Initiating Coverage

# Mahindra Lifespace Developers Ltd.

16-April-2021

# Mahindra Lifespace Developers Ltd.

| Industry | LTP | Recommendation | Base Case Fair Value | Bull Case Fair Value | Time Horizon |
|---|---|---|---|---|---|
| Realty | Rs. 485.2 | Buy at Rs. 454.0 and add at Rs. 418.0 | Rs. 511.0 | Rs. 567.0 | 2 quarters |

| | |
|---|---|
| HDFC Scrip Code | MAHLIFEQNR |
| BSE Code | 532313 |
| NSE Code | MAHLIFE |
| Bloomberg | MGSCO:IN |
| LTP 15th April, 2021 | 485.2 |
| Equity Capital (Rs cr) | 51.4 |
| Face Value (Rs) | 10 |
| Equity Share O/S (cr) | 5.1 |
| Market Cap (Rs cr) | 2490.0 |
| Book Value (Rs) | 331.5 |
| Avg. 52 Wk Volumes | 75267 |
| 52 Week High | 579.3 |
| 52 Week Low | 171.6 |

| **Share holding Pattern % (31st Dec, 2020)** | |
|---|---|
| Promoters | 51.5 |
| Institutions | 26.9 |
| Non Institutions | 21.7 |
| Total | 100.0 |

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## Our Take:

Mahindra Lifespace Developers Ltd (MLDL) is a leading real estate and infrastructure development player, and a part of the USD 19.4 billion Mahindra Group. It came into existence with the demerger of the property development division of Great Eastern Shipping. The company is into design, development, construction, and marketing of residential and commercial projects. MLDL, along with its subsidiaries, is engaged in various infrastructure projects including development of SEZs, development of real estate, residential projects in the mid-premium and affordable housing segments, integrated cities and industrial clusters.

The company has an established track record, backed by a strong brand name, timely execution, and high salability of projects. Currently, it has over 5,000 acres of ongoing and forthcoming integrated townships and industrial cluster projects in three cities. MLDL's development footprint spans 25.7 million sq. ft. (2.4 million sq. m.) of completed, ongoing and forthcoming residential projects across seven Indian cities. A pioneer of the green homes movement, MLDL is one of the first real estate companies in India to have committed to the global Science Based Targets initiative (SBTi). The group also enjoys a strong presence in renewable energy, agribusiness, logistics, and real estate development.

MLDL follows a mixed strategy of real estate development, viz. industrials clusters, integrated cities, mid luxury, affordable housing, etc. It has adequate liquidity, driven by cash equivalents of about Rs 132cr as of FY20. The company is expected to continue generating healthy surplus cash flows from its residential projects in the near to medium term. In its commercial segment, it generates a stable O&M/lease rental income of about Rs 80cr per year, while incremental investments are expected to be modest. On the one hand, landowners want to partner with strong groups like MLDL while, on the other, banks want to lend and buyers are inclined to buy under-construction projects from renowned players like MLDL. We believe MLDL is in a sweet spot to capture and expand its market share.

## Valuations & Recommendation:

MLDL has guided for an outlay of Rs 500cr per annum for land acquisition, with potential of 4x gross development value (Rs 2,000-2,500cr of sales value, 3-4mn sq ft in volumes). This shall add about Rs 1,000cr annually to the legacy pre-sales average of Rs 700-1,000cr, implying doubling of sales from FY23E, assuming one-year time from land acquisition to launches. Low market rates and lockdown infused demand has boosted affordability, particularly for low and mid income and affordable housing consumers who are reliant on home loans to make their purchase. Most of the sites are operating at between 70% to 80% of the target labor strength. MLDL has appointed Mr. K.R. Sudharshan as a Chief Project Officer, who has had over 20+ years of experience with Sobha. New additions to the management team, which are a mix of Lodha (CEO, CMO, and CSO), Tata Housing (CLO) and Sobha (CPO), are expected to bring superior business acumen in identifying growth opportunities.

