

# Campus Activewear

BSE SENSEX  
75,503

S&P CNX  
23,409

**CMP: INR233**

**TP: INR305 (+31%)**

**Buy**



Bloomberg	CAMPUS IN
Equity Shares (m)	306
M.Cap.(INRb)/(USDb)	71.2 / 0.8
52-Week Range (INR)	304 / 210
1, 6, 12 Rel. Per (%)	-5/-8/-11
12M Avg Val (INR M)	135
Free float (%)	27.9

## Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	17.7	19.8	22.3
EBITDA	2.9	3.4	4.0
Adj. PAT	1.5	1.7	2.1
EBITDA Margin (%)	16.4	17.0	18.0
Adj. EPS (INR)	4.8	5.6	6.8
EPS Gr. (%)	21.9	15.8	21.2
BV/Sh. (INR)	28.5	33.1	38.9

## Ratios

Net D:E	0.3	0.2	0.1
RoE (%)	18.1	18.1	18.8
RoCE (%)	15.9	15.4	15.8
Payout (%)	20.7	17.9	14.8

## Valuations

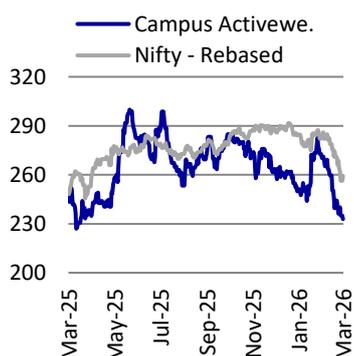
P/E (x)	48.7	42.1	34.7
EV/EBITDA (x)	25.8	21.9	18.2
EV/Sales (X)	4.2	3.7	3.3

## Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	72.1	72.1	73.8
DII	11.7	11.8	11.4
FII	6.2	6.0	5.4
Others	10.0	10.1	9.4

FII includes depository receipts

## Stock Performance (1-year)



## Beneficiary of multiple growth tailwinds

Following a weak 1QFY26, Campus Activewear's (Campus) growth accelerated to mid-teens in 2HCY26, led by increasing premiumization, an expanding retail presence, and the rationalization of the GST rate. Additionally, driven by backward integration and rising premiumization, the company's EBITDA margin expanded ~140bp YoY to ~16% in 9MFY26. We believe Campus remains a key beneficiary of premiumization, BIS implementation, and GST-driven tailwinds in the sports & athleisure (S&A) category. Furthermore, the company's recent expansion into apparel offers an additional growth lever. We model a CAGR of 12%/18%/20% in revenue/EBITDA/PAT over FY25-28E. We reiterate our BUY rating on the stock with a revised TP of INR305, premised on 45x P/E on Mar'28.

## Innovation, premiumization, and category expansion to drive growth

- Campus has been steadily premiumizing its portfolio through the launch of innovative, fashion-forward products and gradually shifting towards sneakers and higher-value offerings.
- As a result, the company's ASP has increased from INR510 in FY20 to INR639 in FY25, with a further jump to INR688 in 9MFY26.
- We expect this trend to be sustained, driven by continued product innovation and mix improvement, and estimate ~7% CAGR in ASP over FY26-28E, taking ASP to ~INR783 by FY28E.
- The company manages the NPD development from concept to product launch cycle within 60-90 days, enabling a quick response to evolving fashion trends and consumer preferences. This rapid turnaround allows it to consistently introduce new and fashion-forward products, with 270+ new designs launched in FY25 (300+ in FY24 and 145+ in 9MFY26).
- Recently, the company has also introduced innovations such as the Air Capsule Pro along with multiple new sneaker and athleisure designs, further strengthening its portfolio and supporting growth in high-demand categories.
- In addition, Campus has forayed into adjacent categories such as athleisure apparel, introducing products such as polo T-shirts, round-neck T-shirts, jackets, joggers, and caps on a pilot basis. The foray into apparel is aimed at raising the brand's salience, increasing wallet share per customer, strengthening its positioning in the fast-growing athleisure segment over the long term, and improving the productivity of its EBO channel.

## Distributor consolidation with expansion in retail reach to drive growth

- The company has historically relied on a large distributor network to penetrate deeper into Tier-II and Tier-III markets, which remain key demand centers for value sports footwear.
- Over the past few quarters, Campus has undertaken distributor consolidation, reducing the distributor count to 280+ in 9MFY26 (vs. 300+ in FY25) while reinforcing partnerships with more efficient channel partners.

- Despite the rationalization in the distributor base, the company has expanded its retail reach to 29k+ touchpoints (vs. ~26k in FY25), increasing product availability and market penetration across the country.
- This strategy is aimed at improving channel efficiency, enabling better inventory management, and ensuring stronger product availability at the retailer level.
- We model ~11% CAGR in trade distribution revenue over FY25-28E and expect the channel's contribution to remain broadly stable at ~52%.

#### **Strong online channel contribution driving scalable growth**

- The online channel has emerged as a key growth driver for Campus, contributing ~37% of the revenue in FY25 (vs. ~8% in FY20). This channel has enabled the brand to reach younger and digitally savvy consumers, while also improving product visibility across geographies where physical retail penetration may be limited.
- The strong online presence has also helped the company launch new designs faster, test consumer preferences, and scale successful products quickly, particularly in fast-growing categories such as sneakers.
- While Campus experienced some disruption due to the shutdown of certain O2O/B2B online retail platforms, it has since recalibrated its strategy by focusing on direct marketplace sales and strengthening its omnichannel presence.
- We expect the e-commerce contribution to remain broadly stable at ~36% over FY25-28E, with the online channel likely to deliver ~12% CAGR over the same period, supported by continued growth in online footwear demand and the company's strong presence on leading marketplace platforms.

