MOTILAL OSWAL
FINANCIAL SERVICES

20 September 2024
Update | Healthcare

Max Healthcare

BSE SENSEX	S&P CNX
84,544	25,791

MAX Healthcare

Bloomberg	MAXHEALT IN
Equity Shares (m)	972
M.Cap.(INRb)/(USDb)	1038 / 12.4
52-Week Range (INR)	1090 / 531
1, 6, 12 Rel. Per (%)	17/23/63
12M Avg Val (INR M)	1698
Free float (%)	76.3

Financials Snapshot (INR b)

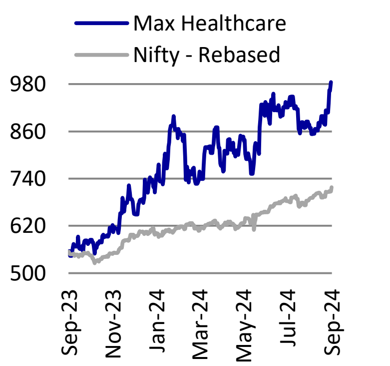
Y/E MARCH	FY24	FY25E	FY26E
Sales	68.2	83.6	100.6
EBITDA	18.7	22.2	26.8
Adj. PAT	13.3	15.2	18.6
EBIT Margin (%)	23.3	21.4	21.9
Cons. Adj. EPS (INR)	13.7	15.6	19.1
EPS Gr. (%)	18.6	13.9	22.4
BV/Sh. (INR)	95.9	111.4	130.5
Ratios			
Net D:E	(0.0)	0.1	(0.1)
RoE (%)	15.3	15.1	15.8
RoCE (%)	13.5	13.3	14.6
Payout (%)	0.0	0.0	0.0
Valuations			
P/E (x)	72.3	63.5	51.9
EV/EBITDA (x)	51.3	43.6	35.6
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	(0.3)	(0.5)	1.8
EV/Sales (x)	14.1	11.6	9.5

Shareholding Pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	23.7	23.8	23.8
DII	15.4	15.0	11.9
FII	57.0	57.3	59.9
Others	3.9	4.0	4.5

FII includes depository receipts

Stock Performance (1-year)



CMP: INR1,068 TP: INR1,240 (+16%) Buy

On an expansion spree

- **Max Healthcare (MAXHEALT) has aggressively increased its bed capacity through both organic and inorganic routes over the past three years.**
- **Going forward, MAXHEALT plans to add 2,400 beds to its total bed capacity of ~6,700, with a capex of INR40-45b over the next 3-4 years.**
- **Despite heavy capex, the company has comfortably maintained its liquidity position.**
- **MAXHEALT has strategically expanded its presence in the UP market over the past six months and has established itself as a key player in this market.**
- **We value MAXHEALT on an SOTP basis (35x EV/12M forward EBITDA for the hospital business, 26x EV/12M forward EBITDA for Maxlab, and 6x EV/sales for Max@Home) to arrive at our TP of INR1,240. Reiterate BUY.**

Expansion in the western and northern regions augurs well

- MAXHEALT has aggressively increased its bed capacity through both organic and inorganic means. Since FY21, the total bed capacity has risen by 931, reaching 4,302 beds, of which ~81% were added through inorganic means.
- Since FY21, the company has acquired five hospitals with a combined bed capacity of 1,950 at a total cost of INR30b. The acquired entities also include land parcels, which will allow for further expansion of bed capacity over time. This expansion has been financed through a mix of internal accruals and external debt. Despite such major investment, the company maintains a strong liquidity position, with scope for further expansion.
- Over the next 3-5 years, the company plans to increase its bed capacity by ~55-60%, with a total investment of INR40-45b.
- The synergies from current facilities, combined with a strong liquidity position, will support the company in achieving growth both organically and inorganically.

Emerging as a dominant player in UP

- UP is the most populous state in India with a per capita income of INR93k as of FY24, according to NSDP.
- Although UP is ranked second in terms of healthcare expenditure, still the state is underpenetrated in terms of good healthcare infrastructure.
- Earlier MAXHEALT had a strong presence in the Delhi-NCR region. Over the past six months, MAXHEALT has become the dominant player in the UP market with acquisition of Sahara Hospital and Jaypee Healthcare.
- With these acquisitions, MAXHEALT is well positioned to cater to the patient pool of western and central UP.
- Further, the company is planning to add more beds, increase clinical talents, and improving capabilities in niche therapies.

Valuation and view

- MAXHEALT registered a robust 96% CAGR over FY21-24. We expect 20%/ 18% EBITDA/PAT CAGR over FY24-FY26 fueled by a higher ARPOB, addition of new beds, and improved occupancy at existing hospitals.
- We value the stock on an SOTP basis (35x 12M forward EV/EBITDA for the hospital business, 26x EV/EBITDA for the MaxLab business, and 6x EV/sales for Max@home) to arrive at our TP of INR1,240. **Reiterate BUY.**

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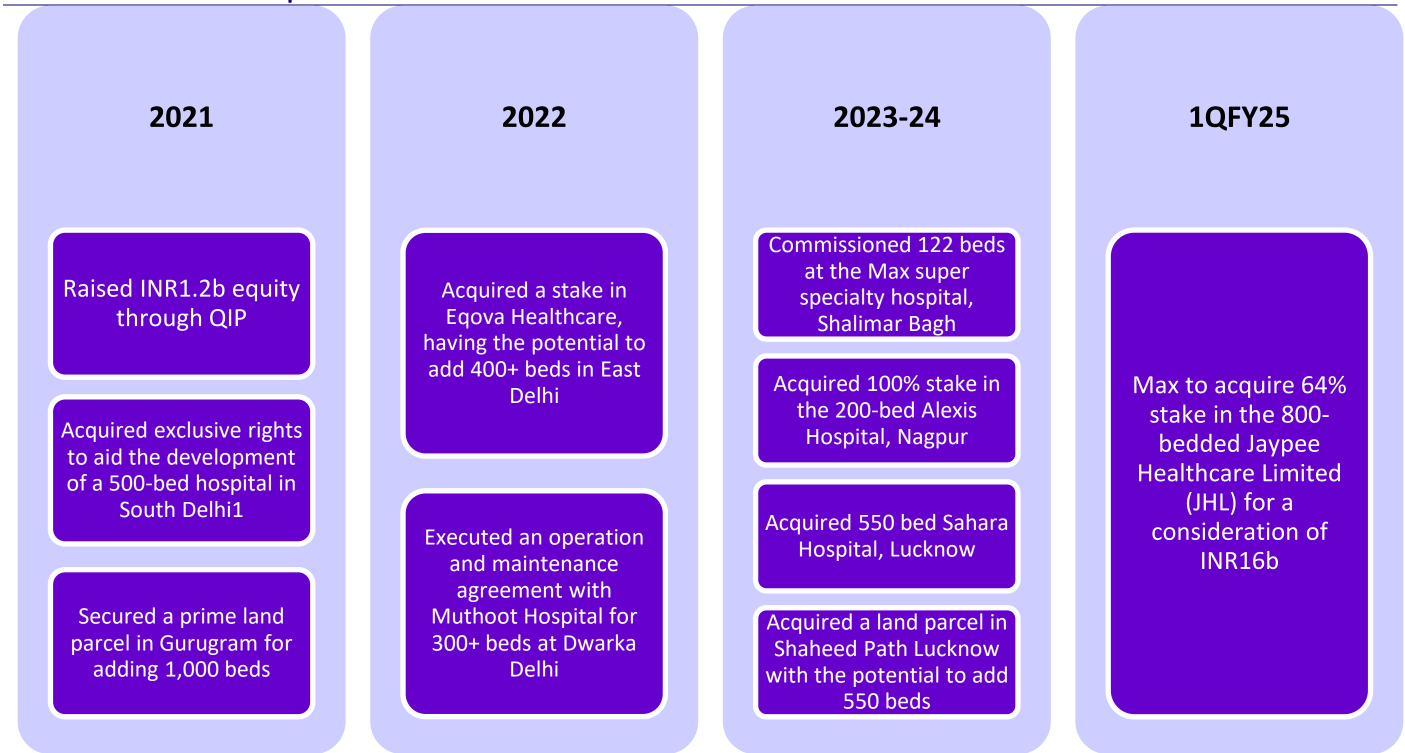
Growing aggressively in West/North India

