

Aditya Birla Fashion and Retail

Estimate changes

TP change

Rating change



Bloomberg	ABFRL IN
Equity Shares (m)	915
M.Cap.(INRb)/(USDb)	250.2 / 3.2
52-Week Range (INR)	322 / 182
1, 6, 12 Rel. Per (%)	-1/5/32
12M Avg Val (INR M)	966

Financials & Valuations (INR b)

INRb	FY22	FY23E	FY24E
Sales	81.4	118.6	137.0
EBITDA	11.0	18.5	21.6
Adj. PAT	-1.2	3.1	3.6
EBITDA Margin (%)	13.5	15.6	15.7
Adj. EPS (INR)	-1.3	3.3	3.9
EPS Gr. (%)	-84.0	-360.2	15.2
BV/Sh. (INR)	29.7	33.1	36.9

Ratios

Net D:E	0.2	0.0	0.0
RoE (%)	-4.4	10.7	11.0
RoCE (%)	5.2	18.7	19.5
Payout (%)	0.0	0.0	0.0

Valuations

P/E (x)	-211.1	81.1	70.4
EV/EBITDA (x)	26.8	16.4	13.8
EV/Sales (x)	3.3	2.3	1.9
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	2.4	-0.8	8.1

Shareholding pattern (%)

As On	Mar-22	Dec-21	Mar-21
Promoter	56.1	56.1	56.1
DII	19.9	19.2	18.1
FII	13.7	14.0	14.5
Others	10.3	10.7	11.4

FII Includes depository receipts

CMP: INR267
TP: INR350 (+31%)
Buy

Strong growth momentum continues

The building blocks for long-term growth remain firmly in place

- A strong recovery in business, particularly the Lifestyle segment, saw 59% YoY jump in ABFRL's 4QFY22 EBITDA backed by 25% YoY revenue growth and 210bp gross margin improvement. Net debt at INR5b too was comfortable even after building inventory for the upcoming season and new stores.
- With healthy recovery and growth momentum across verticals, we raise our FY23E/24E EBITDA by 7-8%, modeling strong 40% EBITDA CAGR over FY22-24E. The INR22b fundraise from GIC should ensure a well-capitalized balance sheet and act as an enabler of the next 3-/5-year growth story. However, the 7.5% dilution and risk of capital mis-allocation could play havoc in the near term. **Retain BUY.**

Adj. EBITDA up 49% YoY aided by strong revenue recovery and healthy gross margin (significant beat)

- ABFRL's consolidated revenue grew 25.3% YoY to INR22.8b (in line), despite the adverse impact of Omicron in the first half of the quarter, aided by strong 34% YoY growth in the Lifestyle segment. Revenue grew 25% v/s the pre-Covid levels of 4QFY20 .
- Gross margin improved 210bp YoY to 55.7%, better than the normalized margin of ~52% in 4Q historically. Adjusted for the one-time rental waiver of INR221.6m during 4QFY22, EBITDA grew 49% YoY to INR3.5b (48% beat) with 240bp margin improvement, on strong gross margin and lower cost of retailing.
- Subsequently, net profit stood at INR308m as against a loss of INR2b in 4QFY21 (v/s our estimated net loss of INR669m).
- Net debt (excluding lease) reached INR5b v/s net cash position of INR1.18b as of Dec'21 and INR5.3b as of Mar'21, since the company stocked inventory for the upcoming season and new stores.
- Lifestyle Brands' revenue/EBITDA growth of 33.8%/77% YoY was 25% above pre-Covid level, led by strong 13% retail LTL growth and revival in wholesale business as well as 570bp margin improvement. Pantaloons' revenue rose 13% YoY to INR6.8b (8% above pre-Covid), while its EBITDA declined 4.7% YoY to INR820m due to the adverse impact of Omicron-led restrictions on large format stores.

Highlights from the management commentary

- ABFRL's capex for FY23E is likely to be INR7-8b with major focus on expansion of stores (Pantaloons to add 70-75 stores) under various formats and improving digital and back-end infrastructure.
- Margin improvement originated from lower discounting and improved LTL sales. Margins to moderate going ahead due to increased marketing expenses and resumption of some cost items.
- Inventory and Payables were higher mainly to build stock for the upcoming season and new stores.
- The INR22b fresh capital from GIC will be used to strengthen the balance sheet and fuel growth of existing formats over the next 3-5 years.

