21 October 2026
2QFY27 Results Update | Sector: Internet

Eternal

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	ETERNAL IN
Equity Shares (m)	9650
M.Cap.(INRb)/(USDb)	3010.1 / 31.9
52-Week Range (INR)	345 / 213
1, 6, 12 Rel. Per (%)	-5/27/4
12M Avg Val (INR M)	11003

Financials & Valuations (INR b)

Y/E MARCH	FY26	FY27E	FY28E
GOV	461.6	558.2	672.3
Net Sales	543.6	1018.4	1658.7
Change (%)	168.6	87.3	62.9
EBITDA	12.1	33.8	67.5
EBITDA margin (%)	2.2	3.3	4.1
Adj. PAT	3.7	8.0	23.8
PAT margin (%)	0.7	0.8	1.4
RoE (%)	1.2	2.6	7.2
RoCE (%)	-0.7	1.1	4.9
EPS	0.4	0.9	2.6
EV/ Sales	5.2	2.8	1.7
Price/ Book	9.2	8.9	8.3

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	0.0	0.0	0.0
DII	36.2	39.3	30.1
FII	37.5	33.7	44.8
Others	26.2	27.0	25.1

FII Includes depository receipts

CMP: INR312 **TP: INR420 (+35%)** **Buy**

Execution on track; QC to accelerate

Blinkit accelerates store expansion as competition becomes more predictable

- Eternal reported 2QFY27 net revenue of INR241b (up 19.4% QoQ/77.6% YoY), above our estimated growth of 11.7% QoQ/66.1% YoY.
- Food delivery (FD) NOV came in at INR114.5b, in line with our estimate of INR114.7b. Blinkit NOV came in at INR209b (up 79.3% YoY) vs. our estimate of INR210b. For FD, adjusted EBITDA as % of NOV margin decreased 10bp QoQ to 5.5% vs. our estimate of 5.9%.
- Blinkit reported contribution margin of 5.3% (vs. 5.3% in 1QFY27). Adj. EBITDA margin was at 0.9% vs. our expectation of 1.1%. 2Q PAT stood at INR1,250m, rising 92.3% YoY (est. INR3,928m). Consol. EBITDA came in at INR7.5b (est. INR8.5b), with the miss attributed to a higher loss from the 'Others' segment. PAT miss was driven by a higher effective tax rate of ~61% as all tax shields at the standalone parent level have been exhausted in carried forward losses in FY27. Thus, the profitable standalone entity's profits will now be taxed at the full rate. Our TP of INR420 implies a 35% upside from the current price. We reiterate our BUY rating.

Our view: FD profitability is stable as incremental gains are reinvested

- **FD growth to remain the priority, with margins range-bound:** Eternal has reiterated its long-term target of **20%+ annual NOV growth**, supported by customer additions and high ordering frequency, despite high competitive intensity. Margins are expected to **remain broadly flat in the next 1-2 years** as incremental profitability is reinvested to expand the market and drive absolute EBITDA growth. **For FY27/FY28, we build in ~20% YoY NOV growth and 5.6%/6.0% adj. EBITDA margin as % of NOV.**
- **Blinkit's expansion to accelerate, with NOV growth expected to pick up:** NOV grew 79.3% YoY in 2Q, and **growth is expected to pick up from 3Q** as new stores come online and ramp up. Despite intense competition, Blinkit's **assortment intelligence,** category breadth and execution capabilities are supporting customer acquisition and store paybacks.
- The FY27-end store target has been **raised to 3,500 from 3,000 earlier**, with a further increase to **~5,000 by FY28-end**. Improving store paybacks in smaller cities and a more **predictable competitive environment** were cited as key factors supporting the acceleration. Blinkit remains **ahead of its 60% NOV CAGR guidance** over the three-year period and **we model 86%/74% YoY NOV growth for FY27/FY28**.
- **Mature-city profitability to support incremental store expansion in QC:** Management indicated that mature cities already generate adjusted EBITDA **margins of over 5%,** while cities accounting for ~70% of NOV are adjusted **EBITDA positive** and those representing ~96% of NOV are **contribution positive.** While new stores weigh on margins during the initial ramp-up, it expects profitability improvements in mature stores and cities to more than offset this impact.

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- **District and Hyperpure progress toward profitability:** District is on track to achieve **adjusted EBITDA breakeven within 4-6 quarters** from Jan'26 and deliver **INR280b in NOV and INR14b in adj. EBITDA** by FY30. Hyperpure revenue grew 22.7% YoY, with restaurant count rising to 85,000 from 62,000; **adj. EBITDA margin improved to 0.9% from -0.5% a year ago.**
- **Dark.ai represents an early-stage investment in privacy-focused AI:** Dark.ai is being developed as an AI application using fine-tuned open-weight models hosted on Eternal's own infrastructure, **with end-to-end encryption and user-controlled encrypted memory**. The product targets power users, including founders, researchers and enterprises, who require privacy for sensitive conversations and work. This was described as an **early-stage opportunity, with monetization and investment requirements** to be assessed following the launch.
- **Agentic commerce – fulfilment infrastructure to determine the extent of disintermediation:** As discussed in our earlier note (dated 14th Oct'26: Consumer AI agents: Our views on Instinct and Muse), we believe the impact of agentic commerce will vary by business model, with **platforms controlling fulfilment and supply-chain infrastructure** better positioned than pure intermediaries. Management expects Zomato and Blinkit to **remain relatively resilient given** their integrated delivery and inventory networks, while District **faces higher exposure** as its underlying supply can be accessed independently of the platform. It also expects in-app AI interfaces to **address repeat-order use cases, while browsing-led discovery remains important for food delivery.**

