

V-Mart Retail

Estimate change



TP change



Rating change



Bloomberg	VMART IN
Equity Shares (m)	79
M.Cap.(INRb)/(USDb)	63.8 / 0.7
52-Week Range (INR)	1130 / 675
1, 6, 12 Rel. Per (%)	-7/0/-7
12M Avg Val (INR M)	156

Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	37.9	44.1	51.1
EBITDA	4.9	6.1	7.4
NP	1.1	1.8	2.6
EBITDA Margin (%)	13.0	13.8	14.5
Adj. EPS (INR)	13.4	22.5	32.6
EPS Gr. (%)	NM	NM	NM
BV/Sh. (INR)	115.5	137.9	170.6

Ratios

Net D:E	0.8	0.5	0.3
RoE (%)	12.3	17.7	21.2
RoCE (%)	10.2	13.5	16.0
Payout (%)	0.0	0.0	0.0

Valuations

P/E (x)	60.0	35.7	24.6
EV/EBITDA (x)	14.4	11.4	9.1
EV/Sales (x)	1.7	1.4	1.2
Div. Yield (%)	0.0	0.0	0.0

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	44.2	44.3	44.3
DII	31.5	32.9	32.6
FII	18.3	17.5	15.5
Others	6.0	5.3	7.6

FII Includes depository receipts

CMP: INR804

TP: INR1,035 (+29%)

Upgrade to Buy

Strong beat on profitability

- V-Mart Retail's (VMART) revenue grew 13% YoY in 1QFY26, led by 14% store additions as SSSG was muted at 1% due to the shift of Eid to 4QFY25.
- EBITDA rose ~28% YoY (15% beat), driven by lower inventory provisioning and reduced A&P spends. EBITDA margins jumped to 14.3% (up 165bp).
- Management continues to target 12-15% net store additions and mid-to-high single-digit SSSG, with consistent improvement in profitability driven by disciplined cost controls across segments.
- We raise our FY26/27E EBITDA by ~2% each, driven by stronger margin performance in the core VMART format. We model a CAGR of 16%/25% in revenue/EBITDA over FY25-28E, driven by ~12% CAGR in store additions, mid-single-digit SSSG, and further reduction in LR losses.
- The recent correction (VMART -9% in the last 1M, -20% YTD), along with improved profitability, makes its valuations attractive (~19x Sep'27 pre-INDAS 116 EBITDA). **We upgrade VMART to BUY** with unchanged ~13x Sep'27E EV/EBITDA (implies 25x pre-IND AS 116 EBITDA) to arrive at our **revised TP of INR1,035**.

EBITDA +28% YoY; big beat on margins due to lower LR losses

- Revenue grew 13% YoY to INR8.9b, driven by 1% blended SSSG and ~14% YoY store additions.
- VMART opened 15 new stores (10 in VMART and five in Unlimited) and closed two stores (one each in VMART and Unlimited), taking the total store count to 510 stores (VMART 421 and Unlimited 89).
- Blended SSSG moderation was driven by the shift of Eid to 4QFY25. Normalized for the same, SSSG would have been ~5%.
- Gross profit grew 13% YoY at INR3.1b (2% above), as gross margin expanded 10bp YoY to 35.3% (55bp beat).
- Other expenses declined 3% YoY to INR912m (10% below our estimate), driven by ~100bp YoY decline in A&P spends and reduction in LR losses.
- Reported EBITDA stood at INR1.3m (+28% YoY, 15% beat) with margins improving 165bp YoY to 14.3% (185bp beat). **Pre-IND AS EBITDA grew 40% YoY to INR0.6b, with margin expanding 130bp YoY to 6.9%.**
- Depreciation increased 20% due to a change in lease accounting, while interest cost declined ~51% YoY.
- VMART reported PAT of INR336m (vs. our estimate of INR257m), led by higher EBITDA and lower finance costs.

Segmental performance

- **VMART (core):** Revenue **grew 14% YoY** to INR7.4b, driven by nine net store additions (up 14% YoY) and ~1% SSSG. Reported monthly SPSF was stable YoY at INR748. EBITDA **grew 22% YoY** to INR1.06b, as margin expanded ~100bp YoY to 14.4%, driven by gross margin expansion of 90bp.

- **Unlimited:** Revenue grew **11% YoY** to INR1.4b, driven by four net store additions (up 14% YoY) and ~1% SSSG. Reported monthly SPSF grew ~5% YoY to INR603. EBITDA **rose 9% YoY to INR245m**, despite margins contracting ~30bp YoY to 17.7% due to gross margin contraction of ~70bp.
- **LimeRoad (LR):** Commission income declined ~47% YoY to INR62m, while operating loss reduced ~55% YoY to INR46m (vs. INR68m QoQ, INR103m YoY), driven by a further reduction in advertisement spends.

