

# Shoppers Stop

Estimate change	
TP change	
Rating change	

Bloomberg	SHOP IN
Equity Shares (m)	110
M.Cap.(INRb)/(USDb)	56.9 / 0.6
52-Week Range (INR)	777 / 467
1, 6, 12 Rel. Per (%)	-8/-8/-35
12M Avg Val (INR M)	62

## Financials & Valuations Stand (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	48.0	50.8	54.1
EBITDA	7.7	8.3	9.0
Adj. PAT	0.2	0.0	-0.1
EBITDA Margin (%)	16.1	16.3	16.6
Adj. EPS (INR)	1.4	-0.4	-1.3
EPS Gr. (%)	127.4	-128.9	210.8
BV/Sh. (INR)	42.5	42.0	40.3
<b>Ratios</b>			
Net D:E	8.7	9.2	10.1
RoE (%)	4.4	-1.3	-4.0
RoCE (%)	6.2	5.7	5.4
Payout (%)	0.0	0.0	0.0
<b>Valuations</b>			
P/E (x)	400.3	n/a	n/a
EV/EBITDA (x)	12.0	11.4	10.7
EV/Sales (x)	1.9	1.9	1.8
Div. Yield (%)	0.0	0.0	0.0

## Shareholding Pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	65.5	65.5	65.6
DII	25.5	25.5	22.2
FII	3.1	3.1	7.4
Others	5.9	5.8	4.8

FII includes depository receipts

**CMP: INR517**

**TP: INR520 (+1%)**

**Neutral**

## Footfall recovery drives growth; profitability remains under pressure due to investments in new ventures

- Shoppers Stop's (SHOP) revenue growth accelerated to 10% YoY in 2QFY26 (vs. +6% YoY in 1Q), led by a 10-year high LFL of ~9.4% in departmental stores and ~70% YoY growth in INTUNE (driven primarily by store additions).
- Store additions remained muted, with four net store additions during the quarter. The scale-up in INTUNE has been slower than expected, with only seven store additions in 1HFY26 (well below management's revised guidance of 30-40 stores for FY26).
- Reported EBITDA grew 12% YoY (4% below), as operating leverage was offset by GM contraction and higher losses in new ventures (INTUNE, SSBeauty.in).
- SHOP's focus on premiumization and enhanced in-store experience through initiatives such as Personal Shopper is playing out favorably, with a 6% LFL in customer entry during 2QFY26, which improved further during the ongoing festive season (as highlighted in our recent channel checks).
- However, subdued profitability in SHOP's core segment (~3.4% pre-INDAS EBITDA margin), high losses, and muted store expansions in INTUNE remain key constraints to sustained growth recovery.
- Our FY26-28E EBITDA remains broadly unchanged, as the slower ramp-up in INTUNE was partly offset by an improved performance in the departmental stores segment. We build in FY25-28E revenue/EBITDA CAGR of 7%/9%.
- We value SHOP at 10x Dec'27E EV/EBITDA (implies ~26x Dec'27E pre-INDAS 116 EBITDA) to arrive at our revised TP of INR520. **Reiterate Neutral.**

## Strong growth in departmental format driven by footfall recovery

- Standalone revenue grew 10% YoY to INR11.7b (vs. 6% YoY in 1Q and our estimate of 8%), driven by improved performance by departmental stores.
- Departmental store has made a strong rebound, with the highest LFL in past 10 years at **~9.4%**. Premiumization continues to drive growth, with the premium mix rising 16% (LFL of 14% vs. ~9% departmental LFL).
- Private Brand's revenue grew 3% YoY to INR1.61b, with improved profitability.
- The Beauty segment's revenue at INR3.3b grew 22% YoY, with the Global SS Beauty (distribution) segment posting 2x YoY growth at INR1.06b.
- Store additions remained muted, with four net stores added during the quarter (seven opened and three closed). The respective store counts stand at: **Departmental**: 111 (1 opened, 2 closed), **Beauty**: 84 (3 opened, 1 closed), **INTUNE**: 78 (3 opened), and **Home Stop**: 10 (flat), bringing the total store count to 303.
- Gross profit rose 8% YoY to INR4.6b (in-line), as gross margins contracted ~65bp YoY to 39.2% (75bp miss).
- Employee costs/other expenses increased 8%/6% YoY.
- Reported EBITDA grew 12% YoY to INR1.6b (4% below), with margins at 14% (up ~20bp YoY, 80bp miss), as operating leverage offsets GM contraction.

