

V-Mart Retail

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	VMART IN
Equity Shares (m)	79
M.Cap.(INRb)/(USDb)	61.1 / 0.7
52-Week Range (INR)	1038 / 675
1, 6, 12 Rel. Per (%)	-11/-17/-23
12M Avg Val (INR M)	182

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	38.3	45.3	53.2
EBITDA	5.1	6.4	7.8
NP	1.2	1.9	2.7
EBITDA Margin (%)	13.3	14.1	14.7
Adj. EPS (INR)	15.1	23.9	34.3
EPS Gr. (%)	NM	58	44
BV/Sh. (INR)	117.2	141.0	175.3

Ratios

Net D:E	0.8	0.5	0.3
RoE (%)	13.8	18.5	21.7
RoCE (%)	10.6	13.5	15.9

Valuations

P/E (x)	51.1	32.3	22.4
EV/EBITDA (x)	13.4	10.5	8.4
EV/Sales (x)	1.6	1.3	1.1

Shareholding pattern (%)

As of	Sep-25	Jun-25	Sep-24
Promoter	44.2	44.2	44.3
DII	32.1	31.5	32.8
FII	17.5	18.3	16.0
Others	6.3	6.0	6.9

FII includes depository receipts

CMP: INR770 TP: INR1,085 (+41%) Buy

Margin improvement continues; valuations attractive

- V-Mart Retail's (VMART) delivered 22% YoY revenue growth, on the back of 11% blended SSSG, partly boosted by the early festive season.
- Margin continued to improve with ~335bp pre-IND AS EBITDA margin expansion, driven by operating leverage, curtailed ad spends, and lower inventory provisioning, given rising freshness in inventory.
- Given strong growth tailwinds in value fashion, management raised its store additions guidance to ~75 (from ~65 earlier). The company continues to target mid-to-high single-digit SSSG, with consistent improvement in profitability driven by disciplined cost controls.
- We raise our FY26-28E EBITDA by 2-4%, driven by accelerated store expansion and modest margin improvement. We model a CAGR of 18%/28% in revenue/EBITDA over FY25-28E, driven by ~14% CAGR in store additions, mid-single-digit SSSG, and further reduction in LR losses.
- VMART has notably underperformed its peers in CY25TD (VMART: -21% vs. +29%/35% for VMM/V2 Retail). VMART trades at ~32x FY27 P/E (vs. 60x for VMM), despite similar growth and better profitability expectations.
- We reiterate our **BUY rating on VMART with revised TP of INR1,085**, premised on 23x Dec'27 EV/pre-INDAS EBITDA (implies ~12x reported Dec'27 EBITDA). VMART remains one of our top picks in the retail space.

Good 2Q with consistent margin expansion

- Revenue grew 22% YoY (already disclosed) to INR8.1b in 2QFY26, driven by 11% blended SSSG and ~14% YoY store additions.
- VMART opened 25 new stores (18 in VMART and seven in Unlimited) and closed two stores (one each in VMART and Unlimited) in 2Q, taking the total store count to 533 (VMART: 438, Unlimited: 95).
- Blended SSSG was boosted by an early festive season. Adjusted for the same, SSSG would have been in mid-single digits.
- Gross profit grew 22% YoY to INR2.7b (in line), as gross margins remained stable YoY at 33.6% (~35bp beat), despite a lower contribution from LR (which has complete revenue flow through to GM).
- Other expenses rose ~6% YoY to INR1.02b (though 2% lower than our estimate), driven by i) ~40bp reduction in A&P spends for VMART and Unlimited formats, ii) ~20bp lower inventory provisioning, and iii) lower losses in the online segment (LR).
- Resultantly, reported EBITDA stood at INR715m (+85% YoY, 11% beat), and margins expanded 300bp YoY to 8.9% (~90bp beat).
- VMART achieved pre-Ind-AS profitability with EBITDA of INR45b in 2Q (vs. a loss of INR184m YoY).

- Depreciation increased 20% due to a change in lease accounting, while interest costs declined ~55% YoY (11% below our estimate).
- Loss after tax stood at INR89m (vs. our estimate of INR176m loss), aided by higher EBITDA and lower finance costs.
- 1HFY26 revenue/EBITDA grew 17%/44% YoY, with reported PAT of INR247m (vs. ~INR445m loss YoY). Based on our estimates, the run-rate for revenue/EBITDA growth in 2HFY26 is 18%/30%.

