

April 13, 2017

Reliance Defence & Engineering (RELDEF)

₹ 65

Snail-paced recovery...

Rating matrix		
Rating	:	Hold
Target	:	₹ 68
Target Period	:	12 months
Potential Upside	:	5%

What's changed?		
Target		Unchanged
EPS FY18E	Changed from - ₹ 3.3 to - ₹ 4.4	
EPS FY19E	Changed from - ₹ 2.1 to - ₹ 4.1	
Rating	Changed from Buy to Hold	

Quarterly performance					
	Q4FY17	Q4FY16	YoY (%)	Q3FY17	QoQ (%)
Revenue	228.2	94.7	140.9	122.3	86.5
EBITDA	5.3	(12.5)	LP	4.1	30.4
EBITDA (%)	2.3	-13.2	NA	3.3	NA
PAT	(139.7)	102.4	NA	(132.7)	NA

Key financials				
₹ Crore	FY16	FY17	FY18E	FY19E
Net Sales	312	563	723	868
EBITDA	(147)	34	64	85
Net Profit	(593)	(577)	(410)	(383)
EPS (₹)	(8.0)	(7.8)	(4.4)	(4.1)

Valuation summary				
	FY16	FY17	FY18E	FY19E
P/E	NA	NA	NA	NA
Target P/E	NA	NA	NA	NA
EV / EBITDA	-83.0	387.5	212.4	156.2
P/BV	2.2	3.1	2.5	2.8
RoNW (%)	-29.3	-39.9	-18.3	-18.9
RoCE (%)	(3.7)	(1.7)	(1.3)	(1.3)

Stock data	
Particular	Amount
Market Capitalization (₹ Crore)	4,785.3
Total Debt (FY17) (₹ Crore)	8,951.3
Cash and Investments (FY17) (₹ Crore)	118.7
EV (₹ Crore)	13,618.0
52 week H/L	75 / 49
Equity capital	736.2
Face value	10.0

Price Performance				
Stocks	1M	3M	6M	12M
Reliance Defence	16.6	18.4	11.9	1.0
ABG Shipyard Ltd	-4.4	-34.2	-40.0	-51.0
Bharati Defence	-19.7	-41.0	-44.4	-46.5

Research Analyst	
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- Reliance Defence & Engineering (RDEL) reported revenues of ₹ 228.2 crore (I-direct estimate: ₹ 108.9 crore). The company reported a third consecutive quarter of growth, which indicates better execution of its order book, which is currently at ~₹ 5700 crore
- On account of revenue recognition of certain orders (percentage completion method), RDEL reported positive EBITDA of ₹ 5.3 crore
- Interest expenses continue to grow 32% YoY to ₹ 164 crore. Subsequently, overall PAT performance continues to remain stressed at a loss of ₹ 139.9 crore (I-direct estimate loss of ₹ 123.8 crore)
- The company has proposed a refinancing scheme to its lenders with the objective of refinancing the loan and, consequently, exiting the CDR. The company is mulling refinancing existing loans of up to ₹ 655 crore through issuance of equity shares at ₹ 59.35 and issuing 0.1% compulsorily redeemable preference share of ₹ 10 each for loan amount of ₹ 2300 crore

Awaiting much needed large orders...

Though there were several announcements of platform/equipment approvals from the 'Defence Acquisition Council', the same is not translating into order inflows for defence companies (except DPSUs). Thus, the wait for players like RDEL is only getting longer. In Q4FY17, RDEL secured a contract of ₹ 916 crore (MOD) for design and construction of 14 fast patrol vessels for Indian Coast Guard. Furthermore, the company has also signed a master ship repair agreement (MSRA) with the US Navy to undertake servicing and repairing works for the vessels of Seventh fleet. Currently, these vessels visit Singapore or Japan for such works. The company has also submitted bids for two other marquee projects - two landing platform docks (LPDs) and eight anti-submarine warfare shallow water craft for the Indian Navy, which is likely to be worth ~₹ 30,000 crore.

