

# Relaxo Footwears

Estimate change

TP change

Rating change



Bloomberg	RLXF IN
Equity Shares (m)	249
M.Cap.(INRb)/(USDb)	225.9 / 2.7
52-Week Range (INR)	974 / 748
1, 6, 12 Rel. Per (%)	1/1/-9
12M Avg Val (INR M)	123

## Financials & Valuations (INR b)

INRb	FY23	FY24E	FY25E
Net Sales	27.8	30.5	35.7
Gross Profit	14.5	17.5	20.5
EBITDA	3.4	4.7	6.2
Adj. PAT	1.5	2.4	3.4
Gross Margin (%)	52.1	57.5	57.5
EBITDA Margin (%)	12.1	15.3	17.4
Adj. EPS (INR)	6.2	9.8	13.7
EPS Gr. (%)	-33.6	57.3	40.8
BV/Sh. (INR)	74.5	81.9	92.2

## Ratios

Net D:E	-0.1	-0.1	-0.2
RoE (%)	8.5	12.5	15.8
RoCE (%)	8.4	11.8	14.7
RoIC (%)	9.5	14.3	19.0

## Valuations

P/E (x)	146.1	92.9	66.0
EV/EBITDA (x)	66.9	47.9	35.7
EV/Sales (X)	8.1	7.3	6.2
Div. Yield (%)	0.3	0.3	0.4
FCF Yield (%)	1.0	1.4	1.4

## Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	71.3	71.3	70.8
DII	8.5	8.3	7.4
FII	3.2	2.9	3.1
Others	17.0	17.5	18.7

FII Includes depository receipts

CMP: INR907

TP: INR825 (-9%)

Neutral

## Revenue soft; moderation in RM costs doubles PAT

- Relaxo Footwears (Relaxo) posted a soft 7% YoY revenue growth (in line), but improvement in gross margin (GM) translated into 54%/2x YoY surge in EBITDA/PAT (5%/14% beat) in 2QFY24. Price cuts taken in the last couple of quarters improved its competitive edge and drove healthy volume growth (+23% YoY); while moderating RM prices supported its margins.
- Price reduction, clearing of old high-price inventories, moderating RM prices, and renewed focus on sports footwear (with the introduction of a new range) should bolster its improving growth outlook. We largely retain our estimates and model a revenue/PAT CAGR of 13%/49% over FY23-25. Relaxo has a strong cash generation capability with a historically healthy 20%+ RoE. However, the stock – trading at 66x FY25E P/E – appears expensive. **Hence, we reiterate our Neutral rating.**

## Revenue/PAT up 7%/2x YoY (in line/14% beat)

- Relaxo's revenue grew 7% YoY to INR7.2b (in line), led by 23% YoY volume growth (due to open footwear), while ASP reduced 15% YoY as the company has taken price cuts in the last couple of quarters.
- A stabilization of raw material prices, combined with a notable expansion in sales volume, has led to an improvement in margins.
- GP grew 26% YoY to INR4.1b (7% beat) and margin expanded 900bp YoY to 57.9% during the quarter.
- EBITDA jumped 54% YoY to INR915m (5% beat) and margin improved 400bp YoY to 12.8%. Although margin was below the pre-Covid level (16.8% in 2QFY20), it is demonstrating an upward trend (12.1% in FY23).
- PAT doubled YoY to INR442m (14% beat) and margin expanded 280bp YoY to 6.2%.

## Management commentary

- Management expects double-digit revenue growth in 2HFY24 with 14%+ margin, which will improve the ROCE/ROE going forward.
- The company can attain INR10b of closed footwear revenue in the next 2-3 years, given the huge opportunity. The premiumization play would continue from the Sparx category by opening a retail channel.
- The past 2-3 years were very challenging for the industry due to: a) inflation, b) unprecedented rain, and c) geopolitical conflicts. The closed footwear has shown nominal growth of 3-4% YoY in 1HFY24; whereas open footwear has reported 20%+ volume growth.
- Since the RM prices have now cooled off, the company's focus will be on expanding the distribution channel rather than price cuts. There are 100k MBO outlets in India while the company is present in only 65k MBO.

