Management Meet Note
Aditya Vision Ltd

nuvama professional clients group

Aggressive expansion to drive future performance

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CMP INR 1509

Rating: Not Rated

Date: January 05, 2023

We met the management of Aditya Vision Ltd (AVL) to get a perspective of the company's business and future strategies. AVL is a modern multi-brand consumer electronics retail chain headquartered in Patna, Bihar. AVL's journey started with a single retail store in 1999. As of Dec 2022, the company has 93 outlets, 79 in Bihar and 14 in Jharkhand. AVL is the largest retailer in Bihar, selling over 10,000 products ranging across consumer durables, small appliances and electronics. The company through its organised showrooms hold around 50% market share in organised electronics retail in Bihar, offering products from various leading brands. The company is managed by a first-generation entrepreneur Mr Yashovardhan Sinha. His two daughters are also actively engaged in the business operations.

Strong Regional Presence

AVL grew by spreading its operations in Bihar and Jharkhand. It has developed a network of 93 outlets in various locations in the two regions by understanding the requirements of customers of these areas and designing the product portfolio accordingly. With extensive footprint in Bihar and Jharkhand, AVL is the largest player in these regions. The company has presence in all the districts of Bihar and 11 out of 23 districts in Jharkhand. The company aims to establish its footprint in all the districts of the Hindi heartland, primarily focusing on highly populated districts. AVL plans to invest in developing and enhancing its brand image through various brand-building efforts; communication and promotional initiatives such as advertisements in print media, hoardings and TV; and organisation and participation in industry events. This is a continuous exercise, which would improve AVL's brand image and thereby boost sales and profitability.

Income Growth and Penetration to Be Key Demand Drivers for Consumer Durables

Demand for consumer durables in India is growing due to rising incomes. This trend is likely to continue as other factors such as rising rural income, increasing urbanisation, growing middle class population and changing lifestyles aid demand growth in the sector. A considerable rise in discretionary income and easy financing schemes led to shorter product replacement cycles and evolving lifestyles where consumer durables, such as ACs and LCD TVs, are perceived as utility items rather than luxury possessions. In the medium term, demand from rural and semi-urban markets is likely to outpace that from urban markets. Growth in online retail would provide a new channel for buyers, fuelling demand. The low penetration of consumer durables in rural India is likely to act as a tailwind for AVL; however, competition from e-commerce players is expected to remain high. AVL, through its dominant position across Bihar and Jharkhand, is likely to be a major beneficiary of this trend. It also intends to penetrate further in Bihar sub-districts/sub-divisions and expand its regional footprint by foraying into the adjoining states of Uttar Pradesh, Chhattisgarh, Madhya Pradesh and West Bengal.

Rise in electrification trend to boost demand for consumer durables

The electric power situation in Bihar has improved considerably. Installed power capacity in Bihar has increased by 4x from FY12-FY22. This boosted demand for electronics appliances and devices in Tier III and Tier IV cities as well as villages, which benefited players such as Aditya Vision. Moreover, increased smartphone usage and internet penetration in urban and rural areas aided the company's growth.

Outlook and view:

AVL aims to densify its store network in existing clusters where it currently operates and selectively enter new markets, providing long-term growth opportunity. Furthermore, we believe the benefit of scale can continue to flow as a large number of stores added are yet to mature. Our ballpark estimates suggest revenue and PAT would post a CAGR of 28% and 24%, respectively over FY22–25E. Based on our numbers, stock is trading at 31.8x and 27.3x FY24E and FY25E earnings compared to five-year average of 21x. We do not have active coverage on AVL but maintain a positive stance on the stock.

Year to March	FY18	FY19	FY20	FY21	FY22
Revenues (INR Cr)	444	564	797	748	899
Rev growth (%)	22.7	27.0	41.4	-6.1	20.2
EBITDA (INR Cr)	7	17	25	53	83
Net Profit (INR Cr)	3	6	14	20	35
P/E (x)	38	11	1	11	25
EV/EBITDA (x)	19	5	2	5	11
RoACE (%)	9.3	24.8	35.9	25.9	24.8
RoAE (%)	14.6	24.7	42.8	46.1	55.1

Following are the key takeaways from our meeting

- The electric power situation in Bihar has improved considerably. This boosted demand for electronics appliances and devices in Tier III and Tier IV cities as well as villages, which benefited players such as Aditya Vision. Moreover, increased smartphone usage and internet penetration in urban and rural areas aided the company's growth.
- AVL provides a one-stop solution for after-sales services by providing services from various manufacturers; it also manages a call centre team of 50 employees.
- As a policy, AVL does not sell private label products.
- AVL faces competition mainly from Reliance Digital, which has presence in 16 districts of Bihar.
- AVL operates on a cash and carry model, which provides it cash discounts of up to 3%. Nonetheless, the company has creditors on its books as manufacturers take 7–10 days to deliver inventory to all the showrooms and payment is made after the delivery.
- The footfall conversion for AVL is ~60%.
- AVL has aggressively increased the number of showrooms from 48 in FY20 to 79 in FY22, which has led to a decrease in revenue per showroom from INR17cr in FY20 to INR11cr in FY21–22. AVL's showroom generates minimum INR6cr/showroom revenue annually, which gradually increases depending on the location and town.
- AVL plans to own 115 showrooms in FY23, 130 in FY24 and 150 in FY25.
- AVL aims to expand in the adjoining territories of Bihar and open 25 showrooms in Jharkhand, 25 showrooms eastern Uttar Pradesh, 15 showrooms in West Bengal and 10 showrooms in Chhattisgarh.
- AVL incurs ~INR50lakh capex per showroom and a showroom takes three years to mature.
- AVL has never closed down its showrooms since inception.
- Generally, Q1 is the strongest quarter for AVL as is it the summer season, followed by Q3, Q4 and Q2.
- AVL offers in-store warehouses at each of its outlets to facilitate fast delivery and installation and act as fulfilment centres for omni-channel deliveries.
- AVL's per store capex requirement (including inventory) is INR2–2.5cr, average rent per store was INR2 lacs per month and average size of store was 4,000–5000 sq ft.
- Of the total customer transactions in AVL stores, 30% were in cash, 30% through financing and balance 40% via credit and debit cards.
- The management expects absolute debt to increase marginally in the medium term, as the company embarks on its store expansion strategy. However, healthy cash flow generation, supported by strong operational performance, may help AVL control net debt level. (Current debt / Eq 1.4x and net debt / EBITDA 1x.)
- Margins for AVL is secured by manufacturer/brand owners and the management guides for gross margin of 13–15% and operating margin of 6–7%.
- AVL's same-store sales growth trend (14.5% YoY in FY22) is expected to sustain in the medium term, given the significant under-penetration compared with Pan-India levels.

