




Shoppers Stop

Estimate change	
TP change	
Rating change	

Bloomberg	SHOP IN
Equity Shares (m)	109
M.Cap.(INRb)/(USDb)	55 / 0.7
52-Week Range (INR)	599 / 191
1, 6, 12 Rel. Per (%)	11/49/138
12M Avg Val (INR M)	145

Financials & Valuations (INR b)

Y/E March	FY22	FY23E	FY24E
Sales	25.8	35.9	38.6
EBITDA	3.2	6.6	7.1
Adj. PAT	-0.6	1.3	1.3
EBITDA Margin (%)	12.4	18.4	18.4
Adj. EPS (INR)	-6.6	15.0	16.1
EPS Gr. (%)	-81.5	-327.7	7.4
BV/Sh. (INR)	7.1	21.2	36.4

Ratios

Net D:E	12.5	5.0	2.3
RoE (%)	-35.7	66.2	42.1
RoCE (%)	4.5	13.0	13.0
Payout (%)	0.0	0.0	0.0

Valuations

P/E (x)	-61.0	26.8	25.0
EV/EBITDA (x)	19.1	8.8	7.6
EV/Sales (x)	2.4	1.6	1.4
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	5.2	8.1	9.4

Shareholding pattern (%)

As On	Mar-22	Dec-21	Mar-21
Promoter	65.6	65.5	65.5
DII	19.8	20.2	19.9
FII	6.1	5.9	5.8
Others	8.5	8.4	8.9
FII Includes depository receipts			

CMP: INR503

TP: INR 510 (+1%)

Neutral

Green shoots visible post-recovery from Omicron

- **Adjusted for the one-off, Shoppers Stop (SHOP)'s EBITDA increased 13.8% YoY, below our estimate**, as the company lost ~15-20% revenue led by Omicron in Jan-Feb'22. However, green shoots are visible as Mar'22 saw 40% YoY growth and April is witnessing **double-digit growth v/s pre-Covid**.
- Heightened pace of store additions and ramp up in private labels are likely to revive growth. We have raised our FY23E/24E EBITDA by ~5% each, on expectation of better growth and modeled 28% revenue CAGR over FY 22-24 backed by revenue recovery and higher store additions. However, the longevity of growth is uncertain as the lifestyle apparel category has reported muted growth outlook. We maintain our Neutral rating with a TP of INR510.

Adj. EBITDA (excluding the one-off) up 14% YoY (miss), hit by Omicron

- SHOP's standalone revenue grew 6% YoY to INR7.1b (11% miss), adversely impacted by slower customer footfalls in first half of 4QFY22 due to Omicron (Jan/Feb'22 footfalls at 5.3m; down 18% YoY); however, Mar'22 saw good traction (3m footfalls, up 30% YoY). ASP and ATP grew 17% YoY each to INR1,366 and INR4,062, respectively, mainly due to premiumization.
- Revenue from private brands/beauty segment/online grew 9%/9%/5% YoY, respectively. Private label and beauty segments' share improved 20bp each to 13.2% and 17.6%, respectively. Apparel (Private label)'s share was at 19%.
- Gross margin, at 40.6%, was 200bp lower than pre-Covid level despite the strong growth seen in margin-accretive private label, possibly due to the adverse impact from rising raw material prices.
- EBITDA dipped 20% YoY to INR767m (40% miss) led by the INR210m one off, slower revenue growth, increase in employee costs by 11% QoQ/ 21% YoY and rise in SGA expenses by 11% YoY partly due to store additions. EBITDA margin contracted 340bp YoY to 10.8% (530bp lower than our estimates). **Adjusted for the one-off from inventory, receivable and lease, EBITDA increased 13.8% YoY to INR977m.**
- SHOP reported loss of INR161m after a profitable last quarter. It reported losses for the last nine quarters prior to 3QFY22.
- The company opened 5/14 new departmental/ beauty stores in 4QFY22 and expects to add 12/15 new stores in FY23.
- Capex towards new stores and renovations for existing stores was INR460m in 4QFY22 (INR1b in FY22), while working capital reduced notably by INR1b.

Highlights from the management commentary

- **Revenue** growth for 4QFY22, excluding the impact of Omicron in Jan'22, would have been 28% YoY. Management expects double-digit revenue growth for FY23 with medium-term target of achieving 2x sales on FY20 basis.
- **Capex** guidance is at INR1.5b for FY23, which will be attributed towards adding of new stores and completion of WIP stores.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

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

- **Net Debt:** Expects to turn net cash by end-FY23 with repayment of term loans.
- **Operating Margin:** Excluding the impact of Omicron and one-offs (INR210m), EBITDA margin for 4QFY22 would have been in the range of 6-7%. Management expects operating margin to surpass pre-Covid levels going ahead.