- **MAXHEALT has aggressively increased its bed capacity through both organic and inorganic means. Since FY21, the total bed capacity has risen by 931, reaching 4,302 beds, of which ~81% were added through inorganic means.**
- **Since FY21, the company has acquired five hospitals with a combined bed capacity of 1,950 at a total cost of INR30b. While the beds are being added in a phased manner, the total bed additions from these hospitals would be ~1,950.**
- **This expansion has been financed through a mix of internal accruals and external debt. Despite such major investment, the company maintains a strong liquidity position, with scope for further expansion.**
- **The company plans to increase its bed capacity by ~55-60%, with a total investment of INR40-45b over the next 3-5 years, to reach 4,302 beds.**
- **Of the total planned expansion, ~79% of the total capacity will be brownfield in nature, while the remaining 21% will be greenfield expansion.**
- **Moreover, the company's liquidity position is expected to further strengthen after strong contribution from its new facilities.**

Exhibit 1: MAXHEALT's expansion timeline

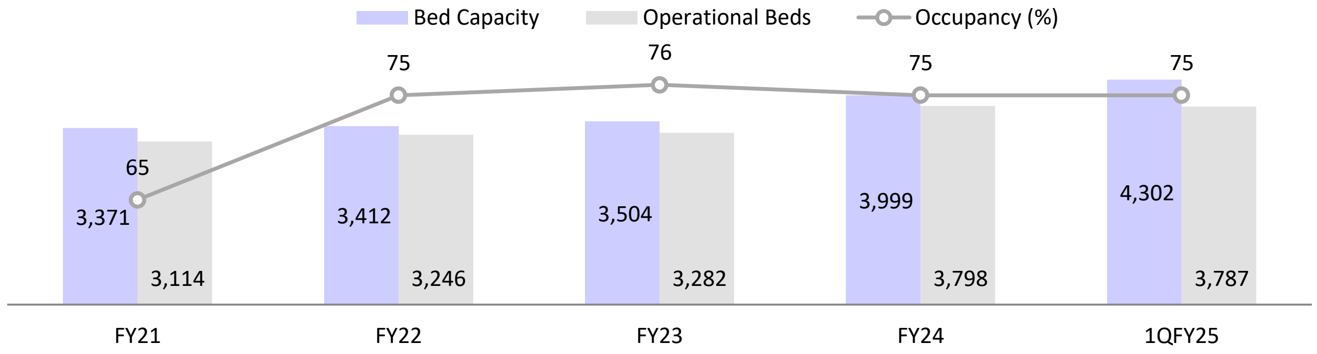


Source: MOFSL, Company

Expansion into new geographies to boost growth

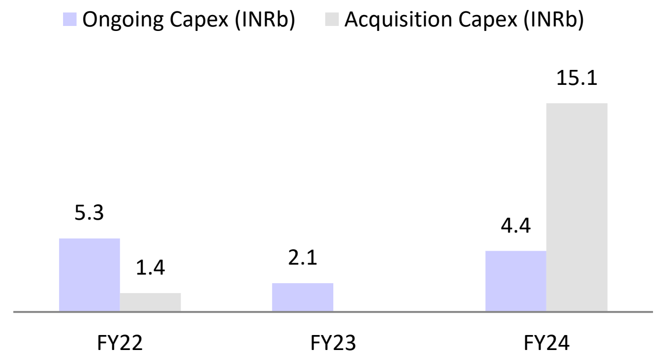
- Since FY21, the total bed capacity of MAXHEALT has increased by 27%, reaching 4,302 as of 1QFY25.
- Of the total capacity expansion, 753 beds are attributed to inorganic growth, while the remaining 178 beds result from organic growth as of 1QFY25.
- Since FY21, the cumulative capex for MAXHEALT stood at INR30b. Despite heavy capex, the company's net debt-to-EBITDA improved from 0.8x in FY21 to a net cash-to-EBITDA of 0.1x in FY24.

Exhibit 2: Aggressive bed capacity expansion to support growth



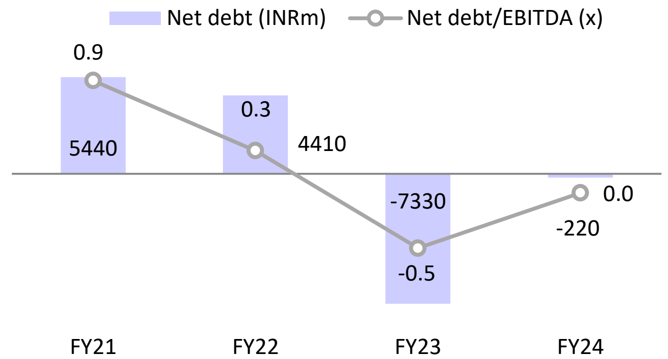
Source: MOFSL, Company

Exhibit 3: Despite significant capex…



Source: MOFSL, Company

Exhibit 4: …the company's liquidity position remained strong



Source: MOFSL, Company

- Recently, as part of its strategic expansion plan, MAXHEALT acquired a 64% stake in Jaypee Healthcare to gain control of operational hospitals (550 beds at Noida, 200 beds at Bulandshahr, and a 100-bed non-operational hospital at Anoopshahr). MAXHEALT will also gain access to a large land parcel (18 acres in Noida/5.7 acres in Bulandshahr), providing ample opportunity for future expansion.
- In FY24, MAXHEALT acquired a 550-bed hospital (with 250 beds currently operational) in Lucknow from Sahara, as well as a 200-bed hospital from Alexis Hospital in Nagpur. Both the facilities have sufficient land available for future brownfield capacity expansion.
- MAXHEALT acquired the 303-bed Dwarka Hospital in South Delhi in Feb'22 and commissioned it in Jul'24.
- Given its financial health, there is further scope for expansion for MAXHEALT.