Valuation and changes to our estimates

- Eternal's FD business is stable, while Blinkit continues to offer a long runway to participate in the structural shift in retail, grocery, and e-commerce. We trim our FY27 EPS estimate, **driven by a substantially higher tax rate in 2Q, as all tax shields at the standalone parent level have been exhausted in carried forward losses in FY27** and standalone entity profits will now be taxed at the full rate. While competitive intensity remains elevated, competition is becoming more predictable, and the business model appears established, with a clear path to structurally higher margins.
- We continue to factor in management's long-term growth trajectory of 60%+ NOV growth for the QC business, along with gradual margin expansion through store maturity and operating leverage. We expect Eternal to report PAT margins of 0.8%/1.4% in FY27/28. Our **TP of INR420** implies a 35% upside from the current price. We reiterate our **BUY rating.**

FD/QC NOV in line with our estimates; QC adj. EBITDA margin also in line

- Eternal reported 2Q net revenue of INR241b (up 19.4%QoQ/77.6% YoY), above our estimated growth of 11.7% QoQ/66.1% YoY.
- FD NOV came in at INR114.5b, in line with our estimate of INR114.7b. Blinkit NOV came in at INR209b (up 79.3% YoY) vs. our estimate of INR210b.
- For FD, adjusted EBITDA as % of NOV margin was down 10bp QoQ at 5.5% vs. our estimate of 5.9%.
- Blinkit reported contribution margin of 5.3% (vs 5.3% in 1QFY27). Adj. EBITDA margin was at 0.9% vs. our expectation of 1.1%.
- The company expects to cross 3,500 dark stores by Mar'27 (vs. earlier guidance of 3,000 stores).

- Consol. reported EBITDA came in at INR7,520m (3.1% reported EBITDA margin vs. 1.8% in 2QFY26).
- FD revenue increased 9.7% QoQ/35.5% YoY (est. 21% YoY). FD contribution margin as a % of NOV increased 10bp QoQ at 10.3%.
- QC revenue grew 22.3% QoQ (est. 15.4%). QC contribution margin as a % of NOV remained flat at 5.3% (5.3% in 1QFY27).
- PAT stood at INR1,250m, up 92.3% YoY (est. INR3,928m). PAT miss is driven by a high effective tax rate of ~61% as all tax shields at the standalone parent level have been exhausted in carried forward losses in FY27. Thus, the profitable standalone entity's profits will now be taxed at the full rate.

Key highlights from the management commentary

- **FD:** NOV grew ~21.5% YoY to ~INR114.5b, while adjusted EBITDA rose ~25% YoY to ~INR6.3b at a ~5.5% margin (down ~10bp QoQ).
- Competitive intensity was higher in 2Q than in recent quarters, partly driven by new entrants, and management said it is equally surprised by players entering a fairly penetrated category.
- **Blinkit:** Adjusted EBITDA improved for the sixth straight quarter to ~INR1.8b (~0.9% of NOV) vs. ~INR1.6b loss last year, while contribution was flat QoQ at ~5.3% as new stores weigh on early-stage margins.
- 308 net stores were added to reach 2,751. Management now expects to cross 3,500 stores by Mar'27 (earlier 3,000) and ~5,000 by Mar'28.
- **Going-out (District):** Management said the business is on track to achieve EBITDA breakeven in the 4-6 quarter guidance given in Jan'26.
- District sits in the medium-to-high agentic risk zone, as tables and tickets exist independently of the platform, so durability is expected to come from physical infrastructure.

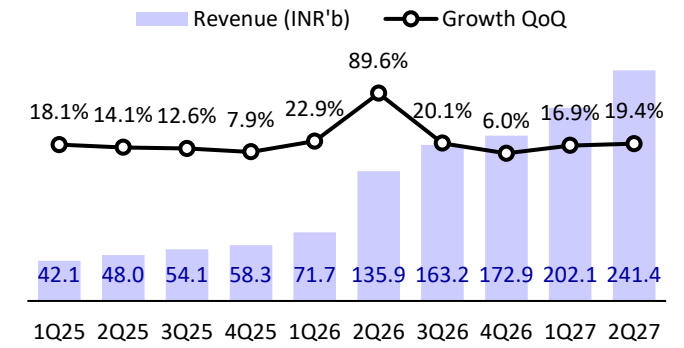
Consolidated - Quarterly Earning Model (INR M)