Valuation and view

- Since the change of CEO over a year back, new initiatives such as smaller sized stores of 30k sqft against the existing average 50k sqft, growing private label mix and increased focus on high-growth beauty and omni channel businesses offer good growth opportunities.
- Further, there is a healthy traction with revenue as Mar'22 witnessed 40% YoY growth. Apr'22 is also seeing sustained momentum with double-digit revenue growth over the pre-Covid period.
- However, the slow growth track record in the past in lifestyle apparel category makes us cautious.
- We have revised our FY23E EBITDA up by 6% and subsequently our TP to INR510. The stock is trading at significant discount to its peers but we will wait for signs of >15% revenue growth for potential re-rating, This has been a key challenge, though the management's ambitious target to double revenue over the next five years does offer some comfort.
- We value SHOP at 12x EV/EBITDA on FY24E to arrive at our TP of INR510. Maintain **Neutral**.

Standalone - Quarterly Earning Model

Y/E March	FY21				FY22E				FY21	FY22E	FY22E	Est. Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Total Revenue from Operations	539	2,924	7,076	6,712	2,011	6,316	9,513	7,099	17,251	24,938	9,300	2
YoY Change (%)	-93.5	-65.4	-28.8	-5.4	272.9	116.0	34.4	5.8	-49.0	44.6	31.4	
Total Expenditure	1,563	3,271	6,127	5,756	2,638	5,610	7,683	6,332	16,717	22,263	7,303	5
EBITDA	-1,024	-347	949	956	-628	706	1,829	767	534	2,675	1,997	-8
EBITDA Margin (%)	-189.9	-11.9	13.4	14.2	-31.2	11.2	19.2	10.8	3.1	10.7	21.5	
Depreciation	997	941	1,003	906	878	903	812	927	3,847	3,520	910	-11
Interest	552	607	535	505	509	520	497	528	2,200	2,054	513	-3
Other Income	1,040	631	310	207	641	676	146	198	2,188	1,661	465	-69
PBT before EO expense	-1,533	-1,265	-279	-248	-1,373	-41	666	-490	-3,325	-1,238	1,040	-36
PBT	-1,533	-1,365	-279	-372	-1,523	-41	666	-490	-3,549	-1,388	1,040	-36
Tax	-382	-342	-72	-1	-346	-10	164	-329	-797	-521	262	
Rate (%)	24.9	25.1	25.9	0.4	22.7	25.6	24.6	67.1	22.5	37.5	25.2	
Reported PAT	-1,151	-1,023	-207	-371	-1,178	-30	502	-161	-2,752	-867	778	-35
Adj PAT	-1,112	-1,123	-207	-247	-1,028	-30	502	-161	-2,688	-717	778	-35
YoY Change (%)	-1,476.6	NM	296.7	-66.4	-7.6	-97.3	-342.3	-34.8	254.1	-73.3	-475.7	

E: MOFSL Estimates

Earnings performance

Revenue growth hit by Omicron

Revenue has been adversely impacted by slower customer footfalls in first half of 4QFY22 due to Omicron (Jan/Feb'22 footfall at 5.3m; down 18% YoY), but Mar'22 saw good traction (3m footfalls, up 30% YoY).

If Jan'22 had been normal, Operating EBITDA would have been INR470m as per Non-GAAP nos. Adverse impact on EBITDA was due to

- Reduction in gross margin by 80bp YoY to 40.1% (in-line). There has been a one-off for inventory/receivable of INR90/INR60m, i.e. 180bp impact. Adjusted for the impact, GM increased 100bp to 41.9%. Additionally, there was INR900m lease cost impact.
- Loss of revenue in Jan-Feb'22, impacted EBITDA by INR400m based on ~INR1b-1.25b (15-20%) revenue loss assumption.
- New store additions in 4QFY22; adjusted for it, employee cost rose 6% QoQ.

Other business highlights

Aggressive Store Additions:

- Net departmental store adds were five (one store miss) in 4QFY22 taking the store count to 88. Total eight departmental stores were added in FY22. Reiterated target of 12 departmental stores adds in FY23 (9% area addition)
- Net Beauty/Airport store adds were 14/16 in 4QFY22/FY22 taking the store count to 171. Plans to add 15 more stores in FY23E.
- Dept. Stores with new identity at 40%/50% as on Mar'22/Mar'23.