Exhibit 5: Strong synergies from its past acquisitions

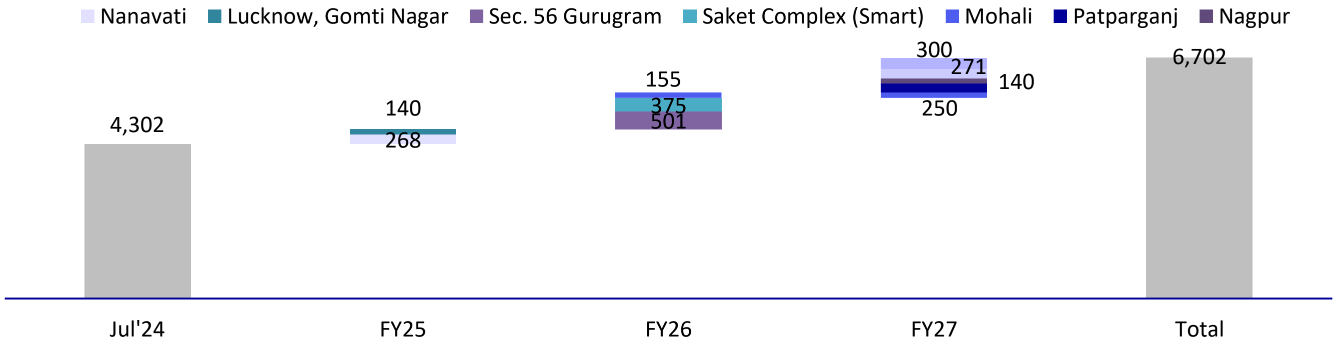
Company	Location	Year of acquisition	Cost of acquisition (INR m)	Synergy/Outlook
Jaypee Healthcare	Noida	Sep-24	16,000	❖ Acquired a 64% stake for an EV/EBITDA valuation of 24x
				❖ The 500-bed (376 operational beds) JHL, located on an 18-acre land parcel in Sector 128, Noida, is easily accessible from Delhi, Noida, and Yamuna Expressway.
Sahara Hospitals	Lucknow	Feb-24	9,400	❖ Max is doubling its bed capacity at a capex of INR7b in next 24 months
				❖ Max plans to operationalize another 140 beds by end-FY25E
				❖ MAXHEALT aims to tap into the burgeoning medical value travel segment by attracting patients from neighboring countries and the Middle East
Alexis Hospital	Nagpur	Feb-24	4,120	❖ Acquired 100% stake in the 200-bed Nagpur-based Alexis Hospital
				❖ The facility has the potential to be expanded to 340 beds on a land parcel of two acres.
Eqova Healthcare	Patparganj	Feb-22	470	❖ Under phase I, 250 beds will be commissioned in 1HFY26, and 150 beds will be operationalized under phase II.
				❖ Upfront purchase of 26% stake, with an Escrow mechanism set up for additional 34%.
				❖ The hospital will be located on NH24 expressway and falls on the metro corridor, ~300 meters from the IP Extension Metro Line. The site is close to the existing 402-bed Max Hospital, Patparganj, which has been consistently reporting high level of occupancies (more than 75%). The hospital shall thus have both revenue and cost synergies with the existing facility.
Dwarka	South Delhi	Jan-22	O&M for 300 beds	❖ The 303-bedded Phase I hospital was commissioned in Jul'24 and is spread across 8.62 acres of land. It has the potential to add another 1,000+ beds.
				❖ The hospital is equipped with high-end technology, 125 doctors, and ~480 medical staff.
				❖ The company expects breakeven in the next 6-9 months.
				❖ The rapidly growing urban population in Dwarka has integrated townships, group housing projects, and diplomatic enclave for 39 countries. Dwarka is well connected to the international airport, Delhi Metro, and the new Dwarka Expressway Project once completed. This will provide connectivity with Manesar and New Gurgaon as well.
Total			**29,990**	

Source: MOFSL, Company

Brownfield-focused expansion over the next 3-4 years

- MAXHEALT plans to add another 2,400 beds by FY27, reaching 6,702 beds for a cumulative capex of INR43b.
- The company plans to add ~580 beds in Maharashtra, 1,126 beds in Delhi, 440 beds in Lucknow, and 155 beds in Mohali.
- Of the total planned expansion, ~79% of the total capacity will be brownfield in nature, while the remaining 21% will be greenfield.
- The company has land parcels in Delhi, Greater Noida, Lucknow, Sector-53 Gurugram, and Mullanpur with the potential to add ~400-500 beds at each of these locations over a longer period.
- As of Mar’24, MAXHEALT was in a net cash position of INR18b, thus providing it enough headroom for capacity expansion.

Exhibit 6: MAXHEALT plans ~56% bed capacity expansion in the next 3-4 years

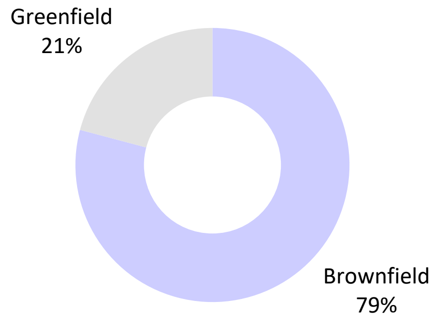


Source: MOFSL, Company

Status of expansion plans

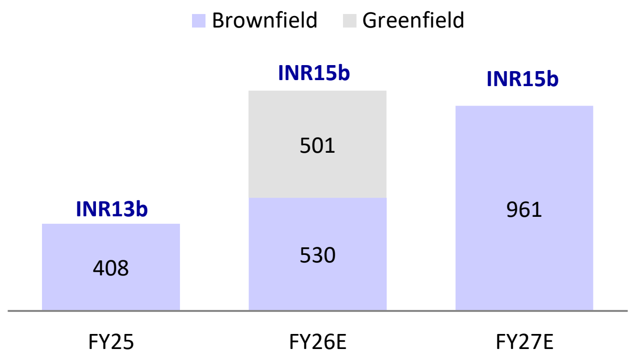
- **Lucknow Hospital (590 beds):** Finishing work for operationalizing additional 140 beds has started, while the refurbishing work on the existing facility is underway. The facility has received environmental clearance (EC) approval for setting up a new 450-bed tower, whose work is expected to complete within 24 months.
- **Max Vikrant Phase I (415 beds):** The company has received environmental clearance (EC) and consent to establish (CTE), while it is awaiting forest approval. The company expects delay due to ongoing litigation involving DDA and Delhi Government regarding cutting out trees in the eco-sensitive zone near Asola Bhati Wildlife Sanctuary and the Ridge areas without approval.
- **Max Smart – Saket (375 beds):** The site is fully mobilized and column installation has begun. The company expects project completion by 1QFY26.
- **Sector 56, Gurgaon Phase I (300 beds):** Basement slabs are nearing completion, and project completion for Phase I is expected by 2QFY26.
- **Nanavati Phase I (268 beds):** The project is expected to be completed by end-FY25.
- **Patparganj Phase I (250 beds):** Post issuance of the no objection certificate (NOC) by the fire and water departments, the company has submitted the drawings for approval.
- **Mohali (155 beds):** Work on the 2nd floor slab is underway, while the work on ramp area side is reaching ground level. The company expects completion by 1QFY26.
- **Nagpur hospital (140 beds):** The application for environmental clearance (EC) for adding 115 beds on two additional floors has been filed. It expects approval over the next 2-3 months and project completion in 24 months.