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

Valuation and view

- ABFRL's robust execution capability is reflected in its ability to scale up a series of strong brands during the last 10 years with healthy growth.
- The recent announcement of INR22b preferential issue to GIC (in addition to the rights issue and a strategic stake sale to Flipkart coupled with improved working capital efficiencies), should further reduce its leverage position (excluding lease liability) of INR5b and fuel growth in a wide array of new categories.
- We raise our EBITDA by 7-8% for FY23/24E led a healthy recovery and growth momentum, factoring in revenue/EBITDA CAGR of 30%/40% over FY22-24E.
- Ethnic Wear turning EBITDA positive along with continued momentum in other businesses, including Innerwear, remains the key positive. However, new investment in fresh categories is diluting cash flows and will be a key monitorable.
- We value ABFRL on an SOTP basis, assigning EV/EBITDA of 21x to Lifestyle Brands, 18x to Pantaloons, and EV/sales of 1x to other businesses on FY24E. Subsequently, we arrive at our TP of INR350. **Maintain BUY.**

Consolidated - Quarterly Earnings Model

Y/E March	FY21				FY22E				FY21	FY22	FY22	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue	3,230	10,281	20,762	18,216	8,120	20,543	29,871	22,828	52,489	81,362	22,431	1.8
YoY Change (%)	-84.4	-55.4	-19.6	-0.6	151.4	99.8	43.9	25.3	-40.3	55.0	23.1	
Total Expenditure	6,834	10,358	17,116	15,863	9,807	17,408	24,050	19,098	50,171	70,363	20,054	-4.8
EBITDA	-3,604	-76	3,646	2,353	-1,687	3,135	5,821	3,730	2,318	10,999	2,378	56.9
Change, YoY (%)	-214.8	-102.3	-10.7	56.6	-53.2	-4,203.8	59.7	58.5	-80.9	374.5	1.0	
Depreciation	2,369	2,415	2,311	2,533	2,378	2,416	2,509	2,668	9,628	9,970	2,454	
Interest	1,262	1,449	1,106	1,209	852	876	884	895	5,026	3,507	900	
Other Income	1,785	1,432	570	177	243	252	243	267	3,963	1,006	84	
PBT	-5,449	-2,509	798	-1,212	-4,674	96	2,671	435	-8,372	-1,473	-893	NM
Tax	-1,346	-626	214	743	-1,156	37	727	127	-1,015	-266	-223	
Rate (%)	24.7	25.0	26.8	-61.3	24.7	38.5	27.2	29.3	12.1	18.0	25.0	
Reported PAT	-4,104	-1,883	584	-1,955	-3,518	59	1,944	308	-7,357	-1,207	-669	NM
Adj PAT	-4,104	-1,883	584	-1,955	-3,518	59	1,944	308	-7,357	-1,207	-669	NM
YoY Change (%)	-2,003.3	-944.6	-14.9	33.4	-14.3	-103.1	232.6	-115.7	2061.3	-83.6	-65.8	

E: MOFSL Estimates

Exhibit 1: SOTP-based valuation

FY24E	EBITDA/Sales	Multiple	EV
Lifestyle Brands	11,431	21	2,34,333
Pantaloons	6,673	18	1,20,110
Others	17,250	1	17,250
Total EV			3,71,693
Less: Net debt			42,855
Equity Value			3,28,838
No of Shares			938
TP			350
CMP			267
Upside			31%

Source: MOFSL, Company

Segmental split

Lifestyle segment:

- Revenue from the Lifestyle segment grew 25% above pre-COVID levels, led by a revival in the wholesale business and strong 13% retail LTL growth.
- The retail channel grew 25% YoY, while the wholesale channel rose 71% YoY, reaching pre-COVID levels (4QFY20).
- Product innovations and expansion into newer categories drove growth within this segment.

