

BSE SENSEX 85,063 S&P CNX 26,179



Stock Info

Bloomberg	DEVYANI IN
Equity Shares (m)	1232
M.Cap.(INRb)/(USDb)	171 / 1.9
52-Week Range (INR)	210 / 122
1, 6, 12 Rel. Per (%)	1/-23/-41
12M Avg Val (INR M)	517
Free Float (%)	38.6

Financials Snapshot (INR b)

Y/E Mar	2025E	2026E	2027E
Sales	56.3	63.7	70.8
Sales Gr. (%)	13.7	13.1	11.2
EBITDA	8.3	10.8	13.3
Margins (%)	14.8	17.0	18.8
Adj. PAT	-0.1	1.4	2.7
Adj. EPS (INR)	-0.1	1.2	2.2
EPS Gr. (%)	-133.6	LP	88.9
BV/Sh.(INR)	5.1	3.9	3.5
Ratios			
RoE (%)	-0.9	26.0	59.2
ROCE (%)	4.1	7.7	10.6
Valuations			
P/E (x)	-2210.6	119.3	63.1
P/BV (x)	27.4	35.7	39.3
EV/Sales (x)	3.1	2.7	2.9
Pre Ind-AS			
EV/EBITDA (x)	38.3	25.8	19.1

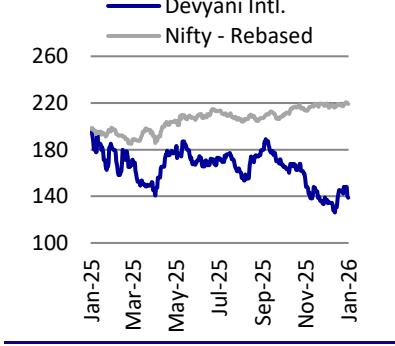
*Pre merger

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	61.4	62.6	62.7
DII	19.8	18.1	15.4
FII	6.6	9.4	11.2
Others	12.3	9.9	10.7

FII Includes depository receipts

Stock Performance (1-year)



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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Devyani International

CMP: INR139

TP: INR180 (+30%)

Buy

Strategic consolidation of Yum! Brands' India operations

- Devyani International (DIL) and Sapphire Foods India (SAPPHIRE) have approved a scheme of arrangement for the merger of SAPPHIRE into DIL. The transaction consolidates Yum! Brands' India operations under a single listed entity. The merger will be executed through a share swap, with 177 equity shares of DIL to be issued for every 100 equity shares of SAPPHIRE. Before the scheme becomes effective, SAPPHIRE's promoter, Sapphire Foods Mauritius, will divest its ~18.5% equity stake in SAPPHIRE to DIL's group company, Arctic International.
- The merger is aimed at unlocking scale benefits, improving unit economics through operating leverage and revised commercial terms, and strengthening execution across brands and geographies. After integration, the combined entity is expected to benefit from faster store expansion, procurement efficiencies, corporate overhead rationalization, and improved cash-flow generation. The merged company will have annualized revenue of ~INR78b (similar to JUBI) and a network of ~3,000 stores.
- As part of the transaction, DIL will acquire 19 KFC restaurants in Hyderabad for ~INR900m and make a one-time payment of ~INR3.2b to Yum! India for merger approval and additional territory rights. The merger integration is expected to be complete by the end of FY27.
- The merger is expected to deliver recurring annual synergies of ~INR2.2b, driven by lower Pizza Hut operating costs, reduction in overall corporate overheads, and other operational efficiencies. As per the company, ~60% of synergies (~INR1.1b) will be realized in the first year after the merger and the full benefits (INR2.2-2.25b) from the second year onward. We estimate an EBITDA gain of ~INR500m in FY28, considering weak QSR industry performance and any delay in occurring synergy benefits.
- The merged entity, at 25x EV/EBITDA (pre-IND AS) on FY28E, gives a per share value of INR180 (similar to our current TP).