#### **Premiumization and operating leverage to drive EBITDA margin expansion**

- Campus' EBITDA margins moderated from ~17% in FY23 to ~15% in FY25 due to higher advertising spends, operating deleverage from lower volumes, and increased investments in brand building and distribution.
- Despite this, gross margins have remained resilient, improving from ~49% in FY23 to ~52% in FY25, supported by premiumization, backward integration initiatives, and a higher share of sneakers in the product mix.
- However, with improvement in demand trends, Campus' margins have started to inch up (up ~140bp YoY to 15.9% in 9MFY26).
- The recent spike in RM costs could weigh on gross margins in the near term; however, we believe the company has enough room to pass on the increase following the recent GST cuts.
- Going ahead, we expect EBITDA margins to improve further to management's guided range of ~17-19% by FY28, supported by scale benefits, premiumization, and benefits from backward integration. A potential increase in A&P spends (logo redesign, apparel) and the company's ability to pass on the rising RM cost inflation remain key monitorables.

#### **Valuation and view**

- Campus' innovative designs, color combinations, and attractive price points make it a market leader in the fast-growing S&A category.
- The GST rate cut acts as a structural demand catalyst, improving affordability and fueling growth. Driven by sneaker-focused capacity expansion and the recent foray into apparel, we believe Campus is well poised to sustain double-digit revenue growth.
- We trim our FY25-28E EBITDA by 1-2%, largely on account of higher A&P spends to promote the new brand identity and recent foray into apparel.

- We model a CAGR of 12%/18%/20% in revenue/EBITDA/PAT over FY25-28E, with the EBITDA margin improving to ~18% by FY28 (from 15.3%/15.9% in FY25/9MFY26).
- Reiterate **BUY with a revised TP of INR305** (vs. INR320), based on 45x FY28E EPS.

**Exhibit 1: Valuation based on FY28E P/E**

Valuation	INR/Share
EPS	6.8
Target PE (x)	45
<b>Equity value/share (INR)</b>	<b>305</b>
CMP (INR)	235
Upside/(Downside) (%)	30

Source: MOFSL, Company

**Exhibit 2: Campus broadly trades in line on FY26 P/E with peers, such as Bata and Relaxo, despite its superior growth profile**

Footwear comps	Enterprise Value (INR b)	MCap (INR b)	EV/Sales			EV/EBITDA			P/E			EBITDA CAGR (%) 2025-28E
			FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	
Metro	257	247	9.0	7.7	6.7	29.5	24.9	21.6	60.7	51.3	44.8	16.2
<b>Campus</b>	<b>74</b>	<b>72</b>	<b>4.2</b>	<b>3.7</b>	<b>3.3</b>	<b>25.8</b>	<b>21.9</b>	<b>18.2</b>	<b>48.7</b>	<b>42.1</b>	<b>34.7</b>	<b>18.1</b>
Bata	95	87	2.7	2.6	2.5	12.9	11.4	10.3	45.8	35.8	28.7	8.0
Relaxo	71	71	2.7	2.5	2.4	20.8	17.6	15.4	44.3	35.5	30.4	6.7
<b>Average</b>			<b>4.7</b>	<b>4.1</b>	<b>3.7</b>	<b>22.2</b>	<b>18.9</b>	<b>16.4</b>	<b>49.9</b>	<b>41.2</b>	<b>34.7</b>	

