

# Future Lifestyle Fashions

**BSE SENSEX**  
38,031

**S&P CNX**  
11,346

**CMP: INR451**
**TP: INR575(+28%)**
**Buy**

Motilal Oswal values your support in the Asiamoney Brokers Poll 2019 for India Research, Sales and Trading team. We [request your ballot](#).



Bloomberg	FLFL IN
Equity Shares (m)	190
M.Cap.(INRb)/(USDb)	87.7 / 1.3
52-Week Range (INR)	502 / 359
1, 6, 12 Rel. Per (%)	3/2/10
12M Avg Val (INR M)	33
Free float (%)	46.5

**Financials & Valuations(INR b)**

Y/E Mar	2019	2020E	2021E
Net Sales	57.3	69.8	83.2
EBITDA	5.3	11.9	14.3
PAT	1.6	1.9	2.7
EPS (INR)	8.6	10.1	14.0
Gr. (%)	30.1	17.8	38.1
BV/Sh (INR)	96.0	104.4	116.7
RoE (%)	9.8	10.1	12.7
RoCE (%)	11.7	15.0	16.1
P/E (x)	53.2	45.1	32.7
P/BV (x)	4.8	4.4	3.9
EV/EBITDA (x)	17.9	7.3	5.8

**Estimate change**

**TP change**

**Rating change**

**Earnings growth moderates; continues to steadily add stores**

- Pre-Ind-AS 116 EBITDA up 13% YoY:** On a pre-Ind-AS 116 basis, FLFL reported an in-line performance in 1QFY20. Revenue rose by a healthy 17% YoY, driven by 23% YoY growth in Brand Factory. EBITDA grew 13% YoY, with the margin contracting 30bp YoY to 8.7% due to higher SG&A. PAT declined 15% YoY to INR313m; the decline was higher at 26% YoY to INR274m (16% miss) including the loss of INR39m from associates/JVs. On an Ind-AS 116 basis, revenue was up 17% YoY and PAT excluding associates/JVs was down 23% YoY to INR284m.
- SSSG moderated to 5% YoY** in 1QFY20 from 8% YoY in 1QFY19 and 9% QoQ in 4QFY19. Brand Factory SSSG moderated from double-digit in FY19 to 2.5% in the quarter. Central reported better SSSG of 7% compared to the same period last year. For FY20, we estimate SSSG of 6%/8% at Central/Brand Factory.
- Healthy store adds in Brand Factory to drive growth:** Central added three stores (overall count 47), while Brand Factory added four stores (added six but closed two; overall count 97) in 1QFY20. However, we expect the company to accelerate the pace of store addition at Brand Factory going ahead – we factor in addition of 30 Brand Factory stores and 5 Central stores in FY20. We estimate revenue CAGR of 18% over FY19-21, led by the healthy performance of own brands. Based on our workings, the impact of Ind-AS 116 is likely to be INR100-120m at the PAT level. Subsequently, we cut our FY20/21 PAT estimate by 6%/4%. We expect revenue/adj. PAT CAGR of 21%/28% over FY19-21.
- Valuation and view:** We adjust our target price and EV/EBITDA multiple based on Ind-AS 116 workings. Subsequently, we assign 7.5x EV/EBITDA on FY21 EBITDA of INR14.3b to arrive at a target price of INR575 (prior: INR585). At our TP, it is valued at an implied P/E of 41x on FY21, in line with the three-year average P/E multiple. Maintain **Buy**.

**Consol. - Quarterly Earning Model**

Y/E March	FY19				FY20E				FY19	FY20	FY20	Est Var (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	13,190	13,360	16,920	13,810	15,403	16,299	21,150	16,963	57,281	69,816	15,828	-13
YoY Change (%)	21.7	19.5	38.1	28.9	16.8	22.0	25.0	22.8	27.3	21.9	47.8	
Total Expenditure	12,000	12,130	15,260	12,580	12,777	13,659	17,354	14,088	52,022	57,876	14,496	-13
EBITDA	1,190	1,230	1,660	1,230	2,626	2,640	3,796	2,876	5,259	11,939	1,332	-8
Margins (%)	9.0	9.2	9.8	8.9	17.1	16.2	18.0	17.0	9.2	17.1	8.4	33bp
Depreciation	450	470	510	640	1,580	1,608	1,624	1,652	2,071	6,465	666	-4
Interest	270	280	280	340	713	753	753	793	1,168	3,012	275	23
Other Income	90	80	130	80	108	92	92	130	383	421	95	-16
PBT	560	560	1,000	330	441	371	1,511	561	2,403	2,884	486	-32
Tax	190	180	320	-230	157	121	491	184	465	952	160	
Rate (%)	33.9	32.1	32.0	-69.7	35.5	32.5	32.5	32.7	19.4	33.0	33.0	
MI & Profit/Loss of Asso. Cos.	0	0	0	0	39	0	0	0	48	0	0	
Reported PAT	370	380	680	560	245	250	1,020	378	1,890	1,932	325	72
Adj PAT	370	380	680	210	245	250	1,020	378	1,640	1,270	325	-35
YoY Change (%)	15.6	25.5	53.0	0.0	-33.7	-34.1	50.0	79.8	30.1	-22.6	-80.2	
Margins (%)	2.8	2.8	4.0	1.5	1.6	1.5	4.8	2.2	2.9	1.8	2.1	

**Other key highlights from results**

- Brand Factory SSSG reduced from mid-teens in FY19 to 2.5%, impacted by early EoSS and continuous promotions even during the non-EoSS period in other formats.
- Central reported better SSSG of 7% compared to the year-ago period.
- Central added three stores, taking the total store count to 47. Brand Factory added four stores (added six but closed two), taking the total count to 97 in 1QFY20.