Deal structure and key terms

- Under the proposed scheme of arrangement, SAPPHIRE will be merged into DIL through a share-swap arrangement, wherein SAPPHIRE shareholders will receive 177 equity shares of DIL for every 100 equity shares of SAPPHIRE. Before the scheme becomes effective, SAPPHIRE's promoter, Sapphire Foods Mauritius, will divest its ~18.5% equity stake in SAPPHIRE to DIL's group company, Arctic International.
- Yum! Brand has agreed to revised commercial arrangements to support long-term growth of the combined platform. These include enhancements of certain waivers for the KFC and Pizza Hut brands to improve alignment on store expansion and sustainable growth.
- In addition, DIL will acquire 19 KFC restaurants in Hyderabad from Yum! India for a lumpsum consideration of ~INR900m. DIL will make a one-time payment of ~INR3.2b to Yum! India for merger approval and additional territory rights. While these payments entail near-term cash outflows, they are expected to enhance long-term strategic outlook.

Synergy benefits from the proposed merger

- The proposed merger is expected to generate meaningful strategic and financial synergies by consolidating KFC and Pizza Hut operations under a single, scaled operating platform, creating one of the largest QSR players in India with an expanded national footprint (excluding captive markets).
- The combined entity is expected to benefit from a unified brand and consumer strategy, improved execution consistency, and accelerated store rollout. Operational synergies are anticipated from integration of procurement, supply chain, technology, finance, and management functions, resulting in improved bargaining power with vendors, landlords, and service partners.
- The merger integration is expected to be complete by the end of FY27. Management expects ~60% (~INR1.1b) of the targeted synergies to be realized in the first year after the merger, and full run-rate synergies of INR2.1-2.2b achievable from the second full year of integrated operations. We model ~INR500m of synergy benefits in FY28.

Changes in post-merger operational functions

- For PH, DIL will be taking over functions like marketing, innovation, technology and supply chain. For KFC, technology and supply chain management will transition to the merged entity, while marketing and innovation will continue to be driven by Yum! Brands.
- DIL has already started hiring talent across functions. It has also shortlisted a global technology vendor as their tech partner to revamp the web and app ecosystem and to improve the digital journey and consumer experience. DIL expects all key functions to be fully operational by Jun'26.
- All the incentives from Yum! Brand are availed for 10 years.

Valuation and view

- The transaction consolidates KFC and Pizza Hut operations in India under a single operator. The merged entity will operate over 3,000 stores globally with an annualized turnover of ~INR78b (similar to JUBI), positioning it among the largest multi-brand QSR companies in India. The merger enhances long-term growth visibility and is expected to unlock significant synergies through improved operating leverage, more efficient capital allocation, greater scale benefits, and stronger execution across brands and geographies.
- Although the one-time fee payable to Yum! Brands amounts to INR4.1b (INR3.2b + INR0.9b), the merger is expected to generate recurring annual synergies of ~INR2.2b. As per the company, around 60% of these synergies are likely to be realized in the first year after the merger and the full run-rate is expected from the second year. Although the upfront payment may appear near-term negative, we view the transaction as structurally positive given the quantum of recurring synergies and the creation of a single pan-India QSR platform.
- For FY28, the first year after the merger, we estimate an EBITDA gain of ~INR500m, driven primarily by improvement in the Pizza Hut business and savings in corporate overheads. Management expects Pizza Hut to turn profitable at the brand contribution level in the first year of integration, with margins improving to low double-digit levels over time. Accordingly, we model Pizza Hut ROM at ~5% in FY28 (post-merger) vs. -1% FY26E, and corporate overhead savings of 50bp.
- The merged entity, at 25x EV/EBITDA (pre-IND AS) on FY28E, gives a per share value of INR180 (similar to our current TP).

Key highlights from the call

Overview

- The merged entity will have more than 3,000 stores globally and a turnover of ~INR78b on an annualized basis.
- India's food and beverage market is large and is getting formalized and expanding rapidly. The broader food services market is expected to be at more than USD100b, with QSR at more than USD25b.
- After the merger, there would be national rollouts and standardized execution, which will translate directly into durable competitive advantage.
- This merger creates a platform that is better placed competitively with deeper national penetration for market brands, stronger bargaining power with vendor partners and landlords, and better capital allocation.

Changes in post-merger operational functions

- For PH, DIL will take over marketing, innovation, technology and supply chain functions. For KFC, technology and supply chain management will move to the merged entity and Yum! Brands will continue to drive marketing and innovation.
- DIL has already started hiring talent across functions. It has also shortlisted a global technology vendor as a tech partner to revamp the web and app ecosystem to improve the digital journey and consumer experience. DIL expects all key functions to be fully operational by Jun'26.
- The merger is expected to close in ~12-15 months, and in the interim, both companies will focus on operational improvements. The call on the leadership roles in the merger entity will be taken after the merger.
- All the incentives from Yum! Brand are availed for 10 years.
- The merger will create annual synergies of ~INR2.2b net of all incremental costs. About 60% of total synergies are expected to be realized in 1st year of merger, with the balance expected to accrue in the following years.

