

**India**
**ADD** (Initiating coverage)

Consensus ratings*:	Buy 0 Hold 0 Sell 0
Current price:	Rs251
Target price:	Rs369
Previous target:	NA
Up/downside:	47.0%
EIP Research / Consensus:	47.0%
Reuters:	
Bloomberg:	SDB IN
Market cap:	US\$236m Rs19,389m
Average daily turnover:	US\$2.1m Rs172.1m
Current shares o/s:	77.3m
Free float:	66.9%

\*Source: Bloomberg



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	22.7	86.6	303.4
Relative (%)	20.5	71.3	234.2

Major shareholders	% held
Promoter & Promoter Group	33.1
	0.0
	0.0


**Analyst(s)**

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# Som Distilleries & Breweries Ltd

## All set to rock riding on its Hunter beer brand

- Strong demand as well as growth in the beer industry will turn the fortunes of well-run breweries, with expansion benefits set to kick in.
- We believe SDBL has a dominant position in Madhya Pradesh, which will serve as a launch pad for the company's national footprint.
- We initiate coverage on the stock with an ADD rating and a target price of Rs369 or 30x FY25F EPS.

### Strong industry tailwinds for beer post Covid-19 pandemic slump

India is one of the most lucrative markets for liquor with an increasingly young and dynamic population. However, the Indian market is dominated by the spirits or IMFL & IMIL (Indian Made Foreign Liquor and Indian Made Indian Liquor), while the rest of the world is heavily skewed towards the beer segment. The beer segment witnessed the highest growth over CY10-19 at 8% CAGR, but consumption rapidly dropped during the Covid-19 pandemic years by 50% to ~200m cases. The industry bounced back in FY23 to ~350m cases, but we feel it is likely to grow at a 13% CAGR and hit a record 450m cases in FY25F.

### Dominance in MP market with seeding multiple in other markets

Som Distilleries and Breweries or SDBL, a company based in Madhya Pradesh or MP, has deep roots in the state. It has achieved the highest market share over the years in the state. The second phase of expansion took place in Karnataka and Odisha to capture market share in these states. The third phase of expansion, in our view, will see the company emerge as a formidable national player.

### Beer brands - Kingfisher (UBL) vs. Hunter (SDBL) vs. Monkey (Bira)

United Breweries (UBL) is the leading player in the beer market in India with a market share of over 50% in FY23. B9 Beverages Pvt Ltd (known by its first brand Bira) is the most talked about beer/liquor company in India. The valuations of UBL and Bira are quite different when compared with SDBL. We have concluded, after a comparison of these three entities, that the valuation assigned by us to SDBL is quite reasonable.

### Valuation and risks

We have initiated coverage on SDBL, valuing it at 30x FY25F EPS to arrive at our target price of Rs369 and assigned an ADD rating to it. Downside risks: There are two types of risks in the liquor industry – raw material-related risk and regulatory risk. Raw material risk: Prices of SDBL's products are normally set once a year and hence, any sudden spurt in raw material cost cannot be passed on over the short- to medium-term. Regulatory risk: Liquor is a state subject in India and the whole value chain via taxes, including the sale of liquor itself, is subject to regulations. SDBL faces market concentration risk, but the same is on the path to reduction after the addition of Karnataka and Odisha markets. The concentration risk is likely to be completely mitigated, in our view, after the third phase of expansion.

Financial Summary	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue (Rsm)	3,628	8,067	10,870	13,062	15,665
Operating EBITDA (Rsm)	169	1,021	1,359	1,698	2,036
Net Profit (Rsm)	(99)	603	702	949	1,191
Core EPS (Rs)	(1.5)	8.4	9.3	12.3	16.8
Core EPS Growth	(81.3%)	(674.8%)	10.8%	32.2%	36.8%
FD Core P/E (x)	(171.92)	29.91	27.00	20.42	14.93
DPS (Rs)	0.0	0.0	0.0	0.9	1.2
Dividend Yield	0.00%	0.00%	0.36%	0.49%	0.74%
EV/EBITDA (x)	110.30	19.91	15.01	11.97	9.60
P/FCFE (x)	189.84	(49.55)	27.60	40.59	(20.80)
Net Gearing	58.2%	61.2%	32.9%	17.7%	28.2%
P/BV (x)	6.06	4.93	4.40	3.69	2.55
ROE	(3.4%)	18.1%	17.2%	19.7%	20.6%
% Change In Core EPS Estimates					
InCred Research/Consensus EPS (x)					

SOURCES: INCRED RESEARCH, COMPANY REPORTS

# All set to rock riding on its Hunter beer brand

## Strong industry tailwinds

### India is one of the fastest-growing alcohol beverage markets in the world ➤

India is one of the fastest-growing alcohol beverage markets in the world, growing from a small base of 1.3L per capita of recorded consumption of pure alcohol in 2005 to 2.7L per capita consumption in 2010, and further to 3.0L per capita consumption in 2020. Positive demographic factors, including more than 10m people added every year to the population eligible for drinking, make it one of the most attractive markets for alcoholic beverages (Source: Technopak).

