1 May 2025

4QFY25 Results Update | Sector: Internet

Eternal

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	ETERNAL IN
Equity Shares (m)	9650
M.Cap.(INRb)/(USDb)	2243.9 / 26.6
52-Week Range (INR)	305 / 146
1, 6, 12 Rel. Per (%)	12/-6/13
12M Avg Val (INR M)	14981

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
GOV	386.4	452.0	538.3
Net Sales	202.4	330.7	539.9
Change (%)	67.1	63.4	63.2
EBITDA	6.4	9.3	28.3
EBITDA margin (%)	3.1	2.8	5.2
Adj. PAT	5.3	9.4	28.3
PAT margin (%)	2.6	2.8	5.2
RoE (%)	2.08	3.05	8.67
RoCE (%)	-0.64	-1.88	3.42
EPS	0.59	1.05	3.16
EV/ Sales	10.3	6.3	3.8
Price/ Book	6.9	6.7	6.1

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	0.0	0.0	0.0
DII	23.6	20.5	15.3
FII	50.3	53.4	56.7
Others	26.1	26.1	28.0

FII Includes depository receipts

CMP: INR233 TP: INR260 (+12%) Buy

Blinkit profits remain elusive

Intense competition pushes out the profit horizon; but Blinkit GOV growth sustains

- Eternal reported 4QFY25 revenues of INR58b, up 8% QoQ, in line with our estimate. Growth was led by Blinkit (GOV up 20% QoQ/134% YoY). The food delivery business delivered 16% YoY growth in GOV with a steady increase in margins.
- Adj. EBITDA as a % of GOV margin was up 10bp QoQ at 4.4%. PAT came in at INR360m (est. INR1.8b), down 78% YoY, primarily attributed to increased investments in accelerated dark-store openings and customer acquisitions in the Quick Commerce (QC) business. For FY25, revenue/adj. EBITDA grew 67%/190% YoY vs. FY24.
- For 1QFY26, we expect revenue to grow 63% and adj. EBITDA to decline 14% YoY. Our DCF-based valuation of INR260 implies a 12% upside from the current price. We reiterate our BUY rating on the stock, supported by Eternal's market leadership in both QC and Food Delivery, and the long-term potential of Blinkit as a generational opportunity in retail, grocery, and e-commerce disruption.

Our view: Dark store blitz and intense competition weigh on near-term profits

- **Blinkit's revenue and GOV surprise continues, but profitability gap widens:** Blinkit's NOV surged (up ~121% YoY on a like-for-like basis), supported by record store additions (294 in Q4) and 1m sq. ft. of new warehousing. However, with 40% of the store network still underutilized and intense customer acquisition spends, adjusted EBITDA losses widened QoQ. Contribution margin expanded marginally to 3.9% of NOV, but full-scale EBITDA breakeven could become worse before it becomes better.
- **Preparing for intensifying competition; expect margin compression to persist:** Contrary to street expectations, Zomato expects competition to rise in both grocery and non-grocery QC, including pressure from next-day delivery players accelerating their speed. As a result, marketing investments remained elevated, and EBITDA losses in Blinkit widened to INR1,790m in Q4 (-2.4% of NOV). We believe adjusted EBITDA is likely to remain under pressure through FY26 as Eternal defends its market share and to expand in this space. **Our profitability assumptions are now knocked back even further, as we now expect Blinkit to just break even only in FY27.**

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- **Exit from 10-minute food delivery could be due to Blinkit's strategic prioritization**: The company has formally exited the Zomato Quick initiative (10-minute food delivery), citing weak customer experience—limited incrementally—and operational complexity. In our view, Eternal aims to channel full organizational focus toward scaling Blinkit, and an aggressive 10-minute FD model could have diluted execution. It will be worth watching if Swiggy makes a renewed push in this space. That said, we continue to monitor the slowdown in the FD business, which remains considerably below the 20% growth guidance.
- **Inventory-led model unlikely to strain working capital**: With Eternal now structured as an Indian Owned and Controlled Company (IOCC), the move toward inventory ownership in Blinkit is underway. Even under a full inventory model, the company estimates working capital requirement to be sub-INR10b (5% of FY25 NOV), aided by high inventory turns. We do not expect a material change in WC intensity over the medium term.
- **A note on GOV to NOV:** Eternal started giving out order value net of discounts – NOV – in addition to GOV. In our view, it's a more appropriate metric for Blinkit, as the divergence between MRP and selling price is limited in staples like fruits and vegetables but significant in general merchandise and non-grocery categories.

Valuation and change in estimates

- Eternal's food delivery business is stable, and Blinkit offers a generational opportunity to participate in the disruption of industries such as retail, grocery, and e-commerce. We have reduced our estimates for FY26E/27E by ~52%/27%, driven by uncertainty arising from intense competition and the accelerated expansion of the dark store network. This expansion has led to reduced profitability due to increased investments. Eternal should report PAT margin of 2.8%/5.2% in FY26E/FY27E. Our DCF-based valuation of INR260 suggests a 12% upside from the current price. We reiterate our BUY rating on the stock.

