

# Macrotech Developers

Estimate change	↓
TP change	↑
Rating change	↔

**CMP: INR760**      **TP: INR900 (+19%)**      **Buy**

## Operational performance in-line; Miss on P&L due to lower recognition

Bloomberg	LODHA IN
Equity Shares (m)	963
M.Cap.(INRb)/(USDb)	733.1 / 8.8
52-Week Range (INR)	829 / 356
1, 6, 12 Rel. Per (%)	-2/58/46
12M Avg Val (INR M)	815

### Steady (in-line) operating performance despite unfavorable seasonality

- Macrotech Developers (LODHA) reported sales bookings of INR35.3b, which grew 12% YoY/5% QoQ in 2QFY24. Sales stood in-line with our estimates. With pre-sales of INR69b in 1HFY24 (up 15% YoY), the company has already achieved ~50% of the pre-sales guidance and is on track to surpass its FY24 guidance of INR145b.
- Sales volume jumped 24% YoY but dipped 7% QoQ due to seasonality and limited new project launches. LODHA launched 1.8msf of area across five existing projects. It is aiming to launch projects in seven new locations in 2HFY24, including its first project in Bengaluru that will drive pre-sales growth.
- Higher contribution from South and Central Mumbai led to 16% QoQ growth in realization to INR13,300/sqft, which resulted in 8% QoQ jump in residential pre-sales to INR34.5b (up 20% YoY) during the quarter.
- **P&L performance:** Revenue was flat YoY at INR17.5b in 2QFY24, 31% below our estimate led by lower recognition despite the transition to POC method of accounting. EBITDA came in at INR4.2b, flat YoY but 38% below our estimate. EBITDA margin stood at 24%. Adjusted margin was up 170bp to 31%. Adjusted PAT declined 42% YoY to INR2.1b; PAT margin was at 12%.

### Financials & Valuations (INR b)

Y/E Mar	FY24E	FY25E	FY26E
Sales	106.8	135.7	143.6
EBITDA	25.6	36.0	39.5
EBITDA (%)	24.0	26.5	27.5
Net profit	14.6	23.9	26.9
EPS (INR)	15.2	24.9	28.0
EPS Growth (%)	-4.9	63.9	12.5
BV/Share (INR)	143.6	163.5	185.9

### Ratios

Net D/E	0.3	0.1	0.0
RoE (%)	11.5	16.2	16.0
RoCE (%)	8.5	12.4	13.5
Payout (%)	20.0	20.0	20.0

### Valuations

P/E (x)	47.7	30.4	27.0
P/BV (x)	5.2	4.6	4.1
EV/EBITDA (x)	30.0	20.9	18.5
Div Yield (%)	0.4	0.7	0.7

### Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	74.9	75.0	82.2
DII	3.6	4.1	2.7
FII	20.5	19.8	13.9
Others	0.9	1.1	1.2

### Net debt reduced by over INR5b; on track to achieve its full-year target

- Gross collections recovered and were up 16% YoY at INR27.5b, which led to a 24% YoY rise in OCF to INR12.6b. Lower spending on land and investments led to a surplus of INR5.4b that was utilized for debt reduction.
- Net debt now stands at INR67.3b, or 0.52x of equity. With a significant debt reduction plan in 2HFY24, LODHA remains on track to achieve its full-year leverage target of below 0.5x of equity or 1.0x of OCF.
- LODHA added two projects during the quarter with a saleable area of 1.2msf and a GDV potential of INR23b. With these, it has cumulatively added INR143b of projects which is >80% of its full-year target of INR175b.

### Key conference call highlights

- **New launches:** LODHA is aiming to commence sales at its new Bengaluru project in Nov'23. Similar to Pune, its initial years will be spent on understanding the local market/building the brand, and then building on it in a sustainable manner.
- Overall, LODHA intends to have 7-8 new launches with a development potential of 8msf and GDV of INR120b in 2HFY24.
- Management is confident of achieving 20% CAGR in pre-sales over the next few years.
- **Pricing:** Growth in price has been 3% in FY24YTD, which is in line with the company's strategy to maintain price growth below wage growth. This is a critical factor in ensuring the longevity of the current upcycle.

- **Eastern Suburbs:** Having entered the market in 2HFY22, LODHA achieved sales of INR12b in FY23 and in FY24 it is aiming for 40-50% growth that translates into INR17-18b (1HFY24 – INR8b) of sales. The goal is to increase market share to 20% and LODHA will add 2-3 new projects each year in order to achieve its targeted growth/market share.

