

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.

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

Keval Bhagat - Research Analyst (Keval.Bhagat@MotilalOswal.com) | **Suket Kothari - Research Analyst** (Suket.Kothari@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/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- **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

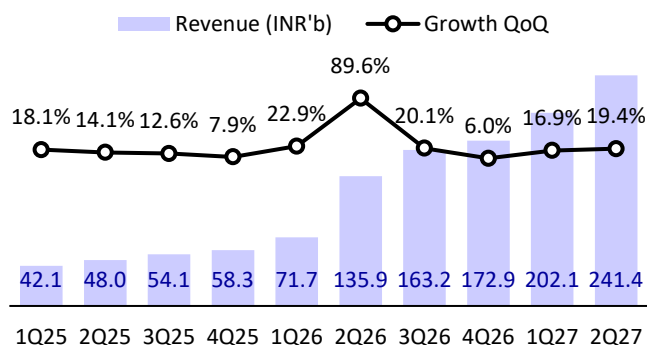
(INR M)

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

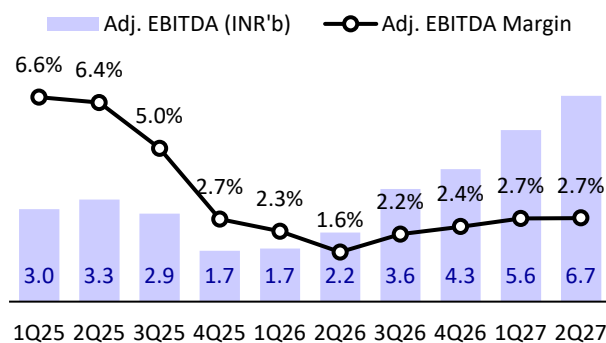
Overall business

Exhibit 1: Eternal revenue grew 19.4% QoQ



Source: MOFSL, Company

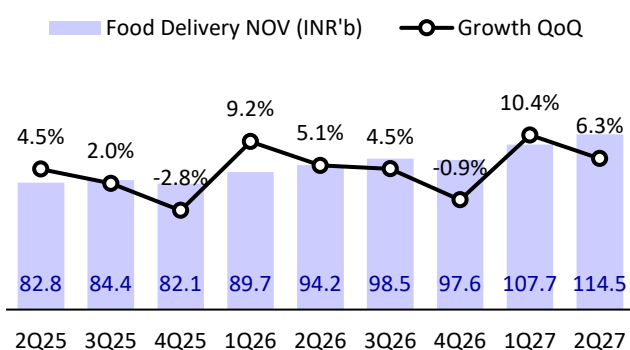
Exhibit 2: Adj. EBITDA margin remained flat at 2.7%



