

Devyani International

Estimate changes 

TP change 

Rating change 

Bloomberg	DEVYANI IN
Equity Shares (m)	1233
M.Cap.(INRb)/(USDb)	145.6 / 1.5
52-Week Range (INR)	191 / 92
1, 6, 12 Rel. Per (%)	12/-6/-28
12M Avg Val (INR M)	533

Financials & Valuations (INR b)

Y/E Mar	2026	2027E	2028E
Sales	56.1	65.0	72.4
Sales Gr. (%)	13.3	15.9	11.3
EBITDA	8.6	10.6	12.8
Margins (%)	15.2	16.3	17.7
Adj. PAT	-0.2	0.5	1.5
Adj. EPS (INR)	-0.1	0.4	1.2
EPS Gr. (%)	PL	LP	182.3
BV/Sh. (INR)	12.5	8.6	7.1

Ratios

RoE (%)	-1.3	4.1	15.6
RoCE (%)	3.1	5.3	7.4

Valuation

P/E (x)	-822.3	271.4	96.1
P/BV (x)	9.4	13.7	16.6
EV/Sales (x)	2.7	2.5	2.6
EV/EBITDA (x)*	34.2	25.8	19.6

* Pre-Ind AS

Shareholding Pattern (%)

As of	Mar-26	Dec-25	Mar-25
Promoter	61.4	61.4	62.7
DII	19.3	19.4	16.9
FII	6.1	5.8	10.5
Others	13.2	13.4	10.0

FII includes depository receipts

CMP: INR118

TP: INR165 (+40%)

Buy

KFC's print improves; operational profitability in line

- Devyani International's (DEVYANI) consolidated revenue grew 19% YoY in 4QFY26. The Indian revenue was up 18% YoY, led by KFC and the Skygate acquisition. KFC's SSSG was better than expected, while PH's same-store sales continued to decline in 4Q. The company is witnessing a gradual recovery in demand trends across its brands.
- KFC's sales rose 15% YoY, with SSSG improving to 5% (base -6.1%; -3% in 3Q). KFC closed five stores in 4Q. Pizza Hut (PH)'s revenue declined 4% YoY, with SSSG at -3.7% YoY. There was no store addition in 4Q. Franchise brands' (Costa Coffee, NYF, and SK) revenue grew 3% YoY, while its acquired brands' (Vaango and Sky Gate) revenue stood at INR911m.
- India ROM was up 13% YoY to INR1.2b while margin contracted by 50bp YoY to 12.9%. KFC's ROM improved 70bp YoY to 17% backed by strong GM expansion (+120bp), while PH's ROM stood at -1.4% vs. +0.7% in base.
- International revenue grew 20% YoY to INR5b with RoM at INR890m (vs. INR677m in 4QFY25), and margin expanded 160bp YoY to 17.7%.
- Weak unit economics have remained a key overhang for QSR players over the past couple of years amid aggressive store expansion. 4QFY26 saw store rationalization, indicating the company's focus on fixing the unit economics. KFC's performance is now witnessing an improving trajectory, aided by its consumer recruitment strategy. The proposed Devyani-Sapphire merger, likely to be completed by the end of FY27, is expected to unlock scale efficiencies and enhance execution capabilities across brands and geographies. **We reiterate our BUY rating on the stock and value the entity at 25x Mar'28E EV/EBITDA (pre-Ind AS) to arrive at our TP of INR165.**

EBITDA in line; KFC's performance improving

- KFC leads the show:** Consolidated sales growth was at 19% YoY to INR14.4b (est. INR 14b). The India revenue was up 18% YoY to INR9.5b (est. INR9.3b), supported by improving KFC performance and the Sky Gate acquisition. KFC sales grew 15% YoY to INR6.0b (est. INR5.9b). SSSG improved 4.9% (est. 2%). KFC delivered its strongest performance in the last 14 quarters. PH sales declined 4% YoY to INR1.7b (est. INR1.8b). SSSG declined 3.7% (est. -2.6%). ADS of KFC improved 1% YoY to INR84k, while that of PH dipped 3% YoY to INR30k.
- Store network shrunk by 12 stores:** It reduced by a total of 12 stores in 4QFY26 to reach 2,253 stores. The store additions/closures in KFC/PH/CC/own brands/airports were 5/0/-5/-1/-1, while the international store count remained unchanged. The total store count for KFC/PH/CC/own brands/international stood at 783/639/198/217/399.

