

Estimate change	↓
TP change	↑
Rating change	↓

Bloomberg	PVRL IN
Equity Shares (m)	47
M.Cap.(INRb)/(USDb)	81.4 / 1.1
52-Week Range (INR)	2083 / 707
1, 6, 12 Rel. Per (%)	-4/5/-39
12M Avg Val (INR M)	2641

**Financials & Valuations (INR b)**

Y/E March	FY21E	FY22E	FY23E
Sales	3.4	35.2	43.2
EBITDA	-3.6	5.6	7.6
Adj. PAT	-5.4	1.0	2.2
EBITDA Margin (%)	-106.2	16.0	17.5
Adj. EPS (INR)	-98.0	18.9	40.3
EPS Gr. (%)	NM	NM	113.8
BV/Sh. (INR)	224.3	243.2	283.5

**Ratios**

Net D:E	4.1	3.6	3.0
RoE (%)	NM	8.1	15.3
RoCE (%)	NM	3.4	5.1
Payout (%)	0.0	0.0	0.0

**Valuations**

P/E (x)	NM	78.1	36.5
P/BV (x)	6.6	6.1	5.2
EV/EBITDA (x)	NM	20.8	15.3
Div Yield (%)	0.0	0.0	0.0

**Shareholding pattern (%)**

As On	Sep-20	Jun-20	Sep-19
Promoter	18.8	18.6	19.6
DII	30.1	29.8	26.6
FII	34.6	37.0	42.5
Others	16.6	14.7	11.4

FII Includes depository receipts

**CMP: INR1473 TP: INR1,620 (+10%) Downgrade to Neutral**
**Strict COVID-19 norms continue to hurt earnings**

- EBITDA loss increased 34% QoQ to INR1.1b (v/s our estimate of a loss of INR537m), despite reopening to cinemas as 50% capacity restrictions and lack of fresh content, led to meager (~1%) occupancy.
- We roll forward our estimates to FY23E and revise down our FY22E EBITDA/PAT estimates by 3%/12% on the back of slower recovery, thriving OTT market, and changing consumer behavior that could pose a risk to long term occupancies and business economics. We **downgrade to Neutral**.

**Losses rise as operations remain impacted**

- PVR's 3QFY21 revenue fell 93% YoY to INR634m (49% below our estimate) as cinema operators began operations in a staggered manner from Oct'20 with 50% capacity.
- On a pre-Ind AS 116 basis, operating loss stood at INR1.1b v/s a profit of INR1.8b YoY (v/s our estimate of an operating loss of INR537m), cushioned by a 77% YoY fall in operating cost to INR1.7b. Operating loss increased by 34% QoQ from INR810m. This indicates that operating at 50% capacity has been detrimental to PVR's earnings.
- The management has kept a tight lid on operating costs, but as cinemas reopen, the cost increase would be inevitable. Fixed opex is down 66% YoY, but jumped 31% QoQ to INR1.6b as cinemas resumed operations.
- Rental/employee expenses declined 59%/54% YoY, but resumption of operations have increased costs QoQ. Rentals, excludes INR320m on properties which are still under negotiations. It has reached settlements with landlords for 88% of cinemas for complete or partial waiver/discounts until Mar'21.
- Net loss stood at INR1.4b v/s a PAT of INR780m in 3QFY20 (estimate net loss of INR866m).

**Highlights from the management commentary**

- New content is seeing strong traction. The movie 'Master' released in the South and has become the second highest opening movie in Tamil Nadu.
- The management expects long-term employee and overhead costs to reduce by ~10-15% once COVID-19 ends on a long term basis, while rental cost would revert back of pre pandemic levels in FY22.
- Kerala has waived entertainment tax and other states can be expected to follow suit. The management expects some relief in the Budget for the entertainment sector.
- Ticket prices, which were low in 3QFY21, were close to pre-COVID levels for newly released movies.