QC GOV beats estimates, while profitability in line; Mgmt expects competition to increase in QC

- Eternal reported 4QFY25 net revenue of INR58b (8% QoQ/64% YoY), in line with our estimate of +8% QoQ.
- Food Delivery GOV came in at INR97b, slightly below our estimate of INR98b. Blinkit GOV came in at INR94b (up 134% YoY) vs. our estimate of INR87b.
- For Food Delivery, adjusted EBITDA as a % of GOV margin was up 10bp QoQ at 4.4%, missing our estimates of 4.7%.
- Blinkit reported contribution margin of 3.1% (3.0% in 3Q). Adj. EBITDA margin was -1.9%, in line with our expectations.
- The increase in losses was expected and aligns with the plan to pull-forward expansion of store network. Blinkit aims to achieve 2,000 stores by 3QFY26, one year ahead of its earlier guidance of 3QFY27.
- Management reiterated that competitive intensity will increase in QC, with further expansion and investments expected to continue. It emphasized a continued focus on market share gains, even if it meant prioritizing growth over short-term profitability.

- The company added 294 net new stores in 4QFY25, making it the highest-ever net store addition in a single quarter.
- Consol. reported EBITDA came in at INR720m (1.2% reported EBITDA margin vs. 3.0% in 3Q).
- Food Delivery revenue declined 1% QoQ/ up 18% YoY (est. -1% QoQ). FD contribution margin rose to 8.6% from 8.5% in 3Q.
- QC revenue grew 22% QoQ/122% YoY (est. 14% QoQ growth). QC contribution margin expanded to 3.1% (3.0% in 3Q).
- PAT stood at INR360m, down 78% YoY (est. INR1.8b).
- YoY adj. revenue grew 60% and continued to trend above the stated outlook of 40%+. The company remains confident of the long-term outlook of over 20% yearly FD GOV growth, given strong business fundamentals.

Key highlights from the management commentary

- Food Delivery: Growth remained below the company's expectations. The company attributed this to several factors: a) a sluggish demand environment (especially on discretionary spends); b) a shortage (temporary) of delivery partners due to their high demand in QC; c) competition from QC platforms offering fast delivery of packaged food, leading to a decline in demand for food delivery from restaurants. 1Q is a seasonally strong quarter, and there are no surprises for this quarter.
- Blinkit: The company expects competition to extend beyond early QC players, with next-day delivery companies also investing heavily in faster delivery, particularly in non-grocery categories. Current QC platforms and new players are offering competition in various forms, including discounts, marketing activities, and store expansions. There can be a difference of more than 20% between GOV and NOV for non-grocery items, which is why NOV reporting has started. In some categories, the difference can range from 50-60% (what it sells at vs what the MRP is).
- Higher competition is evident from the lack of margin expansion, as companies are unable to charge higher fees in some geographies.
- The company has delisted 18,000 restaurant partners due to quality issues. The NOV/GOV ratio saw an uptick due to festivities in the last quarter.
- **IOCC inventory model**: The company may choose to own inventory in QC, alongside operating as a marketplace. Inventory days may increase to 25-26 (from 15-16). In categories where the company takes on inventory ownership, ROCE will be a key focus area. If this model is adopted, the company does not plan to launch private labels. The company is still in the early stages of evaluating the marketplace vs. inventory-led models.

Valuation and view

- Eternal's food delivery business is stable, and Blinkit offers a generational opportunity to participate in the disruption of industries such as retail, grocery, and e-commerce. We value the business using a DCF methodology, assuming 12.5% cost of capital. **We reiterate our BUY rating with a TP of INR260**, implying 12% potential upside.

Consolidated - Quarterly Earning Model

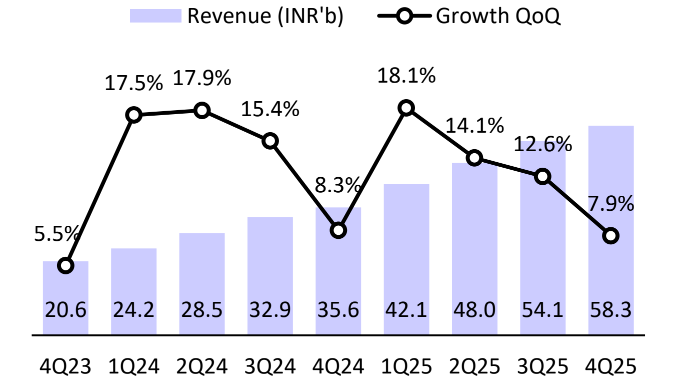
(INR M)

