Century Textiles - NR

27 June 2024

Visit note - Not rated

IIFL SECURITIES

Geared for strong growth

Century Textiles and Industries Ltd. (CTIL), through its subsidiary Birla Estates, is looking to nearly double its Residential pre-sales in FY25, driven by a deep project pipeline and strong launch outlook. CTIL is aggressively adding new projects, >2x of its current pre-sales momentum, underlining strong growth outlook over medium term. So far, Residential sales have been driven largely by its flagship project in Worli (Birla Niyaara), but the mix hereon is expected to diversify with strong presence being built across key markets of MMR, NCR, Bangalore, and Pune. Multi-city presence, healthy margin guidance (~30%), experienced mgmt, and strong corporate lineage — all offer comfort. CTIL has also recently shut down its loss-making Textiles business.

Branded developer with expanding footprint across key markets in India: Century Textiles and Industries Ltd. (CTIL) is a part of the Aditya Birla Group, and has exposure to Real Estate development and Pulp & Paper manufacturing businesses. The Textile manufacturing business has been shut down recently in 4QFY24. Birla Estates Pvt Ltd., a 100% subsidiary, is the real estate arm of CTIL and has meaningful presence across key real estate markets like MMR, NCR, Bangalore and Pune. Birla Estates also has a rental business generating Rs1.5-2bn annually through two fully leased office buildings in Worli, Mumbai.

FY25 onwards to see stronger and a more diversified growth trajectory: Over the last three years, CTIL's real estate pre-sales have witnessed a Cagr of 86% largely contributed by Birla Niyaara in Worli, Mumbai). In FY25, CTIL expects to clock nearly Rs80bn of pre-sales (vs Rs39bn in FY24) driven by nine launches planned with a GDV potential of Rs120bn across NCR, MMR, Pune and Bangalore markets. CTIL has a total GDV potential of Rs450bn – a mix of its owned flagship land bank at Worli (5msf), Thane; and also joint development projects.

Pulp and Paper business to support strong growth in real estate: Over and above the current pipeline, CTIL plans to add Rs150-200bn of GDV annually and would look to spend Rs10-15bn of land capex. This will be funded through a combination of cashflows from Residential operating cashflows, rental income and Rs4.5-5bn annually from the paper and Pulp business. Peak debt envisaged is Rs45-50bn (~1x D/E) vs Rs20bn now.

CMP	Rs2290
Market cap (US$m)	3,066
Enterprise value(US$m)	3,310
Bloomberg	CENT IN
Sector	Real Estate

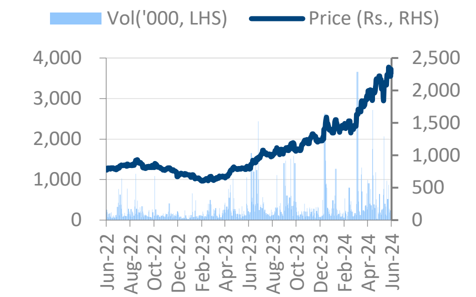
Shareholding pattern (%)

Promoter	50.2
Pledged (as a % of promoter share)	0.0
FII	7.5
DII	15.0
52Wk High/Low (Rs)	2359/788
Shares o/s (m)	112
Daily volume (US$ m)	4.8
Dividend yield FY25ii (%)	0.0
Free float (%)	49.8

Price performance (%)

	1M	3M	1Y
Absolute (Rs)	2.9	56.9	186.8
Absolute (US$)	2.5	56.9	182.0
Relative Perf.	-2.7	28.9	76.2
Cagr (%)			**3 yrs**
EPS (Rs)			-27.8

Stock performance



Financial summary (Rs m)

Y/e 31 Mar, Consolidated	FY21A	FY22A	FY23A	FY24A
Real estate Bookings (Rsm)	6,210	19,130	21,830	39,850
Real estate Collections (Rsm)	1,540	3,510	8,610	13,230
Revenues (Rs m)	26,166	41,310	38,318	45,135
Real estate Revenue (Rsm)	*1,420*	*1,390*	*1,370*	*8,320*
Paper Revenue (Rsm)	*17,740*	*28,180*	*35,720*	*33,750*
Ebitda margins (%)	*8.5*	*10.8*	*14.8*	*14.6*
Reported PAT (Rs m)	(304)	1,665	2,719	505
Pre-exceptional EPS (Rs)	(2.7)	14.9	12.3	4.5
Growth (%)	*NA*	*NA*	*(17.3)*	*(63.3)*
ROE (%)	*NA*	*4.4*	*3.5*	*1.2*
Net debt/equity (x)	0.2	0.3	0.2	0.5

Source: Company, IIFL Research. Priced as on 26 June 2024

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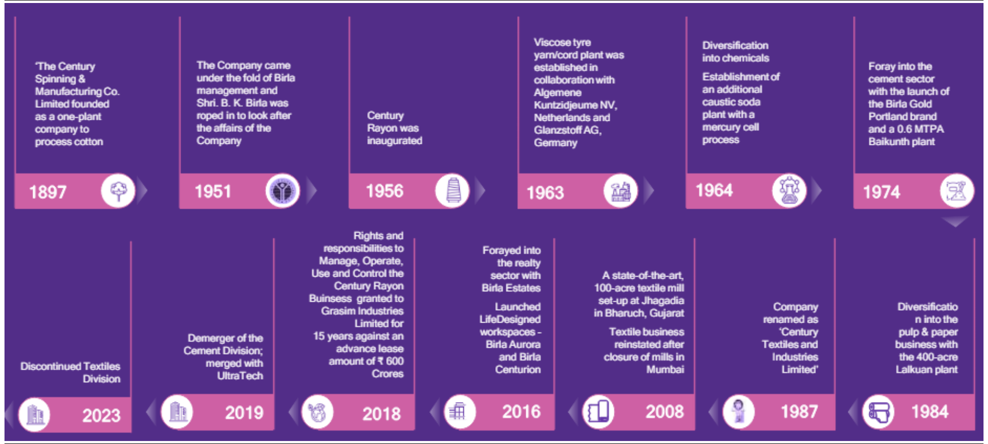
Company and management overview – strong corporate lineage!

Century Textiles and Industries Limited (CTIL) was incorporated in 1897. Later, CTIL forayed into real estate with Birla Estates in 2016, with two commercial projects - Birla Aurora and Centurion. Over the years, it has evolved from a single unit textile mill into a diversified conglomerate under the leadership of Mr. B. K. Birla & is now a member of the Aditya Birla Group. They are mainly into premium and mid-income residential housing through owned land parcels as well as projects through joint ventures with landowners.

Birla Estates aims to be among the top real estate companies in India with a vision to transform the perception of the Indian Real Estate sector by delivering an exceptional experience and creating value for every stakeholder. CTIL mgmt believes in building brand equity, creating a great product and customer experience.

