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**CMP: INR 992**

**Rating: Buy**

**Target Price: 2,842**

**Stock Info**

BSE	542333
NSE	RPSGVENT
Bloomberg	CESCVIN
Reuters	CESV.BO
Sector	IT
Face Value (INR)	10
Equity Capital (INR Cr)	27
Mkt Cap (INR Cr)	2,630
52w H/L (INR)	1145/211
Avg Yearly Vol (in 000')	113

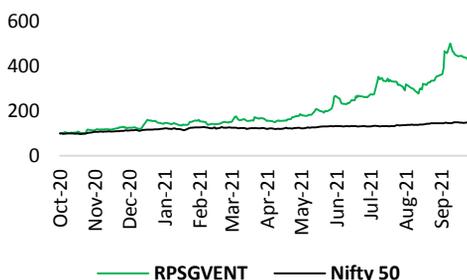
**Shareholding Pattern %**

(As on Sep, 2021)

Promoters	54.35
FII	13.57
DII	2.39
Public & Others	29.69

Stock Performance (%)	1m	3m	12m
RPSG	53.5	91.2	346.8
Nifty	7.6	13.3	65.5

**RPSGVENT Vs Nifty**



Source: Company, Arihant Research

We initiate coverage on RPSG Ventures with Buy rating and value it with SOTP valuation for a target price of INR 2,842. With a US \$6 billion asset base and US \$4 billion revenue, the RP-Sanjiv Goenka Group is one of India's fastest-growing conglomerates with a significant global presence. The Group's businesses include power and energy, carbon black manufacturing, retail, IT-enabled services, FMCG, media and entertainment, and agriculture. Too Yumm one of its famous FMCG brands is very famous these days because of its Protein and fiber-rich and low-fat content. Within 2 years of its launch Too Yumm has become one of the country's fastest-growing healthy Snacking brand in India.

**Investment Rationale:**

**Healthy Snacks Market is looking attractive and RPSG being a leader in the market is likely to benefit:** Too yumm brand which is currently stood at INR.262 crore in 2020-21, versus INR.289 crore in the previous year. We believe Too Yumm will achieve the breakeven point, if it crosses the INR 1000 Cr mark and the company has targeted to reach INR 2000 Cr by FY25. Recently, the company has introduced Potato chips with 40% less saturated fat and rings (Rings for the kid's segment with toy inside). Also the company will use (Indian Premier League ) IPL platform to promote the Too Yumm brand.

**RPSG will continue its outperformance in industry backed by enhanced margins:** RPSG to continue to outpace industry growth; with enhanced margins: We estimate RPSG to clock ~15% revenue CAGR over FY21-24E aided by (a) Expanding and deepening distribution reach on the core portfolio of Healthy Chips and Karare (b) increasing contribution from the acquired EVITA (Apricot foods ) in 2017. 'eVita' is already clocking INR 200 Cr. revenues and is poised to grow bigger. By following organic & inorganic growth trajectories.

**IT Services, traction in BFSI & Healthcare to drive growth :** The a 54% share of Firstsource through a subsidiary. The company's good growth guidance of 15-18% in CC terms is based on enhancement in provider, collection segment, diversification in CMT segment, new logo wins, focus on client mining cross selling of platforms business and hiring of leaders bodes well for long term revenue growth. In summation, FSL has seen healthy client wins of 17 new clients in Q1FY22.

**'Luxury' for Excellence with pan-India fame:** Due to Covid-19 and resulting lockdown, both footfalls and combined gross sale of all retailers in the Quest mall witnessed significant decline. Previously, collection cost was 50% rental waivers but this year as restriction eases down its below 15-20%. We are expecting going forward mall business will do good due to ease of restriction, it is also engaging with its retailers to devise clear marketing strategies for a faster turnaround in footfalls and activity.

**The company entered into personal care space:** Guiltfree Industries Ltd, the FMCG vertical of the RPSG venture has forayed into the personal care space by launching products aimed at skin care and haircare under the brand 'Naturali'. The company targets revenues of around INR 400-500 crore from the segment in the next four-five years.

**Valuation & Outlook: Healthy snacks; initiate with BUY**

The company's Too Yumm & Evita is an INR 300 cr business. The management is planning to grow it to INR 2000cr and to achieve this, a couple of products which is very high growth in the segment such as chips and rings. The company will have to deliver a sustainable growth of 45% over the next 4-5 years. The company's focus is to create 4 mega brand in coming times and lot of this categories is matured categories. As the impact of pandemic fades and mobility normalizes, we expect the company to revert to mid-teens growth rates Going forward the company has plan to launch product in all the 4 categories like Too Yumm, Personal Care, Evita and Dr vaidya hence we project EBITDA margins to remain in the range of 11.36 % to 12.40% in FY22E-FY24E.

However, We expect RPSG Venture to post Revenue/EBITDA growth of CAGR 15.4%/14.7% to INR 7,454 Cr/INR 924 cr respectively over FY21-FY24E. We value RPSG Venture at PE of 4x to its FY24E EPS (Core) of INR 88.07. We initiate our Buy rating on the stock and value it with SOTP valuation for a target price of INR 2,423 for the bear/lower, base value INR 2,842 and INR 3,138 for best case scenario.

**SOTP - Valuations**

Bear/Lower Case Scenario							
Listed Subsidiary	FY24E Sales (A)	P/Sales (x) (B)	Valuation (in Cr.) (A*B)	CMP	% Stake	Mcap	Value/share
FSL		Mcap		218	54%	8071	
					Holdco Discount Valuation	55%	3632.14
Apricot Foods	359.7	1x	360	unlisted	70		136
Guilftree Industries Limited	490	1.5x	735	unlisted	100		277
Herbolab India Private Limited	41	2x	82	unlisted	100		31
Quest Properties	124	5x	620	unlisted	100		234
APA services	1.35	1x	1	unlisted	100		0.5
ATK	58	1x	58	unlisted	80		22
<b>Value of Subsidiaries</b>							<b>2070</b>
<b>Core business</b>		<b>4x FY24E PE</b>					<b>352</b>
					<b>Intrinsic Value per share</b>		<b>2423</b>
					CMP		992
					Upside		144%
Base Case Scenario							
Listed Subsidiary	FY24E Sales (A)	P/Sales (x) (B)	Valuation (in Cr.) (A*B)	CMP	% Stake	Mcap	Value/share
FSL		Mcap		218	54%	8071.43	
					Holdco Discount Valuation	55%	3632.14
Apricot Foods	359.7	1.5x	540	unlisted	70		204
Guilftree Industries Limited	490	2.5x	1225	unlisted	100		462
Herbolab India Private Limited	41	3x	123	unlisted	100		46
Quest Properties	124	8x	992	unlisted	100		374
APA services	1.35	1.5x	2	unlisted	100		0.8
ATK	58	1.5x	87	unlisted	80		33
<b>Value of Subsidiaries</b>							<b>2490</b>
<b>Core business</b>		<b>4x FY24E PE</b>					<b>352</b>
					<b>Intrinsic Value per share</b>		<b>2842</b>
					CMP		992
					Upside		187%
Best Case Scenario							
Listed Subsidiary	FY24E Sales (A)	P/Sales (x) (B)	Valuation (in Cr.) (A*B)	CMP	% Stake	Mcap	Value/share
FSL		Mcap		218	54%	8071.43	
					Holdco Discount Valuation	55%	3632.14
Apricot Foods	359.7	2x	719	unlisted	70		271
Guilftree Industries Limited	490	3x	1470	unlisted	100		555
Herbolab India Private Limited	41	5x	205	unlisted	100		77
Quest Properties	124	10x	1240	unlisted	100		468
APA services	1.35	2x	3	unlisted	100		1
ATK	58	2x	116	unlisted	80		44
<b>Value of Subsidiaries</b>							<b>2786</b>
<b>Core business</b>		<b>4x FY24E PE</b>					<b>352</b>
					<b>Intrinsic Value per share</b>		<b>3138</b>
					CMP		992
					Upside		216%

Source: Company, Aриhant Research

CMP as on 14<sup>th</sup> Oct 2021

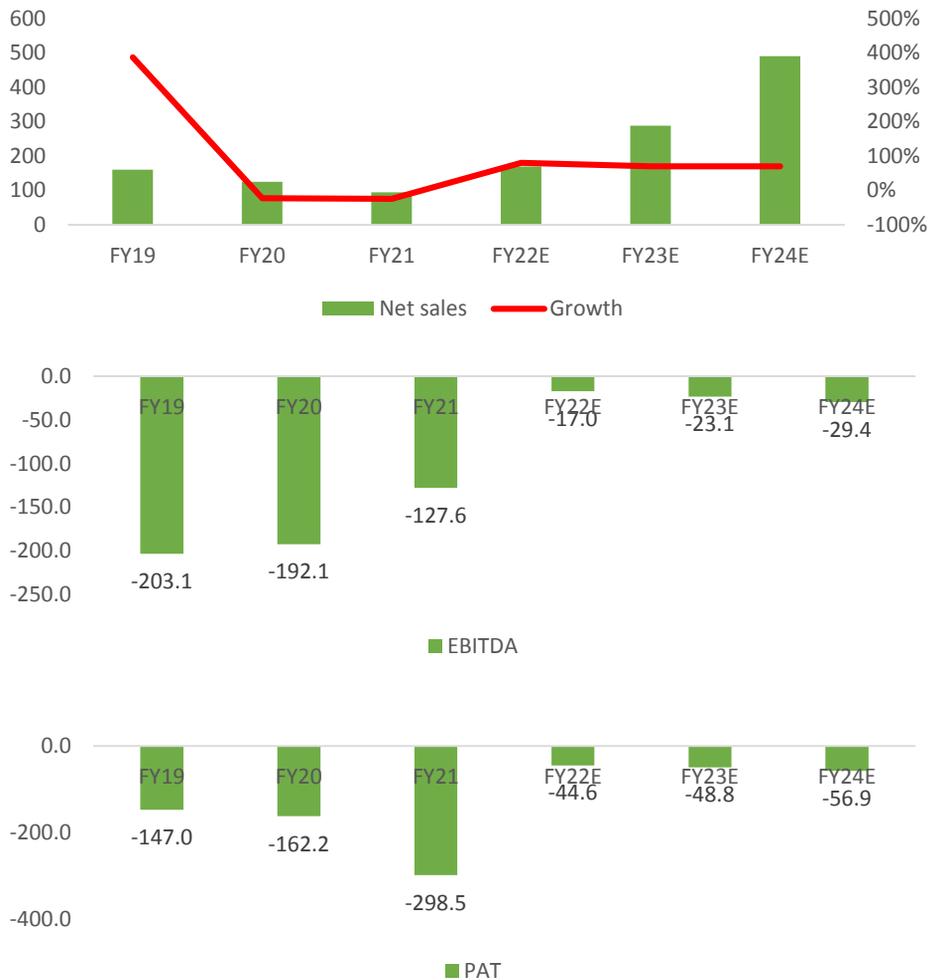
### Investment Rationale

**Focus on giving delight and healthy product experience:** During the year, Company has introduced Potato Sticks and rings (Rings for the kid’s segment) and then earlier the company has launched Potato chips. Too Yumm! Giving company hope that, they can grow from INR 72 cr to INR 100 cr, Q2 FY22 expecting slightly weaker but in Q3 FY22 will do good. Within Potato chips, things like delays in opening school generally impact the market. So, the company is focusing on modern trade segment like ordering online. With Potato chips hope to grow top-line. The company continues to have a strong focus on taste and quality and made significant progress on product freshness and in-store shelves. We are expecting FMCG business to do well from here on as the pandemic fades and the macroeconomic situation improves.

### Evolving from a kids focused to a full family snacking company

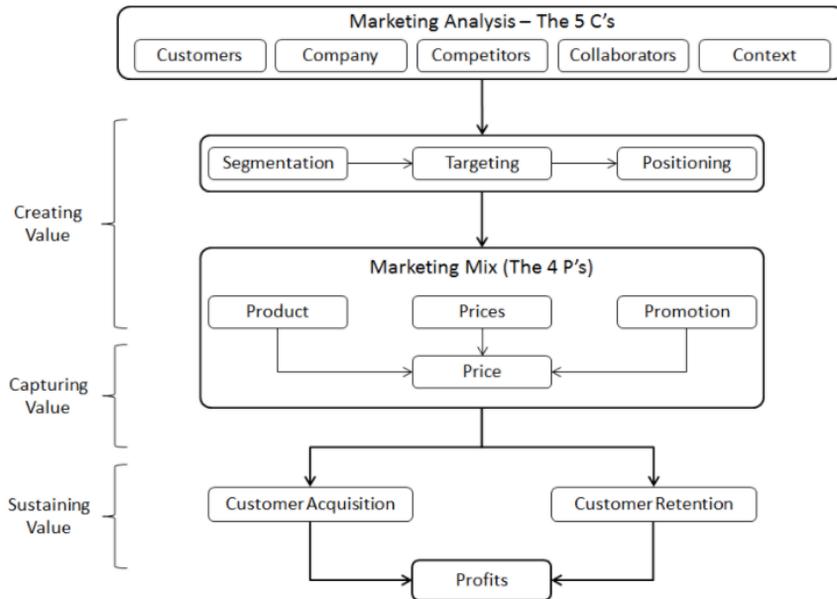
Too Yumm has been a leading brand in healthy snacks (its baked not fried) segment mainly in North India. It is offering impulsive snacking product like “Rings” with a toy inside the pack which was used as a promotional tool to target kids segment. During the years, it launched potato chips for all the age groups. The food processing sector has received an allocation of ~INR 11000 Cr under the PLI (Production linked incentive) scheme. Too Yumm could be one of the Companies in the FMCG/Food processing zone that may potentially benefit from the PLI scheme.