There has been monetization of finished goods, which is proceeding faster than completion of projects; this means finished goods inventory will be coming down for a couple of quarters. MLDL’s internal accruals, cash & cash equivalents and unutilized bank lines are sufficient to meet its repayment obligations as well as incremental construction costs. It has access to cheaper funds and enjoys ~20% lower cost than peers. Further, the company’s focus on affordable housing and lower ticket sized apartments bodes well. We currently like the stock due to (a) uptick in housing demand, (b) concessions on FSI premium by Maharashtra State Government and cuts on stamp duty, and (c) quickly managing dwindling inventories. Further, various micro and macro tailwinds are in place for a comprehensive recovery over the next 2-3 years.

Residential real estate sector - affordable housing is enjoying favorable government policy support. Low interest rates environment is improving affordability and driving demand. Government reforms like demonetization and RERA have led to widespread consolidation in the sector and improved accountability of the players. MLDL benefits from the strong pedigree, brand name, trust and reputation of the Mahindra group. Customers are looking to buy from large, organized and well-known corporate players like Mahindra. MLDL is substantially scaling up its operations with the help of top-notch talent in the sector.

Over the past decade, real estate has seen a sea change and current tailwinds are favoring organised players. MLDL, according to us, is a value play in all the residential segment, viz., luxury, mid-income and affordable, and stands to be a beneficiary of the cyclical uptick.

Though SOTP / DCF would be the right way to value real estate companies (although with a lot of assumptions), we have tried to ascribe P/E valuation that could consider the effect of the other two valuation methods. **We believe investors can buy at Rs. 454.0 (16.0x FY23E EPS) and add on dips at Rs. 418.0 (14.8x FY23E EPS) with a base case target of Rs. 511.0 (18.0x FY23E EPS) and bull case target of Rs. 567.0 (20.0x FY23E EPS) over the next two quarters.**

**Financial Summary (Consolidated)**

| Particulars (Rs cr) | Q3FY21 | Q3FY20 | YoY (%) | Q2FY21 | QoQ-(%) | FY19 | FY20 | FY21E | FY22E | FY23E |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Operating Income | 65.2 | 78.8 | -17.3 | 30.8 | 111.6 | 592.8 | 610.9 | 139.0 | 147.4 | 713.6 |
| EBITDA | -18.5 | -23.0 | -19.7 | -17.9 | 2.9 | 25.8 | -56.8 | -77.7 | -85.7 | 8.4 |
| Depreciation | 1.7 | 1.9 | -10.0 | 1.8 | -5.0 | 3.8 | 7.7 | 7.1 | 6.6 | 7.0 |
| Other Income | 15.6 | 28.9 | -46.0 | 10.3 | 51.6 | 35.0 | 19.9 | 44.5 | 68.6 | 0.0 |
| Interest Cost | 15.6 | 28.9 | -46.0 | 10.3 | 51.6 | 12.5 | 7.6 | 12.8 | 14.5 | 17.3 |
| Tax | 2.0 | 0.4 | 387.5 | 1.7 | 14.7 | 24.6 | -1.7 | 1.0 | 2.5 | 13.3 |
| RPAT | -11.2 | 1.7 | -758.2 | -13.2 | -15.5 | 46.0 | -170.1 | -78.7 | -64.8 | 39.5 |
| Diluted EPS (Rs) | -2.6 | 0.3 | -878.8 | -2.6 | 0.0 | 23.3 | -11.5 | -12.0 | 0.7 | 28.3 |