- **Slight pressure on margins:** Gross profit grew 19% YoY to INR9.9b (est. 9.7b). Gross margin expanded up 30bp YoY, but was flat QoQ at 68.8% (est. 69.4%). Reported EBITDA rose 14% YoY to INR2.3b (est. INR2b). Consol. EBITDA margin contracted 60bp YoY while up 30bp QoQ to 16% (est. 14.3%). Consol. ROM rose 21% YoY to INR2b. Margin improved 30bp YoY and 20bp QoQ to 14.1%. EBITDA (Pre-Ind AS) grew 14% YoY to INR1.2b (in line). Margin dipped 40bp YoY to 8.6%.
- Adjusted net loss stood at INR35m (a loss of INR25m was estimated) vs. a loss of INR20m in 4QFY25.

FY26 revenue/EBITDA (pre-IND AS) up 13%/down 9% YoY

Highlights from the management commentary:

- Management believes geopolitical disruptions disproportionately impact smaller players, potentially aiding market share gain for larger organized QSR operators.
- Devyani undertook only a marginal price increase of less than 0.5% on its menu at the portfolio level. Future pricing actions will remain dependent on the inflationary environment and commodity trends.
- Management emphasized that business disruption from the ongoing gas crisis has been minimal, despite supply challenges related to the Middle East conflict.
- The Devyani-Sapphire merger is expected to be completed by the end of FY27.

Valuation and view

- We broadly retain our EBITDA estimates for FY27 and FY28.
- Management remains committed to improving ADS and profitability across the existing network and brands and will adopt a more cautious approach to future store openings.
- The merger of Devyani and Sapphire is expected to unlock meaningful scale benefits, improve unit economics through operating leverage and revised commercial terms, and enhance execution across brands and geographies.
- The merger is expected to deliver recurring annual synergies of ~INR2.2b, driven by lower Pizza Hut operating costs, reduction in overall corporate overheads, and other operational efficiencies. We estimate an EBITDA gain of ~INR500m in FY28, considering weak QSR industry performance and any delay in the occurrence of synergy benefits ([refer to our detailed merger note](#)).
- We value the entity at 25x EV/EBITDA (pre-IND AS) on Mar'28E, which implies a per share value of INR165. **Reiterate BUY.**

Quarterly Performance

(INR m)

Y/E March	FY25				FY26				FY25	FY26	FY26E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
KFC - No. of stores	617	645	689	696	704	734	788	783	696	783	791	
PH - No. of stores	570	593	644	630	618	621	639	639	630	639	640	
KFC - SSSG (%)	-7.0	-7.0	-4.4	-6.1	-0.7	-4.2	-2.9	4.9	-6.4	-0.8	1.8	
PH - SSSG (%)	-8.6	-5.7	-0.8	1.0	-4.2	-4.1	-9.1	-3.7	-3.8	-5.3	-2.6	
Net Sales	12,219	12,222	12,944	12,126	13,570	13,768	14,409	14,369	49,511	56,115	14,018	3%
YoY change (%)	44.3	49.1	53.5	15.8	11.1	12.6	11.3	18.5	39.2	13.3	15.6	
Gross Profit	8,450	8,474	8,892	8,306	9,252	9,329	9,928	9,886	34,122	38,396	9,728	2%
Margin (%)	69.2	69.3	68.7	68.5	68.2	67.8	68.9	68.8	68.9	68.4	69.4	
EBITDA (Pre-IND AS)	1,414	1,143	1,306	1,081	1,095	934	1,240	1,230	4,943	4,501	1,264	-3%
EBITDA growth %	26.8	20.8	65.9	12.7	-22.6	-18.3	-5.1	13.8	29.8	-8.9	16.9	
Margin (%)	11.6	9.4	10.1	8.9	8.1	6.8	8.6	8.6	10.0	8.0	9.0	
EBITDA	2,234	1,987	2,192	2,008	2,049	1,943	2,267	2,295	8,422	8,554	2,006	14%
EBITDA growth %	28.8	25.2	49.9	15.5	-8.3	-2.2	3.4	14.3	29.1	1.6	-0.1	
Margin (%)	18.3	16.3	16.9	16.6	15.1	14.1	15.7	16.0	17.0	15.2	14.3	
Depreciation	1,322	1,391	1,557	1,653	1,497	1,603	1,656	1,943	5,923	6,698	1,691	
Interest	630	653	670	695	668	688	700	701	2,648	2,757	638	
Other Income	99	48	91	132	135	51	123	141	370	451	122	
PBT	381	-9	56	-208	19	-297	35	-207	220	-450	-202	3%
Tax	81	10	162	-56	5	-52	-49	-47	197	-143	7	
Rate (%)	21.2	-113.1	286.8	26.8	27.0	17.5	-142.2	22.9	89.4	31.8	-3.5	
Adjusted PAT	281	-27	-9	-20	17	-186	27	-35	226	-177	-25	43%
Margin (%)	2.3	-0.2	-0.1	-0.2	0.1	-1.4	0.2	-0.2	0.5	-0.3	-0.2	
YoY change (%)	-17.2	NM	NM	-161.2	-94.0	NM	NM	NM	-75.7	-178.4	NM	