Y/E march	FY24				FY25				FY24	FY25	Estimate	Var. (% /
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QFY25	bp)
Revenue (net of delivery)	**24,160**	**28,480**	**32,880**	**35,620**	**42,060**	**47,990**	**54,050**	**58,330**	**1,21,140**	**2,02,430**	**58,521**	**-0.3**
YoY Change (%)	70.9	71.4	68.8	73.2	74.1	68.5	64.4	63.8	71.1	67.1	64.3	-50bp
Inventory of traded goods	5,620	6,740	7,820	8,640	10,990	13,340	15,000	16,320	28,820	55,650	17,871	-8.7
Employee Expenses	3,380	4,170	4,230	4,810	5,290	5,900	6,890	7,500	16,590	25,580	7,924	-5.3
Delivery expenses	8,100	9,190	10,680	11,180	13,280	13,980	14,500	15,520	39,150	57,280	14,523	6.9
Gross Profit	**7,060**	**8,380**	**10,150**	**10,990**	**12,500**	**14,770**	**17,660**	**18,990**	**36,580**	**63,920**	**18,203**	**4.3**
Margins (%)	29.2	29.4	30.9	30.9	29.7	30.8	32.7	32.6	30.2	31.6	31	150bp
Advertisement and sales promotion	3,140	3,550	3,740	3,890	3,960	4,210	5,210	6,340	14,320	19,720	5,239	21.0
Others	4,400	5,300	5,900	6,240	6,770	8,300	10,830	11,930	21,840	37,830	11,234	6.2
EBITDA	**-480**	**-470**	**510**	**860**	**1,770**	**2,260**	**1,620**	**720**	**420**	**6,370**	**1,730**	**-58.4**
Margins (%)	-2.0	-1.7	1.6	2.4	4.2	4.7	3.0	1.2	0.3	3.1	3.0	-170bp
Depreciation	1,300	1,280	1,280	1,400	1,490	1,800	2,470	2,870	5,260	8,630	2,633	9.0
Interest	180	160	180	200	250	300	430	560	720	1,540	410	36.7
Other Income	1,810	2,120	2,190	2,350	2,360	2,210	2,520	3,680	8,470	10,770	2,926	25.8
PBT before EO expense	**-150**	**210**	**1,240**	**1,610**	**2,390**	**2,370**	**1,240**	**970**	**2,910**	**6,970**	**1,613**	**-39.9**
PBT	**-150**	**210**	**1,240**	**1,610**	**2,390**	**2,370**	**1,240**	**970**	**2,910**	**6,970**	**1,613**	**-39.9**
Tax	-170	-150	-140	-140	-140	610	650	580	-600	1,700	-200	-390.0
Rate (%)	113.3	-71.4	-11.3	-8.7	-5.9	25.7	52.4	59.8	NA	NA	-12.4	7220bp
Reported PAT	**20**	**360**	**1,380**	**1,750**	**2,530**	**1,760**	**590**	**390**	**3,510**	**5,270**	**1,813**	**-78.5**
Adj PAT	**20**	**360**	**1,380**	**1,750**	**2,530**	**1,760**	**590**	**390**	**3,510**	**5,270**	**1,813**	**-78.5**
YoY Change (%)	-101.1	-114	-139.8	-193.0	12,550	389	-57.2	-77.7	-136.1	50.1	3.6	NA
Margins (%)	0.1	1.3	4.2	4.9	6.0	3.7	1.1	0.7	2.9	2.6	3.1	NA

Story in charts

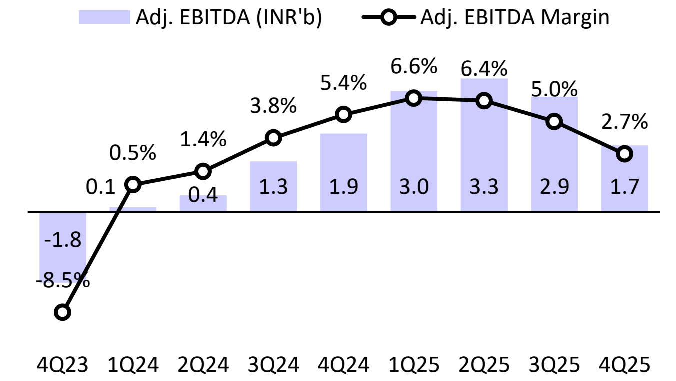
Overall Business

Exhibit 1: Eternal saw soft sequential growth amid intense competition



Source: MOFSL, Company

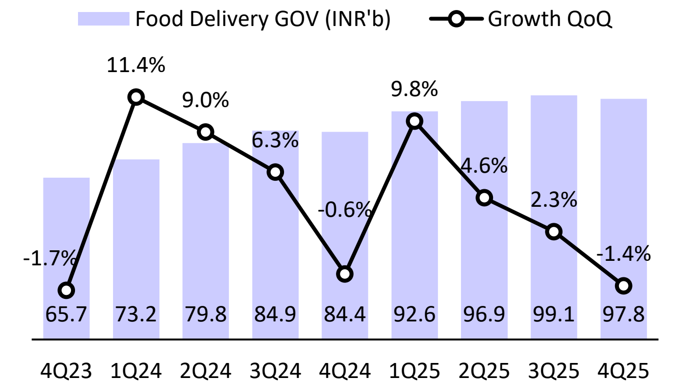
Exhibit 2: Profitability down due to heightened investments