### Valuation and view

- Near term profitability and business scale is expected to remain muted as cinemas were the last to open, and are operating at single-digit capacity with limited timings. Relaxation over capacity norms (as Tamil Nadu has approved 100% capacity utilization) and a new lineup of movies would provide some relief.
- Expectations over relaxation of capacity norms and strong performance of Tamil's 'Master' movie can be expected to drive footfalls and movie launches from 4QFY21 onwards.
- Negotiation in rental charges and sharp drop in employee and other expenses have been a relief. Fixed costs are expected to reduce by 10-15% over the long term.
- Around INR3.7b cash and an option to raise ~INR8b in equity would provide PVR sufficient cash to meet its operating expenses over FY22 but continue to dilute earnings.
- We roll forward our estimates to FY23E and cut our FY22E EBITDA/PAT by 3%/12%. We expect business to slowly normalize to FY20 levels in FY22.
- The rising trend of movie releases on OTT platforms since the outbreak of the pandemic and strong growth in their subscriber base raises concerns over increased competition from such platforms in the near to long term.
- Earnings in the exhibition business remain highly sensitive to occupancies and even a 200-500bp drop in occupancy can severely impact earnings.
- We **downgrade the stock to Neutral**, valuing the company at 13x FY23E EV-to-EBITDA to arrive at our target price of INR1,620.

### Quarterly performance

(INR m)

Y/E March	FY20				FY21				FY20	FY21E	3Q FY21E	Esti. Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net sales</b>	<b>8,804</b>	<b>9,732</b>	<b>9,157</b>	<b>6,451</b>	<b>43</b>	<b>436</b>	<b>634</b>	<b>2,254</b>	<b>34,144</b>	<b>3,368</b>	<b>1,234</b>	<b>95</b>
YoY change (%)	26.4	37.3	8.6	-23.0	-99.5	-95.5	-93.1	-65.1	10.7	-90.1	-86.5	(7.0)
Total expenditure	7,217	7,788	7,355	6,023	1,286	1,246	1,722	2,691	28,382	6,945	1,771	240
<b>EBITDA</b>	<b>1,587</b>	<b>1,944</b>	<b>1,802</b>	<b>428</b>	<b>-1,243</b>	<b>-810</b>	<b>-1,088</b>	<b>-437</b>	<b>5,762</b>	<b>-3,577</b>	<b>-537</b>	<b>NM</b>
YoY change (%)	15.6	56.8	9.7	-73.4	-178.4	-141.7	-160.4	-202.2	-1.7	-162.1	-129.8	
Depreciation	549	598	563	614	603	583	585	661	2,324	2,432	608	4
Interest	414	390	392	325	353	351	402	312	1,521	1,418	355	-12
Other income	68	62	82	167	83	0	0	106	378	189	47	NM
<b>PBT before EO expense</b>	<b>691</b>	<b>1,018</b>	<b>929</b>	<b>-344</b>	<b>-2,116</b>	<b>-1,744</b>	<b>-2,075</b>	<b>-1,305</b>	<b>2,294</b>	<b>-7,238</b>	<b>-1,452</b>	<b>NM</b>
Extra-ordinary expense	1	2	2	1	2	4	0	0	5	0	0	
<b>PBT</b>	<b>690</b>	<b>1,016</b>	<b>928</b>	<b>-345</b>	<b>-2,118</b>	<b>-1,749</b>	<b>-2,075</b>	<b>-1,305</b>	<b>2,289</b>	<b>-7,238</b>	<b>-1,452</b>	<b>NM</b>
Tax	104	258	221	44	(707)	(587)	(707)	178	627.4	-1823.3	-487	-31
Rate (%)	15.1	25.4	23.8	-12.8	33.4	33.6	34.1	-13.6	27.4	25.2	33.5	
MI and p/l of associate cos	0	2	1	1	1	1	1	0	5	3	0	
<b>Reported PAT</b>	<b>586</b>	<b>760</b>	<b>708</b>	<b>-388</b>	<b>-1,410</b>	<b>-1,161</b>	<b>-1,366</b>	<b>-1,482</b>	<b>1,666</b>	<b>-5,419</b>	<b>-966</b>	<b>NM</b>
<b>Adjusted PAT</b>	<b>586</b>	<b>760</b>	<b>708</b>	<b>-346</b>	<b>-1,410</b>	<b>-1,161</b>	<b>-1,366</b>	<b>-1,482</b>	<b>1,708</b>	<b>-5,419</b>	<b>-966</b>	<b>NM</b>
YoY Change (%)	12.0	130.2	36.7	-174.0	-340.6	-252.7	-293.1	328.7	-7.1	-417.3	-236.5	

E: MOFSL estimates

**Key performance indicators**

Y/E March	FY20				FY21				FY20	FY21E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Number of properties	167	170	172	176	176	173	175	180	176	184
Additions	3	3	2	4	0	-3	2	5	12	12
Number of screens	785	800	821	845	845	831	835	845	845	864
Screen additions	22	15	21	24	0	-14	4	10	82	19
Occupancy rate (%)	35	38	33	33	NM	NM	1	6	35	2
Average ticket price (INR)	202	196	203	204	NM	NM	164	172	201	171
EBITDA margin (%)	18.0	20.0	19.7	6.6	NM	NM	NM	-19.4	16.9	-106.2
EBIT margin (%)	11.8	13.8	13.5	-2.9	NM	NM	NM	-48.7	10.1	-178.4
PAT margin (%)	6.7	7.8	7.7	-5.4	NM	NM	NM	-65.8	5.0	-160.9