Investments:

- Capex towards new stores and renovations for existing stores was INR460m in 4QFY22 (INR1b in FY22), while working capital reduced significantly by INR1b. Renovated stores have a pay-back of two years.
- Incurred ~INR130m (1.5% of total sales) as opex in 4Q towards omni channel segment.
- Continues to remain net debt free for this quarter at INR160m
- **Crossword ceased to be a subsidiary:** The company has completed 51% stake sale in Crossword in FY22. 39% of the stake sale is expected to be completed by Aug'22 and remaining 10% by Aug'24. Gain on de-recognition of net liability of INR269m was treated as an exceptional item in consolidated financials.

Exhibit 1: Shoppers Stop – FY24 EV/EBITDA

	Methodology	Driver (INR b)	Multiple	Fair Value (INR b)	Value/sh (INR)
Standalone (Shoppers Stop)	EV/EBITDA	8	12	94	856
Total Enterprise Value				94	856
Less Net debt				38	347
Equity Value				56	510
Shares o/s (m)				109.6	
CMP (INR)					502
Upside (%)					2

Source: MOFSL, Company



Highlights from the management commentary

Key Highlights

- **Revenue** growth for 4QFY22, excluding the impact of Omicron in Jan'22, would have been 28% YoY. Management expects double-digit revenue growth for FY23 with medium-term target of achieving 2x sales on FY20 basis.
- **Capex** guidance is at INR1.5b for FY23, which will be attributed towards adding of new stores and completion of WIP stores.
- **Net Debt:** Expects to turn net cash by end-FY23 with repayment of term loans.
- **Operating Margin:** Excluding the impact of Omicron and one-offs (INR210m), EBITDA margin for 4QFY22 would have been in the range of 6-7%. Management expects operating margin to surpass pre-Covid levels going ahead.

Detailed highlights

Revenue recovery

- Sales grew 8% YoY as the first half of the quarter witnessed the adverse impact of Omicron.
- Jan which is usually the second highest month in terms of sales, recorded sales of merely INR2.8b v/s INR4-4.5b on a steady state basis. Excluding the impact in Jan'22, sales for the quarter would be up 28% YoY.
- ASP and ATV during the quarter grew 17% YoY each, majorly aided by outperformance in premium and luxury categories.
- Sales, however, is witnessing a strong recovery in Mar'22, the momentum of which is seen to be continuing in Apr'22 as well.
- Management expects double-digit growth in revenue for FY23, which would be in-line with retail industry growth. Management reiterated its target to achieve 2x sales from FY20 levels in the medium term.

Operating Margin

- Operating profits during the quarter were impacted by one-offs to the tune of INR210m, which were mainly towards inventory write-offs, receivable write-offs and one-time lease payment on account of re-negotiation with the landlords.
- Adjusted for the lower sales in Jan'22 and impact of the one-offs, EBITDA margin (Non GAAP) for 4QFY22 would range between 6% and 7% on a normalized basis.

Net Debt

- The company's net debt remained near-zero levels. Going ahead, management expects to turn net cash by end-FY23 with term loans to be around INR1.1b.

Cost savings

- The company witnessed cost savings of INR470m. Some of these savings have been re-invested in the store expansion and investments towards e-commerce.
- The company expects some cost savings to continue in FY23.

Strategic Pillars

First Citizen

- **Contribution:** Segment's contribution to offline sales stood at 72% of sales, while contribution towards online improved to 42%.

- New enrollments improved to 16% from 7% during 4QFY22.
- Black Card: Segment witnessed a growth of 173% YoY in 4QFY22.
- Online sales in this segment grew 19% YoY, contributing to 37% of overall sales. The company sees a huge growth opportunity in this vertical.
- During 4QFY22, SHOP in partnership with HDFC Bank launched co-branded credit cards under two categories, viz. SS-HDFC Card and SS-HDFC Black card.
- Personal shopper continues to be strong, contributing 10% to sales with average ticket size of 3x higher than normal.
- Active users stood at ~25-30% with an ATV of INR4,500, which was much higher as compared with a walk-in customer.

Private Brands

- **Contribution:** Pvt. Brands now contribute to 13% of total sales, 19% within apparel segment, while share in online sales improved to 20%
- The management indicated this share to improve to 25% overall; apparel contribution to remain higher.
- The segment witnessed sales growth of 9% YoY, despite the impact of muted sales in Jan'22.
- ASP under this segment grew 6% YoY during 4QFY22.
- The company is currently focusing on Women's Wear segment under Indian and western wear.
- Going ahead, it plans to improve the shelf space for private brands in Tier 2 cities and below on account of higher acceptance witnessed.