**Valuation and view**

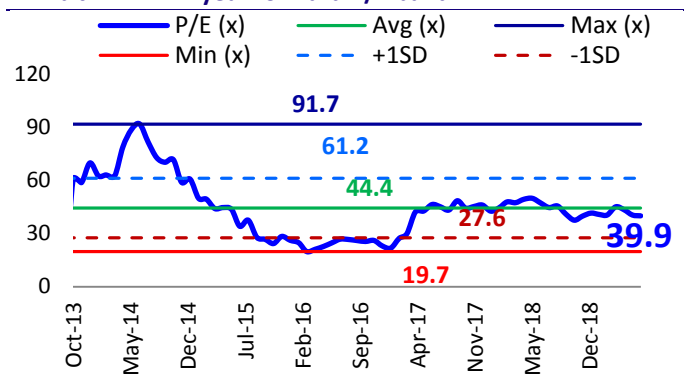
- FLF is on a healthy store addition trajectory. We expect the company to add 30 Brand Factory stores and 5 Central stores in FY20.
- SSSG for Brand Factory was subdued; however, it has made changes in terms of discounted inventory and promotions.
- We estimate Central/Brand Factory SSSG of 6%/8% for FY20.
- Performance of own brands remains healthy; we expect revenue CAGR of 18% over FY19-21.
- Based on our workings, the impact of Ind-AS 116 in FY20 should be INR100-120m at the PAT level. Subsequently, we cut our FY20/21 PAT estimate by 6%/4%. (Exhibit 4).
- We expect revenue/adj. PAT CAGR of 21%/28% over FY19-21.
- We have adjusted our TP and EV/EBITDA multiple based on Ind-AS 116 workings.
- Subsequently, we have assigned 7.5x EV/EBITDA on FY21E EBITDA of INR14.3b, arriving at a TP of INR575 (v/s INR585 earlier). At our TP, it is valued at implied P/E of 41x on FY21, which is in line with the three-year average target multiple.

**Exhibit 1: Valuation based on FY21E EBITDA**

	Methodology	Driver (INR b)	Multiple	Fair Value (INR b)	Value/sh (INR)
EBITDA	FY21 EV/EBITDA	14.3	7	107	560
Less Net debt				-3	-16
<b>Total Value</b>				<b>109</b>	<b>575</b>
Shares o/s (m)				190	
CMP (INR)					451
<b>Upside (%)</b>					<b>28</b>

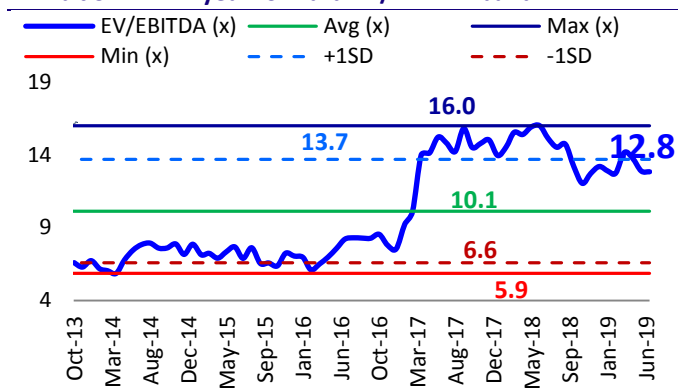
Source: MOFSL, Company

**Exhibit 2: FLFL: 1 year forward P/E band**



Source: Bloomberg, MOFSL

**Exhibit 3: FLFL: 1 year forward EV/EBITDA band**



Source: Bloomberg, MOFSL

Exhibit 4: Consol. estimate change summary

	FY20E	FY21E
<b>Revenue (INR m)</b>		
Old	69,816	83,185
Actual/New	69,816	83,185
Change (%)	0.0	0.0
<b>EBITDA (INR m)</b>		
Old	6,583	7,964
Actual/New	11,939	14,301
Change (%)	81.4	79.6
<b>EBITDA margin (%)</b>		
Old	9.4	9.6
Actual/New	17.1	17.2
Change (bp)	767bps	762bps
<b>Depreciation &amp; amortization (INR m)</b>		
Old	2,798	3,447
Actual/New	6,465	8,203
Change (%)	131.0	137.9
<b>Finance cost (INR m)</b>		
Old	1102	783
Actual/New	3012	2548
Change (%)	173.3	225.3
<b>Net Profit (INR m)</b>		
Old	2,056	2,768
Actual/New	1,932	2,668
Change (%)	-6.0	-3.6
<b>EPS (INR)</b>		
Old	10.8	14.5
Actual/New	10.1	14.0
Change (%)	-6.0	-3.6

Source: MOFSL, Company

Exhibit 5: Consol. quarterly performance (INR m)