Unlimited's productivity improves; margin expands in VMART

- **VMART (core):** 2Q revenue grew 23% YoY to INR6.6b, driven by 17 net store additions (up 14% YoY) and ~11% SSSG. Reported monthly SPSF for 1HFY26 grew 4% YoY to INR698. 2Q EBITDA grew 71% YoY to INR605m, as margin expanded ~250bp YoY to 9.1%, driven by operating leverage.
- **Unlimited:** 2Q revenue grew 22% YoY to INR1.4b, driven by six net store additions (up 14.5% YoY) and ~11% SSSG. Unlimited's reported monthly SPSF for 1HFY26 grew ~6% YoY to INR592. Unlimited's 2Q EBITDA grew 36% YoY to INR144m, as margin expanded ~110bp YoY to 10.5%, driven by operating leverage and curtailed A&P spends.
- **LimeRoad (LR):** Commission income declined ~37% YoY to INR66m, while operating loss reduced ~53% YoY to INR34m (vs. INR46m QoQ, INR73m YoY), driven by a further reduction in advertisement expenses.

Improved profitability and lower inventory lead to healthy FCF generation

- Working capital normalized significantly, with CWC days at 19 days (vs. 26 days in 1HFY25), driven by lower inventory (113 days vs. 115 YoY), and higher payable days (94 vs. 90 YoY). Core WC declined ~13% YoY to INR1.76b.
- Driven by a sharp increase (2.6x YoY) in pre-INDAS EBITDA and favorable working capital movement, OCF (after leases and interest) improved to INR865m (vs. outflows of INR11m YoY). With capex largely stable YoY, FCF (after interest and leases) stood at INR284m (vs. outflows of INR621m YoY).

Key highlights from the management commentary

- **Demand:** Consumer sentiment improved in 2Q, driven by Gol's policy support, lower inflation, and early festive momentum. However, the delayed withdrawal of the monsoon in the East and coastal regions impacted the festive demand. GST rollout had a limited impact on low-ticket items but aided overall market sentiment. Diwali performance was positive but fell short of management's expectations, though demand picked up with the onset of winter.
- **Regional performance:** SPSF growth in Tier-1 markets was subdued at ~1%, reflecting spillover effects from disruptions in Eastern markets (lack of Bangladesh footfalls) during the festive period and continued underperformance in Southern clusters, AP, and Telangana, where consumer traction remained weak. In contrast, Tier-4 markets outperformed. Regionally, Tamil Nadu continues to deliver strong growth, which has encouraged management to increase its penetration in the market through Unlimited.
- **Outlook:** Management expects footfalls and discretionary spending to improve with easing inflation, rising consumer confidence, and is **targeting mid- to high-single-digit SSSG**. However, the festive season shift to 2Q may temper 3Q growth optically.

- **Store expansion** continues aggressively with 56 stores added YTD (40 in 1H, 16 in 3Q so far). Management has raised its guidance of store additions to 75 (from 65 earlier). New stores opened over the past 12–18 months are outperforming on growth and EBITDA, reflecting better site selection and operational maturity.
- **Margins:** VMART's pre-IND-AS margin improved ~210bp YoY in 1H, driven by operating leverage, reduced inventory provisioning, and curtailed ad spends. However, management has conservatively guided for only a slight improvement in margin for FY26 (vs. 4.4% in FY25), based on mid-single digit SSG.

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.
- We raise our FY26-28E EBITDA by 2-4%, driven by accelerated store expansion and modest margin improvement. We model a CAGR of 18%/28% in revenue/EBITDA over FY25-28E, driven by ~14% CAGR in store additions, mid-single-digit SSSG, and further reduction in LR losses.
- VMART has significantly underperformed peers in CY25TD (VMART: -21% vs. +29%/35% for VMM/V2 Retail). VMART trades at ~32x FY27 P/E (vs. 60x for VMM), despite similar growth and better profitability expectations.
- We reiterate our **BUY rating on VMART with a revised TP of INR1,085**, premised on 23x Dec'27 EV/pre-INDAS EBITDA (implies ~12x reported Dec'27 EBITDA). VMART remains one of our top ideas in the retail space.

Consol. Quarterly Earnings Summary

Y/E March	FY25				FY26				FY25	FY26	FY25	Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QE	Var (%)
Revenue	7,861	6,610	10,267	7,801	8,852	8,069	12,163	9,221	32,539	38,305	8,070	0
YoY Change (%)	15.9	20.3	15.5	16.7	12.6	22.1	18.5	18.2	16.8	17.7	22.1	
Total Expenditure	6,871	6,224	8,554	7,119	7,591	7,354	9,992	8,286	28,768	33,222	7,426	-1
EBITDA	990	386	1,714	681	1,262	715	2,171	935	3,771	5,083	644	11
EBITDA Margin (%)	12.6	5.8	16.7	8.7	14.3	8.9	17.8	10.1	11.6	13.3	8.0	
Depreciation	568	592	626	544	679	711	729	825	2,330	2,944	696	2
Interest	375	391	424	174	182	175	180	190	1,365	727	196	-11
Other Income	46	18	34	23	29	34	44	42	121	150	23	49
PBT	93	-580	697	229	429	-136	1,305	-37	198	1,562	-225	-39
Tax	-28	-15	-19	44	93	-47	329	-9	-18	366	-49	
Rate (%)	-30.3	2.6	-2.7	19.1	21.8	34.8	25.2	24.7	-9.2	114.5	21.8	
Reported PAT	121	-565	716	185	336	-89	977	-28	458	1,197	-176	-50
Adj PAT	121	-565	716	-57	336	-89	977	-28	216	1,197	-176	-50
YoY Change (%)	-155.3	-11.9	153.7	-85.4	176.8	-84.3	36.4	-51.3	-122.3	454.2	-68.9	