Source: MOFSL, Company

**Exhibit 3: Changes to our estimates**

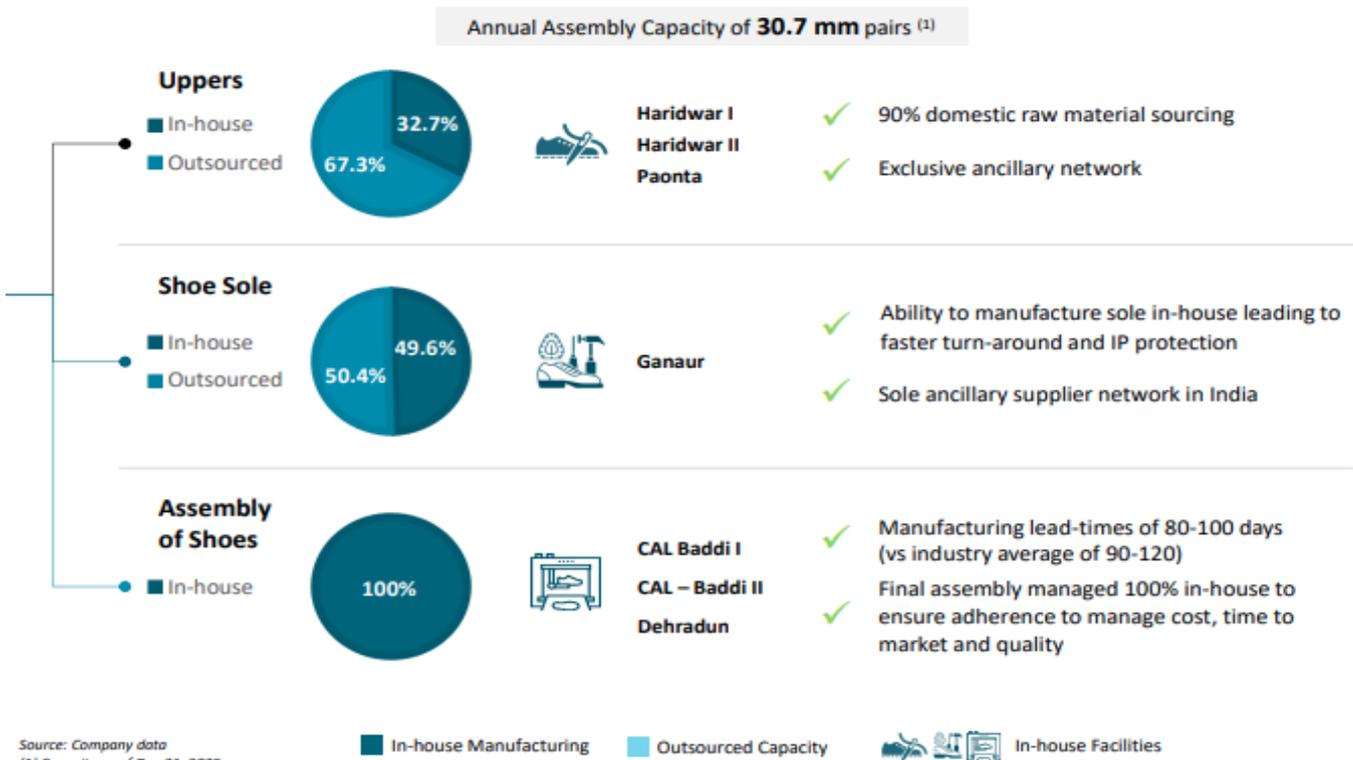
	FY26E	FY27E	FY28E
<b>Revenue (INR m)</b>			
Old	17,651	19,645	21,865
Actual/New	17,651	19,831	22,280
Change (%)	0.0	0.9	1.9
<b>Gross Profit (INR m)</b>			
Old	9,355	10,510	11,807
Actual/New	9,355	10,609	12,031
Change (%)	0.0	0.9	1.9
<b>Gross margin (%)</b>			
Old	53.0%	53.5%	54.0%
Actual/New	53.0%	53.5%	54.0%
Change (bp)	0	0	0
<b>EBITDA (INR m)</b>			
Old	2,912	3,438	4,045
Actual/New	2,886	3,371	4,010
Change (%)	-0.9	-1.9	-0.9
<b>EBITDA margin (%)</b>			
Old	16.5%	17.5%	18.5%
Actual/New	16.4%	17.0%	18.0%
Change (bp)	-15	-50	-50
<b>Net Profit (INR m)</b>			
Old	1,480	1,795	2,173
Actual/New	1,477	1,710	2,072
Change (%)	-0.2	-4.8	-4.7
<b>EPS (INR)</b>			
Old	4.8	5.9	7.1
Actual/New	4.8	5.6	6.8
Change (%)	-0.2	-4.8	-4.7

Source: MOFSL, Company

**Vertically integrated manufacturing enables faster design refreshes**

- Campus continues to strengthen its manufacturing capabilities through backward integration, enabling greater control over product quality, cost efficiencies, and supply chain reliability. The company operates multiple in-house manufacturing facilities, allowing it to manage key stages of the production process and reduce dependence on third-party manufacturers.
- Recently, the company has planned to enhance its backward integration by investing INR2.3b to expand manufacturing, specifically targeting in-house production of shoe uppers and assembly, with a new facility in Pantnagar. Currently, the company operates with an annual capacity of 8.4m pairs of uppers and 30.7m pairs for assembly, with utilization levels of 80% and 75%, respectively. The proposed expansion will add 7.2m pairs annually for both uppers and assembly within 2.5 years from September 2025. This strategy aims to improve cost competitiveness, increase supply chain control, and boost capacity by 7.2m pairs by FY28. Over time, higher backward integration is expected to enhance margins, ensure consistent product quality, and improve responsiveness to changing design and demand trends.

**Exhibit 4: Vertically integrated manufacturing ecosystem**



**Exhibit 5: Key operational metrics for Campus**

	FY22	FY23	FY24	FY25	9MFY26
Active Styles	2100+	2500+	3000+	3100+	-
New Design Launched	-	300+	300+	270+	145+
Distributors	425+	425+	300+	300+	280+
Retail Presence	20000+	20000+	23000+	26000+	29000+
States Presence	28	28	28	28	28
Cities Presence	650+	650+	650+	650+	700+
EBO's	107+	200+	250+	290+	298+
LFS	800+	1000+	1300+	2000+	2200+

Source: MOFSL, Company

**GST rate cuts to act as a demand tailwind for Campus**

- The recent GST rationalization is expected to act as a structural tailwind for the footwear industry, particularly for value and mid-priced segments where players such as Campus operate. This GST change effectively expands the lower tax bracket (5%) till INR2,500, benefiting brands with a large share of products in this price segment. Lower taxation is expected to translate into more competitive pricing (vs. smaller unorganized players), improve affordability for consumers, and potentially revive demand in the mass- and mid-footwear market, thereby supporting volume growth for organized players.
- Campus generates the majority of its revenue from SKUs priced below INR2,500, making it a key beneficiary of the recent GST rate rationalization. As of FY25, Campus derived ~22% of revenue from SKUs priced below INR1,050 and ~29% from SKUs priced between INR1,050 and INR1,499. Additionally, ~49% of revenue is generated from SKUs priced above INR1,500, with a large portion still falling within the sub-INR2,500 price band. Given this pricing mix, Campus stands to benefit meaningfully from GST rate cuts in the affordable footwear segment, which could improve price competitiveness and support demand growth.