#### Valuation & view: Debt reduction on track; focus intensifies on growth

- LODHA delivered in-line operating performance and remains on track to exceed its FY24 pre-sales guidance of INR145b. Hence, we maintain our pre-sales and cash flow estimates.
- LODHA reported lower-than-estimated revenue/EBITDA/PAT due to lower-than-expected recognition. We revise our FY24E EBITDA/PAT by -13%/-21%.
- The company reduced its debt significantly in 2QFY24 and remains on track to further reduce it by INR15-20b to <INR50b. With comfortable leverage, the company will incrementally focus on growth with an aim to sustain the pre-sales CAGR of 20% over the next few years.
- We continue to prefer companies with an ability to outperform peers on the growth front. LODHA is one of our top picks in the sector. **We roll forward our estimates to Sep'24 and reiterate BUY with an increased TP of INR900, indicating 19% upside potential.**

#### Financial performance (INR m)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E Variance (%/bp)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Gross Sales	26,758	17,654	17,738	32,554	16,174	17,496	32,033	41,075	94,704	1,06,778	25,438	-31
YoY Change (%)	67	-17	-14	-5	-40	-1	81	26	2.6	12.7	44.1	
Total Expenditure	22,091	13,414	13,701	24,837	12,874	13,335	23,897	31,045	74,042	81,152	18,768	
<b>EBITDA</b>	<b>4,667</b>	<b>4,240</b>	<b>4,038</b>	<b>7,717</b>	<b>3,300</b>	<b>4,161</b>	<b>8,136</b>	<b>10,029</b>	<b>20,661</b>	<b>25,627</b>	<b>6,669</b>	<b>-38</b>
Margins (%)	17.4	24.0	22.8	23.7	20.4	23.8	25.4	24.4	21.8	24.0	26.2	
<b>Adj. EBITDA (as per co.)</b>	<b>9,030</b>	<b>5,250</b>	<b>5,700</b>	<b>9,800</b>	<b>4,600</b>	<b>5,500</b>	<b>8,136</b>	<b>10,029</b>	<b>29,780</b>	<b>28,266</b>	<b>6,669</b>	<b>-18</b>
Margins (%)	33.7	29.7	32.1	30.1	28.4	31.4	25.4	24.4	31.4	26.5	26.2	
Depreciation	196	219	217	296	240	293	280	265	928	1,078	250	
Interest	1,193	1,249	1,176	1,172	1,241	1,231	1,260	1,235	4,791	4,967	1,088	13
Other Income	0	-42	1,286	163	544	55	351	455	1,408	1,405	564	-90
<b>PBT before EO expense</b>	<b>3,278</b>	<b>2,730</b>	<b>3,931</b>	<b>6,412</b>	<b>2,363</b>	<b>2,692</b>	<b>6,948</b>	<b>8,984</b>	<b>16,350</b>	<b>20,986</b>	<b>5,896</b>	<b>-54</b>
Extra-Ord expense	0	-11,774	0	0	0	0	0	0	-11,774	0	0	
<b>PBT</b>	<b>3,278</b>	<b>-9,044</b>	<b>3,931</b>	<b>6,412</b>	<b>2,363</b>	<b>2,692</b>	<b>6,948</b>	<b>8,984</b>	<b>4,576</b>	<b>20,986</b>	<b>5,896</b>	<b>-54</b>
Tax	559	270	-119	-1,080	556	624	2,084	3,032	-370	6,296	1,769	
Rate (%)	17.0	-3.0	-3.0	-16.8	23.5	23.2	30.0	33.7	-0.1	0.3	30.0	
MI & Profit/Loss of Asso. Cos.	6	16	0	58	15	40	24	1	80	80	18	
<b>Reported PAT</b>	<b>2,713</b>	<b>-9,330</b>	<b>4,050</b>	<b>7,434</b>	<b>1,792</b>	<b>2,028</b>	<b>4,839</b>	<b>5,951</b>	<b>4,866</b>	<b>14,610</b>	<b>4,109</b>	<b>-51</b>
<b>Adj PAT (as per co.)</b>	<b>1,200</b>	<b>3,670</b>	<b>3,000</b>	<b>7,500</b>	<b>1,700</b>	<b>2,100</b>	<b>4,839</b>	<b>5,951</b>	<b>15,370</b>	<b>14,590</b>	<b>4,109</b>	<b>-49</b>
YoY Change (%)	-2	28	8	31	42	-43	61	-21	21.9	-5.1	12.0	
Margins (%)	4.5	20.8	16.9	23.0	10.5	12.0	15.1	14.5	16.2	13.7	16.2	-415bp

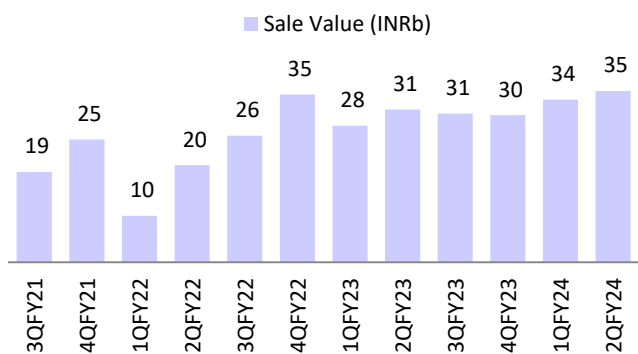
#### Operational performance

Key metrics	FY23				FY24				FY23	FY24	FY24E Variance 2QE	Variance (%/bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Sale Volume (msf)	2.2	2.1	2.5	2.5	2.8	2.6	3.1	2.8	9.3	11.3	2.5	2
Sale Value (INRb)	28.1	31.5	30.7	30.3	33.5	35.3	39.0	42.1	120.6	149.9	35.2	0
Collections (INRb)	26.2	23.8	26.8	29.3	24.0	27.5	34.2	36.8	106.0	131.6	30.9	-11
Realization (INR/sft)	11,027	13,743	11,920	11,680	11,429	13,308	12,516	15,177	12,056	13,278	13,880	-4

