

Kalyan Jewellers

Estimate change



TP change

Rating change



Bloomberg	KALYANKJ IN
Equity Shares (m)	1033
M.Cap.(INRb)/(USDb)	392.7 / 4.3
52-Week Range (INR)	618 / 348
1, 6, 12 Rel. Per (%)	-22/-40/-39
12M Avg Val (INR M)	3231

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	335.1	415.3	491.7
EBITDA	22.5	26.9	31.4
Margins (%)	6.7	6.5	6.4
Adj. PAT	12.5	15.5	18.6
Adj. EPS (INR)	12.1	15.0	18.0
EPS Growth (%)	55.0	24.0	19.7
BV/Sh.(INR)	55.7	65.7	76.7

Ratios

RoE (%)	23.7	24.8	25.3
RoIC (%)	16.2	17.6	19.2

Valuations

P/E (x)	31.3	25.3	21.1
P/BV (x)	6.8	5.8	5.0
EV/Sales (x)	1.2	0.9	0.8
EV/EBITDA(x)	17.5	14.0	11.9

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	62.8	62.8	62.9
DII	15.2	14.6	13.6
FII	14.1	14.1	16.4
Others	7.9	8.5	7.2

FII includes depository receipts

CMP: INR380

TP: INR600 (+58%)

Buy

All-round beat; growth momentum continues

- Kalyan Jewellers' (KALYANKJ) consolidated revenue reported stellar 42% YoY growth to INR103.4b (est. INR97.9b). The Indian business achieved 42% YoY growth, driven by store additions (added a net of 18 Kalyan Indian stores and 14 Candere stores) and robust 27% SSSG (25% in the South, 29% in the non-South).
- Management indicated that on-ground demand momentum remained healthy in 3QFY26. During the 30 days leading up to Diwali, the company reported LFL growth of over 30%, reflecting strong festive traction. Demand in Jan'26 also remained robust, supported by healthy consumer footfalls despite volatility in gold prices.
- Studded share remained stable at 31% in 3QFY26 vs 30% in 3QFY25. Studded revenue surged 50% YoY. The company is witnessing strong adoption of 18 carat jewelry, leading it to planned launches in the 14 carat and 9 carat studded segments.
- In the India business, adjusting for the customs duty impact in the base, GM was flat YoY at 12.7%. Despite a higher franchise mix, flat GM indicates an improvement in underlying GM. This was driven by a favorable product mix, procurement efficiencies, and inventory gains from silver and platinum products (contribution of ~2-3% to Indian revenue). EBITDA margin expanded 60bp YoY to 7.2% (est. 6.5%). PBT margin expanded 100bp YoY to 6.4% (all-time high). PBT jumped 68% YoY.
- The Middle East business delivered 28% revenue growth, driven by 24% SSSG. Studded share was 18%. There was one new store addition in the UK in 3QFY26.
- With the successful scale-up of franchise businesses (>50% revenue contribution) and stable success in non-Southern markets, the company has established itself as a leading brand in the industry. Consistent success on customer acquisition, improving operating margin, and deleveraging balance sheet remain the key rationale for our constructive view on the business. We model a 21%/18%/22% revenue/EBITDA/PAT CAGR during FY26-28E. **We reiterate our BUY rating with a TP of INR600 (based on 35x Dec'27 P/E).**

India +65% PBT growth; Middle East also shines

India business

- **Strong revenue growth with 27% SSSG:** India revenue grew 42% YoY to INR90.5b (est. INR88.1b). Same-store sales increased 27% YoY in 3QFY26, South SSSG was at 25%, and Non-South was at 29%. South revenue growth was 34%, and non-South was at 47%. Studded share remained stable at 31% in 3QFY26 vs 30% in 3QFY25. Studded revenue rose 50%.
- **Rapid store expansion:** The company added a net of 18 Kalyan stores in India, reaching a total of 318 stores. Candere added 14 stores, reaching a total of 110 stores. Total stores in India stood at 428. The company plans to launch a new regional jewelry brand in 4QFY26 with an initial investment of INR3b, primarily towards inventory. It will begin with five pilot COCO stores, with further expansion to be franchisee-led. We look forward to further clarity on this initiative and remain watchful of its progress.

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- **Stellar growth in profitability** - Gross margin was flat YoY at 12.7% (adjusting the base with custom duty). EBITDA margin expanded 60bp YoY to 7.2% (adjusting the base with custom duty). EBITDA grew 54% YoY to INR6.5b. There was an exceptional item of INR415m due to the implementation of the labor code. PBT grew 68% YoY to INR5.8b, and APAT grew 67% YoY to INR4.3b.
- In 9MFY26, revenue/EBITDA/PAT grew 35%/42%/60%, respectively.

