

# Brigade Enterprises (BRIENT)

CMP: ₹ 408

Target: ₹ 550 (35%) Target Period: 12-18 months

May 15, 2022

BUY

## Strong launch pipeline ahead...

**About the stock:** Brigade Enterprises (BEL) is one of the leading property developers in South India. Its offerings include Grade-A commercial property, affordable to ultra-premium housing in real estate business and operational marquee hotel assets in hospitality segment.

**Q4FY22 Results:** BEL's performance was a mixed bag. Residential sales value was flattish YoY amid high base while other segment such as leasing recovered strongly.

- Sales value at ₹ 1028 crore was up 1% YoY. Realisations were up ~8.4% YoY at ₹ 6644/sq ft (led by project mix). The company reported sales volume of 1.5 mn sq ft, reporting decline of ~8% YoY, on a high base (56% growth in the base). On financial reported numbers, reported revenues grew ~19.1% YoY to ₹ 942 crore, with revenue recognition from real estate at ₹ 729 crore, up 13% YoY. Revenues from hospitality (flat YoY) were at ₹ 55.3 crore while rental revenues at ₹ 180.7 crore, up 48.8% YoY, saw strong recovery
- Reported EBITDA margins were down 210 bps YoY to 21.8% mainly on account of higher sub-contractor cost and other expenses. The company reported PAT of ₹ 32.5 crore, down 17.9% YoY, owing to lower EBITDA

**What should investors do?** BEL's share price has grown at ~20% CAGR over the past five years (from ~₹ 167 in May 2017 to ~₹ 408 levels in May 2022).

- We maintain our **BUY** rating on the company. Apart from robust residential sales volumes traction (led by strong end user demand in its key markets), we expect a recovery in commercial to drive overall traction

**Target Price and Valuation:** We value BEL at ₹ 550/share.

### Key triggers for future price performance:

- Traction in sales momentum in the residential business with strong pipeline of 17.4 mn sq ft ongoing projects and ~8.3 mn sq ft upcoming projects
- Stable cash flows in office leasing portfolio with traction in leasing picking up now; normalised malls operation to add incremental growth
- Hospitality portfolio recovery led by reopening of economy

**Alternate Stock Idea:** Besides BEL, we like Mahindra Lifespace in real estate space.

- A play on residential expanding real estate portfolio
- BUY with a target price of ₹ 430



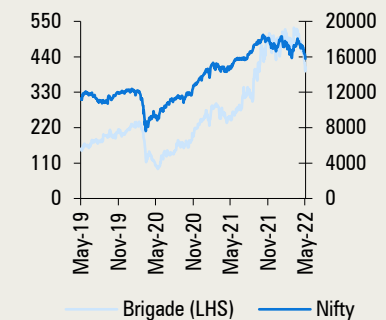
### Particulars

Particulars	Amount (₹ crore)
Market Capitalization	11,625.7
Total Debt	4,299.6
Cash	559.4
EV	15,365.9
52 week H/L (₹)	540/ 233
Equity capital	229.6
Face value (₹)	10.0

### Shareholding pattern

	Jun-21	Sep-21	Dec-21	Mar-22
Promoters	44.1	44.0	43.9	43.9
DII	24.8	24.2	23.1	23.3
FII	12.9	13.1	13.9	13.6
Other	18.2	18.7	19.0	19.2

### Price Chart



### Key Risks

**Key Risk:** (i) Slowdown in residential real estate; (ii) Delay in lease offtake at Commercial Assets

### Research Analyst

Bhupendra Tiwary, CFA  
bhupendra.tiwary@icicisecurities.com

Lokesh Kashikar  
lokesh.kashikar@icicisecurities.com

### Key Financial Summary

(₹ crore)	FY20	FY21	FY22E	5 yr CAGR (FY17-22)	FY23E	FY24E	3 yr CAGR (FY22-24E)
Net Sales	2632.2	1950.0	2998.8	8.2%	3468.3	3844.8	13.2%
EBITDA	663.2	471.9	766.3	5.9%	1011.0	1182.9	24.2%
EBITDA Margin(%)	25.2	24.2	25.6		29.1	30.8	
Net Profit	130.6	-46.3	82.8	2.5%	174.6	234.4	68.3%
EPS (₹)	6.2	-2.2	3.6		7.6	10.2	
P/E(x)	65.9	NM	113.5		53.8	40.1	
EV/EBITDA(x)	20.4	29.0	16.7		13.2	10.8	
RoE(%)	5.7	-2.0	2.8		5.8	7.6	
RoCE(%)	7.6	4.1	6.2		9.4	11.6	