Figure 1: CTIL - the journey so far



Source: Company, IIFL Research

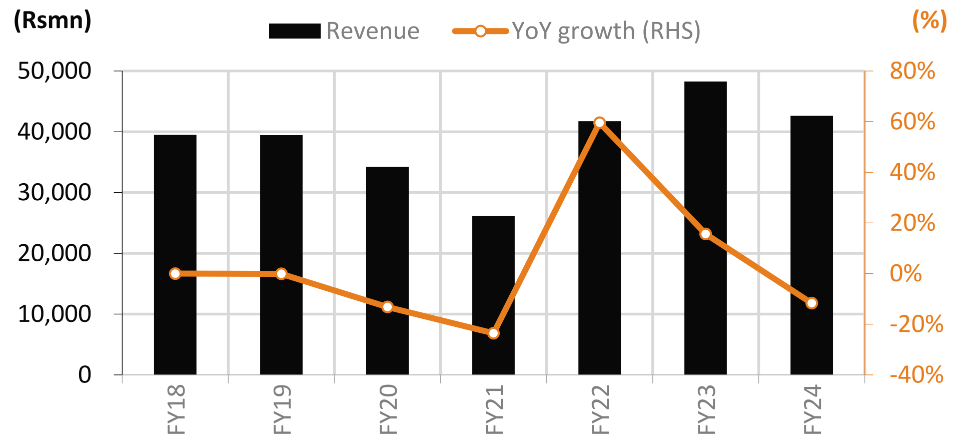
Key Management

Name	Designation	Remarks / management description
Kumar Mangalam Birla	Chairman	Mr. Birla is the Chairman of the venerable Indian multinational Aditya Birla Group. Mr. Birla is the Chancellor of Birla Institute of Technology & Science (BITS). He is Chairman of IIT-Delhi, IIM-Ahmedabad and Chairman of Rhodes India Scholarship Committee for Oxford University.
R. K. Dalmia	Managing Director	A chartered accountant by qualification, Mr. Dalmia has been with the Group for the last four decades. He has been instrumental in the establishment of the current textile plant at Bharuch and also led the development of commercial building 'Birla Centurion' on the erstwhile Century Mill's land at Worli. He is an active member of various textiles associations such as The Cotton Textiles Export Promotion Council etc.
K.T Jithendran	Managing Director and CEO, Real Estate	He has over 26 years of work experience in the realty sector. Prior to joining Birla Estates, he was involved with Godrej Properties Limited (GPL) as an Executive Director. He has led most functions within the company while managing growth as well as building a strong talent team.
Ajay Kumar Gupta	CEO, Pulp and Paper	He is currently the Unit Head, Harihar Polyfibers Division, P&F, Grasim Industries. He started his career in 1987 with Aditya Birla Group at Grasim GCD, Nagda and has worked in multiple roles before moving to PT Indonesia in 2006.
Snehal Shah	CFO	He is a seasoned management professional specialising in business strategy with a cumulative experience of over 30 years in operations, business processes, risk management, MIS, administration, vendor management, and team building.
Keyur Shah	CFO, Birla Estates	He has over 30 years of work experience in the realty sector and Project management. Prior to joining Birla Estates, he worked with HDFC Property Ventures for approximately 18 years, where he served as Managing Director and CEO before departing.

Figure 2: CTIL segments

Source: Company, IIFL Research

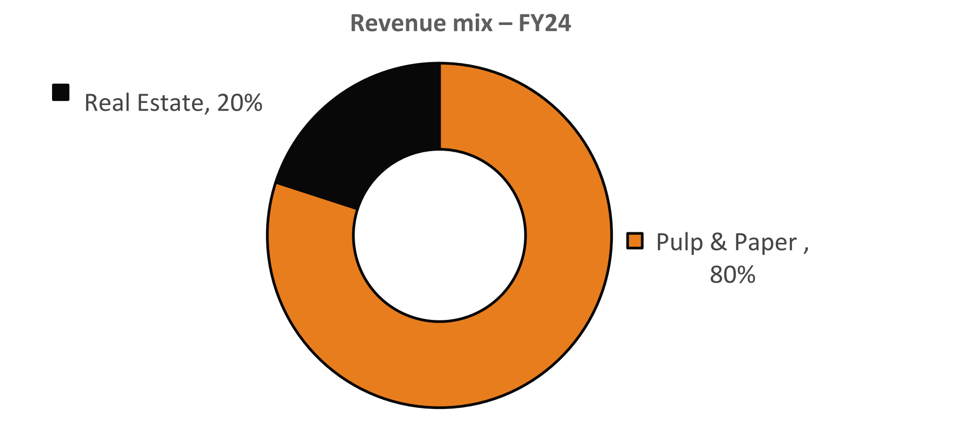
Figure 3: CTIL clocked consolidated revenue of Rs42.6bn in FY24



Source: Company, IIFL Research

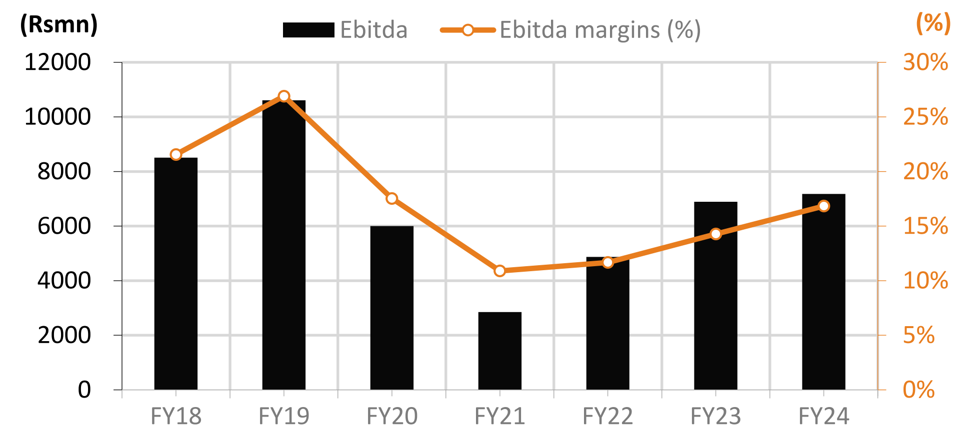
- **Real Estate:** CTIL currently operates in four cities mainly Mumbai, Pune, Bangalore and NCR, to deliver premium real estate projects across Residential, Commercial and Mixed-use segments. The key land parcel is the group land at Worli – Birla Niyaara, which is among the largest under-construction project spanning across 30 acres (~5msf of developable area) and another 10 acres under dispute with the Wadia group. Of this, Birla has only sold 1.2msf. For other projects, Birla has adopted an asset-light model by acquiring projects on a JV/JD basis.
- **Paper business:** Established in 1984, Century Pulp & Paper is a leading manufacturer of printing and writing, packaging board and tissue paper. CTIL has an installed capacity of 0.48mn MTPA Lalkuan, Uttarakhand — the largest single location paper plant in India. Writing & printing paper and packaging board constitute >80% of revenues.
- **Textile business:** In March'24, the BOD of the company reviewed the operations of the Textile division and due to the unsatisfactory performance of the unit decided to discontinue operation of the process house, after completion of the orders in hand.

Figure 4: 80% of CTIL's revenues came from Paper & Pulp and 20% from Real Estate. Real Estate revenue recognition is on project completion basis, so the share of Real Estate in P&L is currently low



Source: Company, IIFL Research

Figure 5: Consolidated Ebitda margins came in at 16.8%



Source: Company, IIFL Research

CTIL forayed into real estate with Birla Estates in 2016 with two successful projects: Birla Aurora and Centurion. These buildings have a combined leasable area of 0.56msf with Rs1.4bn of lease rentals in FY24.