International business

- Sales grew 28% YoY to INR10.7b, driven by SSSG of 24%.
- Gross margin contracted 50bp YoY to 14.3%, and EBITDA margin contracted 70bp YoY to 7.0%. EBITDA grew 17% YoY to INR756m. PAT grew 54% YoY to INR236m.
- There were no new store additions during the quarter. The studded share stood at 18% vs 19%.
- The company opened one store in the UK during the quarter.
- In 9MFY26, its revenue/EBITDA/PAT grew 21%/13%/27%.

Consolidated performance

- The consolidated revenue registered 42% YoY growth to INR103.4b (est. INR97.9). Gross margin was flat YoY at 13.1% (est. 12.3%), adjusting the base with custom duty impact in India.
- EBITDA margin expanded 50bp YoY to 7.3%. (est. 6.5%), adjusting the base with custom duty impact in India. EBITDA saw a sharp 52% YoY growth to INR7.5b (est. INR6.4b).
- There was an exceptional item of INR415m due to the implementation of the labor code. PBT grew 73% YoY to INR6.0b, and APAT grew 72% YoY to INR4.5b.
- In 9MFY26, revenue/EBITDA/PAT grew 35%/39%/57%, respectively.

Key takeaways from the management commentary

- The on-ground momentum remained robust through most of 3QFY26, with the festive period delivering stronger growth than anticipated. During the 30 days leading up to Diwali, KALYANKJ reported LFL growth of over 30%, reflecting sustained festive demand.
- The gold saving scheme gained strong traction, aiding customer acquisition, while the gold exchange program also saw improved participation during the quarter (typically ~30% of sales, slightly higher in 3QFY26).
- The company repaid INR1,300m in 2QFY26, reducing non-GML debt to INR5,500m as of Sep'25. No debt was repaid in 3QFY26; however, management plans to repay ~INR1,500m in 4QFY26, targeting INR4,000m debt by Mar'26 and a debt-free status by FY27.
- KALYANKJ plans to add 80–90 stores over the medium term in India and 6–7 overseas stores annually over the medium term.

Valuation and view

- We raise our EPS estimates by 3-4% for FY27 and FY28 due to EBITDA margin expansion in 3QFY26.
- KALYANKJ repaid INR1.3b of non-GML debt in 1HFY26, reducing debt to INR5.5b. While no repayment was made in 3QFY26, the company plans to reduce non-GML debt by ~INR1.5b in 4QFY26, targeting ~INR4b by Mar'26, with the aim to become debt-free by FY27.
- With the successful scale-up of its new franchise businesses (>45% revenue contribution) and continued success in non-Southern markets, the company has established itself as a leading brand in the industry. Its non-South expansion has improved the studded jewelry mix, while the asset-light expansion supports healthy cash flow generation for debt repayment and enhances profitability by reducing interest costs. It is also gaining momentum in the Middle East and the US.
- We model 21%/18%/22% revenue/EBITDA/PAT CAGR during FY26-28E. **We reiterate our BUY rating with a TP of INR600 (based on 35x Dec'27 P/E).**

Consolidated Quarterly Performance

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
Stores	277	303	349	388	406	436	469	556	388	556	483	
Net Sales	55,355	60,655	72,869	61,815	72,685	78,560	1,03,434	80,447	2,50,451	3,35,126	97,874	5.7%
Change (%)	26.5	37.4	39.5	36.6	31.3	29.5	41.9	30.1	35.0	33.8	34.3	
Raw Material/PM	47,419	52,313	63,323	53,314	62,603	68,395	89,857	70,273	2,16,370	2,91,128	85,814	
Gross Profit	7,935	8,342	9,546	8,501	10,081	10,166	13,577	10,174	34,081	43,998	12,060	12.6%
Gross Margin (%)	14.3	13.8	13.1	13.8	13.9	12.9	13.1	12.6	13.6	13.1	12.3	
Operating Expenses	4,175	4,379	4,609	4,507	5,001	5,196	6,073	5,226	17,671	21,495	5,664	
% of Sales	7.5	7.2	6.3	7.3	6.9	6.6	5.9	6.5	7.1	6.4	5.8	
EBITDA	3,760	3,962	4,936	3,994	5,080	4,970	7,505	4,948	16,410	22,503	6,396	17.3%
Margin (%)	6.8	6.5	6.8	6.5	7.0	6.3	7.3	6.2	6.6	6.7	6.5	
Change (%)	16.4	26.3	33.5	34.8	35.1	25.4	52.0	23.9	25.0	37.1	29.6	
Interest	852	903	876	962	1,036	949	1,043	854	3,595	3,883	876	
Depreciation	755	850	890	933	977	1,032	1,089	1,057	3,427	4,155	1,042	
Other Income	222	260	313	408	463	514	642	705	1,446	2,323	454	
PBT	2,375	2,469	3,484	2,507	3,530	3,503	6,014	3,742	10,834	16,788	4,931	22.0%
Tax	599	649	886	630	889	898	1,436	1,060	2,764	4,283	1,257	
Effective Tax Rate (%)	25.2	26.3	25.4	25.1	25.2	25.6	23.9	28.3	25.5	25.5	25.5	
Adjusted PAT	1,776	1,821	2,598	1,877	2,641	2,605	4,479	2,682	8,070	12,506	3,674	21.9%
Change (%)	23.4	34.6	43.8	36.4	48.7	43.1	72.4	42.9	35.1	55.0	41.4	
Reported PAT	1,776	1,303	2,187	1,877	2,641	2,605	4,163	2,682	7,142	12,506	3,674	

