



PURAVANKARA

ON THE HIGHWAY OF RECOVERY
AND RESURGENCE

April 07, 2024

INITIATING COVERAGE | Sector: Real Estate

Puravankara

Riding the growth juggernaut

We initiate a bullish BUY rating on Puravankara Ltd (PURVA) based on following factors: (1) Presales to grow at 20% CAGR over FY23-26E, (2) Debt and Debt Coverage well under control, (3) Strong execution track record over the decade, (4) Strong P&L recognition expected in next 5-7 years, (5) paradigm shift in focus following onboarding of new CEO.

Presales to grow at 20% CAGR over FY23-26E

PURVA is expected to achieve presales of ~10.08msf over Q4FY24-FY26E cumulatively from the 13.14msf available unsold area from ongoing projects (including not open for sale). PURVA currently has 11.55msf of projects under various stages of approvals, expected to be launched in next 9-12 months and clock incremental presales of 5.72msf over Q4FY24-FY26. PURVA will sell all projects in next 6 years (ongoing + pipeline) and we reckon presales will grow at 20% CAGR over FY23-26E. We estimate PURVA to generate net discounted cashflow of Rs65bn at 13.5% WACC. Given a serious upside risk to our presales/cashflow estimates, we have conservatively spread our estimates over a six-year span.

Controlled Debt & Debt Coverage to boost growth

In last few years, PURVA has systematically managed risk and reduced debt. At FY19-end, net debt was at Rs27.43bn which has dropped to Rs17.41bn by Q3FY24. It is remarkable that the company was executing only 13msf when net debt was at Rs27.43bn but by Q3FY24 end, the debt is at Rs17.41bn but PURVA has 22msf projects under execution. This feat helped debt per square feet drop to Rs791 from Rs2077 in the same span. Under the repayment schedule, company will retire Rs14.55bn debt in next 2 years in the normal course of business. We believe Net D/E should fall further to 0.55x by FY26E from 1.29x in FY23.

Strong execution track record over the decade

Being the one of the top players from Bengaluru, PURVA was always mindful of its brand equity. It has an impeccable track record of delivering projects in time. Presales have grown by 18% over FY16-24. In last decade, many sector players were under tremendous pressure due to lower demand, higher developer commitments, soaring debt, steady accumulation of completed inventory. However, PURVA was execution-focused which helped it protect its brand equity and sail through tough times. Since FY15, PURVA has commendably launched ~30.5msf till Q3FY24 and delivered ~27.7msf over the same span.

Strong P&L recognition in next 5-7 years

PURVA is currently executing 26.37msf and plans to launch another 13.1msf in next 6-12 months which will be recognized in next 4-5 years in a phased manner. P&L will consequently witness strong profitability in next 7 years. As per our estimates, PURVA is expected to cumulatively recognize revenue of Rs261.5bn and profit of Rs59.7bn over next 7 years. Given that most projects are on historical land bank margins, they are poised to move up from the 18-22% band to the 30-35% band on an average. Strong profitability will improve the return on equity and capital employed.

Paradigm Shift in Focus under new CEO

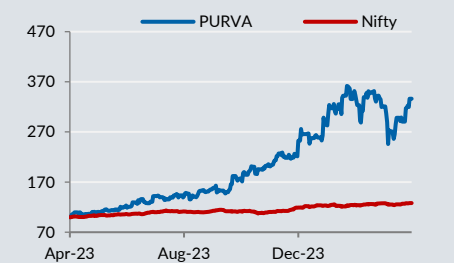
Under Mr. Abhishek Kapoor's 4-year tenure as CEO, company has achieved a paradigm shift in operations. It has reduced debt by selling non-core land parcels and stronger risk assessment/mitigation has seen calibrated launches. PURVA has made it a norm to launch subsequent phases only after 65-70% sale of current phase, which boosts cashflow recognition devoid of the burden of mounting debt.

Recommendation	: BUY
CMP	: Rs. 243
Target Price	: Rs. 452
Potential Return	: 86%

Stock data (as on April 05, 2024)

Nifty	22,514
52 Week h/l (Rs)	269 / 65
Market cap (Rs/USD mn)	57580 / 691
Outstanding Shares (mn)	237
6m Avg t/o (Rs mn):	170
Div yield (%)	0.4
Bloomberg code:	PURVA IN
NSE code:	PURVA

Stock performance



	1M	3M	1Y
Absolute return	4.8%	17.9%	236.1%

Shareholding pattern (As of Dec'23 end)

Promoter	75.0%
FII+DII	16.9%
Others	8.1%

Financial Summary

(Rs mn)	FY24E	FY25E	FY26E
Revenues	18362	32743	17160
YoY growth	48.6	78.3	(47.6)
EBITDA	4828	9986	6653
YoY growth	110.2	106.8	(33.4)
PAT	1362	6211	3630
YoY growth	104.7	356.0	(41.6)
EPS	5.7	26.2	15.3
P/E	42.3	9.3	15.9
P/BV	2.7	2.1	1.9
D/E	1.3	1.0	0.8
EV/EBITDA	17.1	7.4	11.0
RoE (%)	6.5	23.0	11.9
RoCE (%)	9.4	18.3	11.6

