

Devyani International

Estimate changes	
TP change	
Rating change	

Bloomberg	DEVYANI IN
Equity Shares (m)	1206
M.Cap.(INRb)/(USDb)	216.7 / 2.5
52-Week Range (INR)	223 / 130
1, 6, 12 Rel. Per (%)	0/3/10
12M Avg Val (INR M)	546

Financials & Valuations (INR b)

Y/E Mar	2025	2026E	2027E
Sales	49.5	55.8	62.9
Sales Gr. (%)	39.2	12.8	13.3
EBITDA	8.4	10.1	11.9
Margins (%)	17.0	18.0	18.9
Adj. PAT	0.2	1.1	2.7
Adj. EPS (INR)	0.2	0.9	2.2
EPS Gr. (%)	-75.7	385.4	34.6
BV/Sh.(INR)	9.1	6.0	4.0
Ratios			
RoE (%)	2.1	12.1	52.5
RoCE (%)	11.4	6.5	10.0
Valuation			
P/E (x)	962.2	198.2	76.5
P/BV (x)	19.8	30.0	42.2
EV/Sales (x)	4.5	4.0	3.8
Pre-Ind AS			
EV/EBITDA (x)	45.4	36.4	30.0

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	62.7	62.7	62.7
DII	16.9	15.5	12.2
FII	10.5	11.2	12.4
Others	10.0	10.6	12.6

FII includes depository receipts

CMP: INR180

TP: INR210 (+17%)

Buy

Weak unit economics; seeking ADS recovery in FY26

- Devyan International's (DEVYANI) consol. revenue grew 16% YoY (in line) in 4QFY25. India revenue was up 7% YoY, with a 16% YoY store expansion, which was offset by weak same-store sales growth (SSSG) across brands.
- KFC's revenue grew 3% YoY, aided by 17% store expansion, though offset by a 6% decline in same-store sales (-1% for Sapphire). Pizza Hut (PH)'s revenue rose 8% YoY, with 11% new store additions, while SSSG returned to a positive trajectory after nine quarters to 1% YoY (+1% for Sapphire). Costa Coffee's revenue grew 16% YoY, with 23% YoY store addition and 3.5% SSSG.
- India ROM was down 5% YoY to INR1.1b and the margin contracted 160bp YoY to 13.4%, owing to operating deleverage. KFC's ROM contracted 270bp YoY to 16.2% (15.7% for Sapphire), and PH's ROM contracted 360bp YoY to 0.7% (-4.6% for Sapphire).
- International revenue grew 42% YoY to INR4.2b with RoM at INR677m (vs. INR298m in 4QFY24), and margin expanded 600bp YoY to 16%.
- Consolidated GM margin contracted 70bp YoY and 20bp QoQ to 68.5% given some RM inflation. EBITDA (Pre Ind-AS) margin was down 30bp YoY/ 110bp QoQ to 8.9%. Consol. RoM margin expanded 30bp YoY while it was down 50bp QoQ to 13.8%.
- DEVYANI is focusing on innovation, customer engagement, and value offerings to drive recovery. KFC's ADS has corrected ~20% from its peak of FY19/FY23 to <INR100k. Given improving consumption sentiments for FY26, we believe ADS has bottomed out and we will continue to monitor its recovery. Further, the company is executing multiple initiatives for PH turnaround. The stock price has been flattish for the last three years due to growth challenges, and we believe most risks are largely priced in now. **We reiterate our BUY rating with a TP of INR210.**