Figure 6: Existing Commercial projects

Source: Company, IIFL Research

Figure 7: Birla Estates – Commercial Assets

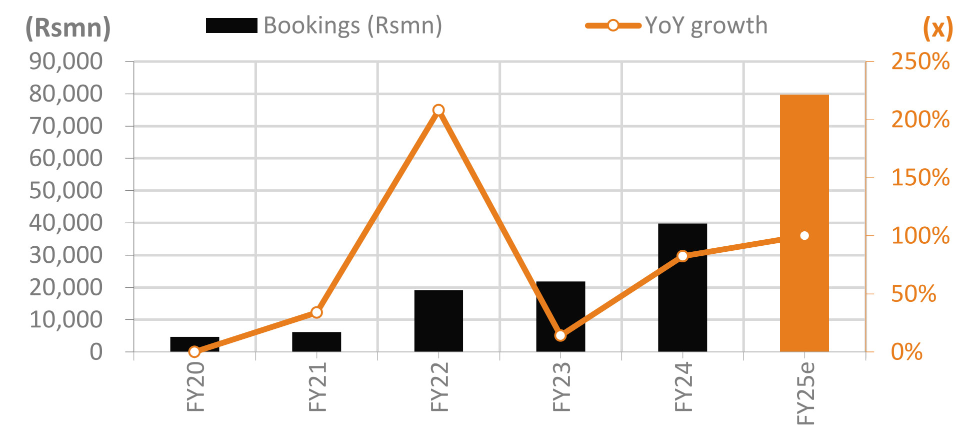
Project wise summary	Location	Leasable area	Annual Lease Rental FY24 (Rsmn)
Birla Aurora	Dr. Annie Besant Road, Century Bazaar, Mumbai	0.24	694
Birla Centurion	Pandurang Budhkar Marg, Century Mills Compound, Mumbai	0.32	651
Total		**0.56**	**1,345**

Source: Company, IIFL Research

FY25 pre-sales trajectory to change; strong and diversified growth!

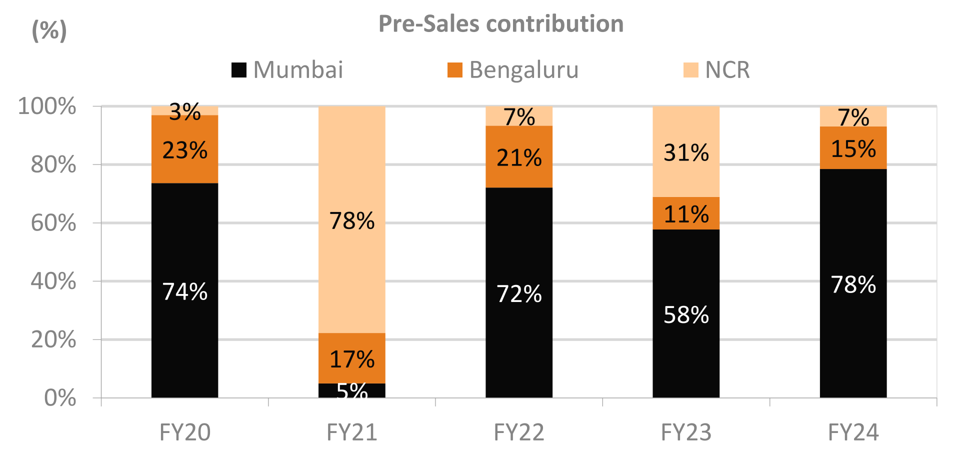
CTIL currently operates in four cities mainly Mumbai, Pune, Bangalore and NCR, to deliver premium real estate projects across the Residential, Commercial and Mixed-use segments. It has rapidly scaled up its booking from Rs4.6bn in FY20 to ~Rs40bn in FY24; implying 71% Bookings Cagr.

Figure 8: Over FY20-24, CTIL has clocked 71% Bookings Cagr



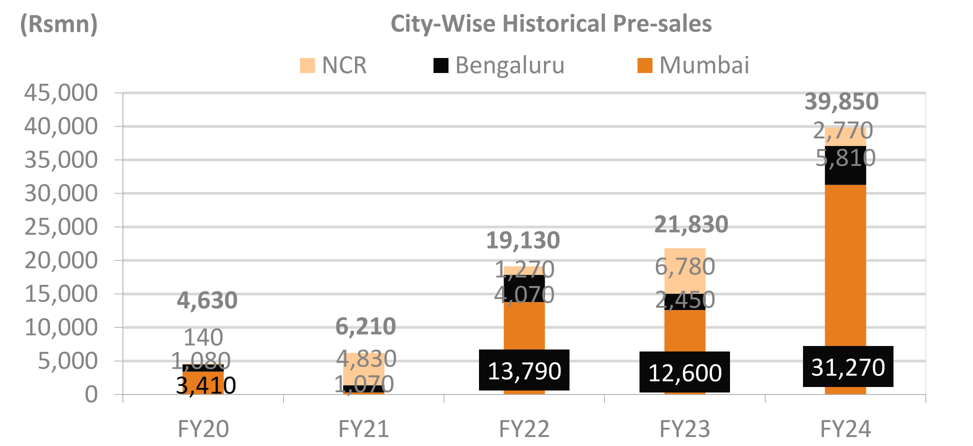
Source: Company, IIFL Research

Figure 9: In the past much of CTIL's booking have come from its Worli project of Birla Niyaara



Source: Company, IIFL Research

Figure 10: City-wise historical pre-sales



Source: Company, IIFL Research

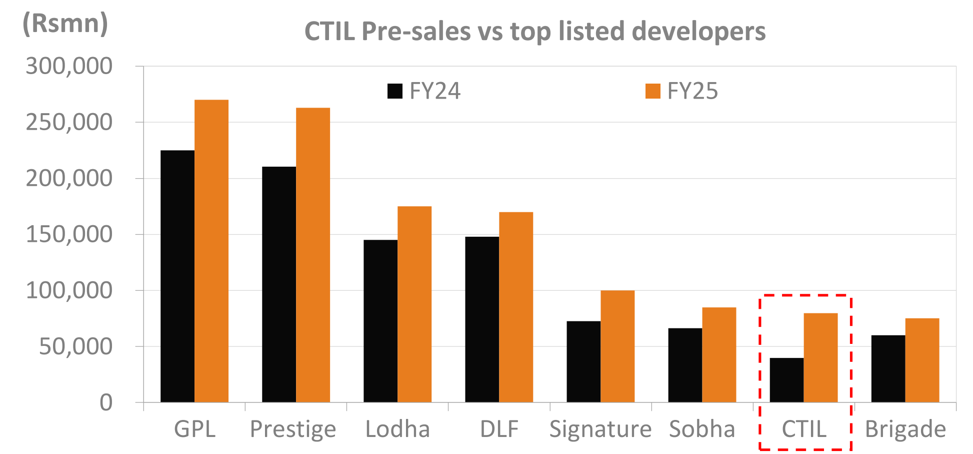
From Rs39.9bn of new bookings in FY24, it is now aiming to double it in FY25 on the back of ~Rs120bn of planned launches. CTIL did Rs55bn worth of launches in FY24 across Mumbai & Bangalore.