**Capex:** In the food business, Manufacturing business outsources to third party. On the annual basis INR 20-30 Cr capex is good enough.



Source: Company, Aриhant Research

## The company is targeted to fulfill the gap of the consumer taste preference



**Noticing a gap in the market for healthy packed snacks**, in April 2017 a new force in the snack foods space came into existence GIL's first brand that is Too Yumm!. **The brand grew at a steady pace with the sole aim of disrupting the current snacking trends in India.** With Virat Kohli as the brand ambassador Too Yumm! expanded their range with offerings such as Fox Nuts, Veggie Stix, Multigrain Chips, Karare, Rings and Potato Stix, in numerous lip-smacking flavours. The brand created high recall with their engaging communication and attractive packaging, garnering a large fan base and vocal loyalists.

### Demand factors for 'Too Yumm'

The main factors driving the snacks market are lifestyle changes, growing middle class, rising urbanization and availability of snacks in low price and small package size. **Since health consciousness is picking up among the target segment of the product category, a need gap was created in the market.** There has been an increasing demand of snack products, which align with the consumer's health goals, enable them to maintain weight and provide nutritional requirements.

Further, the availability of such healthy snacks in finger-licking tastes and flavors is making consumers switch from just flavored snacks to healthy and flavored snacks. High inclination towards snacks among **the youth population clubbed with increasing health awareness among them is driving the growth of healthy snacks market.**

### Supply factors for 'Too Yumm'

Although 'Too Yumm' has made a distinct place for itself in the healthy packaged snack segment, there are many other key players profiled in this market space who are putting up break-neck competition to each other.

## The company is targeted to fulfill the gap of the consumer taste preference

### Consumers

Consumer between the age of 15-35 years, Youth is the main focus group of the product and its adoption has been strong enough among urban Section A and B consumers. Brand also have INR. 5 packs starting with Karare for youth population of Section C & D consumers.

**Competition**

Competitors for similar products are still into traditional marketing campaign where as Too Yum opted to convey the brand message through disruptive ideas such as #WhyChipsVirat campaign and the company encouraged consumers to take a #SayNoToFriedSnacks pledge.

**PM Modi promoting fitness with ‘Fit India Movement’**

As PM Modi enthusiastically promoting Fit India Movement and number of sports as well as cinema celebrities supporting the campaign, micro environment is just right for healthier snacks market.

Also, marketer these days are looking forward to brand building via sports. The catch is for **now people are definitely talking about health.**

**Sustainable Value Proposition - Healthy as well as tasty snacks**

Too Yumm brand positioned itself as balance of taste and health. With the launch of new tasty variants such as Karare, brand increased its demand as well as gained loyalty among consumers for healthier snack options provided it meets their primary need of great taste.

**Too - Yumm's marketing Mix**

Too-Yumm was not the first brand to realize this. Quite a few players had attempted to be the 'healthy snack' for India already and failed.

**Saffola Zest:** Saffola tried to extend the 'low-cholesterol' image of its oil to create a snack. But it failed to deliver on taste.

**Lays Baked:** Promoted itself highlighting it had 65% less fat failed as well because of bland taste

**Parle Hippo:** They managed to create a buzz initially, with stores running out of stock. But demand fizzled out with time as the taste was not good enough like regular snacks.

Too-Yumm's insight was to create a healthy snack that tasted as close to the traditional snack as possible.

**Based on this insight,** Too-Yumm created products that balanced taste and health like "Tandoori Foxnuts" and "Desi Tadka Wheat Thins". These variants were baked instead of fried (a healthier option) and at the same time spicy/salty instead of bland (a tastier option). Fried=Unhealthy Baked=Healthy

Spicy=Tasty!		
Bland=Yuck!		

**A relevant & popular face for the product**

Having Virat, a fitness icon resonated well with the health image of the snack. The product even had his image on the packaging for improving recall.

Advertisement efforts were heavily focussed on TV to create mass awareness. The TV ads were funny and right on point. One of the ads even shows how Too-Yumm is exactly similar to a normal fried snack but is also healthier at the same time.

Too-Yumm also promoted the brand in digital channels through a collaboration with Amazon Prime Video. The snack was shown as the sponsor of the Cricket Power Play league in the show 'Inside Edge'.

The idea was to promote Too-Yumm as the healthy snacking option while binge-watching.



Fitness icon as brand ambassador



Kohli on packaging to improve recall



Brought out contrast with fried snack

With a larger variety in pack sizes and price points, Too-Yumm is able to cater to customers from different economic segments.

**Large packs, Large stores. Small packs, Small stores.**

Too-Yumm first started selling in metro cities (Tier 1) at 'modern trade outlets' (the large supermarket chains like D-mart, Spencers, and Star Bazaar) and e-commerce sites (Amazon). With the higher price point at the beginning, these were the right places to target the urban health-conscious customer with higher spending power.

After the introduction of smaller packs, Too-Yumm expanded to smaller towns (Tier 2) by making themselves available at neighborhood kirana stores ('mom & pop stores'). In the future, they plan to expand to even smaller towns (Tier 3).

**Affordable for everyone**

INR 40



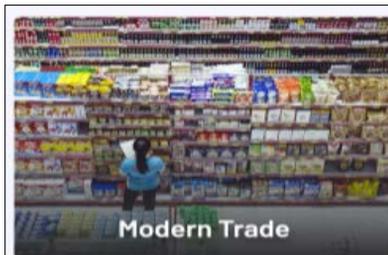
INR 20



INR 10



INR 5



Modern Trade

Metro Cities

larger packs



Mom & Pop Stores

Smaller Towns

smaller packs

Source: Company, Arihant Research

**Nutritional Facts:****Too Yumm Vs Kurkure**

Healthy snacking has been a trend for the past few years and there are not enough options available to consumers. Whereas, it's not such a difficult task to shift consumers from unhealthy like Kurkure to healthy anymore. Since the launch of Too Yumm!, The company is communicating it actively and already taken a sizable share away from the key competitors in the top cities. With more familiar and accessible products, the conversion would only accelerate.

- **Texture:** Too Yumm and Kurkure both product have same texture and crunchiness to them. Even Too Yumm Karare was baked not fried, but still can't differentiate between Kurkure and Too Yumm Karare.
- **Health Quotient:** Too Yumm Karare are baked not fried and the other one (Kurkure) is deep fried. And they also claim that Too Yumm Karare contains 40% less fat and at the back of the package it says that it has only 18% fat and Kurkure on the other hand has 29% fat content as per its nutritional information table. So, Too Yumm is better.
- **Taste:** Too Yumm Karare tastes almost the same as Kurkure! And this is the biggest feat for any baked snack and the same kind of flavor and spiciness when the corn puffs are not deep fried, and Too Yumm Karare offering that almost exact same flavor and Taste like Kurkure, that is a huge plus point in itself. Too Yumm Karare gives a tough beating to Kurkure.

**Ingredients:**

- **Too Yumm Karare** – Rice grits, corn grits, edible vegetable oil, seasoning (spices and condiments, Maltodextrin, salt, sugar, acidity regulator, anti-caking agent, lemon Juice powder), Thickener. (Contains Added flavors)
- **Kurkure** – Rice Meal, edible vegetable oil, corn meal, Spices and Condiments ( Onion powder, red chilli powder, amchur powder, ginger powder, black pepper powder, turmeric powder, spice extract, fenugreek, gram meal, iodized salt, sugar, tomato powder, citric acid, Dextrose, milk solids, edible starch. (Also, contains added flavors)

	Too Yumm Karare	Kurkure
Energy (Kcal)	470	558
Total Carbohydrates (g)	70	55.2
Protein (g)	6.8	6.4
Total Fat (g)	18	34.6
Sodium (mg)	892	900

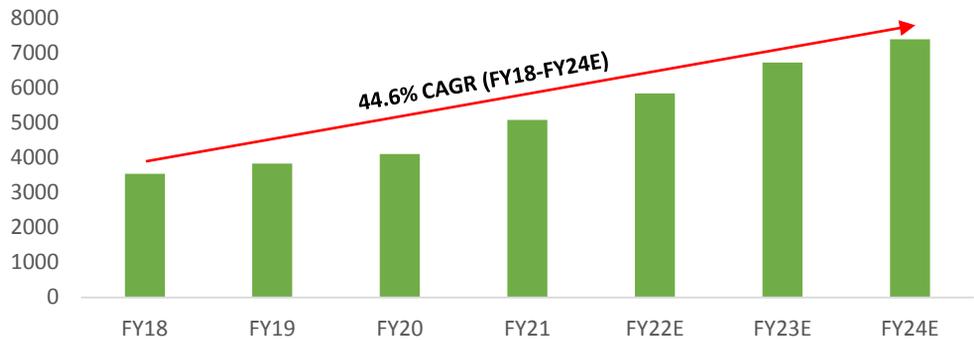
Source: Company, Arihant Research

**IT Services, traction in BFSI & Healthcare to drive growth:**

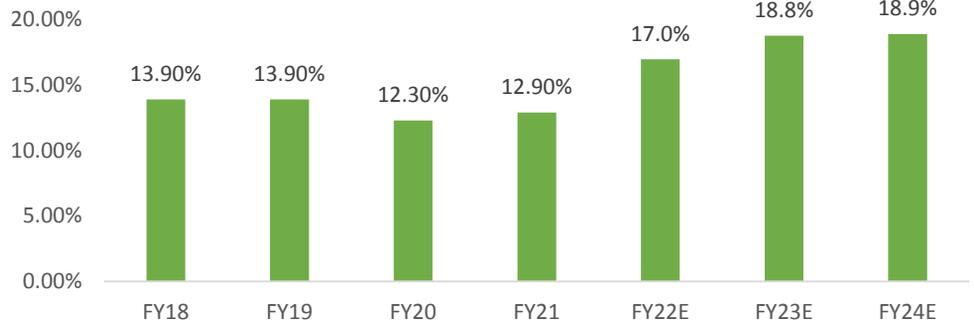
RPSG has 53.72% share in Firstsource Solutions Limited (FSL), which is a listed entity. The company’s good growth guidance of 15-18% in CC terms is based on enhancement in provider, collection segment, diversification in CMT segment, new logo wins, focus on client mining cross selling of platforms business and hiring of leaders bodes well for long term revenue growth In summation, FSL has seen healthy client wins of 17 new clients in Q1FY22. Operating Margins expected to be in range of 11.8-12.3%

Mortgage business leading the pack, Banking & Financial Services (BFS) business continues to power positive growth. Although the healthcare sector witnessed substantial softening during the year, Health Plans and Healthcare Services (HPHS) business demonstrated significant growth potential in the areas of telehealth and remote monitoring, offsetting reduced claim volumes. The Communications, Media & Technology (CMT) segment, on the other hand, continued to expand, driven by the growth of the company's top clients and new client acquisitions. The company is doing pretty well and there objective initially to re-pay debt in first few year. For the coming year includes significant recovery in healthcare business as well as sustained growth in BFS and the CMT sector.

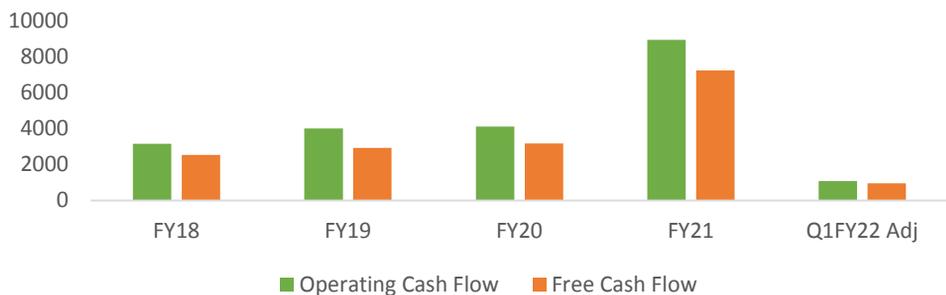
**Net sales**-Strong double digit growth expected in the coming years  
(44.6% CAGR for FY18-FY24E)