Focus Charts

Exhibit 1: Revenue expected to double by FY25

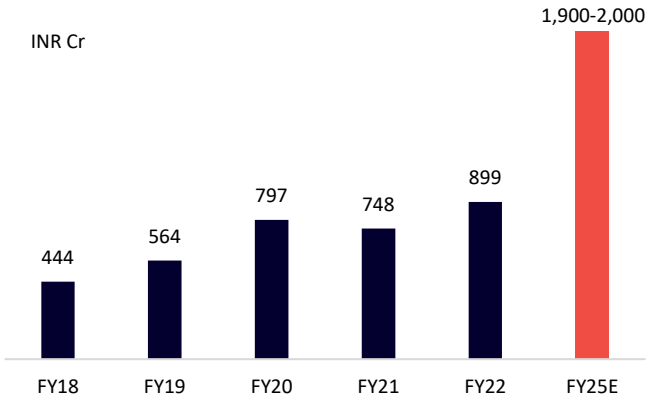


Exhibit 2: Store Addition to remain strong

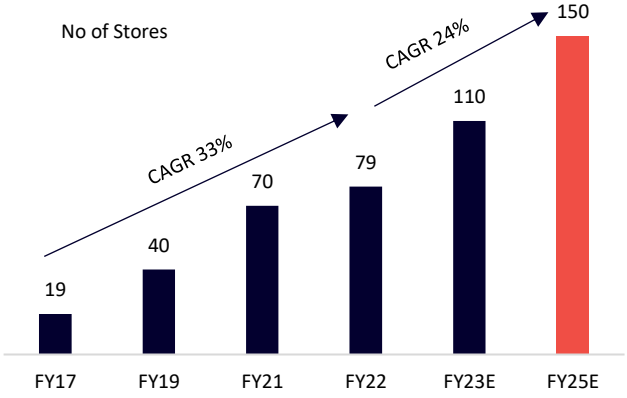


Exhibit 3: Same store sales growth stayed robust

Exhibit 4: Category wise revenue share (FY22)

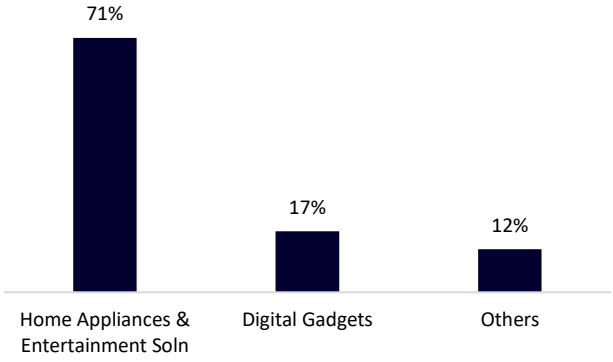


Exhibit 5: Revenue Seasonality (5-year Avg)

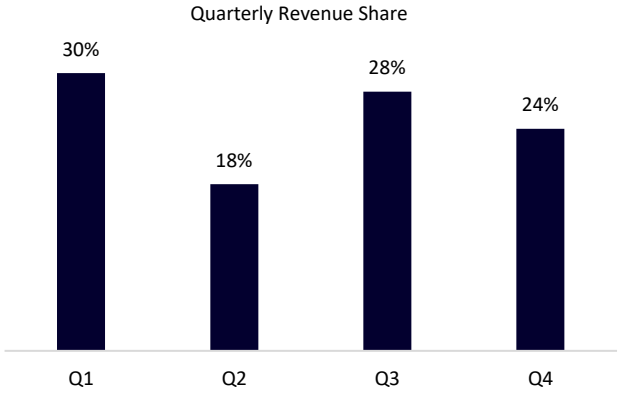
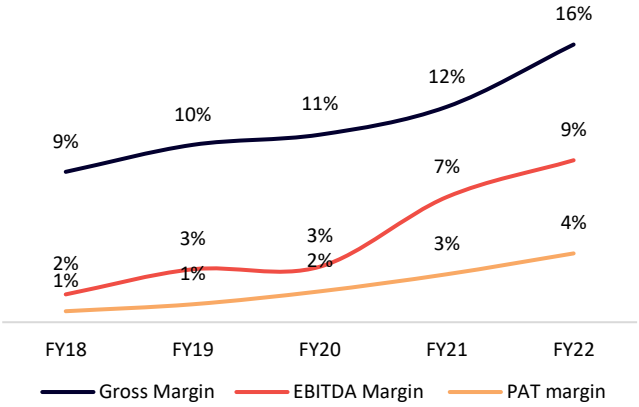


Exhibit 6: Substantial margin improvement led by Scale of operation



Source: Nuvama Wealth Research

Exhibit 7: Tight working capital cycle

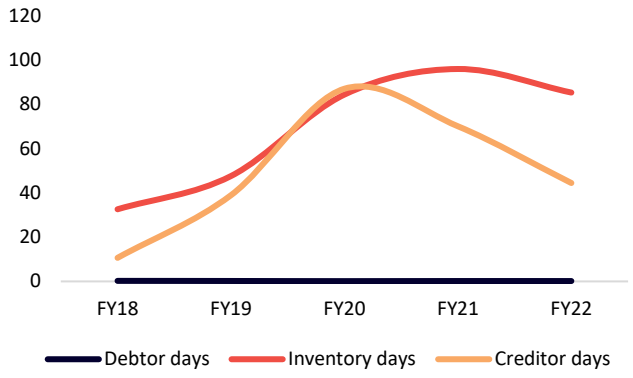


Exhibit 8: leverage ratios at comfortable level

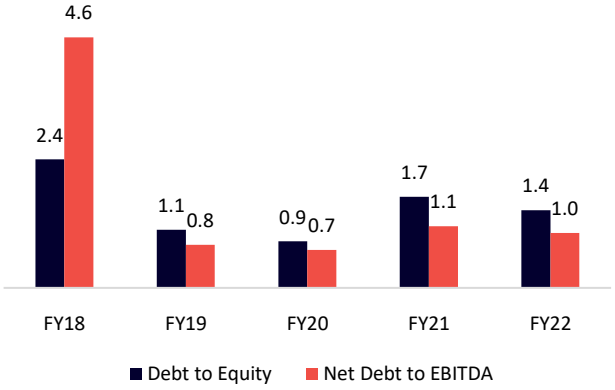


Exhibit 9: Decent Cash flow generation

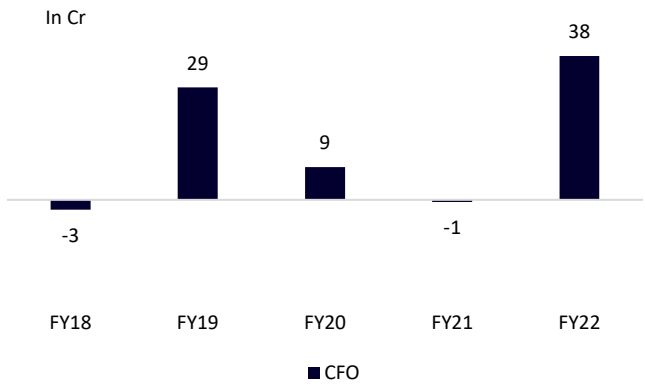
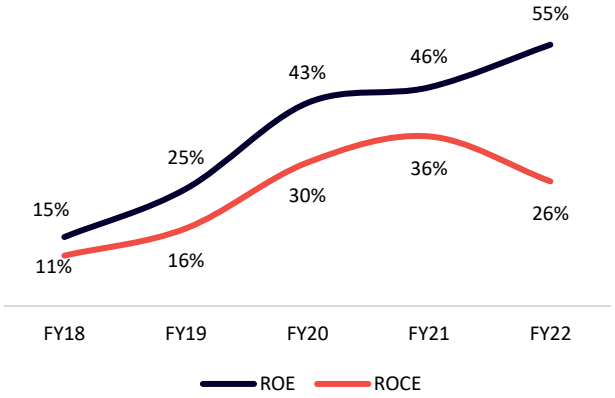