Deal structure

- The deal is structured as a share swap, with 177 DIL shares to be issued for every 100 SAPPHIRE shares, mainly because of the face value difference.
- As per Yum! Brands requirement, SAPPHIRE's promoter is supposed to maintain at least 25% stake, which cannot be without Yum! Brands approval. Of this 25% stake, 18.5% will be sold bilaterally (in next 13-15 months) as part of the deal, resulting in RJ Corp emerging as the dominant shareholder in the merged entity.

Pizza Hut

- Management expects positive brand contribution margin in the first year of merger and aims to scale it to low double digits.
- Aggressive store additions by both companies weighed on SSSG and operating leverage. Going forward, they will focus more on improving operational metrics rather than store network. That said, net store addition will continue.
- PH brand contribution is expected to come closer to KFC over time.

KFC

- The store count requirement for the merged entity will be close to existing separate DAs. However, their focus will be on improving overall consumption.

- Marketing and innovation responsibilities will remain with Yum! Brands, ensuring brand consistency and global alignment.

Exhibit 1: Merger entity to see synergy benefits FY28 onwards

INR bn	Merged Entity (Without synergy)						Merged Entity (With synergy)				
	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
Financials											
Net Revenue	38.1	52.6	61.5	78.3	87.7	99.0	110.3	78.3	87.7	99.0	110.3
-KFC	22.5	32.2	37.6	40.8	44.5	51.4	58.7	40.8	44.5	51.4	58.7
-PH	9.0	12.2	12.3	12.8	12.5	13.3	14.3	12.8	12.5	13.3	14.3
-Costa Coffee	0.4	1.0	1.5	2.0	2.2	2.5	2.8	2.0	2.2	2.5	2.8
-International brands	1.9	2.3	4.4	16.3	18.6	20.3	21.9	16.3	18.6	20.3	21.9
Sri Lanka	3.0	2.7	3.4	4.2	5.1	5.6	6.0	4.2	5.1	5.6	6.0
Other brands	1.2	2.2	2.3	2.2	4.7	5.9	6.4	2.2	4.7	5.9	6.4
Other operating revenue	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.1	0.2	0.2	0.2
Revenue growth (%)	77%	38%	17%	27%	12%	13%	11%	27%	12%	13%	11%
-KFC	83%	43%	17%	9%	9%	15%	14%	9%	9%	15%	14%
-PH	77%	35%	1%	4%	-2%	6%	8%	4%	-2%	6%	8%
-Costa Coffee	92%	148%	49%	31%	10%	14%	15%	31%	10%	14%	15%
-International brands	65%	19%	95%	268%	14%	9%	8%	268%	14%	9%	8%
-Sri Lanka	52%	-9%	25%	24%	20%	10%	8%	24%	20%	10%	8%
-Other brands	67%	82%	5%	-4%	115%	24%	10%	-4%	115%	24%	10%
Restaurant EBITDA	7.4	9.5	9.6	11.1	11.3	14.7	17.8	11.1	11.3	14.7	17.8
KFC	4.6	6.4	7.4	7.1	6.9	8.3	10.0	7.1	6.9	8.3	10.0
Pizza Hut	1.4	1.7	0.8	0.3	(0.1)	0.5	0.7	0.3	(0.1)	0.5	0.7
Costa Coffee	0.1	0.2	0.3	0.3	0.3	0.4	0.5	0.3	0.3	0.4	0.5
International	0.4	0.6	0.5	2.6	3.1	4.1	4.8	2.6	3.1	4.1	4.8
Sri Lanka	0.7	0.4	0.5	0.7	0.8	0.9	1.0	0.7	0.8	0.9	1.0
Others Brands - Vaango (South Indian), The Food Street, etc	0.1	0.1	0.1	0.4	0.7	0.9	1.1	0.4	0.7	0.9	1.1
Other operating revenue	0.1	0.1	0.1	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
RoM (%)	19%	18%	16%	14%	13%	15%	16%	14%	13%	15%	16%
KFC	20%	20%	20%	17%	15%	16%	17%	17%	15%	16%	17%
Pizza Hut	15%	14%	6%	3%	-1%	4%	5%	3%	-1%	4%	5%
Costa Coffee	30%	24%	17%	16%	15%	16%	17%	16%	15%	16%	17%
International	21%	25%	12%	16%	17%	20%	22%	16%	17%	20%	22%
Sri Lanka	23%	15%	14%	15%	15%	16%	16%	15%	15%	16%	16%
Others Brands - Vaango (South Indian), The Food Street, etc	7%	5%	5%	20%	14%	15%	18%	20%	14%	15%	18%
Corporate overheads	2.6	2.5	3.1	3.6	4.3	4.7	5.2	3.6	4.3	4.7	4.6
% of sales	6.7%	4.8%	5.0%	4.6%	5.0%	4.8%	4.7%	4.6%	5.0%	4.8%	4.2%
EBITDA (Pre Ind AS)	4.8	7.0	6.5	7.6	7.0	10.0	12.7	7.6	7.0	10.0	13.2
EBITDA margin (%) (Pre Ind AS)	12.6%	13.3%	10.6%	9.7%	7.9%	10.1%	11.5%	9.7%	7.9%	10.1%	11.9%
IND AS adjustments	3.0	3.8	4.6	5.6	6.0	6.5	7.1	5.6	6.0	6.5	7.1
Per store	2.0	1.9	1.7	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
EBITDA	7.8	10.8	11.1	13.2	13.0	16.5	19.8	13.2	12.9	16.5	20.2
EBITDA margin (%)	20.5%	20.6%	18.1%	16.8%	14.8%	16.7%	17.9%	16.8%	14.8%	16.7%	18.3%
Change in Pre-IND AS EBITDA								0%	0%	4%	
Change in Pre-IND AS EBITDA										0.5	

