MOTILAL OSWAL
FINANCIAL SERVICES

3 February 2025
3QFY25 Results Update | Sector: Retail

Barbeque Nation Hospitality

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	BARBEQUE IN
Equity Shares (m)	39
M.Cap.(INRb)/(USDb)	12.2 / 0.1
52-Week Range (INR)	712 / 303
1, 6, 12 Rel. Per (%)	-26/-40/-57
12M Avg Val (INR M)	64

Financials & Valuations (INR b)

Y/E March	FY25E	FY26E	FY27E
Sales	12.5	13.9	15.3
Sales Gr. (%)	-0.4	11.5	10.2
EBITDA	2.1	2.5	2.7
Margins (%)	17.1	17.7	17.9
Adj. PAT	-0.1	0.0	0.1
Adj. EPS (INR)	-2.1	0.0	1.4
EPS Gr. (%)	N/M	N/M	L/P
BV/Sh.(INR)	98.5	98.5	99.9
Ratios			
RoE (%)	-2.1	0.0	1.4
RoCE (%)	4.5	7.4	6.1
Valuation			
P/E (x)	N/M	N/M	219.4
EV/EBITDA (x)	5.3	4.4	3.7
Pre-IND AS EV/ EBITDA (x)	11.9	9.6	7.6

Shareholding Pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	33.6	33.6	33.7
DII	25.9	25.7	25.2
FII	12.8	15.2	17.8
Others	27.7	25.6	23.3

FII includes depository receipts

CMP: INR311 TP: INR350 (+12%) Neutral

Uninspiring performance; recovery delays continue

- Barbeque Nation Hospitality's (BBQN) consolidated revenue was flat YoY at INR3.3b (miss), impacted by competition in South India and sluggish demand. The Same-Store Sales Growth (SSSG) remained weak and reported -2% YoY in 3QFY25 despite a favorable base of -4.9% in 3QFY24 (-2.5% in 2QFY25). Dine-in revenue declined 2% YoY to INR2.8b, while delivery was up 7% to INR0.5m.
- BBQ India's revenue fell 4% YoY to INR2.6b and same store sales were down by 2.6%. The company maintained a GP margin of 66.7%, supported by cost-control measures, which helped maintain the Restaurant Operating Margin (RoM) (Pre-Ind AS) at 14.9%, despite operational leverage pressure.
- BBQ International's revenue was up 8% YoY to INR253m, with same store sales growth of 5.2%. GP margin was down 20bp YoY to 74.3% and RoM (Pre-Ind AS) margin expanded 10bp YoY to 26.1%.
- Premium Casual Dining Restaurant's (CDR) revenue was up 24% YoY to INR253m, led by store additions (+27% YoY). Same store sales were down 2.7%. GP margin expanded 80bp YoY to 75%. RoM (Pre-Ind AS) margin contracted 480bp YoY to 20.1%, impacted by new store additions.
- Consolidated GM was up 40bp YoY/10bp QoQ to 68.2%. The company's EBITDA margin contracted by 130bp YoY to 18.7% (est. 19.1%). EBITDA Pre-Ind AS margin was down 70bp YoY to 10.3%. RoM Pre Ind margin contracted 20bp YoY to 16.5%.
- The company also acquired a 51% stake in the French ice cream brand Omm Nom Nomm for INR 170m, with an annual revenue run rate (ARR) of INR40m and double-digit EBITDA margins, strengthening its delivery portfolio.
- The management is looking to add 35-40 stores in FY26. It has opened net 9 stores (13 stores opened and 4 closed) in 9MFY25 and plans to open 7 more in 4Q, bringing the total store count to 233 by FY25. BBQN's current valuations at 11.9x FY25E and 9.6x FY26E pre-Ind AS EV/EBITDA are comfortably positioned. However, we are watchful of BBQN's demand recovery. We reiterate our Neutral rating on the stock as we still await clarity on earnings recovery. We have a TP of INR350, based on 10x Dec'26E Pre-Ind-AS EV/EBITDA (which reflects a weak RoCE profile and uncertainty of earnings recovery).