**Exhibit 6: Campus' revenue mix shifting towards higher price points**

Price	FY19	FY22	FY23	FY24	FY25	3QFY26
< INR1,050	47.6	35.6	28.1	26.9	22.2	20.7
INR1,050 - 1499	21.1	23.4	29.6	26.7	28.9	20.9
> INR1,500	31.3	41.0	42.3	47.3	48.8	58.4

Source: MOFSL, Company

**BIS quality norms a tailwind for organized integrated players like Campus**

- The implementation of quality control orders by the Bureau of Indian Standards (BIS) is expected to accelerate formalization in the Indian footwear industry. Under these norms, footwear manufacturers are required to comply with mandatory BIS certification and quality standards, which increases compliance requirements for smaller and unorganized players.
- For organized players such as Campus, these regulations act as a structural advantage, as the company already operates with established manufacturing processes, quality control systems, and compliance capabilities. All its facilities are BIS compliant. Over time, stricter enforcement of BIS standards could limit the participation of sub-scale, unorganized manufacturers, thereby helping organized brands gain market share and improve industry structure.

### Recent apparel foray to add further growth triggers

Campus has recently forayed into the adjacent apparel category with the launch of its athleisure range. The apparel range is currently being sold online through marketplaces, brand websites, and EBOs. Management expects extension into the apparel category to improve the store-level productivity and add another growth driver for Campus over the medium term.

**Exhibit 7: Price comparison of Campus' athleisure merchandise vs. peers**

Products (INR)	MRP				Offer Price			
	Campus	Campus Sutra	Technosport	Puma	Campus	Campus Sutra	Technosport	Puma
Men's Track Jacket	1899	2499	829	3299	1614	1124	787	1419
Dry Fit Joggers	1199	1799	589	2999	999	809	503	998
Caps	599-699	-	-	899	599-699	-	-	309
Dry fit Polo T-shirt	599	999	319	1499	509	359	303	519

Source: MOFSL, Amazon, campusshoes.com

**Exhibit 8: Men's track jacket product comparison**

	<p>New Season</p> 		
<p><b>PUMA</b>   No. 1 Logo Men's Track Jacket   Black   XL 2.5 ★★★★★ (3) ₹1,419 M.R.P: ₹2,999 (53% off) FREE delivery <b>Wed, 18 Mar</b> <b>Add to cart</b></p>	<p><b>Campus</b> Men Full Zip Dry Fit Track Jacket 5.0 ★★★★★ (24) <b>Limited time deal</b> ₹1,614 M.R.P: ₹1,899 (15% off) FREE delivery <b>Fri, 27 Mar</b> <b>Add to cart</b></p>	<p>+10 other colors/patterns Sponsored <b>TECHNOSPORT</b> Men's Solid Polyester Techno Lite Jacket With SPF50+ And... 3.9 ★★★★★ (147) ₹787 M.R.P: ₹829 (5% off) FREE delivery <b>Tue, 24 Mar</b> <b>Add to cart</b></p>	<p>+16 other colors/patterns Sponsored <b>Campus Sutra</b> Men's Solid Black Dri-Fit Zip Through Activewear Jacket... 3.6 ★★★★★ (3.4K) ₹1,124 M.R.P: ₹2,499 (55% off) FREE delivery <b>Tue, 24 Mar</b> <b>Add to cart</b></p>

**Exhibit 9: Campus and Puma's cap price comparison**

				
<b>NEW ARRIVAL</b>	<b>NEW ARRIVAL</b>	<b>NEW ARRIVAL</b>	<b>NEW ARRIVAL</b>	<b>Amazon's Choice</b>
Brushed Cotton Twill Black Unisex Cap Rs. 699.00 FS	Polyester Solid Black Unisex Cap Rs. 599.00 FS	Polyester Solid Grey Unisex Cap Rs. 599.00 FS	Brushed Cotton Twill Red Unisex Cap Rs. 699.00 FS	<b>PUMA</b> Unisex-Adult Polyester Cap 4.0 ★★★★★ (701) 800+ bought in past month <b>Limited time deal</b> <b>₹309</b> M.R.P: ₹899 (66% off) FREE delivery Wed, 18 Mar on first order <a href="#">Add to cart</a>

**Exhibit 10: Dry fit joggers product comparison**

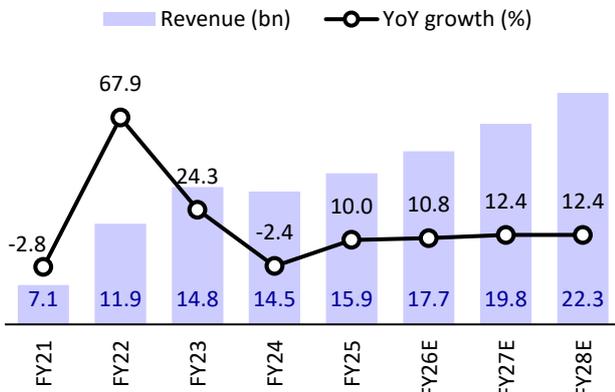
			
<b>Campus</b> Men Dry Fit Joggers ₹999 M.R.P: ₹1,199 (17% off) FREE delivery <a href="#">Add to cart</a>	<b>Campus Sutra</b> Men's Mid Rise Regular Fit Trackpants 4.0 ★★★★★ (4) ₹809 M.R.P: ₹1,799 (55% off) FREE delivery Mon, 23 Mar <a href="#">Add to cart</a>	<b>TECHNOSPORT</b> Men's Slim Fit Mid Rise Active Track Pant - (MPOR85-P) Pack of 1 4.0 ★★★★★ (241) <b>Limited time deal</b> ₹503 M.R.P: ₹589 (15% off) FREE delivery <a href="#">Add to cart</a>	<b>PUMA</b> Men Mid Rise Regular Fit Polyester Track Pants (58673106_Blue_S) 3.5 ★★★★★ (25) <b>Limited time deal</b> ₹998 M.R.P: ₹2,999 (67% off) FREE delivery Wed, 18 Mar <a href="#">Add to cart</a>