KFC's SSSG continues to decline; slower rollout of new stores

- Muted underlying growth metrics:** Consol. sales growth was 16% YoY to INR12.1b (est. INR12.2b) in 4QFY25. The India revenue was up 7% YoY to INR8b. (est. INR8.3b). KFC's sales grew 3% YoY to INR5.1b. SSSG declined 6.1% (est. -2.0%). PH sales grew 8% YoY to INR1.8b. SSSG entered a positive trajectory at 1% (est. +3%). ADS of KFC was down 11% YoY at INR83k, and PH ADS dipped 3% YoY to INR31k. Costa Coffee's revenue rose 16% YoY with SSSG of 3.5%, while ADS was down 18% YoY at INR27k.
- Slower store expansion:** It added a total of seven new stores in 4QFY25 to reach 2,039 stores. The store additions in KFC/CC/Vaango/International are 7/11/2/1, while the company closed 14 stores in PH. The total store count for KFC/PH/CC/Vaango/others/International stood at 696/630/220/118/ 375.
- Moderation in margins continues:** Gross profit grew 15% YoY to INR8.3b (est. INR8.1b), while margin contracted 70bp YoY and 20bp QoQ to 68.5% (est. 66.8%). Consol. EBITDA margin was flat YoY, while it dipped 30bp QoQ to 16.6% (est. 16%). Consol. ROM increased 18% YoY to INR1.7b and margin expanded 30bp YoY, while it was down 50bp QoQ to 13.8%. The Pre-Ind-AS EBITDA increased 13% YoY to INR1.1b, while the margin was down 30bp YoY/ 110bp QoQ to 8.9%.

- International revenue grew 42% YoY to INR4.2b with RoM at INR677m (vs. INR298m in 4QFY24), and margin expanded 600bp YoY to 16%.
- Reported EBITDA increased by 16% YoY to INR2b (est. INR1.9b). Loss before tax stood at INR208m (est. INR54m loss) on higher depreciation (+21%) and interest costs (+23%). Loss after tax was INR20m (est. APAT of INR42m).
- In FY25, revenue/EBITDA grew 39%/29%, while adj. PAT declined 76% YoY.

Highlights from the management commentary

- DEVYANI's 4QFY25 was challenging given the inflation and urban slowdown that led to subdued consumption. However, management is optimistic about the tax relief measure taken by the government and a better monsoon outlook, which will boost consumption.
- KFC's SSSG was hit by the bird flu in AP and Telangana, which lasted for ~70 days. The flu hit its SSSG and ADS. Kerala and West Bengal faced geopolitical challenges, which adversely impacted the company's SSSG and ADS. That said, Karnataka remained stable. Management expects a sequential improvement in SSSG and ADS from the current levels.
- KFC's ROM can reach 19-20% at ADS of INR100k over the next few quarters. DEVYANI is adopting some strategic measures to achieve this target. These measures focus on ADS and cost optimization.
- The company is in discussion with Yum for PH turnaround, and it will have a plan ready by the end of 1QFY26.
- Biryani is the most ordered and consumed item online as far as Indian cuisine is concerned, and DEVYANI has acquired one of the market leaders in the space.

Valuation and view

- There are no material changes to our EBITDA estimates for FY26 and FY27.
- Management remains committed to improving ADS and profitability across the existing network across brands and will adopt a more cautious approach to future store openings for PH.
- DEVYANI is focusing on innovation, customer engagement, and value offerings to drive recovery. ADS and SSSG recoveries remain the key monitorables, as they are vital for improving unit economics. DEVYANI is in talks with Yum for PH turnaround and is expected to execute the initiatives in the coming months. This will be a positive trigger for the company. The stock price has been flat for the last three years due to growth challenges, and we believe most of the risks are largely priced in now.
- We reiterate our **BUY** rating and value India business at 35x EV/EBITDA (pre-IND- AS) and international business at 20x EV/EBITDA (pre-IND-AS) on Mar'27E to arrive at our TP of INR210.

