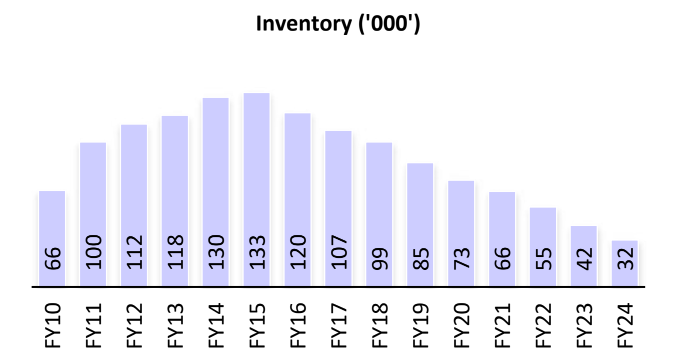
Source: Industry data, MOFSL

Exhibit 5: Absorption is just 33% vs. the peak



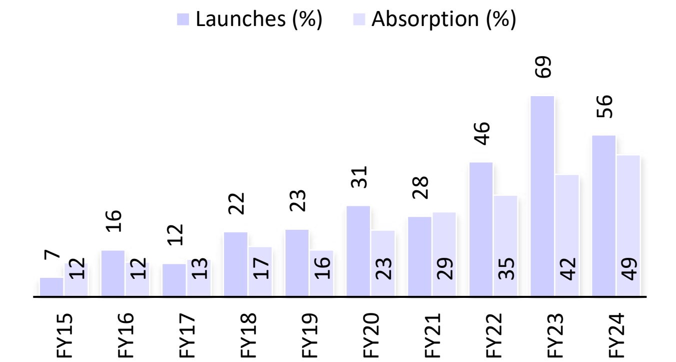
Source: Industry data, MOFSL

Exhibit 6: Inventory dipped to 32k units vs. the peak of 133k



Source: Industry data, MOFSL

Exhibit 7: Gurugram contributed +50% to the NCR market



Source: Industry data, MOFSL

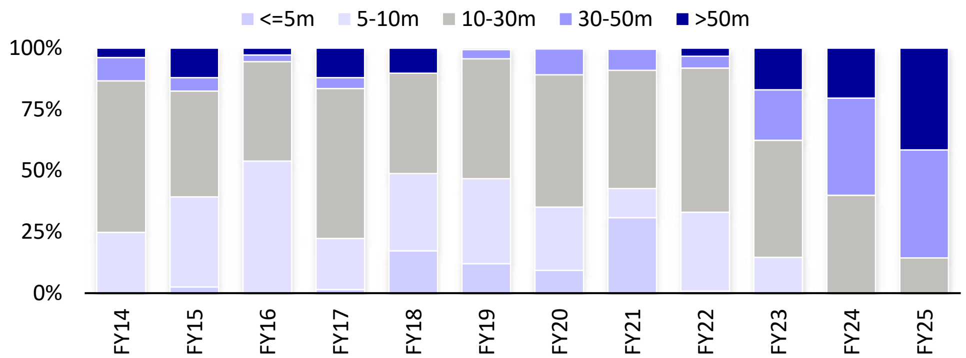
- The average price realization for FY10-21 stood at 5% CAGR, while realization posted a 32% CAGR over FY21-24.
- Gurugram, known for its world-class infrastructure and robust job creation, has emerged as a key hub of the NCR market, contributing over 50% to both property launches and absorption rates.
- Additionally, Gurugram's average realization has clocked 67% CAGR over FY21-24, leading NCR to post healthy realization growth.
- As the dominant player in Gurugram, SIGNATUR has a strong presence in four high-demand micro-markets (SPR, DEH, Sohna, and Manesar) and is capitalizing on the revival of the Gurugram market.
- Given the strong upward trend in realizations, the current estimate of pending sales, projected at INR901b, may be conservative as we have only factored in a 3% YoY escalation for future sales.