## Key business highlight and outlook

- Residential update:** BEL has achieved pre-sales of 1.5 mn sq ft (down 7% YoY, up 42% QoQ) in the real estate business during Q4FY22, valued at ₹ 1,027.9 crore (up 1% YoY, 50% QoQ). Average realisation improved 8% YoY to ₹ 6,644/ sq ft. Further, the residential cash inflow for Q4FY22 was at ₹ 1,008 crore, mainly aided by healthy sales performance and pick-up in construction activities. **For FY22, the company achieved highest ever pre-sales of 4.7 mn sq ft with sales value of ₹ 3,022.7 crore in FY22 (up 9% YoY). Average realisation has also increased 7% YoY to ₹ 6,411/sq ft in FY22.** As per the management, the bookings continue to remain strong with uptick in demand for completed and larger sized inventory, better affordability due to lower interest rate. and right pricing/location of the projects, Further, consolidation towards larger established players continued with customers preferring organised players, in turn, aiding BEL's residential business. **Going forward, the management endeavours to achieve 20%+ YoY of sales volume growth in FY23. Further, average realisation is likely to improve to ~₹ 6,900/ sq ft by FY23-end with better project mix and price hikes**
- New Launches:** After a muted Q3FY22, BEL launched five residential projects during Q4FY22 mainly in Bengaluru and Hyderabad locations viz. a) Brigade Orchards - Ivory Block (0.9 mn sq ft), b) Brigade Komarla Heights (0.43 mn sq ft), c) Brigade Orchards – Goldspire Block (0.07 mn sq ft), d) Brigade Laguna (0.34 mn sq ft), and e) Brigade Citadel – F & G Blocks (0.18 mn sq ft), taking **total launches in Q4FY22 to 1.9 mn sq ft. New launches have contributed ~20% to the Q4FY22 pre-sales volume.** Going forward, the company has a **strong pipeline of 17.4 mn sq ft of ongoing projects. The company expects to launch ~8 mn sq ft in the residential business (including 2 mn sq ft in plotted development) during FY23. Approvals are already in-place for ~5.5 mn sq ft residential area. The project pipeline is likely to aid sales volume, going ahead, along with continued traction in ongoing/completed projects and other new projects.**
- Commercial leasing & pipeline:** Commercial leasing segment remains stable for BEL and has achieved 99% collections (amount: ₹ 108 crore in Q4FY22). Additionally, the company has leased out ~0.5 mn sq ft during Q4FY22 with firms scouting for better workplaces with increasing employee strength and resumption of offices. Also, BEL is experiencing higher leasing enquiries and physical site inspections for larger and mid-sized spaces backed by increased momentum in Finance, and IT and ITeS sector. **As of now, the company have an active pipeline of 1+ mn sq ft. Going forward, the management expects majority of yet to transacted area (2.1 mn sq ft) to get leased by FY23-end. Also, the company expects to launch 2 mn sq ft towards commercial lease and for sale project during FY23. On the revenue side, Brigade Tech Gardens and WTC Chennai contributed by ₹ 90 crore and ₹ 105 crore, respectively, during FY22**
- Retail Segment:** The retail vertical achieved higher retailer sales consumption over Q4FY20 (pre-Covid) by more than 100% for like-to-like brands. Further, multiplexes across its malls have achieved higher level of occupancies due to relaxation in Covid-19 guidelines and new movie releases. Additionally, overall mall portfolio has witnessed good traction on leasing front, wherein 15 units measuring 80,000 sq ft is currently under fit-out. These brands will be operational by mid O1FY23. **Rentals also revived during the quarter with new rentals higher than 20% than pre-Covid charges. With these, retail revenue increased 64% YoY during FY22**
- Hospitality:** BEL's performance in the hospitality segment got impacted by state-wide restrictions due to third wave of Covid-19. Its occupancy has dropped to 35% in January 2022 (vs. 62% in December 2021). However, the segment has witnessed impressive revival with occupancy reaching 47% and 64% in February 2022 and March 2022 backed by resumptions in leisure travellers, banquet events and Corporate travel business post decline in Covid-19 cases. **Average room rent (ARR) also touched 78% of pre-Covid levels during March 2022 and was at ₹ 4,151. Overall, revenue during FY22 from the segment was at ₹ 179 crore in FY22 (up 57% YoY)**
- Entry in the newer segment:** BEL is expanding its business portfolio in the warehousing, logistics and data centres verticals in order to grab growing opportunities in the segment. The company has also appointed COO for this vertical