Capital expenditure on naval fleet not very encouraging

Though India's defence budget is considered the fourth largest in the world (after the US, China and UK), capital outlays for the Navy are at only ₹ 19350 crore (~22% of overall capex). Of this amount, naval fleet contribution is at ₹ 11000 crore. A significant portion of this budgeted expenditure is likely to go towards committed projects (sanctioned in the past few years). This is likely to keep the pace of new order inflows muted. We believe RDEL will be able to garner large share of the remaining amount, given its aggressive nature in procuring the orders.

Key monitorables: debt management, project execution

Post acquisition of ~36.84% stake by Reliance Infrastructure in FY16, RDEL has focused on debt management via refinancing of its debt and part conversion into equity. Going forward, RDEL's ability to keep debt under serviceable levels remains a key monitorable. To improve its execution, RDEL has recruited number of industry stalwarts in the core management team. Thus, going forward, execution of the current order book, fresh inflow of large orders and debt management are likely to act as key triggers for the stock. We remain cautious for now and value the stock at 3.1x P/BV, arriving at target price of ₹ 68. We have a **HOLD** recommendation on the company.

Variance analysis

	Q4FY17	Q4FY17E	Q4FY16	YoY (%)	Q3FY17	QoQ (%)	Comments
Revenue	228.2	108.9	94.7	140.9	122.3	86.5	Higher revenues on account of better execution
Cost of material	157.0	21.8	45.0	249.1	12.2	1,188.6	
Purchase of stock in trade	45.6	-10.9	-10.0	-555.5	1.0	4,553.1	
Employee benefit	7.7	10.9	10.7	-28.6	9.1	-15.8	
Other exp	12.7	76.3	61.5	-79.4	96.0	-86.8	
EBITDA	5.3	10.9	-12.5	LP	4.1	30.4	
EBITDA Margin (%)	2.3	10.0	-13.2	NA	3.3	NA	
Depreciation	49.2	50.2	53.3	-7.7	50.2	-2.0	
Interest	164.0	135.5	124.5	31.7	142.5	15.1	Interest costs continue to remain elevated
Other income	22.7	9.6	20.6	10.1	10.2	122.9	
Extra-ordinary gain/loss	0.0	0.0	0.0		0.0		
Total Tax	-45.6	-41.3	-272.1		-45.8		
PAT	-139.7	-123.8	102.4		-132.7	NA	

Source: Company, ICICIdirect.com Research

Change in estimates

	FY18E				FY19E			
(₹ Crore)	FY17	Old	New	% Change	Old	New	% Change	Comments
Revenue	563.3	749.2	723.1	-24.8	749.2	867.8	-3.5	Execution to remain crucial in FY18 and FY19
EBITDA	34.2	167.5	64.1	-79.6	167.5	85.4	-61.7	
EBITDA Margin (%)	6.1	22.4	8.9	-1633 bps	22.4	9.8	-1353 bps	
PAT	-577.3	309.5	-409.9	286.5	309.5	-383.3	232.4	
EPS (₹)	-7.8	-3.3	-4.4	-137.6	-3.3	-4.1	-32.7	

Source: Company, ICICIdirect.com Research

Company Analysis

Defence sector - Core to government's capital expenditure...

Defence is part of the 25 sectors identified for the 'Make in India' initiative, which GoI is aggressively marketing internally as well as externally with the aim of attracting the required investments to stimulate the economy. The Indian military budget for FY17 was ₹ 27400 crore split between revenue expenditure of ₹ 15200 crore and capital expenditure of ₹ 8650 crore. Within this, the split between the three services of Army, Navy and Air Force was 29%, 22% and 39%, respectively.

Exhibit 1: Defence capital outlay in Budget 17-18...