Source: MOFSL, Company

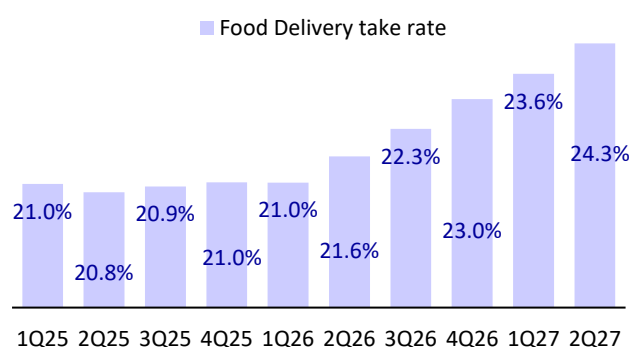
Food Delivery

Exhibit 3: FD NOV grew 6.3% QoQ



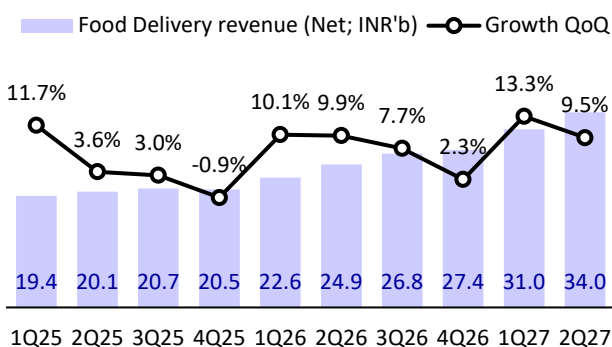
Source: MOFSL, Company

Exhibit 4: Take rate expanded 70bp QoQ



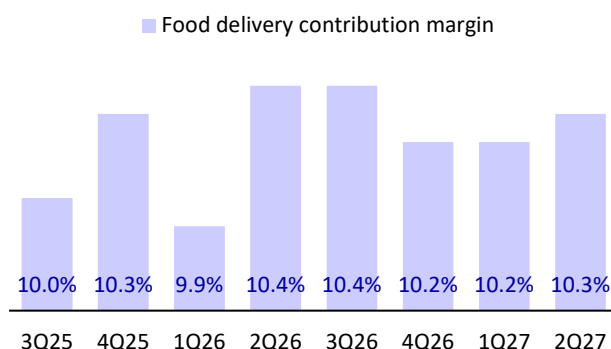
Source: MOFSL, Company

Exhibit 5: FD revenue grew 9.5% QoQ



Source: MOFSL, Company

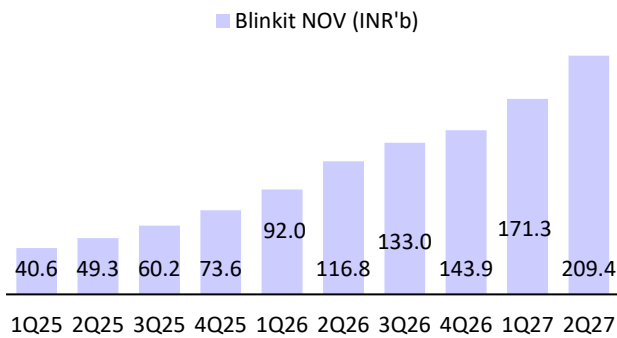
Exhibit 6: Contribution margin increased 10bp QoQ



Source: MOFSL, Company

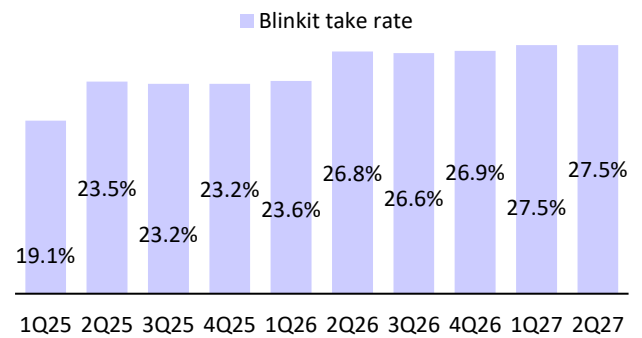
Blinkit

Exhibit 7: NOV saw healthy growth of 22% QoQ



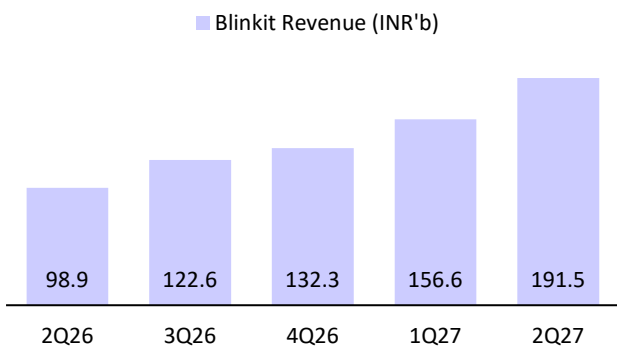
Source: MOFSL, Company

Exhibit 8: Gross margin remained flat QoQ at 27.5%



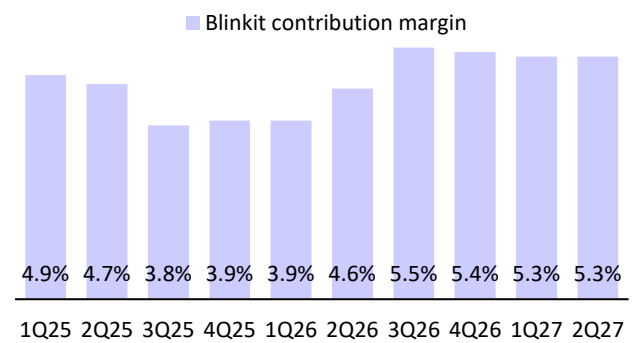
Source: MOFSL, Company

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



Source: MOFSL, Company

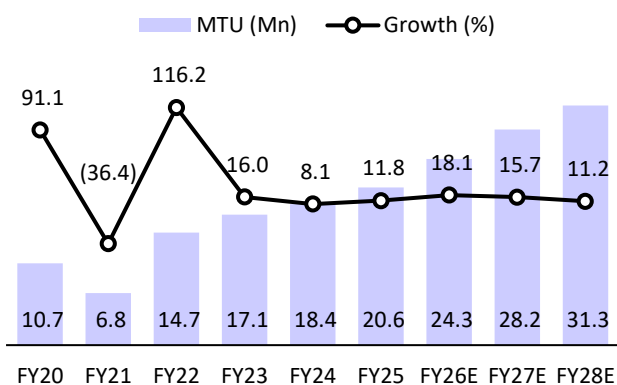
Exhibit 10: Blinkit contribution margin remained flat at 5.3%