These launches are spread across nine projects – Walkeshwar Mumbai, RR Nagar Bangalore, Trimaya Phase 2 launch in North Bangalore, Sangamwadi in Pune, Mathura Road in Bangalore, Sarjapur Road in Bangalore, and Birla Navya (Phase-3) in NCR,.

Birla Estate's Walkeshwar (Mumbai) & RR Nagar (Bangalore) projects were to be launched in 1QFY25 but is now delayed to July, largely due to RERA issues. These two projects, along with new phase of Trimaya (Rs20bn of cumulative GDV) will be launched in 1HFY25. Rest of the projects will come only in 2HFY25.

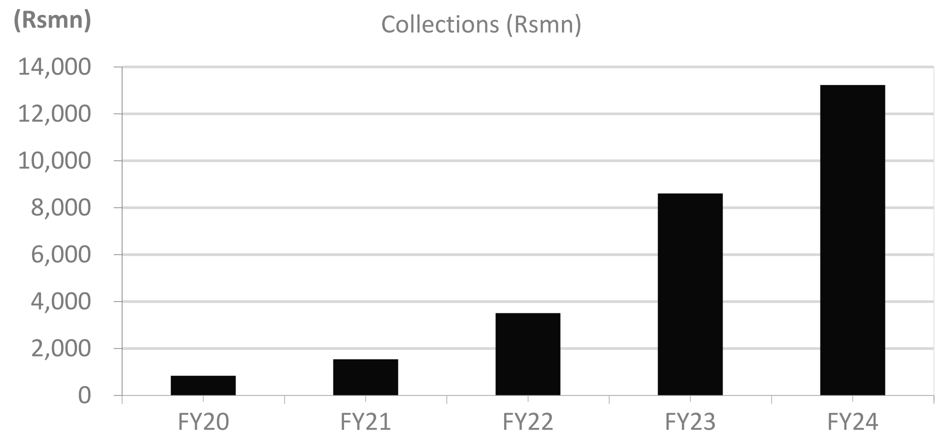
Historically, much of CTIL's bookings have been skewed towards its Worli project (Birla Niyaara). Out of the total Rs39bn bookings clocked in FY24, ~Rs24bn were from the new launch at Birla Niyaara. However, going forward, out of Rs80bn of bookings expected in FY25, only Rs10-15bn are expected to come from Niyaara. Further, its Thane project has a GDV of Rs70-80bn, so mgmt expects Rs10bn every year to come from there.

Figure 11: CTIL is likely to be among the top 10 developers by pre-sales by FY25 end



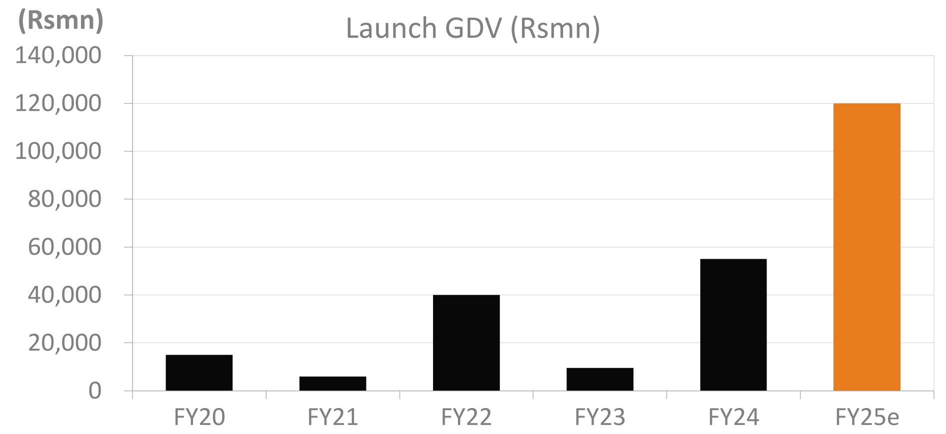
Source: Company, IIFL Research

Figure 12: Collections too have grown at a robust pace



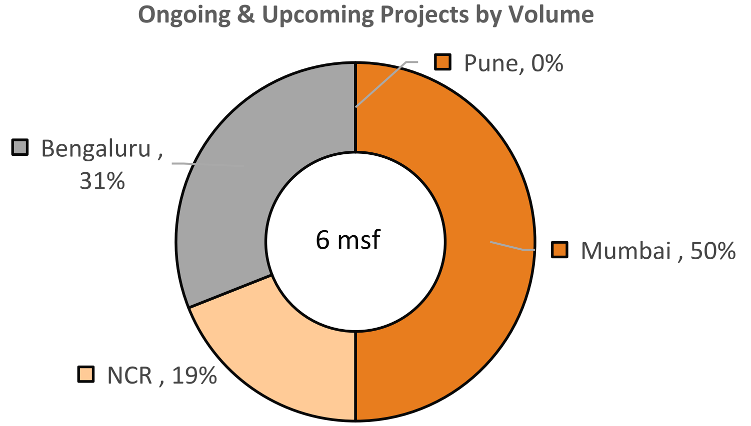
Source: Company, IIFL Research

Figure 13: Doubling of bookings in FY25 is expected to be largely on the back of a strong launch pipeline



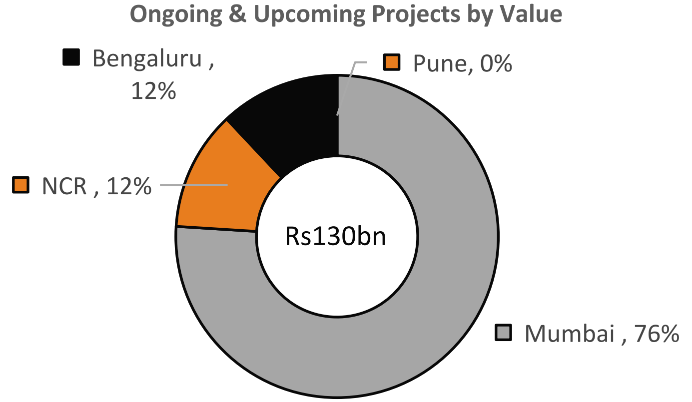
Source: Company, IIFL Research

Figure 14: MMR takes the majority share of ongoing & upcoming projects by volume for CTIL……….