SDBL's key brand



Figure 1: Recorded per capita consumption of pure alcohol (in L)

Country	CY05	CY10	CY20	CY25F	CAGR		
					CY05-10	CY10-20	CY20-25F
India	1.3	2.7	3.0	3.2	17.0%	0.8%	1.7%
China	2.9	5.8	4.2	3.6	15.0%	-3.0%	-3.0%
USA	8.6	8.6	8.9	9.2	0.0%	0.4%	0.5%
World average	4.4	4.7	4.8	4.8	0.7%	0.0%	1.2%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

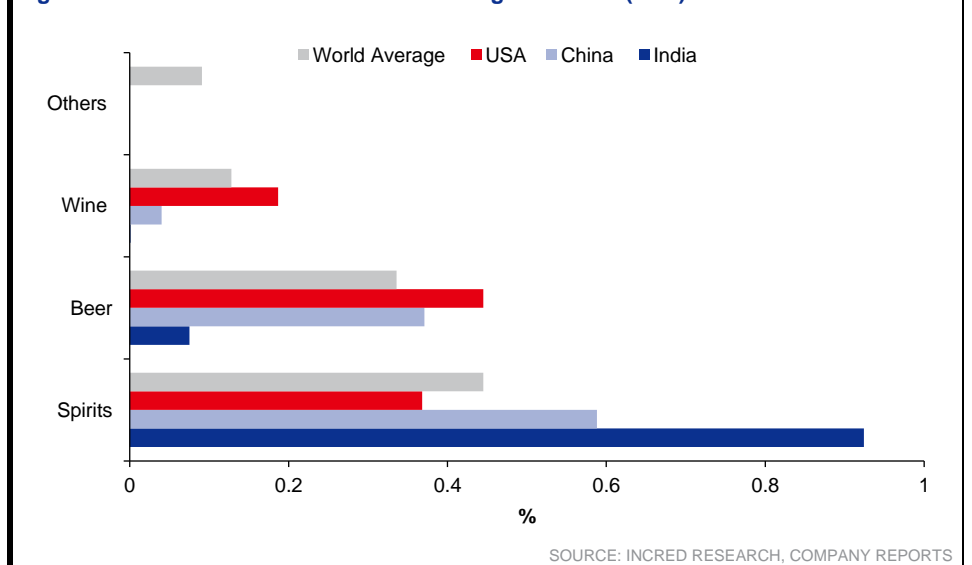
### The world prefers beer ➤

India is a spirits' market with more than 90% of the alcohol consumed in the form of spirits. The per capita consumption of spirits in India is one of the highest among the top economies of the world.

SDBL's upcoming brand

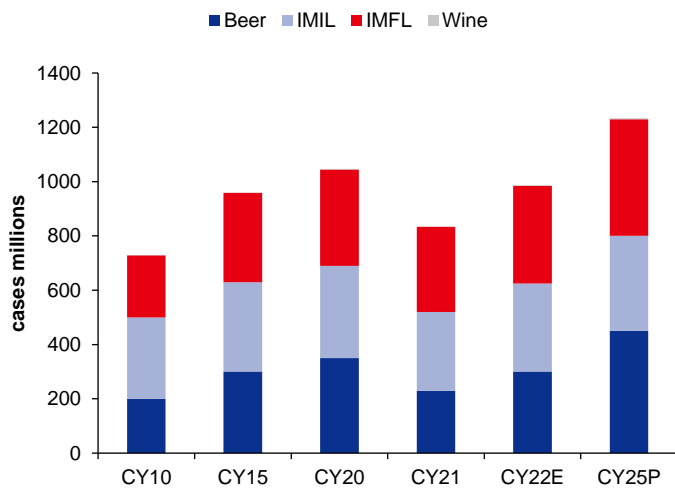


Figure 2: Share of different alcoholic beverages in CY21 (in %)



However, beer has shown a consistent growth in volume since 2005 with its volume topping 350m cases in FY20. Given the low per capita consumption of beer in India as compared to developed countries in the world, beer consumption in India will continue to grow. As per the World Health Organization or WHO, almost one-third of pure alcohol consumption in the world is in the form of beer whereas in case of India, it is less than 10%. Indian beer market is traditionally a strong beer market with close to 85% of the consumers preferring strong beer. The premium range of beers in both strong and light beer categories is driving the growth of beer market in India. The industry has evolved from manufacturing standard beers such as strong and lager beer to flavoured and variety beers, in line with the trend in other developed countries.

Figure 3: Market segment growth (in m cases)



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: CAGRs of different segments

Growth - CAGR	Beer	IMIL	IMFL	Wine
CY10-CY15	8%	2%	8%	7%
CY15-CY20	3%	1%	2%	3%
CY22-CY25F	14%	3%	6%	11%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## Dominant position in Madhya Pradesh market

### Home market performance is excellent >

SDBL's popular segment brand



According to Madhya Pradesh government data, SDBL has been enjoying a total market share of ~40% in the state since FY16.