E: MOFSL estimates

**Other highlights****Liquidity and other highlights**

- The company has a cash and bank balance of INR3.7b as of 3QFY21. At the current run-rate, this should suffice for another three months.
- The board of directors have approved a fund raise via equity up to INR8b to further strengthen its liquidity position.
- PVR has significantly reduced its capex outlay during COVID-19, with minimal capex spends on projects that are in advanced stages of construction. The management is continuously evaluating the evolving situation before it recommences its capex program.
- ATP declined by 22% YoY to INR164, while spends per head declined to INR95 (-5% YoY).
- Admits remain at 1m during 3QFY21, declining by 96% YoY, while the total screen count stood at 835 screens.
- Net debt increased to INR11.3b (v/s INR9b in 2QFY21), led by operating losses in 3QFY21.

**Commentary on business updates**

- **Reopening:** PVR is yet to re-open 56 screens in 13 cinemas as of 15 Jan'21 since rental negotiations are currently ongoing with certain mall developers, landlords, lessors, and partners. Except for Rajasthan and Jharkhand, all other states have allowed cinemas to re-open.
- **Content:** Hindi film producers have withheld release of big budget movies and are likely to announce release dates over the next few weeks, with the situation evolving. Producers of big budget Bollywood movies are still hesitant, but a few low-to-mid size Bollywood movies, much awaited Hollywood movies, and diverse regional content have debuted on screens.
- **Private screening:** PVR has introduced the concept of private screenings, which is a premium-personalized offering for a small group of reserved audience to enjoy the content of their choice, thereby reducing the risk of contamination.
- **e-tickets:** PVR has discontinued paper tickets and instead started issuing booking confirmations only via SMS and e-mails. It has launched QR code-based food ordering, limited the menu under F&B offerings, and included healthy choices and options, which include ingredients that help to boost immunity.

**Exhibit 1: Valuation summary**

Particulars	INR m
EBITDA FY23E	7,569
Multiple (x)	13
EV	102,025
Net debt	12,650
Target m-cap	89,374
No. of shares (m)	55.2
<b>Target price (INR)</b>	<b>1,620</b>
<b>CMP (INR)</b>	<b>1,473</b>
Upside	10%

Source: MOFSL, Company

**Highlights from the 3QFY21 earnings call****Business and performance update**

- **Opening of cinemas:** Cinemas in Rajasthan and Bihar have not opened yet and their contribution from Hindi movies remains small (6-7%).
- **Rent and CAM** are down 80% YoY as PVR has reached settlements with 88% of landlords for complete/partial waiver/discounts during the COVID-19 lockdown period. The same is valid until Mar'21. The company would engage in rental negotiations further if business uncertainty prevails post Apr'21.
- **Cost measures:** Sharp cost measures has led to a reduction in fixed costs by ~63% YoY.
- **Liquidity** as of Dec'20 stands at INR3.7b. A maximum of INR8b could be raised by equity to maintain leverage at comfortable levels. The company has enough cash for organic expansion as the market is expected to consolidate once the COVID-19 pandemic ends.

**Expect recovery to be strong**

- **Traction from new movie releases:** 'Master' movie released in South India in Jan'21 and has seen good traction. This should embolden other Bollywood/regional producers to follow suit and release movies. 'Master' has been the second highest opening movie in Tamil Nadu (by collections).
- **Tax relief:** Kerala has waived entertainment tax and other states can be expected to follow suit. The management expects some relief in the Budget for the entertainment sector.
- **ATP trend:** ATP in 3QFY21 was lower due to the old content library. However, prices are expected to return back to pre-COVID levels with the launch of new movies. Ticket prices for newly released movies like 'Tenet', 'Wonder Woman' and 'Master' were close to pre-COVID levels. In the long term, ATP could rise above pre-COVID levels of 4-5% as business and footfalls return back to normal.
- **Trends from foreign markets:** China and Japan have seen strong traction with some new movie releases, despite 50-75% capacity utilization due to restrictions. ATP and revenues have been trending back to pre-COVID levels in these nations.