Source: Company, MOFSL

Exhibit 2: Devyani Valuation (Post merger)

Value of merged entity	FY28
Merged Entity EBITDA (pre-IND AS)	13.2
EV/EBITDA (x)	25x
EV	329
Debt	8.7
Payment to Yum	3.2
Market Cap	317
Equity (post-merger)	1.8
Value per share (Merged entity)	180
Upside (%)	30

Source: Company, MOFSL

Exhibit 3: Shareholding pattern pre- and post-merger

Shareholding Pattern	Devyani		Sapphire		Post-merger	
	No of shares	% of shareholding	No of shares	% of shareholding	No of shares	% of shareholding
Promoters	757	61%	84	26%	862	48%
Public	476	39%	238	74%	940	52%
Total	1,233	100%	321	100%	1,802	100%

Source: Company, MOFSL

Exhibit 4: Store count (post-merger)

Total stores	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
KFC	1,025	1,025	1,025	1,025	1,198	1,363	1,548	1,733
PH	886	886	886	886	964	972	1,012	1,052
Costa Coffee	179	179	179	179	220	248	283	318
Others Brands - Vaango (South Indian), The Food Street, etc	87	87	87	87	118	119	123	127
International								
Nigeria	40	40	40	40	40	43	48	52
Nepal	25	25	25	25	29	35	40	43
Thailand	288	288	288	288	306	316	323	326
Sri Lanka	120	120	120	120	127	135	143	153
Total	2,650	2,650	2,650	2,650	3,002	3,231	3,520	3,804