**Exhibit 11: Dry Fit polo t-shirt product comparison**

			
<b>Campus</b> Men Solid Round Neck Dry Fit T-Shirt ₹509 M.R.P: ₹599 (15% off) FREE delivery Only 5 left in stock. <a href="#">Add to cart</a>	<b>Campus Sutra</b> Men Shirt 3.9 ★★★★★ (652) ₹359 M.R.P: ₹999 (64% off) FREE delivery Tue, 24 Mar on first order <a href="#">Add to cart</a>	<b>TECHNOSPORT</b> Men's Slim Fit Polyester Activewear Sports T-Shirt with Moisture-Wicki... 4.2 ★★★★★ (830) 100+ bought in past month ₹303 M.R.P: ₹319 (5% off) FREE delivery Wed, 18 Mar on first order <a href="#">Add to cart</a>	<b>PUMA</b> Men's Polyester Solid Slim Fit T-Shirt for Cricket and Gym   Teams Cricke... 4.0 ★★★★★ (210) <b>Limited time deal</b> ₹519 M.R.P: ₹1,499 (65% off) FREE delivery Wed, 18 Mar <a href="#">Add to cart</a>

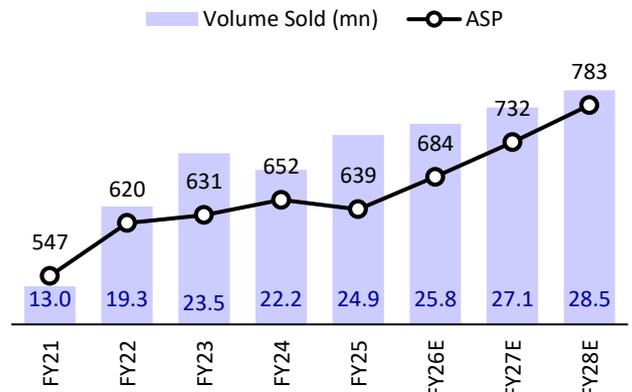
## Story in charts

**Exhibit 12: Expect 12% revenue CAGR over FY25-28**



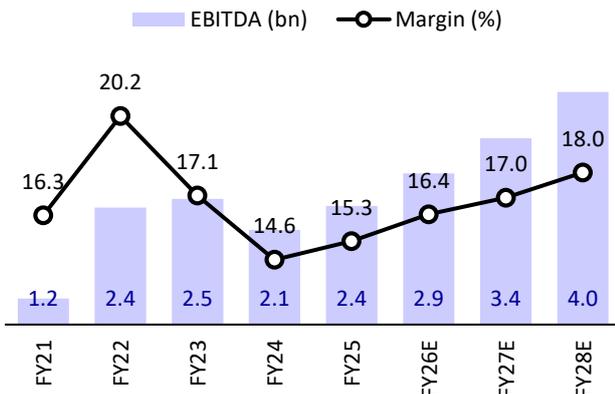
Source: MOFSL, Company

**Exhibit 13: Expect ~5%/7% volume/ASP CAGR over FY25-28**



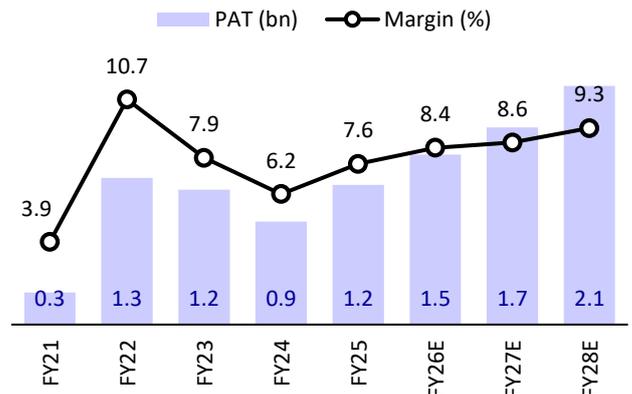
Source: MOFSL, Company

**Exhibit 14: Expect 18% EBITDA CAGR over FY25-28, with 270bp margin expansion by FY28**



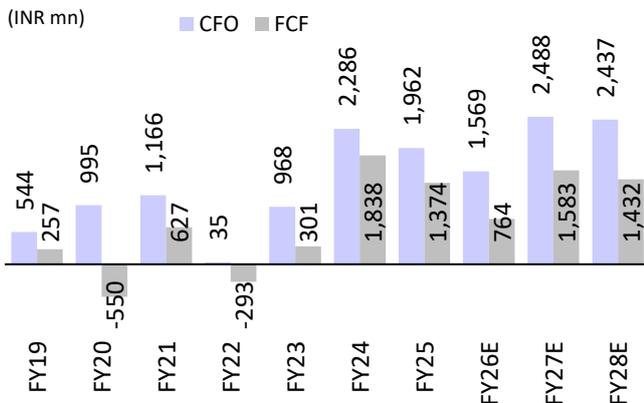
Source: MOFSL, Company

**Exhibit 15: Expect 20% PAT CAGR over FY25-28**



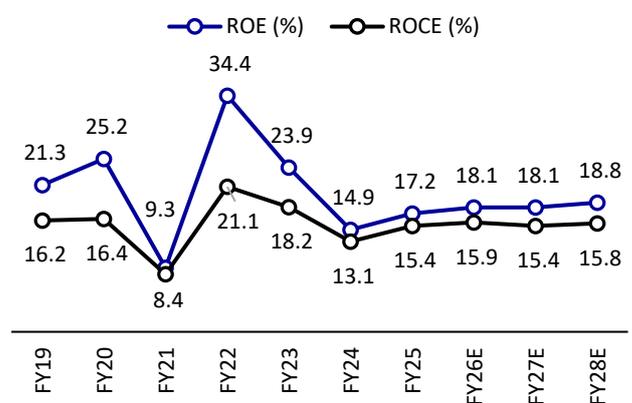
Source: MOFSL, Company

**Exhibit 16: Robust cash flow generation (post-lease)...**



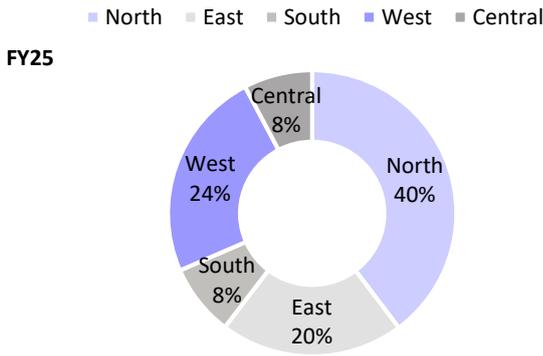
Source: MOFSL, Company

**Exhibit 17: ...and return ratios**



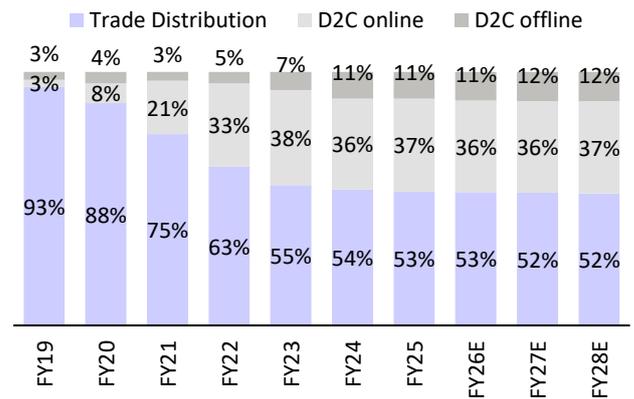
Source: MOFSL, Company

**Exhibit 18: North remains the largest market for Campus**



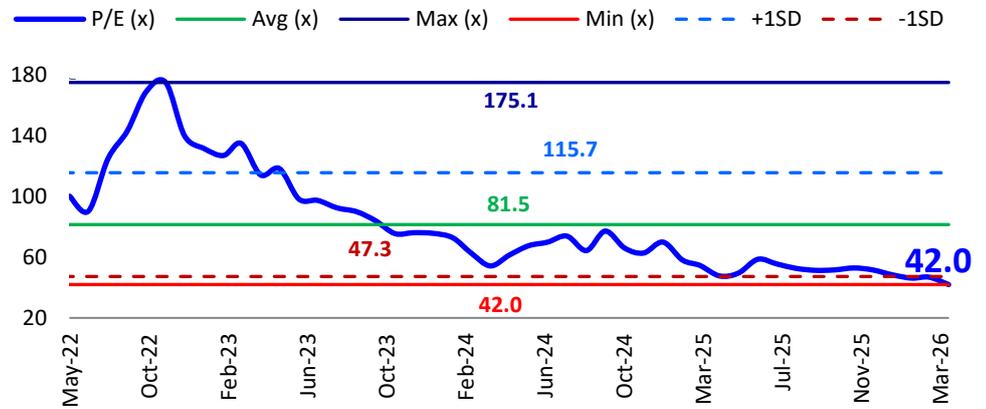
Source: MOFSL, Company

**Exhibit 19: Channel mix to remain largely steady**



Source: MOFSL, Company

**Exhibit 20: Campus currently trades at ~42x one-year forward P/E**



Source: MOFSL, Company