E: MOFSL Estimates

India Quarterly Performance (Standalone)
(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E 3QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Stores	241	267	312	351	368	396	428	511	351	511	440	
SSSG (%)	12	23	24	21	18	16	27	25	20	22	25	
Studded ratio (%)	30.4	29.7	29.5	31.1	30.2	30.9	31.2	30.0	30.1	30.1	30.0	
Net Sales	46,875	52,268	63,864	53,504	61,422	68,428	90,477	74,821	2,16,510	2,95,149	88,113	2.7%
Change (%)	28.7	39.2	41.6	38.3	31.0	30.9	41.7	39.8	37.3	36.3	38.0	
Raw Material/PM	40,226	45,205	55,767	46,378	53,058	59,881	79,010	65,021	1,87,577	2,56,970	77,364	
Gross Profit	6,648	7,062	8,097	7,126	8,364	8,548	11,467	9,800	28,934	38,179	10,750	6.7%
Gross Margin (%)	14.2	13.5	12.7	13.3	13.6	12.5	12.7	13.1	13.4	12.9	12.2	
Operating Expenses	3,499	3,741	3,845	3,691	4,023	4,227	4,929	5,107	14,776	18,286	5,055	
% of Sales	7.5	7.2	6.0	6.9	6.5	6.2	5.4	6.8	6.8	6.2	5.7	
EBITDA	3,150	3,322	4,251	3,435	4,342	4,321	6,538	4,693	14,158	19,893	5,695	14.8%
Margin (%)	6.7	6.4	6.7	6.4	7.1	6.3	7.2	6.3	6.5	6.7	6.5	
Change (%)	17.1	24.3	34.4	34.7	37.9	30.1	53.8	36.6	27.8	40.5	34.0	
Interest	601	626	585	686	724	650	686	707	2,497	2,767	600	
Depreciation	560	612	610	679	697	723	769	791	2,461	2,979	735	
Other Income	250	277	411	424	521	569	744	394	1,485	2,228	500	
PBT	2,239	2,361	3,467	2,494	3,443	3,517	5,826	3,589	10,685	16,375	4,860	19.9%
Tax	588	641	876	640	878	895	1,403	951	2,745	4,126	1,215	
Effective Tax Rate (%)	26.3	27.1	25.3	25.7	25.5	25.5	24.1	26.5	25.7	25.2	25.0	
Adjusted PAT	1,651	1,720	2,591	1,854	2,565	2,622	4,323	2,639	7,630	12,248	3,645	18.6%
Change (%)	28.1	37.1	54.0	41.1	55.4	52.4	66.9	42.3	39.8	60.5	40.7	
Reported PAT	1,651	1,203	2,180	1,854	2,565	2,622	4,008	2,639	6,702	12,248	3,645	

E: MOFSL Estimates

Middle East Quarterly Performance
(INR m)