Source: Company, MOFSL

Exhibit 5: Merger approvals and timelines

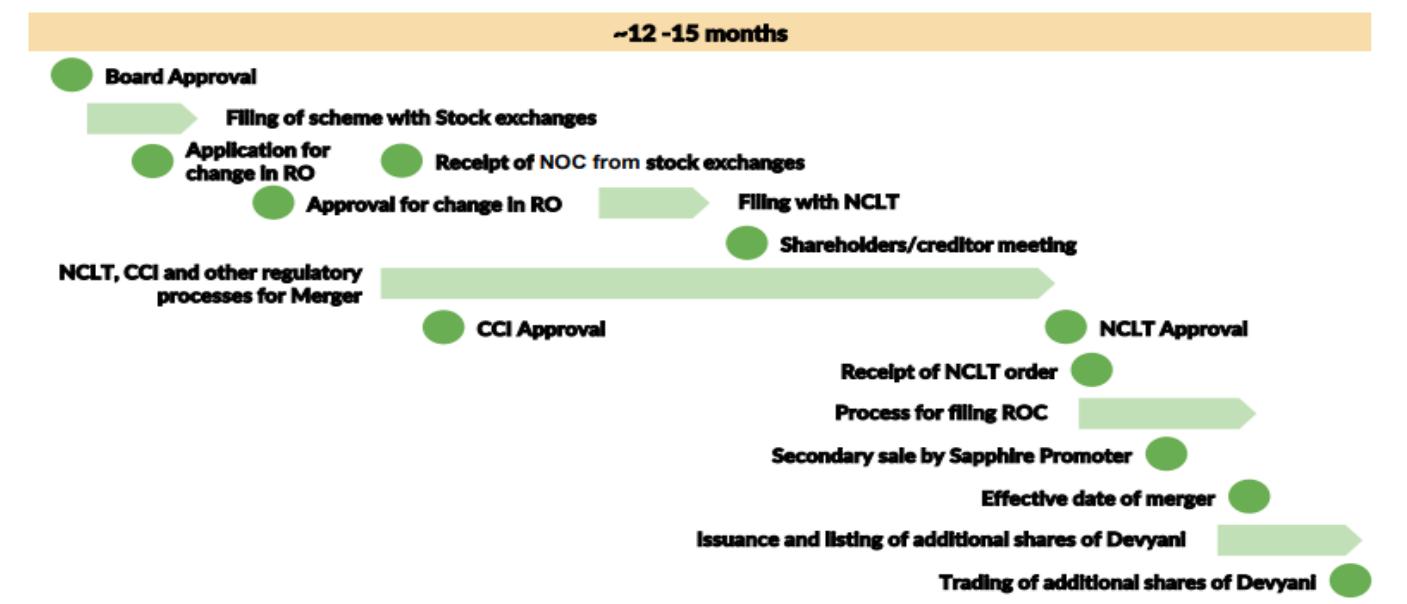
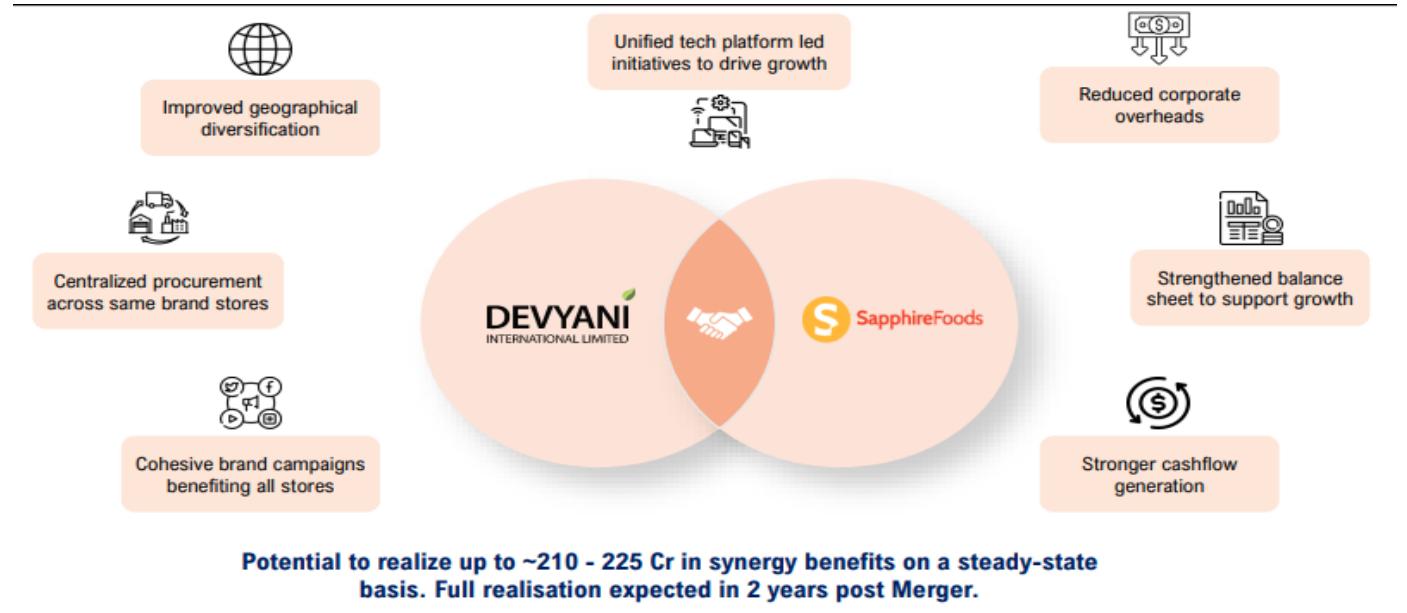