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INVESTMENT RATIONALE

Presales to grow at 20% CAGR over FY23-26E

Founded in 1975, Puravankara (PURVA) is one of India's most admired and trusted real estate players headquartered in Bengaluru. The company has a sterling legacy of building high-quality homes delivered on time with transparency over the past 48 years. Company operates under three brands, PURVA, Provident and Purva Land. Company is currently executing 26.37msf under three brands: **Purva** catering to the mid-premium and premium segment, **Provident** serving affordable/mid income segment and **Purva Land** dedicated to plotted/villa development in the residential space. Puravankara is the company which coined the term 'affordable housing' with the inception of **Provident**. Under **Purva**, company is currently executing 12.72msf; under **Provident**, it is executing 10.76msf while **Purva Land** has 2.89msf.

Exhibit 1: 6msf yet to sell from under-construction portfolio

Sr. No.	Projects	Co. Share (%)	Total Saleable Area (msf)	Co. Share (msf)	Area Sold (msf)	To be Sold (msf)
1	The Sound of Water-II & III	59%	0.43	0.26	0.11	0.14
2	Purva Windermere P4A & B	100%	1.57	1.57	0.42	1.16
3	Emerald Bay	32%	0.35	0.35	0.15	0.20
4	Provident Park Square-V	100%	0.58	0.58	0.34	0.25
5	Purva Zenium I & II	100%	1.13	1.13	0.89	0.24
6	Purva Meraki	100%	0.12	0.12	0.06	0.06
7	Purva Park Hill Wg-A-D	100%	0.87	0.87	0.41	0.46
8	Purva Somerset House	100%	0.36	0.36	0.14	0.22
9	Purva Marina One PH II-IV	50%	1.43	0.71	0.47	0.24
10	Purva Atmosphere	88%	1.56	1.37	1.14	0.23
11	Purva Aspire	90%	0.33	0.29	0.10	0.20
12	Purva Promenade	70%	0.20	0.20	0.20	0.00
13	Purva Oakshire	38%	0.72	0.27	0.26	0.01
14	Purva Blubelle	90%	0.57	0.51	0.27	0.24
15	Purva Orient Grand	55%	0.26	0.14	0.01	0.14
16	Purva Clermont Wing A-E	100%	0.27	0.27	0.11	0.16
17	Provident Adora De Goa-I-XI	84%	1.66	1.40	1.03	0.37
18	Provident Neora	100%	0.23	0.23	0.20	0.02
19	Provident Equinox-II	100%	0.28	0.28	0.12	0.16
20	Provident Capella-I & II	74%	0.65	0.48	0.44	0.04
21	PalmVistaPH1-3, PH7-8	61%	0.66	0.41	0.23	0.18
22	Provident Ecopolitan - Phase 1-4	89%	1.06	0.94	0.83	0.12
23	Tivoli Hills	100%	1.40	1.40	1.30	0.10
24	Purva Realities Provident Winworth Phase 1	100%	0.54	0.54	0.45	0.09
25	Purva Raagam	25%	0.77	0.77	0.35	0.41
26	Provident Deansgate Phase 1	100%	0.30	0.30	0.09	0.21
27	Purva Soukhyam	100%	0.82	0.82	0.30	0.52
Total			19.13	16.60	10.41	6.18

Source: Company, YES Sec

Exhibit 2: Projects do not open for sale till Q4FY24

Sr. No.	Projects	Co. Share	Total Saleable Area	Co. Share
		(%)	(msf)	(msf)
1	Purva Windermere P4C	100%	0.59	0.59
2	Purva Amaiti-II	100%	1.07	1.07
3	Purva Moon Reach II	100%	0.23	0.23
4	Purva Silversand Commercial	32%	0.02	0.02
5	Purva Silversand II	32%	0.57	0.57
6	Marina One II	50%	0.92	0.46
7	Purva Clermont Wing C	100%	0.09	0.09
8	Provident Sunworth Ph III & IV	100%	2.62	2.62
9	Provident Skyworth II	73%	0.23	0.17
10	Provident Kenworth Commercial	100%	0.05	0.05
11	Provident Adora De Goa-VII-Unlaunched	100%	0.17	0.17
12	PalmVistaPH4-6	68%	0.42	0.28
13	Provident Ecopolitan - Phase 4	100%	0.35	0.35
14	Provident Deansgate Phase 2	100%	0.29	0.29
Total			7.61	6.96

Source: Company, YES Sec

PURVA is expected to achieve presales of ~10.08msf over Q4FY24-FY26E cumulatively from the 13.14msf available unsold area from ongoing (including not open for sale). It is expected to generate strong gross cashflow of Rs74.4bn (pre sales & marketing and tax) including subsequent phases of projects not open for sale.