Exhibit 10: Superior RoE/ RoCE profile

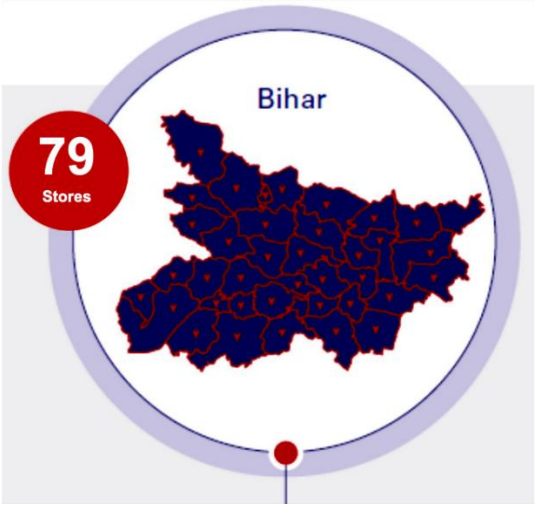


Source: Nuvama Wealth Research

I. Strong Regional Presence

AVL grew by spreading its operations in Bihar and Jharkhand. It has developed a network of 93 outlets in various locations in the two regions by understanding the requirements of customers of these areas and designing the product portfolio accordingly. With extensive footprint in Bihar and Jharkhand, AVL is the largest player in these regions. The company's offering includes more than 10,000 SKUs across product categories from over 70 consumer durable and electronic brands. The company has strong presence in the interior parts of Bihar and Jharkhand and benefits from the rural and urban markets alike. The company has presence in all the districts of Bihar and 11 out of 23 districts in Jharkhand. The company aims to establish its footprint in all the districts of the Hindi heartland, primarily focusing on highly populated districts. AVL plans to invest in developing and enhancing its brand image through various brand-building efforts; communication and promotional initiatives such as advertisements in print media, hoardings and TV; and organisation and participation in industry events. This is a continuous exercise, which would improve AVL's brand image and thereby boost sales and profitability.

Exhibit 11: AVL has a presence in all the districts of Bihar and 11 out of 23 districts in Jharkhand



Source: Company, Nuvama Wealth Research

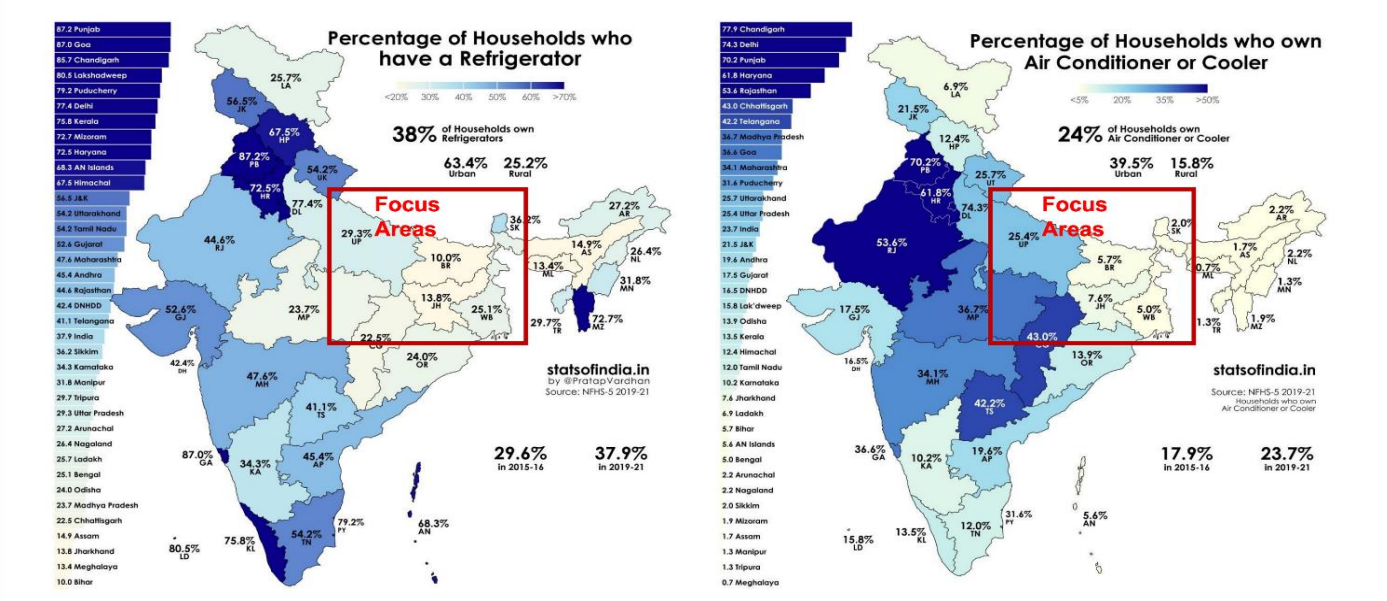
Exhibit 12: Glimpse of stores

Source: Company, Nuvama Wealth Research

II. Income Growth and Penetration to Be Key Demand Drivers for Consumer Durables

Demand for consumer durables in India is growing due to rising incomes. This trend is likely to continue as other factors such as rising rural income, increasing urbanisation, growing middle class population, and changing lifestyles aid demand growth in the sector. A considerable rise in discretionary income and easy financing schemes led to shorter product replacement cycles and evolving lifestyles where consumer durables, such as ACs and LCD TVs, are perceived as utility items rather than luxury possessions. In the medium term, demand from rural and semi-urban markets is likely to outpace that from urban markets. Growth in online retail would provide a new channel for buyers, fuelling demand. The low penetration of consumer durables in rural India is likely to act as a tailwind for AVL; however, competition from e-commerce players is expected to remain high. AVL, through its dominant position across Bihar and Jharkhand, is likely to be a major beneficiary of this trend. It also intends to penetrate further in Bihar sub-districts/sub-divisions and expand its regional footprint by foraying into the adjoining states of Uttar Pradesh, Chhattisgarh, Madhya Pradesh, and West Bengal.