Presence in a segment with a clear preference bodes well for strong growth

Strategy well-aligned with the market trend to generate strong demand

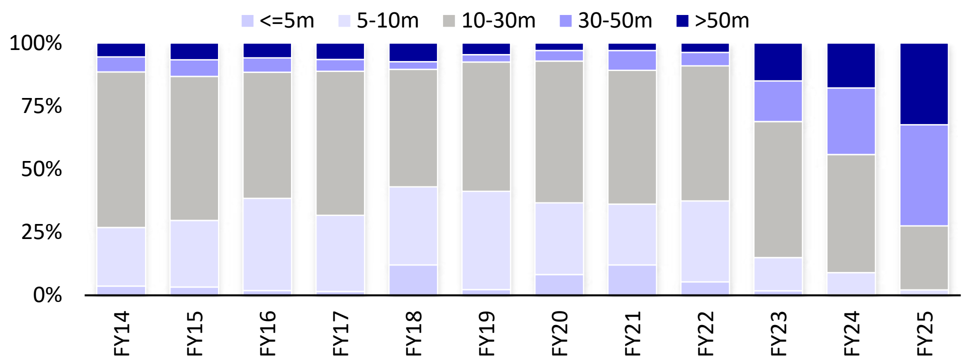
- During FY14-22, the Gurugram market saw 85-92% of supply in the ticket size below INR30m, with demand following a similar absorption trend. Notably, SIGNATUR also catered to the same ticket size, enabling the company to capture significant volumes in the initial eight years of operations.
- The company’s strategy of moving from affordable to premium homes after FY22 was well-aligned with the changing trends, as the preference shifted toward bigger homes with ticket sizes surpassing INR10m, contributing 85%-98% to date.
- SIGNATUR's recently launched projects, with realization exceeding INR10,000/sft and size of +1,000sft, fall in the bucket where there is a clear preference from homebuyers.

Exhibit 8: Post FY22, 85-100% of launch inventory is above INR10m



Source: Industry Data, MOFSL

Exhibit 9: Post FY22, 85-98% of absorption inventory is above INR10m



Source: Industry Data, MOFSL

- SIGNATUR operates in four micro-markets of Gurugram, namely SPR, DEH, SEC, and Manesar, featuring ~25msf of ongoing projects and ~25.4msf of forthcoming projects, with average realization ranging from INR7,000/sft to INR16,000/sft.
- SIGNATUR has carved a niche in the mid-income to premium segment, where ticket sizes range from INR15m to INR70m, and has witnessed strong demand for its products.
- The encouraging response to the Titanium SPR and Daxin Vistas is a testament to SIGNATUR’s strong brand equity and execution capability in the INR15-70m ticket size. We believe that with the continued demand, the company will witness robust growth, guided by the strong response to its upcoming launches of ~25msf in the next 12-24 months.

Strategic land parcel allows future land aggregation

Presence in four hot markets of Gurugram

- The established micro-markets in Gurugram, such as MG Road and Golf Course/ Golf Course extension, have well-developed infrastructure and are surrounded by Grade A malls/office parks. Hence, these markets are dominated by luxury/high-end residential segments.
- SIGNATUR is strategically exposed to all emerging micro-markets of the city that are experiencing significant real estate activity. These markets accounted for 70% of mid and mid-premium segment supply during CY20-23.
- However, with the expansion of the master plan, improvements in connectivity, and limited expansion opportunities in the established micro-markets, emerging micro-markets such as SPR, Dwarka Expressway, New Gurugram, and Sohna are witnessing significant real estate activity.
- Most of the mid and mid-premium segment projects in Gurugram are being launched in emerging micro-markets, which accounted for over 70% of the total supply during CY20-23.
- With a focus on the mid/mid-premium segment, SIGNATUR has evolved into a key player in emerging markets and will continue to benefit from favorable market dynamics as all the projects in the company's pipeline are located in these regions.