Particulars		Actual 2015-2016	Budget 2016-2017	Revised 2016-2017	Budget 2017-2018	% Allocation	% YoY
		Capital	Capital	Capital	Capital		
Army							
1	Land	72.6	300.0	200.0	280.8	0.3	40.4
2	Construction Works	6133.1	5057.4	5797.4	4734.3	5.5	-18.3
3	Aircrafts and Aeroengines	1383.4	1565.9	1194.8	1465.9	1.7	22.7
4	Heavy and Medium Vehicles	1446.9	3411.7	2413.6	3193.7	3.7	32.3
5	Other equipment	11333.1	16173.4	13851.5	15112.2	17.5	9.1
6	Rolling Stock	233.4	282.8	251.9	264.7	0.3	5.1
7	Rashtriya Rifles	...	...	...	111.6	0.1	...
8	National Cadet Corps	...	...	...	12.4	0.0	...
Total-Army		20602.4	26791.2	23709.2	25175.6	29.1	6.2
Navy							
9	Land	58.7	40.0	35.6	35.4	0.0	-0.8
10	Construction Works	680.1	637.5	567.8	563.6	0.7	-0.7
11	Aircrafts and Aeroengines	4183.3	3805.0	3000.4	3364.2	3.9	12.1
12	Heavy and Medium Vehicles	33.3	35.0	42.0	31.0	0.0	-26.3
13	Other equipment	2655.4	2600.0	4544.0	2298.8	2.7	-49.4
14	Naval Fleet	10764.8	12467.0	8096.3	11022.7	12.7	36.1
15	Naval Dockyard/projects	777.9	1456.8	2456.0	1288.1	1.5	-47.6
16	Joint Staff	721.2	958.9	854.1	744.5	0.9	-12.8
Total-Navy		19874.7	22000.1	19596.3	19348.2	22.4	-1.3
Air Force							
17	Land	31.7	17.7	15.8	21.2	0.0	34.1
18	Construction Works	1829.3	1870.7	1666.3	2233.4	2.6	34.0
19	Aircrafts and Aeroengines	19156.7	17833.5	19084.9	19277.7	22.3	1.0
20	Heavy and Medium Vehicles	101.3	127.4	113.4	152.1	0.2	34.0
21	Other equipment	9787.7	9595.2	7017.7	11455.6	13.2	63.2
22	Special Projects	291.7	351.0	312.7	415.7	0.5	33.0
Total-Air Force		31198.3	29795.4	28210.8	33555.6	38.8	18.9
23	Defence Ordnance Factories	...	...	...	803.7	0.9	
24	Research and Development	...	...	...	7552.3	8.7	
25	Inspection - Director General Quality Audit (DGQA)	...	...	...	8.0	0.0	
26	Tech development - Projects of the Army	...	...	154.7	30.1	0.0	-80.6
27	Tech development - Projects of the Air Force	...	...	29.1	14.6	0.0	-50.0
Total-Technology Development		...	...	183.8	8408.6	9.7	-75.7
Grand Total		71675.4	78586.7	71700.0	86488.0	100.0	20.6

Source: Company, ICICIdirect.com Research

The Indian Navy currently has ~137 ships and submarines. In addition, the Indian Coast Guard has a fleet of 120 ships. Both of them have a projected force level plan of 200 ships each by 2027. Combined, they have approved a 15 year shipbuilding programme, projecting 165 warships and 400 aerial assets by 2022 and approved new builds of over ₹ 90000 crore.

RDEL commands premium due to infrastructure edge...

Indian shipbuilding is primarily centred on 27 shipyards of various sizes, comprising eight public sector and 19 private sector shipyards. The shipyards have 20 dry docks and 40 shipways between them with an estimated total capacity of over 280,000 DWT. Of the eight shipyards in the public sector, there are four shipyards operating under Ministry of Defence (Department of Defence Production), which cater primarily to the needs of the Indian Navy. These are:

1. Mazagon Dock (MDL), Mumbai
2. Garden Reach & Ship Engineers (GRSE), Kolkata,
3. Goa Shipyard (GSL) Goa, and
4. Hindustan Shipyard (HSL), Vishakhapatnam