**Return on Equity**- Going forward, we expect expansion in ROE

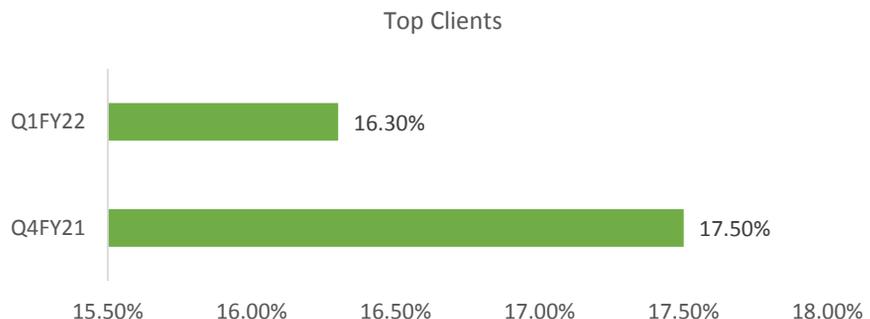
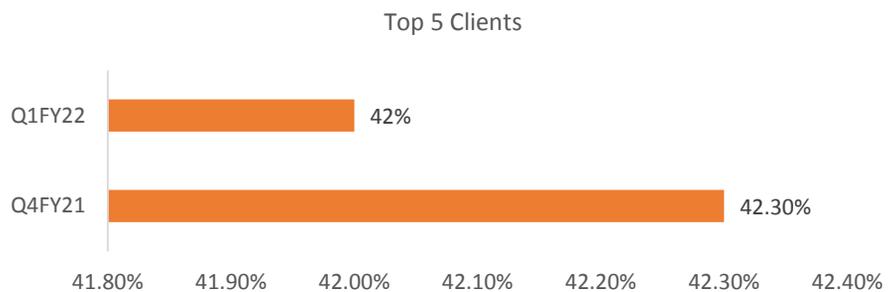
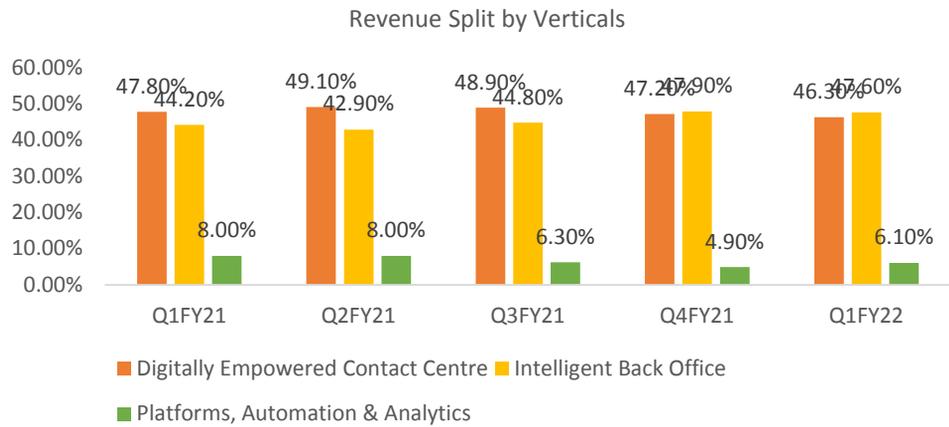
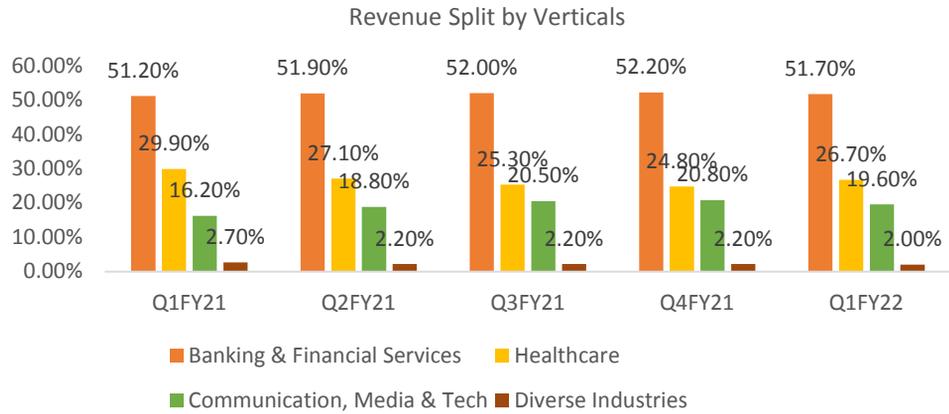


**Cash Flow**



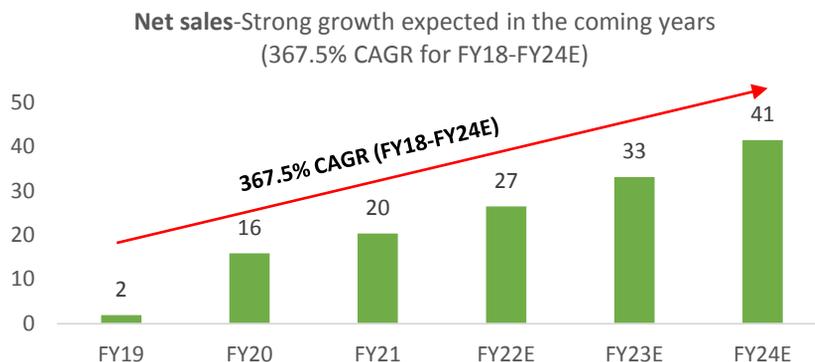
Source: Company, Arihant Research

IT Services, traction in BFSI & Healthcare to drive growth...

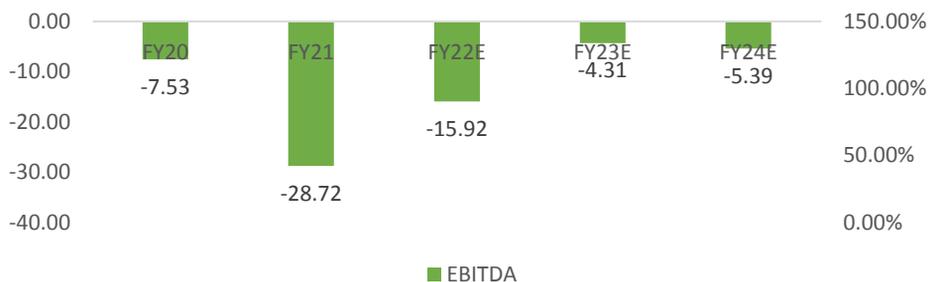


Source: Company, Arianth Research

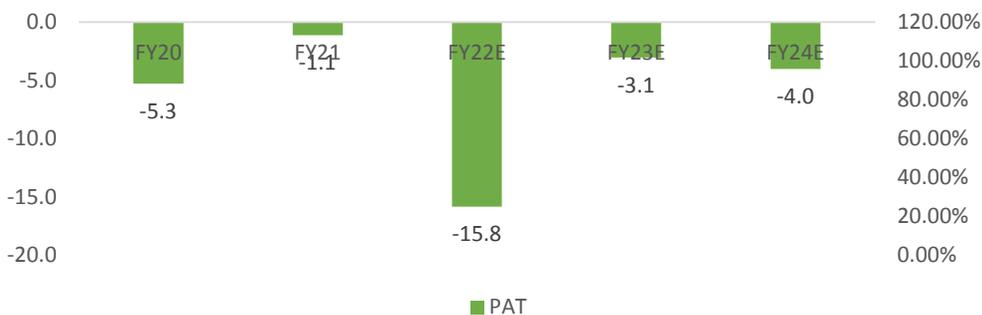
**Ayurveda for the New-Age consumer:** The company has acquired 100% stake in Herbolab. Total income (including other income) grew 26% from INR.16.3 crore in 2019-20 to INR.20.6 crore in 2020-21. In recognition of its achievements, Herbolab was awarded 'Amazon Youth SMB of the Year 2020' and was runner-up at the Retail Association of India award for 'Retail Startup of the Year 2020'. It also featured in the 'Top 25 Growing Indian Startups 2020' by Talent Stack.



Its products are marketed under the brand "Dr. Vaidya's". In a short span of time, it has emerged as one of India's largest Ayurveda brands in the digital space, with over 90% of its sales coming from online platforms through its portal Drvaidyas.com as well as its presence in over 30+ online marketplaces such as Amazon, Flipkart, Netmeds and 1mg. In 2020-21, it launched several products catering to immunity and hygiene to capitalise on demand due to the Covid pandemic. The company also revamped its R&D team with a centralised analytical laboratory to develop new products and improve existing products, which will help it expand its product portfolio and reach in the market going forward. The business registered a significant growth during the year. Herbolab saw good demand for its health and wellness products, especially immunity and hygiene focused formulations during the year. We believe that its strong online presence and good demand of its product, we are expecting that its total income can touch INR 20 crores plus target in next 3-4 year.

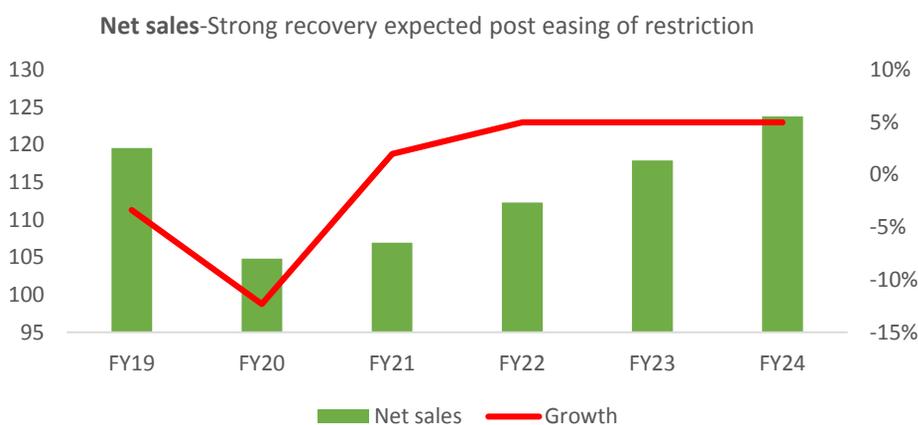


**Commencement of New Product:** The company has plan to launch new product under Dr Vaidya "chyawanprash" as they already have Dr.Vaidya's Chakaash - Chyawanprash Toffee. Also the company has plan to make regional presence of Dr. Vaidya.



### Luxury' for Excellence with pan-India fame

A wholly-owned subsidiary of RPSG Ventures Limited launched Kolkata's first upscale shopping mall, 'the Quest' in November 2013. Due to Covid-19 and resulting lockdown, both footfalls and combined gross sale of all retailers in the Quest mall witnessed significant decline. Income from mall operations is a function of the overall revenue of the retailers and certain short-term concessions had to be accommodated to retailers to tide over the pandemic. This significantly affected revenues during the year. QPIL's total income (including other income) came down to INR.76.03 crore in 2020-21, compared to INR.107.06 crore in the FY2019-2020. Due to this decline in income, profitability suffered. The Company reported a loss before taxes amounting to INR.0.27 crore in 2020-21, compared to profit before tax of INR.28.71 crore in 2019-20. PAT was INR.4.69 crore in 2020-21, compared to INR.17.48 crore in the previous year after considering reversal of MAT liability provision for 2019-20 and a part of deferred tax liability carried in the books.



Source: Company, Arihant Research

We expect going forward mall business will do good as ease of restriction it is engaging with its retailers to devise clear marketing strategies for a faster turnaround in footfalls and activity.

**Collection cost:** Previously, collection cost was 50% rental waivers but this year as restriction eases down its below 15-20%.

### Business diversification into sports industry:

RPSG Ventures made its foray in the sports business through acquisition of 100% stake in APA Services Private Limited (APA) during the year under review. 80% stake in ATK Mohun Bagan Private Limited, which operates and manages the football club ATK Mohun Bagan (ATKMB), is held by an APA subsidiary. ATKMB participates in the Indian Super League (ISL) and various other football competitions. APA also has a 76% stake in Rubberwood Sports Private Limited (RWSPL), which operates and manages table tennis franchisee "RPSG Mavericks" which competes in the Ultimate Table Tennis, India's top league for table tennis. ATKMB was formed by coming together of ATK Football Club and Mohun Bagan Football Club.

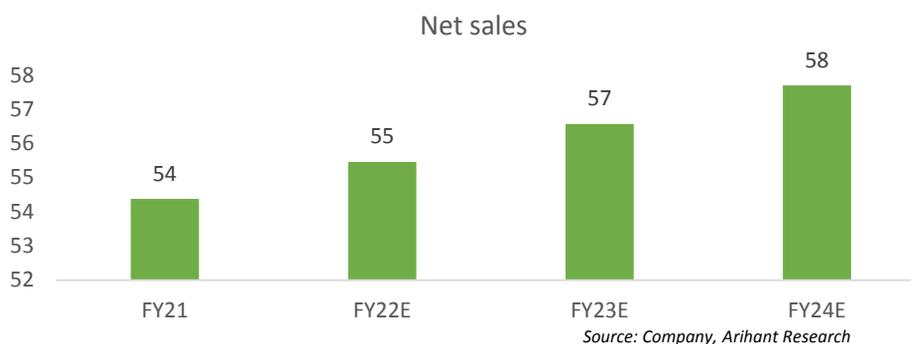
ATK is the most successful team in ISL winning three of the six competitions held till 2019-20 and Mohun Bagan is one of India's oldest football clubs with a 130 year old legacy which has won the national league five times and has over 200 trophies to its name. In what was its first tournament under the ATK Mohun Bagan name, the club finished runners-up in latest ISL edition of 2020-21 following a strong performance. ATKMB is committed to the development of football in the country, for which it plans to set up full-fledged residential academies and training programmes.

**ATK Mohun Bagan Football club (FC) worth of INR 46.868 cr**

ATK Mohun Bagan FC, formerly known as Atletico de Kolkata before their merger with the iconic Mohun Bagan, are the second-most valuable football club in the Indian Super League (ISL). The three-time ISL champions have not only got a great foreign contingent but their recent signings like Sandesh Jhingan and Subhasish Bose make them a potent unit. And with the stars of the previous season, Roy Krishna and David Williams, still in the team, it is no surprise that they are second on the list. Ahead of ISL 2020-21, the team announced SBOTOP.net as their principal team sponsor and the team went all the way to the final, only to lose the title to eventual champions, Mumbai City FC.

Initial loss for the company will be around INR 15-20 Cr before the segment turnaround.

**We are expecting good growth going forward with revenue estimates of 3% CAGR over the FY21 to FY24E**



**The company entered into personal care space:** Guiltfree Industries Ltd, the FMCG vertical of the RPSG venture has forayed into the personal care space by launching products aimed at skin care (like face wash, face cream) and haircare (like Shampoo, conditioner) under the brand 'Naturali'. The company targets revenues of around INR 400-500 crore from the segment in the next four-five years.