Exhibit 7: Brownfield-focused expansion to be margin accretive



Source: MOFSL, Company

Exhibit 8: Capex per bed likely to be INR18m



Source: MOFSL, Company

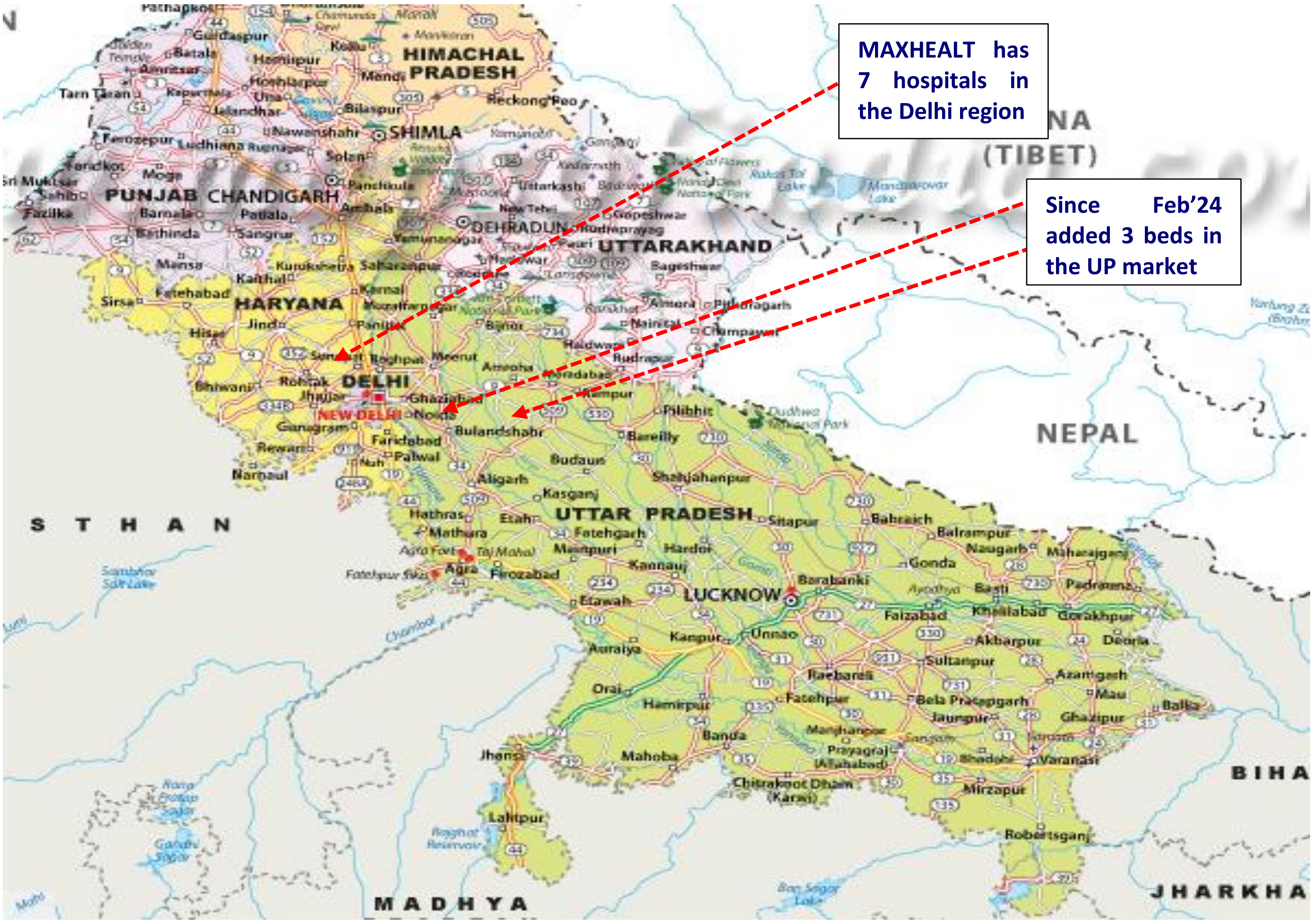
Emerging as a dominant player in UP

- **UP is the most populous state in India with a per capita income of INR93k as of FY24, according to NSDP.**
- **Although UP is ranked second in terms of healthcare expenditure, still the state is underpenetrated in terms of good healthcare infrastructure.**
- **Being a sizeable and lucrative market, several private players are exploring the UP healthcare market. Over the last six months, MAXHEALT has become the dominant player in the UP market with a series of acquisitions.**
- **In Feb'24, MAXHEALT acquired the Lucknow Hospital (550 beds) and in Sep'24, it acquired JHL (800 beds).**
- **With huge land parcels both at Lucknow and JHL (Noida, Bulandshahr, and Anoopshahr) MAXHEALT is investing in ramping up these facilities with new capacities.**
- **Further, the company is adding new clinical talents and new capabilities in niche therapies, which would drive growth in ARPOB over the medium term.**
- **Moreover, these acquisitions would aid MAXHEALT in expanding its footprint in north-western/central India and part of eastern UP.**

Aggressively tapping the UP market with a series of acquisitions

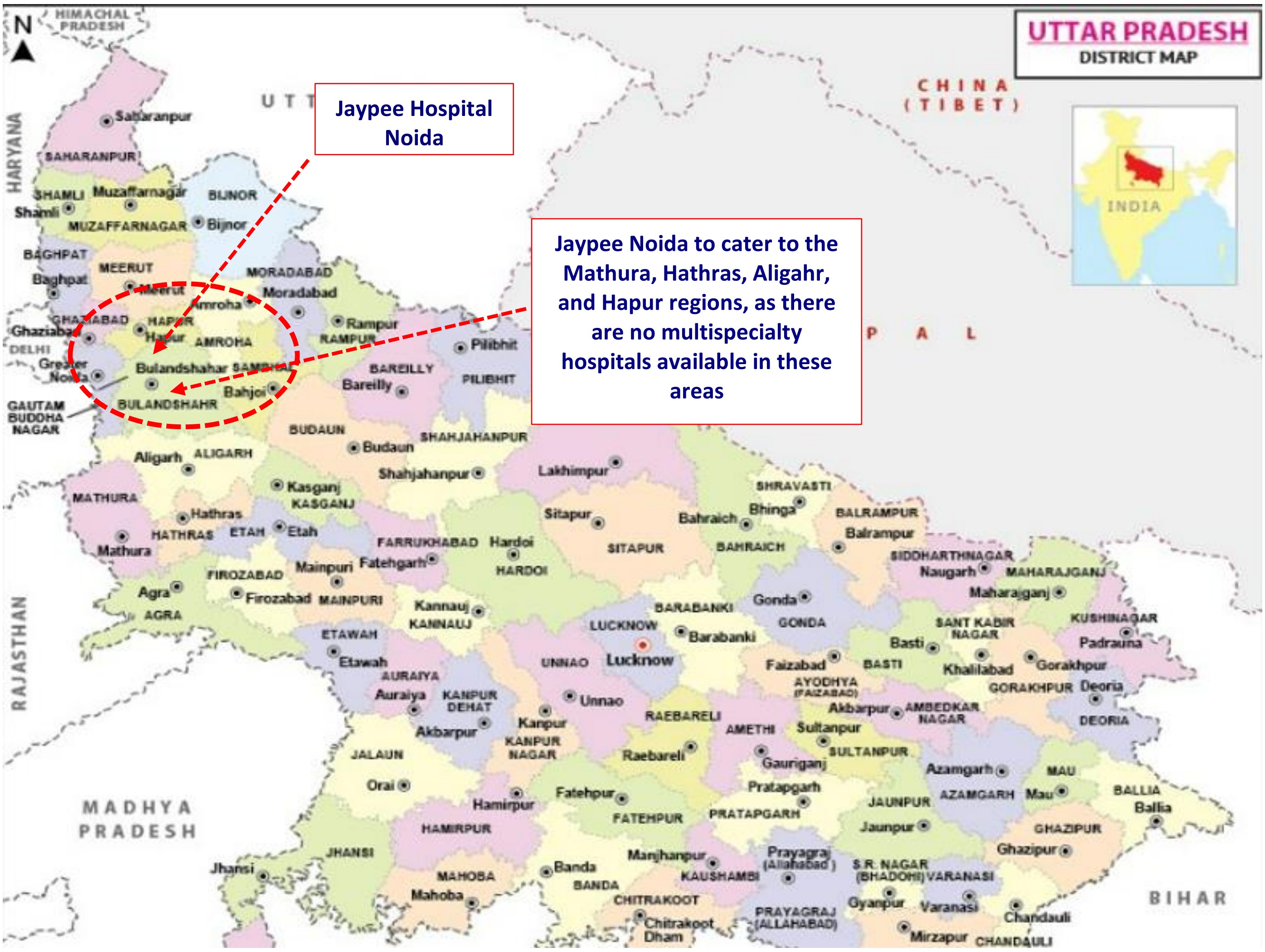
- UP is the most populous state in India with a per capita income of INR93k as of FY24, as per NSDP. Western UP has the highest per capita income in the state.
- According to the FY24 budget, UP is ranked second in terms of healthcare expenditure in India, standing at 7% of total spending.
- As per the National Health Profile 2022, UP is ranked among the top states in India to have the highest number of people diagnosed with NCDs at 0.9m.
- Over the past six months, MAXHEALT is aggressively expanding its footprint in the UP market and has emerged as a dominant player in this market.
- From Feb'24, MAXHEALT is on an acquisition spree in the UP market with the acquisition of the Sahara Hospital in Lucknow (550 beds in central UP). Subsequently, it acquired JHL (800 beds) in western UP near Noida.
- With these two acquisitions, MAXHEALT is well-positioned to penetrate the northwestern, central, and eastern UP, while also working to expand its capacity and capabilities to strengthen its presence in the overall UP market.