Miss on revenue; SSSG at -2%

- **Muted trajectory continues**: BBQN reported flat sales YoY at INR3.3b (est. INR 3.4b) in 3QFY25. Same store sales were down 2% in 3QFY25 (est. -2%). The dine-in channel (85% of sales) declined 2% YoY to INR2.8b, while the delivery channel (15% of sales) was up by 7% YoY to INR0.5b
- **Digital KPIs:** Cumulative App download was 7.2m in 3QFY25 vs 6.5m in 3QFY24. Own digital asset contribution was at 31.7% vs. 29.9% in 3QFY24.
- **Store additions continue**: The company has added 5 stores and closed 1 store, bringing the total store count to 226. Of this, BBQ India has 190 stores, BBQ international store count is 8, and the Toscano & Salt count stands at 28. Total metro and tier-1 accounted for 176 stores and tier 2/3 accounted for 50 stores in 3QFY25.

Naveen Trivedi – Research Analyst (Naveen.Trivedi@motilaloswal.com
Tanu Jindal – Research Analyst (Tanu.Jindal@MotilalOswal.com)

- **Contraction in margins**: Gross margin was up 40bp YoY/10bp QoQ to 68.2%. EBITDA margin contracted 130bp YoY to 18.7% (est. 19.1%), and down 7% YoY to INR615m (est. INR654m). Pre-Ind AS EBITDA declined 7% YoY to INR339m in 3QFY25 and the margin contracted 70bp YoY to 10.3%. RoM Pre Ind AS was down 7% YoY and margin contracted 20bp YoY to 16.5%.
- PAT was INR51m in 3QFY25 vs 48m in 3QFY24.
- In 9MFY25, nest sales declined 2% to INR9.4b, while EBITDA was flat at INR1.6b.

Highlights from the management commentary

- The company has implemented a 2% price hike in the current period, aligning with its strategy of maintaining a 2-3% price increase over the long term to offset inflationary pressures.
- BBQ India will implement efficient cost-control measures to sustain and improve operating margins despite economic and competitive challenges.
- In FY26, the company plans to open 22-25 new restaurants in India, 5-6 new restaurants in international markets, and 6-7 new premium CDR outlets**,** bringing the total restaurant count to 270.
- The company expects a total cash requirement of INR1.4b for FY25, including INR0.2b for maintenance expenses and INR1.2b for new store openings. If operating cash flows are insufficient, the company may consider raising debt to meet capital expenditure requirements.

Valuation and view

- With a delay in earnings recovery, we cut our EBITDA by 3% and 5% for FY25E and FY26E.
- BBQN's PBT margin profile is weaker than that of QSR players. Hence, despite a comfortable position on valuation, we are watchful of its operating margin delivery. Mid-single digit RoCE profile is weak considering the fine dine-in format.
- **BBQN's current valuations are at 11.9x FY25E and 9.6x FY26E pre-Ind AS EV/EBITDA. We reiterate our Neutral rating on the stock with a TP of INR350, based on 10x Dec'26E Pre Ind-AS EV/EBITDA.**

Cons. Quarterly Performance **(INR m)**

Y/E March	FY24				FY25E				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
SSSG (%)	**-7.7**	**-10.7**	**-4.9**	**1.4**	**-7.4**	**-2.5**	**-2.0**	**-0.1**	**-6.5**	**-3.0**	**-2.0**	
No. of stores	**212**	**212**	**210**	**217**	**219**	**222**	**226**	**233**	**217**	**233**	**229**	
Net Sales	**3,239**	**3,017**	**3,309**	**2,981**	**3,057**	**3,057**	**3,289**	**3,086**	**12,545**	**12,489**	**3,423**	-3.9
YoY change (%)	2.9	-2.8	0.8	6.4	-5.6	1.3	-0.6	3.5	1.7	-0.4	3.5	
Gross Profit	**2,073**	**1,990**	**2,245**	**2,053**	**2,081**	**2,081**	**2,244**	**2,111**	**8,361**	**8,517**	**2,321**	-3.3
Margin (%)	64.0	65.9	67.9	68.9	68.1	68.1	68.2	68.4	66.6	68.2	67.8	
EBITDA	**468**	**444**	**663**	**547**	**509**	**456**	**615**	**556**	**2,122**	**2,136**	**654**	-5.9
EBITDA growth %	-33.6	-23.9	7.0	37.3	8.8	2.7	-7.2	1.5	-8.0	0.7	-1.4	
Margin (%)	14.4	14.7	20.0	18.4	16.6	14.9	18.7	18.0	16.9	17.1	19.1	
Depreciation	375	443	414	447	405	409	428	424	1,679	1,666	415	
Interest	187	195	190	186	186	189	195	184	759	753	198	
Other Income	40	43	16	77	27	43	55	50	176	175	33	
PBT	**-55**	**-151**	**75**	**-9**	**-55**	**-100**	**47**	**-2**	**-140**	**-109**	**74**	
Tax	-14	-32	27	-9	-11	-28	-3	0	-28	-27	19	
Rate (%)	26.1	21.3	35.5	95.9	20.9	28.4	-6.5	25.2	20.3	25.2	25.2	
Adjusted PAT	**-41**	**-119**	**48**	**0**	**-43**	**-71**	**51**	**-1**	**-112**	**-81**	**55**	
YoY change (%)	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	