PURVA currently has 11.55msf of projects under various stages of approvals that are expected to be launched in next 9-12months and expected to achieve incremental presales of 5.72msf over Q4FY24-FY26. This strong presales from the immediate pipeline will generate strong gross cashflow of Rs27.3bn.

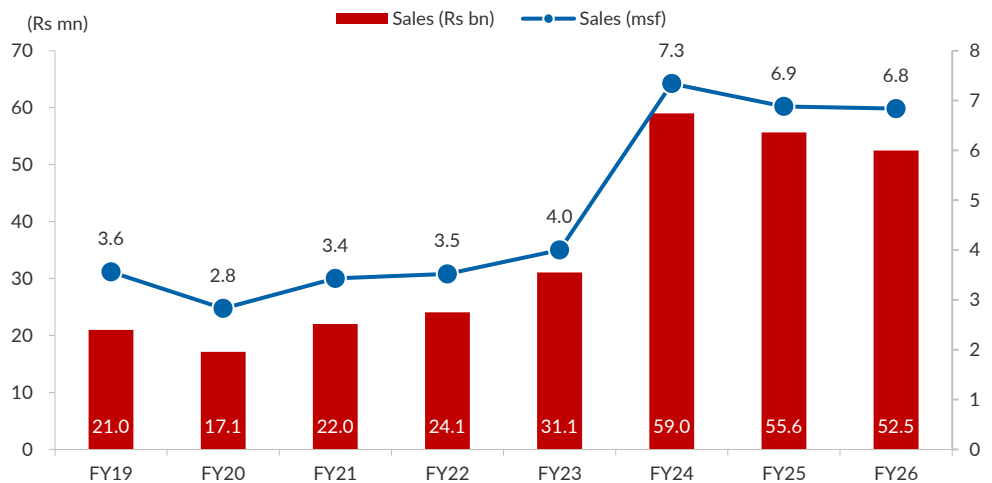
Exhibit 3: Immediate available launch pipeline of 11.55msf

Sr. No.	Projects	Co. Share	Total Saleable Area	Co. Share
		(%)	(msf)	(msf)
1	Bellandur	100%	0.47	0.47
2	Puravankara- Winworth - 2	100%	0.86	0.86
3	Mundhwa	32%	1.49	0.48
4	Bayscape (Southbay)	100%	0.80	0.80
5	Kenvista	69%	1.33	0.92
6	Botanica	74%	1.51	1.11
7	Provident- Winworth - 2	100%	1.68	1.68
8	S Medahalli	90%	1.06	0.96
9	Purva Soukhyam phase 2	100%	2.34	2.34
Total			11.55	9.62

Source: Company, YES Sec

We are confident with the continuation of strong demand for the residential segment PURVA to sell all the projects in next 6years (ongoing + pipeline) and presales is set to grow at 20% CAGR over FY23-26E as per our estimates. We estimate PURVA to generate gross cashflow of Rs108bn from the ongoing and pipeline residential projects under all the three brands over Q4FY24-FY30E which translates in net discounted cashflow of Rs65bn at 13.5%WACC. As we believe there is serious upside risk to our presales/cashflow estimates, we have conservatively spread the estimates over six years.

Exhibit 4: Pre-sales to grow at 20%CAGR over FY23-26E

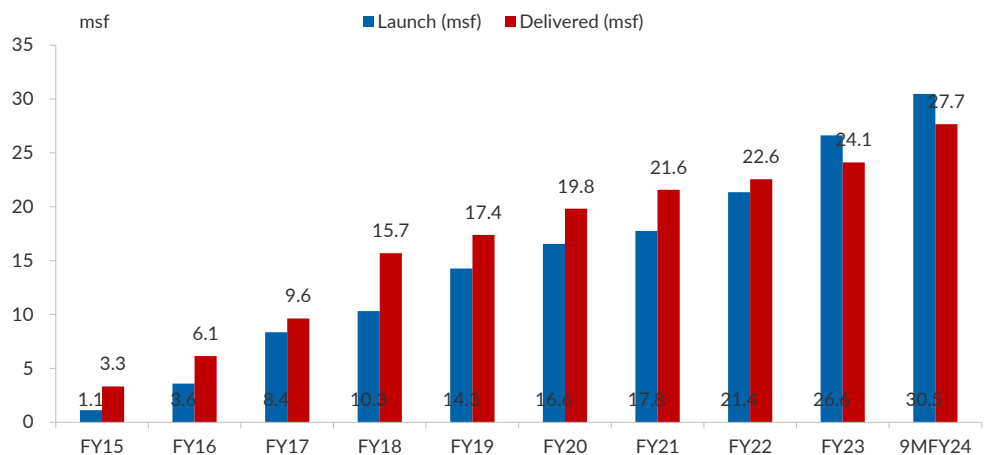


Source: Company, YES Sec

Strong execution track record over the decade

PURVA being the one of the top players from Bengaluru was always mindful of its brand equity, that explains its impeccable track record of delivering projects in the timely manner. In recent times, industry has witnessed homebuyers' clear inclination towards developers with established track record, which is visible in the case of PURVA. Company's presales have grown by 18% over FY16-24.