**Aditya Bansal - Research Analyst** (Aditya.Bansal@MotilalOswal.com)

**Research Analyst: Avinash K** (Avinash.Karumanchi@MotilalOswal.com) | **Siddhesh Chaudhari** (Siddhesh.Chaudhari@MotilalOswal.com)

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

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

- Pre-Ind-AS operating loss stood at INR20m (vs. a profit of INR30m/INR20m in 1QFY26/2QFY25).
- Profitability improved in the core segment, with pre-INDAS segment EBITDA (including other income) at INR460m (up 42% YoY). Segment EBITDA margin expanded ~80bp YoY to 3.4%.
- However, new ventures (INTUNE, SSBeauty.in) remain in the build-out phase, with losses doubling YoY to INR240m.
- Depreciation and interest costs rose 9%/11% YoY.
- Reported losses came in at INR227m (higher than our estimated loss of INR132m).
- Core working capital declined 1% YoY to INR3.4b, as the slightly higher inventory days (156 vs. 154 YoY) were offset by an increase in payables.
- OCF (after interest + leases) stood strong at INR1.07b (vs. INR368m YoY), led by a 14% increase in operating cash flows and working capital release of INR684m (vs. INR102m release in 1HFY25).
- Capex for 1H stood at INR714m (vs. INR0.9b in 1HFY25). As a result, FCF improved sharply to INR351m (vs. outflow of INR0.6b in 1HFY25).

#### INTUNE: Scale-up remains challenging; hoping to breakeven by end-FY27

- INTUNE revenue grew 70% YoY to INR0.7b, driven mainly by store additions, as LFL remained muted at 1%, albeit an improvement over decline in 1QFY26.
- The company added three INTUNE stores in 2Q, reaching 78 stores (seven stores opened in 1HFY26), and plans to add 13-15 stores in 2H. However, the scale-up of INTUNE has been significantly slower than management's revised guidance of 30-40 stores for FY26.
- Management is focused on strengthening supply chain, improving the look and feel of stores, and enhancing operational efficiency for weekly product drops.
- However, management does not expect store-level breakeven in INTUNE during FY26 and aims to reduce losses by half in 2HFY26, with hopes of reaching close to breakeven by end-FY27.

#### Highlights from the management commentary

- **Demand trends:** Despite sluggish discretionary demand amid GST-related disruptions and volatile macro situations, SHOP delivered strong LFL growth, driven by its focus on premiumization and enhanced shopping experience. Management indicated that during the ongoing festive season, customer entry further improved from ~6% LFL in 2Q, leading to a double-digit LFL.
- **Store additions:** SHOP opened four net stores in 2Q, with departmental stores seeing one net closure, as certain store additions were delayed due to external factors. The company plans to add five departmental and INTUNE stores each in 3QFY26.
- **INTUNE:** Store openings have tracking below management's revised guidance of 30-40 store openings, as the company focused on enhancing the supply chain and improving the look and feel of stores. As a result, LFL growth has shifted to a positive trajectory (from a high double-digit negative in 1Q).

### Valuation and view

- SHOP stands to benefit from the recent measures taken by the government to boost consumption, which has led to improved footfalls in malls during the ongoing festive season.
- However, for sustained growth, SHOP would require: 1) profitability improvement in the departmental format; 2) sustained high-growth in margin-accretive Beauty segment; and 3) profitable ramp-up in INTUNE, which has so far proven challenging.
- Our FY26-28E EBITDA remains broadly unchanged, as a slower ramp-up in INTUNE was partly offset by improved performance in departmental. We build in FY25-28E revenue/EBITDA CAGR of 7%/9%.
- We value SHOP at 10x Dec'27E EV/EBITDA (implies ~26x Dec'27E pre-INDAS 116 EBITDA) to arrive at our revised TP of INR520 (earlier INR510). **Reiterate Neutral.**