E: MOFSL Estimates

BBQ India
- Revenue declined 4% YoY to INR2.6b. Same store sales declined by 2.6%.
- BBQ India added net 3 stores to 190 in 3QFY25.
- GP margin expanded 10bp YoY to 66.7%. GP was down 4% YoY.
- The RoM (Pre-Ind AS) margin expanded 10bp YoY to 14.9%. RoM was down 4% YoY.

BBQ International
- Revenue was up 8% YoY to INR253m. Same store sales were up 5.2%.
- BBQ International added no stores during the quarter.
- The GP margin was down 20bp YoY to 74.3%. GP was up 7% YoY.
- The RoM (Pre-Ind AS) margin expanded 10bp YoY to 26.1%. RoM was up 8% YoY.

Premium CDR
- Revenue was up 24% YoY to INR253m, led by store additions (+24% YoY). Same store sales were down 2.7%.
- Premium CDR added 1 store, bringing the total to 28 stores during the quarter.
- The GP margin expanded 80bp YoY to 75%. GP was up 25% YoY.
- The RoM (Pre-Ind AS) margin contracted 480bp YoY to 20.1%. RoM was flat YoY at INR87m.

Exhibit 1: BBQN business segment performance key metric

BBQ Consolidated	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Revenue (INR m)	3,309	2,981	3,057	3,057	3,289
YoY growth (%)	1%	6%	-6%	1%	-1%
SSSG (%)	-4.9	1.4	-7.4	-2.5	-2.0
Stores	216	217	219	222	226
Store addition	4	1	2	3	4
YoY store addition (%)	2%	0%	3%	2%	5%
Annualised revenue/ outlet (INR/mn)	62	55	55	56	60
GP (INR m)	2,245	2,053	2,081	2,081	2,244
GP margin (%)	67.9%	68.9%	68.1%	68.1%	68.2%
ROM (pre -Ind AS) (INR m)	553	429	421	380	543
ROM (%)	16.7%	14.4%	13.8%	12.4%	16.5%
YoY growth (%)	1%	38%	10%	12%	-2%
EBITDA (pre -Ind AS) (INR m)	363	239	212	166	339
EBITDA pre-Ind AS margin (%)	11.0%	8.0%	6.9%	5.4%	10.3%
YoY growth (%)	7%	124%	18%	24%	-6%
EBITDA (INR m)	663	547	509	456	615
EBITDA margin (%)	7.0%	37.3%	8.8%	2.7%	-7.2%
YoY growth (%)	20%	18%	17%	15%	19%
BBQ India	**3QFY24**	**4QFY24**	**1QFY25**	**2QFY25**	**3QFY25**
Revenue (INR m)	2,736	2,398	2,466	2,443	2,618
YoY growth (%)					-4%
SSSG (%)	-6.2	0.9	-8.8	-3.0	-2.6
Stores	186	186	186	187	190
Store addition	0	0	0	1	3
YoY store addition (%)	-3%	-5%	-2%	-1%	2%
Annualised revenue/ outlet (INR/mn)	59	51	53	52	57
GP (INR m)	1,822	1,623	1,641	1,626	1,746
GP margin (%)	66.6%	67.7%	66.5%	66.6%	66.7%
ROM (pre -Ind AS) (INR m)	404	294	293	269	389
ROM (%)	14.8%	12.3%	11.9%	11.0%	14.9%
YoY growth (%)					-3.7%