E: MOFSL Estimates

DEVYANI's performance
India performance

- **The India revenue grew 18% YoY to INR9.5b. (est. INR9.3b) largely driven by KFC and acquisitions. PH continued to remain under pressure.**
- Net 20 stores were closed during the quarter, taking the total count to 1,857 (vs. 1,877 in 3QFY26).
- GM contracted 10bp YoY at 71%
- Brand contribution was up 14% YoY to INR1.2b, margin contracted by 50bp YoY to 12.9%
- **EBITDA (pre IND AS) was down 3%, margin contracted 150bp YoY to 7.1%**
- EBITDA (reported) grew 6% to INR1.6b, margin dipped 190bp YoY to 16.8%

DEVYANI (INR m)

DIL India (INR m)	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
Total Stores	1,429	1,473	1,557	1,658	1,664	1,767	1,802	1,877	1,857
Net Additions	42	44	84	101	6	103	35	75	(20)
Revenue	7,516	8,399	8,356	8,726	8,012	9,319	9,371	9,782	9,459
YoY Gr (%)	7%	6%	7%	10%	7%	11%	12%	12%	18%
Gross Profit	5,428	6,037	5,983	6,216	5,691	6,487	6,530	6,943	6,705
Gross Margin (%)	72.2%	71.9%	71.6%	71.2%	71.0%	69.6%	69.7%	71.0%	70.9%
Brand Contribution	1,121	1,362	1,105	1,214	1,070	1,131	941	1,279	1,224
YoY Gr (%)	3%	-2%	-7%	0%	-5%	-17%	-15%	5%	14%
Brand Contribution margin (%)	14.9%	16.2%	13.2%	13.9%	13.4%	12.1%	10.0%	13.1%	12.9%
EBITDA Pre-IndAS	794	1,001	712	773	689	654	462	707	667
YoY Gr (%)	0%	1%	-13%	-9%	-13%	-35%	-35%	-9%	-3%
Margin (%)	10.6%	11.9%	8.5%	8.9%	8.6%	7.0%	4.9%	7.2%	7.1%
EBITDA (reported)	1,485	1,724	1,462	1,554	1,504	1,492	1,347	1,606	1,592
YoY Gr (%)	10%	9%	2%	4%	1%	-13%	-8%	3%	6%
Margin (%)	19.8%	20.5%	17.5%	17.8%	18.8%	16.0%	14.4%	16.4%	16.8%

Core brand performances

KFC India

- Sales grew 14.6% YoY to INR6.0b (est. INR5.9b). SSSG improved 4.9% (est. 1.8%). KFC delivered its strongest performance in the last 14 quarters.
- GP grew 17% YoY to INR4.1b, and margin improved 120bp YoY to 69.5%
- **ROM increased 20% YoY to INR1.0b while margins improved 70bp YoY to 17%.**
- ADS improved 1% YoY to INR84k.
- On-premises channel contribution was 55%.

Pizza Hut India

- Sales declined 4% YoY to INR1.7b (est. INR1.8b). SSSG declined 3.7% (est. -2.6%).
- GP declined 3% YoY at INR1.3b. GM improved 70bp YoY to 76.3%.
- **ROM reported an INR23m loss vs. an INR13m profit in 4QFY25 (est. -INR8m).**
- ADS declined 3% YoY to INR30k.
- On-premises channel contribution was 46%.

Franchisee/acquired brands – Costa Coffee, NYF, Tealive, and Sanook Kitchen

- Sales grew 3% YoY to INR537m (est. INR586m).
- GP grew 1% YoY to INR402m, and margin contracted 120bp YoY to 74.9%.
- ROM declined 160bp YoY to 16%.
- Costa Coffee's ADS increased 4% YoY to INR28k.