**Recent Triggers**

**Addition of new projects will boost the top-line:**

The company added a number of projects in the month of February and March 2021, across Pune, Mumbai and Chennai cities. On 16th February 2021, the company announced the inauguration of the Yanmar Group facility at ORIGINS, Chennai. ORIGINS is an industrial park developed in a joint venture between a subsidiary of MLDL and Sumitomo Corporation of Japan. Mahindra World City Developers Ltd and Sumitomo Corporation have together committed to invest approximately Rs 1,000cr for this project. With a built-up area of 23,708 sq. mts, the Yanmar Group facility at ORIGINS, Chennai, will house an annual production capacity of 80,000 engines and cater to domestic and export markets. The total planned investment in the facility is of Rs 500cr by Yanmar Group, Japan. The new facility will manufacture diesel engines for tractors, construction equipment and generators. It will cater to original equipment manufacturers (OEM) in the Indian construction and agriculture sectors. The Yanmar Group is an over 100-year-old Japanese business conglomerate and manufacturer of diesel engines, agricultural machinery, construction machinery. Nissei Electric is a leading Japanese manufacturer and trader of optical fibre products and electrical components. USUI Susira is a Japanese auto component manufacturing company. These companies are all establishing their manufacturing facilities in India at ORIGINS, Chennai.

On 17th of February 2021, MLDL successfully launched 'Happinest Tathawade' fusion homes residential project in Pune. The project is strategically located on the Mumbai-Pune highway in Tathawade, one of the most sought-after residential destinations and an educational hub in Pimpri-Chinchwad (PCMC). It is in close proximity to the IT hub of Hinjewadi, multiple multispecialty hospitals, and the proposed Hinjewadi Junction metro station. The upcoming infrastructure includes lifestyle malls and the 170 km ring road that is planned to encircle Pune and PCMC.

The company is expected to launch a project by FY23E on a land parcel in Thane (60 acres), which is a sizable and attractive one. It is about 5km from Hiranandani Estate project at Ghodbunder and 18km from Borivali, and can be a good option for people looking at affordable alternatives closer to Thane. Further, the upcoming metro line 4 Kasarvadavali (~4km from site) to Wadala will connect the project to central and western Lines.

Management expects to generate about Rs 1,600cr of pre-tax cash flows over the next 4-5 years from these projects. As per the company, there are ~10 deals that are under negotiations with an acquisition amount of Rs 2,000cr. Out of these, three land deals that are under advanced stages with a sales potential of ~Rs 2,000cr (two outright sell - in western suburbs in Mumbai and one in the central suburbs - and one as a JV; with land acquisition cost about Rs 500cr) is on the anvil. These parcels are expected to close by Q1FY22E.

In the Integrated Cities and Industrial Clusters (IC & IC) segment, MLDL has done 17.2 acres of sales for about Rs 33cr and is starting to see a strong buildup in the pipeline. As IC & IC business are long sale cycles, the lead to closure takes anywhere between 6 to 12 months. So, out of these three leads, at least one is expected to fructify by Q2-Q3FY22 with others to be launched by the next financial year. Next year, MLDL is going to launch its next Bengaluru project in the first half of the year and a new residential project in Mahindra World City, Chennai. All these projects are close to 2.8 million square feet (Rs 700cr of pre-tax cash flow potential) and 10.44mn sqft of land bank will augment this cash flow.

## Residential Business

| SUMMARY OF FORTHCOMING PROJECTS | | | |
|---|---|---|---|
| **Location** | | **Name of the Project** | **Est. Saleable Area msft** |
| **Subsequent Phases of Existing Projects** | | | |
| MMR | Mid Premium | Vicino | 0.2 |
| | Mid Premium | Serenes | 0.1 |
| | Affordable | Happinest Palghar 2 | 0.2 |
| | | | |

| | | | |
|---|---|---|---|
| NCR | Mid Premium | Luminare | 0.4 |
| | | | |
| Chennai | Mid Premium | Aqualily | 0.1 |
| | Mid Premium | Lakewoods | 0.6 |
| | Affordable | Happinest Avadi | 0.0 |
| **TOTAL - Subsequent Phases of Existing Projects** | | | **1.5** |
| New Projects | | | |
| MMR | Mid Premium | New Project Sakinaka | 0.4 |
| Pune | Affordable | New Project (Tathawade) | 1.2 |
| Bengaluru | Mid Premium | New Project (Kanakpura) | 0.8 |
| | Affordable | New Project (MWC Chennai) | 0.4 |
| **TOTAL - New Projects** | | | 2.8 |
| **TOTAL - Forthcoming Projects** | | | 4.4 |
| | | | |
| **Land Inventory (Not included Above)** | | | 10.4 |

**Various governmental incentives along with geopolitical shifts help spur demand**

Geopolitical shifts, isolation of China, have led to companies rethinking their global and regional supply chains and made India an emerging partner (a strong choice). Further, central government’s policy measures Atmanirbhar Bharat, production linked incentive schemes, etc. are spurring demand for setting up new facilities. Moreover, the Maharashtra government announced the unify BCR rules at the end of December 2020 for all the cities other than the BMC jurisdiction, which has given a fillip, particularly on the Tathawade project, where it has additional several areas of potential. Further, the demand from new segments such as factories, warehouses, and data centers is an encouraging sign.