The state's excise policy has also favoured the segment by allowing IMIL (Indian Made Indian Liquor) shops to sell beer, increasing the point-of-sales for beer and adding a segment of the population to potential beer consumers. What is important to note is that IMIL is the largest liquor segment in the state. According to our calculations based on a study of various state government documents, Madhya Pradesh accounted for 3.5% of India's beer market in FY22.

However, being present in only one state exposed the company to major market regulation risks, but that changed in FY19 with the commencement of production in Odisha and Karnataka markets.

SDBL turned the Madhya Pradesh market into a cash cow to foray into two other states – Odisha and Karnataka.

### Karnataka market >

According to our calculations based on a study of various state government documents, Karnataka accounted for ~10% of India's beer market in FY22. Karnataka was a major stepping stone for the company, as it is now the gateway to South India, the largest liquor-consuming region in the country. Karnataka market itself is approximately three times the size of Madhya Pradesh beer market, thereby providing ample scope for growth. With full utilization of beer capacity in the state, SDBL is all set to garner over 10% market share, and we expect the same to grow rapidly to 20% over the next couple of years.

### Odisha market >

According to our calculations based on a study of various state government documents, Odisha's beer market is smaller when compared with Madhya Pradesh, accounting for ~3% of the beer market in India in FY22. However, like Karnataka is a gateway to the southern region, Odisha is the gateway to the eastern region. The current beer capacity in the state will allow the company to capture ~30% market share. It is interesting to note that the share of mild beer is rapidly going up in the state as it turns into a popular tourist destination.

### Multiple seeding >

SDBL registered increased beer sales in Karnataka and Odisha from its plants in Madhya Pradesh before setting up the manufacturing facilities in these two states and hence, reduced the risk of product acceptance. However, the same was done at a regulatory disadvantage of moving its products from the manufacturing state of Madhya Pradesh for sale in Odisha and Karnataka, thereby paying multiple state duties.

The next move of SDBL, in our view, is to move to Kerala in the southern region and Maharashtra in the western region. However, like all other liquor barons, Uttar Pradesh too figures on the company's list.

- With the company's sales now split between three different states in three different regions of India, the regulatory risk reduces significantly but is not completely mitigated. This is likely to happen only after the third phase of expansion.

SDBL's key IMFL brand





## Key brands – Kingfisher (UBL) vs Hunter (SDBL) vs Monkey (Bira)

### Kingfisher aka UBL ▶

It is the undisputed market leader with a national market share of more than 50% in FY23. United Breweries or UBL has 60% of the total manufacturing capacity for beer in India. UBL is controlled by Heineken N.V., which owns a majority stake in the company. Heineken is a Dutch multinational brewing company, founded in 1864, by Mr. Gerard Adriaan Heineken in Amsterdam. As of CY19-end, Heineken owns over 165 breweries in more than 70 countries. It produces 348 international, regional, local and speciality beers and ciders and employs approximately 85,000 people.

Heineken's annual global beer production stood at 24.14bnL in CY19 with a revenue of 23.894bn euros.

After the merger of two large breweries in the world - Anheuser-Busch InBev and SABMiller - in Oct 2016, Heineken has turned into the second-largest brewery in the world.

### Why bother about Kingfisher? ▶

- 1) UBL is the king of beers in India, which is owned by Heineken, an international giant.
- 2) SDBL has no choice but to compete with UBL.
- 3) The valuation assigned to UBL is on a much higher side when compared to the valuation assigned by us to SDBL.

### Valuation of UBL vs. SDBL ▶

- As a public listed company with a market capitalization of Rs392bn as of date, UBL trades at consensus P/E of 70x and 47x EPS for FY24F and FY25F, respectively.
- In our view, the P/E multiple assigned to SDBL of 30x FY25F EPS, at a discount to UBL, is justified, given the lack of the same scale as UBL.
- However, the superior growth rate of SDBL does not justify a multiple below 30x FY25F EPS, in our view.
- Interestingly, in Madhya Pradesh, the home state of SDBL, the company outdid UBL for the state's crown.
- However, it is important to note the performance of SDBL in other states (outside the home market of Madhya Pradesh) before the P/E multiples of the two companies converge.

Figure 5: Key beer brands of UBL



SOURCE: INCRED RESEARCH, COMPANY REPORTS

*Bira's rising brand**BIRA's Logo***Bira aka B9 Beverages ▶**

B9 Beverages Pvt Ltd (popularly known by its first brand, Bira) was founded by Mr. Ankur Jain, an entrepreneur who moved from India to the US in 1998. Mr. Jain completed his degree in Computer Science from Illinois Institute of Technology, Chicago. He briefly worked with Motorola before starting his first venture in healthcare revenue management in New York, which was later sold to an undisclosed healthcare provider network in 2007. Mr. Jain moved back to India and started his first beer venture in 2008 - which was importing traditional craft beers from Europe and the US to India. B9 Beverages Pvt Ltd launched Bira 91 beer in early 2015. After the initial success, the company began manufacturing the beer in India with the same ingredients.