### Standalone - Quarterly Earnings summary

Y/E March	(INR m)											
									FY25	FY26	FY26 Est. Var	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	2QE	(%)		
<b>Total Revenue from Operations</b>	<b>10,337</b>	<b>10,681</b>	<b>13,115</b>	<b>10,224</b>	<b>10,942</b>	<b>11,753</b>	<b>14,332</b>	<b>10,969</b>	<b>44,356</b>	<b>47,996</b>	<b>11,556</b>	<b>2</b>
YoY Change (%)	5.3	4.2	8.7	2.3	5.9	10.0	9.3	7.3	5.3	8.2	5.6	
Total Expenditure	8,916	9,213	10,715	8,530	9,280	10,113	11,712	9,160	37,374	40,265	9,848	3
<b>EBITDA</b>	<b>1,421</b>	<b>1,468</b>	<b>2,399</b>	<b>1,694</b>	<b>1,662</b>	<b>1,640</b>	<b>2,620</b>	<b>1,809</b>	<b>6,982</b>	<b>7,732</b>	<b>1,708</b>	<b>-4</b>
EBITDA Margin (%)	13.7	13.7	18.3	16.6	15.2	14.0	18.3	16.5	15.7	16.1	14.8	(82)
Depreciation	1,167	1,214	1,293	1,243	1,282	1,326	1,358	1,398	4,916	5,364	1,299	2
Interest	604	638	647	691	718	710	680	610	2,579	2,719	688	3
Other Income	35	97	223	174	100	95	234	127	530	556	102	-7
<b>PBT before EO expense</b>	<b>-314</b>	<b>-286</b>	<b>682</b>	<b>-66</b>	<b>-238</b>	<b>-302</b>	<b>817</b>	<b>-72</b>	<b>16</b>	<b>205</b>	<b>-177</b>	<b>-71</b>
Extra-Ord expense	0	-21	0	21	0	0	0	0	0	0	0	
<b>PBT</b>	<b>-314</b>	<b>-307</b>	<b>682</b>	<b>-45</b>	<b>-238</b>	<b>-302</b>	<b>817</b>	<b>-72</b>	<b>16</b>	<b>205</b>	<b>-177</b>	<b>-71</b>
Tax	-89	-87	195	-70	-59	-75	206	-18	-52	52	-45	
Rate (%)	28.4	28.3	28.5	154.5	24.9	24.9	25.2	25.2	-328.7	25.2	25.2	
<b>Reported PAT</b>	<b>-225</b>	<b>-220</b>	<b>488</b>	<b>25</b>	<b>-179</b>	<b>-227</b>	<b>611</b>	<b>-54</b>	<b>67</b>	<b>152</b>	<b>-132</b>	<b>-71</b>
<b>Adj PAT</b>	<b>-225</b>	<b>-199</b>	<b>488</b>	<b>4</b>	<b>-179</b>	<b>-227</b>	<b>611</b>	<b>-54</b>	<b>67</b>	<b>152</b>	<b>-132</b>	<b>-71</b>
YoY Change (%)	-250.7	-482.6	37.2	-91.2	-20.5	13.7	25.3	-1,385.6	-88.9	125.0	-26.0	

E: MOFSL Estimates

### Exhibit 1: Valuation based on Dec'27E EV/EBITDA

	Methodology	Driver (INR b)	Multiple	Fair Value (INR b)	Value/sh (INR)
<b>Enterprise Value</b>	EV/EBITDA	8.8	10	89	811
Less Net debt				32	291
<b>Equity Value</b>				<b>57</b>	<b>520</b>
Shares o/s (m)				110	
CMP (INR)					519
<b>Upside (%)</b>					<b>0</b>

Source: MOFSL, Company



## Detailed takeaways from the management interaction

- **Demand trends:** Despite sluggish discretionary demand amid GST related disruptions and volatile macro situations, SHOP delivered strong LFL growth, driven by its focus on premiumization and enhanced shopping experience. Management indicated that during the ongoing festive season, customer entry further improved from ~6% LFL in 2Q, leading to double digit LFL.
- **Store additions:** SHOP opened four net stores during 2Q, with departmental stores seeing one net closure as certain store additions were delayed due to external factors. In 3QFY26, the company plans to add five departmental stores (nine in 2HFY26) and five INTUNE stores (13 in 2HFY26).
- **INTUNE:** Store openings in INTUNE have been tracking below management's lowered guidance of 30-40 store openings, as the focus was to enhance supply chain and improve the look and feel of the stores. As a result, LFL growth has moved to a positive trajectory (from high double digit negative in 1Q).
- **Core departmental stores:** LFL sales jumped 9.4%, the highest in a decade, with customer traffic up 6%. Growth accelerated through 2Q, with Aug-Sep reporting 10% LFL (vs. 6.5% in June), and further improved to double-digit during the ongoing festive season in Oct. Premium mix, loyalty, and personal shoppers drove margins. SHOP's three private brands ranked among top 10 sellers during the festive, reinforcing proprietary value.
- **Margins:** 1H margins were in low single digit. However, driven by a pick-up in sales during 3Q, management expects full-year margin in the mid-to-high single digits.
- **Beauty Segment:** SHOP is transforming beauty via digital, prestige, and distribution channels. SSbeauty.in drives user growth with personalized, curated experiences, currently in the strategic investment phase. **Offline beauty** retail growth remained in the mid-single-digit positive overall. The **prestige segment** performed strongly, led by fragrances and aspirational products. **Masstige segment** continues facing pressure, consistent with market trends. Global SS Beauty segment doubled YoY in 2Q with ARR > INR4b.
- **INTUNE losses and break-even:** Elevated losses were driven by the front-loaded investments into store opening and marketing, and are in line with management's expectations. INTUNE is unlikely to break even in FY26, though the target is to reduce losses by half in 2HFY26 and reach close to store level break-even by end-FY27.