Source: Company, MOFSL

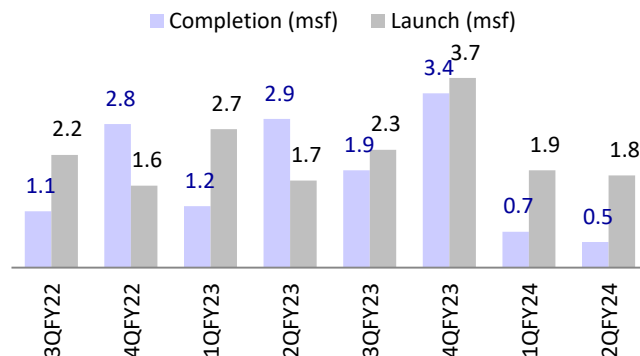
**Key exhibits**

**Exhibit 1: Reported pre-sales of INR35b, up 12% YoY**



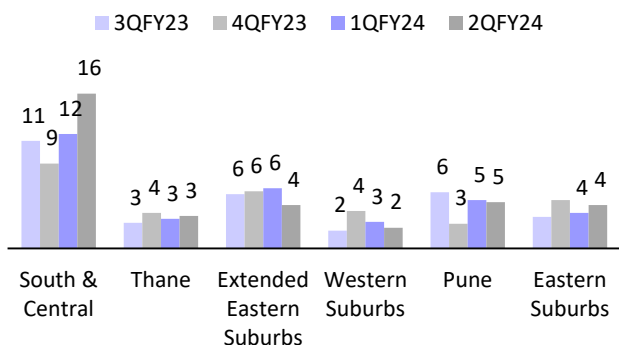
Source: Company, MOFSL

**Exhibit 2: Launched 1.8msf and delivered 0.5msf in 1Q**



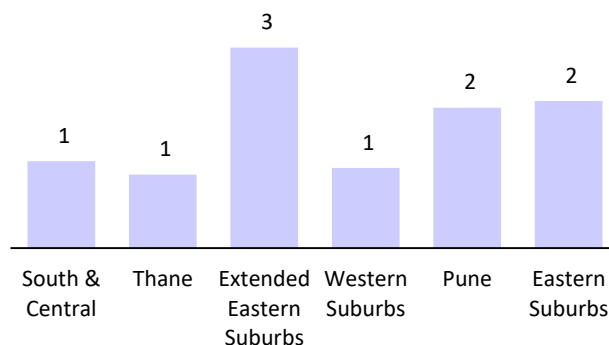
Source: Company, MOFSL

**Exhibit 3: Well-distributed sales across all markets**



Source: Company, MOFSL

**Exhibit 4: Strong launch pipeline of 11msf for the next 12 months**



Source: Company, MOFSL

**Exhibit 5: Launch pipeline for 2HFY24 has a healthy mix of Own/JDA projects**

Micro-market	Own/JDA	Area (msf)	Est. GDV (INRb)	No. of Projects
South Central	JDA	0.5	24	1
South Central	Own	0.3	14	1
Extended Eastern Suburbs	Own	1.5	10	2
Eastern Suburbs	JDA	1.6	27	3
Western Suburbs	JDA	0.8	15	3
Pune	Own	0.6	6	2
Pune	JDA	0.9	7	3
Thane	Own	0.8	9	2
Bangalore	JDA	1.2	9	2
<b>Total</b>		<b>8.2</b>	<b>120</b>	<b>19</b>

Source: Company, MOSL

**Exhibit 6: In 1HFY24, the company signed new projects worth INR143b (GDV)**

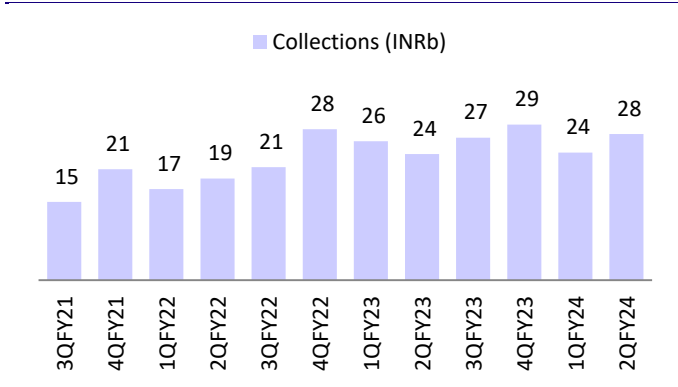
Micro-market	Saleable Area (msf)	Est GDV (INRb)
<b>Signed in FY24</b>		
MMR - South Central	4.3	74
MMR - South Central	1.1	16
MMR - South Central	0.4	12
MMR - Western Suburbs	0.3	10
Bengaluru - South	1	8
MMR - Eastern Suburbs	0.7	13
MMR - Western Suburbs	0.5	10
<b>Total</b>	<b>8</b>	<b>143</b>