Pantaloons:

- Revenue from Pantaloons grew 13% YoY to INR6.8b (8% above pre-COVID levels), led by strong (+91%) revenue growth within the e-commerce business and network expansion.
- EBITDA declined 4.7% YoY to INR820m, adversely impacted by the Omicron-led restrictions on large format stores.

Ethnic Wear:

- Revenue from the Ethnic Wear segment jumped ~2.7x YoY to INR1b, propelled by network expansion, portfolio additions, and category extensions.
- It added eight stores in 4QFY22, taking its total Ethnic Wear retail network to 2x that of FY21 levels.
- The segment posted an EBITDA of INR50m v/s an operating loss of INR240m YoY.

Other business highlights

- The business is continuing to see a strong recovery in demand since Mar'22 after being hit in Jan'22 and Feb'22 (partially).
- Its e-commerce business increased 52% YoY to INR10b. The company has omni enabled ~50% of its network.



Highlights from the management commentary

Key takeaways

- ABFRL's capex for FY23E is likely to be INR7-8b with major focus on expansion of stores (Pantaloons to add 70-75 stores) under various formats and improving digital and back-end infrastructure.
- Margin improvement originated from lower discounting and improved LTL sales. Margins to moderate going ahead due to increased marketing expenses and resumption of some cost items.
- Inventory and Payables were higher mainly to build stock for the upcoming season and new stores.
- The INR22b fresh capital from GIC will be used to strengthen the balance sheet and fuel growth of existing formats over the next 3-5 years.

Highlights in detail

Fund Infusion:

- The management approved raising of INR22b of primary capital on preferential basis to GIC Singapore. GIC will pay INR7.7b in 1HFY23 upon receiving regulatory approval while the remaining amount will be paid over a period of 18 months on conversion of warrants into shares.

- The decision on fundraise was taken mainly to fund the long-term competitive position of the company, which saw some disruption led by the weak 1HFY22.
- These funds would be utilized towards investments in expanding pantaloons franchise, ethnic portfolio expansion, innerwear, and Reebok stores.
- The decision to issue warrants instead of direct equity was mainly due to the company's plan to gradually strengthen its balance sheet over a period of 3-5 years.

Lifestyle Brands

- Lifestyle Brands saw strong growth backed by product innovation and introduction of newer categories. The brand continues to gain market share.
- Retail segment grew 25% YoY in 4QFY22, while wholesale business witnessed a 71% YoY growth.
- The Lifestyle Brands business exited the year with 2,522 stores.

Pantaloons

- The segment was impacted by Omicron due to its higher presence in malls.
- Impact of Omicron on the segment was estimated to be around INR1.6b for 4QFY22 (INR3b for 2HFY22)
- Pantaloons' margin – The segment witnessed improved margins aided by improved inventory management and lesser discount sales.
- The company opened 49 pantaloons stores during the year, of which 18 stores were opened in 4QFY22. Moving ahead, management plans to add 70-75 stores annually with an annual capex of INR1.5b.
- E-com business for 4QFY22 witnessed a growth of 81% YoY.

Innerwear and other biz

- Revenue from this segment stood at INR2.2b for 4QFY22 v/s INR2.1b in 4QFY22.
- Active wear segment saw a strong network expansion while youth and super premium brands continue to witness profitability.
- Innerwear: Innerwear segment continues to grow rapidly; it witnessed high double-digit growth during 4QFY22.

Ethnic Wear

- The segment is still in a nascent stage and could further see significant investments to expand in online and offline space.
- The company plans to add 70 stores under this business segment, including one store in New York for Sabyasachi.

Partnerships:

- **House of Masaba:** The company has signed a definitive agreement to pick up a majority stake in the brand. Integration of this brand is expected to be completed shortly.
- **Reebok India:** The company targets to integrate the segment within its portfolio from 1QFY23. It further views this segment as a large opportunity going ahead.