**Valuation and view**

- A gradual recovery in rural areas, gross margin improvement, and the introduction of Sparx shoes at aggressive price points should help Relaxo gain market share in the closed footwear segment. These can act as positive catalysts for the stock.
- The company has reduced its ASP, which should now sustain its market share gains from unorganized players.
- Overtime, a) recovery in the open footwear category, b) product mix-led ASP improvement, and c) increasing mix of closed footwear – particularly in the S&A wear – are anticipated to drive a positive outlook.
- We largely retain our estimates and model a revenue/PAT CAGR of 13%/49% over FY23-25.
- We ascribe a P/E of 60x on FY25E EPS to arrive at our TP of INR825. The stock is trading at 66x FY25E P/E and appears expensive. **Hence, we reiterate our Neutral rating on the stock.**

**Consolidated - Quarterly Earning Model**

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QE	Var (%)
<b>Gross Sales</b>	<b>6,672</b>	<b>6,697</b>	<b>6,810</b>	<b>7,649</b>	<b>7,388</b>	<b>7,153</b>	<b>7,616</b>	<b>8,308</b>	<b>27,827</b>	<b>30,465</b>	<b>7,460</b>	<b>-4</b>
YoY Change (%)	34.2	-6.3	-8.4	9.6	10.7	6.8	11.8	8.6	4.9	9.5	11.4	
Total RM Cost	3,063	3,422	3,199	3,660	3,151	3,013	3,206	3,577	13,343	12,947.8	3,603	-16
<b>Gross Profit</b>	<b>3,609</b>	<b>3,275</b>	<b>3,611</b>	<b>3,990</b>	<b>4,237</b>	<b>4,140</b>	<b>4,410</b>	<b>4,730</b>	<b>14,484</b>	<b>17,518</b>	<b>3,857</b>	<b>7</b>
Margins (%)	54.1	48.9	53.0	52.2	57.4	57.9	57.9	56.9	52.1	57.5	51.7	618
Total Expenditure	5,810	6,102	6,088	6,470	6,313	6,238	6,466	6,787	24,470	25,804	6,587	-5
<b>EBITDA</b>	<b>861</b>	<b>594</b>	<b>722</b>	<b>1,180</b>	<b>1,076</b>	<b>915</b>	<b>1,150</b>	<b>1,520</b>	<b>3,358</b>	<b>4,661</b>	<b>873</b>	<b>5</b>
Margins (%)	12.9	8.9	10.6	15.4	14.6	12.8	15.1	18.3	12.1	15.3	11.7	109
Depreciation	298	305	320	328	346	369	377	335	1,251	1,427	353	5
Interest	69	41	41	41	45	47	47	41	192	180	45	6
Other Income	42	57	44	43	73	105	40	-32	186	186	40	164
<b>PBT before EO expense</b>	<b>536</b>	<b>304</b>	<b>406</b>	<b>854</b>	<b>758</b>	<b>604</b>	<b>766</b>	<b>1,112</b>	<b>2,100</b>	<b>3,239</b>	<b>515</b>	<b>17</b>
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	<b>536</b>	<b>304</b>	<b>406</b>	<b>854</b>	<b>758</b>	<b>604</b>	<b>766</b>	<b>1,112</b>	<b>2,100</b>	<b>3,239</b>	<b>515</b>	<b>17</b>
Tax	149	80	105	221	195	162	191	262	555	810	129	26
Rate (%)	27.8	26.3	25.8	25.9	25.7	26.8	25.0	23.6	26.4	25.0	25.0	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
<b>Reported PAT</b>	<b>387</b>	<b>224</b>	<b>301</b>	<b>633</b>	<b>563</b>	<b>442</b>	<b>574</b>	<b>850</b>	<b>1,545</b>	<b>2,430</b>	<b>387</b>	<b>14</b>
<b>Adj PAT</b>	<b>387</b>	<b>224</b>	<b>301</b>	<b>633</b>	<b>563</b>	<b>442</b>	<b>574</b>	<b>850</b>	<b>1,545</b>	<b>2,430</b>	<b>387</b>	<b>14</b>
YoY Change (%)	24.9	-67.3	-57.1	0.6	45.6	97.0	91.0	34.3	-33.6	57.3	72.3	
Margins (%)	5.8	3.3	4.4	8.3	7.6	6.2	7.5	10.2	5.6	8.0	5.2	100

E: MOFSL Estimates

**Exhibit 1: Valuation based on FY25E**

Particulars	INR/share
EPS	13.7
Target P/E ratio (x)	60
Equity value/share (INR)	<b>825</b>
Upside/(downside) (%)	907
CMP (INR)	-9%