Consol. P&L (INR m)	Post Ind-AS 116					Pre-Ind-AS 116				
	1QFY19	4QFY19	1QFY20	YoY%	QoQ%	1QFY20	YoY%	QoQ%	1QFY20E	v/s est (%)
<b>Revenue</b>	<b>13,190</b>	<b>13,810</b>	<b>15,403</b>	<b>16.8</b>	<b>11.5</b>	<b>15,438</b>	<b>17.0</b>	<b>11.8</b>	<b>15,828</b>	<b>-2.5</b>
Raw Material cost	8,570	8,630	9,682	13.0	12.2	9,682	13.0	12.2	10,193	-5.0
Gross Profit	4,620	5,180	5,721	23.8	10.4	5,721	23.8	10.4	5,635	1.5
Gross margin	35.0	37.5	37.1	212bps	-37bps	37	6.0	-1.0	35.6	154bps
Employee Costs	750	880	906	20.8	3.0	906	20.8	3.0	886	2.2
Rent	1,260	1,520	337	-73.3	-77.8	1,650	<b>30.9</b>	<b>8.5</b>	1,517	8.8
SGA Expenses	1,420	1,550	1,852	30.4	19.5	1,852	30.4	19.5	1,899	-2.5
<b>Total Expenses</b>	<b>12,000</b>	<b>12,580</b>	<b>12,777</b>	<b>6.5</b>	<b>1.6</b>	<b>14,090</b>	<b>17.4</b>	<b>12.0</b>	<b>14,496</b>	<b>-2.8</b>
<b>EBITDA</b>	<b>1,190</b>	<b>1,230</b>	<b>2,626</b>	<b>120.7</b>	<b>113.5</b>	<b>1,349</b>	<b>13.3</b>	<b>9.7</b>	<b>1,332</b>	<b>1.2</b>
<b>EBITDA margin (%)</b>	<b>9.0</b>	<b>8.9</b>	<b>17.1</b>	803bps	814bps	<b>8.7</b>	-29bps	-17bps	<b>8.4</b>	32bps
Depreciation and amortization	450	640	1,580	251.2	146.9	627	<b>39.3</b>	<b>-2.1</b>	666	-5.9
EBIT	740	590	1,046	41.4	77.3	722	<b>-2.4</b>	<b>22.4</b>	666	8.4
EBIT margin (%)	5.6	4.3	6.8	118bps	252bps	4.7	-93bps	40bps	4.2	47bps
Finance Costs	270	340	713	164.2	109.8	338	<b>25.0</b>	<b>-0.7</b>	275	<b>22.5</b>
Other income	90	80	108	20.1	35.1	102	<b>12.9</b>	<b>27.0</b>	95	6.9
<b>Profit before Tax</b>	<b>560</b>	<b>330</b>	<b>441</b>	<b>-21.3</b>	<b>33.6</b>	<b>486</b>	<b>-13.2</b>	<b>47.3</b>	<b>486</b>	<b>0.1</b>
Tax	190	-230	157	<b>-17.6</b>	<b>-168.0</b>	173	<b>-9.2</b>	<b>-175.0</b>	160	7.6
Tax rate (%)	33.9	-69.7	35.5	157bps	NM	35.5	157bps	10519bps	33.0	250bps
<b>Profit after Tax</b>	<b>370</b>	<b>560</b>	<b>284</b>	<b>-23.1</b>	<b>-49.2</b>	<b>313</b>	<b>-15.3</b>	<b>-44.0</b>	<b>325</b>	<b>-3.7</b>
Profit / (Loss) share of associate/JV	<b>0</b>	<b>0</b>	<b>-39</b>			<b>-39</b>			<b>0</b>	<b>NM</b>
<b>Net Profit</b>	<b>370</b>	<b>560</b>	<b>245</b>	<b>-33.7</b>	<b>-56.2</b>	<b>274</b>	<b>-25.8</b>	<b>-51.0</b>	<b>325</b>	<b>-15.6</b>

Source: MOFSL, Company

**Exhibit 6: SSSG comparison**

	1QFY19	4QFY19	1QFY20E	YoY bp	QoQ bp	1QFY20E	v/s est (%)
Overall	8.2%	8.6%	5.2%	-300	-340		
Central	3.7%	6.5%	7.0%	330	50	4.0%	300
Brand Factory	15.4%	13.1%	2.5%	-1290	-1060	10.0%	-750

Source: MOFSL, Company

**Exhibit 7: Stores comparison**

	1QFY19	4QFY19	1QFY20E	YoY	QoQ	1QFY20E	v/s est (%)
Central - Total stores	42	44	47	11.9	6.8	47	0.0
Central - Store adds	2	0	3	50.0	NM	3	0.0
Brand Factory - Total stores	69	93	97	40.6	4.3	103	-6
Brand Factory - Store adds	6	4	4	-33.3	0.0	10	-60.0

Source: MOFSL, Company

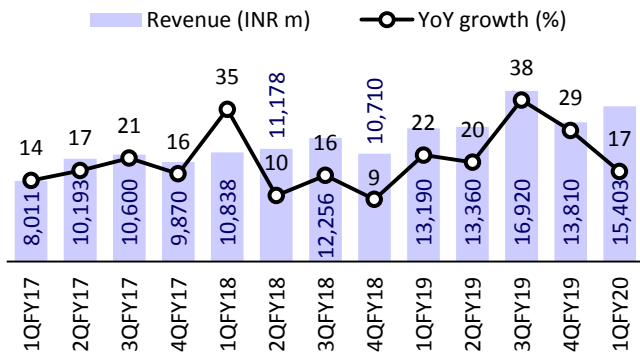
**Exhibit 8: Consol. quarterly performance (INR m)**