## Financials and valuations

Consolidated - Income Statement								(INR m)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Revenue from Operations</b>	<b>7,113</b>	<b>11,942</b>	<b>14,842</b>	<b>14,483</b>	<b>15,930</b>	<b>17,651</b>	<b>19,831</b>	<b>22,280</b>
Change (%)	-3	68	24	-2	10	11	12	12
Raw Materials	3,744	5,973	7,520	6,955	7,673	8,296	9,221	10,249
<b>GROSS PROFIT</b>	<b>3,369</b>	<b>5,968</b>	<b>7,323</b>	<b>7,528</b>	<b>8,257</b>	<b>9,355</b>	<b>10,609</b>	<b>12,031</b>
Margin (%)	47.4	50.0	49.3	52.0	51.8	53.0	53.5	54.0
Employees Cost	552	679	802	1,015	1,190	1,368	1,507	1,649
Other Expenses	1,657	2,874	3,985	4,405	4,632	5,101	5,731	6,372
<b>Total Expenditure</b>	<b>2,209</b>	<b>3,553</b>	<b>4,787</b>	<b>5,420</b>	<b>5,822</b>	<b>6,469</b>	<b>7,238</b>	<b>8,021</b>
% of Sales	31.1	29.8	32.3	37.4	36.5	36.7	36.5	36.0
<b>EBITDA</b>	<b>1,160</b>	<b>2,415</b>	<b>2,536</b>	<b>2,108</b>	<b>2,435</b>	<b>2,886</b>	<b>3,371</b>	<b>4,010</b>
Margin (%)	16.3	20.2	17.1	14.6	15.3	16.35	17.00	18.00
Depreciation	327	532	710	721	755	881	1,050	1,225
<b>EBIT</b>	<b>833</b>	<b>1,883</b>	<b>1,826</b>	<b>1,387</b>	<b>1,680</b>	<b>2,005</b>	<b>2,321</b>	<b>2,785</b>
Margin (%)	11.7	15.8	12.3	9.6	10.5	11.4	11.7	12.5
Finance costs	172	196	287	232	188	261	284	295
Other Income	38	24	28	45	147	229	248	278
<b>PBT bef. EO Exp.</b>	<b>699</b>	<b>1,711</b>	<b>1,567</b>	<b>1,200</b>	<b>1,639</b>	<b>1,973</b>	<b>2,285</b>	<b>2,769</b>
Total Tax	431	634	396	306	428	497	575	697
Tax Rate (%)	61.6	37.0	25.0	25.0	26.1	25.2	25.2	25.2
<b>Reported PAT</b>	<b>269</b>	<b>1,078</b>	<b>1,171</b>	<b>894</b>	<b>1,212</b>	<b>1,477</b>	<b>1,710</b>	<b>2,072</b>
<b>Adjusted PAT</b>	<b>279</b>	<b>1,273</b>	<b>1,171</b>	<b>894</b>	<b>1,212</b>	<b>1,477</b>	<b>1,710</b>	<b>2,072</b>
Change (%)	-54.5	356.9	-8.0	-23.6	35.5	21.9	15.8	21.2
Margin (%)	3.9	10.7	7.9	6.2	7.6	8.4	8.6	9.3

Consolidated - Balance Sheet								(INR m)
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	1,519	1,522	1,523	1,526	1,527	1,527	1,527	1,527