As per the management the personal care category is estimated at INR 70,000 crore, of which hair and skin care accounts for around 50% or close to INR 34,000 crore. The category has been growing at a CAGR of 10%. It has roped in Kriti Sanon for promotion of the haircare range and Shanaya Kapoor for the skincare range.

'Naturali' aims to create haircare and skincare products that are free from harmful chemicals, animal testing and use natural ingredients such as avocado, raspberry, moringa, charcoal, tea tree etc and even onions. Product priced at a mass premium tier (between INR 90-INR 300) which is a first for the category. This range truly proves that natural ingredient-led products can also be affordable. The company is confident the brand will be widely accepted and will contribute to the segment, positively.

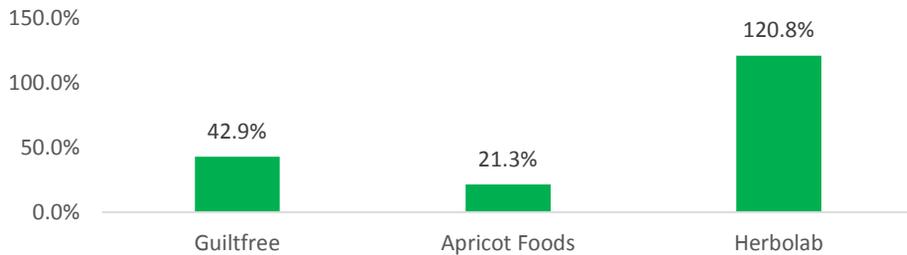
**Product Margin:** Within Evita gross margin is 25%-27%. Volume is very low INR 16 cr per month sales of Evita (expecting to do INR 20 cr) and INR 10-12 cr of Too Yumm! Currently not able to achieved breakeven on margin front but down the line 5 years, the company wishes to achieve 2000 cr top-line on the entire FMCG. The Company is expecting to cross-sales INR 50 cr turnover.

**Distribution Platform for recent personal care launch:** the COVID pandemic has fueled the demand for a curated shopping experience, ushering in an era of health-conscious consumers who seek 'Omni-channels' and do not rely on any single format of shopping, and hence 'Naturali' 's curated range of haircare and skincare products are expected to be sold in stores across India soon and is currently already available in Delhi and Bangalore at general trade, modern trade and beauty outlets. But over the next six months, the company hopes to be able to make itself available across all three channels (e-commerce, modern and general trade). Sales on e-commerce platform would account for nearly 70% of total volumes initially with the remaining (30%) coming from modern trade.

**Raw Material Risk**

The company has challenged on the front of Evita and Too Yumm! As Palm oil prices moving up but this is an industry-wide issue and in the short run, it will impact the company but there is a trend, which is developing within the industry for quite some time but for some reason or the other it is not happening. There is big dominance in this segment in the entire FMCG industry whether it is chips or Karare. The larger player is not able to move from INR 5 to INR 10 primarily because some of the smaller players have been focusing on the INR 5 segment. Primarily this inflationary price gives the company push to INR 10 package.

**Gross Margin FY21**



Source: Company, Arihant Research

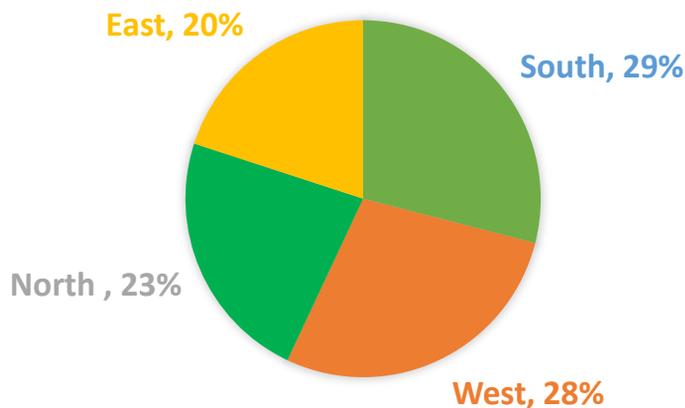
**Strengthened its distribution network to reduce cost & improve margin:**

During the year, the company works through a distributor network and has setup warehouses to ensure uninterrupted supplies of its products. Currently, the company has 20 warehouses enabling its presence in top 150 cities across India through exclusive distributors, and in tier 2 and 3 towns through 1,200 sub-distributors. Apricot Foods Private Limited (AFPL) also strengthened its distribution network by adding over 80 super stockists in 2020-21.

Too Yumm is positioned as a national brand. Sale in modern trade is 20% and in general trade it is more or less evenly spread across 4 region with little high sale from North India. Whereas EVITA is still a regional brand focused on few states like Gujarat, Rajasthan, Maharashtra, UP, Andhra Pradesh and Jharkhand. The company will take some time to go PAN India.

The company successfully ramped-up its business after the disruption caused by the pandemic in the early part of the year, registering an improvement in performance over pre-Covid levels.

**Geographical Sales Mix (Too Yumm)**



Source: Company, Arihant Research

**Marketing Spend:** Overall, the company is spending less than 15-20 Cr for the R&D service in the personal care as the product had launched in Delhi and Bengaluru. Going forward the company has plan to focused its marketing and promotional activities to strengthen its brands and establish the “Naturali” brand across India.

**Rental Income:** Once the situation back to normal can expect INR 90 cr income and every 3 years 10-15% growth in the rental income.

**Financial Analysis**

**Strong and diversified business:** The company's strong and diversified verticals provides sustainable revenue growth visibility. RPSG into FMCG (Healthy snacks) , IT (BPO player), Pharmacy (Ayurveda), restaurant, real estate (Quest mall) and recently acquired sports business.

**Good revenue growth visibility backed by strong and diversified segment :**

RPSG has delivered a healthy revenue growth of CAGR 67.6% over FY18-21 aided by its consistent focus on healthy products, expansion of its distribution reach and scale-up of its high margin snacks segment. Going forward, we are expecting the company to report a revenue CAGR of ~15% over FY21-24E. Despite Covid-19 related challenges, we expect, RPSG to register 11.3% revenue growth in FY22E.

**On-track execution and healthy margins profile**

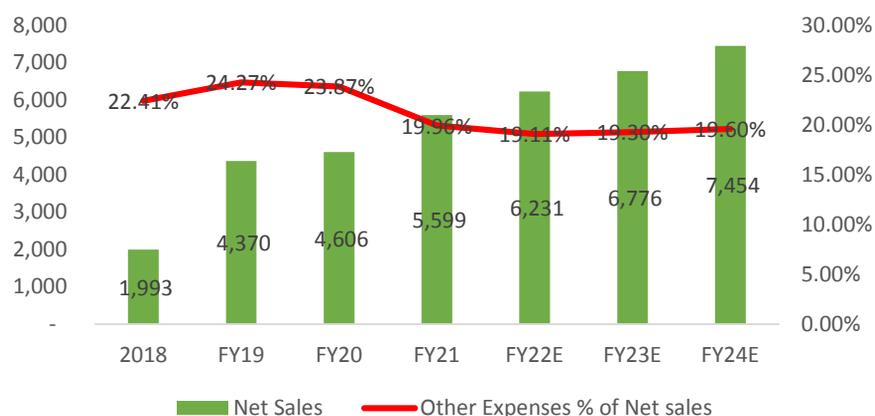
Its EBITDA grew by CAGR ~80% over FY18-21. In FY20, RPSG’s operating performance was mainly impacted by high raw material cost inflation. Historically, RPSG operating performance had been increasing mainly due to efficient purchases. Going forward, we expect its operational performance to stabilize with EBITDA likely to grow at CAGR 14.7% over FY21-24E.

However, due to a fairly sharp increase in tax out-go, consolidated PAT for 2020-21 was INR.58.4 crore, against INR .75.8 crore in the FY 19-20. Despite Covid-19 related challenges, we expect, RPSG to register 1.7% PAT growth in FY22E.

**Other expenses (Advertisement & Sales Promotion )**

Other expenses is high in the Advertisement & Sales Promotion as the company main focus on the digital platform and celebrities. Recently the company new campaigns were launched on TV and digital platforms. Optimization of other expenses is a key driver for EBITDA margin expansion. We are expecting going forward other expense will be normalized as the increase of the revenue.

The company will (Indian Premier League ) IPL platform to promote the Too Yumm brand.



Source: Company, Arihant Research

Exhibit 8 : Financial Performance of RPSG Venture

Exhibit 1: Revenue trend

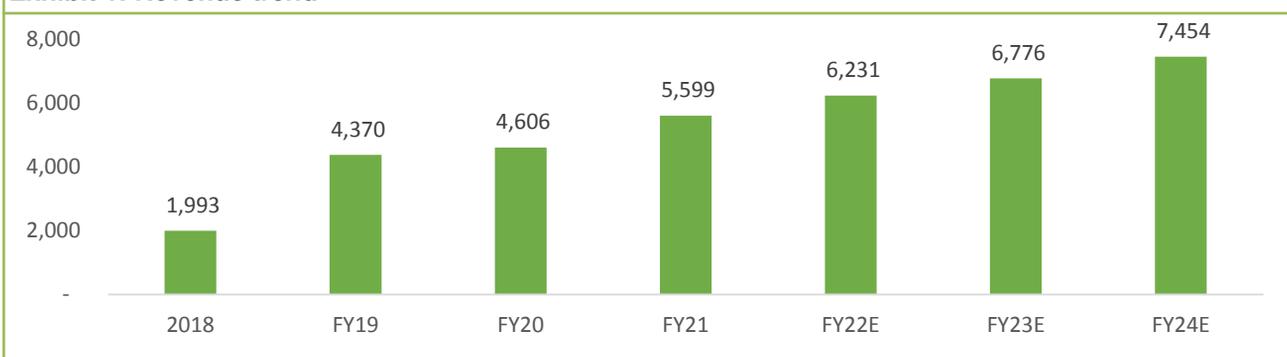


Exhibit 2: EBITDA Trend



Exhibit 3: PAT trend

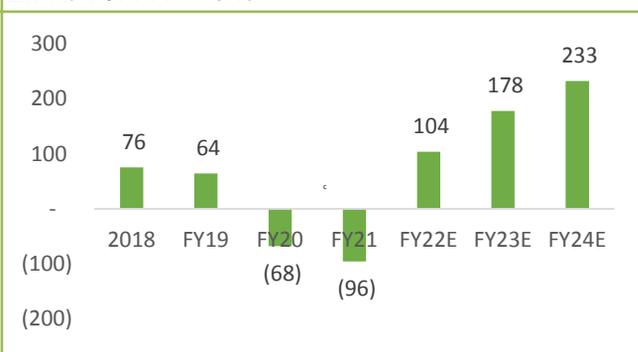


Exhibit 4: EBITDA Margin Trend

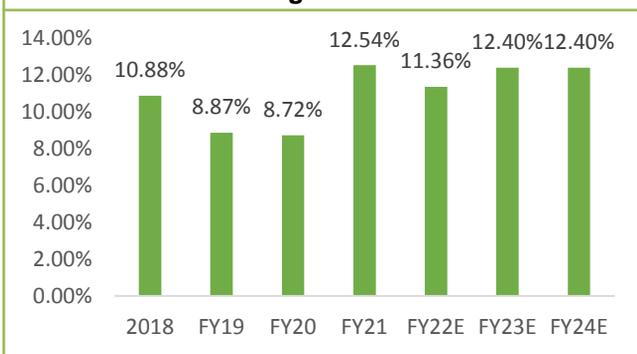


Exhibit 5: PAT Margin trend

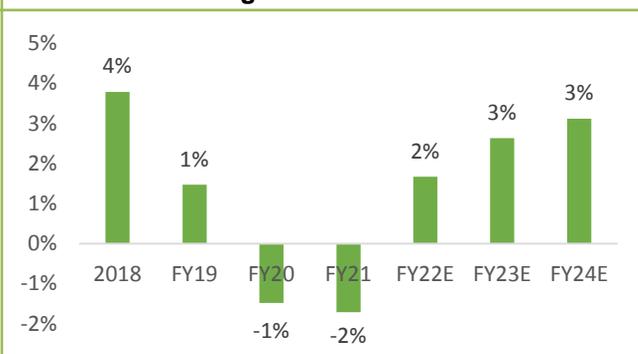


Exhibit 6: ROE Trend



Exhibit 7: ROCE trend



Source: Company, Arianth Research

## The future of snacking - Industry overview

With the unprecedented Covid-19 pandemic, we have witnessed a few industries collapse, a few diversify, a few strive to stay afloat and a few that have been booming. Snacking industry is one such industry that has flourished in recent years and has seen a massive upsurge in the demand for snacking products in India. The Indian snack market will boom to more than INR 1 Billion by the end of 2024 and is expected to grow with a double-digit CAGR for the time frame of 2018 to 2024.

Through the years, there has been a major shift in the snacking categories. Consumers are now moving to a healthier way of living and conscious eating. This has definitely paved the way for the healthy snacking category. Altered consumer choices and the varied taste of millennials have become the catalyst for fostering this shift. With the promising new-age healthy food culture and the emergence of health-conscious snack lovers, there is more demand for healthy snack options.

In recent years, we have seen a lot of brands introduce various healthy snacking options for the Indian population. But amongst all the healthy munchies options being introduced, we have seen Popcorn emerge as a popular snack in India. As per an online report, the global popcorn market is projected to reach \$15billion by 2023, registering a CAGR of 7.6% from 2017 to 2023.