Exhibit 10: SIGNATUR is strategically exposed to all emerging micro-markets

Micro-market	Sectors	Segment Dominance	Key Players
Established micro-markets			
MG Road	Sector 24,25,26,28	High-end Luxury	DLF, EMAAR, MGF, and Vatika
Golf Course Road	Sector 51 to 59	Luxury and ultra-luxury	DLF, Vatika, and Suncity
Golf Course Extension	Sector 60 to 67	Mid-high-end luxury	M3M, SIGNATUR, and EMAAR
Gurugram Sohna Road	Sector 33, 48, 49, 67A, 68	Mid-high-end luxury	DLF, EMAAR, MGF, and Vatika
Emerging micro-markets			
SPR	Sector 69 to 75	Mid and Mid-premium	Tata, M3M, Pyramid, and SIGNATUR
Dwarka Expressway	Sector 37C, 37D, 88, 88D, 99 to 114	Mid and Mid-premium	Vatika, Godrej, ATS, Hero Group, and SIGNATUR
New Gurugram (Manesar)	Sector 76 to 95	Affordable and Mid-end	DLF, Godrej, Vatika, Bestech, and SIGNATUR
Sohna Town	Sector 2,3,6,28,20,29,31 to 36	Mid and Mid-premium	Godrej, Raheja, Ireo, Ashiana, Supertech, and SIGNATUR

Source: Company, MOFSL

SIGNATUR focuses on three micro-markets

1

Sector 71
17.0 m sqft[1]

Proximity to all prime areas of Gurugram; red light free to Golf Course Road in future

2

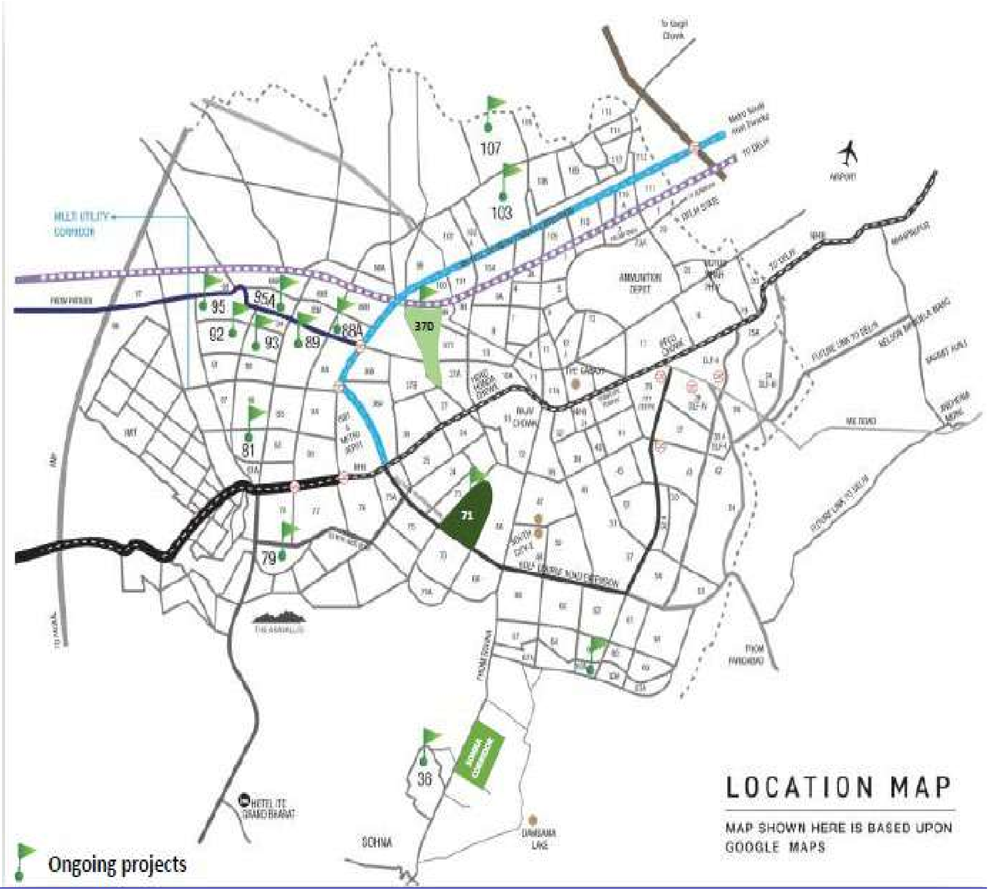
Sohna Elevated Corridor
7.2 m sqft[1]

Commenced in 2022; Closer to Cybercity and MG Road than parts of Gurugram

3

Sector 37D
6.0 m sqft[1]