Y/E March	FY25				FY26			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE
Stores	36	36	36	36	36	38	38	43
Net Sales	8,092	7,989	8,403	7,845	10,265	8,657	10,726	8,637
Change (%)	15.6	27.0	23.1	26.0	26.9	8.4	27.6	10.1
Raw Material/PM	6,900	6,847	7,156	6,677	8,828	7,469	9,188	7,398
Gross Profit	1,192	1,142	1,247	1,168	1,437	1,188	1,538	1,239
Gross Margin (%)	14.7	14.3	14.8	14.9	14.0	13.7	14.3	14.3
Operating Expenses	569	551	603	581	709	575	782	553
% of Sales	7.0	6.9	7.2	7.4	6.9	6.6	7.3	6.4
EBITDA	623	591	644	587	728	613	756	686
Margin (%)	7.7	7.4	7.7	7.5	7.1	7.1	7.0	7.9
Change (%)	12.5	22.9	21.6	33.1	16.9	3.7	17.4	16.9
Interest	264	276	277	269	287	261	307	249
Depreciation	168	173	191	194	204	212	206	229
Other Income	2	20	5	26	29	45	15	6
PBT	193	162	181	150	266	185	258	214
Tax	6	24	28	29	45	34	22	56
Effective Tax Rate (%)	3.1	14.8	15.5	19.3	16.9	18.4	8.5	26.1
Adjusted PAT	187	138	153	121	221	151	236	158
Change (%)	10.7	16.0	10.9	22.2	18.2	9.4	54.2	30.7

E: MOFSL Estimates

Exhibit 1: Store network

Store data	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Kalyan India	172	194	204	217	231	253	278	287	300	318
-COCO	130	135	128	128	126	121	126	126	126	123
-FOCO	42	59	76	89	105	132	152	161	174	195
Candere	3	7	13	24	36	59	73	81	96	110
-COCO	2	5	5	8	12	35	36	40	42	42
-FOCO	1	2	8	16	24	24	37	41	54	68
Total stores in India	175	201	217	241	267	312	351	368	396	428
Middle East	34	34	36	36	36	36	36	36	38	38
-COCO	33	33	35	35	32	32	32	32	34	34
-FOCO	1	1	1	1	4	4	4	4	4	4
US	0	0	0	0	0	1	1	2	2	2
UK	0	0	0	0	0	0	0	0	0	1
Total stores	209	235	253	277	303	349	388	406	436	469

Exhibit 2: South and non-South SSSG and revenue contribution in India

Particulars	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
South revenue share(%)	54	46	51	51	51	44	47	51	46	42
Non South revenue share (%)	46	54	49	49	49	56	53	49	54	58
SSSG (%)	10	11	17	12	23	24	21	18	16	27
South SSSG (%)		10	18	13	25	23	20	20	14	25
Non south SSSG (%)		13	16	11	21	25	22	16	17	29


Key takeaways from the management commentary
Demand environment and outlook

- The company highlighted that on-ground momentum remained robust through most of 3QFY26, with the festive period delivering stronger growth than anticipated.
- During the 30 days leading up to Diwali, KALYANKJ reported LFL growth of over 30%, reflecting sustained festive demand.
- **The demand in Jan'26 was good, supported by healthy consumer footfalls despite volatility in gold prices.**
- New customer additions remained strong, with the share of new customers exceeding 39%.
- Studded jewelry recorded ~50% growth in 3QFY26, and management expects this momentum to continue, supported by rising consumer awareness driven by social media and marketing campaigns.
- Growth in 18k jewelry outpaced 22k, largely due to a lower base; acceptance is faster in North India compared to the South.
- **The adoption of 18K studded jewelry is higher than plain jewelry, and the company plans to introduce studded collections in 14k and 9k.**
- The gold saving scheme gained strong traction, aiding customer acquisition, while the gold exchange program also saw improved participation during the quarter (typically ~30% of sales, slightly higher in 3QFY26).
- The company currently has no immediate plans to launch products in the LGD segment.
- The company has appointed a mediator to identify potential buyers for its land parcel and expects the transaction to close by 1HFY27.

- Share pledging was undertaken solely for the purpose of a share buyback, with plans to reduce pledged shares over the next six months.

Cost and margin

- Margin expansion was driven by a richer product mix, procurement efficiencies, operating leverage, a higher share of FOCO revenue.
- Gold inventory is fully hedged; additionally, rising platinum and silver prices supported margins.
- In a rising gold price environment, the company trims inventory volumes, helping optimize working capital and support cash flows.
- There has been no change in GML rates.