Y/E March	Quarterly Performance								(INR m)			
	FY24				FY25				FY24	FY25	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE		(%)
KFC - No. of stores	510	540	590	596	617	645	689	696	596	696	706	
PH - No. of stores	521	535	565	567	570	593	644	630	567	630	652	
KFC - SSSG (%)	-0.9	-3.9	-4.7	-7.1	-7.0	-7.0	-4.4	-6.1	-4.6	-6.4	-2.0	
PH - SSSG (%)	-5.3	-10.4	-12.6	-14.0	-8.6	-5.7	-0.8	1.0	-10.9	-3.8	3.1	
Net Sales	8,466	8,195	8,431	10,471	12,219	12,222	12,944	12,126	35,563	49,511	12,158	0%
YoY change (%)	20.1	9.6	6.6	38.7	44.3	49.1	53.5	15.8	18.6	39.2	16.1	
Gross Profit	5,998	5,802	5,954	7,244	8,450	8,474	8,892	8,306	24,997	34,122	8,117	2%
Margin (%)	70.8	70.8	70.6	69.2	69.2	69.3	68.7	68.5	70.3	68.9	66.8	
EBITDA	1,734	1,588	1,463	1,739	2,234	1,987	2,192	2,008	6,524	8,422	1,949	3%
EBITDA growth %	5.6	-4.1	-15.9	14.9	28.8	25.2	49.9	15.5	-0.4	29.1	12.1	
Margin (%)	20.5	19.4	17.4	16.6	18.3	16.3	16.9	16.6	18.3	17.0	16.0	
Depreciation	796	907	930	1,275	1,322	1,391	1,557	1,653	3,907	6,019	1,469	
Interest	404	417	482	567	630	653	670	695	1,869	2,648	671	
Other Income	68	66	46	146	99	48	91	132	326	370	137	
PBT	603	330	97	44	381	-9	56	-208	1,074	125	-54	
Tax	146	-168	46	110	81	10	162	-56	133	197	-11	
Rate (%)	24.1	-50.9	47.6	249.9	21.2	-113.1	286.8	26.8	12.4	157.9	20.0	
Adjusted PAT	339	506	51	33	281	-27	-9	-20	929	226	-42	
Margin (%)	4.0	6.2	0.6	0.3	2.3	-0.2	-0.1	-0.2	2.6	0.5	-0.3	
YoY change (%)	-54.4	-21.4	-93.5	-94.6	-17.2	NM	NM	-161.2	-66.5	-75.7	-226.9	

E: MOFSL Estimates

DEVYANI's performance

- DEVYANI's India revenue grew 7% YoY to INR8b (est. INR8.3b).
- It added six stores to reach 1,664 stores during the quarter.
- GM was down 120bp YoY at 71%.
- The brand contribution was down 5% YoY to INR1.1b, and the margin contracted 160bp to 13.4%.
- EBITDA (pre-IND-AS) was down 13%, and margin contracted 200bp to 8.6%.
- EBITDA (reported) inched up 1% to INR1.5b, and margin dipped 100bp to 18.8%.

DIL India (INR m)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Total Stores	1,230	1,298	1,387	1,429	1,473	1,557	1,658	1,664
Net Additions	46	68	89	42	44	84	101	6
Revenue	7,896	7,787	7,964	7,516	8,399	8,356	8,726	8,012
YoY Gr (%)	21%	12%	9%	7%	6%	7%	10%	7%
Gross Profit	5,633	5,545	5,677	5,428	6,037	5,983	6,216	5,691
Gross Margin (%)	71.3%	71.2%	71.3%	72.2%	71.9%	71.6%	71.2%	71.0%
Brand Contribution	1,390	1,186	1,219	1,121	1,362	1,105	1,214	1,070
YoY Gr (%)	3%	-12%	-6%	3%	-2%	-7%	0%	-5%
Brand Contribution margin (%)	17.6%	15.2%	15.3%	14.9%	16.2%	13.2%	13.9%	13.4%
EBITDA Pre-Ind-AS	994	822	851	794	1,001	712	773	689
YoY Gr (%)	-4%	-19%	-16%	0%	1%	-13%	-9%	-13%
Margin (%)	12.6%	10.6%	10.7%	10.6%	11.9%	8.5%	8.9%	8.6%
EBITDA (reported)	1,577	1,434	1,494	1,485	1,724	1,462	1,554	1,504
YoY Gr (%)	52%	42%	47%	10%	9%	2%	4%	1%
Margin (%)	20.0%	18.4%	18.8%	19.8%	20.5%	17.5%	17.8%	18.8%

Core brands' performances

KFC India

- Sales grew 3% YoY to INR5.1b. SSSG declined -6.1% (est. -2.0%).
- GP grew 1% YoY to INR3.5b, while the margin dipped 160bp YoY and 30bp QoQ to 68.3%.

- ROM declined 11% YoY to INR0.8b, and the margin contracted 270bp YoY to 16.2%.
- ADS declined 11% YoY and 14% QoQ to INR83k.
- On-premise channel contribution was 55%.

Pizza Hut India

- Sales grew 8% YoY to INR1.8b. SSSG entered a positive trajectory at 1% (est. +3%).
- GP grew 6% YoY to INR1.3b, while margins dipped 170bp YoY to 75.6%.
- ROM declined 82% YoY to INR13m and margins declined 360bp YoY and 140bp QoQ to 0.7%.
- ADS declined 3% YoY and 11% QoQ to INR31k.
- On-premise channel contribution was 44%.