**Strong operational performance**

Operational performance during Q3FY21 was strong, where MLDL achieved quarterly sales (msft) of Rs 195cr, which was a broad-based performance from each of its projects across geographies and price segments. Collections were also robust, where MLDL collected Rs 297cr in Q3FY21 (Rs 597 YTD), i.e. 122% more than the previous quarter, and handed over ~72 units (160 units YTD) during Q3FY21. There was a clear trend towards ready inventory, which accounted for about 61% of total sales. This can be seen in the quarter, where the company sold out its entire Antheia in Pune and Aqualily in MWC, (Mahindra World City) Chennai. Further, the company's Bannerghatta road project in Bengaluru called Windchimes is almost sold out. During Q3FY21, the company completed and received an Occupancy Certificate (OC) for about 3.2 lakhs per feet, which was primarily across three projects Antheia in Pune, the first phase of Happinest in Palghar, and Eminante. Going ahead, its Vicino (almost two-thirds of the first phase being sold) and Routes (first phase was completely sold at launch) has received good reception from consumers.

During Q3FY21, the company completed development of 0.32 msft (Pune: Antheia (0.16 msft) and MMR: Palghar I (0.14 msft) & Eminente (0.02 msft)). All these should boost the revenue well.

**Focus on Benagluru, Mumbai and Pune to prove positive**

MLDL is focusing mainly on three markets from a residential perspective, going forward, namely Mumbai, Pune and Bengaluru. With three more advanced deals in Mumbai, the recent premium cuts in MMR augur well, for MLDL has strong liquidity. The Bengaluru market is a disciplined one from a developer perspective, with robust end user demand and high attention to quality from customers. The company is sure to gain good momentum and depth in these markets, as it has a couple of scheduled deals in Pune and Bengaluru.

**Recent management changes lend diverse expertise and scale**

Under the leadership of Mr Arvind Subramanian, the group has seen many changes. At MLDL, he was instrumental in ramping up management over the past one year with high profile hires, strengthening distribution network, streamlining the business development process and reduction in finance cost to ~7.5%, (the lowest in the industry). Now, he is focusing on new business development pipeline and evaluating the old captive land bank from a go to market perspective. Key expectations from him include (a) acquisition of new land bank, (b) ramp-up of new launches, (c) accelerating the launches on the captive land bank, and (d) ramping up sales in MWC Jaipur. The sales engine is strengthened with the hiring of Mr Viral Oza – ex-Chief Marketing Officer of Lodha Group. He will be one of the catalysts in ramping up pre-sales from current Rs 700-800cr/annum to Rs 2,500cr over the next 3-4 years. Hiring of Ms Parveen Mahtani as Chief Legal Officer (ex-head legal and compliance at Tata Housing) bolsters the land due diligence. On the execution front, the hiring of Mr Sudarshan KR as Chief Project Officer (ex VP – Sobha) may strengthen overall execution, budget compliance, project completion, etc.  Mr Vimalendra Singh –Chief Sales Officer MLDL - is the ex-VP/Market Head of the Lodha Group.

## Long term Triggers

**Strong support from parent, M&M**

MLDL represents the Mahindra group's interest in real estate, and is strategically important to the parent, given its visibility and branding as a Mahindra venture. Its financial flexibility arises from the ability to raise funds in the capital markets, and management and operational support from M&M.