International business

- International revenue grew 20% YoY to INR5b (est. INR4.7b)
- The company maintained its store count at 399 (flat QoQ) in 4Q.
- GM expanded 90bp YoY to 65.1%.
- Brand contribution improved 31% YoY to INR890m. Brand margin expanded 160bp YoY to 17.7%.

Quarterly brand performance	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
KFC									
No. of stores	596	617	645	689	696	704	734	788	783
Net store addition	6	21	28	44	7	8	30	54	-5
SSSG (%)	-7.1	-7.0	-7.0	-4.4	-6.1	-0.7	-4.2	-2.9	4.9
Net sales (INR m)	4,941	5,546	5,434	5,698	5,109	6,126	5,723	6,032	5,855
YoY growth (%)	11.3	7.4	6.8	8.7	3.4	10.5	5.3	5.9	14.6
ADS (INR '000)	93.0	104.0	96.0	96.0	83.0	98.0	89.0	90.0	84.0
Gross Margins (%)	69.9	69.5	69.0	68.6	68.3	67.1	68.1	69.8	69.5
Brand Contribution Margin (%)	19.0	19.5	16.6	17.2	16.2	15.5	14.1	16.8	17.0
Channel mix (%)									
Off-Premise	41	41	42	42	45	46	46	45	45
On-Premise	59	59	58	58	55	54	54	55	55
Pizza Hut									
No. of stores	567	570	593	644	630	618	621	639	639
Net store addition	2	3	23	51	-14	-12	3	18	0
SSSG (%)	-14.0	-8.6	-5.7	-0.8	1.0	-4.2	-4.1	-9.1	-3.7
Net sales (INR m)	1,621	1,819	1,848	1,902	1,754	1,873	1,860	1,781	1,692
YoY growth (%)	-4.5	-0.9	0.4	5.9	8.2	3.0	0.6	-6.4	-3.5
ADS (INR '000)	32.0	36.0	35.0	35.0	31.0	33.0	33.0	31.0	30.0
Gross Margins (%)	77.3	76.8	76.7	76.2	75.6	74.7	74.7	76.0	76.3
Brand Contribution Margin (%)	4.4	4.9	3.1	2.1	0.7	-1.1	-0.2	0.8	-1.4
Channel mix (%)									
Off-Premise	55	55	56	54	56	55	55	52	54
On-Premise	45	45	44	46	44	45	45	48	46
Costa, NYF, Tealive, and SK									
No. of stores	179	192	207	209	220	222	224	203	189
Net store addition	25	13	15	2	11	2	2	-21	-14
SSSG (%)	7.3	0.6	8.7	5.1	3.5	3.5	2.0	2.0	2.0
Net sales (INR m)	451	455	490	517	523	519	514	563	537
YoY growth (%)	36.3	40.4	41.6	30.2	16.0	14.1	4.9	8.9	2.7
ADS (INR '000)	33.0	28.0	27.0	26.0	27.0	26.0	24.0	27.0	28.0
Gross Margins (%)	76.7	74.9	75.1	75.4	76.1	75.1	73.5	75.7	74.9
Brand Contribution Margin (%)	18.0	14.9	14.5	16.8	17.6	12.9	10.5	16.3	16.0

DIL International (INR m)	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
Total Stores	353	363	364	374	375	378	382	402	399
Net Additions	288	10	1	10	1	3	4	20	-3
-Nigeria	40	40	40	40	40	40	40	40	40
-Nepal	25	28	28	29	29	31	33	36	38
-Thailand	288	295	296	305	306	307	309	326	321
Revenue	2,961	3,897	3,943	4,300	4,195	4,332	4,495	4,734	5,033
YoY Gr (%)	434%	572%	848%	798%	42%	11%	14%	10%	20%
Gross Profit		2,482	2,566	2,754	2,692	2,844	2,879	3,071	3,276
Gross Margin (%)		63.7%	65.1%	64.0%	64.2%	65.7%	64.0%	64.9%	65.1%
Brand Contribution	298	577	632	714	677	724	749	810	890
Brand Contribution margin (%)	10.1%	14.8%	16.0%	16.6%	16.1%	16.7%	16.7%	17.1%	17.7%