Particulars	Post Ind-AS 116	Pre Ind-AS 116	Change due to Ind-AS 116	Change due to Ind-AS 116 (in %)	Impact of Ind-As 116 (as a % of Sales in bp)
Revenue from Operations	15,403	15,438	NM	NM	NM
Rent & Other Expenses	337	1650	1312.9	80%	850
(as a % of sales)	2%	11%			
<b>EBITDA</b>	<b>2626</b>	<b>1349</b>	<b>-1278</b>	<b>-95%</b>	<b>-831</b>
(as a % of sales)	17%	8.7%			
Depreciation / Amortisation	1580	627	-953	-152%	-620
(as a % of sales)	10%	4%			
<b>EBIT</b>	<b>1046</b>	<b>722</b>	<b>-324</b>	<b>-45%</b>	<b>-212</b>
(as a % of sales)	7%	5%			
Other income	108	102			
Interest & Finance Charges	713	338	-376	-111%	-244
<b>PBT</b>	<b>441</b>	<b>486</b>	<b>45</b>	<b>9%</b>	<b>29</b>
(as a % of sales)	2.9%	3.1%			
Tax	157	173			
<b>Profit for the year</b>	<b>284</b>	<b>313</b>	<b>29</b>	<b>9%</b>	<b>18</b>
(as a % of sales)	1.8%	2.0%			