Y/E March	FY26				FY27E				FY26	FY27E	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QFY27	(%/bp)
Revenue (net of delivery)	**71,670**	**1,35,900**	**1,63,150**	**1,72,920**	**2,02,110**	**2,41,380**	**2,78,432**	**2,96,528**	**5,43,640**	**10,18,450**	**2,25,751**	**6.9**
YoY Change (%)	70.4	183.2	201.9	196.5	182.0	77.6	70.7	71.5	168.6	87.3	66.1	1150bp
Inventory of traded goods	22,840	77,420	98,010	1,03,400	1,20,310	1,46,020	1,87,056	2,02,021	3,01,670	6,55,407	1,48,250	-1.5
Employee Expenses	8,300	8,650	9,140	9,270	10,680	11,460	12,606	13,867	35,360	48,613	11,748	-2.5
Delivery expenses	18,690	22,130	23,760	26,070	31,500	35,810	32,960	35,005	90,650	1,35,275	30,755	16.4
Gross Profit	**21,840**	**27,700**	**32,240**	**34,180**	**39,620**	**48,090**	**45,809**	**45,635**	**1,15,960**	**1,79,154**	**34,998**	**37.4**
Margins (%)	30.5	20.4	19.8	19.8	19.6	19.9	16.5	15.4	21.3	17.6	16	440bp
Advertisement and sales promotion	6,710	8,060	9,370	9,360	9,450	11,380	11,012	11,113	33,500	42,955	9,147	24.4
Others	13,980	17,250	19,190	19,960	24,230	29,190	24,919	24,070	70,380	1,02,409	17,385	67.9
EBITDA	**1,150**	**2,390**	**3,680**	**4,860**	**5,940**	**7,520**	**9,878**	**10,453**	**12,080**	**33,790**	**8,467**	**-11.2**
Margins (%)	1.6	1.8	2.3	2.8	2.9	3.1	3.5	3.5	2.2	3.3	3.8	-60bp
Depreciation	3,140	3,760	4,390	4,680	5,460	6,250	6,961	7,413	15,970	26,084	6,095	2.5
Interest	670	860	1,070	1,320	1,510	1,550	1,500	1,500	3,920	6,060	900	72.2
Other Income	3,540	3,520	3,480	3,420	3,750	3,510	3,500	3,500	13,960	14,260	3,500	0.3
PBT before EO expense	**880**	**1,290**	**1,700**	**2,280**	**2,720**	**3,230**	**4,917**	**5,039**	**6,150**	**15,906**	**4,972**	**-35.0**
PBT	**880**	**1,290**	**1,700**	**2,280**	**2,720**	**3,230**	**4,917**	**5,039**	**6,150**	**15,906**	**4,972**	**-35.0**
Tax	630	640	680	540	1,800	1,980	2,187	1,909	2,490	7,876	1,044	89.6
Rate (%)	71.6	49.6	40.0	23.7	66.2	61.3	44.5	37.9	NA	NA	21.0	4030bp
Reported PAT	**250**	**650**	**1,020**	**1,740**	**920**	**1,250**	**2,730**	**3,130**	**3,660**	**8,030**	**3,928**	**-68.2**
Adj PAT	**250**	**650**	**1,020**	**1,740**	**920**	**1,250**	**2,730**	**3,130**	**3,660**	**8,030**	**3,928**	**-68.2**
YoY Change (%)	-90.1	-63.1	72.9	346.2	268.0	92.3	167.7	79.9	-30.6	119.4	504.3	NA
Margins (%)	0.3	0.5	0.6	1.0	0.5	0.5	1.0	1.1	0.7	0.8	1.7	NA

Story in charts

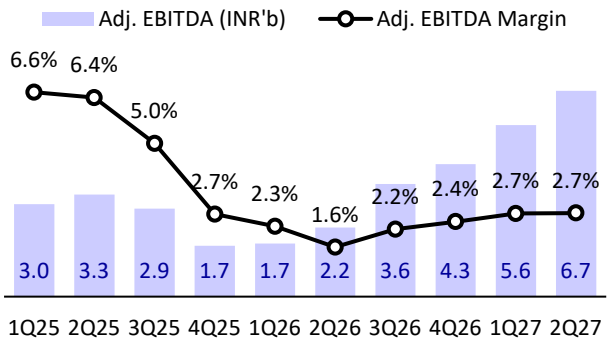
Overall business

Exhibit 1: Eternal revenue grew 19.4% QoQ



Source: MOFSL, Company

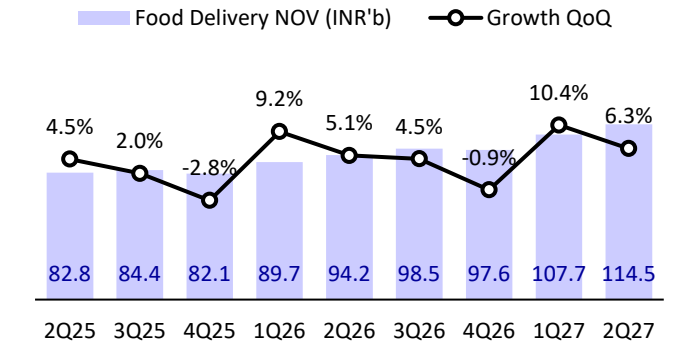
Exhibit 2: Adj. EBITDA margin remained flat at 2.7%