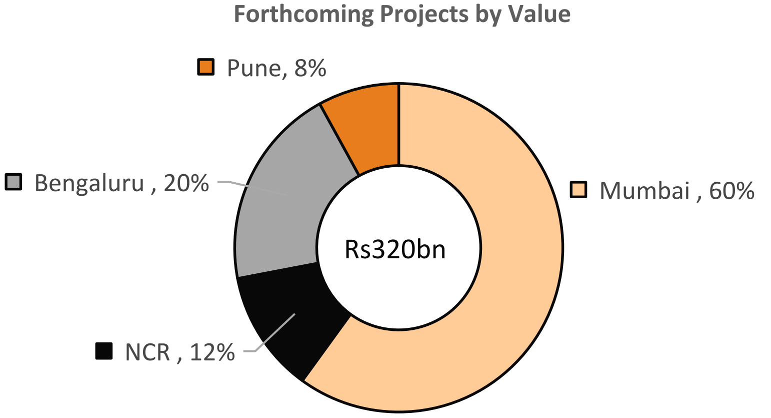
Source: Company, IIFL Research

Figure 15: >75% share of the ongoing & upcoming projects by value for CTIL



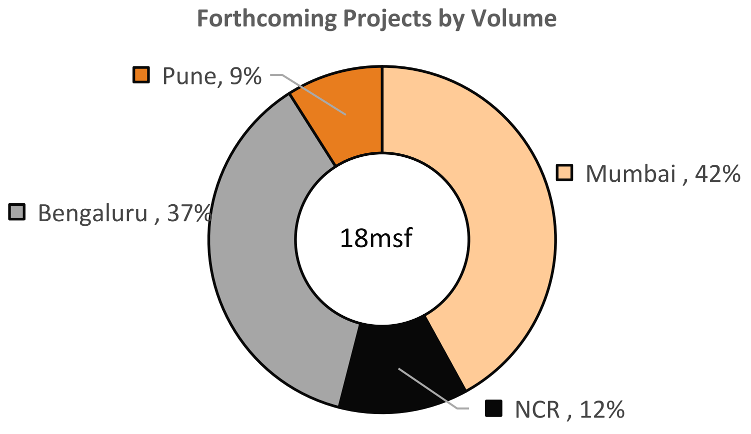
Source: Company, IIFL Research

Figure 16: MMR's share is expected to reduce, going forward



Source: Company, IIFL Research

Figure 17: Forthcoming projects by volume



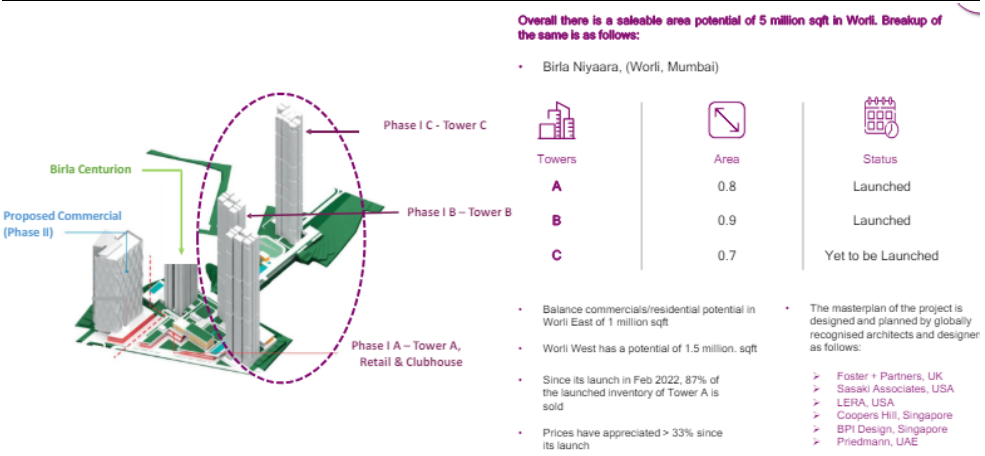
Source: Company, IIFL Research

Birla Niyaara: Situated in the affluent location of Worli, Mumbai is the most valuable land parcel of the Century group. Birla Niyaara, is an under-construction project spanning across 30 acres (~5msf of saleable area) and another 10 acres under dispute with the Wadia group.

The project is planned in three phases: Phase 1 was launched in 4QFY22 and witnessed a strong response and is nearing fully sold status this year. The project has seen >30% price appreciation since its launch.

Recently, the company launched Phase-2 of the project - Silas at Birla Niyaara featuring 148 4BHK-5BHK palatial residences. Mgmt highlighted that 75units (68units at launch) out of the total 148 units have been sold till now. The project clocked a record sales of Rs25bn at launch. Birla Niyaara's cumulative sales thus far to >Rs54bn from the project. Out of the ~5msf of total saleable area from its land bank in Worli, only 1.2msf is sold. The expected delivery date for both the launched towers in Niyaara is 2028.

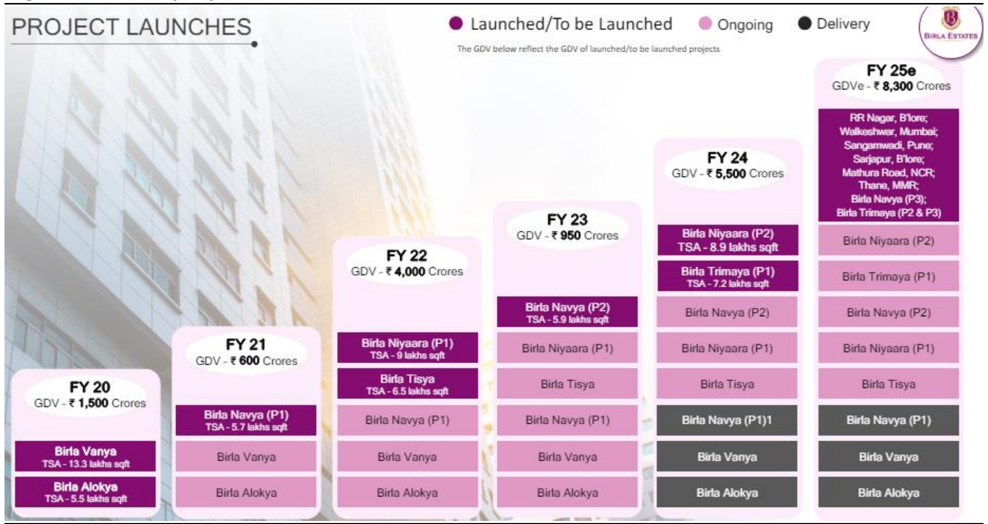
Figure 18: Development in Worli



Source: Company, IIFL Research

Further, Phase 3 is currently in design stage and is expected to be launched in FY26. Going forward, the company also has plans for a Commercial project at Birla Niyaara. Despite the not-so-favourable supply-demand situation in the Lower Parel micromarket currently, mgmt believes that only access to capital could be a challenge. Given the same, the company has started to look for a partner.

Figure 19: CTIL project launches



Source: Company, IIFL Research

Figure 20: Total value of cashflow (undiscounted) expected from all projects in the pipeline is ~Rs464bn

Project wise summary	Land area	Total saleable area (msf)	CTIL share	Saleable area launched (msf)	Saleable area sold (msf)	Booking value (Rsmn)	Collection Value (PTD)	Receivables	Unsold Inventory (Rsmn)	CTIL's share of cashflow (Receivables + Unsold inventory)
Birla Niyaara, (Worli, Mumbai)	14.0	2.5	100%	1.8	1.2	53,000	9,540	43460	53,862	97,322
Birla Tisya, (Rajajinagar, Bangalore)	5.0	0.7	40%	0.7	0.6	5,750	2,840	2910	479	1,356
Birla Trimaya (Devanahalli, Bangalore)	52.0	3.6	47%	0.7	0.7	4,860	880	3980	19,575	11,071
Birla Vanya, (Kalyan)	22.0	1.3	100%	1.3	1.1	8,390	5,130	3260	2,137	5,397
Birla Alokya, (Whitefield, Bangalore)	8.0	0.6	100%	0.6	0.5	3,860	2,750	1110	71	1,181
Birla Navya, (Golf Course Extension, Gurugram)	48.0	1.9	50%	1.2	1.2	15,800	6,600	9200	9,398	9,299
Ongoing Total		**10.5**		**6.2**	**5.3**	**91,660**	**27,740**	**63,920**	**85,523**	**125,626**
Raja Rajeshwari Nagar, Bangalore	10.0	1.0	100%						9830	9,830
Walkeshwar, Mumbai	0.2	0.1	100%						6260	6,260
Wellesley Road, Pune	6.0	1.5	100%						25,220	25,220
Sarjapur, Bangalore	29.0	2.9	100%						27,270	27,270
Thane, Mumbai	30.5	5.4	100%						76,510	76,510
Mathura Road, Delhi	6.8	1.4	50%						27,950	13,975
Sector 31 Gurugram	13.3	2.4	58%						50,000	29,000
Manjri, Pune	16.5	3.2	100%						25,000	25,000
Worli land balance	16.0	2.5	100%						125,000*	125,000
Upcoming Total		**20.4**							**373,040**	**338,065**
Total		**30.9**		**6.2**	**5.3**	**91,660**	**27,740**	**63,920**	**458,563**	**463,691**