E: MOFSL Estimates

Exhibit 1: We ascribe a TP of INR1,085 based on ~23x pre-IND-AS Dec'27 EV/EBITDA (implying ~12x Dec'27 EV/reported EBITDA)

	Methodology	Driver (INR m)	Multiple	Fair Value (INR m)	Value/sh (INR)
EBITDA	Dec'27 EV/EBITDA	7,469	12	92,386	1,164
Less net debt				6,301	79
Total Value				86,085	1,085
Shares o/s (m)				79.4	
CMP (INR)					770
Upside (%)					41

Source: MOFSL, Company

Exhibit 2: Quarterly performance

P&L (INR m)	2QFY25	1QFY25	2QFY26	YoY%	QoQ%	2QFY26E	v/s est (%)
Revenue	6,610	8,852	8,069	22.1	-8.9	8,070	0.0
Raw Material cost	4,389	5,729	5,355	22.0	-6.5	5,384	-0.5
Gross Profit	2,221	3,124	2,714	22.2	-13.1	2,686	1.0
Gross Margin (%)	33.6	35.3	33.6	3bp	-166bp	33.3	34bp
Employee Costs	865	950	976	12.8	2.8	1,001	-2.5
Other Expenses	969	912	1,022	5.5	12.1	1,041	-1.7
EBITDA	386	1,262	715	85.2	-43.3	644	11.0
EBITDA margin (%)	5.8	14.3	8.9	302bp	-539bp	8.0	88bp
IND AS Rent	571	650	671	17.5	3.2	660	1.6
Pre-IND AS EBITDA	-184	612	44	-124.1	-92.7	-16	-384.1
EBITDA margin (%)	-2.8	6.9	0.6	334bp	-636bp	-0.6	113bp
Depreciation and amortization	592	679	711	20.0	4.7	696	2.1
EBIT	-206	583	4	-102.0	NM	-52	107.9
EBIT margin (%)	-3.1	6.6	0.1	317bp	-653bp	-0.6	69bp
Finance Costs	391	182	175	-55.4	-4.3	196	-10.8
Other income	18	29	34	93.8	17.1	23	49.1
Exceptional item	0	0	0	0.0	0.0	0	NM
Profit before Tax	-580	429	-136	-76.5	-131.7	-225	-39.4
Tax	-15	93	-47	220.3	-150.7	-49	
Tax rate (%)	2.6	21.8	34.8	3228bp	1308bp	21.8	
Profit after Tax	-565	336	-89	-84.3	-126.4	-176	-49.5

Source: MOFSL, Company

Exhibit 3: Segment-wise breakup

	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	YoY%	QoQ%	FY24	FY25	FY26E
Core VMART (INR m)										
Revenue	5,371	8,634	6,556	7,407	6,624	23.3	-10.6	22,419	27,062	32,010
% YoY	27.0	18.6	19.5	14.0	23.3			11.5	20.7	18.3
Gross Profit	1,734	3,028	2,087	2,516	2,189	26.2	-13.0	7,160	9,004	10,819
Gross Margin (%)	32.3	35.1	31.8	34.0	33.0	76bp	-92bp	31.9	33.3	33.8
Cost of Retailing	1,381	1,484	1,464	1,453	1,584	14.7	9.0	4,729	5,613	6,439
CoR excl. rentals	25.7	17.2	22.3	19.6	23.9	-181bp	429bp	21.1	20.7	20.1
EBITDA	353	1544	623	1063	605	71.4	-43.1	2,431	3,391	4,381
EBITDA margin (%)	6.6	17.9	9.5	14.4	9.1	256bp	-522bp	10.8	12.5	13.7
Stores	384	403	412	421	438	14.1	4.0	365	412	470
Area	3.2	3.4	3.5	3.6	3.7	15.6	2.8	3.1	3.5	3.94
Unlimited (INR m)										
Revenue	1,134	1,528	1,164	1,383	1,380	21.7	-0.2	4,722	5,071	6,037
% YoY	8.3	6.2	11.2	11.1	21.7			7.8	7.4	19.0
Gross Profit	381	541	411	545	461	21.1	-15.4	1,692	1,829	2,155
Gross Margin (%)	33.6	35.4	35.3	39.4	33.4	-16bp	-599bp	35.8	36.1	35.7
Cost of Retailing	275	306	285	300	317	15.4	5.7	1,276	1,140	1,303
CoR excl. rentals	24.2	20.0	24.5	21.7	23.0	-125bp	129bp	27.0	22.5	21.6
EBITDA	106	235	126	245	144	35.8	-41.2	416	689	852
EBITDA margin (%)	9.3	15.4	10.8	17.7	10.4	109bp	-728bp	8.8	13.6	14.1
Stores	83	85	85	89	95	14.5	6.7	79	85	104
Area	0.8	0.8	0.8	0.8	0.9	12.5	12.5	0.8	0.8	1.0
LimeRoad (INR m)										
NMV	281	294	234	188	192	-31.7	2.1	1,750	1,101	771
% YoY	-47.5	-27.8	-35.2	-35.4	-31.7			0.0	-37.1	-30.0
Commission Income	104	105	105	62	66	-36.5	6.5	773	506	258
Take rate (%)	37.0	35.7	44.8	33.0	34.4	-264bp	140bp	44.2	46.0	33.5
% YoY	-8.3	-13.9	6.7	-17.3	-7.1			28.5	35.2	3.1
Cost of Retailing	177	170	173	108	100	-44	-7	1,427	740	408
CoR excl. rentals	170.2	162.3	165.1	174.2	151.5	NM	NM	184.6	146.2	158.1
EBITDA	-73	-65	-68	-46	-34	-53	-26	-654	-234	-150
% YoY	-70.2	-62.3	-65.1	-74.2	-51.5	NM	NM	-84.6	-46.2	-58.1