**Why bother about Bira? ▶**

- 1) Bira is the most talked about beer/liquor company globally.
- 2) The competition from Bira is real.
- 3) The valuation assigned to Bira is quite different, to put it mildly, compared to SDBL.

**Valuation of Bira vs. SDBL ▶**

B9 Beverages Pvt Ltd (Bira) –

- Mr. Jain raised US\$1.5m from a group of friends when he initially started B9 Beverages Pvt. Ltd.
- In Jan 2016, B9 Beverages Pvt Ltd received its first round of funding with US\$6 m (Rs0.4bn) from Sequoia Capital. This Series A funding also saw the participation from angel investors of India like Mr. Kunal Bahl and Mr. Rohit Bansal (co-founders - Snapdeal), Mr. Deepinder Goyal (Zomato), Mr. Ashish Dhawan (Chryscapital) and Mr. Mayank Singhal. Click [here](#) for details.
- In 2018, the company raised a further sum of US\$50m from Sofina, a Belgian family-owned fund and its existing investors. Click [here](#) for details.
- In May 2019, the company raised a sum of US\$4.3m from Sixth Sense Ventures in its Pre-Series C round. Click [here](#) for details.
- The company raised US\$10m in debt funding to increase its production capacity from 400,000 cases to 1.7m cases. Click [here](#) for details.
- In Jan 2021, it raised US\$30m from Japan's Kirin Holdings. Click [here](#) for details.
- In Nov 2021, it raised a further US\$70m from Kirin Holdings. Click [here](#) for details.
- According to the company's regulatory filing with the Registrar of Companies (RoC), its board passed a special resolution to issue 78,04,356 Series D compulsory convertible preference shares (CCPS) to Kirin Holdings Singapore Pte Ltd at a price of Rs718 per share to raise Rs5.6bn or US\$70m.
- As per Fintrackr's estimates, the company has been valued at around Rs 43.18bn or US\$540m (post-money) in Dec 2022.
- After the Series D round, the existing backer, Kirin Holdings, increased its stake in the company to 21.25% while Sequoia Capital remains the largest stakeholder with 24.83%. Founder and CEO – Mr. Jain diluted his stake to 6.66% followed by Sofina Ventures, which owns a 6.29% stake.
- For FY22, the company reported Rs7,188m in revenue, but the excise duty was Rs3,267m, resulting in net sales staying at Rs3,921m. The bottom line for FY22 was a loss of Rs3,960m. Click [here](#) for details.
- Hence, the multiple for a loss-making company is ~14 times its FY22 sales.
- In our view, the sales multiple assigned to SDBL at ~2x FY25F, at a discount to Bira, is a cautious approach.

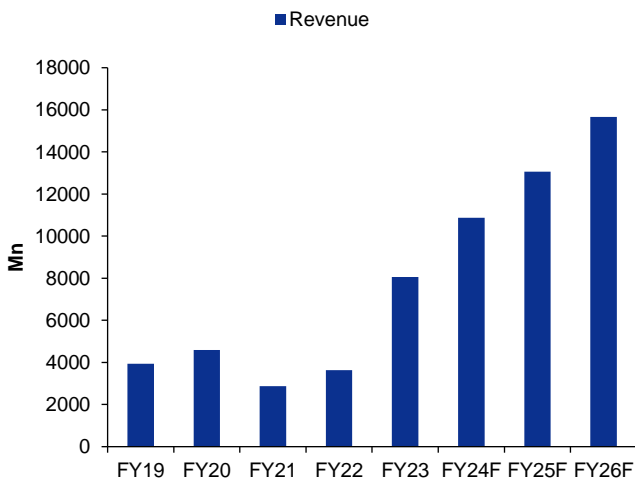
## Earnings growth

### Revenue and earnings growth ➤

In our view, SDBL will clock a revenue CAGR of 27% over FY23-25F, compared to a (3)% CAGR over FY19-22. We believe the growth will be led by a revision in realization and volume growth post expansion. The company’s beer & IMFL volume, in our view, will post ~24% CAGR over FY23-25F.

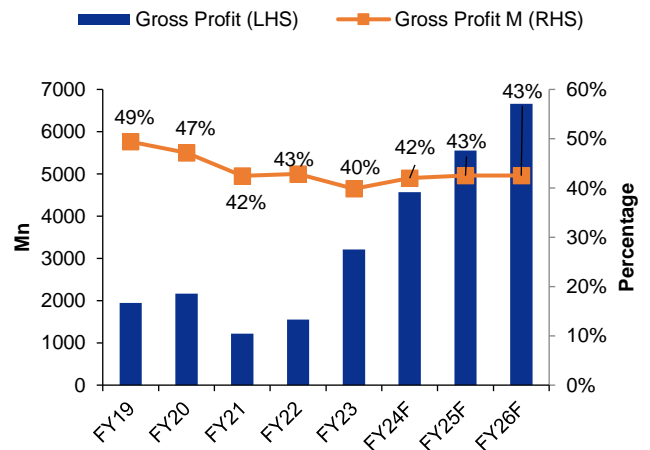
The gross profit margin, in our view, will stabilize at 43% over the coming years as SDBL continues to expand. The company has achieved a 50% gross profit margin in the past, but at that point of time it was in business only in Madhya Pradesh, where the glass bottle efficiency was achieved over time.