Source: MOFSL, Company

**Exhibit 2: Quarterly performance (INR m)**

	2QFY23	1QFY24	2QFY24	YoY%	QoQ%	2QFY24E	v/s Est (%)
Net sales	6,697	7,388	7,153	6.8	-3.2	7,460	-4.1
Raw Material cost	3,422	3,151	3,013	-11.9	-4.4	3,603	-16.4
<b>Gross Profit</b>	<b>3,275</b>	<b>4,237</b>	<b>4,140</b>	<b>26.4</b>	<b>-2.3</b>	<b>3,857</b>	<b>7.3</b>
<b>Gross margin (%)</b>	<b>48.9</b>	<b>57.4</b>	<b>57.9</b>	<b>897</b>	<b>52</b>	<b>51.7</b>	<b>618</b>
Employee Costs	845	974	958	13.3	-1.7	933	2.7
SGA Expenses	1,836	2,188	2,267	23.5	3.6	2,052	10.5
<b>Total Opex</b>	<b>6,102</b>	<b>6,313</b>	<b>6,238</b>	<b>2.2</b>	<b>-1.2</b>	<b>6,587</b>	<b>-5.3</b>
<b>EBITDA</b>	<b>594</b>	<b>1,076</b>	<b>915</b>	<b>54.0</b>	<b>-14.9</b>	<b>873</b>	<b>4.9</b>
<b>EBITDA margin (%)</b>	<b>8.9</b>	<b>14.6</b>	<b>12.8</b>	<b>392</b>	<b>-176</b>	<b>11.7</b>	<b>109</b>
Depreciation and amortization	305	346	369	21.0	6.8	353	4.7
EBIT	289	730	546	88.9	-25.2	520	5.0
EBIT margin (%)	4.3	9.9	7.6	331	-225	7.0	66
Finance Costs	41	45	47	15.0	6.3	45	6.3
Other income	57	73	105	86.2	45.0	40	163.5
<b>Profit before Tax</b>	<b>304</b>	<b>758</b>	<b>604</b>	<b>98.4</b>	<b>-20.3</b>	<b>515</b>	<b>17.1</b>
Tax	80	195	162	102.1	-16.8	129	25.6
Tax rate (%)	26.3	25.7	26.8			25.0	
<b>Profit after Tax</b>	<b>224</b>	<b>563</b>	<b>442</b>	<b>97.0</b>	<b>-21.5</b>	<b>387</b>	<b>14.3</b>
<b>Adj Profit after Tax</b>	<b>224</b>	<b>563</b>	<b>442</b>	<b>97.0</b>	<b>-21.5</b>	<b>387</b>	<b>14.3</b>
PAT margin (%)	3.3	7.6	6.2	283	-145	5.2	100

Source: MOFSL, Company

**Exhibit 3: Revisions to our estimates**

	FY24E	FY25E
<b>Revenue (INR m)</b>		
Old	31,745	38,209
Actual/New	30,465	35,736
Change (%)	-4.0	-6.5
<b>GP (INR m)</b>		
Old	17,206	20,633
Actual/New	17,518	20,548
Change (%)	1.8	-0.4
<b>GM (%)</b>		
Old	54.2%	54.0%
Actual/New	57.5%	57.5%
Change (bp)	330	350
<b>EBITDA (INR m)</b>		
Old	4,730	6,304
Actual/New	4,661	6,218
Change (%)	-1.5	-1.4
<b>EBITDA margin (%)</b>		
Old	14.9%	16.5%
Actual/New	15.3%	17.4%
Change (bp)	40	90
<b>Net Profit (INR m)</b>		
Old	2,481	3,484
Actual/New	2,430	3,420
Change (%)	-2.1	-1.9
<b>EPS (INR)</b>		
Old	10.0	14.0
Actual/New	9.8	13.7
Change (%)	-2.1	-1.9

Source: MOFSL, Company



## Concall highlights:

### Guidance

- The company expects 2HFY24 revenue to grow in double digits.
- RM has moderated and with double-digit volume growth, the operating leverage will kick in, and hence it expects an EBITDAM of ~14%
- The company has sufficient capacity as has incurred INR560m capex in 1HFY24. So from now onwards, it expects the ROE/RoCE to improve.
- The capacity utilization in 1HFY24 was 63% and management expects nearly 65% utilization going forward.