Higher footfalls and volume drive growth as ASP moderates in Unlimited

- Overall footfalls grew ~11% YoY to 20m, with conversions improving ~100bp YoY to 48%.
- Report monthly SPSF stood at INR716 vs INR711 in 1QFY25.
- Blended ASP declined ~1% YoY to INR218, driven by pricing rejig in Unlimited (-6% YoY to INR396). Overall sales volume grew ~14% YoY.
- Blended ATV declined ~3% YoY to INR1,004, driven by 3%/5% YoY decline for VMART/Unlimited. Overall transactions grew ~16% YoY.

Highlights from the management commentary

- **Demand trends:** Demand was slightly impacted by the shift of Eid to 4QFY25, border tensions in the Northern region, and early monsoon. Overall, demand sentiment is mildly positive, but few headwinds persist in East India, where cross-border demand from Bangladesh has weakened. In contrast, North India (states such as Rajasthan and Uttarakhand) saw robust growth.
- **Demand outlook:** Demand was slightly soft in July but is likely to pick up with the onset of the festive season from August. Additionally, with inflation in check and better monsoons, rural consumption should pick up. Competition from national as well as regional value retailers is rising, driven by higher store openings. However, this is also leading to higher footfalls for organized value retailers. VMART continues to focus on driving profitable growth.
- **Guidance:** Management reiterated its target of 12-15% net store area additions (~65 stores) and mid-to-high single-digit SSSG in FY26. Emphasis remains on increasing fashion content, maintaining tight inventory control, and adopting selective marketing to improve overall profitability.
- **Margins:** Margins in 1QFY26 were impacted by lower SSSG, which is likely to see a pick-up in 2Q-3Q. Overall, VMART is targeting a higher absolute margin, driven by volume-led growth for FY26.

Valuation and view

- The improved productivity of VMART/Unlimited stores, the closure of non-performing stores, and lower losses in the online segment have led to an improvement in VMART's overall profitability.
- VMART remains a key beneficiary of the unorganized-to-organized retail shift and the massive growth opportunity in value fashion.
- However, with aggressive store expansion by many value retailers, rising competition in value retail remains a key watch.
- We raise our FY26/27E EBITDA by ~2% each, driven by stronger margin performance in the core VMART format. We model a CAGR of 16%/25% in revenue/EBITDA over FY25-28E, driven by ~12% CAGR in store additions, mid-single-digit SSSG, and further reduction in LR losses.
- Recent correction (VMART -9% in the last 1M, -20% YTD), along with improved profitability, makes its valuations attractive (~19x Sep'27 pre-INDAS 116 EBITDA). **We upgrade VMART to BUY** with unchanged ~13x Sep'27E EV/EBITDA (implies 25x pre-IND AS 116 EBITDA) to arrive at our **revised TP of INR1,035**.

Consol. Quarterly Earning Model

(InR m)

Y/E March	FY25				FY26				FY25	FY26	FY25	Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	Var (%)
Revenue	7,861	6,610	10,267	7,801	8,852	7,805	12,132	9,235	32,539	37,949	8,850	0
YoY Change (%)	15.9	20.3	15.5	16.7	12.6	18.1	18.2	18.4	16.8	16.6	-46.9	
Total Expenditure	6,871	6,224	8,554	7,119	7,591	7,184	9,968	8,289	28,768	33,024	7,751	-2
EBITDA	990	386	1,714	681	1,262	622	2,164	946	3,771	4,925	1,099	15
EBITDA Margin (%)	12.6	5.8	16.7	8.7	14.3	8.0	17.8	10.2	11.6	13.0	12.4	
Depreciation	568	592	626	544	679	700	700	-79	2,330	2,837	489	39
Interest	375	391	424	174	182	333	361	498	1,365	818	319	-43
Other Income	46	18	34	23	29	23	45	63	121	150	51	-43
PBT	93	-580	697	-13	429	-387	1,149	590	198	1,419	343	25
Tax	93	-580	697	229	429	-387	1,149	590	198	1,419	343	25
Rate (%)	-28	-15	-19	44	93	-97	287	161	-18	357	86	
Reported PAT	-30.3	2.6	-2.7	19.1	21.8	25.0	25.0	27.4	-9.2	129.3	25.0	
Adj PAT	121	-565	716	185	336	-290	862	429	458	1,062	257	31
YoY Change (%)	121	-565	716	-57	336	-290	862	429	216	1,062	257	31

E: MOFSL Estimates

Exhibit 1: Valuation based on Sep'27E EBITDA

	Methodology	Driver (INR m)	Multiple	Fair Value (INR m)	Value/sh (INR)
EBITDA	Sep'27 EV/EBITDA	6,745	13	88,432	1,114
Less net debt				6,299	79
Total Value				82,133	1,035
Shares o/s (m)				79.4	
CMP (INR)					803
Upside (%)					28.9