- **Land Bank:** BEL has total land bank of 437 acres majorly spread across Bengaluru (300 acres), Chennai (75 acres), Kochi (18 acres), Mysore (15 acres) and Thiruvananthapuram (14 acres) having developable potential of 45.3 mn sq ft. Most of the properties in the land banks are developable with receipt of sanctions and approvals. **The company has paid ₹ 702 crore towards land while balance payable is at ₹ 942.3 crore (most of the amount are payable in FY23). The total requirement would be funded via mix of internal accruals and debt. Going forward, the company expects to add land of ~10-15 mn sq ft during FY23**
- **Cost pressure:** BEL has witnessed **significant jump in construction costs (~15% for newer projects to be launched)** in recent times largely due to rise in raw material prices including cement, steel, and aluminium due to supply chain issues and geopolitical situations in Europe. Going forward, the management expects construction costs to remain at an elevated level over next 12-18 months.
- **Pricing outlook:** BEL has undertaken **~5-8% price hike during Q4FY22 in its residential business with increase in input prices. As per the management, the impact of construction cost on sales value would have been 5-10% depending on various stages of construction.** Going forward, the company is contemplating for more hikes with rise in construction costs in order to maintain its profitability
- **Debt:** Net debt on a consolidated basis at the end of FY22 was at ₹ 2,540.3 crore vs. ₹ 2,790.2 crore at Q3FY22-end (BEL's share: ₹ 1,619.7 crore at FY22-end vs. ₹ 1,856.5 crore at Q3FY22-end). Real estate division debt has reduced to ₹ 271.8 crore (down ₹ 21.1 crore QoQ) aided by higher sales and decent operating cash flows generated in Q4FY22. Additionally, hospitality, and leasing segments debt stood at ₹ 618.2 crore and ₹ 3,228.8 crore respectively with Cash balance at ₹ 1,578.5 crore. **The company's average cost of debt has also reduced to 7.65% (down 16 bps QoQ)**
- **QIP:** BEL has raised ₹ 500 crore through a QIP during June 2021, which was expected to be utilised for a) capex: acquisition of land or land developmental rights for residential business, b) investments in subsidiaries and associates, and c) working capital requirements and repayment of debt. Till March 2022, the company had utilised ₹ 176.6 crore. The management expects balance amount to get utilised for acquiring new land, which is under due-diligence currently

The volume trajectory is relatively healthy with strong end user demand and IT sector tailwind remain. Retail and hospitality recovery is on track. BEL has comfortable debt-equity and sufficient liquidity from operational commercial assets. While rising interest rate scenario can be a hurdle if it extends sharply and for longer period, end user demand tailwind is strong We maintain BUY with an SoTP target price of ₹ 550/share. We bake in higher cost of capital, leading to a reduction in our target price.

Exhibit 1: Variance Analysis

	Q4FY22	Q4FY22E	Q4FY21	YoY (Chg %)	Q3FY22	QoQ (Chg %)	Comments
Income from Operation	942.3	970.0	791.2	19.1	921.0	2.3	
Other Income	22.4	12.2	29.6	-24.3	12.2	84.1	
Total Operating Cost	441.6	0.0	343.5	28.5	378.1	16.8	
Employee cost	62.3	56.0	47.3	31.6	54.5	14.2	
Other expenditure	151.0	124.0	107.5	40.5	117.6	28.4	
EBITDA	205.2	280.0	188.7	8.7	257.5	-20.3	
EBITDA Margin (%)	21.8	28.9	23.9	-208 bps	28.0	-618 bps	
Depreciation	90.8	88.0	66.1	37.4	87.1	4.3	
Interest	109.4	106.0	90.0	21.6	108.2	1.1	
PBT	27.4	98.2	62.3	56.0	74.4	-63.2	
Total Tax	19.2	30.0	7.0	NM	28.7	-33.4	
Pat after Minority Interest	32.5	85.2	39.6	17.9	78.4	-58.6	