### Closed footwear opportunity

- The company expects the closed footwear category to reach INR10b in next 2-3 years.
- Due to market weakness, the segment has not performed well (especially from the last seven months). Since the markets have not responded over the last seven months, it expects 2H to be better.
- The company has not changed the fixed commission margin of the distributor (even for the sportswear)

### Premiumization/Revenue mix

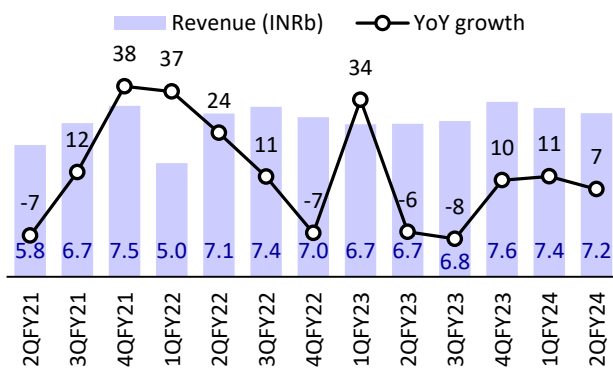
- **Premiumization**- The Sparx category ASP ranges ~INR1,000-1,500 and Flite starts from INR400. The company targets premiumization from this category (especially Sparx) and it will open retail channels.
- Currently, Sparx contributes 35-40% of revenue where open/closed footwear mix is at 50:50.
- **ASP wise**- Currently, the revenue from INR500+ products contribute 10% of sales.
- **Open/closed footwear** – It derives 80% of the revenue from open footwear and 20% from closed footwear
- **Geography wise**- 45% revenue contribution from North, 22% from East, 20% from West, 13% from South (however, South has seen some challenge due to subdued demand)
- **Channel wise**- Export contributed 4% of sales and it expects the same % contribution in future. Online contributed 12% of sales.

### Strategy

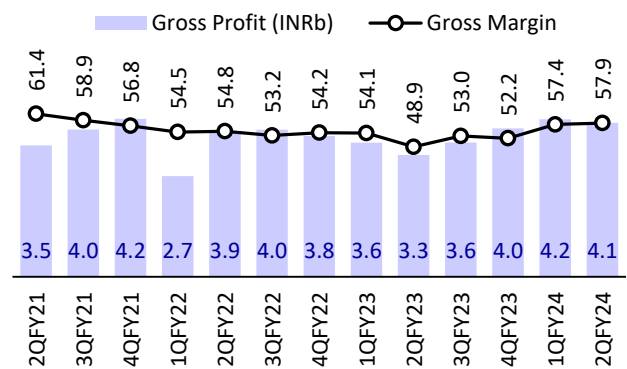
- The focus of the company will be on expanding the distribution channel rather than price cuts as the RM prices are now stabilized.
- There are 100k MBO outlets in India and company is present in 65k MBO only.
- The company targets premiumization from the Sparx category by opening retail channels.

**Current environment**

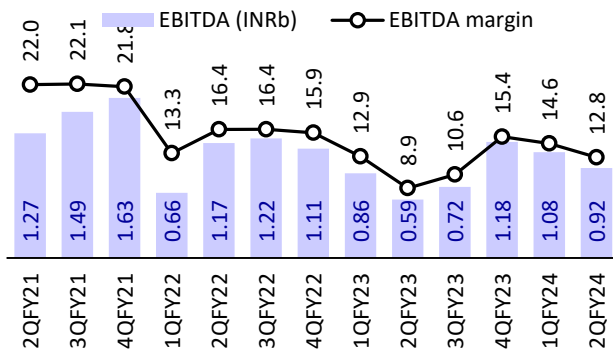
- The past 2-3 years were very challenging for the industry due to: a) inflation, b) unprecedented rain, and c) geopolitical conflicts.
- **Pain in closed footwear-** Bahamas/Flite volume growth was 20%+ YoY in 1HFY24, the pain generated especially from the Sparx category (reported 3-4% growth) as the closed footwear season has just started.
- Looking at the environment, management is taking cautious approach in opening EBOs in 2HFY24.