Exhibit 6: Merger to realize ~INR2.2b in synergy benefits



Source: Company PPT, MOFSL

Exhibit 7: Peer comparison

Particulars	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue (INR m)								
Devyani (Merged with synergy)	21,545	38,056	52,633	61,506	78,329	87,702	98,966	1,10,322
Jubilant (Consol)	33,119	43,961	51,582	56,541	81,417	93,782	1,07,029	1,21,804
Jubilant (Standalone)	32,688	43,311	50,960	53,409	61,047	70,387	80,945	92,682
Westlife	9,860	15,765	22,782	23,918	24,912	26,713	29,982	33,378
Restaurant Brands (Consol)	10,040	14,903	20,543	24,371	25,508	28,741	33,367	38,242
Restaurant Brands (Standalone)	4,945	9,437	14,397	17,601	19,678	22,912	26,696	30,924
United Foodbrands	5,071	8,606	12,338	12,545	12,330	12,627	13,631	14,801
Revenue growth (%)								
Devyani (Merged with synergy)	-25%	77%	38%	17%	27%	12%	13%	11%
Jubilant (Consol)	-16%	33%	17%	10%	44%	15%	14%	14%
Jubilant (Standalone)	-16%	32%	18%	5%	14%	15%	15%	15%
Westlife	-36%	60%	45%	5%	4%	7%	12%	11%
Restaurant Brands (Consol)	19%	48%	38%	19%	5%	13%	16%	15%
Restaurant Brands (India)	-41%	91%	53%	22%	12%	16%	17%	16%
United Foodbrands	-40%	70%	43%	2%	-2%	2%	8%	9%
Stores								
Devyani (Merged with synergy)	2,650	2,650	2,650	2,650	3,002	3,231	3,520	3,804
Jubilant (Consol)	1,437	1,665	2,787	2,991	3,316	3,688	4,135	4,582
Jubilant (India)	1,406	1,621	1,863	2,096	2,304	2,616	2,988	3,360
Westlife	305	326	357	398	438	478	518	558
Restaurant Brands-Consol	439	492	577	630	681	751	824	917
Restaurant Brands-India	265	315	391	455	513	578	638	718
United Foodbrands	164	185	216	217	230	260	285	310
EBITDA pre IND AS (INR m)								
Devyani (Merged with synergy)	1,224	4,803	6,995	6,524	7,559	6,953	10,008	13,172
Jubilant (Consol)	5,092	7,828	7,771	6,701	11,172	13,455	15,692	18,483
Jubilant (Standalone)	5,045	7,786	7,847	6,743	7,257	8,674	10,289	12,396
Westlife	(24)	1,304	3,010	2,698	2,032	1,994	2,535	3,022
RBA (Consol)	-619	-416	-595	204	370	611	1,840	2,907
RBA (India)	-619	-135	361	753	994	1,194	1,907	2,760
United Foodbrands	-90	300	1,186	836	907	639	836	1,007
EBITDA pre IND AS margin (%)								
Devyani (Merged with synergy)	5.7%	12.6%	13.3%	10.6%	9.7%	7.9%	10.1%	11.9%
Jubilant (Consol)	15.4%	17.8%	15.1%	11.9%	13.7%	14.3%	14.7%	15.2%
Jubilant (Standalone)	15.4%	17.9%	15.4%	12.6%	11.9%	12.3%	12.7%	13.4%
Westlife	-0.2%	8.3%	13.2%	11.3%	8.2%	7.5%	8.5%	9.1%
RBA (Consol)	-6.2%	-2.8%	-2.9%	0.8%	1.5%	2.1%	5.5%	7.6%
RBA (India)	-12.5%	-1.4%	2.5%	4.3%	5.1%	5.2%	7.1%	8.9%
United Foodbrands	-1.8%	-41.8%	9.6%	6.7%	7.4%	5.1%	6.1%	6.8%