Dwarka Expressway inaugurated in Feb' 24 by honorable Prime Minister



[1]Saleable Area potential for forthcoming projects in the focus area - based on best estimates according to the current zoning regulations

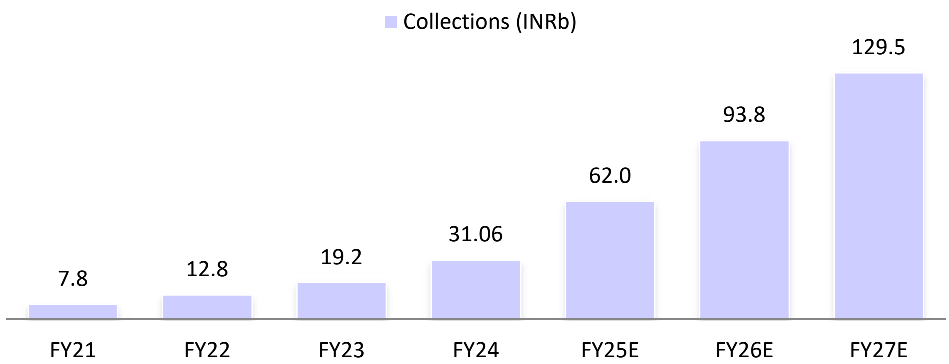
Source: Company, MOFSL

- SIGNATUR has a strong presence in four of the hottest markets of Gurugram—SPR, DEH, Sohna, and Manesar—with 23.4msf of future potential. This is expected to generate a strong response similar to the recently launched 9.6msf projects.
- Each sector of Gurugram spans over 300 acres, and the company has projects located adjacent to highways, which allows it to utilize FSI at its optimal level.
- While the remaining land in the same sector is situated behind the company's land, landowners are unable to fully utilize the potential FSI. Therefore, their options for monetizing the land are limited to either entering into a joint venture/development with SIGNATUR or selling the land. Since joint venture/development involves additional investments in approvals, the preferred option for many landowners is to sell the land directly to SIGNATUR.
- Therefore, the current strategic land parcel allows SIGNATUR to acquire land at highly competitive prices. However, the current cost of land is just INR1,000/sft or 10% of sales realization, demonstrating the management's efficiency in procuring land at an optimal price.

Strong cash flow allows future investments in land and reduction of debt

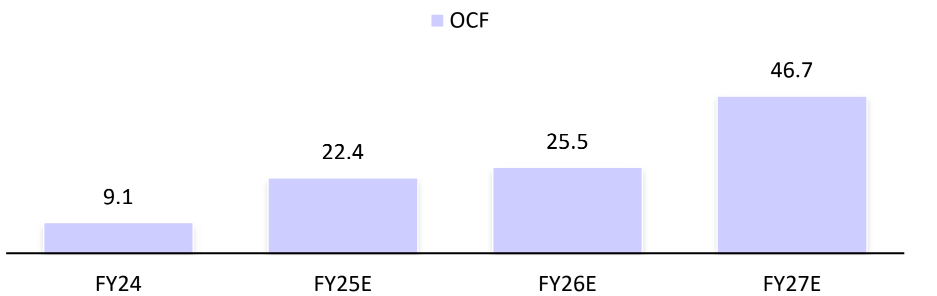
- Currently, SIGNATUR is executing ~51msf of projects, with 25.3msf underway and 25.4msf in forthcoming projects set to be launched in the next 12-24 months.
- SIGNATUR, backed by strong execution, is expected to collect INR285b over FY25-27, which will translate into an OCF of INR95b over the same period.
- The company is estimated to cumulatively collect INR724b over FY25-30, while netting off construction, other overheads, and taxes will leave a cumulative net OCF of INR275b.
- The strong OCF generation allows SIGNATUR to continually reinvest in the land to replenish raw materials and capitalize on the ongoing demand in the residential segment.