Source: MOFSL, Company

Exhibit 2: Quarterly performance

P&L (INR m)	1QFY25	4QFY25	1QFY26	YoY%	QoQ%	1QFY26E	v/s est (%)
Revenue	7,861	7,801	8,852	12.6	13.5	8,850	0.0
Raw Material cost	5,094	5,219	5,729	12.5	9.8	5,776	-0.8
Gross Profit	2,767	2,582	3,124	12.9	21.0	3,074	1.6
Gross Margin (%)	35.2	33.1	35.3	9bps	219bps	34.7	55bps
Employee Costs	841	974	950	13.0	-2.5	963	-1.3
Other Expenses	937	926	912	-2.6	-1.5	1,012	-9.9
EBITDA	990	681	1,262	27.5	85.2	1,099	14.8
EBITDA margin (%)	12.6	8.7	14.3	166bps	552bps	12.4	183bps
Depreciation and amortization	568	544	679	19.6	24.9	489	38.8
EBIT	422	138	583	38.1	NM	610	4.5
EBIT margin (%)	5.4	1.8	6.6	122bps	481bps	6.9	-32bps
Finance Costs	375	174	182	-51.3	4.8	319	-42.8
Other income	46	23	29	-36.9	25.8	51	-42.6
Exceptional item	0	-242	0	0.0	0.0	0	NM
Profit before Tax	93	229	429	360.7	87.6	343	25.3
Tax	-28	44	93	-431.2	113.2	86	
Tax rate (%)	-30.3	19.1	21.8	5201bps	262bps	25.0	
Profit after Tax	121	185	336	176.8	81.5	257	30.8

Source: MOFSL, Company

Exhibit 3: Segment-wise breakup

	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	YoY%	QoQ%	FY24	FY25	FY26
Core V-Mart (INR m)										
Revenue	6,500	5,371	8,634	6,556	7,407	14.0	13.0	22,419	27,063	31,963
% YoY	19.8	27.0	18.6	19.5	14.0			11.5	20.7	18.1
Gross Profit	2,152	1,734	3,028	2,087	2,516	16.9	20.5	7,160	9,005	10,755
Gross Margin (%)	33.1	32.3	35.1	31.8	34.0	86 bps	213 bps	31.9	33.3	33.7
Cost of Retailing	1,283	1,381	1,484	1,464	1,453	13.2	-0.8	4,729	5,613	6,484
CoR excl. rentals	19.7	25.7	17.2	22.3	19.6	-12 bps	-272 bps	21.1	20.7	20.3
EBITDA	869	353	1,544	623	1,063	22.3	70.6	2,431	3,392	4,272
EBITDA margin (%)	13.4	6.6	17.9	9.5	14.4	98 bps	485 bps	10.8	12.5	13.4
Stores	370	384	403	412	421			365	412	465
Area	3.1	3.2	3.4	3.5	3.60			3.1	3.5	3.92
Unlimited (INR m)										
Revenue	1,245	1,134	1,528	1,164	1,383	11.1	18.8	4,722	5,071	5,707
% YoY	4.9	8.3	6.2	11.2	11.1			7.8	7.4	12.5
Gross Profit	499	381	541	411	545	9.3	32.7	1,692	1,829	2,054
Gross Margin (%)	40.1	33.6	35.4	35.3	39.4	-66 bps	413 bps	35.8	36.1	36.0
Cost of Retailing	275	275	306	285	300	9.2	5.4	1,276	1,140	1,251
CoR excl. rentals	22.1	24.2	20.0	24.5	21.7	-38 bps	-276 bps	27.0	22.5	21.9
EBITDA	224	106	235	126	245	9.4	94.4	416	689	804
EBITDA margin (%)	18.0	9.3	15.4	10.8	17.7	-28 bps	689 bps	8.8	13.6	14.1
Stores	78	83	85	85	89	14.1	4.7	79	85	97
Area	0.8	0.8	0.8	0.8	0.80	0	0	0.76	0.8	0.87
LimeRoad (INR m)										
NMV	291	281	294.4	234.4	188	-35.4	-19.8	1,750	1,101	798
% YoY	-34.6	-47.5	-27.8	-35.2	-35.4			-37.1	-27.5	-20.0
Commission Income	116	104	105	105	62	-46.6	-41.0	773	506	279
Take rate (%)	39.9	37.0	35.7	44.8	33.0	-688 bps	-1182 bps	44.2	46.0	35.0
% YoY	-33.3	-52.5	-39.0	-37.9	-46.6	39.7	22.9	357.4	-34.5	-44.8
Cost of Retailing	219	177	170.4	173.4	108	-50.7	-37.7	1,427	739.8	430
CoR excl. rentals	188.8	170.2	162.3	165.1	174.2	-1460 bps	905 bps	184.6	146.2	154
EBITDA	-103	-73	-65.4	-68.4	-46	-55.3	-32.7	-654	-234	-151
% YoY	-59.8	-63.1	-53.9	-68.0	-55.3			62.4	57.0	51