## What could go wrong in the near term?

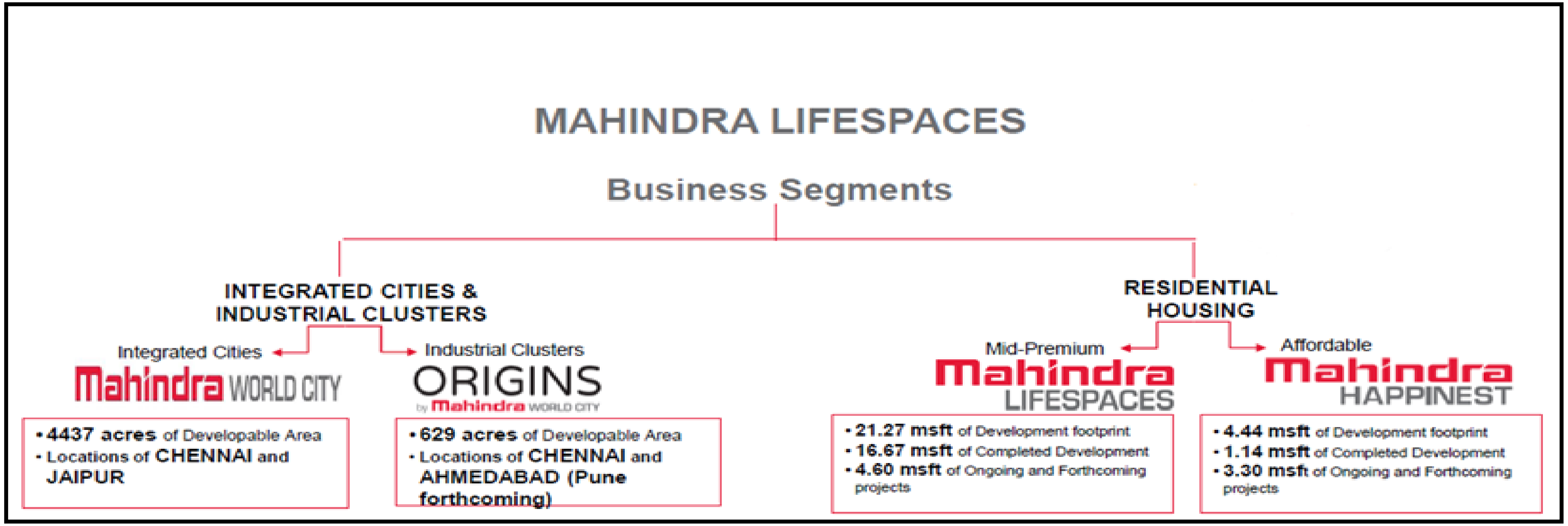
- Steel prices have risen substantially over the past quarter, leading to increase in cost of construction.
- Overseas investments might get delayed as international travel is curtailed.
- As the company has multiple projects in Mumbai MMR and Pune (both upcoming and running), the recent rise in COVID cases (second or third wave) and a probable lockdown could hamper demand.
- Multiple sectoral headwinds like demonetization, NBFC Crisis, and now COVID-21 have muted demand and subdued pricing.
- Slowdown in IC&IC business on SEZ benefits being phased out.
- Whilst real estate business is highly scalable, MLDL as an entity has remained insignificant to the M&M group’s size, though long-term value creation could have made this a significant growth driver for the parent’s overall size and operations. This may also be a reason for limited focus till now from parent.

## About the company

Mahindra Lifespace Developers Ltd is a real estate development company. Along with its subsidiary companies, it is engaged in the development of residential projects and large format developments, such as integrated cities and industrial clusters. Its segments include projects, project management and development activities, and operating of commercial complexes. It serves both consumer households and businesses. Its projects are Aqualily, Iris Court, and Nova in Chennai; Vivante, The Serenes and Happinest in Mumbai; L'Artista and Antheia in Pune; Aura and Luminare in Gurgaon; Ashvita in Hyderabad; Windchimes in Bangalore; and Bloomdale in Nagpur. Its subsidiaries include Mahindra Infrastructure Developers Ltd and Mahindra World City Developers Ltd.