**Story in charts****Exhibit 4: Pricing cut led to revenue growth**

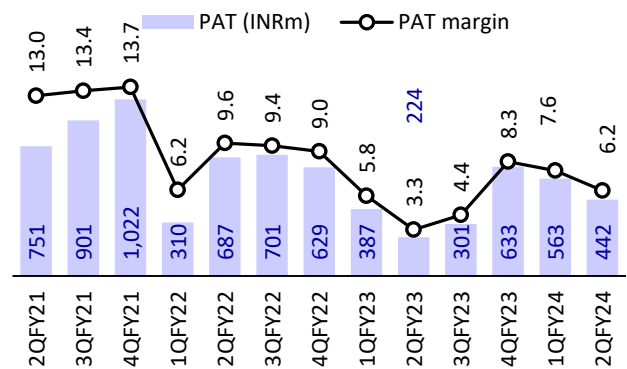
Source: MOFSL, Company

**Exhibit 5: RM moderation led to GM expansion**

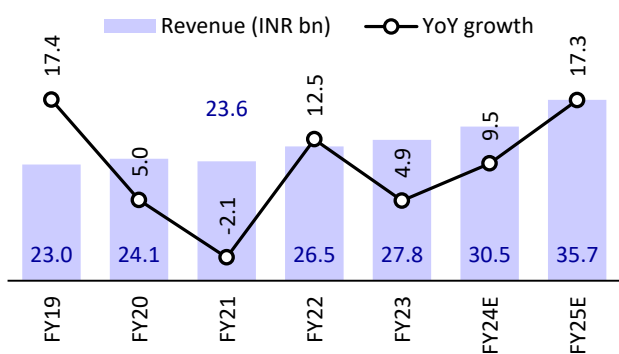
Source: MOFSL, Company

**Exhibit 6: Recovery in COGS aided EBITDA margin**

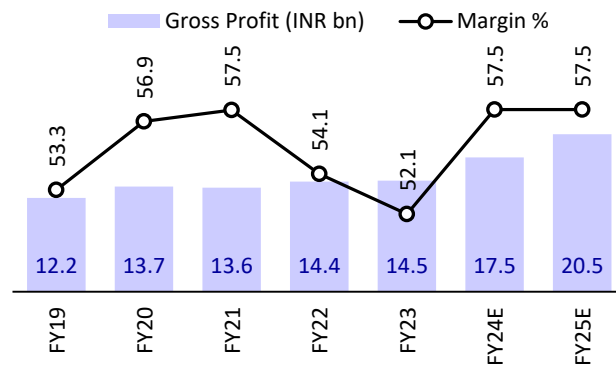
Source: MOFSL, Company

**Exhibit 7: PAT doubled YoY in 2QFY24**

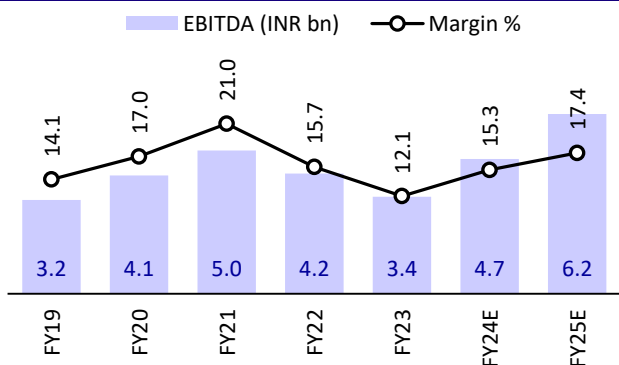
Source: MOFSL, Company

**Exhibit 8: Expect revenue CAGR of 13% over FY23-25**

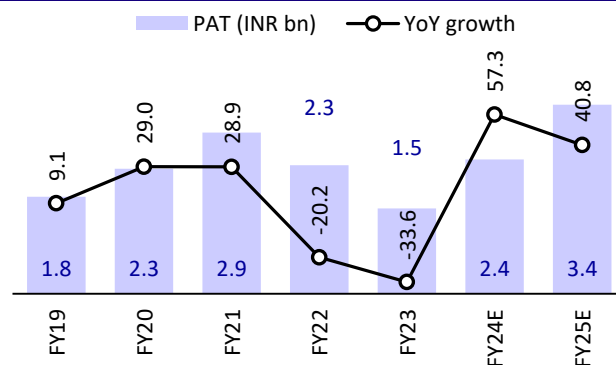
Source: MOFSL, Company

**Exhibit 9: Moderation in RM cost will lead to a revival in GM**

Source: MOFSL, Company

**Exhibit 10: Expect EBITDA CAGR of 36% over FY23-25**

Source: MOFSL, Company

**Exhibit 11: Expect PAT CAGR of 49% over FY23-25**

Source: MOFSL, Company

## Financials and valuations

### Consolidated - Income Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Total Income from Operations</b>	<b>19,569</b>	<b>22,966</b>	<b>24,105</b>	<b>23,592</b>	<b>26,533</b>	<b>27,827</b>	<b>30,465</b>	<b>35,736</b>
Change (%)	20.0	17.4	5.0	-2.1	12.5	4.9	9.5	17.3
RM Cost	8,833	10,723	10,393	10,032	12,167	13,343	12,948	15,188
<b>Gross Profit</b>	<b>10,736</b>	<b>12,243</b>	<b>13,712</b>	<b>13,559</b>	<b>14,366</b>	<b>14,484</b>	<b>17,518</b>	<b>20,548</b>
Margin (%)	55%	53%	57%	57%	54%	52%	58%	58%