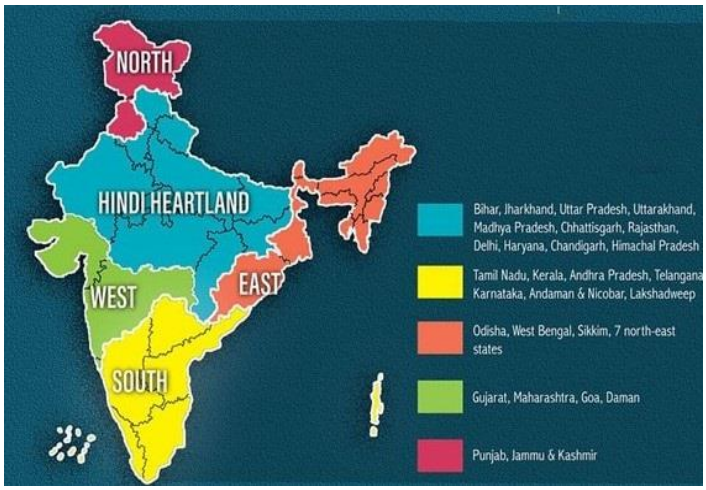
Exhibit 13: Lower penetration provided higher opportunities



Source: Company, Nuvama Wealth Research

Exhibit 14: AVL aims to expand in the adjoining territories of Bihar

YEAR	STATE
2022-2023	JHARKHAND
2023-2024	UTTAR PRADESH
2023-2024	CHATTISGARH
2024-2025	MADHYA PRADESH WEST BENGAL



Source: Company, Nuvama Wealth Research

III. Bihar- A centre of growth opportunities

The Gross State Domestic Product (GSDP) of Bihar for FY22 (at current prices) is projected to be INR 7,57,026 Cr. It has shown an increase of 11% over the GSDP in FY20. In 2020-21, GSDP is estimated to increase by 4.7% over the previous year (budget estimate was 11.1%) as per revised estimates. The state has witnessed strong growth in per capita net state domestic product. At current prices, per capita, the Net State Domestic Product of the state grew at a CAGR of 13.41% (in INR) between 2015 and 2021. The per capita income in Bihar was INR 50,555 in FY21, compared to INR 86,659 for India. During FY17 to FY21, the primary sector in Bihar had grown at 2.3%, the secondary sector at 4.8% and the tertiary sector had grown at the highest rate of 8.5%. The strong growth reflects on how the state has maintained its spending on key sectors affecting the common man even in the face of severe odds due to the pandemic. Bihar remains one of the best states in fiscal management even as many other states have shown negative growth. Besides, Bihar also has the largest chunk of the youth population which provides huge customers base with high aspirational values and immense market potential for the industry. Bihar's steady economic growth is also helping in strengthening the consumer durables industry inducing potential expansion in Jharkhand as well.

Opportunities

- **Shift in consumer behaviour-** Consumer choices have evolved greatly over the past few years and instead of solely being influenced by the price of products, a shift towards technologically advanced products can be noticed among consumers. With growing awareness about the quality of products, its value proposition and safety aspects, demand for advanced home automation products continue to increase.
- **Demand growth from rural markets-** Due to the governments increased focus on electrification in villages and small towns, steady demand for consumer durables is creating new opportunities for the industry.
- **Increasing discretionary income and easy financing schemes-** The significant increase in discretionary income and easy financing schemes have shortened product replacement cycles and have led to increased sale of various electronic appliances and other consumer durable products. In addition, changing lifestyles have made products such as air conditioners and LCDTVs utility items and are no longer perceived as luxury possessions.
- **Favourable demographics-** Demographic trends like urbanisation, growth of nuclear families, emergence of a younger, ambitious working population are anticipated to add impetus to the industry

IV. Rise in electrification trend to boost demand for consumer durables

The electric power situation in Bihar has improved considerably. This boosted demand for electronics appliances and devices in Tier III and Tier IV cities as well as villages, which benefited players such as Aditya Vision. Moreover, increased smartphone usage and internet penetration in urban and rural areas aided the company's growth.

Exhibit 15: Installed power capacity across Uttar Pradesh from FY05 to FY22 (in megawatts)

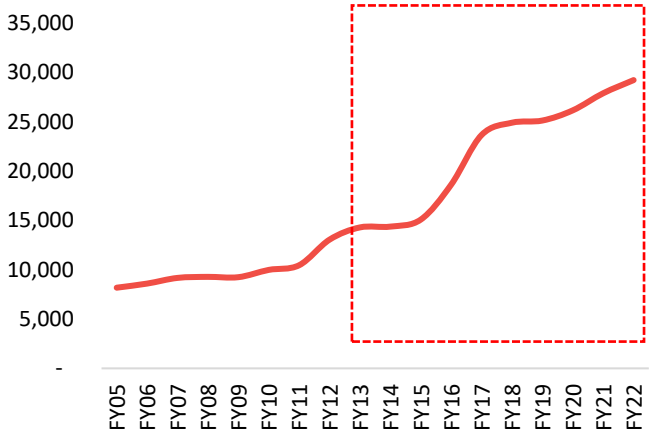
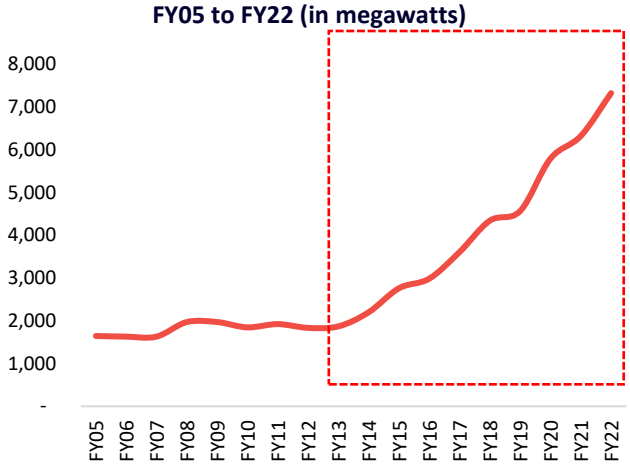


Exhibit 16: Installed power capacity across Bihar from FY05 to FY22 (in megawatts)



Source: Statista, Nuvama Wealth Research

Exhibit 17: India's progress on household electricity access (1980-2020)

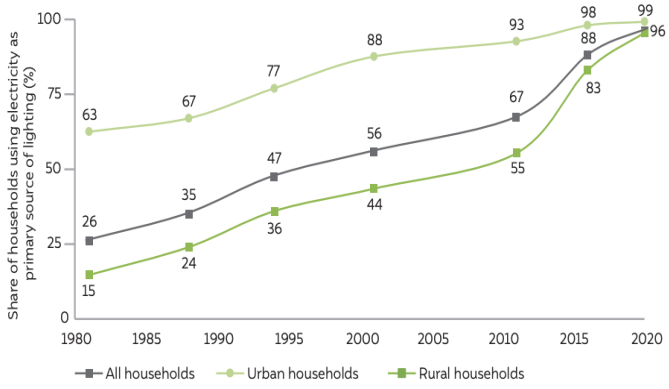
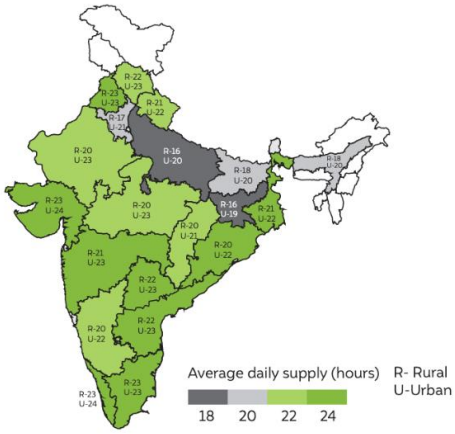


Exhibit 18: Rural households in many northern and eastern states typically receive less than 20 hours of grid supply



Source: CEEW, Nuvama Wealth Research

The power supply situation has significantly improved in rural India since 2015, especially in the six ACCESS states (Bihar, Jharkhand, Madhya Pradesh, Odisha, Uttar Pradesh, and West Bengal). Daily power supply to rural households in these states is around 18.5 hours in 2020 compared to 15 hours in 2018 and 12.5 hours in 2015.