MLDL is a pan-India developer and currently has projects across 9 Indian cities - Mumbai, Pune, Nagpur, Gurgaon, Faridabad, Jaipur, Chennai, Hyderabad and Bengaluru. It has no large format ongoing residential projects in high margin upper-mid level or premium segment.

# Mahindra Lifespace Developers Ltd.




**Peer Comparison (consolidated)**

| Company, Rs in Cr | Mkt Cap, Cr | Pre-Sales | | | Sales | | | EBITDA | | | PAT | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | FY21E | FY22E | FY23E | FY21E | FY22E | FY23E | FY21E | FY22E | FY23E | FY21E | FY22E | FY23E |
| **Mahindra Lifespace Developers Ltd** | 2490.0 | 678.9 | 1256.5 | 2151.8 | 139.0 | 147.4 | 713.6 | -77.7 | -85.7 | 8.4 | -61.6 | 3.5 | 145.5 |
| Sobha Ltd | 4954.5 | 2462.9 | 2880.0 | 3312.0 | 2327.8 | 3745.2 | 4307.0 | 475.0 | 824.0 | 947.5 | 80.9 | 331.4 | 418.5 |
| Godrej Properties Ltd | 34007.0 | 6722.2 | 9060.3 | 12143.9 | 920.4 | 1522.2 | 1962.7 | -127.7 | 166.5 | 619.5 | 91.7 | 349.7 | 792.2 |

| Company, Rs in Cr | P/E (x) | | | ROE-% | | |
|---|---|---|---|---|---|---|
| | FY21E | FY22E | FY23E | FY21E | FY22E | FY23E |
| **Mahindra Lifespace Developers Ltd** | -40.3 | 711.7 | 17.1 | -3.7 | 0.2 | 8.5 |
| Sobha Ltd | 61.2 | 14.9 | 11.8 | 3.3 | 12.7 | 14.2 |
| Godrej Properties Ltd | 368.8 | 96.7 | 42.7 | 1.9 | 6.9 | 14.0 |

# Mahindra Lifespace Developers Ltd.

## Financials (Consolidated)

### Income Statement

| (Rs Cr) | FY19 | FY20 | FY21E | FY22E | FY23E |
|---|---|---|---|---|---|
| **Net Revenues** | **592.8** | **610.9** | **139.0** | **147.4** | **713.6** |
| *Growth (%)* | | *3.1%* | *-77.2%* | *6.0%* | *384.2%* |
| Operating Expenses | 567.0 | 667.8 | 216.7 | 233.1 | 705.2 |
| **EBITDA** | **25.8** | **-56.8** | **-77.7** | **-85.7** | **8.4** |
| *Growth (%)* | | *-319.8%* | *36.7%* | *10.3%* | *-109.8%* |
| *EBITDA Margin (%)* | *4.4%* | *-9.3%* | *-55.9%* | *-58.2%* | *1.2%* |
| Other Income | 61.0 | 35.0 | 19.9 | 44.5 | 68.6 |
| Depreciation | 3.8 | 7.7 | 7.1 | 6.6 | 7.0 |
| **EBIT** | **83.1** | **-29.5** | **-64.9** | **-47.8** | **70.1** |
| Interest | 12.5 | 7.6 | 12.8 | 14.5 | 17.3 |
| Exceptional items | 0.0 | 134.6 | 0.0 | 0.0 | 0.0 |
| **PBT** | **70.6** | **-171.8** | **-77.7** | **-62.3** | **52.8** |
| **Tax** | **24.6** | **-1.7** | **1.0** | **2.5** | **13.3** |
| **PAT** | **46.0** | **-170.1** | **-78.7** | **-64.8** | **39.5** |
| **APAT** | **119.7** | **-58.8** | **-61.6** | **3.5** | **145.5** |
| *Growth (%)* | | *-149.1%* | *4.8%* | *-105.7%* | *4067.4%* |
| *EPS* | *23.3* | *-11.5* | *-12.0* | *0.7* | *28.3* |

