

Sapphire Foods

Estimate changes	↔
TP change	↔
Rating change	↔

CMP: INR318

TP: INR415 (+31%)

Buy

Steady improvement; play on urban recovery

Bloomberg	SAPPHIRE IN
Equity Shares (m)	321
M.Cap.(INRb)/(USD\$b)	101.9 / 1.2
52-Week Range (INR)	401 / 259
1, 6, 12 Rel. Per (%)	-10/-2/5
12M Avg Val (INR M)	294

Financials & Valuations (INR b)

Y/E Mar	2025E	2026E	2027E
Sales	29.1	33.4	38.2
Sales Gr. (%)	12.0	15.1	14.2
EBITDA	4.9	6.1	7.1
Margins (%)	16.9	18.2	18.7
Adj. PAT	0.5	1.1	1.6
Adj. EPS (INR)	1.4	3.5	5.1
EPS Gr. (%)	-11.4	139.6	47.3
BV/Sh.(INR)	43.1	46.6	51.7

Ratios

RoE (%)	3.4	7.7	10.4
RoCE (%)	5.3	7.6	9.1

Valuations

P/E (x)	220.1	91.9	62.4
P/BV (x)	7.4	6.8	6.2
EV/Sales (x)	3.4	2.9	2.5
Pre Ind-AS EV/EBITDA (x)	35.9	26.9	21.6

Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	26.1	26.2	31.3
DII	38.3	37.1	31.7
FII	30.7	31.5	30.0
Others	4.9	5.2	7.0

FII includes depository receipts

- Sapphire Foods India (SAPPHIRE) reported revenue growth of 14% YoY (in line) in 3QFY25, driven by a 13% YoY increase in store count. KFC revenue grew 12% YoY, supported by 22% store expansion, though offset by a 3% decline in same-store sales (est. -3.5%). Pizza Hut (PH) revenue rose 10% YoY, with 6% new store additions and 5% SSSG (est. 4%). Sri Lanka posted strong revenue growth of 30% YoY (+15% in LKR), driven by 14% LKR SSSG and 5% store growth.
- Gross margin contracted 30bp YoY and 20bp QoQ to 68.6% (est. 68.8%). KFC's ROM was down 190bp YoY/up 170bp QoQ at 18.2%, impacted by operating deleverage. PH's ROM expanded 10bp YoY to 4.7%, and Sri Lanka's ROM improved 360bp YoY to 17.8%. Consolidated restaurant EBITDA pre-Ind-AS grew 9% YoY to INR1,164m (in line), though margins declined 60bp YoY to 15.4% (13.8% in 2QFY25). Pre-Ind-AS EBITDA rose 12% YoY to INR 811m, with a marginal 10bp contraction in margin to 10.7% (8.5% in 2QFY25).
- Underlying recovery was partial, while growth improvement was aided by a favorable base. Dine-in continued to underperform delivery. The company is focusing on innovation, customer engagement, and value offerings to drive recovery. Also, government measures for the middle class in the budget could support demand revival. However, ADS and SSSG recovery remain key monitorables, as they are critical to improving unit economics. We reiterate **our BUY rating on the stock with a TP of INR415 (30x Dec'26 pre-IND-AS EV/EBITDA)**.

In-line revenue; store addition continues

- **Double-digit revenue growth across business on favorable base:** Cons. sales grew 14% YoY to INR7.6b (inline). KFC revenue grew 12% YoY and same-store sales declined 3%. PH revenue grew 10% YoY with SSSG 5%. ADS of KFC was down 8% YoY at INR115k, while PH ADS improved 7% YoY to INR48k. Sri Lanka sales grew 30% YoY (+15% in LKR term) to INR1,159m and SSSG was 14%. ADS grew 27% YoY to INR103k.
- **Store addition continues:** Store growth was 13% YoY in 3Q to 963 stores. It added net 54 stores (35 KFC, 16 PH, 5 stores in Sri Lanka and closed 2 stores in Maldives).
- **Marginal improvement in margins:** Consolidated gross profit grew 13% YoY to INR5.2b. Consolidated GM contracted 30bp YoY and 20bp QoQ to 68.8%. Reported EBITDA improved 15% YoY to INR1.4b (est. INR1.3b) and margin expanded 20bp YoY and 240bp QoQ to 18.5% (est. 17.2%). EBITDA pre-Ind-AS rose 12% YoY and margins were flat YoY/up 220bp QoQ at 10.7%. Higher depreciation (up 15%) and lower other income missed PBT expectation. PBT grew 20% YoY to INR168m (est. INR238m) with margin of 2.2%. APAT grew 30% YoY to INR127m at 1.7% margin.
- In 9MFY25, net sales/EBITDA grew by 11%/5%, while APAT declined 48% YoY.