Exhibit 9: Expansion in the UP markets



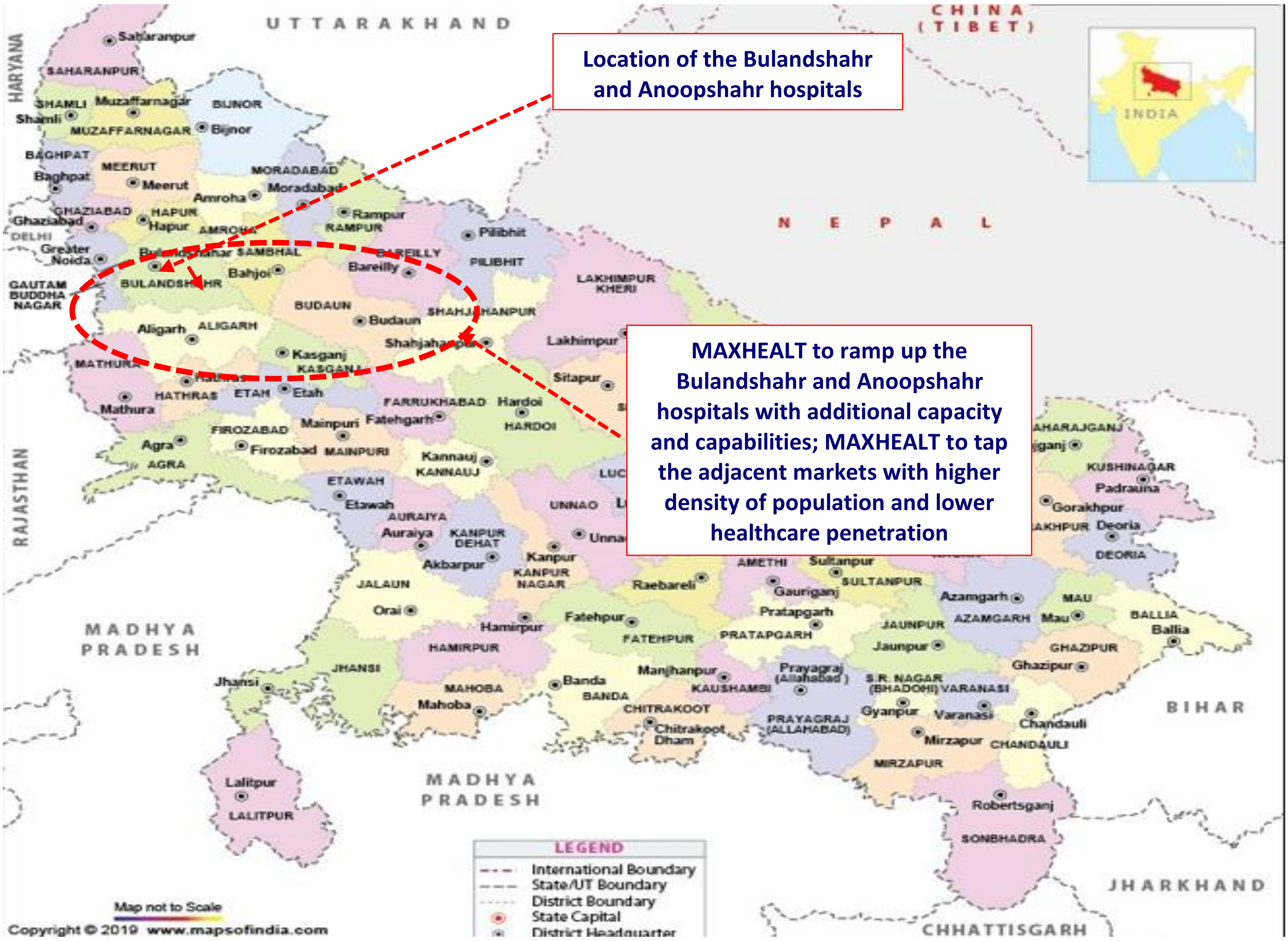
Source: MOFSL, Company

Exhibit 10: Noida Hospital to cater to the untapped markets, including Mathura/Hathras/Hapur/Aligarh