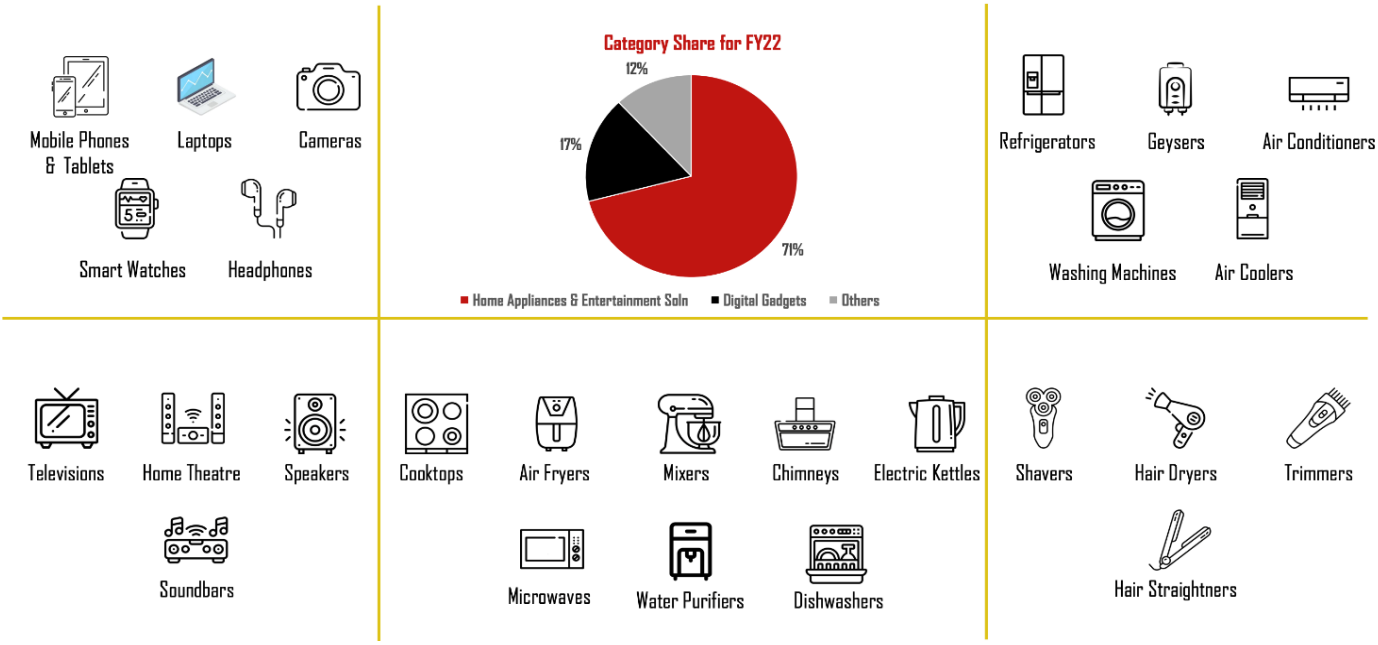
V. Long-Standing Relationship with Brands

AVL has a history of collaboration with reputed electronic brands that helped to expand service offerings. The company is currently associated with more than 70 electronic brands and has a long-standing relationship over the past 20 years with several brands operating in product categories such as large and small appliances, mobiles, and others. It has built trust and reliability with these electronic brands and works closely with them. Because of these strong relationships, AVL has been able to grow in the market and consistently expand its product portfolio. Long-term contracts also help to plan capital expenditure and enhance the ability to leverage the increasing economies of scale with stronger purchasing power and a lower overall cost base, thereby maintaining a competitive cost structure to achieve sustainable growth and profitability. AVL operates on a cash and carry model with brands, which provides it cash discounts of up to 3% which in turn enhance gross margin. The company has creditors on its books as manufacturers take 7–10 days to deliver inventory to all the showrooms and payment is made after the delivery.

Exhibit 19: Wide list of Trade partners

Source: Company, Nuvama Wealth Research

Exhibit 20: Solid Product offerings



Source: Company, Nuvama Wealth Research

VI. Strong positioning in the Industry and Peer Comparison

The Indian electronics retail market has become increasingly competitive in recent years. Some of the key direct competitors includes retailers such as Reliance Retail, Croma, Vijay Sales, EMIL, Sathya, Sargam, Girias, Adishwar, Viveks, etc. and unorganized retailers such as local electronic stores and others.

Exhibit 21: Comparative Assessment and Key Success Factors for Organised Electronic Retailers (FY21)

Parameter	Reliance Retail	Croma	Vijay Sales	EMIL	Sathya	Sargam	Girias	Aditya Vision	Adishwar	Viveks	Average
Revenue (CAGR FY16-FY21)	48%	13%	NA	18%	16%	11%	5%	26%	-8%	-20%	12%
Revenue (Rs Bn)	1,317	53	37	32	9.9	9	8	8	2.6	1.7	
Type(national/regional)	National	National	National	South	South	North	South	East	South	South	
No. of stores	300	195	121	105	157	15	104	70	70	34	
Per store revenue (Rs Cr)	NA	27	30	31	6	NM	8	11	4	5	15
Online presence	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Own brand	Yes	Yes	Yes	No	No	No	No	No	No	Yes	
Presence across cities	100+	63	20	30	40+	2	48	38	24	7	
Employee cost (% of sales)	1	5	3	2	4	3	6	3	8	6	4
EBITDA margin	6	0	7	6.4	3	3	3	6	4.2	0.8	4
PAT margin (%)	4	(4)	4	2	2	1	1	3	0	(5)	1
Inventory days	36	53	61	59	59	57	68	102	123	67	69
Working capital days	10	11	(13)	(15)	13	27	89	21	53	(145)	5
ROCE	32	-7	NA	23.9	21	16	10	26	5.2	-18.1	12
ROE	25	(142)	99	12	30	10	6	44	1	16	10

Source: RHP of EMIL, Nuvama Wealth Research

Based on the data captured in the above tables, following are the key observations:

- Reliance Retail, Aditya Vision, Sathya, and EMIL are among the top four fastest-growing retailers in the fiscal 2016-21 period
- Reliance Retail is the largest retailer in revenue terms, operating across segments such as grocery, fashion, jewellery, and others in addition to consumer appliances. – Other players are focused on the consumer durables segment.
- Vijay Sales, Reliance Retail, Aditya Vision and EMIL registered better post-tax profit margins as compared with peers during the year.