**Exhibit 7: Annualized cost inflation for the company’s portfolio moderated since Mar’22**

Commodity/Component	% Share in total cost	% Change over Mar’21 to Mar’22	Mar’21 to Jun’23	
			% Change	Weighted Impact
Steel	12.9	35.1	5.4	0.7
Flooring Tiles	5.0	23.9	10.4	0.5
Electrical/Plumbing	11.8	10.1	4.5	0.5
Labour	34.4	3.0	4.3	1.5
External Windows	3.9	21.9	8.4	0.3
RMC	11.0	6.3	13.6	1.5
Lifts & Elevators	3.3	16.6	37.7	1.2
Carpentry Materials	3.5	15.5	5.6	0.2
Painting	3.8	13.1	29.5	1.1
<b>Overall</b>		<b>13.7</b>		<b>10.1</b>

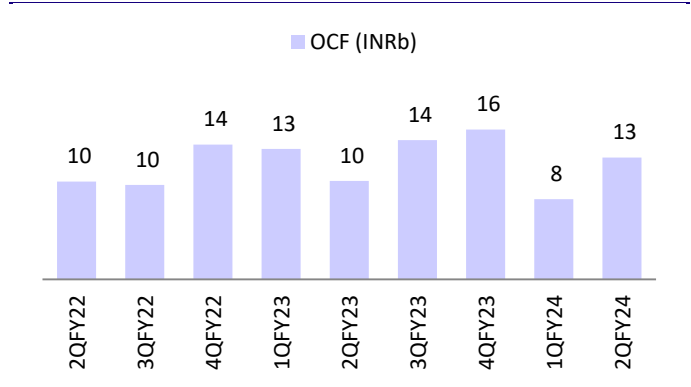
Source: Company, MOFSL

**Exhibit 8: Collections healthy at INR28b**



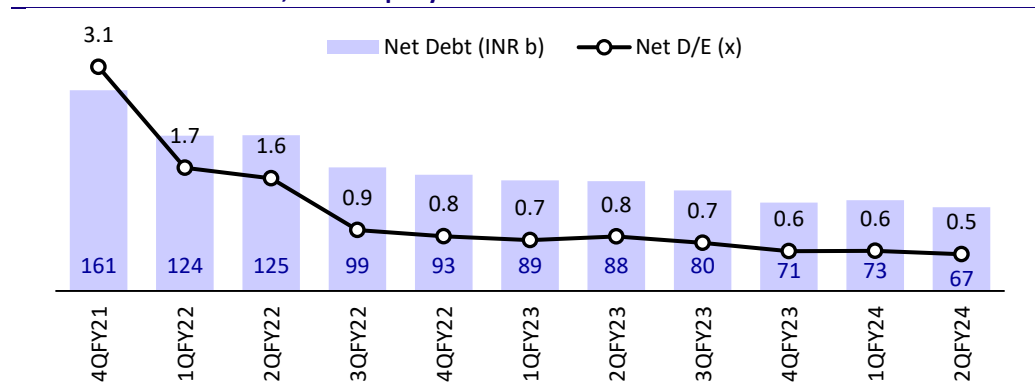
Source: MOFSL, Company

**Exhibit 9: Generated an OCF of INR13b**



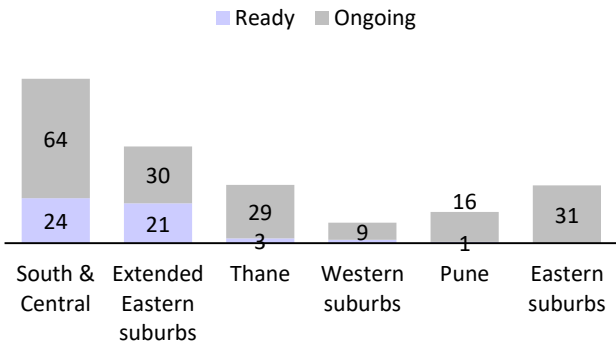
Source: MOFSL, Company

**Exhibit 10: Since the IPO, the company has seen a consistent reduction in net debt**



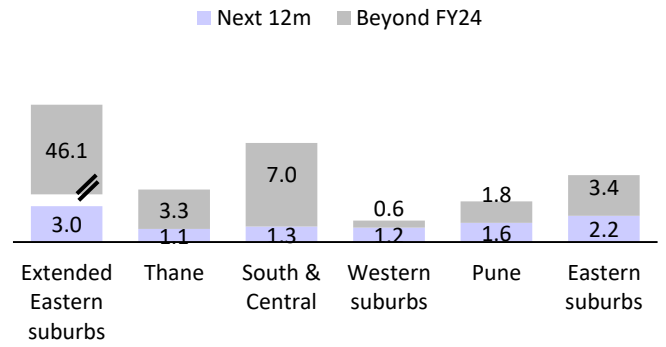
Source: MOFSL, Company

**Exhibit 11: Currently has ~INR230b worth of inventory including INR45b of completed stock**



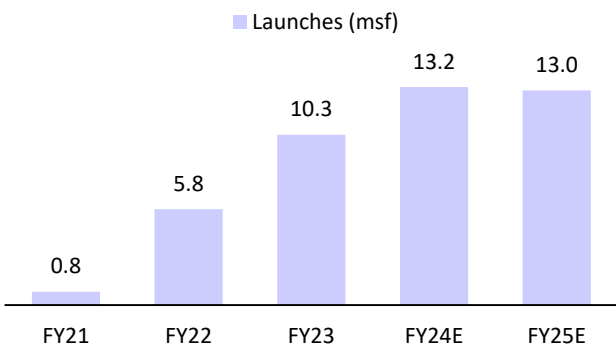
Source: Company, MOFSL