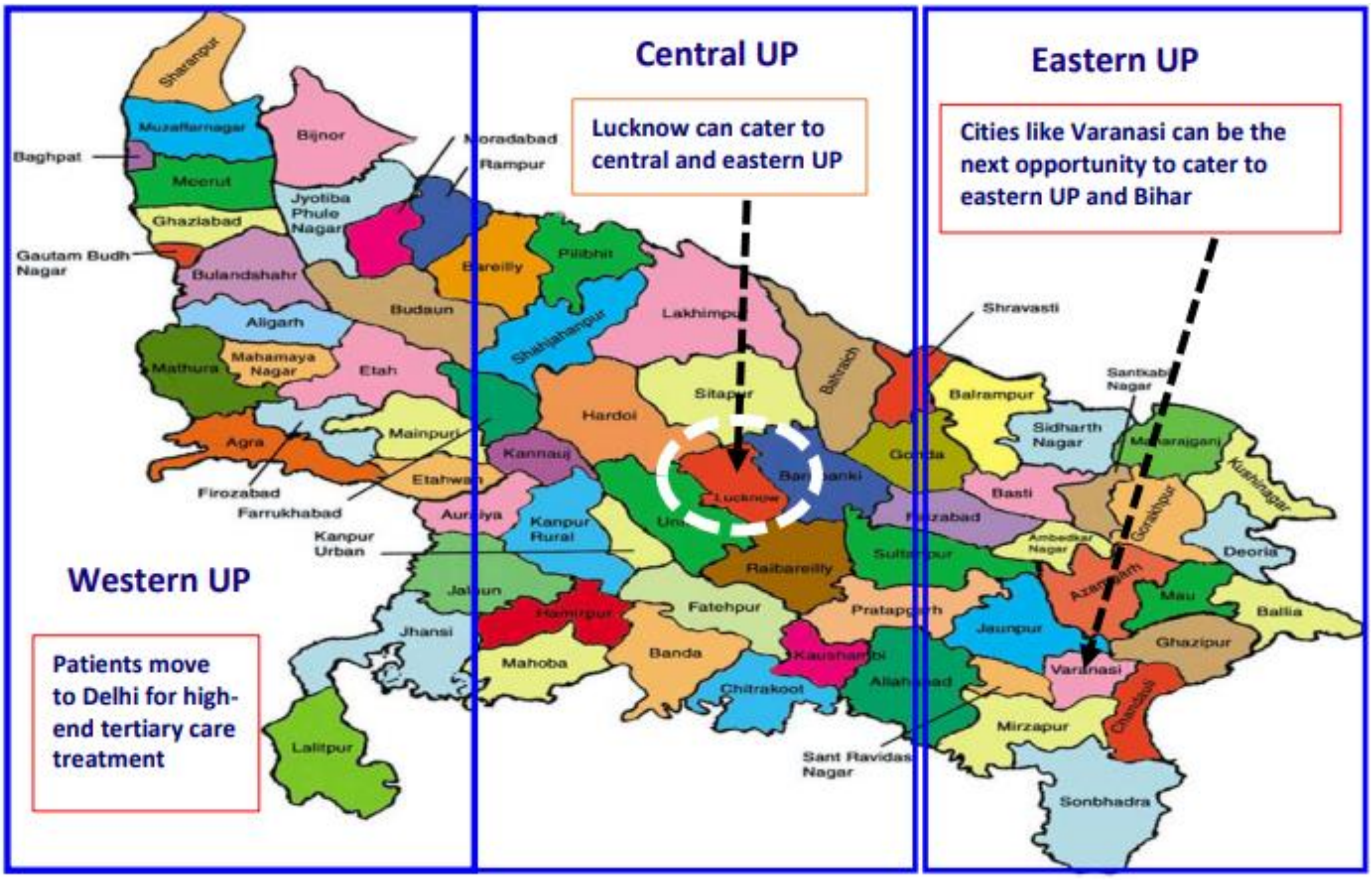
Source: MOFSL, Company

Exhibit 11: MAXHEALT to cover the northwestern UP market through its Bulandshahr and Anoopshahr hospitals



Source: MOFSL, Company, Bloomberg

Exhibit 12: Varanasi, Kanpur, and Gorakhpur could be the next destinations for the hospital industry



JHL's Noida Hospital located in the heart of the city

- MAXHEALT will acquire ~64% stake in JHL for an EV/EBITDA valuation of 24x (EV-INR16.6b) and organize debt for the repayment (CIRP – Corporate Insolvency Resolution Process) of admitted claims of JHL's financial creditors for a total outflow of INR16b.
- For FY24, JHL reported revenue of INR4.2b and EBITDA of INR700m, resulting in an EBITDA margin of 17%. MAXHEALT is expected to raise a short-term loan of up to ~INR10b to settle outstanding claims from JHL creditors.
- The 500-bed (376 operational beds) JHL, located on an 18-acre land parcel in Sector 128, Noida, is the flagship hospital and is easily accessible from Delhi, Noida, and Yamuna Expressway. The hospital offers specialties such as Oncology, Renal Sciences, Orthopedics, Cardiology, Neurology, and Diagnostic facilities.
- Following the acquisition, MAXHEALT has the potential to increase the bed capacity in the area to 1,200 in Noida.

JHL well placed to tap the north western UP market

- JHL operates a 200-bed multi-specialty hospital in Bulandshahr (UP) on 5.75 acres of land, and a non-operational hospital in Anoopshahr (UP) spanning 2.35 acres.
- Besides the JHL hospital in Bulandshahr, there is only one other multispecialty hospital, Orthocare (100 beds), while Anoopshahr has no multispecialty hospitals.

- These hospitals are ~2.0-2.5 hours away from the Noida hospital, allowing MAXHEALT to tap into the untapped market of the western UP region. Moreover, since higher-density regions such as Moradabad, Bijnor, Bareilly, Rampur, Kanpur, and Sikandarabad generally have limited access to multispecialty hospitals, this would further reduce the travel time for patients and improve access to healthcare facilities.

MAXHEALT is investing in new capabilities at Lucknow

- MAXHEALT had entered into a share purchase agreement to acquire a 100% stake in Starlit Medical Centre Pvt. Ltd (STARLIT) for an EV of INR9.4b and a bed capacity of 550 beds.
- As of Jun'24, STARLIT had an operational bed capacity of 250, revenue of INR560m (+25% YoY) and an EBITDA margin of 19.6%.
- To enhance the hospital's capabilities, the firm is hiring additional clinical staff. Moreover, the oncology department, which currently contributes less than 2% to the Lucknow Hospital's revenue, is planning to expand, which will boost both ARPOB and overall hospital revenue.

MAXHEALT on track to increase capacity in Lucknow in the medium term

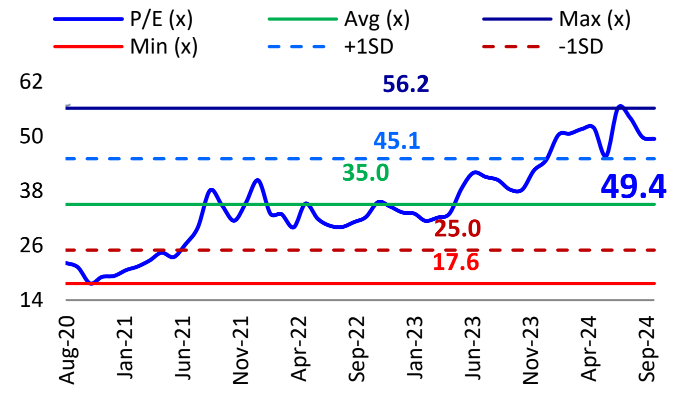
- Additionally, the organization is now working on renovating the current facilities. The company plans to operationalize the extra 140 beds by end-CY24.
- Sahara Hospital is situated on a land parcel of ~27 acres at Gomti Nagar, Lucknow, and has a built-up area of ~82,673 sqm spread across 17 floors.
- Moreover, the company is setting up the new tower, adding a 450-bed capacity over the next 24 months for an investment of INR7b. The company has received environmental clearance for the development of this hospital.
- With this acquisition, MAXHEALT entered into one of the most promising cities from healthcare perspective. Additionally, the under-penetrated healthcare infrastructure in central/eastern UP and Bihar would aid the scale-up of hospitals even faster.