Other Highlights:

- Focus points: The company plans to focus on the following four areas going ahead:
 - Improving the capex to fuel business growth
 - Increasing spends on marketing and advertising
 - Increasing spends on IT, digital and extension of omni channel capabilities to offer seamless digital experience to its customers.
 - Focusing on expanding the D2C segment through organic and inorganic routes.
- Capex guidance: The management has guided for an FY23 capex in the range of INR7-8b. While the company does not view any inorganic growth opportunities in short term, it plans to improve its balance sheet positioning through capex on existing businesses.
- Inventory: As of Mar'22, inventory was higher mainly due to the company's decision to build stock for next season and to suffice expansion plans in ethnic wear segment.
- Margin guidance:
 - Improved LTL sales and lower discount sales backed by wedding season aided in improvement in 4QFY22 margins.
 - Management has further indicated that margins, going ahead, could moderate due to increased spends on advertising and resumption of some cost items.
- Price hike impact: While the management has not seen any significant impact of the price hike undertaken, it expects some repercussions on the back of inflationary pressures.
- The management stated that it has not seen any major impact on account of the current situation in Sri Lanka as sourcing from this segment has been reduced to minimal over the years.
- Fundraise under the D2C segment would be done separately and the current fundraise would not be used for this segment.

Exhibit 2: Quarterly performance (INR m)

	4QFY21	3QFY22	4QFY22	YoY%	QoQ%	4QFY22E	v/s est (%)
Revenue	18,216	29,871	22,828	25.3	-23.6	22,431	1.8
Raw Material cost	8,448	13,529	10,109	19.7	-25.3	10,708	-5.6
Gross Profit	9,767	16,342	12,719	30.2	-22.2	11,723	8.5
Gross margin (%)	53.6	54.7	55.7	210bps	101bps	52.3	346bps
Employee Costs	2,412	3,155	3,068	27.2	-2.8	2,980	3.0
Rent	869	2,025	1,403	61.5	-30.7	2,005	-30.0
SGA Expenses	4,133	5,341	4,517	9.3	-15.4	4,360	3.6
EBITDA	2,353	5,821	3,730	58.5	-35.9	2,378	56.9
EBITDA margin (%)	12.9	19.5	16.3	342bps	-315bps	10.6	574bps
Depreciation and amortization	2,533	2,509	2,668	5.3	6.3	2,454	8.7
EBIT	-180	3,312	1,062	-690.8	-67.9	-76	-1493.6
EBIT margin (%)	-1.0	11.1	4.7	564bps	-643bps	-0.3	499bps
Finance Costs	1,209	884	895	-26.0	1.2	900	-0.6
Other income	177	243	267	51.3	10.0	84	218.9
Profit before Tax	-1,212	2,671	435	-135.9	-83.7	-893	-148.7
Tax	743	727	127	-82.9	NM	-223	NM
Tax rate (%)	-61.3	27.2	29.3	NM	207bps	25.0	427bps
Profit after Tax	-1,955	1,944	308	LP	-84.2	-669	NM
Adj Profit after Tax*	-1,955	1,944	308	LP	-84.2	-669	NM

Source: MOFSL, Company

Exhibit 3: Segment wise performance

Segment wise Performance	4QFY21	3QFY22	4QFY22	YoY%	QoQ%	4QFY22E	v/s est (%)
Madura							
Revenue	12,170	18,760	15,590	28.1	-16.9	14,615	6.7
EBITDA	1,880	3,640	3,080	63.8	-15.4	2,486	23.9
EBITDA margin (%)	15.4	19.4	19.8	431bps	35bps	17.0	16.2
Pantaloons							
Revenue	5,970	10,660	6,750	13.1	-36.7	6,750	0.0
EBITDA	860	2,160	820	-4.7	-62.0	-263	-412.4
EBITDA margin (%)	14.4	20.3	12.1	-226bps	-811bps	-3.9	NM
Ethnic							
Revenue	380	1140	1010	165.8	-11.4	1,254	-19.5
EBITDA	-240	310	50	-120.8	-83.9	200	-75.0
EBITDA margin (%)	-63.2	27.2	5.0	6811bps	-2224bps	15.9	NM
Gross							
Revenue	18,520	30,560	23,350	26.1	-23.6		
Madura mix	65.7	61.4	66.8	105bps	538bps		
Pantaloons mix	32.2	34.9	28.9	-333bps	-597bps		
Ethnic Mix	2.1	3.7	4.3				
EBITDA							
Madura mix	75.2	59.6	78.0	277bps	1840bps		
Pantaloons mix	34.4	35.4	20.8	-14.4pps	-14.6pps		