**Business outlook**

- **Costs to reduce:** PVR expects long-term employee and overhead costs (INR300m/month) to reduce by 10-15% once the COVID-19 pandemic ends on a long term basis.

- **Rental escalation:** No escalation in rentals is expected from FY22 and rentals would revert back to pre-pandemic levels as per agreements.
- **Capex plans:** Capex per sq ft is not expected to reduce once COVID-19 ends.
- **F&B business** is expected to commence on Zomato with beta trials from Jan'21. PVR expects a sizeable business opportunity from this segment in the future.
- **Threat from OTT:** Larger movies are expected to rely on theatres to garner revenue as they see larger footfalls and higher revenue earning potential from cinemas. Streaming platforms would continue to release some movies, but the same is not expected to impact theatres as producers will produce more films to satiate demand from both channels.
- **Contribution of top films:** Contribution of top 100 films is expected to remain at 78-80% of total collections as per the historic (5-6 year) trends.

**Exhibit 2: Consolidated quarterly performance (INR m)**

	3QFY20	2QFY21	3QFY21	YoY (%)	QoQ (%)	3QFY21E	v/s stimate (%)
<b>Revenue</b>	<b>9,157</b>	<b>436</b>	<b>634</b>	<b>-93.1</b>	<b>45</b>	<b>1,234</b>	<b>-49</b>
Total operating cost	7,355	1,246	1,722	-77	38	1,771	-3
<b>EBITDA</b>	<b>1,802</b>	<b>-810</b>	<b>-1,088</b>	<b>-160</b>	<b>34</b>	<b>-537</b>	<b>NM</b>
EBITDA margin (%)	19.7	-185.9	NM	NM	NM	NM	NM
Depreciation	563	583	585	4	0	608	-4
<b>EBIT</b>	<b>1,239</b>	<b>-1,393</b>	<b>-1,672</b>	<b>NM</b>	<b>NM</b>	<b>-1,145</b>	<b>NM</b>
Interest	392	351	402	3	15	355	13
Other Income	82	0	0	-100	NM	47	-100
<b>PBT</b>	<b>929</b>	<b>-1,744</b>	<b>-2,075</b>	<b>NM</b>	<b>NM</b>	<b>-1,452</b>	<b>NM</b>
Share in Profit and Loss of JV	2	0	0	NM	NM	0	NM
<b>PBT</b>	<b>928</b>	<b>-1,744</b>	<b>-2,075</b>	<b>NM</b>	<b>NM</b>	<b>-1,452</b>	<b>NM</b>
Tax	221	-587	-707	NM	NM	-487	NM
Tax rate (%)	23.8	33.6	NM	NM	NM	33.5	NM
<b>PAT</b>	<b>707</b>	<b>-1,157</b>	<b>-1,367</b>	<b>NM</b>	<b>NM</b>	<b>-966</b>	<b>NM</b>
MI/Share of associates	1	1	1	NM	NM	0	NM
<b>Reported PAT</b>	<b>708</b>	<b>-1,156</b>	<b>-1,366</b>	<b>NM</b>	<b>NM</b>	<b>-966</b>	<b>NM</b>

Source: MOFSL, Company

**Exhibit 3: Revenue breakup (INR m)**

Revenue breakup	3QFY20	2QFY21	3QFY21	YoY (%)	QoQ (%)
Net box office	4,567	6	134	-97.1	2,125.0
Food and beverages	2,604	37	140	-94.6	275.9
Advertising	916	0	42	-95.4	NM
Convenience income	406	0	0	-100.0	NM
Other operating income	511	117	304	-40.6	159.0

Source: MOFSL, Company

**Exhibit 4: KPI snapshot**

KPI	3QFY20	2QFY21	3QFY21	YoY (%)	QoQ (%)
Screens	821	831	835	1.7	0.5
Admits ('000)	25,900	0	1,000	-96.1	NM
Occupancy	33.4%	0.0%	1.2%	-3216.29	124
ATP (INR)	203	0	164	-19.1	NM
SPH (INR)	100	0	95	-4.7	NM

Source: MOFSL, Company

**Exhibit 5: Operating expenses breakup (INR m)**

	3QFY20	2QFY21	3QFY21	YoY (%)	QoQ (%)	3QFY21E	v/s estimates (%)
<b>Operating expenses (INR m)</b>							
Movie exhibition cost	1,927	3	62	NM	NM	123	-50.0
Consumption of food and beverages	682	17	57	-91.6	237.6	62	-7.0
Employee expenses	1,067	407	486	-54.5	19.4	448	8.5
Other expenses	3,679	819	1,117	-69.6	36.3	1,139	-1.9
<b>Total</b>	<b>7,355</b>	<b>1,246</b>	<b>1,722</b>	<b>-76.6</b>	<b>38.2</b>	<b>1,771</b>	<b>-2.8</b>