Exhibit 13: Strong capex cycle on the cards across all major hospitals

Hospitals	Current Beds	Bed addition (FY25-27)	% addition
MEDANTA	2354	950	40.4
APHS	8700	2860	32.9
MAXHEALT	4302	2400	55.8
NARH	5794	0	0.0
KIMS	3975	2385	60.0
RAINBOW	1935	690	35.7
FORH	4613	715	15.5
JUPITER	961	575	59.8
YATHARTH	1605	1450	90.3
ASTER DM	4869	1677	34.4

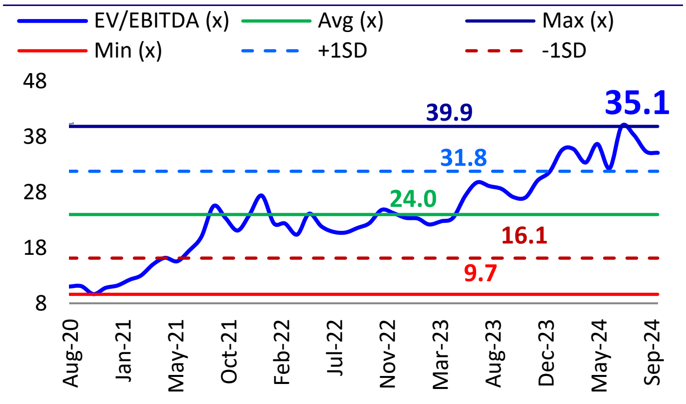
Source: MOFSL, Company

Exhibit 14: P/E chart



Source: MOFSL, Company, Bloomberg

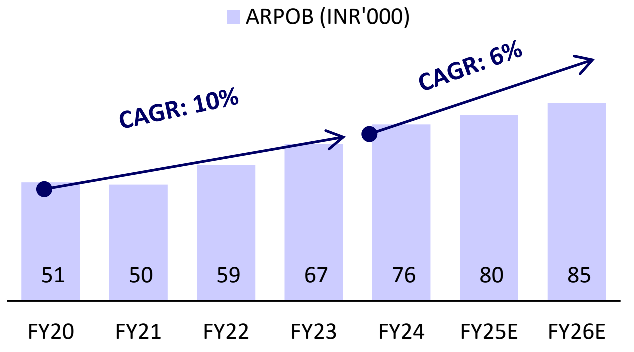
Exhibit 15: EV/EBITDA chart



Source: MOFSL, Company, Bloomberg

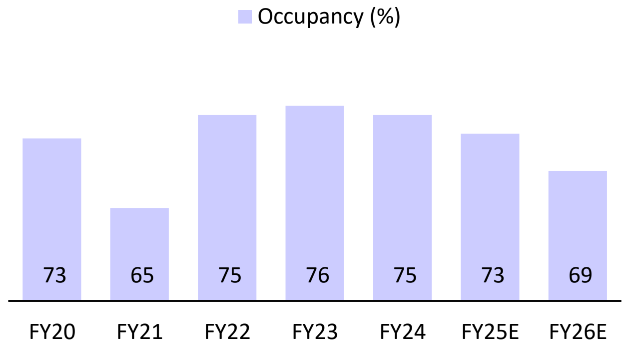
Story in charts

Exhibit 16: Expect 6% CAGR in ARPOB over FY23-FY25



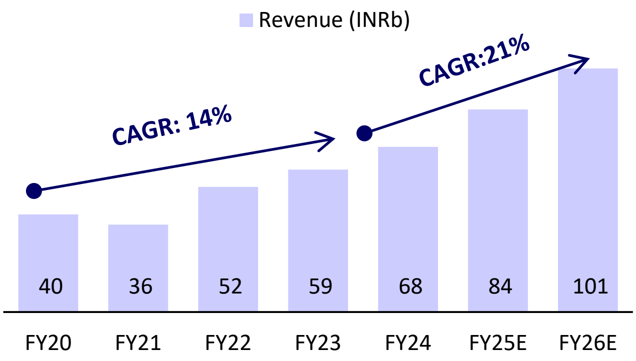
Source: Company, MOFSL

Exhibit 17: Occupancy to fall due to bed additions in FY25



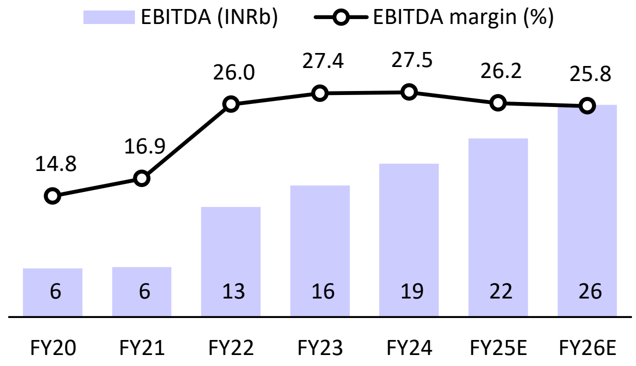
Source: Company, MOFSL

Exhibit 18: Network revenue to clock 21% CAGR over FY23-25



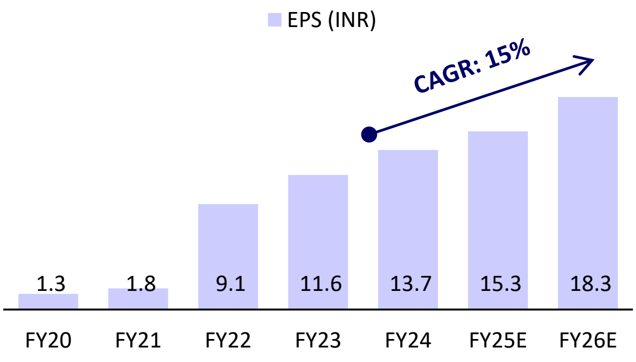
Source: Company, MOFSL

Exhibit 19: EBITDA margin to contract 170bp to 25.8% over FY23-25



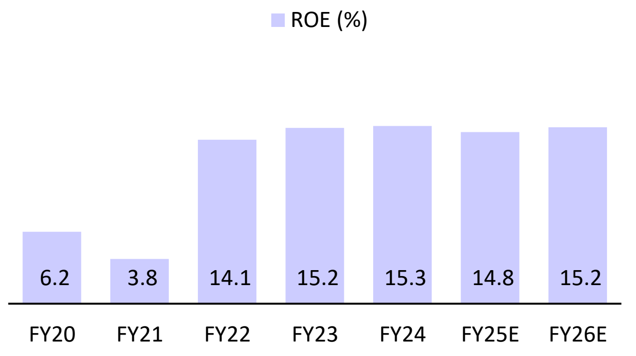
Source: Company, MOFSL

Exhibit 20: EPS to clock 15% CAGR over FY23-25



Source: Company, MOFSL

Exhibit 21: ROE to stabilize at ~15% over FY24-26



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E
Total Income from Operations	**36,010**	**51,710**	**58,750**	**68,150**	**83,588**	**1,00,595**
Change (%)	-10.6	43.6	13.6	16.0	22.7	20.3
Total Expenditure	**29,920**	**38,270**	**42,680**	**49,420**	**61,370**	**73,837**
% of Sales	83.1	74.0	72.6	72.5	73.4	73.4
EBITDA	**6,090**	**13,440**	**16,070**	**18,730**	**22,218**	**26,758**
Margin (%)	16.9	26.0	27.4	27.5	26.6	26.6
Depreciation	2,160	2,480	2,600	2,840	4,309	4,763
EBIT	**3,930**	**10,960**	**13,470**	**15,890**	**17,909**	**21,996**
Int. and Finance Charges	1,870	1,120	390	-380	-7	151
Other Income	280	470	290	350	585	654
PBT bef. EO Exp.	**2,340**	**10,310**	**13,370**	**16,620**	**18,501**	**22,499**
EO Items	-2,790	-500	-390	-670	-190	0
PBT after EO Exp.	**-450**	**9,810**	**12,980**	**15,950**	**18,311**	**22,499**
Total Tax	500	1,430	-300	3,160	3,296	3,937
Tax Rate (%)	-111.1	14.6	-2.3	19.8	18.0	17.5
Minority Interest	0	0	0	0	0	0
Reported PAT	**-950**	**8,380**	**13,280**	**12,790**	**15,015**	**18,562**
Adjusted PAT	**1,755**	**8,807**	**11,226**	**13,316**	**15,171**	**18,562**
Change (%)	34.2	401.8	27.5	18.6	13.9	22.4
Margin (%)	4.9	17.0	19.1	19.5	18.1	18.5

Consolidated - Balance Sheet (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	9,660	9,696	9,696	9,696	9,696	9,696
Total Reserves	47,721	57,484	71,004	83,254	98,269	1,16,830
Net Worth	**57,380**	**67,180**	**80,700**	**92,950**	**1,07,965**	**1,26,526**
Minority Interest	0	0	0	0	0	0
Total Loans	11,280	9,180	6,820	11,770	15,770	5,770
Deferred Tax Liabilities	1,580	1,850	-500	370	370	370
Capital Employed	**70,240**	**78,210**	**87,020**	**1,05,090**	**1,24,105**	**1,32,666**
Gross Block	29,900	37,100	39,210	57,290	69,386	78,655
Less: Accum. Deprn.	2,160	2,480	2,600	5,440	9,749	14,511
Net Fixed Assets	**27,740**	**34,620**	**36,610**	**51,850**	**59,637**	**64,144**
Goodwill on Consolidation	37,730	37,730	37,730	42,670	46,670	46,670
Intangibles	6,580	6,880	6,810	7,370	7,370	7,370
Capital WIP	0	0	0	7,620	7,524	4,755