Source: MOFSL, Company

Exhibit 4: Summary of our estimate changes

	FY23E	FY24E
Revenue (INR m)		
Old	1,09,559	1,26,904
Actual/New	1,18,650	1,36,967
Change (%)	8.3	7.9
EBITDA (INR m)		
Old	17,073	20,233
Actual/New	18,471	21,561
Change (%)	8.2	6.6
EBITDA margin (%)		
Old	15.6	15.9
Actual/New	15.6	15.7
Change (bp)	-2	-20
Net Profit (INR m)		
Old	1,648	2,370
Actual/New	3,141	3,618
Change (%)	90.5	52.7
EPS (INR)		
Old	1.4	2.0
Actual/New	3.3	3.9
Change (%)	136.6	89.6

Source: Company, MOFSL

Story in charts

Exhibit 5: Consolidated revenue trend

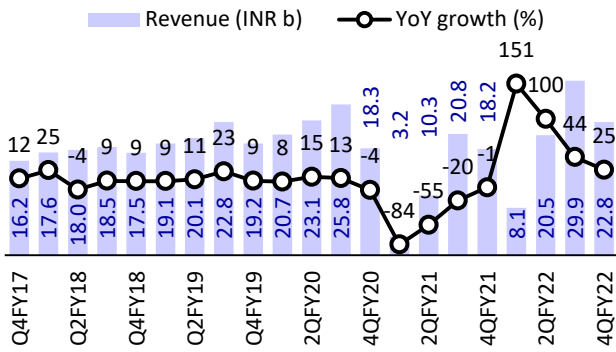


Exhibit 6: Gross margin expands 100bp QoQ

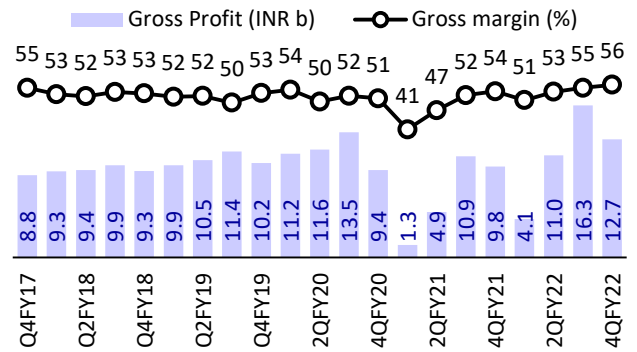


Exhibit 7: EBITDA up 59% YoY

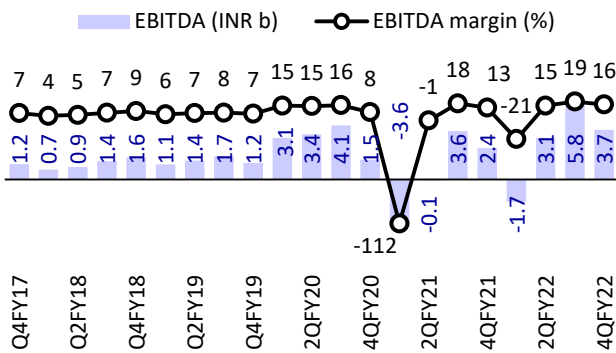


Exhibit 8: PAT and PAT margin trends

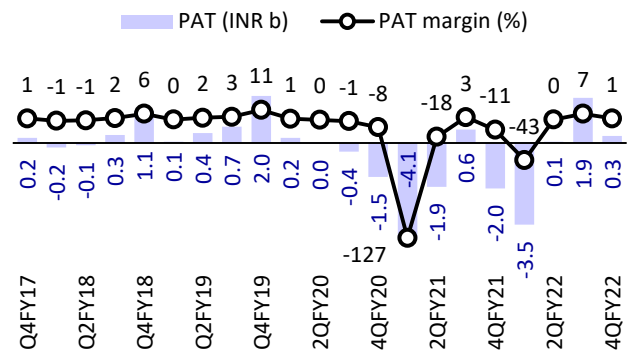


Exhibit 9: Madura posts revenue of INR15.6b

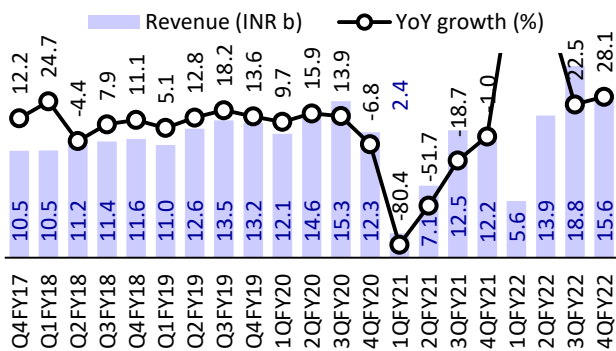


Exhibit 10: Madura reports EBITDA of INR3.1b

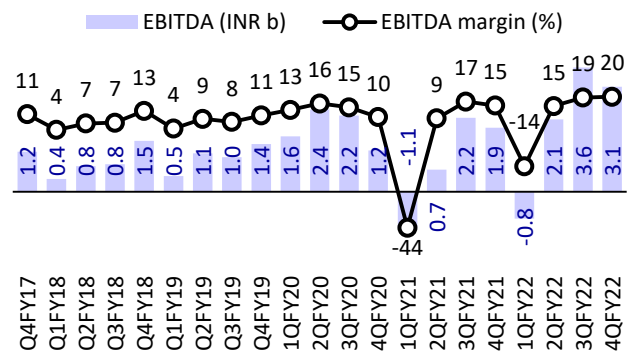


Exhibit 11: Madura's store count reaches 3,091

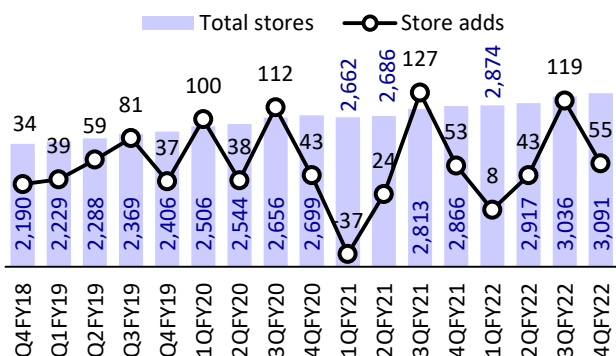
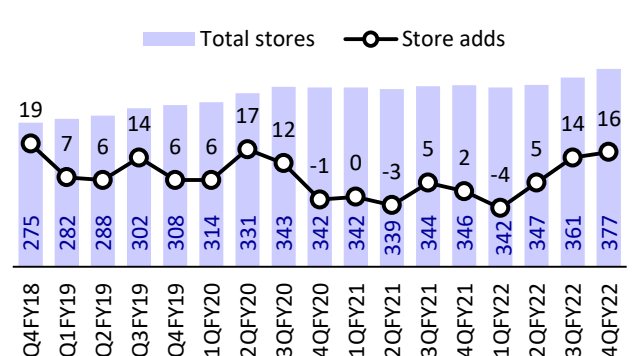