Source: Company, IIFL Research *Rs50,000 psf pricing assumed

Business development: looking at adding >2x current pre-sales momentum

CTIL did ~Rs160bn of GDV addition in FY24, across NCR (Rs28bn GDV)/ Thane (Rs80bn)/ Walkeshwar, Mumbai (Rs6bn)/ Pune (Rs25bn) and Sarjapur, Bangalore (Rs25bn). Now, it has Rs450bn BD pipeline target over the next three years. In FY25 so far, the company has already tied-up two projects in Gurgaon and Pune, with a combined GDV of Rs75bn.

• Sector 31, Gurgaon: Located in the upscale micro market of Sector 31 Gurugram, this project boasts of exceptional connectivity to Cyber City, Golf Course Road, and Sohna Road and have a total GDV Rs50bn.
• Manjri, Pune: Located in the rapidly emerging micro-market of Manjri, Pune, the project is situated on the Pune-Solapur Highway offering seamless connectivity to several IT hubs, including Kharadi, Magarpatta, and Phursungi, as well as the Hadapsar MIDC and have a total GDV Rs25bn.

Figure 21: CTIL has largely done project additions through outright land acquisition

Business development	Land area	Type of deal	Total saleable area (msf)	CTIL share	Revenue potential (Rsmn)	Costs (Rsmn)
Raja Rajeshwari Nagar, Bangalore	10.0	Outright	1.0	1.0	9,830	1,200
Walkeshwar, Mumbai	0.2	Outright	0.1	1.0	6,260	1,623
Wellesley Road, Pune	6.0	Outright	1.5	1.0	25,220	3,500
Sarjapur, Bangalore	29.0	Outright	2.9	1.0	27,270	3,000
Thane, Mumbai	30.5	Deferred Outright	5.4	1.0	76,510	5,950
Mathura Road, Delhi	6.8	Outright	1.4	0.5	27,950	
Sector 31 Gurugram	13.3	JV with Barmalt	2.4	0.6	50,000	
Manjri, Pune	16.5	Outright	3.2	1.0	25,000	
Total	**112.28**		**17.89**	**7.08**	**248,040**	**15,273**

Source: Company, IIFL Research

Further, mgmt highlighted that the promoter family does not have any land left except a small parcel in Prabhadevi — currently being used by the family. The company is now seeing new B.D opportunities in Pune, Delhi, Mumbai, Panvel, struck developments around the new airport and Thane.

Management believes that the Gurgaon market is very well placed since there is no supply coming into the markets as yet. Further, Pune & Bangalore are expected to remain a steady market, backed by a strong demand. Management highlighted that there is no land left in core Bangalore, while the supply is coming in North Bangalore, East Bangalore markets largely.

Further, CTIL management is positive on re-development opportunity in Mumbai as it presents good IRR returns, given the low upfront costs. CTIL typically offer 30-50% extra space to old tenants (60% in some cases). However, the management bandwidth is the biggest cost in the case of a re-development project.

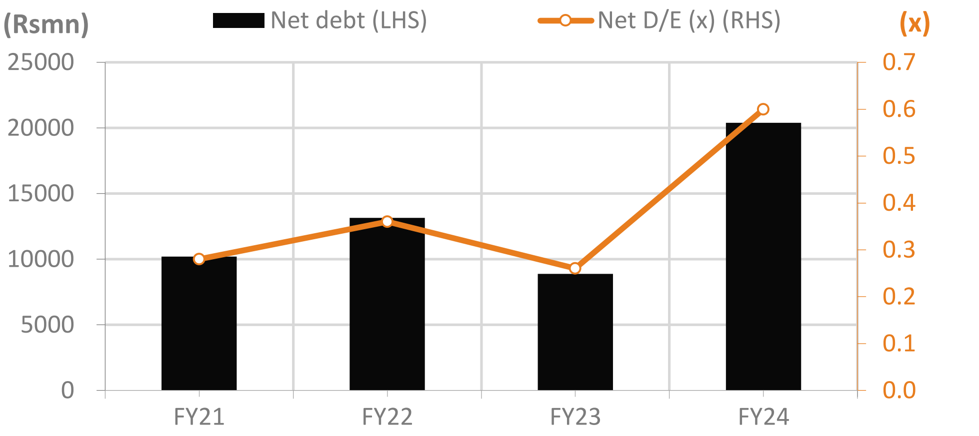
Cashflow outlook: Paper business and Rentals to support Real Estate growth

In FY24, CTIL did Rs160bn of GDV addition for ~Rs10bn of growth capex. Further, except its Kalyan project with Rs2.5bn SPV debt, CTIL has not taken loan for any of its projects.

Management expects Rs29-30bn of collections with construction spends expected to reach >Rs20bn in FY25. Over the next three years, mgmt envisages Rs30-40bn total business development spends, while Rs10bn (net off segment capex) is expected to come from the Paper business. This combined with an existing outstanding loan of Rs25bn will result in peak debt of Rs50bn. This would imply a comfortable 1:1 debt equity for the company. This leverage will then be serviced by the cashflows from the Rental business (Rs1.3bn p.a.) and Residential projects.

Mgmt believes that the only risk on leverage is if they take an opportunistic commercial bet, for which they anyways can get in a private-equity partner.