**Exhibit 2: Standalone quarterly performance (INR m)**

Standalone P&L (INR m)	2QFY25	1QFY26	2QFY26	YoY%	QoQ%	2QFY26E	v/s Est (%)
<b>Total Revenue</b>	<b>10,681</b>	<b>10,942</b>	<b>11,753</b>	<b>10</b>	<b>7</b>	<b>11,556</b>	<b>2</b>
Raw Material cost	6,423	6,464	7,141	11	10	6,934	3
<b>Gross Profit</b>	<b>4,259</b>	<b>4,478</b>	<b>4,612</b>	<b>8</b>	<b>3</b>	<b>4,622</b>	<b>0</b>
<b>Gross margin (%)</b>	<b>39.9</b>	<b>40.9</b>	<b>39.2</b>	<b>-63</b>	<b>-168</b>	<b>40.0</b>	<b>-76</b>
Employee Costs	1,014	1,040	1,096	8	5	1,054	4
SGA Expenses	1,777	1,776	1,876	6	6	1,860	1
<b>EBITDA</b>	<b>1,468</b>	<b>1,662</b>	<b>1,640</b>	<b>12</b>	<b>-1</b>	<b>1,708</b>	<b>-4</b>
<b>EBITDA margin (%)</b>	<b>13.7</b>	<b>15.2</b>	<b>14.0</b>	<b>21</b>	<b>-124</b>	<b>14.8</b>	<b>-82</b>
Depreciation and amortization	1,214	1,282	1,326	9	3	1,299	2
EBIT	254	380	314	23	-17	409	-23
EBIT margin (%)	2.4	3.5	2.7	28.6	-80.3	3.5	-87
Finance Costs	638	718	710	11	-1	688	3
Other income	97	100	95	-3	-6	102	-7
Exceptional item	-21	0	0	NM	NM	0	NM
<b>Profit before Tax</b>	<b>-307</b>	<b>-238</b>	<b>-302</b>	<b>NM</b>	<b>NM</b>	<b>-177</b>	<b>-71</b>
Tax	-87	-59	-75	NM	NM	-45	-69
Tax rate (%)	28.3	24.9	NM	0.0	0.0	25.2	0
<b>Profit after Tax</b>	<b>-220</b>	<b>-179</b>	<b>-227</b>	<b>3</b>	<b>27</b>	<b>-132</b>	<b>NM</b>
<b>Adj Profit after Tax</b>	<b>-199</b>	<b>-179</b>	<b>-227</b>	<b>14</b>	<b>27</b>	<b>-132</b>	<b>NM</b>

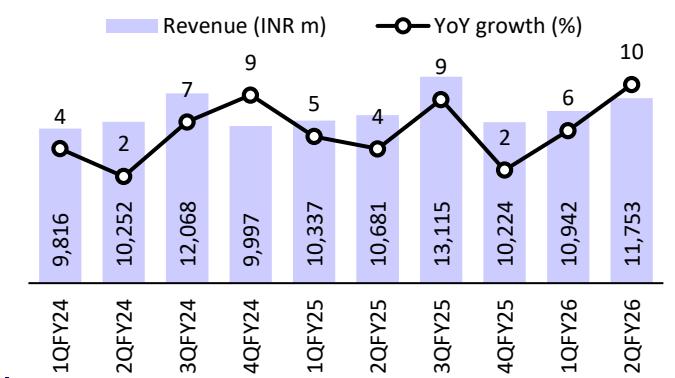
Source: MOFSL, Company

**Exhibit 3: Standalone estimate revision summary**

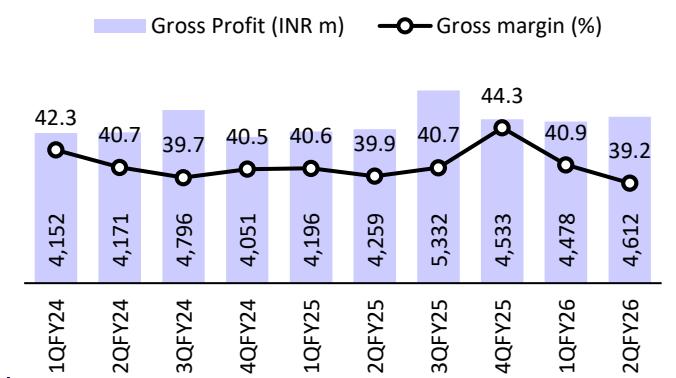
Standalone performance	FY26E	FY27E	FY28E
<b>Revenue (INR m)</b>			
Old	47,599	50,616	53,729
Actual/New	47,996	50,831	54,110
Change (%)	0.8	0.4	0.7
<b>EBITDA (INR m)</b>			
Old	7,744	8,274	8,817
Actual/New	7,732	8,286	9,003
Change (%)	-0.2	0.1	2.1
<b>EBITDA margin (%)</b>			
Old	16.3	16.3	16.4
Actual/New	16.1	16.3	16.6
Change (bp)	-16.0	-5	23
<b>Net Profit (INR m)</b>			
Old	176	234	261
Actual/New	153	-44	-138
Change (%)	-13.0	n/a	n/a
<b>EPS (INR)</b>			
Old	1.6	2.1	2.4
Actual/New	1.4	-0.4	-1.3
Change (%)	-13.0	n/a	n/a