Brand performance:

- Kashish and Insense witnessed a growth of 50%/80% respectively,
- Bandeya is currently operating at an annual run-rate of INR250m.
- Infuse is witnessing a steady growth.

Beauty

- **Contribution:** Witnessed sales growth of 9% YoY in 4QFY22. Contribution to sales stood at 16.5% in 4QFY22.
- The company opened 12 new beauty stores (including four standalone stores) during the quarter.

New Brands

- The company launched 24 new brands in 4QFY22 and further plans to launch another 75 brands in FY23.
- Arcelia (Pvt. Brand) launched 85+ SKUs of nails and accessories. It further plans to launch 100+ SKUs under make-up and Bath/Body segment in 1QFY23.
- The company appointed Ms. Madhavi Irani (ex. Nykaa and Times of India) as a Chief of content. The company expects her expertise in omni-channel and UX to drive growth within the segment.
- SS Beauty app: The app is expected to go live in the next quarter and will have all the brands available in stores along with some brands which would be "Online only".
- The company expects growth in the SS Beauty stores by focusing on: a) assortment, which would be tailored based on the region, b) customer/digital engagement and c) improved look and feel of the stores.

- SHOP plans to focus on premium and luxury segments to drive growth for the Beauty segment.
- With 16% share in overall sales for pre-Covid levels and sales of INR7.5b, SHOP remains one of the largest players in the beauty segment.

Omni-channel

- Digital sales during the quarter witnessed a growth of 5% YoY on a higher base.
- **Investments:** Invested INR60m during the year in the omni channel segment in the form of opex. Company expects the run-rate to continue in FY23.
- Completed the first upgrade of shopper stop application in Dec'21 to improve user experience. Further, the company has rolled out the 2nd and the 3rd phase upgrade during the quarter; this is expected to improve the sales going ahead.

Expansion plans

- Store opening: SHOP, during the quarter, opened 19 new stores that included five departmental stores, 12 beauty stores and two airport stores.
- **Store expansion:** The company plans to open 12 departmental stores and 15 beauty/airport stores in FY23.
- Currently, the company has six stores that are under fit-out and are expected to open in 1QFY23.
- **Funding:** The company expects funding of capex through internal accruals.

Store Economics

- The company has spent INR250m towards renovation of stores during the year. Expected payback period of this will be two years. SHOP stated that double-digit growth is witnessed post-renovation.
- Sales productivity for new compact stores in tier 1 and 2 cities (25k-30k sqft) are at par or better from large stores. The payback period for these stores is between 2 and 2.5 years v/s three years for traditional format stores.

Other Highlights

- **Athleisure wear demand:** Demand under athleisure wear is continuing to show good growth with a shift in focus from sportswear to casual wear.
- **Price hikes and volume impact:** SHOP, during Jan'22, undertook price hikes of ~8-10% across various categories to pass on the impact of higher raw material prices. Despite this, it has not seen any significant decline in demand. Further, it does not expect any major impact of inflation as witnessed in the last three months, as the target customers generally belong to the premium category that are not negatively impacted by price rise.
- The company stated that it would incur higher advertising and promotion expenses in FY23E to improve customer reach.
- **Capex:** SHOP incurred INR460m towards capex in 4QFY22 (INR1b in FY22). Going ahead, the company plans for a capex of INR1.5b for FY23E. This would be towards setting up of new stores and completion of WIP stores.
- **EBITA margin guidance:** Expect margin to surpass pre-Covid levels going ahead.
- **Rent** (incl. CAM) stood at INR1.33b for the quarter. Rent allocated under Ind AS 116 stood at INR910m.

Exhibit 2: Standalone quarterly performance (INR m)

	4QFY21	3QFY22	4QFY22	YoY%	QoQ%	4QFY22E	v/s Est (%)
Total Revenue	6,712	9,513	7,099	6	-25	7,979	-11
Raw Material cost	3,964	5,646	4,250	7	-25	4,784	-11
Gross Profit	2,748	3,866	2,849	4	-26	3,195	-11
Gross margin (%)	40.9	40.6	40.1	-81	-51	40.0	9
Employee Costs	622	682	754	21	11	702	7
Rent	0	0	0	NM	NM	0	NM
SGA Expenses	1,170	1,356	1,328	13	-2	1,207	10
EBITDA	956	1,829	767	-20	-58	1,287	-40
EBITDA margin (%)	14.2	19.2	10.8	-343	-842	16.1	-532
Depreciation and amortization	906	812	927	2	14	847	9
EBIT	50	1,017	-160	NM	NM	440	NM
EBIT margin (%)	0.7	10.7	-2.3	NM	NM	5.5	NM
Finance Costs	505	497	528	5	6	437	21
Other income	207	146	198	-4	36	69	187
Exceptional item	0	0	0	NM	NM	0	NM
Profit before Tax	-248	666	-490	NM	NM	71	-787
Tax	-1	164	-329	NM	NM	18	-1,931
Tax rate (%)	0.6	24.6	67.1	NM	NM	25.2	NM
Profit after Tax	-247	502	-161	NM	NM	53	-401
Adj Profit after Tax	-207	-30	-161	NM	NM	53	-401