Costa Coffee

- Sales grew 16% YoY to INR523m, and SSSG increased 3.5% (est. +3.6%).
- GP grew 15% YoY to INR398m, while the margin dipped 60bp YoY to 76.1%.
- ROM was up 14% YoY to INR92m, while the margin contracted 40bp YoY/ improved 80bp QoQ to 17.6%.
- ADS declined 18% YoY, while it grew 4% QoQ to INR27k.

Quarterly brands performance	FY23				FY24				FY25			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
KFC												
No. of stores	391	423	461	490	510	540	590	596	617	645	689	696
Net store addition	27	32	38	29	20	30	50	6	21	28	44	7
SSSG (%)	63.6	13.0	3.0	1.9	-0.9	-3.9	-4.7	-7.1	-7.0	-7.0	-4.4	-6.1
Net sales (INR m)	4,250	4,430	4,595	4,439	5,164	5,090	5,243	4,941	5,546	5,434	5,698	5,109
YoY growth (%)	109.5	47.0	26.9	25.9	21.5	14.9	14.1	11.3	7.4	6.8	8.7	3.4
ADS (INR '000)	127.0	121.0	116.0	106.0	117.0	109.0	104.0	93.0	104.0	96.0	96.0	83.0
Gross Margins (%)	69.0	67.9	67.6	68.6	69.7	69.0	69.4	69.9	69.5	69.0	68.6	68.3
Brand Contribution Margin (%)	22.4	21.5	19.7	17.5	21.1	19.4	19.0	19.0	19.5	16.6	17.2	16.2
Channel mix (%)												
Off-Premise	35	36	36	38	37	39	40	41	41	42	42	45
On-Premise	65	64	64	62	63	61	60	59	59	58	58	55
Pizza Hut												
No. of stores	436	466	483	506	521	535	565	567	570	593	644	630
Net store addition	23	30	17	23	15	14	30	2	3	23	51	-14
SSSG (%)	31.5	2.9	-6.1	-3.2	-5.3	-10.4	-12.6	-14.0	-8.6	-5.7	-0.8	1.0
Net sales (INR m)	1,651	1,812	1,836	1,697	1,835	1,840	1,796	1,621	1,819	1,848	1,902	1,754
YoY growth (%)	71.1	35.9	18.0	15.9	11.1	1.5	-2.2	-4.5	-0.9	0.4	5.9	8.2
ADS (INR '000)	44.0	45.0	43.0	39.0	40.0	39.0	37.0	32.0	36.0	35.0	35.0	31.0
Gross Margins (%)	76.2	74.5	73.6	73.2	74.9	75.7	75.8	77.3	76.8	76.7	76.2	75.6
Brand Contribution Margin (%)	17.5	17.0	14.1	9.3	10.1	7.7	6.1	4.4	4.9	3.1	2.1	0.7
Channel mix (%)												
Off-Premise	54	55	57	58	57	55	56	55	55	56	54	56
On-Premise	46	45	43	42	43	45	44	45	45	44	46	44
Costa												
No. of stores	69	88	103	112	123	146	154	179	192	207	209	220
Net store addition	14	19	15	9	11	23	8	25	13	15	2	11
SSSG (%)	206.8	50.7	20.1	42.6	9.4	8.5	5.9	7.3	0.6	8.7	5.1	3.5
Net sales (INR m)	176	220	291	331	324	346	397	451	455	490	517	523
YoY growth (%)	375.7	134.0	103.5	141.6	84.1	57.3	36.4	36.3	40.4	41.6	30.2	16.0
ADS (INR '000)	36.0	31.0	37.0	36.0	33.0	31.0	35.0	33.0	28.0	27.0	26.0	27.0
Gross Margins (%)	81.6	79.5	77.7	78.2	77.2	76.3	77.1	76.7	74.9	75.1	75.4	76.1
Brand Contribution Margin (%)	30.5	19.5	26.5	20.2	21.0	14.7	14.9	18.0	14.9	14.5	16.8	17.6