Source: MOFSL, Company

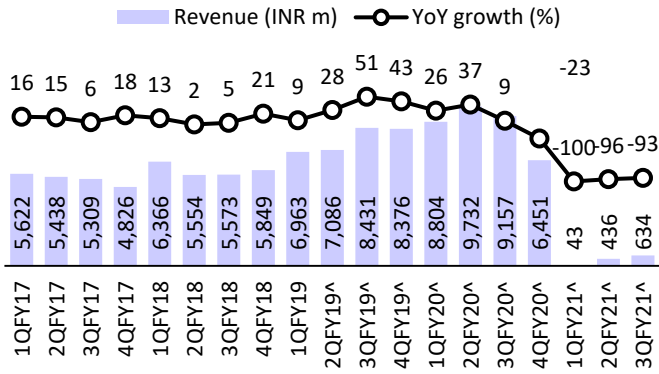
**Exhibit 6: Summary of changes in estimates (INR m)**

	<b>FY21E</b>	<b>FY22E</b>
<b>Ticket revenue (INR m)</b>		
Old	1,311	17,295
Actual/New	889	18,680
Change (%)	-32.1	8.0
<b>F&amp;B revenue (INR m)</b>		
Old	1,253	10,329
Actual/New	668	10,322
Change (%)	-46.7	-0.1
<b>Ad revenue (INR m)</b>		
Old	514	2,755
Actual/New	420	2,722
Change (%)	-18.3	-1.2
<b>Total revenue (INR m)</b>		
Old	4,941	33,839
Actual/New	3,368	35,184
Change (%)	-31.8	4.0
<b>EBITDA (INR m)</b>		
Old	-1,820	5,829
Actual/New	-3,474	5,643
Change (%)	NM	-3.2
<b>EBITDA margin (%)</b>		
Old	-36.8	17.2
Actual/New	-103.2	16.0
Change (bp)	NM	-119
<b>PAT (INR m)</b>		
Old	-3,934	1,181
Actual/New	-5,347	1,041
Change (%)	NM	-11.8
<b>Adjusted EPS (INR)</b>		
Old	-71.2	21.4
Actual/New	-96.6	18.9
Change (%)	NM	-11.8

Source: MOFSL

Story in charts

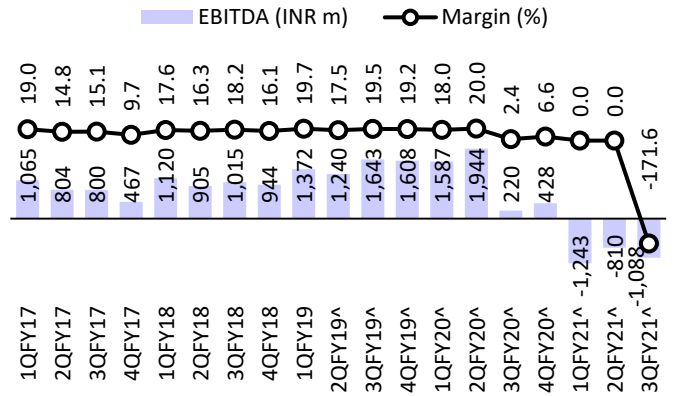
Exhibit 7: Consolidated revenue declines 93% YoY



\*Includes SPI consolidation

Source: MOFSL, Company

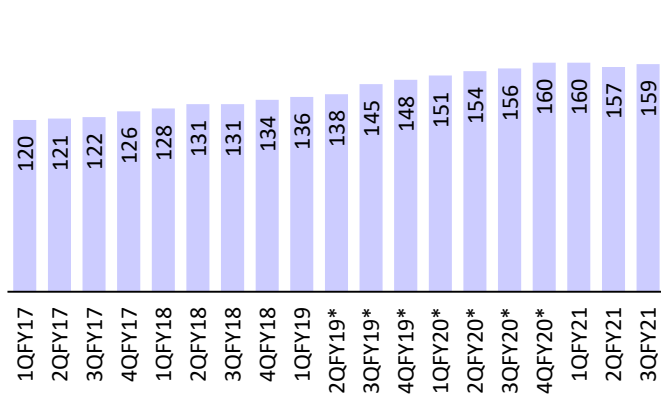
Exhibit 8: Consolidated EBITDA loss at INR1.1b