Source: MOFSL, Company

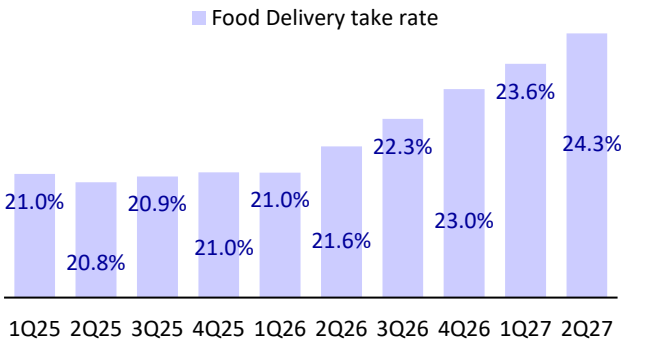
Food Delivery

Exhibit 3: FD NOV grew 6.3% QoQ



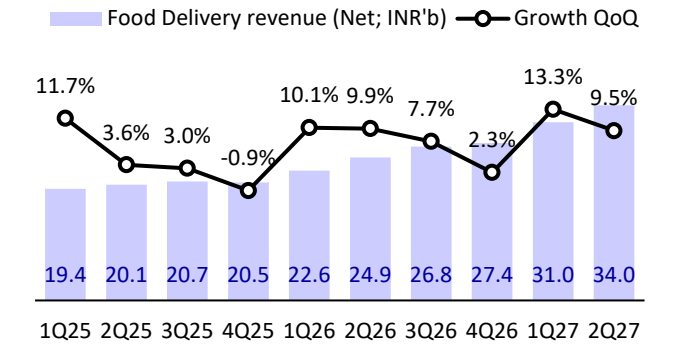
Source: MOFSL, Company

Exhibit 4: Take rate expanded 70bp QoQ



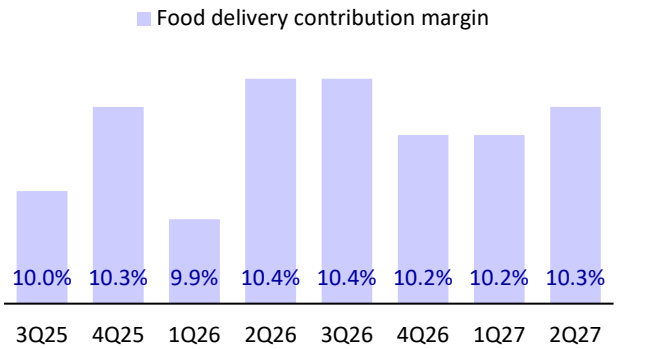
Source: MOFSL, Company

Exhibit 5: FD revenue grew 9.5% QoQ



Source: MOFSL, Company

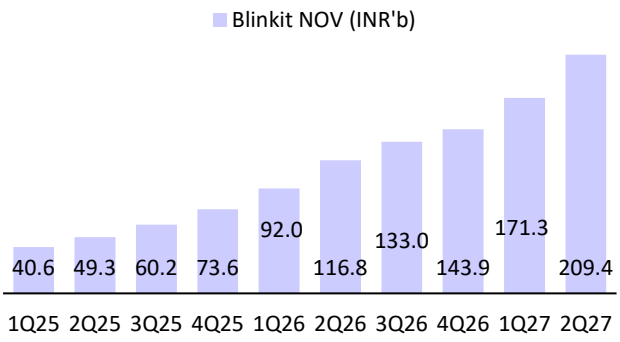
Exhibit 6: Contribution margin increased 10bp QoQ



Source: MOFSL, Company

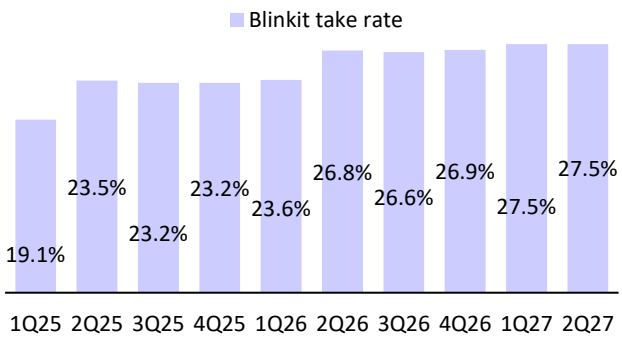
Blinkit

Exhibit 7: NOV saw healthy growth of 22% QoQ



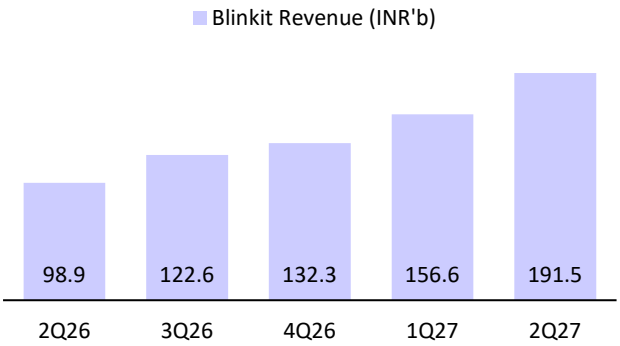
Source: MOFSL, Company

Exhibit 8: Gross margin remained flat QoQ at 27.5%



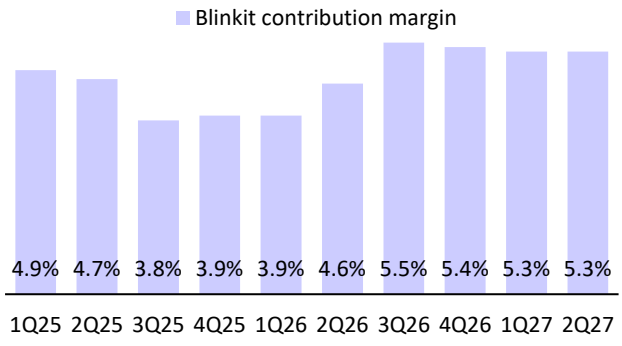
Source: MOFSL, Company

Exhibit 9: Blinkit revenue grew to INR191.5b in 2QFY27



Source: MOFSL, Company

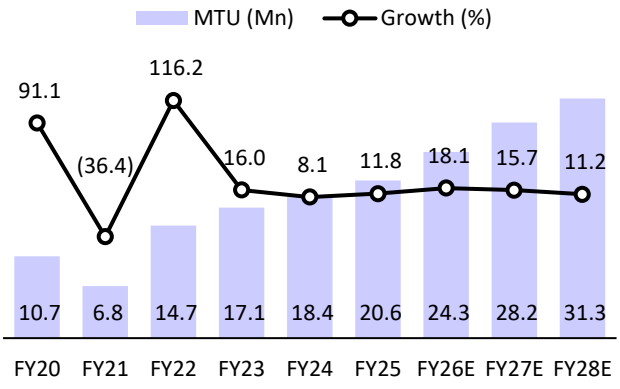
Exhibit 10: Blinkit contribution margin remained flat at 5.3%