Source: MOFSL, Company

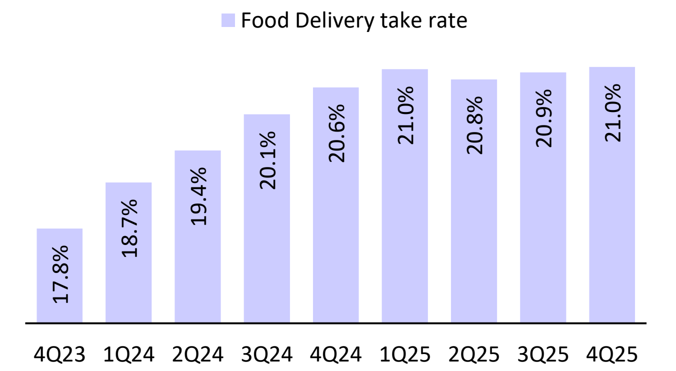
Food Delivery

Exhibit 3: GOV down 1.4% QoQ due to broad-based slowdown



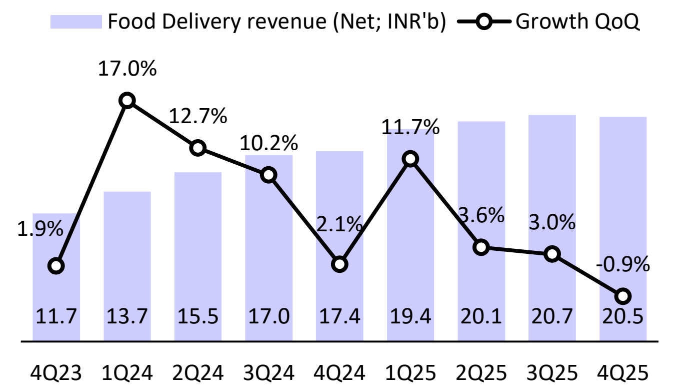
Source: MOFSL, Company

Exhibit 4: Take rate expanded 10bp QoQ



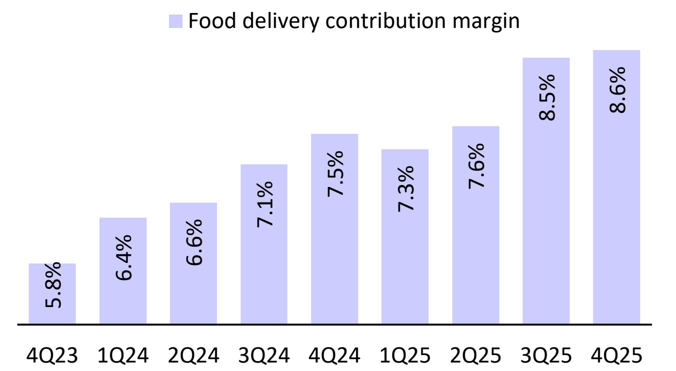
Source: MOFSL, Company

Exhibit 5: FD revenue declined ~1% QoQ due to sluggish demand environment



Source: MOFSL, Company

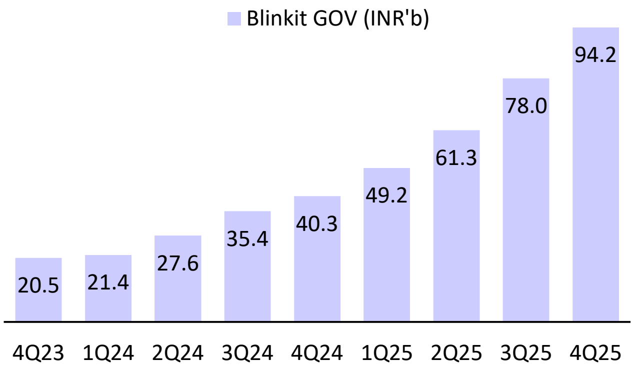
Exhibit 6: Contribution margin improved 10bp sequentially