Popcorn is a healthy and nutritious alternative to chips and cookies. It is cost-friendly, easy-to-prepare and an integral part of the entertainment and snacking experience. **As the audience today is moving to healthier options and ready to experiment with different flavours**, we have seen various players like Pipo, Act 2, Popcorn & Company capture the popcorn market.

Too-Yumm created products that balanced taste and health like "Tandoori Foxnuts" and "Desi Tadka Wheat Thins". These variants were baked instead of fried (a healthier option) and at the same time spicy/salty instead of bland (a tastier option).

According to another report, India's gourmet popcorn market is prepared to expand at a CAGR of 36% by 2022 and will see a lot of new players foraying into the popcorn business. There are various driving factors that make popcorn the most popular snack and a growing business:

### Healthy Snacking

Popcorn is made of whole grain which is enriched with zinc, copper, fiber, antioxidants and other nutrients that make it a healthy snacking option. The presence of these ingredients makes it easier on the gut too, thus making it a preferred snack option for most individuals. Besides this, popcorn is also **gluten-free, cholesterol-free** and one of the safest and hygienic snacks to prepare.

### Changing lifestyles

Due to an increase in lifestyle ailments like diabetes, heart illness and the ongoing pandemic, consumers are making a conscious choice of shifting to healthy snacking. With the current work from home culture and lockdown scenario, people are living a sedentary lifestyle. Consumers no more give importance to taste over health, but at the same time they are looking to munch on something that is tasty as well as healthy. While regular fried chips and crisps require conscious eating, you can easily relish the pleasure of guilt-free bingeing with popcorn.

### Prime-time snacking

Earlier, watching movies in the theater with your popcorn tub by your side was always a go-to outing plan. Whereas today online streaming and binge-watching movies at home on OTT platforms has become the new normal. Besides, we have seen a new culture of virtual games nights, Zoom parties and Netflix parties that make you crave for a snack. Popcorn becomes the most preferred food choice to munch on for such occasions.

### Flavour innovation

Consumer preferences in context to the snacking options are highly dynamic. With a fast-paced lifestyle and majority of options available in the market, munching the same flavor daily can easily bore the consumer. They are looking for an added taste and flavour.

To balance and cater to the taste aspect of a diverse population, brands are introducing a wide variety of popcorn flavours. This has led to brands introducing unique and delectable flavours like Cheese Burst, Peri-Peri, Hot N Spicy, Butter Lovers, Tomato Salsa, Caramel Bliss, Spicy Pudina, Tandoori Tadka, Desi Cocktail, and others.

### Convenience

With the entire lockdown scenario and consumers being prohibited from consuming outside food, at-home snacking has increased. Consumers are looking to munch on something that can be easily prepared in less time and is tasty. Its easy accessibility and convenient preparation method make it an ideal choice for those who live alone or those who have a large family. In either case, making popcorn is the best option to curb the junk cravings. It acts as your companion while you are stress eating alone or continually munching on delightful snacks over a game of cards with family.

Going forward, the category will witness a lot of excitement with the launch of new products and variants. The consumer will be more open to trying out new and ready-to-eat products that are a perfect blend of taste, unique flavours and convenience.

## Company Background

### Restructuring

CESC's non-power investments demerged into two entities – IT business into this Company and retail business into Spencer's Retail Limited.

The proposal of demerger of CESC's Generation Undertaking however has been withdrawn with effect from 14 November, 2019. Accordingly, parts of the Scheme dealing with the aforesaid demerger of the said Generation Undertaking and matters related thereto have become null and void.

### Subsidiaries

As on 31 March, 2021, the Company had thirty subsidiaries. Herbolab India Private Limited ('Herbolab'), a subsidiary of the Company, became its wholly-owned subsidiary with effect from 8 March, 2021 pursuant to acquisition of balance 35.37% of Herbolab's shares by the Company.

**Business Background:** RPSG Ventures is an early stage consumer venture capital fund focused on investing in the B2C ecosystem ranging from food & beverages, personal care and lifestyle goods & services.

Established in 2018, it strives to be a value-adding ally of exceptional entrepreneurs looking to transform the Indian consumer landscape.

GIL has been one of the fastest growing FMCG companies in India crossing the milestone of ` 200 crore in sales value within just two years.

With its innovative and disruptive approach to scale up its operations and presence, its brand "TOO YUMM!" garnered a gross brand awareness of 75% and a market share of 2% of total western snacks in India (at an all-India – urban level), by the start of this financial year.

### 1. Guiltfree Industries Ltd

GIL has setup a R&D center with a centralized analytical lab to develop and improve products. Utilizing this expertise, GIL expanded its core target group to include kids with the launch of three new products in 2019-20 viz. Puffs, Potato Stix and Rings. Existing products recipes were improved. Driven by innovative products, thoughtful packaging and effective marketing campaigns, the market awareness and consumer acceptance of the brand has continued to grow. GIL's market share improved to 2.3% of total western snacks in India.



GIL received several awards that recognize the success of its branding and marketing efforts. Some of these were: (i) 'Nielsen Superstar', the annual recognition by Nielsen India honouring Breakthrough Brands; (ii) 'Eat Right Awards' by FSSAI, Government of India; and (iii) 'Product of the Year 2019' for Too Yumm! Multigrain Chips.



## 2. Apricot Foods Private Limited

GIL also has a 100% stake in Rajkot-based Apricot Foods Private Limited (AFPL) which markets snacks under the brand name "Evita".



## 3. Herbolab India

RPSG Ventures is present in the Ayurveda industry through its subsidiary Herbolab India Private Limited (Herbolab), in which it acquired a 64.63% stake on 3 June 2019.

Herbolab brings a 150-year legacy and expertise in ayurvedic formulations in user-friendly and innovative formats such as capsules and toffees that are relevant to the new-age 21st century consumer. It has over 100 proprietary Ayurvedic formulations approved by the Ministry of AYUSH, which it offers under the brand "Dr. Vaidya's".

Herbolab markets more than 50 SKUs across illness categories like diabetes, arthritis, asthma, indigestion, hypertension, kidney ailments as well as wellness products and supplements for immunity, energy, sexual wellness, weight management, hair and skin care, among others.

## 4. Quest

**Quest Properties India Limited (QPIL)**, launched the Quest, Kolkata's first upscale shopping mall in November 2013.

Despite slowdown in economic activity in 2019-20 and the closure of the mall in the last 12 days in March 2020 due to Covid-19, both footfalls and combined gross sale of all retailers in the mall remained at the last year's level at over 16 million and ` 700 crore respectively.

Moreover, QPIL is implementing a residential project in Haldia spread across 3.5 acres of land. In 2019-20, it completed Phase I of the project comprising about 0.2 million square feet of saleable area; most of the apartments that were constructed have been handed over. During 2019-20, QPIL's total income was INR ` 107.1 crore and PAT was INR ` 17.5 crore.



## 5. Subsidiaries Firstsource Solutions Ltd

**RPSG Ventures is present in the BPM industry through its subsidiary Firstsource Solutions Limited (FSL), a listed entity where it holds 53.72% stake.**

FSL is in the business of providing customized services in the areas of:

- 1) Customer Interaction Management, 2) Data and Transaction Processing , 3) Collections Management
- 4) Consulting and Analytics

FSL's client base consists of large companies in the US, the UK, India and Philippines, which include Fortune 500 and FTSE 100 companies. It has a total employee strength of 21,203 and supports clients from 36 service facilities spread across the US, the UK, Philippines and India. Its 'right-shore' delivery model offers solutions encompassing complete customer-lifecycle management across its verticals: Healthcare, Utilities, Telecom & Media (T&M), Banking, Financial Services and Insurance (BFSI) and Mortgage.



## 7. Sports business:

During the year, your Company made its foray in the sports business by acquiring 100% stake in APA Services Private Limited (APA). 80% stake in ATK Mohun Bagan Private Limited, which operates and manages the football club ATK Mohun Bagan, is held by an APA subsidiary. APA also has a 76% stake in Rubberwood Sports Private Limited, which operates and manages a table tennis franchisee 'RPSG Mavericks' that competes in the Ultimate Table Tennis league.

**ESG Initiatives**

RPSG Ventures is committed towards responsible business practices to promote sustainable and inclusive growth of the ecosystem in which it operates. As a part of the RP-Sanjiv Goenka Group, RPSG Ventures, along with its major operating subsidiary companies, has embraced ESG principles, incorporating them into its operations both as a risk mitigation tool and for long-term value creation.

**Some areas of intervention are:**

**Environment:** Energy efficiency and emission control; tree plantation; water resource management; promoting green buildings; and, awareness campaigns.

**Social:** Employee rights, benefits, diversity and engagement; workplace safety; customer rights, engagement and satisfaction; supply chain management; CSR initiatives in education, health and sanitation, community engagement and development.

**Governance:** Board composition and committees; ethics and code of conduct; whistle blower mechanism and anti-corruption; disclosures, reporting and transparency; and, shareholders' rights and participation.

**ESG Initiatives****Environment**

- **Resource conservation:** LED lights with motion sensors, water taps with sensors, dry and wet waste segregation, rooftop gardening; towards paperless operations through digitisation.
- **Green buildings:** Quest Mall (IGBC Platinum), Quest Residency (IGBC Pre-certified Gold)
- **Renewable Energy:** 60 KW solar rooftop in Quest Mall; purchase of renewable power where possible (FSL)
- **Awareness:** Green education, sustainable fashion Social.
- **Workplace Safety:** technology adoption, cyber security
- **Employees:** rights, benefits, diversity and engagement
- **Customer:** rights, engagement and satisfaction; FSL office, Quest Mall and Quest Residency have facilities for differently abled persons

**Covid-19 – Risks and Response**

Covid-19 has affected businesses across sectors due to lockdowns and restrictions on mobility. As a provider of IT services, this exposes RVL to risks associated with effective execution of its projects, meeting deadlines, as well as safety and welfare of its employees and other stakeholders. Besides, as the Company's services are primarily aimed at the power sector, its fortunes are closely tied with the health of the sector. Therefore, any deterioration in the outlook for the power sector can affect the Company through rationalization of IT projects and spend of its clients. At the beginning of the pandemic, RVL constituted a core committee to monitor the situation, implement directives of the government and take quick decisions to deal with the evolving situation.

It has also put in place an Emergency Preparedness Plan and a Standard Operating Procedures (SOPs) for resuming operations when the lockdowns were lifted.

The Company has performed analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions

### Management Profile

As on 31 March, 2021, RVL's Board of Directors ('the Board') had three Non-Independent Directors including the Chairman and three Independent Directors, including a Woman Director. Out of the three Non-Independent Directors, the Whole-time Director is the only Executive Director of the Company. The composition of the Board satisfies the requirements of Section 149 of the Act and the Listing Regulations.

Mr. Shashwat Goenka, aged 31 years, is a Director of the Company and Sector Head-Retail & FMCG of the RP-Sanjiv Goenka Group. Currently he is Chairing FICCI's Young Leaders Forum and Chair for CII's National Committee on Retail. He is also the youngest President of Indian Chamber of Commerce (2017-2018). He graduated from The Wharton School, University of Pennsylvania. Dr. Sanjiv Goenka, Chairman, steers the deliberations of the Board with inputs from independent and non-independent directors.

Name	Designation
Sanjiv Goenka	Chairman and Non-executive Director
Arvind Vats	Chief Financial Officer (upto 05-11-2020)
Grace Elizabeth Koshie	Director
Kalaikuruchi Jairaj	Director
Rajeev Ramesh Chand Khandelwal	Whole Time Director (w.e.f. 26-06-2020)
Arjun Kumar	Independent Director
Shashwat Goenka	Non-executive Director
Sudip Kumar Ghosh	Co. Secretary & Compl. Officer
Mr. Ayan Mukherjee	Chief Financial Officer (w.e.f. 05-11-2020)

### Peer group comparison

With better than expected revenue growth and margin expansion, RPSG is available at EV/EBITDA of 8.4x/4.6x in FY20/FY21 as compared to 10.79x/18.59x for Prataap snacks and 19.34x/29.23x for DFM Food. RPSG is currently trading below the industry average of 36.69x, which gives an enough room for improvement going forward on the back of consistent product innovation, entry into Rings with the toy inside the pack and Potato chips, increasing volumes due to higher demand of healthy snacks during the pandemic. Also the company strategy is trying to fulfill the gap of the consumer preference which is related to personal care and food products.