Source: MOFSL, Company

Exhibit 4: Key operational metrics

Operational Metrics	2QFY25	1QFY25	2QFY26	YoY%	QoQ%
Stores					
Core VMART stores	384	421	438	14.1	4.0
Unlimited stores	83	89	95	14.5	6.7
Total stores	467	510	533	14.1	4.5
Store productivity (INR per month)					
VMART core revenue per sqft	568	695	605	6.4	-13.0
Unlimited revenue per sqft	473	576	541	14.5	-6.1
ASP (INR)					
VMART standalone	188	201	196	4.3	-2.5
Unlimited	412	396	383	-7.0	-3.3
Blended ASP	220	218	214	-2.7	-1.8
Total Volume (in m)					
VMART core	28.6	36.9	33.8	18.3	-8.3
Unlimited	2.8	3.5	3.6	30.9	3.2
Total	30.0	40.6	37.7	25.5	-7.1
ATV (INR)					
VMART core	881	932	887	0.7	-4.9
Unlimited	1,644	1,716	1,576	-4.2	-8.2
Blended ATV	1,036	1,004	957	-7.6	-4.7
Total bills (in m)					
VMART core	6.1	7.9	7.5	22.5	-6.0
Unlimited	0.7	0.8	0.9	27.0	8.7
Total	6.4	8.8	8.4	32.2	-4.4

Source: MOFSL, Company

Exhibit 5: Summary of our estimate changes

Particulars	FY26E	FY27E	FY28E
Revenue (INR m)			
Old	38,006	44,425	51,617
Actual/New	38,305	45,341	53,240
Change (%)	0.8	2.1	3.1
EBITDA (INR m)			
Old	5,009	6,160	7,557
Actual/New	5,083	6,378	7,832
Change (%)	1.5	3.5	3.6
EBITDA margin (%)			
Old	13.2	13.9	14.6
Actual/New	13.3	14.1	14.7
Change (bp)	9	20	7
Net Profit (INR m)			
Old	1,090	1,789	2,628
Actual/New	1,197	1,895	2,722
Change (%)	9.8	5.9	3.6

Source: MOFSL, Company

Exhibit 6: Key assumptions for VMART retail

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
VMART	214	266	279	307	341	365	412	470	525	585
Unlimited	-	-	-	73	82	79	85	104	129	154
Store count	214	266	279	380	423	444	497	574	654	739
Net store additions		52	13	101	43	21	53	77	80	85
VMART	1.8	2.2	2.3	2.5	2.9	3.1	3.5	3.9	4.4	4.9
Unlimited	-	-	-	0.8	0.8	0.8	0.8	1.0	1.2	1.4
Retail area (m sqft)	1.8	2.2	2.3	3.3	3.7	3.9	4.3	4.9	5.5	6.2
Core VMART (INR m)										
Revenue	14,337	16,620	10,755	14,539	20,100	22,419	27,063	32,010	37,477	43,499
SPSF (per month)	665	691	398	506	623	625	683	718	752	785
EBITDA	1,329	2,138	1,312		2,621	2,404	3,392	4,381	5,263	6,241
margin	9.3	12.9	12.2		13.0	10.7	12.5	13.7	14.0	14.3
Unlimited (INR m)										
Revenue				2,123	4,379	4,720	5,071	6,037	7,648	9,558
SPSF (per month)				466	456	480	528	574	606	636
EBITDA					501	416	689	852	1,197	1,633
margin					11.4	8.8	13.6	14.1	15.6	17.1