Highlights from the management commentary

Key Highlights

Business and Environment

- Demand sentiment remained broadly stable during the quarter, aided by policy stimulus and GST rationalization.
- Company witnessing a gradual recovery in demand trends across its brands.
- Value-driven initiatives and accessibility focused campaigns continue to support consumer traction.
- The company decided to discontinue Tealive operations in India and Thailand following pilot testing. Brand discontinuation is expected to be completed in the next quarter.
- DIL 2.0 transformation focused on strengthening leadership, leveraging digital capabilities, improving operational agility, and driving cross-brand synergies to accelerate scalable long-term growth.
- Management undertook leadership restructuring to address capability gaps and prepare for the proposed merger with Sapphire Foods.
- DIL has started treating dine-in and delivery channels as separate businesses with differentiated pricing and offerings.
- **Management believes geopolitical disruptions disproportionately impact smaller players, potentially aiding market share gain for larger organized QSR operators.**
- **Management undertook only a marginal menu price increase of less than 0.5% at the portfolio level.**
- Future pricing actions will remain dependent on the inflationary environment and commodity trends.
- **For the Devyani Sapphire merger, it is expected to be completed by the end of FY27.**

Gas crisis

- Management indicated that gas costs form a relatively small part of overall operating costs. The company has initiated mitigation measures, including shifting certain kitchen equipment to electricity-based operations.
- The company is also evaluating dual-powered equipment capable of operating on both gas and electricity to reduce future supply disruptions.
- **Management highlighted minimal business disruption from the ongoing gas crisis despite supply challenges linked to the Middle East conflict.**

KFC

- KFC SSSG improved 4.9% in 4Q.
- Management indicated KFC's positive SSSG momentum has sustained in the initial part of 1QFY27.

- KFC's gross margin improvement was driven by stable raw material costs, better promotion management, and a favorable channel mix.
- The company recalibrated its promotional strategy to focus more on dine-in customers vs online delivery channels.
- Increased dine-in-focused offers and pricing interventions helped improve store footfalls and support positive SSSG.

Pizza Hut

- Pizza Hut SSSG stood at -3.7%; however, performance improved sequentially.
- ADS remained stable at INR 30,000.
- Brand contribution remained marginally negative due to lower operating leverage from weak SSSG.
- Pizza Hut store count stood at 639 stores with no net additions during FY26.
- The company planned no new store additions in FY27.
- Management indicated the Pizza Hut revival strategy is currently focused on “back-to-basics” execution.
- The company appointed new CMO Sandeep Anand to lead the Pizza Hut transformation initiatives.
- The company is revisiting product portfolio, pricing architecture, and product quality across Pizza Hut.
- Focus areas include improving dough quality, cheese, toppings, and overall product consistency.

Biryani by Kilo

- Biryani By Kilo achieved positive brand contribution, leading to measured offline expansion through express formats.
- The company sees further profitability improvement potential for the brand going forward.
- The company has started testing offline expansion through express outlets in food courts. Initial offline stores have reported profitable operations, strengthening management confidence in the brand's scalability.

Own/franchisee brands

- Own brands' portfolio, including Vaango and Biryani By Kilo, reported mid-single digit positive SSSG.
- Franchise brands portfolio, including Costa Coffee, reported ~3% YoY revenue growth.
- Elevated coffee and cocoa prices led to a 120bp YoY gross margin decline in the franchise brands portfolio.
- Franchise brands' portfolio delivered a healthy brand contribution margin of 16.1%.

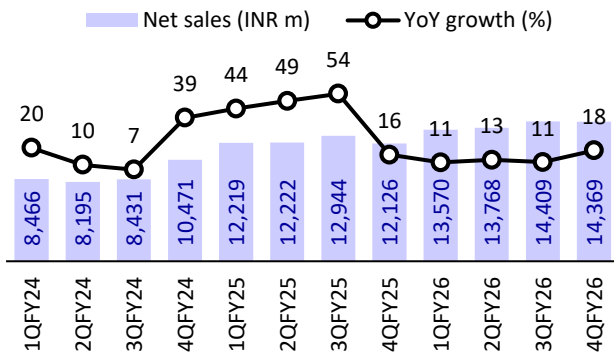
Store expansion

- DIL ended FY26 with a total system store count of 2,256 stores. Net store additions during FY26 stood at 217 stores.
- Management guided for 200–225 net new store additions in FY27.
- KFC expected to contribute 100–110 stores in FY27 additions. Remaining expansion to be driven by Costa Coffee, Biryani By Kilo, and international business.
- The company closed 12 net stores in 4Q that are loss-making. The company is focusing on improving store quality and building a stronger pipeline under revised business development guidelines.