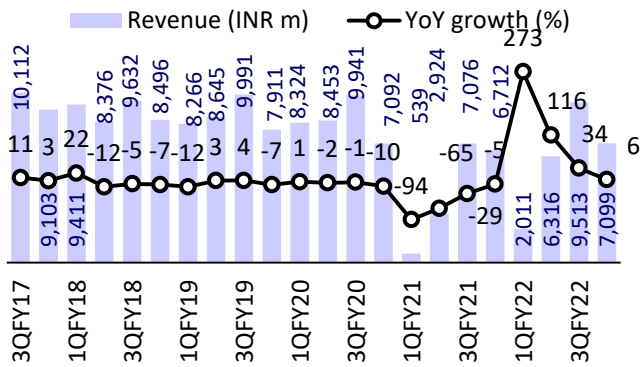
Source: MOFSL, Company

Exhibit 3: Standalone estimate revision summary

	FY22E	FY23E	FY24E
Revenue (INR m)			
Old	25,819	35,886	38,576
Actual/New	24,938	37,410	40,914
Change (%)	-3.4	4.2	6.1
EBITDA (INR m)			
Old	3,194	6,605	7,086
Actual/New	2,675	6,860	7,544
Change (%)	-16.2	3.9	6.5
EBITDA margin (%)			
Old	12.4	18.4	18.4
Actual/New	10.7	18.3	18.4
Change (bp)	-164	-7	7
Net Profit (INR m)			
Old	-506	1,256	1,153
Actual/New	-867	1,473	1,549
Change (%)	71.2	17.3	34.4
EPS (INR)			
Old	-6.1	15.0	13.8
Actual/New	-12.2	17.6	18.6
Change (%)	100.8	17.3	34.4