Exhibit 5: PURVA launch 30.5msf and delivered 27.7msf over the decade



Source: Company, YES Sec

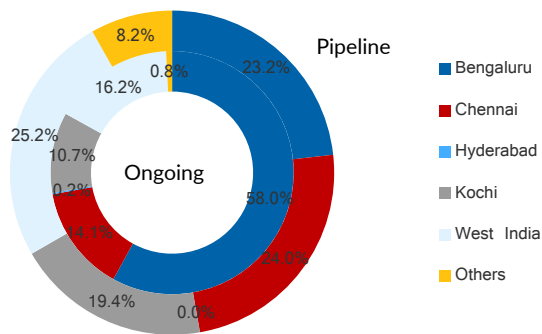
Residential real estate witnessed several headwinds in last decade but company never failed on its commitments even during the hard times. Execution and delivery of the promised product has always been PURVA's topmost priority.

In the last decade, many companies from the sector were under tremendous pressure due to lower demand, high developer commitments, and higher debt. Moreover, completed inventory was also being accumulated steadily. However, PURVA was execution-focused and maintained its strong brand equity to sail through the tough times. Since FY15 company has launched ~30.5msf till Q3FY24 and delivered ~27.7msf over the same time, which is truly commendable.

Diversified products and geographies mitigate risk

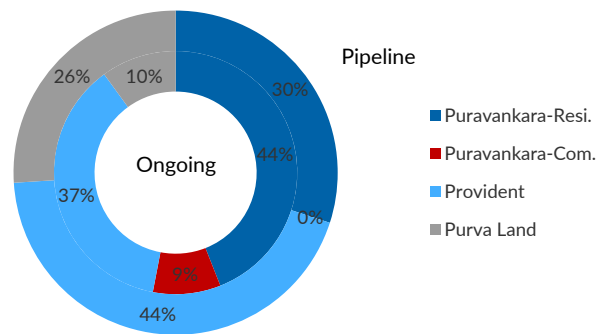
PURVA has strong track record of delivery over the decade which has been possible because of diversification of product across different brand as well as presence across different geographies. Moreover, a closer look at company's portfolio (exhibit 1-3) reveals that PURVA is not dependent on any single project to achieve strong presales. Company strategically/opportunistically has entered different geographies to reduce dependance on a single geography. PURVA's ongoing portfolio dependance on Bengaluru was 58% so, to reduce risk, company has entered different markets, and in the immediate launch pipeline projects PURVA's contribution is well distributed across Bengaluru (23.2%), Chennai (24%), Kochi (19.4%) and West (25.2%).

Exhibit 6: Diversification helped to contain the risk



Source: Company, YES Sec – Research (West includes MMR & Pune)

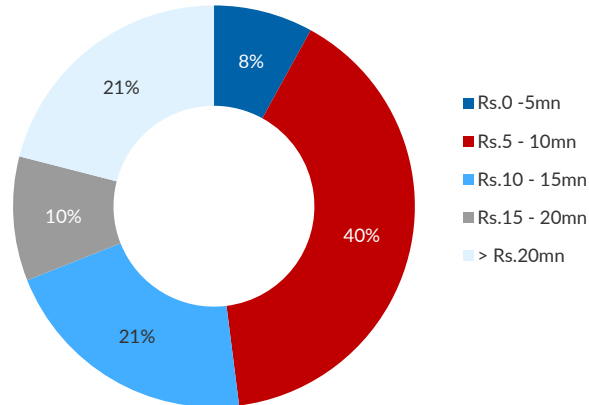
Exhibit 7: Product diversification reduces the risk



Source: Company, YES Sec – Research

PURVA's portfolio is well diversified across multiple projects which helps achieve strong presales even if any single project witnesses slower velocity. Additionally, PURVA's portfolio caters across diverse price points, which helps it clock higher presales for the segment witnessing strong demand. Not only company's portfolio is well distributed across the different projects, it also caters to all price point across the segment from below <5mn to super premium which could >Rs20mn. PURVA's 9MFY24 presales clearly validate the well distributed sale across each segment. Typical affordable segment catering the ticket size below <5mn contributed 8% while Rs5mn-20mn which caters to the mid and premium segment takes 71%; the luxury segment contributed 20% which is >20mn. Diversification across product/ticket size and geography is part of a fool-proof risk management strategy.