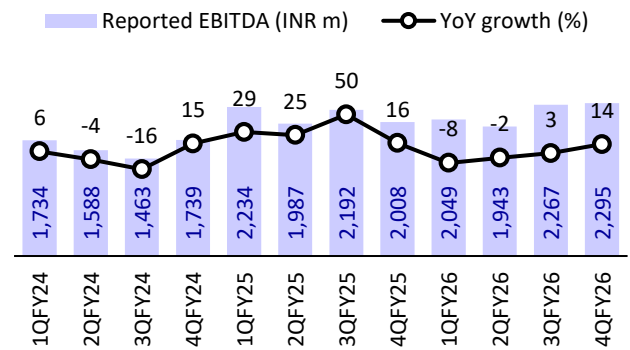
Balance Sheet

- Increase in intangible assets primarily related to the consolidation of the Biryani By Kilo acquisition, related goodwill, and brand assets.
- Temporary increase in debt during FY26 was due to funding requirements for Thailand operations. Thailand-related debt was repaid in early April 2026.

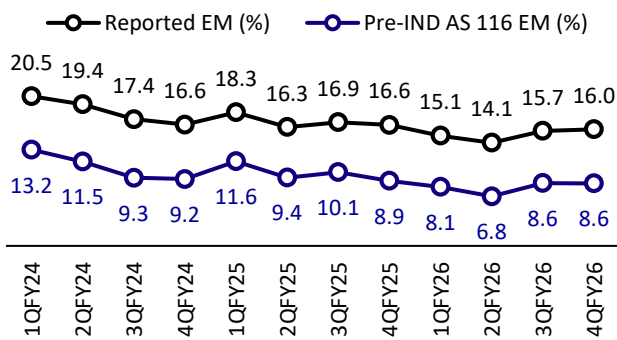
Key exhibits

Exhibit 1: Sales grew 18% YoY to INR14.3b


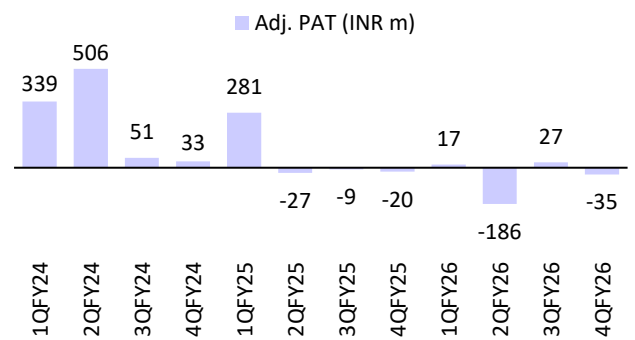
Source: Company, MOFSL

Exhibit 2: EBITDA up 14% YoY to INR2.2b


Source: Company, MOFSL

Exhibit 3: EBITDA margin dipped 60bp YoY to 16%, while EM (Pre-Ind AS) was down 30bp YoY to 8.6%


Source: MOFSL, Company

Exhibit 4: Reported loss stood at INR35m in 4QFY26


Source: MOFSL, Company

Valuation and view

- We broadly retain our EBITDA estimates for FY27 and FY28.
- Management remains committed to improving ADS and profitability across the existing network and brands and will adopt a more cautious approach to future store openings.
- The merger of Devyani and Sapphire is expected to unlock meaningful scale benefits, improve unit economics through operating leverage and revised commercial terms, and enhance execution across brands and geographies.
- The merger is expected to deliver recurring annual synergies of ~INR2.2b, driven by lower Pizza Hut operating costs, reduction in overall corporate overheads, and other operational efficiencies. We estimate an EBITDA gain of ~INR500m in FY28, considering weak QSR industry performance and any delay in the occurrence of synergy benefits ([refer to our detailed merger note](#)).
- We value the entity at 25x EV/EBITDA (pre-IND AS) on Mar'28E, which implies a per share value of INR165. **Reiterate BUY.**

Exhibit 5: We largely maintain our EBITDA estimates for FY27 and FY28

INR m	New		Old		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Net Sales	65,032	72,405	62,616	69,352	3.9%	4.4%
EBITDA	10,614	12,819	10,506	12,672	1.0%	1.2%
Adjusted PAT	536	1,513	1,151	2,155	-53.4%	-29.8%

Source: MOFSL

Financials and valuations

Income Statement consol.