Key Metrics

Sales Volume (in lakh sq ft)	15.5	18.0	16.6	-6.8	10.9	42.0
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Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹ Crore)	FY21	FY22	FY23E			FY24E			Comments
			Old	New	% Change	Old	New	% Change	
Revenue	1,950.0	2,998.8	3,468.3	3,468.3	0.0	3,849.5	3,844.8	-0.1	
EBITDA	471.9	766.3	1,135.6	1,011.0	-11.0	1,320.2	1,182.9	-10.4	Lower the margins estimates
EBITDA Margin (%)	24.2	25.6	32.7	29.1	-359 bps	34.3	30.8	-353 bps	
PAT	-46.3	82.8	323.2	174.6	-46.0	380.8	234.4	-38.5	
EPS (₹)	-2.2	3.6	14.1	7.6	-46.0	16.6	10.2	-38.5	

Source: Company, ICICI Direct Research

Exhibit 3: Assumptions

	FY20	FY21	FY22	FY23E	FY24E
Volume sold in msf	4.3	4.6	4.7	5.4	5.9
Sales value (₹ crore)	2,377	2,767	3,023	3,781	4,356

Source: Company, ICICI Direct Research

## Company Analysis

### Exhibit 4: Consolidated cash flows

Particulars	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
<b>Operating Activities</b>					
Total Collection	1118.4	717.2	936.9	1095.1	1333.5
Direct Cost/Construction Cost	-445.2	-348.8	-371.2	-415.5	-543.4
LO Payment	-61.8	-61.9	-93.9	-98.2	-121.8
Employee And Admin Expense	-69.2	-73.8	-105.9	-83.1	-93.8
Sales & Marketing Expense	-45.0	-22.2	-30.2	-45.5	-39.8
Statutory Payments	-91.8	-52.2	-121.0	-104.7	-106.6
Other Payments	-3.3	-2.5	-1.3	-7.3	-13.2
<b>Net Cash Flow From Operating Activities(A)</b>	<b>402.1</b>	<b>155.8</b>	<b>213.4</b>	<b>340.8</b>	<b>414.9</b>
<b>Investment Activities</b>					
Cash from Investment Activities	183.0	161.7	265.0	173.7	125.0
Construction Cost-(CWIP/Capex Projects)	-127.2	-63.8	-58.8	-73.2	-43.0
Investments in Land/JD/JV/TDR	-24.3	-1.0	-19.0	-19.2	-114.9
Other Investments (FD&Mutual fund)	-325.1	-683.2	-212.4	-330.4	-258.7
<b>Net Cash Flow From Investment Activities(B)</b>	<b>-293.6</b>	<b>-586.3</b>	<b>-25.2</b>	<b>-249.1</b>	<b>-291.6</b>
<b>Financing Activities</b>					
Debt Drawdown	878.9	291.3	657.7	253.7	202.9
Proceeds from QIP/ESOP	36.3	500.8	3.7	4.2	2.5
Dividend Payment					
Debt Payment	-858.5	-348.3	-776.6	-293.6	-151.8
Interest Payment	-97.4	-87.8	-83.1	-77.9	-83.6
Investment by PE	35.0	25.0	50.0	0.0	0.0
<b>Net Cash Flow from Financing Activities ( C )</b>	<b>-5.7</b>	<b>381.0</b>	<b>-173.5</b>	<b>-113.6</b>	<b>-30.0</b>
<b>Net Cash Flows for the Period(A+B+C)</b>	<b>102.8</b>	<b>-49.5</b>	<b>14.7</b>	<b>-21.9</b>	<b>93.3</b>