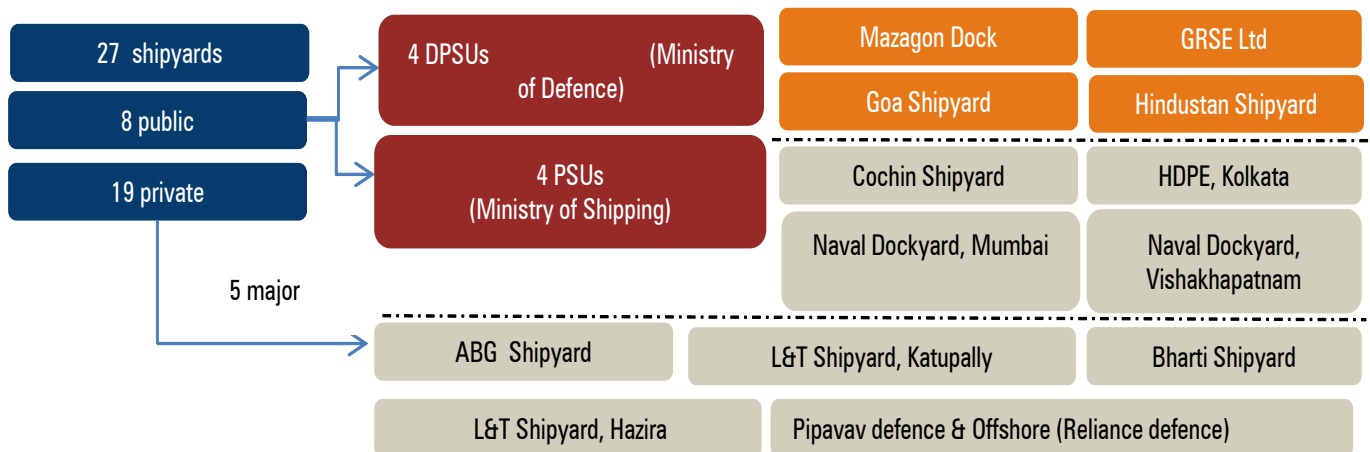
The other PSU shipyards are under Ministry of Shipping. They are

1. Cochin Shipyard (CSL), Kochi
2. Hooghly Dock & Port Engineers (HDPE), Kolkata
3. Naval Dockyard, Mumbai
4. Naval Dockyard, Vishakhapatnam

Most notable among them are Cochin Shipyard (CSL) with a capacity of 110000 DWT.

In the private sector, the largest shipyard is at Reliance Defence (erstwhile Pipavav Defence) in Bhavnagar district of Gujarat, with shipbuilding capacity of 75000 DWT. The other prominent private sector shipyards are owned by ABG group at Dahej, L&T shipyards at Hazira (Gujarat), Kuttupally in Tamil Nadu and Bharti Shipyard at Dabhol in Ratnagiri district of Maharashtra.

Exhibit 2: RDEL's infrastructure competencies vis-à-vis its peers



Source: Company, ICICIdirect.com Research

ABG Shipyard and Bharati Shipyard, the two largest shipyards in India, operate through multiple locations in contrast to RDEL, which operates from a single location. As fabrication and dry dock facilities are located at a single location, it offers economies of scale to RDEL over other domestic yards.

Exhibit 3: RDEL's infrastructure competencies vis-à-vis its peers

	Hyundai Heavy	Pipavav	ABG	Bharati	Cochin
Dry Dock					
Length (metres)	672	662	155	176	270
Width (metres)	92	65	30	33	45
Commercial Vessels (max vessel size)					
Dry Bulk Carrier	1000000 dwt	400000 dwt	120000 dwt	100000 dwt	110000 dwt
Crude Tanker	1000000 dwt	400000 dwt	120000 dwt	100000 dwt	110000 dwt
Product Tanker	1000000 dwt	400000 dwt	120000 dwt	100000 dwt	110000 dwt
Offshore Vessels					
Rig	✓	✓	✓	✓	x
AHTS/PSV	✓	✓	✓	✓	✓
Dredgers					
	✓	✓	✓	✓	x
Defence/Coast Guard					
Submarine	✓	✓	x	x	x
Frigate	✓	✓	x	x	x
Coastal Patrol Vessels	✓	✓	✓	✓	✓
Speed Boat	✓	✓	✓	✓	✓
Ship Repair					
	✓	✓	✓	✓	✓

Source: Company, ICICIdirect.com Research

Modular construction – Provides edge along with faster turnaround

RDEL has employed the modular process of building ships, which breaks down a complete ship into internal parts and then simultaneously fabricates various parts of the ship in fabrication workshops. This method allows the company to build several ships simultaneously. Construction of blocks, which include steel stacking, treatment, cutting, forming, blasting, painting, welding and sub-assembly of panels followed by assembly of blocks and outfitting, is carried out at the fabrication complex. When ready, the blocks are moved to the dry dock for pre-erection of mega giga-blocks of ~600 tonnes each followed by lowering them on the dock floor for final assembly and vessel launching. This method ensures the dry dock is occupied by new build vessel for the minimum possible time thereby reducing the construction time of vessels. India has a number of shipyards but both PSU as well as private shipyards operate on a slightly dated construction technology against the modular shipbuilding technology adopted by RDEL. Further, both public and private sector shipyards do not have the size to construct or repair large sized vessels. This forces Indian shipping companies to place orders with foreign shipyards for larger sized vessels.