Source: MOFSL, Company



Detailed takeaways from the management interaction

- **Demand:** Consumer sentiment improved in 2Q, driven by Gol's policy support, lower inflation, and early festive momentum. However, the delayed withdrawal of the monsoon in the East and coastal regions impacted the festive demand. GST rollout had a limited impact on low-ticket items but aided overall market sentiment. Diwali performance was positive but fell short of management's expectations, though demand picked up with the onset of winter.
- **Regional performance:** SPSF growth in Tier-1 markets was subdued at ~1%, reflecting spillover effects from disruptions in Eastern markets (lack of Bangladesh footfalls) during the festive period and continued underperformance in Southern clusters, AP, and Telangana, where consumer traction remained weak. In contrast, Tier-4 markets outperformed. Regionally, Tamil Nadu continues to deliver strong growth, which has encouraged management to increase its penetration in the market through Unlimited.
- **Outlook:** Management expects footfalls and discretionary spending to improve with easing inflation, rising consumer confidence, and is **targeting mid- to high-single-digit SSSG**. However, the festive season shift to 2Q may temper 3Q growth optically.
- **Store expansion** continues aggressively with 56 stores added YTD (40 in 1H, 16 in 3Q so far). Management has raised its guidance of store additions to 75 (from 65 earlier). New stores opened over the past 12–18 months are outperforming on growth and EBITDA, reflecting better site selection and operational maturity.
- **Gross margin:** VMART has been able to maintain stable gross margins, despite reduced contribution from LimeRoad (100% flow-through to gross margin). Management indicated that gross margin in the offline business improved ~60bp YoY in 1H, but has conservatively guided for stable gross margins in FY26, with reported margins impacted by the continued reduction in LR contribution.
- **Margins:** VMART's pre-IND-AS margins improved ~210bp YoY in 1H, driven by operating leverage, reduced inventory provisioning, and curtailed ad spends. However, management has conservatively guided for only a slight improvement in margins for FY26 (vs. 4.4% in FY25), based on mid-single digit SSG.
- **ASP increase in VMART:** Management attributed the rise in VMART format's ASP to mix change impact and early festive, which led to a reduced window for EoSS. Further, during festive periods, typically higher ASP products are sold.
- **Inventory freshness** has improved notably, leading to lower inventory provisioning and better margins. The company is enhancing supply chain agility and reducing inventory density to shorten time-to-market, improve customer experience, and ensure faster product availability.
- **Vendor network** capacity remains under pressure amid competition for suppliers from value retail peers. VMART is deepening integration across design, sourcing, and fabric while improving product design to boost operational efficiency and product quality.
- **Beauty:** VMART's beauty and accessories pilot covering ~25% of stores has delivered a 1–2% sales boost, showing early promise despite supply chain and regional dynamics. The category remains in the test phase, with plans to expand to ~50% of stores after refining assortment and localization strategy.
- **Capex** stood at INR300m during the 1HFY26, driven by new store openings and refurbishments.