Exhibit 8: Presales contribution from different ticket size for 9MFY24



Source: Company, YES Sec

Strategic entry in MMR market

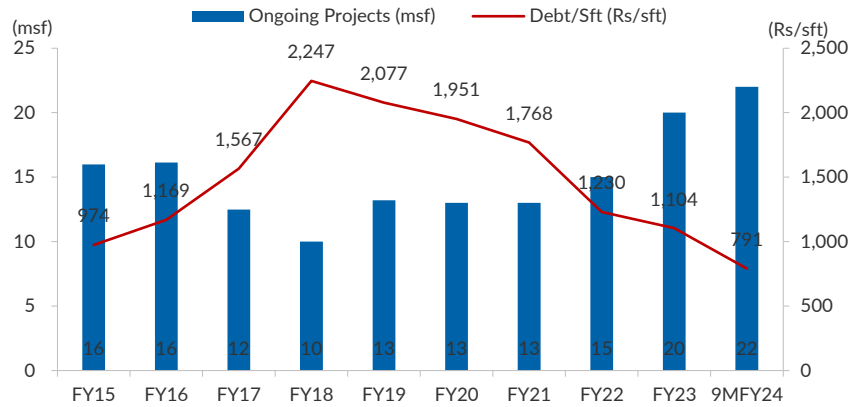
The Promoters hailed from Mumbai who shifted base to Bangalore long back. Since then, promoter always wanted to enter Mumbai with a significant project. Post Mr. Abhishek Kapoor (CEO) coming on board who has nearly 1.5 decade of experience operating in MMR, company made its entry in Mumbai with two projects one in Chembur (Clermont-mid premium) and another at Shilphata (PalmVista-mid income). As of Q3FY24, company has sold more than 50% of 1msf cumulatively in both projects and both are self-sustaining. Amongst the top 8 cities of India, nearly 25% of sales is contributed by Mumbai, so every branded developer wants a pie of it. PURVA is cautiously and steadily increasing its footprint in MMR market. Currently, it is evaluating multiple projects under JDA/society redevelopment and making outright land buys opportunistically.

PURVA has acquired its stellar society redevelopment project in Lokhandwala, Andheri (West), spread across 3acres which has ~0.6msf area (saleable ~0.365mn) with potential gross development value of Rs15bn. The Mumbai landscape holds tremendous potential, and PURVA is actively pursuing several opportunities, it is currently in advanced stage in 4 societies. Additionally, it is evaluating multiple projects in Pune as well. It is evaluating projects in Western and Central suburban and South Mumbai. As per their strategy, company plans to invest 40% cumulatively for Mumbai and Pune, 35% towards Bengaluru while 15% for Chennai and Hyderabad 10%. Management plans to deploy Rs10bn across west region to acquire projects under JD/JV, society redevelopment and make outright buys in coming 9 to 18 months.

Controlled Debt and Debt Coverage to boost growth

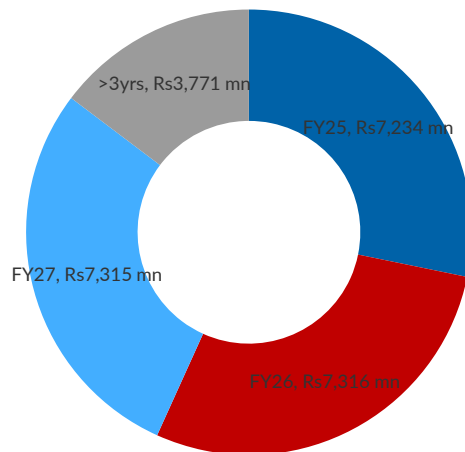
In last few years, PURVA has managed risk and reduced debt very systematically. Company currently has gross debt of Rs25.6bn with Rs8.22bn of cash and cash equivalent so net debt is Rs17.41bn. At the end of FY19 company's net debt was at Rs27.43bn which has come down to Rs17.41bn by Q3FY24; 62% down. Though on a net basis, it doesn't look too much but the debt reduction journey is worth a closer look: when net debt was at Rs27.43bn the company was executing only 13msf while by the end of Q3FY24 the debt is at Rs17.41bn but has 22msf projects under execution which is phenomenal and debt per square feet has come down from Rs2077 to Rs791 in same period. Moreover, company plans to further cut down debt with strong cashflow generation and incremental area under operation. Under the repayment schedule, company will retire Rs14.55bn debt in next 2 years in the normal course of business. We believe, with higher base of execution and strong cashflow expected from projects, Net D/E should fall further to 0.55x by FY26E from 1.29x in FY23.