Source: MOFSL, Company

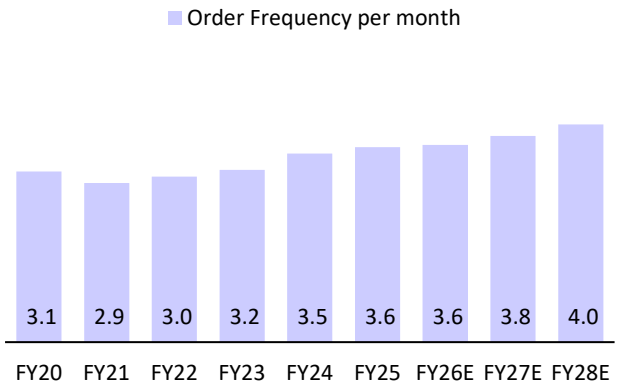
Our estimates

Exhibit 1: Expect double-digit growth in FD MTU



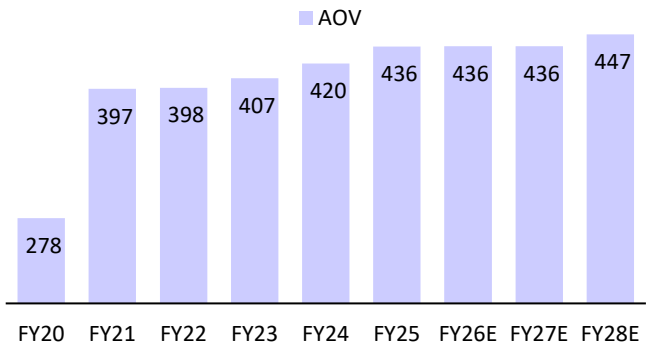
Source: MOFSL, Company

Exhibit 2: Order frequency to remain stable in FY27



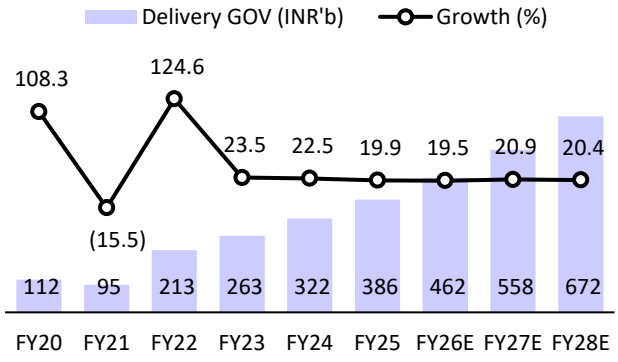
Source: MOFSL, Company

Exhibit 3: AOV to grow steadily



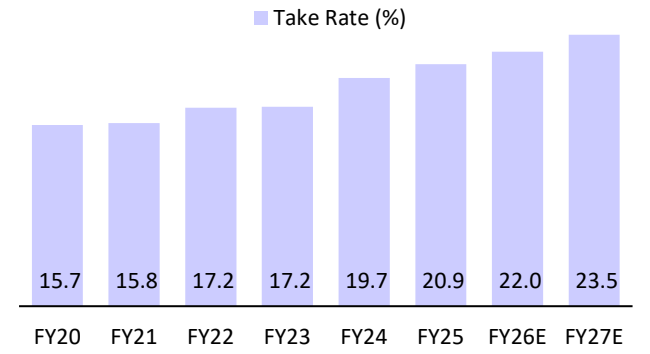
Source: MOFSL, Company

Exhibit 4: Strong GOV growth



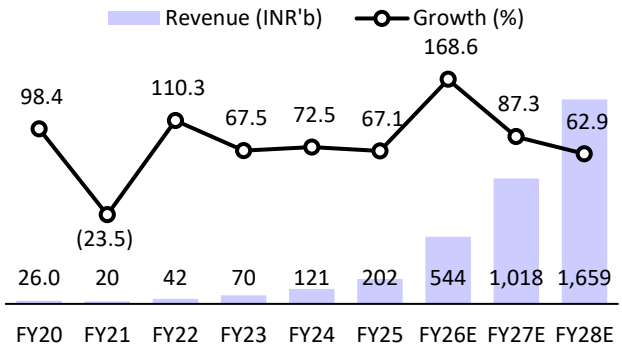
Source: MOFSL, Company

Exhibit 5: Take rates to increase to 23.5% by FY27E



Source: MOFSL, Company

Exhibit 6: Est. revenue growth of 87%/63% in FY27E/FY28E



Source: MOFSL, Company



Key highlights from the management commentary

Demand and growth outlook

- FD NOV growth accelerated for the fifth straight quarter to ~21.5% YoY, within management's 20%+ long-term range.
- Blinkit NOV growth has moderated for three quarters to ~79% YoY on a larger base. Management expects growth to pick up from 3Q as new stores ramp up.
- Management is tracking two quarters ahead of the ~60% NOV CAGR guidance, but said it is too early to revise it upward.
- Blinkit's NOV share from the top eight cities is declining directionally, though larger markets still show strong NOV and MTU growth.
- Consolidated adjusted EBITDA rose ~197% YoY (~20% QoQ) to ~INR6.7b, as Blinkit turned profitable and FD margins were steady.
- PAT was ~INR1.3b vs. ~INR 0.7b in 2QFY26, as higher depreciation, finance cost and ~INR2.0b in tax expense absorbed part of the EBITDA gain.
- Tax has risen as the standalone entity's carried-forward losses will be fully utilized in FY27, while subsidiaries still carry accumulated business losses.
- Closing cash balance fell by ~INR18.1b QoQ to ~INR164.8b, mainly on a seasonal rise of ~INR14.6b in working capital from Blinkit's festive inventory and food delivery settlement timing.
- Capex rose to ~INR9.4b (from ~INR7.1b in 1Q) on faster dark store expansion, while mark-to-market losses on debt securities were called accounting movements, as they are held to maturity.

- The Board approved the transfer of the Going-out India business to Zomato Entertainment via a slump sale, with no impact on 2Q results. The auditor highlighted GST demands of ~INR5.5b on delivery charges, which management is contesting with an unmodified opinion.
- **FD:** NOV grew ~21.5% YoY to ~INR114.5b, while adjusted EBITDA rose ~25% YoY to ~INR6.3b at a ~5.5% margin (down ~10 bps QoQ).
- Competitive intensity was higher in 2Q than in recent quarters, partly driven by new entrants, and management said it is equally surprised by players entering a fairly penetrated category.
- Management is deliberately reinvesting in growth and expects margins to stay broadly flat over the next 1-2 years, targeting higher absolute EBITDA rather than margin.
- Growth is volume-led, with average monthly transacting customers up ~16% YoY to ~28m, and more first-time users coming from outside the top eight cities.
- Management sees limited agentic risk, as over 65% of app opens are exploratory and repeat carts are in low single digits. Agent traffic is negligible, with no plan to block it.
- Management declined to comment on whether ~20-23% YoY growth is a fair run-rate for 2HFY27.
- **Blinkit (Quick Commerce):** NOV grew ~79.3% YoY (~22.2% QoQ) to ~INR209.4b, with orders at ~398.9m and net AOV stable at ~INR525.