Highlights from the management commentary

Key Highlights

Business and Environment

- DEVYANI's 4QFY25 was challenging given the inflation and urban slowdown that led to subdued consumption. However, management is optimistic about the tax relief measure taken by the government and a better monsoon outlook, which will boost consumption.
- The growth during the quarter was mainly led by store additions in India and Thailand.
- KFC remains a star brand and there is no change in its expansion plans. For PH, the company will be cautious in terms of expansion. The three new brands (TeaLive, New York Fries, and SANOOK KITCHEN) are unique in India and have the potential to become huge brands going ahead. Thus, DEVYANI will focus on all its brands and will continue to strengthen them.
- Biryani is the most ordered and consumed item online as far as Indian cuisine is concerned, and DEVYANI has acquired one of the market leaders in the space.
- The largest categories in the biryani market are Hyderabadi Biryani followed by Lucknowi Biryani and then Calcutta Biryani. These together will be ~60% to 70% of the market. Hence, while the taste varies from state to state, it is not that widely fragmented.
- The Thailand business remains stable, and the company has maintained SSSG and ADS at healthy levels. Moreover, it is evaluating launching TeaLive there. For FY25, the company is EBITDA positive while PAT remains in the negative territory, given the higher depreciation accounting policy in that region.
- The first New York Fries store was opened in Mumbai and more stores will be opened in FY26.
- In 1QFY26, the company will launch TeaLive stores in India and Thailand.

KFC

- KFC's SSSG was hit by the bird flu in AP and Telangana, which lasted for ~70 days. The flu hit its SSSG and ADS. Kerala and West Bengal faced geopolitical challenges, which adversely impacted the company's SSSG and ADS. That said, Karnataka remained stable. Management expects a sequential improvement in SSSG and ADS from the current levels.
- Chicken and flour have witnessed inflation, while oil prices are stabilizing. However, given the muted consumption scenario the company will not be passing prices and will be absorbing the same.
- KFC's ROM can reach 19-20% at ADS of INR100k over the next few quarters. DEVYANI is adopting some strategic measures to achieve this target. These measures focus on ADS and cost optimization.

Pizza Hut

- Pizza Hut India closed 14 stores in 4QFY25.
- There's no major input price inflation. Thus PH had stable gross margins.
- The company is in discussion with Yum for PH turnaround and it will have a plan ready by 1QFY26 end.
- The focus will be on innovation, more value offerings, marketing campaigns etc.

Product innovation & new launches

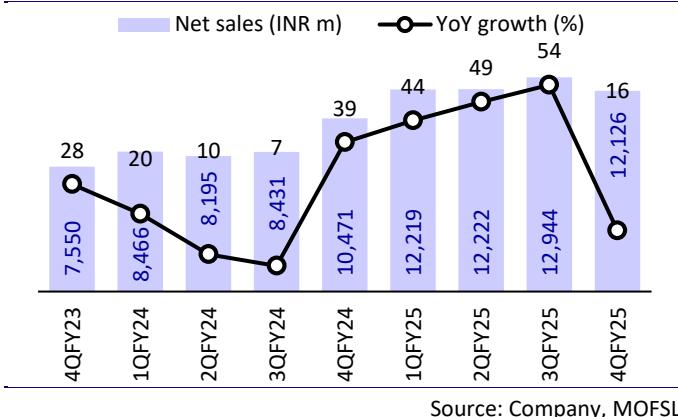
- It launched Gold Zinger burger and Gold boneless strips – dunked in cheese
- The company launched KFC Koffee during the quarter.

Sky Gate acquisition

- The deal is expected to close by the end of May'25. DEVYANI has received in-principle approval from the Board for a primary infusion of up to INR0.9b
- DEVYANI plans to turn around the brand over the next one year and expects it to become EBITDA positive in this period.
- The gross margin and brand contribution are expected to improve from the current levels.
- The brands acquired can be opened into their existing food courts and airport locations. Moreover, DEVYANI is evaluating every synergy possible.