Story in charts

Exhibit 7: Revenue jumped ~22% YoY

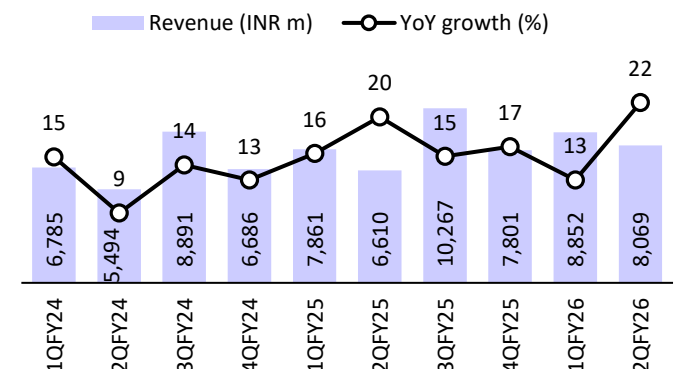


Exhibit 8: GM flat YoY at 33.6%

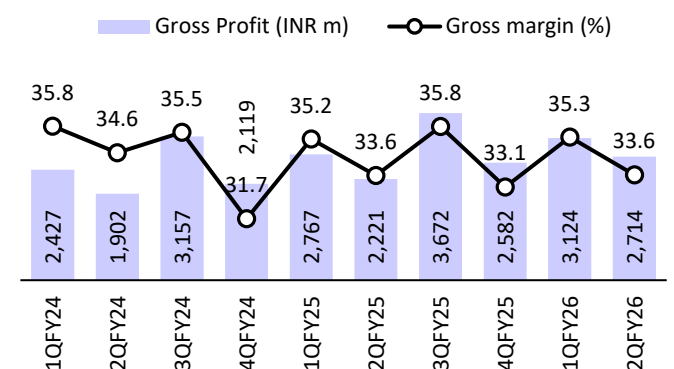


Exhibit 9: EBITDA margin expanded 300bp on better operating leverage

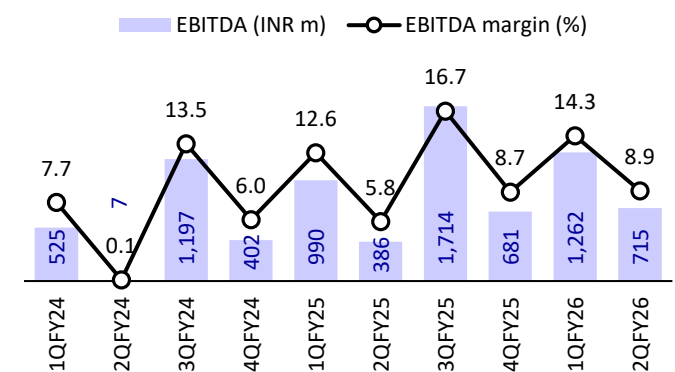
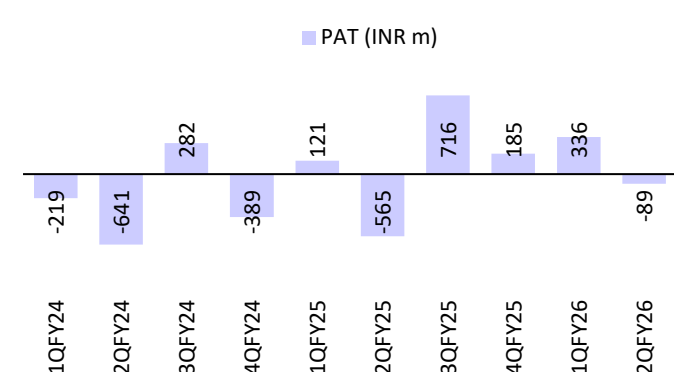
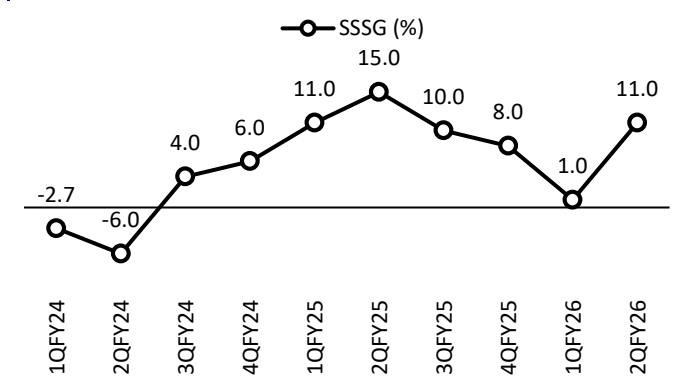