Exhibit 9: Presales contribution from different ticket size for 9MFY24



Source: Company, YES Sec

Exhibit 10: Rs14.55bn to be repayed in next two years in normal course of business



Source: Company, YES Sec

Paradigm shift in focus under new CEO

Over the decades, PURVA has shown a strong capability of executing and delivering the projects in timely manner while earlier company used to launch big projects which has resulted in higher accumulation of debt on Balance Sheet due to lot of unsold higher ready to move in inventory. Post Mr. Abhishek Kapoor (CEO) coming on board, in last 4years company has made paradigm shift in operations, which has changed the game for PURVA. Company reduced debt by selling the non-core land parcels and risk assessment/mitigation has been strong in the form of calibrated launches. Company started launches in phased wise manner and made it a norm to launch next phase only after the 65-70% of the current phase is sold. This strategy worked well and restricted debt while yielding better cashflow realisation. Further, it allowed company to expand its projects portfolio without any incremental pressure on the Balance Sheet and without additional debt requirement. Management is now confident of high-velocity growth with strong cashflow generation.

Company steadily building a commercial portfolio

Realizing the importance of commercial assets, company is planning to build its commercial portfolio slowly and steadily. Currently, company has 2.76msf of commercial assets under construction and which is expected to be completed by the FY25 and current rental rates are Rs85/sft/month which translates in the annual rental income of Rs2.82bn which is valued at 10% capitalisation rate and netted for the CAPEX of Rs12.5bn resulting in net asset value of Rs15.7bn. With the commissioning of the rental assets, company can convert its high-cost debt to the lease rental discounting which will help to bring down the blended cost of debt significantly and will lead to improve profitability with less interest outgo.

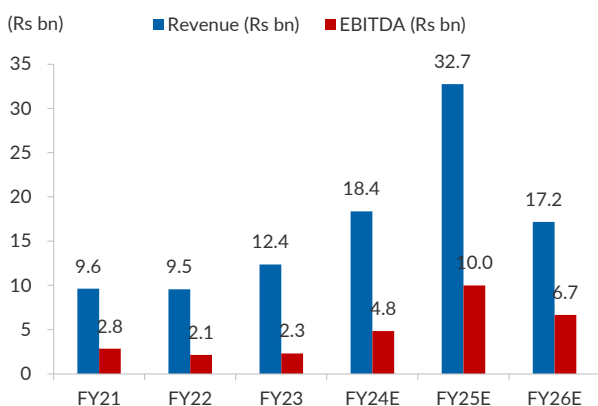
Land Bank to maintain Momentum

Being in business for ~5 decades, PURVA has acquired land bank at a historical value which is blessings in disguise today. Company has land bank of ~41msf (~32Purva share) of which 13msf is already used in the future launch pipeline so currently company has available land bank of 28msf (PURVA share 76%) gives enough gun power to the company to keep launching the projects in near future. Additionally, business development is continuous process which will keep on replenishing the pipeline at a good pace. Company is currently clocking ~6.5-7.5msf a year so with the current land bank company is secured for another 4-5years without aggressively going ahead with acquiring projects. Additionally, as company has recently entered the MMR and Pune market so will strengthen its foothold by acquiring projects under asset light model without committing higher capital. We valued land bank assuming Rs1300/sft yield resulting in total value of Rs36.1bn while PURVA share is Rs27.6bn.

Strong P&L recognition in next 5-7years

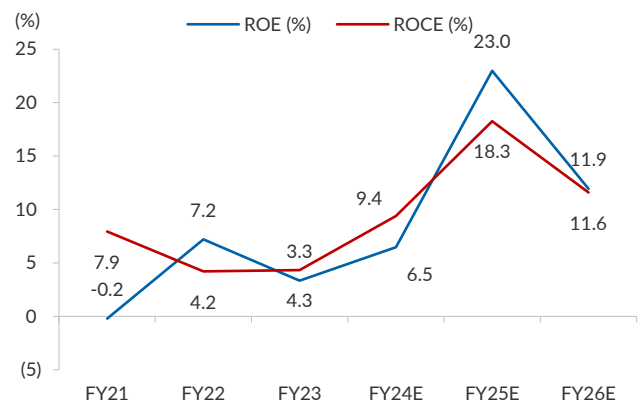
PURVA is currently executing 26.37msf and plans to launch another 13.1msf in next 6-12months which will come for recognition in next 4-5years phase wise manner. Therefore P&L is going to witness strong profitability in next 7years. As per our estimates company is expected to cumulatively recognized revenue of Rs261.5bn and profit of Rs59.7bn over next 7years. And as most of the projects are on the historical land bank margins are also poised to move up from the band of 18-22% to the 30-35% on average. Strong profitability tends to improve the return on equity as well as capital employed.

Exhibit 11: Strong revenue recognition over FY24-26E



Source: Company, YES Sec – Research

Exhibit 12: Return profile set to improve with strong CF



Source: Company, YES Sec – Research

View and Valuation

Residential real estate has witnessed a strong uptick in last 2-3 years wherein most tier-I developers have witnessed quick monetisation of project launches. PURVA significantly benefited from the ongoing demand which helped it monetised completed inventory at a very good pace and helped generate a strong cashflow. We believe company is on the right track now and will achieve strong presales in next 5-7years resulting in strong cashflow generation. Additionally, company is expected to expand its operations in new geographies like MMR & Pune. Most important, with expanding execution, company is expected to manage debt in better way with Net D/E coming down to 0.55x by FY26E on the back of a strong cashflow generation. We valued PURVA on SoTP based with residential valued on an NPV-based NAV approach, at Rs65.1bn, commercial at capitalisation rate of 10% to Rs.15.7bn, land bank (RS.27.6bn) and business development at 25% premium to residential portfolio (RS.16.2bn). We initiate coverage on PURVA with 'BUY' rating and 1 year forward target price of Rs452/share (WACC 13.5%) implying an upside of 86.2% upside.