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Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Highlights from the management commentary

- Competitive intensity across the QSR industry remains largely unchanged. The revision of tax slabs in the budget is a positive development for middle-class consumers. While the impact may not be immediate, it will be important to monitor how it influences consumer spending over time.
- Delivery continues to outperform for both KFC and PH. However, the company expects dine-in sales to improve in the medium term, supported by product innovations and customer engagement initiatives.
- The company estimates that KFC SSSG needs to exceed 5% for restaurant margins to expand beyond 18%. At 5% SSSG, margins are expected to remain stable at 18%.
- For PH, at ADS of INR47-48k, margins will remain stable. At ADS of INR50k, margins will grow to high single digits. To achieve double-digit margins, the company will need to reach an ADS target of INR55k.

Valuation and view

- There are no material changes to our revenue/EBITDA estimates for FY25/FY26.
- KFC's store addition will sustain in FY25, but PH's store addition will be muted as management aims to fix ADS and profitability snags for the current network.
- Underlying recovery was partial, while growth improvement was aided by a favorable base. Dine-in continued to underperform delivery. The company is focusing on innovation, customer engagement, and value offerings to drive recovery. Also, government measures for the middle class in the budget could support demand revival. However, ADS and SSSG recovery remain key monitorables, as they are critical to improving unit economics. The stock trades at 31x and 25x pre-Ind-AS EV/EBITDA on FY25E and FY26E, respectively. We reiterate **our BUY rating on the stock with a TP of INR415 (30x Dec'26 pre-IND-AS EV/EBITDA).**

Quarterly Performance

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
KFC - No. of stores	358	381	406	429	442	461	496	504	429	504	483	
PH - No. of stores	302	311	319	319	320	323	339	339	319	339	337	
KFC - SSSG (%)	0.0	0.0	-2.0	-3.0	-6.0	-8.0	-3.0	2.2	-1.0	-3.7	-3.5	
PH - SSSG (%)	-9.0	-20.0	-19.0	-15.0	-7.0	-3.0	5.0	7.0	-16.0	0.5	4.0	
Net Sales	6,544	6,426	6,656	6,317	7,183	6,957	7,565	7,351	25,943	29,056	7,506	0.8
YoY change (%)	19.8	14.2	11.6	12.7	9.8	8.3	13.7	16.4	14.5	12.0	12.8	
Gross Profit	4,483	4,417	4,583	4,351	4,927	4,786	5,189	4,993	17,834	19,882	5,166	0.4
Margin (%)	68.5	68.7	68.9	68.9	68.6	68.8	68.6	67.9	68.7	68.4	68.8	
EBITDA	1,214	1,151	1,217	1,029	1,242	1,120	1,398	1,154	4,613	4,914	1,290	8.4
EBITDA growth %	10.0	11.6	4.3	4.9	2.3	-2.7	14.9	12.1	7.7	6.5	6.0	
Margin (%)	18.6	17.9	18.3	16.3	17.3	16.1	18.5	15.7	17.8	16.9	17.2	
Depreciation	727	768	874	870	904	881	1,005	773	3,239	3,563	881	
Interest	226	245	263	275	273	271	275	279	1,009	1,098	272	
Other Income	75	75	60	124	53	85	50	174	334	361	100	
PBT	336	214	140	8	118	53	168	276	699	615	238	-29.2
Tax	88	62	42	-12	36	1	41	76	180	155	60	
Rate (%)	26.0	28.9	30.0	-143.0	30.8	2.2	24.3	27.7	25.7	25.2	25.2	
Adjusted PAT	249	152	98	20	82	52	127	199	520	460	178	-28.4
YoY change (%)	-34.8	-43.4	-69.9	-82.2	-67.1	-65.9	29.5	877.2	-52.4	-11.4	80.8	