Figure 22: Leverage is expected to go up on higher land capex



Source: Company, IIFL Research

Figure 23: FY23 & FY24 Cashflows

	FY23	FY24		
Particulars	Grand Total	Continuing Operations	Textile	Grand Total
Ebitda-Normal Business	555	718	(82)	636
Ebitda-Exceptional item	156	0	0	0
MAT Paid	(71)	(114)	(17)	(131)
Dividend Paid (Including Tax)	(45)	(56)	0	(56)
Collections	861	1323	0	1323
Project Development Cost	(902)	(2366)	0	(2366)
Increase / (Decrease) in Current Capital	0	(2)	0	(2)
Net Change in Working Capital	(145)	(159)	83	(76)
Income tax Refund	0	40	0	40
A) Operating Cash Flow	**409**	**(616)**	**(16)**	**(632)**
Capital Expenditure	(115)	(114)	(7)	(121)
B) Investing Cash Flow	**(115)**	**(114)**	**(7)**	**(121)**
Interest	(54)	5	(25)	(20)
Equity investment in JV	(10)	0	0	0
Contribution to CTIL Emp Welfare Trust (ESOP)	0	(95)	0	(95)
C) Financing Cashflow	**(64)**	**(90)**	**(25)**	**(115)**
D) Free Cashflow (A+B+C)	**230**	**(820)**	**(48)**	**(868)**
E) BAKPL – Receipt (+) / Payment (-)	(10)	0	7	7
F) Free Cashflow -CTIL & BAKPL (D+E)	**220**	**(820)**	**(41)**	**(861)**

Source: Company, IIFL Research

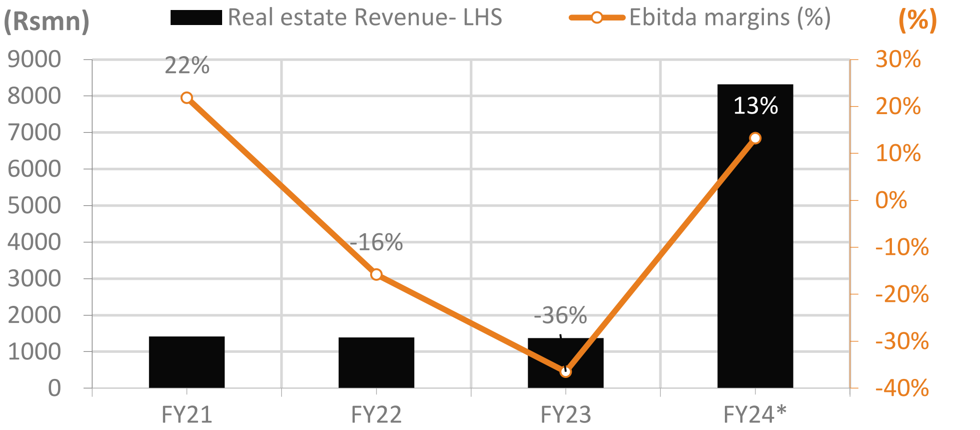
Revenue recognition and margins to be driven by the Niyaara completion

CTIL clocked Rs43bn revenue in FY24 — 80% coming from Paper & Pulp and 20% from Real Estate. Real Estate revenue recognition is on project completion basis, so the share of Real Estate in P&L is low currently. The Residential business clocked in 13% margins (adjusted for sale of TDR); while Paper clocks in Ebitda margins of 14-15% for FY24.

Mgmt had earlier guided to P&L margins of 20-25% overall and 30% of a few of its projects & 50% for Worli. Against this, the current margins of the company are low, as not much of its newer projects have been completed. Further, much of the revenue recognised so far, come from its legacy projects. Going forward, margins are expected to go up, on the back of Birla Niyaara completion CY27-28 onwards.

In our interaction with the mgmt, they highlighted that in most of their projects, they have >20% IRRs, 16-17% IRRs on owned projects. Management highlighted that they remain focused more on IRRs than margins. This is because management believes that they can make margins by sitting on the projects.

Figure 24: So far, Real Estate margins have been disappointing for CTIL

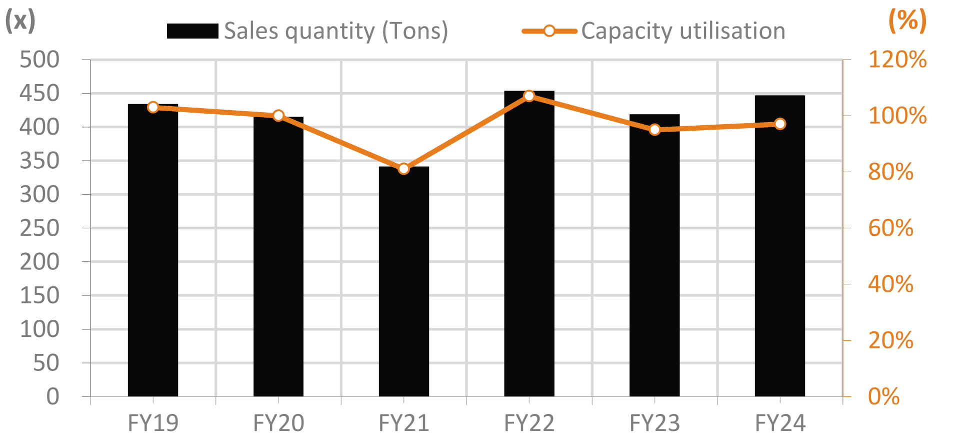


Source: Company, IIFL Research *adjusted for sale of TDR

Paper & Pulp business: cash cow

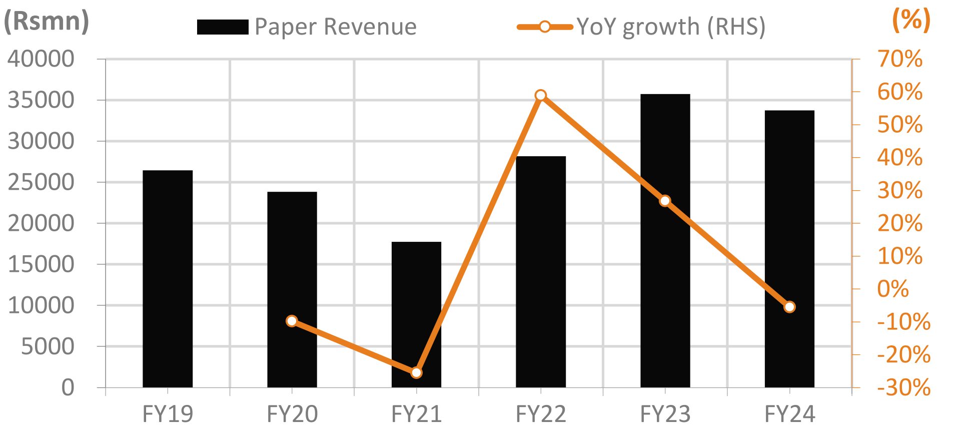
Currently, CTIL has ~500k tons capacity, which will go to 600k tons. The Paper & Pulp segment clocked Rs3.4bn in revenues in FY24. Ebitda on per kg basis is at Rs9-10, which is expected to go to Rs15/kg on improved capacity utilisation and Rs1bn of cost savings. The company has envisaged Rs10bn capex over three to five years to be allocated for the process improvement in this segment. Mgmt estimates that post this capex, there will be Rs9-10bn of Ebitda generation per annum.