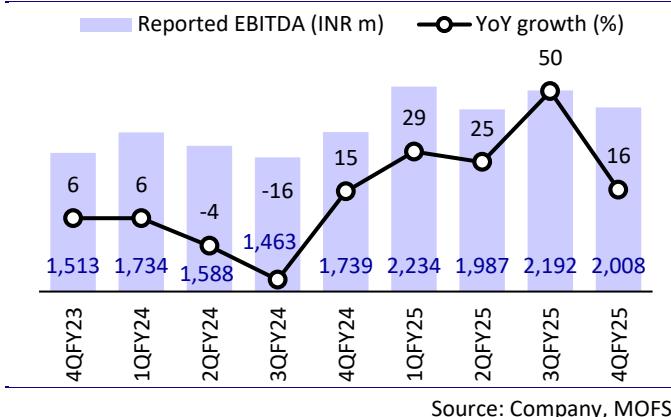
Key exhibits

Exhibit 1: Sales grew 16% YoY to INR12.1b



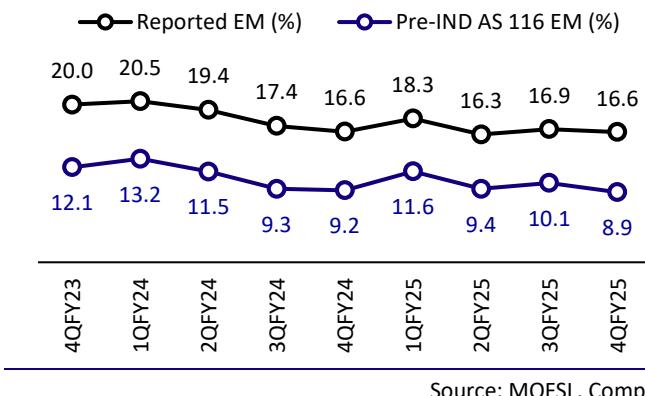
Source: Company, MOFSL

Exhibit 2: EBITDA increased 16% YoY to INR2b



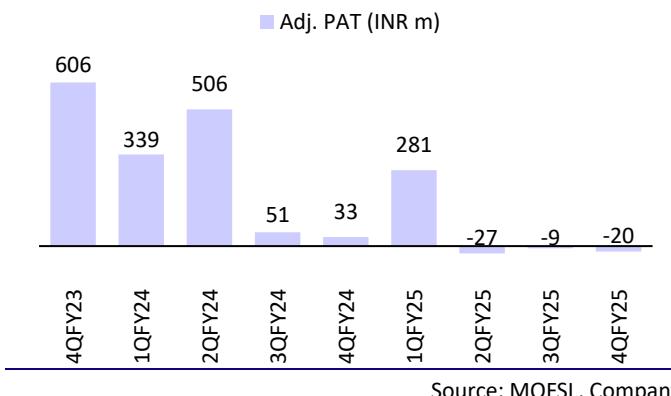
Source: Company, MOFSL

Exhibit 3: EBITDA margin remained flat YoY to 16.9%, while EM (Pre-Ind AS) was down 30bp YoY to 8.9%



Source: MOFSL, Company

Exhibit 4: Reported loss stood at INR20m in 4QFY25



Source: MOFSL, Company

Valuation and view

- There are no material changes to our EBITDA estimates for FY26 and FY27.
- Management remains committed to improving ADS and profitability across the existing network across brands and will adopt a more cautious approach to future store openings for PH.
- DEVYANI is focusing on innovation, customer engagement, and value offerings to drive recovery. ADS and SSSG recoveries remain the key monitorables, as they are vital for improving unit economics. DEVYANI is in talks with Yum for PH turnaround and is expected to execute the initiatives in the coming months. This will be a positive trigger for the company. The stock price has been flat for the last three years due to growth challenges, and we believe most of the risks are largely priced in now.
- We reiterate our BUY rating and value India business at 35x EV/EBITDA (pre-IND- AS) and international business at 20x EV/EBITDA (pre-IND-AS) on Mar'27E to arrive at our TP of INR210.

Exhibit 5: No material changes to our EBITDA estimates for FY26 and FY27

(INR b)	New		Old		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Sales	55,846	63,375	55,673	63,089	0.3%	0.5%
EBITDA	10,064	11,943	10,164	11,809	-1.0%	1.1%
PAT	1,095	1,854	1,836	2,554	-40.3%	-27.4%