E: MOFSL Estimates

Brand-wise performance

KFC: Weak SSSG led to a dip in ROM

- Sales grew 12% YoY to INR4.9b, with a 3% decline in same-store sales.
- KFC's same-store transaction growth (SSTG) was flat, supported by a focus on value offers for core products.
- GP grew 12% YoY to INR3.4b and margins contracted 20bp YoY/10bp QoQ to 68.2%.
- ROM rose 1% YoY to INR901m and margins declined 190bp YoY/improved 170bp QoQ to 18.2%.
- ADS declined 8% YoY to INR115k vs. INR125k in 3QFY24.
- Added 35 stores for KFC, taking the total to 496 stores.

PH: Positive SSSG on favorable base

- Sales increased by 10% YoY to INR1.4b, with SSSG of 5%.
- GP increased 9% YoY to INR1,081m, with 10bp YoY contraction in margins to 75.6%.
- ROM rose 12% YoY to INR67m and margins expanded 10bp YoY/60bp QoQ to 4.7%.
- ADS improved 7% YoY to INR48k vs. INR45k in 3QFY24.
- Added 16 stores for PH, taking the total to 339 stores.

Sri Lanka: Strong growth trajectory

- Sales grew 30% YoY (+15% in LKR term) to INR1,159m, with SSSG of 14%.
- GP grew 31% YoY to INR720m and margins expanded 30bp YoY to 62.1%.
- ROM grew 63% YoY to INR206m and margins improved 360bp YoY to 17.8%.
- ADS stood at INR103k vs. INR81k in 3QFY24, up 27% YoY.
- Added 5 stores in PH, taking the total store count to 126.

Brand wise Performance	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
KFC											
No. of stores	281	301	325	341	358	381	406	429	442	461	496
Net store addition	18	20	24	16	17	23	25	23	13	19	35
SSSG (%)	65	15	3	2	0	0	-2	-3	-6	-8	-3
Net sales (INR m)	3,537	3,491	3,810	3,691	4,286	4,165	4,421	4,285	4,770	4,527	4,948
YoY growth (%)	97.9	36.1	25.7	24.4	21.2	19.3	16.0	16.1	11.3	8.7	11.9
ADS (INR '000)	144	134	136	127	138	125	125	114	122	111	115
Gross Margins (%)	67.3	65.6	66.5	66.8	68.1	67.9	68.4	68.3	68.2	68.3	68.2
Restaurant EBITDA Margin (%)	20.3	17.9	20.2	19.1	20.8	19.2	20.1	18.7	18.8	16.5	18.2
Channel mix (%)											
Delivery	35	36	36	38	36	38	38	39	40	42	41
Dine-in + Takeaway	65	64	64	62	64	62	62	61	60	58	59
Pizza Hut											
No. of stores	235	249	274	286	302	311	319	319	320	323	339
Net store addition	16	14	25	12	16	9	8	-	1	3	16
SSSG (%)	47	23	(4)	(4)	(9)	(20)	(19)	(15)	(7)	(3)	5
Net sales (INR m)	1,219	1,410	1,364	1,221	1,362	1,330	1,305	1,188	1,397	1,376	1,430
YoY growth (%)	84.6	59.5	20.3	18.3	11.7	(5.7)	(4.3)	(2.7)	2.6	3.5	9.6
ADS (INR '000)	61	64	58	50	52	48	45	41	48	47	48
Gross Margins (%)	75.3	74.7	74.4	74.3	75.1	76.1	75.7	75.5	76.1	76.5	75.6
Restaurant EBITDA Margin (%)	14.8	15.1	14.1	8.6	9.0	7.6	4.6	(2.7)	4.6	4.1	4.7
Channel mix (%)											
Delivery	47	50	50	52	50	49	49	50	50	52	51
Dine-in + Takeaway	53	50	50	48	50	51	51	50	50	48	49
Sri Lanka											
No. of stores	98	106	114	114	114	118	121	120	120	121	126
Net store addition	3	8	8	-	-	4	3	(1)	-	1	5
SSSG (%)	53	37	18	-3	0	1	1	4	11	9	14
Net sales (INR m)	650	669	731	667	825	864	892	816	978	1,024	1,159
YoY growth (%)	17.1	2.5	(14.8)	(27.3)	26.9	29.1	22.0	22.3	18.5	18.5	29.9
ADS (INR '000)	75	73	75	65	81	81	81	75	89	93	103
Gross Margins (%)	58.8	55.4	57.3	61.0	60.5	66.2	61.8	61.9	60.6	61.1	62.1
Restaurant EBITDA Margin (%)	15.5	15.0	14.6	14.2	13.0	15.3	14.2	12.3	13.2	15.5	17.8