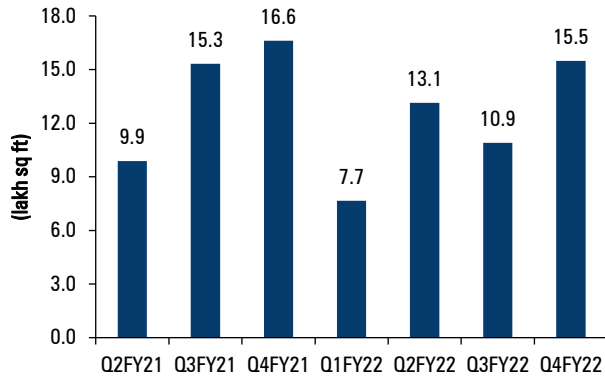
Source: Company, ICICI Direct Research

### Exhibit 5: Consolidated debt profile

Particular	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22
<b>Real Estate</b>	497.3	466.8	345.1	292.9	271.8
<b>Hospitality</b>					
GOP Securitised	458.7	468.6	501.5	489.9	533.2
Capex	127.1	88.9	108.5	109.0	85.0
<b>Leasing</b>					
Securitised Lease Rental	2105.2	2244.1	2356.4	2375.2	2376.8
Capex	1111.3	952.3	816.1	834.8	852.0
Less:Liquid Investments	726.0	1173.2	1167.0	1311.6	1578.5
<b>Net Debt</b>	<b>3573.6</b>	<b>3047.5</b>	<b>2960.6</b>	<b>2790.2</b>	<b>2540.3</b>
Less:SPV partners's share of Debt	918.9	930.0	931.9	933.7	920.6
<b>Exposure of BEL</b>	<b>2654.7</b>	<b>2117.5</b>	<b>2028.7</b>	<b>1856.5</b>	<b>1619.7</b>
Cost of Debt	8.40%	8.14%	7.92%	7.81%	7.65%
<b>Credit Rating</b>	ICRA"A"	ICRA"A+"	ICRA"A+"	ICRA"A+"	ICRA"A+"
	CRISIL"A"	CRISIL"A"	CRISIL"A+"	CRISIL"A+"	CRISIL"A+"

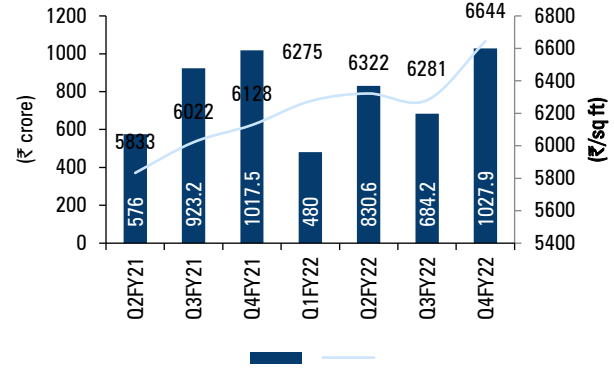
Source: Company, ICICI Direct Research

Exhibit 6: Quarterly sales volume trend



Source: Company, ICICI Direct Research

Exhibit 7: Quarterly sales value & realisation trend



Source: Company, ICICI Direct Research

Exhibit 8: Consolidated synopsis of real estate projects as of Q4FY22

Particulars	Ongoing BEL Projects	Ongoing SPV Projects	Stock Sales	Total
(in msf)				
Total super built-up area of projects on sale basis	15.79	1.63	1.11	18.53
Less: LO Share	4.46	0.00	0.00	4.46
Co share of saleable area	11.33	1.63	1.11	14.07
Sold till date	7.81	0.81	0.00	8.62
To be sold	3.52	0.82	1.11	5.45
(in ₹ crore)				
From Sold units	4490.2	655.8	736.0	5882.0
From Unsold Units	2221.2	499.5	575.9	3296.6
Estimated Receipts	6711.4	1155.3	1311.9	9178.6
Collection Till Date on Sold Units	2347.8	383.2	527.9	3258.9
Balance collection for the projects (From Sold Units)	2142.4	272.6	208.1	2623.1
<b>Balance collection for the projects (Sold and Unsold units)-A</b>	<b>4363.6</b>	<b>772.1</b>	<b>784.0</b>	<b>5919.7</b>
Estimated Total cost to be spent	5287.5	859.6	396.0	6543.1
Cost incurred till date	2242.4	501.4	396.0	3139.8
<b>Balance Cost to be incurred to finish the project- B</b>	<b>3045.1</b>	<b>358.2</b>	<b>0.0</b>	<b>3403.3</b>
<b>Gross Operating Cash Flows (A-B)</b>	<b>1318.5</b>	<b>413.9</b>	<b>784.0</b>	<b>2516.4</b>
<b>Present Borrowings – C</b>	<b>84.5</b>	<b>10.1</b>	<b>177.2</b>	<b>271.8</b>
<b>Net Operating Cash Flows projected (A-B-C)</b>	<b>1234.0</b>	<b>403.8</b>	<b>606.8</b>	<b>2244.6</b>