Employees Cost	2,141	2,587	2,940	3,014	3,347	3,433	3,915	4,288
Other Expenses	5,577	6,413	6,682	5,590	6,861	7,694	8,942	10,042
<b>Total Expenditure</b>	<b>16,551</b>	<b>19,723</b>	<b>20,015</b>	<b>18,636</b>	<b>22,375</b>	<b>24,470</b>	<b>25,804</b>	<b>29,518</b>
% of Sales	84.6	85.9	83.0	79.0	84.3	87.9	84.7	82.6
<b>EBITDA</b>	<b>3,018</b>	<b>3,243</b>	<b>4,090</b>	<b>4,956</b>	<b>4,158</b>	<b>3,358</b>	<b>4,661</b>	<b>6,218</b>
Margin (%)	15.4	14.1	17.0	21.0	15.7	12.1	15.3	17.4
Depreciation	543	624	1,094	1,100	1,135	1,251	1,427	1,584
<b>EBIT</b>	<b>2,475</b>	<b>2,619</b>	<b>2,995</b>	<b>3,855</b>	<b>3,022</b>	<b>2,107</b>	<b>3,234</b>	<b>4,634</b>
Margin (%)	12.6	11.4	12.4	16.3	11.4	7.6	10.6	13.0
Int. and Finance Charges	86	69	169	171	153	192	180	260
Other Income	45	130	91	228	237	186	186	186
<b>PBT bef. EO Exp.</b>	<b>2,433</b>	<b>2,680</b>	<b>2,917</b>	<b>3,912</b>	<b>3,106</b>	<b>2,100</b>	<b>3,239</b>	<b>4,560</b>
Total Tax	826	925	655	996	779	555	810	1,140
Tax Rate (%)	33.9	34.5	22.4	25.5	25.1	26.4	25.0	25.0
<b>Reported PAT</b>	<b>1,608</b>	<b>1,754</b>	<b>2,263</b>	<b>2,916</b>	<b>2,327</b>	<b>1,545</b>	<b>2,430</b>	<b>3,420</b>
<b>Adjusted PAT</b>	<b>1,608</b>	<b>1,754</b>	<b>2,263</b>	<b>2,916</b>	<b>2,327</b>	<b>1,545</b>	<b>2,430</b>	<b>3,420</b>
Change (%)	34.0	9.1	29.0	28.9	-20.2	-33.6	57.3	40.8
Margin (%)	8.2	7.6	9.4	12.4	8.8	5.6	8.0	9.6