BBQ International	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Revenue	235	237	239	218	253
YoY growth (%)					8%
SSSG (%)	-1.1	5.5	-8.6	2	5.2
Stores	8	8	8	8	8
Store addition	0	0	0	0	0
Annualised revenue/ outlet (INR/mn)	117	119	119	109	126
GP (INR m)	175	176	178	159	188
GP margin (%)	74.5%	74.3%	74.5%	72.9%	74.3%
ROM (pre -Ind AS) (INR m)	61	61	60	44	66
ROM (%)	26.0%	25.7%	25.1%	20.2%	26.1%
YoY growth (%)					8%
BBQ Premium CDR	**3QFY24**	**4QFY24**	**1QFY25**	**2QFY25**	**3QFY25**
Revenue	349	357	363	406	432
YoY growth (%)					24%
SSSG (%)	4	2	0.9	-1.6	-2.7
Stores	22	23	25	27	28
Store addition	0	1	2	2	1
YoY store addition (%)	57%	64%	67%	23%	27%
Annualised revenue/ outlet (INR/mn)	63	62	58	60	62
GP (INR m)	259	265	273	305	324
GP margin (%)	74.2%	74.2%	75.2%	75.1%	75.0%
ROM (pre -Ind AS) (INR m)	87	74	68	66	87
ROM (%)	24.9%	20.7%	18.7%	16.3%	20.1%
YoY growth (%)					0%

Source: Company, MOFSL

CONFERENCE CALL

Key takeaways from the management interaction

Business environment

- The southern region faces higher competition, leading to decline in same store sales, while two other regions are experiencing low single-digit SSSG growth and one region saw flattish growth.
- The company has currently implemented a 2% price hike, aligning with its strategy of maintaining a 2-3% price increase over the long term to offset inflationary pressures.
- It has closed stores that continue to incur losses and believes that these locations are unlikely to turn profitable in the near-to-medium term.
- The company expects a total cash requirement of INR1.4b for FY25, including INR0.2b for maintenance expenses and INR1.2b for new store openings. If operating cash flows are insufficient, the company may consider raising debt to meet capital expenditure requirements.

Barbeque Nation India

- BBQN is focused on driving same-store sales growth through targeted marketing campaigns and promotional activities.
- The company will continue to introduce culinary innovations to enhance the overall guest experience and differentiate its offerings in the market.
- The company plans to upgrade and refurbish older restaurants to maintain a consistent and high-quality dining experience for customers.
- It will implement efficient cost-control measures to sustain and improve operating margins despite economic and competitive challenges.

Barbeque Nation International

- The company will prioritize maintaining SSSG by focusing on customer engagement and operational efficiencies.
- Barbeque Nation International aims to sustain strong operating margins by optimizing costs and enhancing the dining experience.
- The company will use its strong operating cash flow to fund planned network expansion.

Premium CDR

- The company aims to maintain its leadership position in the Italian cuisine casual dining restaurant segment by offering high-quality dining experiences.
- Toscano, BBQN's premium dining brand, will continue to expand in newly launched cities, including Delhi, Mumbai, and Hyderabad.
- The company plans to expand Salt, another premium dining brand, into new metropolitan markets to capture a wider customer base.
- BBQN is committed to maintaining strong operating margins in the premium casual dining restaurant segment, ensuring profitability despite aggressive expansion.
- The company expects that premium CDR revenue contribution will increase to 20% within two years vs 10-11%, currently.
- The premium CDR segment generates monthly revenues of INR0.30m-0.35m per restaurant, reaching INR40m in the first year. By the third year, the revenue per restaurant is projected to grow to INR60-65m, with a RoM of 20-21%. The capex required per outlet is INR25-30m and the payback period is ~3 years.

Store expansion
- Barbeque Nation India added four new restaurants in 3QFY25, bringing the total count to 190 stores.
- BBQ International operates a total of eight restaurants, with three additional restaurants under construction.
- In 4QFY25, the company plans to expand its restaurant network to 193 outlets in India, 10 outlets in international markets, and 20 outlets in the premium CDR segment**,** bringing the total count to 233 restaurants.
- In FY26, the company plans to open 22-25 new restaurants in India, 5-6 new restaurants in international markets, and 6-7 new premium CDR outlets**,** bringing the total restaurant count to 270.