Exhibit 22: Comparative Assessment and Key Success Factors for Organised Electronic Retailers (FY22)

	Reliance Retail	Croma	EMIL	Aditya Vision
Stores (no)	400	247	105	79
Revenue (INR Bn)	1,694	82	44	9
Employee cost (% of sales)	0.9	4.2	1.8	3.2
EBITDA margin	6.1	-1.4	6.7	7.4
PAT margin (%)	2.9	-5.4	2.4	4.1
Inventory days	46	70	55	92
Working capital days	7	-29	-15	41

Source: RHP of EMIL, Nuvama Wealth Research

Exhibit 23: AVL Outpacing Industry Growth

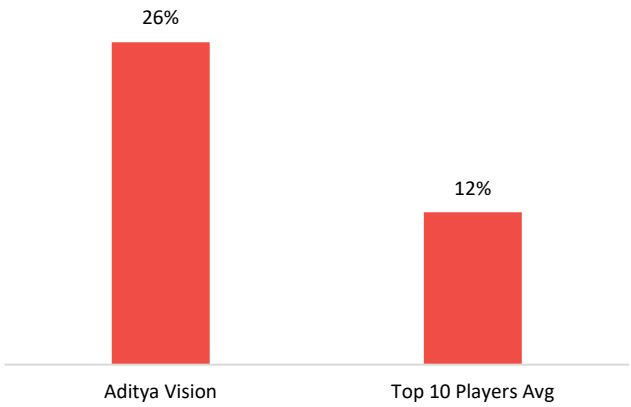
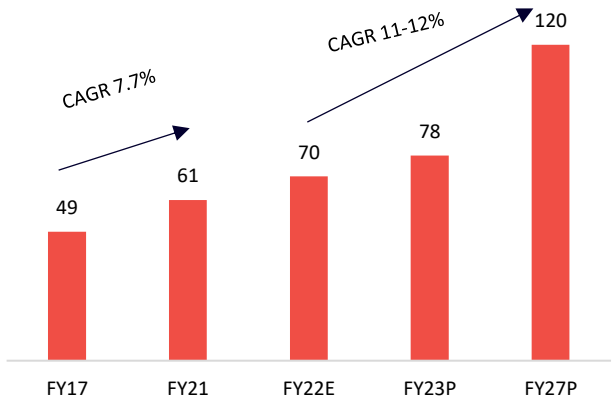


Exhibit 24: Retail Industry Market Size (In Bn)



Source: RHP of EMIL, Nuvama Wealth Research

Exhibit 25: Key operating parameters for single-shop and organised electronics and consumer durable retailers

	Single shop	Regional organised players	National organised players
Typical storage size (sq ft)	500-1,000	6,000-8,000	10,000-12,0000
Sales per sq ft per annum (Rs)	3,000-3,500	12,000-15,000	20,000-25,000
Gross margin	8-10%	12-15%	14-16%

Source: RHP of EMIL, Nuvama Wealth Research

There is significant difference between unorganised and organised retail stores, in terms of size, average sales, and even gross margin. However, within the organised retail space, there is not much difference between the store size of regional and national retailers. Even the gross margin of both are comparable. This is because within a particular region/city, the number of units procured from the manufacturer/distributor are similar for both. Gross margin for an organised player for large consumer durable products, such as TVs, refrigerator, washing machine, etc., is typically 16-20%. The gross margin for mobiles and IT goods is typically 6-10%. Blended gross margin for regional players is lower at 12-15% compared with national players can earn 14-16% margin. Lower gross margins for regional players are therefore on account of relatively higher mix of mobile phones and IT devices in their sales compared with national players. Yet a few regional players with greater focus on large appliances earn higher gross margin compared with regional peers. Also, margins for Chinese/Indian brands are relatively higher compared with global brands, such as Apple, which only provide margins of 3-5%. Margins are 100-150 bps lower for regional players, given the lower procurement levels.

Comparison with Listed peers

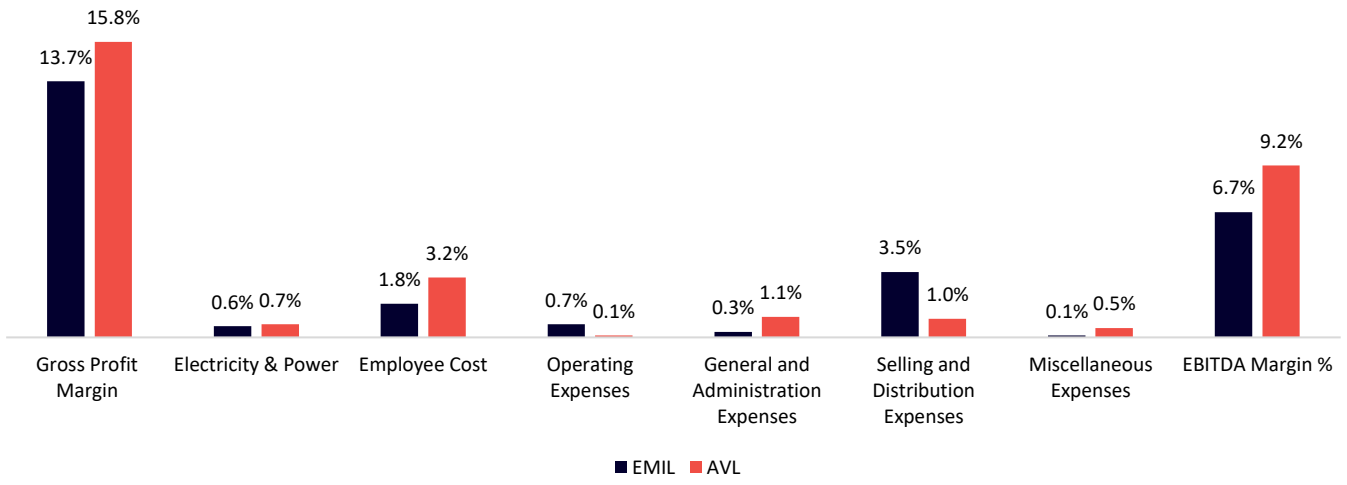
As on date, EMIL is the only one comparable listed company in India engaged in the same line of business.