Source: MOFSL, Company

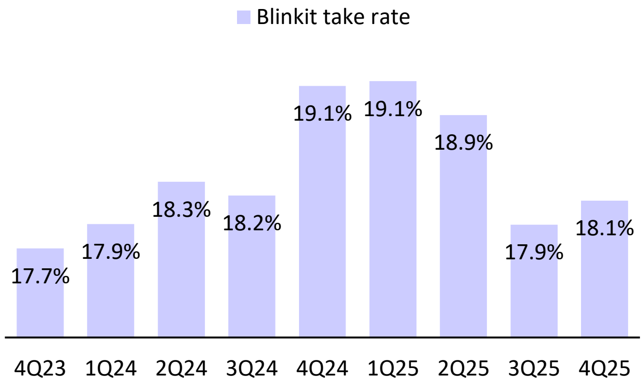
Blinkit

Exhibit 7: GOV saw strong 21% sequential growth…



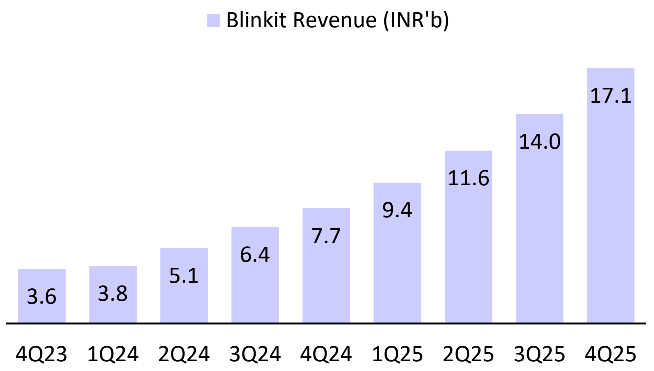
Source: MOFSL, Company

Exhibit 8: …while take rate increased 20bp sequentially…



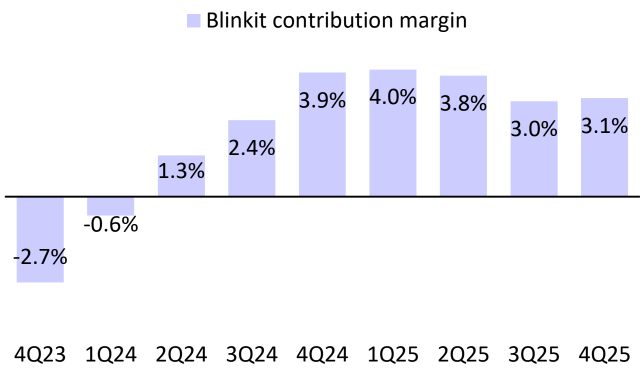
Source: MOFSL, Company

Exhibit 9: …leading to 22% sequential revenue growth



Source: MOFSL, Company

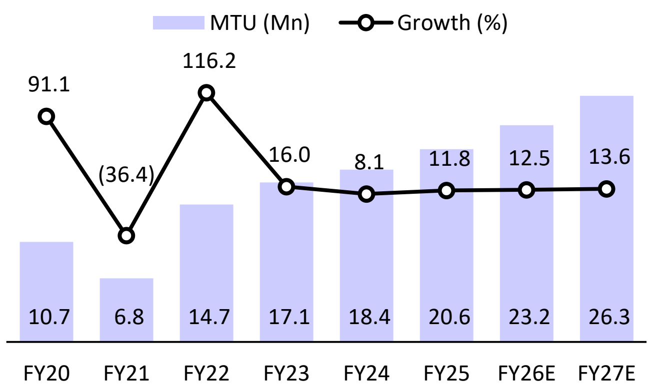
Exhibit 10: Blinkit's contribution margin inched up 10bp