- Adjusted EBITDA improved for the sixth straight quarter to ~INR1.8b (~0.9% of NOV) vs. ~INR1.6b loss last year, while contribution was flat QoQ at ~5.3% as new stores weigh on early-stage margins.
- 308 net stores were added to reach 2,751. Management now expects to cross 3,500 stores by Mar'27 (earlier 3,000) and ~5,000 by Mar'28.
- Expansion is skewed to smaller cities, where stores reach ~1,000 orders per day as fast as in metros, net AOV is ~85-90% of metro levels, and retention and paybacks are strong.
- AOV: Tier 1 assortment expansion offsets lower AOVs in new cities. Management indicated that new cities generally have AOVs at 10-15% below those in larger cities. This is partly offset by assortment expansion in Tier 1 markets, which supports higher AOVs. Gourmet stores have also expanded to Bengaluru and Mumbai but their share of orders remains too small to materially affect overall AOV.
- Management said faster store addition from 3Q should not hurt near-term margins, with mature cities already above 5% margin and cities contributing ~70% of NOV EBITDA positive.
- NOV per store per day rose to ~INR0.9m against a steady-state target of ~INR1.1m, and 90-95% of SKUs are now 1P. Management maintained its FY29 EBITDA guidance of USD1b without further comment.
- **Hyperpure:** Revenue grew ~12.8% YoY (~22.7% LFL, ~11.6% QoQ) to ~INR11.5b, supported by a lower base from the Blinkit 1P shift. Adjusted EBITDA turned positive at ~INR0.1b (~0.9% of revenue) vs. ~INR0.05b loss last year.
- The restaurant base grew to ~85,000 from ~62,000 a year ago, helped by two-hour delivery in all major cities (~25% of orders).
- Management sees steady share gains as restaurants formalize procurement, since every order is fully invoiced and traceable. Hyperpure is expanding beyond

ingredients into 3PL services and turnkey kitchen setups, competing on reliability, speed and quality rather than price.

- **Going-out (District):** NOV grew ~58% YoY (~1.3% QoQ) to ~INR32.6b, while revenue grew ~61% YoY to ~INR3.0b but fell ~4.4% QoQ. Adjusted EBITDA loss was flat QoQ at ~INR0.6b, with margin improving to -2.0% of NOV from -3.1% a year ago.
- Management said the business is on track for EBITDA breakeven within the 4-6 quarter guidance given in Jan'26. District sits in the medium-to-high agentic risk zone, as tables and tickets exist independently of the platform, so durability is expected to come from physical infrastructure.
- **Others** (Bistro, Nugget): Revenue rose to INR1.3b from ~INR1.0b in 1Q, while the EBITDA loss narrowed marginally to ~INR0.91b from ~INR0.94b.
- It sits within Eternal and is not yet monetized, and its costs in Others are not meaningful. Capex is expected to be mainly hardware and compute, seen as small unless the response is strong.
- Management called it a "zero-one" bet, which will scale up globally if it works and be shut down if it does not.
- Management expects the next ~12 months to show whether dark.ai and Nugget (enterprise AI) become meaningful, and said the balance sheet can fund them if returns on capital are visible.
- Dark.ai: New AI product remains an early-stage opportunity. The product is being developed within Eternal and is expected to launch in the coming months. It uses open-source models that are fine-tuned, with an application built on top.
- Management sees potential for a high gross-margin business, but monetization and investment plans will depend on customer response. Significant additional spending on compute and GPUs would be required only if the product sees strong traction.