Exhibit 11: SIGNATUR to collect INR285b over FY25-27…



Source: Company, MOFSL

Exhibit 12: …translating into a cumulative OCF of INR95b over FY25-27



Source: Company, MOFSL

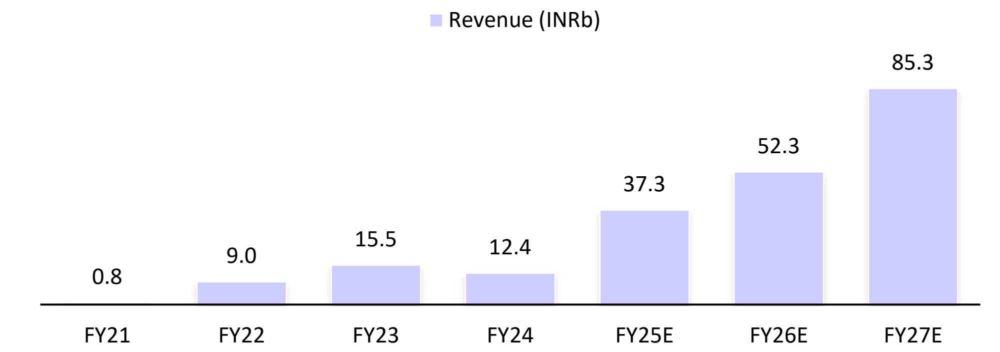
- Guided by strong cash flow generation, the company's balance sheet is expected to turn cash positive with INR1.9b by the end of FY25, enabling it to utilize the surplus to fuel growth.

Excellent execution ensures 90% CAGR topline growth over FY24-27, while margin witnesses a slow recovery

Revenues to clock 90% CAGR over FY24-27, guided by strong execution

- SIGNATUR's approach of treating residential as an FMCG business, along with its standardized offerings with respect to the design, layout, and adoption of construction technology, has enabled the company to shorten its construction cycle and reduce costs.
- As of Mar'24, the company has delivered 6msf and expects to deliver 16msf by FY26, achieving this within just one decade of operations, while some of its peers took more than a decade to reach this scale.
- SIGNATUR is scheduled to deliver ~51msf of ongoing and forthcoming projects in a record time of eight years according to estimates. This will drive revenue growth at a projected 90% CAGR over FY24-27.
- Moreover, SIGNATUR expects to recognize cumulative revenue of INR926b over FY25-32, with the delivery of ~51msf setting an execution benchmark for future projects.

Exhibit 13: Revenue to post 90% CAGR over FY24-27, backed by strong execution



Source: Company, MOFSL

Margin expansion not visible due to strong launches

- SIGNATUR's embedded operating margins for its projects are upwards of 35%, while the reported margins are far lower.
- The lower operating margins are attributed to higher indirect costs currently charged to the P&L for projects with lower realizations, which are in the revenue recognition phase. However, reported EBITDA margins are expected to show visible improvement from FY26 and will steadily move toward embedded margins in the near future.
- FY26 and FY27 are expected to report 20% and 25% margins, respectively, as higher realization projects come up for recognition. Additionally, with the current visibility, all projects are expected to be launched by FY27, resulting in lower indirect cost recognition thereafter. As a result, a convergence of reported and embedded margins is expected beyond that.
- The adjusted profit margin is expected to expand from 1.3% in FY24 to 20% by FY27, driving adjusted PAT to post 368% CAGR over FY24-27.

With margin expansion, return profile set to move north again

- SIGNATUR's profitability declined each subsequent year as higher indirect costs were charged to P&L due to the launch of premium projects.
- FY24 marked a year where the return profile fell to single digits due to strong launches and lower ticket size projects under DDJAY recognition.
- The company's profitability is expected to improve as projects with higher realizations come up for recognition, leading to an improvement in the return profile.
- ROE/ROCE is expected to rise again toward its historical trend, with projections of 66%/56%, respectively, for FY27.

Valuation and view: Reiterate BUY with a TP of INR2,000

- SIGNATUR posted a strong 63% CAGR in pre-sales over FY21-24, driven by an increase in projects under execution and premiumization. As the company prepares for a strong launch pipeline of premium projects, we expect the growth momentum to continue and estimate a 35% CAGR in bookings over FY24-27.
- Strong pre-sales growth will drive a rapid scale-up in operations across key parameters, such as cash flows, revenue, and profitability, enhancing confidence in the company's execution capabilities and future growth potential.
- Based on the NPV method, we value the company's existing project pipeline of ~30msf at INR150b. Thus, the current valuation implies 30% of the going concern premium for the company (vs. 50-100% for comparable peers), indicating that a significant portion of the future growth potential is yet to be accounted for.
- The ongoing and upcoming projects are valued based on DCF, using WACC of 13% and a terminal growth rate of 3%.
- We value SIGNUATUR at a gross asset value of INR293b. After netting off INR12b of net debt as of FY24, we arrive at a net asset value of INR281b, or INR2,000 per share, indicating a 50% upside potential.