Total Investments	**20**	**20**	**20**	**660**	**660**	**660**
Curr. Assets, Loans & Adv.	**17,779**	**17,192**	**22,997**	**20,776**	**26,737**	**38,541**
Inventory	740	830	1,040	1,060	1,495	1,799
Account Receivables	3,157	4,533	4,340	6,000	7,328	8,819
Cash and Bank Balance	6,660	6,150	15,650	12,860	8,733	16,875
Loans and Advances	7,222	5,679	1,967	856	9,180	11,047
Curr. Liability & Prov.	**19,609**	**18,233**	**17,147**	**25,856**	**24,493**	**29,474**
Account Payables	3,946	5,667	6,438	10,170	9,258	11,138
Other Current Liabilities	7,574	8,369	5,940	10,155	8,451	10,171
Provisions	8,089	4,197	4,768	5,531	6,784	8,164
Net Current Assets	**-1,830**	**-1,040**	**5,850**	**-5,080**	**2,244**	**9,068**
Appl. of Funds	**70,240**	**78,210**	**87,020**	**1,05,090**	**1,24,105**	**1,32,666**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E
Basic (INR)						
EPS	**1.8**	**9.1**	**11.6**	**13.7**	**15.6**	**19.1**
Cash EPS	4.0	11.6	14.3	16.7	20.1	24.1
BV/Share	59.2	69.3	83.2	95.9	111.4	130.5
DPS	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
Valuation (x)						
P/E	589.9	117.6	92.2	77.7	68.2	55.8
Cash P/E	264.4	91.7	74.9	64.1	53.1	44.4
P/BV	18.0	15.4	12.8	11.1	9.6	8.2
EV/Sales	25.7	20.1	17.5	15.2	12.5	10.2
EV/EBITDA	152.1	77.3	63.9	55.2	46.9	38.3
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	4.7	4.4	17.8	-3.3	-4.9	18.2
Return Ratios (%)						
RoE	3.8	14.1	15.2	15.3	15.1	15.8
RoCE	14.6	13.5	17.2	13.5	13.3	14.6
RoIC	18.2	13.8	19.2	16.4	15.4	16.7
Working Capital Ratios						
Fixed Asset Turnover (x)	1.2	1.4	1.5	1.2	1.2	1.3
Asset Turnover (x)	0.5	0.7	0.7	0.6	0.7	0.8
Inventory (Days)	8	6	6	6	7	7
Debtor (Days)	32	32	27	32	32	32
Creditor (Days)	40	40	40	54	40	40
Leverage Ratio (x)						
Current Ratio	0.9	0.9	1.3	0.8	1.1	1.3
Interest Cover Ratio	2.1	9.8	34.5	-41.8	-2,601.2	145.9
Net Debt/Equity	0.1	0.0	-0.1	0.0	0.1	-0.1

Consolidated - Cash Flow Statement **(INR m)**

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E
OP/(Loss) before Tax	2,340	10,310	13,370	15,950	18,311	22,499
Depreciation	2,160	2,480	2,600	2,840	4,309	4,763
Interest & Finance Charges	1,870	1,120	390	-730	-592	-503
Direct Taxes Paid	-500	-1,430	300	-3,160	-3,296	-3,937
(Inc)/Dec in WC	2,275	-1,300	2,609	8,141	-11,450	1,318
CF from Operations	**8,145**	**11,180**	**19,269**	**23,041**	**7,281**	**24,139**
CF from Operating incl EO	**8,145**	**11,180**	**19,269**	**23,041**	**7,281**	**24,139**
(Inc)/Dec in FA	-4,060	-6,880	-1,990	-26,260	-12,000	-6,500
Free Cash Flow	**4,085**	**4,300**	**17,279**	**-3,219**	**-4,719**	**17,639**
(Pur)/Sale of Investments	21,360	0	0	-640	0	0
Others	280	470	290	350	-3,415	654
CF from Investments	**17,580**	**-6,410**	**-1,700**	**-26,550**	**-15,415**	**-5,846**
Issue of Shares	615	37	0	0	0	0
Inc/(Dec) in Debt	-7,990	-2,100	-2,360	4,950	4,000	-10,000
Interest Paid	-1,870	-1,120	-390	380	7	-151
Dividend Paid	0	0	0	0	0	0
CF from Fin. Activity	**-9,246**	**-3,183**	**-2,750**	**5,330**	**4,007**	**-10,151**
Inc/Dec of Cash	**16,480**	**1,587**	**14,819**	**1,821**	**-4,127**	**8,142**
Opening Balance	4,110	6,660	6,150	15,650	12,860	8,733
Closing Balance	**6,660**	**6,150**	**15,650**	**12,860**	**8,733**	**16,875**

N O T E S

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

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