**Figure 6: Revenue growth, in our view, will be at a CAGR of 27% over FY23-25F, compared to a -3% CAGR over FY19-22**



SOURCE: INCRED RESEARCH, COMPANY REPORTS

**Figure 7: Gross profit growth, in our view, will be at a CAGR of 31% over FY23-25F, compared to a (7)% CAGR over FY19-21**

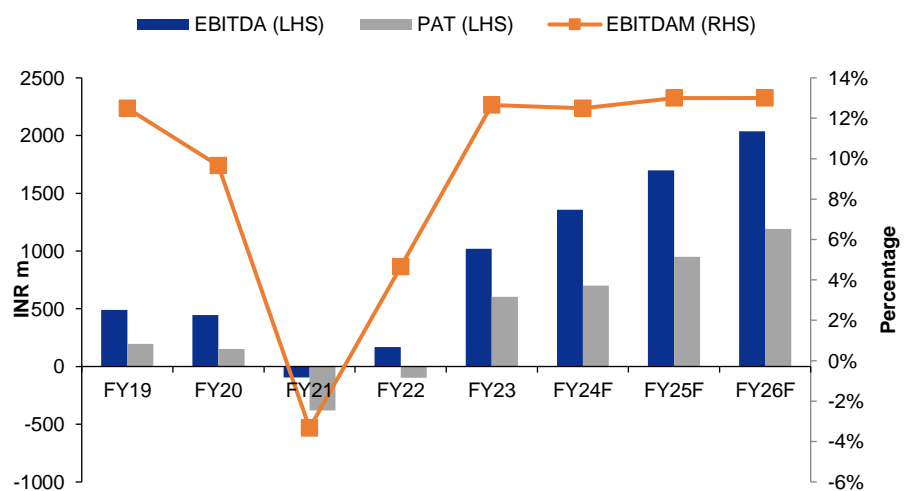


SOURCE: INCRED RESEARCH, COMPANY REPORTS

EBITDA growth is expected to be at a 29% CAGR over FY23-FY25F, higher than sales growth, because of higher realization going ahead.

PAT growth is expected to be at a 25% CAGR over FY23-25F, lower than revenue and EBITDA growth, due to an abnormally low tax rate (14%) in FY23 due to carried-forward losses.

**Figure 8: EBITDA and PAT, in our view, will post a CAGR of 29% and 14%, respectively, over FY23-25F**



SOURCE: INCRED RESEARCH ESTIMATES, COMPANY REPORTS

SDBL’s margins are dictated by its gross profit which, in turn, is heavily influenced by the prices of raw materials and realization per case of liquor sold.

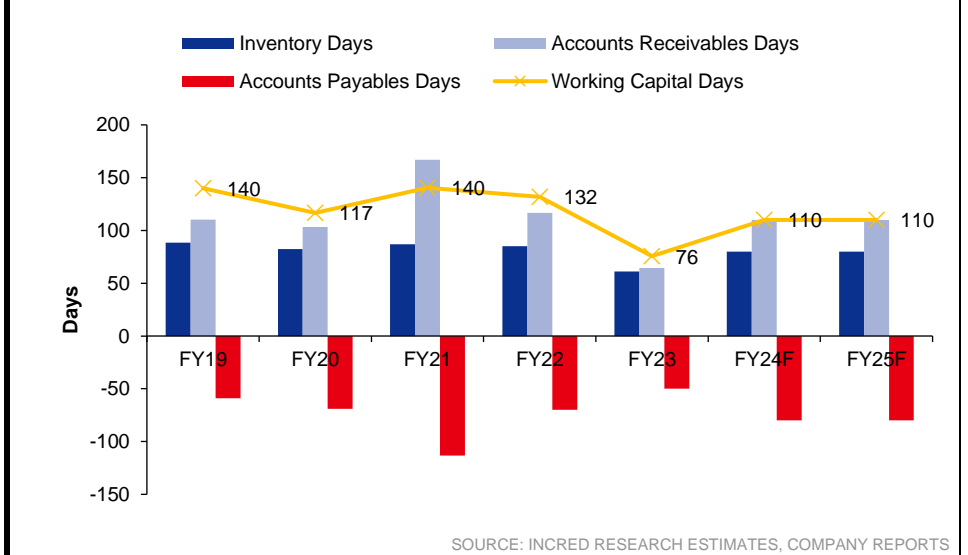
**Key assumptions** ➤

Beer sales volume to grow by 24% and IMFL volume by 17%.

**Cash flow movement** ➤

Working capital days to steadily increase from 76 days in FY23 to 110 days in FY24F, in our view, mostly due to expansion and rapidly expanding sales.