(INRm)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Sales	15,164	11,348	20,840	29,977	35,563	49,511	56,115	65,032	72,405
Change (%)	15.7	-25.2	83.6	43.8	18.6	39.2	13.3	15.9	11.3
Raw Materials	4,604	3,447	5,998	8,986	10,566	15,388	17,719	20,112	22,309
Gross Profit	10,560	7,902	14,842	20,991	24,997	34,122	38,396	44,920	50,097
Margin (%)	69.6	69.6	71.2	70.0	70.3	68.9	68.4	69.1	69.2
Operating Expenses	8,005	5,556	10,082	14,440	18,474	25,700	29,842	34,306	37,278
EBITDA (Pre IND AS)	575	842	2,995	4,348	3,807	4,943	4,501	6,221	8,089
Change (%)	-40.7	46.5	255.6	45.2	-12.4	29.8	-8.9	38.2	30.0
Margin (%)	3.8	7.4	14.4	14.5	10.7	10.0	8.0	9.6	11.2
EBITDA	2,555	2,346	4,760	6,551	6,524	8,422	8,554	10,614	12,819
Change (%)	-8.4	-8.2	102.9	37.6	-0.4	29.1	1.6	24.1	20.8
Margin (%)	16.8	20.7	22.8	21.9	18.3	17.0	15.2	16.3	17.7
Depreciation	2,272	2,775	2,249	2,782	3,907	5,923	6,698	7,306	7,824
Int. and Fin. Charges	1,584	1,495	1,270	1,475	1,869	2,648	2,757	3,286	3,566.0
Other Income	187	641	161	326	326	370	451	450	540
Profit before Taxes	-1,115	-1,283	1,402	2,620	1,074	220	-450	472	1,969
Change (%)	56.6	15.0	-209.3	86.8	-59.0	-79.5	-304.5	-204.8	317.0
Margin (%)	-7.4	-11.3	6.7	8.7	3.0	0.4	-0.8	0.7	2.7
Total tax	18	-11	-320	-206	133	197	-143	94	456
Tax Rate (%)	-1.7	0.8	-22.8	-7.9	12.4	89.4	31.8	20.0	23.1
Adjusted PAT	-1,008	-677	1,715	2,770	929	226	-177	536	1,513
Change (%)	N/M	N/M	L/P	61.5	-66.5	-75.7	-178.4	-403.0	182.3
Margin (%)	-6.6	-6.0	8.2	9.2	2.6	0.5	-0.3	0.8	2.1
Reported PAT	-790	-735	1,563	2,650	473	95	-483	378	1,355

Balance Sheet

(INRm)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Share Capital	1,062	1,154	1,205	1,205	1,206	1,206	1,233	1,233	1,233
Reserves	-2,953	-16	5,658	8,499	9,352	9,738	14,185	9,398	7,544
Net Worth	-1,891	1,138	6,863	9,703	10,558	10,944	15,418	10,631	8,777
Loans	4,307	4,633	1,325	774	9,102	9,318	13,604	13,604	13,604
Lease Liability	12,882	8,724	11,217	14,875	19,955	22,558	24,728	29,224	31,462
Minority Interest	-391	-419	-47	-62	2,928	3,079	3,434	3,606	3,786
Capital Employed	14,906	14,076	19,358	25,290	42,543	45,899	57,184	57,064	57,629
Gross Block	7,707	7,276	9,660	13,838	23,004	30,037	37,828	41,412	45,029
Less: Accum. Depn.	9,542	7,914	11,709	14,278	21,839	23,314	27,644	19,710	19,986
Net Fixed Assets	5,364	6,162	7,649	11,012	20,704	22,584	29,540	37,354	37,643
Capital WIP	135	143	68	153	110	35	78	78	78
Goodwill	224	644	644	644	4,287	4,581	6,834	6,834	6,834
Right to Use Assets	10,351	6,660	8,911	12,258	16,906	18,799	20,306	19,637	18,666
Investments	414	456	351	353	268	271	242	242	242
Non-current	414	456	351	353	268	271	242	242	242
Deferred tax asset (net)	75	96	482	963	512	574	-429	-421	-412
Curr. Assets, L&A	2,272	2,523	4,519	4,502	6,538	6,541	10,501	4,516	7,025
Inventory	721	622	855	1,290	1,310	1,482	1,646	1,869	2,073
Account Receivables	173	169	211	289	527	413	641	743	827
Cash and Bank Balance	160	405	659	851	1,808	1,814	4,948	-1,566	485
Others	1,218	1,327	2,795	2,071	2,892	2,832	3,266	3,471	3,640
Curr. Liab. and Prov.	3,929	2,608	3,267	4,595	6,782	7,487	9,887	11,176	12,447
Account Payables	1,632	1,619	1,964	2,419	3,756	4,411	6,151	6,981	7,744
Other Liabilities	2,074	678	991	1,830	1,988	2,193	2,406	2,731	3,030
Provisions	223	311	313	346	1,038	882	1,330	1,463	1,673
Net Current Assets	-1,657	-85	1,252	-93	-244	-946	614	-6,659	-5,421
Application of Funds	14,906	14,076	19,358	25,290	42,542	45,898	57,184	57,064	57,629