World class facilities but execution yet to gather pace...

RDEL operates one of the largest shipyard facilities in the world capable of constructing vessels up to 400000 dwt. The facilities include shipbuilding, ship repair and fabrication complex. The company has adopted the modular construction technology used by the best shipyards i.e. Samsung and Hyundai, which would enable RDEL to reduce the construction time of vessels. The dry dock is 662 metre long, 65 metre wide and is capable of constructing vessels up to 400000 dwt. RDEL is spread over an aggregate area of 491 acres, comprising an SEZ unit spread over 235 acres and an EOU spread over 257 acres. The facilities include shipbuilding, ship repair and offshore fabrication complex. The company also has the capability to construct offshore platforms, SBMs, rigs, jackets, vessels, etc. for upstream oil & gas sector companies both in India and abroad. RDEL has also installed two Goliath cranes, each with a lifting capacity of 600 tonnes to facilitate modular construction of vessels.

Valuation

RDEL, with one of the largest shipyards in the country, is well placed to take advantage of any policy change towards foreign direct investment (FDI) in the defence segment as the company already has a significant presence in the defence sector. The Government of India has approved 49% FDI in defence and is expediting indigenisation of defence procurement. RDEL is at a vantage point for the same owing to its superior infrastructure.

Post acquisition of ~36.84% stake by Reliance Infrastructure in FY16, RDEL has focused on debt management via refinancing of its debt and part conversion into equity. Going forward, RDEL's ability to keep debt under serviceable levels remains a key monitorable. To improve its execution, the company has recruited a number of industry stalwarts in the core management team. Thus, going forward, execution of the current order book, fresh inflow of large orders and debt management are likely to act as key triggers for the stock. We remain cautious for now and value the stock at 3.1x P/BV. We arrive at a target price of ₹ 68 and have a **HOLD** recommendation on the stock.

Exhibit 4: Valuations

	Sales (₹ cr)	Sales Growth (%)	EPS (₹)	EPS Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY15	911.5	-64.0	-5.0	NA	NA	134.3	-14.2	-1.3
FY16	312.2	-65.8	-8.0	NA	NA	-83.0	-29.3	-3.7
FY17	563.3	80.5	-7.8	-2.6	NA	387.5	-39.9	-1.7
FY18E	723.1	28.4	-4.4	44.2	NA	212.4	-18.3	-1.3
FY19E	867.8	20.0	-4.1	6.5	NA	156.2	-18.9	-1.3

Source: Company, ICICIdirect.com Research

Recommendation history vs. consensus estimate



Source: Bloomberg, Company, ICICIdirect.com Research

Key events

Date	Event
Jun-10	PM dedicates Pipavav shipyard to nation
Sep-11	PDOECL announces JV with Mazgaon Dock Ltd
Jun-12	PDOECL plans to enter into a strategic partnership with French defence company DCNS
Dec-12	PE firm Valiant Mauritius Partners sells 1.28% stake in PDOECL @ ₹ 95.7
Jan-13	PDOECL wins contract from ONGC worth ₹ 400 crore
May-13	PDOECL wins order worth ₹ 595 crore with option to extend value to ₹ 1200 crore
May-13	SAAB invests ₹ 209 crore to acquire 3.33 % stake post investment
Jun-13	Wins order for maintenance and dry docking of oil rigs to the tune of ₹ 255 crore
Jul-13	MDL-Pipavav JV cleared by Defence Ministry of any favouritism
Aug-13	PDOECL plans to raise \$150 million through London listing
Aug-13	PDOECL & L&T consortium win order of \$170 million (₹1152 crore) from ONGC
Oct-13	Wins order of 14 fast patrol vessels from Coast Guard; order value to the tune of ₹ 920 crore
Jul-15	Reliance Infrastructure acquires the company
Oct-15	Open offer at ₹ 66 per share for additional stake
Dec-15	Open offer executed, name would be changed to Reliance Defence
May-16	Rights issue of ₹ 1200 crore planned
Mar-17	RDEL proposes refinancing scheme to refinance the loan and exit the CDR