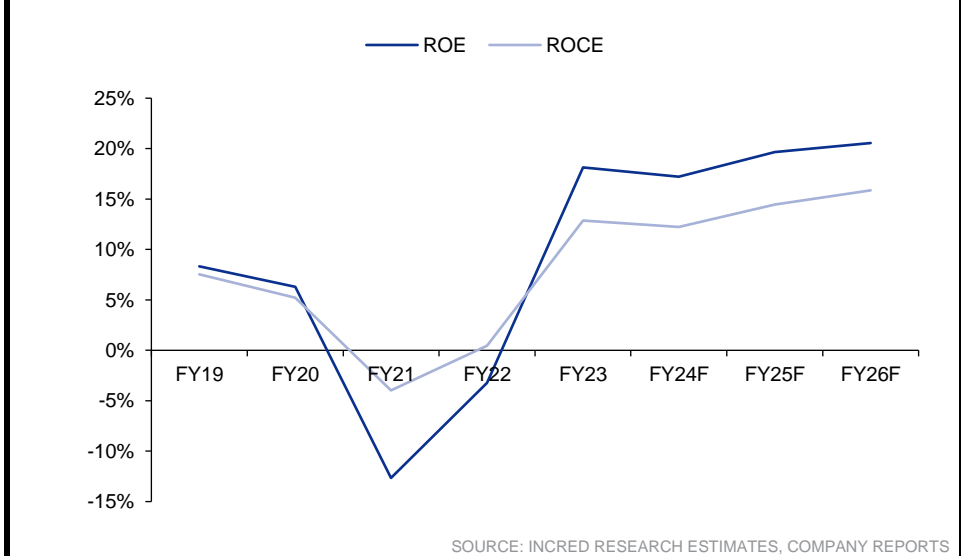
**Figure 9: Working capital days set to increase in FY24F/25F**



**Return ratios** ➤

We estimate SDBL’s return ratios to improve significantly on the back of healthy utilization of assets by FY24F, compared to a dip due to heavy capex and also due to the Covid-19 pandemic in the earlier years. The improvement in return ratios is likely to be driven by higher asset utilization and better realization in end-products. The RoE to improve to beyond 22%, once the rapid sales growth normalizes, as beer bottles will be reused more often.

**Figure 10: Return ratios set to improve**





## Valuation & risks

### Valuation ➤

- SDBL stock trades at a P/E of 20x FY25F EPS.
- In our view, SDBL is one of the fastest-growing beer manufacturers, rapidly expanding into the IMFL business, and is likely to become a beer giant in terms of volume and value.
- The company moved from a major single-state player (Madhya Pradesh) to a tri-state player (after adding Karnataka and Odisha) and is expected to add more states in the third phase.
- We initiate coverage on SDBL with an ADD rating and a target price of Rs369 based on a P/E of 30x FY25F EPS.
- SDBL traded at a P/E of over 30x pre-Covid, but at that point it was a single-state player. We have assigned an ADD rating to the stock due to capacity expansion that will help in generating even better growth. We have assigned a P/E multiple of 30x FY25F EPS to SDBL to arrive at our target price of Rs369. We justify the premium purely based on revenue diversification.
- We believe the valuation is justified, given i) the structural change in the industry leading to better realization, and ii) addition of multiple markets, reducing concentration risk.

Figure 11: One-year forward P/E



Figure 12: Peer comparison

Company	Bloomberg Ticker	Closing Price (LC)	Target Price (LC)	% Upside	Rating	Market Cap (INR m)	EPS			ROE%			P/E		
							FY23	FY24F	FY25F	FY23	FY24F	FY25F	FY23	FY24F	FY25F
United Spirits Ltd	UNSP IN	894	NA	NA	NR	64,11,98	16.1	14.85	18.26	19.4%	16.8%	18.0%	55.5	60.2	49.0
United Breweries Ltd	UBBL IN	1,508	NA	NA	NR	3,92,027	10.6	21.2	31.3	7.7%	14.2%	17.9%	142.3	71.2	48.2
Radico Khaitan Ltd	RDCK IN	1,217	NA	NA	NR	1,59,533	15.29	22.93	31.83	9.9%	12.8%	15.7%	79.6	53.1	38.2
Sula Vineyards Ltd	SULA IN	469	NA	NA	NR	39,662	9.97	11.18	13.39	18.1%	16.7%	17.8%	47.0	41.9	35.0
Tilaknagar Inds Ltd	TLNGR IN	146	NA	NA	NR	27,274	11.02	NA	NA	48.6%	NA	NA	13.2	NA	NA
Globus Spirits Ltd	GBSL IN	1,275	3,014	136%	ADD	36,452	46	120.6	140.5	15.9%	32.8%	28.6%	27.7	10.6	9.1
Som Dist. & Brew. Ltd	SDB IN	257	366	42%	ADD	19,396	8.17	9.08	12.29	18.1%	17.2%	19.7%	31.4	28.3	20.9

SOURCE: INCRED RESEARCH ESTIMATES

NOTE: PRICES AS OF 22ND JUN 2023, NA= NOT APPLICABLE, NR= NON-RATED

**Risks** ➤

**Industry -**

- Regulatory risk: Liquor business in India is widely a state subject and the whole value chain through taxes, including the sale of liquor itself, is subject to regulations.
- Raw material risk: As the pricing, in most cases, for the products of the company are state-regulated, any rise in raw material prices cannot be passed on to the consumers immediately.