**Exhibit 12: Has a strong ~70msf of pipeline to be launched in the medium term**



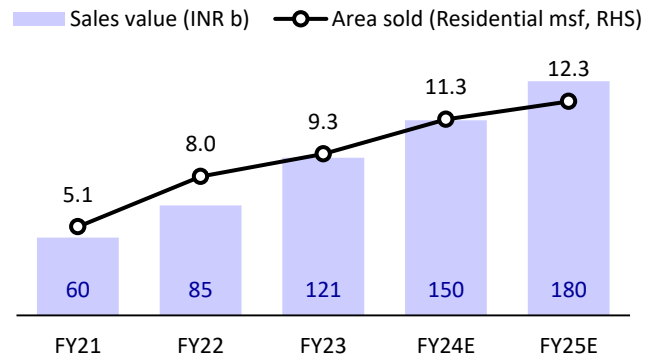
Source: Company, MOFSL

**Exhibit 13: Expect launches to further rise from FY24**



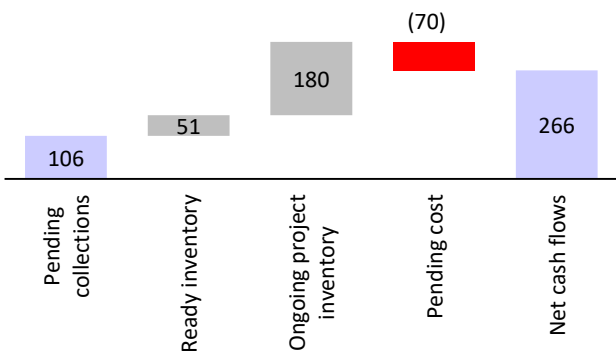
Source: MOFSL, Company

**Exhibit 14: To report 22% CAGR in pre-sales over FY23-25 to INR180b**



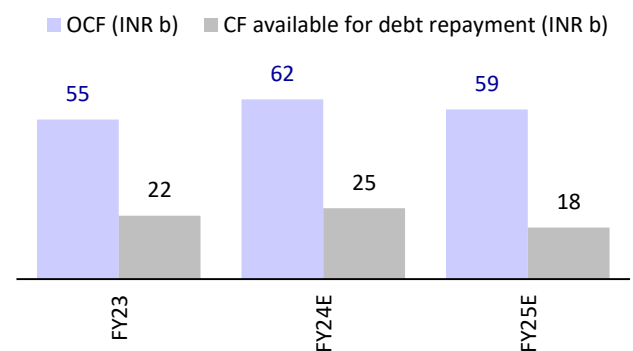
Source: MOFSL, Company

**Exhibit 15: Over the next 4-5 years, ongoing and completed project pipeline can generate ~INR250b of net cash inflows**

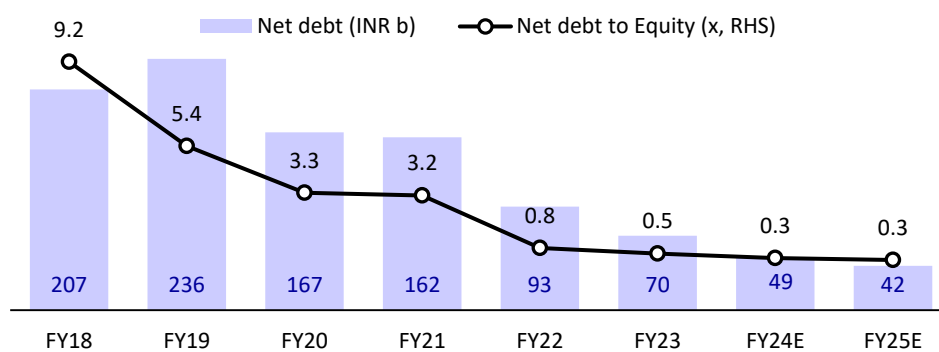


Source: Company, MOFSL

**Exhibit 16: Expect the company to generate ~INR60b OCF for the next two years**



Source: Company, MOFSL

**Exhibit 17: Healthy cash flows could enable accelerated deleveraging**

Source: MOFSL, Company

**Exhibit 18: Revisions to our estimates**

(INR m)	Old		New		Change	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Revenue	1,13,056	1,34,604	1,06,778	1,35,702	-6%	1%
EBITDA	29,395	35,670	25,627	35,961	-13%	1%
Adj. PAT	18,476	22,889	14,610	23,939	-21%	5%
Pre-sales	1,53,730	1,79,867	1,53,730	1,79,867	0%	0%
Collections	1,18,264	1,29,462	1,18,264	1,29,462	0%	0%
OCF	62,257	58,777	62,257	58,777	0%	0%