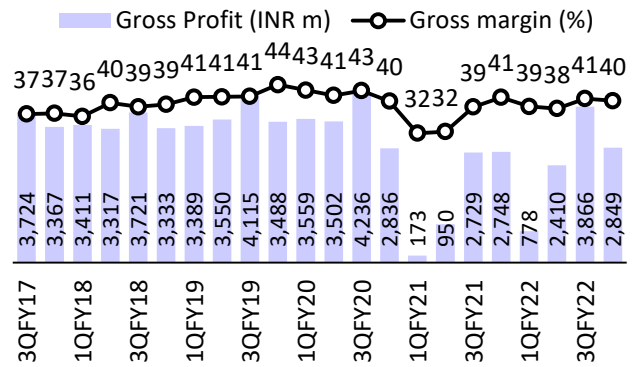
Story in charts

Exhibit 4: Standalone revenue up 6% YoY



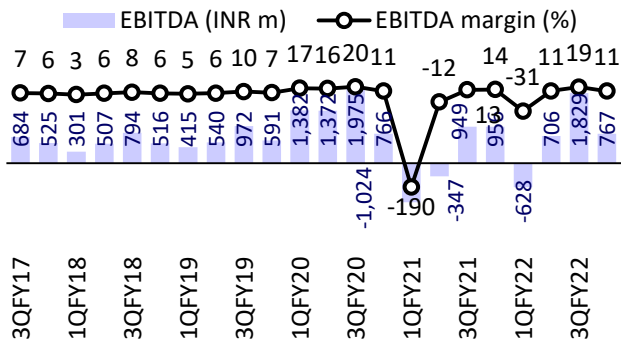
Source: MOFSL, Company

Exhibit 5: Standalone gross margin at 40%



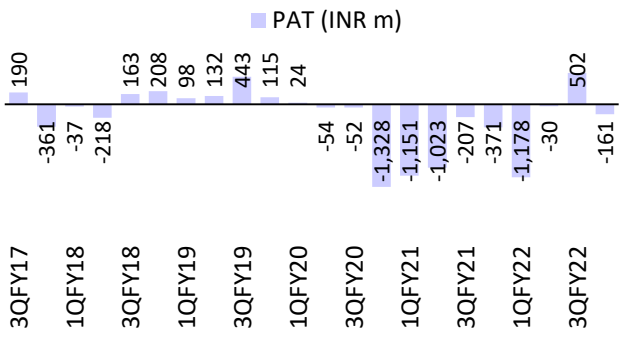
Source: MOFSL, Company

Exhibit 6: Standalone EBITDA margins decline



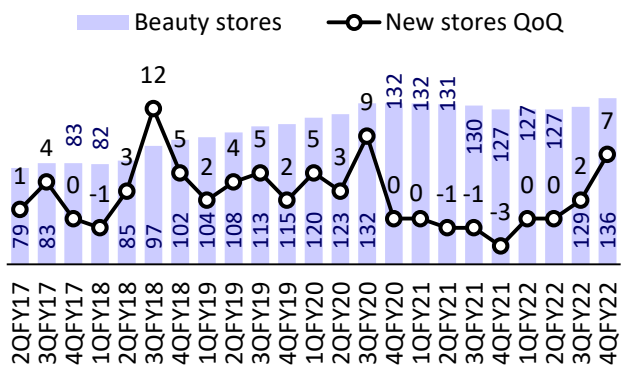
Source: MOFSL, Company

Exhibit 7: SHOP reported loss



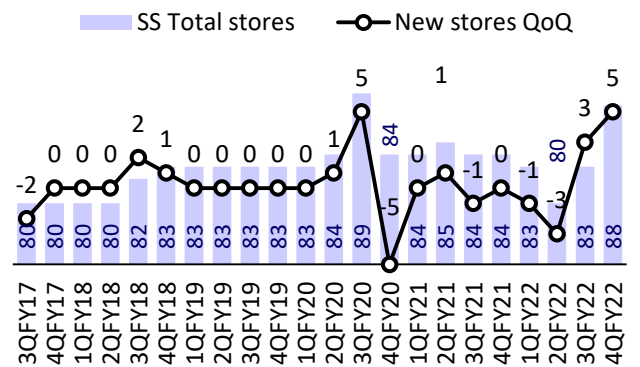
Source: MOFSL, Company

Exhibit 8: Beauty store count at 136



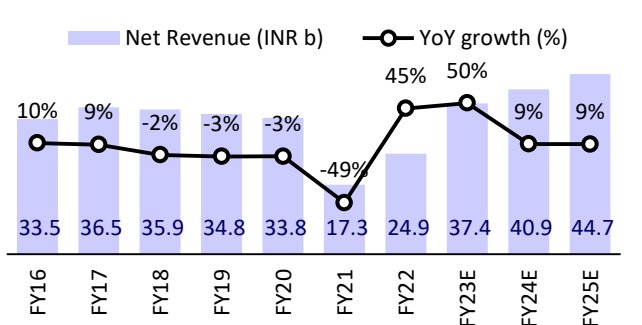
Source: MOFSL, Company

Exhibit 9: Total departmental store count at 88



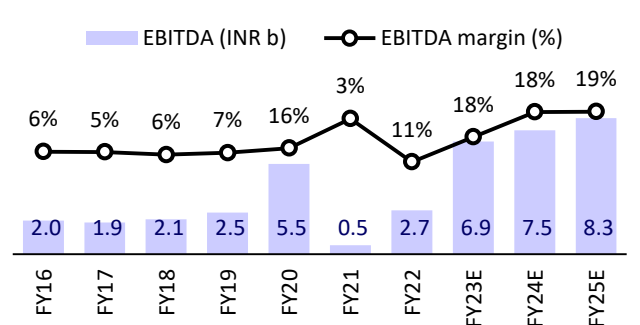
Source: MOFSL, Company

Exhibit 10: Revenue to recover from FY23E



Source: MOFSL, Company

Exhibit 11: Expect EBITDA margin to recover from FY23



Source: MOFSL, Company

Financials and valuations – standalone

Standalone - Income Statement									(INR m)
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Total Income from Operations	36,480	35,915	34,813	33,810	17,251	24,938	37,410	40,914	44,700
Change (%)	8.7	-1.6	-3.1	-2.9	-49.0	44.6	50.0	9.4	9.3
Raw Materials	22,874	22,134	20,272	19,676	10,651	15,034	21,885	23,934	26,150
Employees Cost	2,735	3,013	3,145	3,219	2,575	2,693	3,054	3,298	3,562
Lease Rentals	3,480	3,597	3,863	560	0	0	0	0	0
Other Expenses	5,467	5,054	5,000	4,860	3,492	4,536	5,611	6,137	6,705
Total Expenditure	34,555	33,799	32,280	28,315	16,717	22,263	30,550	33,370	36,417
% of Sales	94.7	94.1	92.7	83.7	96.9	89.3	81.7	81.6	81.5
EBITDA	1,925	2,116	2,533	5,494	534	2,675	6,860	7,544	8,284
Margin (%)	5.3	5.9	7.3	16.3	3.1	10.7	18.3	18.4	18.5
Depreciation	1,155	1,119	1,351	4,392	3,847	3,520	3,824	4,119	4,396
EBIT	770	997	1,182	1,102	-3,313	-844	3,036	3,425	3,888
Int. and Finance Charges	585	362	124	1,944	2,200	2,054	2,051	2,339	2,620
Other Income	296	160	179	335	2,188	1,661	984	984	984
PBT bef. EO Exp.	481	796	1,237	-507	-3,325	-1,238	1,969	2,070	2,252
EO Items	-478	-504	0	-200	-224	-150	0	0	0
PBT after EO Exp.	3	292	1,237	-707	-3,549	-1,388	1,969	2,070	2,252
Total Tax	203	176	449	703	-797	-521	496	521	567