Capex, debt, and cash flows

- Kalyan India plans to add 80–90 stores over the medium term.
- Maintenance capex in India is estimated at ~INR175cr for FY26. The company does capex of INR2–2.5cr per store.
- A new regional brand is expected to launch in 4QFY26 in a single state; more expansions are expected in FY27 with five showrooms (INR4–4.5cr per store).
- FOCO stores in South India currently stand at ~30.
- Franchisee showrooms contribute ~51% of revenue.
- Studded jewelry mix in franchise stores is ~30% in non-South markets.
- Of the free cash generated from operations, ~INR3b will be deployed toward Candere stores and international pilots, while another ~INR3b will be used for debt reduction and dividends.
- **The company repaid INR1,300m in 2QFY26, reducing non-GML debt to INR5,500m as of Sep'25. No debt was repaid in 3QFY26; however, management plans to repay ~INR1,500m in 4QFY26, targeting INR4,000m debt by Mar'26 and a debt-free status by FY27.**

Candere

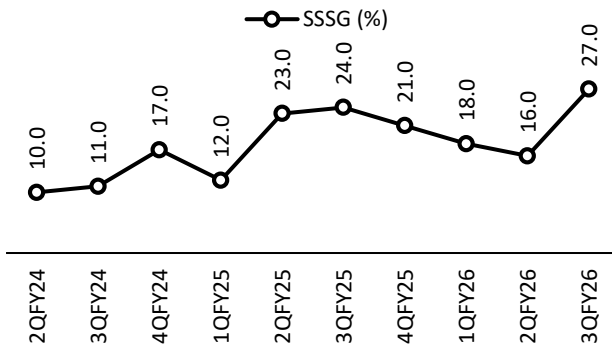
- Candere's revenue grew to INR1350mn in 3QFY26 vs INR550m in 3QFY25, and reported profit of INR30mn vs loss of INR70m in 3QFY26.
- Candere turned PAT positive during the quarter.
- The company remains focused on transitioning Candere stores into an omnichannel format.
- Going forward, alongside new showroom launches, the strategy will emphasize increasing inventory in existing stores to drive higher SSSG.
- The company added 14 Candere showrooms in India, taking the total store count to 110 in 3Q.

International business

- The Middle East business grew ~27% YoY in 3QFY26, with growth expected to remain healthy.
- The company plans to add 6–7 overseas stores annually over the medium term. However, expansion in the Middle East through the franchise route has been slower than initially planned.
- The company will also invest in pilot showrooms in the UK and US.