Source: MOFSL, Company



## Highlights from the management commentary

### Pune market:

- LODHA achieved INR11b of sales in FY23 and in 1HFY24, sales stood at INR9b. Sales would surpass INR20b by end of the year and the company will be among the top 3 builders in the city. It is targeting to double its pre-sales from this market in three years.

### Pricing:

- The starting price of any project will be at a premium to competition given the kind of product the company offers but price growth will continue to remain below wage growth even if demand momentum remains strong

### Business development:

- LODHA continues to target 30%+ IRR from JDA projects, and management sees healthy opportunities to acquire projects that can generate this return.
- The key criteria are the size of the project and its ability to generate the required margin or IRR. Within this framework, LODHA is open to looking at outright, JDA, and redevelopment projects.

### Palava Land:

- During the IPO, the industrial land was valued at INR25m/acre and currently the transactions are being concluded at INR50m/acre. This will further grow to INR60m/acre soon and to INR100m/acre over the next 2-3 years. The well-built ecosystem and the large infra projects nearing completion are improving the attractiveness of Palava

**Valuation and view: Profit-led growth trajectory intact; reiterate BUY**

- We value LODHA on an SoTP basis: 1) the residential segment is valued by using the DCF of four-year cash flows at a WACC of 12% and a terminal growth rate of 2.5%; 2) the commercial business is valued at a cap rate of 8% for operational assets and DCF for ongoing assets; 3) the industrial and the UK Investments are valued at a present value of future cash flows, discounted at a WACC of 12%.
- We arrive at a NAV of INR869b, assuming net debt of INR38b in FY25. Applying zero discount to its NAV, we arrive at a TP of INR900, indicating a 19% upside potential.

**Exhibit 19: Based on SoTP approach, we arrive at a NAV of INR869b (or INR890 per share), implying a 19% upside potential**

Particulars		Value (INR b)	Per share	% contribution
Residential	❖ DCF of 4 years cash flow at WACC of 12% and terminal value assuming 5% long term growth	784	814	90%
Commercial	❖ Cap rate of 8% for operational assets and DCF for ongoing assets	29	30	3%
Industrial	❖ PV of future cash flows discounted at WACC of 12%	88	91	10%
UK Investment	❖ PV of future cash flow discounted at WACC of 12%	6	6	1%
<b>Gross asset value</b>		<b>906</b>	<b>941</b>	<b>104%</b>
Net debt	❖ FY25E	(38)	(40)	-4%
<b>Net asset value</b>		<b>868</b>	<b>901</b>	<b>100%</b>
No. of share (m)		963.0		
<b>Price Objective</b>		<b>900</b>		
CMP		760		
Upside		19%		

Source: MOFSL, Company

## Financials and valuations

Consolidated - Income Statement							(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Total Income from Operations</b>	<b>1,24,426</b>	<b>54,486</b>	<b>92,332</b>	<b>94,704</b>	<b>1,06,778</b>	<b>1,35,702</b>	<b>1,43,592</b>
Change (%)	4.5	-56.2	69.5	2.6	12.7	27.1	5.8
<b>Total Expenditure</b>	<b>1,05,353</b>	<b>40,766</b>	<b>71,085</b>	<b>74,042</b>	<b>81,152</b>	<b>99,741</b>	<b>1,04,104</b>
% of Sales	84.7	74.8	77.0	78.2	76.0	73.5	72.5
<b>EBITDA</b>	<b>19,073</b>	<b>13,720</b>	<b>21,247</b>	<b>20,661</b>	<b>25,627</b>	<b>35,961</b>	<b>39,488</b>
Margin (%)	15.3	25.2	23.0	21.8	24.0	26.5	27.5
Depreciation	2,924	734	748	928	1,078	1,134	1,192
<b>EBIT</b>	<b>16,149</b>	<b>12,985</b>	<b>20,499</b>	<b>19,733</b>	<b>24,549</b>	<b>34,828</b>	<b>38,296</b>
Int. and Finance Charges	6,544	11,257	6,803	4,791	4,967	3,180	2,180
Other Income	435	3,231	3,460	1,408	1,405	2,666	2,473
<b>PBT bef. EO Exp.</b>	<b>10,039</b>	<b>4,959</b>	<b>17,156</b>	<b>16,350</b>	<b>20,986</b>	<b>34,313</b>	<b>38,589</b>
EO Items	2	-4,628	0	-11,774	0	0	0
<b>PBT after EO Exp.</b>	<b>10,041</b>	<b>332</b>	<b>17,156</b>	<b>4,576</b>	<b>20,986</b>	<b>34,313</b>	<b>38,589</b>
Total Tax	2,615	-147	5,080	-370	6,296	10,294	11,577
Tax Rate (%)	26.0	-44.4	29.6	-8.1	30.0	30.0	30.0
Minority Interest	139	77	61	80	80	80	80
<b>Reported PAT</b>	<b>7,286</b>	<b>402</b>	<b>12,014</b>	<b>4,866</b>	<b>14,610</b>	<b>23,939</b>	<b>26,932</b>
<b>Adjusted PAT</b>	<b>7,285</b>	<b>7,084</b>	<b>12,014</b>	<b>15,370</b>	<b>14,610</b>	<b>23,939</b>	<b>26,932</b>
Change (%)	-55.5	-2.8	69.6	27.9	-4.9	63.9	12.5
Margin (%)	5.9	13.0	13.0	16.2	13.7	17.6	18.8