Source: Company, ICICIdirect.com Research

Top 10 Shareholders

Rank	Name	Filing Date	% O/S	Position (m)	Change (m)
1	Reliance ADA Group	31-Mar-17	0.30	220.10M	0.0
2	SKIL Infrastructure, Ltd.	31-Mar-17	0.24	174.07M	0.0
3	Vistra ITCL India, Ltd.	31-Mar-17	0.10	73.64M	0.0
4	Life Insurance Corporation of India	31-Mar-17	0.08	58.47M	0.0
5	Morgan Stanley Investment Management (India)	31-Mar-17	0.03	24.65M	+ 24.65M
6	Grevek Investment & Finance Pvt. Ltd.	31-Mar-17	0.03	22.35M	0.0
7	Sembcorp Marine Ltd	31-Mar-17	0.02	17.50M	0.0
8	Valiant Mauritius Partners, Ltd.	31-Mar-17	0.02	16.40M	0.0
9	Export Import Bank of India	31-Mar-17	0.02	13.03M	0.0
10	Religare Enterprises Ltd	31-Mar-17	0.01	9.32M	0.0

Source: Reuters, ICICIdirect.com Research

Shareholding Pattern

(in %)	Jun-16	Sep-16	Dec-16	Mar-17
Promoter	29.9	29.9	29.9	29.9
FII	4.4	4.4	4.4	4.4
DII	9.9	9.9	9.9	9.9
Others	55.8	55.8	55.8	55.8

Recent Activity

Buys			Sells		
Investor name	Value	Shares	Investor name	Value	Shares
Morgan Stanley Investment Management (India)	+ 19.99M	+ 24.65M	Van Eck Associates Corporation	-0.01M	-0.01M
Columbia Threadneedle Investments (US)	+ 0.03M	+ 0.03M	State Street Global Advisors (US)	-0.01M	-0.01M
			Goldman Sachs Asset Management (India) Private Ltd.	-0.00M	-0.00M

Source: Reuters, ICICIdirect.com Research

Financial summary

Profit and loss statement					₹ Crore				
(Year-end March)	FY16	FY17	FY18E	FY19E					
Total operating Income	312.2	563.3	723.1	867.8					
Growth (%)	-65.8	80.5	28.4	20.0					
Raw Material Expenses	56.3	317.2	339.9	400.4					
Employee Expenses	58.1	38.1	40.7	43.5					
Others Expense	344.4	173.8	278.4	338.4					
Total Operating Expenditure	458.8	529.1	659.0	782.3					
EBITDA	-146.7	34.2	64.1	85.4					
Growth (%)	-280.6	123.3	87.6	33.2					
Depreciation	221.4	207.9	210.8	219.8					
Interest	537.1	625.5	437.7	420.0					
Other Income	33.7	39.1	45.0	50.0					
PBT	-871.4	-760.1	-539.4	-504.4					
Exceptional loss/gain	0.0	0.0	0.0	0.0					
Total Tax	-278.7	-182.8	-129.4	-121.0					
PAT	-592.7	-577.3	-409.9	-383.3					
Growth (%)	NA	NA	NA	NA					
EPS (₹)	-8.0	-7.8	-4.4	-4.1					

Source: Company, ICICIdirect.com Research

Cash flow statement					₹ Crore				
(Year-end March)	FY16	FY17	FY18E	FY19E					
Profit after Tax	-592.7	-577.3	-409.9	-383.3					
Add: Depreciation	221.4	207.9	210.8	219.8					
(Inc)/dec in Current Assets	241.4	972.3	-1,151.9	330.9					
Inc/(dec) in CL and Provisions	770.0	1,313.6	-705.0	319.9					
Others	0.0	0.0	0.0	0.0					
CF from operating activities	-2,342.3	-415.1	-139.2	-561.4					
(Inc)/dec in Investments	-35.4	395.7	0.0	0.0					
(Inc)/dec in Fixed Assets	198.8	207.9	-289.2	119.8					
Others	-77.2	-137.4	-137.4	-20.3					
CF from investing activities	86.2	466.3	-426.5	99.5					
Issue/(Buy back) of Equity	0.0	0.0	200.0	0.0					
Inc/(dec) in loan funds	1,146.7	1,033.1	-197.9	-183.0					
Others	1,060.5	-1,225.1	756.0	546.0					
CF from financing activities	2,207.2	-192.0	758.1	363.0					
Net Cash flow	-48.9	-140.9	192.3	-98.9					
Opening Cash	208.4	159.6	18.7	211.0					
Closing Cash	159.6	18.7	211.0	112.1					