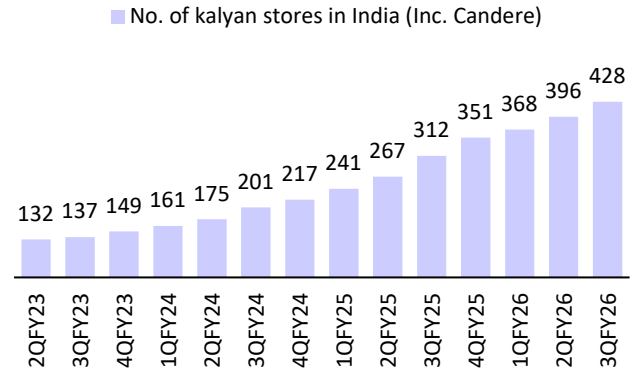
Key exhibits

Exhibit 3: India SSSG at 27% YoY in 3QFY26



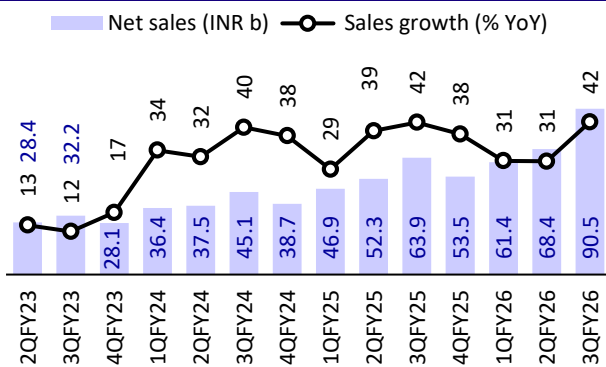
Source: Company, MOFSL

Exhibit 4: Added net 32 (18 Kalyan India, 14 Candere) stores in India



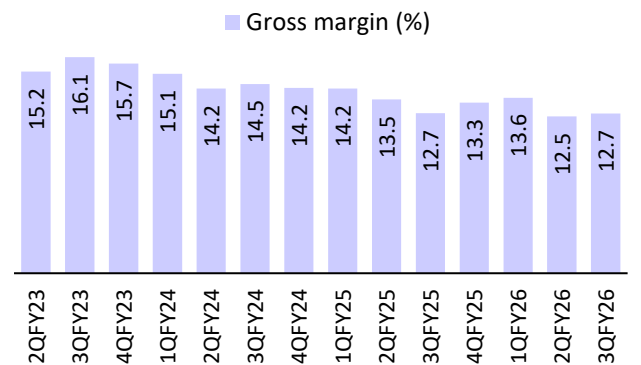
Source: Company, MOFSL

Exhibit 5: India sales grew 42% YoY, led by SSSG and store additions



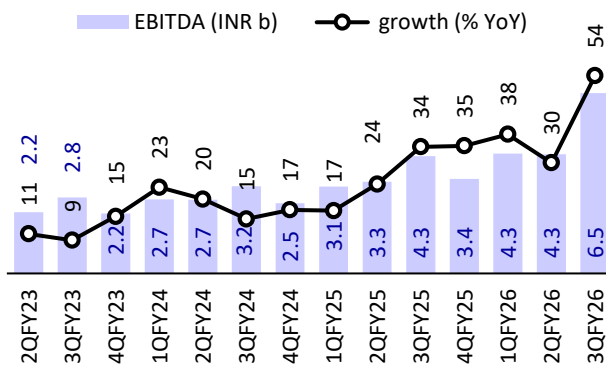
Source: Company, MOFSL

Exhibit 6: India business GP margin flat YoY at 12.7%



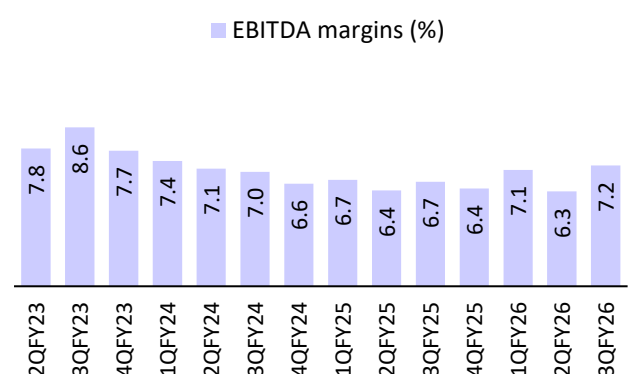
Source: Company, MOFSL

Exhibit 7: India business EBITDA grew 54% YoY to INR6.5b



Source: Company, MOFSL

Exhibit 8: India business EBITDA margin expanded 50bp YoY to 7.2 %



Source: Company, MOFSL

Valuation and view

- We raise our EPS estimates by 3-4% for FY27 and FY28 due to EBITDA margin expansion in 3QFY26.
- KALYANKJ repaid INR1.3b of non-GML debt in 1HFY26, reducing debt to INR5.5b. While no repayment was made in 3QFY26, the company plans to reduce non-GML debt by ~INR1.5b in 4QFY26, targeting ~INR4b by Mar'26, with the aim to become debt-free by FY27.
- With the successful scale-up of its new franchise businesses (>45% revenue contribution) and continued success in non-Southern markets, the company has established itself as a leading brand in the industry. Its non-South expansion has improved the studded jewelry mix, while the asset-light expansion supports healthy cash flow generation for debt repayment and enhances profitability by reducing interest costs. It is also gaining momentum in the Middle East and the US.
- We model 21%/18%/22% revenue/EBITDA/PAT CAGR during FY26-28E. **We reiterate our BUY rating with a TP of INR600 (based on 35x Dec'27 P/E).**

Exhibit 9: We raise our EPS estimates by 3-4% for FY27 and FY28

INR m	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales	3,35,126	4,15,341	4,91,651	3,30,762	4,10,613	4,86,825	1%	1%	1%
EBITDA	22,503	26,889	31,384	21,388	25,890	30,015	5%	4%	5%
PAT	12,506	15,504	18,557	11,713	15,008	17,771	7%	3%	4%

Financials and valuations

Income Statement consol.