Consolidated - Balance Sheet							(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	3,959	3,959	4,815	4,815	4,815	4,815	4,815
Total Reserves	41,564	42,031	1,16,235	1,21,809	1,33,497	1,52,648	1,74,194
<b>Net Worth</b>	<b>45,523</b>	<b>45,990</b>	<b>1,21,050</b>	<b>1,26,624</b>	<b>1,38,312</b>	<b>1,57,463</b>	<b>1,79,009</b>
Minority Interest	5,192	5,269	568	596	596	596	596
Total Loans	1,84,232	1,81,669	1,15,367	90,602	73,602	53,602	33,602
Deferred Tax Liabilities	-935	-2,098	1,911	332	3,161	10,097	18,821
<b>Capital Employed</b>	<b>2,34,011</b>	<b>2,30,829</b>	<b>2,38,896</b>	<b>2,18,153</b>	<b>2,15,671</b>	<b>2,21,758</b>	<b>2,32,028</b>
Gross Block							
Less: Accum. Deprn.	17,499	17,608	18,318	19,487	20,565	21,699	22,891
<b>Net Fixed Assets</b>	<b>5,649</b>	<b>6,383</b>	<b>7,130</b>	<b>8,059</b>	<b>9,137</b>	<b>10,270</b>	<b>11,462</b>
<b>Investment Property</b>	<b>11,851</b>	<b>11,226</b>	<b>11,187</b>	<b>11,429</b>	<b>11,429</b>	<b>11,429</b>	<b>11,429</b>
Goodwill on Consolidation	<b>2,882</b>	<b>2,767</b>	<b>2,650</b>	<b>1,539</b>	<b>1,539</b>	<b>1,539</b>	<b>1,539</b>
Capital WIP	5,477	5,471	5,388	5,303	5,303	5,303	5,303
<b>Total Investments</b>	<b>63</b>	<b>63</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>15,529</b>	<b>15,794</b>	<b>5,740</b>	<b>2,460</b>	<b>2,380</b>	<b>2,300</b>	<b>2,220</b>
Inventory							
Account Receivables	<b>3,70,188</b>	<b>3,55,663</b>	<b>3,59,824</b>	<b>3,70,816</b>	<b>3,91,742</b>	<b>4,24,456</b>	<b>4,70,889</b>
Cash and Bank Balance	2,90,314	2,83,007	2,73,583	3,01,167	2,85,230	3,16,019	3,26,524
Loans and Advances	7,943	6,545	6,461	7,393	4,388	5,577	5,901
<b>Curr. Liability &amp; Prov.</b>	<b>1,870</b>	<b>3,668</b>	<b>12,457</b>	<b>18,242</b>	<b>33,111</b>	<b>28,848</b>	<b>28,452</b>
Account Payables	70,061	62,442	67,322	44,013	69,013	74,013	1,10,013
Other Current Liabilities	<b>1,71,979</b>	<b>1,60,153</b>	<b>1,45,892</b>	<b>1,73,393</b>	<b>1,96,722</b>	<b>2,23,269</b>	<b>2,59,352</b>
Provisions	22,728	16,978	15,087	20,962	20,478	26,025	27,538
<b>Net Current Assets</b>	<b>1,49,012</b>	<b>1,42,963</b>	<b>1,30,581</b>	<b>1,52,129</b>	<b>1,75,942</b>	<b>1,96,942</b>	<b>2,31,512</b>
Misc Expenditure	239	212	224	302	302	302	302
<b>Appl. of Funds</b>	<b>1,98,210</b>	<b>1,95,509</b>	<b>2,13,932</b>	<b>1,97,422</b>	<b>1,95,020</b>	<b>2,01,187</b>	<b>2,11,537</b>