Source: MOFSL, Company

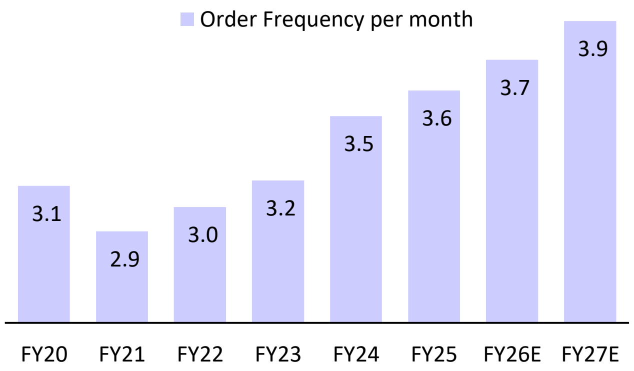
Our estimates

Exhibit 11: Expect good growth in MTU…



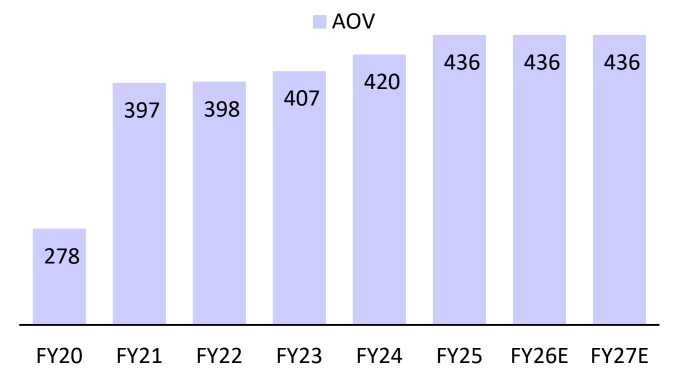
Source: MOFSL, Company

Exhibit 12: …and order frequency



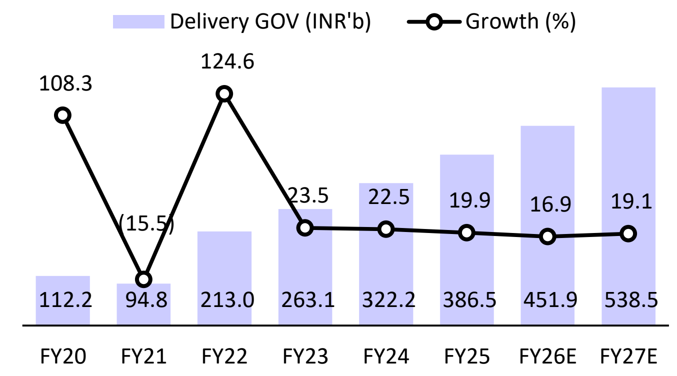
Source: MOFSL, Company

Exhibit 13: AOV to grow steadily



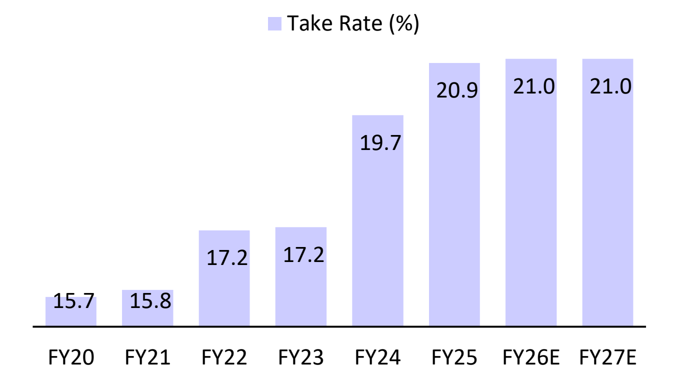
Source: MOFSL, Company

Exhibit 14: Strong GOV growth…



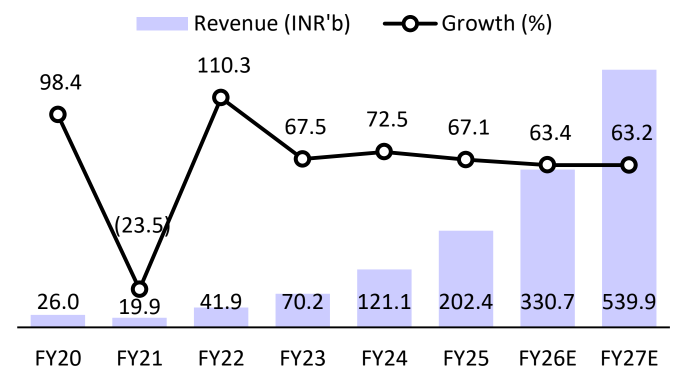
Source: MOFSL, Company

Exhibit 15: …and increase in take rate…



Source: MOFSL, Company

Exhibit 16: …to drive 63% revenue CAGR over FY25-27



Source: MOFSL, Company

CONFERENCE CALL

Key highlights from the management commentary

Demand and growth outlook

- YoY adj. revenue grew 60%, continuing to exceed the stated outlook of 40%+. The company remains confident of the long-term outlook of 20%+ yearly FD GOV growth, supported by strong business fundamentals.
- With respect to last-mile delivery partners, the company expects supply to increase over the mid to long terms. While there have been occasional supply pressures due to competition, it believes supply will catch up with the lag.
- Management reiterated that competitive intensity in QC will rise, and further expansion and investments will continue. It emphasized a continued focus on market share gains, even if it meant prioritizing growth over short-term profitability.
- 1Q is a seasonally strong quarter, and there were no surprises for this quarter.
- The District app is scaling well, now contributing to one-third of the 'Going Out' GOV.
- The decline in revenue from the Going Out business is seasonal. In the near term, profitability is expected to remain around current levels. (Adj. EBITDA as a % of GOV)
- Bistro remains in the early stages; management is not yet in a position to assess whether it can fill the Zomato Everyday gap.
- Hyperpure business: Working capital requirements are dependent on seller dynamics.
- **IOCC inventory model:** The company may choose to own inventory in QC, alongside operating as a marketplace. Inventory days may increase to 25-26 (from 15-16). For categories where the company takes on inventory ownership, ROCE will be a key focus area. If this model is adopted, the company does not plan to launch private labels. The company is still in the early days of evaluating the marketplace vs. inventory-led models.
- **Food delivery business:** Food Delivery GOV stood at INR97b. Growth remained below the company's expectations. The company attributed this to several factors: a) a sluggish demand environment (especially on discretionary spends); b) a shortage (temporary) of delivery partners due to their high demand in AC; and c) competition from QC platforms offering fast delivery of packaged food, leading to a decline in demand for food delivery from restaurants.
- Last mile delivery partners: The company expects supply to increase over mid to long terms, though occasional supply pressures have occurred due to competition. It expects supply to eventually catch up with the lag.
- The company also delisted 18,000 restaurant partners due to quality issues.
- 20% YoY Growth Guidance: The three pillars—assortment, delivery time, and affordability—have not made a meaningful impact yet. The company has guided for long-term CAGR.
- NOV and GOV: Ad income is not included in NOV; it directly contributes to revenues (~4% of GOV).
- Reducing delivery time for Zomato Quick has proven difficult and has not resulted in incremental demand, leading to its shutdown. The focus will now remain on reducing delivery time via delivery fleet optimization.
- **Blinkit (QC):** Blinkit GOV came in at INR94b (up 134% YoY) vs. our estimate of INR87b. The management reiterated that competitive intensity will increase in QC, and further expansion and investments are expected to continue. It emphasized an ongoing focus on market share gains, even if it means prioritizing growth over short-term profitability.

- The company expects competition to extend beyond early QC players, with next-day delivery companies also investing heavily in faster deliveries, especially in non-grocery categories.
- Higher competition is evident from the lack of margin expansion, as companies are unable to charge higher fees in some geographies.
- Current QC platforms and new players are offering competition in various forms, including discounts, marketing activities, and store expansions.
- There is significant competition for the same real estate for dark stores.
- The company has added 294 net new stores in 4QFY25, making it the highest-ever net store addition in a single quarter. The company is on track to reach 2,000 stores by Dec'25.
- The company is broadly expanding into smaller cities, with new store openings in smaller markets (non top eight). There is strong demand and appetite in Tier 2 /3 cities.
- The time taken for stores to ramp up to maturity remains pretty consistent with past trends.
- There can be a difference of more than 20% between GOV and NOV for non-grocery items, which is why NOV reporting has started. In some categories, the difference can range from 50-60% (what it sells at vs what the MRP is).
- SSG: Overall growth continues, with no slowdown observed. Numbers are seen geography-wise rather than store-wise.
- Costs like last-mile delivery, marketing cost, and real estate have increased due to competition.
- Loss of wallet share has not been observed yet.
- The NOV/GOV ratio saw an uptick due to festivities in the last quarter.

Margins

- For Food Delivery, adjusted EBITDA as a % of GOV margin was up 10bp QoQ at 4.4%, missing our estimates of 4.7%. Blinkit reported contribution margin of 3.1% (3.0% in 3Q). Adj. EBITDA margin was -1.9%, in line with our expectations. Management refrained from providing guidance citing variability and competition.
- The sequential increase in QC losses was expected and aligns with the plan to accelerate store network expansion. Blinkit aims to achieve 2,000 stores by 3QFY26, one year ahead of its earlier guidance of 3QFY27.
- New initiatives such as Bistro and Nuggets contributed to losses in the 'Other segment'. Other income increased due to treasury gains.
- No meaningful change is expected in the margin profile for the next quarter, as competition continues to pressure margin.
- Taxation witnessed a decline in the quarter due to higher provisioning in the last quarter.