Total Reserves	1,608	2,754	3,998	4,990	6,038	7,208	8,612	10,378
<b>Net Worth</b>	<b>3,126</b>	<b>4,276</b>	<b>5,521</b>	<b>6,517</b>	<b>7,565</b>	<b>8,735</b>	<b>10,139</b>	<b>11,905</b>
Minority Interest	4							
Total Loans	1,772	2,890	3,350	1,778	2,323	3,223	3,757	4,220
Lease Liability	416	1,147	1,542	1,535	2,323	3,223	3,757	4,220
<b>Capital Employed</b>	<b>4,902</b>	<b>7,166</b>	<b>8,871</b>	<b>8,294</b>	<b>9,888</b>	<b>11,959</b>	<b>13,896</b>	<b>16,124</b>
Gross Block	3,318	4,460	5,695	6,167	7,614	9,419	11,074	12,829
Less: Accum. Deprn.	753	1,214	1,924	2,645	2,968	3,850	4,900	6,125
<b>Net Fixed Assets</b>	<b>2,564</b>	<b>3,246</b>	<b>3,770</b>	<b>3,739</b>	<b>4,645</b>	<b>5,569</b>	<b>6,174</b>	<b>6,704</b>
Right to use assets	491	1,208	1,501	1,437	2,141	2,924	3,408	3,851
Capital WIP	3	25	38	201	344	344	344	344
<b>Total Investments</b>								
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>3,067</b>	<b>4,975</b>	<b>6,677</b>	<b>5,599</b>	<b>6,321</b>	<b>7,725</b>	<b>9,208</b>	<b>11,070</b>
Inventory	2,025	3,543	4,490	3,963	3,798	4,773	4,800	5,335
Account Receivables	982	1,337	1,766	1,183	1,480	1,451	1,630	1,831
Cash and Bank Balance	12	3	240	248	245	703	1,980	3,106
Loans and Advances	48	92	181	206	798	798	798	798
<b>Curr. Liability &amp; Prov.</b>	<b>1,888</b>	<b>2,386</b>	<b>2,776</b>	<b>2,504</b>	<b>2,947</b>	<b>3,143</b>	<b>3,491</b>	<b>3,877</b>
Account Payables	1,709	1,966	2,144	2,002	2,261	2,500	2,779	3,089
Other Current Liabilities	175	414	623	484	664	621	690	767
Provisions	5	6	10	18	22	22	22	22
<b>Net Current Assets</b>	<b>1,179</b>	<b>2,590</b>	<b>3,901</b>	<b>3,095</b>	<b>3,374</b>	<b>4,582</b>	<b>5,717</b>	<b>7,193</b>
Deferred Tax assets	401	218	309	382	416	416	416	416
Other Assets	758	1,112	891	1,078	1,452	1,391	1,589	1,811
<b>Appl. of Funds</b>	<b>4,902</b>	<b>7,166</b>	<b>8,871</b>	<b>8,294</b>	<b>9,888</b>	<b>11,959</b>	<b>13,896</b>	<b>16,124</b>