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)									
EPS	-0.9	-0.6	1.4	2.3	0.8	0.2	-0.1	0.4	1.2
Cash EPS	1.2	1.8	3.3	4.6	4.0	5.1	5.3	6.4	7.6
BV/Share	-1.8	1.0	5.7	8.1	8.8	9.1	12.5	8.6	7.1
Valuation (x)									
P/E	N/M	N/M	82.9	51.3	153.2	630.8	-822.3	271.4	96.1
Cash P/E	99.1	64.9	35.9	25.6	29.4	23.1	22.3	18.6	15.6
EV/Sales	8.5	12.3	6.8	4.7	4.2	3.0	2.7	2.5	2.6
EV/EBITDA	50.5	59.6	29.9	21.6	22.9	17.8	18.0	15.1	14.8
EV/EBITDA Pre Ind AS	224.4	166.1	47.6	32.6	39.2	30.3	34.2	25.8	19.6
P/BV	N/M	119.6	20.7	14.7	13.5	13.0	9.4	13.7	16.6
Return Ratios (%)									
RoE	N/M	N/M	42.9	33.4	9.2	2.1	-1.3	4.1	15.6
RoCE	3.2	1.5	19.6	19.8	7.6	0.7	3.1	5.3	7.4
RoIC	2.0	-3.1	19.7	19.3	7.1	0.6	2.6	4.8	6.7
Working Capital Ratios									
Debtor (Days)	4	5	4	4	5	3	4	4	4
Asset Turnover (x)	1.0	0.8	1.1	1.2	0.8	1.1	1.0	1.1	1.3
Leverage Ratio									
Debt/Equity (x)	N/M	11.7	1.8	1.6	2.8	2.9	2.5	4.0	5.1

Cash Flow Statement

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
(INRm)									
Profit before Tax	-1,196	-641	1,231	2,419	37	131	-569	472	1,811
Depreciation	2,506	2,887	2,249	2,788	3,848	5,699	6,540	7,306	7,982
Net interest	1,688	1,622	1,270	1,475	1,869	2,648	2,757	3,286	3,566
Others	-206	-1,874	-303	-79	63	-144	-365	-450	-540
Direct Taxes Paid	-8	5	-103	-478	-267	20	-117	-94	-456
(Incr)/Decr in WC	223	397	162	246	375	648	946	598	627
CF from Operations	3,007	2,396	4,506	6,370	5,925	9,002	9,192	11,118	12,990
Incr in FA	-999	-3,673	-3,063	-4,240	-4,619	-4,818	-4,408	-3,584	-3,617
Free Cash Flow	2,008	-1,278	1,443	2,130	1,306	4,184	4,784	7,534	9,373
Others	108	103	-606	890	-9,242	75	323	-7,403	-43
CF from Invest.	-892	-3,570	-3,669	-3,350	-13,861	-4,743	-4,085	-10,987	-3,660
Incr in Debt	-1,791	-1,564	-4,776	-2,822	5,625	-3,722	-1,578	325	358
Net interest Paid	-435	-492	-147	-27	3,247	-545	-523	-6,970	-7,637
CF from Fin. Activity	-2,226	1,420	-584	-2,827	8,893	-4,254	-1,973	-6,645	-7,279
Incr/Decr of Cash	-111	245	253	193	957	5	3,134	-6,514	2,051
Add: Opening Balance	271	160	405	659	851	1,808	1,814	4,948	-1,566
Closing Balance	160	405	659	851	1,808	1,814	4,948	-1,566	485

E: MOFSL Estimates

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