Source: MOFSL, Company

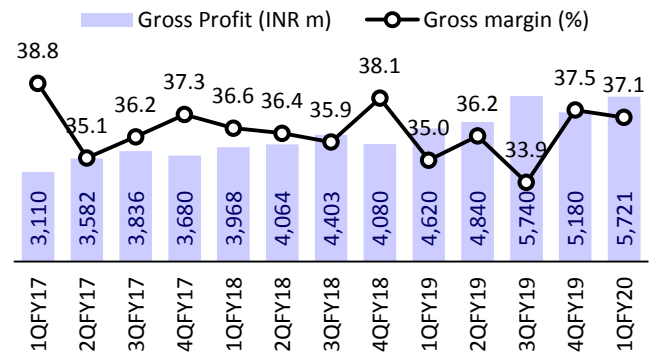
## Story in charts

**Exhibit 1: Consol. revenue grew 17% YoY**



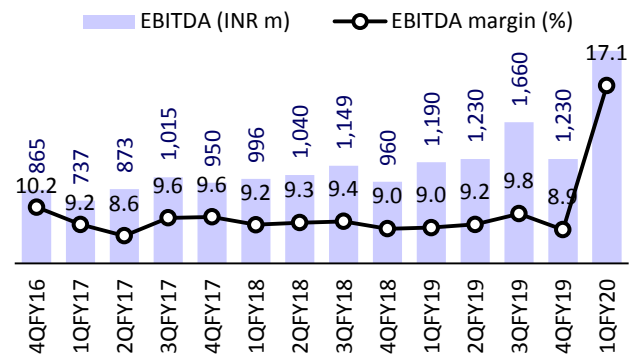
Source: MOFSL, Company

**Exhibit 2: Gross margin expanded 210bp YoY to 37.1%**



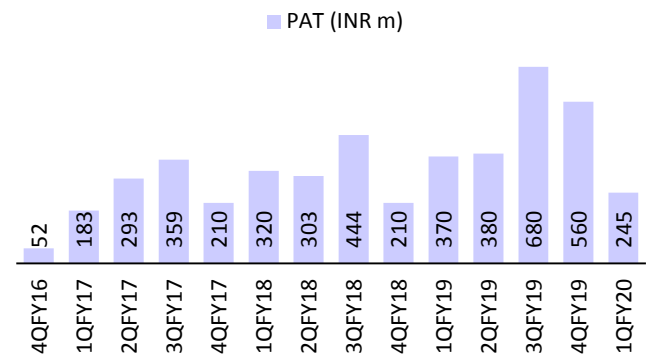
Source: MOFSL, Company

**Exhibit 3: EBITDA margins expanded to 17.1%**



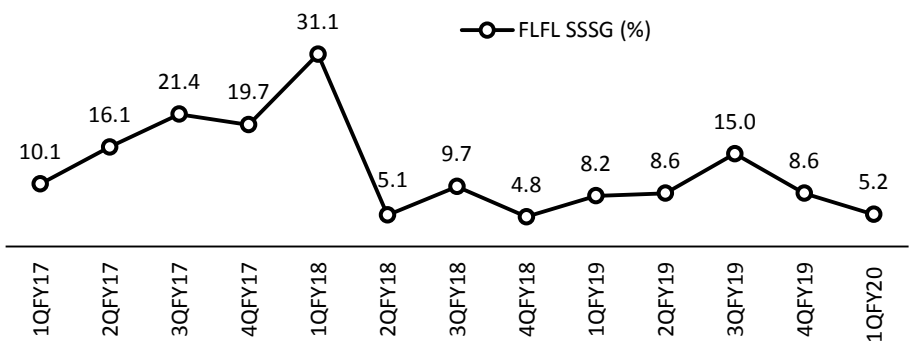
Source: MOFSL, Company

**Exhibit 4: PAT declined 34% YoY to INR245m**



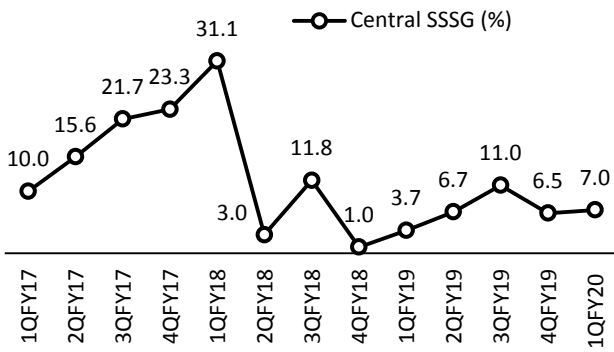
Source: MOFSL, Company

**Exhibit 5: Overall SSSG fell 300bp YoY to 8.2%**



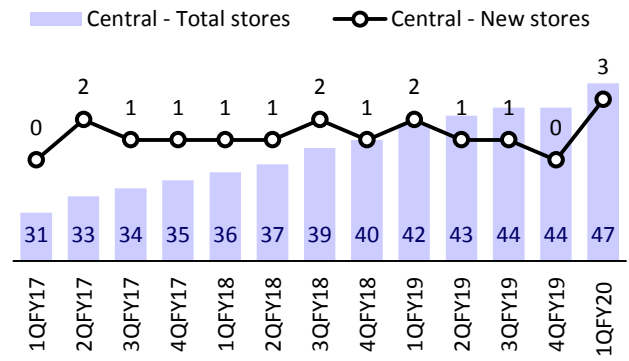
Source: MOFSL, Company

**Exhibit 6: Central's SSSG expanded 330bp YoY to 7%**



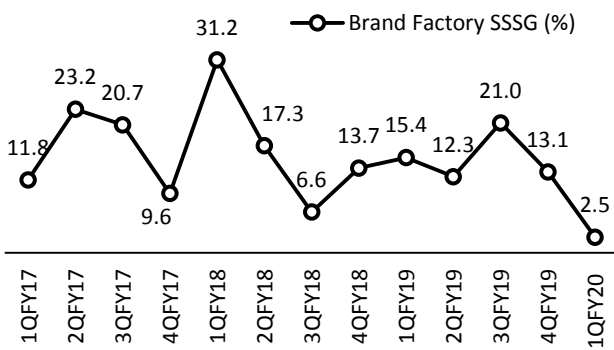
Source: MOFSL, Company

**Exhibit 7: Central total stores count stood flat at 47**



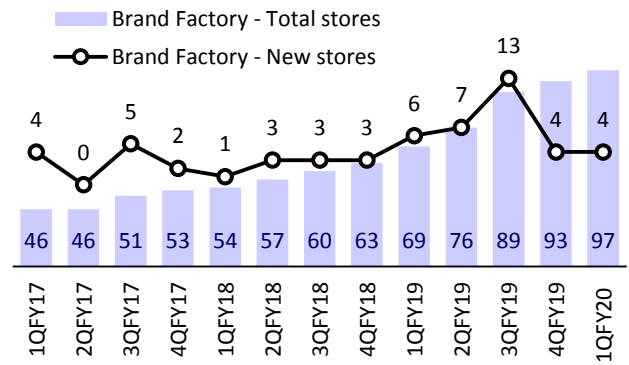
Source: MOFSL, Company

**Exhibit 8: Brand Factory SSSG contracted to 2.5%**



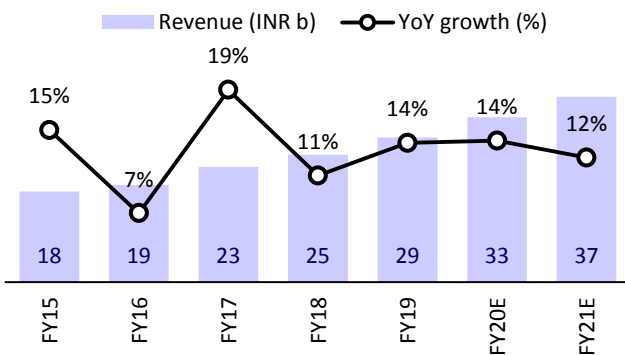
Source: MOFSL, Company

**Exhibit 9: Brand Factory total stores count stood at 97**



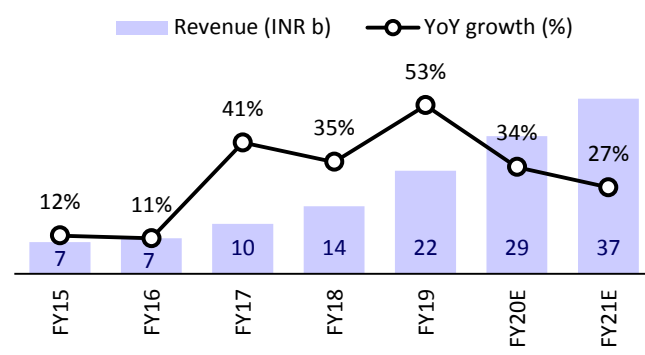
Source: MOFSL, Company

**Exhibit 10: Expect healthy Central revenue CAGR of 13% over FY19-21**



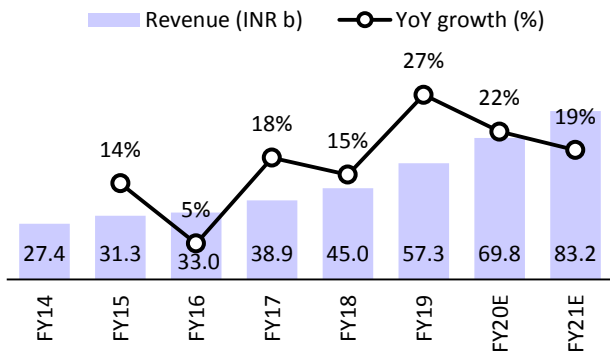
Source: MOFSL, Company

**Exhibit 11: Expect strong Brand Factory revenue CAGR of 30% over FY19-21**



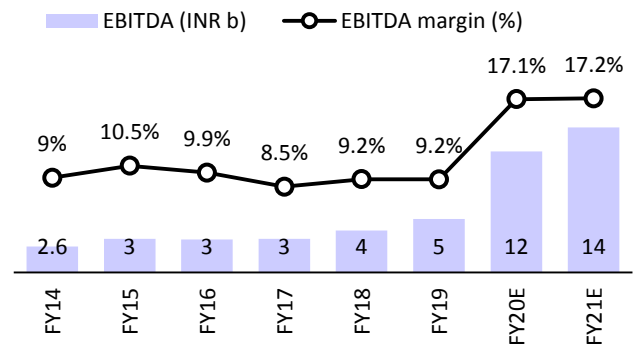
Source: MOFSL, Company

**Exhibit 12: Expect healthy consol. revenue CAGR of 21% over FY19-21**



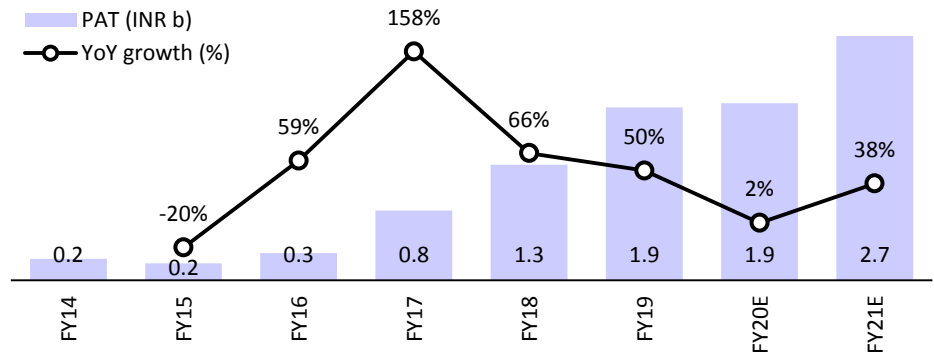
Source: MOFSL, Company

**Exhibit 13: EBITDA margin to expand to 17% post Ind-AS 116**



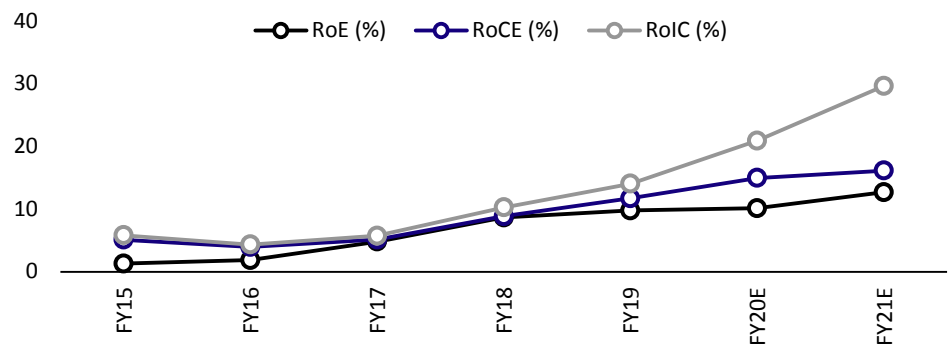
Source: MOFSL, Company

**Exhibit 14: Expect consol. PAT CAGR of 19% over FY19-21**



Source: MOFSL, Company

**Exhibit 15: Return ratios set to grow (%)**



Source: MOFSL, Company

## Financials and valuations

Consolidated - Income Statement								(INR m)
Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
<b>Total Income from Operations</b>	<b>27,440</b>	<b>31,341</b>	<b>33,002</b>	<b>38,947</b>	<b>44,982</b>	<b>57,281</b>	<b>69,816</b>	<b>83,185</b>
Change (%)	NA	14.2	5.3	18.0	15.5	27.3	21.9	19.1
Raw Materials	16,970	19,194	20,455	24,721	28,468	36,894	44,403	52,947
Employees Cost	1,291	1,692	1,886	2,139	2,649	3,308	3,936	4,645
Rent	2,919	3,462	3,727	4,410	4,528	5,499	1,509	1,809
Other Expenses	3,696	3,691	3,683	4,383	5,200	6,321	8,029	9,483
<b>Total Expenditure</b>	<b>24,876</b>	<b>28,039</b>	<b>29,750</b>	<b>35,653</b>	<b>40,845</b>	<b>52,022</b>	<b>57,876</b>	<b>68,884</b>
% of Sales	90.7	89.5	90.1	91.5	90.8	90.8	82.9	82.8
<b>EBITDA</b>	<b>2,563</b>	<b>3,302</b>	<b>3,252</b>	<b>3,294</b>	<b>4,137</b>	<b>5,259</b>	<b>11,939</b>	<b>14,301</b>
Margin (%)	9.3	10.5	9.9	8.5	9.2	9.2	17.1	17.2
Depreciation	3,852	1,701	1,614	890	1,539	2,071	6,465	8,203
<b>EBIT</b>	<b>-1,289</b>	<b>1,601</b>	<b>1,637</b>	<b>2,404</b>	<b>2,598</b>	<b>3,188</b>	<b>5,474</b>	<b>6,098</b>
Int. and Finance Charges	1,630	1,583	1,353	1,232	1,083	1,168	3,012	2,548
Other Income	3,317	217	165	242	341	383	421	431
<b>PBT bef. EO Exp.</b>	<b>399</b>	<b>235</b>	<b>450</b>	<b>1,414</b>	<b>1,856</b>	<b>2,403</b>	<b>2,884</b>	<b>3,981</b>
EO Items	-57	0	0	689	0	0	0	0
<b>PBT after EO Exp.</b>	<b>342</b>	<b>235</b>	<b>450</b>	<b>2,103</b>	<b>1,856</b>	<b>2,403</b>	<b>2,884</b>	<b>3,981</b>
Total Tax	110	49	155	1,033	586	465	952	1,314
Tax Rate (%)	32.0	21.0	34.5	49.1	31.6	19.4	33.0	33.0
MI/Share of associates	0.0	0.0	0.0	0.0	9.7	47.6	0.0	0.0
<b>Reported PAT</b>	<b>233</b>	<b>185</b>	<b>295</b>	<b>1,070</b>	<b>1,261</b>	<b>1,890</b>	<b>1,932</b>	<b>2,668</b>
<b>Adjusted PAT</b>	<b>271</b>	<b>185</b>	<b>295</b>	<b>719</b>	<b>1,261</b>	<b>1,640</b>	<b>1,932</b>	<b>2,668</b>
Change (%)	NA	-31.7	58.9	144.1	75.2	30.1	17.8	38.1
Margin (%)	1.0	0.6	0.9	1.8	2.8	2.9	2.8	3.2

Consolidated - Balance Sheet								(INR m)
Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Equity Share Capital	309	372	379	380	381	389	389	389
Total Reserves	12,604	15,325	15,853	13,450	14,915	17,881	19,485	21,825
<b>Net Worth</b>	<b>12,913</b>	<b>15,697</b>	<b>16,232</b>	<b>13,830</b>	<b>15,296</b>	<b>18,270</b>	<b>19,874</b>	<b>22,214</b>
Total Loans	13,696	13,994	13,655	8,818	7,479	8,096	6,596	5,596
Deferred Tax Liabilities	645	650	709	-473	-392	-283	0	0
<b>Capital Employed</b>	<b>27,255</b>	<b>30,341</b>	<b>30,597</b>	<b>22,175</b>	<b>22,383</b>	<b>26,084</b>	<b>26,470</b>	<b>27,810</b>
Gross Block	15,524	16,269	16,814	8,182	11,495	17,059	21,537	26,015
Less: Accum. Deprn.	4,025	3,250	4,386	784	2,251	4,322	10,786	18,989
<b>Net Fixed Assets</b>	<b>11,499</b>	<b>13,019</b>	<b>12,428</b>	<b>7,398</b>	<b>9,245</b>	<b>12,737</b>	<b>10,751</b>	<b>7,026</b>
Capital WIP	1,895	1,721	1,862	1,898	2,905	1,578	1,578	1,578
<b>Total Investments</b>	<b>3,785</b>	<b>3,437</b>	<b>3,754</b>	<b>2,164</b>	<b>2,171</b>	<b>3,490</b>	<b>3,490</b>	<b>3,490</b>
<b>Curr. Assets, Loans &amp; Adv.</b>	<b>22,224</b>	<b>21,312</b>	<b>21,771</b>	<b>24,147</b>	<b>23,272</b>	<b>32,518</b>	<b>35,630</b>	<b>45,243</b>
Inventory	10,240	11,732	13,050	15,058	14,829	20,315	20,084	23,930
Account Receivables	2,632	2,692	2,419	3,028	3,032	3,903	4,591	5,242
Cash and Bank Balance	2,711	597	146	299	452	1,256	6,060	10,516
Loans and Advances	6,642	6,291	6,157	5,763	4,959	7,044	4,896	5,555
<b>Curr. Liability &amp; Prov.</b>	<b>12,149</b>	<b>9,148</b>	<b>9,219</b>	<b>13,432</b>	<b>15,209</b>	<b>24,240</b>	<b>24,979</b>	<b>29,527</b>
Account Payables	8,348	8,288	9,216	12,256	10,932	17,999	17,024	20,284
Other Current Liabilities	3,663	686	-191	709	3,311	5,076	6,790	8,079
Provisions	137	175	195	467	966	1,165	1,165	1,165
<b>Net Current Assets</b>	<b>10,075</b>	<b>12,164</b>	<b>12,552</b>	<b>10,715</b>	<b>8,063</b>	<b>8,278</b>	<b>10,652</b>	<b>15,716</b>
<b>Appl. of Funds</b>	<b>27,255</b>	<b>30,341</b>	<b>30,597</b>	<b>22,175</b>	<b>22,383</b>	<b>26,084</b>	<b>26,471</b>	<b>27,810</b>