### Consolidated - Balance Sheet

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	120	124	248	248	249	249	249	249
Total Reserves	7,492	10,927	12,476	15,476	17,352	18,302	20,124	22,688
<b>Net Worth</b>	<b>7,612</b>	<b>11,051</b>	<b>12,724</b>	<b>15,724</b>	<b>17,601</b>	<b>18,551</b>	<b>20,373</b>	<b>22,937</b>
Minority Interest	0	0	0	0	0	0	0	0
Total Loans	1,254	869	192	0	200	0	0	0
Lease Liabilities	0	0	1,474	1,442	1,540	1,641	2,365	2,995
Deferred Tax Liabilities	263	344	248	228	199	215	215	215
<b>Capital Employed</b>	<b>9,129</b>	<b>12,264</b>	<b>14,637</b>	<b>17,394</b>	<b>19,540</b>	<b>20,406</b>	<b>22,952</b>	<b>26,147</b>
<b>Provision and others</b>	<b>85</b>	<b>90</b>	<b>109</b>	<b>163</b>	<b>188</b>	<b>194</b>	<b>213</b>	<b>250</b>
Gross Block	6,300	9,627	10,235	10,524	11,673	14,064	14,517	16,193
Less: Accum. Deprn.	1,052	1,654	2,324	2,980	3,694	4,517	5,387	6,354
<b>Net Fixed Assets</b>	<b>5,249</b>	<b>7,973</b>	<b>7,911</b>	<b>7,544</b>	<b>7,980</b>	<b>9,547</b>	<b>9,131</b>	<b>9,839</b>
Capital WIP	1,376	114	456	1,180	1,490	890	385	-167
Right to use asset	0	509	1,899	1,837	1,893	1,956	3,433	3,895
<b>Total Investments</b>	<b>7</b>	<b>2</b>	<b>2</b>	<b>3,382</b>	<b>1,943</b>	<b>2,253</b>	<b>2,253</b>	<b>2,253</b>
Current Investments	5	0	0	3,380	1,693	2,006	2,006	2,006
<b>Loans and others</b>	<b>255</b>	<b>247</b>	<b>231</b>	<b>396</b>	<b>344</b>	<b>373</b>	<b>373</b>	<b>373</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>5,801</b>	<b>7,270</b>	<b>7,912</b>	<b>7,419</b>	<b>10,177</b>	<b>9,930</b>	<b>12,083</b>	<b>15,474</b>
Inventory	3,139	3,824	4,477	4,221	6,733	5,638	5,321	6,242
Account Receivables	1,924	2,226	1,721	1,815	2,508	2,703	2,880	3,378
Cash and Bank Balance	40	22	41	77	125	740	2,969	4,782
Loans and Advances	699	1,198	1,673	1,306	812	849	914	1,072
<b>Curr. Liability &amp; Prov.</b>	<b>3,474</b>	<b>3,760</b>	<b>3,665</b>	<b>4,202</b>	<b>4,098</b>	<b>4,349</b>	<b>4,492</b>	<b>5,269</b>
Account Payables	1,749	1,718	1,838	2,228	2,217	2,529	2,360	2,768
Other Current Liabilities	1,050	1,535	1,531	1,702	1,589	1,568	1,828	2,144
Provisions	675	507	297	272	292	251	305	357
<b>Net Current Assets</b>	<b>2,328</b>	<b>3,510</b>	<b>4,247</b>	<b>3,218</b>	<b>6,079</b>	<b>5,582</b>	<b>7,591</b>	<b>10,204</b>
Misc Expenditure	0	0	0	0	0	0	0	0
<b>Appl. of Funds</b>	<b>9,213</b>	<b>12,354</b>	<b>14,746</b>	<b>17,556</b>	<b>19,728</b>	<b>20,599</b>	<b>23,165</b>	<b>26,397</b>