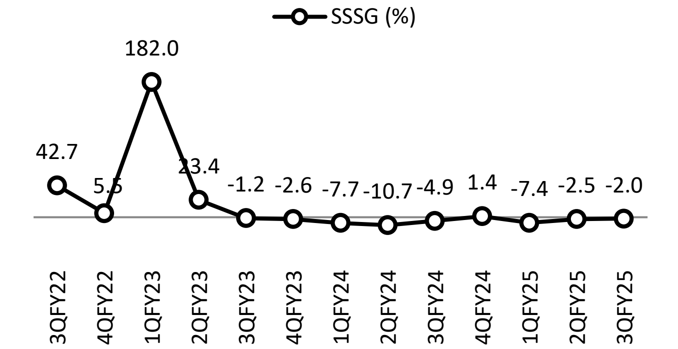
Product innovation
- The company has introduced three new desserts to the menu, adding a sweet touch to its extensive buffet selections.
- In the delivery segment, the company introduced specialized grilled items and curated meal combos for an enhanced at-home dining experience.
- Toscano launched seasonal handmade pasta, wood-fired pizzas, and gourmet risottos.
- Salt expanded its menu with regional Indian delicacies and fusion dishes. It has added seasonal thalis, innovative kebab platters, and artisanal Indian breads.

Food festival initiatives
- BBQN organized the Royal Rajasthani Rasoi Feast, bringing traditional Rajasthani flavors to its customers and celebrating the rich culinary heritage of India.
- The Sea Food Festival was another major event organized by the company, focusing on fresh and diverse seafood dishes, appealing to seafood enthusiasts, and broadening the restaurant’s culinary offerings.
- In its international markets, the company hosted the GT Road Food Festivals, which showcased the rich and diverse culinary traditions of India, attracting a global audience.
- The company also organized Bollywood Disco Food Festivals, blending popular Indian cinema themes with a lively dining atmosphere, providing a unique and entertaining experience for guests.

Acquisition of Omm Nom Nomm (Ice-cream brand)
- Omm Nom Nomm is an artisanal luxury French ice cream brand, operating through a delivery-first model.
- The company has a manufacturing facility in Bangalore and operates three cloud kitchens in the city.
- It maintains a 4.8+ rating across delivery platforms and has high repeat customer engagement (~62%).
- BBQN is investing INR170m to acquire a 51% stake in Willow Gourmet Private Limited, the parent company of Omm Nom Nomm.
- The company strengthens its delivery portfolio, aligning with its strategy to build a portfolio of scalable brands.
- The acquisition offers synergies with BBQN’s existing kitchens and backend capabilities for cost efficiencies.
- Omm Nom Nomm has a current ARR of INR40m with double-digit EBITDA margins.
- The transaction is expected to be completed by Apr’25.