Highlights from the management commentary

Business environment

- Competitive intensity across the QSR industry remains largely unchanged.
- The revision of tax slabs in the budget is a positive development for middle-class consumers. While the impact may not be immediate, it will be important to monitor how it influences consumer spending over time.
- Brand affinity remains strong for SAPPHIRE. Even non-users exhibit high brand awareness, presenting an opportunity to improve accessibility and convert them into customers. For a brand like KFC, which still has significant headroom for penetration, this strategy can drive substantial growth, and the company is actively working on expanding its reach.
- The demand trajectory showed some marginal improvement in 3QFY25, reflecting better trends compared to 1HFY25.
- Gross margins remain stable across both dine-in and delivery. However, dine-in offers better operating margins, as delivery comes with additional costs.
- Delivery continues to outperform for both KFC and PH. However, the company expects dine-in sales to improve in the medium term, supported by product innovations and customer engagement initiatives.
- Capital expenditure stood at INR20m per KFC outlet and INR14-15m per PH outlet, with no anticipated revisions in per-store capex.

- SAPPHIRE closed two stores in the Maldives in 3QFY25, followed by another two in Jan'25, effectively shutting down all four outlets in the region.

Segmental information

KFC

- In 3QFY25, KFC's SSTG was flat, supported by a focus on value offers for core products that have been declining since 1HFY25.
- Late-night sales contribute around 10% of total store revenue in locations where late-night operations are active.
- While there has been some improvement in demand trends, overall consumer sentiment remains subdued.
- With a favorable base, SSSG is expected to improve, but no significant positive momentum has been observed yet.
- The company estimates that SSSG needs to exceed 5% for restaurant margins to expand beyond 18%. At 5% SSSG, margins are expected to remain stable at 18%.
- KFC is not experiencing any competitive pressure from Popeyes.
- The company offers core meals at INR99, individual meals at INR149, and group meals at INR399, catering to different customer segments.
- It plans to open 70-80 new KFC stores per year.
- In order to revive SSSG, the company has adopted the following strategy –
 - **Expand consumption occasions:** Boost purchase frequency by enhancing value-driven offerings and introducing diversified product variants, such as Chicken Rolls and Zinger Burgers. Extend options within the Snackers category to appeal to varied tastes.
 - **Target-specific dayparts:** Increase customer footfall by focusing on key meal times, including lunch, late night, and mid-week days (like Wednesdays) to capture broader demand.
 - **Drive value perception:** Emphasize value across individual and group meal options to attract a wider customer base, catering to both solo diners and group gatherings.

PH

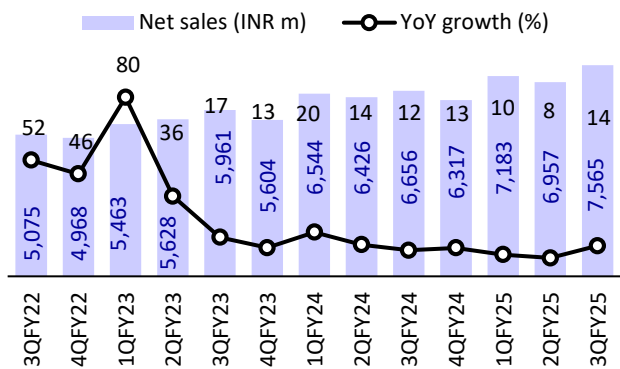
- System sales grew by 10%, with same-store sales growing 5% after eight quarters, primarily driven by a favorable base.
- The company remains cautious about store expansion and plans to add 20-25 stores per year.
- It will focus on expansion only when store-level EBITDA margins reach double digits.
- To revive growth in the segment, the company is focusing on marketing initiatives and product innovations.
- At ADS of INR47-48k, margins remain stable. At INR50k ADS, margins are in high single digits. To achieve double-digit margins, the company will need to reach an ADS target of INR55k.