Source: Company, ICICIdirect.com Research

Balance sheet					₹ Crore				
(Year-end March)	FY16	FY17	FY18E	FY19E					
Liabilities									
Equity Capital	736.2	736.2	936.2	936.2					
Reserve and Surplus	1,288.6	710.7	1,300.3	1,093.6					
Total Shareholders funds	2,024.8	1,446.9	2,236.5	2,029.8					
Long term Debt	6,040.1	5,958.3	5,660.3	5,377.3					
Deferred Tax Liability	50.5	45.0	52.0	54.6					
Other liabilities & prov	59.2	55.0	57.8	60.6					
Total Liabilities	8,174.7	7,505.2	8,006.6	7,522.3					
Assets									
Gross Block	6,777.5	6,777.5	7,277.5	7,377.5					
Less: Acc Depreciation	926.5	1,134.3	1,345.2	1,565.0					
Net Block	5,907.3	5,643.2	5,932.4	5,812.5					
Total Fixed Assets	10,584.3	10,296.9	10,665.2	10,321.2					
Inventory	614.4	775.5	396.2	594.4					
Debtors	11.0	3.5	49.5	83.2					
Loans and Advances	188.0	104.1	99.1	118.9					
Other Current Assets	320.6	1,223.1	409.5	488.7					
Cash	159.5	118.7	211.0	112.1					
Total Current Assets	1,293.4	2,224.9	1,205.0	1,448.4					
Creditors	273.0	271.6	475.5	546.8					
Other Liab & Provisions	957.9	1,751.8	295.8	508.3					
Short term borrowing	2,472.1	2,993.1	3,093.1	3,193.1					
Total Current Liabilities	3,703.0	5,016.6	3,864.4	4,248.2					
Net Current Assets	-2,409.5	-2,791.7	-2,659.3	-2,799.7					
Application of Funds	8,174.7	7,505.2	8,006.6	7,522.3					

Source: Company, ICICIdirect.com Research

Key ratios									
(Year-end March)	FY16	FY17	FY18E	FY19E					
Per share data (₹)									
EPS	-8.0	-7.8	-4.4	-4.1					
Cash EPS	-5.0	-5.0	-2.1	-1.7					
BV	27.5	19.7	23.9	21.7					
DPS	0.0	0.0	0.0	0.0					
Cash Per Share	-5.0	-5.0	-2.1	-1.7					
Operating Ratios (%)									
EBITDA Margin	-47.0	6.1	8.9	9.8					
PBT / Total Operating income	-279.1	-134.9	-74.6	-58.1					
PAT Margin	-189.9	-102.5	-56.7	-44.2					
Inventory days	718.3	70.0	200.0	250.0					
Debtor days	12.8	15.0	25.0	35.0					
Creditor days	319.2	250.0	240.0	230.0					
Return Ratios (%)									
RoE	-29.3	-39.9	-18.3	-18.9					
RoCE	-3.7	-1.7	-1.3	-1.3					
RoIC	-3.9	-1.7	-1.4	-1.3					
Valuation Ratios (x)									
P/E	NA	NA	NA	NA					
EV / EBITDA	-83.0	387.5	220.7	164.8					
EV / Net Sales	39.0	23.5	19.6	16.2					
Market Cap / Sales	14.2	7.8	7.8	6.5					
Price to Book Value	2.2	3.1	2.5	2.8					
Solvency Ratios									
Debt/EBITDA	-41.2	174.3	88.2	63.0					
Debt / Equity	3.9	6.2	3.9	4.2					
Current Ratio	0.3	1.0	1.0	1.0					
Quick Ratio	2.5	5.3	1.6	1.5					

Source: Company, ICICIdirect.com Research

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