Source: MOFSL, Company

Exhibit 4: Key operational metrics

Operational Metrics	1QFY25	4QFY25	1QFY26	YoY%	QoQ%
Stores					
Core Vmart stores	370	412	421	13.8	2.2
Unlimited stores	78	85	89	14.1	4.7
Total stores	448	497	510	13.8	2.6
Store productivity (INR per month)					
Vmart core revenue per sqft	699	624	686	-1.9	9.8
Unlimited revenue per sqft	519	485	576	11.1	18.8
ASP (INR)	1QFY25	4QFY25	1QFY26	YoY%	QoQ%
Vmart standalone	202	213	201	-0.5	-5.6
Unlimited	421	401	396	-5.9	-1.2
Blended ASP	220	228	218	-0.9	-4.4
Total Volume (in m)					
Vmart core	32.2	30.8	36.9	14.5	19.7
Unlimited	3.0	2.9	3.5	18.1	20.3
Total	35.7	34.2	40.6	13.6	18.7
ATV (INR)	1QFY25	4QFY25	1QFY26	YoY%	QoQ%
Vmart core	961	965	932	-3.0	-3.4
Unlimited	1,816	1,594	1,716	-5.5	7.6
Blended ATV	1,036	1,006	1,004	-3.1	-0.2
Total bills (in m)					
Vmart core	7	7	8	17.5	16.9
Unlimited	1	1	1	17.6	10.4
Total	8	8	9	16.2	13.7

Source: MOFSL, Company

Exhibit 5: Summary of our estimate changes

Particulars	FY26E	FY27E	FY28E
Revenue (INR m)			
Old	38,071	44,069	
Actual/New	37,949	44,142	51,092
Change (%)	-0.3	0.2	New
EBITDA (INR m)			
Old	4,836	5,948	
Actual/New	4,925	6,083	7,408
Change (%)	1.8	2.3	New
EBITDA margin (%)			
Old	12.7	13.5	
Actual/New	13.0	13.8	14.5
Change (bp)	27	28	New
Net Profit (INR m)			
Old	1,240	1,736	
Actual/New	1,062	1,783	2,591
Change (%)	14.3	-2.7	New

Source: MOFSL, Company

Exhibit 6: Key assumptions for VMART retail

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Core Vmart	214	266	279	307	341	365	412	465	520	580
Unlimited	-	-	-	73	82	79	85	97	112	127
Store count	214	266	279	380	423	444	497	562	632	707
Retail area (msf)										
Core Vmart	1.8	2.2	2.3	2.5	2.9	3.1	3.5	3.9	4.4	4.8
Unlimited	-	-	-	0.8	0.8	0.8	0.8	0.9	1.0	1.1
Total area	1.8	2.2	2.3	3.3	3.7	3.9	4.3	4.8	5.3	5.9
Core V-Mart (INR m)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Revenue	14,337	16,620	10,755	14,539	20,100	22,419	27,063	31,963	37,377	43,395
SPSF (INR/month)	665	691	398	506	623	625	683	718	752	785
EBITDA	1,329	2,138	1,312		2,621	2,404	3,392	4,272	5,194	6,267
margin	9.3	12.9	12.2		13.0	10.7	12.5	13.4	13.9	14.4
Unlimited (INR m)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Revenue				2,123	4,379	4,720	5,071	5,707	6,541	7,507
SPSF (per month)				466	456	480	528	569	594	621
EBITDA					501	416	689	804	989	1,221
margin					11.4	8.8	13.6	14.1	15.1	16.3

Source: MOFSL, Company



Detailed takeaways from the management interaction

- **Demand trends:** Demand was slightly impacted by the shift of Eid to 4QFY25, border tensions in the Northern region, and early monsoon. Overall, demand sentiment is mildly positive, but few regional headwinds persist—particularly in East India, where cross-border demand from Bangladesh has weakened. In contrast, North India (states such as Rajasthan and Uttarakhand) saw robust growth.
- **Demand outlook:** Demand was slightly soft in July but is expected to pick up with the onset of the festive season from August. Additionally, with inflation in check and better monsoons, rural consumption is likely to pick up. Competition from national as well as regional value retailers is rising, driven by higher store openings. However, this is also leading to higher footfalls for the organized value retailers. VMART continues to focus on driving profitable growth.
- **Guidance:** Management reiterated its target of 12-15% net store area additions (~65 stores) and mid-to-high single-digit SSSG in FY26. Emphasis remains on increasing fashion content, maintaining tight inventory control, and adopting selective marketing to improve overall profitability.
- **Margins:** Margins in 1QFY26 were impacted by lower SSSG, which should pick up in 2Q-3Q. Overall, VMART is targeting a higher absolute margin, driven by volume-led growth for FY26.
- **Unlimited:** VMART is methodically integrating the Unlimited format by aligning its product assortment, pricing, and store aesthetics with the core VMART model. Currently, about 50% of products overlap during spring/summer and festive seasons, while winter assortments remain differentiated. New Unlimited stores, focused on tier 3/4 towns, are gaining traction with value-focused consumers, though ~30% of new stores are still operating at lower margins. Despite Unlimited's higher gross margins (~37% vs. Core VMART's ~34%)—driven by a ~5% price premium to cover higher operating costs, the company plans to bring ASPs in Unlimited closer to VMART's levels over time. This reflects a deliberate shift toward mass affordability.
- **Rental costs:** Rentals have increased from INR 36/sq.ft per month five years ago to ~INR 45/sq.ft now, due to rent escalations and the integration of higher-rental Unlimited stores. The new store leases and renewals are at ~5% premium over existing rates. The company remains selective about expansion, ensuring returns meet internal IRR thresholds. While higher rents are accepted in high-potential locations, VMART is clear that it won't scale aggressively if rentals are steep.
- **Other expenses** declined ~3% YoY, driven by targeted cost-control initiatives. Offline marketing spend was curtailed as part of a multi-quarter effort to reduce ad expenses from the 2-2.5% range. Online logistics and marketing costs also fell, aided by LimeRoad's improved omni-sourcing through VMART stores. Structural efficiencies in sourcing, pricing, display, and supply chain, supported by tech, further aided productivity. The company is prioritizing profitable growth over revenue maximization, especially in its digital operations.
- **Impact of change in lease accounting:** In 4QFY25, VMART had reassessed the useful life of leases in line with the actual store lease period. The change in accounting required aligning the useful life of fixed assets, leading to a sharp increase in fixed asset depreciation (from INR190m to ~INR280m/quarter) and a significant drop in the notional finance cost on lease liabilities (from INR320m to ~INR110m/quarter).