Source: MOFSL, Company

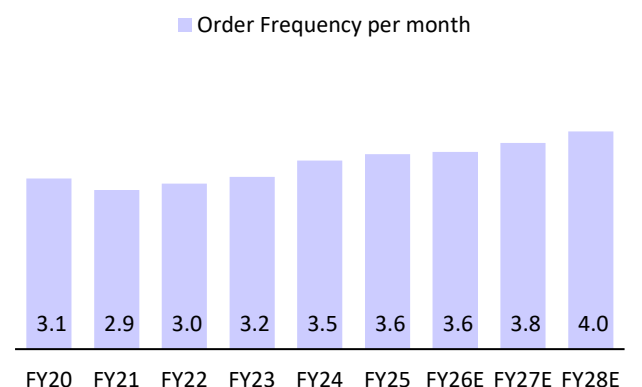
Our estimates

Exhibit 1: Expect double-digit growth in FD MTU



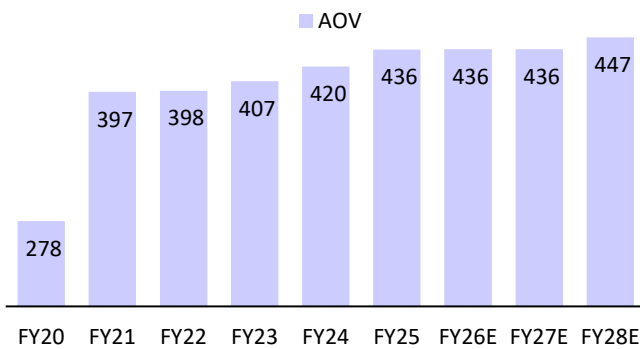
Source: MOFSL, Company

Exhibit 2: Order frequency to remain stable in FY27



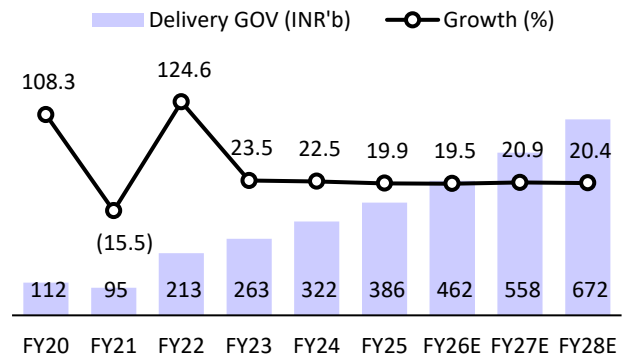
Source: MOFSL, Company

Exhibit 3: AOV to grow steadily



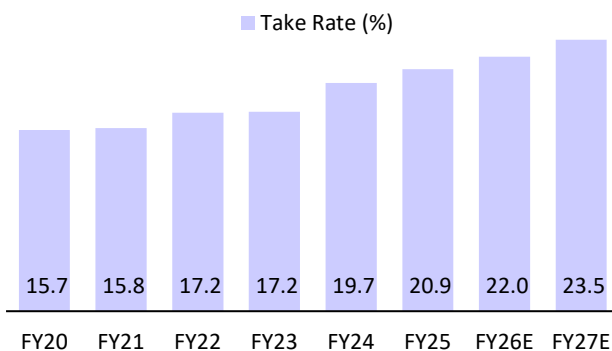
Source: MOFSL, Company

Exhibit 4: Strong GOV growth



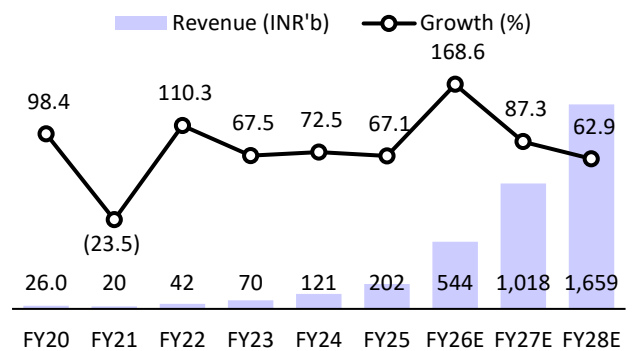
Source: MOFSL, Company

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
	Valued at EV/EBITDA multiple	Valued at EV/EBITDA multiple	Ascribing ~USD1bn value to hyperpure, going out, and any other residual business		
Valuation methodology					
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

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).

Motional Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL 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 and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.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>. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

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

Regional Disclosures (outside India)

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

For Hong Kong:

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

For U.S.

Motional 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

- 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
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- 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.
- 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.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
- 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.
- MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
- 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 alternations 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, enlistment as RA with Exchange 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
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@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, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. 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.