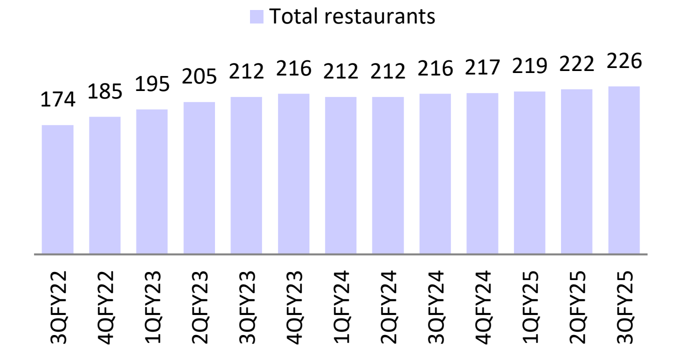
Key Exhibits

Exhibit 2: SSSG stood at -2% YoY in 3QFY25



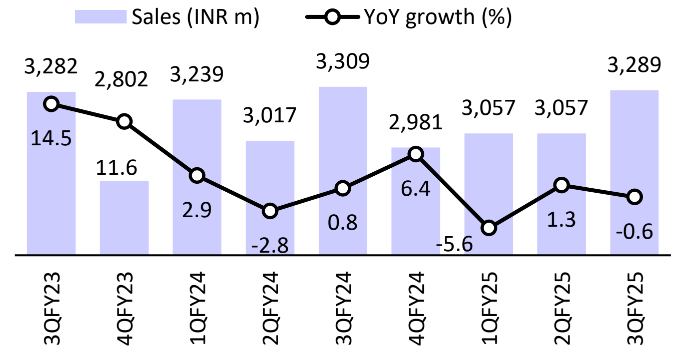
Source: Company, MOFSL

Exhibit 3: Added net 4 stores (opened 5, closed 1) in 3QFY25



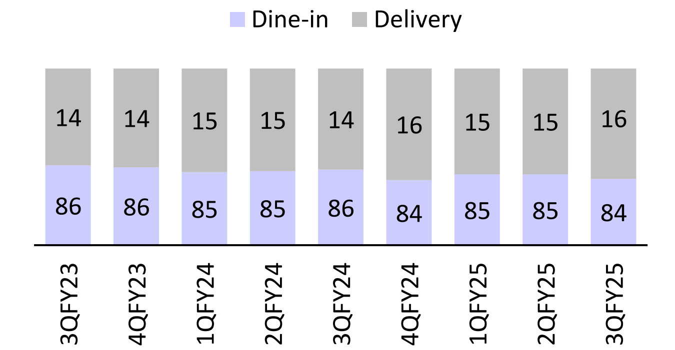
Source: Company, MOFSL

Exhibit 4: Net sales flat YoY at INR3.3b in 3QFY25



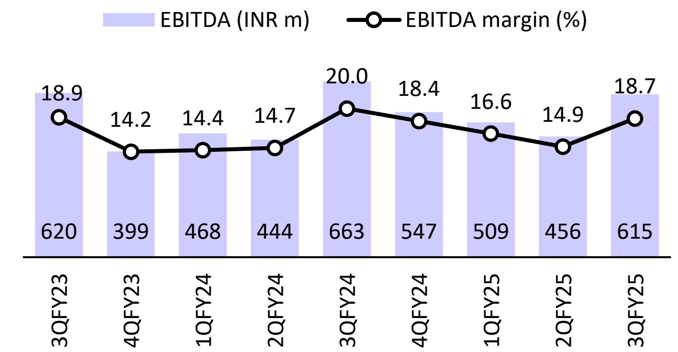
Source: Company, MOFSL

Exhibit 5: Dine-in contribution stood at 84% in 3QFY25



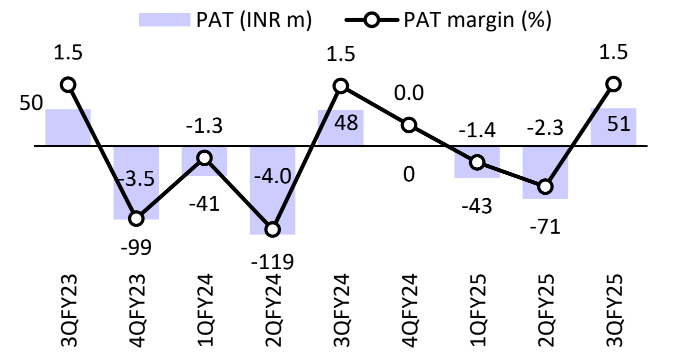
Source: Company, MOFSL

Exhibit 6: EBITDA margin contracted 130bp YoY to 18.7% in 3QFY25



Source: Company, MOFSL

Exhibit 7: Adjusted PAT came in at INR51m in 3QFY25



Source: Company, MOFSL

Valuation and view

- With a delay in earnings recovery, we cut our EBITDA by 3% and 5% for FY25E and FY26E.
- BBQN's PBT margin profile is weaker than that of QSR players. Hence, despite a comfortable position on valuation, we are watchful of its operating margin delivery. The mid-single digit RoCE profile is weak considering the fine dine-in format.
- **BBQN's current valuations are at 11.9x FY25E and 9.6x FY26E pre-Ind AS EV/EBITDA. We reiterate our Neutral rating on the stock with a TP of INR350, based on 10x Dec'26E Pre Ind-AS EV/EBITDA.**

Exhibit 8: We cut our EBITDA estimates by 3% for FY25 and 5% for FY26

INR m	New		Old		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Sales	12,489	13,923	12,737	14,574	-2.0%	-4.5%
EBITDA	2,136	2,464	2,204	2,609	-3.1%	-5.5%
PAT	-81	0	-63	74	NA	NA