Figure 25: Ebitda was lower yoy for the Paper & Pulp segment



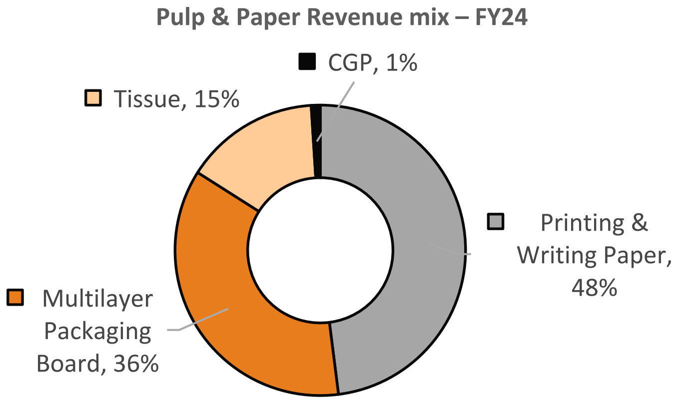
Source: Company, IIFL Research

Figure 26: The Paper & Pulp segment clocked Rs3.4bn in revenues in FY24 with 12% Ebitda margins



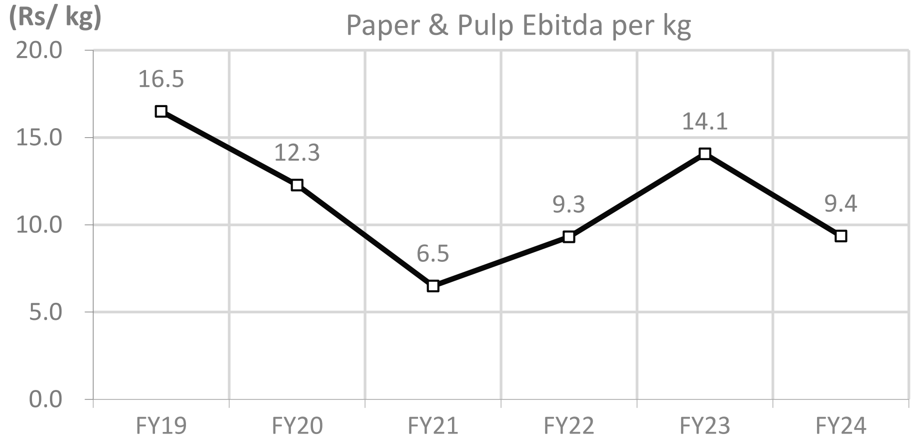
Source: Company, IIFL Research

Figure 27: Writing & printing paper and packaging board constitute >80% of revenues



Source: Company, IIFL Research

Figure 28: Ebitda was lower yoy for the Paper & Pulp segment



Source: Company, IIFL Research

Textile Business: discontinued the loss-making segment

In the beginning of FY24, the company took a decision to initiate the process of restructuring its Textile business operations at Birla Century Bharuch Plant.

As part of restructuring plan, Spinning and Weaving departments at the plant were discontinued. However, with a view to optimise the utilisation of the process house, it was proposed to increase the outsource of specialised greige fabric from 45,000 metres per day to 1,05,000 metres per day. Simultaneously, a VRS scheme was also implemented for the workers/employees at these discontinued units and majority of workers/ employees at the Spinning and Weaving departments opted for the scheme.

On Mar 22, 2024, the company’s Board of Directors decided to discontinue operations of the process house after completion of orders in hand, in view of the unsatisfactory performance of the unit as well as considering the adverse market conditions and non-availability of viable orders to cover the cost.

Subsequently, the board approved the proposal to discontinue all operations at the Birla Century Bharuch, unit except some minor manufacturing operations and other allied activities relating to supply of Yarn to Birla Advanced Knits Private Limited — a joint venture of the company and Grasim Industries limited.

Financial summary

Income statement summary (Rs m)

Y/e 31 Mar, Consolidated	FY21A	FY22A	FY23A	FY24A
Revenues	**26,166**	**41,310**	**38,318**	**45,135**
Ebitda	2,237	4,445	5,687	6,612
Depreciation and amortisation	(2,311)	(2,307)	(1,959)	(2,099)
Ebit	(74)	2,139	3,728	4,513
Non-operating income	616	431	246	565
Financial expense	(707)	(522)	(342)	(355)
PBT	(165)	2,047	3,632	4,723
Exceptionals	0	0	1,342	0
Reported PBT	(165)	2,047	4,974	4,723
Tax expense	14	(504)	(1,729)	(1,450)
PAT	(151)	1,543	3,244	3,273
Minorities, Associates etc.	(154)	122	(526)	(2,767)
Attributable PAT	**(304)**	**1,665**	**2,719**	**505**

Ratio analysis

Y/e 31 Mar, Consolidated	FY21A	FY22A	FY23A	FY24A
Per share data (Rs)				
Pre-exceptional EPS	(2.7)	14.9	12.3	4.5
DPS	0.0	0.0	0.0	0.0
BVPS	326.5	347.1	361.6	366.6
Growth ratios (%)				
Revenues	(23.6)	57.9	(7.2)	17.8
Ebitda	(60.4)	98.7	27.9	16.3
EPS	NA	NA	(17.3)	(63.3)
Profitability ratios (%)				
Ebitda margin	8.5	10.8	14.8	14.6
Ebit margin	NA	5.2	9.7	10.0
Tax rate	8.7	24.6	34.8	30.7
Net profit margin	NA	3.7	8.5	7.3
Return ratios (%)				
ROE	NA	4.4	3.5	1.2
ROCE	1.0	4.6	6.9	7.9
Solvency ratios (x)				
Net debt-equity	0.2	0.3	0.2	0.5
Net debt to Ebitda	4.0	2.7	1.6	3.1
Interest coverage	(0.1)	4.1	10.9	12.7

Source: Company data, IIFL Research

Balance sheet summary (Rs m)

Y/e 31 Mar, Consolidated	FY21A	FY22A	FY23A	FY24A
Cash & cash equivalents	1,249	1,143	1,511	4,015
Inventories	0	0	0	0
Receivables	0	0	0	0
Other current assets	18,715	29,236	37,754	56,194
Creditors	0	0	0	0
Other current liabilities	12,831	19,081	27,402	33,760
Net current assets	**7,133**	**11,298**	**11,863**	**26,449**
Fixed assets	43,040	42,254	41,575	37,823
Intangibles	446	433	77	104
Investments	0	0	0	0
Other long-term assets	3,485	4,322	3,600	6,966
Total net assets	**54,104**	**58,308**	**57,114**	**71,342**
Borrowings	10,252	13,156	10,377	24,815
Other long-term liabilities	7,378	6,384	6,348	5,580
Shareholders equity	**36,474**	**38,769**	**40,390**	**40,947**
Total liabilities	**54,104**	**58,308**	**57,114**	**71,342**

Cash flow summary (Rs m)

Y/e 31 Mar, Consolidated	FY21A	FY22A	FY23A	FY24A
Ebit	(74)	2,139	3,728	4,513
Tax paid	1,632	(652)	(747)	(1,361)
Depreciation and amortization	2,311	2,307	1,959	2,099
Net working capital change	2,015	(4,036)	(2,073)	(7,655)
Other operating items	(200)	(248)	(445)	(1,041)
Operating cash flow before interest	5,684	(491)	2,422	(3,445)
Financial expense	(1,329)	(883)	(746)	(1,784)
Non-operating income	0	0	0	0
Operating cash flow after interest	**4,355**	**(1,374)**	**1,676**	**(5,228)**
Capital expenditure	**(853)**	**(1,258)**	**(1,180)**	**(1,746)**
Long-term investments	(423)	(641)	1,211	(2,797)
Others	161	299	3,018	(3,248)
Free cash flow	**3,240**	**(2,973)**	**4,724**	**(13,020)**
Equity raising	0	0	0	0
Borrowings	(3,184)	2,867	(4,356)	15,523
Dividend	0	0	0	0
Net chg in cash and equivalents	56	(106)	368	2,504

Source: Company data, IIFL Research

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Add - Stock expected to give a return 0-10% over the average return on a debt instrument over a 1-year horizon.

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