Exhibit 10: VMART reported marginal losses



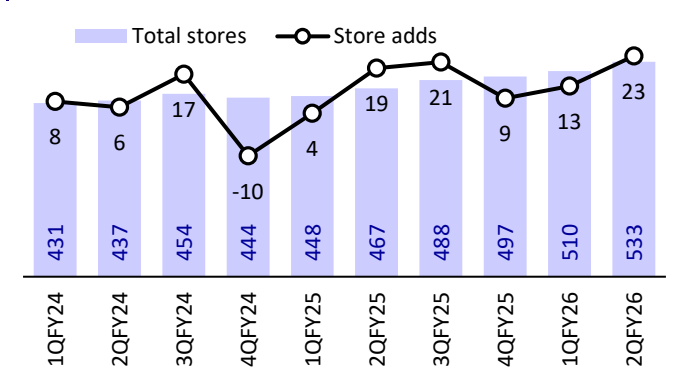
Source: Company, MOFSL

Exhibit 11: Blended SSSG was 11%, led by the early festival season



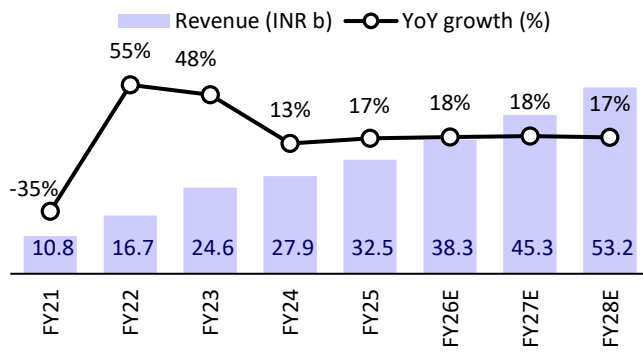
Source: Company, MOFSL

Exhibit 12: It opened 25 new stores; the total store count stood at 533



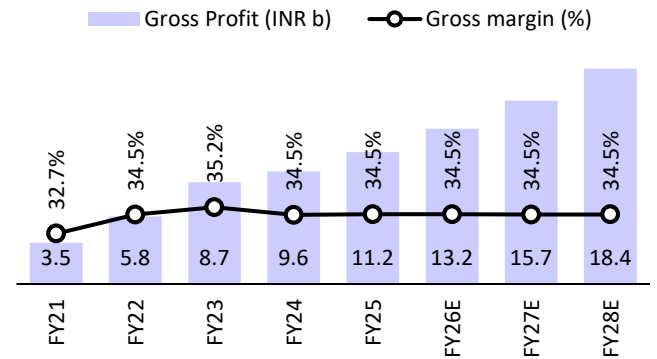
Source: Company, MOFSL

Exhibit 13: Expect 18% revenue CAGR over FY25-28



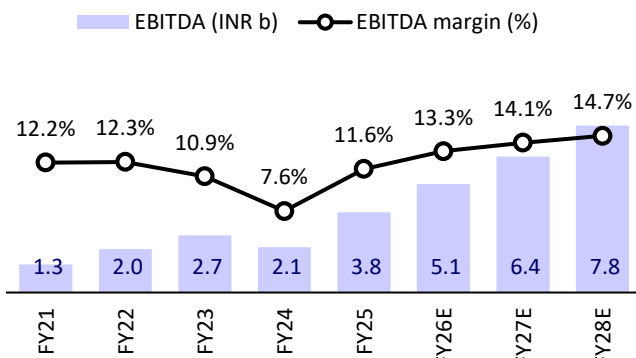
Source: Company, MOFSL

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



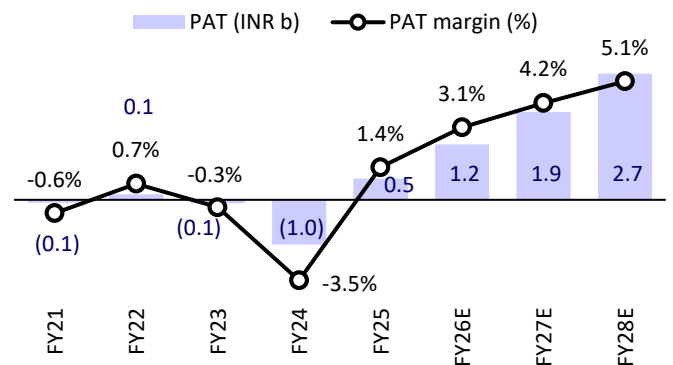
Source: Company, MOFSL

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



Source: Company, MOFSL

Exhibit 16: Profitability to improve sharply 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	38,305	45,341	53,240
Change (%)	-35.3	54.9	47.9	13.0	16.8	17.7	18.4	17.4
Raw Materials	7,236	10,911	15,971	18,251	21,297	25,072	29,690	34,855
Employees Cost	1,169	1,796	2,555	2,871	3,634	4,131	4,727	5,384
Other Expenses	1,038	1,821	3,178	4,604	3,837	4,018	4,546	5,168
Total Expenditure	9,442	14,618	21,959	25,725	28,768	33,222	38,963	45,408
% of Sales	87.8	87.7	89.1	92.4	88.4	86.7	85.9	85.3
EBITDA	1,312	2,043	2,689	2,131	3,771	5,083	6,378	7,832
Margin (%)	12.2	12.3	10.9	7.6	11.6	13.3	14.1	14.7
Depreciation	1,030	1,307	1,800	2,221	2,330	2,944	3,275	3,620
EBIT	282	736	889	-91	1,441	2,139	3,103	4,213
Int. and Finance Charges	589	772	1,169	1,424	1,365	727	751	775
Other Income	210	140	150	210	121	150	180	200
PBT Bif. EO Exp.	-97	104	-130	-1,305	198	1,562	2,532	3,638
EO Items	0	0	0	0	242	-	-	-
PBT after EO Exp.	-97	104	-130	-1,305	440	1,562	2,532	3,638
Total Tax	-35	-12	-52	-337	-18	366	637	916
Tax Rate (%)	35.8	-12.0	39.7	25.9	-4.1	23.4	25.2	25.2
Reported PAT	-62	116	-78	-968	458	1,197	1,895	2,722
Adjusted PAT	-62	116	-78	-968	206	1,197	1,895	2,722
Change (%)	-112.6	-287.7	-167.4	1,132.9	-121.3	481.0	58.4	43.7
Margin (%)	-0.6	0.7	-0.3	-3.5	0.6	3.1	4.2	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	8,506	10,401	13,123
Net Worth	8,252	8,496	8,490	7,470	8,102	9,298	11,193	13,915
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	6,494	6,704	6,973
Lease Liabilities	5,678	9,022	11,838	12,813	6,336	6,421	6,631	6,900
Capital Employed	13,751	17,241	21,401	20,634	15,180	16,365	18,470	21,461
Gross Block	6,965	11,110	14,455	16,607	10,385	10,963	11,560	12,089
Net Fixed Assets	6,965	11,110	14,455	16,607	10,385	10,963	11,560	12,089
Right to use assets	5,180	8,283	10,643	11,197	4,699	5,109	5,560	6,006
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	14,989	18,275	22,734
Inventory	4,283	6,682	8,706	8,161	9,868	11,019	12,422	14,586
Cash and Bank Balance	275	351	202	272	394	748	2,039	3,670
Loans and Advances	1,278	1,153	2,353	2,452	2,705	3,222	3,814	4,478
Curr. Liability & Prov.	2,261	3,368	5,493	6,945	8,266	9,680	11,459	13,455
Account Payables	1,917	2,906	4,883	6,337	7,620	8,920	10,559	12,398
Other Current Liabilities	345	462	610	608	646	760	900	1,056
Net Current Assets	3,574	4,818	5,768	3,940	4,702	5,309	6,816	9,279
Appl. of Funds	13,750	17,240	21,400	20,633	15,180	16,365	18,470	21,461