## Financials and valuations

### Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>0.9</b>	<b>4.2</b>	<b>3.8</b>	<b>2.9</b>	<b>4.0</b>	<b>4.8</b>	<b>5.6</b>	<b>6.8</b>
Cash EPS	2.0	5.9	6.1	5.3	6.4	7.7	9.0	10.8
BV/Share	10.3	14.1	18.0	21.3	24.7	28.5	33.1	38.9
DPS	-	-	-	-	1.00	1.00	1.00	1.00
Payout (%)	-	-	-	-	25	21	18	15
<b>Valuation (x)</b>								
P/E	258.3	56.5	61.5	80.5	59.4	48.7	42.1	34.7
Cash P/E	117.8	39.6	38.3	44.6	36.6	30.5	26.1	21.8
P/BV	22.8	16.7	13.0	11.0	9.5	8.2	7.1	6.0
EV/Sales	10.3	6.2	5.1	5.1	4.6	4.2	3.7	3.3
EV/EBITDA	63.0	30.8	29.6	34.9	30.4	25.8	21.9	18.2
Dividend Yield (%)	-	-	-	-	0.43	0.43	0.43	0.43
FCF per share	2.3	-0.5	2.0	7.2	5.8	3.7	6.8	6.6
<b>Return Ratios (%)</b>								
RoE	9.3	34.4	23.9	14.9	17.2	18.1	18.1	18.8
RoCE	8.4	21.1	18.2	13.1	15.4	15.9	15.4	15.8
RoIC	8.4	20.8	18.2	13.2	14.6	14.9	15.5	17.2
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	2.1	2.7	2.6	2.3	2.1	1.9	1.8	1.7
Asset Turnover (x)	1.5	1.7	1.7	1.7	1.6	1.5	1.4	1.4
Inventory (Days)	182	170	195	222	185	210	190	190
Debtor (Days)	62	35	38	37	31	30	30	30
Creditor (Days)	143	112	100	109	101	110	110	110
WC (Days)	101	93	133	150	114	130	110	110
<b>Leverage Ratio (x)</b>								
Current Ratio	1.6	2.1	2.4	2.2	2.1	2.5	2.6	2.9
Interest Cover Ratio	4.9	9.6	6.4	6.0	8.9	7.7	8.2	9.4
Net Debt/Equity	0.6	0.7	0.6	0.2	0.3	0.3	0.2	0.1

### Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	699	1,711	1,566	1,200	1,639	1,973	2,285	2,769
Depreciation	327	532	710	721	755	881	1,050	1,225
Interest & Finance Charges	172	196	287	232	188	261	284	295
Others	87	65	180	282	(36)	-	-	-
Direct Taxes Paid	(252)	(436)	(525)	(350)	(498)	(497)	(575)	(697)
(Inc)/Dec in WC	210	(1,890)	(954)	560	304	(689)	(56)	(572)
<b>CF from Operations</b>	<b>1,243</b>	<b>178</b>	<b>1,265</b>	<b>2,645</b>	<b>2,352</b>	<b>1,930</b>	<b>2,988</b>	<b>3,020</b>
Others	-	-	-	-	-	-	-	-
<b>CF from Operating incl EO</b>	<b>1,243</b>	<b>178</b>	<b>1,265</b>	<b>2,645</b>	<b>2,352</b>	<b>1,930</b>	<b>2,988</b>	<b>3,020</b>
(Inc)/Dec in FA	(539)	(328)	(667)	(447)	(588)	(805)	(905)	(1,005)
<b>Free Cash Flow</b>	<b>704</b>	<b>(149)</b>	<b>598</b>	<b>2,198</b>	<b>1,764</b>	<b>1,125</b>	<b>2,083</b>	<b>2,015</b>
(Pur)/Sale of Investments	449	(16)	(33)	(356)	(1,057)	-	-	-
Others	11	2	3	58	100	-	-	-
<b>CF from Investments</b>	<b>(79)</b>	<b>(341)</b>	<b>(697)</b>	<b>(745)</b>	<b>(1,546)</b>	<b>(805)</b>	<b>(905)</b>	<b>(1,005)</b>
Issue of Shares	-	32	38	98	23	-	-	-
Inc/(Dec) in Debt	(1,077)	387	65	(1,565)	(243)	-	-	-
Interest Paid	(140)	(121)	(137)	(99)	(23)	-	-	-
Lease installment	(77)	(143)	(297)	(359)	(390)	(360)	(500)	(583)
Dividend payments	-	-	-	-	(214)	(306)	(306)	(306)
<b>CF from Fin. Activity</b>	<b>(1,294)</b>	<b>155</b>	<b>(331)</b>	<b>(1,925)</b>	<b>(847)</b>	<b>(666)</b>	<b>(806)</b>	<b>(889)</b>
<b>Inc/Dec of Cash</b>	<b>(130)</b>	<b>(9)</b>	<b>236</b>	<b>(25)</b>	<b>(41)</b>	<b>458</b>	<b>1,277</b>	<b>1,126</b>
Opening Balance	153	12	3	240	248	245	703	1,980
<b>Closing Balance</b>	<b>23</b>	<b>3</b>	<b>240</b>	<b>248</b>	<b>208</b>	<b>703</b>	<b>1,980</b>	<b>3,106</b>

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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

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Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motalaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motalaloswal.com
Mr. Ajay Menon	022 40548083	am@motalaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motalaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motalaloswal.com

Registration details of group entities.: Motalal 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. Motalal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

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