- **Impact from quick commerce:** Management indicated that there has been some impact on the food/non-food category in 20% of locations. However, given the category's small share and VMART's limited presence in Tier 1 towns, the overall impact on the company remains minimal.
- **Inventory days** improved 5% YoY to 93, supported by better sell-throughs, technology-led supply chain upgrades, and a decline in aged inventory provisioning (from 1.7% to 0.7%). Per-store inventory rose marginally but remains healthy.

Story in charts

Exhibit 7: Revenue grew ~13% YoY

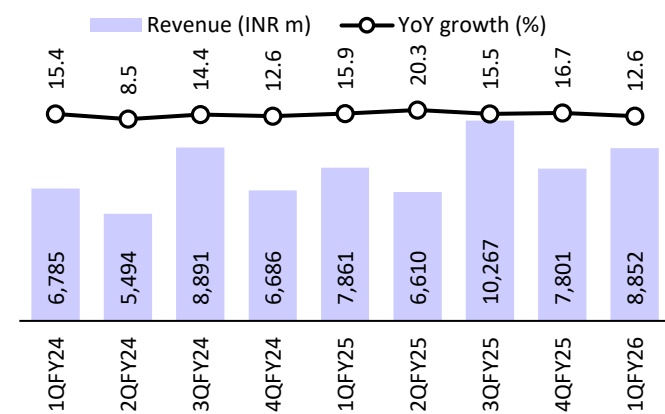


Exhibit 8: GM expanded ~10bp YoY to 35.3%

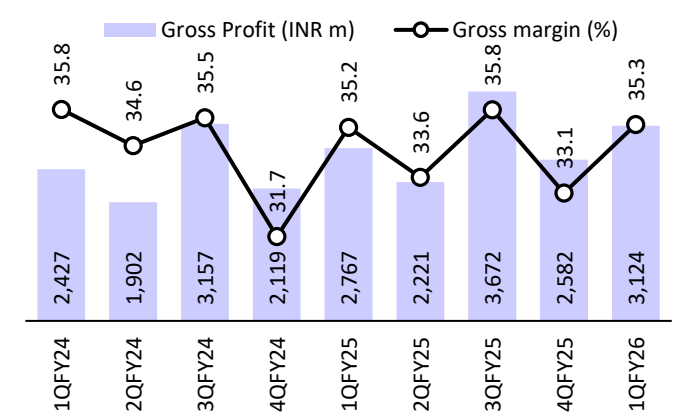


Exhibit 9: EBITDA margin expanded 165bp on lower A&P spends

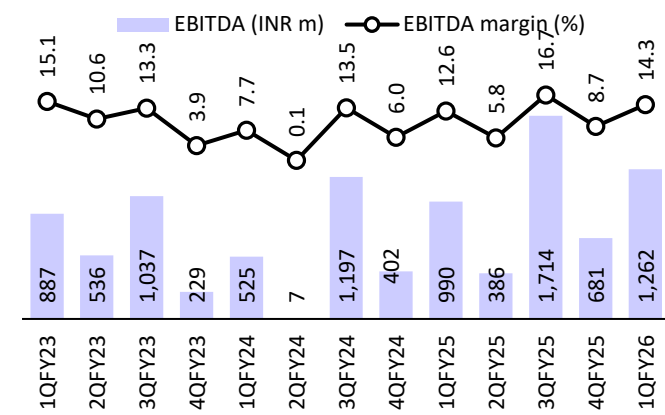
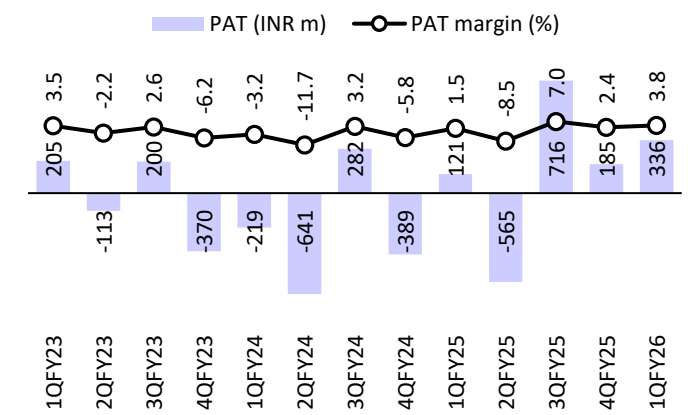
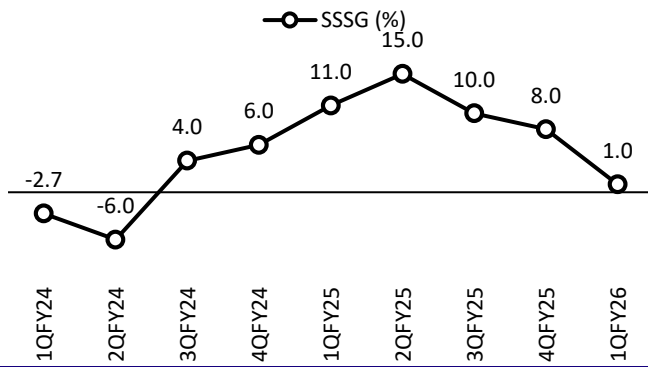