Valuation and view

- Eternal's food delivery business is stable, and Blinkit offers a generational opportunity to participate in the disruption of industries such as retail, grocery, and e-commerce. We value the business using a DCF methodology, assuming 12.5% cost of capital. **We reiterate our BUY rating with a TP of INR260**, implying 12% potential upside.

Exhibit 17: Summary of our revised estimates

	Revised estimates		Earlier estimates		Change (%/bp)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue (INR m)	3,30,750	5,39,866	3,29,895	4,71,685	0.3%	14.5%
EBITDA (INR m)	9,261	28,275	19,408	43,478	-52.3%	-35.0%
EBITDA Margin	2.8	5.2	5.9	9.2	-308bp	-398bp
PAT	9,399	28,330	19,548	38,753	-51.9%	-26.9%
PAT Margin	2.8	5.2	5.9	8.2	-308bp	-297bp
EPS	1.05	3.16	2.18	4.32	-51.9%	-26.9%

Source: MOFSL

Exhibit 18: DCF assumptions & valuation

DCF Assumptions & Valuation	
Food Delivery	
Order growth (FY26e-37)	9.2%
AOV growth (FY26e-37)	1.5%
GOV growth (FY26e-37)	10.8%
Revenue growth (FY26e-37)	10.8%
FY37 GOV USDbn	20,254
FY37 orders per day	9.0mn
FY26e-FY37 average EBITDA margins (total business)	15.0%
Quick Commerce	
Order growth (FY64e-37)	37.9%
AOV growth (FY26e-37)	1.1%
GOV growth (FY26e-37)	39.4%
WACC	12.5%
Terminal growth	7.0%
EV (USDmn)	**26,142**
Market Cap	**27,227**
Rounded Target Price (INR)	260

Source: MOFSL, Company

Financials and valuations

Revenue Model (INR M)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
MTU (Mn)	6.8	14.7	17.1	18.4	20.6	23.2	26.3
Order Frequency	2.9	3.0	3.2	3.5	3.6	3.7	3.9
Orders/ Month	19.9	44.7	54.0	63.9	73.9	86.4	102.9
Orders/ Year	239	537	648	766	886	1,037	1,235
AOV	397	398	407	420	436	436	436
Delivery GOV	**94,829**	**2,13,565**	**2,63,381**	**3,22,039**	**3,86,430**	**4,51,953**	**5,38,337**
Take Rate (%)	15.8	17.2	17.2	19.7	20.9	21.0	21.0
Delivery Revenue	**15,003**	**36,645**	**45,381**	**63,572**	**80,796**	**94,910**	**1,13,051**
Blinkit Revenue	0	0	8,058	23,020	52,060	1,22,349	2,56,769
Hyperpure revenue	2,002	5,376	15,061	31,720	61,960	1,02,921	1,56,511
Others	2,933	-97	2,294	2,828	7,614	10,570	13,536
Revenue	**19,938**	**41,924**	**70,794**	**1,21,140**	**2,02,430**	**3,30,750**	**5,39,866**

Income statement (INR M)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Sales	**19,938**	**41,924**	**70,794**	**1,21,140**	**2,02,430**	**3,30,750**	**5,39,866**
Change (%)	-23.5	110.3	68.9	71.1	67.1	63.4	63.2
Inventory of traded goods	1,919	5,246	13,952	28,820	55,650	95,717	1,45,555
Employee Expenses	7,408	16,331	14,650	16,590	25,580	43,068	75,326
Other direct expenses	-8,333	-14,125	2,173	19,990	38,340	75,633	-2,60,706
Gross Profit	**-925**	**2,206**	**16,823**	**36,580**	**63,920**	**1,18,701**	**-1,85,380**
% of Net Sales	-4.6	5.3	23.8	30.2	31.6	35.9	-34.3
Other Expenses	3,746	20,714	28,936	36,160	57,544	1,09,440	-2,13,655
EBITDA	**-4,672**	**-18,508**	**-12,113**	**420**	**6,376**	**9,261**	**28,275**
% of Net Sales	-23.4	-44.1	-17.1	0.3	3.1	2.8	5.2
Depreciation	1,377	1,503	4,369	5,260	8,630	14,884	16,763
EBIT	**-6,049**	**-20,011**	**-16,482**	**-4,840**	**-2,254**	**-5,623**	**11,512**
% of Net Sales	-30.3	-47.7	-23.3	-4.0	-1.1	-1.7	2.1
Other Income (net)	1,146	4,829	6,328	7,750	9,230	14,222	16,018
PBT	**-4,904**	**-15,182**	**-10,154**	**2,910**	**6,976**	**8,599**	**27,530**
Tax	13	20	-436	-600	1,700	-800	-800
Rate (%)	-0.3	-0.1	4.3	-20.6	24.4	-9.3	-2.9
PAT	**-4,917**	**-15,202**	**-9,718**	**3,510**	**5,276**	**9,399**	**28,330**
Extraordinary gains/loss	-3,248	2,974	1	0	0	0	0
Adjusted PAT	**-8,164**	**-12,228**	**-9,717**	**3,510**	**5,276**	**9,399**	**28,330**
Minority Interest	-36	3	-3	0	0	0	0
Reported PAT	**-8,128**	**-12,225**	**-9,720**	**3,510**	**5,276**	**9,399**	**28,330**