E: MOFSL Estimates



## Financials and valuations

Ratios								
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>20.7</b>	<b>9.2</b>	<b>8.9</b>	<b>12.5</b>	<b>16.0</b>	<b>15.2</b>	<b>24.9</b>	<b>28.0</b>
Cash EPS	23.1	12.9	9.9	13.3	16.9	16.3	26.0	29.2
BV/Share	48.5	57.5	58.1	125.7	131.5	143.6	163.5	185.9
DPS	0.0	0.0	0.0	0.0	0.0	3.0	5.0	5.6
Payout (%)	0.0	0.0	0.0	0.0	0.0	20.0	20.0	20.0
<b>Valuation (x)</b>								
P/E	36.6	82.2	84.5	60.6	47.4	49.8	30.4	27.0
Cash P/E	32.7	58.6	76.6	57.0	44.7	46.4	29.0	25.9
P/BV	15.6	13.1	13.0	6.0	5.7	5.3	4.6	4.1
EV/Sales	7.1	6.3	14.3	9.0	8.5	7.2	5.5	5.1
EV/EBITDA	26.8	40.9	56.6	39.1	38.7	30.0	20.9	18.6
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.4	0.7	0.7
FCF per share	-7.1	47.3	32.0	27.4	28.7	44.0	25.1	27.9
<b>Return Ratios (%)</b>								
RoE	54.0	17.4	15.5	14.4	12.4	11.0	16.2	16.0
RoCE	7.4	4.2	10.2	7.3	10.1	8.5	12.4	13.5
RoIC	7.9	4.8	8.8	6.7	10.2	9.1	13.1	13.7
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	6.7	7.1	3.1	5.0	4.9	5.2	6.3	6.3
Asset Turnover (x)	0.4	0.5	0.2	0.4	0.4	0.5	0.6	0.6
Inventory (Days)	1,273	852	1,896	1,082	1,161	975	850	830
Debtor (Days)	15	23	44	26	28	15	15	15
Creditor (Days)	69	67	114	60	81	70	70	70
<b>Leverage Ratio (x)</b>								
Current Ratio	2.3	2.2	2.2	2.5	2.1	2.0	1.9	1.8
Interest Cover Ratio	5.4	2.5	1.2	3.0	4.1	4.9	11.0	17.6
Net Debt/Equity	6.5	4.0	3.9	0.9	0.6	0.3	0.2	0.0

Consolidated - Cash Flow Statement								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
OP/(Loss) before Tax	24,889	10,007	4,959	17,156	4,576	20,986	34,313	38,589
Depreciation	1,944	3,064	734	748	928	1,078	1,134	1,192
Interest & Finance Charges	30,032	31,119	25,246	19,923	13,890	9,031	6,360	4,360
Direct Taxes Paid	-3,116	-821	857	-1,778	-2,110	-3,466	-3,358	-2,852
(Inc)/Dec in WC	-59,476	-4,112	-1,218	-7,271	-1,091	17,271	-10,431	-10,746
<b>CF from Operations</b>	<b>-5,726</b>	<b>39,257</b>	<b>30,579</b>	<b>28,778</b>	<b>16,194</b>	<b>44,901</b>	<b>28,018</b>	<b>30,542</b>
Others	1,095	-1,525	-5,339	-2,500	11,306	-1,405	-2,666	-2,473
<b>CF from Operating incl EO</b>	<b>-4,632</b>	<b>37,732</b>	<b>25,239</b>	<b>26,278</b>	<b>27,499</b>	<b>43,496</b>	<b>25,352</b>	<b>28,069</b>
(Inc)/Dec in FA	-991	-292	65	78	149	-1,078	-1,134	-1,192
<b>Free Cash Flow</b>	<b>-5,622</b>	<b>37,439</b>	<b>25,304</b>	<b>26,356</b>	<b>27,648</b>	<b>42,418</b>	<b>24,219</b>	<b>26,878</b>
(Pur)/Sale of Investments	-300	-2,822	-176	1,491	6,817	0	0	0
Others	-552	5,231	4,310	9,820	10,812	1,405	2,666	2,473
<b>CF from Investments</b>	<b>-1,843</b>	<b>2,117</b>	<b>4,199</b>	<b>11,389</b>	<b>17,778</b>	<b>327</b>	<b>1,532</b>	<b>1,281</b>
Issue of Shares	0	0	0	63,466	100	0	0	0
Inc/(Dec) in Debt	37,050	-11,362	-10,325	-72,916	-25,393	-17,000	-20,000	-20,000
Interest Paid	-29,691	-30,534	-18,027	-19,427	-11,756	-9,031	-6,360	-4,360
Dividend Paid	0	0	0	0	0	-2,922	-4,788	-5,386
Others	0	0	0	0	-6	0	0	0
<b>CF from Fin. Activity</b>	<b>7,359</b>	<b>-41,896</b>	<b>-28,351</b>	<b>-28,878</b>	<b>-37,054</b>	<b>-28,953</b>	<b>-31,148</b>	<b>-29,747</b>
<b>Inc/Dec of Cash</b>	<b>885</b>	<b>-2,047</b>	<b>1,087</b>	<b>8,789</b>	<b>8,223</b>	<b>14,869</b>	<b>-4,264</b>	<b>-396</b>
Opening Balance	2,552	6,575	1,870	3,668	12,457	20,680	35,549	31,286
<b>Closing Balance</b>	<b>3,437</b>	<b>4,529</b>	<b>2,956</b>	<b>12,457</b>	<b>20,680</b>	<b>35,549</b>	<b>31,286</b>	<b>30,890</b>

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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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