Sri Lanka business

- During the quarter, the company introduced Festive Chicken Magic and Minced Mutton Treat Pizza. Additionally, a special dessert pizza, Chocolate Caramel Crunch, was launched, along with Christmas Swirls Soft Dough for the festive season.
- The company expects a 15% revenue CAGR in Sri Lanka over the medium term, primarily driven by higher SSSG, supported by the country's economic recovery.

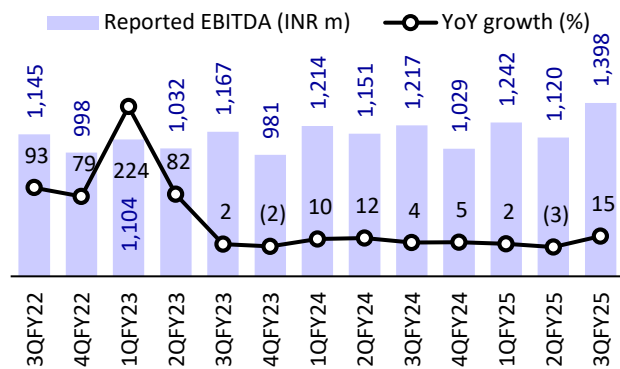
Key exhibits

Exhibit 1: Net sales grew 8% YoY to INR7.0b



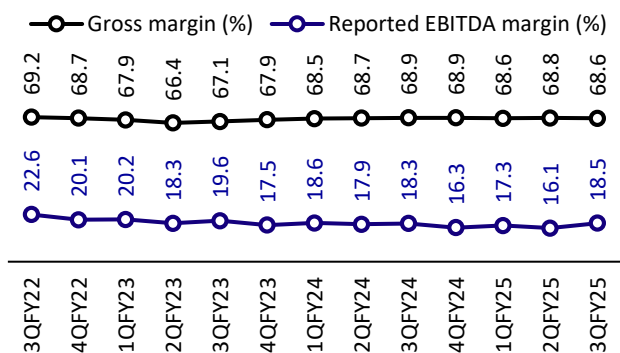
Source: Company, MOFSL

Exhibit 2: EBITDA declined 3% YoY to INR1.1b



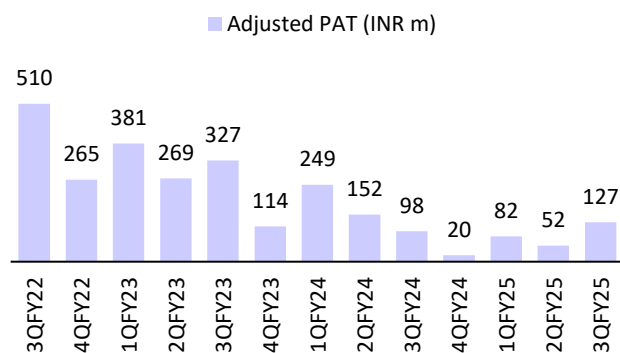
Source: Company, MOFSL

Exhibit 3: Gross margin contracted 30bp YoY to 68.6%, while EBITDA margin contracted 20bp YoY to 18.5%



Source: MOFSL, Company

Exhibit 4: Adjusted PAT came in at INR127m



Source: MOFSL, Company

Valuation and view

- There are no material changes to our revenue/EBITDA estimates for FY25 and FY26.
- KFC's store addition will sustain in FY25, but PH's store addition will be muted as management aims to fix ADS and profitability snags for the current network.
- Underlying recovery was partial, while growth improvement was aided by a favorable base. Dine-in continued to underperform delivery. The company is focusing on innovation, customer engagement, and value offerings to drive recovery. Also, government measures for the middle class in the budget could support demand revival. However, ADS and SSSG recovery remain key monitorables, as they are critical to improving unit economics. The stock trades at 31x and 25x pre-Ind-AS EV/EBITDA on FY25E and FY26E, respectively. We reiterate our **BUY** rating on the stock with a **TP of INR415 (30x Dec'26 pre-IND-AS EV/EBITDA)**.