## Story in charts

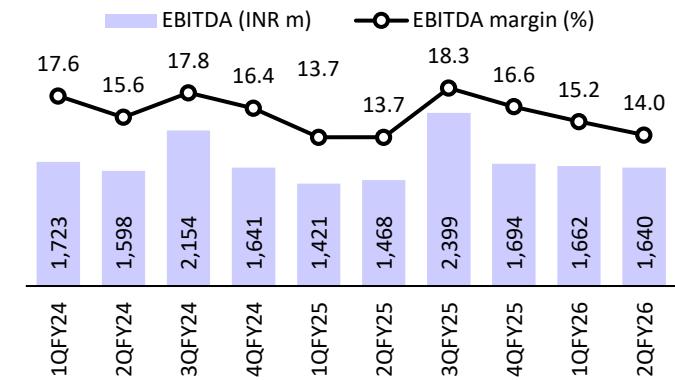
**Exhibit 4: Standalone revenue grew 10% YoY**



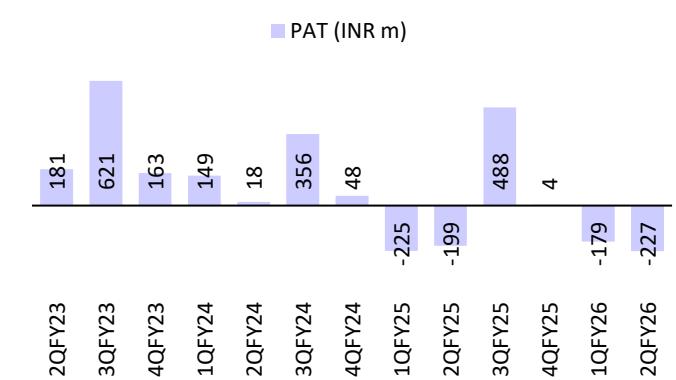
**Exhibit 5: GP rose 8% YoY as margin contracted 65bp YoY**



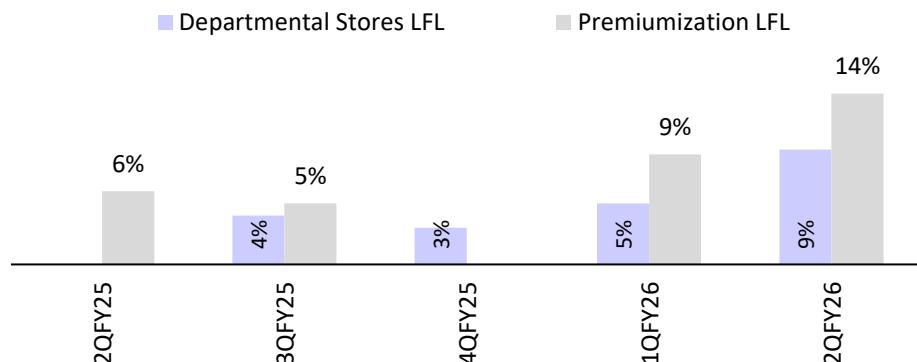
**Exhibit 6: EBITDA grew 12% YoY, with ~20bp YoY margin expansion**



**Exhibit 7: SHOP remained in losses during 2QFY26**



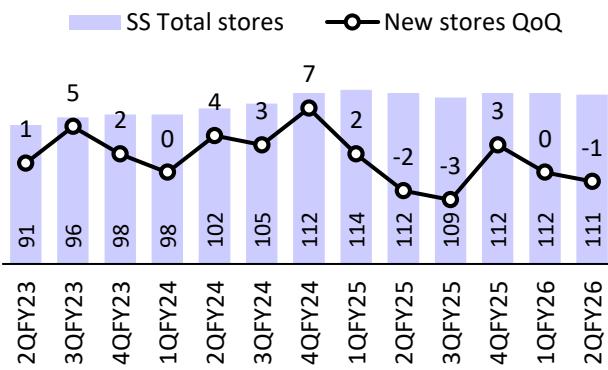
**Exhibit 8: Strong LFL growth in departmental stores led by premiumization**



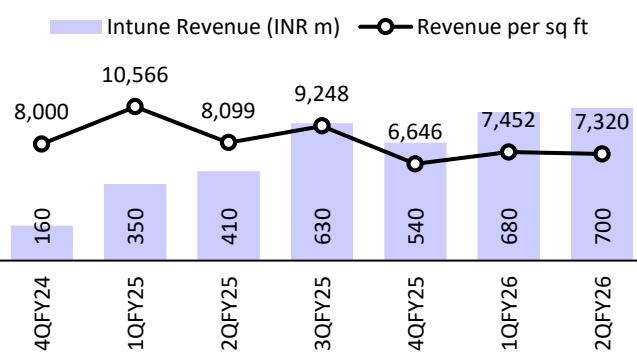
**Exhibit 9: Beauty store count stood at 146, including SIS**