\*Includes SPI consolidation

Source: MOFSL, Company

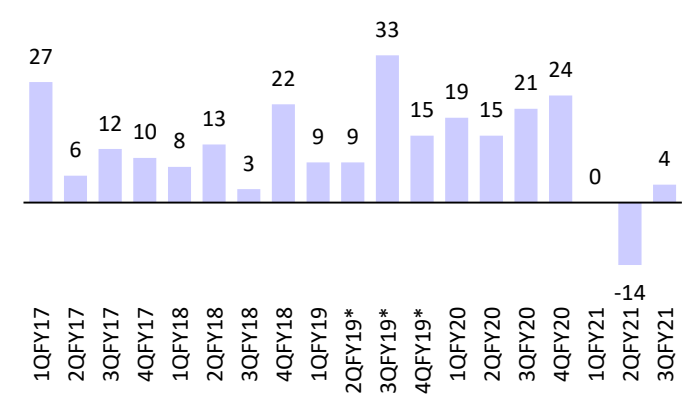
Exhibit 9: Additions to cinema properties



\*Excludes SPI Cinemas

Source: MOFSL, Company

Exhibit 10: Adds four screens in 3QFY21



\*Excludes SPI Cinemas

Source: MOFSL, Company



## Financials and valuations

### Consolidated Income Statement

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Sales</b>	<b>18,496</b>	<b>21,194</b>	<b>23,341</b>	<b>30,856</b>	<b>34,144</b>	<b>3,368</b>	<b>35,184</b>	<b>43,198</b>
Change (%)	25.2	14.6	10.1	32.2	10.7	-90.1	944.7	22.8
Total Production Expenses	5,446	6,053	6,967	9,407	9,971	597	10,802	13,262
Personnel Expenses	1,859	2,205	2,541	3,373	3,938	1,958	4,222	5,184
Rent	3,316	3,902	4,111	5,091	5,659	1,168	6,368	7,344
Administrative and Other Expenses	4,950	5,899	5,703	7,122	8,815	3,223	8,150	9,840
<b>Total Expenditure</b>	<b>15,571</b>	<b>18,058</b>	<b>19,323</b>	<b>24,992</b>	<b>28,382</b>	<b>6,945</b>	<b>29,542</b>	<b>35,629</b>
<b>EBITDA</b>	<b>2,924</b>	<b>3,136</b>	<b>4,018</b>	<b>5,863</b>	<b>5,762</b>	<b>-3,577</b>	<b>5,643</b>	<b>7,569</b>
Margin (%)	15.8	14.8	17.2	19.0	16.9	-106.2	16.0	17.5
Depreciation	1,151	1,384	1,537	1,913	2,324	2,432	2,793	3,093
<b>EBIT</b>	<b>1,773</b>	<b>1,752</b>	<b>2,481</b>	<b>3,951</b>	<b>3,438</b>	<b>-6,009</b>	<b>2,850</b>	<b>4,476</b>
Int. and Finance Charges	840	806	837	1,280	1,521	1,418	1,658	1,701
Other Income	635	623	313	331	378	189	200	200
<b>PBT bef. EO Exp.</b>	<b>1,569</b>	<b>1,569</b>	<b>1,958</b>	<b>3,002</b>	<b>2,294</b>	<b>-7,238</b>	<b>1,391</b>	<b>2,975</b>
EO Expense/(Income)	116	41	6	0	5	0	0	0
<b>PBT after EO Exp.</b>	<b>1,453</b>	<b>1,528</b>	<b>1,952</b>	<b>3,002</b>	<b>2,289</b>	<b>-7,238</b>	<b>1,391</b>	<b>2,975</b>
Current Tax	467	570	489	1,017	627	-1,823	350	749
Deferred Tax	0	0	216	79	0	0	0	0
Tax Rate (%)	32.1	37.3	36.1	36.5	27.4	25.2	25.2	25.2
Less: Minority Interest	5	-1	0	-68	-5	3	0	0
<b>Reported PAT</b>	<b>991</b>	<b>958</b>	<b>1,247</b>	<b>1,838</b>	<b>1,657</b>	<b>-5,412</b>	<b>1,041</b>	<b>2,226</b>
<b>Adjusted PAT</b>	<b>1,070</b>	<b>983</b>	<b>1,250</b>	<b>1,838</b>	<b>1,708</b>	<b>-5,424</b>	<b>1,041</b>	<b>2,226</b>
Change (%)	623	-8.1	27.1	47.0	-7.1	-417.6	-119.2	113.8
Margin (%)	5.8	4.6	5.4	6.0	5.0	-161.1	3.0	5.2