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	1,01,009	85,733	1,08,179	1,40,714	1,85,483	2,50,451	3,35,126	4,15,341	4,91,651
Change (%)	3.4	-15.1	26.2	30.1	31.8	35.0	33.8	23.9	18.4
Raw Materials	83,918	71,141	91,263	1,18,722	1,58,346	2,16,370	2,91,128	3,63,123	4,31,842
Gross Profit	17,092	14,592	16,916	21,992	27,137	34,081	43,998	52,218	59,809
Margin (%)	16.9	17.0	15.6	15.6	14.6	13.6	13.1	12.6	12.2
Operating Expenses	9,489	8,649	8,771	10,852	14,010	17,671	21,495	25,329	28,425
EBITDA	7,603	5,943	8,145	11,141	13,127	16,410	22,503	26,889	31,384
Change (%)	31.0	-21.8	37.1	36.8	17.8	25.0	37.1	19.5	16.7
Margin (%)	7.5	6.9	7.5	7.9	7.1	6.6	6.7	6.5	6.4
Depreciation	2,391	2,249	2,316	2,446	2,743	3,427	4,155	4,822	5,434
Int. and Fin. Charges	3,803	3,754	3,224	3,026	3,232	3,595	3,883	3,752	3,714
Other Income	801	454	383	379	737	1,446	2,323	2,556	2,811
Profit before Taxes	2,209	394	2,989	6,048	7,888	10,834	16,788	20,870	25,047
Change (%)	955.7	-82.2	659.3	102.4	30.4	37.3	55.0	24.3	20.0
Margin (%)	2.2	0.5	2.8	4.3	4.3	4.3	5.0	5.0	5.1
Tax	786	455	748	1,396	1,925	2,764	4,283	5,366	6,490
Tax Rate (%)	35.6	115.6	25.0	23.1	24.4	25.5	25.5	25.7	25.9
PAT Before Minority	1,423	-61	2,240	4,652	5,963	8,070	12,506	15,504	18,557
Minority Interest	-7	2	-3	-12	-11	0	0	0	0
Exceptional	0	0	0	333	0	929	0	0	0
Reported PAT	1,430	-64	2,244	4,331	5,973	7,142	12,506	15,504	18,557
Adjusted PAT	1,430	-64	2,244	4,599	5,973	8,070	12,506	15,504	18,557
Change (%)	-4,113	-104	-3,616	105	30	35	55	24	20
Margin (%)	1.4	-0.1	2.1	3.3	3.2	3.2	3.7	3.7	3.8

Balance Sheet

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	9,583	10,301	10,301	10,301	10,301	10,314	10,314	10,314	10,314
Reserves	12,028	17,960	21,070	26,047	31,590	37,721	47,137	57,491	68,838
Net Worth	21,611	28,260	31,370	36,347	41,891	48,036	57,451	67,805	79,152
Minority Interest	-30	5	9	-2	-13	0	0	0	0
GML	11,671	14,180	14,968	18,536	22,530	23,436	24,303	25,207	26,149
Loans	24,230	19,600	18,664	16,550	10,643	9,497	6,497	3,497	497
Lease liability	7,578	6,983	6,661	7,869	11,691	16,660	21,821	26,881	31,699
Deferred tax	-81	-461	-450	-562	-662	-1,125	-1,125	-1,125	-1,125
Capital Employed	64,979	68,567	71,223	78,738	86,079	96,504	1,08,947	1,22,265	1,36,372
Gross Block	15,462	15,031	16,056	15,373	18,644	22,286	23,886	25,486	27,086
Less: Accum. Depn.	4,669	5,413	6,240	6,635	7,739	9,230	11,077	13,052	15,155
Net Fixed Assets	10,793	9,618	9,816	8,738	10,904	13,056	12,809	12,434	11,931
Goodwill	51	51	51	51	51	51	51	51	51
Intangible assets	97	94	70	49	35	21	74	83	52
Capital WIP	242	527	17	200	485	77	77	77	77
Right to Use Assets	10,110	8,613	8,667	9,580	11,390	14,723	17,532	20,250	22,528
Investments	0	0	6	44	44	53	53	53	53
Other non-current assets	1,830	2,186	1,962	2,748	5,117	8,161	13,878	17,901	21,953
Curr. Assets, L&A	58,984	67,103	68,414	85,158	99,490	1,13,993	1,35,101	1,59,074	1,83,561
Inventory	47,203	53,031	57,943	70,139	82,976	96,811	1,20,722	1,30,008	1,50,879
Account Receivables	2,137	1,127	1,195	2,442	3,283	3,999	5,329	6,588	7,776
Cash and Bank Balance	7,501	10,966	7,772	9,819	9,751	10,311	5,208	17,716	19,267
Others	2,142	1,979	1,504	2,759	3,480	2,872	3,843	4,763	5,638
Curr. Liab. and Prov.	17,127	19,627	17,778	27,830	41,436	53,630	70,629	87,658	1,03,833
Account Payables	5,576	6,901	6,566	11,927	19,441	23,503	31,216	38,525	45,358
Provisions	385	445	493	714	668	857	1,196	1,492	1,775
Other current liabilities	11,166	12,280	10,720	15,188	21,326	29,270	38,216	47,640	56,701
Net Current Assets	41,857	47,476	50,635	57,329	58,054	60,363	64,473	71,416	79,728
Application of Funds	64,979	68,564	71,224	78,738	86,079	96,504	1,08,947	1,22,265	1,36,372