Exhibit 26: Store level economics between Aditya Vision and EMIL

	FY20	FY21	FY22	H1FY23
Stores (in Numbers)				
Aditya Vision	48	70	79	88
EMIL	71	93	103	112
Avg Store Size (Sq Ft)				
Aditya Vision	4,750	4,414	4,106	4,000
EMIL	10,704	10,108	10,097	10,000
Revenue/Sq Ft.				
Aditya Vision	34,955	24,207	27,721	34,716
EMIL	37,912	31,167	38,010	42,951
Revenue/store (in Cr)				
Aditya Vision	16.6	10.7	11.4	13.9
EMIL	44.7	34.4	42.2	43.0
SSSG (%)				
Aditya Vision	34.0	(13.0)	14.5	22.1
EMIL	(0.7)	(9.8)	23.3	31.6

Source: Company, Nuvama Wealth Research

Exhibit 27: Operational Cost comparison between AVL and EMIL



Source: Company, Nuvama Wealth Research

Exhibit 28: Valuation and Comparable Metric of listed peer

	Market Cap (In Cr)	CAGR FY20-22		ROE (%)	TTM		
		Revenue	PAT		EV/Sales	EV/EBITDA	P/E
Aditya Vision	1,815	17	83	48	**1.5**	18	32
EMIL	3,183	15	10	18	0.8	13	27

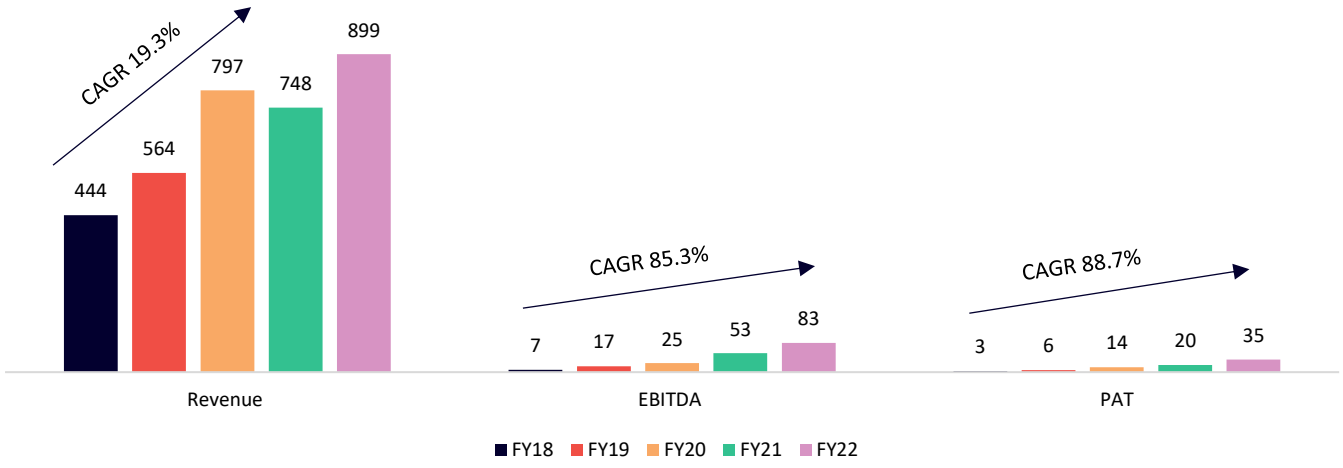
Source: Company, Nuvama Wealth Research

VII. Financial Analysis and Outlook

Being the largest consumer durable and electronics retailer in Bihar and Eastern India, AVL enjoys favourable terms of pricing/margins from brands due to its scale — this is a key advantage. Over FY17–22, AVL's total revenue rose at a CAGR of 20% to INR 899cr in FY22 with a store opening CAGR of 33% (from 19 in FY17 to 79 in FY22). However, the aggressive store addition brought down the revenue per store from INR 19cr in FY17 to INR 11.4cr. Typically, showrooms take three years to mature and provide high revenue per store. With the increased scale, gross margin substantially rose from 7.1% to 15.8% (one of the highest among peers).

During the same period, absolute EBITDA was up 77.2% to INR 83cr, led by robust same-stores sales growth (16.7% on average over FY17–22). Led by strong revenue growth and positive operating leverage, PAT surged at a CAGR of 83.3% to INR 35cr during this period, with PAT margins expanding 345bps to 3.9% in FY22. With the twin levers of scale and operating efficiencies playing out, AVL's return ratios improved substantially from RoE and RoCE of 5.6% and 10.8% in FY17 to 55.1% and 26.3% in FY22, respectively.

Exhibit 29: Rapid store expansion + Positive Operating Leverage = Strong profitability Growth



Source: Company, Nuvama Wealth Research

Exhibit 30: Tight working capital cycle

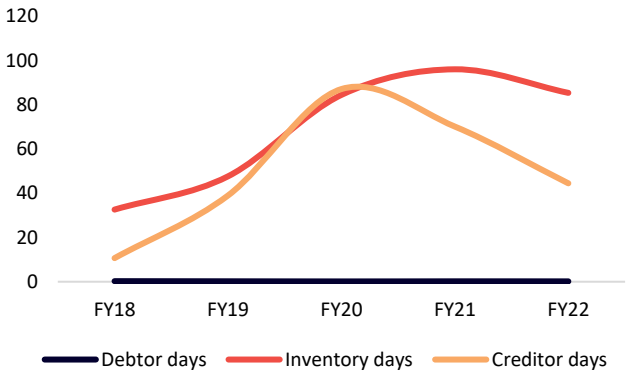
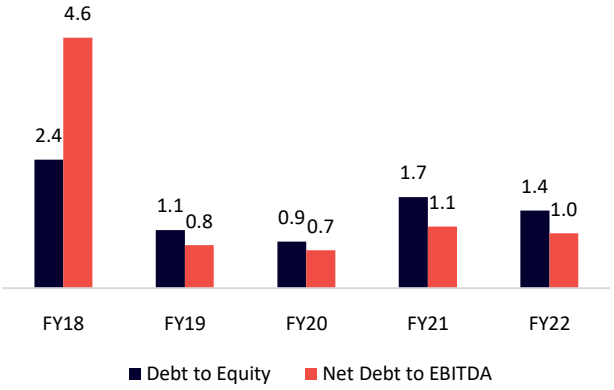


Exhibit 31: leverage ratios at comfortable level



Going forward, the management expects absolute debt to increase marginally in the medium term, as the company deploys its store expansion strategy. However, healthy cash flow generation, supported by strong operational performance, may help AVL control net debt. (Current Debt/Equity 1.4x and Net Debt/EBITDA 1x). Margin for AVL is secured by manufacturer/brand owners. Therefore, the management guides for a sustainable gross margin ranging of 13–15% and operating margin of 6–8% (vs 9% in H1FY23). AVL's same-store sales growth trend (14.5% YoY in FY22) is expected to continue in the medium term, given the extreme under-penetration compared with pan-India levels.

The management forecasts AVL's total revenue to expand at a CAGR of 25% during FY23–25E from a total store count of 150 (57 new stores), which would translate to a CAGR of around 7% in revenue per store over FY22–25 to INR 14cr per store by FY25.