Exhibit 10: Healthy improvement in profitability



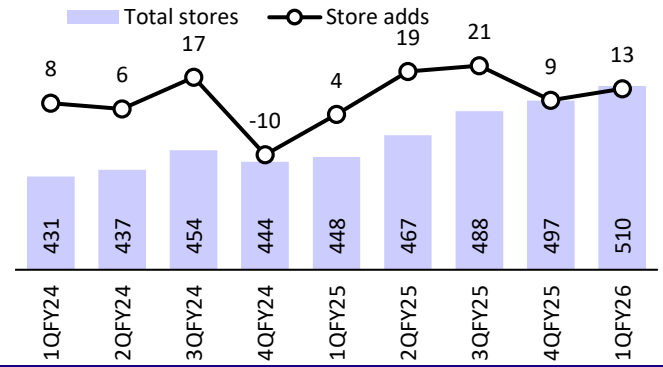
Source: Company, MOFSL

Exhibit 11: Blended SSSG came in at 1%, impacted by a shift in festive dates



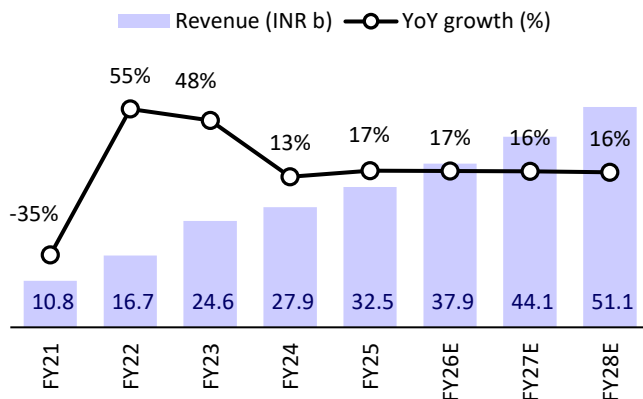
Source: Company, MOFSL

Exhibit 12: Opened 13 new stores; total store count reached 510



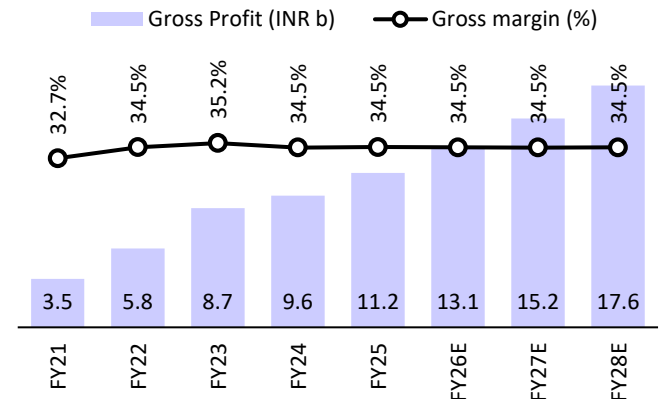
Source: Company, MOFSL

Exhibit 13: Expect 16% revenue CAGR over FY25-28



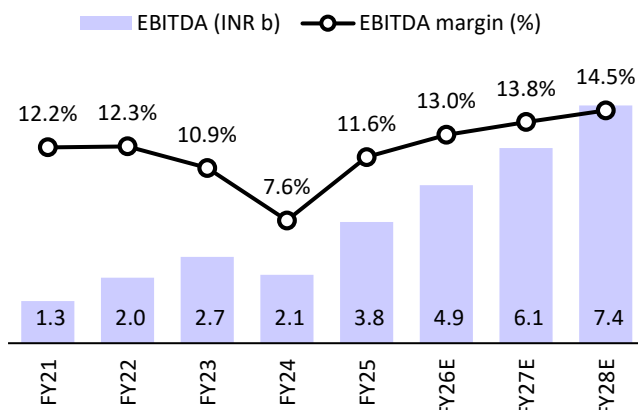
Source: Company, MOFSL

Exhibit 14: GM to remain largely flat over FY25-28E



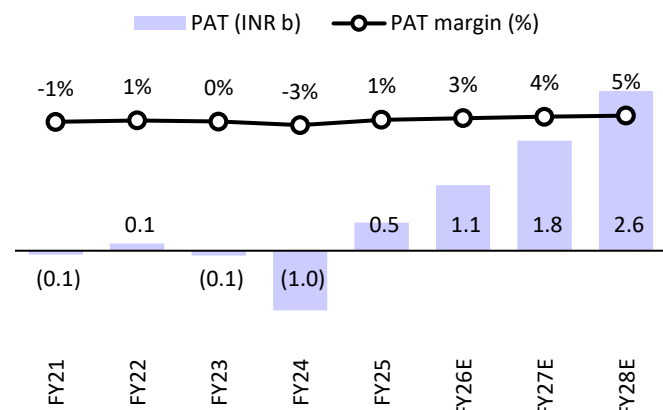
Source: Company, MOFSL

Exhibit 15: Expect 25% EBITDA CAGR over FY25-28



Source: Company, MOFSL

Exhibit 16: Profitability to improve over FY25-28E



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	10,755	16,662	24,648	27,856	32,539	37,949	44,142	51,092
Change (%)	-35.3	54.9	47.9	13.0	16.8	16.6	16.3	15.7
Raw Materials	7,236	10,911	15,971	18,251	21,297	24,860	28,921	33,470
Employees Cost	1,169	1,796	2,555	2,871	3,634	4,143	4,677	5,253
Rent and lease expenses	0	90	255	0	0	0	0	0
Advertising & Sales Promotion	0	0	0	0	0	0	0	0
Other Expenses	1,038	1,821	3,178	4,604	3,837	4,022	4,462	4,961
Total Expenditure	9,442	14,618	21,959	25,725	28,768	33,024	38,060	43,684
% of Sales	87.8	87.7	89.1	92.4	88.4	87.0	86.2	85.5
EBITDA	1,312	2,043	2,689	2,131	3,771	4,925	6,083	7,408
Margin (%)	12.2	12.3	10.9	7.6	11.6	13.0	13.8	14.5
Depreciation	1,030	1,307	1,800	2,221	2,330	2,837	3,058	3,312
EBIT	282	736	889	-91	1,441	2,088	3,024	4,096
Int. and Finance Charges	589	772	1,169	1,424	1,365	818	821	834
Other Income	210	140	150	210	121	150	180	200
PBT Bif. EO Exp.	-97	104	-130	-1,305	198	1,419	2,383	3,462
EO Items	0	0	0	0	242	0	0	0
PBT after EO Exp.	-97	104	-130	-1,305	440	1,419	2,383	3,462