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)									
EPS	1.5	-0.1	2.2	4.5	5.8	7.8	12.1	15.0	18.0
Cash EPS	4.0	2.1	4.4	6.8	8.5	11.1	16.2	19.7	23.3
BV/Share	22.6	27.4	30.5	35.3	40.7	46.6	55.7	65.7	76.7
DPS	0.0	0.0	0.0	0.5	1.2	1.5	3.0	5.0	7.0
Payout %	0.0	0.0	0.0	11.2	20.7	19.2	24.7	33.3	38.9
Valuation (x)									
P/E	254.6	-6,134.2	174.5	85.1	65.5	48.6	31.3	25.3	21.1
Cash P/E	95.3	179.1	85.8	55.6	44.9	34.1	23.5	19.3	16.3
EV/Sales	3.8	4.7	3.7	2.8	2.1	1.6	1.2	0.9	0.8
EV/EBITDA	50.1	67.3	49.4	35.7	29.9	23.8	17.5	14.0	11.9
P/BV	16.9	13.9	12.5	10.8	9.3	8.2	6.8	5.8	5.0
Dividend Yield (%)	0.0	0.0	0.0	0.1	0.3	0.4	0.8	1.3	1.8
Return Ratios (%)									
RoE	6.9	-0.3	7.5	13.6	15.3	17.9	23.7	24.8	25.3
RoCE	6.0	-1.0	6.7	9.3	10.2	11.8	15.0	15.8	16.5
RoIC	6.8	-1.1	7.7	10.6	11.6	13.3	16.2	17.6	19.2
Working Capital Ratios									
Inventory (Days)	167	213	187	166	151	131	118	110	104
Debtor (Days)	7	7	4	5	6	5	5	5	5
Payable (Days)	18	27	23	24	31	31	30	31	31
Cash conversion (Days)	155	194	168	147	125	105	94	85	78
Inventory turns (x)	2.2	1.7	1.9	2.2	2.4	2.8	3.1	3.3	3.5
Asset Turnover (x)	1.6	1.3	1.5	1.8	2.2	2.6	3.1	3.4	3.6
Leverage Ratio									
Net Debt/Equity (x)	1.3	0.8	0.8	0.7	0.6	0.5	0.4	0.2	0.1

Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Profit before Tax	2,209	394	2,989	5,715	7,888	9,596	16,788	20,870	25,047
Depreciation	2,391	2,249	2,316	2,446	2,743	3,427	4,155	4,822	5,434
Net interest	3,333	3,461	2,805	2,753	2,649	2,830	1,560	1,196	903
Others	-460	1,396	-59	85	170	328	0	0	0
Direct Taxes Paid	-65	-569	-1,529	-1,290	-2,262	-2,379	-4,283	-5,366	-6,490
(Incr)/Decr in WC	-4,213	-642	-4,071	424	2,040	-1,708	-8,785	6,052	-6,213
CF from Operations	3,196	6,288	2,450	10,134	13,227	12,095	9,435	27,575	18,682
Incr in FA	-1,075	-479	-908	-1,863	-3,712	-4,275	-1,676	-1,634	-1,594
Free Cash Flow	2,121	5,810	1,542	8,272	9,516	7,820	7,759	25,941	17,087
Pur of Investments	28	0	-6	-37	0	0	0	0	0
Others	529	-268	705	188	1,896	866	-8,049	-6,591	-6,429
CF from Invest.	-517	-747	-209	-1,712	-1,816	-3,409	-9,725	-8,226	-8,023
Issue of Shares	0	7,565	0	0	0	0	0	0	0
Incr in Debt	1,816	-5,132	-861	-2,146	-5,909	-1,263	-3,000	-3,000	-3,000
Dividend Paid	0	0	0	0	-515	-1,236	-3,090	-5,150	-7,210
Net interest Paid	-2,706	-2,864	-2,407	-2,291	-2,389	-2,234	-3,883	-3,752	-3,714
Others	-2,542	-1,646	-2,167	-1,939	-2,667	-3,394	5,161	5,060	4,818
CF from Fin. Activity	-3,432	-2,076	-5,435	-6,376	-11,479	-8,126	-4,812	-6,842	-9,107
Incr/Decr of Cash	-753	3,465	-3,194	2,047	-68	560	-5,103	12,508	1,552
Add: Opening Balance	8,255	7,501	10,966	7,772	9,819	9,751	10,311	5,208	17,716
Closing Balance	7,501	10,966	7,772	9,819	9,751	10,311	5,208	17,716	19,268

E: MOFSL Estimates

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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.

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Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); 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.

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.