Exhibit 5: There are no material changes to our revenue/EBITDA estimates for FY25 and FY26

(INR b)	New		Old		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Net Sales	29.1	33.4	28.9	33.2	0.4	0.6
EBITDA	4.9	6.1	4.8	6.0	1.4	0.6
Adjusted PAT	0.5	1.1	0.4	1.1	10.9	1.7

Source: Company, MOFSL

Financials and valuations

Income Statement consol.

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net Sales	11,938	13,404	10,196	17,216	22,656	25,943	29,056	33,432	38,172
Change (%)		12.3	-23.9	68.8	31.6	14.5	12.0	15.1	14.2
Raw Materials	3,946	4,317	3,099	5,278	7,407	8,109	9,174	10,518	11,930
Gross Profit	7,992	9,087	7,097	11,938	15,249	17,834	19,882	22,914	26,242
Margin (%)	66.9	67.8	69.6	69.3	67.3	68.7	68.4	68.5	68.7
Operating Expenses	6,532	7,232	5,853	8,888	10,965	13,221	14,967	16,841	19,103
EBITDA	1,460	1,856	1,244	3,050	4,284	4,613	4,914	6,074	7,140
Change (%)		27.1	-33.0	145.2	40.4	7.7	6.5	23.6	17.5
Margin (%)	12.2	13.8	12.2	17.7	18.9	17.8	16.9	18.2	18.7
Depreciation	1,547	1,913	2,091	2,135	2,642	3,239	3,563	3,916	4,346
Int. and Fin. Charges	720	722	756	781	869	1,009	1,098	1,180	1,299
Other Income	125	113	616	380	311	334	361	495	675
Profit before Taxes	-683	-666	-987	514	1,084	699	615	1,473	2,170
Change (%)		-2.5	48.2	-152.1	111.0	-35.5	-12.0	139.6	47.3
Margin (%)	-5.7	-5.0	-9.7	3.0	4.8	2.7	2.1	4.4	5.7
Total tax	11	-17	12	54	-7	180	155	371	546
Tax Rate (%)	-1.6	2.6	-1.2	10.5	-0.6	25.7	25.2	25.2	25.2
Adjusted PAT	-694	-649	-999	460	1,091	520	460	1,103	1,624
Change (%)		-6.6	54.0	-146.0	137.2	-52.4	-11.4	139.6	47.3
Margin (%)	-5.8	-4.8	-9.8	2.7	4.8	2.0	1.6	3.3	4.3
Reported PAT	-694	-1,592	-999	460	2,364	520	346	1,103	1,624

Balance Sheet

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Share Capital	431	502	528	635	635	637	637	637	637
Reserves	3,585	4,742	4,271	9,436	11,924	12,754	13,100	14,203	15,827
Net Worth	4,016	5,245	4,799	10,071	12,559	13,391	13,737	14,840	16,464
Loans	959	712	757	612	443	276	157	82	-18
Other Liability	5,455	5,744	5,692	7,280	9,185	11,363	11,991	13,289	14,587
Minority Interest	11	3	-12	-17	-20	7	7	7	7
Deferred tax liability (net)	156	117	107	87	-1,184	-1,095	-1,095	-1,095	-1,095
Capital Employed	10,597	11,820	11,343	18,034	20,983	23,942	24,797	27,123	29,944
Gross Block	5,473	6,567	6,905	8,948	12,134	15,480	16,490	18,275	20,261
Less: Accum. Depn.	1,587	2,221	2,974	3,487	4,428	5,856	7,474	9,299	11,322
Net Fixed Assets	3,886	4,346	3,932	5,462	7,706	9,624	9,016	8,976	8,938
Capital WIP	206	184	213	320	550	673	300	300	300
Goodwill	2,539	1,622	1,622	1,622	1,622	1,622	1,622	1,622	1,622
Other Intangible assets	770	719	642	573	661	720	649	665	673
Right to Use Assets	4,859	4,953	4,739	6,249	7,915	9,818	10,447	11,745	13,043
Investments	0	155	267	1,525	659	0	0	0	0
Curr. Assets, L&A	3,414	1,828	2,074	5,890	5,607	4,815	7,468	9,056	11,144
Inventory	381	444	474	652	993	969	1,230	1,410	1,599
Account Receivables	224	46	78	141	179	344	230	265	302
Cash and Bank Balance	1,865	392	500	2,546	2,204	1,676	3,462	4,361	5,689
Others	944	947	1,022	2,551	2,231	1,826	2,545	3,020	3,553
Curr. Liab. and Prov.	5,078	1,987	2,147	3,605	3,738	3,330	4,704	5,241	5,775
Account Payables	1,142	1,307	1,440	1,991	2,170	2,308	2,688	3,081	3,495
Other Liabilities	3,789	529	544	1,438	1,391	793	1,723	1,832	1,914
Provisions	147	151	163	176	177	229	293	328	365
Net Current Assets	-1,664	-158	-73	2,285	1,870	1,485	2,764	3,815	5,369
Application of Funds	10,597	11,820	11,343	18,034	20,983	23,943	24,797	27,123	29,944