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	15.1	23.9	34.3
Cash EPS	12.2	17.9	21.7	15.8	31.9	52.2	65.1	79.9
BV/Share	104.0	107.0	107.0	94.1	102.1	117.2	141.0	175.3
Valuation (x)								
P/E	n/m	547.5	n/m	n/m	309.5	51.1	32.3	22.4
Cash P/E	65.9	44.8	37.0	50.8	25.1	14.8	11.8	9.6
P/BV	7.7	7.5	7.5	8.5	7.9	6.6	5.5	4.4
EV/Sales	1.4	0.9	0.7	0.6	0.5	1.6	1.3	1.1
EV/EBITDA	52.7	35.4	28.6	36.3	18.9	13.4	10.5	8.4
FCF per share	55.1	-81.2	-49.3	133.8	28.4	37.3	49.8	55.2
Return Ratios (%)								
RoE	NM	1.4	NM	NM	2.6	13.8	18.5	21.7
RoCE	2.7	6.2	3.2	0.4	8.7	10.6	13.5	15.9
RoIC	1.8	6.4	3.0	-0.3	8.6	10.8	14.6	18.5
Working Capital Ratios								
Fixed Asset Turnover (x)	1.5	1.5	1.7	1.7	3.1	3.5	3.9	4.4
Asset Turnover (x)	0.8	1.0	1.2	1.4	2.1	2.3	2.5	2.5
Inventory (Days)	145	146	129	107	111	105	100	100
Creditor (Days)	65	64	72	83	85	85	85	85
Leverage Ratio (x)								
Current Ratio	2.6	2.4	2.0	1.6	1.6	1.5	1.6	1.7
Interest Cover Ratio	0.5	1.0	0.8	-0.1	1.1	2.9	4.1	5.4
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	1,562	2,532	3,638
Depreciation	1,030	1,307	1,800	2,221	2,330	2,944	3,275	3,620
Interest & Finance Charges	589	772	1,169	1,424	1,365	727	751	775
Direct Taxes Paid	-35	-118	-182	-26	-14	-366	-637	-916
(Inc)/Dec in WC	182	-1,985	-857	1,716	-504	-350	-217	-832
CF from Operations	1,669	80	1,800	4,030	3,616	4,517	5,704	6,284
Others	-176	-192	8	-171	-122	-150	-180	-200
CF from Operating incl EO	1,493	-113	1,808	3,859	3,494	4,367	5,524	6,084
(Inc)/Dec in FA	-406	-1,494	-2,783	-1,209	-1,238	-1,409	-1,568	-1,700
Free Cash Flow	1,087	-1,606	-976	2,650	2,256	2,959	3,956	4,384
(Pur)/Sale of Investments	-3,092	2,676	1,192	46	0	-	-	-
Others	-690	54	5	-14	15	150	180	200
CF from Investments	-4,188	1,237	-1,586	-1,178	-1,223	-1,259	-1,388	-1,500
Issue of Shares	3,713	76	35	7	42	-	-	-
Inc/(Dec) in Debt	-11	0	1,478	-378	390	-	-	-
Interest Paid	-589	-772	-1,164	-1,427	-1,358	(220)	(227)	(230)
Dividend Paid	0	0	-15	0	0	-	-	-
Others	-244	-349	-708	-792	-1,223	-2,535	-2,618	-2,724
CF from Fin. Activity	2,869	-1,045	-374	-2,590	-2,149	-2,755	-2,845	-2,954
Inc/Dec of Cash	174	80	-152	92	122	354	1,291	1,631
Opening Balance (excluding bank bal.)	48	222	302	150	272	394	748	2,039
Closing Balance	222	302	150	242	394	748	2,039	3,670
Bank balance	53	49	52	31	0	-	-	-
Closing Balance (including bank balance)	275	351	202	273	394	748	2,039	3,670

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SELL	$< -10\%$
NEUTRAL	$< -10\%$ to 15%
UNDER REVIEW	Rating may undergo a change
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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, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

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