Exhibit 13: SoTP valuation at 13.5% WACC and 10% Cap Rate

Valuation Breakup	Rs. mn	Rs./share
Residential	65,090	274
Commercial	15,652	66
Land Bank	27,612	116
Net Debt as of Q3FY24	17,410	73
Business Development	16,272	69
Total	107,216	452
CMP		243
Upside/(downside)		86.2%

Source: Company, YES Sec – Research

Key Risks

- Demand for residential projects to remain intact for next 3-4years.
- Inability to sign new projects in MMR & Pune might affect growth in new geographies.

Company Background

Puravankara Ltd. is one of India's most admired and trusted real estate players headquartered in Bengaluru. Founded in 1975, the company has a sterling legacy of building high-quality homes delivered on time with transparency over the past 48 years. The company, so far, has launched three prominent brands on the real estate map. Puravankara is recognised for its state-of-the-art luxury and theme-based projects reflecting future homes with innovative technology. Provident Housing Ltd. (a wholly owned subsidiary of Puravankara) was launched in 2008 to meet the aspirations of mid-income homeowners. Purva Land as a brand was established in 2021 to cater to the evolving needs of homebuyers and offer a highly lucrative investment opportunity through plotted development. Besides these residential brands, Starworth Infrastructure and Construction Limited (SICL) is a wholly-owned subsidiary focused on technology-enabled construction solutions. The company also has an established presence in commercial office spaces. Puravankara Group has a presence in Bengaluru, Chennai, Hyderabad, Pune, Mumbai, Kochi, Goa, Kolkata, Coimbatore, and Mangaluru. The company was one of the first developers in India to secure FDI in real estate. The company has exponentially grown and has successfully delivered 80+ residential and commercial projects measuring a whopping 45msf! The company has a land bank of over 56msf and currently has 18,000+ homes with a total area of over 24.14msf under development.

Key Management Personnel

Mr. Ravi Puravankara

Mr. Ravi Puravankara is the Founder & Chairman of Puravankara Limited. With over 48 years of experience, under his guidance, supervision and mentorship, the Company today has emerged as one of the largest residential real estate conglomerates in India. Renowned for pioneering new trends in the market, Mr. Puravankara has been responsible for introducing mid income consumer premium homes within easy and affordable reach by launching Provident Housing Limited, a wholly-owned subsidiary. An iconic leader and a disruptive forward-thinker, Mr. Puravankara's strategic planning gave genesis to affordable luxury for aspirational Indians, creating the foundations of the premium affordable housing industry. Mr. Puravankara was also one of the first to obtain FDI in the Indian real estate sector through forging a joint venture with Singapore-based Keppel Land Limited. Mr. Puravankara has also been instrumental in implementing best practices in construction by focusing on technology to achieve quality in execution as well as in sales and customer relations. Mr. Puravankara was former president of the International Real Estate Federation, Indian Chapter, Paris and awarded the Lifetime Achievement Award 2023 by CREDAI Karnataka.

Mr. Ashish Puravankara

Mr. Ashish R. Puravankara, as the newage leader, has played a pivotal role in the growth of the Company through his emphasis on innovation, strategy formulation, operational control, financial management and enterprise capacity development. Today, Mr. Puravankara is responsible for the day-to-day operations of the business with his primary focus anchored on opportunity identification. He has also been instrumental in implementing best construction practices through acquiring new material resources and focusing on technology as a means to achieve quality construction on a growing project scale. Mr. Puravankara holds a Bachelor of Science degree in Business from Virginia Polytechnic Institute and State University and graduated as a MBA from Willamette University in Salem, Oregon.

Mr. Abhishek Kapoor

Mr. Abhishek Kapoor is the Executive Director & Group CEO at Puravankara Limited. He is responsible for driving the growth of residential businesses largely under the Puravankara and Provident brands. An accomplished real estate professional with over 22 years of experience, Abhishek has worked with companies like Raymond Real Estate, Radius Developers and Keystone/Rustmojee Group. His vast experience and highly successful track record in real estate covers strategic planning and implementation, project optimization, joint ventures, private equity deals, sales and marketing as well as managing senior level Government relationships. Earlier to this, he has had other successful career stints as Head of Transaction Management Group with CBRE and with K Raheja Group managing Marketing and Corporate Sales. Abhishek holds a Masters in Marketing Management and Diploma in Business Finance from Narsee Monjee Institute of Management, Mumbai University. His hobbies and interests include reading, trekking and long drives.