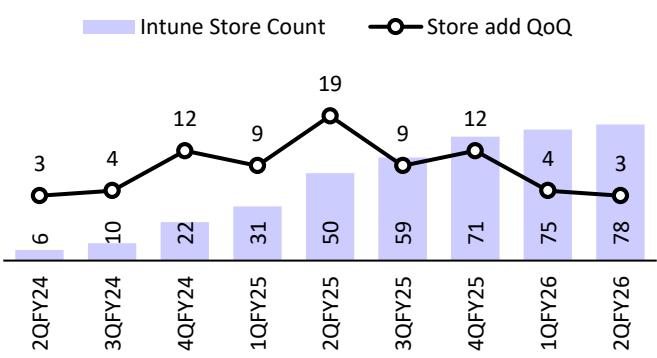
**Exhibit 10: Closed one departmental store during 2QFY26**



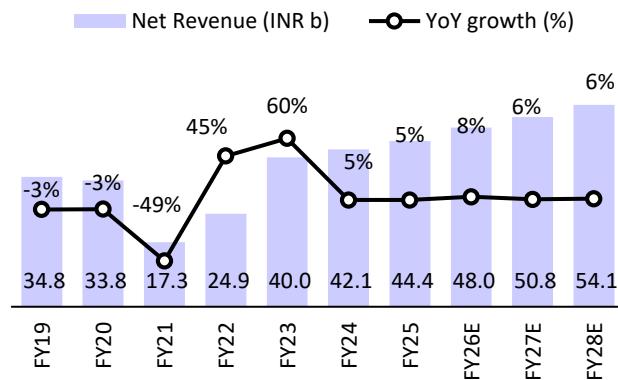
**Exhibit 11: INTUNE's revenue grew modestly**



**Exhibit 12: INTUNE store additions continue, albeit tracking below management's guidance**

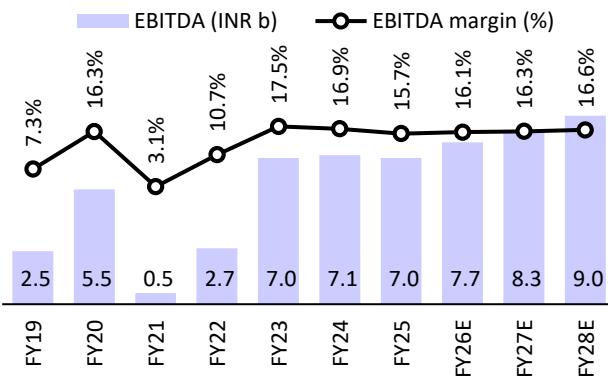


**Exhibit 13: Expect ~7% revenue CAGR over FY25-28**



Source: MOFSL, Company

**Exhibit 14: Expect ~9% EBITDA CAGR over FY25-28**



Source: MOFSL, Company

## Standalone financials and valuations

Standalone - Income Statement								
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Total Income from Operations</b>	<b>17,251</b>	<b>24,938</b>	<b>39,984</b>	<b>42,132</b>	<b>44,356</b>	<b>47,996</b>	<b>50,831</b>	<b>54,110</b>
Change (%)	-49.0	44.6	60.3	5.4	5.3	8.2	5.9	6.5
Raw Materials	10,651	15,034	23,274	24,963	26,036	28,246	29,888	31,789
Employees Cost	2,575	2,693	3,493	3,818	4,101	4,388	4,651	4,930
Lease Rentals	0	0	0	0	0	0	0	0
Other Expenses	3,492	4,536	6,229	6,235	7,238	7,631	8,006	8,387
<b>Total Expenditure</b>	<b>16,717</b>	<b>22,263</b>	<b>32,996</b>	<b>35,016</b>	<b>37,374</b>	<b>40,265</b>	<b>42,545</b>	<b>45,106</b>
% of Sales	96.9	89.3	82.5	83.1	84.3	83.9	83.7	83.4
<b>EBITDA</b>	<b>534</b>	<b>2,675</b>	<b>6,988</b>	<b>7,116</b>	<b>6,982</b>	<b>7,732</b>	<b>8,286</b>	<b>9,003</b>
Margin (%)	3.1	10.7	17.5	16.9	15.7	16.1	16.3	16.6
Depreciation	3,847	3,520	3,816	4,361	4,916	5,364	6,145	6,838
<b>EBIT</b>	<b>-3,313</b>	<b>-844</b>	<b>3,172</b>	<b>2,754</b>	<b>2,065</b>	<b>2,367</b>	<b>2,140</b>	<b>2,166</b>
Int. and Finance Charges	2,200	2,054	2,092	2,236	2,579	2,719	2,783	2,963
Other Income	2,188	1,661	561	557	530	556	584	613
<b>PBT bef. EO Exp.</b>	<b>-3,325</b>	<b>-1,238</b>	<b>1,641</b>	<b>1,076</b>	<b>16</b>	<b>205</b>	<b>-59</b>	<b>-184</b>
EO Items	-224	-150	-20	-65	0	0	0	0
<b>PBT after EO Exp.</b>	<b>-3,549</b>	<b>-1,388</b>	<b>1,621</b>	<b>1,011</b>	<b>16</b>	<b>205</b>	<b>-59</b>	<b>-184</b>
Total Tax	-797	-521	429	272	-52	52	-15	-46
Tax Rate (%)	22.5	37.5	26.4	26.9	-328.7	25.2	25.2	25.2
Minority Interest	0	0	0	0	0	0	0	0
<b>Reported PAT</b>	<b>-2,752</b>	<b>-867</b>	<b>1,192</b>	<b>739</b>	<b>67</b>	<b>153</b>	<b>-44</b>	<b>-138</b>
<b>Adjusted PAT</b>	<b>-2,976</b>	<b>-717</b>	<b>1,212</b>	<b>605</b>	<b>67</b>	<b>153</b>	<b>-44</b>	<b>-138</b>
Change (%)	84.9	-75.9	-269.2	-50.1	-88.9	127.6	-128.9	210.8
Margin (%)	-17.3	-2.9	3.0	1.4	0.2	0.3	-0.1	-0.3