Company Name	CMP	Revenue		EBIDTA		PAT		EBITDAM		PATM	
	(INR)	(INR cr)		(INR cr)		(INR cr)		(% )		(% )	
		FY20	FY21	FY20	FY21	FY20	FY21	FY20	FY21	FY20	FY21
RPSG Venture	992	4,606	5,599	402	702	76	58	8.72%	12.54%	1.64%	1.04%
Prataap Snacks	711	1394	1171	94	63	47	14	6.74%	5.38%	3.37%	1.20%
DFM Food	339	508	524	48	63	24	29	9.54%	11.94%	4.81%	5.48%

Company Name	CMP	MCap	EPS		ROE		ROCE		P/E	
	(INR)	(INR)	(INR)		(% )		(% )		(x)	
			FY20	FY21	FY20	FY21	FY20	FY21	FY20	FY21
RPSG Venture	992	2425	-1.3	-36.1	2.07%	1.69%	2.82%	7.16%	-774.6	-27.5
Prataap Snacks	711	1632	20.0	6.0	7.72%	2.27%	5.31%	2.31%	35.6	118.5
DFM Food	339	1726	4.87	5.71	18.02%	18.11%	16.18%	19.99%	69.7	59.4

Source: Company, Arianth Research

CMP as on 14<sup>th</sup> Oct 2021

## Q1 FY22 Performance of the company

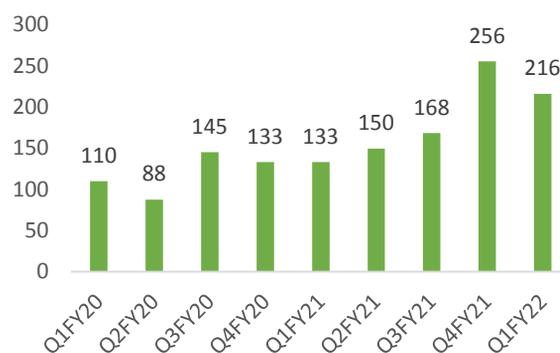
INR in Cr.	Q1FY22	Q4FY21	Q1FY21	YoY	QoQ
<b>Net Sales</b>	<b>1,611</b>	<b>1,659</b>	<b>1,138</b>	42%	-3%
Raw Material	53	57	31	73%	-7%
Purchase of stock In trade	-	-	-	-	-
(Increase)/Decrease in stock	1	(3)	1	-42%	-134%
COGS	54	54	32	68%	-1%
<b>GP</b>	<b>1,557</b>	<b>1,605</b>	<b>1,106</b>	<b>41%</b>	<b>-3%</b>
<b>Gross Profit (%)</b>	<b>96.66%</b>	<b>96.72%</b>	<b>97.18%</b>	<b>-52bps</b>	<b>-6bps</b>
Employee Cost	1,050	1,033	741	42%	2%
Other Expenses	291	316	232	26%	-8%
<b>EBITDA</b>	<b>216</b>	<b>256</b>	<b>133</b>	<b>62%</b>	<b>-15%</b>
<b>EBITDA Margin (%)</b>	<b>13.40%</b>	<b>15.40%</b>	<b>11.71%</b>	<b>169bps</b>	<b>-200bps</b>
Depreciation	69	64	60	14%	8%
<b>EBIT</b>	<b>147</b>	<b>191</b>	<b>73</b>	<b>102%</b>	<b>-23%</b>
Other Income	1	48	1	-3%	-97%
Finance Cost	28	27	27	5%	3%
<b>PBT</b>	<b>119</b>	<b>103</b>	<b>48</b>	<b>151%</b>	<b>16%</b>
Tax Expense	34	206	3	1136%	-84%
Effective tax rate %	28.18%	201.19%	5.72%	392%	-86%
<b>PAT</b>	<b>86</b>	<b>(104)</b>	<b>45</b>	<b>91%</b>	<b>-183%</b>
<b>Profit /(Loss) to Non-controlling</b>	<b>25</b>	<b>21</b>	<b>40</b>	-37%	20%
PAT margin (%)	5.32%	-6.25%	3.94%	138bps	1157bps
Consolidated PAT	60.4	(124.8)	4.8	1166%	-148%
<b>EPS (INR)</b>	<b>9.5</b>	<b>(47.1)</b>	<b>1.8</b>	<b>429%</b>	<b>-120%</b>

**Q1FY22 Performance of the company:** RPSG Venture Q1FY22 results were significantly good on a YoY basis and weak on the quarterly front. Despite institutional sales like railways, bus depots, schools, etc was adversely impacted due to the low mobility, the revenue grew by 42% YoY to INR 1,611 cr, on a low base (as the plant was shut due to Covid-19)

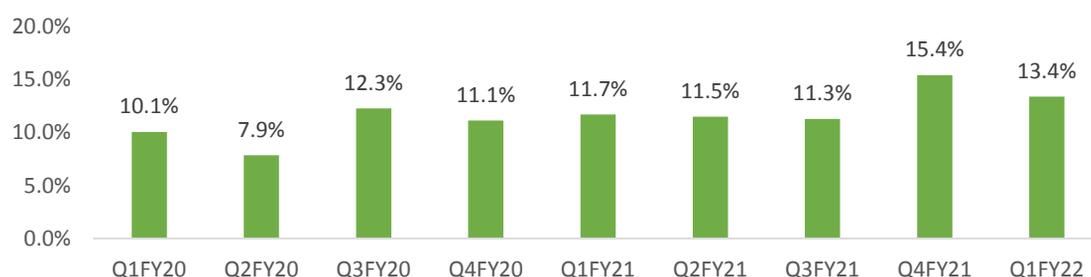
Gross Sales Cr.



EBITDA (INR Cr)



EBITDA (%)



**RPSG Ventures Limited Financial (Consolidated financial)**
**Income Statement (INR Cr)**

Year End-March	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Revenues</b>	1,993	4,370	4,606	5,599	6,231	6,776	7,454
<i>Change (%)</i>	-119.2%	5.4%	21.6%	11.3%	8.8%	10.0%	
Cost of Goods Sold (COGS)	90	272	209	191	231	237	261
<b>Gross Profit</b>	<b>1,903</b>	<b>4,098</b>	<b>4,398</b>	<b>5,408</b>	<b>6,000</b>	<b>6,539</b>	<b>7,193</b>
Employee costs	1,239	2,650	2,896	3,588	4,101	4,391	4,808
Other expenses	447	1,061	1,099	1,118	1,190	1,308	1,461
<b>Total Expenses</b>	<b>1,777</b>	<b>3,982</b>	<b>4,205</b>	<b>4,897</b>	<b>5,523</b>	<b>5,936</b>	<b>6,530</b>
<b>EBITDA</b>	<b>217</b>	<b>388</b>	<b>402</b>	<b>702</b>	<b>708</b>	<b>840</b>	<b>924</b>
Depreciation	44	95	225	249	273	285	299
<b>EBIT</b>	<b>173</b>	<b>292</b>	<b>177</b>	<b>453</b>	<b>435</b>	<b>555</b>	<b>625</b>
Interest	28	61	102	107	87	90	71
Other Income	12	23	39	64	71	78	82
<b>PBT</b>	<b>157</b>	<b>254</b>	<b>114</b>	<b>410</b>	<b>419</b>	<b>543</b>	<b>636</b>
Exceptional Items	0	0	0	-115	0	0	0
<b>PBT after exceptional Items</b>	<b>157</b>	<b>254</b>	<b>114</b>	<b>294</b>	<b>419</b>	<b>543</b>	<b>636</b>
Tax	-7	20	38	236	170	217	254
<i>Rate (%)</i>	-4.3%	7.7%	33.3%	80.2%	40.7%	40.0%	40.0%
<b>PAT</b>	<b>164</b>	<b>235</b>	<b>76</b>	<b>58</b>	<b>248</b>	<b>326</b>	<b>381</b>
<b>Non-controlling interest</b>	<b>88</b>	<b>170</b>	<b>144</b>	<b>154</b>	<b>144</b>	<b>147</b>	<b>149</b>
<b>Consolidated PAT</b>	<b>76</b>	<b>64</b>	<b>-68</b>	<b>-96</b>	<b>104</b>	<b>178</b>	<b>233</b>
<i>Change (%)</i>	3.8%	1.5%	-1.5%	-1.7%	1.7%	2.6%	3.1%

**Balance Sheet (INR Cr)**

Year End-March	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Sources of Funds</b>							
Share Capital	27	27	27	27	27	27	27
Reserves & Surplus	2,147	2,253	2,300	2,132	2,381	2,706	3,088
Non controlling interest	1,144	1,318	1,327	1,301	1,301	1,301	1,301
<b>Total Equity</b>	<b>3,317</b>	<b>3,597</b>	<b>3,653</b>	<b>3,460</b>	<b>3,709</b>	<b>4,034</b>	<b>4,416</b>
<b>Loan Funds</b>	<b>521</b>	<b>819</b>	<b>1,198</b>	<b>828</b>	<b>668</b>	<b>518</b>	<b>368</b>
Defered Tax Liability (Net)	102	70	93	149	149	149	149
<b>Capital Employed</b>	<b>4,777</b>	<b>5,109</b>	<b>6,275</b>	<b>6,329</b>	<b>6,432</b>	<b>6,645</b>	<b>6,923</b>
<b>Application of Funds</b>							
Gross Block	1,136	1,218	1,366	1,511	1,692	1,895	2,122
Less: Depreciation	620	652	717	772	874	988	1,115
Net Block	515	566	654	908	1,008	0	0
CWIP	3	55	7	5	5	5	5
Financial Assets	614	660	711	635	635	635	635
Investments	16	28	94	47	147	147	147
<b>Inventories</b>	<b>42</b>	<b>48</b>	<b>50</b>	<b>51</b>	<b>57</b>	<b>60</b>	<b>66</b>
<b>Sundry debtors</b>	<b>401</b>	<b>437</b>	<b>603</b>	<b>608</b>	<b>683</b>	<b>743</b>	<b>817</b>
Cash and bank	146	18	370	161	175	407	677
Other Current Assets	375	341	452	546	546	546	546
Total Current assets	1,166	1,227	1,479	1,454	1,549	1,844	2,194
Total Current liabilities	720	517	724	1,217	1,232	1,269	1,316
Total Non-Current assets	3,611	3,882	4,796	4,875	4,883	4,801	4,729
<b>Capital Employed</b>	<b>4,777</b>	<b>5,109</b>	<b>6,275</b>	<b>6,329</b>	<b>6,432</b>	<b>6,645</b>	<b>6,923</b>

**Key Ratios**

Year End-March	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Per share (INR)</b>							
EPS	5.3	24.2	-1.3	-36.1	39.2	67.2	87.8
BVPS	1251	1357	1378	1305	1399	1522	1666
<b>Valuation (x)</b>							
P/E	187.1	41.0	-774.6	-27.5	25.3	14.8	11.3
P/BV	0.8	0.7	0.7	0.8	0.7	0.7	0.6
Subsidiary Valuation	2017	2017	2017	2017	2017	2017	2017
EPS (Core EPS)	61.8	68.9	-13.8	16.8	48.1	72.1	88.1
PE(Core)	-21.1	-18.9	94.4	-77.5	-27.0	-18.0	-14.8
EV/EBITDA	13.8	8.8	8.6	4.7	4.4	3.3	2.5
<b>Return ratio (%)</b>							
EBIDTA Margin	10.88%	8.87%	8.72%	12.54%	11.36%	12.40%	12.40%
PAT Margin	3.79%	1.47%	-1.48%	-1.71%	1.67%	2.63%	3.12%
ROE	4.94%	6.52%	2.07%	1.69%	6.70%	8.07%	8.64%
ROCE	3.62%	5.72%	2.82%	7.16%	6.76%	8.35%	9.03%
<b>Leverage Ratio (%)</b>							
Total D/E	0.2	0.2	0.3	0.2	0.2	0.1	0.1
<b>Turnover Ratios</b>							
Asset Turnover (x)	1.7	3.6	3.1	3.9	4.0	3.7	3.4
Inventory Days	168	60	86	96	90	92	92
Receivable Days	73	35	41	39	40	40	40
Payable days	25	14	16	21	25	25	25

**Cash Flow Statement (INR Cr)**

Year End-March	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>PBT</b>	<b>157</b>	<b>254</b>	<b>114</b>	<b>294</b>	<b>419</b>	<b>543</b>	<b>636</b>
Cash From Operating Activities	(4)	442	240	968	625	803	901
Tax	31	84	56	67	170	217	254
Net Cash From Operations	(35)	0	0	0	0	0	0
<b>Capex</b>	<b>(40)</b>	<b>(211)</b>	<b>(147)</b>	<b>(185)</b>	<b>(181)</b>	<b>(203)</b>	<b>(227)</b>
Cash From Investing	(186)	(284)	100	(460)	(281)	(203)	(227)
Borrowings	(194)	18	331	(293)	(160)	(150)	(150)
<b>Finance cost paid</b>	<b>(28)</b>	<b>(65)</b>	<b>(100)</b>	<b>(106)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cash From Financing	361	(102)	(79)	(652)	(160)	(150)	(150)
<b>Net Increase/Decrease in Cash</b>	<b>140</b>	<b>-27</b>	<b>205</b>	<b>-211</b>	<b>14</b>	<b>233</b>	<b>269</b>
<b>Cash at the beginning of the year</b>	<b>0</b>	<b>146</b>	<b>172</b>	<b>370</b>	<b>161</b>	<b>175</b>	<b>407</b>
<b>Cash at the end of the year</b>	<b>146</b>	<b>120</b>	<b>370</b>	<b>161</b>	<b>175</b>	<b>407</b>	<b>677</b>

Source: Company, Arihant Research

**Firstsource Solutions Ltd. (Consolidated financial)**
**Income Statement (INR Cr)**

Year End-March	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Revenues</b>	3,535	3,826	4,099	5,078	5,840	6,716	7,387
<i>Change (%)</i>	0.0%	8.2%	7.1%	23.9%	15.0%	15.0%	10.0%
Employee costs	2,395	2,557	2,774	3,467	4,059	4,634	5,090
Other expenses	681	734	696	807	934	1,088	1,175
<b>Total Expenses</b>	<b>3,076</b>	<b>3,291</b>	<b>3,470</b>	<b>4,274</b>	<b>4,993</b>	<b>5,722</b>	<b>6,264</b>
<b>EBITDA</b>	<b>459</b>	<b>535</b>	<b>629</b>	<b>804</b>	<b>847</b>	<b>994</b>	<b>1,123</b>
Depreciation	66	74	185	206	185	171	163
<b>EBIT</b>	<b>393</b>	<b>461</b>	<b>444</b>	<b>598</b>	<b>662</b>	<b>823</b>	<b>960</b>
Interest	40	29	58	52	47	42	37
Other Income	5	4	9	1	1	2	2
<b>PBT</b>	<b>358</b>	<b>436</b>	<b>394</b>	<b>547</b>	<b>616</b>	<b>782</b>	<b>925</b>
Exceptional Items	0	0	0	115	0	0	0
<b>PBT after exceptional Items</b>	<b>358</b>	<b>436</b>	<b>394</b>	<b>432</b>	<b>616</b>	<b>782</b>	<b>925</b>
Tax	31	58	55	70	86	109	139
<i>Rate (%)</i>	8.8%	13.3%	13.8%	16.2%	14.0%	14.0%	15.0%
<b>PAT</b>	<b>327</b>	<b>378</b>	<b>340</b>	<b>362</b>	<b>530</b>	<b>672</b>	<b>786</b>
<b>Non-controlling interest</b>	<b>0</b>						
<b>Consolidated PAT</b>	<b>327</b>	<b>378</b>	<b>340</b>	<b>362</b>	<b>530</b>	<b>672</b>	<b>786</b>
<i>Change (%)</i>	0.0%	15.7%	-10.1%	6.5%	46.5%	26.9%	16.9%