Source: Company PPT, MOFSL

Financials and valuations (Pre – merger)

Income Statement consol.									(INRm)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	15,164	11,348	20,840	29,977	35,563	49,511	56,291	63,652	70,763
Change (%)	15.7	-25.2	83.6	43.8	18.6	39.2	13.7	13.1	11.2
Raw Materials	4,604	3,447	5,998	8,986	10,566	15,388	17,834	19,874	22,080
Gross Profit	10,560	7,902	14,842	20,991	24,997	34,122	38,457	43,779	48,683
Margin (%)	69.6	69.6	71.2	70.0	70.3	68.9	68.3	68.8	68.8
Operating Expenses	8,005	5,556	10,082	14,440	18,474	25,700	30,136	32,980	35,369
EBITDA	2,555	2,346	4,760	6,551	6,524	8,422	8,321	10,799	13,314
Change (%)	-8.4	-8.2	102.9	37.6	-0.4	29.1	-1.2	29.8	23.3
Margin (%)	16.8	20.7	22.8	21.9	18.3	17.0	14.8	17.0	18.8
Depreciation	2,272	2,775	2,249	2,782	3,907	6,332	6,437	6,897	7,300
Int. and Fin. Charges	1,584	1,495	1,270	1,475	1,869	2,648	2,691	2,900	3,086.7
Other Income	187	641	161	326	326	370	431	474	546
Profit before Taxes	-1,115	-1,283	1,402	2,620	1,074	-188	-375	1,477	3,473
Change (%)	56.6	15.0	-209.3	86.8	-59.0	-117.5	99.8	-493.3	135.2
Margin (%)	-7.4	-11.3	6.7	8.7	3.0	-0.4	-0.7	2.3	4.9
Total tax	18	-11	-320	-206	133	197	-75	295	818
Tax Rate (%)	-1.7	0.8	-22.8	-7.9	12.4	-104.7	20.0	20.0	23.5
Adjusted PAT	-1,008	-677	1,715	2,770	929	226	-76	1,406	2,655
Change (%)	N/M	N/M	L/P	61.5	-66.5	-75.7	-133.6	-1,953.6	88.9
Margin (%)	-6.6	-6.0	8.2	9.2	2.6	0.5	-0.1	2.2	3.8
Reported PAT	-790	-735	1,563	2,650	473	-314	-300	1,181	2,431

Balance Sheet									(INRm)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	1,062	1,154	1,205	1,205	1,206	1,206	1,206	1,206	1,206
Reserves	-2,953	-16	5,658	8,499	9,352	9,738	4,910	3,492	3,060
Net Worth	-1,891	1,138	6,863	9,703	10,558	10,944	6,116	4,698	4,266
Loans	4,307	4,633	1,325	774	9,102	9,318	9,318	9,318	9,318
Lease Liability	12,882	8,724	11,217	14,875	19,955	22,558	26,512	28,774	31,012
Minority Interest	-391	-419	-47	-62	2,928	3,079	3,233	3,394	3,564
Capital Employed	14,906	14,076	19,358	25,290	42,543	45,899	45,178	46,183	48,159
Gross Block	7,707	7,276	9,660	13,838	23,004	30,446	31,610	34,650	37,718
Less: Accum. Depn.	9,542	7,914	11,709	14,278	21,839	23,314	20,275	20,791	22,485
Net Fixed Assets	5,364	6,162	7,649	11,012	20,704	22,584	24,903	25,392	25,674
Capital WIP	135	143	68	153	110	35	35	35	35
Goodwill	224	644	644	644	4,287	4,581	4,581	4,581	4,581
Right to Use Assets	10,351	6,660	8,911	12,258	16,906	18,799	18,225	17,887	17,263
Investments	414	456	351	353	268	271	271	271	271
Non-current	414	456	351	353	268	271	271	271	271
Deferred tax asset (net)	75	96	482	963	512	574	563	552	541
Curr. Assets, L&A	2,272	2,523	4,519	4,502	6,538	6,541	5,358	7,201	10,650
Inventory	721	622	855	1,290	1,310	1,482	1,564	1,742	1,936
Account Receivables	173	169	211	289	527	413	470	531	590
Cash and Bank Balance	160	405	659	851	1,808	1,814	596	2,078	5,157
Others	1,218	1,327	2,795	2,071	2,892	2,832	2,729	2,850	2,967
Curr. Liab. and Prov.	3,929	2,608	3,267	4,595	6,782	7,487	8,757	9,735	10,854
Account Payables	1,632	1,619	1,964	2,419	3,756	4,411	5,113	5,697	6,330
Other Liabilities	2,074	678	991	1,830	1,988	2,193	2,542	2,833	3,147
Provisions	223	311	313	346	1,038	882	1,103	1,205	1,378
Net Current Assets	-1,657	-85	1,252	-93	-244	-946	-3,399	-2,534	-204
Application of Funds	14,906	14,076	19,358	25,290	42,542	45,898	45,178	46,183	48,159