Exhibit 12: Pantaloon's store count stands at 377



Source: Company, MOFSL

Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement

	(INR m)							
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Total Income from Operations	66,029	71,721	81,177	87,879	52,489	81,362	1,18,650	1,36,967
Change (%)	9.4	8.6	13.2	8.3	-40.3	55.0	45.8	15.4
Raw Materials	30,070	33,901	39,250	42,242	25,630	37,202	54,118	62,478
Employees Cost	7,058	7,723	9,130	10,805	8,654	11,585	15,780	17,806
Rent	10,871	10,429	11,104	4,870	107	3,932	5,932	7,122
Other Expenses	13,638	14,985	16,153	17,843	12,552	17,644	24,348	28,001
Total Expenditure	61,637	67,038	75,637	75,760	46,942	70,363	1,00,179	1,15,406
% of Sales	93.3	93.5	93.2	86.2	89.4	86.5	84.4	84.3
EBITDA	4,392	4,683	5,541	12,118	5,548	10,999	18,471	21,561
Margin (%)	6.7	6.5	6.8	13.8	10.6	13.5	15.6	15.7
Depreciation	2,425	2,805	2,823	8,853	9,628	9,970	10,976	12,747
EBIT	1,967	1,878	2,717	3,265	-4,080	1,029	7,495	8,813
Int. and Finance Charges	1,797	1,716	1,874	4,247	5,026	3,507	3,960	4,642
Other Income	382	328	648	653	734	1,006	653	653
PBT bef. EO Exp.	552	490	1,491	-329	-8,372	-1,473	4,188	4,825
EO Items	0	0	0	0	0	0	0	0
PBT after EO Exp.	552	490	1,491	-329	-8,372	-1,473	4,188	4,825
Total Tax	0	-688	-1,721	1,321	-1,015	-266	1,047	1,206
Tax Rate (%)	0.0	-140.5	-115.4	-401.7	12.1	18.0	25.0	25.0
Reported PAT	552	1,178	3,212	-1,650	-7,357	-1,207	3,141	3,618
Adjusted PAT	552	494	1,273	-340	-7,357	-1,207	3,141	3,618
Change (%)	-150.3	-10.5	157.7	-126.7	2,061.2	-83.6	-360.2	15.2
Margin (%)	0.8	0.7	1.6	-0.4	-14.0	-1.5	2.6	2.6

Consolidated - Balance Sheet

	(INR m)							
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Equity Share Capital	7,705	7,717	7,735	7,740	9,151	9,383	9,383	9,383
Total Reserves	1,876	3,214	6,554	3,138	17,612	18,502	21,643	25,261
Net Worth	9,582	10,931	14,289	10,878	26,763	27,885	31,026	34,644
Total Loans	20,446	18,615	11,982	23,688	11,364	12,323	15,823	15,823
Lease Liability				25,018	24,634	28,681	35,602	41,974
Deferred Tax Liabilities	0	-688	-2,634	-1,950	-3,339	-3,805	-3,805	-3,805
Capital Employed	30,028	28,857	23,637	57,634	59,421	65,085	78,647	88,637
Gross Block	27,575	30,667	32,410	63,457	75,981	92,395	1,00,668	1,16,318
Less: Accum. Deprn.	2,704	4,844	6,855	14,022	21,851	31,821	42,797	55,544
Net Fixed Assets	24,871	25,823	25,555	49,435	54,130	60,573	57,871	60,773
Right to use Assets				22,069	21,414	25,229	22,634	24,003
Capital WIP	250	459	224	441	376	1,032	1,026	1,026
Total Investments	0	42	42	142	4,198	6,860	6,860	6,860
Curr. Assets, Loans&Adv.	25,238	30,326	37,756	45,688	39,671	51,796	65,877	81,144
Inventory	14,313	16,912	19,213	23,668	18,470	29,296	35,757	37,525
Account Receivables	4,522	5,518	7,808	8,405	7,305	7,564	11,377	13,134
Cash and Bank Balance	497	728	574	2,669	2,618	1,205	2,489	14,725
Loans and Advances	5,907	7,168	10,161	10,946	11,279	13,731	16,253	15,761
Curr. Liability & Prov.	20,331	27,793	39,940	38,072	38,954	55,176	52,986	61,166
Account Payables	14,578	20,093	23,974	22,899	23,734	34,106	39,008	45,030
Other Current Liabilities	3,823	5,780	13,943	13,284	13,342	19,041	11,377	13,134
Provisions	1,929	1,920	2,023	1,888	1,878	2,030	2,601	3,002
Net Current Assets	4,907	2,533	-2,184	7,616	717	-3,380	12,891	19,978
Appl. of Funds	30,028	28,858	23,637	57,634	59,421	65,085	78,647	88,637