**Company -**

Market concentration: The company faces market concentration risk, but the same is on the path to reduction post addition of Karnataka and Odisha markets. The concentration risk is likely to be completely mitigated, in our view, after the third phase of expansion.

**Business description and management profile**

**Company profile** ➤

Som Distilleries & Breweries (SDBL) is based at Bhopal in Madhya Pradesh, and it is one of the leading alcoholic beverage manufacturers in India. SDBL is primarily engaged in the production of beer and blending and bottling of IMFL. SDBL offers a broad portfolio of products at every price point to cater to varied preferences of consumers. The product portfolio consists of various options across beer, rum, brandy, vodka and whisky categories. The company’s flagship brands include Hunter, Black Fort, Power Cool and Woodpecker in the beer segment and Pentagon, Milestone 100 whisky and White Fox vodka in the IMFL segment. Other popular IMFL brands of SDBL include Legend, Genius, Sunny, Gypsy and Blue Chip. With around 90% of the topline coming from beer, the company has three key millionaire brands - Hunter, Black Fort and Power Cool. Hunter and Woodpecker brands are supplied as draught beer to all major hotels in Madhya Pradesh. The company has recently launched Woodpecker wheat beer, India’s first filtered wheat beer.

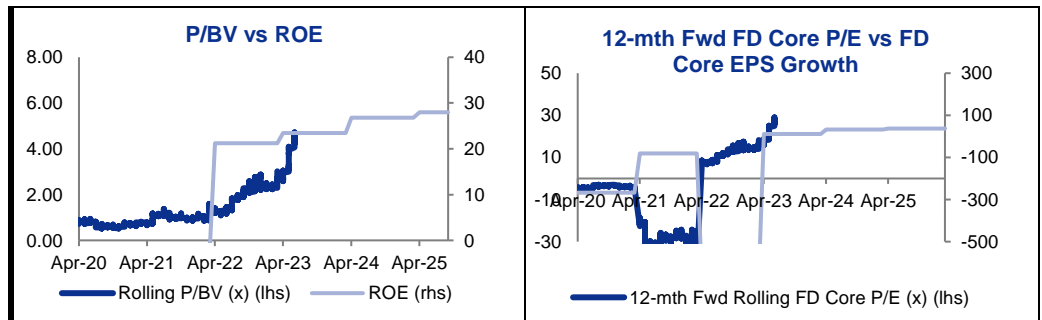
**Management** ➤

**Figure 13: Key management profile**

Name	Designation	Profile
Mr. Jagdish Kumar Arora	Chairman and Managing Director	Mr. J.K. Arora is the founder-promoter of SDBL. It was under his leadership that the company was established and it’s where it is today.
Mr. Deepak Arora	Joint Managing Director	Mr. Deepak Arora holds an MBA degree from Indian School of Business, Hyderabad. He has been instrumental in foreseeing expansion and the launch of new products.
Mr. Nakul Kam Sethi	Whole-time Director	Mr. N.K. Sethi is an eminent banker with experience in commercial, investment and corporate banking across India, Australia and the Middle East. He has been instrumental in the growth of the company over the past decade.

SOURCE: INCRED RESEARCH

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
<b>Total Net Revenues</b>	<b>3,628</b>	<b>8,067</b>	<b>10,870</b>	<b>13,062</b>	<b>15,665</b>
<b>Gross Profit</b>	<b>1,554</b>	<b>3,214</b>	<b>4,565</b>	<b>5,551</b>	<b>6,658</b>
<b>Operating EBITDA</b>	<b>169</b>	<b>1,021</b>	<b>1,359</b>	<b>1,698</b>	<b>2,036</b>
Depreciation And Amortisation	(168)	(170)	(195)	(215)	(243)
<b>Operating EBIT</b>	<b>1</b>	<b>851</b>	<b>1,164</b>	<b>1,483</b>	<b>1,793</b>
Financial Income/(Expense)	(127)	(146)	(209)	(191)	(173)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)					
<b>Profit Before Tax (pre-EI)</b>	<b>(126)</b>	<b>704</b>	<b>955</b>	<b>1,292</b>	<b>1,620</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>(126)</b>	<b>704</b>	<b>955</b>	<b>1,292</b>	<b>1,620</b>
Taxation	27	(101)	(253)	(342)	(429)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>(99)</b>	<b>603</b>	<b>702</b>	<b>949</b>	<b>1,191</b>
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>(99)</b>	<b>603</b>	<b>702</b>	<b>949</b>	<b>1,191</b>
Recurring Net Profit	(99)	603	702	949	1,191
<b>Fully Diluted Recurring Net Profit</b>	<b>(99)</b>	<b>603</b>	<b>702</b>	<b>949</b>	<b>1,191</b>