FINANCIALS

Exhibit 14: Balance Sheet (Console)

Y/e 31 Mar (Rs m)	FY22	FY23	FY24E	FY25E	FY26E
Equity capital	1,186	1,186	1,186	1,186	1,186
Reserves	19,235	18,682	19,807	25,780	29,173
Net worth	20,421	19,868	20,992	26,966	30,358
Debt	26,110	29,269	27,769	26,269	24,769
Deferred tax liab (net)	(2,010)	(2,703)	(2,703)	(2,703)	(2,703)
Other non-current liabilities	0	0	0	0	0
Total liabilities	44,521	46,434	46,059	50,533	52,425
Fixed Asset	611	841	1,047	1,240	1,420
Investments	820	1,040	1,040	1,040	1,040
Other Non-current Assets	1,106	1,077	1,077	1,077	1,077
Net Working Capital	38,981	39,903	40,937	38,074	40,750
Inventories	68,196	76,230	78,052	76,388	77,646
Sundry debtors	2,421	5,321	4,646	4,697	4,577
Loans and Advances	923	1,041	1,041	1,041	1,041
Sundry creditors	4,346	4,911	5,006	6,236	4,679
Other current liabilities	34,396	45,659	45,659	45,659	45,659
Cash & equivalents	3,002	3,574	1,958	9,101	8,138
Total Assets	44,521	46,434	46,059	50,533	52,425

Source: Company, YES Sec

Exhibit 15: Cash Flow (Console)

Y/e 31 Mar (Rs m)	FY22	FY23	FY24E	FY25E	FY26E
PBIT	2,858	554	1,820	8,300	4,850
Depreciation	176	171	248	252	259
Tax paid	(497)	(572)	(458)	(2,089)	(1,221)
Working capital Δ	(445)	(748)	(1,053)	2,843	(2,695)
Other operating items	(756)	2,046	3,413	3,228	3,044
Operating cashflow	1,337	1,452	3,970	12,534	4,237
Capital expenditure	(65)	(296)	(436)	(426)	(419)
Free cash flow	1,272	1,156	3,534	12,108	3,818
Equity raised	0	0	0	0	0
Investments	5,319	1,244	0	0	0
Debt financing/disposal	(3,038)	3,324	(1,500)	(1,500)	(1,500)
Interest Paid	(2,848)	(3,573)	(3,413)	(3,228)	(3,044)
Dividends paid	0	(1,185)	(237)	(237)	(237)
Other items	601	25	0	0	0
Net Δ in cash	1,305	991	(1,615)	7,143	(963)

Source: Company, YES Sec

Exhibit 16: Income statement (Console)

Y/e 31 Mar (Rs m)	FY22	FY23	FY24E	FY25E	FY26E
Revenue	9,547	12,358	18,362	32,743	17,160
Operating profit	2,135	2,297	4,828	9,986	6,653
Depreciation	176	171	248	252	259
Interest expense	3,319	3,597	3,413	3,228	3,044
Other income	4,270	1,712	653	1,794	1,500
Profit before tax	2,858	554	1,820	8,300	4,850
Taxes	1,382	(111)	458	2,089	1,221
PAT	1,476	665	1,362	6,211	3,630

Source: Company, YES Sec

Exhibit 17: Growth and Ratio matrix

Y/e 31 Mar	FY22	FY23	FY24E	FY25E	FY26E
Growth matrix (%)					
Revenue growth	(0.9)	29.4	48.6	78.3	(47.6)
Op profit growth	(24.9)	7.6	110.2	106.8	(33.4)
EBIT growth	(25.7)	8.5	115.4	112.6	(34.3)
Net profit growth	N/A	(54.9)	104.7	356.0	(41.6)
Profitability ratios (%)					
OPM	29.5	22.4	18.6	26.3	30.5
EBIT margin	27.4	20.5	17.2	24.9	29.7
Net profit margin	(0.4)	15.5	5.4	7.4	19.0
RoCE	7.9	4.2	4.3	9.4	18.3
RoNW	(0.2)	7.2	3.3	6.5	23.0
RoA	(0.0)	1.5	0.6	1.1	4.3
Per share ratios					
EPS	(0.2)	6.2	2.8	5.7	26.2
Dividend per share	0.0	0.0	5.0	1.0	1.0
Cash EPS	0.7	7.0	3.5	6.8	27.3
Book value per share	80.5	86.4	84.1	88.8	114.0
Payout (%)					
Dividend payout	0.0	0.0	178.2	17.4	3.8
Tax payout	(82.4)	48.4	(20.0)	25.2	25.2
Liquidity ratios					
Debtor days	116	93	157	92	52
Inventory days	2,427	2,607	2,252	1,552	852
Creditor days	211	166	145	100	70

Source: Company, YES Sec

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