Financials and valuations

Consolidated Profit & Loss

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Total Income from Operations	**821**	**9,013**	**15,535**	**12,406**	**37,253**	**52,336**	**85,259**
Change (%)	NA	998.4	72.4	-20.1	200.3	40.5	62.9
Total Expenditure	**1,639**	**9,862**	**15,475**	**12,682**	**34,033**	**42,109**	**63,738**
% of Sales	199.8	109.4	99.6	102.2	91.4	80.5	74.8
EBITDA	**-819**	**-849**	**60**	**-277**	**3,220**	**10,228**	**21,521**
Margin (%)	-99.8	-9.4	0.4	-2.2	8.6	19.5	25.2
Depreciation	118	207	222	216	249	286	329
EBIT	**-937**	**-1,056**	**-162**	**-493**	**2,971**	**9,942**	**21,192**
Int. and Finance Charges	709	691	729	302	533	329	254
Other Income	727	383	323	840	1,134	1,361	1,633
PBT bef. EO Exp.	**-919**	**-1,364**	**-568**	**46**	**3,572**	**10,974**	**22,571**
EO Items	-55	0	0	0	-2	0	0
PBT after EO Exp.	**-974**	**-1,364**	**-568**	**46**	**3,570**	**10,974**	**22,571**
Total Tax	-112	-209	69	-119	892	2,743	5,643
Tax Rate (%)	11.5	15.3	-12.1	-259.8	25.0	25.0	25.0
Minority Interest	-3	-12	-70	-1	-1	-1	-1
Reported PAT	**-859**	**-1,143**	**-567**	**165**	**2,678**	**8,231**	**16,929**
Adjusted PAT	**-810**	**-1,143**	**-567**	**165**	**2,680**	**8,231**	**16,929**

Consolidated Balance Sheet

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Equity Share Capital	57	114	125	141	141	141	141
Total Reserves	-2,126	-3,636	351	6,126	8,804	17,036	33,965
Net Worth	**-2,069**	**-3,522**	**475**	**6,267**	**8,945**	**17,176**	**34,106**
Total Loans	11,864	11,696	17,243	19,333	7,333	5,833	4,333
Deferred Tax Liabilities	0	0	0	0	0	0	0
Capital Employed	**9,906**	**8,232**	**17,744**	**25,628**	**16,301**	**23,028**	**38,453**
Gross Block	460	660	787	1,171	1,420	1,706	2,035
Less: Accum. Deprn.	125	186	264	480	729	1,015	1,344
Net Fixed Assets	**334**	**474**	**522**	**691**	**691**	**691**	**691**
Investment Property	**0**	**589**	**585**	**315**	**311**	**306**	**302**
Capital WIP	0	0	4	147	147	147	147
Total Investments	**569**	**52**	**1**	**1**	**2**	**3**	**4**
Curr. Assets, Loans&Adv.	**35,985**	**42,570**	**58,599**	**83,550**	**93,942**	**1,05,249**	**3,29,496**
Inventory	27,702	33,921	44,058	61,489	66,340	71,694	2,80,304
Account Receivables	148	42	283	342	3,062	3,585	5,840
Cash and Bank Balance	2,919	2,911	6,720	7,361	9,231	8,463	8,314
Loans and Advances	5,217	5,697	7,538	14,358	15,309	21,508	35,038
Curr. Liability & Prov.	**27,718**	**36,076**	**42,247**	**59,106**	**78,820**	**83,397**	**2,92,216**
Account Payables	3,306	7,924	10,066	7,917	15,309	11,471	58,397
Other Current Liabilities	24,359	28,037	32,014	50,957	63,278	71,694	2,33,587
Provisions	54	115	167	232	232	232	232
Net Current Assets	**8,267**	**6,494**	**16,352**	**24,444**	**15,122**	**21,852**	**37,280**
Appl. of Funds	**9,478**	**7,916**	**17,508**	**25,628**	**16,301**	**23,028**	**38,453**