Exhibit 32: Decent Cash flow generation

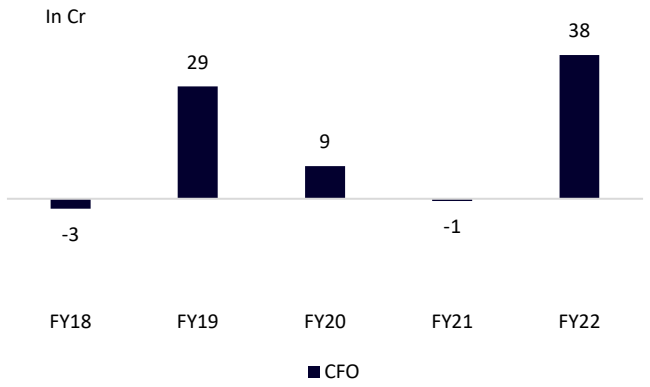
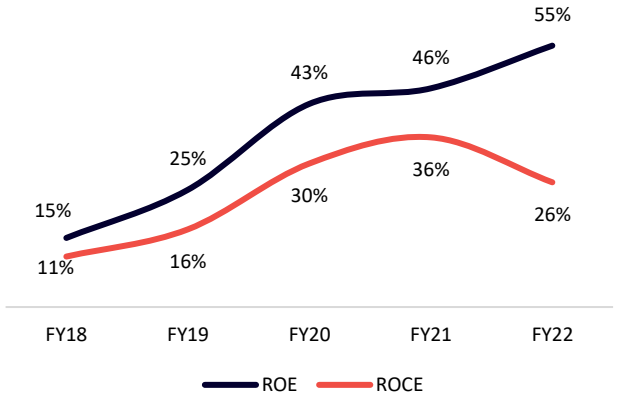


Exhibit 33: Superior RoE/ RoCE profile



Our view:

AVL aims to densify its store network in existing clusters where it currently operates and selectively enter new markets, providing long-term growth opportunity. We believe the company can continue to grow rapidly, supported by the opportunity offered by the targeted geography such as under-penetration of various consumer durable products, improving power situation, high disposable incomes, widely available financing schemes, and possible increase in market share due to strong brand image among locals. Furthermore, we believe the benefit of scale will continue to flow as a large number of stores added are yet to mature. Our ballpark estimates suggest revenue and PAT would post a CAGR of 28% and 24%, respectively over FY22–25E. Based on our numbers, stock is trading at 31.8x and 27.3x FY24E and FY25E earnings compared to five-year average of 21x. We do not have active coverage on AVL but maintain a positive stance on the stock.

Financials

Year to March (INR Cr)	FY17	FY18	FY19	FY20	FY21	FY22
Income from operations	362	444	564	797	748	899
Direct costs	339	409	510	718	659	763
Gross Profit	23	35	53	79	89	136
Employee costs	5	12	15	22	25	29
Other expenses	13	16	21	32	11	24
Total Operating expenses	357	437	547	772	695	816
EBITDA	5	7	17	25	53	83
Depreciation and amortisation	1	1	2	2	13	16
EBIT	4	6	15	23	41	67
Interest expenses	2	2	7	14	17	25
Profit before tax	3	4	9	19	27	43
Provision for tax	1	1	3	5	7	8
Adj. profit after tax	2	3	6	14	20	35
Share of Minority in profits	1	0	0	1	0	0
Profit after tax	1	2	6	13	20	35
Shares outstanding	1	1	1	1	1	1
Adjusted EPS	1	2	5	12	17	29

Common size metrics- as % of net revenues

Year to March	FY17	FY18	FY19	FY20	FY21	FY22
Operating expenses	99	98	97	97	93	91
Depreciation	0	0	0	0	2	2
Interest expenditure	0	0	1	2	2	3
EBITDA margins	1	2	3	3	7	9
Net profit margins	0	1	1	2	3	4

Growth metrics (%)

Year to March	FY17	FY18	FY19	FY20	FY21	FY22
Revenues	50	23	27	41	-6	20
EBITDA	53	48	141	48	112	56
PBT	46	63	109	117	46	58
Net profit	46	63	107	143	46	73
EPS	46	63	107	143	46	73

Balance Sheet

As on 31st March	FY17	FY18	FY19	FY20	FY21	FY22
Equity share capital	14	14	14	14	12	12
Reserves & surplus	4	6	12	25	37	67
Shareholders funds	18	21	26	39	49	79
Total Debt	35	48	28	34	83	112
Other Long Term Liabilities	0	0	0	0	108	118
Deferred Tax Liabilities	0	1	1	1	-1	-6
Minority interest	0	0	0	0	0	0
Sources of funds	**54**	**70**	**55**	**74**	**238**	**303**
Gross block	12	17	21	28	140	176
Depreciation	2	4	5	7	9	26
Net block	9	13	15	21	130	150
Capital work in progress	0	0	0	0	0	0
Total fixed assets	9	13	15	21	130	150
Investments	0	0	0	0	2	2
Inventories	42	40	74	184	197	210
Sundry debtors	0	0	0	0	0	0
Cash and equivalents	12	16	14	16	22	29
Loans and advances	2	14	12	41	39	36
Total current assets	56	70	101	242	260	277
Sundry creditors and others	11	13	58	184	133	99
Provisions	1	1	3	5	18	25
Total CL & provisions	12	14	61	189	152	124
Net current assets	45	56	40	53	108	152
Misc expenditure	0	0	0	0	0	0
Uses of funds	**54**	**70**	**55**	**74**	**238**	**303**
Book value per share (INR)	15	17	22	33	41	65

Cash flow statement

Year to March	FY17	FY18	FY19	FY20	FY21	FY22
Operating Profit After Tax Before WC changes	4	6	14	20	47	75
WC Changes	-20	-8	15	-12	-47	-38
CFO	-16	-3	29	9	-1	38
CFI	-5	-5	-3	2	-109	-35
CFF	37	11	-28	-9	116	4
Total Cash Flow	16	3	-1	2	6	6

Ratios

Year to March	FY17	FY18	FY19	FY20	FY21	FY22
ROAE (%)	12.2	14.6	24.7	42.8	46.1	55.1
ROACE (%)	11.6	9.3	24.8	35.9	25.9	24.8
Debtors (days)	0	0	0	0	0	0
Current ratio	4.8	5.1	1.6	1.3	1.7	2.2
Debt/Equity	2.0	2.4	1.1	0.9	1.7	1.4
Inventory (days)	42	33	48	84	96	85
Payable (days)	11	11	39	87	70	44
Cash conversion cycle (days)	31	22	9	-3	26	41
Debt/EBITDA	7.4	6.9	1.6	1.3	1.5	1.4
Adjusted debt/Equity	2.0	2.4	1.1	0.9	1.7	1.4

Valuation Parameters

Year to March	FY17	FY18	FY19	FY20	FY21	FY22
Diluted EPS (INR)	1.4	2.3	4.8	11.7	17.0	29.3
Y-o-Y growth (%)	46.2	63.2	107.0	143.2	45.8	72.5
Diluted P/E (x)	12.7	37.7	11.0	1.5	10.7	24.6
Price/BV(x)	1.2	5.1	2.4	0.5	4.4	11.0
EV/Sales (x)	0.1	0.3	0.1	0.0	0.4	1.1
EV/EBITDA (x)	9.3	19.5	4.5	1.5	5.2	11.5
Diluted shares O/S	1.2	1.2	1.2	1.2	1.2	1.2
Basic EPS	1.4	2.3	4.8	11.7	17.0	29.3
Basic PE (x)	12.7	37.7	11.0	1.5	10.7	24.6

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