### Balance Sheet

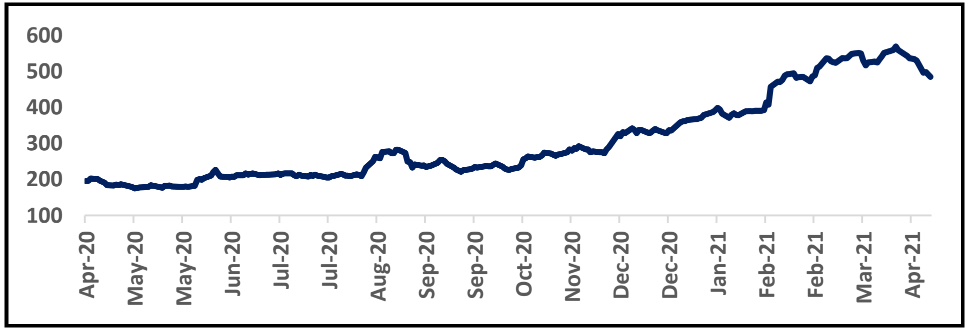
| (Rs Cr) | FY19 | FY20 | FY21E | FY22E | FY23E |
|---|---|---|---|---|---|
| **SOURCES OF FUNDS** | | | | | |
| Share Capital | 51.3 | 51.4 | 51.4 | 51.4 | 51.4 |
| Reserves | 1878.2 | 1649.9 | 1588.3 | 1591.8 | 1737.3 |
| **Total Share-holders Funds** | **1929.5** | **1701.3** | **1639.6** | **1643.1** | **1788.6** |
| Minority Interest | 43.5 | 41.9 | 41.9 | 41.9 | 41.9 |
| Long Term Debt | 32.6 | 62.9 | 12.9 | 87.9 | 137.9 |
| Short Term Debt | 195.1 | 168.6 | 168.6 | 168.6 | 168.6 |
| **Total Debt** | **227.7** | **231.4** | **181.4** | **256.4** | **306.4** |
| Deferred Taxes | 13.4 | 7.7 | 7.7 | 7.7 | 7.7 |
| Long Term Provisions & Others | 8.5 | 6.6 | 7.6 | 8.6 | 9.6 |
| **TOTAL SOURCES OF FUNDS** | **2222.6** | **1989.0** | **1878.3** | **1957.8** | **2154.3** |
| APPLICATION OF FUNDS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Block | 29.0 | 32.0 | 29.8 | 30.2 | 33.3 |
| CWIP | 9.8 | 12.2 | 12.2 | 12.2 | 12.2 |
| Goodwill | 66.0 | 66.0 | 66.0 | 66.0 | 66.0 |
| Investments | 687.7 | 548.2 | 578.2 | 628.2 | 698.2 |
| Other Non-Current Assets | 53.2 | 77.4 | 85.1 | 93.6 | 103.0 |
| Inventories | 1345.1 | 1204.3 | 1083.8 | 1300.6 | 1560.7 |
| Debtors | 137.3 | 114.4 | 137.2 | 123.5 | 117.3 |
| Cash & Equivalents | 179.4 | 132.4 | 149.0 | 110.0 | 57.1 |
| ST Loans & Advances, Others | 486.0 | 354.8 | 319.3 | 335.3 | 368.8 |
| **Total Current Assets** | **2147.8** | **1805.9** | **1689.4** | **1869.4** | **2104.0** |
| Creditors | 188.0 | 127.6 | 153.1 | 183.7 | 220.4 |
| Other Current Liabilities & Provisions | 582.9 | 425.2 | 429.4 | 558.3 | 642.0 |
| **Total Current Liabilities** | **771.0** | **552.7** | **582.5** | **741.9** | **862.4** |
| *Net Current Assets* | *1376.8* | *1253.1* | *1106.9* | *1127.5* | *1241.6* |
| **TOTAL APPLICATION OF FUNDS** | **2222.6** | **1989.0** | **1878.3** | **1957.8** | **2154.3** |