### Consolidated Balance Sheet

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Equity Share Capital	467	467	467	467	514	552	552	552
Total Reserves	8,345	9,183	10,286	14,490	14,289	11,824	12,866	15,092
<b>Net Worth</b>	<b>8,812</b>	<b>9,650</b>	<b>10,754</b>	<b>14,957</b>	<b>14,802</b>	<b>12,376</b>	<b>13,417</b>	<b>15,643</b>
Minority Interest	401	405	8	5	3	3	3	3
Deferred Liabilities (net)	-633	-424	-150	266	-2,049	-2,049	-2,049	-2,049
Total Loans	5,718	7,301	6,614	11,039	48,723	53,723	55,723	53,723
Lease Liabilities					37,715	37,715	37,715	37,715
<b>Capital Employed</b>	<b>14,298</b>	<b>16,933</b>	<b>17,226</b>	<b>26,267</b>	<b>61,479</b>	<b>64,053</b>	<b>67,094</b>	<b>67,320</b>
Gross Block	15,900	22,335	24,676	38,193	71,953	72,953	76,953	80,953
Less: Accum. Deprn.	5,935	7,319	8,856	10,769	13,093	15,525	18,317	21,410
Intangible assets - Goodwill	52	71	79	0	0	0	0	0
<b>Net Fixed Assets</b>	<b>10,017</b>	<b>15,087</b>	<b>15,899</b>	<b>27,425</b>	<b>58,860</b>	<b>57,429</b>	<b>58,636</b>	<b>59,543</b>
Right to use Assets					30,047	30,047	30,047	30,047
Capital WIP	739	1,056	1,017	2,208	1,547	1,547	1,547	1,547
<b>Total Investments</b>	<b>19</b>	<b>20</b>	<b>209</b>	<b>111</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>
<b>Curr. Assets, Loans and Adv.</b>	<b>7,565</b>	<b>5,662</b>	<b>6,208</b>	<b>8,659</b>	<b>11,799</b>	<b>5,995</b>	<b>14,908</b>	<b>16,013</b>
Inventory	205	190	198	303	307	14	0	0
Account Receivables	901	1,021	1,556	1,839	1,893	1,871	1,871	1,871
Cash and Bank Balance	2,671	299	328	341	3,223	3,335	7,253	7,041
Loans and Advances	3,788	4,152	4,126	6,175	6,377	775	5,784	7,101
<b>Curr. Liability and Prov.</b>	<b>4,041</b>	<b>4,892</b>	<b>6,107</b>	<b>12,135</b>	<b>10,750</b>	<b>941</b>	<b>8,020</b>	<b>9,805</b>
Account Payables	3,933	4,788	5,980	11,920	10,571	763	7,842	9,628
Provisions	108	104	127	215	180	178	178	178
<b>Net Current Assets</b>	<b>3,524</b>	<b>771</b>	<b>101</b>	<b>-3,477</b>	<b>1,049</b>	<b>5,055</b>	<b>6,889</b>	<b>6,208</b>
<b>Appl. of Funds</b>	<b>14,298</b>	<b>16,933</b>	<b>17,226</b>	<b>26,267</b>	<b>61,479</b>	<b>64,053</b>	<b>67,094</b>	<b>67,320</b>