Source: Company, MOFSL

Financials and valuations

Income Statement									(INR m)
Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Net Sales	**7,390**	**8,470**	**5,071**	**8,606**	**12,338**	**12,545**	**12,489**	**13,923**	**15,350**
Change (%)	26.0	14.6	-40.1	69.7	43.4	1.7	-0.4	11.5	10.2
Material Consumed	2,476	2,922	1,782	3,047	4,152	4,184	3,971	4,455	4,881
Gross Profit	**4,914**	**5,548**	**3,288**	**5,558**	**8,186**	**8,361**	**8,517**	**9,468**	**10,468**
Gross Margin %	66.5	65.5	64.8	64.6	66.3	66.6	68.2	68.0	68.2
Operating expenses	3,455	3,906	2,825	4,221	5,880	6,239	6,382	7,003	7,721
EBITDA	**1,459**	**1,642**	**464**	**1,337**	**2,306**	**2,122**	**2,136**	**2,464**	**2,748**
Change (%)	7.0	12.6	-71.8	188.3	72.4	-8.0	0.7	15.4	11.5
Margin (%)	19.7	19.4	9.1	15.5	18.7	16.9	17.1	17.7	17.9
Depreciation	895	1,340	1,212	1,273	1,450	1,679	1,666	1,810	1,982
Int. and Fin. Ch.	564	756	849	653	717	759	753	820	872
Other Non-recurring Inc.	35	38	460	263	80	176	175	165	180
PBT	**35**	**-415**	**-1,136**	**-326**	**219**	**-140**	**-109**	**0**	**74**
Change (%)	-79.1	P/L	-	-	L/P	-164.0	-	-	L/P
Margin (%)	0.5	-4.9	-22.4	-3.8	1.8	-1.1	-0.9	0.0	0.5
Tax	144	78	-197	-69	66	-28	-27	0	19
Tax Rate (%)	416.8	-18.8	17.3	21.1	30.1	20.3	25.2	0.0	25.2
Adjusted PAT	**-109**	**-493**	**-940**	**-257**	**153**	**-112**	**-81**	**0**	**55**
Change (%)	P/L	-	-	-	L/P	-172.9	-	-	L/P
Margin (%)	-1.5	-5.8	-18.5	-3.0	1.2	-0.9	-0.7	0.0	0.4
Non-rec. (Exp)/Inc.	-275	164	21	5	38	0	0	0	0
Minority interest	0	-5	-14	4	21	22	22	0	0
Reported PAT	**-384**	**-324**	**-905**	**-256**	**170**	**-134**	**-103**	**0**	**55**

Balance Sheet									(INR m)
Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Share Capital	140	140	170	195	195	195	195	195	195
Reserves	1,176	-81	2,269	3,665	3,816	3,734	3,653	3,653	3,708
Net Worth	**1,316**	**59**	**2,439**	**3,860**	**4,011**	**3,930**	**3,849**	**3,848**	**3,903**
Loans	1,579	2,450	1,528	218	196	397	397	397	397
Lease Liabilities	4,200	4,816	4,498	5,887	6,649	6,459	6,398	6,956	7,401
Others	0	52	38	93	82	110	108	108	108
Capital Employed	**7,095**	**7,377**	**8,503**	**10,057**	**10,939**	**10,896**	**10,751**	**11,309**	**11,809**
Gross Block	9,619	11,910	12,049	14,411	16,749	18,098	19,332	21,338	23,204
Less: Accum. Depn.	2,986	4,507	5,456	6,410	7,356	9,035	10,701	12,510	14,493
Net Fixed Assets	**6,634**	**7,404**	**6,593**	**8,000**	**9,393**	**9,460**	**8,632**	**8,827**	**8,712**
RTU	3,546	4,015	3,617	4,878	5,556	5,334	5,375	5,200	5,037
Capital WIP	159	109	60	212	273	47	47	47	47
Goodwill	190	723	723	723	723	897	897	897	897
Investments	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	0	0	0	0
Curr. Assets, L&A	**1,209**	**1,319**	**4,002**	**2,478**	**2,200**	**2,368**	**3,086**	**3,605**	**4,376**
Inventory	193	149	202	358	421	387	411	458	505
Account Receivables	49	22	26	57	74	267	68	76	84
Cash and Bank Balance	120	147	2,455	853	426	360	1,225	1,661	2,350
Others	847	1,001	1,319	1,210	1,280	1,355	1,382	1,410	1,438
Curr. Liab. and Prov.	**1,057**	**2,167**	**2,855**	**1,356**	**1,647**	**1,783**	**1,817**	**1,974**	**2,129**
Other Current Liabilities	141	894	1,237	199	227	390	402	414	426
Creditors	768	1,125	1,468	988	1,235	1,181	1,198	1,335	1,472
Provisions	148	148	150	168	185	212	218	225	232
Net Curr. Assets	**152**	**-848**	**1,147**	**1,122**	**553**	**586**	**1,269**	**1,631**	**2,247**
Current tax liabilities	-40	-11	-20	0	-4	-94	-94	-94	-94
Appl. of Funds	**7,095**	**7,377**	**8,503**	**10,057**	**10,939**	**10,896**	**10,751**	**11,309**	**11,809**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Basic (INR)									
EPS	**-3.9**	**-17.6**	**-27.7**	**-6.6**	**3.9**	**-2.9**	**-2.1**	**0.0**	**1.4**
BV/Share	47.0	2.1	71.9	99.2	102.9	100.6	98.5	98.5	99.9
Valuation (x)									
P/E	N/M	N/M	N/M	N/M	78.6	N/M	N/M	N/M	219.4
EV/Sales	1.9	1.9	2.8	2.0	1.5	1.5	0.9	0.8	0.7
EV/EBITDA	9.8	9.6	30.3	12.9	8.0	8.8	5.3	4.4	3.7
P/BV	6.6	146.2	4.3	3.1	3.0	3.1	3.1	3.1	3.1
Return Ratios (%)									
RoE	-8.3	-833.5	-38.5	-6.7	3.8	-2.8	-2.1	0.0	1.4
RoCE	-28.5	5.6	-3.0	2.8	6.2	4.5	4.5	7.4	6.1
RoIC	-28.7	5.2	-9.4	0.7	6.2	3.4	3.5	6.9	6.0
Working Capital Ratios									
Debtor (Days)	2	1	2	2	2	8	2	2	2
Inventory (Days)	10	6	15	15	12	11	12	12	12
Creditor (Days)	38	48	106	42	37	34	35	35	35
Asset Turnover (x)	1.0	1.1	0.6	0.9	1.1	1.2	1.2	1.2	1.3
Leverage Ratio									
Debt/Equity (x)	1.2	41.4	0.6	0.1	0.0	0.1	0.1	0.1	0.1