Balance Sheet (INR M)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Share capital	4,550	7,643	8,364	8,680	9,070	9,070	9,070
Reserves	76,438	1,57,412	1,86,234	1,95,450	2,94,100	3,03,499	3,31,829
Net Worth	**80,987**	**1,65,055**	**1,94,598**	**2,04,130**	**3,03,170**	**3,12,569**	**3,40,899**
Minority Interest & Others	-57	-66	-66	-70	-70	-70	-70
Loans	0	0	58	0	0	0	0
Capital Employed	**80,930**	**1,64,989**	**1,94,590**	**2,04,060**	**3,03,100**	**3,12,499**	**3,40,829**
Net Block	**838**	**1,157**	**6,432**	**9,950**	**29,340**	**38,018**	**39,638**
Intangibles	14,553	12,892	57,071	54,710	66,490	58,221	52,256
Other LT assets	30,138	83,771	44,174	1,14,320	1,43,390	1,43,390	1,43,390
Curr. Assets	**41,505**	**75,450**	**1,08,310**	**54,580**	**1,17,010**	**1,35,263**	**1,83,031**
Debtors	1,299	1,599	4,569	7,940	19,460	31,796	51,898
Cash & Bank Balance	3,065	3,923	2,181	3,090	6,660	12,577	40,242
Investments	28,024	28,149	52,837	17,020	52,200	52,200	52,200
Other Current Assets	9,118	41,779	48,723	26,530	38,690	38,690	38,690
Current Liab. & Prov	**6,105**	**8,281**	**21,397**	**29,500**	**53,130**	**62,391**	**77,484**
Net Current Assets	**35,400**	**67,169**	**86,913**	**25,080**	**63,880**	**72,871**	**1,05,547**
Application of Funds	**80,930**	**1,64,989**	**1,94,590**	**2,04,060**	**3,03,100**	**3,12,501**	**3,40,831**

Financials and valuations

Ratios							
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**
Basic (INR)							
EPS	**-1.0**	**-1.7**	**-1.2**	**0.4**	**0.6**	**1.0**	**3.2**
Cash EPS	-0.8	-1.5	-0.7	1.0	1.6	2.7	5.0
Book Value	15.0	22.6	24.1	23.7	33.8	34.8	38.0
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout %	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)							
P/E	NA	NA	NA	NA	NA	NA	NA
Cash P/E	NA	NA	NA	NA	NA	NA	NA
EV/EBITDA	NA	NA	NA	NA	NA	NA	NA
EV/Sales	62.6	40.4	26.5	16.5	10.3	6.3	3.8
Price/Book Value	15.5	10.3	9.6	9.8	6.9	6.7	6.1
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profitability Ratios (%)							
RoE	(18.5)	(9.9)	(5.4)	1.8	2.1	3.1	8.7
RoCE	(11.7)	(16.2)	(8.6)	(2.8)	(0.6)	(1.9)	3.4
Turnover Ratios							
Debtors (Days)	24	14	24	24	35	35	35
Fixed Asset Turnover (x)	23.8	36.2	11.0	12.2	6.9	8.7	13.6

Cash Flow Statement							(INR Mn)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**
CF from Operations	-2,798	-9,221	-6,373	6,330	15,190	12,981	31,995
Cash for Working Capital	-7,567	2,483	-1,759	1,180	-10,930	-3,074	-5,010
Net Operating CF	**-10,365**	**-6,738**	**-8,132**	**7,510**	**4,260**	**9,906**	**26,985**
Net Purchase of FA	-104	-572	-1,014	-2,020	-9,310	-15,293	-12,417
Free Cash Flow	**-10,469**	**-7,310**	**-9,146**	**5,490**	**-5,050**	**-5,387**	**14,568**
Net Purchase of Invest.	-52,332	-78,806	5,587	-1,450	-70,620	16,537	18,625
Net Cash from Invest.	**-52,436**	**-79,378**	**4,573**	**-3,470**	**-79,930**	**1,244**	**6,208**
Proc. from equity issues	66,083	90,000	40	230	85,010	-3,720	-3,720
Proceeds from LTB/STB	-26	-13	-231	-400	0	0	0
Others	-2,038	-2,489	-1,083	-1,900	-4,590	-2,315	-2,608
Dividend Payments	0	0	0	0	0	0	0
Cash Flow from Fin.	**64,019**	**87,498**	**-1,274**	**-2,070**	**80,420**	**-6,035**	**-6,328**
Net Cash Flow	**1,218**	**1,382**	**-4,833**	**1,970**	**4,750**	**5,115**	**26,865**
Opening Cash Bal.	**1,672**	**3,065**	**3,923**	**2,181**	**3,091**	**6,661**	**12,577**
Forex differences	-10	-332	3,399	-10	0	0	0
Add: Net Cash	1,218	1,382	-4,833	1,970	4,750	5,115	26,865
Closing Cash Bal.	**2,880**	**4,115**	**2,489**	**4,141**	**7,841**	**11,777**	**39,442**

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
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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