## Financials and valuations

### Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>21.3</b>	<b>20.5</b>	<b>26.7</b>	<b>37.9</b>	<b>32.2</b>	<b>-98.0</b>	<b>18.9</b>	<b>40.3</b>
Cash EPS	47.6	50.6	59.6	80.2	78.5	-54.2	69.5	96.4
BV/Share	188.7	206.5	230.1	320.0	288.3	224.3	243.2	283.5
DPS	1.2	1.2	2.0	2.0	0.0	0.0	0.0	0.0
Payout (%)	6.6	7.0	9.0	6.1	0.0	0.0	0.0	0.0
<b>Valuation (x)</b>								
P/E	69.0	71.9	55.2	38.9	45.8	NM	78.1	36.5
Cash P/E	31.0	29.1	24.7	18.4	18.8	NM	21.2	15.3
P/BV	7.8	7.1	6.4	4.6	5.1	6.6	6.1	5.2
EV/Sales	3.9	3.6	3.2	2.6	3.3	35.4	3.3	2.7
EV/EBITDA	24.6	24.2	18.7	13.6	19.8	NM	20.8	15.3
Dividend Yield (%)	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
<b>Return Ratios (%)</b>								
RoE	15.4	10.4	12.2	13.8	11.1	NM	8.1	15.3
RoCE	12.5	9.5	10.4	12.5	6.2	NM	3.4	5.1
RoIC	11.0	8.3	10.2	12.8	6.2	NM	3.6	5.7
<b>Working Capital Ratios</b>								
Asset Turnover (x)	1.3	1.3	1.4	1.2	0.6	0.1	0.5	0.6
Inventory (Days)	4	3	3	4	3	2	0	0
Debtor (Days)	18	18	24	22	20	203	19	16
Creditor (Days)	78	82	94	141	113	83	81	81
Working Capital Turnover (Days)	17	8	-4	-45	-23	186	-4	-7
<b>Leverage Ratio (x)</b>								
Current Ratio	1.9	1.2	1.0	0.7	1.1	6.4	1.9	1.6
Debt/Equity	0.6	0.8	0.6	0.7	3.3	4.3	4.2	3.4

### Consolidated Cash Flow Statement

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Net Profit/(Loss) Before Tax/EO	1,453	1,528	1,952	3,002	896	-7,244	1,391	2,975
Depreciation	1,151	1,384	1,537	1,913	5,425	2,432	2,793	3,093
Interest and Finance Charges	840	806	837	1,280	4,730	1,418	1,658	1,701
Direct Taxes Paid	-467	-570	-704	-1,097	-295	1,823	-350	-749
(Inc.)/Dec. in WC	1,603	381	699	4,007	-2,647	-3,894	2,085	469
<b>CF from Operations</b>	<b>4,580</b>	<b>3,529</b>	<b>4,320</b>	<b>9,105</b>	<b>8,108</b>	<b>-5,465</b>	<b>7,577</b>	<b>7,489</b>
Others	81	268	-163	-331	-238	-189	-200	-200
<b>CF from Operating incl. EO</b>	<b>4,661</b>	<b>3,797</b>	<b>4,157</b>	<b>8,774</b>	<b>7,870</b>	<b>-5,654</b>	<b>7,377</b>	<b>7,289</b>
(Inc.)/Dec. in FA	-2,672	-6,752	-2,302	-14,630	-3,838	-1,000	-4,000	-4,000
<b>Free Cash Flow</b>	<b>1,989</b>	<b>-2,955</b>	<b>1,856</b>	<b>-5,856</b>	<b>4,033</b>	<b>-6,654</b>	<b>3,377</b>	<b>3,289</b>
(Pur.)/Sale of Investments	0	-1	-190	99	0	0	0	0
Others	0	0	0	2,739	-66	189	200	200
<b>CF from Investments</b>	<b>-2,672</b>	<b>-6,753</b>	<b>-2,491</b>	<b>-11,793</b>	<b>-3,903</b>	<b>-811</b>	<b>-3,800</b>	<b>-3,800</b>
Issue of Shares	3,502	1	0	0	5,041	0	0	0
(Inc.)/Dec. in Debt	-1,752	1,583	-687	4,425	-674	5,000	2,000	-2,000
Interest Paid	-840	-806	-837	-1,280	-1,151	-1,418	-1,658	-1,701
Dividend Paid	-65	-68	-113	-113	-360	0	0	0
Others	-429	-127	0	0	-4,965	2,995	0	0
<b>CF from Fin. Activity</b>	<b>416</b>	<b>583</b>	<b>-1,637</b>	<b>3,033</b>	<b>-2,110</b>	<b>6,576</b>	<b>342</b>	<b>-3,701</b>
<b>Inc./Dec. of Cash</b>	<b>2,405</b>	<b>-2,373</b>	<b>29</b>	<b>14</b>	<b>1,857</b>	<b>112</b>	<b>3,919</b>	<b>-212</b>
Add: Beginning Balance	266	2,671	299	328	-74	1,783	1,894	5,813
<b>Closing Balance</b>	<b>2,671</b>	<b>299</b>	<b>328</b>	<b>341</b>	<b>1,783</b>	<b>1,894</b>	<b>5,813</b>	<b>5,601</b>
Bank OD	0	0	0	-416	1,441	1,441	1,441	1,441
<b>Net Closing Balance</b>	<b>2,671</b>	<b>299</b>	<b>328</b>	<b>-74</b>	<b>3,223</b>	<b>3,335</b>	<b>7,253</b>	<b>7,041</b>

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
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