Valuation and view

- Eternal's FD business remains stable, while Blinkit continues to offer a long runway to participate in the structural shift in retail, grocery, and e-commerce. We trim our FY27 EPS estimate, **driven by a substantially higher tax rate in 2Q, as standalone parent level has exhausted all tax shields in carried forward losses in FY27** and standalone entity profits will now be taxed at the full tax rate. While competitive intensity remains elevated, competition is becoming more predictable, and the business model appears established, with a clearer path to structurally higher margins.
- We continue to factor in management's long-term growth trajectory of 60%+ NOV growth for the QC business, along with gradual margin expansion through store maturity and operating leverage. We expect Eternal to report PAT margins of 0.8%/1.4% in FY27/28. Our **TP of INR420** implies a 35% upside from the current price. We reiterate our **BUY rating**.

Exhibit 7: Summary of our revised estimates

	Revised estimates		Earlier estimates		Change (%/bp)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue (INR m)	10,18,450	16,58,720	9,65,045	14,49,865	5.5%	14.4%
EBITDA (INR m)	33,790	67,481	38,488	78,999	-12.2%	-14.6%
EBITDA Margin	3.3	4.1	4.0	5.4	-67bp	-138bp
PAT	8,030	23,760	18,485	42,938	-56.6%	-44.7%
PAT Margin	0.8	1.4	1.9	3.0	-113bp	-153bp
EPS	0.9	2.6	2.0	4.7	-56.6%	-44.7%

Exhibit 8: SoTP-based TP at INR420

Assumptions and Valuation	Food Delivery	Q-commerce	Other businesses	Cash	Total
Valuation methodology	Valued at EV/EBITDA multiple	Valued at EV/EBITDA multiple	Ascribing ~USD1bn value to hyperpure, going out, and any other residual business		
EV/EBITDA multiple	35x	60x			
EV (INR m)	11,63,651	19,65,063	94,000	1,64,750	
Contribution (INR rounded)	**143**	**241**	**12**	**20**	**420**

Source: MOFSL

Financials and valuations

Revenue Model							(INR Mn)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
MTU (Mn)	14.7	17.1	18.4	20.6	24.3	28.2	31.3
Order Frequency	3.0	3.2	3.5	3.6	3.6	3.8	4.0
Orders/ Month	44.7	54.0	63.9	73.9	88.2	106.7	125.3
Orders/ Year	537	648	766	886	1,059	1,280	1,504
AOV	398	407	420	436	436	436	447
Delivery GOV	**2,13,565**	**2,63,381**	**3,22,039**	**3,86,430**	**4,61,631**	**5,58,160**	**6,72,270**
Take Rate (%)	17.2	17.2	19.7	20.9	22.0	23.5	23.0
Delivery Revenue	**36,645**	**45,381**	**63,572**	**80,796**	**1,01,582**	**1,31,028**	**1,54,622**
Blinkit Revenue	0	8,058	23,020	52,060	3,77,790	8,22,645	14,27,259
Hyperpure revenue	5,376	15,061	31,720	61,960	53,660	45,833	51,605
Others	-97	2,294	2,828	7,614	10,608	18,944	25,234
Revenue	**41,924**	**70,794**	**1,21,140**	**2,02,430**	**5,43,640**	**10,18,450**	**16,58,720**

Income statement							(INR Mn)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Sales	**41,924**	**70,794**	**1,21,140**	**2,02,430**	**5,43,640**	**10,18,450**	**16,58,720**
Change (%)	110.3	68.9	71.1	67.1	168.6	87.3	62.9
Inventory of traded goods	5,246	13,952	28,820	55,650	3,01,670	6,55,407	11,70,352
Other direct expenses	-14,125	2,173	19,990	38,340	90,650	1,35,275	1,81,150
Gross Profit	**2,206**	**16,823**	**36,580**	**63,920**	**1,27,060**	**1,79,154**	**2,36,427**
% of Net Sales	5.3	23.8	30.2	31.6	23.4	17.6	14.3
Other Expenses	20,714	28,936	36,160	57,544	1,14,980	1,45,364	1,68,946
EBITDA	**-18,508**	**-12,113**	**420**	**6,376**	**12,080**	**33,790**	**67,481**
% of Net Sales	-44.1	-17.1	0.3	3.1	2.2	3.3	4.1
Depreciation	1,503	4,369	5,260	8,630	15,970	26,084	41,468
EBIT	**-20,011**	**-16,482**	**-4,840**	**-2,254**	**-3,890**	**7,706**	**26,013**
% of Net Sales	-47.7	-23.3	-4.0	-1.1	-0.7	0.8	1.6
Other Income (net)	4,829	6,328	7,750	9,230	10,040	8,200	8,000
PBT	**-15,182**	**-10,154**	**2,910**	**6,976**	**6,150**	**15,906**	**34,013**
Tax	20	-436	-600	1,700	2,490	7,876	10,253
Rate (%)	-0.1	4.3	-20.6	24.4	40.5	49.5	30.1
PAT	**-15,202**	**-9,718**	**3,510**	**5,276**	**3,660**	**8,030**	**23,760**
Extraordinary gains/loss	2,974	1	0	0	0	0	0
Adjusted PAT	**-12,228**	**-9,717**	**3,510**	**5,276**	**3,660**	**8,030**	**23,760**
Minority Interest	3	-3	0	0	0	0	0
Reported PAT	**-12,225**	**-9,720**	**3,510**	**5,276**	**3,660**	**8,030**	**23,760**