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)									
EPS	-3.2	-2.6	-3.8	1.4	3.4	1.6	1.4	3.5	5.1
Cash EPS	4.0	5.0	4.1	8.2	11.7	11.8	12.6	15.8	18.7
BV/Share	18.6	20.9	18.2	31.7	39.5	42.0	43.1	46.6	51.7
Valuation (x)									
P/E	N/M	N/M	N/M	219.7	92.6	195.0	220.1	91.9	62.4
Cash P/E	80.3	63.2	76.8	38.9	27.1	26.9	25.2	20.2	17.0
EV/Sales	6.1	6.4	8.8	6.1	4.8	4.3	3.4	2.9	2.5
EV/EBITDA	50.1	46.2	72.0	34.4	25.2	24.1	19.9	16.0	13.4
P/BV	17.1	15.2	17.5	10.0	8.0	7.6	7.4	6.8	6.2
Return Ratios (%)									
RoE		-14.0	-19.9	6.2	9.6	4.0	3.4	7.7	10.4
RoCE		0.5	-2.0	7.9	10.1	5.7	5.3	7.6	9.1
RoIC		-0.6	-7.8	6.3	9.9	5.1	4.7	7.4	9.0
Working Capital Ratios									
Debtor (Days)	7	1	3	3	3	5	3	3	3
Asset Turnover (x)	1.1	1.1	0.9	1.0	1.1	1.1	1.2	1.2	1.3
Leverage Ratio									
Debt/Equity (x)	0.2	0.1	0.2	0.1	0.0	0.0	0.0	0.0	0.0

Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Profit before Tax	-683	-1,610	-987	514	1,084	699	501	1,473	2,170
Depreciation	1,547	1,913	2,091	2,135	2,642	3,239	3,563	3,916	4,346
Net interest	720	722	756	781	869	1,009	1,098	1,180	1,299
Others	1	950	-409	-10	-86	-122	-361	-495	-675
Direct Taxes Paid	0	0	-28	-63	-21	-20	-155	-371	-546
(Incr)/Decr in WC	-84	155	118	592	-669	-317	634	30	-28
CF from Operations	1,501	2,130	1,541	3,949	3,818	4,488	5,279	5,733	6,565
Incr in FA	-1,752	-1,430	-740	-2,853	-3,842	-3,851	-1,795	-1,785	-1,986
Free Cash Flow	-252	701	801	1,096	-23	637	3,485	3,948	4,580
Pur of Investments	-1,599	1,409	-39	-4,063	1,806	1,982	-71	-216	-223
Others	1,719	-2,063	-159	1,884	-176	-1,022	1,339	311	482
CF from Invest.	-1,632	-2,083	-938	-5,032	-2,212	-2,891	-526	-1,689	-1,727
Issue of Shares	2,321	0	444	4,690	0	83	0	0	0
Incr in Debt	156	-822	-180	-780	-1,084	-1,203	-104	-58	-82
Dividend Paid	0	0	0	0	0	0	0	0	0
Net interest Paid	-709	-699	-758	-780	-864	-1,005	-2,862	-3,087	-3,429
Others									
CF from Fin. Activity	1,767	-1,520	-494	3,130	-1,948	-2,125	-2,967	-3,145	-3,511
Incr/Decr of Cash	1,636	-1,473	109	2,046	-342	-528	1,786	898	1,328
Add: Opening Balance	228	1,865	392	500	2,546	2,204	1,676	3,462	4,361
Closing Balance	1,865	392	500	2,546	2,204	1,676	3,462	4,361	5,689

E: MOFSL Estimates

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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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