Cash Flow Statement **(INR m)**

Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
OP/(loss) before Tax	-295	-251	-1,115	-321	257	-140	-109	0	74
Int./Div. Received	207	-149	-412	-137	28	7	-175	-165	-180
Depreciation & Amort.	1,022	1,340	1,212	1,273	1,450	1,679	1,666	1,810	1,982
Interest Paid	-488	-659	-739	-500	-559	-597	-753	-820	-872
Direct Taxes Paid	143	78	-12	31	57	-29	-27	0	19
Inc/(Dec) in WC	57	-291	-244	686	-38	-35	-182	-73	-73
CF from Operations	**1,223**	**1,811**	**679**	**598**	**2,276**	**2,206**	**2,345**	**2,538**	**2,802**
Inc/(Dec) in FA	-1,299	-840	-143	-932	-1,459	-874	-594	-925	-866
Free Cash Flow	**-76**	**971**	**536**	**-334**	**817**	**1,331**	**1,751**	**1,613**	**1,936**
Others	7	-678	71	30	-59	-185	307	165	180
Pur of Investments	0	0	0	0	0	0	0	0	0
CF from Invest.	**-1,292**	**-1,518**	**-72**	**-902**	**-1,518**	**-1,059**	**-288**	**-760**	**-686**
Issue of Shares	320	1	1,495	1,844	15	22	0	0	0
Incr in Debt	302	876	73	-1,310	-22	177	0	0	0
Dividend Paid	-34	-34	0	0	0	0	0	0	0
Others	-836	-1,109	133	-1,832	-1,179	-1,410	-1,193	-1,341	-1,427
CF from Fin. Activity	**-247**	**-265**	**1,700**	**-1,298**	**-1,186**	**-1,211**	**-1,193**	**-1,341**	**-1,427**
Incr/Decr of Cash	**-316**	**27**	**2,308**	**-1,602**	**-428**	**-65**	**864**	**436**	**689**
Add: Opening Balance	436	120	147	2,455	853	426	361	1,225	1,661
Closing Balance	**120**	**147**	**2,455**	**853**	**426**	**361**	**1,225**	**1,661**	**2,350**

E: MOFSL Estimates

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL),NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the"1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act of Singapore .Accordingly, if a Singapore person is not, or ceases to be, such an investor, they must immediately discontinue any use of this Report and inform MOCMSPL .

.

Specific Disclosures

1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
5 Research Analyst has not served as director/officer/employee in the subject company
6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com