**Key Ratios**

Year End-March	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Per share (Rs)</b>							
EPS	4.8	5.5	4.9	5.3	7.6	9.7	11.3
BVPS	34	39	40	40	45	51	60
<b>Valuation (x)</b>							
P/E	41.6	36.3	40.6	37.5	26.1	20.6	17.6
P/BV	5.8	5.1	5.0	4.9	4.4	3.9	3.3
EV/EBITDA	30.3	26.6	23.0	17.7	16.7	13.8	11.7
<b>Return ratio (%)</b>							
EBITDA Margin	13.0%	14.0%	15.3%	15.8%	14.5%	14.8%	15.2%
PAT Margin	9.2%	9.9%	8.3%	7.1%	9.1%	10.0%	10.6%
ROE	13.9%	13.9%	12.3%	12.9%	17.0%	18.8%	18.9%
ROCE	11.6%	12.5%	9.7%	12.4%	13.3%	15.2%	16.1%
<b>Leverage Ratio (%)</b>							
Total D/E	0.2	0.2	0.3	0.2	0.2	0.1	0.1
<b>Turnover Ratios</b>							
Asset Turnover (x)	4.5	4.6	3.7	4.1	4.3	3.6	3.0
Receivable Days	39	37	42	41	41	41	41
Payable days	10	9	8	13	10	10	10

Source: Company, Arihant Research

**Balance Sheet (INR Cr)**

Year End-March	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Sources of Funds</b>							
Share Capital	687	691	694	696	696	696	696
Reserves & Surplus	1,665	2,030	2,072	2,103	2,424	2,888	3,465
Non controlling interest	1	1	1	1	1	1	1
<b>Total Equity</b>	<b>2,353</b>	<b>2,721</b>	<b>2,766</b>	<b>2,800</b>	<b>3,121</b>	<b>3,585</b>	<b>4,162</b>
Loan Funds	363	546	837	521	471	421	371
Defered Tax Liability (Net)	26	46	73	47	47	47	47
<b>Total Liability</b>	<b>3,398</b>	<b>3,676</b>	<b>4,587</b>	<b>4,830</b>	<b>4,982</b>	<b>5,420</b>	<b>5,965</b>
<b>Application of Funds</b>							
Gross Block	656	698	769	897	1,023	1,125	1,237
Less: Depreciation	568	584	628	662	733	811	897
Net Block	88	114	141	235	290	314	341
CWIP	0	2	0	0	0	0	0
Financial Assets	385	377	673	586	697	1,204	1,800
Investments	22	122	0	83	83	83	83
<b>Sundry debtors</b>	<b>378</b>	<b>387</b>	<b>557</b>	<b>577</b>	<b>656</b>	<b>754</b>	<b>830</b>
Cash and bank	123	47	191	137	170	578	1,098
Other Current Assets	74	113	141	153	153	153	153
Total Current assets	789	840	1,104	1,231	1,343	1,849	2,445
Total Current liabilities	634	517	724	1,217	1,232	1,269	1,316
Total Non-Current assets	2,608	2,835	3,483	3,598	3,639	3,570	3,520
<b>Capital Employed</b>	<b>3,398</b>	<b>3,676</b>	<b>4,587</b>	<b>4,830</b>	<b>4,982</b>	<b>5,420</b>	<b>5,965</b>

**Cash Flow Statement (INR Cr)**

Year End-March	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>PBT</b>	<b>358</b>	<b>436</b>	<b>394</b>	<b>432</b>	<b>616</b>	<b>782</b>	<b>925</b>
Cash From Operating Activities	390	448	464	1,045	650	921	1,068
Tax	75	63	54	70	86	109	139
Net Cash From Operations	315	385	410	976	564	812	929
<b>Capex</b>	<b>(63)</b>	<b>(109)</b>	<b>(95)</b>	<b>(173)</b>	<b>(126)</b>	<b>(102)</b>	<b>(112)</b>
Cash From Investing	92	(204)	14	(350)	(226)	(102)	(112)
Borrowings	(295)	(119)	253	(267)	(50)	(50)	(50)
<b>Finance cost paid</b>	<b>(42)</b>	<b>(28)</b>	<b>(58)</b>	<b>(51)</b>	<b>(47)</b>	<b>(42)</b>	<b>(37)</b>
Cash From Financing	(327)	(258)	(277)	(689)	(306)	(301)	(296)
<b>Net Increase/ Decrease in Cash</b>	<b>80</b>	<b>-77</b>	<b>148</b>	<b>-63</b>	<b>32</b>	<b>408</b>	<b>520</b>
<b>Cash at the beginning of the year</b>	<b>39</b>	<b>123</b>	<b>47</b>	<b>191</b>	<b>137</b>	<b>170</b>	<b>578</b>
Cash at the end of the year	123	47	191	137	170	578	1,098

**Guiltfree Industries Limited. (Standalone financial)**
**Income Statement (INR Cr)**

Year End-March	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Revenues</b>	33	161	125	94	170	288	490
<i>Change (%)</i>	0.0%	387.8%	-22.2%	-24.7%	80.0%	70.0%	70.0%
<i>Cost of Goods Sold (COGS)</i>	18	94	79	54	34	29	49
<i>Gross Profit</i>	14	67	46	40	136	260	441
Employee costs	20	46	55	46	68	115	196
Other expenses	84	224	183	122	85	167	275
<b>Total Expenses</b>	<b>123</b>	<b>364</b>	<b>317</b>	<b>222</b>	<b>187</b>	<b>312</b>	<b>520</b>
<b>EBITDA</b>	<b>-90</b>	<b>-203</b>	<b>-192</b>	<b>-128</b>	<b>-17</b>	<b>-23</b>	<b>-29</b>
Depreciation	0	2	11	15	16	15	18
<b>EBIT</b>	<b>-90</b>	<b>-205</b>	<b>-204</b>	<b>-142</b>	<b>-33</b>	<b>-39</b>	<b>-48</b>
Interest	0	0	16	28	30	30	32
Other Income	9	6	0	2	2	2	2
<b>PBT</b>	<b>-81</b>	<b>-199</b>	<b>-219</b>	<b>-169</b>	<b>-60</b>	<b>-66</b>	<b>-77</b>
Exceptional Items	0	0	0	0	0	0	0
<b>PBT after exceptional Items</b>	<b>-81</b>	<b>-199</b>	<b>-219</b>	<b>-169</b>	<b>-60</b>	<b>-66</b>	<b>-77</b>
Tax	-21	-52	-57	130	-16	-17	-20
<i>Rate (%)</i>	26.2%	26.0%	26.0%	-76.9%	26.0%	26.0%	26.0%
<b>PAT</b>	<b>-60</b>	<b>-147</b>	<b>-162</b>	<b>-298</b>	<b>-45</b>	<b>-49</b>	<b>-57</b>
<b>Non-controlling interest</b>	-	-	-	-	-	-	-
<b>Consolidated PAT</b>	<b>-60</b>	<b>-147</b>	<b>-162</b>	<b>-298</b>	<b>-45</b>	<b>-49</b>	<b>-57</b>
<i>Change (%)</i>	-181.0%	-91.4%	-129.6%	-316.6%	-26.3%	-16.9%	-11.6%

**Cash Flow Statement (INR Cr)**

Year End-March	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>PBT</b>	<b>(81)</b>	<b>(199)</b>	<b>(219)</b>	<b>(169)</b>	<b>(60)</b>	<b>(66)</b>	<b>(77)</b>
Cash From Operating Activities	(78)	(202)	(205)	(131)	(32)	(1)	21
Tax	1	1	0	(2)	(16)	(17)	(20)
Net Cash From Operations	(79)	(202)	(205)	(130)	(16)	16	41
<b>Capex</b>	<b>(6)</b>	<b>(65)</b>	<b>(18)</b>	<b>(2)</b>	<b>(27)</b>	<b>(35)</b>	<b>(46)</b>
Cash From Investing	(475)	(52)	120	(0)	93	(35)	(46)
Borrowings	3	153	91	(16)	-	-	-
<b>Finance cost paid</b>	<b>-0.00</b>	<b>-4.94</b>	<b>15.03</b>	<b>28.10</b>	-	-	-
Cash From Financing	553	258	134	79	-	-	-
<b>Net Increase/ Decrease in Cash</b>	<b>-0.04</b>	<b>3.60</b>	<b>50</b>	<b>-51</b>	<b>77</b>	<b>-20</b>	<b>-5</b>
<b>Cash at the beginning of the year</b>	<b>0.04</b>	<b>0.00</b>	<b>4</b>	<b>53</b>	<b>2</b>	<b>79</b>	<b>59</b>
Cash at the end of the year	0	4	53	2	79	59	54

Source: Company, Arihant Research

**Balance Sheet (INR Cr)**

Year End-March	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Sources of Funds</b>							
Share Capital	463	505	606	711	711	711	711
Reserves & Surplus	27	(51)	(253)	(530)	(575)	(624)	(680)
Non controlling interest	-	-	-	-	-	-	-
<b>Total Equity</b>	<b>490</b>	<b>453</b>	<b>352</b>	<b>181</b>	<b>137</b>	<b>88</b>	<b>31</b>
<b>Loan Funds</b>	<b>3</b>	<b>156</b>	<b>232</b>	<b>197</b>	<b>197</b>	<b>197</b>	<b>197</b>
Deferred Tax Liability (Net)	0	0	0	0	0	0	0
<b>Total Liability</b>	<b>544</b>	<b>690</b>	<b>706</b>	<b>513</b>	<b>477</b>	<b>479</b>	<b>507</b>
<b>Application of Funds</b>							
Gross Block	5	40	90	91	118	153	199
Less: Depreciation	0	2	8	16	25	34	46
Net Block	5	38	82	75	93	119	153
CWIP	0	35	6	3	3	3	3
Financial Assets	21	73	135	1	1	1	1
Investments	314	314	312	314	194	194	194
<b>Sundry debtors</b>	<b>1</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>6</b>	<b>9</b>	<b>16</b>
Cash and bank	0	4	53	2	79	59	54
Other Current Assets	11	37	53	63	63	63	63
Total Current assets	201	212	129	92	165	146	147
Total Current liabilities	46	76	90	107	115	166	251
Total Non-Current assets	7	161	263	225	225	225	225
<b>Capital Employed</b>	<b>544</b>	<b>690</b>	<b>706</b>	<b>513</b>	<b>477</b>	<b>479</b>	<b>507</b>

**Key Ratios**

Year End-March	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Per share (Rs)</b>							
EPS	-24.4	-3.2	-2.9	-4.7	-0.6	-0.7	-0.8
BVPS	11	9	6	3	2	1	0
<b>Return ratio (%)</b>							
EBIDTA Margin	271.7%	126.3%	153.5%	135.4%	-10.0%	-8.0%	-6.0%
PAT Margin	181.0%	-91.4%	129.6%	316.6%	-26.3%	-16.9%	-11.6%
ROE	-12.2%	-32.4%	-46.1%	164.6%	-32.6%	-55.6%	183.4%
ROCE	-16.5%	-29.7%	-28.8%	-27.7%	-6.8%	-8.0%	-9.4%
<b>Leverage Ratio (%)</b>							
Total D/E	0.0	0.3	0.7	1.1	1.4	2.2	6.4
<b>Turnover Ratios</b>							
Asset Turnover (x)	0.2	0.8	1.0	1.0	1.0	2.0	3.3
Receivable Days	13	37	42	41	41	41	41
Payable days	195	9	8	13	10	10	10
Inventories	348	75	79	84	150	150	150