Cash Flow

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
<b>EBITDA</b>	<b>169</b>	<b>1,021</b>	<b>1,359</b>	<b>1,698</b>	<b>2,036</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	67	(887)	90	(387)	(589)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow					
Net Interest (Paid)/Received	(127)	(146)	(209)	(191)	(173)
Tax Paid	31		(253)	(342)	(429)
<b>Cashflow From Operations</b>	<b>140</b>	<b>(12)</b>	<b>987</b>	<b>778</b>	<b>845</b>
Capex	68	(994)	(100)	(100)	(1,500)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow					
<b>Cash Flow From Investing</b>	<b>68</b>	<b>(994)</b>	<b>(100)</b>	<b>(100)</b>	<b>(1,500)</b>
Debt Raised/(repaid)	(119)	642	(200)	(200)	(200)
Proceeds From Issue Of Shares		19	17		
Shares Repurchased					
Dividends Paid	7		(70)	(95)	(119)
Preferred Dividends					
Other Financing Cashflow	154	(160)	(209)	(191)	(173)
<b>Cash Flow From Financing</b>	<b>42</b>	<b>502</b>	<b>(462)</b>	<b>(486)</b>	<b>(492)</b>
Total Cash Generated	250	(505)	425	192	(1,147)
<b>Free Cashflow To Equity</b>	<b>89</b>	<b>(364)</b>	<b>687</b>	<b>478</b>	<b>(855)</b>
<b>Free Cashflow To Firm</b>	<b>362</b>	<b>(847)</b>	<b>1,096</b>	<b>869</b>	<b>(482)</b>

SOURCES: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

<b>Balance Sheet</b>					
<b>(Rs mn)</b>	<b>Mar-22A</b>	<b>Mar-23A</b>	<b>Mar-24F</b>	<b>Mar-25F</b>	<b>Mar-26F</b>
Total Cash And Equivalents	95	126	775	1,092	41
Total Debtors	1,158	1,421	1,915	2,302	2,760
Inventories	845	1,353	1,823	2,190	2,627
Total Other Current Assets	586	994	326	261	313
<b>Total Current Assets</b>	<b>2,684</b>	<b>3,895</b>	<b>4,840</b>	<b>5,846</b>	<b>5,741</b>
Fixed Assets	4,059	3,911	4,788	4,672	5,929
Total Investments					
Intangible Assets					
Total Other Non-Current Assets	251	1,313	326	392	470
<b>Total Non-current Assets</b>	<b>4,310</b>	<b>5,224</b>	<b>5,114</b>	<b>5,064</b>	<b>6,399</b>
Short-term Debt	668	825	725	625	525
Current Portion of Long-Term Debt				1	2
Total Creditors	2,250	2,340	2,723	3,023	3,379
Other Current Liabilities	47	481	481	481	481
<b>Total Current Liabilities</b>	<b>2,965</b>	<b>3,647</b>	<b>3,930</b>	<b>4,130</b>	<b>4,387</b>
Total Long-term Debt	1,112	1,597	1,497	1,397	1,297
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
<b>Total Non-current Liabilities</b>	<b>1,112</b>	<b>1,597</b>	<b>1,497</b>	<b>1,397</b>	<b>1,297</b>
Total Provisions	21	121	124	127	130
<b>Total Liabilities</b>	<b>4,098</b>	<b>5,365</b>	<b>5,551</b>	<b>5,654</b>	<b>5,813</b>
Shareholders Equity	2,896	3,754	4,403	5,257	6,329
Minority Interests					
<b>Total Equity</b>	<b>2,896</b>	<b>3,754</b>	<b>4,403</b>	<b>5,257</b>	<b>6,329</b>

<b>Key Ratios</b>					
	<b>Mar-22A</b>	<b>Mar-23A</b>	<b>Mar-24F</b>	<b>Mar-25F</b>	<b>Mar-26F</b>
Revenue Growth	26.1%	122.4%	34.8%	20.2%	19.9%
Operating EBITDA Growth	(276.2%)	504.8%	33.1%	25.0%	19.9%
Operating EBITDA Margin	4.7%	12.7%	12.5%	13.0%	13.0%
Net Cash Per Share (Rs)	(24.07)	(31.12)	(18.72)	(12.04)	(27.70)
BVPS (Rs)	41.38	50.89	56.99	68.05	98.30
Gross Interest Cover	0.01	5.33	5.57	7.76	10.37
Effective Tax Rate		14.4%	26.5%	26.5%	26.5%
Net Dividend Payout Ratio			7.3%	7.3%	7.3%
Accounts Receivables Days	124.41	58.36	56.02	58.92	58.97
Inventory Days	134.62	82.66	91.92	97.52	97.61
Accounts Payables Days	139.61	67.52	74.90	79.45	79.52
ROIC (%)		18.5%	18.9%	24.8%	28.4%
ROCE (%)		15.5%	17.9%	21.0%	22.9%
Return On Average Assets		10.6%	12.2%	14.2%	15.6%

SOURCES: INCRED RESEARCH, COMPANY REPORTS

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