Standalone - Balance Sheet								
Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Equity Share Capital	547	548	548	550	550	550	550	550
Total Reserves	1,270	435	1,771	2,690	2,845	2,998	2,954	2,817
<b>Net Worth</b>	<b>1,817</b>	<b>983</b>	<b>2,320</b>	<b>3,240</b>	<b>3,396</b>	<b>3,549</b>	<b>3,504</b>	<b>3,367</b>
Total Loans	20,054	20,934	23,527	27,317	32,238	31,439	33,316	36,319
Lease Liabilities	19,116	18,995	22,487	26,069	26,069	26,069	26,069	26,069
Deferred Tax Liabilities	-3,424	-3,740	-3,312	-3,043	-3,099	-3,099	-3,099	-3,099
<b>Capital Employed</b>	<b>18,447</b>	<b>18,177</b>	<b>22,535</b>	<b>27,513</b>	<b>32,535</b>	<b>31,889</b>	<b>33,722</b>	<b>36,587</b>
<b>Net Fixed Assets</b>	<b>5,011</b>	<b>4,481</b>	<b>4,612</b>	<b>5,448</b>	<b>5,677</b>	<b>6,975</b>	<b>7,789</b>	<b>8,335</b>
Right to use assets	12,096	12,764	16,361	20,299	23,767	23,057	23,493	24,454
Capital WIP	29	140	339	211	117	117	117	117
<b>Total Investments</b>	<b>1,279</b>	<b>1,464</b>	<b>734</b>	<b>554</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>13,902</b>	<b>15,240</b>	<b>20,629</b>	<b>22,831</b>	<b>26,295</b>	<b>25,826</b>	<b>27,438</b>	<b>30,434</b>
Inventory	8,472	10,075	14,863	16,153	19,198	18,573	19,653	20,903
Account Receivables	348	382	304	703	351	380	402	428
Cash and Bank Balance	416	321	254	162	133	35	419	1,689
Loans and Advances	4,666	4,462	5,208	5,813	6,612	6,838	6,964	7,413
<b>Curr. Liability &amp; Prov.</b>	<b>13,870</b>	<b>15,913</b>	<b>20,139</b>	<b>21,830</b>	<b>23,920</b>	<b>24,685</b>	<b>25,713</b>	<b>27,351</b>
Account Payables	11,399	14,419	18,259	19,547	22,118	22,055	22,928	24,386
Other Current Liabilities	2,409	1,409	1,841	2,283	1,802	2,630	2,785	2,965
Provisions	62	86	39	0	0	0	0	0
<b>Net Current Assets</b>	<b>32</b>	<b>-673</b>	<b>490</b>	<b>1,001</b>	<b>2,375</b>	<b>1,141</b>	<b>1,724</b>	<b>3,082</b>
<b>Appl. of Funds</b>	<b>18,447</b>	<b>18,177</b>	<b>22,535</b>	<b>27,513</b>	<b>32,535</b>	<b>31,889</b>	<b>33,722</b>	<b>36,587</b>