Source: MOFSL

Financials and valuations

Income Statement consol.								(INRm)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Sales	13,106	15,164	11,348	20,840	29,977	35,563	49,511	55,846	63,375
Change (%)	15.7	-25.2	83.6	43.8	18.6	39.2	12.8	13.5	
Raw Materials	3,889	4,604	3,447	5,998	8,986	10,566	15,388	17,139	19,339
Gross Profit	9,217	10,560	7,902	14,842	20,991	24,997	34,122	38,708	44,035
Margin (%)	70.3	69.6	69.6	71.2	70.0	70.3	68.9	69.3	69.5
Operating Expenses	6,428	8,005	5,556	10,082	14,440	18,474	25,700	28,644	32,092
EBITDA	2,789	2,555	2,346	4,760	6,551	6,524	8,422	10,064	11,943
Change (%)	-8.4	-8.2	102.9	37.6	-0.4	29.1	19.5	18.7	
Margin (%)	21.3	16.8	20.7	22.8	21.9	18.3	17.0	18.0	18.8
Depreciation	2,276	2,272	2,775	2,249	2,782	3,907	6,332	6,679	7,352
Int. and Fin. Charges	1,356	1,584	1,495	1,270	1,475	1,869	2,648	2,708	3,008
Other Income	131	187	641	161	326	326	370	413	454
Profit before Taxes	-712	-1,115	-1,283	1,402	2,620	1,074	-188	1,089	2,037
Change (%)	56.6	15.0	-209.3	86.8	-59.0	-117.5	-679.1	87.1	
Margin (%)	-5.4	-7.4	-11.3	6.7	8.7	3.0	-0.4	1.9	3.2
Total tax	13	18	-11	-320	-206	133	197	218	407
Tax Rate (%)	-1.8	-1.7	0.8	-22.8	-7.9	12.4	-104.7	20.0	20.0
Adjusted PAT	-444	-1,008	-677	1,715	2,770	929	226	1,095	1,854
Change (%)	N/M	N/M	L/P	61.5	-66.5	-75.7	385.4	69.2	
Margin (%)	-3.4	-6.6	-6.0	8.2	9.2	2.6	0.5	2.0	2.9
Reported PAT	-445	-790	-735	1,563	2,650	473	-314	871	1,629

Balance Sheet								(INRm)	
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Share Capital	1,062	1,062	1,154	1,205	1,205	1,206	1,206	1,206	1,206
Reserves	-1,764	-2,953	-16	5,658	8,499	9,352	9,738	6,020	4,846
Net Worth	-702	-1,891	1,138	6,863	9,703	10,558	10,944	7,227	6,052
Loans	4,002	4,307	4,633	1,325	774	9,102	9,318	9,318	9,318
Lease Liability	12,347	12,882	8,724	11,217	14,875	19,955	22,558	27,509	30,379
Minority Interest	-510	-391	-419	-47	-62	2,928	3,079	3,233	3,394
Capital Employed	15,136	14,906	14,076	19,358	25,290	42,543	45,899	47,286	49,143
Gross Block	7,230	7,707	7,276	9,660	13,838	23,004	30,446	32,799	36,583
Less: Accum. Depn.	9,932	9,542	7,914	11,709	14,278	21,839	23,314	21,225	21,969
Net Fixed Assets	5,204	5,364	6,162	7,649	11,012	20,704	22,584	26,061	27,174
Capital WIP	115	135	143	68	153	110	35	35	35
Goodwill	161	224	644	644	644	4,287	4,581	4,581	4,581
Right to Use Assets	9,947	10,351	6,660	8,911	12,258	16,906	18,799	19,161	19,228
Investments	471	414	456	351	353	268	271	271	271
Non-current	471	414	456	351	353	268	271	271	271
Deferred tax asset (net)	81	75	96	482	963	512	574	563	552
Curr. Assets, L&A	2,096	2,272	2,523	4,519	4,502	6,538	6,541	5,064	6,803
Inventory	549	721	622	855	1,290	1,310	1,482	1,503	1,696
Account Receivables	230	173	169	211	289	527	413	466	529
Cash and Bank Balance	271	160	405	659	851	1,808	1,814	373	1,733
Others	1,046	1,218	1,327	2,795	2,071	2,892	2,832	2,722	2,846
Curr. Liab. and Prov.	2,938	3,929	2,608	3,267	4,595	6,782	7,487	8,450	9,500
Account Payables	1,368	1,632	1,619	1,964	2,419	3,756	4,411	4,913	5,544
Other Liabilities	1,359	2,074	678	991	1,830	1,988	2,193	2,443	2,756
Provisions	211	223	311	313	346	1,038	882	1,093	1,199
Net Current Assets	-842	-1,657	-85	1,252	-93	-244	-946	-3,386	-2,697
Application of Funds	15,136	14,906	14,076	19,358	25,290	42,542	45,899	47,286	49,143