# Mahindra Lifespace Developers Ltd.

### Cash Flow Statement

| (Rs Cr) | FY19 | FY20 | FY21E | FY22E | FY23E |
|---|---|---|---|---|---|
| **Reported PBT + share of JV** | 70.6 | -37.2 | -56.8 | 4.5 | 155.8 |
| Non-operating & EO items | -50.4 | -24.2 | -3.8 | 1.5 | 3.0 |
| Taxes paid | -27.0 | -13.2 | -1.0 | -2.5 | -13.3 |
| Interest expenses | 12.5 | 7.6 | 12.8 | 14.5 | 17.3 |
| Depreciation | 3.8 | 7.7 | 7.1 | 6.6 | 7.0 |
| Working Capital Change | 158.1 | -3.6 | 156.1 | -67.1 | -175.4 |
| **OPERATING CASH FLOW ( a )** | **167.5** | **-62.8** | **114.3** | **-42.5** | **-5.6** |
| Net Capex | 214.3 | -3.1 | -5.0 | -7.0 | -10.0 |
| (Purchase)/Sale of Investment & Others | 73.4 | 91.1 | -30.0 | -50.0 | -70.0 |
| **INVESTING CASH FLOW ( b )** | **287.7** | **88.1** | **-35.0** | **-57.0** | **-80.0** |
| Share capital Issuance | 0.0 | -1.4 | 0.0 | 0.0 | 0.0 |
| Debt Issuance | -280.2 | -1.2 | -50.0 | 75.0 | 50.0 |
| Interest expenses | -52.3 | -29.2 | -12.8 | -14.5 | -17.3 |
| Dividend | -38.0 | -35.6 | 0.0 | 0.0 | 0.0 |
| **FINANCING CASH FLOW ( c )** | **-370.4** | **-67.4** | **-62.8** | **60.5** | **32.7** |
| *NET CASH FLOW (a+b+c)* | *84.8* | *-42.1* | *16.5* | *-39.0* | *-52.9* |

### One Year Price Chart




### Key Ratios

| Particulars | FY19 | FY20 | FY21E | FY22E | FY23E |
|---|---|---|---|---|---|
| **PROFITABILITY RATIOS (%)** | | | | | |
| EBITDA Margin | 4.4 | -9.3 | -55.9 | -58.2 | 1.2 |
| APAT Margin | 20.2 | -9.6 | -44.3 | 2.4 | 20.4 |
| RoE | 6.0 | -10.7 | -3.7 | 0.2 | 8.5 |
| RoCE | 5.4 | -2.5 | -2.5 | 1.0 | 7.8 |
| **SOLVENCY RATIOS (x)** | | | | | |
| Net Debt/EBITDA | 8.8 | -4.1 | -2.3 | -3.0 | 36.3 |
| Net D/E | 0.0 | 0.1 | 0.0 | 0.1 | 0.1 |
| **PER SHARE DATA (Rs)** | | | | | |
| EPS | 23.3 | -11.5 | -12.0 | 0.7 | 28.3 |
| CEPS | 24.1 | -10.0 | -10.6 | 2.0 | 29.7 |
| DPS | 7.4 | 6.9 | 0.0 | 0.0 | 0.0 |
| BVPS | 376.0 | 331.5 | 319.5 | 320.2 | 348.5 |
| **TURNOVER RATIOS (DAYS)** | | | | | |
| Inventory | 695.0 | 761.5 | 3003.3 | 2952.6 | 731.7 |
| Debtors | 87.0 | 75.2 | 330.3 | 322.9 | 61.6 |
| Payables | 117.7 | 94.3 | 368.3 | 417.0 | 103.3 |
| **VALUATION** | | | | | |
| P/E (x) | 20.8 | -42.3 | -40.4 | 713.3 | 17.1 |
| P/BV (x) | 1.3 | 1.5 | 1.5 | 1.5 | 1.4 |
| EV/EBITDA (x) | 98.1 | -45.6 | -32.5 | -30.8 | 324.7 |
| EV/Revenues (x) | 4.3 | 4.2 | 18.1 | 17.9 | 3.8 |
| Dividend Yield (%) | 1.5 | 1.4 | 0.0 | 0.0 | 0.0 |

**Disclosure:**

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