## Financials and valuations

Ratios								
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>6.7</b>	<b>7.1</b>	<b>9.1</b>	<b>11.7</b>	<b>9.3</b>	<b>6.2</b>	<b>9.8</b>	<b>13.7</b>
Cash EPS	8.9	9.6	13.5	16.2	13.9	11.2	15.5	20.1
BV/Share	31.6	44.6	51.3	63.3	70.7	74.5	81.9	92.2
DPS	0.8	0.9	1.3	2.5	2.5	2.5	2.4	3.4
Payout (%)	11.2	12.7	13.7	21.3	26.7	40.3	25.0	25.0
<b>Valuation (x)</b>								
P/E	135.7	128.2	99.5	77.3	97.0	146.1	92.9	66.0
Cash P/E	101.4	94.6	67.1	56.1	65.2	80.7	58.5	45.1
P/BV	28.7	20.4	17.7	14.3	12.8	12.2	11.1	9.8
EV/Sales	11.6	9.9	9.4	9.5	8.5	8.1	7.3	6.2
EV/EBITDA	75.2	69.9	55.6	45.1	54.3	66.9	47.9	35.7
Dividend Yield (%)	0.1	0.1	0.1	0.3	0.3	0.3	0.3	0.4
FCF per share	1.9	1.3	8.2	15.7	-3.3	8.7	12.5	12.7
<b>Return Ratios (%)</b>								
RoE	23.5	18.8	19.0	20.5	14.0	8.5	12.5	15.8
RoCE	19.9	16.8	17.8	19.0	13.2	8.4	11.8	14.7
RoIC	22.3	17.3	17.7	21.4	15.8	9.5	14.3	19.0
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	3.1	2.4	2.4	2.2	2.3	2.0	2.1	2.2
Asset Turnover (x)	2.6	2.0	2.0	2.2	1.9	1.8	1.8	1.8
Inventory (Days)	59	61	68	65	93	74	64	64
Debtor (Days)	36	35	26	28	35	35	35	35
Creditor (Days)	33	27	28	34	31	33	28	28
Working Capital (Days)	62	69	66	59	97	76	70	70
<b>Leverage Ratio (x)</b>								
Current Ratio	1.7	1.9	2.2	1.8	2.5	2.3	2.7	2.9
Interest Cover Ratio	28.8	38.0	17.8	22.6	19.7	10.9	17.9	17.8
Net Debt/Equity	0.2	0.1	0.1	-0.1	0.0	-0.1	-0.1	-0.2
<b>Consolidated - Cash Flow Statement</b>								
							<b>(INR m)</b>	
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
OP/(Loss) before Tax	2,436	2,680	2,917	3,912	3,106	2,100	3,239	4,560
Depreciation	543	624	1,094	1,100	1,135	1,251	1,427	1,584
Interest & Finance Charges	80	69	169	171	153	192	180	260
Interest Income & Dividend	0	-18	-4	-7	-12	-56	-186	-186
Direct Taxes Paid	-801	-863	-831	-891	-839	-555	-810	-1,140
(Inc)/Dec in WC	-732	-1,319	-198	930	-2,816	1,101	219	-800
<b>CF from Operations</b>	<b>1,527</b>	<b>1,174</b>	<b>3,146</b>	<b>5,214</b>	<b>728</b>	<b>4,034</b>	<b>4,071</b>	<b>4,279</b>
Others	16	61	43	-83	-168	-33	0	0
<b>CF from Operating incl EO</b>	<b>1,543</b>	<b>1,235</b>	<b>3,189</b>	<b>5,131</b>	<b>560</b>	<b>4,001</b>	<b>4,071</b>	<b>4,279</b>
(Inc)/Dec in FA	-1,087	-914	-1,159	-1,219	-1,389	-1,843	-948	-1,123
<b>Free Cash Flow</b>	<b>456</b>	<b>321</b>	<b>2,030</b>	<b>3,912</b>	<b>-829</b>	<b>2,158</b>	<b>3,123</b>	<b>3,155</b>
(Pur)/Sale of Investments	5	321	11	-3,306	1,519	-247	0	0
<b>CF from Investments</b>	<b>-1,084</b>	<b>-569</b>	<b>-1,157</b>	<b>-4,532</b>	<b>146</b>	<b>-2,585</b>	<b>-762</b>	<b>-937</b>
Issue of Shares	0	32	32	49	139	4	0	0
Inc/(Dec) in Debt	-217	-416	-914	-192	200	-200	0	0
Payment of LL	0	0	-326	-248	-263	-374	-312	-449
Interest Paid	-146	-81	-174	-171	-153	-192	-180	-260
Dividend Paid	-145	-218	-643	0	-621	-622	-607	-855
Others	53	0	0	0	0	0	20	37
<b>CF from Fin. Activity</b>	<b>-455</b>	<b>-682</b>	<b>-2,026</b>	<b>-562</b>	<b>-698</b>	<b>-1,385</b>	<b>-1,080</b>	<b>-1,528</b>
<b>Inc/Dec of Cash</b>	<b>3</b>	<b>-17</b>	<b>7</b>	<b>38</b>	<b>8</b>	<b>32</b>	<b>2,229</b>	<b>1,814</b>
Opening Balance	37	40	23	30	68	76	107	2,336
<b>Closing Balance</b>	<b>40</b>	<b>23</b>	<b>30</b>	<b>68</b>	<b>76</b>	<b>107</b>	<b>2,336</b>	<b>4,150</b>
<b>Add: Bank Balance</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>9</b>	<b>49</b>	<b>633</b>	<b>633</b>	<b>633</b>
<b>Net Closing Balance</b>	<b>40</b>	<b>23</b>	<b>41</b>	<b>77</b>	<b>125</b>	<b>740</b>	<b>2,969</b>	<b>4,783</b>

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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