Balance Sheet							(INR Mn)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Share capital	7,643	8,364	8,680	9,070	9,190	9,190	9,190
Reserves	1,57,412	1,86,234	1,95,450	2,94,100	3,00,610	3,08,640	3,32,401
Net Worth	**1,65,055**	**1,94,598**	**2,04,130**	**3,03,170**	**3,09,800**	**3,17,830**	**3,41,591**
Minority Interest & Others	-66	-66	-70	-70	-70	-70	-70
Loans	0	58	0	0	0	0	0
Capital Employed	**1,64,989**	**1,94,590**	**2,04,060**	**3,03,100**	**3,09,730**	**3,17,760**	**3,41,521**
Net Block	**1,157**	**6,432**	**9,950**	**29,340**	**64,630**	**79,907**	**1,04,788**
Intangibles	12,892	57,071	54,710	66,490	63,480	57,765	49,471
Other LT assets	83,771	44,174	1,14,320	1,43,390	1,22,250	1,28,250	1,37,250
Curr. Assets	**75,450**	**1,08,310**	**54,580**	**1,17,010**	**1,57,000**	**1,91,447**	**2,33,474**
Debtors	1,599	4,569	7,940	19,460	17,640	44,644	72,711
Cash & Bank Balance	3,923	2,181	3,090	6,660	9,960	14,610	18,718
Investments	28,149	52,837	17,020	52,200	56,180	46,180	26,180
Other Current Assets	41,779	48,723	26,530	38,690	73,220	86,012	1,15,865
Current Liab. & Prov	**8,281**	**21,397**	**29,500**	**53,130**	**97,630**	**1,39,607**	**1,83,461**
Net Current Assets	**67,169**	**86,913**	**25,080**	**63,880**	**59,370**	**51,840**	**50,013**
Application of Funds	**1,64,989**	**1,94,590**	**2,04,060**	**3,03,100**	**3,09,730**	**3,17,760**	**3,41,521**

E: MOFSL Estimates

Financials and valuations

Ratios							
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Basic (INR)							
EPS	**-1.7**	**-1.2**	**0.4**	**0.6**	**0.4**	**0.9**	**2.6**
Cash EPS	-1.5	-0.7	1.0	1.6	2.2	3.7	7.2
Book Value	22.6	24.1	23.7	33.8	34.0	34.8	37.5
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)							
P/E	NA	NA	764.6	530.1	776.8	354.1	119.7
Cash P/E	NA	NA	306.0	201.1	144.8	83.3	43.6
EV/EBITDA	NA	NA	6,382.3	437.6	234.5	83.7	41.9
EV/Sales	54.2	35.5	22.1	13.8	5.2	2.8	1.7
Price/Book Value	13.8	12.9	13.1	9.2	9.2	8.9	8.3
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profitability Ratios (%)							
RoE	(9.9)	(5.4)	1.8	2.1	1.2	2.6	7.2
RoCE	(16.2)	(8.6)	(2.8)	(0.6)	(0.7)	1.1	4.9
Turnover Ratios							
Debtors (Days)	14	24	24	35	12	16	16
Fixed Asset Turnover (x)	36.2	11.0	12.2	6.9	8.4	12.7	15.8

Cash Flow Statement							(INR Mn)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
CF from Operations	-9,413	-6,681	5,280	14,010	18,600	25,914	57,228
Cash for Working Capital	2,483	-1,759	1,180	-10,930	-12,280	2,180	-14,066
Net Operating CF	**-6,930**	**-8,440**	**6,460**	**3,080**	**6,320**	**28,094**	**43,163**
Net Purchase of FA	-572	-1,014	-2,020	-9,310	-17,460	-35,646	-58,055
Free Cash Flow	**-7,502**	**-9,454**	**4,440**	**-6,230**	**-11,140**	**-7,551**	**-14,892**
Net Purchase of Invest.	-78,806	5,587	-1,450	-70,620	22,820	18,260	25,000
Net Cash from Invest.	**-79,378**	**4,573**	**-3,470**	**-79,930**	**5,360**	**-17,386**	**-33,055**
Proc. from equity issues	90,000	40	230	85,010	0	0	0
Proceeds from LTB/STB	-13	-231	-400	0	0	0	0
Others	-2,489	-1,083	-1,900	-4,590	-8,420	-6,060	-6,000
Dividend Payments	0	0	0	0	0	0	0
Cash Flow from Fin.	**87,498**	**-1,274**	**-2,070**	**80,420**	**-8,420**	**-6,060**	**-6,000**
Net Cash Flow	**1,190**	**-5,141**	**920**	**3,570**	**3,260**	**4,649**	**4,108**
Opening Cash Bal.	**3,065**	**3,923**	**2,181**	**3,091**	**6,661**	**9,961**	**14,610**
Forex differences	-332	3,399	-10	0	40	0	0
Add: Net Cash	1,190	-5,141	920	3,570	3,260	4,649	4,108
Closing Cash Bal.	**3,923**	**2,181**	**3,091**	**6,661**	**9,961**	**14,610**	**18,718**

E: MOFSL Estimates

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SELL	< - 10%
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