## Standalone financials and valuations

Ratios								
Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
<b>Basic (INR)</b>								
EPS	<b>-27.1</b>	<b>-6.5</b>	<b>11.0</b>	<b>5.5</b>	<b>0.6</b>	<b>1.4</b>	<b>-0.4</b>	<b>-1.3</b>
Cash EPS	7.9	25.5	45.7	45.2	45.3	66.1	73.1	80.2
BV/Share	16.5	8.9	21.1	29.5	30.9	42.5	42.0	40.3
DPS	0.0	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	0.0
<b>Valuation (x)</b>								
P/E	n/a	n/a	50.5	101.2	910.1	400.3	n/a	n/a
Cash P/E	70.3	21.9	12.2	12.3	12.3	8.4	7.6	6.9
P/BV	33.7	62.3	26.4	18.9	18.0	13.1	13.3	13.8
EV/Sales	4.7	3.3	2.1	2.1	2.1	1.9	1.9	1.8
EV/EBITDA	151.0	30.5	12.1	12.4	13.4	12.0	11.4	10.7
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	-6.6	25.8	38.1	40.5	36.2	54.2	49.6	57.4
<b>Return Ratios (%)</b>								
RoE	-187.0	-51.2	73.4	21.8	2.0	4.4	-1.3	-4.0
RoCE	-3.9	2.3	11.5	8.6	5.9	6.2	5.7	5.4
RoIC	-14.7	-3.2	12.5	8.4	30.4	5.6	5.0	4.9
<b>Working Capital Ratios</b>								
Asset Turnover (x)	0.9	1.4	1.8	1.5	1.4	1.5	1.5	1.5
Inventory (Days)	179	147	136	140	158	141	141	141
Debtor (Days)	7	6	3	6	3	3	3	3
Creditor (Days)	241	211	167	169	182	168	165	165
<b>Leverage Ratio (x)</b>								
Current Ratio	1.0	1.0	1.0	1.0	1.1	1.0	1.1	1.1
Interest Cover Ratio	-1.5	-0.4	1.5	1.2	0.8	0.9	0.8	0.7
Net Debt/Equity	10.1	19.5	9.7	8.2	9.3	8.7	9.2	10.1

Standalone - Cash Flow Statement <span style="float: right;">(INR m)</span>								
Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
OP/(Loss) before Tax	-3,549	-1,388	1,621	1,011	16	205	-59	-184
Depreciation	3,847	3,520	3,816	4,361	4,916	5,364	6,145	6,838
Interest & Finance Charges	2,200	2,054	2,092	2,236	2,579	2,719	2,783	2,963
Direct Taxes Paid	124	210	-36	53	-54	-52	15	46
(Inc)/Dec in WC	-575	899	-1,683	-1,116	-1,410	1,136	-199	-87
<b>CF from Operations</b>	<b>2,046</b>	<b>5,295</b>	<b>5,810</b>	<b>6,544</b>	<b>6,047</b>	<b>9,372</b>	<b>8,685</b>	<b>9,576</b>
Others	-1,948	-1,403	-188	-381	-390	-556	-584	-613
<b>CF from Operating incl EO</b>	<b>99</b>	<b>3,892</b>	<b>5,622</b>	<b>6,164</b>	<b>5,657</b>	<b>8,816</b>	<b>8,101</b>	<b>8,963</b>
(Inc)/Dec in FA	-823	-1,067	-1,444	-1,712	-1,671	-2,852	-2,645	-2,645
<b>Free Cash Flow</b>	<b>-724</b>	<b>2,824</b>	<b>4,178</b>	<b>4,452</b>	<b>3,986</b>	<b>5,964</b>	<b>5,456</b>	<b>6,318</b>
(Pur)/Sale of Investments	578	-55	796	332	12	0	0	0
Others	-721	-666	-365	-391	-138	379	407	436
<b>CF from Investments</b>	<b>-965</b>	<b>-1,788</b>	<b>-1,013</b>	<b>-1,772</b>	<b>-1,797</b>	<b>-2,473</b>	<b>-2,238</b>	<b>-2,209</b>
Issue of Shares	2,960	25	27	98	26	0	0	0
Inc/(Dec) in Debt	1,500	-773	-1,102	-26	1,090	200	100	-500
Interest Paid	-2,195	-2,056	-2,094	-2,233	-2,969	-2,719	-2,783	-2,963
Dividend Paid	0	0	0	0	0	0	0	0
Others	-558	0	-2,203	-2,816	-2,441	-4,099	-2,973	-2,197
<b>CF from Fin. Activity</b>	<b>1,707</b>	<b>-2,804</b>	<b>-5,372</b>	<b>-4,977</b>	<b>-4,294</b>	<b>-6,618</b>	<b>-5,656</b>	<b>-5,660</b>
<b>Inc/Dec of Cash</b>	<b>841</b>	<b>-701</b>	<b>-763</b>	<b>-585</b>	<b>-434</b>	<b>-275</b>	<b>207</b>	<b>1,094</b>
Opening Balance	-425	1,022	1,017	747	567	310	212	596
<b>Closing Balance</b>	<b>416</b>	<b>321</b>	<b>254</b>	<b>162</b>	<b>133</b>	<b>35</b>	<b>419</b>	<b>1,689</b>

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](http://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](http://www.nseindia.com), [www.bseindia.com](http://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: No  
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 dpgrievances@motilaloswal.com.