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
Basic (INR)								
EPS	0.7	0.6	1.6	-0.4	-8.0	-1.3	3.3	3.9
Cash EPS	3.9	4.3	5.3	11.0	2.5	9.3	15.0	17.4
BV/Share	12.4	14.2	18.5	14.1	29.2	29.7	33.1	36.9
DPS	0.0	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	0.0
Valuation (x)								
P/E	379.1	423.5	165.0	-617.5	-33.8	-211.1	81.1	70.4
Cash P/E	70.3	63.4	51.1	24.7	109.4	29.1	18.1	15.6
P/BV	21.8	19.1	14.6	19.3	9.3	9.1	8.2	7.4
EV/Sales	3.5	3.2	2.7	2.6	4.9	3.3	2.3	1.9
EV/EBITDA	52.2	48.6	40.0	21.1	50.8	26.8	16.4	13.8
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	-0.3	3.5	3.2	2.5	9.8	6.7	-2.2	22.2
Return Ratios (%)								
RoE	5.9	4.8	10.1	-2.7	-39.1	-4.4	10.7	11.0
RoCE	8.6	7.4	12.1	12.9	-9.2	5.2	18.7	19.5
RoIC	7.4	6.6	10.8	8.5	-6.7	1.6	9.0	9.8
Working Capital Ratios								
Fixed Asset Turnover (x)	2.4	2.3	2.5	1.4	0.7	0.9	1.2	1.2
Asset Turnover (x)	2.2	2.5	3.4	1.5	0.9	1.3	1.5	1.5
Inventory (Days)	79	86	86	98	128	131	110	100
Debtor (Days)	25	28	35	35	51	34	35	35
Creditor (Days)	81	102	108	95	165	153	120	120
Leverage Ratio (x)								
Current Ratio	1.2	1.1	0.9	1.2	1.0	0.9	1.2	1.3
Interest Cover Ratio	1.1	1.1	1.4	0.8	-0.8	0.3	1.9	1.9
Net Debt/Equity	2.1	1.6	0.8	1.9	0.2	0.2	0.2	-0.2

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E
OP/(Loss) before Tax	535	490	1,491	-329	-8,375	-1,449	4,188	4,825
Depreciation	2,425	2,805	2,823	8,853	9,628	9,970	10,976	12,747
Interest & Finance Charges	1,761	1,669	1,846	4,220	5,004	3,484	3,960	4,642
Direct Taxes Paid	-30	-10	-196	-65	-28	-164	-1,047	-1,206
(Inc)/Dec in WC	-573	760	-937	-6,126	8,528	241	-14,987	5,149
CF from Operations	4,118	5,714	5,028	6,552	14,756	12,082	3,089	26,156
Others	134	237	249	-112	-3,718	-2,577	-653	-653
CF from Operating incl EO	4,252	5,951	5,276	6,440	11,038	9,505	2,436	25,503
(Inc)/Dec in FA	-4,499	-3,271	-2,792	-4,485	-2,101	-3,185	-4,500	-4,650
Lease Payments						0	-6,180	-7,476
Free Cash Flow	-247	2,680	2,484	1,955	8,937	6,321	-2,064	20,853
(Pur)/Sale of Investments	4	-36	22	-1,027	-6,475	-2,422	0	0
Others	40	58	6	5	181	116	676	676
CF from Investments	-4,455	-3,250	-2,763	-5,508	-8,396	-5,491	-10,004	-11,450
Issue of Shares	11	12	9	72	22,388	2,476	0	0
Inc/(Dec) in Debt	1,948	-1,832	-1,576	10,742	-16,547	960	3,500	0
Interest Paid	-1,450	-649	-1,098	-4,243	-4,759	-3,097	-1,606	-1,794
Others	0	0	0	-5,407	-3,774	-5,609	6,980	0
CF from Fin. Activity	509	-2,469	-2,664	1,165	-2,692	-5,270	8,874	-1,794
Inc/Dec of Cash	306	233	-152	2,098	-50	-1,256	1,307	12,259
Opening Balance	190	495	725	571	2,668	2,461	1,182	2,466
Closing Balance	496	727	574	2,669	2,618	1,205	2,489	14,725
less: Other Bank Balance	1	2	2	1	156	23	23	23
Net Closing Balance	495	725	571	2,668	2,461	1,182	2,466	14,702

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

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