Tax Rate (%)	6425.7	60.2	36.3	-99.5	22.5	37.5	25.2	25.2	25.2
Minority Interest	0	0	0	0	0	0	0	0	0
Reported PAT	-199	116	788	-1,409	-2,752	-867	1,473	1,549	1,685
Adjusted PAT	-677	765	1,001	-1,609	-2,976	-1,017	1,473	1,549	1,685
Change (%)	7,183.7	-213.0	30.8	-260.8	84.9	-65.8	-244.9	5.2	8.8
Margin (%)	-1.9	2.1	2.9	-4.8	-17.3	-4.1	3.9	3.8	3.8

Standalone - Balance Sheet									(INR m)
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Equity Share Capital	418	440	440	440	547	548	548	548	548
Total Reserves	7,190	9,094	9,337	926	1,270	435	1,909	3,458	5,143
Net Worth	7,608	9,534	9,776	1,366	1,817	983	2,456	4,005	5,690
Total Loans	5,759	874	0	21,915	20,054	20,934	23,872	26,753	29,577
Lease Liabilities				20,678	19,116	18,995	18,995	18,995	18,995
Deferred Tax Liabilities	-43	-198	-320	-2,641	-3,424	-3,740	-3,740	-3,740	-3,740
Capital Employed	13,324	10,210	9,457	20,640	18,447	18,177	22,588	27,019	31,528
Gross Block	8,125	9,282	9,907	11,457	11,923	13,720	15,822	17,924	20,026
Less: Accum. Deprn.	1,772	2,804	3,959	5,930	6,912	8,093	9,345	10,775	12,381
Net Fixed Assets	6,353	6,478	5,948	5,527	5,011	4,482	6,477	7,149	7,645
Right to use assets				13,257	12,096	12,764	12,764	12,764	12,764
Capital WIP	169	182	351	443	29	140	140	140	140
Total Investments	4,080	3,176	2,935	2,057	1,279	1,464	1,464	1,464	1,464
Curr. Assets, Loans&Adv.	7,712	7,592	15,199	16,727	13,902	15,240	22,153	25,623	31,096
Inventory	3,528	3,284	10,535	12,239	8,472	10,075	12,812	14,011	15,308
Account Receivables	357	437	444	351	348	382	573	627	685
Cash and Bank Balance	50	52	167	13	416	321	4,639	6,469	10,169
Loans and Advances	3,777	3,818	4,052	4,125	4,666	4,462	4,130	4,516	4,934
Curr. Liability & Prov.	4,990	7,218	14,977	17,370	13,870	15,913	21,148	21,481	23,461
Account Payables	3,302	4,886	12,542	14,967	11,399	14,419	17,987	18,033	19,702
Other Current Liabilities	1,617	2,252	2,341	2,295	2,409	1,409	3,075	3,363	3,674
Provisions	72	79	93	108	62	86	86	86	86
Net Current Assets	2,722	374	222	-643	32	-673	1,005	4,142	7,635
Appl. of Funds	13,324	10,210	9,456	20,640	18,447	18,177	22,589	27,019	31,528