E: MOFSL Estimates



## Financials and valuations - consolidated

### Ratios

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
<b>Basic (INR)</b>								
EPS	1.4	1.0	1.6	3.8	6.6	8.6	10.1	14.0
Cash EPS	21.7	9.9	10.0	8.5	14.7	19.5	44.1	57.1
BV/Share	68.0	82.6	85.4	72.6	80.3	96.0	104.4	116.7
DPS	0.0	0.0	0.0	0.8	1.2	1.4	1.4	1.4
Payout (%)	0.0	0.0	0.0	17.1	21.8	17.3	17.0	12.3
<b>Valuation (x)</b>								
P/E				127.3	72.6	55.8	45.1	32.7
Cash P/E				56.9	32.7	24.7	10.4	8.0
P/BV				6.6	6.0	5.0	4.4	3.9
EV/Sales				2.6	2.2	1.7	1.3	1.0
EV/EBITDA				30.4	23.8	18.7	7.3	5.8
Dividend Yield (%)	0.0	0.0	0.0	0.2	0.2	0.3	0.3	0.3
FCF per share	-122.6	-4.8	11.6	21.1	5.4	13.7	48.4	41.5
<b>Return Ratios (%)</b>								
RoE	2.1	1.3	1.8	4.8	8.7	9.8	10.1	12.7
RoCE	NA	5.1	4.0	5.1	8.9	11.7	15.0	16.1
RoIC	NA	5.8	4.3	5.7	10.3	14.0	20.9	29.6
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	1.8	1.9	2.0	4.8	3.9	3.4	3.2	3.2
Asset Turnover (x)	1.0	1.0	1.1	1.8	2.0	2.2	2.6	3.0
Inventory (Days)	136	137	144	141	120	129	105	105
Debtor (Days)	35	31	27	28	25	25	24	23
Creditor (Days)	111	97	102	115	89	115	89	89
<b>Leverage Ratio (x)</b>								
Current Ratio	1.8	2.3	2.4	1.8	1.5	1.3	1.4	1.5
Interest Cover Ratio	-0.8	1.0	1.2	2.0	2.4	2.7	1.8	2.4
Net Debt/Equity	0.6	0.6	0.6	0.5	0.3	0.2	-0.1	-0.4

### Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
OP/(Loss) before Tax	342	235	450	1,795	1,847	2,403	2,884	3,981
Depreciation	3,852	1,701	1,614	890	1,539	2,071	6,465	8,203
Interest & Finance Charges	1,630	1,583	1,353	1,232	1,033	1,168	3,012	2,548
Direct Taxes Paid	-125	-47	-98	-116	-456	-465	-952	-1,314
(Inc)/Dec in WC	-8,468	-1,194	152	2,711	1,453	698	2,713	-608
<b>CF from Operations</b>	<b>-2,769</b>	<b>2,278</b>	<b>3,471</b>	<b>6,512</b>	<b>5,416</b>	<b>5,875</b>	<b>14,121</b>	<b>12,810</b>
Others	-3,160	30	113	249	224	973	-421	-431
<b>CF from Operating incl EO</b>	<b>-5,930</b>	<b>2,308</b>	<b>3,584</b>	<b>6,761</b>	<b>5,640</b>	<b>6,848</b>	<b>13,700</b>	<b>12,379</b>
(Inc)/Dec in FA	-17,364	-3,215	-1,384	-2,737	-4,614	-4,237	-4,478	-4,478
<b>Free Cash Flow</b>	<b>-23,293</b>	<b>-907</b>	<b>2,200</b>	<b>4,024</b>	<b>1,026</b>	<b>2,611</b>	<b>9,222</b>	<b>7,901</b>
(Pur)/Sale of Investments	-490	484	-210	340	-10	-1,320	0	0
Others	12,702	65	41	93	-161	383	421	431
<b>CF from Investments</b>	<b>-5,151</b>	<b>-2,666</b>	<b>-1,553</b>	<b>-2,303</b>	<b>-4,785</b>	<b>-5,174</b>	<b>-4,057</b>	<b>-4,047</b>
Issue of Shares	0	2,721	1	4	4	8	0	0
Inc/(Dec) in Debt	15,419	-2,814	-1,039	-2,964	658	617	-1,500	-1,000
Interest Paid	-1,630	-1,583	-1,353	-1,232	-1,033	-1,168	-3,012	-2,548
Dividend Paid	0	-80	-91	-91	-183	-328	-328	-328
Others	0	0	0	0	0	0	0	0
<b>CF from Fin. Activity</b>	<b>13,790</b>	<b>-1,756</b>	<b>-2,481</b>	<b>-4,283</b>	<b>-555</b>	<b>-871</b>	<b>-4,840</b>	<b>-3,876</b>
<b>Inc/Dec of Cash</b>	<b>2,709</b>	<b>-2,114</b>	<b>-450</b>	<b>174</b>	<b>301</b>	<b>804</b>	<b>4,804</b>	<b>4,456</b>
Opening Balance	2	2,711	597	125	152	452	1,256	6,060
<b>Closing Balance</b>	<b>2,711</b>	<b>597</b>	<b>146</b>	<b>300</b>	<b>452</b>	<b>1,256</b>	<b>6,060</b>	<b>10,516</b>

NOTES

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Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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