Total Tax	-35	-12	-52	-337	-18	357	600	871
Tax Rate (%)	35.8	-12.0	39.7	25.9	-4.1	25.2	25.2	25.2
Minority Interest	0	0	0	0	0	0	0	0
Reported PAT	-62	116	-78	-968	458	1,062	1,783	2,591
Adjusted PAT	-62	116	-78	-968	206	1,062	1,783	2,591
Change (%)	-112.6	-287.7	-167.4	1,132.9	-121.3	415.7	67.9	45.3
Margin (%)	-0.6	0.7	-0.3	-3.5	0.6	2.8	4.0	5.1

Consolidated - Balance Sheet

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	197	197	198	198	198	792	792	792
Total Reserves	8,055	8,299	8,292	7,272	7,904	8,372	10,155	12,746
Net Worth	8,252	8,496	8,490	7,470	8,102	9,164	10,947	13,538
Total Loans	0	0	1,478	1,100	1,490	1,490	1,490	1,490
Deferred Tax Liabilities	-253	-386	-531	-874	-917	-917	-917	-917
Other long term liabilities	5,751	9,131	11,964	12,938	6,505	6,326	6,357	6,492
Lease Liabilities	5,678	9,022	11,838	12,813	6,336	6,253	6,284	6,419
Capital Employed	13,751	17,241	21,401	20,634	15,180	16,063	17,877	20,602
Gross Block	6,965	11,110	14,455	16,607	10,385	10,524	10,673	10,837
Net Fixed Assets	6,965	11,110	14,455	16,607	10,385	10,524	10,673	10,837
Right to use assets	5,180	8,283	10,643	11,197	4,699	4,863	5,078	5,348
Capital WIP	22	64	1,092	38	43	43	43	43
Total Investments	3,189	1,248	85	47	51	51	51	51
Curr. Assets, Loans&Adv.	5,836	8,186	11,261	10,885	12,967	14,828	17,905	22,165
Inventory	4,283	6,682	8,706	8,161	9,868	10,917	12,094	13,998
Cash and Bank Balance	275	351	202	272	394	720	2,098	3,870
Loans and Advances	1,278	1,153	2,353	2,452	2,705	3,192	3,713	4,297
Curr. Liability & Prov.	2,261	3,368	5,493	6,945	8,266	9,383	10,793	12,492
Account Payables	1,917	2,906	4,883	6,337	7,620	8,629	9,917	11,478
Other Current Liabilities	345	462	610	608	646	753	876	1,014
Net Current Assets	3,574	4,818	5,768	3,940	4,702	5,446	7,112	9,673
Appl. of Funds	13,750	17,240	21,400	20,633	15,180	16,064	17,878	20,603