E: MOFSL Estimates

Financials and valuations (Pre- merger)

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)									
EPS	-0.9	-0.6	1.4	2.3	0.8	0.2	-0.1	1.2	2.2
Cash EPS	1.2	1.8	3.3	4.6	4.0	5.4	5.3	6.9	8.3
BV/Share	-1.8	1.0	5.7	8.1	8.8	9.1	5.1	3.9	3.5
Valuation (x)									
P/E	N/M	N/M	97.7	60.5	180.4	743.1	-2,210.6	119.3	63.1
Cash P/E	116.8	76.5	42.3	30.2	34.7	25.6	26.4	20.2	16.8
EV/Sales	10.0	14.5	8.1	5.6	4.9	3.5	3.1	2.7	2.9
EV/EBITDA	59.2	70.0	35.2	25.5	26.8	20.8	21.2	16.2	15.2
EV/EBITDA Pre Ind AS	263.1	194.9	56.0	38.4	45.9	35.4	38.3	25.8	19.1
P/BV	N/M	140.9	24.4	17.3	15.9	15.3	27.4	35.7	39.3
Return Ratios (%)									
RoE	N/M	N/M	42.9	33.4	9.2	2.1	-0.9	26.0	59.2
RoCE	3.2	1.5	19.6	19.8	7.6	11.4	4.1	7.7	10.6
RoIC	2.0	-3.1	19.7	19.3	7.1	10.2	3.4	7.1	10.6
Working Capital Ratios									
Debtor (Days)	4	5	4	4	5	3	3	3	3
Asset Turnover (x)	1.0	0.8	1.1	1.2	0.8	1.1	1.2	1.4	1.5
Leverage Ratio									
Debt/Equity (x)	N/M	11.7	1.8	1.6	2.8	2.9	5.9	8.1	9.5

Cash Flow Statement

(INRm)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Profit before Tax	-1,196	-641	1,231	2,419	37	131	-375	1,477	3,248
Depreciation	2,506	2,887	2,249	2,788	3,848	5,699	6,437	6,897	7,525
Net interest	1,688	1,622	1,270	1,475	1,869	2,648	2,691	2,900	3,087
Others	-206	-1,874	-303	-79	63	-144	-431	-474	-546
Direct Taxes Paid	-8	5	-103	-478	-267	20	75	-295	-818
(Incr)/Decr in WC	223	397	162	246	375	648	1,124	488	602
CF from Operations	3,007	2,396	4,506	6,370	5,925	9,002	9,520	10,991	13,098
Incr in FA	-999	-3,673	-3,063	-4,240	-4,619	-4,818	-1,164	-3,040	-3,068
Free Cash Flow	2,008	-1,278	1,443	2,130	1,306	4,184	8,356	7,951	10,030
Others	108	103	-606	890	-9,242	75	-3,953	-332	-285
CF from Invest.	-892	-3,570	-3,669	-3,350	-13,861	-4,743	-5,118	-3,372	-3,353
Incr in Debt	-1,791	-1,564	-4,776	-2,822	5,625	-3,722	277	302	329
Net interest Paid	-435	-492	-147	-27	3,247	-545	-5,897	-6,439	-6,995
CF from Fin. Activity	-2,226	1,420	-584	-2,827	8,893	-4,254	-5,620	-6,138	-6,666
Incr/Decr of Cash	-111	245	253	193	957	5	-1,218	1,482	3,079
Add: Opening Balance	271	160	405	659	851	1,808	1,814	596	2,078
Closing Balance	160	405	659	851	1,808	1,814	596	2,078	5,157

E: MOFSL Estimates

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