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)									
EPS	-0.4	-0.9	-0.6	1.4	2.3	0.8	0.2	0.9	1.5
Cash EPS	1.7	1.2	1.8	3.3	4.6	4.0	5.4	6.4	7.6
BV/Share	-0.7	-1.8	1.0	5.7	8.1	8.8	9.1	6.0	5.0
Valuation (x)									
P/E	N/M	N/M	N/M	126.5	78.3	233.6	962.2	198.2	117.1
Cash P/E	104.3	151.2	99.0	54.7	39.1	44.9	33.1	27.9	23.6
EV/Sales	14.8	12.8	18.6	10.4	7.2	6.3	4.5	4.0	3.5
EV/EBITDA	69.7	76.3	90.1	45.6	33.0	34.3	26.6	22.4	18.8
EV/EBITDA Pre Ind AS	200.6	338.8	251.0	72.5	49.8	58.9	45.4	36.4	29.2
P/BV	N/M	N/M	182.5	31.6	22.4	20.6	19.8	30.0	35.9
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EV	1,94,361	1,94,833	2,11,425	2,17,168	2,16,462	2,24,080	2,24,361	2,25,802	2,24,442
Return Ratios (%)									
RoE	N/M	N/M	42.9	33.4	9.2	2.1	12.1	27.9	
RoCE	3.2	1.5	19.6	19.8	7.6	11.4	6.5	8.4	
RoIC	2.0	-3.1	19.7	19.3	7.1	10.2	6.0	7.8	
Working Capital Ratios									
Debtor (Days)	6	4	5	4	4	5	3	3	3
Asset Turnover (x)	0.9	1.0	0.8	1.1	1.2	0.8	1.1	1.2	1.3
Leverage Ratio									
Debt/Equity (x)	N/M	N/M	11.7	1.8	1.6	2.8	2.9	5.1	6.6

Cash Flow Statement

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
(INRm)									
Profit before Tax	-928	-1,196	-641	1,231	2,419	37	131	1,089	2,037
Depreciation	2,505	2,506	2,887	2,249	2,788	3,848	5,699	6,679	7,352
Net interest	1,421	1,688	1,622	1,270	1,475	1,869	2,648	2,708	3,008
Others	-235	-206	-1,874	-303	-79	63	-144	-413	-454
Direct Taxes Paid	-3	-8	5	-103	-478	-267	20	-218	-407
(Incr)/Decr in WC	17	223	397	162	246	375	648	888	542
CF from Operations	2,777	3,007	2,396	4,506	6,370	5,925	9,002	10,734	12,078
Incr in FA	-1,711	-999	-3,673	-3,063	-4,240	-4,619	-4,818	-2,353	-3,784
Free Cash Flow	1,067	2,008	-1,278	1,443	2,130	1,306	4,184	8,381	8,294
Others	66	108	103	-606	890	-9,242	75	-3,972	-352
CF from Invest.	-1,645	-892	-3,570	-3,669	-3,350	-13,861	-4,743	-6,325	-4,137
Incr in Debt	-967	-1,791	-1,564	-4,776	-2,822	5,625	-3,722	277	302
Net interest Paid	-338	-435	-492	-147	-27	3,247	-545	-6,126	-6,883
CF from Fin. Activity	-1,305	-2,226	1,420	-584	-2,827	8,893	-4,254	-5,849	-6,581
Incr/Decr of Cash	-172	-111	245	253	193	957	5	-1,441	1,360
Add: Opening Balance	443	271	160	405	659	851	1,808	1,814	373
Closing Balance	271	160	405	659	851	1,808	1,814	373	1,733

E: MOFSL Estimates

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents>List%20of%20Associate%20Companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA.

Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.

7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

financial interest in the subject company

actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.

received compensation/other benefits from the subject company in the past 12 months

any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

acted as a manager or co-manager of public offering of securities of the subject company in past 12 months

be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)

received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.

Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alterations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrivances@motilaloswal.com.