Source: Company, ICICI Direct Research

## Valuation & Outlook

The volume trajectory is relatively healthy with strong end user demand and IT sector tailwind remain. Retail and hospitality recovery is on track. BEL has comfortable debt-equity and sufficient liquidity from operational commercial assets. While rising interest rate scenario can be a hurdle if it extends sharply and for longer period, end user demand tailwind is strong We maintain BUY with SoTP target price of ₹ 550/share. We bake in higher cost of capital, leading to a reduction in our target price.

### Exhibit 9: Valuation

Project	Value	NAV Multiple	NAV/share	Remarks
<b>Residential Total</b>	<b>4914</b>	<b>1.0</b>	<b>213</b>	We have considered completed, ongoing and steady launch pipeline over next 5-6 years
<b>Leasing Portfolio Total</b>	<b>7967</b>	<b>1.0</b>	<b>346</b>	We have considered cap rate of 8%
<b>Hospitality Portfolio</b>	<b>2295</b>	<b>1.0</b>	<b>100</b>	20x FY24E EV/EBITDA
<b>Total Gross Asset Valuation</b>	<b>15176</b>		<b>659</b>	
Less: Net Debt (Brigade share)	1620		<b>70</b>	We have considered Brigade effective net debt
Less: Land dues payable	942		<b>41</b>	
<b>Target Valuation</b>	<b>12614</b>		<b>548</b>	
<b>Rounded-off target</b>			<b>550</b>	

Source: Company, ICICI Direct Research

## Financial Summary

Exhibit 10: Profit and loss statement				
	₹ crore			
₹ crore	FY21	FY22	FY23E	FY24E
Net Sales	1,950.0	2,998.8	3,468.3	3,844.8
Other Income	60.4	66.7	70.1	73.6
<b>Total revenues</b>	<b>2,010.4</b>	<b>3,065.5</b>	<b>3,538.4</b>	<b>3,918.4</b>
Cost of Materials Sold	1,053.0	1,584.2	1,729.6	1,857.1
Employee Cost	150.9	206.9	217.2	238.9
Other Expenditure	274.2	441.4	510.6	566.0
<b>Total Operating Expenditure</b>	<b>1,478.0</b>	<b>2,232.5</b>	<b>2,457.4</b>	<b>2,662.0</b>
EBITDA	471.9	766.3	1,011.0	1,182.9
Interest	346.8	443.6	430.6	407.9
Depreciation	236.9	350.5	363.3	367.8
PBT	(127.7)	(17.7)	287.1	480.6
Tax	(28.7)	49.7	80.4	134.6
<b>Reported PAT</b>	<b>(99.0)</b>	<b>(67.5)</b>	<b>206.7</b>	<b>346.1</b>
Minority Interests	(50.1)	(147.5)	35.0	115.0
<b>Profit for the company</b>	<b>(46.3)</b>	<b>82.8</b>	<b>174.6</b>	<b>234.4</b>
<b>EPS (₹)</b>	<b>(2.2)</b>	<b>3.6</b>	<b>7.6</b>	<b>10.2</b>

Source: Company, ICICI Direct Research

Exhibit 11: Cash flow statement				
	₹ crore			
₹ crore	FY21	FY22	FY23E	FY24E
<b>Profit before Tax</b>	<b>(128)</b>	<b>(18)</b>	<b>287</b>	<b>481</b>
Depreciation	237	351	363	368
Interest paid	347	444	431	408
CF before wc changes	443	855	973	1,065
Net Increase in CA	(874)	(363)	(354)	(381)
Net Increase in CL	1,136	973	(686)	429
<b>Net CF from op. activities</b>	<b>816</b>	<b>1,277</b>	<b>(106)</b>	<b>952</b>
Purchase of Fixed Assets	(650)	(284)	(50)	(50)
(Purchase)/Sale of Inv.	(17)	(420)	-	-
<b>Net CF from inv. activities</b>	<b>(553)</b>	<b>(455)</b>	<b>26</b>	<b>30</b>
Equity Raised	-	-	-	-
Proceeds from Borrowing	343	90	(300)	-
Interest Paid	(347)	(444)	(431)	(408)
Dividend Paid	-	(83)	(44)	(59)
<b>Net CF from fin. activities</b>	<b>(4)</b>	<b>(437)</b>	<b>(774)</b>	<b>(467)</b>
Net Cash flow	259	385	(855)	515
Opening Cash	305	559	945	90
<b>Closing Cash</b>	<b>559</b>	<b>945</b>	<b>90</b>	<b>605</b>