Financials and valuations – standalone

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E	FY25E
Basic (INR)									
EPS	-8.1	9.2	12.0	-19.3	-35.6	-12.2	17.6	18.6	20.2
Cash EPS	5.7	22.6	28.2	33.3	10.4	30.0	63.4	67.9	72.8
BV/Share	91.1	114.2	117.1	16.4	21.8	11.8	29.4	48.0	68.1
DPS	0.8	0.8	0.8	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	-37.8	67.8	9.8	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)									
P/E	-65.8	58.2	44.5	-27.7	-15.0	-43.8	30.2	28.8	26.4
Cash P/E	93.3	23.6	19.0	16.0	51.2	17.8	8.4	7.9	7.3
P/BV	5.9	4.7	4.6	32.6	24.5	45.3	18.1	11.1	7.8
EV/Sales	1.4	1.3	1.3	2.0	4.5	3.2	2.1	1.9	1.7
EV/EBITDA	26.1	22.6	18.5	12.5	146.2	29.6	11.3	10.4	9.4
Dividend Yield (%)	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	6.1	23.2	11.1	43.8	-6.6	25.8	63.2	33.0	53.2
Return Ratios (%)									
RoE	-8.8	8.9	10.4	-28.9	-187.0	-72.6	85.7	48.0	34.8
RoCE	-498.4	3.9	8.6	17.3	-3.9	2.3	12.5	11.6	11.0
RoIC	-532.7	5.0	11.8	18.2	-14.7	-3.2	13.9	14.5	15.0
Working Capital Ratios									
Fixed Asset Turnover (x)	4.5	3.9	3.5	3.0	1.4	1.8	2.4	2.3	2.2
Asset Turnover (x)	2.7	3.5	3.7	1.6	0.9	1.4	1.7	1.5	1.4
Inventory (Days)	35	33	110	132	179	147	125	125	125
Debtor (Days)	4	4	5	4	7	6	6	6	6
Creditor (Days)	33	50	132	162	241	211	176	161	161
Leverage Ratio (x)									
Current Ratio	1.5	1.1	1.0	1.0	1.0	1.0	1.0	1.2	1.3
Interest Cover Ratio	1.3	2.8	9.5	0.6	-1.5	-0.4	1.5	1.5	1.5
Net Debt/Equity	0.2	-0.2	-0.3	14.5	10.1	19.5	7.2	4.7	3.2

Standalone - Cash Flow Statement

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E	FY25E
OP/(Loss) before Tax	481	796	1,237	-707	-3,549	-1,388	1,969	2,070	2,252
Depreciation	1,155	1,119	1,351	4,392	3,847	3,520	3,824	4,119	4,396
Interest & Finance Charges	585	362	124	1,944	2,200	2,054	2,051	2,339	2,620
Direct Taxes Paid	-237	-356	-565	-422	124	210	-496	-521	-567
(Inc)/Dec in WC	-264	1,341	-24	538	-575	899	2,659	-1,302	213
CF from Operations	1,720	3,261	2,124	5,745	2,046	5,295	10,008	6,706	8,914
Others	-150	-43	-24	-101	-1,948	-1,403	-984	-984	-984
CF from Operating incl EO	1,570	3,218	2,100	5,644	99	3,892	9,023	5,721	7,930
(Inc)/Dec in FA	-1,063	-1,179	-1,123	-1,786	-823	-1,067	-2,102	-2,102	-2,102
Free Cash Flow	506	2,039	977	3,858	-724	2,824	6,921	3,619	5,828
(Pur)/Sale of Investments	-502	456	-224	-1,033	578	-55	0	0	0
Others	725	229	-864	421	-721	-666	269	283	283
CF from Investments	-841	-494	-2,211	-2,397	-965	-1,788	-1,833	-1,819	-1,819
Issue of Shares	9	1,814	11	0	2,960	25	0	0	0
Inc/(Dec) in Debt	-140	-4,062	-398	-400	1,500	-773	0	0	0
Interest Paid	-581	-378	-124	-1,944	-2,195	-2,056	-2,051	-2,339	-2,620
Dividend Paid	0	-75	-80	-80	0	0	0	0	0
Others	0	0	0	-1,809	-558	0	-1,517	-430	-486
CF from Fin. Activity	-712	-2,701	-591	-4,232	1,707	-2,804	-3,568	-2,768	-3,106
Inc/Dec of Cash	17	23	-702	-986	841	-701	3,622	1,134	3,004
Opening Balance	34	30	869	998	-425	1,022	1,017	5,335	7,165
Closing Balance	50	52	167	12	416	321	4,639	6,469	10,169
Less: Other bank balance/ Overdraft	21	-816	-831	437	-605	-696	-696	-696	-696
Net closing balance/ (Overdraft)	30	869	998	-425	1,022	1,017	5,335	7,165	10,865

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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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