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)							
EPS	**-5.8**	**-8.1**	**-4.0**	**1.2**	**19.1**	**58.6**	**120.5**
Cash EPS	-4.9	-6.7	-2.5	2.7	20.8	60.6	122.8
BV/Share	-14.7	-25.1	3.4	44.6	63.7	122.2	242.7
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)							
P/E	-235.3	-166.7	-336.3	1,153.9	71.1	23.2	11.3
Cash P/E	-275.4	-203.7	-552.5	499.8	65.1	22.4	11.0
P/BV	-92.1	-54.1	401.0	30.4	21.3	11.1	5.6
EV/Sales	243.2	22.1	12.9	16.3	5.1	3.6	2.2
EV/EBITDA	-243.7	-235.0	3,363.5	-732.5	58.6	18.4	8.7
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	19.2	-3.5	17.4	4.0	100.1	0.2	1.6
Return Ratios (%)							
RoE	78.3	40.9	37.2	4.9	35.2	63.0	66.0
RoCE	-3.8	-6.3	0.9	5.8	14.7	43.2	55.7
RoIC	-25.8	-15.3	-2.2	-12.2	17.8	69.9	71.6
Working Capital Ratios							
Fixed Asset Turnover (x)	1.8	13.7	19.7	10.6	26.2	30.7	41.9
Asset Turnover (x)	0.1	1.1	0.9	0.5	2.3	2.3	2.2
Inventory (Days)	12,322	1,374	1,035	1,809	650	500	1,200
Debtor (Days)	66	2	7	10	30	25	25
Creditor (Days)	1,470	321	236	233	150	80	250
Leverage Ratio (x)							
Current Ratio	1.3	1.2	1.4	1.4	1.2	1.3	1.1
Interest Cover Ratio	-1.3	-1.5	-0.2	-1.6	5.6	30.2	83.4
Net Debt/Equity	-4.3	-2.5	22.1	1.9	-0.2	-0.2	-0.1

Consolidated Cash flow

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	584	326	-568	45	3,570	10,974	22,571
Depreciation	52	73	92	216	249	286	329
Interest & Finance Charges	846	776	859	302	1,333	658	508
Direct Taxes Paid	-231	-152	-68	-590	-892	-2,743	-5,643
(Inc)/Dec in WC	1,699	-1,129	2,022	1,502	11,192	-7,498	-15,577
CF from Operations	**2,950**	**-106**	**2,337**	**1,474**	**15,451**	**1,676**	**2,189**
Others	-88	-198	284	-550	-1,134	-1,361	-1,633
CF from Operating incl EO	**2,861**	**-305**	**2,620**	**924**	**14,317**	**316**	**556**
(Inc)/Dec in FA	-164	-183	-181	-359	-249	-286	-329
Free Cash Flow	**2,697**	**-487**	**2,439**	**565**	**14,069**	**30**	**227**
(Pur)/Sale of Investments	139	248	7	-3,805	0	0	0
Others	170	115	12	-722	1,134	1,361	1,633
CF from Investments	**145**	**181**	**-162**	**-4,886**	**885**	**1,075**	**1,304**
Issue of Shares	7	13	7	6,030	0	0	0
Inc/(Dec) in Debt	-2,328	1,331	-1,647	-1,169	-12,000	-1,500	-1,500
Interest Paid	-860	-743	-762	-2,105	-1,333	-658	-508
Dividend Paid	-142	-142	-211	0	0	0	0
Others	-413	0	0	923	0	0	0
CF from Fin. Activity	**-3,736**	**459**	**-2,614**	**3,679**	**-13,333**	**-2,158**	**-2,008**
Inc/Dec of Cash	**-729**	**335**	**-156**	**-283**	**1,869**	**-768**	**-148**
Opening Balance	832	103	438	282	-1	1,869	1,101
Closing Balance	**103**	**438**	**282**	**-1**	**1,869**	**1,101**	**953**

NOTES

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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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