**Apricot Foods Pvt. Ltd. (Standalone financial)**
**Income Statement (INR Cr)**

Year End-March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Revenues</b>	186	164	198	162	167	250	300	360
<i>Change (%)</i>	-	-12.1%	20.6%	-17.8%	2.5%	50.0%	20.0%	20.0%
Cost of Goods Sold (COGS)	150	125	154	127	131	162	195	234
<b>Gross Profit</b>	<b>37</b>	<b>39</b>	<b>43</b>	<b>36</b>	<b>36</b>	<b>87</b>	<b>105</b>	<b>126</b>
Employee costs	11	10	16	14	11	20	24	29
Other expenses	18	19	35	31	27	40	48	58
<b>Operating Expenses</b>	<b>178</b>	<b>153</b>	<b>206</b>	<b>172</b>	<b>169</b>	<b>222</b>	<b>267</b>	<b>320</b>
<b>EBITDA</b>	<b>8</b>	<b>10</b>	<b>-8</b>	<b>-10</b>	<b>-2</b>	<b>27</b>	<b>33</b>	<b>40</b>
Depreciation	3	3	3	5	4	3	3	3
<b>EBIT</b>	<b>5</b>	<b>7</b>	<b>-11</b>	<b>-15</b>	<b>-6</b>	<b>25</b>	<b>30</b>	<b>37</b>
Interest	0	0	0	1	2	2	2	2
Other Income	0.77	0.97	1.25	0.62	0.52	0.16	0.05	0.01
<b>PBT</b>	<b>6</b>	<b>8</b>	<b>-10</b>	<b>-15</b>	<b>-8</b>	<b>23</b>	<b>28</b>	<b>35</b>
Exceptional Items	-	-	-	-	-	-	-	-
<b>PBT after exceptional Items</b>	<b>6</b>	<b>8</b>	<b>-10</b>	<b>-15</b>	<b>-8</b>	<b>23</b>	<b>28</b>	<b>35</b>
Tax	2	3	-3	-4	-2	6	7	9
<i>Rate (%)</i>	35.5%	33.6%	25.1%	24.7%	29.1%	25.0%	25.0%	25.0%
<b>Consolidated PAT</b>	<b>4</b>	<b>5</b>	<b>-7</b>	<b>-12</b>	<b>-6</b>	<b>17</b>	<b>21</b>	<b>26</b>
<i>PAT Margin (%)</i>	2.1%	3.3%	-3.8%	-7.1%	-3.3%	6.9%	7.1%	7.2%

**Key Ratios**

Year End-March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Per share (INR)</b>								
EPS	98.8	134.9	-187.1	-290.1	-138.6	431.0	529.6	650.1
BVPS	1004	1137	959	668	532	963	1493	2143
<b>Return ratio (%)</b>								
EBIDTA Margin	4.5%	6.3%	-4.1%	-6.0%	-1.2%	11.0%	11.0%	11.0%
PAT Margin	2.1%	3.3%	-3.8%	-7.1%	-3.3%	6.9%	7.1%	7.2%
ROE	9.8%	11.9%	-19.5%	-43.4%	-26.0%	44.7%	35.5%	30.3%
ROCE	13.3%	15.6%	-26.5%	-35.7%	-14.3%	40.9%	36.9%	34.0%
<b>Leverage Ratio (%)</b>								
Total D/E	0.0	0.0	0.1	0.5	1.1	0.6	0.4	0.3
<b>Turnover Ratios</b>								
Asset Turnover (x)	6.6	4.8	8.8	7.7	8.6	5.8	4.5	3.7
Inventory Days	24	30	24	26	24	29	29	29
Receivable Days	5	7	10	11	7	7	7	7
Payable days	3	5	10	23	25	25	25	25

**Balance Sheet (INR Cr)**

Year End-March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Sources of Funds</b>								
Share Capital	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Reserves & Surplus	39.7	45.1	38.0	26.3	20.9	38.1	59.3	85.3
<b>Total Equity</b>	<b>40.1</b>	<b>45.5</b>	<b>38.4</b>	<b>26.7</b>	<b>21.3</b>	<b>38.5</b>	<b>59.7</b>	<b>85.7</b>
<b>Loan Funds -</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>13</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>
Lease liabilities	-	-	-	0.7	0.1	0.1	0.1	0.1
<b>Capital Employed</b>	<b>40</b>	<b>46</b>	<b>42</b>	<b>41</b>	<b>44</b>	<b>61</b>	<b>82</b>	<b>108</b>
<b>Application of Funds</b>								
Gross Block	32	36	38	54	56	59	62	65
Less: Depreciation	17	20	23	23	25	28	30	33
<b>Net Block</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>31</b>	<b>31</b>	<b>32</b>	<b>32</b>	<b>32</b>
CWIP	0	0	14	-	-	-	-	-
Investments	14	17	3	-	-	-	-	-
<b>Inventories</b>	<b>10</b>	<b>11</b>	<b>10</b>	<b>8</b>	<b>9</b>	<b>13</b>	<b>15</b>	<b>19</b>
<b>Sundry debtors</b>	<b>3</b>	<b>4</b>	<b>7</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
Cash and bank	2	1	1	0	0	19	40	66
Other Current Assets	0	2	1	1	0	0	0	0
<b>Total Current assets</b>	<b>28</b>	<b>34</b>	<b>22</b>	<b>21</b>	<b>19</b>	<b>43</b>	<b>67</b>	<b>97</b>
<b>Total Current liabilities</b>	<b>5</b>	<b>7</b>	<b>15</b>	<b>21</b>	<b>17</b>	<b>24</b>	<b>27</b>	<b>32</b>
<b>Net Current assets</b>	<b>23</b>	<b>27</b>	<b>7</b>	<b>(0)</b>	<b>2</b>	<b>19</b>	<b>40</b>	<b>66</b>
<b>Capital Employed</b>	<b>40</b>	<b>46</b>	<b>42</b>	<b>41</b>	<b>44</b>	<b>61</b>	<b>82</b>	<b>108</b>

**Cash Flow Statement (INR Cr)**

Year End-March	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>PBT</b>	<b>6</b>	<b>8</b>	<b>(10)</b>	<b>(15)</b>	<b>(8)</b>	<b>23</b>	<b>28</b>	<b>35</b>
Cash From Operating Activities	11	9	(2)	(3)	(5)	27	31	37
Tax	(4)	(3)	(1)	(0)	2	6	7	9
<b>Net Cash From Operations</b>	<b>7</b>	<b>5</b>	<b>(3)</b>	<b>(3)</b>	<b>(3)</b>	<b>22</b>	<b>24</b>	<b>29</b>
<b>Capex</b>	<b>(5)</b>	<b>(5)</b>	<b>(16)</b>	<b>(7)</b>	<b>(2)</b>	<b>(3)</b>	<b>(3)</b>	<b>(3)</b>
Cash From Investing	(9)	(6)	(1)	(3)	(2)	(3)	(3)	(3)
Borrowings	0	0	4	8	7	0	0	0
<b>Finance cost paid</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cash From Financing	(0)	(0)	4	6	6	0	0	0
<b>Net Increase/Decrease in Cash</b>	<b>-2</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19</b>	<b>21</b>	<b>26</b>
<b>Cash at the beginning of the year</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19</b>	<b>40</b>
<b>Cash at the end of the year</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19</b>	<b>40</b>	<b>66</b>

Source: Company, Arianth Research

**Harbolab India Pvt. Ltd (Standalone financial)**
**Income Statement (INR Cr)**

Year End-March	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Revenues</b>	2	16	20	27	33	41
<i>Change (%)</i>	0.0%	737.9%	28.4%	30.0%	25.0%	25.0%
Cost of Goods Sold (COGS)	0	3	4	5	6	7
<b>Gross Profit</b>	<b>2</b>	<b>13</b>	<b>16</b>	<b>22</b>	<b>27</b>	<b>34</b>
Employee costs	1	3	15	12	13	17
Other expenses	2	17	30	25	18	23
<b>Total Expenses</b>	<b>3</b>	<b>23</b>	<b>49</b>	<b>42</b>	<b>37</b>	<b>47</b>
<b>EBITDA</b>	<b>-1</b>	<b>-8</b>	<b>-29</b>	<b>-16</b>	<b>-4</b>	<b>-5</b>
Depreciation	0.05	0.09	0.36	0.13	0.14	0.16
<b>EBIT</b>	<b>-1</b>	<b>-8</b>	<b>-29</b>	<b>-16</b>	<b>-4</b>	<b>-6</b>
Interest	-	-	0.64	0.64	0.64	0.64
Other Income	0.15	0.44	0.15	0.03	0.01	0.00
<b>PBT</b>	<b>-1</b>	<b>-7</b>	<b>-30</b>	<b>-17</b>	<b>-5</b>	<b>-6</b>
Exceptional Items	-	-	-	-	-	-
<b>PBT after exceptional Items</b>	<b>-1</b>	<b>-7</b>	<b>-30</b>	<b>-17</b>	<b>-5</b>	<b>-6</b>
Tax	0	-2	2	-1	-2	-2
<i>Rate (%)</i>	-4.1%	26.7%	-6.5%	5.0%	5.0%	5.0%
<b>PAT</b>	<b>-1</b>	<b>-5</b>	<b>-31</b>	<b>-16</b>	<b>-3</b>	<b>-4</b>
<b>y-o-y</b>	-	-	-	-	-	-
<b>Consolidated PAT</b>	<b>-31</b>	<b>-5</b>	<b>-1</b>	<b>-16</b>	<b>-3</b>	<b>-4</b>
	-	-	-	-	-	-
	1660.6					
<i>Change (%)</i>	%	-33.1%	-5.6%	-59.6%	-9.2%	-9.7%

**Key Ratios**

Year End-March	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Per share (Rs)</b>						
EPS	-222.6	-39.2	-11.4	-96.2	-18.6	-24.5
BVPS	20	83	22	-74	-93	-117
<b>Valuation (x)</b>						
EPS (Core EPS)	-222.6	-39.2	-11.4	-96.2	-18.6	-24.5
<b>Return ratio (%)</b>						
EBIDTA Margin	-65.5%	-47.4%	-140.7%	-60.0%	-13.0%	-13.0%
	-	-	-	-	-	-
	1660.6					
PAT Margin	%	-33.1%	-5.6%	-59.6%	-9.2%	-9.7%
	-	-	-	-	-	-
	1552.8					
ROE	%	-44.8%	-31.3%	129.9%	20.0%	20.9%
ROCE	-47.5%	-44.8%	-218.6%	-132.7%	-42.3%	-66.2%
<b>Turnover Ratios</b>						
Asset Turnover (x)	0.8	1.1	1.8	2.6	3.9	6.6
Inventory Days	0	0	0	12	12	12
Receivable Days	69	40	48	52	52	52
Payable days	87	55	105	82	82	82

**Balance Sheet (INR Cr)**

Year End-March	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>Sources of Funds</b>						
Share Capital	1	1	2	2	2	2
Reserves & Surplus	1	10	2	(14)	(17)	(21)
Non controlling interest	0	0	0	0	0	0
<b>Total Equity</b>	<b>3,597</b>	<b>3,653</b>	<b>3,460</b>	<b>3,709</b>	<b>4,034</b>	<b>4,416</b>
<b>Loan Funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.00</b>	<b>16.00</b>	<b>16.00</b>
<b>Capital Employed</b>	<b>3</b>	<b>17</b>	<b>13</b>	<b>12</b>	<b>11</b>	<b>8</b>
<b>Application of Funds</b>						
Gross Block	0.93	1.65	1.79	2.01	2.25	2.52
Less: Depreciation	0.72	0.80	0.89	1.01	1.15	1.30
Net Block	0.21	0.85	0.90	1.00	1.10	1.22
CWIP	-	-	-	-	-	-
Financial Assets	0.05	2.00	0.07	0.07	0.07	0.07
<b>Inventories</b>	<b>0.51</b>	<b>1.61</b>	<b>2.73</b>	<b>0.16</b>	<b>0.20</b>	<b>0.25</b>
<b>Sundry debtors</b>	<b>0.36</b>	<b>3.12</b>	<b>2.26</b>	<b>3.78</b>	<b>4.72</b>	<b>5.91</b>
Cash and bank	0.10	7.26	1.22	0.88	-1.77	-5.27
Other Current Assets	0.21	2.14	5.42	5.42	5.42	5.42
Total Current assets	2.43	14.12	11.64	10.25	8.58	6.31
Total Current liabilities	0.62	5.08	9.02	7.63	9.12	10.99
Total Non-Current assets	<b>0.30</b>	<b>2.89</b>	<b>1.66</b>	<b>1.85</b>	<b>1.95</b>	<b>2.06</b>
<b>Capital Employed</b>	<b>2.72</b>	<b>17.01</b>	<b>13.30</b>	<b>12.09</b>	<b>10.53</b>	<b>8.37</b>

**Cash Flow Statement (INR Cr)**

Year End-March	FY19	FY20	FY21	FY22E	FY23E	FY24E
<b>PBT</b>	<b>(1.15)</b>	<b>(7.18)</b>	<b>(29.57)</b>	<b>(16.65)</b>	<b>(5.09)</b>	<b>(6.19)</b>
Cash From Operating Activities	(1.25)	(8.77)	(27.55)	(16.86)	(4.44)	(5.40)
Tax	0.01	0.01	0.00	(0.83)	(2.03)	(2.16)
Net Cash From Operations	1.23	0.93	(1.02)	(0.32)	(0.24)	(0.27)
<b>Capex</b>	<b>(0.00)</b>	<b>(0.73)</b>	<b>(1.03)</b>	<b>(0.22)</b>	<b>(0.24)</b>	<b>(0.27)</b>
Cash From Investing	1.23	0.93	(1.02)	(0.32)	(0.24)	(0.27)
Borrowings	-	-	-	16.00	-	-
<b>Finance cost paid</b>	<b>-</b>	<b>-</b>	<b>(0.55)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash From Financing	-	15.00	22.56	16.00	-	-
<b>Net Increase/Decrease in Cash</b>	<b>-0.03</b>	<b>7.16</b>	<b>-6.02</b>	<b>-0.34</b>	<b>-2.65</b>	<b>-3.50</b>
<b>Cash at the beginning of the year</b>	<b>0.1</b>	<b>0.1</b>	<b>7.3</b>	<b>1.2</b>	<b>0.9</b>	<b>(1.8)</b>
Cash at the end of the year	0.1	7.3	1.2	0.9	(1.8)	(5.3)

Source: Company, Arianth Research

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HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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