Source: Company, ICICI Direct Research

Exhibit 12: Balance Sheet				
	₹ crore			
₹ crore	FY21	FY22	FY23E	FY24E
Equity Capital	211	230	230	230
Reserves & Surplus	2,252	2,647	2,778	2,954
Networth	2,348	2,910	3,006	3,067
Total Debt	4,933	4,833	4,533	4,533
Deferred Tax Liability	7	57	57	57
<b>Source of Funds</b>	<b>7,402</b>	<b>7,767</b>	<b>7,598</b>	<b>7,774</b>
Gross Block	5,882	6,120	6,170	6,220
Less: Accumulated Dep	885	1,235	1,599	1,966
Net Block	4,997	4,885	4,571	4,254
Capital WIP	495	541	541	541
<b>Total Fixed Assets</b>	<b>5,492</b>	<b>5,425</b>	<b>5,112</b>	<b>4,794</b>
Investments	89	509	509	509
Inventories	5,902	6,223	6,696	7,003
Trade Receivables	527	504	457	487
Loans & Advances	361	399	362	385
Cash & Bank Balances	559	945	90	605
Other Current Assets	349	376	341	363
Total Current Assets	8,013	8,899	8,356	9,279
Trade Payable	577	649	589	626
Provisions	9	8	8	8
Other Current Liabilities	5,832	6,733	6,107	6,499
Total Current Liabilities	6,418	7,391	6,704	7,133
<b>Net Current Assets</b>	<b>1,595</b>	<b>1,508</b>	<b>1,652</b>	<b>2,146</b>
<b>Application of Funds</b>	<b>7,402</b>	<b>7,767</b>	<b>7,598</b>	<b>7,774</b>

Source: Company, ICICI Direct Research

Exhibit 13: Key ratios				
	FY21	FY22	FY23E	FY24E
<b>Per Share Data</b>				
Reported EPS	(2.2)	3.6	7.6	10.2
Cash EPS	9.0	18.8	23.4	26.2
BVPS	111.3	126.4	130.5	133.2
<b>Operating Ratios</b>				
EBITDA / Net Sales	24.2	25.6	29.1	30.8
PAT / Net Sales	(2.4)	2.8	5.0	6.1
<b>Return Ratios</b>				
RoE	(2.0)	2.8	5.8	7.6
RoCE	4.1	6.2	9.4	11.6
RoIC	11.6	27.9	31.0	40.5
<b>Valuation Ratios</b>				
EV / EBITDA	29.0	16.7	13.2	10.8
P/E	(185.7)	NM	53.8	40.1
EV / Net Sales	7.0	4.3	3.8	3.3
Market Cap / Sales	4.8	3.1	2.7	2.4
Price to Book Value	3.7	3.2	3.1	3.1
<b>Turnover Ratios</b>				
Asset turnover	0.3	0.4	0.5	0.5
Gross Block Turnover	1.4	2.1	3.1	3.3
<b>Solvency Ratios</b>				
Net Debt / Equity	1.8	1.2	1.3	1.1
Current Ratio	1.1	1.0	1.2	1.2
Quick Ratio	0.2	0.2	0.2	0.2

Source: Company, ICICI Direct Research



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Reduce: -15% to -5%;

Sell: <-15%



Pankaj Pandey

Head – Research

[pankaj.pandey@icicisecurities.com](mailto:pankaj.pandey@icicisecurities.com)

ICICI Direct Research Desk,  
ICICI Securities Limited,  
1st Floor, Akruiti Trade Centre,  
Road No 7, MIDC,  
Andheri (East)  
Mumbai – 400 093  
[research@icicidirect.com](mailto:research@icicidirect.com)

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