Financials and valuations

Ratios								
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)								
EPS	-0.8	1.5	-1.0	-12.2	2.6	13.4	22.5	32.6
Cash EPS	12.2	17.9	21.7	15.8	31.9	49.1	61.0	74.4
BV/Share	104.0	107.0	107.0	94.1	102.1	115.5	137.9	170.6
DPS	-	-	-	-	-	-	-	-
Payout (%)	-	-	-	-	-	-	-	-
Valuation (x)								
P/E	n/m	547.5	n/m	n/m	309.5	60.0	35.7	24.6
Cash P/E	65.9	44.8	37.0	50.8	25.1	16.3	13.2	10.8
P/BV	7.7	7.5	7.5	8.5	7.9	7.0	5.8	4.7
EV/Sales	1.4	0.9	0.7	0.6	0.5	1.7	1.4	1.2
EV/EBITDA	52.7	35.4	28.6	36.3	18.9	14.4	11.4	9.1
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	55.1	-81.2	-49.3	133.8	28.4	36.1	49.1	54.5
Return Ratios (%)								
RoE	NM	1.4	NM	NM	2.6	12.3	17.7	21.2
RoCE	2.7	6.2	3.2	0.4	8.7	10.2	13.5	16.0
RoIC	1.8	6.4	3.0	-0.3	8.6	10.4	14.6	19.0
Working Capital Ratios								
Fixed Asset Turnover (x)	1.5	1.5	1.7	1.7	3.1	3.6	4.1	4.7
Asset Turnover (x)	0.8	1.0	1.2	1.4	2.1	2.4	2.5	2.5
Inventory (Days)	145	146	129	107	111	105	100	100
Debtor (Days)	0	0	0	0	0	0	0	0
Creditor (Days)	65	64	72	83	85	83	82	82
Leverage Ratio (x)								
Current Ratio	2.6	2.4	2.0	1.6	1.6	1.6	1.7	1.8
Interest Cover Ratio	0.5	1.0	0.8	-0.1	1.1	2.6	3.7	4.9
Net Debt/Equity	-0.4	-0.2	0.1	0.1	0.1	0.1	-0.1	-0.2

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) Before Tax	-97	104	-130	-1,305	440	1,419	2,383	3,462
Depreciation	1,030	1,307	1,800	2,221	2,330	2,837	3,058	3,312
Interest & Finance Charges	589	772	1,169	1,424	1,365	818	821	834
Direct Taxes Paid	-35	-118	-182	-26	-14	-357	-600	-871
(Inc)/Dec in WC	182	-1,985	-857	1,716	-504	-515	-288	-789
CF from Operations	1,669	80	1,800	4,030	3,616	4,202	5,375	5,947
Others	-176	-192	8	-171	-122	-150	-180	-200
CF from Operating incl EO	1,493	-113	1,808	3,859	3,494	4,052	5,195	5,747
(Inc)/Dec in FA	-406	-1,494	-2,783	-1,209	-1,238	-1,190	-1,299	-1,425
Free Cash Flow	1,087	-1,606	-976	2,650	2,256	2,862	3,897	4,322
(Pur)/Sale of Investments	-3,092	2,676	1,192	46	0	0	0	0
Others	-690	54	5	-14	15	150	180	200
CF from Investments	-4,188	1,237	-1,586	-1,178	-1,223	-1,040	-1,119	-1,225
Issue of Shares	3,713	76	35	7	42	0	0	0
Inc/(Dec) in Debt	-11	0	1,478	-378	390	0	0	0
Interest Paid	-589	-772	-1,164	-1,427	-1,358	-250	-250	-250
Dividend Paid	0	0	-15	0	0	0	0	0
Others	-244	-349	-708	-792	-1,223	-2,436	-2,448	-2,501
CF from Fin. Activity	2,869	-1,045	-374	-2,590	-2,149	-2,686	-2,698	-2,751
Inc/Dec of Cash	174	80	-152	92	122	325	1,378	1,772
Opening Balance (excluding bank bal.)	48	222	302	150	272	394	719	2,098
Closing Balance	222	302	150	242	394	719	2,098	3,869
Bank balance	53	49	52	31	0	0	0	0
Closing Balance (including bank balance)	275	351	202	273	394	719	2,098	3,869

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

NOTES

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

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

Disclosures

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

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

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

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

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

Regional Disclosures (outside India)

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

For Hong Kong:

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

For U.S.

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

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

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA.

Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies). MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.

7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

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

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

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

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

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

Grievance Redressal Cell:

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

Registration details of group entities: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.